

Boots²⁰²⁴ on the Ground

Podcast



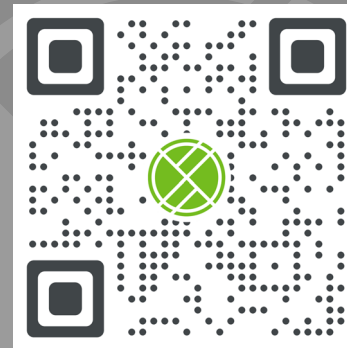
retail strategies

Addressing Food Insecurity

Grocery Store Development:
A Real Estate Perspective

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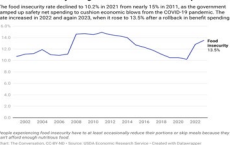
Free Grocery Analysis available

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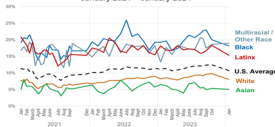
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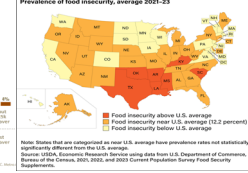
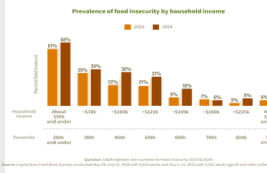
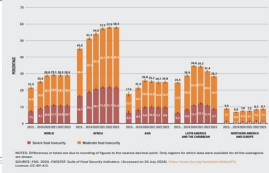
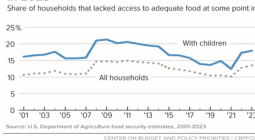
US food insecurity has grown since the COVID-19 pandemic



U.S. Food Insecurity Rates by Race/Ethnicity January 2021 – January 2024



Household Food Insecurity Increased Again in 2023



Defining Food Deserts and Overcoming Perceptions

Understanding the Challenge of Food Deserts

Food-insecure households in the U.S.

47.4 million

According to the most recent data, approximately 47.4 million Americans lived in food-insecure households in 2023.

Limited access to fresh food

13.5%

About 13.5% of U.S. households experienced food insecurity in 2023, which often correlates with limited access to grocery stores offering fresh food. However, it's important to note that this percentage doesn't directly measure access to grocery stores, but rather food insecurity as a whole.

Higher rates of diet-related diseases

23-34%

For instance, 23.3% of Black households and 21.9% of Hispanic households experienced food insecurity in 2023, compared to 9.9% of White non-Hispanic households. Additionally, households with incomes below 185% of the poverty threshold had a food insecurity rate of 33.5%. These higher rates of food insecurity are often associated with higher rates of diet-related diseases.

Limited food choices in food deserts

50-60%

These stores (convenience and dollar stores) typically offer fewer options at higher prices compared to supermarkets.

The Impacts of Food Insecurity

Challenges faced by households in food deserts.

Residents in food deserts often rely on convenience stores for non-perishable items, paying higher prices and lacking access to fresh produce.

The cost of food insecurity on public health.

Limited access to healthy food can contribute to higher rates of obesity, chronic diseases, and other health issues within the community.

The role of community resources in addressing gaps

While temporary solutions like food banks and community gardens are important, the long-term goal should be to establish sustainable grocery options.

Podcast: 0:00-4:29

Overcoming perceptions about grocery store viability.

Misconceptions about population, income, and crime can hinder the development of new grocery stores in underserved areas

Community Solutions have many components.

Consider the total ecosystem, from food banks to retail development, community gardens to convenience stores.

Data-Driven Strategies to Mitigate Risk

Leveraging Data for Effective Site Selection

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Importance of trade area analysis and mobile data.

Understanding the local population, their shopping habits, and traffic patterns is crucial for identifying viable locations.



