

Analysis

Grocery Stores and the Housing Market



According to a new annual report from ATTOM Data called the Grocery Store Wars analysis, homeowners and investors looking to maximize their return or home appreciation rates should look for certain grocery stores to have nearby which have been proven to raise home values.

For the report, ATTOM analyzed current home values, five-year home price appreciation between 2017 and 2022, current average home equity, home seller profits, and flipping rates in zip codes with at least one of these grocery stores: ALDI, Trader Joe's, and Whole Foods.



Overall, living near a Trader Joe's appears to be a win for homeowners as average home values in that zip code top \$987,923, while homes near a whole foods were valued at \$891,416, and homes near a ALDI were valued at \$321,116.

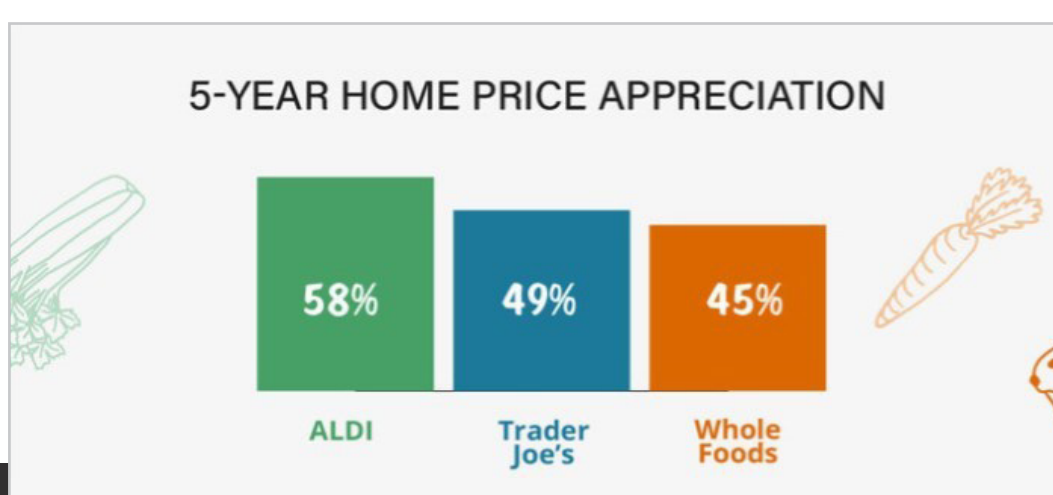


Between 2017 and 2022, homes near an ALDI appreciated at a rate of 58%, while Trader Joe's appreciated at 49% and 45% for Whole Foods.



For investors looking to flip, one should look no further than Aldi, as flippers saw an average gross return on investment of 54%. This paled in comparison to Trader Joe's (25%) and Whole Foods (28%).

Sellers return on investment posted better results: homes near an ALDI netted sellers a 61% profit, while homes near Trader Joe's and Whole Foods netted 58% and 51%, respectively.



"Smart homebuyers might want to consider where they'll do their grocery shopping when they're shopping for a new home." said Rick Sharga, EVP of Market Intelligence at ATTOM. "It turns out that being located near grocery stores isn't only a matter of convenience for homeowners but can have a significant impact on equity and home values as well. And that impact can vary pretty widely depending on which grocery store is in the neighborhood."