



# Growing Discount Grocer to Open Two Stores in San Gabriel Valley

Grocery Outlet Has Been in Brokers' Sights Almost Five Years



Grocery Outlet agreed to take over the former Rite Aid space at The Shoppes@Highlander Center, which was occupied by the pharmacy as late as August, according to records on file with the city of Arcadia, California. (CoStar)

By Clare Kennedy

CoStar News



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Grocery Outlet has signed leases for two new stores in Arcadia, California, an affluent town just east of Pasadena in Los Angeles County.

The publicly traded discount chain, which is based in the San Francisco Bay Area, intends to become the anchor tenant at [165 E. Foothill Blvd.](#), a 67,200-square-foot strip

mall built in 1966 that is now called The Shoppes@Highlander Center. Grocery Outlet has taken on a 17,000-square-foot space there, most recently occupied by a Rite Aid pharmacy, and is scheduled to open the store in January.

The deal represents years of persistence for brokers David Maltzman of Globe Street Properties and Dan Bacani and Jodi Shoemake of Lee & Associates-Pasadena, who were tasked with repositioning and renovating the center after its last grocery tenant, Fresh & Easy, closed in 2015.

"We were chasing Grocery Outlet back in 2016 but ultimately they signed a lease in Duarte," a nearby city, Shoemake said in an announcement from Lee & Associates about the deal this week, adding that the vacant Fresh & Easy space was too small to suit Grocery Outlet's needs at the time. "We knew the Rite Aid's option was coming up, and always felt the Arcadia Foothill community would welcome the Grocery Outlet brand with open arms, so we kept asking."

A second Grocery Outlet location in Arcadia is planned for [140 E. Live Oak](#), a former Walgreens. The opening date is scheduled for mid-2021. That lease deal did not involve Shoemake, Bacani or Maltzman.

Grocery Outlet, based in Emeryville, California, supplies primarily name-brand, discounted and overstocked products to its stores, which are scattered through California, Oregon, Washington, Idaho, Nevada and Pennsylvania.

Like many grocers and retailers of basic household goods, the company has seen a boom during the coronavirus pandemic.

Its net sales increased 17.1% to \$764.1 million during its third quarter which ended Sept. 26, from \$652.5 million in same period last year, according to an [earnings report](#) released on Nov. 10. Its net income spiked 225.2%, jumping to \$40.5 million in the third quarter year over year.

Though its sales and profits have surged, Grocery Outlet is sticking to a relatively modest expansion plan. It opened 10 new stores over the third quarter, bringing its store

count to 372 locations. It said it anticipates adding 34 stores total by the end of 2020, and in the future intends to augment its total store fleet by 10% each year.

## For the Record

Nathan Cromeenes of Newmark and Carol Springstead of Springstead & Associates represented Grocery Outlet.

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