



Investment Times

OUR VIEW ON SUPERMARKET/CONVENIENCE STORE INVESTMENTS

- **Significant rise in investor demand for Supermarkets** since the start of the pandemic with **£322M** Supermarkets sold since March 2020.
- **One of the few sectors to benefit from lockdown** with **supermarket sales up 14.3%** in the 12 weeks to 17 May. The fastest since records began according to research company Kantar.
- **Investors see supermarkets as a safe haven** as unlike some national retailers supermarket tenants have continued to pay rent during Covid.
- **Supermarket trade expected to remain strong** as consumers are restricted in their use of restaurants, bars and catering businesses even after the restrictions are lifted.
- The rise of in-home eating, and the 'treat' culture has resulted in **consumers spending more on luxury and good quality goods** to consume at home, often bought from a supermarket.
- **Surge in consumer demand for home deliveries** during pandemic with pressure to offer sufficient delivery dates and times. Grocery delivery has become a habit and will continue when lockdown ends as **consumers are won over by the delivery service**, alongside ongoing safety concerns.
- Looking to the future Supermarket businesses may **increase their logistic/warehouse exposure** and reduce their supermarket retail offerings as online shopping continues to grow.
- **Investor demand has strengthened for long income assets** during Covid and the yield gap between Supermarkets let on shorter leases and those let on longer leases has widened.
- Supermarkets have had to react quickly to a change in consumer behaviour which in turn has led to **higher operating costs** which may result in a **squeeze in profitability** despite the sales growth.
- **Supermarket** investments let on long leases have **achieved record yields during Covid**.

ALLSOP CURRENT FOOD STORE SALES



CROWBOROUGH
Tesco Superstore,
Sybron Way, TN6
Food Store investment
£5.30m (NIY: 7.00%)



KIRRIEMUIR
Co-Op Convenience Store,
29/33 The Roods, DD8
Food Store Investment
£2.785m (NIY: 6.00%)



LISKEARD
Co-Op Convenience Store,
Barras Street, PL14 6AD
Food Store Investment
£2.33m (NIY: 6.00%)

DID YOU KNOW?



Allsop have transacted **£245m** since 'Lockdown'



Allsop's National Investment Team has a **dedicated Private Client Team**



Allsop offers a **Private Treaty / Auction Hybrid** service

DON'T MISS OUR LOCKDOWN MUSTS...



Binge Boxset
The Sinner - Season 3



Must listen to Podcast
That Peter Crouch podcast
WFH: With Harry Redknapp





ALLSOP 'POST LOCKDOWN' FOOD STORE TRANSACTIONS



READING

Co-Op, New Bath Road, Charvil
Forecourt & Convenience Store Investment
Sold: £2.3M (NIY: 6.00%)



ALDERSHOT

Lidl, 5 Low Walk, Wellington Centre, GU11
Shopping Centre Supermarket
Sold: 2.05m (NIY: 8.20%)



LEWISHAM

Sainsbury's Local, Loampit Vale, SE13
Food Store investment
Sold: £1.75m (NIY: 5.10%)



KENT

Co-Op, 1 Holborough Road, ME6
Convenience Store Investment
Sold: £1.55M (NIY: 5.25%)



FALMOUTH

Co-Op, Mongleath Road, TR11
Convenience Store Investment
Sold: £1.52M (NIY: 5.26%)



LINGFIELD

Tesco, The Old Cage, Plaistow Street, RH7
Convenience Store Investment
Sold: £1.29m (NIY: 5.40%)