

Intelligent Investment

# Convenience Retail

REPORT

CBRE RESEARCH  
MARCH 2026



CBRE

# Overview

Australians visit a convenience retail store around four times a month, more than they eat at a restaurant, go to the gym, or see their GP. Outside of supermarkets, few locations see people as regularly. Yet despite being one of the most frequently visited retail touchpoints in the country, convenience retail remains one of the least studied parts of Australia's consumer landscape.

Convenience retail offers a blend of defensive income, highly visible arterial road real estate, and a retail format broadening beyond fuel. Many assets trade at land rates below comparable development sites, meaning investors can access strategic land with a secure income stream while retaining long term flexibility.

Australia's 7,200 convenience retail stores sit within a sector generating close to \$56 billion in annual revenue. Consolidation has concentrated networks into the hands of major operators who continue to sign long-term leases, attracting institutional capital drawn to the sector's defensive income profile and long WALEs.

While EV adoption is accelerating, the impact on fuel demand remains limited against a national fleet of over 22 million vehicles.

Transaction volumes reached \$531 million in 2025, with cap rates compressing 15bp. Cap rates remain differentiated by brand, region and site quality, with the market rewarding stronger covenants, and long-term optionality.



## First Half 2025

\$249,470,300

Volume

6.33%

Cap Rate

37

No. of Sales

## Second Half 2025

\$281,864,713

Volume

6.18%

Cap Rate

52

No. of Sales

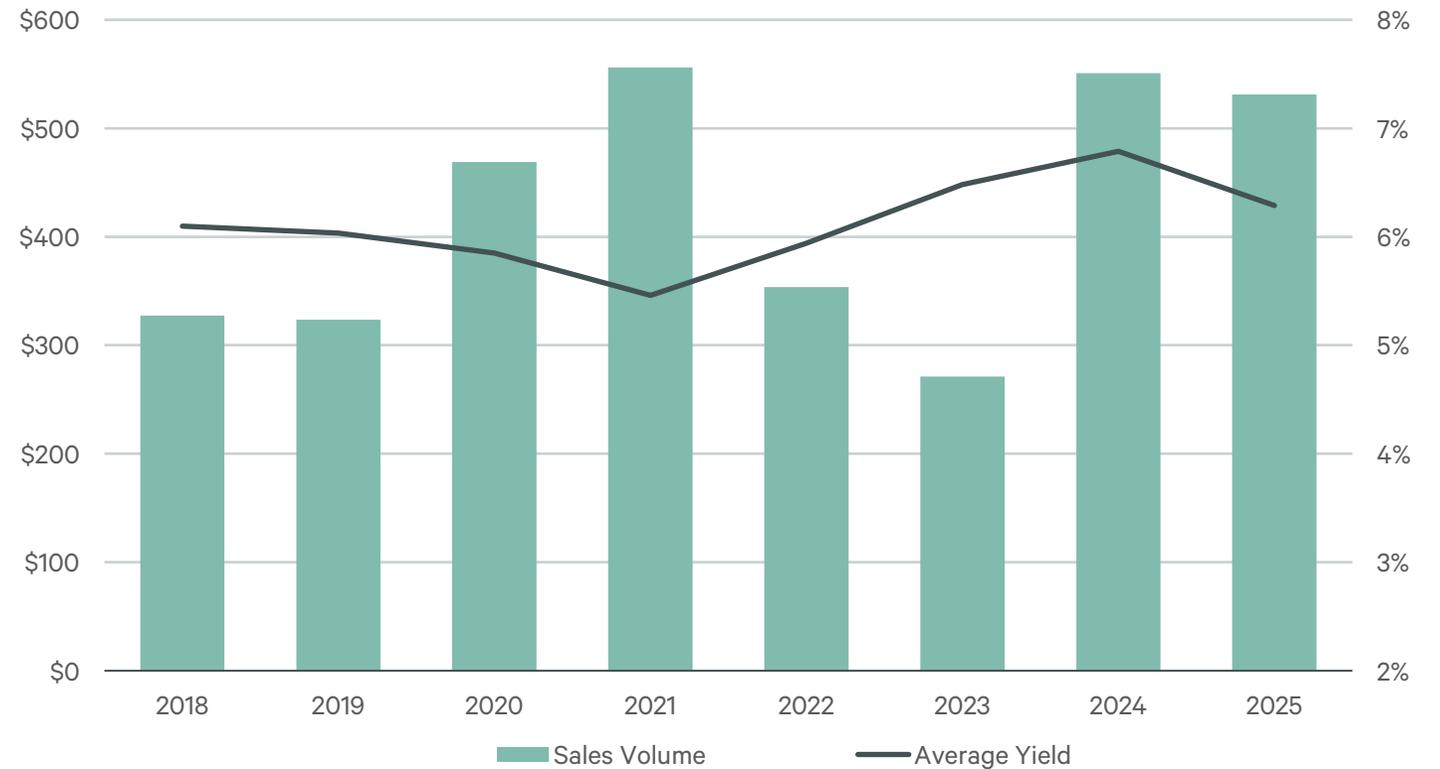
# Market Overview

Convenience retail transaction volumes peaked in 2021 at \$556 million, coinciding with the tightest average yields of the cycle at around 5.46%.

