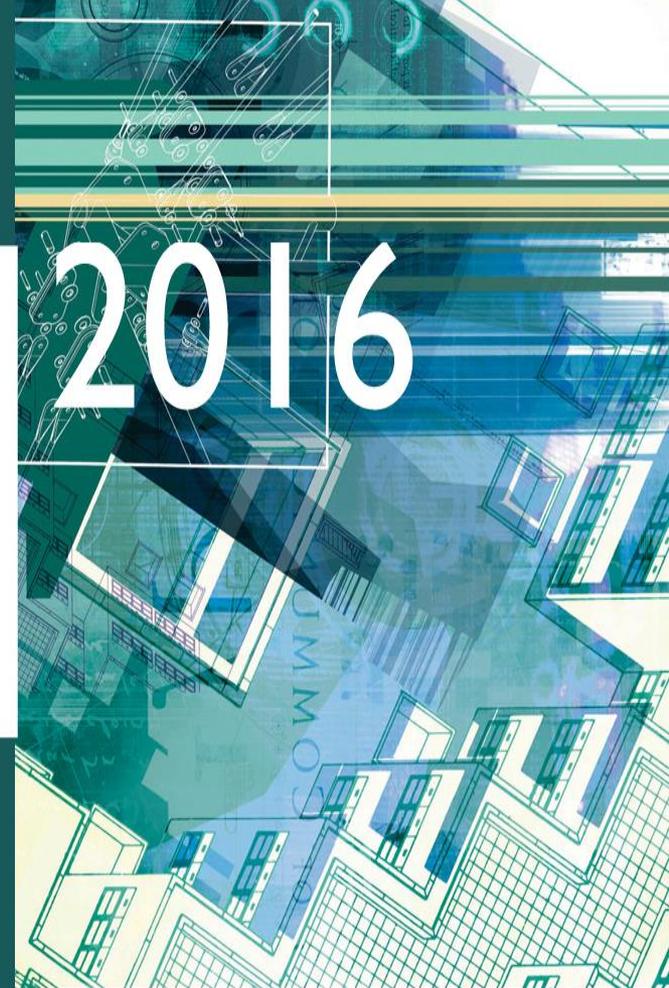


Energy & Store
Development Conference

2016

E+SD



THE VOICE OF FOOD RETAIL 

Development and Positioning Strategies for New Urban Grocery Stores in Boston



Boston is experiencing a multi-unit residential construction boom

THE WALL STREET JOURNAL.

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<http://www.wsj.com/articles/a-building-boom-in-boston-1466704700>

REAL ESTATE | REAL ESTATE NEWSLETTER

A Building Boom in Boston

Developers aim to lure a younger, tech-savvy crowd to a new wave of glassy designer condos.

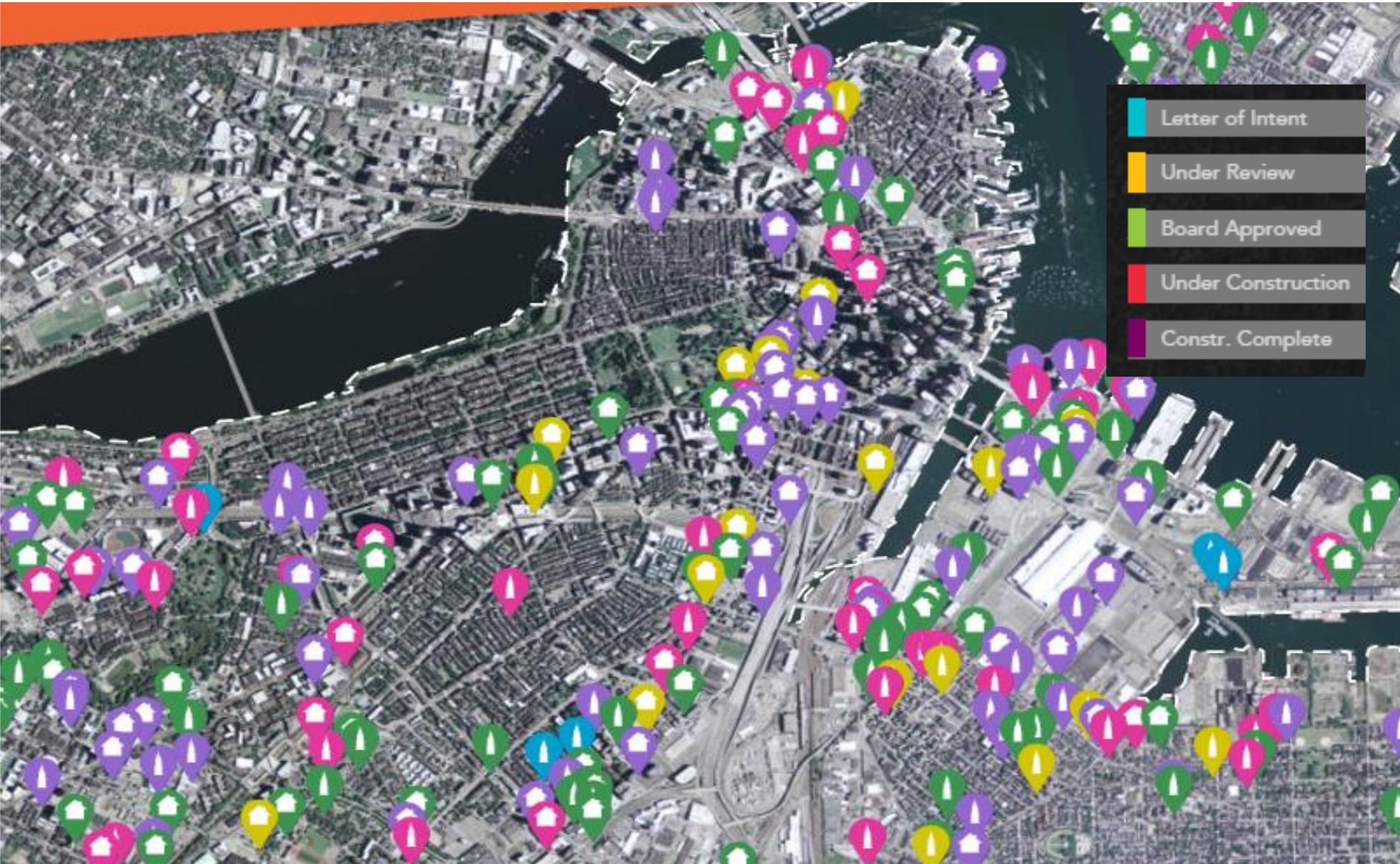
BRA board approves one million square feet of new development

