

The Road to Recovery: Turmoil, Resiliency & Transformation

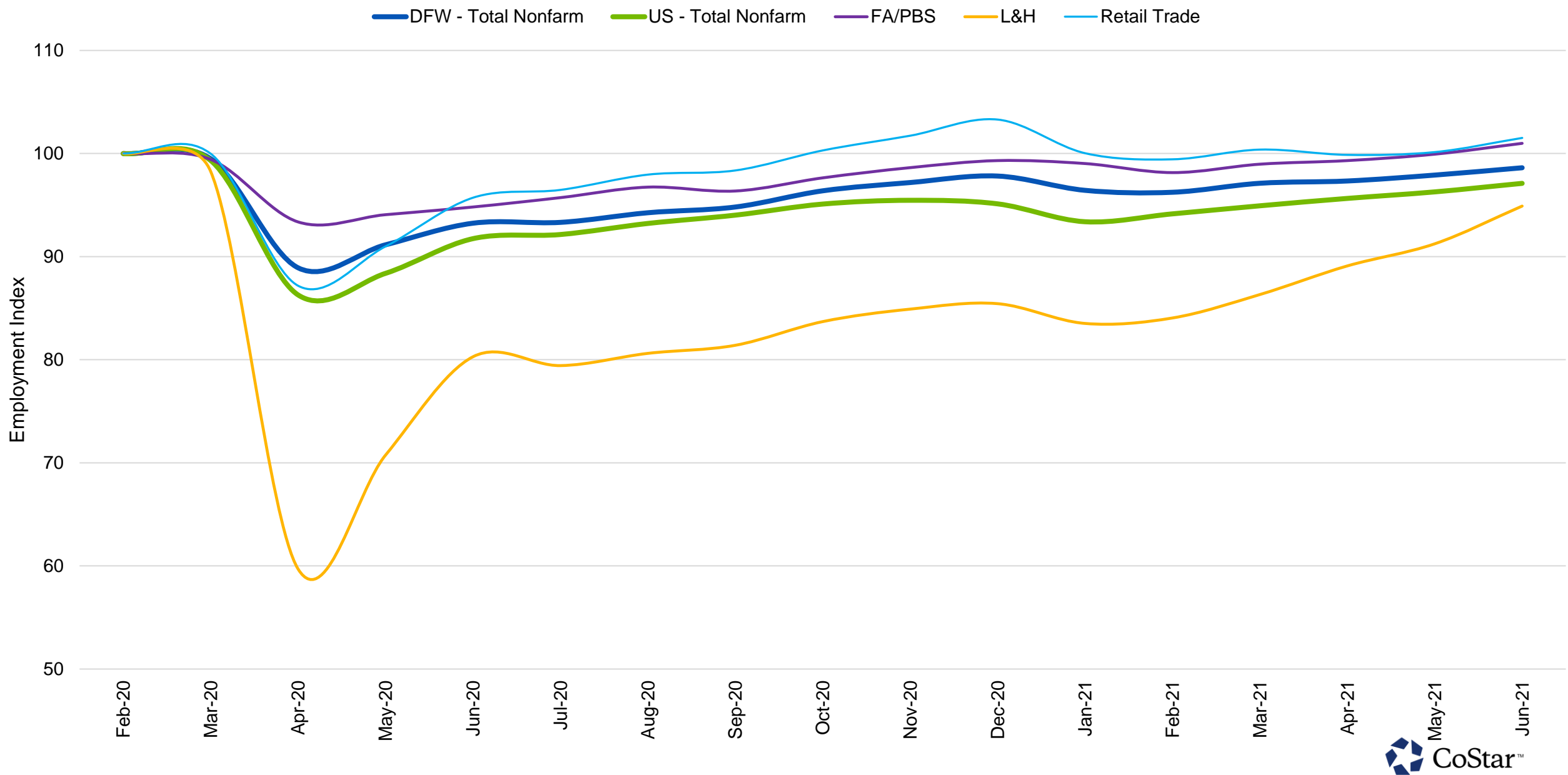
Dallas-Fort Worth Retail Update



ECONOMIC OVERVIEW

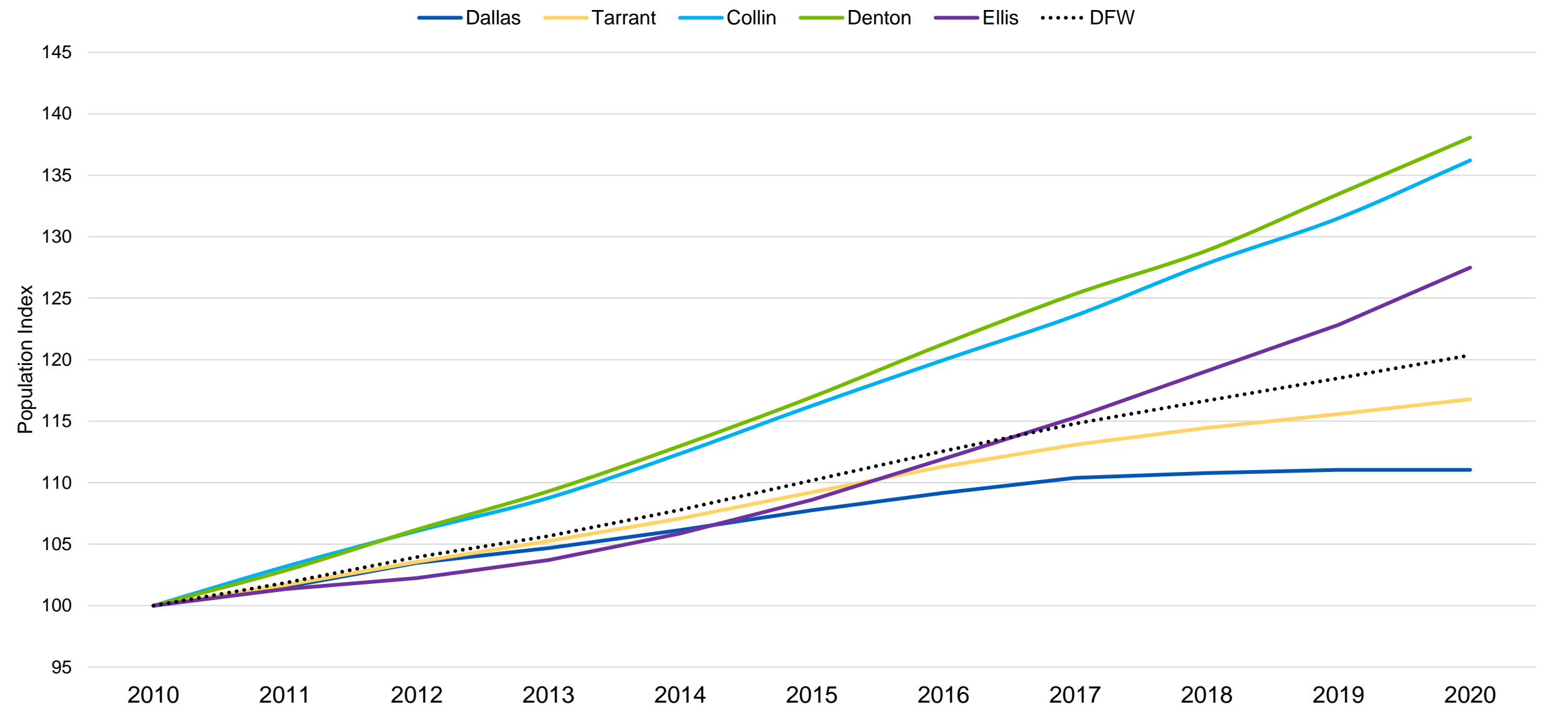


Dallas-Fort Worth Employment

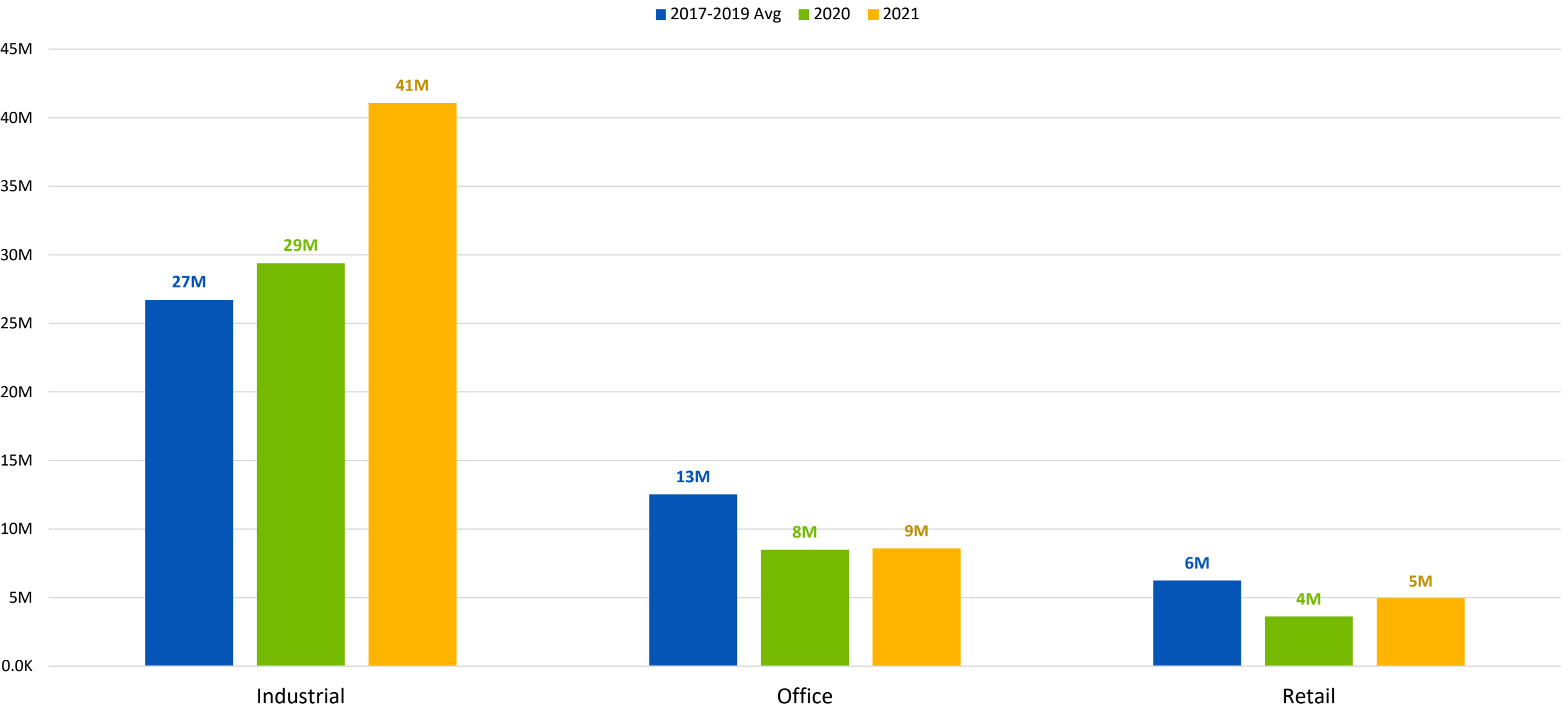


Source: Bureau of Labor Statistics, NSA, Base=Feb 2020

