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Retail Valuations Rise 20%

Valuations for retail properties and land suitable for shopping center development have risen dramatically recently. Sites at heavily trafficked intersections (especially in hot suburbs: Katy, Pearland, The Woodlands and near Exxon) will cost you 20% more than 12 months ago, say Deal Sikes principals Matt Deal and Mark Sikes. Houston has been one of the nation's leaders in population growth for some time—last year we led the country with 157,000 new residents—but shopping center construction has been very modest, Matt says. The tap has turned back on, especially since we've got new areas open for development thanks to the recent additions of roadways and housing. That's got retailers scrambling to establish footholds across the metro, and the level of competition has driven prices up.
