

STREET VIEW

THE COOL STREETS
OF HOUSTON



EXCLUSIVE
INTERVIEW *with*
LINDSAY & SKYE
FROM SAINT LO

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Q1
2020

CBRE



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Sources: Axiometrics / Costar / Visit Houston

STREET VIEW

GROWTH IN THE RETAIL SECTOR



Recent years have been challenging for mall-based apparel and hard goods chains as retailers have worked to find their new “right size” for the omni-channel, e-commerce market we now operate in. However, as these groups have struggled, a new breed of retail has emerged—street retail. Street retail is emerging in urban Houston in transitional neighborhoods where more affordable commercial rents have served as an initial catalyst for growth.

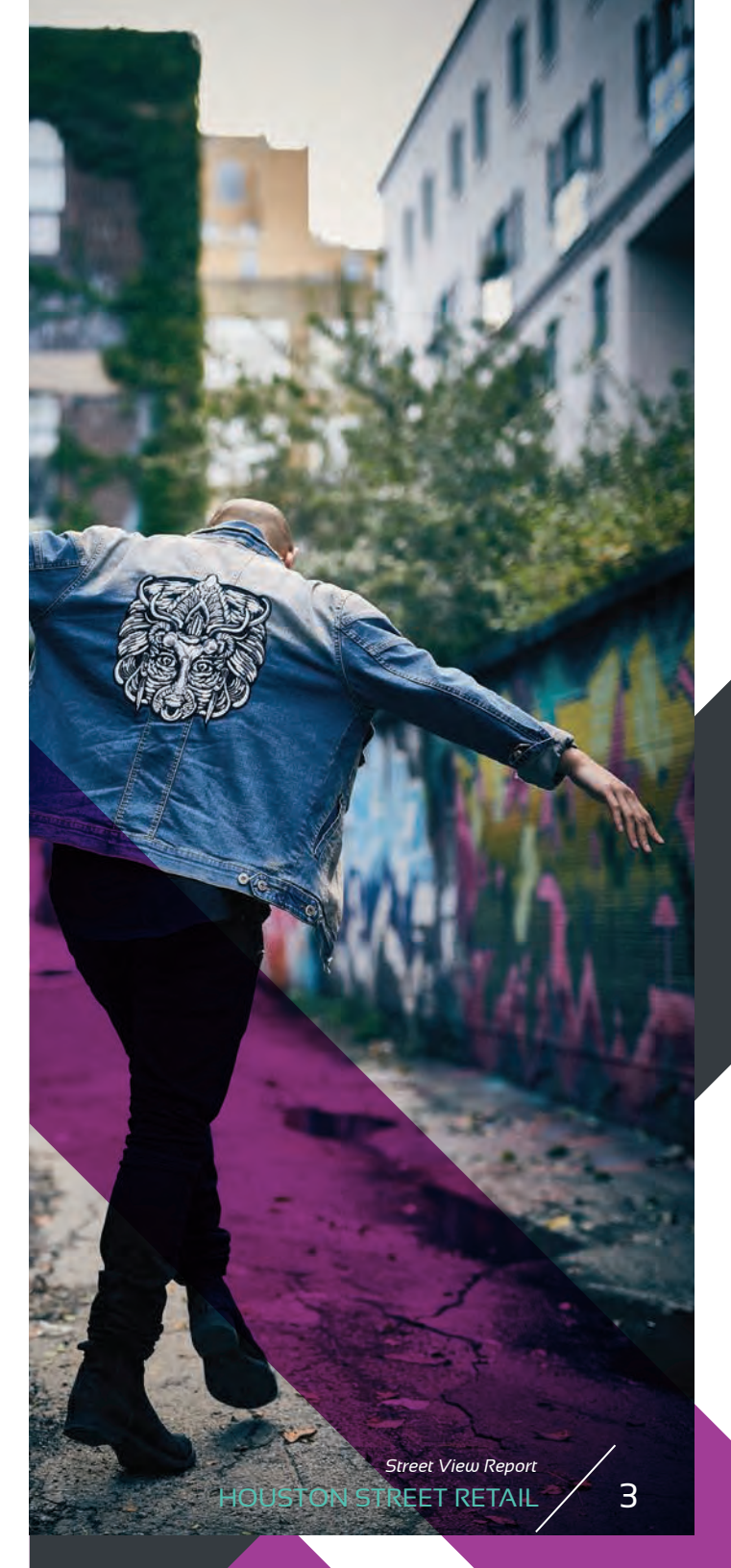
These streets were once long-standing quirky neighborhoods that were largely known for local arts, music, or LGBT communities. These streets always had a unique subculture, but the appeal of that subculture failed to carry over to the mainstream until recently. The revitalization of these streets has largely been driven by new restaurants

and retail concepts that connect with the Millennial customer, who has now Surpassed Baby Boomers as the largest single age demographic in the U.S.

According to a recent Forbes study, 46% of Millennials would prefer to live in an urban setting, and 44% of Millennials ranked access to shopping and entertainment as one of their top ten priorities when choosing where to live. This new mindset is strongly shifting the retail climate across the city of Houston, as well as the country-at-large as this generation enters their prime earning years.



Hip neighborhood street retail has now become a mainstream aspiration and the birthplace of the most sought-after retail concepts of tomorrow. This report will explore the eight main streets where street retail is alive and well in Houston’s urban core.





HEIGHTS SPOTLIGHT: LINDSAY AND SKYE VILA OF SAINT LO BOUTIQUE & PETITE RÊ MODERN CHILD



Saint Lo Model

Lindsay and Skye Vila (Owner & Co/Owner)

Can you briefly walk us through the story of how Saint Lo came to be – how you got started? You can include as little or as much detail as you'd like.

