

# Local Monopoly Power in Grocery Markets

Real Estate Control and Market Dominance of Ingles Markets



# Research Question & Hypothesis

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## Research Question

How do dominant regional grocery chains create and sustain local monopoly power through control of commercial real estate?

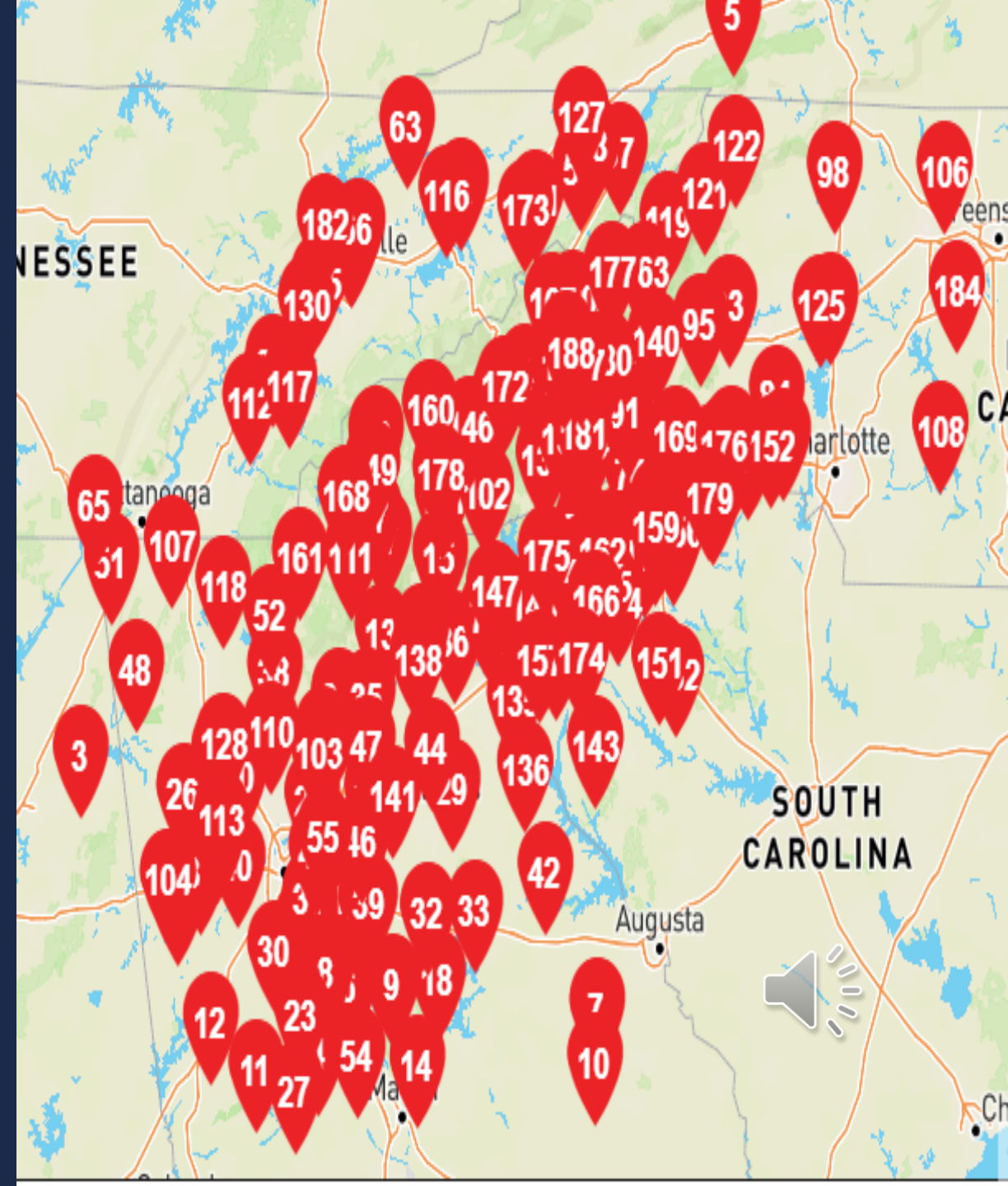
## Hypothesis

Regional grocers such as **Ingles Markets** increase market power by controlling surrounding retail property, limiting competition and leading to higher prices and reduced consumer choice.