Jul 15, 2016

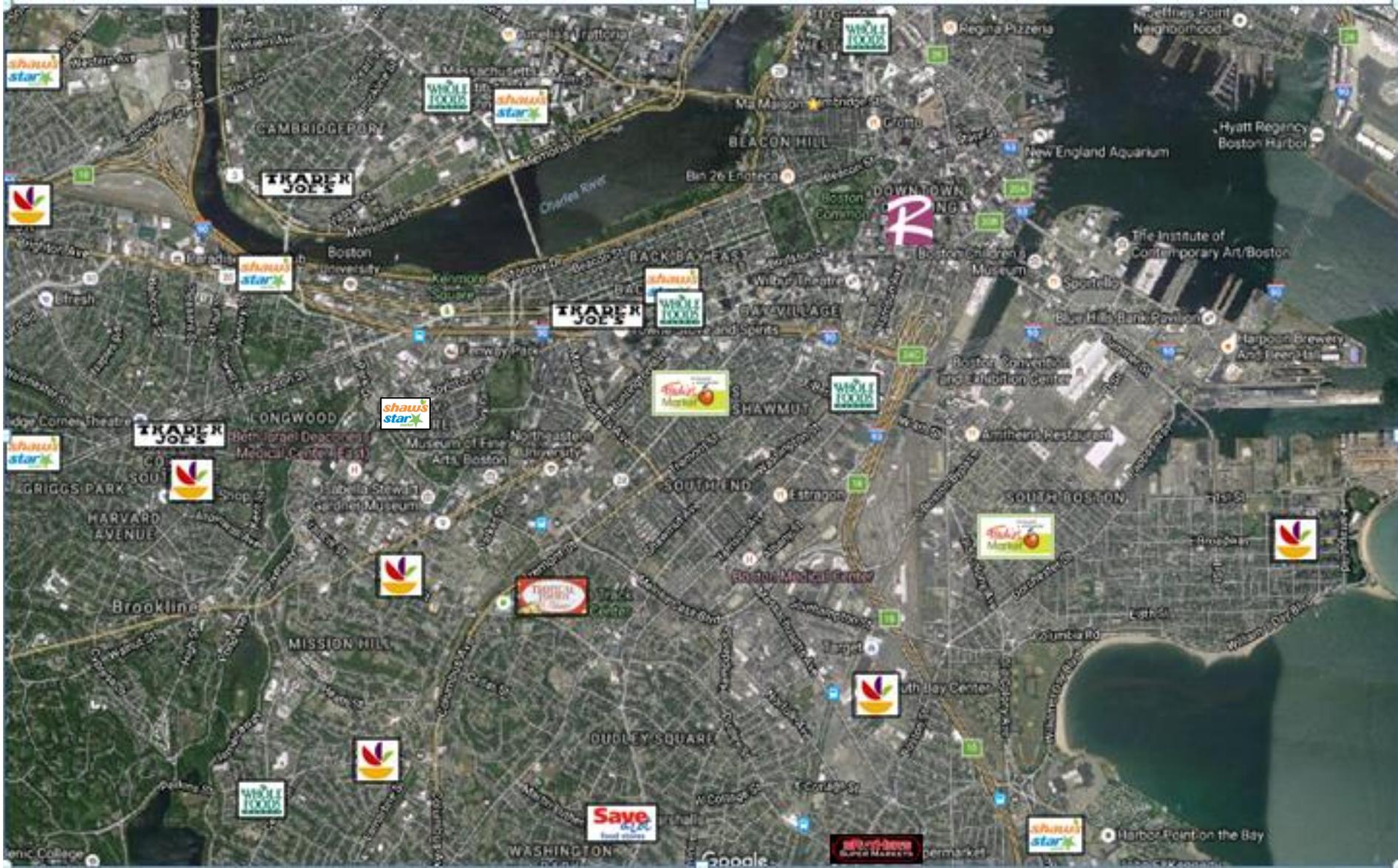
Boston's train stations will soon be the sites of major development projects

June 7th, 2016 / [Construction](#)

