

At a time when physical retail spaces are poised to reinvent themselves in response to the overwhelming growth of digital commerce, food halls appear to be one of the hottest new idea of the 21st century.

How retail property companies and investors can take advantage of the customers' massive appetite for food halls?

FOOD HALLS, A COMPELLING DESTINATION VENUE

Food halls? Not to be confused with food courts. Basically food courts are quick service restaurants sharing a space with a common seating area for customers in need for recharge. By contrast, food halls are a destination that fulfill the requirements of customers with an urban active lifestyle. 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. Rather an old one inspired by European

markets that has been reinvented into a lifestyle destination. Originally the term “Food Hall” has 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 2000’s, a food and cultural destination that elevated the experience way beyond any other competitors did in this industry before.



EATALY TORINO

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 to such an extent that it has now become a landmark of the city.



MARKTHAL ROTTERDAM

FOOD HALL IS THE NEW FASHION

It turns out that food halls are the new anchors for retail venues that progressively replace fashion as customers magnet. Now, food halls prove 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



PONCE CITY MARKET FOOD HALL

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 doesn't operate here.

Many experts say 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, centered around lifestyle needs with a strong sense of place, community, history, culture and authenticity. It 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 should thrive. 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.

5 TAKEAWAYS OF SUCCESFULL FOOD HALLS

- 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.



FENIX FOOD FACTORY ROTTERDAM



PINE STREET PORTLAND



BOSTON PUBLIC MARKET

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 standardized decor. Some recent developments show that food halls installed in new premises have

succeeded in luring local communities.



FOOD CENTRAL MIYANA - MEXICO CITY

- 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 highly expected in every food halls as a basic offer, wrapped in a raw interior decor with large wooden tables and a drafty moniker. To be constantly enriched with pop-up stands and edgy creative cuisine options.







- Production vs Consumption

Food halls are places where 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.



- F&b + Live Experience = Value

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



- For Millennials, Food Halls are the new living room

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



According to a Cushman & Wakefield recent survey, Food Halls are spreading at the impressive pace of 40% over the last months. And there are more in the development pipeline. As strong as recent growth has been, it is only just the beginning.

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