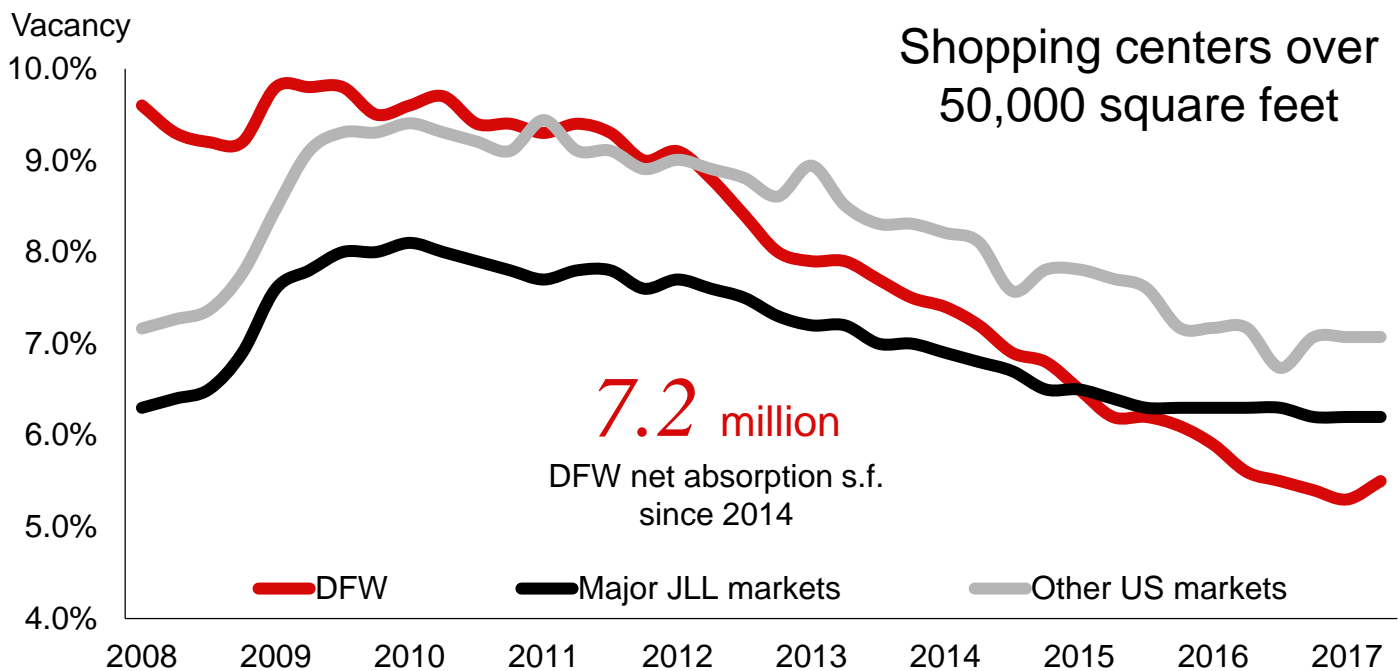


July 31, 2017

## Snapshot

Vacancy can't go much lower in DFW's shopping centers – and that's a good thing!



- With all the pressure on brick & mortar retail today and the almost weekly announcements of store closures, you would expect to see shopping centers in turmoil.
- Vacancy, however, has improved dramatically from the recession's highs. In fact, the old rule of thumb that shopping center vacancy runs around 7.0 percent is not the case in most markets – especially the larger ones.
- DFW stands out with vacancy now a mere 5.5 percent – more than 4-percentage points down from its 2009 peak. In comparison, the major markets JLL tracks (and even the remainder of the US metro markets) have seen vacancy decline roughly 2-percentage points – although both are tracking higher than DFW today.
- With new development still modest, even given DFW's population growth, absorption of existing space has been the key in bringing DFW vacancy down. Since 2014, DFW has registered 7.2 million square feet of absorption.
- This vacancy improvement does mean that all is well. Store closures still need to play out across the markets and retailers need to drive sales – to increase profitability. This means that low vacancy is not the only measure to gauge health, but DFW's very low level puts it in a strong position compared to many markets.

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Source: JLL Research

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