

Panel discusses changes in grocery industry at Atlantic City Convention Center

By **BRIAN IANIERI** Staff Writer | Posted: Tuesday, September 10, 2013 9:00 pm

One need not look beyond South Jersey to see the changes to the grocery industry — or even past Egg Harbor Township to see two closed-up supermarkets.

Real estate experts in the grocery segment spoke Tuesday of a volatile market as chains, co-ops and independent retailers seek opportunities brought about by shuttered stores nationwide.

Some are converting retail real estate into groceries, while others are focusing on smaller locations rather than megastores.

The panel spoke at the International Council of Shopping Centers 2013 Pennsylvania-New Jersey-Delaware Idea Exchange at the Atlantic City Convention Center.

They did not address the region specifically, but highlighted shifts within an industry that has seen sweeping changes in the past few years.

“You have some new players coming in with the uncertainty of some existing players, so it should be interesting to see how the next five years shapes out in regards to who stays, who remains and who changes banners,” said **Matthew Casey, of Matthew P. Casey & Associates**, based in Clark, Union County.

He added, “I think the strong will get stronger and the weaker will fall by the wayside pretty quickly.” Casey said retailers today are getting creative with locations.



Brian Ianieri

Real estate experts in grocery store locations and trends, including, from left, Matthew Casey, William Shrader Jr., Jeffrey Metzger and Marc Drasin, speak Tuesday at the International Council of Shopping Centers 2013 Pennsylvania-New Jersey-Delaware Idea Exchange in Atlantic City.

“I’ve looked at vacant Circuit Citys. I’ve looked at putting an organic operator into a vacant Staples with no parking. Trader Joe’s looks at some very unique locations. ... I’m looking at a lot of property now that I never would have, especially in the urban markets,” he said.

Marc Drasin, the vice president of real estate for Berkeley, Calif.-based Grocery Outlet Inc., told the panel his company — which has more than 200 independently operated stores in seven states, including Pennsylvania — looks for smaller sites.

“Our bread and butter, our biggest target group is second-generation space, such as our most recent store opening in Sharon Hill, (Pa.),” Drasin said of Amelia’s Grocery Outlet, a 20,000-square-foot store that opened this year at a former Acme.

The biggest landscape change among grocery stores in South Jersey has come from A&P, the financially struggling parent of Pathmark and Superfresh that emerged from bankruptcy protection last year.

Superfresh closed stores in Hammonton and Cape May Court House in 2011. The Pathmark in Egg Harbor Township was shut last year.

Pathmark just recently closed groceries in Cherry Hill, Camden and Edgewater Park, leaving the Ventnor Pathmark as the last such store in New Jersey south of Toms River, according to Pathmark’s website.

Another major change came when Safeway, the parent of Genuardi’s supermarkets, closed Genuardi’s in Egg Harbor and Barnegat townships in December. Carlisle, Pa.-based Giant Food Stores bought 15 Genuardi’s supermarkets in Pennsylvania in 2012 but not the local ones.

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