

SURVEY REPORT

SHOPPING CENTER

2025

REVIEW & FORECAST





# Austin

52.9M

INVENTORY

97.0%

OCCUPANCY

486k

CONSTRUCTION



Bryson Ridge is a newly completed neighborhood center serving the fast-growing Leander market, and the project incorporates 27,520 square feet of small-shop space in two buildings.

# Austin

## AUSTIN'S RETAIL MARKET REPORTS HIGH OCCUPANCY, LOW DELIVERIES

### FORECASTED CONSTRUCTION IS ON TRACK TO REACH ITS HIGHEST LEVEL IN NEARLY A DECADE

Austin's retail market during 2024, like every market in Texas, experienced the failure and subsequent vacancies of chains like Conn's, Big Lots and American Freight. But due to the tight market for available space, coupled with healthy retail demand, overall occupancy improved during the year compared to year-end 2023 as active retailers absorbed many of the key vacancies on the market.

Party City, additionally, filed for bankruptcy in late 2024 with a plan to close most stores. The retailer is on track to close four area stores in 2025, for a total of approximately 55,000 square feet, with two stores to remain open.

With an occupancy level of approximately 97.0 percent at year-end, Austin maintained its long-held position as the healthiest major retail market in Texas in terms of occupancy and balanced supply and demand. (Occupancy at year-end 2023 was an equally strong 96.8 percent.)

The basically full occupancy percentage is based on a market inventory of approximately 52.9 million square feet.

Limited new construction of less than half a million square feet – with most of that for anchor space – also contributed to the tight market. However, as low as they are, deliveries have increased each year since the low point in 2022.

Further, 2025 is on track to see approximately 925,000 square feet of space in new and expanded projects, which would be the highest level of new construction in the Austin market since 2016 when new deliveries totaled 1.1 million square feet.

The retail market's health reflects the strength of the overall Austin-area economy, which ranks as one of the strongest in the country. The greater Austin area ranks as one of the fastest-growing markets in the country, with more than

173,000 new residents added between July 2020 and July 2023, according to a 2024 Census Bureau report.

### LIMITED VACANCIES LEFT BY MAJOR CHAINS

Available retail space in the Austin area remains so tight that retailers and retail landlords view well-located vacancies as opportunities; for the retailer, the spaces offer a way to enter a tight submarket via an established retail location, and for landlords, the vacancies offer a means to attract a higher caliber of tenant and to improve center tenant mixes.

### EXISTING SPACE REMAINS AT A PREMIUM

Examples of backfilled retail spaces for 2024 include:

- **Burlington**, which plans to backfill the 40,000-square-foot former Conn's space at Capital Plaza, located at IH-35 and Cameron Road in Austin;
- **The Picklr**, a pickleball concept, which is backfilling 24,000 square feet of the former Stein Mart space at Round Rock Crossing, at IH-35 and SH-45. Five Below is backfilling the remaining 12,000 square feet of the space;
- **The Picklr**, which is backfilling 39,642 square feet at The Preserve at 620, a former Walmart redevelopment at 8201 N. FM 620 in Austin;
- **Desi Brothers**, a specialty grocery store, which backfilled an approximately 48,800-square-foot box space at Round Rock Crossing;
- **Patel Brothers specialty grocery store**, which is backfilling approximately 21,000 square feet of a former Bed Bath &

Beyond space in Lakeline Plaza, located at 11066 Pecan Park Boulevard;

- **Couch Potatoes**, a furniture retailer, which opened a new location in November 2024 in 100,000 square feet of backfilled space in the Shops at Tech Ridge, located at 12901 N. IH-35 in Austin;
- **Crunch Fitness**, with a new 40,000-square-foot location in 1890 Ranch at 13335 E. Whitestone Boulevard in Cedar Park. The location was formerly a Gold's Gym location;
- **Crunch**, which also is backfilling 34,000 square feet in University Oaks Shopping Center, located at 201 University Oaks Boulevard in Round Rock;
- **Crunch**, which is also backfilling the former 40,400-square-foot Conn's at Southpark Meadows III, at S. IH-35 and Old San Antonio Road;
- **Austin Pickle Ranch**, a pickleball concept, which backfilled a 50,000-square-foot former Golfsmith space on Braker Lane;
- **Cavender's Boot City**, which opened in fall 2024 in approximately 25,000 square feet of existing space in The Parke, at 5001 183A Frontage Road in Cedar Park;
- **Nike Training Studio**, a new fitness concept, which is backfilling approximately 3,000 square feet at The Triangle, a mixed-use project at Lamar

Boulevard and Guadalupe Street. Nike Running Studio will also open in 3,171 square feet of retail space in the new mixed-use project The Grove;

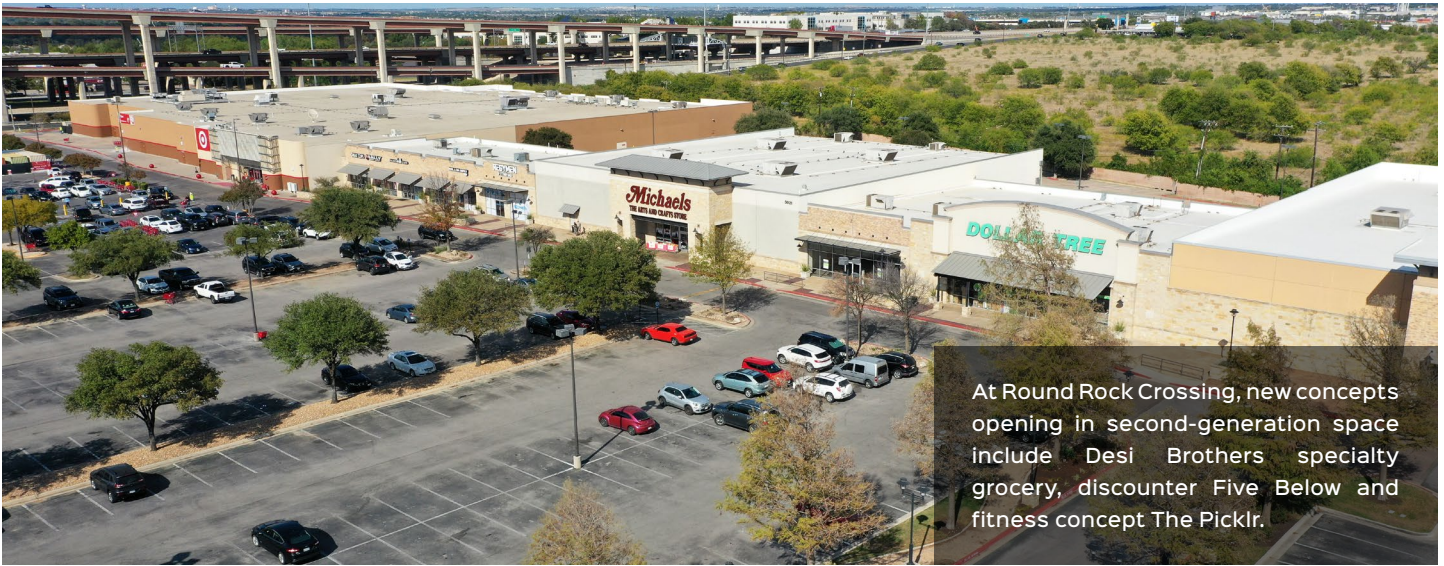
- **Floor & Décor**, which opened its first Georgetown location in a 67,000-square-foot former H-E-B grocery store located off IH-35. H-E-B relocated to a new 121,000-square-foot store in Georgetown in 2023;
- **Hobby Lobby**, which is backfilling a 58,000-square-foot former Randalls grocery store space at 10900 Research Boulevard after the Randalls closed in the first quarter of 2024;
- **Copenhagen Imports**, a contemporary furniture retailer, which backfilled approximately 31,000 square feet formerly occupied by an office supplies superstore in Braker Lane Crossing, a retail center located at 4607 W. Braker Lane;
- **A high-tech automotive center**, which will open in a redeveloped 65,000-square-foot former H-E-B anchor space located in the Center of the Hills, a community center located at 7010 W. SH-171 in Austin;
- **H Mart**, a grocery chain offering Asian specialties, which is set to open in 2025 in 23,000 square feet at a former Savers Thrift store at 5222 Burnet Road;

- **IKEA**, which in June 2024 opened its first small-format "plan and order point" location in Central Texas at 3306 Esperanza Crossing in The Domain. The 5,000-square-foot location previously housed a custom automotive upfitter;
- **Painted Tree Boutiques**, which opened in spring 2024 in a 42,000-square-foot former Bed Bath & Beyond in Sunset Valley Marketfair at 5400 Brodie Lane in Austin. Painted Tree in late 2024 also opened in approximately 31,000 square feet in La Frontera Village, located at 2701 Parker Drive in Round Rock;
- **Daiso**, the Japan-based dollar store concept, which backfilled the 10,000-square-foot David's Bridal vacancy at Sunset Valley Marketfair and the 8,500-square-foot former Kirkland's vacancy at Stone Hill Town Center in Pflugerville;
- **Restaurants**, medical-dental users, beauty, boutique fitness, services and other active small-shop users, which continued to drive strong demand for backfilled second-generation and new retail space.

