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BUSINESS

New Grocery Chains are Popping up Across Florida — Unlike Most of the Country

By Sara DiNatale



Employees stock the deli cases at the Sprouts Farmers Market in Carrollwood at 15110 Dale Mabry Highway, Tampa. The store was one of several speciality chains to open in Florida in 2017. [CHERIE DIEZ | Times]

Publix has been Florida's dominant grocery chain for decades, but longtime contractor Dale Scott is noticing something new.

There are more players in the Sunshine State grocery game than ever before. Scott, who works for Tarpon Springs-based Hawkins Construction, has four specialty food chains all vying to anchor his latest plaza project. "Two, three years ago, that didn't exist" he said.

In most of the country, grocery stores are contracting. Store openings were down nearly 29 percent nationwide last year, real estate brokerage firm JLL recently reported. Yet in Florida, and a handful of other states, they're on the rise.

Florida grocery space grew in square footage by 6 percent last year, up from about 5 percent the year before.

In Tampa Bay, 2017 brought an Earth Fare in Oldsmar and two Sprouts Farmers Market stores in Hillsborough County. And new stores are still coming — like Tampa Bay's first Lucky's Market in St. Petersburg this spring.

"They're not the grocery stores we remember," said Faith Hope Consolo, chair of the Retail Group with New York-based Douglas Elliman Real Estate. "It's green; it's farm-to-table fresh, fresh, fresh. We've become a country of foodies."

JLL reported that organic food sales grew 9.8 percent in 2017 — and the new speciality stores popping up locally are targeting that market.

The shrinkage in grocery space nationwide is paired with a trend toward smaller and more specialized stores.

It appears, for now at least, there are enough Florida shoppers to maintain both models.

Scott said shoppers — he and his wife included — may go to Publix for the bulk of their needs, but then head to a store like Fresh Market for certain fresh organic items.

The organic and speciality stores are usually 20,000 square feet, which is about the same size as the second downtown St. Petersburg Publix and the U.S. 19 Aldi, which both opened last year. It's the traditional 40,000-plus square foot supermarkets that are on the decline.

Many brands "took a step back to examine existing footprints and reevaluate strategies," according to the JLL study. That includes offering smaller footprint stores, as well as catering stores to their customers.

Local shoppers have seen that with Winn-Dixie's parent company, Southeastern Grocers, as it restructures its debt.

It's closing 94 under performing stores across the country by then of this month and just flipped two Tampa locations into the first of its Hispanic banner outside of South Florida.

Experts say that the decline of Winn-Dixie and the shuttered Florida Albertsons are signs of changing shopper interests. But it is the people moving to Florida — reportedly as many as 1,000 a day — that are fueling the new store growth.

The state leading overall in grocery expansion, California, is also growing like Florida and is the most populous state in the country. JLL reported California built about twice as much grocery space as Florida did last year at 1.6 million square feet.

Scott, the construction contractor, said Florida's surge continues even though fewer shopping centers are being built. "The population alone," he said, "develops a need for new services and new grocery stores."