The RBA's rate expansion from 2022 compressed volumes significantly, bottoming in 2023 as market participants paused amid pricing uncertainty. A strong recovery followed, with 2024 and 2025 both approaching 2021 highs, despite much higher interest rates. Average yields expanded through this period, reaching approximately 6.8% in 2024 before moderating in 2025.



**Figure 1: Sector Transaction Volume (Millions) and Average Yield**



CBRE Research



# National Sales 2024 & 2025

WA	
Metropolitan	\$83,943,000
Metropolitan	6.69%
Regional	\$33,740,000
Regional	7.45%

SA	
Metropolitan	\$92,141,000
Metropolitan	5.73%
Regional	\$5,000,000
Regional	6.04%

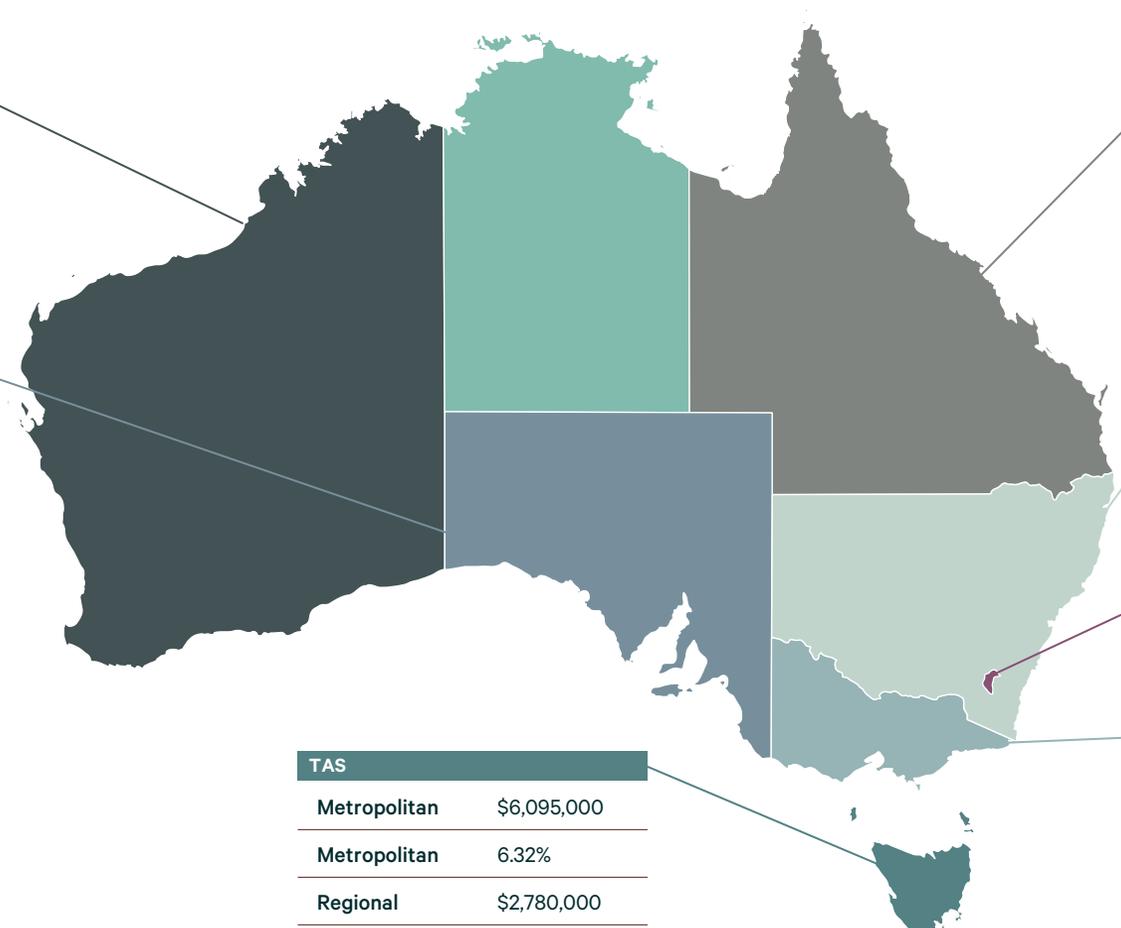
TAS	
Metropolitan	\$6,095,000
Metropolitan	6.32%
Regional	\$2,780,000
Regional	7.25%

QLD	
Metropolitan	\$236,208,000
Metropolitan	6.25%
Regional	\$139,419,000
Regional	7.28%

NSW	
Metropolitan	\$109,000,000
Metropolitan	5.60%
Regional	\$90,500,000
Regional	7.31%

