# Market Overview- Retail Industry

In 2025, Texas's retail sector is navigating a dynamic landscape marked by both expansion and consolidation. Major metropolitan areas such as Dallas–Fort Worth, Houston, Austin, and San Antonio are experiencing robust retail development, driven by population growth and economic vitality. However, the industry also faces challenges, including store closures from national chains and evolving consumer behaviors that demand innovative retail strategies.

Economic Contributions & Employment

The retail industry is a significant contributor to Texas's economy, supporting approximately 27% of jobs in the state. Major retailers are expanding their footprint, with companies like Burlington increasing their presence in cities such as San Antonio. Despite these expansions, the industry is also witnessing closures from national chains, reflecting the sector's ongoing transformation.

Texas Retail Industry Revenue (2021–2025)
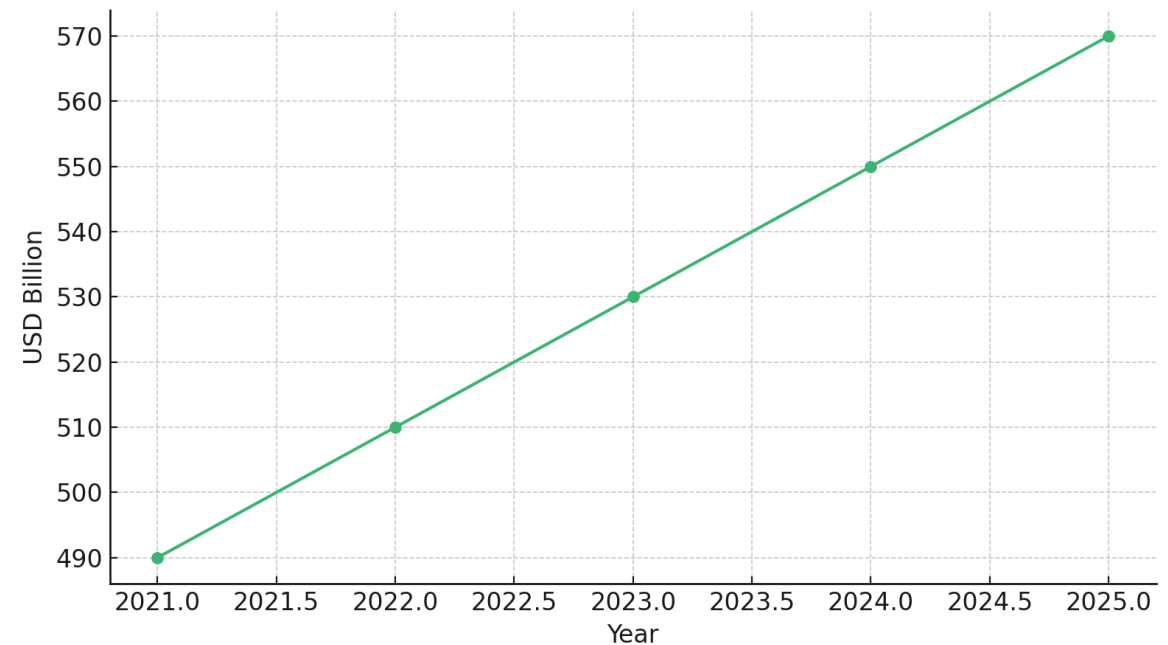
Current Trends & Challenges

Retail Expansion:

Cities like San Antonio are experiencing a retail boom, with significant store expansions from both local and major retailers, including new locations for Burlington, Teso Life, and H-E-B.

Store Closures:

Despite growth in some areas, several national retailers, such as Party City and Big Lots, are closing stores across Texas, indicating a shift in the retail landscape.

High Occupancy Rates:

Retail spaces in major Texas cities are in high demand, with occupancy rates reaching 95.2% in San Antonio, the highest since the mid-1990s, driven by limited new construction and strong tenant demand.

Evolving Consumer Preferences:

Retailers are adapting to changing consumer behaviors by integrating technology and enhancing in-store experiences to remain competitive in a rapidly evolving market.

Source: Texas Retail Market Trends