# Real-World Context:

- Dominant grocery chain in Western North Carolina
- ~197 stores across 6 Southeastern states
- Operations in NC, SC, TN, VA, GA, and AL
- Generates over \$5 billion annually
- Controls shopping centers and surrounding retail space

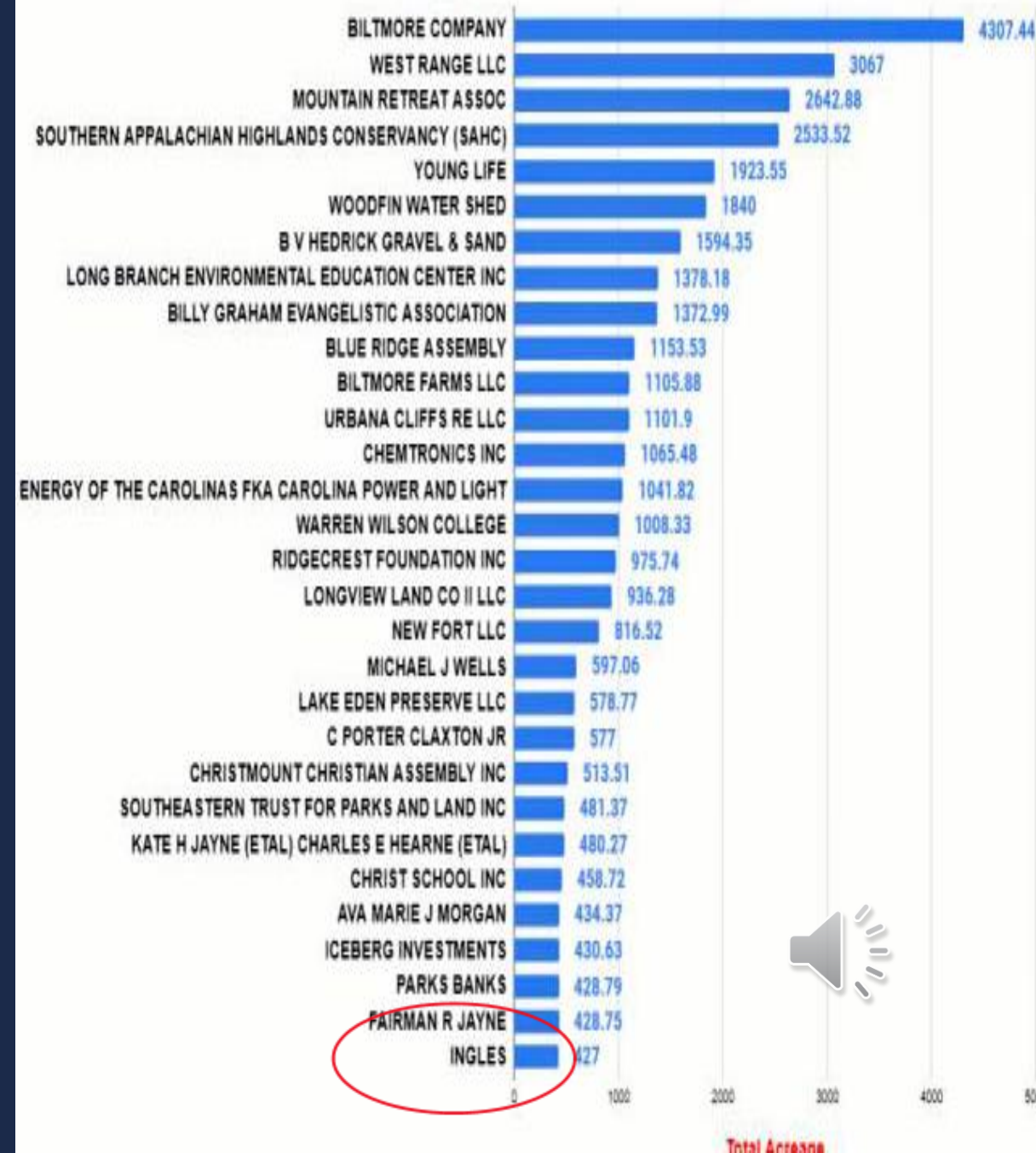


# Commercial Real Estate as Market Power

## Key Economic Insight

- Land is a scarce resource
- Property ownership limits competitor entry
- Real estate can function as a barrier to entry
- Ingles Markets holds ~427 Acres

Top 30 Non-Government Property Owners in Buncombe County



# Barriers to Entry

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## Definition

- Barriers to entry are obstacles that prevent new firms from entering a market.