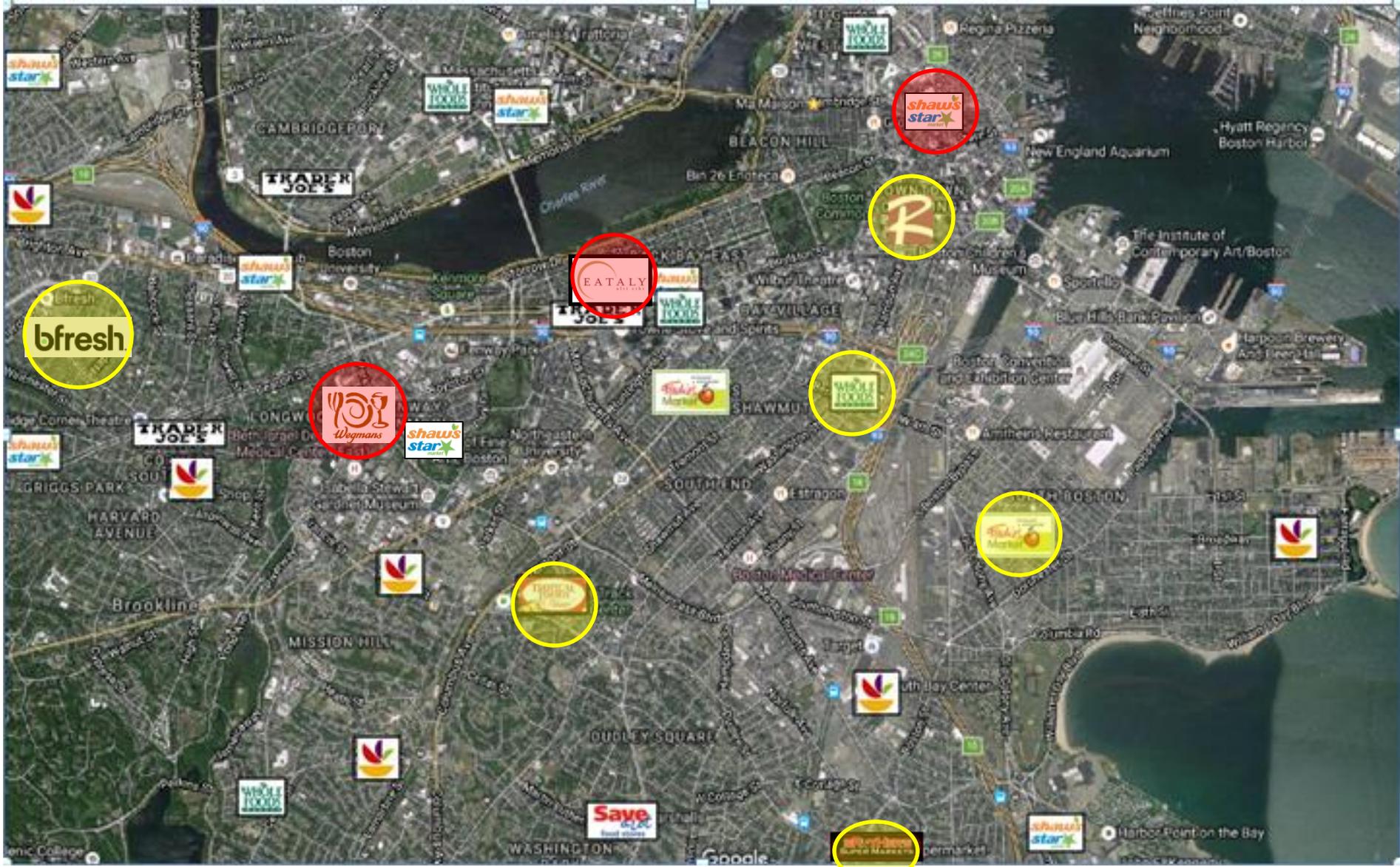
14 Million sf of New Development in Boston (mostly residential)