"Saint Lo was planned years before the opening. Lindsay worked for a boutique for years and after i sold my shares in another business, we decided to make it happen. It is named after our daughter Lola (or as we call her, Lo)."

How do you describe Saint Lo and its location to out of towners?

"Lindsay's selections are curated and unique. We want our customers to step outside their comfort zone a little bit, but feel comfortable. We are surrounded by like minded

businesses in a great setting. The Heights Mercantile is an experience in itself."

Why did you choose to plant in The Heights Mercantile project?

"Truthfully, The Heights Mercantile chose us. We were interested in another property, and instead were presented with The Heights Mercantile. Steve Radom and his team took a chance on us and now here we are."

Do you think the price to operate in these higher profile projects is worth the pay off?

"We believe it is. This is not a mall setting. It is a very different vibe. With the bike trail, outdoor brunches, shopping, and a family friendly setting, our location is a destination in itself."

As we continue to see retailers opening and closing frequently, what do you think it takes to stay for the long-haul in this competitive environment?

Above all, customer service. We want to know who you are and what you are shopping for. Our staff are trained to style you based on your needs."



SAINT LO BOUTIQUE IS AN UPSCALE CONTEMPORARY WOMEN'S BOUTIQUE LOCATED IN THE HISTORIC HOUSTON HEIGHTS.



What inspired the expansion into children's clothes?

"That is a better story. Shortly after opening Saint Lo we saw a need for unique kids clothing after not being able to find anything for our daughters. Again, we spoke to Steve Radom, and later this year Petite Rê will open across the street. Petite Rê is a play on our youngest daughters name Remi. We have a great list of lines, including NUNUNU and Munsterkids, to offer our stylish little ones."

What are you most excited about for your business in 2020?

growth in both concepts. Our vision has always been to have multiple locations. Not only will we have a presence in the Heights, but we are also in negotiations for another Petite Rê in the Katy area. We are proud of our work and passionate about what we do. Come see us!



TENANTS: NEW TO THE HOUSTON MARKET

Rice Village (Rice/Museum District)



Highland Village (River Oaks)

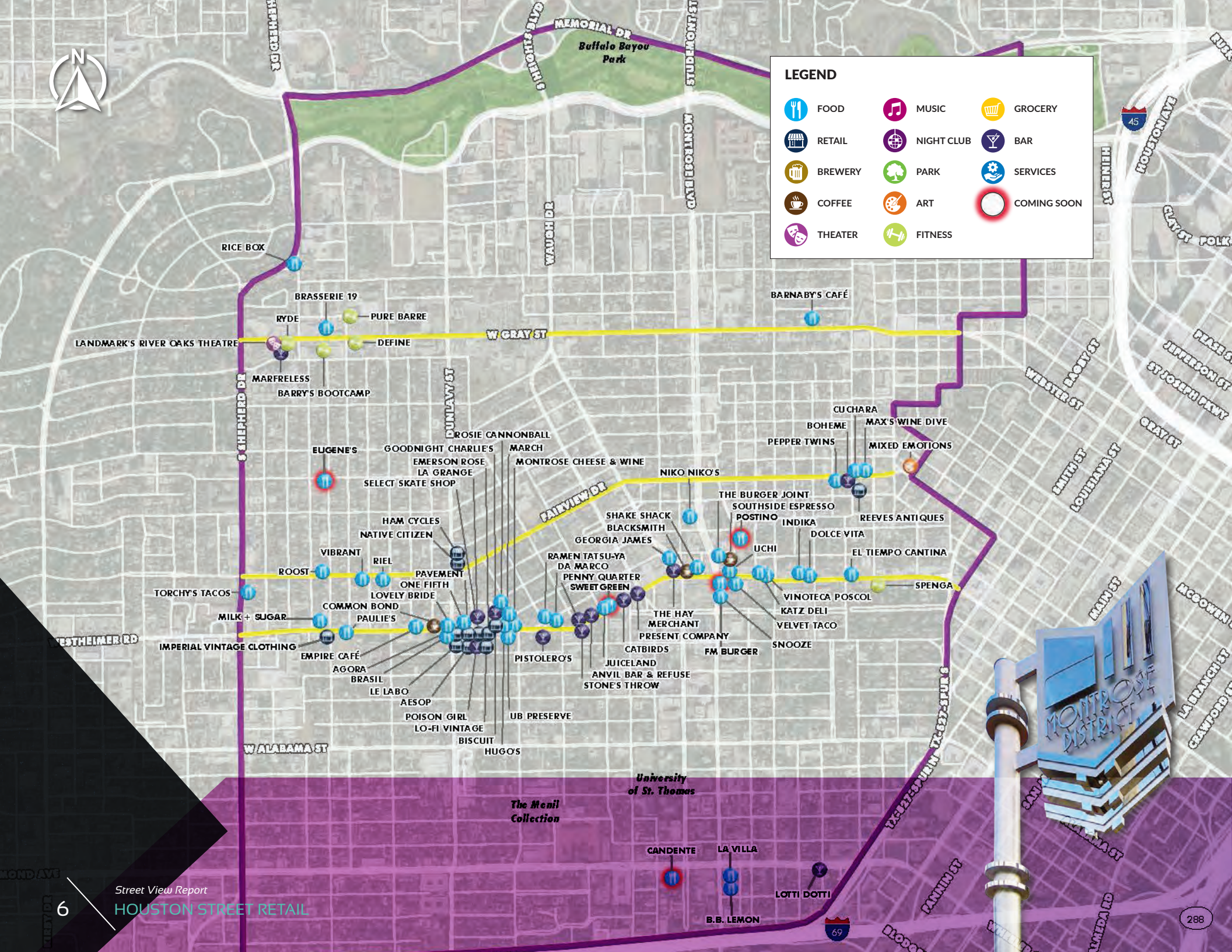


Heights Mercantile (Heights)



