



# AVER

Aver Insight  
**The rise of food halls**  
August 2019



# Overview

- **Food halls** offer an opportunity to try freshly prepared and good-value dishes in an informal communal setting
- The concept focuses on an expansion of **choice** and **informality**
- **Sharing culture** format has been adopted from large *mercados* in Spain and Asia
- **Less financial risk** for operators

We spend £49.60 a week on restaurants and hotels



Turnover for street food grew **7.6%** compared with eating out market growth of **1.3%**

16 market food halls scheduled to open in 2019 in London alone

# Media headlines

**The Telegraph**

**Is the food hall the future of dining out?**

*Inspired by the success of foreign examples... food halls are now popping up all over this country. '*

**The Telegraph, 'Is the food hall the future of dining.'**

*"For £5,000 to £10,000 you can open a restaurant - you couldn't do that anywhere else."*

**Andy Lewis-Pratt, co-founder of Market Halls.**

**Propel** info

**Bridgepoint makes 'significant investment' in Market Halls:**

**BBC  
NEWS**

**Is this the secret to High Street success?**

**EATER**  
LONDON

**Growing London Food Hall Empire Heads for  
Canary Wharf**

**MCA.**

**Street food leads growth in eating out market**

**AVÉR**

# Key brands







Global examples

# Time Out Market

## *Lisbon*

- Lisbon's largest attraction with 3.9 million visitors in 2018
- Features **Michelin-starred chefs**
- **Extension** of Time Out brand
- Uses **social media channels** and existing media base to promote food and events
- Reflects a **regeneration** of a historic market hall



By the end of 2019, there will be six Time Out Markets, with **London Waterloo** opening in 2021



# Pier One

*San Francisco*



- Regenerated into a world-class farmers' market, attracting nearly 40,000 visitors every week
- Promotes **traditional farming practices** and small regional producers
- A community gathering-place for celebrating **local culture and cuisine**

# Essex Market

*New York City*



- New York's oldest public market, recently moved to a newly regenerated 37,000 sq ft site
- Created for small businesses with **affordable rents** and start-up friendly **one-year leases**
- Launched with the aim of creating a **neighbourhood feel**
- Housed in a **state-of-the-art**, award-winning-architect-designed space



Picture credit: Jason Hawkes



London



# Market Halls

*Fulham, Victoria, Intu Lakeside West End, and Canary Wharf*



*"Shopping centre owners want to improve their centres, and we can introduce another half a million customers they're not getting."*

**Andy Lewis-Pratt, Co-founder, Market Halls**

- Launched in Fulham, followed by Victoria. Oxford Street launches this winter
- **Capitalises on casual dining trends**, offering a variety of choice to consumers
- Latest concept is '**The Hall**', which made its debut at intu Lakeside
- Expansion backed by **Bridgepoint Capital's £20 million deal** to roll out in the UK



# Arcade London



- Once a 12,500 sq ft bus terminal beneath London's iconic Centre Point building
- Found by **Dipak Panchal**, a known London based food and beverage entrepreneur
- Six **independent kitchens**, a coffee bakery counter, outdoor terrace and 'The Loft' mezzanine level
- Day-to-evening experience with a trendy atmosphere

# Mercato Metropolitano

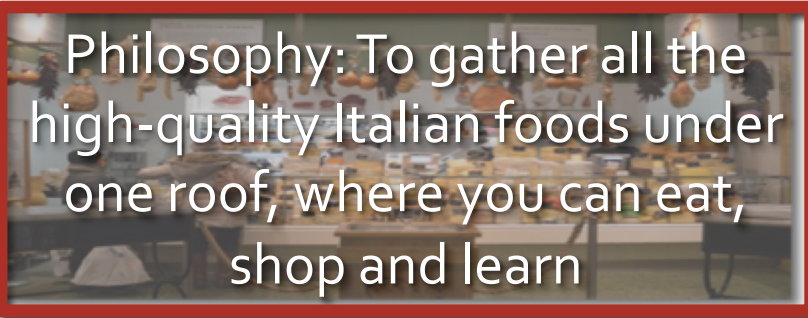


- Set in a 45,000 sq ft former paper factory
- **Known as Milan's sustainable food market before opening in Elephant & Castle**
- More than a food market: Family owned Italian supermarket, barber, boxing gym and working space