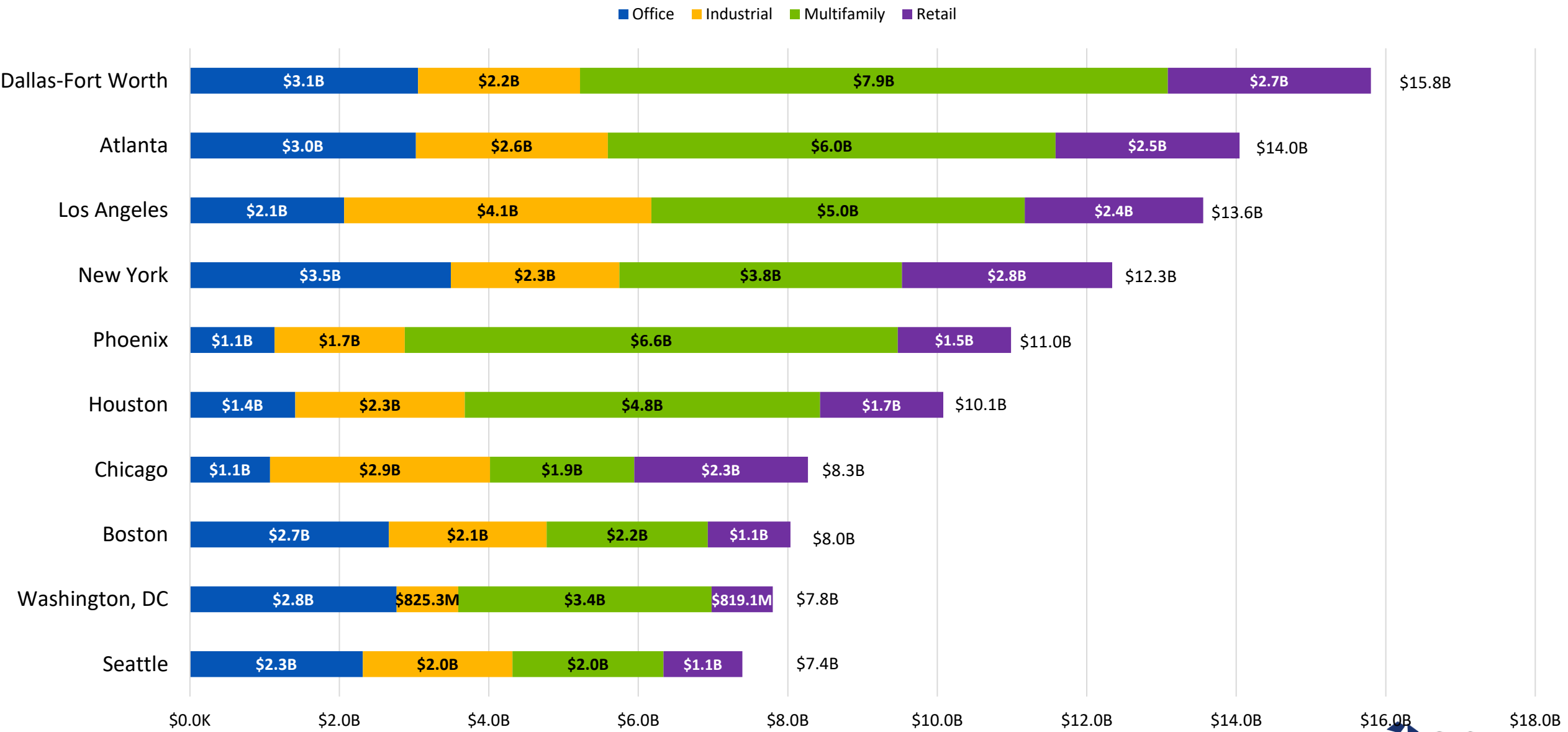
Population Growth by County



Dallas-Fort Worth: CRE Leasing Snapshot



CRE Sales Volume – Top 10 Markets



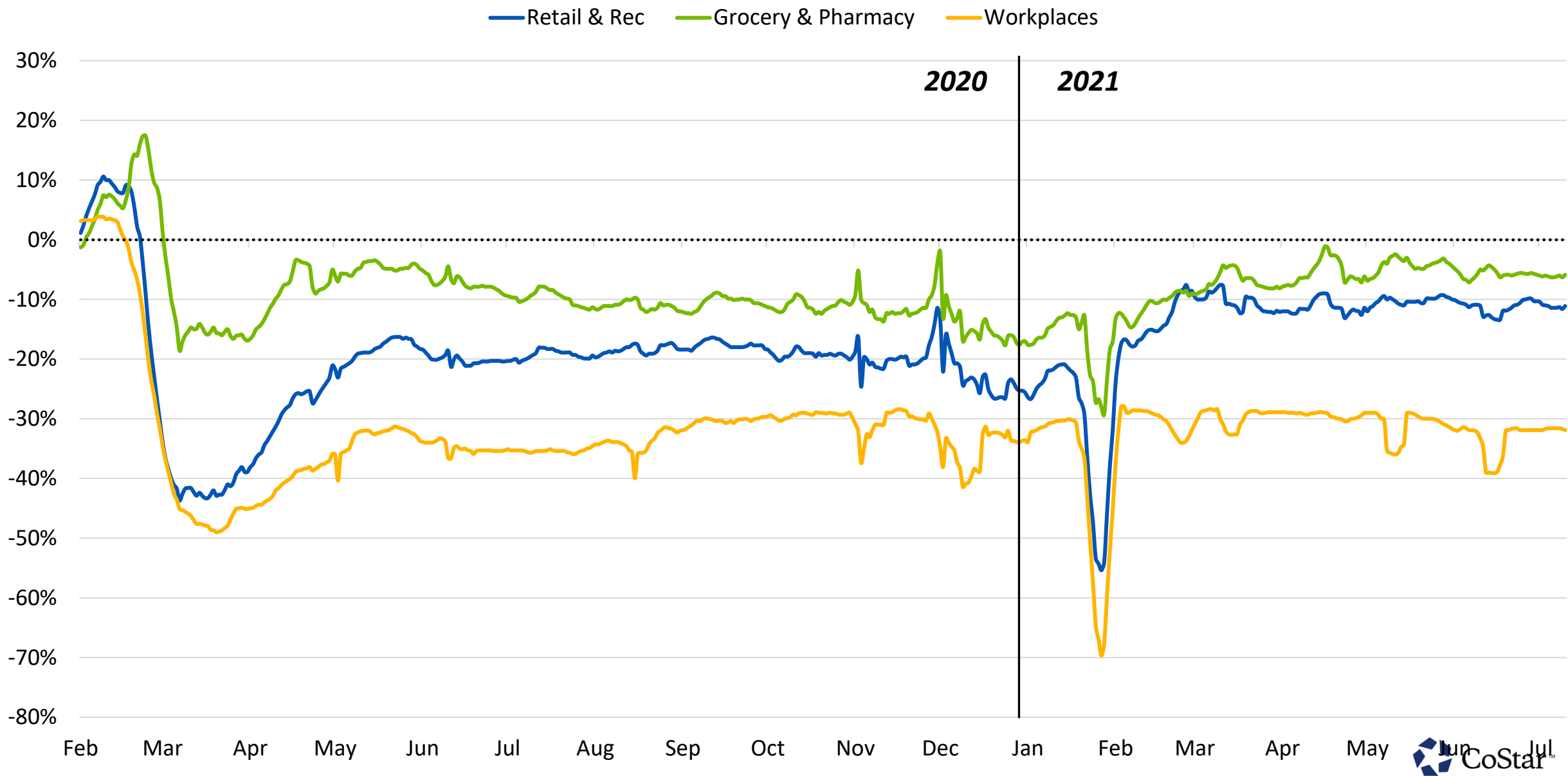


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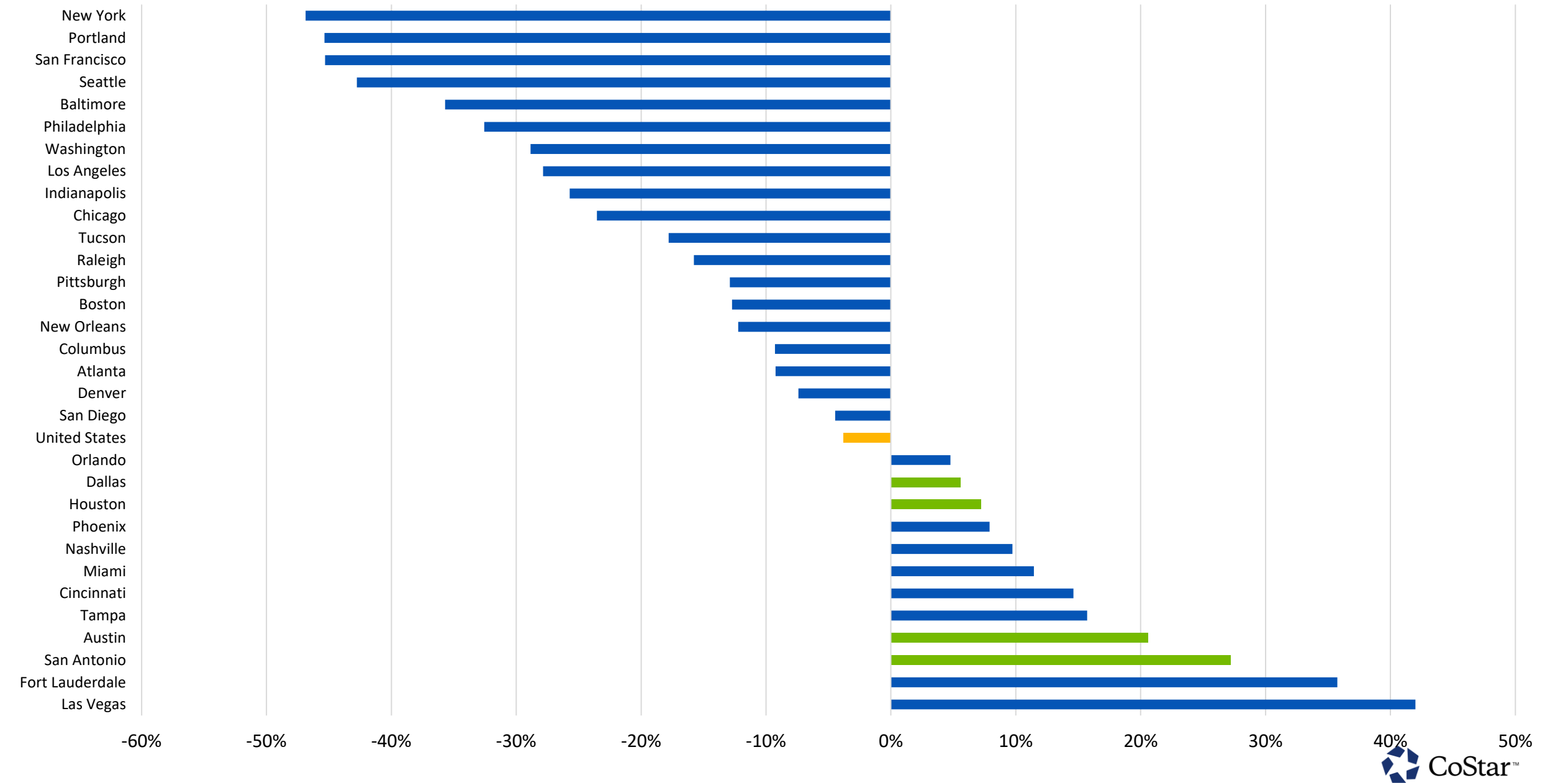


