

In good sign for local retail market, Wal-Mart plans four new Austin-area supercenters

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In a healthy sign for the Central Texas retail market, Wal-Mart Stores Inc. says it plans to build four new supercenters in the area, with locations in Cedar Park, Manor, Kyle and Elgin.

Each store will be 150,000 square feet and employ about 300 associates, creating about 1,200 jobs, company officials said.

The stores in Kyle, Elgin and Manor will be Wal-Mart's first entry into those markets. The supercenter planned for Cedar Park would be the second for that area northwest of Austin.

The announcement by the nation's largest retailer is one of the strongest indications yet that the retail market could be picking up in Central Texas after shoppers reined in spending during the downturn.

The expansion is being driven primarily by the continued population growth in each of the four areas, said Kellie Duhr, director of public affairs for Bentonville, Ark.-based Wal-Mart.

"We just see those areas developing so much and want to make sure we have stores there for our customers," Duhr said.

Chris Ellis, managing principal of Endeavor Real Estate Group, which has developed major retail centers in Central Texas, including the Domain and Southpark Meadows, said Wal-Mart is being a "shrewd operator and taking advantage of the real estate market before that market recovers."

"There's no competition, or very little competition, for the sites because we're still not seeing the large-format retailers aggressively pursuing sites," with the exception of the H-E-B grocery chain, Ellis said.

In the four areas where the new stores are planned, Wal-Mart is "getting out in front of the growth," Ellis said.

"I think there's a market there, and when the housing market picks up, those are markets that will pick up strongly," he said.

The Manor and Elgin stores will come first, Duhr said. Construction is due to start in midsummer 2012 on the Elgin store, at U.S. 290 and Saratoga Farms Boulevard, with a projected opening in summer 2013. Wal-Mart plans to break ground on the Manor store, at U.S. 290 and FM 973, in fall 2012, with an opening set for fall 2013.

No construction dates have been set for the Kyle and Cedar Park stores, Duhr said. Wal-Mart is considering a site at Interstate 35 and Kyle Parkway for the Kyle supercenter, and the Cedar Park store is planned for RM 1431 and Ronald Reagan Boulevard.

In addition to Wal-Mart's general merchandise, the supercenters will have groceries, pharmacies and garden centers. The stores will have energy-efficient technology, such as LED lighting and other features to reduce energy and water consumption.

Ellis said the region's retail market has been stable and is in the early stages of a rebound that will usher in new shopping center development.

The retail market hit a low of 89 percent occupancy in December 2009, which ticked up to 90 percent by June 2011, according to Charles Heimsath, president of Capitol Market Research.

"The long drought in new development has allowed 'pent up' demand to build up in some of the suburban communities where homebuilding has continued," Heimsath said. "Growth in these areas has been slower, but they are still growing and, eventually, retail will follow the rooftops."

In Manor, the welcome mat is already out for Wal-Mart.

In contrast to some local cities and neighborhoods that have fought to keep Wal-Mart out, Manor Mayor Jeff Turner said city officials and others have been working for more than a decade to bring a Wal-Mart there.

"We're super excited about Wal-Mart," Turner said. "The City of Manor has actively made economic development our focus, and this is our first huge step. \u2026 Everyone we know of is a fan of a Wal-Mart coming to the Manor area."

Turner said about 18,000 to 20,000 people live within five miles of downtown Manor, apparently enough rooftops to warrant the city getting its first big-box store.

"It's been a long time coming," Travis County Commissioner Ron Davis said. He said the store will bring much-needed jobs and help reduce "urban sprawl" because people won't have to drive elsewhere to shop.

Joe Moein , owner of a small grocery store in Manor, said he isn't worried about the big new competitor coming to town.

"I've been here 24 years, and I have my own customers. They are my family," Moein said.

He acknowledged that Wal-Mart will have an impact on his business but said "it's not going to put me out of business."

"I cannot be selfish. This town needs a Wal-Mart," Moein said.

Wes Babb, senior vice president with Lincoln Property Co., recruited Wal-Mart to the Elgin site and is involved with the development of the overall project, which will include Wal-Mart and restaurants in the first phase.

Babb said the Elgin trade area is "an underserved market," with H-E-B being the only large retailer. He said the Wal-Mart will draw shoppers from Coupland, McDade, Paige and Lexington as well.

"The people of Elgin are excited about it," Babb said.

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Courtesy of JB Goodwin