

Holiday Shopping & Beyond: What Texas retail experts see in their crystal ball

BY BRANDI SMITH

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Buck Cody



Eric Lestin



Marshall Mills

The future has never looked brighter for retail development than it does heading into the 2021 holiday shopping season following nearly two years of, if not dark, then dim times.

“We are excited about what the extended holiday shopping season may mean for our retail tenants – especially coming off of a 2020 holiday season where in-store

shopping was at worst limited and at best very inconvenient,” says Buck Cody, Principal at Endeavor Real Estate Group in Austin.

That created pent-up demand that Eric Lestin, Cushman & Wakefield’s Managing Director - Retail Lead, believes will yield a market benefit.

“Customers have been and continue to be anxious to shop and dine out and interact with others,” he says. “Many experts foresee retail sales growth to continue.”

The extension of the shopping season also has more significance this year due to supply chain restraints and overall availability concerns.

“While it is impossible to predict, or at some point understand whether or not more shopping days translates to more dollars spent, we are confident that as a general rule the more opportunities customers have to spend the better off our retail tenants will be,” Cody says.

Retail CRE pros are banking on that strong holiday season to carry them into what appears to be a promising 2022.

“We’re looking forward to a continuation of the market stability we’ve experienced in 2021,” shares Marshall Mills, President & CEO of Weitzman, based in Dallas. “Occupancy increased this past year, helping bring the overall market close to pre-pandemic occupancy. The market strength can be attributed in part to our incredible economy, a national leader in terms of job growth, housing growth and population growth.”

Another boon for North Texas: grocer H-E-B is set to open its first three stores in Plano, Frisco and McKinney.

“The entrance of H-E-B into our already competitive grocery market will benefit consumers, who will see the major chains upping their games with more options and conveniences to remain competitive,” says Mills, adding that he anticipates more locations to be announced in the coming years.

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Retail

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Just as H-E-B is stepping into the opportunity available in the Dallas-Fort Worth area, retailers from far beyond Texas are setting their sights on some of the Lone Star State’s largest markets.

“Our expectation is that retail vacancy in Houston will continue at its current level, that rental concessions will be modest, and retail sales will continue to grow and new entertainment and restaurant concepts from other areas of the U.S. and from other countries will continue to seek opportunities in Houston as well as in Austin, Dallas, El Paso, and San Antonio,” Lestin says.

Austin, for its part, has the potential to “reach new heights,” according to Cody,

who shares that retailers such as Hermes and other like-minded specialty retailers are entering the market and paying rents never before seen in the capital city.

“We of course didn’t see COVID coming and the subsequent 2020 slowdown. We also acknowledge that COVID notwithstanding we are currently in the midst of an extended cycle, and that at some point the market will soften,” he explains. “That said, because of both the momentum we are seeing in our market and the development constraints that have always existed in Austin and even in some of the surrounding suburbs we remain bullish on our market and are still out aggressively trying to source and execute projects that we believe the market will support.”

People are, after all, still moving to Texas in droves. More households mean more potential customers and a bright future for Texas retail.



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