

Buying into the future: Texas outlook on retail

BY BRANDI SMITH

With gas prices down to their lowest prices in years, it might be expected that consumers would rush out to spend all the money they're saving at the pump. However, it appears they're stashing that money for a rainy day, creating a sluggish start to 2016.

Here in Texas, one of the biggest factors in retail, is the energy industry, but even that varies by market. Houston, where you might expect to see fallout from near record-low oil prices, is actually thriving.

Despite those historically crude low prices "Most retailers are confused by the discrepancy between their strong sales and the concern about Houston's economy," said Kenneth Katz of Baker Katz in Houston. "Fortunately and despite that inconsistency,

the appetite for growth among retailers is very strong and is helping to fuel retail real estate and related industries."

"Luxury brands and very specific retailers requiring high discretionary income may be scaling down, but on the whole, the retail market is looking to be very stable as the value retailers and essential businesses are growing," said Lindsey McKean and Kyle Kretsinger, broker and director of research respectively, of The J. Beard Real Estate Co. in Houston.

That drop in some high-end sales is also being experienced in Texas' second-largest city.

"We have seen some luxury retail centers, such as Dallas' Highland Park Village, where sales have been more erratic this spring, and many store managers believe this may be tied to the oil industry," said Venture Commercial Real Estate managing partner Mike Geisler.



James Namken



Lindsey McKean



Kyle Kretsinger



Kenneth Katz



Mike Geisler



Brett Morrison



Dan Mitchell

* Rise of the Foodie Nation

Growth in Restaurant Concepts

Projected restaurant sales for Texas in 2015 totaled \$44.5 billion.

As of 2013, there were 41,678 restaurants in Texas.

Restaurants like Five Guys Burgers and Fries and Chipotle are expanding aggressively in Texas.

JLL Realty

Top Retail Categories with Expansion Plans that Include Texas
(U.S. Openings - 12 Months)

5,859

Fast Food

4,100

Food or Beverage Specialty

2,205

Restaurant (Family)

1,841

Variety Store

1,619

Restaurant (with Liquor)