Dallas-Fort Worth: Return to In-Store Retail

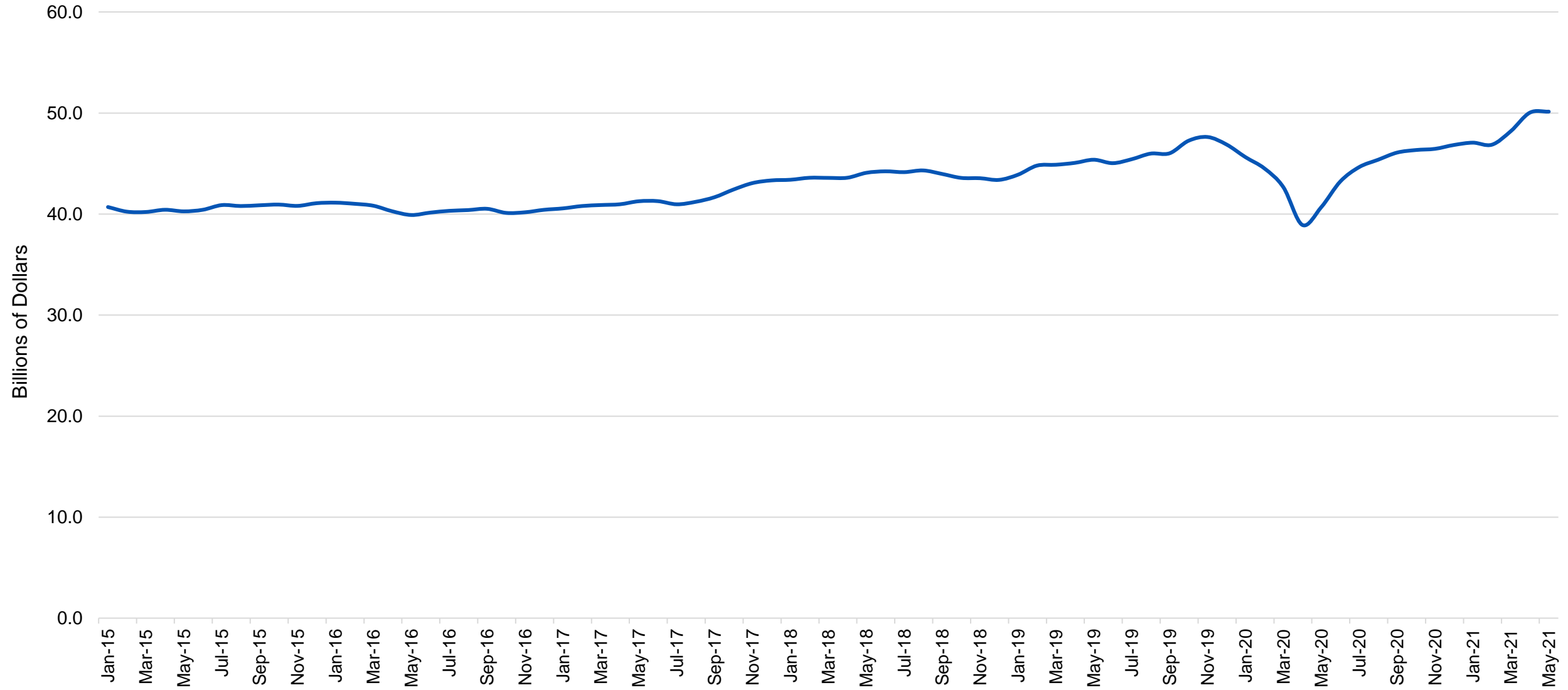


Source: Google Mobility Data, Opportunity Insights

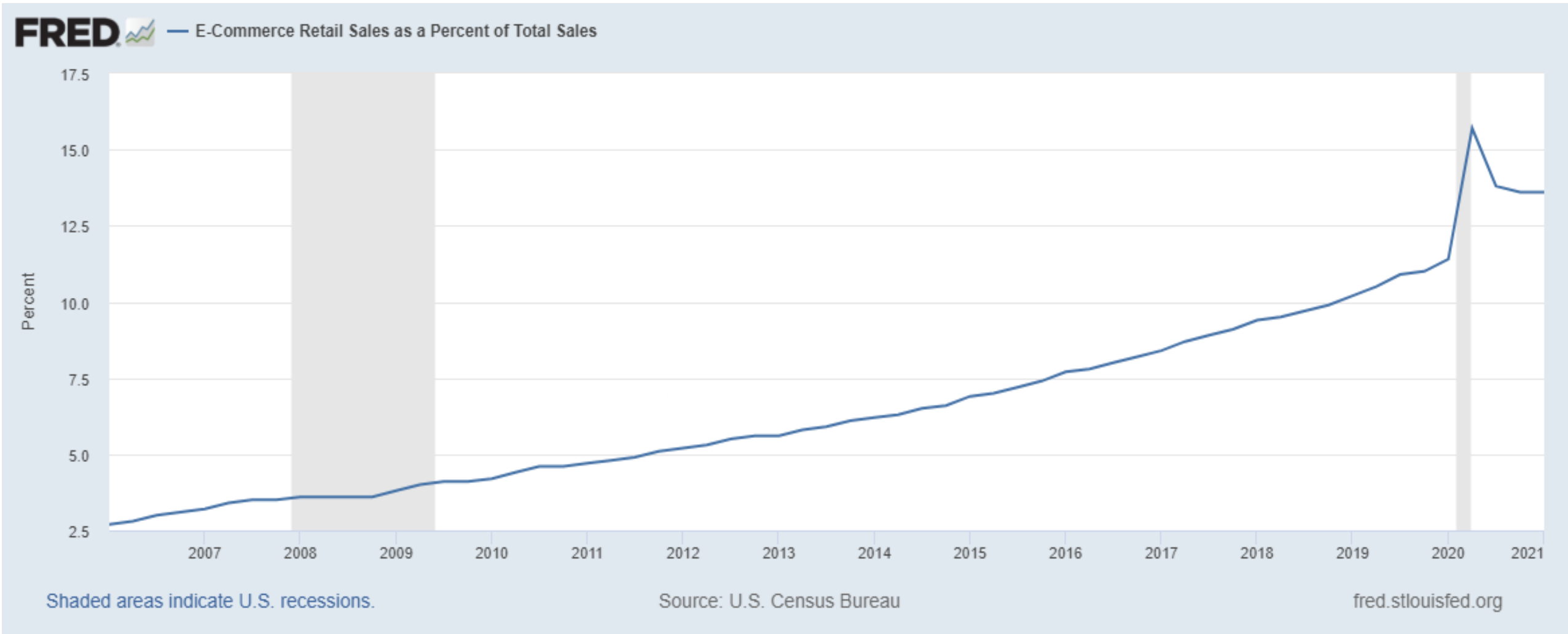
Greater Traffic to Texas Restaurants – August 2021



Texas Retail Sales

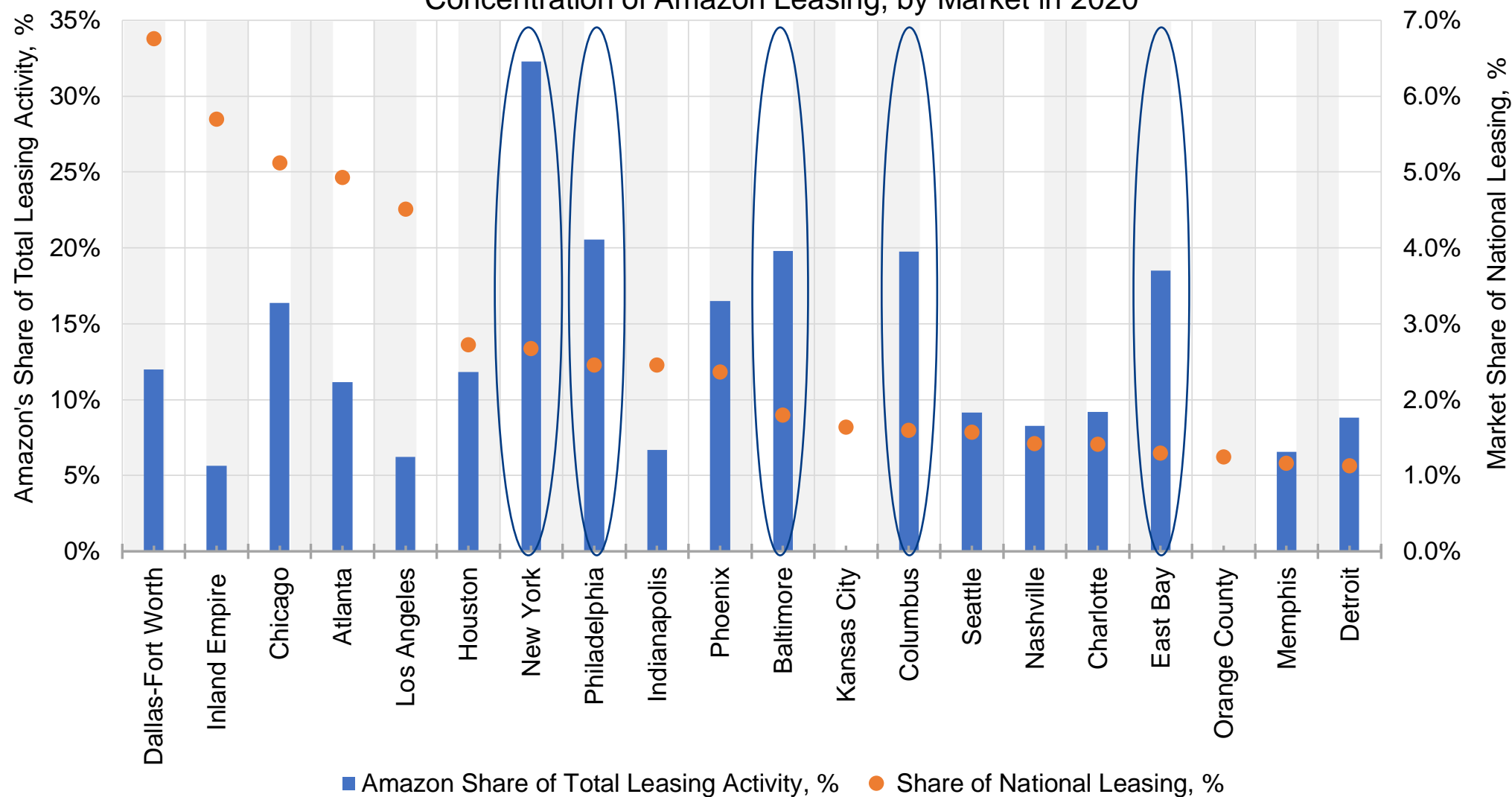


In-Person Retail Sales Stabilizing



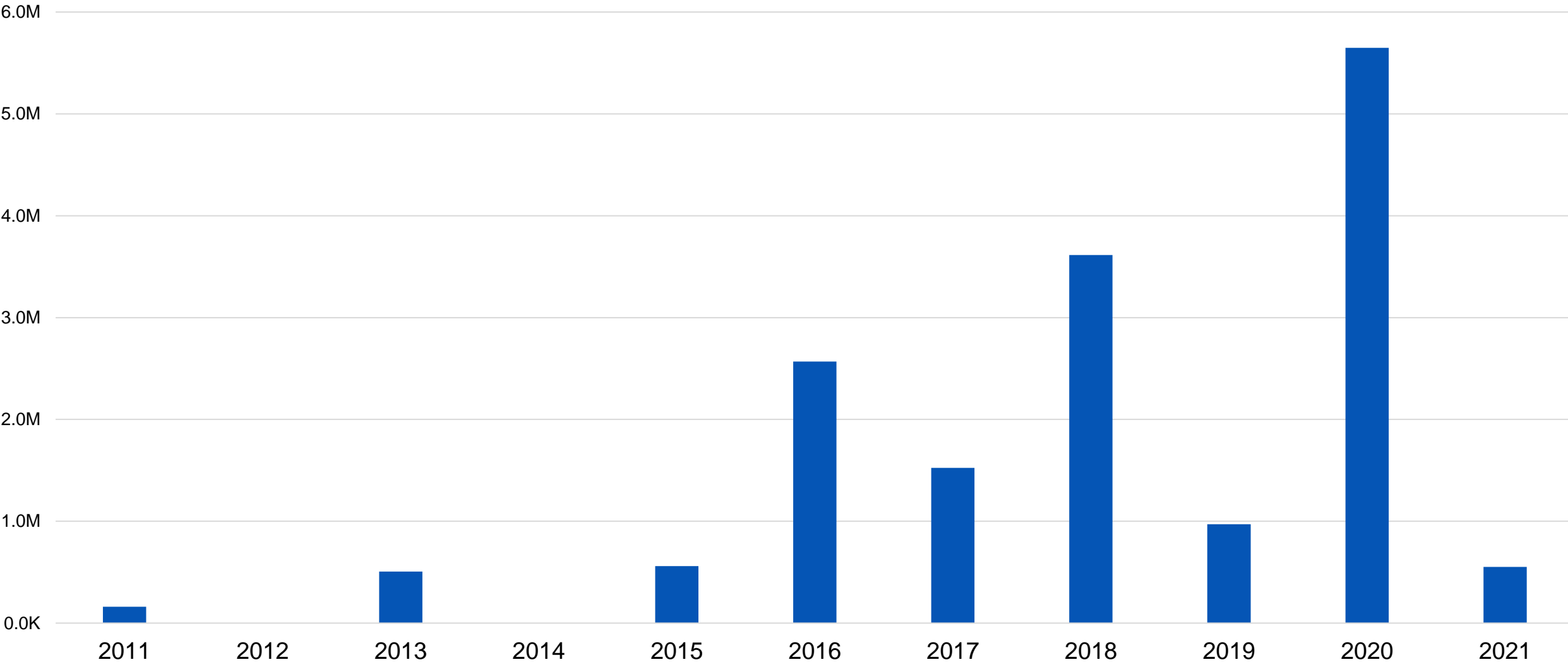
Concentration Across Larger Markets Varies

Concentration of Amazon Leasing, by Market in 2020



Amazon is the Largest Industrial Tenant in DFW

E-Commerce Giant is Leasing 16 Million SF Through 2021



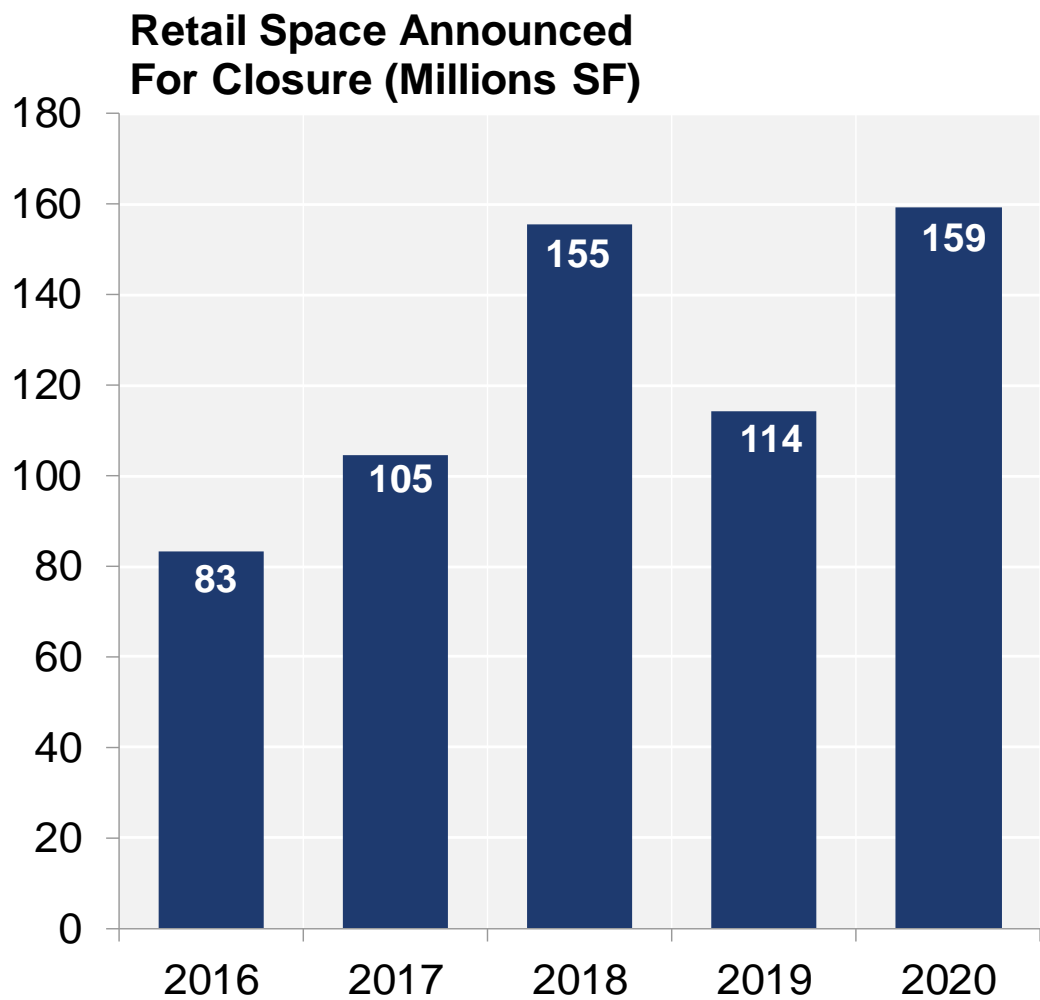
Amazon is expanding its “cashierless” Go stores

Online retailer Amazon is expanding its cashierless Go stores.

