



Metro Phoenix leads nation in retail construction

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Metro Phoenix has more retail space under construction than anywhere else in the country, according to a report by a national real estate information service.

Valley retail developers attribute the fast growth not only to the Valley's increasing population but also to a local culture that loves to shop.

Even with the residential real estate downturn, Valley residents are still on a shopping spree, said Garrett Newland vice president for development at Westcor, the shopping center development company.

Valley residents continue to buy home furnishings and other consumer goods, he said. "It may just be part of the culture here," he said.

Phoenix had 13.4 million retail square feet under construction at the end of the second quarter and nearly 83% of it is pre-leased, according to CoStar Group.

CoStar's report, "Smokin' hot: Stock of the Nation's Leading Retail Markets" says other top markets for retail construction are California's Inland Empire, Chicago, Dallas/Fort Worth and Cleveland.

Population growth and low unemployment are two reasons the report gives for the Valley's success in attracting retail development.

Most of the retail growth is along the new Loop 101 and Loop 202 freeway system extensions.

CoStar notes that the largest retail development site in the Valley is Tempe Marketplace, with 1.3 million square feet of retail

In addition, Westcor will finish SanTan Village at Loop 202 and Williams Field Road in Gilbert in October. The development's power center will have about 600,000 square feet of retail space and an additional mixed use area will have about a million square feet of retail space.

CoStar also mentions the European firm Tesco PLC's plans to open Fresh & Easy Neighborhood Market grocery stores in 26 sites in the Phoenix area.