

Pubs & Liquor



Industry Insights Report



September 2024

 Burgess Rawson

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Welcome



Zomart He

Partner | Head of Asian Investment Services



Jesse Lapham

National Director Research & Data

Welcome to the latest edition of Burgess Rawson's Industry Insights Report, delving into the thriving world of pubs and liquor. As the market leaders in this sector, our experience and expertise place us in a unique position to provide an unparalleled perspective, which we proudly share with you.

The past 12 months has been transformative for many industries, with pubs and liquor being no exception. The far-reaching effects of COVID-19 have reshaped consumer behaviour notably in the surge in demand for the convenience of home delivery services. Moreover, the shift towards health-conscious decisions, coupled with a more holistic approach to well-being during the pandemic, has led to an expansive growth in the non-alcoholic market segment.

According to recent IBIS statistics, these changing consumption patterns have presented challenges and opportunities for the industry. From innovative non-alcoholic spirits to zero alcohol wine and beer, and alcohol-only operators dominating on Uber Eats, brands are evolving to cater to burgeoning consumer habits.

This resilient and adaptive sector offers robust fundamentals that have proven resistant to economic pressures. Historically, pubs and liquor assets have showcased a unique blend of stable returns and potential for growth, with its underlying strength coming from the enduring nature of demand.

Furthermore, the combination of steady cash flows, appreciable asset value, and adaptability to market trends solidifies this industry as a cornerstone in any diversified investment portfolio.

Overview

Pubs

Pubs, an intrinsic part of the Australian ethos, are more than just venues for beverage consumption. They serve as community hubs, places of camaraderie, and iconic landmarks in both urban and rural landscapes. Historically, the pub industry has showcased resilience, evolving in line with societal trends.

However, the aftermath of the COVID-19 pandemic posed challenges. With lockdowns and social distancing measures in place, many establishments had to pivot their operations.

Now, as we see the easing of these measures, pubs are witnessing a resurgence. Health considerations are paramount, and many establishments are broadening their offerings to cater to this. Overall, there has been a reported 15% increase in sales of non-alcoholic beverages compared to pre-pandemic levels.

Moreover, in response to emerging trends such as convenient and affordable ready-to-drink options like hard seltzers to have at home, pubs have been innovating their offerings by expanding their craft beverage selections, introducing unique in-house specials, and enhancing the overall customer experience to re-attract patrons.

As an investment asset class, the pub sector continues to offer enticing opportunities. Australians reportedly spend an average of \$1,400 per person annually on alcohol-related products and experiences, underscoring the industry's lucrative nature. Transaction volumes in the pub sector have shown steady growth, with Burgess Rawson playing a pivotal role in the industry.

While paradigms in the pubs industry shift, the underlying fundamentals remain steadfast. The confluence of heritage, innovation, and consumer preferences positions this sector for sustained growth and evolution in the coming years.



Overview

Liquor

The liquor industry in Australia boasts a storied history, deeply intertwined with the nation's cultural fabric. From local wineries to renowned breweries, Australia's alcoholic beverage scene stands as a testament to the country's rich heritage and evolving tastes.

According to IBIS approximately 78% of Australians aged 18 and over consume alcohol, reinforcing its significance in social gatherings, celebrations and daily life.

Over the past decade, shifts in Australians' alcohol consumption, driven by the fact that one in four Australians is born overseas, have diversified the liquor landscape. This presents opportunities for pubs and liquor retailers to attract a broader customer base and meet rising demand for specialty and culturally diverse products.

Yet, a growing health-conscious society has led to a pivot in preferences. Notably, the sale of non-alcoholic beverages has seen an increase of 30% over the past five years, with many Australians gravitating towards these options. This demand has spurred innovation within the industry, with new products regularly entering the market to cater to this segment.

The pandemic also accelerated a behavioural shift where convenience and safety became paramount. The demand for the former remains as strong as ever, and this has presented a huge opportunity for industry giants and emerging operators alike. Adding to their revenue streams through home delivery services like Uber Eats.

Another emerging trend is the proliferation of drive-thru liquor options. The onset of COVID-19, which necessitated minimal physical contact and promoted social distancing, acted as a catalyst for this model. Initially viewed as a temporary convenience during lockdowns and restrictions, drive-thru liquor stores have experienced sustained popularity even as conditions normalised.

There has been a notable 25% uptick in drive-thru liquor sales since the pandemic began, showcasing the Australian public's penchant for convenient and safe purchase options. As the landscape of retail continues to evolve, these drive-thrus stand as testament to the industry's adaptability and responsiveness to changing consumer preferences.



Sector Analysis - Pubs

Australia's pub scene is dynamic and diverse, with a rich history and a promising future. These establishments aren't merely venues for drinks but are cultural hubs, fostering community engagement and offering entertainment.

New South Wales, Victoria and Queensland are the major hotspots for the sector, with over 75% of all venues located in these states.

Pubs and hotels also present as a compelling investment option. Their strategic locations, often in prime urban areas or key regional centres, coupled with their multi-faceted revenue streams from food, beverage, and often accommodation or gaming, make them attractive to a broad spectrum of investors.

