

Pop-ups and street food markets are popular at Trinity Leeds



# What's eating retail?

Retail destinations are being transformed by an abundance of new food and beverage outlets. **Mark Faithfull** asks whether food really can serve up more retail sales

**F**rom street kitchens to gourmet propositions, so ubiquitous and diverse have the UK's food and beverage offers become that it's strange just how recent a phenomenon their growth has been. In fact, their ascent can be traced back to the economic downturn when, as the number of shops went down, food and beverage outlets went up.

Pre-recession, most of the major UK landlords estimated that food and beverage would represent about 6% to 7% of the total space in shopping malls and might, for flagships schemes, reach double that figure. However, a common view was that Asia's more typical allocation of about one quarter of mall space for food and beverage was far beyond what would ever hold sway in Europe.

## Feeling full

Westfield Stratford City was the first UK project to really challenge that notion, opening with close to 17% of the space dedicated to food and drink. The two London Westfield malls now house about 130 food and beverage units and sales growth for last year was 13%, according to leasing director Keith Mabbett. "There were three years between the opening of the two centres and Stratford had more than 15 more food and beverage units than London, which shows the change even in that time," he says. "What F&B [food and beverage] offers is real value to the customer and what is



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**Keith Mabbett, Westfield**

noticeable is that as we increase the number of units we're not seeing a dilution in sales. I certainly don't think the Asian model of 25%, or even 30%, of total space is unrealistic for the UK."

Mabbett says such learning will be applied to Bradford – which will have an al fresco dining area – and in the joint venture with Hammerson in Croydon. "The advantage for retailers is that many of the food offers attract customers throughout the day, for different occasions, so they draw people in, increase dwell and encourage social interaction," he says.

New food and beverage concepts are

being rolled out across UK shopping centres. The most recent major opening was Trinity Leeds, where Land Securities introduced a range of restaurants in the initial March opening, followed by its Street Kitchen in the autumn. It also set a new benchmark, with more than a fifth of the space dedicated to catering.

Liverpool One, which has recently opened more food and beverage outlets including Hotel Chocolat with its first Cocoa Café-Bar in the Northwest, TGI Friday's and Bill's, is another to have achieved a record performance for catering sales last year, up 23% year on year, and 12% up for the first half of 2014.

The biggest food and beverage scheme opening of this year is Intu Lakeside, which completed its restaurant extension this month following a £9m investment. It comes ahead of a new £100m leisure quarter, which has catering as well as leisure uses such as family entertainment venues and health and fitness facilities.

Gino D'Acampo's My Pasta Bar, US burger chain Five Guys, Tortilla, Harpers British Classics, Japanese cuisine chain Wasabi, Patisserie Valerie, Thai Express and Nando's recently signed up to become part of a 20-strong line-up ↘



complementing the centre's existing casual dining offer and a high-end 360 Champagne Bar on a mezzanine floor beneath the food court.

"Food and beverage is part of the shopping experience, especially on large schemes but also on all parts of our estate," says Julian Wilkinson, regional director for Intu, who also notes the rise of higher-end offers. "The champagne bar adds that bit of 'sparkle' that customers are looking for. We're seeing it across categories, such as the rise in juice bars."

However, while Wilkinson is enthusiastic about the scale and scope at Lakeside, he stresses that such food and beverage development is not limited to flagship schemes. "I'd give The Potteries as an example," he says. "We're spending £20m on catering and leisure there, while Eldon Square is being transformed from a catering perspective. Nottingham and Bromley are also examples, which show how important this is for us."

### **Popping in**

Most malls now operate a twin strategy of a hub of casual dining but also dot food and beverage units around their centre. Tellingly, John Browett, chief executive of Monsoon Accessorize, says Accessorize in particular has gained from the increasing number of trips to coffee shops, with

"many shoppers popping into Accessorize as part of their journey to have a coffee".

Sohail Shaikh, director of international development at Mothercare, adds: "From a footfall point of view it's a sector we really believe in, because it can't be replicated online. Outside the UK we are seeing a number of our franchise partners looking to F&B for growth and I think we'll see a lot more US chains entering Europe."

Having established the importance of food and beverage, the next stage is likely to be differentiation. Mark Smith, director of out-of-town retail and leisure at JLL, believes that there will be little in the way of old-style food courts built and says the major landlords are looking for something a little different. "That's why we are seeing the rise in street food and pop-up restaurants. Among landlords there is something of 'what do we do next?' mentality," he says. "Unibail-Rodamco's latest initiative takes us back to the idea of market stalls, butchers and so on. I don't see why that couldn't work in the UK."

Shoreditch Food Village has been devised to introduce an offbeat and relaxing environment populated by street food concepts that maximise use of the wider Shoreditch Village development site, which will comprise retail, offices, a CitizenM hotel, eight luxury apartments and an

outdoor market under the Shoreditch rail flyover. Pop-up kitchens include Yalla Yalla, Constanca and Freebird Burritos and the clientele is a mix of City workers and Shoreditch hipsters.

Smith also feels that fresh categories will become popular. "We've seen the rise of specialist burger chains, there now seems to be a growth in pulled pork offers such as Pitt Cue in Soho, or fish such as Prawn on the Lawn in Islington. So I think we'll see burger expansion replaced by some of these other categories."

A little technology may also get thrown into the mix. In May, San Francisco's Westfield Labs launched a six-month trial of Westfield Dine on Time – a food pick-up and delivery app that allows customers to order food from Westfield San Francisco Centre Food Emporium and restaurants for scheduled pick-up or bike delivery. Customers scroll and search through full restaurant menus and order, enabling them to skip queues when they go to pick up their orders.

Smith does not, however, feel that every scheme will look for the same thing. "We'll see growth across the board and not solely in restaurants, it's about creating destinations," he says. "That said, this is not the end of fast service operations, it's about knowing the location and what the catchment wants, not a broad blanket approach." ■