Downtown Boston Supermarket Competition



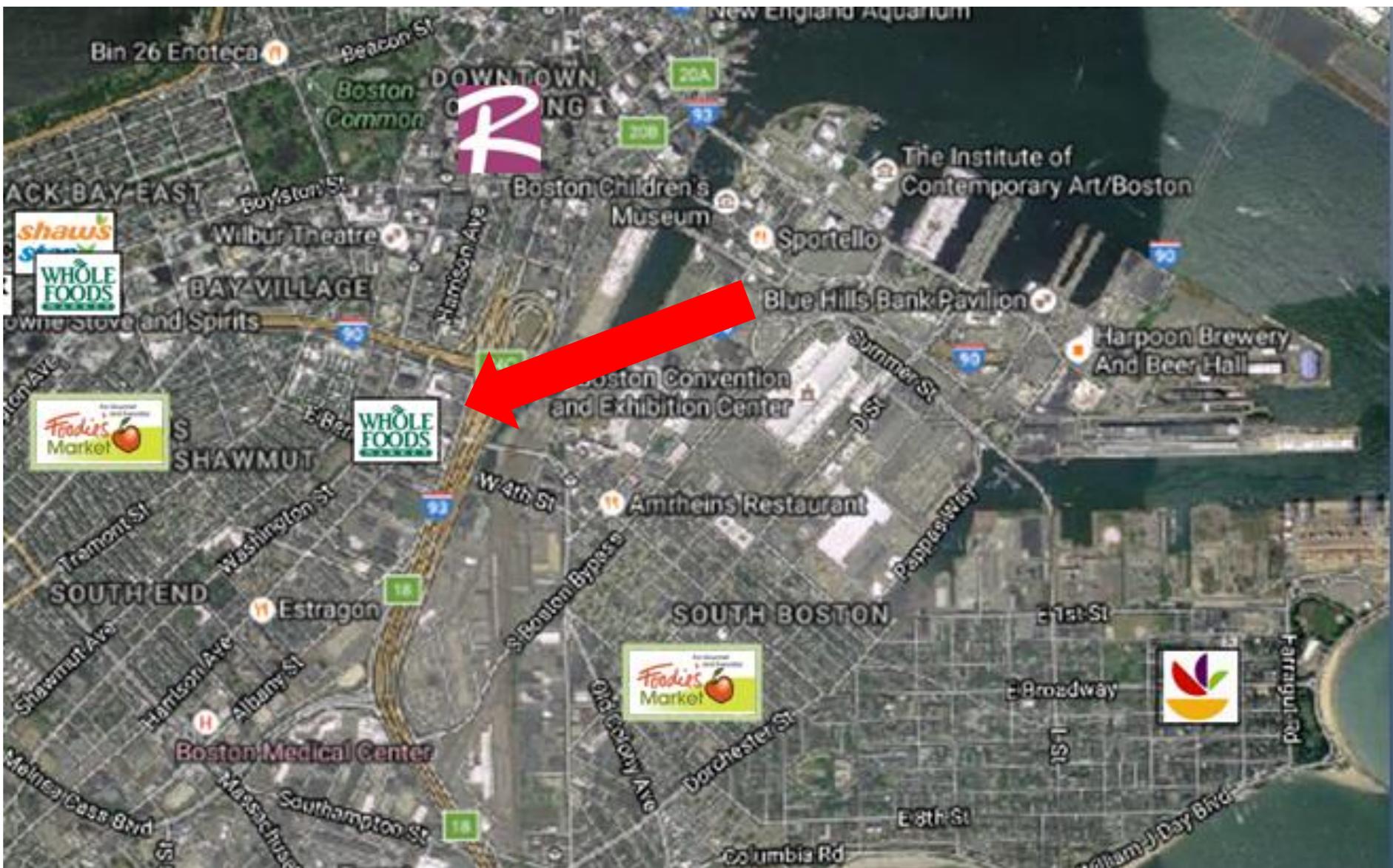
New & Under Construction Stores



Challenges Developing Urban Grocery Stores

- High Occupancy Costs
- Redevelopment & Re-Use Projects
- Mixed-Use Projects
 - Long Development Timetables
 - New Set of Developers (not retail focused)
 - Grocery is not Driving the Project
- Multi-Level Buildings
 - Limited Access to Roof through Chases
 - Chopped up Floorplates w/Big Columns & Obstructions
- Cramped/Shared Loading Access

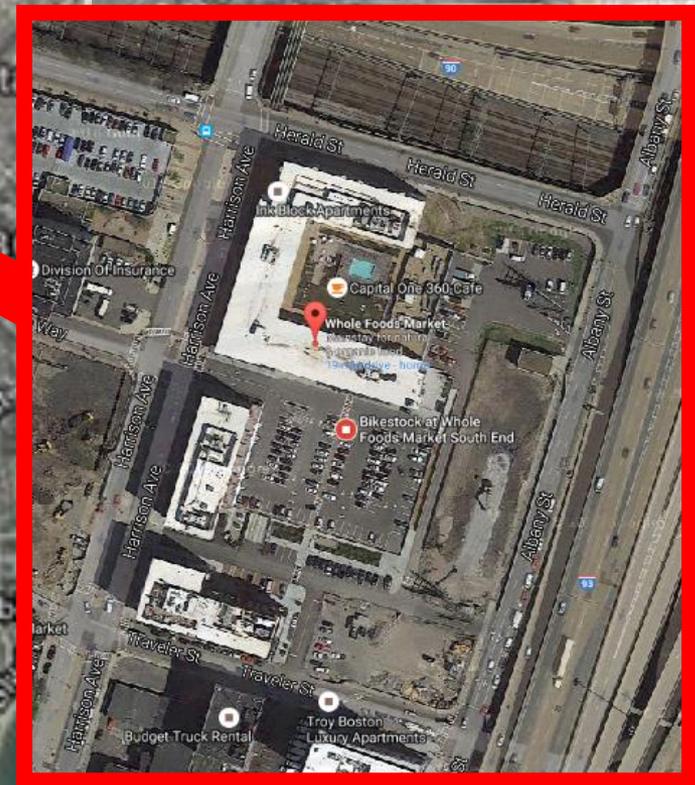
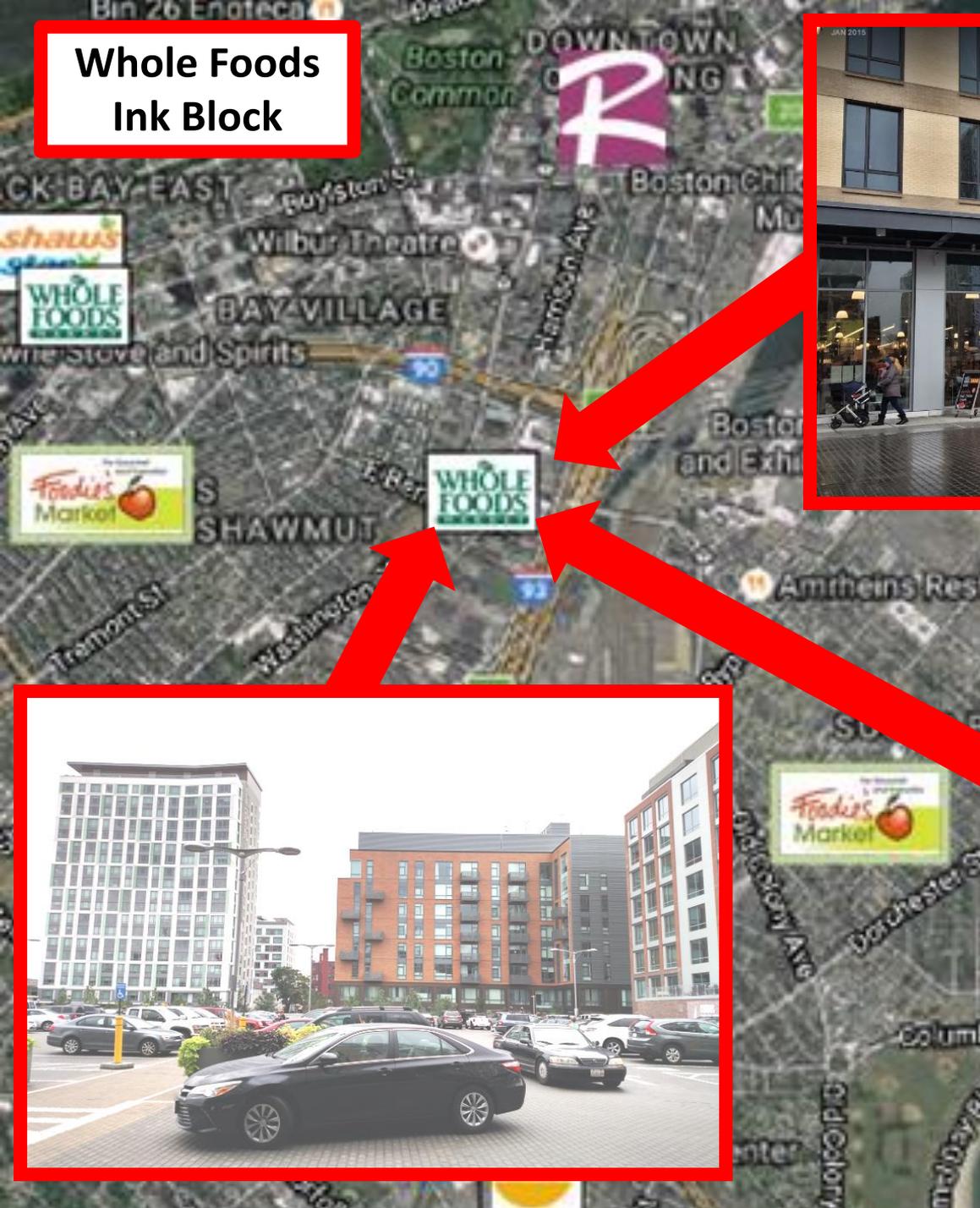
Whole Foods, Ink Block