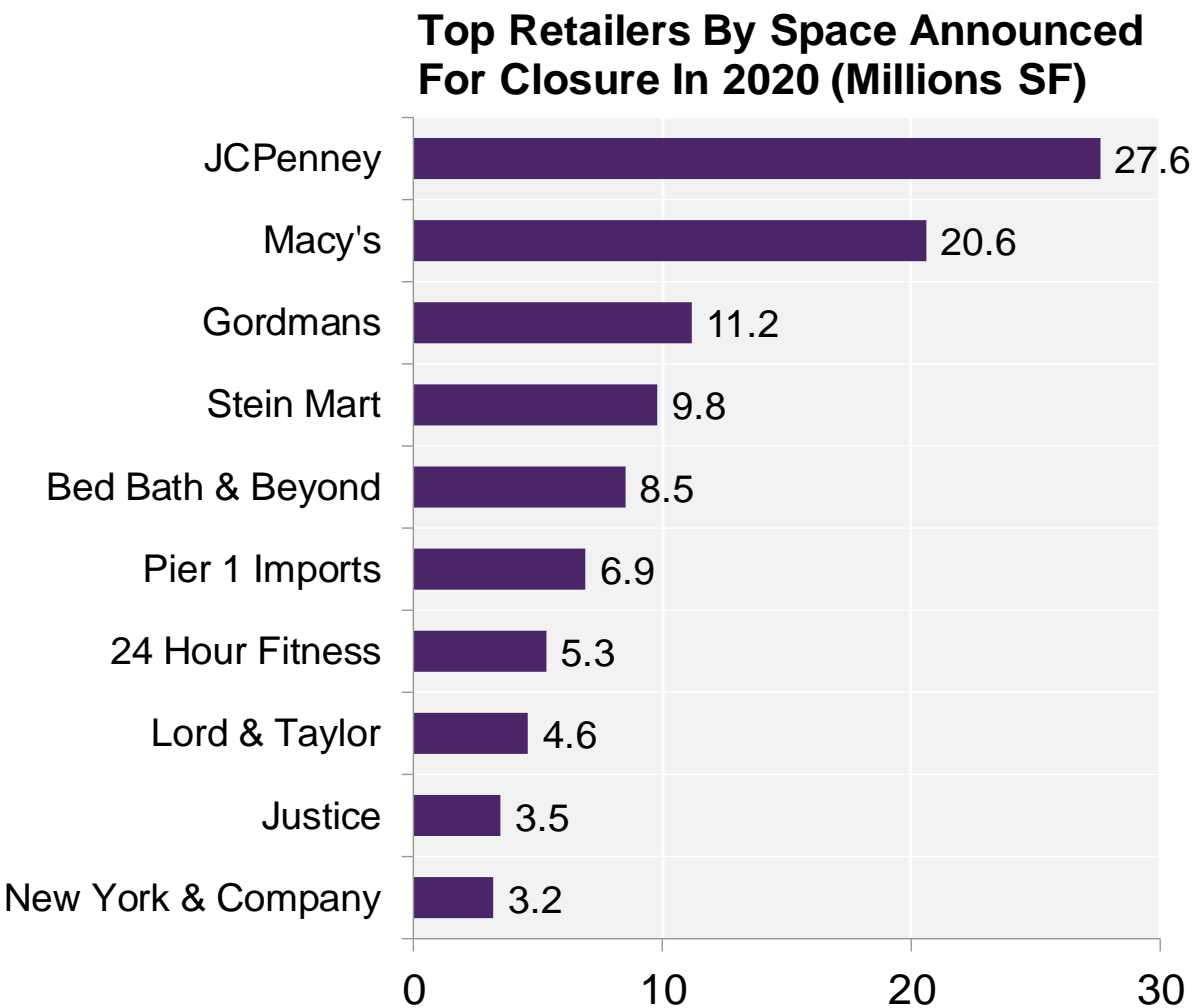
In addition to a second store in Redmond, it plans to add at least one new Amazon Go store in the Washington D.C. region, which is also where Amazon's second headquarters campus is under construction.



2020 Closure Announcements Set An All-Time High

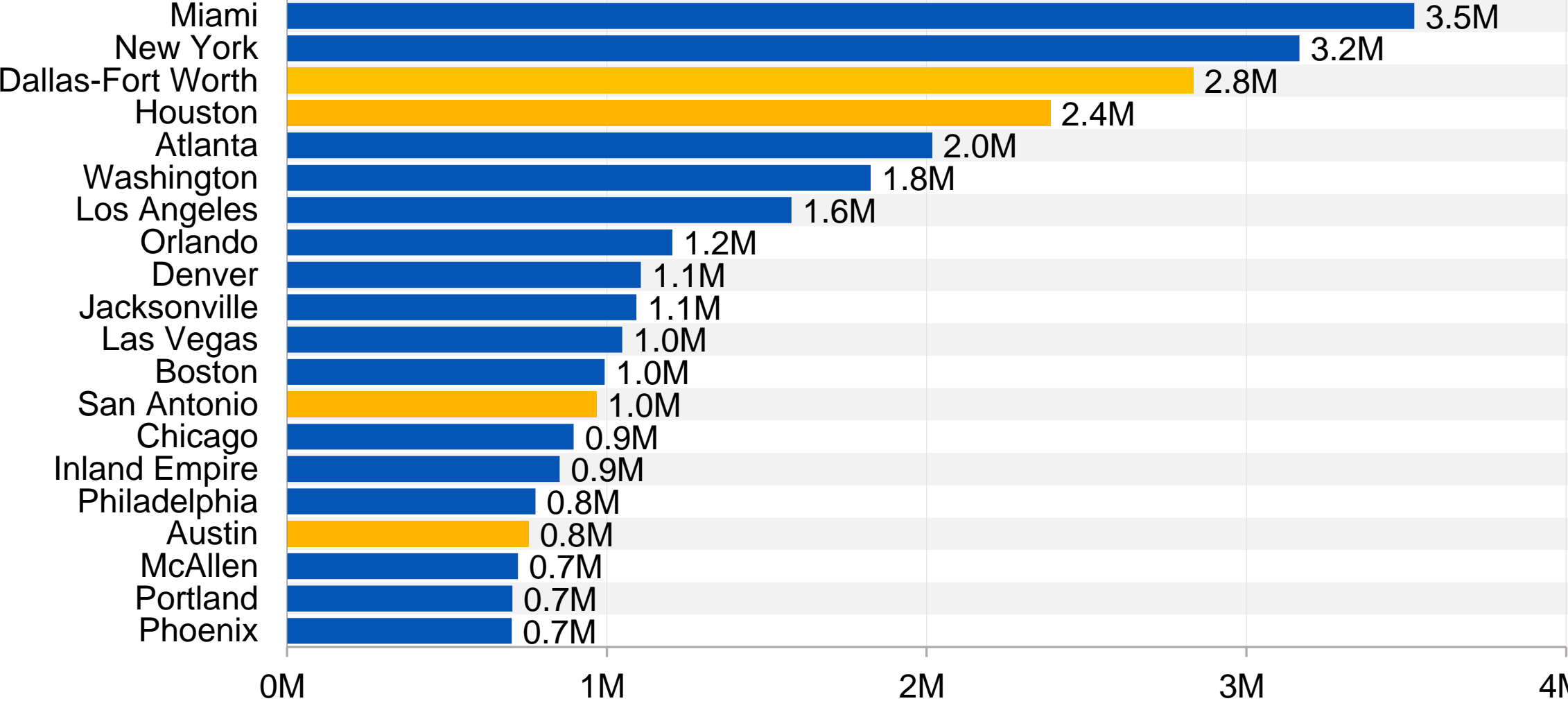


Source: CoStar Advisory Services

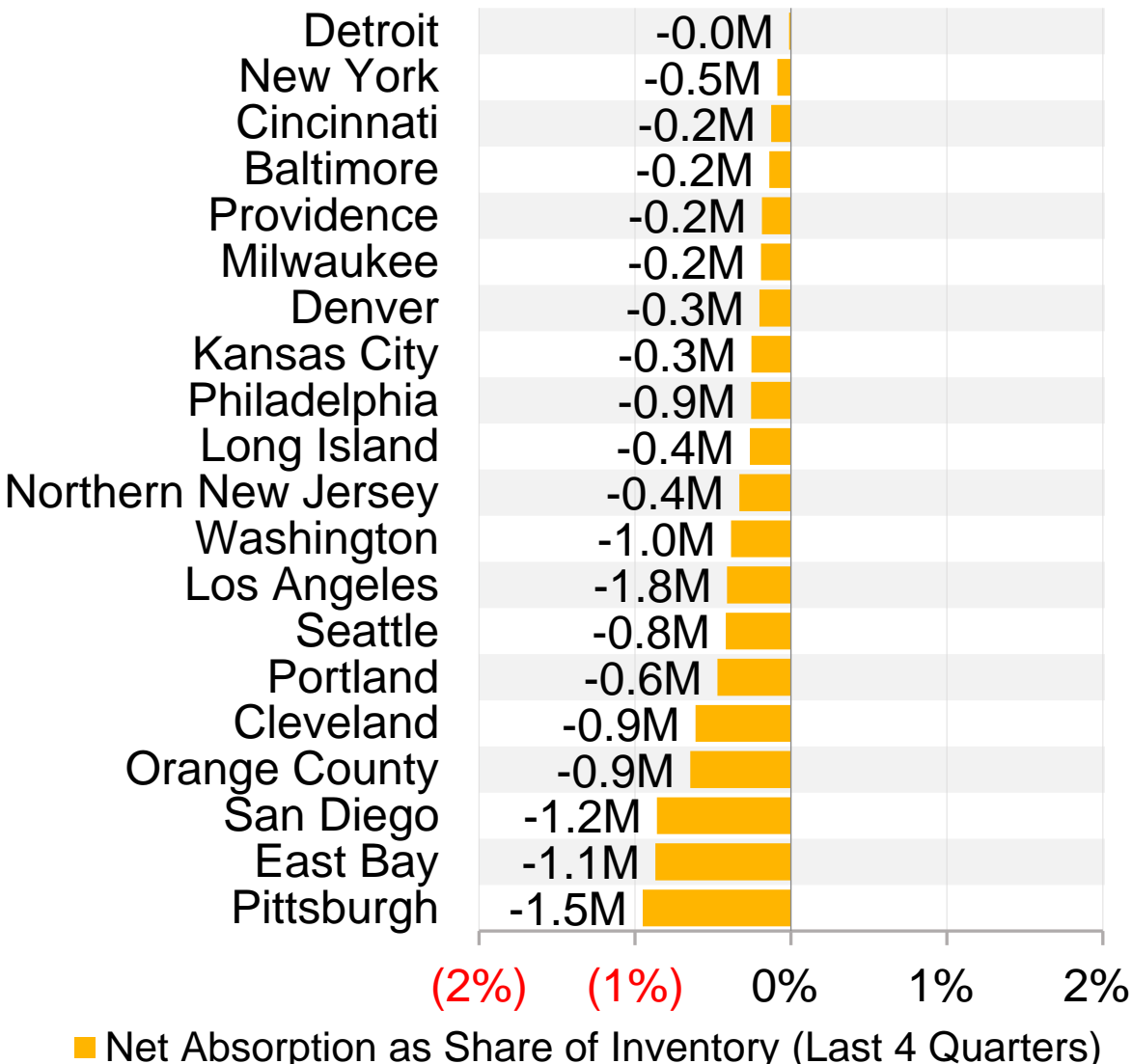
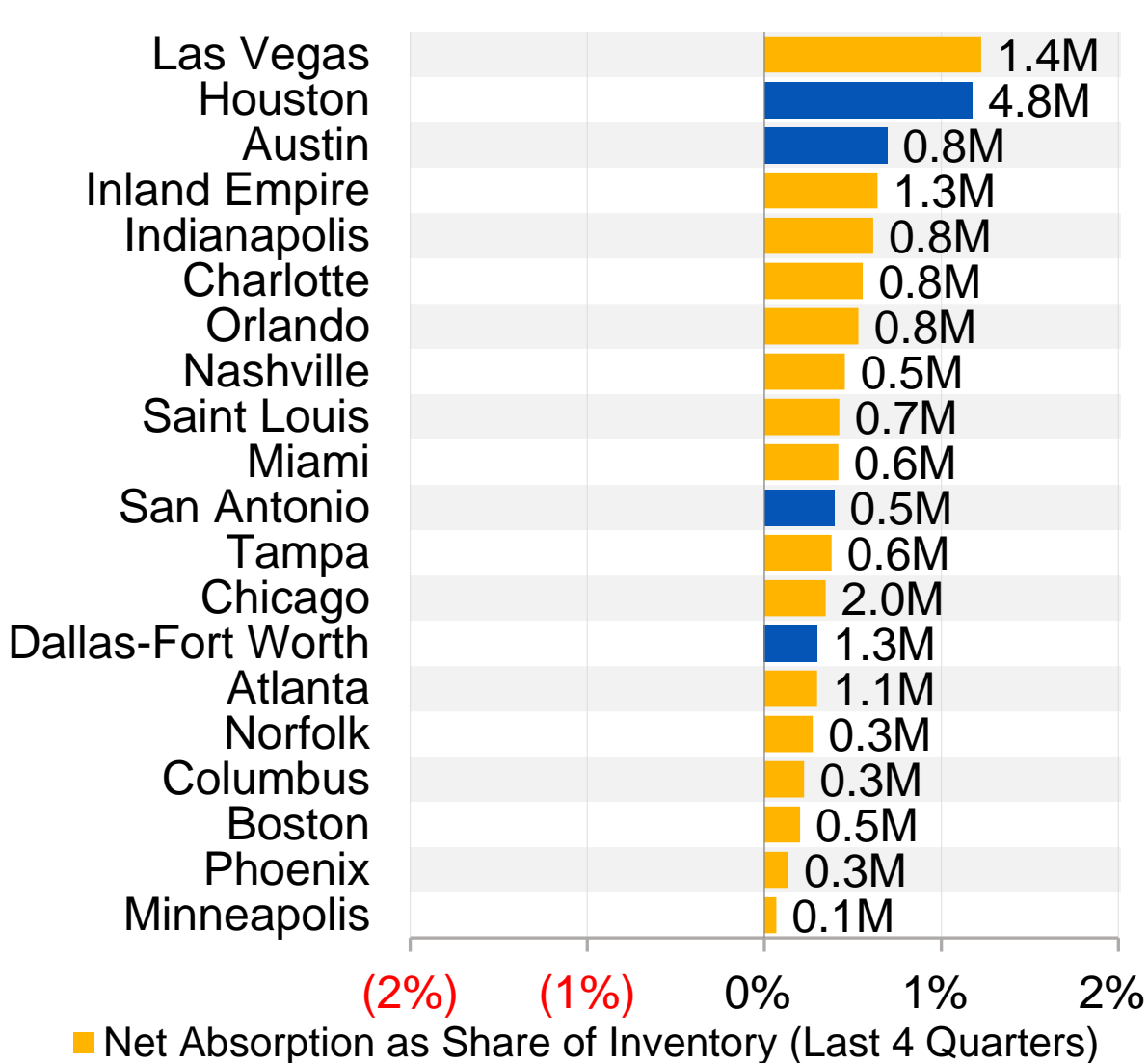