River Oaks District (River Oaks)





MONTROSE

ECLECTIC & COLORFUL

Anything goes in Montrose - from neon-lit tattoo parlors and 24-hour drive-thrus to tree-covered bungalows and quaint coffee shops. During the 70s, Montrose became a center for the burgeoning counterculture movement as the area became known as the destination for the LGBTQ community of Houston encouraging eccentricity and diversity in the heart of the city. Montrose is a bona fide urban destination for one of America's most diverse demographics. Bringing curated shop, eat, drink, meet and work scenes into an already established cultural hub, Montrose is positioned to be the hub of eclectic gatherings. It's the one place in the heart of the city where professionals, millennials and urbanites spend hour after hour nibbling away at cafés, sipping coffee or cocktails, shopping farmers markets, practicing community yoga, snapping photos of wall art murals, listening to live bands and meeting up with fellow creatives, and where office tenants, niche merchants and restaurateurs will be lucky neighbors of nationally recognized art landmarks the likes of The Menil Collection and Rothko Chapel.



DEMOGRAPHICS	
Millennial Population	35.20%
Avg. HH Income	\$142,743
Bachelor's Degree or Higher	79.80%
% Renters	61.50%
Walkability Score	★★★★
Retail Net Rental Rates	\$40 - \$60 psf
Avg Residential Rental Rates	\$1,809 per month

Source: CBRE Location Analytics & Mapping 2020

EADO

ARTISTIC & URBAN

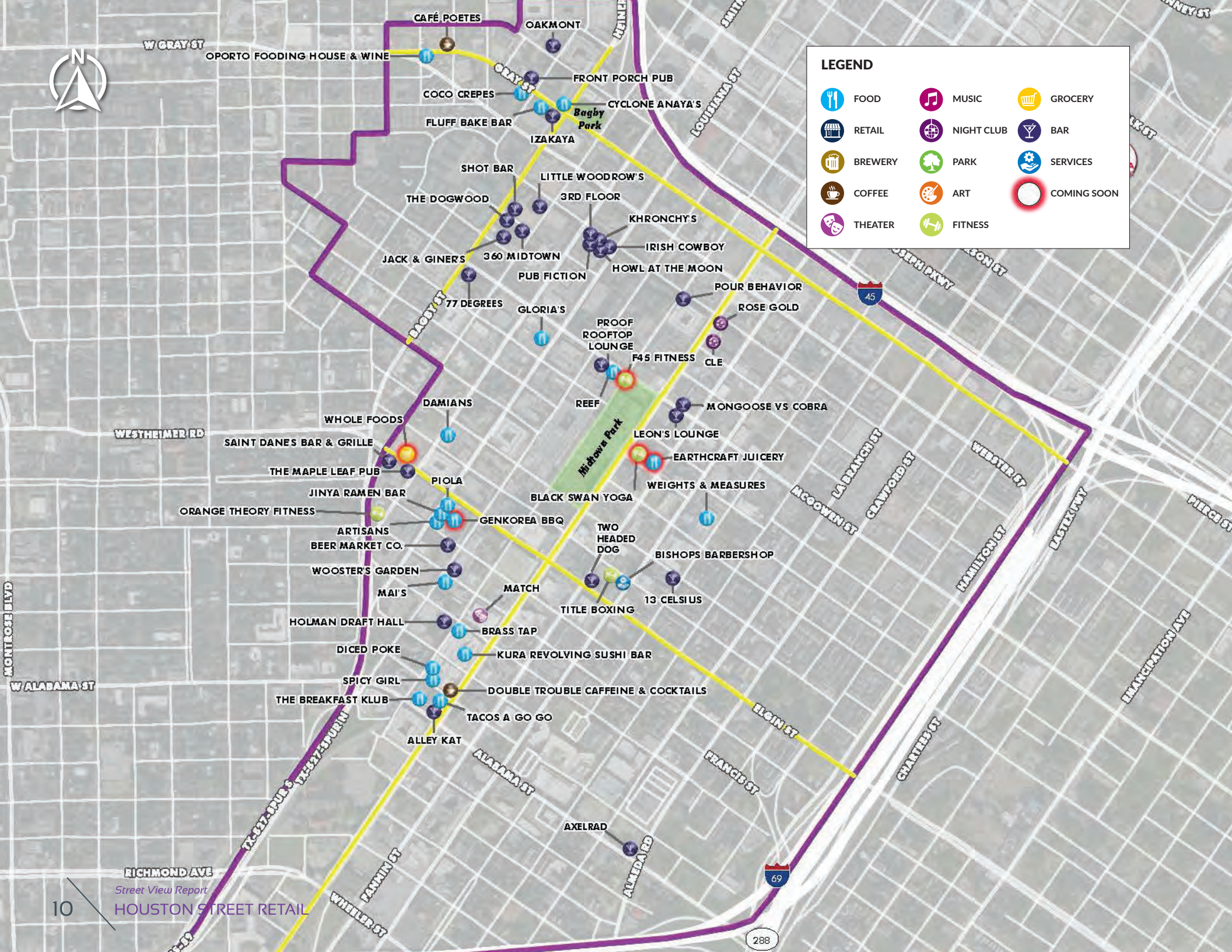
'Eado' is more than just a designation for its proximity east of downtown. Home to Houston's original Chinatown, Eado is now a vibrant haven for local art, trendy bars, innovate restaurants and entertainment. Eado is known for its unique destinations such as 8th Wonder Brewery, the graffiti park driven by the HUE Mural Fest, Warehouse Live, and new, highly regarded restaurants such as Nancy's Hustle, Indianola, and Miss Carousel. Located within walking distance of the Dynamo's BBVA Compass Stadium, Discovery Green, and the George R. Brown Convention Center, this growing neighborhood continues to attract new residents and business tenants seeking a truly urban environment.