## AUSTIN RENTAL RATES

Asking rents overall remain firm, with stability in suburban markets and increases seen for high-quality existing space and newly built space.





At Round Rock Crossing, new concepts opening in second-generation space include Desi Brothers specialty grocery, discounter Five Below and fitness concept The Picklr.

For all classes of space, actual rates for specific centers and spaces can go notably lower or higher than the rates listed here due to factors including anchors, traffic, demographics and location within a center.

Averages for Class A small-tenant rates are posting from the low-\$40s-per-square-foot-per-year range and can climb in the \$60s or more for new space and key locations in Austin’s core areas.

Averages for Class B small-tenant rates are posting from the high-\$20-per-square-foot-per-year range and can climb in the mid-\$30s or more;

Averages for Class C rates for small-tenant in-line spaces typically range from the teens to the low \$20s on a per-square-foot-per-year basis.

While rents remain stable, NNN charges are seeing increases, largely due to extremely high increases in taxable values for properties.

**H-E-B DOMINATES 2024 CONSTRUCTION**

During 2024, the Austin market reported approximately 485,520 square feet of construction in new and expanded retail projects with 25,000 square feet or more. Grocer H-E-B’s two new large-format stores account for the majority of the construction total with approximately 56 percent of the new space.

The 2024 deliveries outpaced 2022 but represent a decline from 2023, when the market added 789,00 square feet. The pace of new space overall remains conservative in an extremely tight retail market experiencing healthy demand.

New deliveries have not reached or exceeded the 1-million-square-foot point since 2016, when the market added 1.1 million square feet; the high point for retail development in the Austin market was 2007, when developers added 4.2 million square feet for The Domain open-air mall and other large projects.

For 2025, as noted, the market is on track to add more than 900,00 square feet, which would mark its highest construction level in nine years.

**MARKET OUTLOOK STRONG, BASED ON ECONOMIC, RESIDENTIAL GROWTH**

The retail market’s strength is boosted by strong economic, population, job and residential activity. The outlook remains strong for 2025, especially as inflation stabilizes and the Fed forecasts steady economic gains.

**INVENTORY**

2024	52.9 million SF
2023	52.4 million SF
2022	51.5 million SF

**OCCUPANCY**

2024	97.0%
2023	96.8%
2022	96.5%

**CONSTRUCTION**

2024	486,000 SF
2023	789,000 SF
2022	280,000 SF

# Dallas-Fort Worth

199.9M

INVENTORY

95.1%

OCCUPANCY

1.5M

CONSTRUCTION

The information contained herein was obtained from sources deemed reliable; however, Weitzman makes no guarantees, warranties or representations as to the completeness or accuracy thereof. The presentation of this real estate information is subject to errors or omissions.



# Dallas-Fort Worth

## D-FW RETAIL MARKET MAINTAINS RECORD OCCUPANCY EVEN IN THE FACE OF CHAIN FAILURES

For the second year in a row, the Dallas-Fort Worth retail market has achieved a new record in terms of overall occupancy, despite the fact that a number of new box vacancies were created due to the closure of failed or struggling chains.

As of year-end 2024, the retail market posted record occupancy of 95.1 percent, tied with 2023's then-record occupancy of 95.1 percent.

The past two years mark the only times that retail occupancy has exceeded 95 percent since Weitzman started surveying the market in 1990.

Weitzman's D-FW survey history shows that occupancy has dropped to as low as 82.1 percent and never climbed above 89 percent during the entire 1990s decade.

The record health is proof that brick-and-mortar retail still has an essential role to play in the consumer purchase journey, even as shoppers have numerous options including in-store, online, mobile, pick-up and delivery.

At year-end 2024, D-FW's inventory totaled 199.9 million square feet, compared to 197.1 million square feet as of year-end 2023. The inventory total also reflects approximately 1.9 million square feet that was removed due to projects that have been converted to non-retail uses including medical office, storage and church uses, or that were demolished for redevelopment purposes.

(Note: Weitzman's survey of the Dallas-Fort Worth retail market began with its founding in 1990, utilizing a database first created in the 1970s by the company's founder Herb Weitzman.)

In addition, 2024 is the 15th time in 34 years that D-FW has reported occupancy that exceeded the 90 percent rate. Eleven of those times have been recorded consecutively since calendar-year 2013, when occupancy reached 90 percent or higher for the first time since 2004.

As a result, D-FW's retail market is in the midst of its longest-ever period of balanced supply and demand.

Our 2025 Survey & Forecast is based on Weitzman's review of a total D-FW retail market inventory totaling approximately 199,914,000 square feet of space in projects with 25,000 square feet or more.

This inventory is the largest for any Texas metro area, encompassing 42 submarkets that incorporate both the Dallas and Fort Worth markets and their suburbs.

### BREAKDOWN OF DALLAS, FORT WORTH MARKETS

Weitzman surveys 1,443 centers in 42 submarkets, of which 30 submarkets are in the Dallas-area market, and 12 submarkets are in the Fort Worth-area market.

For year-end 2024, the occupancy rate in the Dallas area was 95.1 percent, compared to 95.0 percent at year-end 2023. The rate is based on a review of 1,015 projects with a total market inventory of approximately 137,799,393 square feet.

The occupancy rate in the Fort Worth area was 95.1 percent, compared to 95.5 percent at year-end 2023. The rate is based on 427 retail projects with a total inventory of 62,114,631 square feet.

The results of leasing demand on occupancy by the major shopping center categories tracked by Weitzman are noted below.

### OCCUPANCY, VACANCY, INVENTORY BY CATEGORY

Much of the credit for D-FW's record occupancy is due to the health of the market's largest shopping center category in terms of square feet, the grocery-anchored Community Center category.

**For Community Centers** as of year-end 2024, occupancy climbed to 96.4 percent, the strongest occupancy ever for this category and an increase over 2023's equally strong 96.2 percent occupancy. The Community category is D-FW's largest with 495 centers totaling 74.4 million square feet. Vacant space in this category in 2024 totaled 2.66 million square feet, compared to 2.70 million in 2023. Community centers continue to benefit from the strength of their grocery store anchors, as well as small-shop tenant mixes that focus on high-traffic concepts from quick-serve and casual restaurants, services, fitness, health and beauty.

The Community category is also the most active construction category, accounting for nearly half of all new retail space for 2024, a trend that will continue in 2025 with new stores from leading grocers like Kroger, Tom Thumb, Walmart, H-E-B and

others.

**Neighborhood Centers**, with an inventory of 40.4 million square feet, maintained healthy occupancy of 92.8 percent, compared to 94.4 percent at year-end 2023.

The category saw a slight increase in vacant space from 2.2 million square feet in 2023 to 2.9 million in 2024 due to a combination of small-shop store closings and speculative new projects opening without being fully leased.

The healthy occupancy in this category reflects the relatively small centers' flexibility in adding increasingly popular options for curbside, takeout and drive-thru.

Neighborhood centers, once the most-vacant category twenty years ago, today benefit from tenant mixes heavily weighted toward the daily needs of their trade areas, as well as convenient open-air formats at heavily trafficked locations in strong residential and commercial areas.

**Malls**, a relatively small category after decades of de-malling for mixed-use redevelopment and other commercial and residential uses, report year-end 2024 occupancy of 93.4 percent, an improvement over 91.3 percent at year-end 2023. This category, with an inventory of 21.0 million square feet, saw vacant

space decline from 1.8 million square feet as of year-end 2023 to 1.4 million square feet at year-end 2024. Leasing at mall projects filled large-format vacancies with strong concepts like Dick's House of Sport, which is backfilling the Sears vacancy at The Parks at Arlington, and large-format apparel retailers like Uniglo and Primark, which are filling junior anchor vacancies at malls like Galleria Dallas, Stonebriar Centre in Frisco and Grapevine Mills.

The Mall category has stabilized due to a focus on experience, fitness, services and community, but the category still posts higher vacancy than the overall market due to several large-format department store vacancies that remain unoccupied.

**Mixed-use**, with an inventory of 11.0 million square feet of retail space, recorded healthy occupancy of 94.5 percent, compared to 96.1 percent at year-end 2023. The category reported only 610,000 square feet of vacancy, though vacancy did increase over 2023's level of 408,000 square feet. The mixed-use category benefits from its position in projects with high-density multi-family, hospitality, office and other complementary uses.

**Power Centers**, with an inventory of 45.1 million square feet, reported vacant space totaling 1.6 million square feet, a decline over year-end 2023's 2.0 million square feet. The Power Center category bore the brunt of the closures by failed or

struggling chains like Conn's and Big Lots, but a number of the newly created vacancies were quickly backfilled by stronger users like Burlington and leading large-format fitness chains.