The adaptability of these establishments was particularly evident during the COVID-19 pandemic. Faced with unprecedented challenges, many pubs pivoted to takeaway services, outdoor dining, and digital engagement, leveraging technology to stay connected with their patrons.

Post-pandemic, there was a noticeable resurgence in pub attendance, and by the end of 2021, around 70% of Australians reported visiting a pub at least once a month.

Fast forward to 2024 and patrons are now spending approximately 15% more than they did pre-pandemic.



Sector Analysis - Pubs

Major Players



Endeavour Group

Born from a merger involving Woolworths' drinks and hospitality arms in 1998, the Endeavour Group has a vast presence in the Australian market. An ASX-listed company, Endeavour's portfolio includes 1,435 BWS stores, 266 Dan Murphy's stores and 354 hotels. Their hotels segment, operated by ALH Group, achieved record sales of \$2 billion in FY23, representing a growth of 31%. In September 2024, Woolworths announced their exit from the group, selling their 4.1% stake for \$383 million, to fund their acquisition of the remaining 35% stake in PFD Food Services.



ALE Property Group

Listed on the ASX, ALE focuses on investing in freehold pub properties. With a diverse portfolio of 78 venues leased to Endeavour Group, they've secured their spot as a prominent figure in the Australian pub real estate sector. In 2021, ALE was acquired in a \$1.7 billion deal by industry super fund Hostplus and property investment giant Charter Hall. Flagship pubs include Sydney's Crow's Nest Hotel and Brisbane's Breakfast Creek Hotel.



Australian Venue Company

The closest rival of Endeavour's hotel business is AVC, with 215 pubs and bars across Australia and New Zealand. AVC's portfolio includes a number of iconic establishments such as the iconic Esplanade in St Kilda and Bungalow8 in Sydney. In August 2023, PAG Asia, owner of Craveable Brands (Red Rooster, Oporto, Cheesecake Shop) reached an agreement to purchase the controlling stake of AVC from global buyout titan KKR for close to \$1.4 billion. In June 2024, AVC launched AVC Experience+, a retail media network of over 219 venues.



Queensland Venue Company

One of Australia's newest pub entities, QVC was the result of a joint venture established in 2019 by Coles Group and Australian Venue Company. The merger included AVC's acquisition of Coles' network of 87 Spirit Hotels, 253 retail liquor stores in Queensland, South Australia and Western Australia.

Sector Analysis - Pubs

Independents

While major groups govern a significant portion of Australia’s pub scene, independent pubs, especially in regional areas, form the heart and soul of many communities. In areas where the nearest pub might be 100km away, these establishments serve as critical community centres. Recent trends have shown larger brands showing interest in these regional or metropolitan independents, expanding their reach and diversifying their portfolios.



Sector Analysis - Liquor

Large Format

Spanning an expansive area, typically around 1,000 sqm, large format liquor stores provide consumers with a vast and diverse selection of products, ranging from international wines, craft beers, and specialist spirits, to the ever-growing variety of non-alcoholic options. Typically housing major industry players such as Dan Murphy's and First Choice Liquor, the large format liquor model is a relatively new concept. As consumer habits have shifted and our demand for choice has increased, the need for expansive spaces to house a greater offering has paved the way for key players to expand their footprint.

The prominence of stores like Dan Murphy's is significantly enhanced by its association with the supermarket powerhouse, Woolworths. Similarly, First Choice Liquor benefits from its position under Coles Group. These affiliations not only amplify brand credibility but also offer a layer of security for investors.



Dan Murphy's

Underpinned by Woolworths, Dan Murphy's boasts a vast network of 266 stores across Australia, over 90% of which are in 'big box' formats. A preferred choice for many due to its comprehensive offerings and competitive pricing, the popular retailer has had to consistently adapt its offering since the first store opened in Melbourne in 1952.

With a strong online presence and frequent promotional activities, Dan Murphy's boasts 5 million active members in its loyalty program. With a strong focus on staying ahead of changing consumer habits, Dan Murphy's has invested heavily in interacting with its customers, through innovative online behaviour tracking, and regular in-store events.

After a \$12 billion split from Woolworths in 2021, Dan Murphy's and its sibling brand BWS form the retail arm of Endeavour Group, which also owns the ALH pubs business and boasts a 39.7% share of the liquor retailing market in Australia.

Dan Murphy's stores often boast high profile locations in densely populated catchments and lie in proximity to other essential services.



First Choice Liquor Market

An essential arm of the Coles Group, First Choice Liquor Market offers an expansive range of products across their network of 96 stores. The first Liquor Market store opened in Ringwood VIC in 2016, and in 2018 Coles decided to combine the best of the Liquor Market offering with First Choice to create First Choice Liquor Market. Since then, they have been fine-tuning their offering to provide a broader range of products while retaining a low-cost operating model.

Their commitment to customer service and a loyalty rewards system gives them a competitive edge in attracting and retaining a loyal customer base, and it's paid off. First Choice Liquor Market was crowned Canstar Blue's Best Liquor Retailer Brand in Australia for 2023.

