HOW FOOD HALLS BECAME THE NEW FASHION

•• BY STEPHANE KEULIAN ••

At a time when physical retail spaces are reinventing themselves in response to the overwhelming growth of digital commerce, food halls appear to be one of the hottest new ideas of the 21st century.
But how can retail property companies and investors take advantage of customers' massive appetite for food halls?

mapic
FOOD & BEVERAGE
BLOG
mapic-foodandbeverage.com

FOOD HALLS, A COMPELLING DESTINATION

Food halls? These are not to be confused with food courts, with the latter being basically quick service restaurants sharing a space with a common seating area for customers in need of recharge. By contrast, food halls are a destination that fulfills the requirements of customers with an urban, active lifestyle. This is precisely the profile of visitors shopping centres and department stores are eager to attract and retain.

To be honest, food halls are not a new concept, but rather an old one inspired by European markets that has been reinvented into a lifestyle destination. Originally the term "Food Hall" traditionally referred to the food section of a department store. The food hall, as we know it now, that started it all is probably **Eataly** in the early 2000s, a food and cultural destination that elevated the experience way beyond anything other competitors had done before.

A few years ago, **MarktHal** in Rotterdam got worldwide press coverage for its spectacular mixed-use building that blends a residential complex and a fresh market with such success that it has now become a landmark in the city.

EATALY TORINO

fotografia di Michele d'Ottavio © tutti i diretti riservati

MARKTHAL ROTTERDAM

FOOD HALLS ARE THE NEW FASHION

It turns out that food halls are the new anchors for retail venues, progressively replacing fashion as a magnet for customers. Now, food halls have proven to be the kind of attraction that can hold down a luxury rental tower or attract corporate office tenants, as we can observe notably in the United States. The example below, **Ponce City Market** in Atlanta, combines residential buildings, a mall and a food hall that breathes life into the whole complex.

PONCE CITY MARKET ATLANTA

PONCE CITY MARKET ATLANTA

CURATION VS LEASING

For retail investors and operators, the challenge is to get the right tenant mix to build up a successful food hall. The leasing processes that normally apply for national brands and concepts in traditional malls don't operate here.

Many experts believe that retail investors should rather be focused first on how to build a retail ecosystem that resonates with consumers, lifestyles and the communities they actually serve. They are encouraged to think of food halls as a retail district, centred around lifestyle needs with a strong sense of place, community, history, culture and authenticity. This approach implies spotting talents in the local food scene, deeply understanding their business model as well as their work ethics to eventually imagine the retail environment where they will thrive. This is a tailored and demanding approach that is difficult to duplicate at scale.

In return, food halls offer entrepreneurial startups a business space for a fraction of the cost of putting together a freestanding operation. Economies of scale are achieved by sharing equipment (ice machines and the like), facilities such as rest rooms and dining space, and expenses associated with marketing and administration.

