

Thursday, October 24, 2019
9:30 AM – 10:45 AM

Seminar 11

The Active Ingredients in Grocery Store Leases

David J. Larsson

Larsson & Scheuritzel P.C.
Centre Square West, Suite 3510
1500 Market Street
Philadelphia, Pennsylvania 19102
dlarsson@larssonlaw.com

Eric Astrin

Director, Real Estate & Special Counsel
WeWork
1372 Peachtree Street NW
Atlanta, Georgia 30309
eric.astrin@wework.com

- I. Introductions
- II. What are the active ingredients in grocery store leases?
 - A. We canvassed several participants as to the following questions:
 1. What 3 supermarket lease clauses do you care about the most?
 2. What supermarket lease clauses do you think will change the most over the next decade?
 3. Will robots really come and eat all of our jobs? Or, more precisely, will robotic technologies render the big box supermarket a thing of the past?
 4. What question did I not ask you that I ought to have?
 - B. The business context: sweeping new developments in the sale of groceries
 1. Customer Fulfillment Centers (CFCs)
 2. The exclusive partnership between The Kroger Co. and Ocado to build up to 20 CFCs in the USA
 3. Support for the proposition that "Yes, the robots will really come and eat all of our jobs."
 4. Support for the proposition "No, not really"
 - C. "Term" clause
 1. Past (Malaise Era, 1977)
 2. Present (2019)
 3. Future
 - D. "Leased Premises" clause
 1. Past (Malaise Era, 1977)
 2. Present (2019)
 3. Future
 - E. Rent and other occupancy costs clauses
 1. Past (Malaise Era, 1977)
 2. Present (2019)
 3. Future
 - F. "Exclusive Uses" clauses (supermarket restrictive covenants, radius clause)

1. Past (Malaise Era, 1977)
2. Present (2019)
3. Future

G. "Prohibited Uses" clause

1. Past (Malaise Era, 1977)
2. Present (2019)
3. Future

H. Supermarket "Permitted Uses" clause

1. Past (Malaise Era, 1977)
2. Present (2019)
3. Future

I. Assignment/subletting clause

1. Past (Malaise Era, 1977)
2. Present (2019)
3. Future

III. Conclusion