Whole Foods, Ink Block: Fact Sheet

- **Space:** 50,000 sf Ground Floor of Ink Block Project
- **Location:**
 - South of Downtown
 - Near Medical Center
 - Growing Residential Area
 - Near Expressway
- **Target Customer:**
 - Upper Income Residents
 - Neighborhood Workers
 - Commuters Heading Home
- **Strategy:**
 - Lunch & Dinner Meal Solutions
 - Upscale/Gourmet Destination for City Residents
 - Perishables & Healthy Foods for neighborhood.

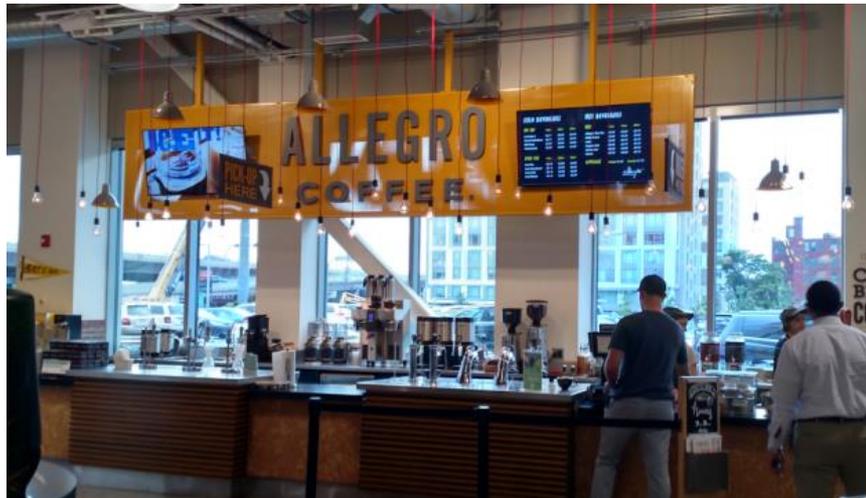
Whole Foods Ink Block



Whole Foods: Meal Solution Destination



Whole Foods: Upscale Neighborhood Destination



Whole Foods: Healthy & Gourmet Foods

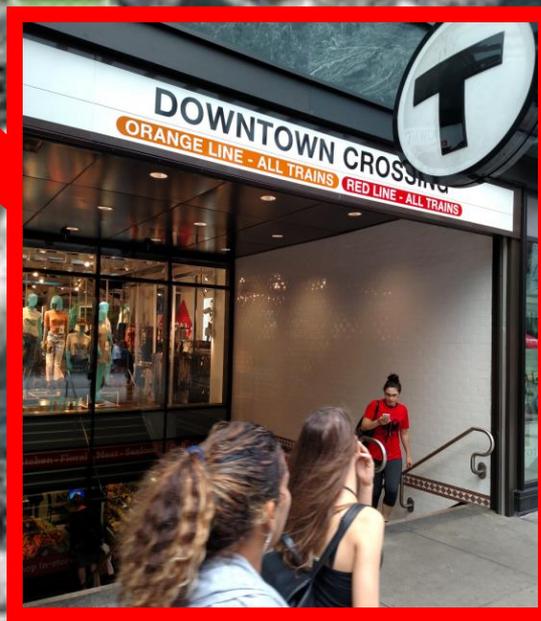
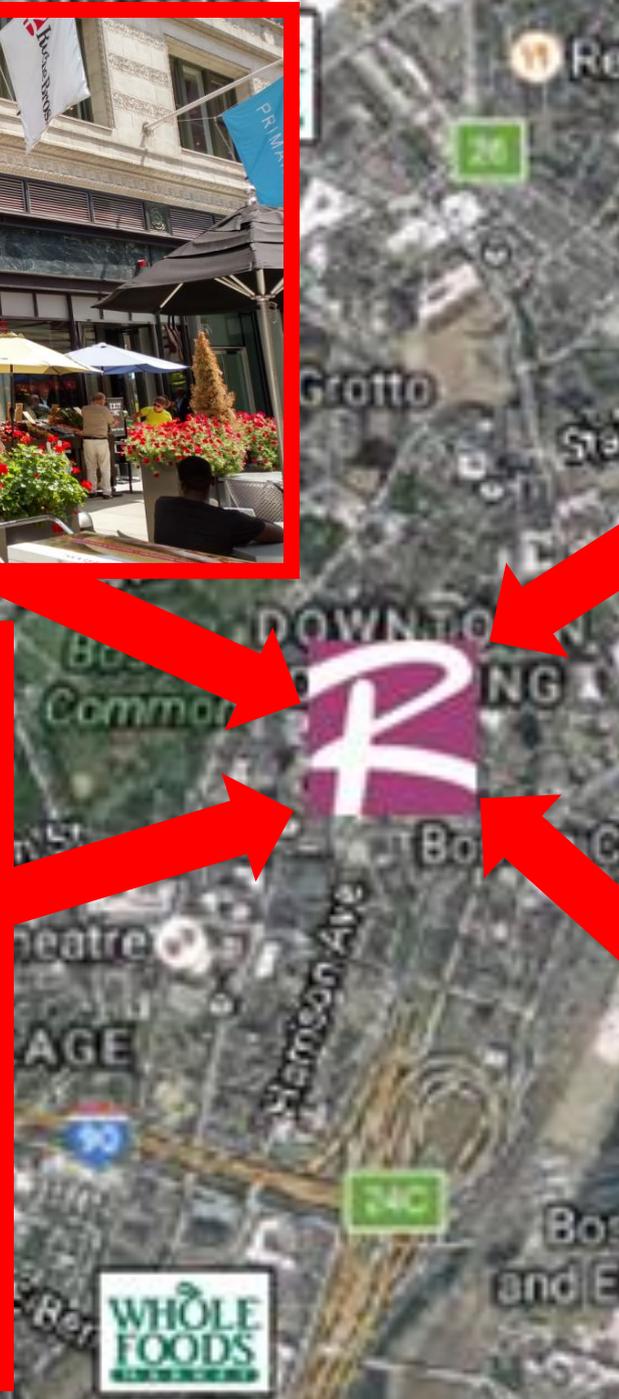