DEMOGRAPHICS	
Millennial Population	35.70%
Avg. HH Income	\$94,392
Bachelor's Degree or Higher	37.80%
% Renters	55.60%
Walkability Score	★★★
Retail Net Rental Rates	\$20 - \$35 psf
Avg Residential Rental Rates	\$1,556 per month

Source: CBRE Location Analytics & Mapping 2020





MIDTOWN

VIBRANT & YOUNG

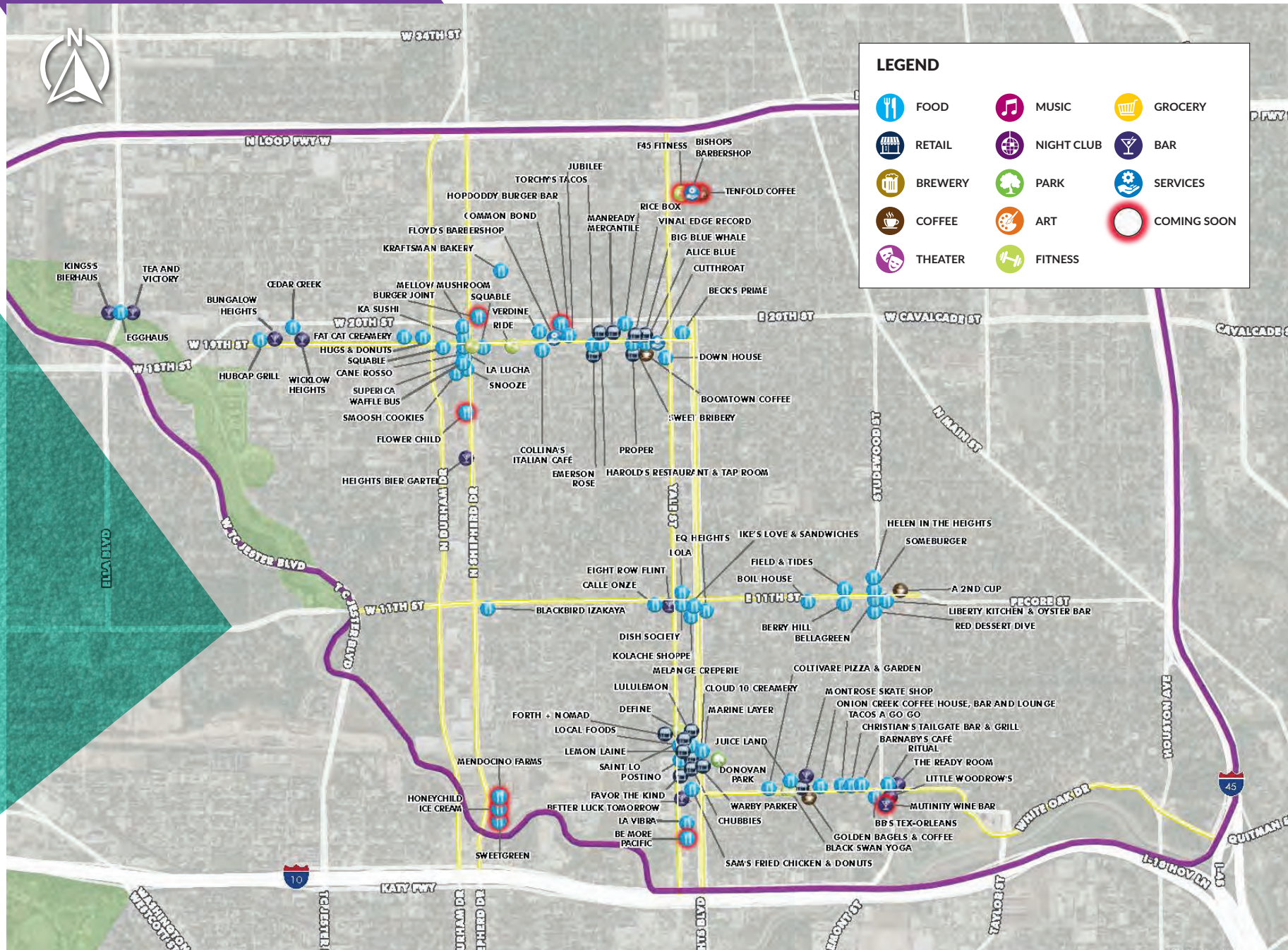
Midtown is a model of urban living in the center of Houston. Residents, businesses, and visitors enjoy a sustainable, walkable community with a thriving arts and entertainment scene. The MATCH or the Midtown Arts & Theater Center opened in 2016 to provide a home for a broad spectrum of performance arts with 4 performance spaces, 3 rehearsal studios, 3000 square feet of gallery space, and offices for up to 60 arts professionals, it is truly a creative collaboration. Since 2012, Midtown Houston has experienced 50% population growth with almost 10,000 Houstonians now calling it home.