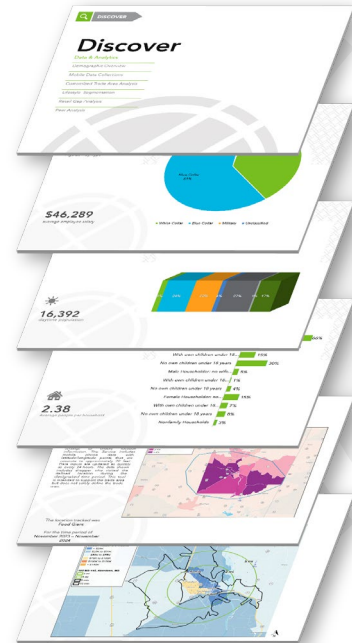
Factors that grocers consider when evaluating sites.

Grocers prioritize factors like signage, parking, access, and proximity to their distribution networks when assessing potential sites.



Mitigating risk through data-driven decision making.

Providing comprehensive data and analysis can help overcome perceptions and demonstrate the viability of a location to potential grocery retailers.



Podcast: 14:00-20:26

Right-Hand Turns? Consider Traffic Patterns

Real Estate Metrics for Grocery Location

Signage Visibility

Adequate parking is essential for customer convenience.

Parking requirements

Closer locations can reduce delivery costs.

Traffic patterns:

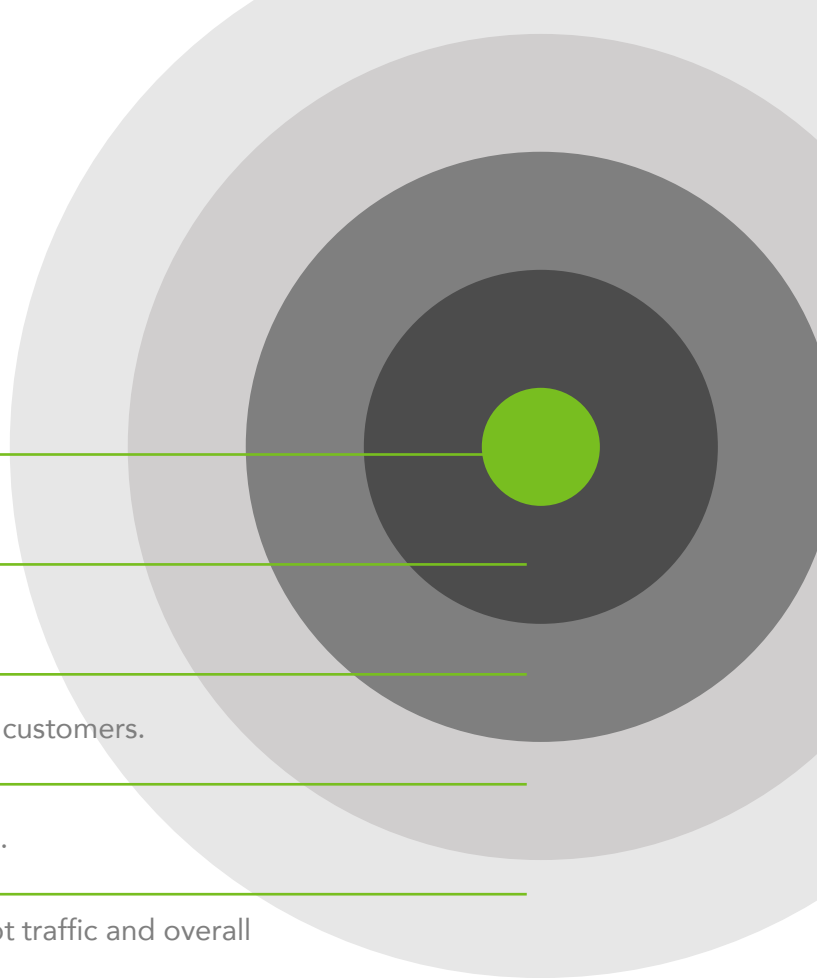
Ensuring stores are easily seen (and accessed) by potential customers.

Proximity to distribution:

Understanding local traffic flow can influence store success.

