

# DOLLAR GENERAL PLANS TO OPEN 975 NEW STORES

Discount Retailer Aims for Sites Near More Than Three-Quarters of the US Population.



*Dollar General plans to stay on a rapid growth rate of 900-plus new stores a year and 1,000 remodels.*

*By Jennifer Waters | December 04, 2018*

Dollar General's large-scale plans to open hundreds more stores call for high speed again in 2019 as it aims to accomplish a longheld goal of setting up sites within five miles of more than threequarters of the U.S. population.

Chief Executive Todd Vasos said the Goodlettsville, Tennesseebased deep discounter intends to open 975 new stores, remodel 1,000 older locations and relocate another 100 sites in 2019.

"We are proud of the team's ability to support approximately 2,075 real estate projects in total," he told analysts and investors during a conference call to discuss the retailer's third-quarter results on Tuesday.

That team has been busy. The 2019 assignment comes on the heels of three straight years of store openings and remodeling at nearidentical paces. As many other bricks-and-mortar retailers close and shut stores, Dollar General, like its low-priced competitors, are rapidly growing. Dollar Tree and its subsidiary, Family Dollar, are magnets to low-income and value-driven shoppers who are searching for inexpensive products.

These deep discounters and others like them offer consumers what the industry refers to as "treasure hunt" propositions: Come in often because the inventory changes regularly.

Through the end of the third quarter, Dollar General opened the doors to 750 new stores, remodeled 925 locations and relocated 92 others. The company is on pace to meet its 2018 target of 900 store openings.

Dollar General has a handful of store formats to fit the neighborhoods they're in, Vasos said. "We intentionally develop these additional formats to be able to move into certain demographics across the U.S. where a one-size-fits-all mentality is really not the way to be productive and to make the most of your real estate portfolio," he said.

Of the 1,000 remodels next year, about 500 will be in the Dollar General Traditional Plus format, which are typically 10,000 square feet or more that are stocked with nonperishable, frequently purchased household goods, as well as meats, and, increasingly, produce. About 200 of those 500 new outlets will include produce, which is now in 425 of the chain's roughly 15,000 stores and often isn't available in low-income areas.

"Having those opportunities to put stores with a produce selection in the areas that are more food deserts in the United States, both in the rural communities and ... in more metro settings, we find that we can drive a tremendous amount of traffic."

Vasos told analysts and investors there is room for 12,000 to 13,000 more stores across the continental United States.

About 10 of the new stores will be opened in Dollar General's newest format it calls DGX. It's a more compact store, about half the size of a traditional store with a product selection that is tailored to consumers living in high-rise apartments or condominiums aimed in urban settings. The three DGX stores that already are open in Philadelphia, Nashville and Raleigh, North Carolina, are performing above expectations, Vasos said.

"It's a very strong business model, a very resilient business model and we still see ourselves as 10 percent growth over the long term," Vasos added.

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