ACT	
Metropolitan	\$11,800,000
Metropolitan	5.85%

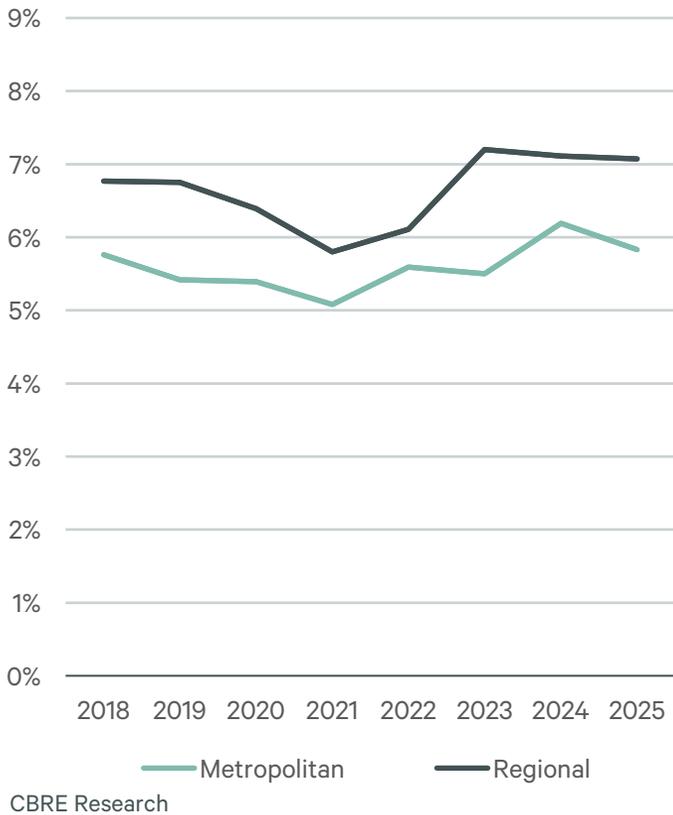
VIC	
Metropolitan	\$228,307,000
Metropolitan	5.85%
Regional	\$43,545,000
Regional	6.95%



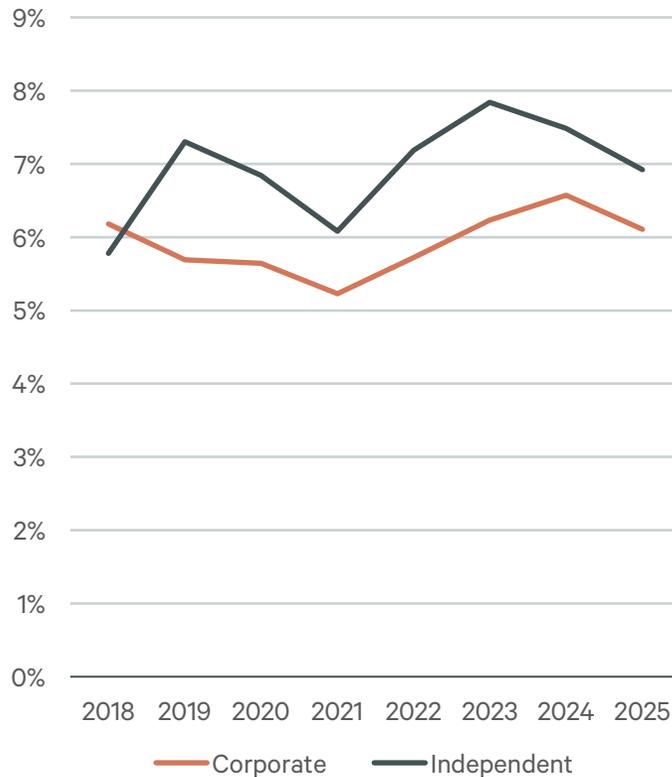


# Cap Rate Trends

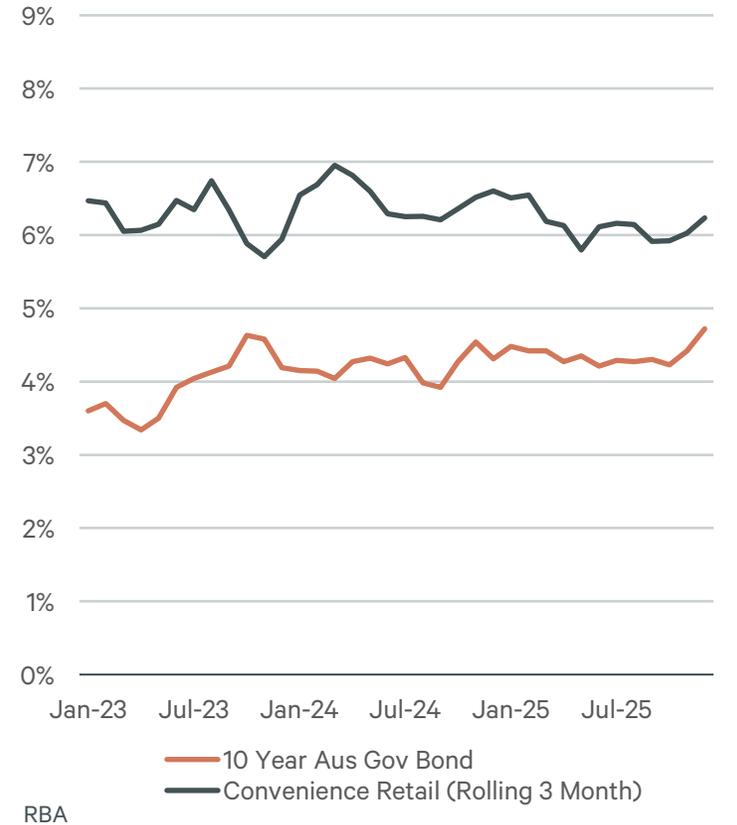
**Figure 2:**  
Metropolitan and Regional Cap Rates



