

United Kingdom

Grocery

Real Estate Review 2022

The Year of the Big Spenders

Executive Summary

2021 was a pivotal year for the UK Grocery sector and the real estate which supports it. With two of the 'Big Four' operators being acquired by private equity and the sector as a whole still benefitting from the shopping habits borne out of successive lockdowns, it was a time of seismic change.

The pandemic has provided graphic evidence of the essential nature of the grocery business and investors flocked to buy assets that were increasingly viewed more as core infrastructure rather than simply real estate.

In this report, we look at the macro trends shaping the sector and analyse what that means for its property market. Key points from the report are below:



UK Grocery real estate market

The volume of grocery-backed investment transactions in 2021 was £1.85bn (2020: £1.83bn) and would have been higher had there been more stock to meet the high level of demand.



Sector trends

The corporate activity in the sector during 2021 and that which may follow it, should be a positive as it will most likely result in the release of assets onto the market.



The occupier market

Tesco, Sainsbury's, Asda and Morrisons all back on the acquisition trail opening new stores albeit at a moderate pace.

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