

HOUSTON BUSINESS JOURNAL

Houston teeming with retail hot spots

By Allison Wollam

The local retail and restaurant scene is heating up with tenants hoping to get a grip on Houston's healthy market.

James Namken, senior vice president with the Houston office of the Weitzman Group, said the Inner Loop retail leasing market continues to robust.

"I think we're lucky to be in the state of Texas because we avoided the economic doom and gloom that other states experienced," he said.

He noted that many retailers closed underperforming stores in the last couple of years and are now back in growth mode.

"Several retailers have told me that they're just expanding in Texas because of our strong economic base."

WEST AVE

Retailers have been eyeing the swanky West Ave center at Kirby Drive and Westheimer Road for expansion. The brand new center includes two stories of 195,000 square feet of retail below five floors with 398 luxury apartment homes.

"Inside the Loop, there's very little vacant spaces, so when it comes available, it's snatched up pretty quickly," Namken said.

Women's luxury store Tootsies opened the 35,000-square-foot flagship location in February, while high-end restaurants such as Eddie V's Prime Seafood and Ava Kitchen & Whiskey Bar have seen steady business since they opened.

Los Angeles-based Katsuya By Starck, a high-profile sushi restaurant frequented by celebrities, is planning to open in West Ave early next year, and Asian fusion restaurant and wine bar Cru recently opened in doors. Q Custom Clothier, a longtime favorite fashion spot for men

in Dallas, is set to debut later this summer.

WASHINGTON CORRIDOR & THE HEIGHTS

The Washington Avenue corridor and The Heights continues to be the hot spots for the local restaurant scene.

David Littwitz, of Houston-based Chowdrow Realty Advisors, said he was responsible for re-leasing the recently shuttered Phil's BBQ at the corner of Washington Avenue and Heights Boulevard.

"We had a ton of people calling us before we even put up a sign," he said. "It's still a very hot area in terms of restaurant interest, and I think that area will continue to grow."

Steven Christian recently opened the doors to the third location of his popular Christian's Tailgate restaurant in the Heights on White Oak Drive, while Hubcap Grill and D'Amico's Italian Market are gearing up to open their door any day now. Even Ruggles owner Bruce Molzan is jumping on board with the recent acquisition of the 11th Street Cafe in The Heights.

THE 'BURBS

Industry experts anticipate that retailers will hold their focus on historically fast-growing, master-planned suburban areas.

Indeed, the largest version of The Tasting Room Wine Cafe to date opened as the chain's flagship location in CityCentre late last year. The Tasting Room at CityCentre - at Interstate 10 and Beltway 8 - has about 7,000 square feet of interior space and 6,500 square feet of outdoor patio space.

Kenneth Katz, a principal at Houston-based BakerKatz, said he has been seeing a plethora of retail activity in submarkets, such as Highway 290 and Spring Cypress, Tomball and Cinco Ranch.

HOUSTON BUSINESS JOURNAL

Katz explained that these areas are of interest for a number of reasons, including the strong sales that existing retailers in the area are generating, high residential growth rates and optimal spacing with existing locations.

“As a whole, retailers are significantly more interested in expanding Houston than they have been at any other time during the past four years,” he said. “A shortage of available, high-quality space is driving up rents in the more desirable submarkets.”