Typically, these stores are strategically situated in bustling commercial areas, and boast strong underlying land value and long-term, landlord-friendly leases.

Building on its success, Coles is moving to unify its liquor offerings through a strategic rebranding trial involving both First Choice Liquor Market and Vintage Cellars. If successful, the transition will see First Choice Liquor Market become Liquorland Warehouse, further strengthening its market presence.

Sector Analysis - Liquor

Small Format

Tailored for convenience, the small format liquor stores, typically ranging from 200-300 sqm, provide a more streamlined selection for consumers, often integrating the increasingly prevalent drive-thru model.

Renowned brands in this segment include Liquorland and BWS, both fortified by their respective associations with Coles and Woolworths. The sector also boasts of formidable independent brands like Cellarbrations, Bottle-O and Liquor Stax. The lease structure in small format stores is also distinct; while they might have a higher rent per sqm due to the condensed space, they generally exclude percentage rent clauses that are prevalent in leases with entities like Dan Murphy's.



Liquorland

Liquorland, one of Australia's leading liquor retailers, has built a strong reputation since its inception in 1937. Operating under the Coles Group, the brand enjoys the backing of one of Australia's largest retail companies and boasts a network of 400 stores.

In March 2023, Liquorland unveiled the results of an extensive rebranding journey to stay relevant and appeal to a new generation of consumers. Their rebrand saw the introduction of a refreshed logo, modern store designs, and a renewed emphasis on craft beverages and premium products.

Liquorland's commitment to responsible service has also been notable. The company has actively promoted moderation and safe drinking habits, launching campaigns and partnerships to spread awareness.

The brand's strength lies in its adaptive digital strategy. Recognising the shift towards e-commerce, the brand has bolstered its presence with an extensive online store and options for 30-minute pick up and free delivery.



BWS

BWS, which stands for Beer, Wine, Spirits, is one of Australia's most recognised and frequented liquor retailers. As a key player in the country's liquor landscape, BWS operates under the umbrella of the Woolworths Group, positioning it in the market alongside the retail giant's supermarket outlets.

With over 1,400 stores located across Australia, BWS is virtually ubiquitous, ensuring that customers always have a store within easy reach. This extensive network is a testament to the brand's commitment to accessibility and convenience.

Recently BWS's focus has been on enhancing customer experience, introducing 'On Demand' delivery and 'Direct to Boot', making the purchasing process as seamless as possible.

BWS has also shown an inclination towards promoting sustainable practices. They've participated in initiatives that push for responsible drinking and have also dabbled in eco-friendly packaging options, pointing towards a future where the brand's operations align more closely with environmental and social responsibilities.

Sector Analysis - Liquor

Independents

In the diverse Australian liquor market, several independent retailers have carved a niche for themselves, providing a contrast to the major chains.

In order to compete with the greater buying power of Coles and Endeavour Group, many independent retailers have joined retail banner groups such as Independent Brands Australia (IBA) and Liquor Marketing Group, vastly improving these retailers' profitability.



Thirsty Camel

With its memorable mascot and localised promotions, has emerged as a favourite for many Australians seeking weekly specials.



Cellarbrations

Stands out with its wide network of over 700 stores and commitment to 'celebrating life's moments, big or small'.



Bottle-O

Differentiates itself with a community-driven approach, often tailoring its offerings to local tastes and preferences.



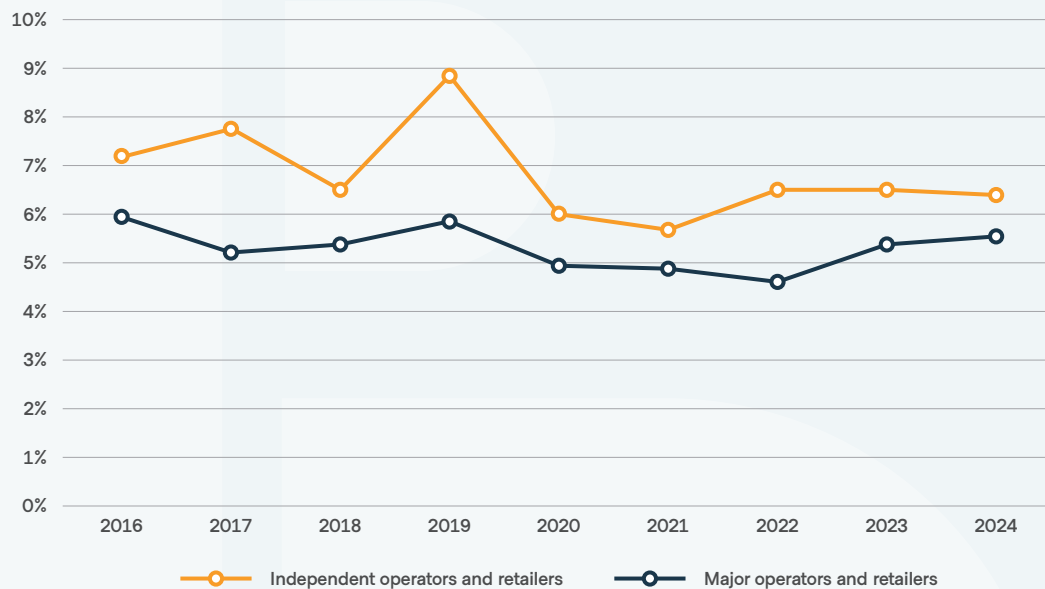
Liquor Stax

Prides itself on its cooperative business model, wherein each store owner has a stake in the larger brand.

