



# West Atlantic Ave Grocery Market Sounding

Delray Beach CRA

March 2026



DELRAY BEACH CRA  
COMMUNITY REDEVELOPMENT AGENCY

## Background

Jones Lang LaSalle Americas, Inc. (JLL) was engaged by the Delray Beach Community Redevelopment Agency (CRA) to perform a market sounding exercise to gauge industry interest in developing a grocery store on CRA-controlled parcels along West Atlantic Avenue. The CRA's primary objective is to understand the market potential for a new grocery anchor that would serve the residents of the CRA District. This initiative is driven by several key goals: to provide quality shopping opportunities, catalyze further commercial development along the corridor, increase local property values and the tax base, and create new employment opportunities for residents. Ultimately, the CRA seeks to enter a long-term ground lease with a development partner to facilitate the project.

The site for the potential mixed-use redevelopment opportunity consists of 47 individual parcels controlled by the CRA, located within the 600, 700, and 800 blocks of West Atlantic Avenue. The largest contiguous assemblage of land is an approximately 3.3-acre parcel located at the SW 600 Block. The location is described as a prime site with prominent street visibility in an underserved market experiencing growing density. Its position along the major east-west artery of West Atlantic Avenue and its Central Business District (CBD) zoning, which promotes mixed-use development, are considered key advantages for redevelopment.

To assess the market viability, JLL implemented a structured market sounding methodology and facilitated discussions with end-user grocery operators to assess the market viability of the location for a grocery tenant. This process involved developing outreach materials, creating a target list of local, regional, and national grocery store operators, and arranging and facilitating individual market engagement meetings with these industry stakeholders. During these confidential sessions, JLL gathered direct feedback regarding critical site selection requirements, common challenges in the South Florida market, economic feasibility models, and prototype specifications. This report summarizes the crucial commercial, development, and financial feedback received from these engagements to provide the CRA with a clear understanding of the grocery market's interest in the site. Three of the ten grocers contacted agreed to participate in the market sounding exercise. Given the confidential nature of the market sounding discussions, this report refers to the participating grocery operators as "Grocer A," "Grocer B," and "Grocer C."

## Market Sounding

Discussion participants spoke with representatives of the JLL team and CRA staff and were open about the current state of the South Florida grocery market, the challenges presented by the proposed West Atlantic site, and shared thoughts for consideration regarding the requirements for each operator's ideal location and site selection process.

### Grocer A

#### About Grocer A

Grocer A is a prominent multinational supermarket chain with over 500 locations across North America and the United Kingdom. In the United States, its stores are primarily concentrated in major metropolitan areas and affluent suburban neighborhoods, with a presence in the vast majority of states across the country. The physical footprint of a typical store is substantial, generally ranging from 35,000 to 50,000 square feet, which allows for expansive departments and a wide variety of products. Some flagship urban locations can be even larger, serving as destination retail centers for their communities.

Operationally, this company has carved out a distinct niche in the grocery industry by focusing exclusively on products free from artificial preservatives, colors, flavors, and sweeteners. It is widely recognized for its high-quality organic produce, fresh seafood, butcher counters, and extensive prepared foods sections, which often include in-store cafes or restaurants. Grocer A has integrated various technology-driven features and loyalty programs, further cementing its position as a premium, health-focused food retailer that appeals to a quality-conscious consumer base.

#### Market Sounding

Grocer A has determined that this specific Delray opportunity is not a viable fit for their current expansion strategy. The most significant and immediate barrier is the site's location relative to their existing store in east Delray. The company strictly requires a six-to-seven-mile buffer between its locations to avoid cannibalizing sales, and this proposed site falls well within that radius. Furthermore, the company's current strategic focus is on developing smaller-format stores in densely populated, large urban centers like New York City, making a more suburban, 30,000-square-foot Delray location a strategic mismatch at this time.

Despite the strategic misalignment, the Delray market itself possesses many of the demographic qualities Grocer A seeks. The area aligns with their requirements for high population density and affluent income levels within a 5-to-15-minute drive time. Most importantly, the market likely meets their primary criterion of a high concentration of residents with four-year college degrees, which they consider a key indicator of a successful store. These positive market factors, however, are not enough to overcome the fundamental issues of store proximity and a conflicting format strategy.