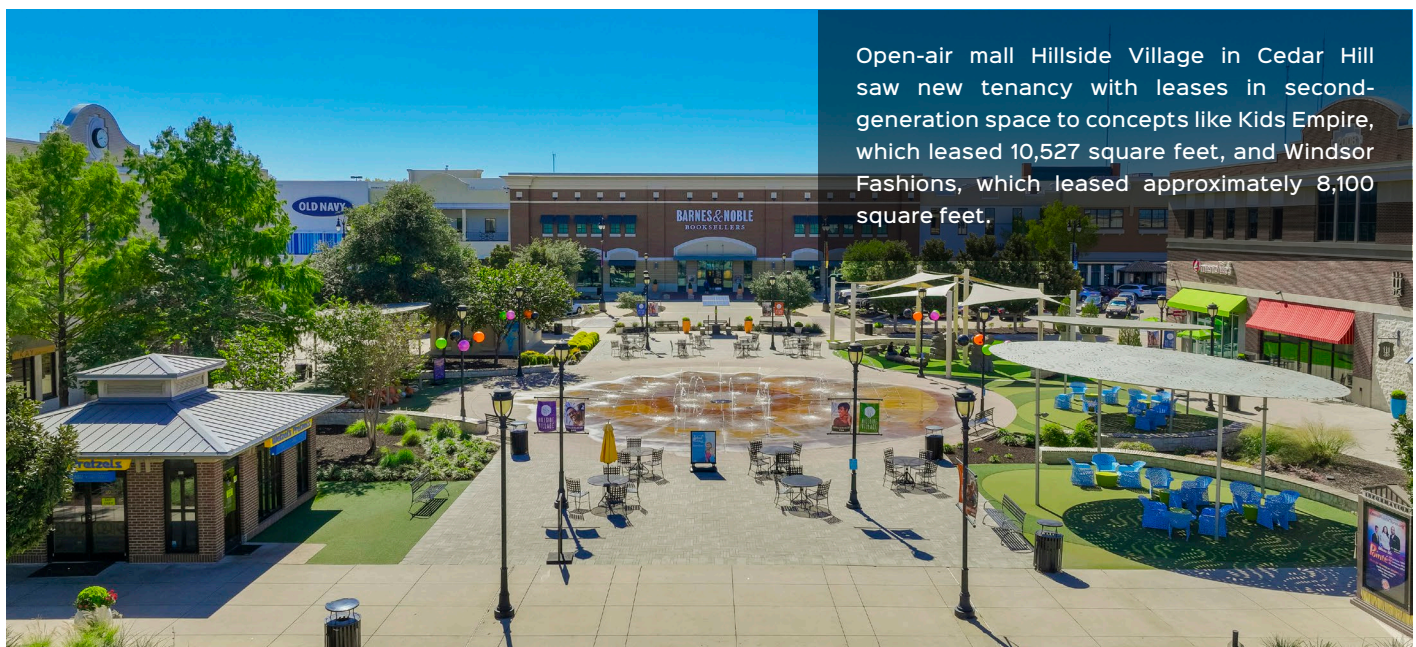
## EXISTING RETAIL REMAINS A PRIME EXPANSION TOOL

For retailers looking to enter the D-FW market or to add additional locations here, a lack of new deliveries makes existing retail space their primary expansion tool. The result is a shrinking supply of vacant space, which has declined from 17 million square feet to less than 9.7 million square feet in just four years.

And as construction remains extremely limited, existing availabilities are more attractive than ever for expanding concepts.

New tenancy for existing retail centers is occurring throughout D-FW in 2024, far outpacing the closings and enabling the market to maintain its record high occupancy. New tenancy in existing space includes:

- Anchor and junior anchor leases in D-FW malls, including:
  - **Dick's House of Sport**, the retailer's new experiential concept, which is redeveloping 120,000 square



Open-air mall Hillside Village in Cedar Hill saw new tenancy with leases in second-generation space to concepts like Kids Empire, which leased 10,527 square feet, and Windsor Fashions, which leased approximately 8,100 square feet.



In 2025, EoS Fitness will open in 37,292 square feet in Addison Town Center, a Target- and Kroger-anchored center located at the southeast corner of Belt Line Road and Marsh Lane in Addison.

feet of anchor space formerly occupied by Sears at The Parks at Arlington mall in Arlington. Opening is set for 2025;

- **Primark**, a British retailer, which is opening its first D-FW locations in second-generation mall space, including 37,000 square feet in Grapevine Mills in Grapevine and 34,000 square feet in North East Mall in Hurst;
- **Uniqlo**, a Japanese retailer, which is entering the D-FW market in second-generation mall space, including 20,000 square feet in Galleria Dallas, approximately 12,000 square feet in Stonebriar Centre in Frisco and 12,500 square feet at The Parks at Arlington in the Fort Worth-area market;
- **Netflix House**, a Netflix-themed entertainment venue, which will open in 2025 in more than 100,000 square feet of backfilled department store space at Galleria Dallas, located at the Dallas North Tollway and IH-635;
- **QuickLotz**, a retail liquidation outlet, which opened a retail store as well as its corporate offices in a backfilled big box at The Vista mall at 2401 S. Stemmons Freeway in Lewisville;
- **Kids Empire**, which leased 10,527 square feet of second-generation

space, and Windsor Fashions, which leased approximately 8,100 square feet, in Hillside Village, an open-air mall located at 305 W. FM 1382 in Cedar Hill.

- Grocery stores expanding via existing space, including:
  - **H-E-B**, which opened its first D-FW location of Joe V's Smart Shop in a redeveloped 59,000-square-foot former Albertsons store at 4101 W. Wheatland Road. This value concept is also set to open in an approximately 58,000-square-foot backfilled space in Metroplex Plaza, located at SH-183 and Story Road in Irving;
  - **Trader Joe's**, a specialty grocer, which backfilled a 15,476-square-foot former Tuesday Morning at 120 E. Denton Tap Road in Coppell;
  - **Sprouts**, which during the first half of 2024 opened in a former Bealls department store space at 469 E. IH-30 in Rockwall. Sprouts also took existing space at 2045 Fort Worth Avenue in Dallas for a new store;
  - **Fiesta Mart**, which in 2024 opened in a backfilled 24 Hour Fitness space in Valley Square, a shopping center located at IH-35E and FM 1171 in Lewisville.

- Fitness and health-wellness concepts opening in backfilled space, including:
  - **Crunch Fitness**, which backfilled a 43,000-square-foot former Bed Bath & Beyond in Creekwalk Village, at the northeast corner of West 15th Street and Alma Drive in Plano. Crunch also is backfilling the former Fit Factory location at 4701 Colleyville Boulevard in Colleyville;
  - **Amped Fitness**, a Florida-based concept, which backfilled 38,000 square feet in Richardson Plaza, located at 110 W. Campbell Road in Richardson;
  - **Planet Fitness**, which took a 20,105-square-foot junior anchor space in Vista Ridge Plaza, located at 500 East Round Grove Road in Lewisville. Planet Fitness also backfilled 18,700 square feet of junior anchor space that previously housed Tuesday Morning in Westgate Shopping Center at 117 S. Central Expressway in McKinney;
  - **LA Fitness**, which retrofitted an approximately 55,000-square-foot former grocery store at 7007 Arapaho Road in Dallas for a new location;
  - **EoS Fitness**, which during the first half of 2024 opened in a backfilled 71,000-square-foot anchor space in Collin Creek Shopping Center, a power center fronting the

Collin Creek Mall redevelopment and located at 600 W. 15th Street in Plano. Also during the first half of 2024, EoS opened in 43,000 square feet in Walmart-anchored Preston Parker Crossing in Plano. In 2025, EoS will open in 37,292 square feet in Addison Town Center, a Target- and Kroger-anchored center located at the southeast corner of Belt Line Road and Marsh Lane;