**Figure 3:**  
Corporate and Independent Operator Cap Rates



**Figure 4:**  
Convenience Retail Cap Rates Vs 10 Year Aus Gov Bond





# Convenience Retail Cap Rates

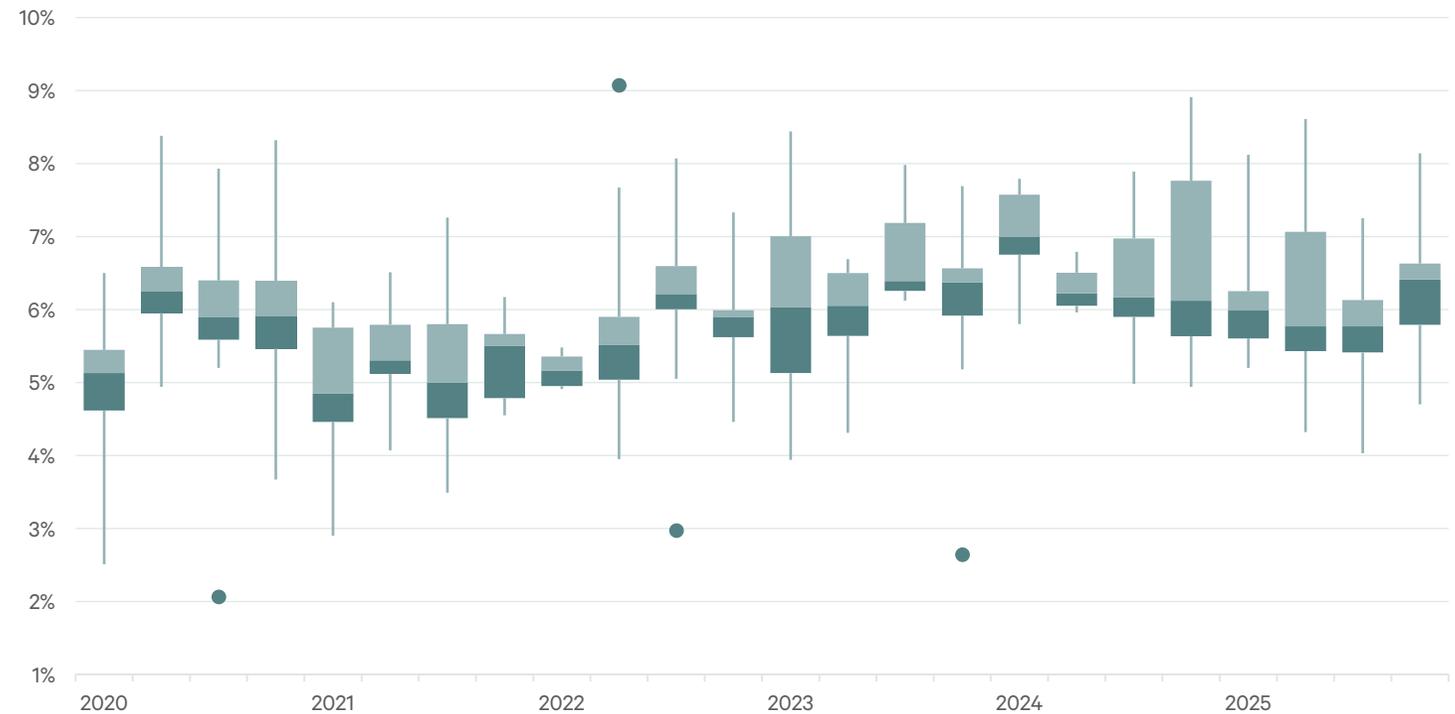
Convenience retail cap rates reached their tightest levels through mid-2021, driven by historically low interest rates and strong investor appetite for essential-service assets. The RBA's tightening cycle from 2022 pushed cap rates upward, with transactional evidence widening, a common feature as buyers and sellers adjust to repriced debt.

The broader interquartile range from 2023 onwards reflects significant pricing dispersion, attributable to differences in tenant covenant strength and a higher volume of independent transactions clearing at more accessible price points. Into 2025, cap rates began to stabilise as interest rate expectations moderated and market pricing found consensus.