As of January 2021

Most Space Under Construction

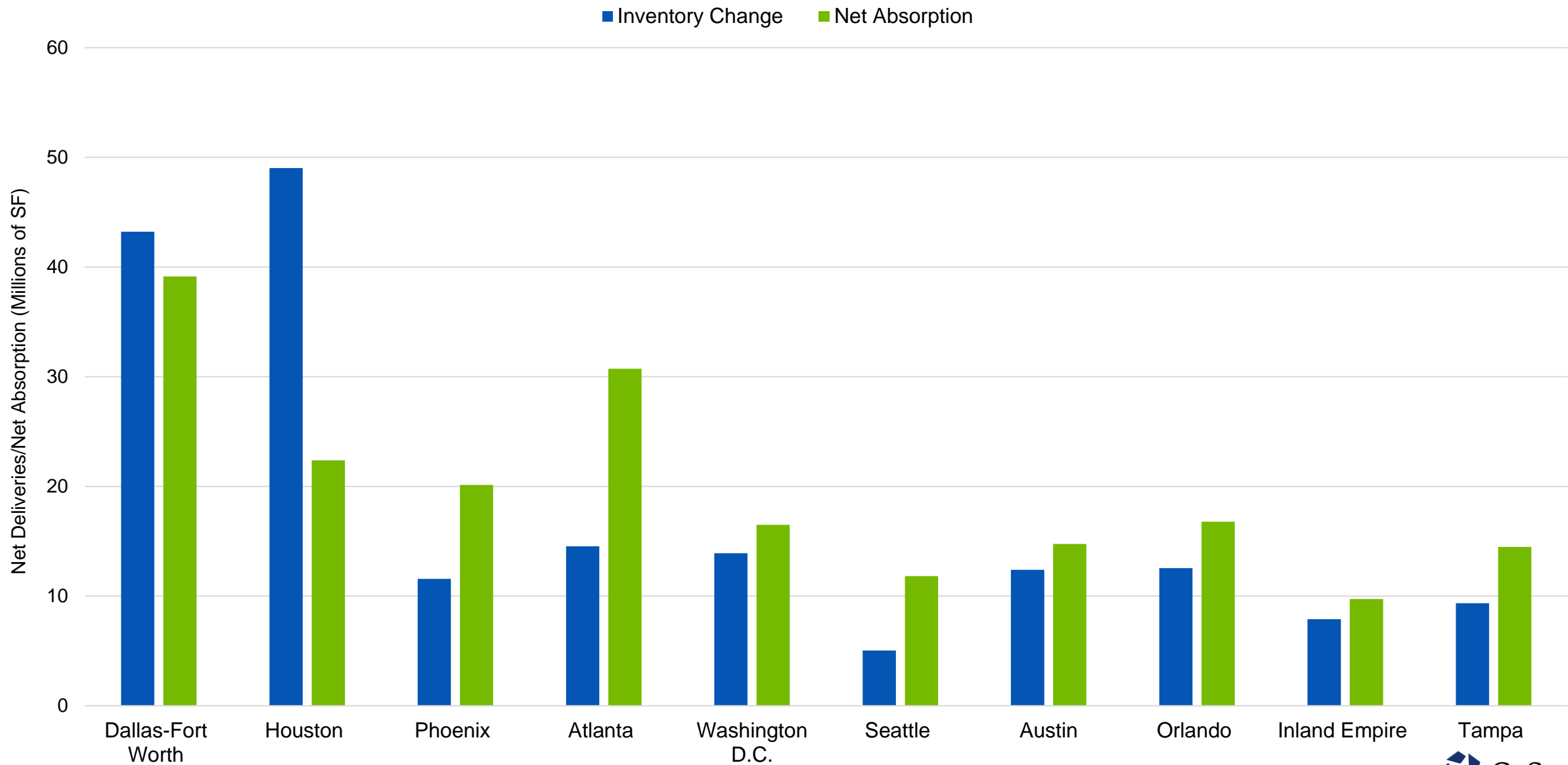


Net Absorption As Share of Inventory

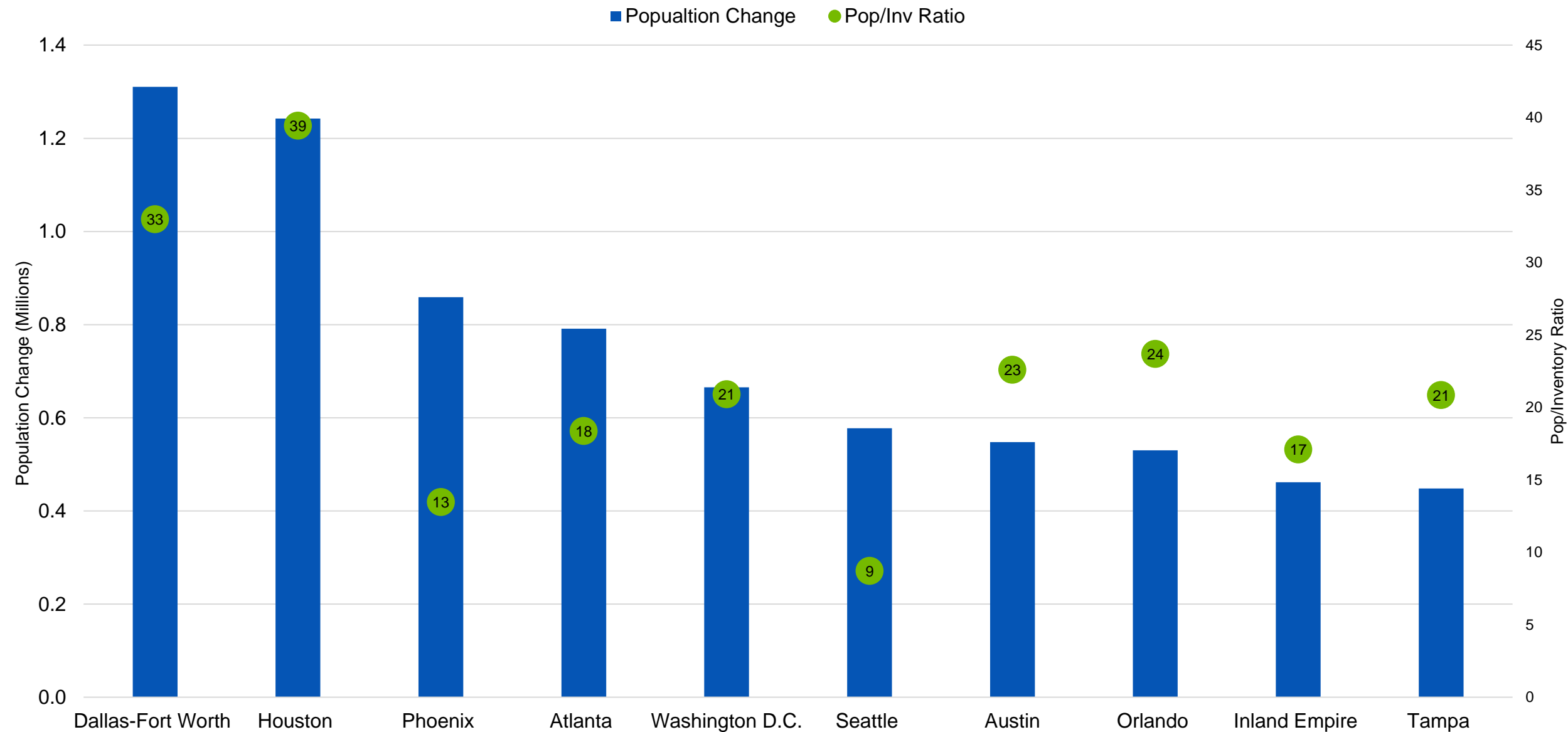


Note: Includes markets with 100M+ SF inventory.

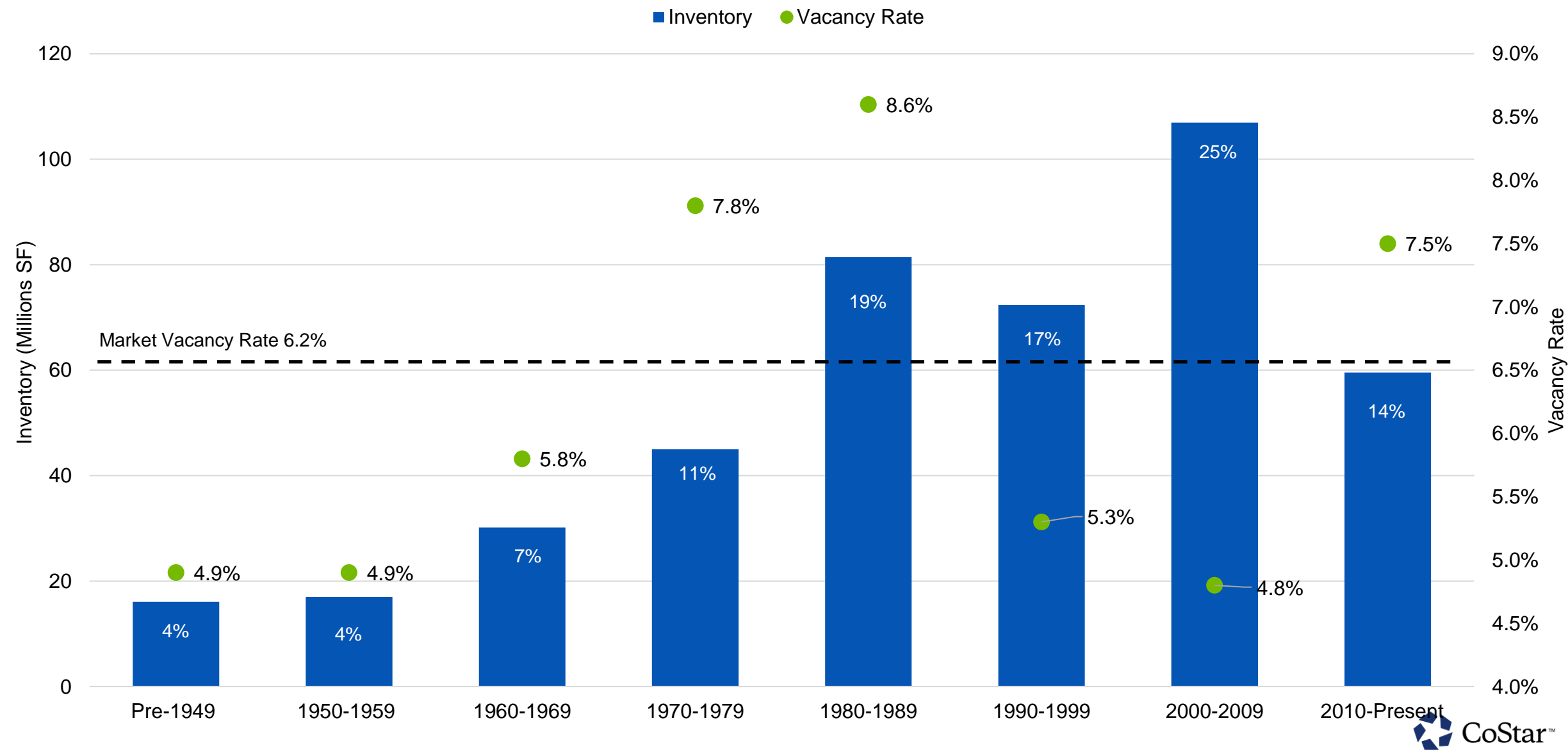
Retail Net Absorption and Net Deliveries 2010-2020