Co-Tenancy:

Having complementary businesses nearby can enhance foot traffic and overall store viability.



Case Study

Aldi in Jasper, AL

Redevelopment of former car dealership

podcast: 20:27-23:12

Strategic positioning relative to Walmart

Traffic light access solution

Successful mixed-use development with Harbor Freight



Utilizing Technology and Community Engagement



Identifying underserved areas using mobile data.

Mobile data can reveal which neighborhoods are not accessing existing grocery stores, highlighting the need for new locations.



Understanding customer behavior and preferences.

Analyzing mobile data can provide insights into shopping patterns, travel routes, and the factors that influence customer decisions.



Engaging the community to develop strategies.

Collaborating with local stakeholders, including residents, community organizations, and elected officials, can help tailor solutions to the unique needs of the area.

Leveraging Distribution Networks for Grocery Access

The Crucial Role of Distribution Centers

Grocery stores rely on a network of distribution centers to efficiently transport and deliver products to their stores.

Understanding the location of these distribution hubs and their reach is key to identifying potential grocery store locations.

Identifying Nearby Distribution Centers

Analyze the distribution networks of major grocery chains and wholesalers operating in your region.

Determine the proximity of these distribution centers to your community, as this can impact the viability of establishing a new grocery store.

Overcoming the "Last Mile" Challenge

Even if a distribution center is relatively close, the "last mile" of getting products from the center to the store can be a significant hurdle

Explore strategies to streamline the last-mile logistics, such as leveraging smaller delivery vehicles or partnering with third-party logistics providers.

Collaborating with Distributors


Engage with grocery wholesalers and distribution companies to understand their expansion plans and identify opportunities to serve underserved areas.

Discuss incentives or partnerships that could make it more feasible for distributors to reach new markets.

Integrating Distribution into Site Selection

When evaluating potential Grocery store locations, consider the proximity to existing distribution networks

Prioritize sites that can be efficiently served by the supply chain, reducing the logistical challenges for grocers.



The Role of Economic Developers and Public-Private Partnerships

Incentivizing Grocery Store Development

The role of economic developers in attracting grocers.

Economic development teams can create a business-friendly environment and offer incentives to encourage grocery store investment.

Examples of successful incentive programs.

Strategies like tax increment financing (TIF) districts, land acquisition, and public-private partnerships have been used to attract new grocery stores.

Leveraging public-private partnerships.

Collaborating with developers, grocers, and community organizations can help overcome the financial and logistical challenges of building new grocery stores.

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Public-private partnerships

Types of incentives available

TIF district examples

Success stories in mall conversion

Importance of comprehensive community approach

The Social and Economic Impact of Grocery Stores

Fostering Community-Centric Grocery Stores

The social and community-building aspects of grocery stores.

Grocery stores often serve as a "third place" for people to gather, socialize, and connect with their community.

Grocery stores as a hub for community engagement.

Some grocery stores have become hubs for local events, educational programs, and other community-focused initiatives.

The long-term impact on community health and prosperity.

Improving access to healthy, affordable food can have far-reaching benefits, including better public health outcomes and economic development.