### Legend (Q4 2025 Results)



Figure 5: Convenience Retail Cap Rates 2020 – 2025



# Land Rates – Melbourne Case Study

Convenience retail assets often lend themselves well to future development for a higher and better use, in particular medium/high density residential or mixed use. Located on main roads with strong traffic flow, visibility, access and frontage, these sites typically occupy the kind of land that commands a premium for development purposes. Despite this, convenience retail assets frequently trade at land rates well below those of comparable development sites.

This means that even where capitalisation rates appear tight, buyers are effectively acquiring well-located development land at a significant discount, with the benefit of a long-term income stream in the interim.



Hawthorn East VIC

Figure 6: Indicative Land Value (p/sqm) for Melbourne Development Sites



# Transaction Highlight

## BP Friendly Grocer, Caulfield South VIC

BP Friendly Grocer Caulfield South sold at \$4,450,000 reflecting a 5.41% yield, underpinned by a net lease to a BP Franchisee with fixed 3% annual rent reviews providing predictable income growth. The lease runs to 2035 with two further 10-year options, offering a total potential term of 30 years.

At \$3,447/m<sup>2</sup> on a site zoned Mixed Use (MUZ), the land rate sits well below comparable inner-suburban Melbourne benchmarks, presenting future upside through potential redevelopment or repositioning. The essential-service nature of the tenancy and prominent Hawthorn Road frontage further supported the result.

<b>Tenant</b>	BP Franchisee
<b>Rental (net)</b>	\$240,725 pa
<b>Rent Review</b>	Fixed 3%
<b>Lease Term</b>	10 (to 2035) + 2 x 10 Years
<b>Land Area</b>	1,291 sqm
<b>Land Rate</b>	\$3,447 /m <sup>2</sup>
<b>Zoning</b>	MUZ – Mixed Use Zoning
<b>Sale Price</b>	\$4,450,000
<b>Yield</b>	5.41%
<b>Sale Date</b>	Sep 2025



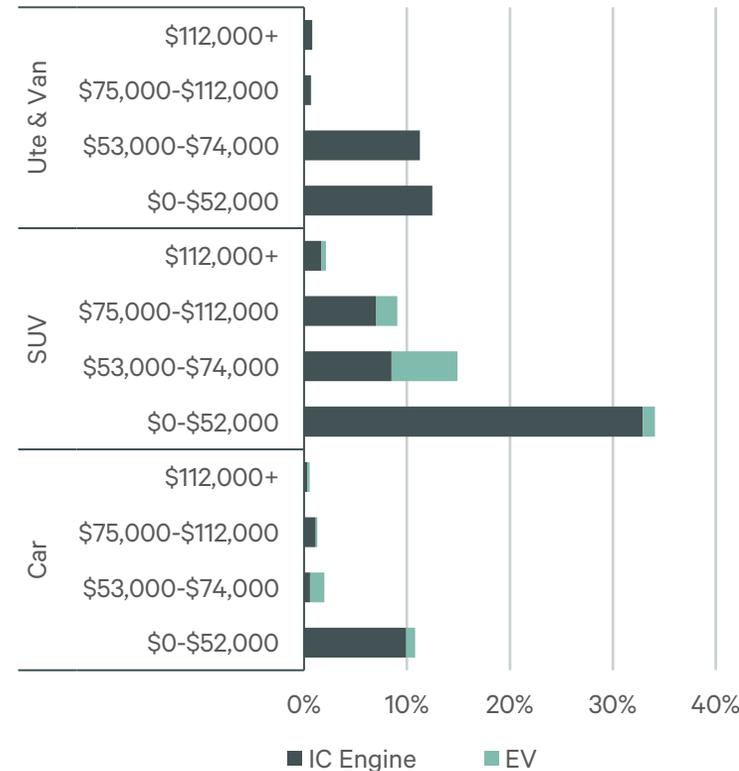
# Demand Drivers – EV uptake

Internal combustion (IC) engines remain dominant, though EV market share has been growing steadily since 2022. Adoption remains highly segment-specific, with utes and vans seeing minimal traction as manufacturers prioritise SUVs and sedans.

Despite this growth, IC engine sales have held steady, with overall new car volumes increasing since 2022. With the average vehicle registration life at 11.2 years, today's petrol vehicles will require fuel for well over a decade, underpinning long-term demand for convenience retail fuel offerings.