## Application to Ingles

- Controls shopping centers and retail property
- Limits available locations for competitors
- Uses real estate as a structural market barrier

“Barriers to entry are obstacles that prevent new firms from entering a market.”

*(McConnell et al., 2024, Ch. 11)*

Land Ownership



Less Available Retail Space



Fewer Competitors



Greater Market Power



# Lease Restrictions and Strategic Property Control

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## Lease and Land Control

- Ground leases influence tenant access
- Property control can shape nearby competition
- Restrictive land use can limit grocery competitors

## Vacant Property Holdings

- Ingles owns dozens of parcels in Western North Carolina
- Some properties remain undeveloped for years
- Land can still function as a strategic asset



# Monopoly Power and Market Structure

## Monopoly Power

- Firms become price makers
- Reduced competitive pressure
- Potential for higher prices

## Market Structure

- Grocery markets usually operate under monopolistic competition
- Smaller regional markets can behave like local monopolies or oligopolies

“Monopoly power allows firms to become price makers rather than price takers.”

(McConnell et al., 2024, Ch. 12)

# Monopoly Power and Market Structure

Market structure shapes the level of competition and power in a market.

## COMPETITIVE MARKET



Many firms compete for customers



### Many competitors

Many firms offer similar products.



### Greater consumer choice

Consumers have more options for where to shop.



### Strong price competition

Firms compete on price to attract customers.

## LOCAL MONOPOLY MARKET



One dominant firm faces little competition



### Few competitors

Only one or a few firms dominate the market.



### Reduced consumer choice

Consumers have fewer options for where to shop.



### Greater pricing power

Firms face less competition and can charge higher prices.



### More Competition

Lower prices, more choices, better for consumers



### More Market Power

Higher prices, fewer choices, less favorable for consumers



# Consumer Impact and Public Policy

## Consumer Effects

- Fewer grocery choices
- Reduced price competition
- Longer travel distances in smaller towns
- Potential for higher prices

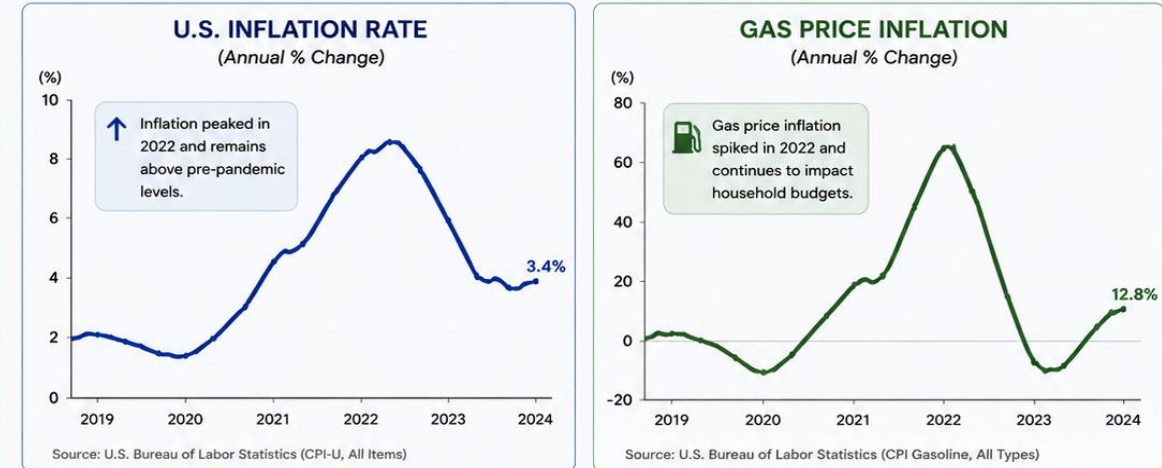
## Policy Questions

- Should large-scale land control be regulated?
- Can zoning laws influence market competition?
- Should antitrust policy consider real estate ownership?