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Resources for communities

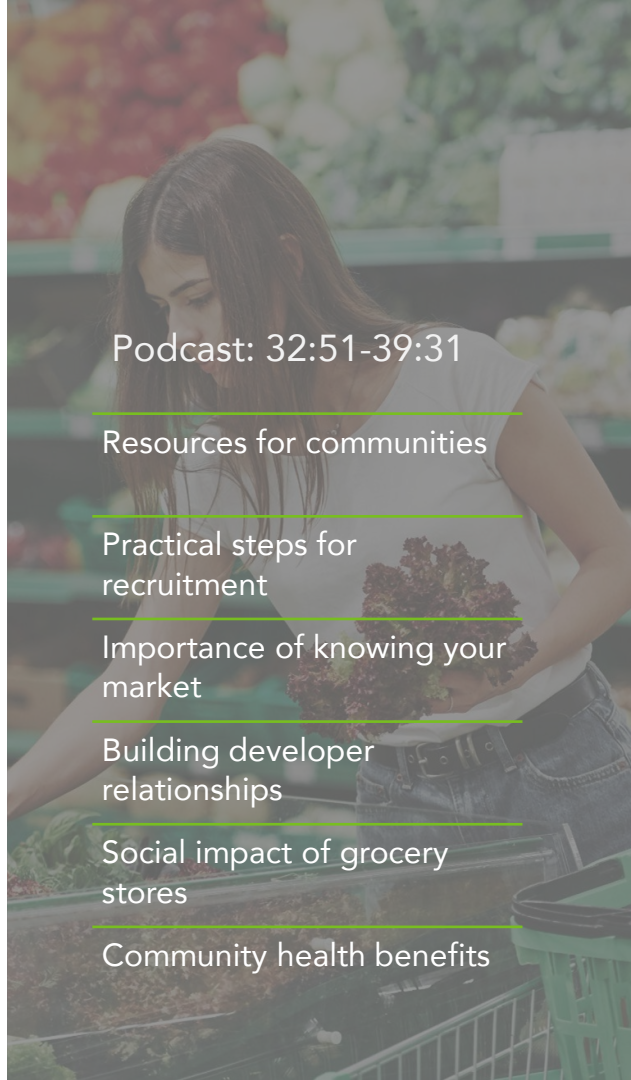
Practical steps for recruitment

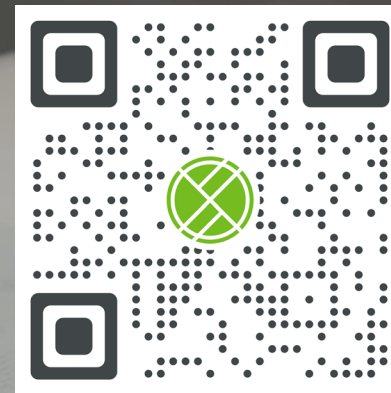
Importance of knowing your market

Building developer relationships

Social impact of grocery stores

Community health benefits





Additional Support

Free Grocery Analysis available

Moving Forward Resources and Next Steps

Retail Academy: Grocery Course

We have compiled several resources to help address food insecurity from a real estate, data, and community perspective.

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Citations

Sources

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Region/State	Food Insecurity Rate	Associated Health Outcomes
Southern Region	14.7%	Highest regional food insecurity rate
Arkansas	18.9%	Highest state-level food insecurity
Mississippi	17.6%	Highest per capita healthcare costs associated with food insecurity
Western Region	15% (poverty rate)	Highest regional poverty rate
California	N/A	Highest annual healthcare costs associated with food insecurity (\$7,213,940,000)
Northeastern Region	N/A	Generally lower food insecurity rates
New Hampshire	7.4%	Lowest state-level food insecurity
Midwestern Region	N/A	Varies by state
North Dakota	6.8% (adults), 10.3% (children)	Lowest food insecurity rates for both adults and children

Region/Demographic	Food Insecurity Prevalence	Associated Health Outcomes
U.S. National Average (2020)	13.8 million households	Increased risk for obesity, diabetes, hypertension, heart disease, mental health disorders
Black/African American (2021)	20%	Higher rates of chronic diseases such as diabetes and hypertension
Hispanic/Latino (2021)	16%	Similar chronic health risks as Black/African American populations
American Indian/Alaskan Native	Over 25% in some regions	Higher prevalence of chronic conditions compared to White households
Adults with Disabilities (2021)	15%	Greater likelihood of experiencing food insecurity; associated with higher healthcare costs and utilization
Unmarried Adults with Children	9.8%	Increased healthcare expenditures due to food insecurity-related chronic conditions
Very Low Food Security	Higher healthcare expenditures	24.8% higher total healthcare expenditures; increased risk of chronic conditions like diabetes and heart disease