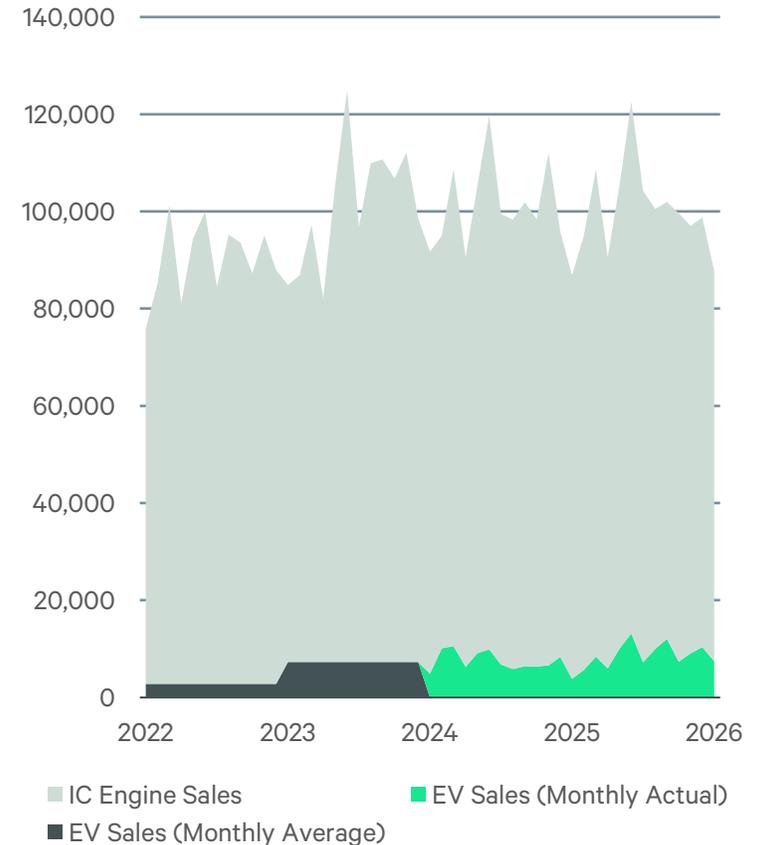


**Figure 7: Percentage of 2025 car sales segmented by price point, body type and engine type**



The Drive, Marklines, CarExpert, EV Council, Aus Automobile Association

**Figure 8: Monthly car sales segmented by engine type**





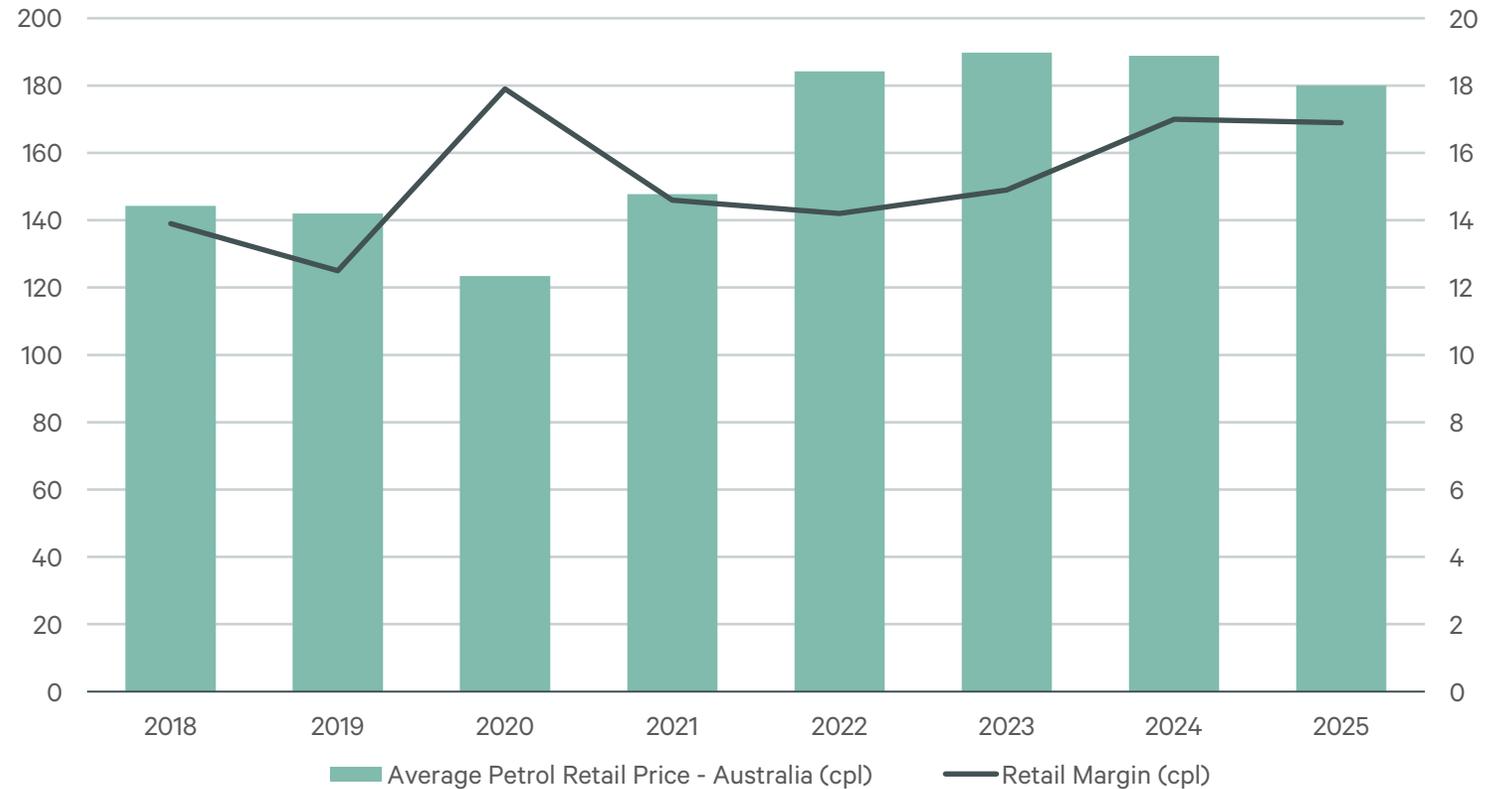
# Demand Drivers – Fuel Pricing and Margin

