

Denton retail occupancy rated fourth: Tight market helps put Denton in top five as economy erodes region - *Denton Record Chronicle, August 7, 2009*

By Peggy Heinkel-Wolfe / Staff Writer

Denton's retail occupancy rate is the fourth highest in the region, according to a new report by an area analyst.

Addison-based Roddy Information Services said Denton's retail center occupancy at 90.33 percent puts it above occupancy rates in South Dallas, but not far behind slightly higher occupancy rates in South Fort Worth and the Greenville Avenue area of Dallas.

North Dallas, at 96.65 percent, had the highest occupancy rate in the region.

Overall, the Dallas-Fort Worth area has seen a decline in retail center occupancy in the past year, analyst George Roddy said.

The city of Denton was one of only 14 submarkets to gain occupancy in the past year. The rest of the region's 47 submarkets went down.

Analysts often look at submarkets, like areas of Dallas and Fort Worth, when assessing trends, said Bonnie Brown of Roddy Information Services.

Denton's high retail occupancy rate is in part a result of the limited amount of construction for new commercial centers the city has seen in the past several years.

"There's only been one shopping center construction completed in the last year, and that's the one on Teasley," Brown said, adding that the center is 81 percent occupied.

In 2006 and 2008, there were no new centers built at all. "Compared to a majority of submarkets, that's unusual," Brown said. The three strip centers built in 2005 and 2007 are only about half full, she said.

Alex Payne, owner of Axis Realty Group, said Denton probably wouldn't be in the top five if Rayzor Ranch had kicked off as planned two years ago.

However, Denton's retail real estate market shares some characteristics with others in the top five, Payne said. The upper Greenville Avenue area of Dallas is close to Southern Methodist University and South Fort Worth is close to Texas Christian University.

The top five also are older, more established areas of commercial real estate.

"There is less available land and it's hard to overdevelop those areas," Payne said.

Chris Rosprim, of Scott Brown Commercial, said he has 10 employees dedicated to commercial real estate and they field more calls for commercial space in Denton than they can fill.

"The incoming calls are more for retail than for office," Rosprim said.

Although there have been many foreclosures and some mortgages that shouldn't have been written, Denton's submarket isn't seeing some of the vagaries as other parts of the region, Rosprim said.

Northwest Tarrant County, for example, has the area's lowest occupancy rate for retail centers, at 74.46 percent. "They're overbuilt and way out there," Rosprim said.

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