Roche Brothers, Downtown Crossing



Roche Brothers, Downtown Crossing: Fact Sheet

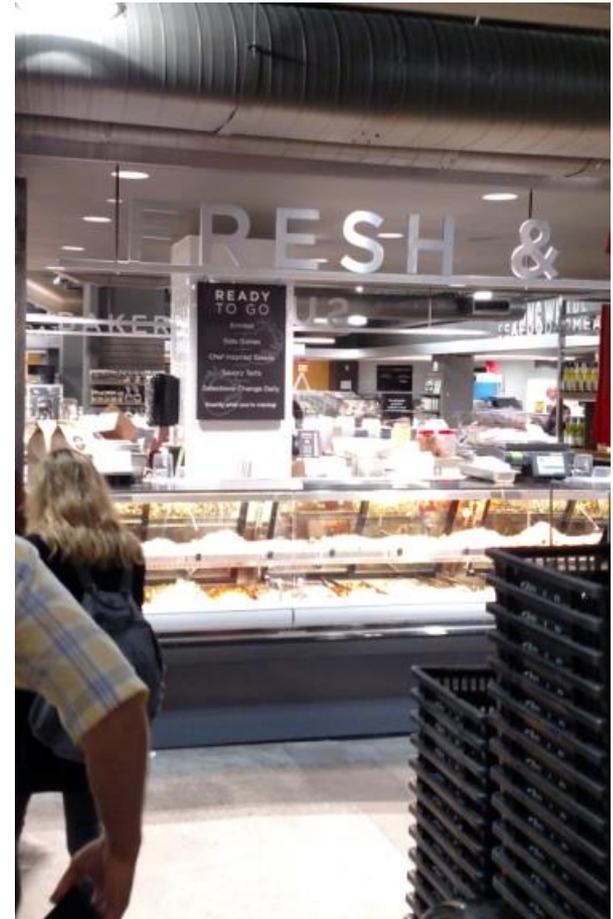
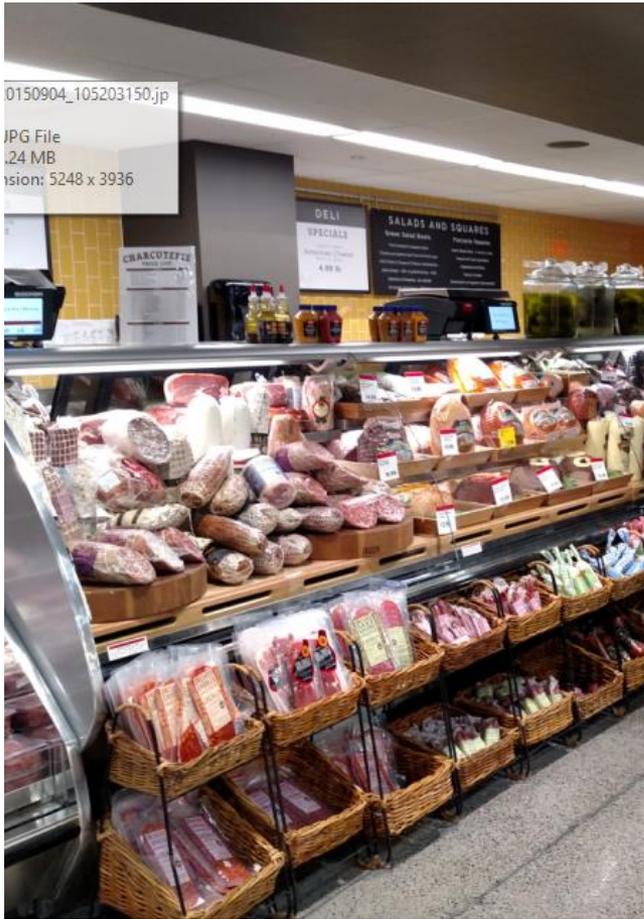
- **Space:** - 35,000 sf: 3,000 sf on Ground Floor + 33,000 sf in Basement
- Former Filene's Store; part of Millennium Tower Project.
- **Location:** - Downtown Crossing Retail District
- Multiple New Residential buildings w/in 3-4 blocks
- Above a T (subway) Station
- **Target Customer:** - Downtown Workers
- Upper Income Residents (Singles & Couples)
- All City Residents via the T (subway)
- **Strategy:** - Breakfast, Lunch, After Work & Dinner Destination
- Full Grocery & Perishables Offering
- Killer Wine, Cheese, Meat, Seafood, Produce Destination