Petrol prices dropped sharply in 2020 due to COVID-related demand contractions, though retailer margins peaked as wholesale costs fell faster than pump prices. As prices surged between 2022 and 2023, margins compressed as retailers absorbed rising wholesale costs while competing on price.

Margins have since recovered through 2024 and 2025, while retail prices have started to ease. This represents a more favourable operating environment for convenience retailers compared with prior years.



Figure 12: Average National Petrol Retail Price and Retail Margin (cents per litre)



Australian Institute of Petroleum

# Key Players



- 1,500+ stores across Australia.
- Completed the acquisition of X Convenience in 2025, adding 49 sites across South Australia and Western Australia.
- Investing \$15 billion globally into convenience and EV charging, viewing it as a key growth area.



- 1,800+ stores across Australia.
- Agreed to acquire EG Group's network of approx. 500 locations, due to complete mid 2026 subject to ACCC approval.
- Operates Z Energy in New Zealand, the countries largest operator.



- 1,300+ stores across Australia.
- In recent years has acquired Coles Express, Liberty Oil and OTR Group.
- OTR is being rolled out as the flagship convenience brand.



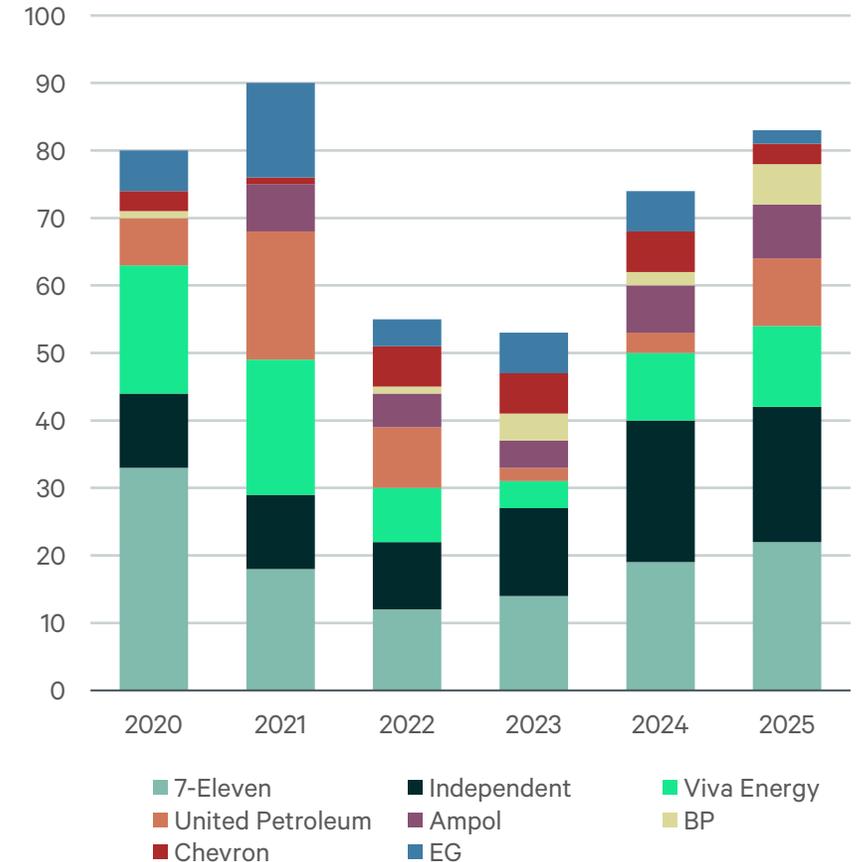
- 750+ stores across Australia.
- Acquired by Seven & i Holdings (7-Eleven International) in 2024.
- Growing focus on the development of fresh food offerings, inspired by their successful Japanese model.



- 500+ stores across Australia.
- 100% Australian owned and the largest independent retailer.
- Operates its own import terminals and has rolled out Pie Face as its in-store food brand across the network.

CBRE Research, IBISWorld, ABS, 7-Eleven, BP, Viva Energy, EG Group

Figure 13: Number of Investment Sales since 2020



# Case Study

## OTR, Moonee Ponds VIC

Viva Energy Moonee Ponds sold at auction following a competitive process that attracted 11 registered bidders and 129 bids, reflecting the depth of demand for essential-service assets in Melbourne's inner north-west.

