



Amazon's Grocery Delivery, Pick-Up Expanding to More Markets

But Services Likely to Have Limited Effect on Industry, Analyst Says

Amazon has expanded its grocery delivery and pickup through Whole Foods Market and now reaches 63 markets nationwide, though one analyst isn't convinced the services will revolutionize the industry and change its real estate leasing patterns.

The online giant, which acquired Whole Foods last year in a deal valued at \$14 billion, allows customers to order produce, seafood, meat and other products through Prime Now for delivery to their homes or pickup at the store.

The services started this year and will continue to expand across the country, Amazon said.

The markets getting the new delivery service are: Albuquerque, New Mexico; Birmingham, Alabama; Boise, Idaho; Charleston, South Carolina; Colorado Springs, Colorado; Hartford, Connecticut; Kansas City, Missouri; Providence, Rhode Island; Salt Lake City, Utah; Stamford, Connecticut; and additional neighborhoods in Boston and Cincinnati.

Christina Minardi, Whole Foods' executive vice president of operations, said in a statement that the expansion comes as customers continue to demand delivery.

Meanwhile, Amazon is bringing curbside pickup to six markets nationwide, including three in Florida.

That service now will be available in West Palm Beach, Tampa and Jacksonville, as well as in Las Vegas, San Diego and Boise.

Curbside pickup now is available in 14 markets.

While the concept of grocery delivery and pickup is growing, it likely will have a limited effect on company earnings and the industry in the near term, according to Barry Wolfe, a retail specialist and senior managing director at the Marcus & Millichap brokerage in Fort Lauderdale, Florida.

"It's growing, but I think it will be a very, very small part of the business for the foreseeable future," he said.

But while the pick-up service may not be a huge money-maker for grocers, the convenience could prove to be a big benefit to small stores and junior anchors in shopping centers, said Rafael Romero, vice president of the CREC real estate firm in Miami, in an email to CoStar News.

"The pick-up customer could be a tremendous advantage to inline retailers who now have fresh customers undaunted by an afternoon at the grocery store and are able to pick up that pizza, get that haircut, or browse that boutique before picking up their neatly packaged groceries at the anchor and heading home," he wrote.