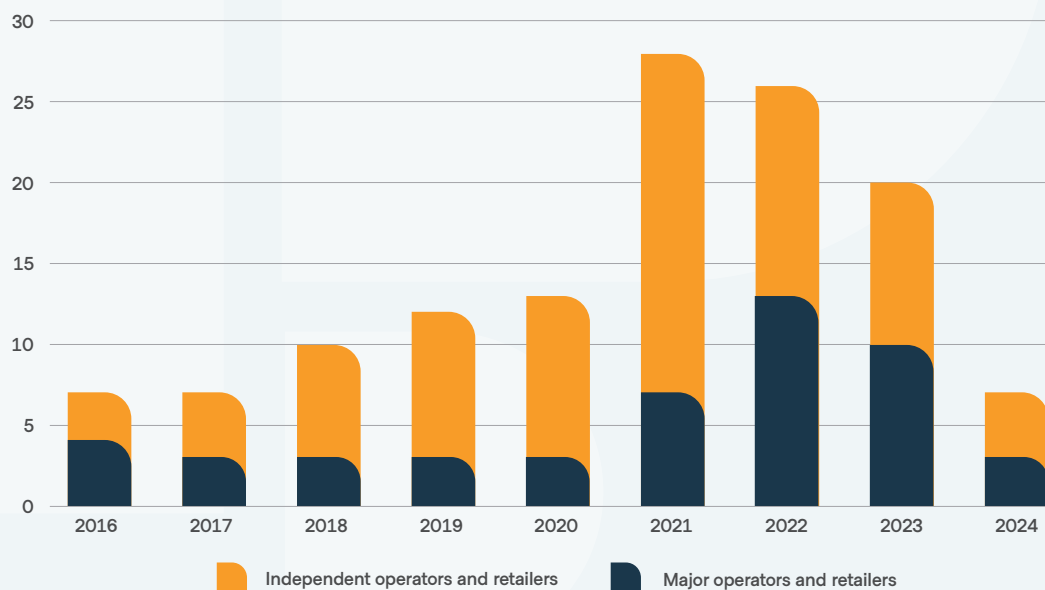
Together, these retailers exemplify the variety and individuality of Australia's independent liquor scene, each bringing a unique flavour to the table.

Volume and Cap Rate Review

Average Yearly Cap Rate



Number of Sales Nationally



Sector Analysis - Pubs & Liquor

Impact of Cash Rate on Pubs and Liquor Assets

Throughout 2022, a notable market shift was observed in response to the cash rate adjustments. The initial indicators of impending cash rate hikes were evident in the movement of bond yields. At the outset of 2022, the 10 year Australian Government bond yield stood at 1.8%, but by May of the same year, it had surged to 3.4%, coinciding with the Reserve Bank of Australia's announcement of the first cash rate increase.

Yield premium being the difference between the cap rate and the cash rate, decreased markedly as the cash rate rises continued.

The average premium was 499 basis points at the start of 2022.

Come December, this had compressed to 247 basis points and is currently at 158 basis points.

Despite the late 2022 compression, premium buyers have continued to actively compete and seek out quality pubs and liquor assets.

The ability to leverage against commercial property coupled with tax depreciation benefits have kept cap rates relatively stable in the proceeding months.

The Symbiotic Relationship of Liquor Stores & Pubs

Both large and small format liquor stores often share real estate or proximity with pubs, crafting a complementary relationship that amplifies consumer engagement.

Co-location has become a significant trend, but in some regions, it's more than just a matter of convenience or business strategy; it's legally mandated. In states such as Tasmania and Queensland, regulations play a significant role in dictating the structure of the liquor industry.

Historically, the law in Tasmania stated that a liquor store's lease needed to be under the same ownership as the associated pub to ensure the responsible sale of alcohol. While the law has evolved, its historical impact on the formation and location of liquor stores remains. In the Apple Isle, freestanding liquor stores are still not permitted, and must be attached or affiliated with a pub.