FIVE TAKEAWAYS OF SUCCESFULL FOOD HALLS

1/ THE SPACE

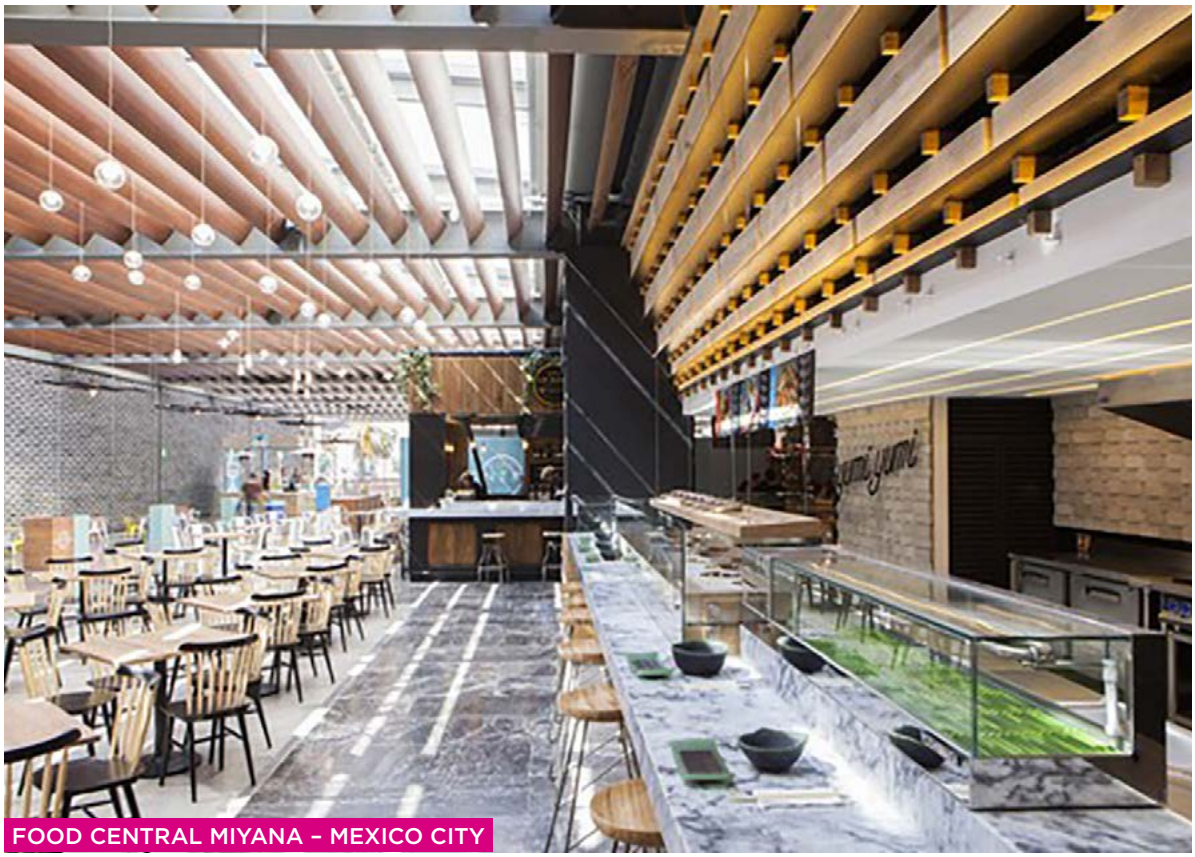
Yes, it all starts with the space. What produces that coveted feeling of authenticity is the sense food halls are genuine public space. More accurately, they are born of its absence. As a consequence, former factories or warehouses morphed into food halls bring both authenticity and a vibrant atmosphere, whereas new developments often struggle to achieve it.

To design an inspiring and vibrant food hall from scratch requires a specific approach that should focus first on how to bring life and emotion rather than a sleek yet often standardised decor. Some recent developments show that food halls installed in new premises have succeeded in luring local communities.

FENIX FOOD FACTORY ROTTERDAM

PINE STREET PORTLAND

BOSTON PUBLIC MARKET



FOOD CENTRAL MIYANA – MEXICO CITY

2/ THE BESPOKE FOOD OFFER

Basically, food halls are the representation of where the restaurant industry as a whole is going: Boutique. Local. Instagram-able.

Today's food halls offer a selection of specialty food vendors and small-scale food retailers clustered around communal dining facilities. The ability to provide casual dining and authentic food experiences, with a curated set of both popular restaurant outposts and newcomers in a one-stop format, is pivotal to their success in the long run.

Specialty coffee shops, farm-to-table concepts, organic and veggie burgers, ramen options, oriental dishes, fruit and vegetable juices made on the spot are expected in every food hall as a basic offer, wrapped in a raw interior decor with large wooden tables and an open feel, constantly enriched with pop-up stands and edgy, creative cuisine options.

KATZ'S DELICATESSEN

MARUKIN RAMEN

HARD TIMES SUNDAES

SINGLE O

3/ PRODUCTION VS CONSUMPTION

Food halls are places where the emphasis is on production, not consumption. The places brim with noise—perhaps even a kind of working sound, an occasional butcher's chop, something left over from a more utilitarian period, or at least the roar of an espresso machine. This is why food halls are a destination. They provide a consistent experience and bring excitement.

EATALY

BETTER THAN RAMEN

4/ F&B + LIVE EXPERIENCE = VALUE

Since people increasingly want an all-inclusive lifestyle, food halls are a perfect fit to be enriched with live experiences such as concerts or food workshops that will eventually result in an increase in sales.

5/ FOR MILLENNIALS, FOOD HALLS ARE THE NEW LIVING ROOM

Food halls are a stimulus and a nucleus to bring the local community together and to turn retail spaces into an exciting environment where you can eat, meet, shop and work. Millennials appreciate hanging out and socialising in them since they are potentially a playgroung for everything they want.

According to a recent Cushman & Wakefield **survey**, the growth of food halls in the US has increased by 700% since 2010 and the company expects the number of food halls to exceed 200 by 2019, about double the number of open food halls in 2016. And there are more in the development pipeline. As strong as recent growth has been, it is only just the beginning.

Discover the latest and most dynamic F&B Retail concepts:

mapic®

FOOD & BEVERAGE

23-24 May 2018

MiCo Milano Congressi

The international retail Food and Beverage market

BLOG

mapic-foodandbeverage.com

© gorr / iStock / Getty Images Plus