From a site-specific perspective, the physical requirements for a typical Grocer A store would be exceptionally challenging to meet in Delray. The company's ideal site is approximately 10 acres, which is needed to accommodate a 30,000-square-foot building and its extensive surface parking requirement of 5 spaces per 1,000 square feet. This translates to a need for around 150 customer parking spaces plus additional employee parking, a land-intensive footprint that is difficult to secure in this market. Paired with their access requirement of being no more than two turns off a major artery, the combination of strategic and physical constraints confirms that this site is not a good fit, even though South Florida remains a general area of interest for them.

## Grocer B

### About Grocer B

Grocer B is a family-owned and operated specialty food retailer with a highly concentrated geographic footprint. This grocer operates a small handful of stores located exclusively within specific counties in South Florida, making it a distinctly local and regional player. The physical size of its markets is considerably smaller than that of a national chain, creating an intimate and bustling European-style market atmosphere. This compact format allows for a focused shopping experience where customers can easily navigate between specialized departments.

The company's operational model is centered on its identity as a premier Italian market and bakery. Rather than offering a comprehensive range of general grocery items, Grocer B specializes in high-quality, authentic Italian foods. Its stores are renowned for their extensive deli counters featuring imported meats and cheeses, a full-service butcher shop, a fresh seafood department, a from-scratch bakery, and a wide selection of specialty prepared foods. With a history stretching back several decades, the brand is built on a reputation for tradition and quality, serving a loyal customer base that seeks authentic ingredients and a gourmet shopping experience.

### Market Sounding

Grocer B is actively seeking new locations in South Florida and expressed significant interest in exploring this Delray opportunity. As an upscale, family-owned operation, their site selection is highly discerning, and the Delray market aligns perfectly with their target customer profile. They are looking for high-income areas where a clientele of shoppers aged 40 and older, with minimum annual incomes of \$100,000, seeks high-end groceries and premium prepared foods. Their ideal store size is approximately 25,000 square feet. Given their existing presence and distribution center in South Florida, logistics are straightforward, allowing them to focus entirely on the merits of the site and the surrounding community.

While the market is a strong match, the viability of the project will depend on meeting several critical site-specific requirements. Parking is a primary concern; they mandate 5 spaces per 1,000 square feet and are particularly cautious about co-locating with gyms, whose patrons can monopolize parking and detract from the grocery shopping experience. They would also seek to include exclusivity in a lease agreement, making them the only tenant in a shopping center to allow for the sale of baked goods, therefore co-locating with a large coffee chain would be undesirable. The physical plant must also accommodate their operational needs, including a preference for loading docks over drive-in bays for deliveries. These physical factors will be heavily scrutinized before they commit to a location.

Grocer B's interest extends beyond a simple grocery operation; they aim to create a destination experience for their shoppers. They are interested in developing a blend of high-end grocery retail and a vibrant prepared foods section, and they would strongly consider an outdoor café-style seating area to support this vision. The mention of a successful bocce court at another location highlights their openness to unique, community-building amenities that enhance their brand's premium feel. This creative and flexible approach, combined with their strong initial interest, makes them a highly promising candidate, provided their core site requirements can be met.

## Grocer C

### About Grocer C

Grocer C stands as one of the largest food and drug retailers in the United States, with a vast network of over 2,200 stores. The company's footprint extends across more than 30 states and Washington, D.C., operating under a variety of well-known regional banners in addition to its primary nameplate. This multi-brand strategy allows it to maintain local identity and customer loyalty in diverse markets, from the West Coast to the East Coast. Its stores are typically traditional, full-service supermarkets, with an average size ranging from 40,000 to 60,000 square feet, designed to accommodate a comprehensive shopping experience.

Operationally, Grocer C functions as a conventional supermarket that has grown significantly through a long history of mergers and acquisitions. Its stores are characterized by a full-service model that includes fresh produce, meat and seafood counters, full-service delis and bakeries, and, critically, in-store pharmacies, which are a core component of its business. The company has also developed a robust portfolio of private-label brands that span multiple tiers, from value-oriented items to premium organic selections. This approach allows it to compete effectively across different consumer segments while focusing on providing a one-stop shop for grocery and pharmaceutical needs.