- **Club 4 Fitness**, which is backfilling the anchor space in Heritage Heights, a community center located at 4000 William D. Tate Avenue in Grapevine;
- **Dinkers**, a pickleball concept, which backfilled a 45,000-square-foot former Brookshire's grocery store at 719 S. IH-35E in Denton.
- Home furnishings and discounter junior anchors, which expanded in backfilled space including:
  - **Homesense**, a home furnishings concept from TJX, which is backfilling the approximately 30,000-square-foot former Bed Bath & Beyond in Gateway Plaza, located at 2930 E. Southlake Boulevard in Southlake;
  - **Ollie's Bargain Outlet**, which quickly took several former 99 Cents Only locations after the dollar store concept failed earlier during 2024. The backfilled dollar store locations include:
    - 3632 Frankford Road, Dallas
    - 401 E. Camp Wisdom Road, Duncanville
- **Dollar Tree**, which also took several former 99 Cents Only locations. The backfilled dollar store locations include:
  - 908 E. Pioneer Parkway, Arlington
  - 3330 N. Galloway Avenue, Mesquite
- **Painted Tree Boutiques**, a one-stop shop for gifts, decor, fashion, and more, which in June 2024 opened in 30,390 square feet of junior anchor space in Grapevine Towne Center, located at SH-114 and William D. Tate in Grapevine;
- **Burlington**, which backfilled 26,461 square feet of retail space in Wynnewood Village, a legacy retail center located at 655 W. Illinois Avenue in the Oak Cliff area of Dallas. Burlington is also backfilling the recent Conn's vacancy in Pinnacle Point, located at 4351 DFW Turnpike in Dallas. Additionally, Burlington Stores, which leased a 23,000-square-foot former Bed Bath & Beyond space at Lake Worth Marketplace, located at Azle Avenue and Loop 820 in Lake Worth.
- Entertainment and specialty concepts in backfilled space, including:
  - **Alamo Drafthouse**, which reopened all five briefly closed D-FW locations as corporate-owned operations. In early June 2024, an Alamo Drafthouse franchisee filed Chapter 7 bankruptcy and closed the locations;
  - **Malibu Jack's**, an indoor theme park, which is backfilling an approximately 137,000-square-foot former Garden

Ridge store at 8651 Airport Freeway in North Richland Hills;

- **Barnes & Noble bookstore**, which took 13,000 square feet in mixed-use project Watters Creek Village, located at US-75 and Bethany Road in Allen.

Leasing in second-generation restaurant space continued to be one of the biggest demand generators for small-shop space throughout the market as the dining demand in categories like quick-serve, fast-casual and fine dining surges marketwide. As a result, well-located second-generation restaurant spaces – especially endcaps – can command some of the highest in-line rates in their respective submarkets.

### CONSTRUCTION RISES, BUT...

During 2024, new and expanded retail projects resulted in deliveries totaling 1,541,988 square feet, notably higher than the 2023 deliveries of 1,054,100 square feet. Even with the increase, deliveries overall remain extremely conservative for a market reporting record-high occupancy and a healthy level of retail demand as retail concepts look for new locations in what is arguably the country's strongest metro economy.

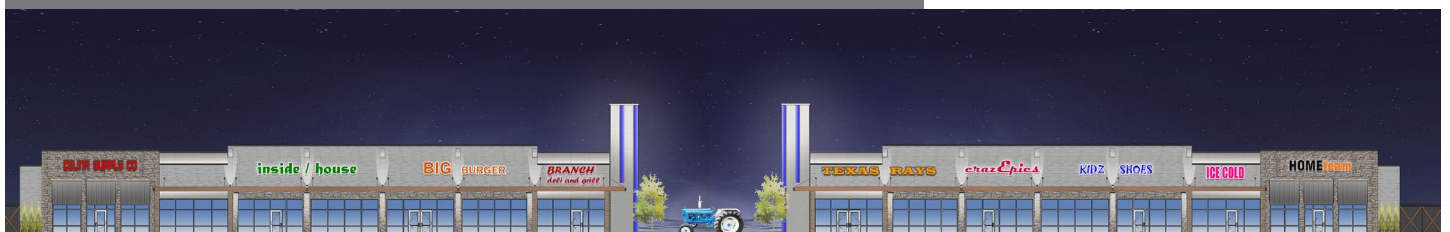
As recently as 2017, D-FW's retail construction exceeded 4 million square feet of new space annually.

For the new space delivered during 2024, traditional grocery stores like H-E-B, Kroger and Tom Thumb accounted for more than 45 percent of the new space. The grocery stores along with other large-format anchors like Home Depot dominated all new space during 2024.

D-FW's limited space deliveries reflect the statewide and nationwide trend of anchor contractions and limited anchor expansions.

New developments also tend to be

The Creek at Celina, which broke ground in late 2024, will feature retail, office and medical space in four separate multi-tenant buildings of approximately 9,000 square feet each, as well as significant space dedicated to outdoor dining. Completion is set for mid-2025.





New mixed-use projects include Castle Hills Marketplace, which is adding retail beneath new multi-family units.

smaller mixed-use and unanchored retail projects, and even the largest new projects like The Gates of Prosper in the fast-growing Prosper market are built with smaller phases over several years.

Another factor involves the effect of higher construction costs on rental rates. To update the development's pro forma with these higher costs requires rent levels that will economically justify a project. New space that does come onto the market commands some of the market's highest rents, both for in-line and junior-anchor space.

**OUTLOOK FOR 2025  
FORECASTS STABLE  
OCCUPANCY, NOTABLE  
INCREASE IN RETAIL  
CONSTRUCTION**

For 2025 and beyond, and reflecting leasing demand in existing centers, a majority of new space will occur in the grocery-anchored community category, the addition of large-format entertainment options of mixed-use and power projects and smaller neighborhood centers in growing suburban markets as well as in-fill urban areas.

Based on current projects in the works for 2025, we expect new retail space deliveries to increase notably due to large anchor spaces planned by H-E-B, Kroger, Tom Thumb, Walmart, Costco, Target,

large-format entertainment anchors and others. If projects announced for completion in 2024 open as expected, the market will see deliveries of approximately 2.7 million square feet.

For perspective, this total would be the highest level of deliveries in seven years when the market added 3.5 million SF in 2018.

The D-FW retail market activity, especially retail leasing demand and store growth, is boosted by the metro area's continued job and population growth. The outlook for retail real estate in 2025 remained strongly positive, boosted by D-FW's phenomenal population growth, record high occupancy and healthy demand, as well as new construction that remains largely user driven.

The D-FW economy remains one of the strongest in the country by several measures. The metro area ranked No. 1 in the U.S. for population growth, based on nearly more than 150,000 new residents. That population growth is a key metric in the market's retail health and the dominance of new grocery stores as a construction driver.

