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# ALDI expansion likely to hit 25 stores a year

**Matthew Cranston**

Germany's discount supermarket giant ALDI is planning to roll out 25 new stores in Australia every year, presenting a strong opportunity for developers who are looking to fill retail space in high-density apartment projects.

There are 444 ALDI stores across Australia already, giving ALDI roughly an 8 per cent share of the supermarket market.

An ALDI spokeswoman said the retailer was aware of the property requirements and would target new residential developments.

"As ALDI continues to grow, our need for commercial property will increase," the spokeswoman said.

"Commercial property can be very expensive, particularly throughout the inner suburbs of Sydney and Mel-

bourne, as the general business zones often support residential apartments.

"Mixed-use developments provide an ideal outcome, where ground-floor commercial uses, such as an ALDI store, are paired with residential or commercial office uses on upper floors. This is not a new strategy for ALDI. It's just another way for us to offer smarter shopping to our customers where we can't build a freestanding store or lease appropriate space in an existing shopping centre."

ALDI said its stores in Melbourne's CBD, St Kilda and Mordialloc, and Sydney's North Strathfield and Water-

loo were the best examples of this.

Developer Consolidated Properties Group and the Liberman family-backed CVS Lane Capital Partners, which have created a fund to look for retail development opportunities, say that ALDI represents one of the best

smaller format options when developing the ground-floor retail space of new residential developments.

"Woolworths and Coles provide greater range than ALDI and Metcash

but ALDI and Metcash are particularly good on their smaller-format service offering," Consolidated Properties Don O'Rourke said.

"We are being presented with an increasing number of opportunities around Australia to partner with high-rise apartment developers for the retail component and we have long been happy to use our relationships with Woolworths, Coles, IGA and ALDI to produce a viable retail concept."

ALDI, founded by brothers Karl and Theo Albrecht in 1946, has a long-term expansion plan in South Australia and Western Australia which will see up to 120 stores opened in those states, while on the eastern seaboard the retailer said: "We plan to open approximately 25 stores a year in the coming years.

"ALDI will continue to work closely with the local planning authorities, other businesses and residents to ensure a new store delivers positive net

benefits for the local community such as employment opportunities, competition and well-designed buildings."

Knight Frank head of research and consulting Matt Whitby said the growth of smaller-format retailers would present very attractive opportunities.

"There will be clear opportunity for major developers and indeed ALDI on turnkey developments to capture the relative growth in demand for discounted, private-label products and secure sites in key hubs with strong medium to high-density residential pipelines. Other drivers have been the strong population growth and increase in medium and higher density residential development, creating major opportunities for ALDI to grow its footprint, as demand for discounted, but quality products increases."



ALDI is keen to fill retail space in high-density apartment projects.