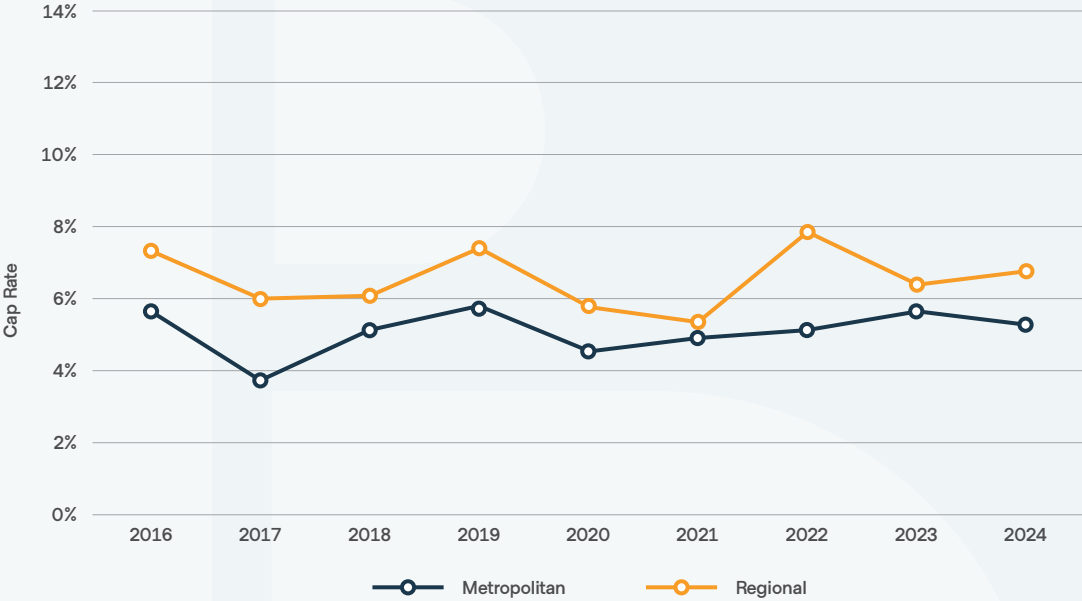
Like Tasmania, in Queensland you cannot have a freestanding liquor store. The store must be attached to or associated with a pub, ensuring that the sale of alcohol is closely monitored and responsible.

Such regulations have significantly influenced the sector in these states. The requirement for a liquor store to be associated with a pub means larger plots are often sought after, influencing property and land values as well as lease structures.

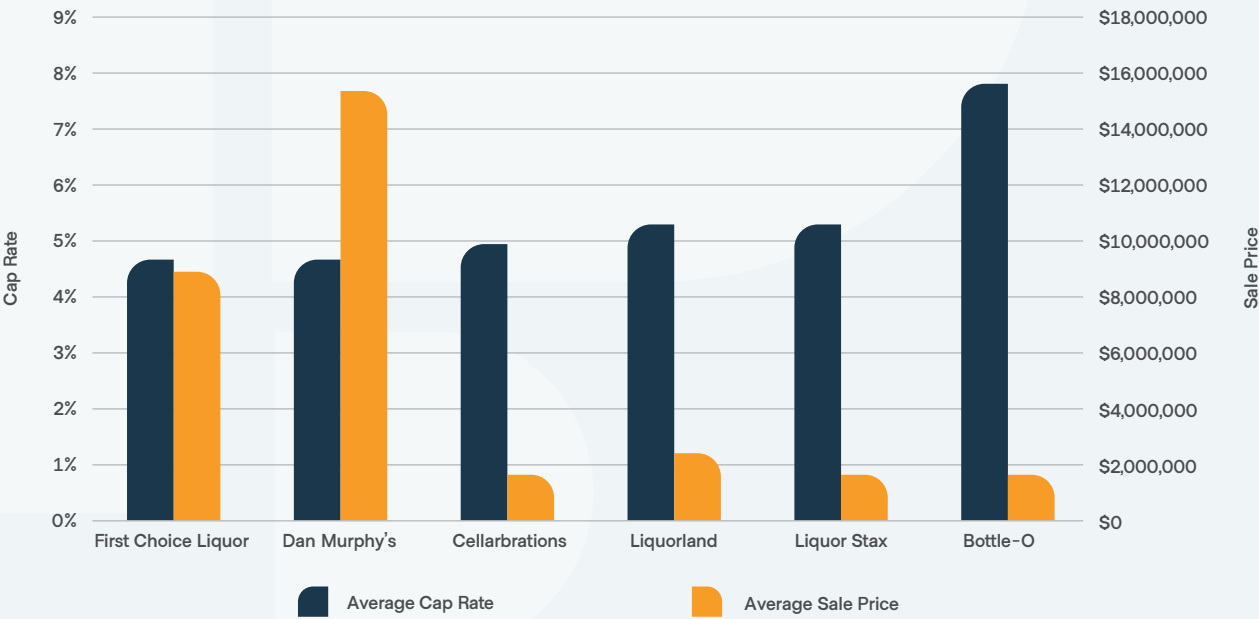
In other states, while there might not be a legal mandate for co-location, the complementary relationship between a liquor store and a pub makes it a popular business model. The convenience offered by this setup appeals to consumers, ensuring steady foot traffic and making such establishments incredibly sought-after assets.