**INVENTORY**

2024	199.9 million SF
2023	197.1 million SF
2022	199.0 million SF

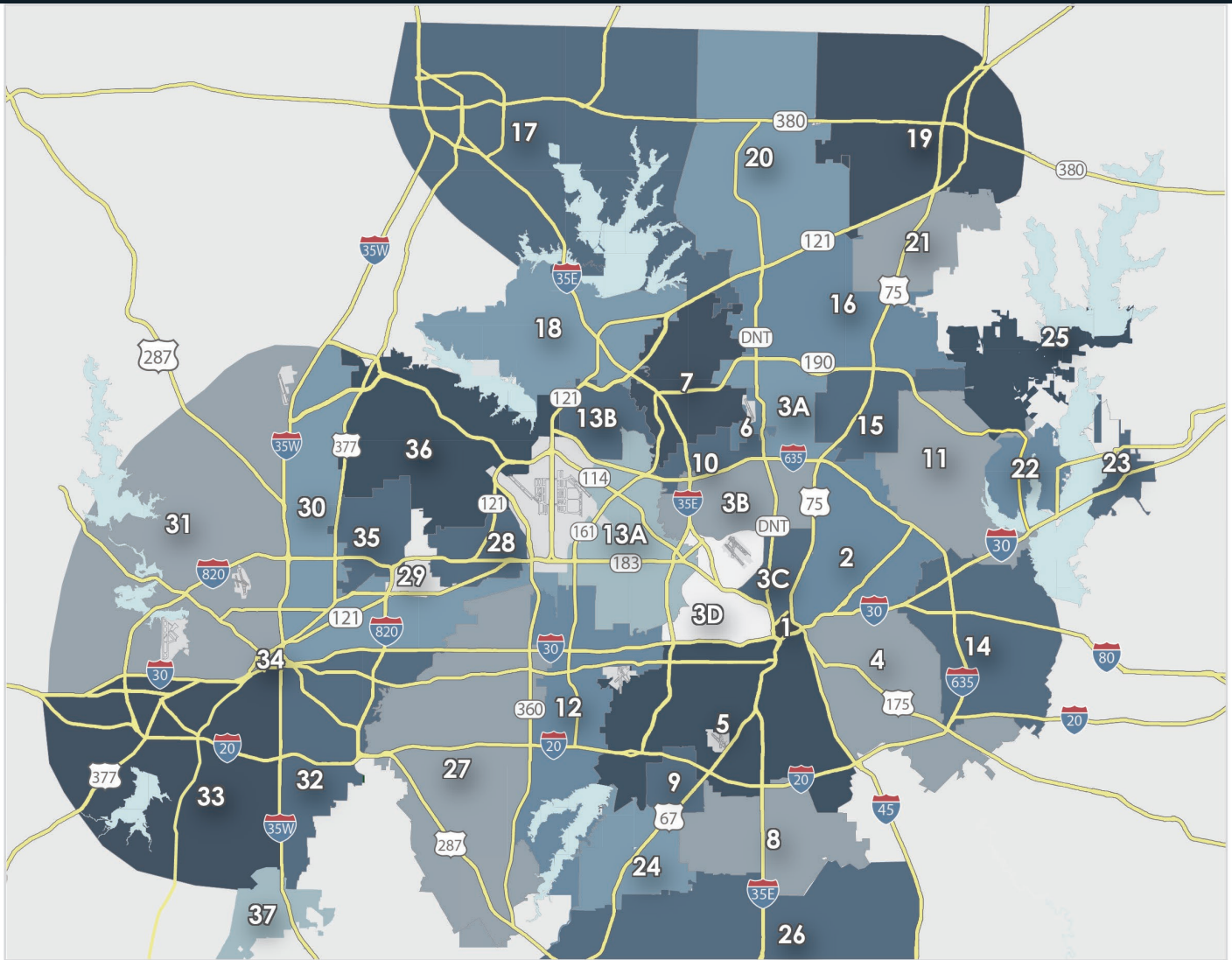
**OCCUPANCY**

2024	95.1%
2023	95.1%
2022	94.4%











































**CONSTRUCTION**

2024	1.5 million SF
2023	1.0 million SF
2022	538,700 SF

# DALLAS-FORT WORTH SUBMARKET MAP



## Shopping Center Sectors

	1 - Dallas CBD		18 - Lewisville / Flower Mound
	2 - Northeast Dallas		19 - McKinney
	3A - Far North Dallas		20 - Frisco
	3B - North Dallas		21 - Allen
	3C - Park Cities / Oak Lawn		22 - Rowlett
	3D - West Dallas		23 - Rockwall
	4 - Southeast Dallas		24 - Cedar Hill
	5 - Southwest Dallas		25 - Murphy / Wylie / Sachse
	6 - Addison		26 - Northern Ellis County
	7 - Carrollton		27 - Arlington
	8 - DeSoto / Lancaster		28 - Bedford / Euless
	9 - Duncanville		29 - Hurst
	10 - Farmers Branch		30 - Northeast Fort Worth
	11 - Garland		31 - Northwest Fort Worth
	12 - Grand Prairie		32 - Southeast Fort Worth
	13A - Irving		33 - Southwest Fort Worth
	13B - Coppell		34 - Fort Worth CBD
	14 - Mesquite / Balch Springs		35 - North Richland Hills
	15 - Richardson		36 - Northeast Tarrant County
	16 - Plano		37 - Burleson
	17 - Denton		38 - Weatherford*

\*not shown on map

## D-FW RENTAL RATES

SECTOR	NAME	CLASS A	CLASS B	CLASS C
1	Dallas CBD	\$38	\$25	\$15
2	Northeast Dallas	\$38	\$25	\$10
3A	Far North Dallas	\$40	\$30	\$18
3B	North Dallas	\$55	\$40	\$20
3C	Park Cities/Oak Lawn	\$64	\$40	\$28
3D	West Dallas	\$34	\$22	\$10
4	Southeast Dallas	\$19	\$9	\$7
5	Southwest Dallas	\$30	\$20	\$10
6	Addison	\$45	\$31	\$15
7	Carrollton	\$38	\$27	\$16
8	DeSoto/Lancaster	\$25	\$20	\$12
9	Duncanville	\$24	\$18	\$12
10	Farmers Branch	\$32	\$22	\$12
11	Garland	\$38	\$24	\$12
12	Grand Prairie	\$35	\$22	\$15
13A	Irving	\$36	\$28	\$15
13B	Coppell	\$34	\$25	\$16
14	Mesquite/Balch Springs	\$33	\$25	\$13
15	Richardson	\$37	\$28	\$15
16	Plano	\$48	\$33	\$18
17	Denton	\$38	\$27	\$15
18	Lewisville/Flower Mound	\$38	\$28	\$16
19	McKinney	\$43	\$30	\$18
20	Frisco	\$45	\$23	\$20
21	Allen	\$42	\$28	\$18
22	Rowlett	\$33	\$25	\$14
23	Rockwall	\$38	\$25	\$15
24	Cedar Hill	\$32	\$23	\$15
25	Murphy/Wylie/Sachse	\$32	\$20	\$10
26	Northern Ellis County	\$32	\$20	\$10
DALLAS AVERAGE		\$37	\$26	\$13
27	Arlington	\$35	\$25	\$13
28	Bedford/Euless	\$33	\$22	\$12
29	Hurst	\$28	\$18	\$10
30	Greater Northeast Fort Worth	\$30	\$20	\$10
31	Greater Northwest Fort Worth	\$32	\$20	\$10
32	Southeast Fort Worth	\$26	\$14	\$10
33	Greater Southwest Fort Worth	\$33	\$23	\$12
34	Fort Worth CBD	\$28	\$22	\$13
35	North Richland Hills	\$28	\$23	\$10
36	Northeast Tarrant County	\$44	\$30	\$18
37	Burleson	\$34	\$24	\$12
38	Weatherford	\$28	\$20	\$10
FORT WORTH AVERAGE		\$32	\$22	\$12
DFW AVERAGE		\$36	\$25	\$13

RENTAL RATES TABLE REFLECTS ASKING RATES BEFORE CONCESSIONS FOR TYPICAL SMALL SHOP SPACE. TOTALS ARE NOT WEIGHTED.

# DALLAS-FORT WORTH SUBMARKET SUMMARY

	NAME	YE 2023 GLA (SF)	YE 2023 VACANCY (SF)	YE 2023 % VACANCY	YE 2024 GLA (SF)	YE 2024 VACANCY (SF)	YE 2024 % VACANCY
1	Dallas CBD	782,424	102,632	13.12%	782,424	245,910	31.43%
2	Northeast Dallas	9,638,131	585,469	6.07%	9,638,131	579,353	6.01%
3A	Far North Dallas	6,115,718	550,550	9.00%	6,115,718	318,367	5.21%
3B	North Dallas	5,524,609	82,791	1.50%	5,524,609	196,870	3.56%
3C	Park Cities/Oak Lawn	3,387,179	41,950	1.24%	3,343,195	107,054	3.20%
3D	West Dallas	410,849	15,027	3.66%	519,849	35,613	6.85%
4	Southeast Dallas	1,303,814	72,392	5.55%	1,302,814	53,132	4.08%
5	Southwest Dallas	6,088,658	267,155	4.39%	6,088,658	488,274	8.02%
6	Addison	1,309,865	119,493	9.12%	1,309,865	18,102	1.38%
7	Carrollton	3,173,720	197,610	6.23%	3,173,720	192,081	6.05%
8	Desoto/Lancaster	1,874,793	94,811	5.06%	1,909,064	61,133	3.20%
9	Duncanville	1,334,264	126,356	9.47%	1,334,264	117,593	8.81%
10	Farmers Branch	989,166	48,285	4.88%	1,099,166	56,217	5.11%
11	Garland	7,163,182	314,989	4.40%	7,163,182	473,625	6.61%
12	Grand Prairie	4,543,412	51,837	1.14%	4,808,140	119,274	2.48%
13A	Irving	7,253,505	262,007	3.61%	6,677,753	291,820	4.37%
13B	Coppell	840,122	67,755	8.06%	840,122	22,150	2.64%
14	Mesquite/Balch Springs	5,315,277	656,958	12.36%	5,385,277	352,340	6.54%
15	Richardson	3,827,615	293,859	7.68%	3,827,615	375,964	9.82%
16	Plano	14,371,790	957,032	6.66%	14,418,393	896,977	6.22%
17	Denton	6,832,054	365,972	5.36%	7,316,357	359,359	4.91%
18	Lewisville/Flower Mound	10,140,539	616,807	6.08%	10,140,539	438,767	4.33%
19	McKinney	5,154,649	92,855	1.80%	5,483,649	91,052	1.66%
20	Frisco	10,863,034	322,444	2.97%	11,714,372	272,910	2.33%
21	Allen	5,334,782	197,220	3.70%	5,491,782	212,152	3.86%
22	Rockwall	2,541,264	59,657	2.35%	2,541,264	101,102	3.98%
23	Rowlett	1,431,689	36,275	2.53%	1,431,689	48,953	3.42%
24	Cedar Hill	2,665,273	154,503	5.80%	2,665,273	112,944	4.24%
25	Murphy/Wylie/Sachse	2,423,304	26,543	1.10%	2,423,304	24,912	1.03%
26	Northern Ellis County	2,858,705	89,322	3.12%	2,917,705	48,012	1.65%
	<b>DALLAS</b>	<b>135,525,886</b>	<b>6,870,556</b>	<b>5.07%</b>	<b>137,799,393</b>	<b>6,713,412</b>	<b>4.87%</b>
27	Arlington	14,139,091	751,555	5.32%	14,182,990	612,142	4.32%
28	Bedford/Euless	3,031,250	28,675	0.95%	3,031,250	142,386	4.70%
29	Hurst	4,256,443	249,100	5.85%	4,256,443	223,552	5.25%
30	Northeast Fort Worth	4,470,049	81,365	1.82%	4,568,049	193,884	4.24%
31	Northwest Fort Worth	7,367,582	611,146	8.30%	7,367,582	616,526	8.37%
32	Southeast Fort Worth	1,578,917	42,200	2.67%	1,578,917	52,747	3.34%
33	Southwest Fort Worth	10,576,896	560,359	5.30%	10,576,896	614,791	5.81%
34	Fort Worth CBD	275,480	45,217	16.41%	275,480	47,206	17.14%
35	North Richland Hills	2,871,926	129,984	4.53%	2,871,926	112,049	3.90%
36	Northeast Tarrant Co.	9,487,907	270,991	2.86%	9,487,907	375,002	3.95%
37	Burleson	2,113,198	16,566	0.96%	2,113,198	15,819	0.75%
38	Weatherford	1,803,993	11,128	0.62%	1,803,993	11,467	0.64%
	<b>FORT WORTH</b>	<b>61,972,373</b>	<b>2,798,286</b>	<b>4.52%</b>	<b>62,114,631</b>	<b>3,017,571</b>	<b>4.86%</b>
	<b>GRAND TOTAL</b>	<b>197,498,618</b>	<b>9,668,842</b>	<b>4.91%</b>	<b>199,914,024</b>	<b>9,730,983</b>	<b>4.87%</b>



