

## Q&A

### 1. Is physical retail going to fail?

No. There will always be desire for experiential shopping experiences, even just a walkable shopping district. Big box retail will continue undergoing a major shift and general spending habits will likely continue to morph. Desired local flavor and unique shopping will likely help drive new developments and interest. For reference, think Bishop Arts, West 7<sup>th</sup>, and Downtown McKinney.

### 2. Is DFW still the fastest growing metro in the country?

Percentagewise, we're in the top 10, but all the metros above us in that ranking are much smaller, such as Austin, Raleigh, etc. So, it's a little easier for them to have higher percentage growth rates. DFW population grew by 19.1% from 2010-2019. Numerically though, we did have the highest population increase in last decade of any metropolitan area. We added over 1.3 million people in 10 years. Oklahoma City metro is only 1.4 million. So, we essentially added OKC to our population. To support that, DFW had half a billion SF of total commercial real estate (CRE) product added in last 10 years- more than entirety of New Orleans's CRE market. Expect those rates to continue.

### 3. Long term, who wins- Dallas or Austin?

Different metros, different SWOTS (Strengths, Weaknesses, Opportunities, Threats). Austin is making power moves to be a bigger industrial and manufacturing player (Tesla giga-factory and potential massive Samsung factory). Most intermodals and transloading facilities are in San Antonio though. Their infrastructure isn't as robust or established as DFW. And their cost of living is substantially higher- the average home price is almost \$500k vs \$380k for DFW. So, although they may have more of the cool, hip vibe and higher education presence to draw migration and tech relocations, they have threats too. While Austin is getting a lot of tech growth, DFW is getting a lot of manufacturing and finance growth. Even within tech, our tech workforce is more than twice the size of Austin's. Prior to COVID, we were averaging over 100,000 jobs added a year for 5 years. To use a comparison that some might sneer at, we're like LA, they're like San Francisco. Regardless, both metros have great regional chambers and eco dev teams. Overall, though, from a CRE, GDP and population standpoint, DFW is in another realm. Expect the DFW, Austin/SA and Houston metros to create a golden triangle of economic power moving forward.