### Market Sounding

Based on this internal guidance, Grocer C's perspective on a potential Delray opportunity would be one of significant caution and rigorous evaluation. Given the explicit statement that Florida is not currently a target for expansion, any proposal in Delray would have to be exceptionally compelling to even warrant consideration. The primary obstacle, as noted, is the deeply entrenched brand loyalty commanded by Publix. Grocer C's analysts would immediately map the trade area to determine the number and performance of nearby Publix locations. They would view the high Median Household Income and population growth in the Delray market as necessary but not sufficient conditions for entry. The core question would be whether their specific offerings—such as a robust pharmacy, diverse private-label brands, and a strong loyalty program—could realistically siphon enough market share from such a dominant competitor to justify the investment.

The physical characteristics of the site itself would be the next major hurdle. Grocer C has a clear and strong preference for standalone buildings with dedicated surface parking. A proposal for a location within a mixed-use development, which is common in a dense and desirable area like Delray, would be met with immediate skepticism. Concerns over shared loading docks, security, and the logistical challenges of structured parking would be paramount. Furthermore, they would be inflexible on layout requirements; the building's column grid must accommodate their standard store footprint without compromise. If the opportunity did not allow for prominent, high-visibility signage and easy customer access, it would likely be dismissed quickly, as they would be unwilling to operate from a position of disadvantage in a market they are not actively seeking to enter.

Finally, the operational and logistical considerations would be a deciding factor. Grocer C would need to confirm that a Delray store could be efficiently serviced by its existing distribution network. If the location is too far from their supply lines, the increased transportation costs could render the store unprofitable, regardless of its sales potential. The entire project would be viewed through a lens of high risk. For Grocer C to proceed, the Delray opportunity would need to present a perfect scenario: stellar demographics, a clear weakness in the local competition, a standalone site that meets all their building specifications, and seamless integration into their logistics network. Anything less would almost certainly be a non-starter.

## Summary and Recommendations

The market sounding exercise conducted by JLL on behalf of the Delray Beach CRA has yielded a clear and definitive understanding of the grocery landscape for the West Atlantic Avenue site. The feedback from industry stakeholders was distinctly polarized. Large-format national operators, represented by Grocers A and C, uniformly declined the opportunity, citing insurmountable barriers including the competitive dominance of Publix, conflicts with existing store locations or expansion strategies, and critical physical site limitations, most notably the insufficient acreage for their large prototypes and parking requirements. Conversely, Grocer B, a regional specialty operator, expressed strong, actionable interest, viewing the site's demographics and location as an ideal fit for its destination-oriented business model.

This comprehensive feedback conclusively demonstrates that the path to a successful grocery-anchored development on this site is narrow but well-defined. The viability of this project is not dependent on attracting a conventional supermarket, but rather on the CRA's ability to partner with a developer focused on delivering a project with a smaller format specialty grocer. These operators thrive by serving a specific customer niche and are therefore not deterred by mainstream competition. Success for the CRA will hinge on its flexibility and willingness to develop a project tailored to the unique and specific requirements of such a tenant, including their needs for a high parking ratio, control over co-tenancy, and amenities that enhance customer experience, such as outdoor seating.

Based on these findings, JLL recommends that the CRA take a strategic and phased approach to best leverage this market intelligence. The logical next step is to undertake a comprehensive feasibility analysis and master planning exercise for the entire assemblage of parcels across the 600-800 blocks. This planning effort should be guided by the clear market preference for a smaller-format specialty grocer, using this grocer profile as the foundational anchor around which complementary residential, retail, and public space uses can be thoughtfully integrated. Developing a cohesive, market-supported master plan *prior* to issuing a formal solicitation to the development community is a critical step. Such a plan will provide a clear and compelling vision, attract higher-quality development partners who are aligned with the CRA's goals, and ultimately ensure that the final project achieves lasting success for the West Atlantic Avenue corridor.



# Thank You

## **Nick Finelli**

Vice President

JLL Public Institutions

Email: [Nick.Finelli@jll.com](mailto:Nick.Finelli@jll.com)

## **About JLL**

For over 200 years, JLL (NYSE: JLL), a leading global commercial real estate and investment management company, has helped clients buy, build, occupy, manage and invest in a variety of commercial, industrial, hotel, residential and retail properties. A Fortune 500® company with annual revenue of \$23.4 billion and operations in over 80 countries around the world, our more than 113,000 employees bring the power of a global platform combined with local expertise. Driven by our purpose to shape the future of real estate for a better world, we help our clients, people and communities SEE A BRIGHTER WAY. JLL is the brand name, and a registered trademark, of Jones Lang LaSalle Incorporated. For further information, visit [jll.com](http://jll.com).