# DALLAS-FORT WORTH - ABSORPTION

	NAME	2024 ABSORPTION (SF)
1	Dallas CBD	-143,278
2	Northeast Dallas	6,116
3A	Far North Dallas	232,183
3B	North Dallas	-114,079
3C	Park Cities/Oak Lawn	-109,088
3D	West Dallas	88,414
4	Southeast Dallas	18,260
5	Southwest Dallas	-221,119
6	Addison	101,391
7	Carrollton	5,529
8	Desoto/Lancaster	67,949
9	Duncanville	8,763
10	Farmers Branch	102,068
11	Garland	-158,636
12	Grand Prairie	197,291
13A	Irving	-605,565
13B	Coppell	45,605
14	Mesquite/Balch Springs	374,618
15	Richardson	-82,105
16	Plano	106,658
17	Denton	490,916
18	Lewisville/Flower Mound	178,040
19	McKinney	330,803
20	Frisco	900,872
21	Allen	142,068
22	Rockwall	-41,445
23	Rowlett	-12,678
24	Cedar Hill	41,559
25	Murphy/Wylie/Sachse	1,631
26	Northern Ellis County	100,310
	<b>DALLAS</b>	<b>2,430,651</b>
27	Arlington	183,312
28	Bedford/Euless	-113,711
29	Hurst	25,548
30	Northeast Fort Worth	-14,519
31	Northwest Fort Worth	-5,380
32	Southeast Fort Worth	-10,547
33	Southwest Fort Worth	-54,432
34	Fort Worth CBD	-1,989
35	North Richland Hills	17,935
36	Northeast Tarrant Co.	-104,011
37	Burleson	747
38	Weatherford	-339
	<b>FORT WORTH</b>	<b>-77,386</b>
	<b>GRAND TOTAL</b>	<b>2,353,265</b>

\* New construction of 25,000 square feet or more; some construction represents expansion space. Submarket totals under 25,000 square feet represent expansions of larger projects.

# Houston

164.9M

INVENTORY

95.5%

OCCUPANCY

1.3M

CONSTRUCTION

Manvel Town Center, anchored by a new H-E-B, expanded in 2024 with multi-tenant retail buildings and freestanding retail pad users. Future phases will include addition multi-tenant retail as well as junior anchors.



# Houston

## DESPITE CHAIN CLOSINGS, HOUSTON RETAIL MARKET SEES UPTICK IN OCCUPANCY

2025 DELIVERIES ON TRACK TO REACH HIGHEST LEVEL IN SIX YEARS

Houston’s retail market, like every other retail market in Texas, experienced new junior-anchor vacancies caused by the widespread closure of failed or struggling chains. These include 99 Cents Only, Conn’s, American Freight Furniture and Big Lots locations. (Additionally, Party City plans to close nine Houston-area stores in 2025, with two locations in Humble and Shenandoah remaining open.)

But strong demand and limited new retail deliveries, as well as some of the newly vacant locations backfilled shortly after their closing announcements, enabled the market’s retail inventory to report an uptick in overall occupancy to 95.5 percent as of year-end 2024.

The steady backfilling of market vacancies, including large-format vacancies, and the opening of anchored, significantly leased new construction countered the new vacant spaces created by the retail closures of the failed chains.

Additionally, super-regional Greenspoint

Mall closed permanently in mid-2024, removing a largely vacant 1.4-million-square-foot property from the inventory.

The occupancy rate is based on Weitzman’s review of Houston’s retail market inventory of approximately 164.9 million square feet of space in multi-tenant retail projects with 25,000 square feet or more. Even with new construction above 1 million square feet in 2024, the result of the mall closure was a slight decrease in Houston’s retail space inventory.

While construction remains on the conservative side, the 2024 construction is the highest total for new deliveries since 2022, and the forecast for new deliveries in 2025 sees the highest level of new development since 2019.

The greater Houston area’s retail market is currently reporting its longest period of market stability due to a balance of supply and demand in years. After reaching a low of the mid-80-percent occupancy level in

### INVENTORY

2024	<b>164.9 million SF</b>
2023	165.0 million SF
2022	164.4 million SF

### OCCUPANCY

2024	<b>95.5%</b>
2023	95.4%
2022	95.1%

### CONSTRUCTION

2024	<b>1.3 million SF</b>
2023	847,000 SF
2022	1.2 million SF

Grocery-anchored retail continues to be a strong performer. The Market at 1488 in Magnolia reached 100-percent occupancy after signing two new small-shop beauty concepts in 2024.



2011, the market began its recovery until it reached and exceeded the 90-percent level in 2013. In the more than a decade since, the market has maintained healthy occupancy well above the 90-percent level.

By comparison, office vacancy rates are higher than they have been in years. In Houston, nearly 50 million square feet of office space was vacant as of midyear, with an expected lost rent value of \$1.55 billion, according to a Switch On Business survey.

## FOOD, FITNESS, SERVICES AND MORE CONTINUED TO EXPAND

Expanding small-shop tenants remained active in 2024, with the most notable demand coming from restaurants, high-tech boutique fitness, services, beauty, medical and dental uses. Junior anchors such as discounters are also active, resulting in a shortage of well-located box vacancies on the market.

Well-located existing space remains especially in demand. Examples of expanding retailers backfilling second-generation space for 2024 include:

- The massive vacant **Fry's Electronics** store at 10241 N. Freeway in Houston, which has been demolished for the development of a smaller-format Joe V's Smart Shop discount grocery store;
- **Burlington**, which in fall 2024 opened in a backfilled World

Market at 5125 Richmond Avenue in Houston. Burlington also is redeveloping a former 99 Cents Only at 10787 Jones Road in Houston's Steeplechase area for a new store;

- **Burlington**, which also will backfill the newly created Big Lots vacancy at 8210 Kirby Drive in Houston;
- **DG Market**, a Dollar General concept with a focus on grocery options, which opened in the former Walgreens at 1838 S Kirkwood at Briar Forest in Houston and a former CVS at 102 W. Main in League City. Both locations are freestanding with approximately 14,000 square feet each;
- **Trader Joe's** specialty grocery, which opened in a 30,000-square-foot former Sprouts space at University Commons Shopping Center at 13550 University Boulevard in Sugar Land. The Sprouts closed in 2023;
- **Barnes & Noble**, which backfilled a former Tuesday Morning at 5510 Wesleyan Street in Houston and a former Bed Bath & Beyond at 2920 IH-45 N. in Conroe. Barnes & Noble also is completely redeveloping and downsizing its Town & Country Village bookstore at 12850 Memorial Drive in Houston;
- **Uniqlo**, a popular Japan-based apparel retailer, which backfilled the 21,000-square-foot former Forever 21 space in Memorial City Mall at

900 Gessner Road in Houston. Uniqlo also opened in 11,454 square feet First Colony Mall at 16535 Southwest Freeway in Sugar Land;

- **Gordon Food Service Store**, a discount grocer, which opened in mid-2024 in a 28,000-square-foot grocery store vacancy at 4519 Griggs Road in Houston;
- **T.J.Maxx**, which backfilled a 30,000-square-foot junior-anchor box at Village Plaza at Bunker Hill, located at 9778 Katy Freeway;
- **HomeSense**, a home furnishings concept from T.J.Maxx, which opened at S. Fry and the Grand Parkway in Katy;
- **HomeGoods**, a home furnishings concept, which backfilled a 27,985-square-foot former Bed Bath & Beyond space at 5636 Fairmont Parkway in Pasadena;
- **Nordstrom Rack**, which leased 30,000 square feet for a store set to open in the Westchase Shopping Center at Westheimer and Wilcrest in 2025. Nordstrom Rack also opened in backfilled space in Meyerland Plaza in 2024;
- **Planet Fitness and Dollar Tree**, which together backfilled approximately 35,000 square feet of the 58,500-square-foot former Kroger anchor space at River Pointe Shopping Center, located at IH-45 and South Loop 336 in Conroe;