Market Analysis

Metropolitan vs Regional Cap Rates

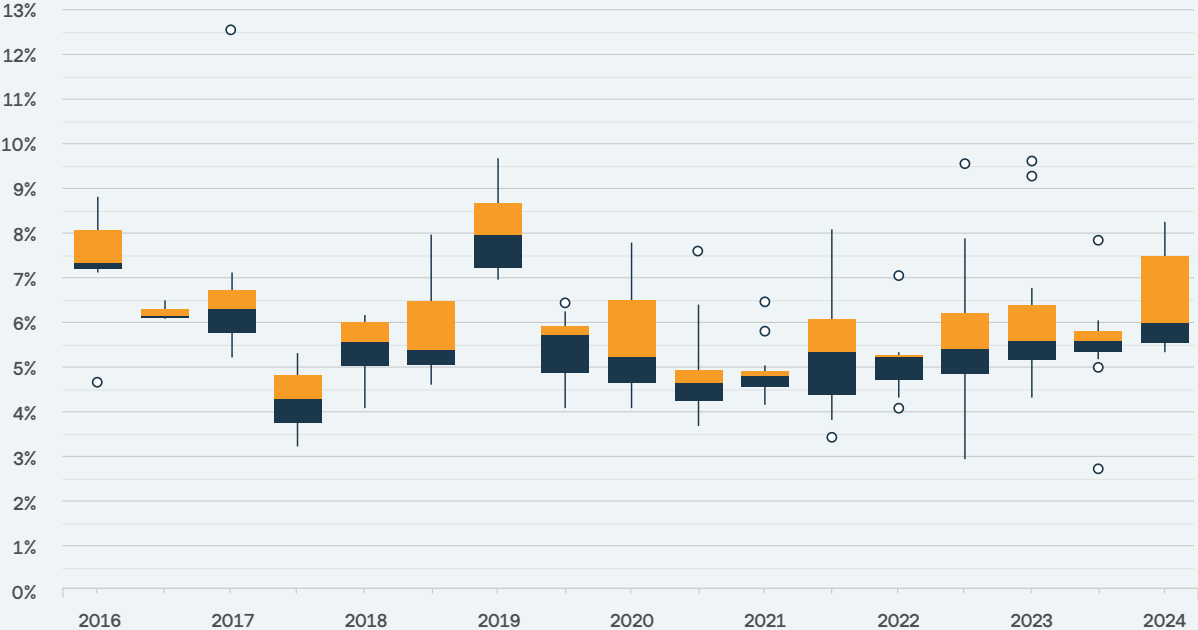


Major Brand Sales Analysis 2016 - 2024



Market Analysis

Pubs & Liquor Cap Rates



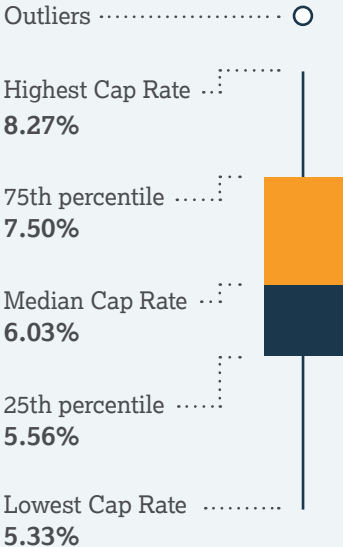
Cap Rate Trend

From 2016 to 2020, the cap rates for pubs and liquor establishments exhibited broad fluctuations, with noticeable volatility year over year. Given a sample size of approximately five transactions per half, this variability is not surprising. However, from 2020 to 2024, there was a significant increase in interest in the sector, resulting in a larger sample size.

This heightened activity contributed to a stabilisation in cap rates, accompanied by a slight upward trend. This upward movement became particularly pronounced from the second half of 2022 onwards, reflecting the impact of rising interest rates, increased investor activity, and inflationary pressures in the broader economy.

Legend

(H1 2024 Results)



Note

Outliers are greater than 2 standard deviations (σ) from median/50th percentile of that period. Competitor sales included to increase sample size.



National Sales 2022 – 2024 Year to Date

Leased investment sales, excluding businesses or VP sales



| ACT | NSW | QLD | SA | VIC | WA | TAS |
|-----------------------------|------------------------------|------------------------------|-------------------------------|-------------------------------|------------------------------|------------------------------|
| Metropolitan | Metropolitan | Metropolitan | Metropolitan | Metropolitan | Metropolitan | Metropolitan |
| \$8,300,000 5.30% | \$32,445,000 3.59% | \$5,420,000 6.30% | \$109,046,000 5.77% | \$161,659,000 4.36% | \$38,527,017 5.00% | \$12,914,725 6.11% |
| | Regional | Regional | Regional | Regional | | Regional |
| | \$11,160,000 6.39% | \$20,230,000 6.73% | \$5,325,000 7.89% | \$17,030,000 6.54% | | \$4,325,000 6.78% |

💰 Sales Volume 📊 Median Cap Rate

Burgess Rawson Sales Highlights



Liquorland
Hallam VIC

| Sale Price | Cap Rate | Method |
|-------------|----------|---------|
| \$1,705,000 | 4.90% | Auction |



Dan Murphy's
Pakenham VIC

| Sale Price | Cap Rate | Method |
|--------------|----------|--------|
| \$14,750,000 | 2.94% | EOI |



