
# Drive Thrus

**2026 marked the 40th anniversary of the first Drive Thru McDonald's opening in the UK and the sector shows no sign of slowing.**

The UK now has approximately 2,681 Drive Thrus, with around 300 added in the last two years alone. The format has grown by more than 40% since 2015 and continues to attract fierce operator competition and strong investor interest, underpinned by a structural shortage of good sites and robust rental growth.

The Drive Thru has firmly embedded itself as part of the UK's roadside and out-of-town retail fabric. Demand from operators is at a sustained high, planning constraints are limiting the pipeline, and the investment case: long leases, strong covenants and income growth, remains as compelling as ever. The broader context is equally supportive: the UK food-to-go market is forecast to reach £24.9 billion in 2026, growing 3.4% year-on-year and continuing to outperform the wider eating-out sector.

The most acquisitive operators in the Drive Thru market continue to be Costa Coffee and Starbucks, both of which have pursued smaller format, lower-fit-out-cost units that command some of the highest rents per sq ft in the sector. The UK Drive Thru coffee market now encompasses 855 sites following the addition of 51 stores in the past 12 months, with Costa reaching 373 Drive Thru locations and continuing to expand. Their preference for units of around 1,800 sq ft without the need for expensive kitchen infrastructure allows them to outbid food-led operators on rent, making them the default front runner on newly available retail park sites.

McDonald’s, KFC and Burger King remain consistently active, maintaining a strong pipeline of both new-to-site and redevelopment schemes. Greggs now has around 50 drive-thru locations and, having achieved a benchmark rent of £95 per sq ft on a competitive letting in Slough, has demonstrated that its brand is fully capable of driving prime rental outcomes. Greggs' delivery sales accounted for 6.8% of total company-managed shop sales in 2025 (up from 6.7% in 2024, equivalent to approximately 100 million items couriered) and grew overall by 8.1% in 2025, underscoring how Drive Thru locations increasingly serve a dual purpose as collection points for Uber Eats and Deliveroo orders, materially extending the revenue contribution of each site.

New entrants continue to test the market. Premium speciality coffee brand Bocca Felice will open a Drive Thru coffee shop entirely operated by AI at Martin’s Properties’ Hadden Hill Retail Park. US fried chicken operator Popeyes opened its 100th UK store in late 2025, while Raising Cane’s announced plans to introduce Drive Thru restaurants to the UK are the latest in a wave of American QSR brands seeking to replicate stateside success in a British market that is broadly receptive to the format. Wingstop is on track to surpass 100 UK units in 2026, and brands including Chick-fil-A and Dave’s Hot Chicken are backed by strong capital investment and actively acquiring sites. The diversity of operators chasing a constrained pool of suitable locations is one of the defining structural features of this market.

Rental growth in the Drive Thru sector has been a consistent theme over recent years and shows no sign of abating. Average headline rents on smaller Drive Thru units of around 1,800 sq ft continue to be achieved in the £70–80 per sq ft range, with premium lettings, such as the Greggs benchmark in Slough, reaching £95 per sq ft. On larger units of 3,500 sq ft, rents in excess of £250,000 per annum have been achieved. Average rental growth has been around 25% across five-year rent review cycles, with some examples achieving uplifts of up to 95%. Rent review and regear activity is strong, with tenants generally keen to extend leases at rental increases and with minimal incentives. This is a positive sign of occupier commitment

The investment market for Drive Thru assets reflects this operational strength. Transactions are typically £1 million and above, with secure income from long leases of 10–15 years to well-capitalised brands making these assets attractive to a wide range of investors. The broader out-of-town retail sector delivered average returns of 9.8% over the 12 months to early 2026, with retail park vacancy rates at a historic low of around 4.3% in H1 2026. Prime retail warehouse yields have compressed by 75 basis points over the past 18 months to around 5.5% in the strongest locations, reflecting sustained investor confidence.