- **Crunch Fitness**, which is backfilling a 28,000-square-foot former Bed Bath & Beyond at 6575 Highway 6 N. in Houston for a gym to open in 2025;
- **EoS Fitness**, which is backfilling a 53,829-square-foot former Bed Bath & Beyond, and Cosmic Air Adventure Park and Arcade, which backfilled a 31,240-square-foot Buy Buy Baby store, in the Center at Baybrook shopping center, located at IH-45 and Medical Center Boulevard in Webster;
- **Big Air Trampoline Park**, which backfilled a 35,000-square-foot former Gold's Gym location at Cypress Landing Shopping Center, located at 3040 FM 1960 E. in Houston;
- **Altitude Trampoline Park**, which opened in June 2024 in 43,000 square feet of retail space at 20810 Gulf Freeway in Webster;
- **Star Cinema Grill**, which backfilled the former Studio Movie Grill in CityCentre, located at 822 Town and Country Boulevard in Houston;
- **Elite Pickleball Club**, which slotted a 40,000-square-foot club into a backfilled Randalls grocery store space in the Bay Pointe Shopping Center at 2323 Clear Lake City Boulevard in Clear Lake;
- **Brkthrough**, a challenge-room entertainment concept, which backfilled a 20,000-square-foot space in Metropark Square, located at 8885 Metropark Drive in Shenandoah;
- **Painted Tree Boutiques**, an antique and goods marketplace, which backfilled a 36,584-square-foot space at 1003 W. Bay Area Boulevard in Webster;
- **99 Cents Only former locations**, which are being backfilled at a steady clip shortly after closing during the second quarter of 2024. Former 99 Cents Only vacancies being backfilled by Ollie's Bargain Outlet include:
  - 4980 N. Highway 6, Houston

- 2516 Avenue H, Rosenberg
- 10702 Easttex Freeway, Houston
- 4849 FM 1960 West, Houston
- 7130 FM 1960 Road, Humble
- 4100 Fairmont Parkway, Pasadena
- **99 Cents Only former locations** being backfilled by Dollar Tree include:
  - 3111 N. Fry Road, Katy
  - 216 FM 1960, Humble
  - 9333 Stella Link Road, Houston
  - 11873 Bissonet Road, Houston
  - 5550 North Freeway, Houston

New restaurant locations also opened at a steady clip in second-generation space in 2024, and well-located second-generation restaurant vacancies continue to command a premium. Restaurants also continue to expand with new construction, with concepts from quick-serve to fast-casual to coffee concepts opening on pad sites or in new strip retail.

### RENTAL RATES SHOW INCREASES, ESPECIALLY FOR NEW SPACE

As retail leasing demand remained healthy, and the lack of new space put existing space at a premium, rental rates on average have reported gains across the board.

The rates quoted here are average asking rates, and effective rates can be lower over the terms of a lease due to concessions such as free rent and finish-out allowances, although concessions remain limited for the highest-quality space.

For all classes of space, actual rates for specific centers and spaces can go notably lower or higher than the rates listed here due to factors including anchors, traffic, demographics and location within a center.

Demand for Class A space, especially for quality retail inside the IH-610 Loop, can result in small-shop rates ranging from \$45 to \$65 per square foot per year or more.

Average asking rates for small-shop in-line space in well-located, anchored projects throughout the Houston area

were as follows:

- Class A rates for space not inside the Loop ranged from around \$38 to \$50 on a per-square-foot-per-year basis, with newly constructed shop space commanding rates ranging from \$40 to \$55 per square foot.
- Class B small-shop space rates ranged from the \$20s to the mid-\$30s-per-square-foot-per-year range.
- Class C small-shop rates typically were in the \$15- to \$23-per-square-foot-per-year range.

### CONSTRUCTION REACHES 1-MILLION-SQUARE-FOOT LEVEL FOR FIRST TIME SINCE 2022

During calendar-year 2024, new construction delivered approximately 1,305,600 square feet in new and expanded retail projects consisting of 25,000 square feet or more.

This 2024 construction total represents an increase over the deliveries of 847,000 square feet in 2023 but remains on the conservative side, especially for a tight retail market located in a robust major metropolitan area. The deliveries also reached the 1-million-square-foot market for the first time since 2022, when new space totaled 1.2 million square feet.

Houston's retail market reflects the statewide and nationwide trends of limited anchor and junior expansions in newly constructed retail space as well as the cessation of massive new mall projects. Additionally, even large regional-draw projects like Manvel Town Center are built in phases over the course of several years, which reduces overall new deliveries in any given calendar year.

### OUTLOOK CONTINUES FOR A SOLID RETAIL MARKET

The outlook for Houston's retail market going into 2025 is positive, thanks to the economic momentum of the region's strength in job, population and housing growth. Additionally, inflation is notably down, and forecasts are for healthy levels of retail spending into



Coffee concepts continue to expand in the Houston retail market, with drive-thru concept 7 Brew among the most active in terms of new locations.

the coming year.

Boosting retail demand is Houston's stellar population growth; the metro area reported an influx of 140,000 new residents for the 12-month period ending in July 2023. That growth ranked it as the second-fastest growing metropolitan area in the country. Houston also ranked No. 1 in single-family home starts during the past year, with more than 23,000 starts, and the area also ranks nationally in terms of multi-family starts.



# San Antonio

49.0M

INVENTORY

95.2%

OCCUPANCY

423K

CONSTRUCTION



At Live Oak Town Center, anchored by IKEA and Floor & Décor, Dick's House of Sport will open in 2025. The location will be the first in the San Antonio market for the experiential House of Sport concept.

# San Antonio

## SAN ANTONIO RETAIL MARKET MAINTAINS OCCUPANCY STREAK

### INVENTORY

2024 49.0 million SF

2023 48.6 million SF

2022 48.3 million SF

### OCCUPANCY

2024 95.2%

2023 95.0%

2022 94.5%

### CONSTRUCTION

2024 423,000 SF

2023 279,000 SF

2022 380,000 SF

San Antonio's retail market as of year-end 2024 is reporting record high occupancy as it continues its longest-ever streak of balanced supply-and-demand.

With the new 2024 year-end result, the Alamo City retail market has posted healthy occupancy of 90 percent or higher for 14 years straight.

As of year-end, the market reported overall occupancy of 95.2 percent due to stable tenant retention and strong demand for well-located vacancies. For example, shortly after Conn's announced in mid-2024 that it planned to close its area stores, popular retailer Burlington announced its plans to backfill three of the nine stores slated for closure.

The market is also reporting an increase in new construction, but the deliveries overall increase occupancy due to the fact that they are primarily for anchor stores and largely pre-leased shop space.

The occupancy rate is based on Weitzman's review of a total San Antonio retail inventory of approximately 49.0 million square feet of retail space in multi-tenant shopping centers with 25,000 square feet or more.

During 2024, the San Antonio area has seen limited chain closures create new vacancies due to the chain-wide failure of Conn's, Big Lots, American Freight Furniture and the 99 Cents Only chain. (Additionally, Party City plans to close its stores in 2025, but four San Antonio-area stores may stay open under separate ownership.)

But these newly vacant spaces are junior anchor spaces or smaller, limiting their impact on the occupancy rate. Additionally, in a tight market like San Antonio's, retail vacancies are seen by retailers as opportunities and by landlords as candidates for stronger tenancy.

The limited closures also were outpaced by the number of expanding retailers backfilling vacant boxes and small-shop retail.

Key examples of backfilled space to date in 2024 include:

- **Burlington**, which is backfilling former Conn's locations, with 40,000 square feet in San Antonio Crossing at 11600 Bandera Road; 30,000 square feet in Brooks Corner at 3143 S.E. Military Drive; and 36,803 square feet in





Panera Bread opened a new location at Culebra Market, anchored by H-E-B, by redeveloping a freestanding former bank building.