Vintage Cellars
Balmain NSW

| Sale Price | Cap Rate | Method |
|-------------|----------|---------|
| \$5,300,000 | 4.33% | Auction |



The Exchange Hotel
Port Melbourne VIC

| Sale Price | Cap Rate | Method |
|-------------|----------|---------|
| \$8,920,000 | 4.63% | Auction |

Burgess Rawson Recent Sales

| Tenant | Location | State | Sale Price | Cap Rate |
|--------------------|------------------|-------|--------------|----------|
| Vintage Cellars | Balmain | NSW | \$5,300,000 | 4.33% |
| BWS | Belgian Gardens | QLD | \$1,230,000 | 4.41% |
| Bentley Hotel | Bentley | WA | \$10,060,000 | 4.06% |
| AVC | Brunswick | VIC | \$8,750,000 | 4.19% |
| Liquorland | Burpengary East | QLD | \$765,000 | 5.35% |
| Your Choice Liquor | Cobblebank | VIC | \$1,030,000 | 6.04% |
| AVC | Collinswood | SA | \$15,100,000 | 5.60% |
| Dingley Cellar | Dingley Village | VIC | \$1,100,000 | 5.33% |
| Liquor Stax | Epping | VIC | \$1,455,000 | 4.99% |
| O'Skulligans | Fortitude Valley | QLD | \$975,000 | 6.05% |
| Liquorland | Hallam | VIC | \$1,705,000 | 4.90% |
| AVC | Hindmarsh | SA | \$9,550,000 | 5.42% |
| BWS | Hobart | TAS | \$6,501,000 | 5.73% |
| Dan Murphy's | Pakenham | VIC | \$14,750,000 | 2.94% |
| Bottlemart | Pakenham | VIC | \$1,375,000 | 4.28% |
| DOMA Hotels | Phillip | ACT | \$8,300,000 | 5.30% |
| The Exchange Hotel | Port Melbourne | VIC | \$8,920,000 | 4.63% |
| Liquorland | Warrawong | NSW | \$6,000,000 | 5.40% |



Sale Price

\$14,750,000



Cap Rate

2.94%



Net Income

\$433,559 pa*

Case Study

Dan Murphy's Pakenham VIC

The sale of the Dan Murphy's in Pakenham, Victoria, is a prime example of an investment with exceptional credentials that commanded a premium result. The security of the investment is anchored by a robust 15-year lease to a subsidiary of the Endeavour Group, a titan in the Australian liquor market, with the lease featuring options extending all the way to 2056. This store had already proven its performance by consistently trading well above the turnover rent threshold, indicating its success and drawing power.

The strategic location of this asset in a burgeoning suburb of Melbourne, set to witness a population boom of 66% by 2041, and its position as the sole large format liquor store in the area with limited competition, made it a particularly attractive investment.

The investment's potential was further enhanced by the inclusion of a substantial adjoining 5,750 sqm of land zoned for comprehensive development, presenting a unique opportunity for future expansion or diversification of the site's use, and allowing an investor to explore a range of value-adding possibilities.



Site Area

1.126 ha*



GLAR

1,438 sqm*



Zoning

Comprehensive Development
Zone 1



Car Spaces

83 vehicles



Agents

Zomart He & Matthew Wright



What's Next For Pubs & Liquor?

Pubs

Australia's pub sector has demonstrated remarkable resilience and adaptability, particularly in the face of recent global challenges. At Burgess Rawson, we maintain an optimistic outlook for this sector, recognising its integral role in Australian culture and its potential for sustained growth. We foresee a future where pubs continue to evolve from traditional watering holes into multifaceted establishments offering a blend of dining, entertainment, and retail experiences.

The trend towards premiumisation, with consumers seeking higher-quality food and beverage offerings, is expected to drive refurbishments and upgrades across the sector, adding value to existing assets. Additionally, the integration of technology for improved customer experience and operational efficiency will likely become standard practice, further bolstering the sector's appeal.

As urban sprawl continues and regional areas become more populous, we predict a surge in demand for local pubs, making them focal points of community life and very attractive investment opportunities. The increasing interest in local tourism and 'staycations' post-pandemic also positions well-located pub assets as potential growth hotspots.

Liquor

The liquor retail asset class is on a trajectory of strong performance. With the industry's quick pivot to online sales and delivery during the pandemic, coupled with the enduring appeal of in-store experiences, we believe that both large and small format liquor stores are poised for a future of robust sales and customer loyalty.

We anticipate that the convenience of quick delivery services such as Uber Eats will continue to appeal to consumers and drive sales significantly, leading to an expansion of partnerships between liquor retailers and delivery platforms. The integration of delivery services is likely to spur innovations such as advanced inventory management systems to ensure real-time stock updates, dynamic pricing models to optimise for peak times.

The rising consumer interest in specialty beverages, including craft spirits and non-alcoholic options, will continue to diversify the sector. This shift not only caters to evolving tastes but also opens up new revenue streams for retailers. Additionally, the growth in population, particularly in suburban and regional areas, suggests an increased demand for accessible liquor outlets.