The property offered a triple-net lease to Viva Energy, one of Australia's largest fuel and convenience operators, providing a low-management income stream with the tenant responsible for all outgoings, maintenance and repairs. A prominent corner position on a high-traffic arterial further supported the result.

<b>Tenant</b>	Viva Energy
<b>Rental (Net)</b>	\$481,734 pa
<b>Rent Review</b>	3.5%
<b>Lease Term</b>	17 years (16 remaining)
<b>Options</b>	7 x 5 years
<b>Land Area</b>	1,532sqm
<b>Zoning</b>	Commercial 1 Zone
<b>Sale Price</b>	\$11,001,000
<b>Yield</b>	4.38%
<b>Sale Date</b>	May 2025



# Recent Convenience Retail Sales

Tenant	Location	State	Date	Sale Price	Cap Rate
7-Eleven	Wilsonton	QLD	Feb-26	\$5,135,000	6.00%
United Petroleum	Anketell	WA	Feb-26	\$5,410,000	6.34%
EG Group	Patterson Lakes	VIC	Feb-26	\$5,000,000	5.52%
United Petroleum	Yamanto	QLD	Dec-25	\$6,525,000	6.00%
Ampol	Coolum Beach	QLD	Dec-25	\$2,890,000	6.86%
Viva Energy	Sydenham	VIC	Dec-25	\$5,200,000	6.20%
7-Eleven	Horsham	VIC	Dec-25	\$5,950,000	6.41%
7-Eleven	Glendenning	NSW	Dec-25	\$5,250,000	4.98%
Ampol	Caloundra West	QLD	Dec-25	\$1,600,000	6.46%
7-Eleven	Croydon	VIC	Dec-25	\$6,425,000	6.50%
7-Eleven	East Rockingham	WA	Nov-25	\$6,400,000	6.39%
7-Eleven	St Albans	VIC	Nov-25	\$9,700,000	5.99%
United Petroleum	Shearwater	TAS	Oct-25	\$3,745,000	5.28%
7-Eleven	Wyong	NSW	Oct-25	\$4,900,000	6.81%
Ampol	Warana	QLD	Sep-25	\$1,535,000	5.51%

## Yamanto QLD



## St Albans VIC

# Contact



## Research

Jesse Lapham  
Head of Private Wealth Research  
[Jesse.Lapham@cbre.com](mailto:Jesse.Lapham@cbre.com)

Sameer Chopra  
Head of Research, Pacific  
[Sameer.Chopra@cbre.com](mailto:Sameer.Chopra@cbre.com)

Connor Chow  
Research Analyst  
[Connor.Chow@cbre.com](mailto:Connor.Chow@cbre.com)

## Valuations and Advisory Services

Dylan Adams  
National Director, Alternative Assets  
[Dylan.Adams@cbre.com](mailto:Dylan.Adams@cbre.com)

Emily Quick  
Director, Alternative Assets  
[Emily.Quick@cbre.com](mailto:Emily.Quick@cbre.com)

Bill Kondos  
Senior Valuer, Commercial Metro  
[Bill.Kondos@cbre.com](mailto:Bill.Kondos@cbre.com)

## Capital Markets

Jamie Perlinger  
Senior Director, Capital Markets  
[Jamie.Perlinger@cbre.com](mailto:Jamie.Perlinger@cbre.com)

Yosh Mendis  
Senior Director, Capital Markets  
[Yosh.Mendis@cbre.com](mailto:Yosh.Mendis@cbre.com)

Neville Smith  
Senior Director, Capital Markets  
[Neville.Smith@cbre.com](mailto:Neville.Smith@cbre.com)

David Napoleone  
Associate Director, Capital Markets  
[David.Napoleone@cbre.com](mailto:David.Napoleone@cbre.com)

Ingrid Filmer  
Head of Private Wealth  
[Ingrid.Filmer@cbre.com](mailto:Ingrid.Filmer@cbre.com)

Raoul Holderhead  
Senior Director, Capital Markets  
[Raoul.Holderhead@cbre.com](mailto:Raoul.Holderhead@cbre.com)

Tom Lawrence  
Senior Negotiator, Capital Markets  
[Tom.Lawrence1@cbre.com](mailto:Tom.Lawrence1@cbre.com)

Rick Jacobson  
Senior Negotiator, Capital Markets  
[Rick.Jacobson@cbre.com](mailto:Rick.Jacobson@cbre.com)

© Copyright 2026. All rights reserved. This report has been prepared in good faith, based on CBRE's current anecdotal and evidence-based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's subjective analyses of current market circumstances. Other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.

Nothing in this report should be construed as an indicator of the future performance of CBRE's securities or of the performance of any other company's securities. You should not purchase or sell securities, of CBRE or any other company, based on the views herein. CBRE disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CBRE as well as against CBRE's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.