

CCIM Retail Luncheon

Speakers: Jason Baker – Baker Katz;
Alan Hassenflu-Fidelis;
Jeff Read-Read King



Jeff Read



Alan Hassenflu



Jason Baker

- **Takeaway:** Houston is having unparalleled population growth and there is pent-up demand for more retail, which is enjoying its best times ever.
- Since retail developments are usually 75% land and 25% building, land prices have a huge impact on viability of a retail project
- Now that multi-family development is slowing, escalation of land prices should slow as well, benefitting retail growth
- Many retailers who pushed the limits on how big a box they could build are now coming into smaller markets with smaller boxes...they are 'compressing'
- The big three grocers-Kroger, H.E.B., and WalMart-are in a battle for market share, and between them they control about 75% of Houston's grocery business
- There will be some smaller specialty grocers falling by the wayside
- Despite oil price worries, retailers are very profitable at the moment
- Our great infrastructure here and our business-friendly climate and lack of zoning are big plusses for developers
- We are seeing huge movement of medical services into retail centers, and they can pay some of the highest rents
- There is no comparison to the Oil Depression of the '80s with regard to Houston's economy, which remains strong
- Online shopping accounts for perhaps 6 or 7% of retail sales, project in three years to perhaps reach 9%...still relatively small and little threat to 'brick and mortar' locations
- Some online retailers are actually building their first brick and mortar stores, while brick and mortar retailers are ramping up their online operations

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PROPERTIES AVAILABLE

- Hotel, Condo, Retail Site - Cruise Terminal - Galveston, TX
- Freeway Sites - I-20 - Monahans, TX
- 30 Acres Commercial/Rail Served - Tomball, TX
- 12 Acres Residential/Commercial - I-45 - Huntsville, TX
- Hotels - Statewide
- 37 Acres I-10 at Cane Island Pkwy - Katy, TX
- Knights Inn/100 Rooms - Victoria, TX
- Hotel Sites - Katy, TX

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