

WHY WE LIKE CONVENIENCE STORES



ESSENTIAL
BUSINESSES



STEADY CONSUMER
DEMAND



RECESSION-
RESISTANT



HIGH-TRAFFIC
LOCATIONS



CONVENIENT
ACCESS

ADVANTAGES TO INVESTING
IN ESSENTIAL ASSETS CLASSES

- 1 **BONUS DEPRECIATION:** Potentially deduct up to 100% of qualified improvement costs in the first year (2025 rates).¹
- 2 **DSTs CAN PROVIDE ACCESS TO INSTITUTIONAL REAL ESTATE:** DSTs provide entry into high-quality commercial assets typically out of reach for individual investors, managed by experienced sponsors.
- 3 **1031 EXCHANGE ELIGIBILITY:** Opportunity to leverage a DST investment for potential tax deferral through 1031 exchanges.
- 4 **PASSIVE INCOME GENERATION:** Professionally managed operations can generate a hassle-free, passive income stream.
- 5 **COST SEGREGATION:** Maximize deductions by identifying property components eligible for shorter depreciation schedules.



**Sources: <https://radenetlease.com/q4-2024-net-lease-cap-rate-report/>; <https://bouldergroup.com/research.html>; <https://www.avisonyoung.us/web/netlease/insight-article/article/2024/02/12/c-store-report>; <https://talkbusiness.net/2025/02/the-supply-side-growth-challenges-expected-in-convenience-store-sector-in-2025/>
This is for informational purposes only and does not constitute an offer to purchase or sell securitized real estate investments. There are material risks associated with investing in real estate securities including illiquidity, general market conditions, interest rate risks, financing risks, potentially adverse tax consequences, general economic risks, development risks, and potential loss of the entire investment principal. Securities offered through Madison Capital Markets, Member FINRA/SIPC. Only available in states where Madison Capital Markets is registered. Madison Capital Group and Madison Capital Markets are affiliated.
¹ The Tax Cuts and Jobs Act (TCJA) provisions, including those allowing for accelerated depreciation such as 100% bonus depreciation were permanently extended for properties purchased on or after January 19, 2025, on July 4, 2025, when President Trump signed the "One Big Beautiful Bill."*



SPOTLIGHT ON: CONVENIENCE STORES

CONVENIENCE STORES MEET ESSENTIAL CONSUMER NEEDS, MAKING THEM LESS VULNERABLE DURING ECONOMIC DOWNTURNS. AS A RESULT, CONVENIENCE STORES RECORDED THE **LOWEST CAP RATES AMONG NET LEASE PROPERTIES IN 2024**, REMAINING UNCHANGED FROM THE PREVIOUS YEAR.

Investing in convenience stores can be smart, especially in today's dynamic business landscape.

Here are the top reasons why investing in convenience stores is a compelling opportunity right now:

- 1 STEADY CONSUMER DEMAND:** Convenience stores cater to everyday needs, providing a wide range of essential items, including snacks, beverages, groceries, and toiletries. This can provide a consistent and resilient customer base, regardless of economic conditions.
- 2 ESSENTIAL BUSINESS:** Convenience stores are considered critical businesses to remain open during emergencies, natural disasters, and health crises like the COVID-19 pandemic. This resilience can provide a stable income stream for investors.
- 3 24/7 OPERATIONS:** Many convenience stores operate 24/7, allowing them to potentially capture sales throughout the day and night. This continuous revenue generation can result in higher profitability than businesses with limited operating hours.
- 4 RECESSION-RESISTANT:** During economic downturns, consumers tend to cut back on discretionary spending but continue to purchase essential items from convenience stores. This recession-resistant nature can make convenience stores a reliable investment.
- 5 HIGH-TRAFFIC LOCATIONS:** Successful convenience stores are often situated in high-traffic locations, such as near residential areas, office complexes, and transportation hubs. These prime locations can increase foot traffic and sales potential.
- 6 DIVERSE PRODUCT OFFERING:** Modern convenience stores offer a diverse range of products, including fresh food, hot beverages, and even online ordering and delivery services. This diversification helps attract a broader customer base and boosts revenue.
- 7 COMMUNITY ENGAGEMENT:** Successful convenience stores often become integral parts of their communities. Investing in a store that engages with the local community can foster customer loyalty and drive repeat business.

In conclusion, convenience stores can offer a compelling investment opportunity due to their steady demand, essential status, 24/7 operations, and resilience during economic downturns. Additionally, strategic location, diverse product offerings, technology integration, and the potential for community engagement make convenience stores attractive for investors. However, conducting thorough market research, assessing competition, and carefully evaluating potential locations before making an investment decision is essential.

**Sources: <https://tradenetlease.com/q4-2024-net-lease-cap-rate-report/>; <https://bouldergroup.com/research.html>; <https://www.avisonyoung.us/web/netlease/insight-article/-/article/2024/02/12/c-store-report>; <https://talkbusiness.net/2025/02/the-supply-side-growth-challenges-expected-in-convenience-store-sector-in-2025/>*

This is for informational purposes only and does not constitute an offer to purchase or sell securitized real estate investments. There are material risks associated with investing in real estate securities including illiquidity, general market conditions, interest rate risks, financing risks, potentially adverse tax consequences, general economic risks, development risks, and potential loss of the entire investment principal. Securities offered through Madison Capital Markets, Member FINRA/SIPC. Only available in states where Madison Capital Markets is registered. Madison Capital Group and Madison Capital Markets are affiliated. 1.7.26