



Shoprite: HOW SUPERMARKETS PICK OUT NEW SITES

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Supermarkets have been opening up all over North Jersey. In April, the Korean-themed supermarket H Mart opened in Paramus, joining the luxury Gourmanoff supermarket already in town. Stew Leonards is coming soon.

In November, a PriceRite supermarket opened in Paterson's Center City Mall, in space that had been vacant for years. And a Whole Foods supermarket will open in a long-vacant A&P space on Valley Road in Wayne.

But as it turns out, there are vacancies that stand out in this busy grocery landscape.

The Pathmark Supermarket in Montclair's Lackawanna Plaza closed in autumn 2015.

The former A&P space on Wanaque Avenue in Pompton Lakes has been vacant since the A&P chain went out of business in 2015.

And the Acme Supermarket space in Bergenfield remains empty months after it was closed.

So, why are the Montclair, Pompton Lakes and Bergenfield locations still empty? Is it location, is it that the right tenant has not come along, or are there other factors at play?

What it takes

Matthew Casey has done real estate research for supermarket chains, landlords and developers for more than 30 years. He runs his own firm in Rahway.

He said supermarket chains, whether they are the major chains like ShopRite or boutique chains like Stew Leonard, look at a common factor when choosing to open in a particular location.

"They look at population, they are looking for a dense population base, where the population is ... they're looking at traffic counts," Casey said. "I will give you an example, if you go into an area and there's eight supermarkets serving that area, and all eight of them are not doing very high volumes. They're all struggling, they're not doing as well as the other stores in that chain, what makes you think you will put a ninth store in that area?"

Another factor, Casey said, is being a standout store among numerous others.

"Trader Joe's, in my opinion, has what I call a cold following. Some people just absolutely love Trader Joe's and they will drive an incredible amount of distance to get to a Trader's Joe," Casey said.

"That's an unique shopping trip, Whole Foods is a unique shopping trip. Stew Leonard's is a unique shopping trip.

"You're not going to pass a Stop and Shop to go to another Stop and Shop, but you will pass a Stop and Shop and an Acme to get to a Trader's Joe."

Montclair

For years, the Pathmark inside the historic Lackwanna Plaza was a staple for people needing groceries.

That is until November 2015, when Pathmarks across New Jersey closed, including the Montclair store.

Since then, the town has been working with developers of the property on Bloomfield Avenue, Hampshire and Pinnacle companies, who are proposing a mixed-use development that would include a 43,495-square-foot supermarket, 154 apartments, and office and retail space.

Some have opposed the developer's intent to remove some of the steel columns and concrete slabs in the interior, in part to attract a supermarket.

At the Montclair Planning Board meeting on July 23, Robert Schmitt of the Hampshire Companies told the board that 15 supermarket companies have expressed interest in the site, but an unnamed company has committed to being a tenant.

Casey had reservations about Lackwanna Plaza as a location for a new supermarket.

"It's not a great site. Being underground, and so forth, site characteristics weren't great. And again, you've got really strong surrounding competition," Casey said.

Supermarkets located within a five-mile radius of the former Pathmark site at Lackawanna Plaza are the Whole Foods Market a few blocks away on Bloomfield Avenue, Acme and Kings Food Markets, both on Valley Road, and ShopRite on Broad Street.

Casey suggested that an existing supermarket in the area could be a perfect candidate for the Lackawanna location.

"Personally, my opinion, it would be a good replacement location for Whole Foods," he said.

"You can get a bigger store, more parking."

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