Crosstowne Mercado at 4807 W. Commerce Street;

- **EoS Fitness**, which is backfilling an approximately 40,000-square-foot space in Windsor Park Center, a power retail center located at Fourwinds Drive at Loop 410;
- **Family Leisure**, an outdoor furniture retailer, which took the 152,000-square-foot former Macy's space at Rolling Oaks Mall, located at 6909 N. Loop 1604 E;
- **Homesense**, a new retail concept from TJX Cos, Inc., which opened in a 25,000-square-foot backfilled junior anchor space at The Rim. Homesense also will open in a 30,256-square-foot former Bed Bath & Beyond vacancy at Northwoods Shopping Center at Loop 1604 and U.S. 281 in 2025;
- **Holey Moley**, a mini-golf concept, which in late 2024 opened in approximately 13,000 square feet at The Shops at Rivercenter mall in downtown. Also at Rivercenter, a 21,000-square-foot space will be home to Mexico Ceaty, offering full-service restaurant space, a bar, a café/bakery and food stands;
- **Outlaw Pickle**, a pickleball concept, which is backfilling a 21,000-square-foot space at Park

North Shopping Center at 742 Northwest Loop 410. The concept is set to open in 2025;

- **Dill Dinkers Pickleball**, a pickleball concept, which is backfilling 15,500 square feet previously occupied by Tuesday Morning at Blanco Market, located at 18450 Blanco Road. The new location is set to open in 2025;
- **Daiso**, a concept based in Japan, which opened its first area store during the first half of 2024 in 5,661 square feet of retail in Alamo Ranch, a shopping center located at 503 W. Loop 1604 N. In the second half of 2024, Daiso opened in approximately 6,600 square feet at Valley View Shopping Center, at 8521 Blanco Road; in 10,400 square feet in Thousand Oaks Shopping Center, located at 2939 Thousand Oaks Drive; and in 8,518 square feet in Westover Marketplace, at 8203 SH-151;
- **Teso Life**, a Japanese retailer, which is opening in 2025 in the approximately 26,000-square-foot anchor space in University Square, a center located at 12730 IH-10 W, for its first San Antonio store;
- **Ollie's Bargain Outlet**, which acquired the lease of the 99 Cents Only store at 2942 Thousand Oaks Drive after the dollar store chain failed earlier

this year. The San Antonio location was one of 11 that Ollie's acquired as a result of 99 Cents Only bankruptcy in April 2024;

- **Panera**, which redeveloped the former freestanding Compass Bank for a new restaurant location at Culebra Market Shopping Center, located at 10628 Culebra Road.

## RENTS REMAIN HIGHEST FOR NEWLY CONSTRUCTED SPACE

Thanks to a tight market for quality retail space and extremely limited new construction, San Antonio's asking retail rental rates remain stable, and concessions such as finish-out allowances and free rent remain limited. Additionally, for the highest-visibility spaces in the market's newest projects, rates are typically in the mid-\$40s-per-square-foot range with endcap spaces going near or at the \$50-per-square-foot level.

Asking rates for centers by grade reported the following averages:

**Average Class A** asking rents for small-shop in-line spaces in the market's strongest centers, including new construction, ranged from \$28 to \$38 per square foot per year, and reached into the \$40s for endcap spaces in the best centers. Further, asking rates for small-shop space in the market's newest planned projects can be as high

as \$50 per square foot or slightly more, setting a new high for the market;

**Class B** asking rates typically were in the \$18-to-\$26-per-square-foot range;

**Class C** asking rates were in the \$10-to-\$16-per-square-foot range.

The reported rates are average asking rates and do not reflect concessions or triple nets; triple nets also are reaching higher levels due to increased insurance costs and higher property valuations.

Asking rates can be higher or lower depending on submarket, location, co-tenancy, position within a center, the center's physical condition and other factors.

## SAN ANTONIO RETAIL DELIVERIES RISE BUT REMAIN LIMITED

For the calendar-year 2024, the market reported approximately 423,000 square feet in new or expanded retail projects with 25,000 square feet or more.

The 2024 total remains extremely conservative, especially for a market with high occupancy and healthy demand. But the annual construction

total represents an increase over 2023's deliveries totaling approximately 279,000 square feet.

Reflecting a statewide trend, the San Antonio market is reporting limited anchor expansions via new space, with junior anchors like discounters and fitness concepts often opening in existing space. As a result, the availability of such large-format spaces is becoming increasingly limited.

Construction also has remained constrained due to factors including construction costs, which are at levels that often require higher-than-market rental rates to economically justify a project.

NOTE: Weitzman tracks only new projects with 25,000 square feet or more.

## OUTLOOK REMAINS OPTIMISTIC BASED ON STRONG ECONOMY

San Antonio's retail market currently reports a healthy balance of supply and demand, and the outlook for 2025 expects that health to continue.

Based on the most recent Census figures, San Antonio ranks as the nation's fastest-growing large city with

annual growth of 22,000 new residents.

Further, the Federal Reserve's most recent report for the metro area shows that the annualized job growth rate is a healthy 3.6 percent, with a low unemployment rate of 3.7 percent (September 2024).

With a strong combination of job growth and population growth, the outlook for San Antonio's retail market remains positive for the foreseeable future.

One short-term issue, however, is resulting because San Antonio is currently in the midst of several major highway redevelopment projects. While these projects improve traffic mobility and safety in the long term, they can create major traffic jams in the short term, hobbling easy access at some key intersections or even causing drivers to seek alternative routes. As a result, the market may see limited but increased vacancies among retailers and restaurants that benefit most from visibility and access. Ongoing highway construction projects include the Loop 1604 North Expansion Program, The SH-151 Corridor improvement program and the I-35 Northeast Expansion (NEX) Program.



The Village at Forum Parkway is an example of the many San Antonio-area retail centers that are fully occupied. The center, at IH-35 N and Loop 1604, features a mix of beauty, service, restaurant, fitness and specialty user space.

# DEFINITIONS

## NEIGHBORHOOD SHOPPING CENTER

<b>Concept</b>	Convenience
<b>SF</b>	25,000-100,000
<b>Acreage</b>	3-15
<b>Typical Retailers</b>	Convenience store, services, QSR

## COMMUNITY SHOPPING CENTER

<b>Concept</b>	General merchandise
<b>SF Including Anchors</b>	100,000-300,000
<b>Acreage</b>	10-40
<b># of Typical Anchors</b>	1 or more
<b>Typical Retailers</b>	Grocery store, discount department store, drugstore, home improvement, restaurants

## MALLS

### REGIONAL SHOPPING MALL

<b>Concept</b>	General merchandise, fashion (typically enclosed)
<b>SF Including Anchors</b>	400,000-800,000
<b>Acreage</b>	40-100
<b># of Typical Anchors</b>	2 or more
<b>Typical Retailers</b>	Full-line department store, junior department store, mass merchant, fashion apparel, restaurants

### SUPER-REGIONAL SHOPPING MALL

<b>Concept</b>	Similar to regional mall but has more variety
<b>SF Including Anchors</b>	800,000+
<b>Acreage</b>	60-120
<b># of Typical Anchors</b>	3 or more
<b>Typical Retailers</b>	Full-line department store, junior department store, mass merchant, fashion apparel, restaurants

## POWER SHOPPING CENTER

<b>Concept</b>	Category-dominant anchors, with an evolving mix of uses
<b>SF Including Anchors</b>	250,000-800,000
<b>Acreage</b>	25-80
<b># of Typical Anchors</b>	3 or more
<b>Typical Retailers</b>	Category killer, home improvement, discount department store, warehouse club, off-price, fitness, entertainment

## MIXED-USE RETAIL

<b>Concept</b>	Retail in multi-use projects along with multi-family, office, hotel or other uses
<b>SF</b>	Typically 25,000-300,000
<b>Typical Retailers</b>	Destination restaurant, entertainment, service uses, health, wellness and beauty

## OUTLET SHOPPING CENTER

<b>Concept</b>	Manufacturers' outlet stores
<b>SF Including Anchors</b>	50,000-400,000
<b>Typical Retailers</b>	Manufacturers' outlet stores

# COMPANY OVERVIEW



Weitzman, one of the largest retail-focused commercial real estate services firms based in Texas, offers a full range of services, including general brokerage, tenant representation, project representation, investment sales, property management, asset management and development services. Weitzman operates offices in Dallas-Fort Worth, Austin, Houston and San Antonio.

## ACKNOWLEDGMENTS

**WE WOULD LIKE TO THANK THE FOLLOWING PEOPLE FOR THEIR VALUABLE CONTRIBUTIONS:**

### **SURVEY DATA & PRODUCTION**

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Leisa Barger  
Chief Marketing Officer

Amy Grueso  
Vice President | Brokerage Operations  
*Survey Drive & Database Coordination*

Ian Pierce  
Senior Vice President of Communications  
*Writer-Editor-Researcher*

Hutton Edwards  
Senior Design Manager  
*Graphic Designer*

We extend special recognition to our Weitzman Research Division and our IT team.

Our 2025 Shopping Center Survey and Forecast would not be possible without valuable input from our retail real estate associates who provided in-depth knowledge of the retail markets in Dallas, Fort Worth, Austin, Houston and San Antonio.

### **METHODOLOGY OVERVIEW**

Each market is reviewed for conditions relating to occupancy, leasing, new and expansion construction, tenant and user activity, rental rates and historical comparisons.

Note: Results prior to 2024 may reflect adjustments made to previous reports.

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# weitzman®

## AUSTIN

4200 North Lamar, Ste 200  
Austin, Texas 78756  
512.482.0094

## DFW

3102 Maple Ave, Ste 500  
Dallas, Texas 75201  
214.954.0600

## HOUSTON

1800 Bering Dr, Ste 550  
Houston, Texas 77057  
713.781.7111

## SAN ANTONIO

70 NE Loop 410, Ste 450  
San Antonio, Texas 78216  
210.366.3500

[WEITZMANGROUP.COM](http://WEITZMANGROUP.COM)