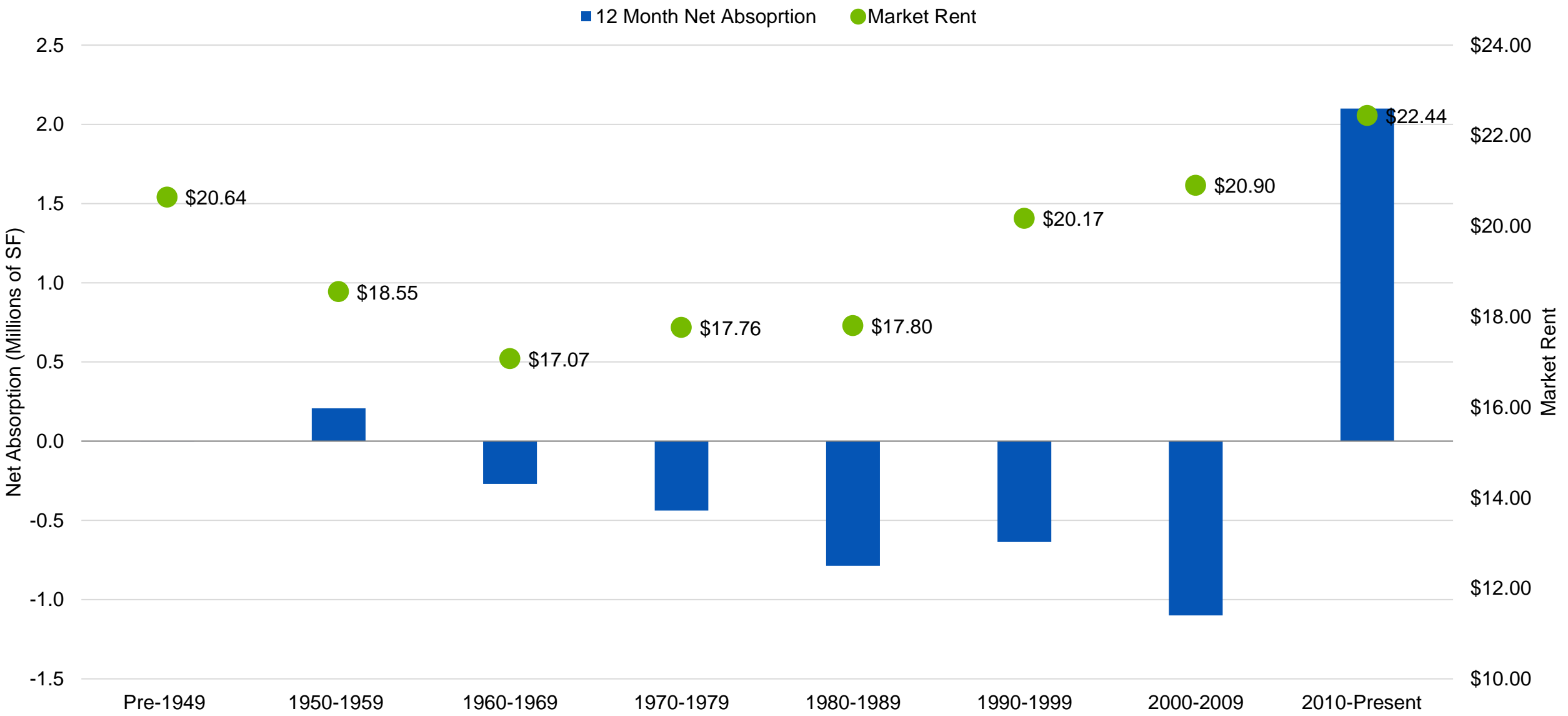
Population and Retail Inventory Change 2010-2020



Overbuilt or Under Demolished?



Performance During the Pandemic



More Suburban Malls Being Converted into Mixed-Use

Southern Dallas' Redbird Mall Revitalization Brings Access, Talent, and Purchasing Power to the Area

After launching Reimagine Redbird, the revitalization project of a historic 1975 mall in Southern Dallas, five years ago, the area now boasts 1,000 living wage call center jobs with Chime Solutions, Class A apartments at the Palladium Redbird, and The DEC@Redbird.



Rendering: Reimagine Redbird



Gloria Salinas, Managing Director, Economic Development, DRC

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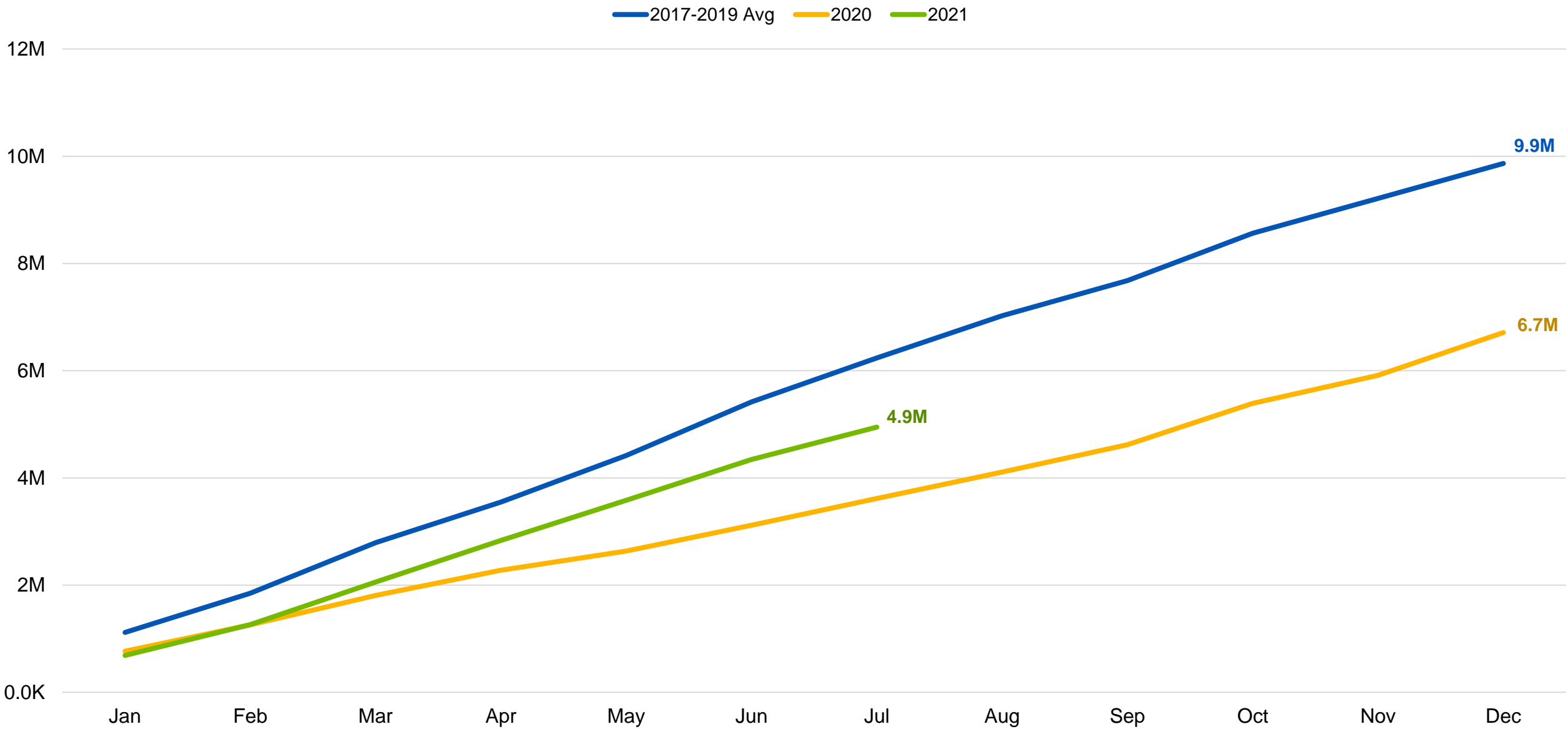
E-ED

Plano Market Square Mall property sold to Triten Real Estate for redevelopment

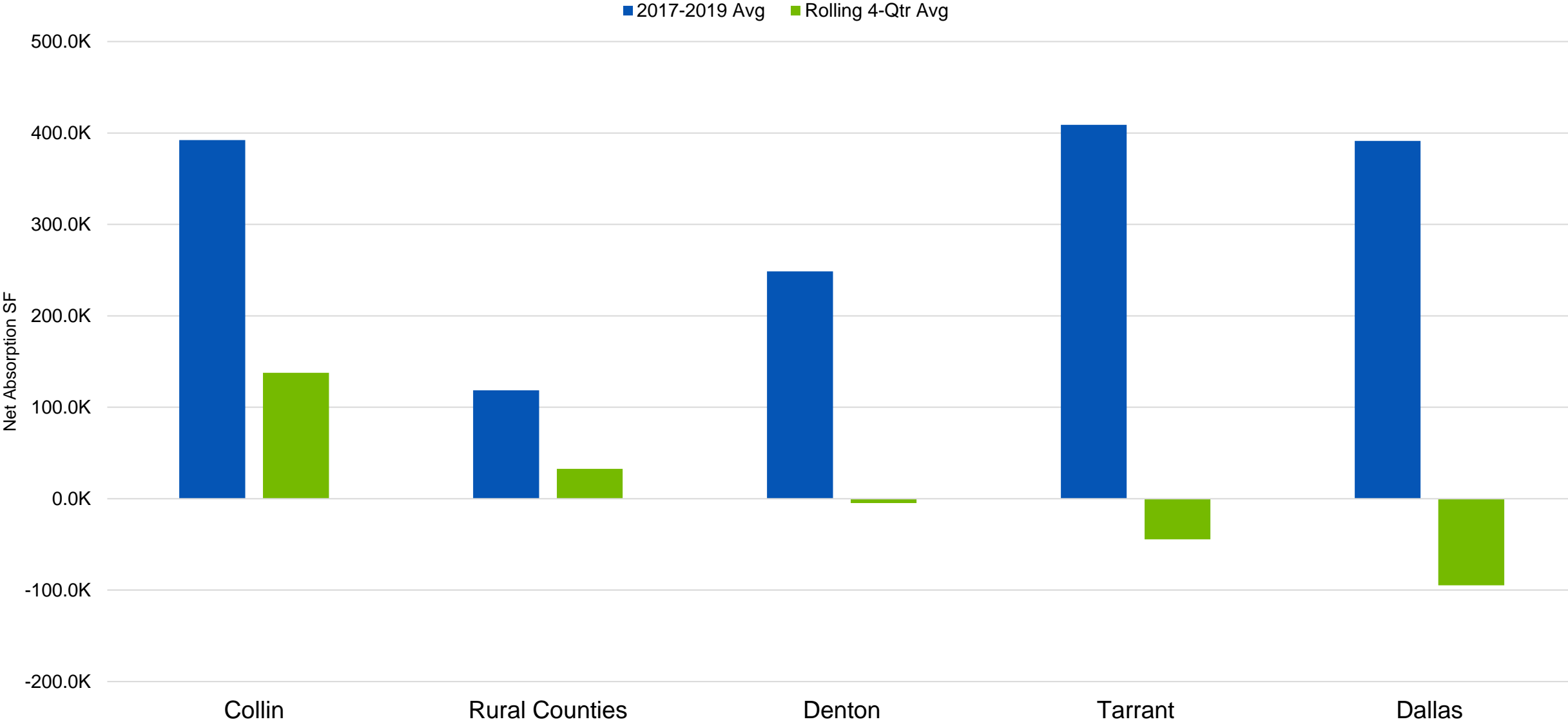


The proposed redevelopment plans would bring another roughly 325 apartment and townhome units to Plano as well as up to 16,500 square feet of restaurant and retail space. (Courtesy Engvest)

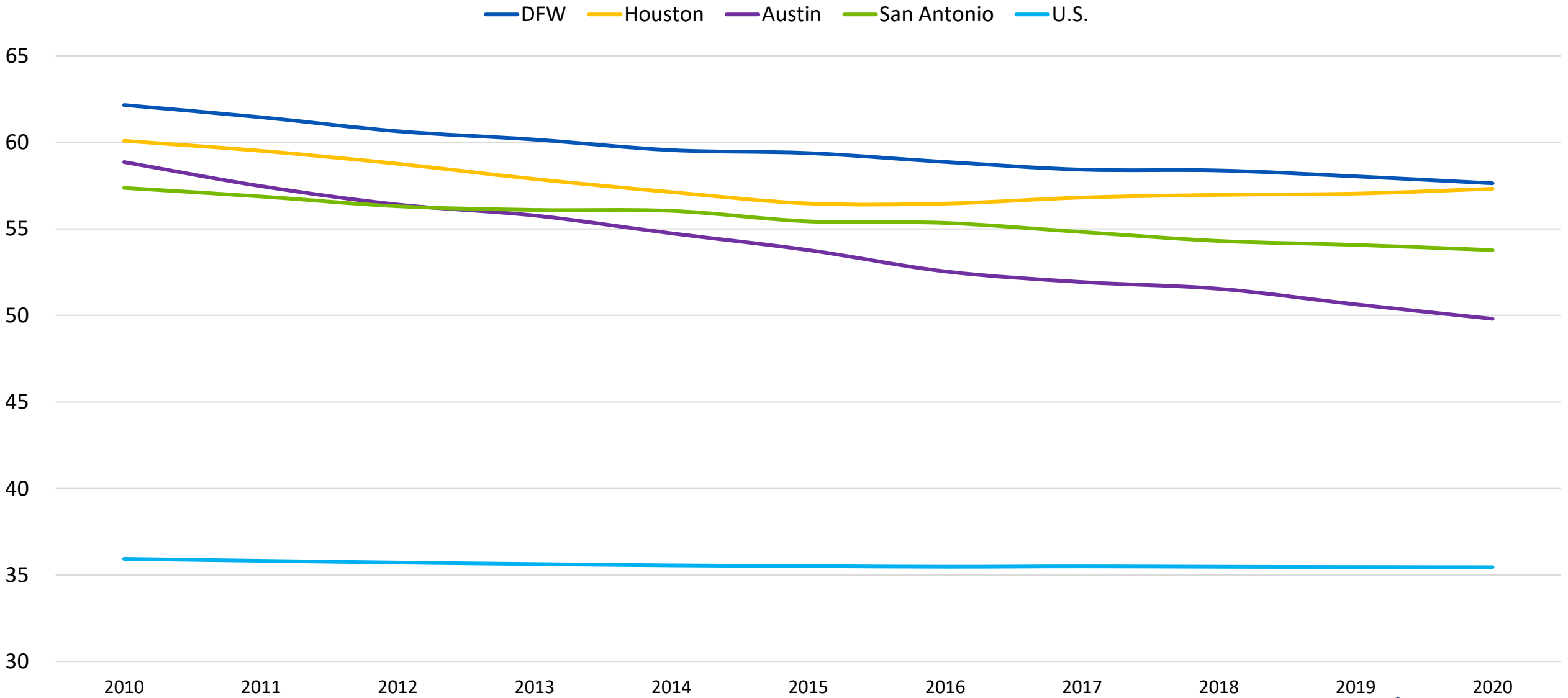
Cumulative Retail Leasing Activity in DFW