With nearly 9,500 residents, Midtown is one of the most walkable neighborhoods in Houston. The area has over 140 restaurants, bars and coffee shops within walking distance, allowing people the option of walking to an average of eight restaurants, bars, and coffee shops and other establishments in less than five minutes.



DEMOGRAPHICS	
Millennial Population	43.80%
Avg. HH Income	\$110,982
Bachelor's Degree or Higher	70.1%
% Renters	60.50%
Walkability Score	★★★★
Retail Net Rental Rates	\$30 - \$45 psf
Avg Residential Rental Rates	\$1,521 per month

Source: CBRE Location Analytics & Mapping 2020



HEIGHTS

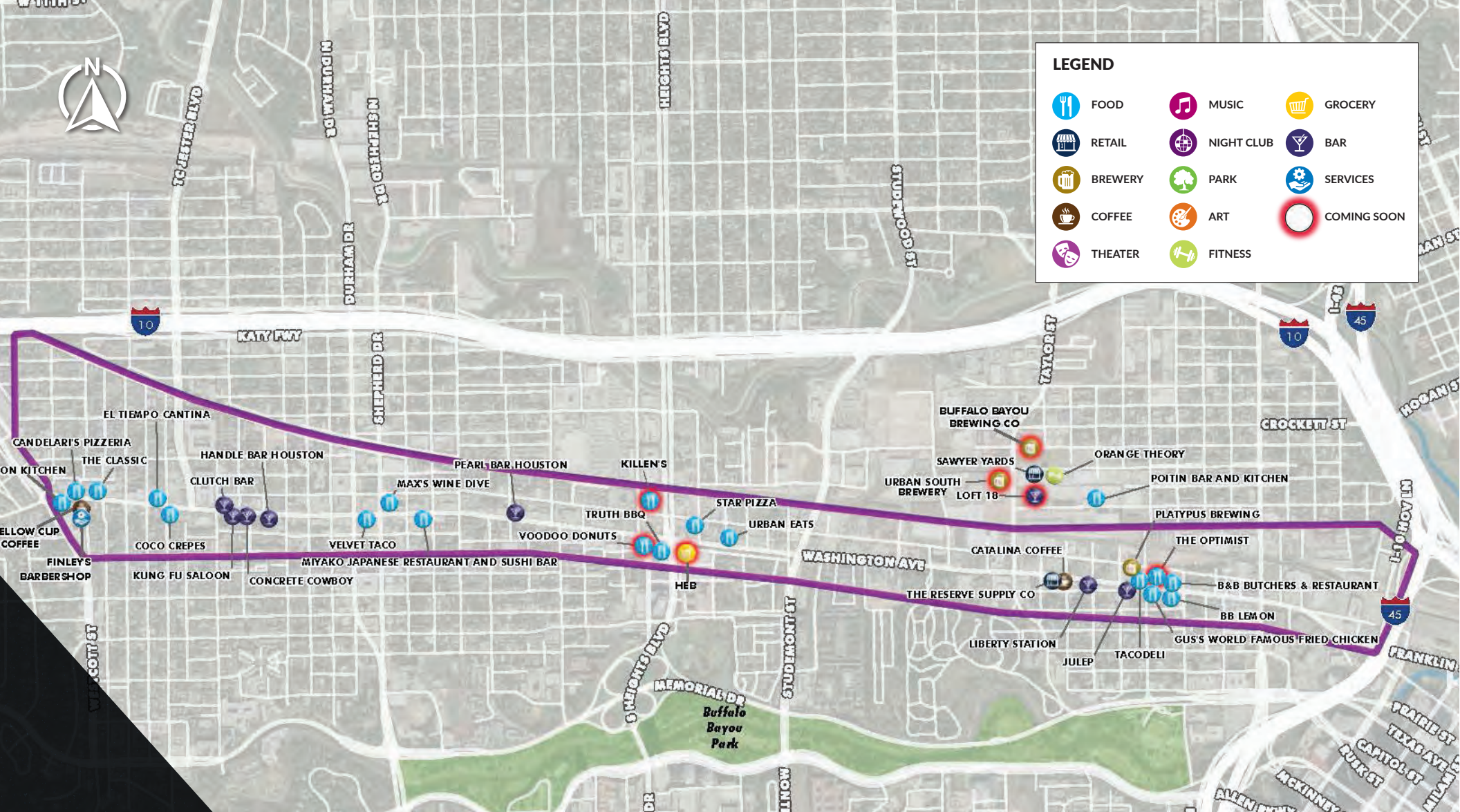
HISTORIC & ACTIVE

The Heights sits immediately northwest of downtown Houston in a section of historic neighborhoods that date back to the late 1800s. Residents once flocked to the area to escape the big city, but today its Craftsmen-style architecture, central location, and millennial-driven housing boom have driven the rejuvenation of this neighborhood. Young couples and hipsters alike are drawn to its mom and pop shops mixed with national names and funky restaurants such as Coltivare, Superica and La Lucha, ManReady Mercantile, Torchy's, Tacos A-Go-Go, Lola and Jubilee. On weekends, the area swarms with outdoor activity as many take advantage of the Heights Hike and Bike Trail, a 5-mile trail that traces its way along White Oak Bayou and through picturesque neighborhoods. The Heights has become the epicenter of eclectic urban redevelopment opportunities in Houston.