Roche Brothers: Ground Level Lunch & Dinner Destination



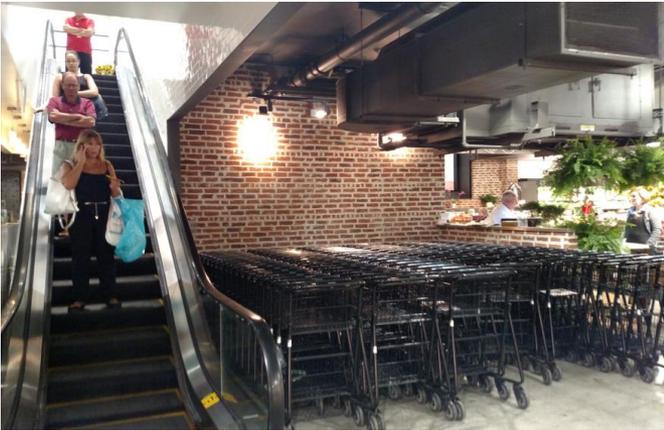
Roche Brothers: Basement Food Destination



Roche Brothers: Killer Cheese Destination



Roche Brothers: Basement Food Destination





**bfresh
Brighton**



bfresh



**BOSTON
UNIVERSITY**

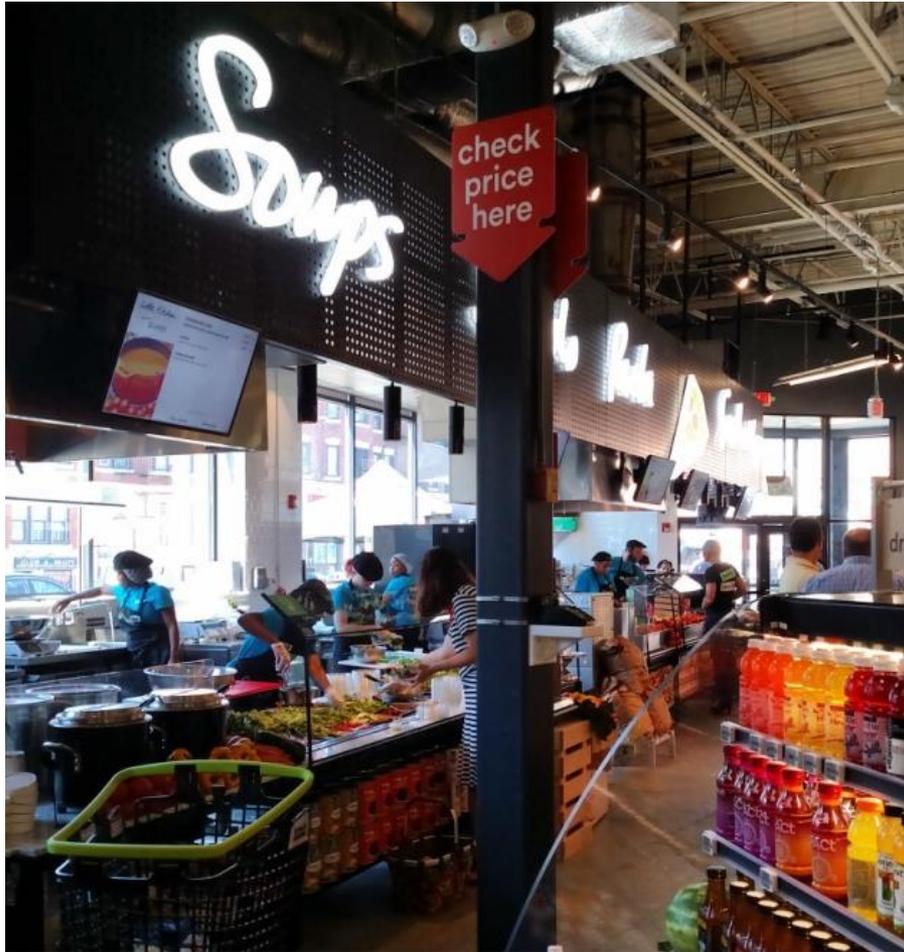


bfresh (Ahold), Brighton: Fact Sheet

- **Space:** - 15,000+/- sf: Redeveloped single story former Staples.
- **Location:** - Adjacent to Boston University (30,000 students)
 - Dense 4-5 story Established Residential Neighborhood
 - 2 Blocks from the T (trolley)
- **Target Customer:** - Students
 - Local Middle to Upper Middle Income Residents
- **Strategy:** - Quick Stop Fresh & Meal Solution Store
 - Friendly & Energized Staff
 - Scratch Bakery
 - Curated Grocery Selection: Variety Where it Counts
 - Compliment to other Neighborhood Retail