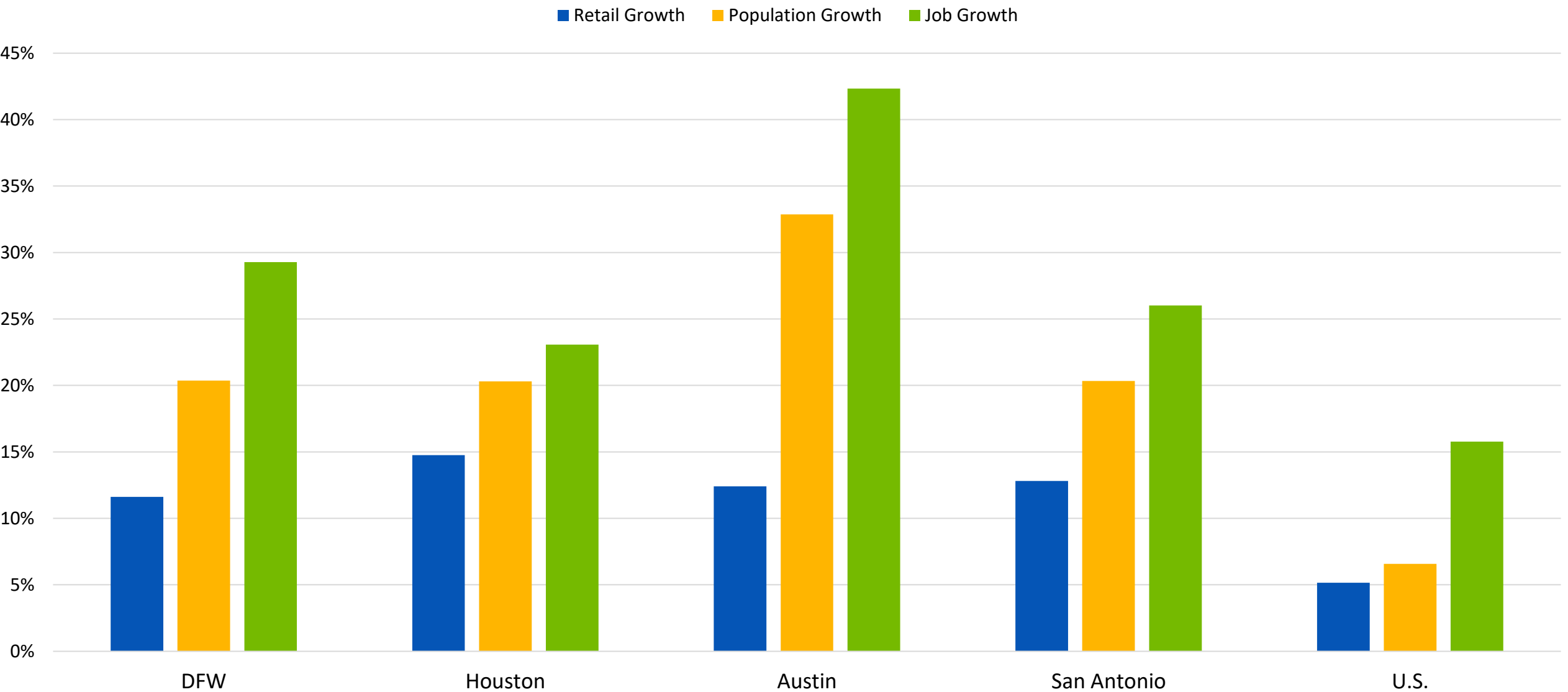
Retail Net Absorption by County



Retail Inventory vs. Population Growth

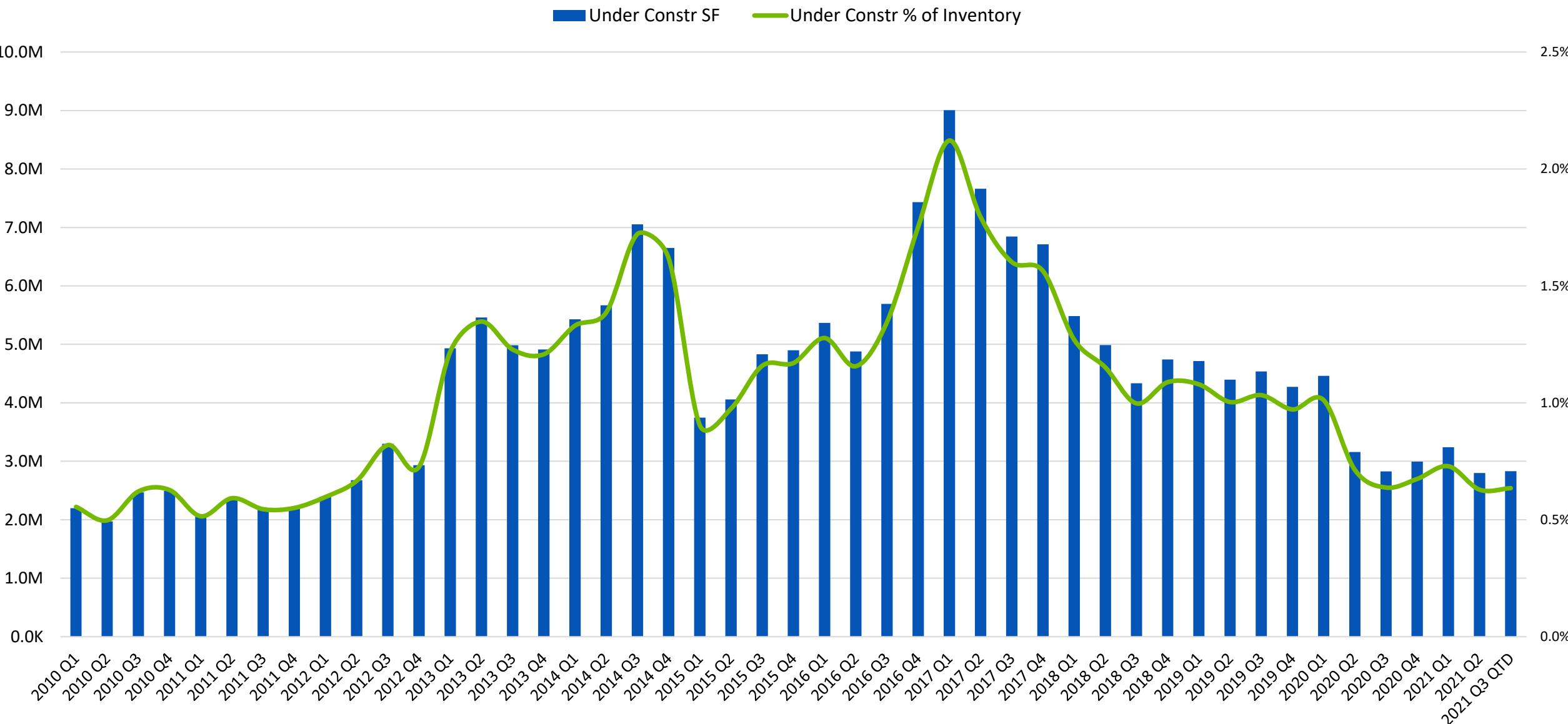


Retail Inventory vs. Population Growth vs. Job Growth



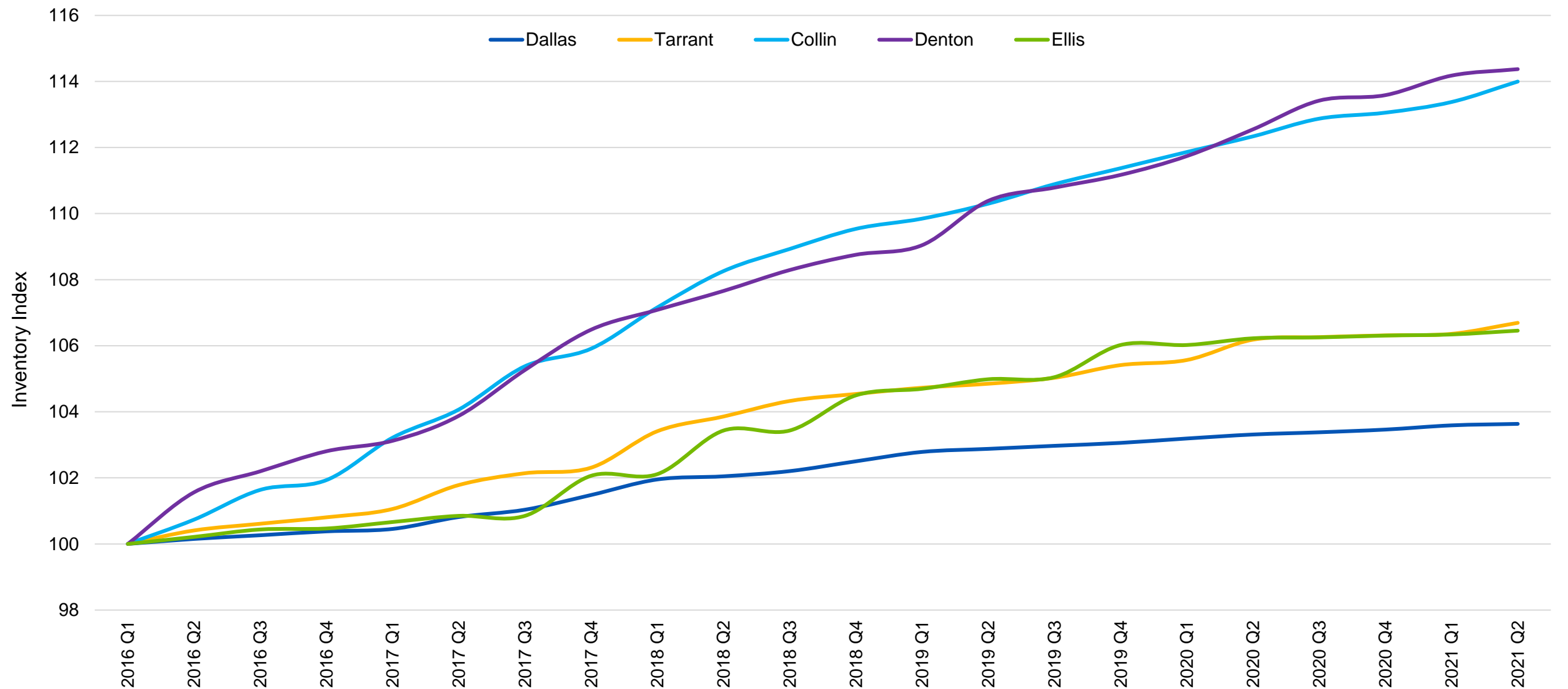
Source: U.S. Census Bureau, Haver Analytics, Bureau of Labor Statistics, CoStar
Retail Inventory & Population Growth from 2010 to 2020
Job Growth from 2010 to 2019, removing impact from pandemic-induced recession