“Public policy may intervene when market concentration reduces competition.”  
(McConnell et al., 2024, Ch. 16)

## RIISING INFLATION AND GAS PRICE INFLATION

Prices have increased significantly in recent years, raising costs for consumers.



**Both overall inflation and gas price inflation remain elevated,** increasing the cost of everyday goods like groceries for consumers.

## POLITICAL COMMENTS ON RISING PRICES

Leaders across the political spectrum have addressed rising inflation and grocery costs.



“I know families are feeling the squeeze. That’s why lowering costs is my top economic priority—especially the cost of groceries, gas, and everyday essentials.”

– President Joe Biden

Remarks on Lowering Costs for American Families



May 14, 2024  
The White House



“Bidenflation has crushed American families. Prices for groceries, gas, and everything else are through the roof.”

– Donald Trump

Campaign Rally in Wisconsin



May 11, 2024  
Trump Campaign



“Corporate greed is a major reason prices are so high. Big corporations are raising prices far beyond what is necessary, and consumers are paying the price.”

– Sen. Bernie Sanders (I-VT)

Floor Speech on Corporate Price Gouging



April 17, 2024  
U.S. Senate



**Rising prices are a major concern for consumers and a central issue in today’s political debate.**

# Inflation and Consumer Pricing Concerns

## The Economic Connection

### In competitive markets:

- Firms compete harder on price
- consumers have alternatives
- Price increases may be restrained

### In concentrated local markets:

- Consumers may have fewer alternatives
- Firms may have greater pricing power
- Higher prices become more significant during inflationary periods

# Inflation, Pricing Power, and Public Debate



Rising prices and concentrated markets raise concerns about consumer costs and competition.



## KEY TAKEAWAYS



### COST OF LIVING ON THE RISE

Grocery prices have increased faster than overall inflation since 2020.



### GAS PRICES SPIKING IN GEORGIA

Average gas prices in Georgia jumped from around \$3.00 to over \$4.00 in April 2025.



### PUBLIC CONCERNS

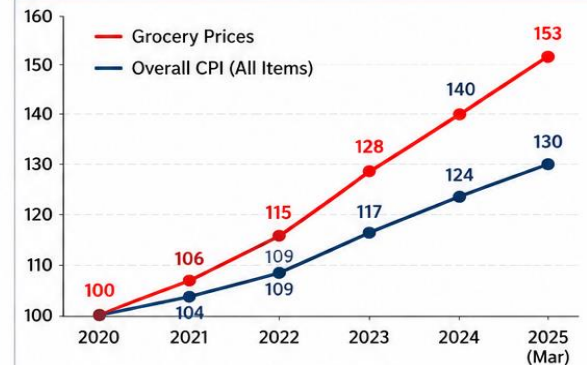
Consumers are increasingly concerned about higher prices and limited competition in local markets.



### POLICY DEBATE

Debates continue over real estate control, market concentration, and the need for policy solutions.

## Grocery Prices vs. Overall Inflation (Index: 2020 = 100)



Source: U.S. Bureau of Labor Statistics – CPI Data (2025)

## Average Gas Price in Georgia (Dollars per Gallon)



Source: AAA – Georgia Gas Prices (2025)



Real estate vacancies across the company's portfolio have created a drag on growth.

– Summer Road letter regarding Ingles Markets (April 1, 2026)

Source: Citizen Times (2026)



# Conclusion: Real Estate as Hidden Market Power

## Real estate control can shape who gets to compete

- Ingles is more than a grocery chain
- Commercial real estate can limit competitor entry
- Barriers to entry support local market power
- Consumers may face fewer choices and weaker price competition
- Policy questions remain around zoning, land use, and antitrust

## DISPUTES OVER GROWTH, REAL ESTATE

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In its April 1 letter, Summer Road, which owns approximately 3% of Bi-Lo Class A shares, said it believes real estate vacancies across the company's portfolio have created a drag on its growth. Bi-Lo executives have previously failed to answer Held's questions regarding the practice, the company wrote in its proxy statement.

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### WORKS CITED (MLA)

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