# Eataly

*Bishopsgate*



- Italian food 'marketplace' brand, founded in Turin
- A 42,000 sq ft site making it the largest standalone food hall in the country
- Aims to educate about Italian **food culture and quality** of produce

# Bang Bang Oriental

*Edgware Road*



- A 32,000 sq ft site seating 450, with 27 traders and flagship Golden Dragon restaurant
- **Largest Asian food hall in London**, with a huge selection of menus from Mumbai to Tokyo
- Mezzanine floor contains two dedicated studio spaces for **functions and traditional events**

# Seven Dials Market



- 24,000 sq ft former banana and cucumber warehouse
- Brings together 25 London traders from street food to neighbourhood businesses
- Opens September 2019
- Expected to **boost footfall** in Seven Dials

Operators announced include:

- **Nanban** (from MasterChef winner, Tim Anderson)
- **Pick & Cheese** (world's first cheese conveyor belt)
- **Strozzapretti, Club Mexicana, Yum Bun, Rice Guys, Claw, Square Root, Monty's Deli and INK**



# Seven Dials Market



Food & beverage Markets



Bricks and mortar: KERB has taken a lease on Shaftesbury's 22,000 sq ft 19th-century Thomas Neal's Warehouse

## Seven Dials venture has KERB appeal

The street-food membership organisation is making its bricks-and-mortar debut in Covent Garden. Simon Creasey assesses its prospects

In a former banana and cucumber storage building in the heart of Seven Dials, in London's Covent Garden, an exciting new food hall is taking shape. On the day of Property Week's visit in early August, the building was still heavily populated by hard-hat-wearing workers, but when it opens for business next month, Seven Dials Market will be a mecca for gastronomes and a celebration of the UK's burgeoning street-food scene. It will also mark KERB's bricks-and-mortar debut.

Since it was founded in 2012 by Petra Barran, KERB has helped

nourish some of London's most innovative street-food businesses, moving traders through its ecosystem - from 'inKERSator' to KERB Alumni - through its nine food markets. Now KERB is taking the next step in its own evolution by putting down roots and taking a lease on Shaftesbury's 22,000 sq ft 19th-century Thomas Neal's Warehouse.

So what prompted this switch from the kerbside to bricks and mortar and how does Shaftesbury hope to benefit from its new tenant?

When Simon Mitchell, curator of Seven Dials Market and managing

director of KERB, joined the street-food organisation around three-and-a-half years ago, part of his remit was to find a more permanent home for the business. At the time, its longest tenancy agreement was a month-to-month deal to host a food market at King's Cross, which created "a lot of uncertainty for our markets and traders - you couldn't run a business like that", says Mitchell.

What KERB needed was a permanent, iconic, high-footfall location and the former food storage warehouse ticked all these boxes. "I used to walk past this building once a fortnight to have a meeting at the Hospital

Club and I would gaze in the window and think this would provide the best footfall ever," says Mitchell. "When I got wind that it might be available, I got our property agents to call Shaftesbury straightaway."

### Fixed site

What the street-food organisation wanted to do was add another aspect to its ecosystem. In addition to helping its members develop or 'hatch' their concept and build it into a viable food enterprise at one of KERB's markets, Mitchell wanted to take things to another level and in essence "take people off the street and into a more fixed site".

The timing of KERB's approach to Shaftesbury was perfect as the landlord was weighing up options for the site, which until recently had housed a number of retailers including Superdry. The tie-up appeared to provide a perfect fit for a number of different reasons, according to Charles Owen, portfolio executive at Shaftesbury. »

"I would gaze in and think this would provide the best footfall ever"

Simon Mitchell, KERB

Markets Food & beverage



Cucumber Alley: KERB's food hall is in a former cucumber storage facility in Seven Dials



Top banana: managing director Mitchell

"Firstly, KERB is the market leader in terms of street food and food markets," says Owen. "It also shares the same ethos, and has the same passion for the environmental and community side of things."

"While retail had worked really well [on the site], the main reason we did this is if you look at the restaurants and the food offer that we have in Seven Dials, all the operators are great and incredibly successful, but they're tiny and only have a limited number of covers. What this does is bring that same quality but on a larger scale."