Cheers to the Future

The future of pubs and liquor assets looks bright, underpinned by solid market fundamentals and a strong consumer base. We envision an era of growth driven by innovation, strategic investments, and a continued focus on customer experience. Pubs and liquor stores are not just surviving; they are thriving, adapting, and expanding in ways that promise to deliver strong returns for proactive investors.

At Burgess Rawson, we believe these sectors are well-equipped to meet the future with confidence, making them exceedingly compelling for both current and prospective investors. As the market landscape evolves, we remain committed to providing our clients with the insights and opportunities to capitalise on this positive trajectory.

What You Need to Know

What to Look For

There are a number of key fundamentals to be aware of when securing a pub or liquor asset that will provide the best returns:

Strength and profile of tenant

Pubs and liquor assets offer a unique advantage as they aren't restricted to big-brand tenants. Often, liquor operators are aligned with pubs, creating a symbiotic relationship that ensures consistent revenue and enhances both businesses' long-term stability.

While well-known hospitality groups provide security, independent operators can also command strong local loyalty and deliver stable returns. Thoroughly investigate the lessee entity to ensure the long-term viability of your asset.

Assignment provisions

Pubs often involve leasehold interests, making it crucial to ensure robust assignment provisions within the lease. These provisions should prevent the tenant from easily transferring the lease to another operator who may lack financial stability or a solid reputation.

In the hospitality industry, the success of a pub is closely tied to the operator's experience and local presence. A well-structured assignment clause safeguards your investment by maintaining the tenant's quality and preserving the asset's value.

Lease tenure and option periods

Pub and liquor operators typically invest heavily in fit-outs and establishing their premises. As a result, they often seek long-term leases with built-in option periods, affirming their commitment to the property and providing added confidence for investors. These long leases reduce the likelihood of vacancy and turnover, which is crucial for investment security.

Location, underpinning land and property value

The success of a pub or liquor outlet heavily depends on its location and the underlying property's value. Prime locations, particularly in established regional areas, are highly sought after. Substantial investments in fit-outs and specialised infrastructure make relocation difficult, further enhancing asset security. A well-located property with solid infrastructure is more likely to maintain or increase in value over time.

Rent review structure

Ensure your income growth and capital appreciation by seeking leases with built-in annual rent increases. This structure supports steady income growth and helps maintain the asset's value, making it a more attractive investment over the long term.

What you'll pay

The cost of investing in pubs and liquor assets varies based on several factors. Pubs, especially those with gaming facilities, often command higher prices due to strong cash flow potential and high demand.

Liquor stores, while generally more affordable, are still influenced by tenant strength, lease terms, location and growth potential. Liquor outlets can be acquired for as little as \$1,000,000, while the average price of a pub is around \$4,304,000, according to Burgess Rawson data.

How to buy one

Pubs and liquor assets can be purchased privately or at auction. Auctions offer transparency, with buyers competing openly, providing a clear view of market interest and helping ensure fair market value. This asset class is a staple in major commercial agency portfolios due to tenant quality and investment security.

National Pubs & Liquor Team



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How we can help

At Burgess Rawson, we offer solution-based outcomes and data-driven expertise for pub and liquor vendors, investors, developers and tenants, with a breadth of knowledge that spans the entire property journey; asset management, sales leasing, valuations, development feasibility and tenancy coordination.

Our national specialty team is at the forefront of this sector, with dedicated property professionals able to provide an end-to-end service to clients in all states and territories across Australia.

If you're looking to invest, divest, require asset management services, or simply want to discuss the sector, please don't hesitate to contact a team member today.





Industry Insights Report

Large Format Retailing

Explore an industry that has thrived by evolving with changing consumer preferences and retail trends. The large format retail sector has adapted to demographic shifts and evolving consumer behaviors, positioning it as a strong investment opportunity.

Major brands such as Bunnings Warehouse, Costco, Harvey Norman, Officeworks, and Petbarn are demonstrating impressive performance, showcasing the sector's resilience and growth potential.

Our forthcoming Industry Insights Report will delve into the driving factors behind the success of these leading brands. Expect a detailed analysis of emerging trends, supply and demand dynamics, investment yields, and the broader market landscape.

Join us as we discover the substantial investment opportunities within this dynamic and prosperous sector.

“Australia’s shopping habits saw a significant shift during the pandemic, driving increased demand for large format retailing. The surge in home improvement projects, heightened online shopping, and a growing preference for bulk purchases has collectively reshaped the industry.”

Zomart He
Partner | VIC



**With offices across Australia,
Burgess Rawson has a truly
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T 07 3062 7325
A Level 13, 241 Adelaide Street
Brisbane QLD 4000

Townsville
T 07 3184 0139
A Ground Floor, 61-73 Sturt Street
Townsville QLD 4810

NEW SOUTH WALES

T 02 9232 6288
A Level 11, 9 Castlereagh Street
Sydney NSW 2000

WESTERN AUSTRALIA

T 08 9288 0288
A Level 10, 225 St Georges Terrace
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