Comparables data on Drive Thrus specifically remains more limited than in mature sub-sectors, and this information asymmetry can present a challenge for newer investors underwriting deals. The sector still benefits from relatively specialist knowledge, and the right adviser relationships remain important.

Beyond the brand-by-brand expansion programmes, there are compelling structural reasons why demand for Drive Thru facilities has proved so durable. Van and light goods vehicle numbers are now at approximately 127% of pre-Covid levels thanks to the e-commerce delivery boom. This has created a large, time-pressured customer base that values the speed and convenience of the Drive Thru format. Hybrid working patterns have dispersed demand away from city centre lunch peaks and into roadside and retail park locations throughout the day. The ongoing recovery in commuter traffic and rail usage above pre-pandemic levels is also supporting consistent footfall at well-located sites.

Delivery integration has become a core part of the drive-thru proposition. Most Drive Thru kitchens now double up as fulfilment hubs for Deliveroo and

Uber Eats, with delivery capable of increasing total turnover by up to 50% at densely populated sites.

The principal constraint on Drive Thru growth is not demand but supply. Planning permission for new standalone roadside sites remains challenging to obtain, with highways objections, sustainability requirements and local authority attitudes towards car-led development all contributing to a constrained pipeline. Existing retail parks are the most common location for new drive-thru units but are increasingly operating at full capacity, with vacancy rates below 5% nationally, limiting the availability of car parking space for drive-thru development. Restrictions from existing retail tenants on car park development are another practical barrier

Build costs remain elevated. The prefabricated 'kit drop' approach used by McDonald's and other large operators helps to offset this to some degree, but smaller and newer operators face real viability challenges on new-build schemes, particularly where ground conditions or utilities require additional investment. Staff availability also remains a challenge across the food service sector more broadly, increasing operational costs and bearing on the viability of 24-hour operation, which Costa and Starbucks have been trialling to capture round-the clock demand.

Business rates are a further watchpoint. Because Drive Thru car parking spaces contribute to overall value but are not directly linked to income generation, Drive Thrus carry a relatively lower rates liability than larger food and beverage outlets. This is a structural advantage that has thus far insulated the format from the most disruptive effects of business rates reform.

The UK Drive Thru sector enters 2026 in a position of structural strength and operational resilience. The pipeline of demand from operators, both established brands seeking additional sites and a wave of well capitalised US entrants, comfortably outstrips the availability of suitable locations, and this supply demand imbalance is the primary engine of rental growth. With retail park vacancy rates at historic lows, food-to-go market revenues growing and the delivery integration model adding incremental value to each site, the fundamentals supporting Drive Thru investment are as strong as they have been at any point in the format's 40-year UK history. For investors, the message is clear: long leases, strong covenants, limited supply and proven rental growth make Drive Thru property one of the most dependable income-generating asset classes within the alternatives universe, provided the right site, the right operator and the right entry price can be secured.

## TOP CHALLENGES

- Lack of suitable sites: planning constraints and full retail parks limiting the pipeline
- High build costs and utilities investment required for new-to-site development
- Staff availability and rising wage costs pressuring 24 hour operational viability
  Planning system delays and highways objections on roadside schemes
- Limited comparables data making underwriting more complex for new investors
- Car park restrictions imposed by existing retail park tenants

## TOP OPPORTUNITIES

- Fierce multi-operator competition for sites supporting strong and rising rents
- Delivery integration: dual revenue from in-car service and Uber Eats/Deliveroo fulfilment
- New US QSR entrants adding to already deep occupier demand
- Long leases with strong covenants providing secure, growing income for investors
- Prefabricated off-site construction reducing build costs and programme risk
- 24-hour operation trials by coffee operators expanding revenue beyond traditional dayparts

## OUTLOOK

**Capital values**
Strong investor demand and acute site scarcity

**Rental values**
Structural undersupply and operator competition driving consistent growth

**Planning applications**
Steady but constrained by highways and sustainability policy

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