### Dining hall

That scale becomes abundantly clear as soon as one walks down the Borough Market-esque Cucumber Alley, which will house 12 kiosks selling goods such as artisan fresh bread, gelato and gin, and into the cavernous main food hall, which will accommodate six counter-style kiosks upstairs and seven food stalls downstairs.

"They're all a bit different and they've all got their own personality," says Mitchell. "Upstairs is a bit smarter and a bit more for the theatre crowd and downstairs is more what we're famous for, which is street food."

All the food hall tenants have already been signed up and will offer a veritable smorgasbord of gastronomic delights ranging from vegan Mexican food all the way through to burgers topped off with truffles and London's first cheese sushi conveyor belt. The latter concept is the brainchild of Matthew

Carver, who currently operates a restaurant called The Cheese Bar in Camden.

"Pick & Cheese will serve amazing dishes under a glass cloche on a sushi conveyor belt," says Mitchell. "So you will get a piece of cheese, some chutney and biscuits. Since we announced it, he's been inundated with booking requests."

The focus at Seven Dials Market is on independent operators such as Carver, so do not expect to see food or drinks produced by global manufacturing behemoths. To this end, Square Root Soda is developing a range of bespoke Seven Dials sodas and KERB has

partnered with Gipsy Hill Brewing Company to curate and showcase independent UK breweries, vineyards and distilleries.

In the downstairs area, there will also be a stage for live entertainment, seating for around 300 people and a bookshop selling books about London and the London food scene - KERB has

partnered with book chain Stanfords to operate the shop, which will double as a private dining room available for hire.

Owen describes the new food hall venture as a "partnership" with KERB, which has taken a traditional lease on the space. There is also a turnover-based element to the agreement "so that we share in the success and the failure".

As for the food traders themselves, KERB has "de-risked" the venture as much as possible and they are all on what Mitchell says are "very, very reasonable short-term licences so that they can try it and if it doesn't

work out, then off you go".

He adds: "We don't want them going bust because that's the worst thing in the world that could happen for us. If it does work out then that's great, but to keep this interesting we need to churn traders, so we need to move them on to something better."

### Graduation day

And that something better is ideally a larger unit within Shaftesbury's estate. "We like interesting new operators to come through [our estate] and grow," says Owen. "So you will go into a KERB [market] site, then you will graduate into here, from here you graduate into one of our restaurants and then you graduate beyond that. It's a seamless evolution for people."

While KERB's main aim is to make the food hall venture a commercial success and help accelerate the growth of its members, Mitchell has a perhaps even greater aspiration for Seven Dials Market - to use the site to elevate the street-food scene and "get London's first street-food Michelin star". Given how the scheme is currently shaping up, it is safe to assume he could one day achieve this ambitious aim. ■

"KERB has the same passion for the environment and community"

Charles Owen, Shaftesbury





UK regions



# Altrincham Market

*Manchester*



Regeneration of an old covered and grade II listed former meat market

**A regenerative success story with 30% vacant shops in 2010 to 9.7% in 2018**

*"Market House... brings good quality food to a variety of people, in an informal environment."*

Nick Johnson,  
Director of Altrincham



# Duke Street Market

*Liverpool*



- A 5,000 sq ft former warehouse, run by Liverpool-based hospitality brand, Graffiti Spirits
- Sense of **community** with local produce and desire for customers to be on a first name basis with staff
- Focus on **acclaimed cookery** with the flagship Pilgrim restaurant

# Trinity Kitchen

## Leeds

- **Rotates** six new street food vans every eight weeks offering visitors the chance to experience various cuisines under one roof
- The rotating street vendors trade alongside permanent eateries
- Response to an **evolving F&B sector** with a diverse range of brands



# Operator benefits

- **Low start-up costs** for independents to establish themselves
- Benefit from **footfall** generated by food hall destinations, **eliminating uncertainty** over potential customer numbers
- Allows for a focused menu with scope for **experimentation**
- Food halls provide **exposure** without the cost of marketing
- **Licenses allow flexible contract terms** to exit if they fail at a lower cost vs bricks-and-mortar leases