DEMOGRAPHICS	
Millennial Population	29.9%
Avg. HH Income	\$117,056
Bachelor's Degree or Higher	62.2%
% Renters	37.8%
Walkability Score	★★★★
Retail Net Rental Rates	\$30 - \$55 psf
Avg Residential Rental Rates	\$1,601 per month

Source: CBRE Location Analytics & Mapping 2020





WASHINGTON CORRIDOR

BUSTLING & FUN

The Washington Corridor draws foodies and young professionals alike to this eclectic mix of luxurious lounges, honkytonks, wine bars and some of the most-loved restaurants in the city such as B&B Butchers, El Tiempo, Star Pizza, and Laredo Taqueria. The strip, which stretches east from Memorial Park to Downtown, recently experienced a resurgence, as dilapidated properties were torn down or renovated for townhouses, mixed-use developments, and high-energy hot spots.



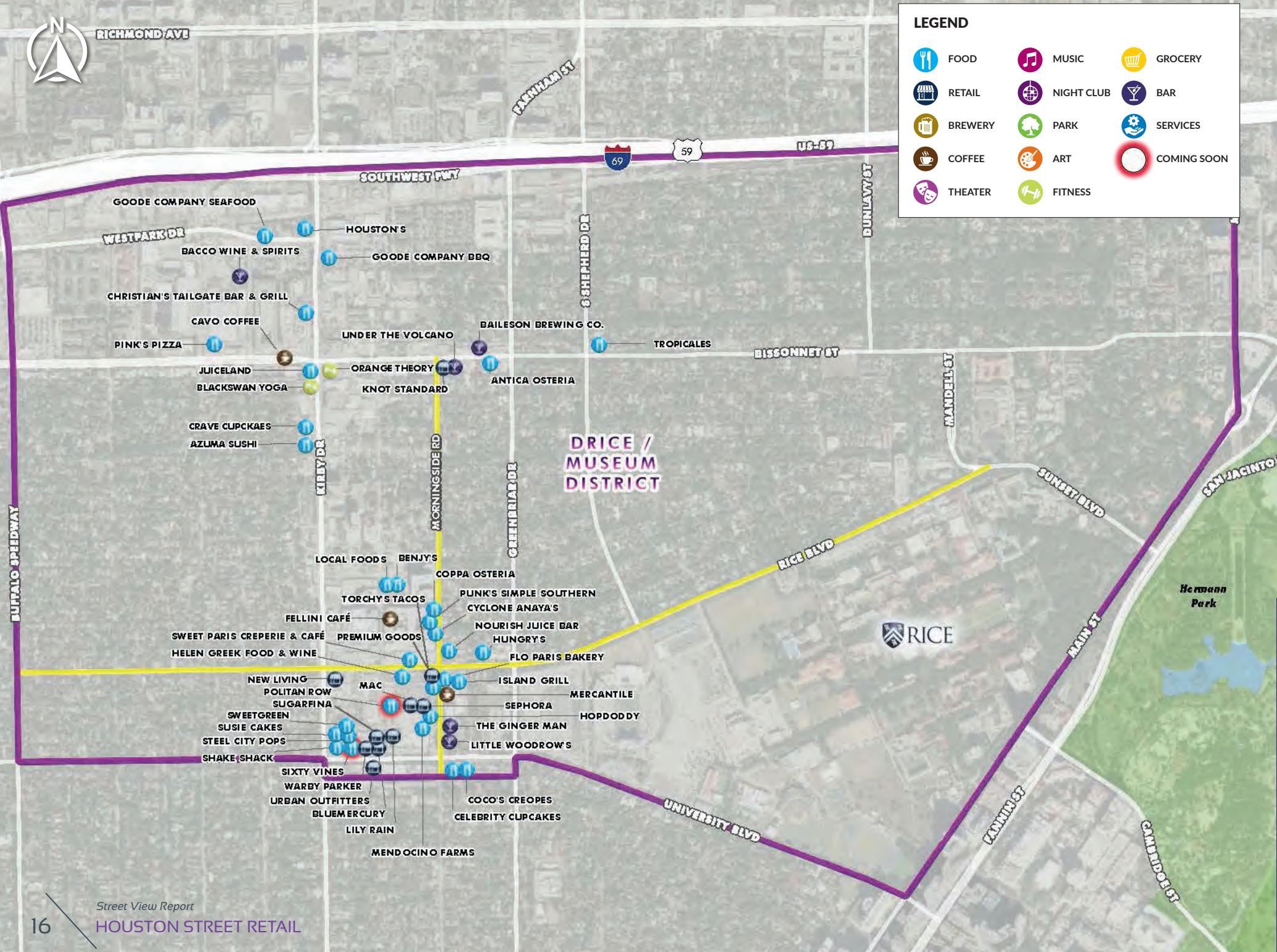
DEMOGRAPHICS	
Millennial Population	43.6%
Avg. HH Income	\$151,251
Bachelor's Degree or Higher	77%
% Renters	51.3%
Walkability Score	★★★
Retail Net Rental Rates	\$30 - \$40 psf
Avg Residential Rental Rates	\$1,647 per month

Source: CBRE Location Analytics & Mapping 2020





RICHMOND AVE



LEGEND

- FOOD
- RETAIL
- BREWERY
- COFFEE
- THEATER
- MUSIC
- NIGHT CLUB
- PARK
- ART
- FITNESS
- GROCERY
- BAR
- SERVICES
- COMING SOON



RICE / MUSEUM DISTRICT

ESTABLISHED & ON-TREND

Long-considered as one of the most sought-after districts in the city, the West University area's tree-lined streets, well-maintained homes, and proximity to respected private schools are second to none. Bordered by the Museum District, which records a collective attendance of over 8.7 million visitors a year, the area is home to Rice University, the pedestrian-friendly Rice Village shopping center, and one of the city's largest parks, Hermann Park, which spans 445 acres. Residents and visitors alike flock to the fashion-forward local and nationally owned-boutiques as well as quaint lunch spots and upscale happy hours such as Benjy's, Hungry's, and Helen Greek Food and Wine.