DFW Retail Construction

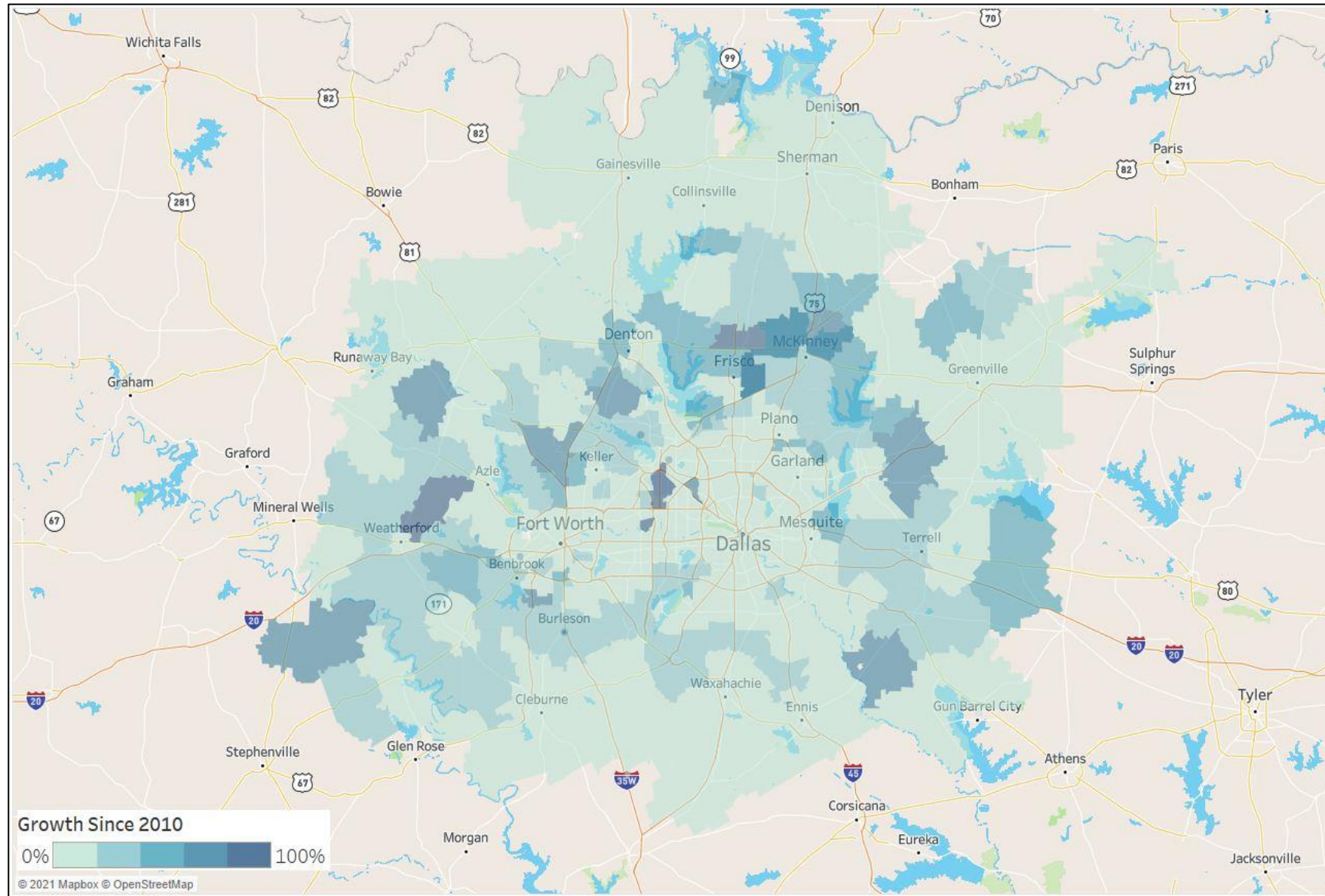


Retail Developers Chasing Demographic Growth

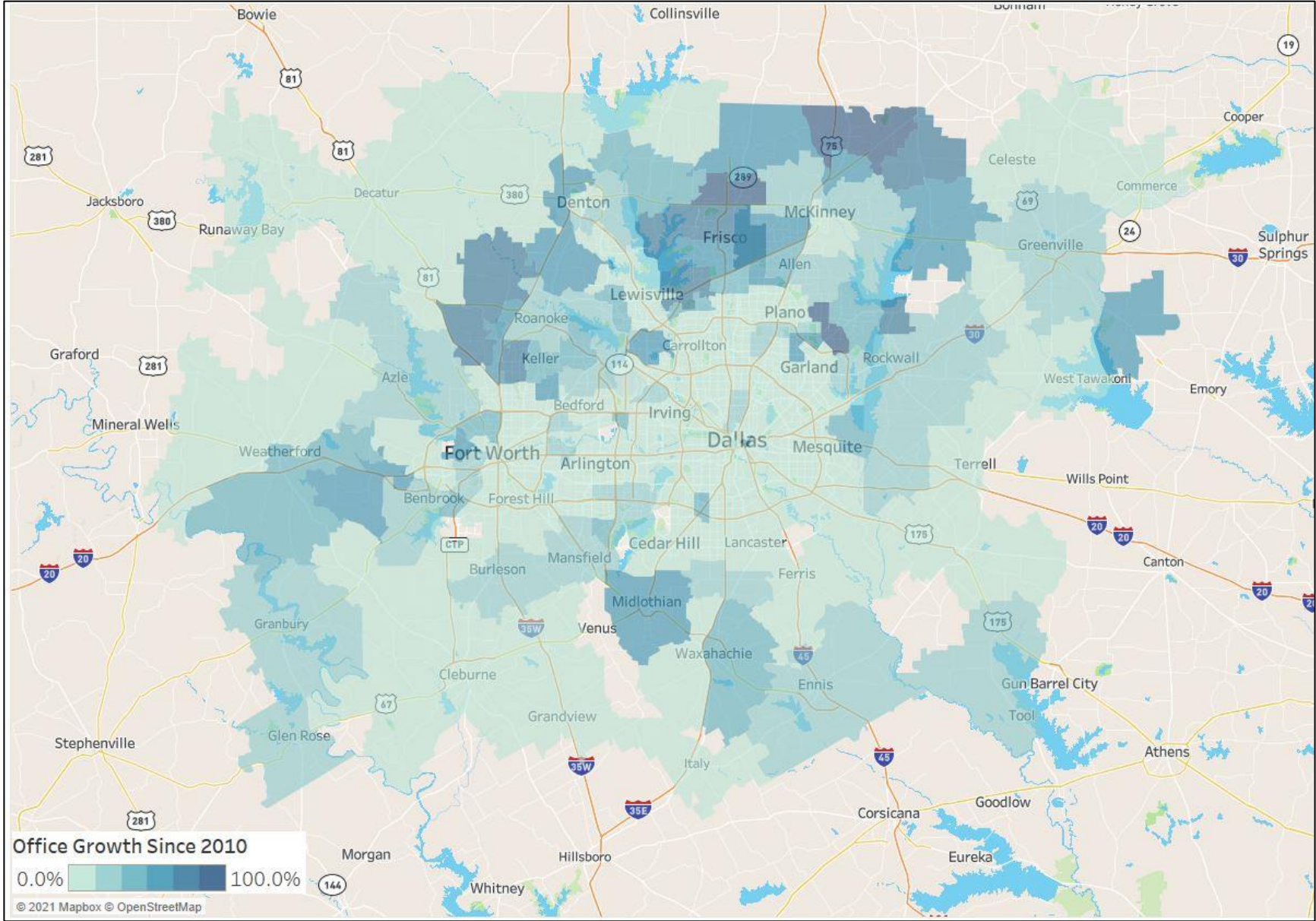
Collin & Denton Counties Account for 45% of DFW Retail Growth Since 2016



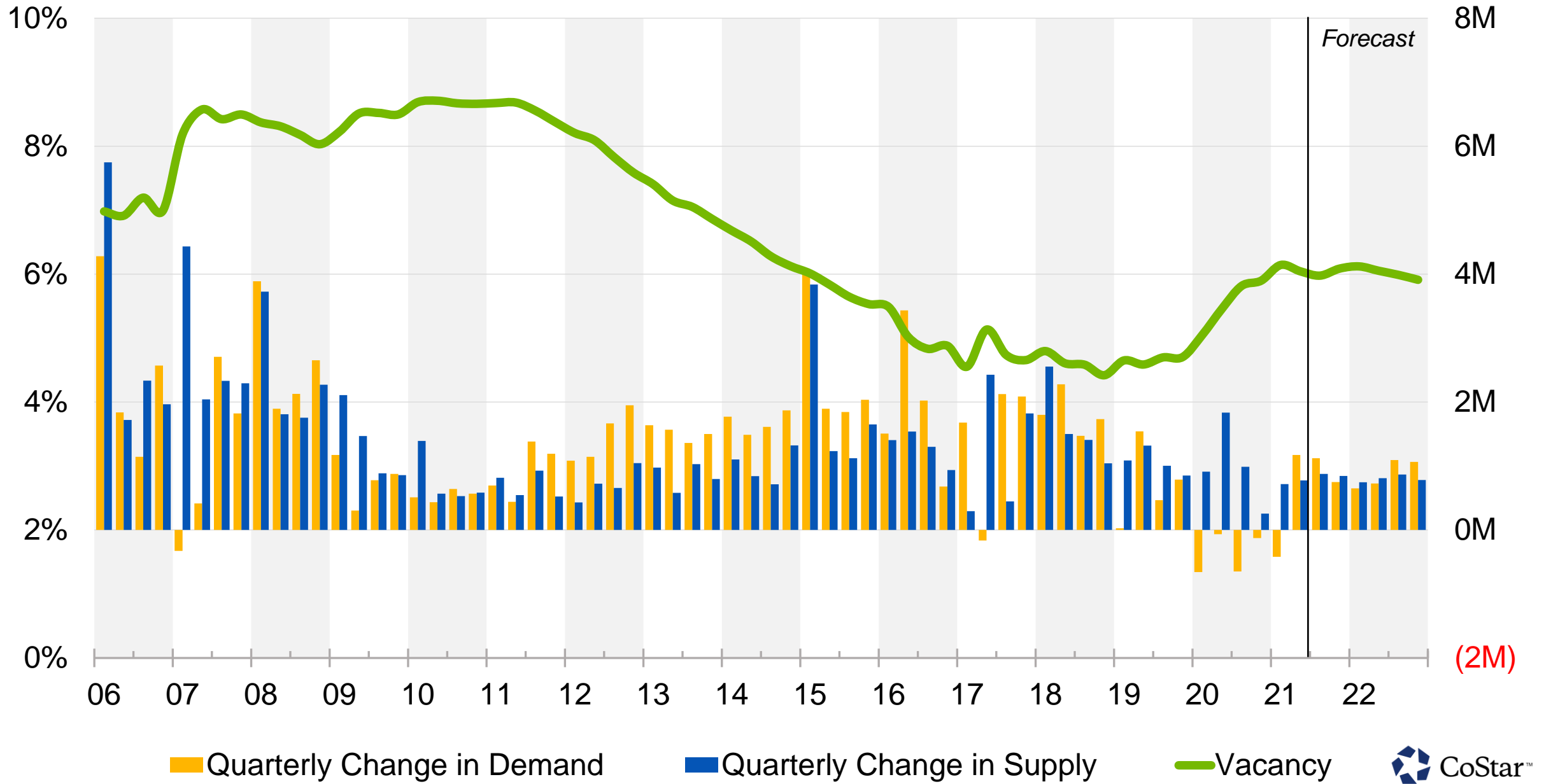
North Texas Retail Growth



North Texas Office Growth



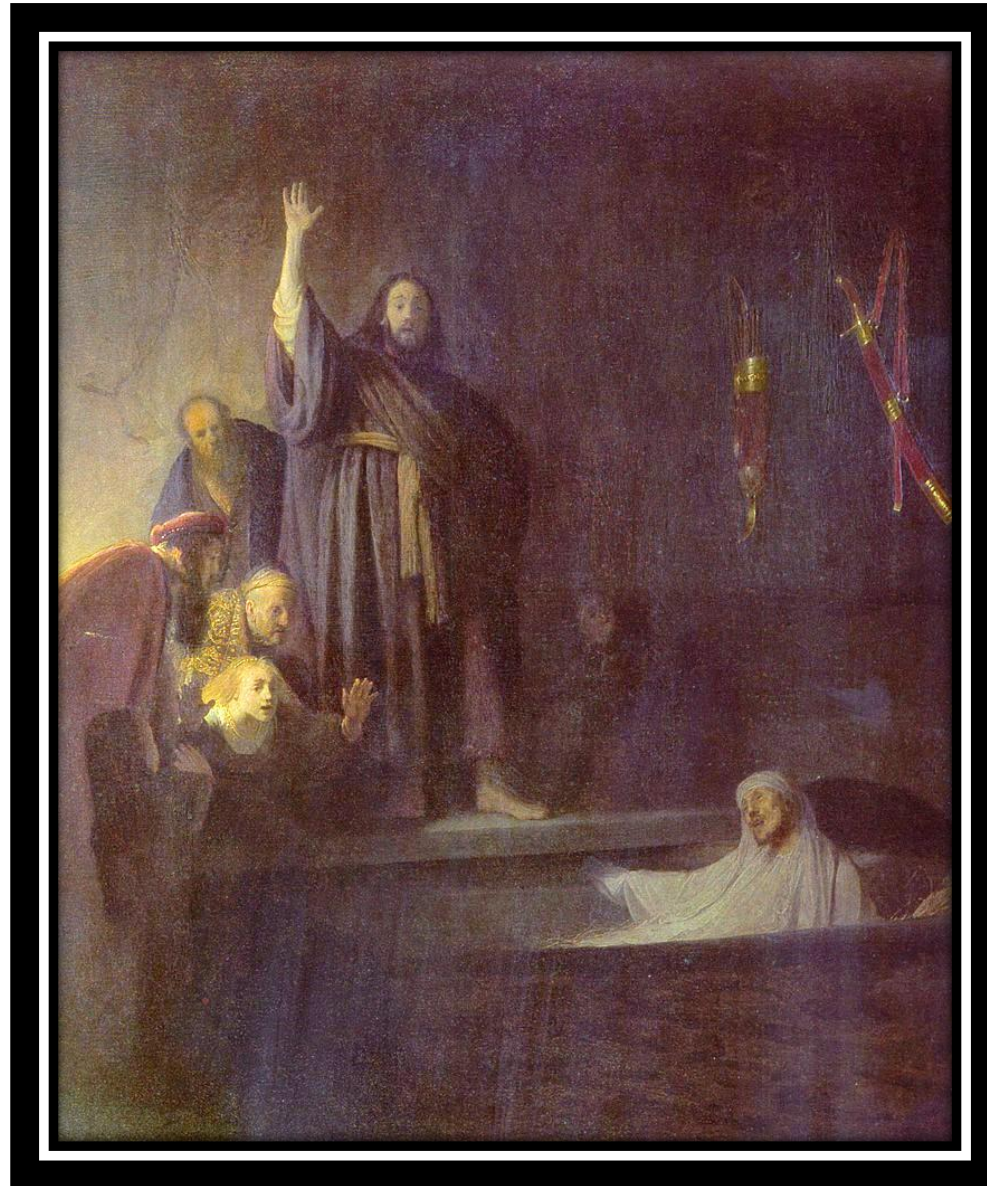
DFW Retail Fundamentals



Closing Thoughts:

- Outlook hinges on vaccination efforts. Delta variant presents threat to progress of current recovery.
- Census shows robust population growth persists in DFW.
- Shallower employment cuts, stronger bounce back.
- Texan's consumption patterns returning to “normal”.
- Retail tenants demonstrating greater confidence to take additional space, so far.
- Suburban vs. Urban: Leasing in Collin County drove retail demand in the market.
- Winners & Losers: Demise of underperforming malls accelerates while quality malls flourish.
- Repurposing activity remains a small, but prevalent theme (transforming dark big-box stores into distribution centers, healthcare centers, office-uses and grocery stores).

Retail: The Lazarus of Commercial Real Estate Assets



Thank You

KEY CONTACTS:

Paul Hendershot: phendershot@costar.com

Director of Market Analytics, Texas, Oklahoma, Arkansas, Louisiana

Bill Kitchens: bkitchens@costar.com

Senior Market Analyst, Dallas-Fort Worth, Oklahoma, Arkansas