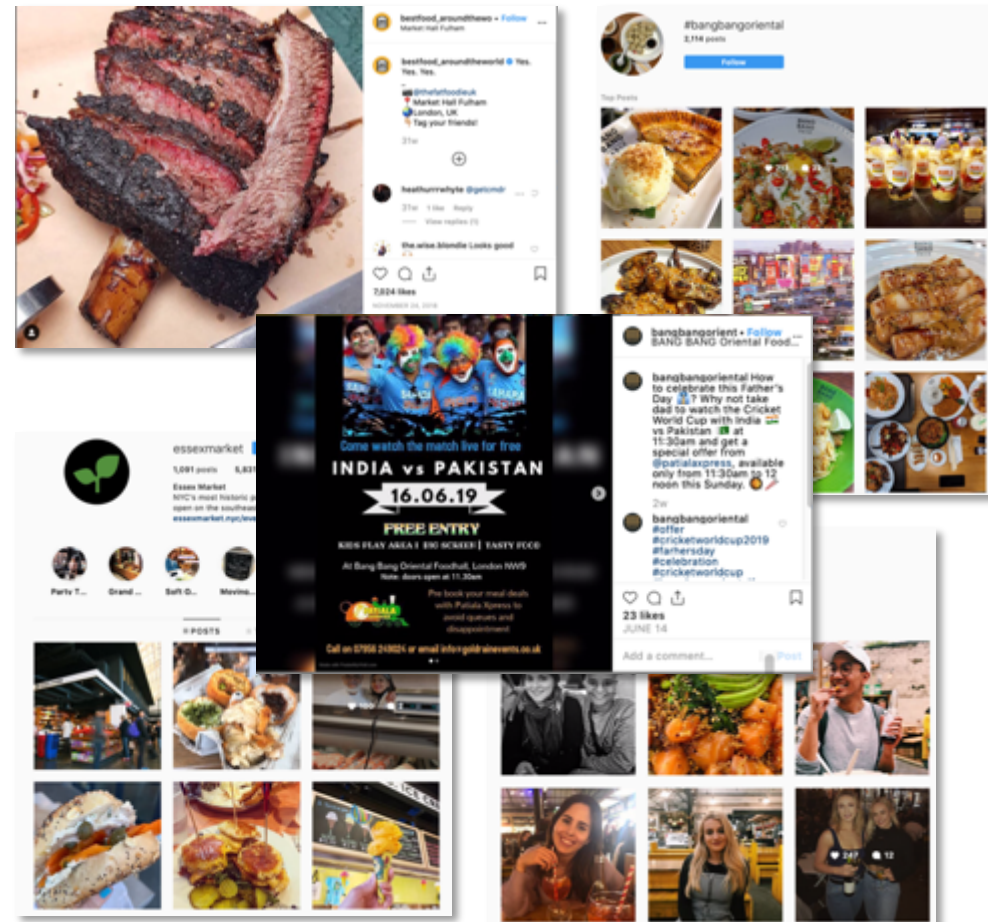
# Landlord benefits

- Ability to **lease large spaces** to tenants filled with food vendors
- Many vendors means they can be quickly filled if one fails
- Focus on **sustainability** reflects well on **image** and **reputation**
- Not a new concept: success has been **proven abroad**
- Can form the basis of a regeneration project from a **redevelopment to a destination**
- Act as a **footfall driver** for retail destinations



# Social media engagement

- Image-led social media posts to promote food halls
- Ties with the **aesthetical** nature of food to make it social media worthy
- Free advertising and promotion for upcoming brands via social media posts
- Leisure events drawing in customers to food halls



# Conclusions

- Food halls are here to stay, being on-trend with consumers, and providing many benefits for retailers and landlords alike
- Social media can be utilised to engage consumers before and after the visit for active promotion
- International brands are attracted to the UK market, bringing local cuisine and culture
- As the market becomes more crowded, however, delivering differentiation will be key

The image features a background of a professional kitchen with a marble countertop. In the foreground, there are three plates of food: a small plate with a piece of meat and a sauce, a medium plate with a piece of meat, a sauce, and a vegetable, and a large plate with a whole roasted chicken. A small bowl of salad is also visible. In the background, a chef is working at a station with various kitchen tools and ingredients. The Aver PR logo is overlaid in the top left corner.

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