DEMOGRAPHICS	
Millennial Population	22.2%
Avg. HH Income	\$197,761
Bachelor's Degree or Higher	87.8%
% Renters	45%
Walkability Score	★★★★
Retail Net Rental Rates	\$35 - \$65 psf
Avg Residential Rental Rates	\$2,786 per month

Source: CBRE Location Analytics & Mapping 2020



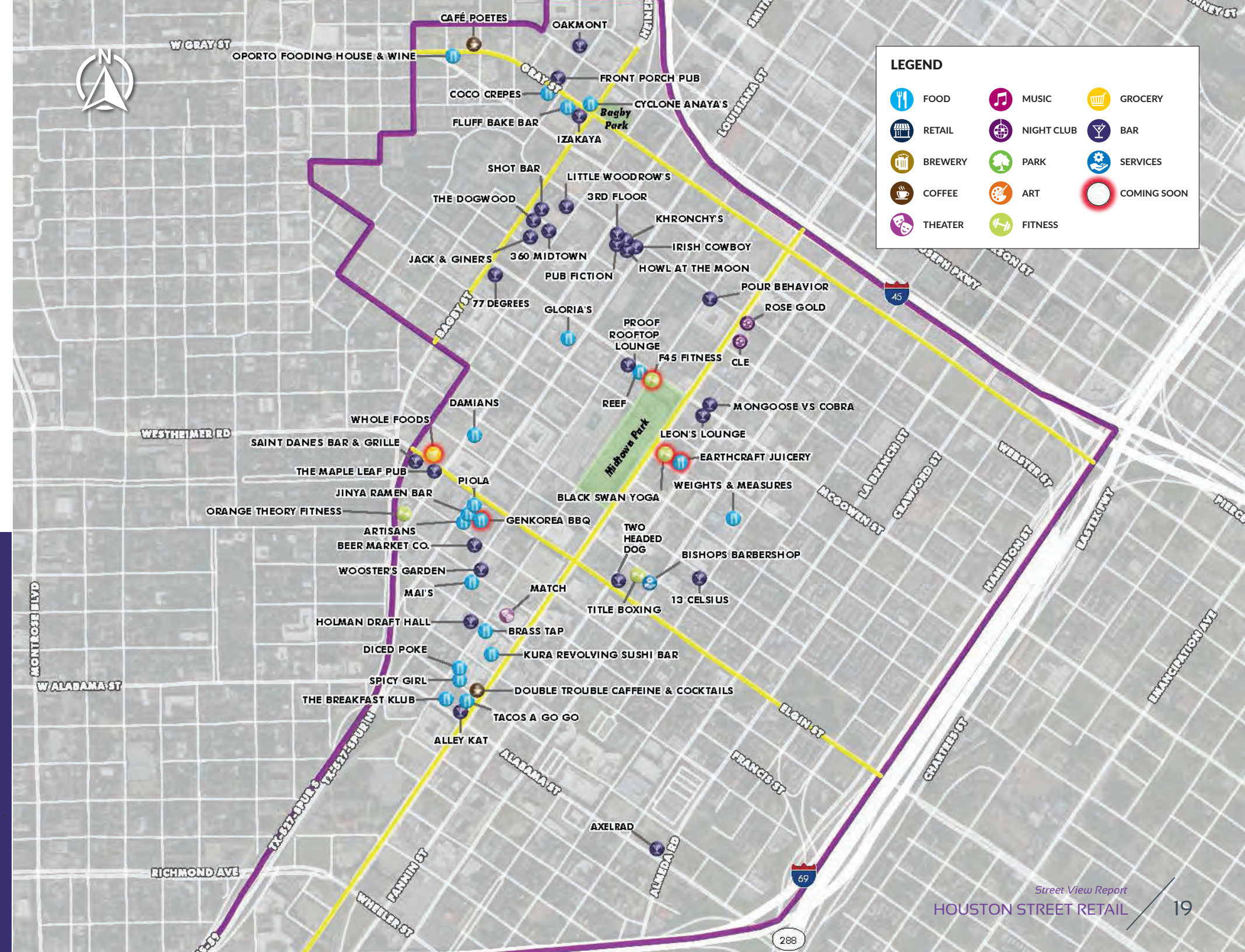
RIVER OAKS

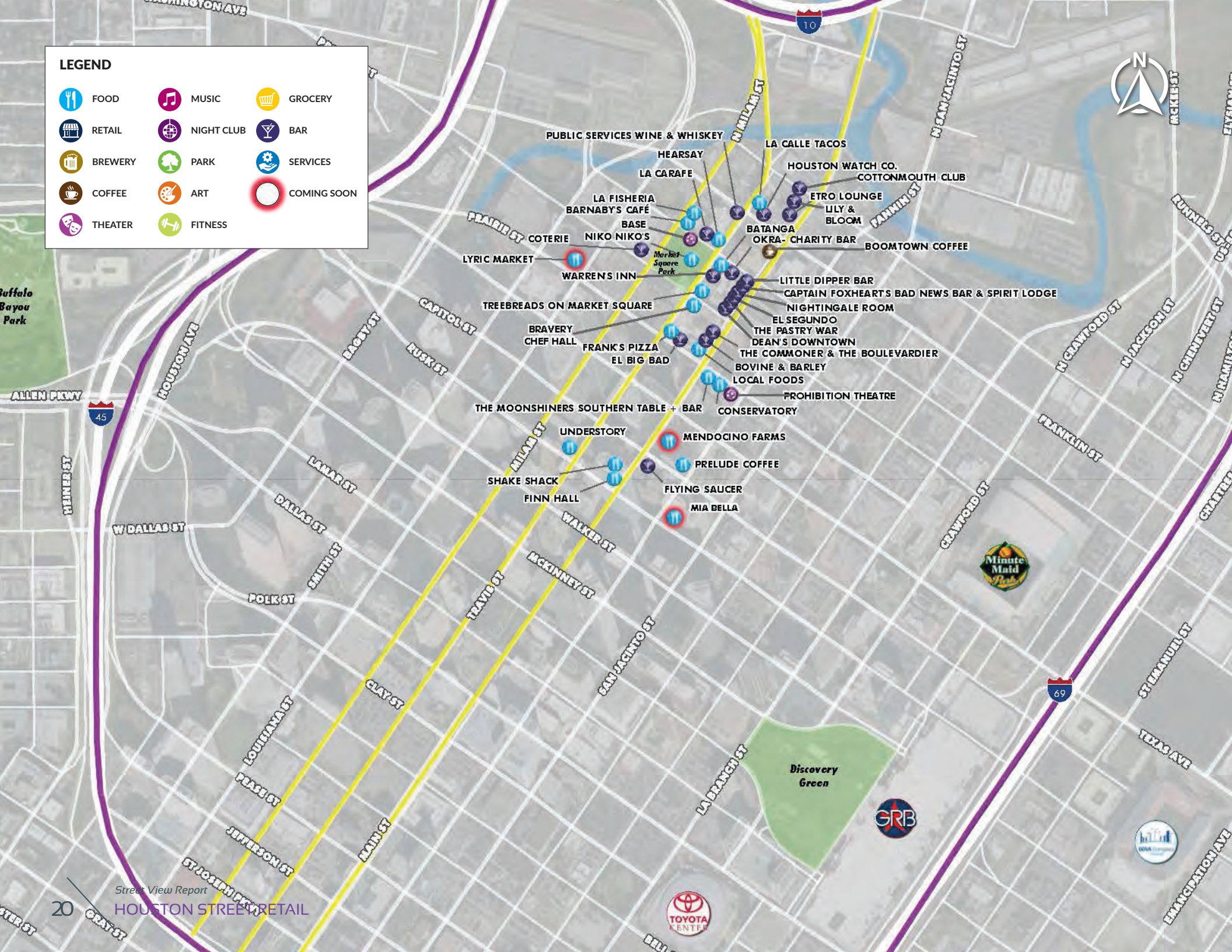
UPSCALE AND REFINED

River Oaks is a leafy residential area with palatial homes and the River Oaks Shopping Center, known for its upscale stores and eclectic global restaurants. The art deco River Oaks Theatre shows indie and foreign films, and Rienzi, an opulent outpost of the Museum of Fine Arts, displays European paintings, miniatures and ceramics. Well-heeled clients indulge beauty services at the area's luxe spas and salons.

DEMOGRAPHICS	
Millennial Population	21.40%
Avg. HH Income	\$204,006
Bachelor's Degree or Higher	80.9%
% Renters	37.1%
Walkability Score	★★
Retail Net Rental Rates	\$50 - \$125 psf
Avg Residential Rental Rates	\$1,768 per month

Source: CBRE Location Analytics & Mapping 2020





DOWNTOWN

EMERGING & PROFESSIONAL

The downtown core of Houston has long been a well-established but constantly evolving business district with 20 Fortune 500 companies, 10 Fortune 500 headquarters and over 157,000 employees. Over the past two decades, more than \$9 billion in public and private investments have been made towards achieving downtown's vision of a creative and vibrant place to live, work and play. Downtown residents grew by almost 300 percent from 2000 to 2018, spurred by the increasing desire to be closer to work and at the heart of Houston's premier destination for culture and entertainment. This urban neighborhood