bfresh: Quick Stop Meal Solution Store



bfresh: Scratch Bakery; Fresh Perishables



bfresh: Grocery Variety Where it Matters





Boston Convention and Exhibition Center



**Foodies Market
South Boston**



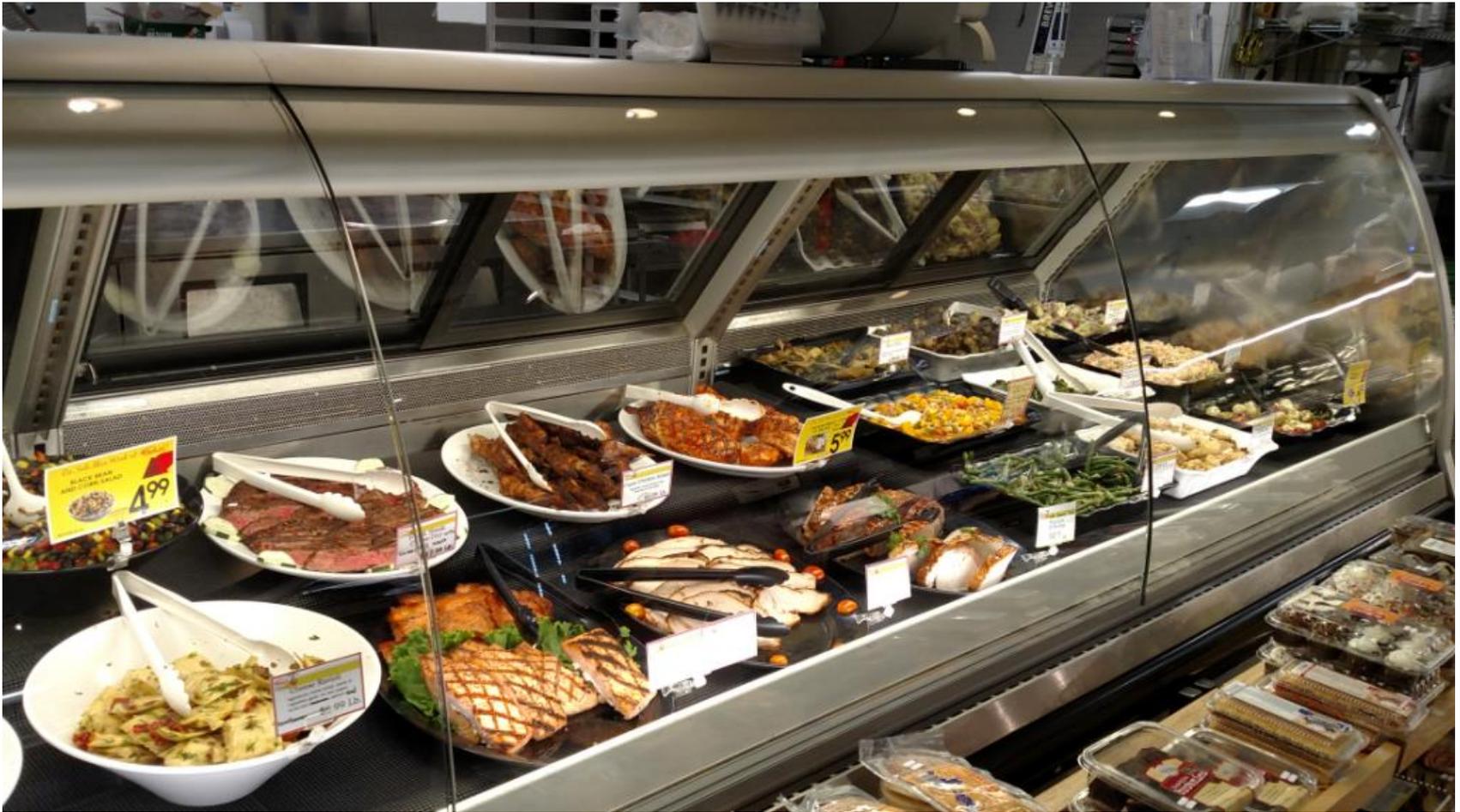
Foodies, South Boston: Fact Sheet

- **Space:** - 10,000+/- sf w/ full basement
- Single Story empty Building Redeveloped by Store Owner
- **Location:** - South Boston Residential Neighborhood
- Mix of Older and New Multi-unit Residential Buildings
- 4 Blocks from the T (trolley)
- **Target Customer:** - Local Neighborhood Residents
- Middle to Upper Incomes
- Singles, Couples & Some Families
- **Strategy:** - Local Neighborhood Grocery Store
- Part of the Neighborhood
- Strong Produce, Meat, Cheese, Deli, Prepared Foods
- Small Grocery, But Strong Variety where it Counts
- Compliment to other Neighborhood Retail

Foodies Market South Boston



Foodies: Strong Perishables



Foodies: Strong Perishables



Foodies: Neighborhood Food Store



Keys to Success: Store Development

- Collaborate with the City & Developers
 - Relationships with City Councilors/Econ Dev. Authority
 - Be Proactive: Seek out Developers
 - Seek out available public funding.
 - Leverage Food Store Value as an Amenity to the Project
- Patience
- Flexibility
 - Efficient Floor Plans and Use of Space
 - Leverage Basement Spaces
- Creative Architects & Engineers
 - Storefronts that Fit Local Architecture
 - Noise Issues with Adjacent Residential Neighbors
 - Mechanicals & Chases
 - Low Ceilings



Keys to Success: Merchandising

- Meal Solution Destination
 - Fresh Prepared (Hot & Cold)
 - Hot & Cold Pre-Prepared (Service & Self Service)
 - Tailored Grocery & Perishables Offering
- Target the Assortment to the Neighborhood & Space
 - Maintain Sufficient Open Space
 - Compliment Other Retailers in the Neighborhood
 - Don't Try to Compete with Suburban Chain/Club Stores
- Provide Variety Where it Counts
 - Smaller Pack Sizes
 - Less Kids Oriented SKU's (Fruit Loops, Lunchables, Ice Pops)
 - Wide Variety, Unique Trade-up Products
- Shift Marketing/Advertising Focus to Social Media

Questions

Thank You

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