continues to attract families and children: over 57 percent of households are family households, and approximately 11,000 children call the greater downtown area home. Today, downtown is home to close to 400 restaurants, coffee shops and bars in approximately two-million square feet of retail space, including prominent restaurants such as Xochi and Theodore Rex as well as Finn Hall. Whether you are grabbing a quick bite or dining formally with business associates, Downtown's variety of cuisine choices suit individual tastes, schedules and lifestyles.

DEMOGRAPHICS	
Millennial Population	49.9%
Avg. HH Income	\$116,066
Bachelor's Degree or Higher	46.9%
% Renters	66.4%
Walkability Score	★★★★★
Retail Net Rental Rates	\$20 - \$35 psf
Avg Residential Rental Rates	\$2,249 per month

Source: CBRE Location Analytics & Mapping 2020



CLASS A MIXED-USE
PROPERTIES
WITH A FOCUS ON

Urban Houston

"It's easy to fall in love with the diversity and unique character of Houston, but the city's sprawling nature can make it hard for newcomers to navigate. I take tremendous pride in revealing the opportunities and successes of Houston's retail and restaurant scene. You really need a local tour guide around here – and I am more than happy to oblige."

- Lacey Jacobs

"Born and raised in Houston, I am driven to see this city thrive, bringing newcomers and locals alike to serve the communities in this diverse and expanding city. I am motivated to create value for my clients and find the perfect opportunities in Houston's ever-changing restaurant and retail landscape."

- Laura Harness

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HOUSTON STREET RETAIL

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