So you want to build a food hall?
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A well-built food hall can be the star of a real estate project. With an exciting selection of food from around the world, a good food hall has a feeling of authenticity that pulls in daytime and evening diners. It can drive shoppers to a center, companies to lease office space or families to rent an apartment.

You see the placemaking power of a good food hall and think to yourself: I want to put a food hall in my real estate project.

Food halls showcase local identity, serve nearby office and residential communities and promote local industries and small businesses. It’s a no-brainer for you to want to include a food hall in your project. However, you’ll have to think carefully through the many steps it will take to create one successfully from start to finish.

Food halls are complicated. They’re difficult to design, build, curate and operate. With so many of them sprouting up, odds are that some will fail.

Do you still want to build a food hall?

Yes, I want to build a food hall!

Great, this guide is for you. In this report we lay out some of the major decisions you will have to make throughout the process of creating a food hall. It will provide guiding questions on operations, identity and brand building, design and vendors, and it will help you prepare for major milestones.
Choose an operator

The first, and arguably the most important question you will ask yourself in this process is: Will you self-operate or hire a third-party operator? An operator can be responsible for one or all aspects of developing, curating and designing a food hall, as well as day-to-day operations, and you need to decide if you want to hand over the reins or charge on independently.

Will you self-operate?

I will run the food hall myself.
Are you sure? Kidding...but seriously, good luck! Make sure you’ve asked yourself these questions:
• What type of food hall do you want?
• What is the brand of your food hall?
• How many stalls do you have? Will there be anchor tenants?
• Do you have the resources to source quality vendors? Do you know how to respond if a vendor must close?
• Do you have marketing support?
• Do you have hospitality experience?
• Do you have a design team?
• Do you have access to a maintenance staff?

You’ve decided to self-operate! Move on to page 6 to plan your next steps.

I will hire an operator to run the food hall.
The first step is to interview and hire an operator. As a landlord or developer, first and foremost you must have a strong understanding of a potential operator’s capacity to handle a food hall project. While the field of talented and knowledgeable food hall operators is growing, the pool of experts remains relatively small. And while restaurant and hospitality experience should not be written off, curating and running a food hall is a different process and requires different skills. Think about these questions when looking for an operator:
• Do they have experience? What kind of experience? Is it operating other food halls or in another aspect of hospitality?
• Do they have financial stability?
• Do they have design experience?
• Do they have marketing expertise?
If you select an operator, will it be a multivendor operator or a single-brand operator?

I will hire a multivendor operator.
With your search for a multivendor operator to manage the food hall, you are most likely planning a food hall with a collection of independent vendors like Urbanspace in New York, Assembly Chef’s Hall in Toronto or Ponce City Market in Atlanta. These types of operators help curate a mix of stalls with vendors that are each an individual business, typically from the local community or region. Often this lease structure is designed so that the operator signs a master lease and then contracts out agreements with each vendor. These types of operators frequently are full-service and have in-house many of the experts you’ll need. Others may outsource some of the work and will bring in other experts and teams to execute a well-planned and thoughtful food hall. Those in-house experts and partnerships would include architects and designers, a marketing team and a management group to oversee the day-to-day activities of the food hall.

I will hire a single-brand operator.
In a food hall where all concepts and stalls are run by a single operator, the focus may be on a single type of cuisine. This would resemble food halls like Eataly, which has several locations in the U.S., Latinicity in Chicago and Mercado Little Spain in New York. Many of these concepts are driven by celebrity chefs or a well-known brand. Assuming the chef has excellent brand recognition, you can generate a lot of buzz at the prospect of experiencing multiple concepts under one roof from a renowned chef. However, as with any business endeavor, there is always a risk attaching a brand and company to one person.

Case study: Politan Row, Chicago, IL
Politan Row opened in the spring of 2019 in the West Loop of Chicago. Featuring a curated mix of local food and beverage concepts, it is an example of a multivendor project. There are nine restaurants, a coffee shop, bar and beer garden. Politan Group is responsible for the project and curated a mix of local vendors that have had success in other areas of the city and have chosen to expand with Politan. The group’s next project, Politan Row Houston, is scheduled to open in the fall.

Case study: Eataly, global
Eataly, with its global platform, is probably the most well-known single-brand operator food hall. Built like an Italian marketplace, Eataly operates grocery-like sections with various retail goods as well as gelato and pizza counters and full-service restaurants. Many Eataly locations also connect with the community by offering cooking classes, wine tasting and other various events throughout their spaces. Eataly Las Vegas at Park MGM is the most recent project to open in the U.S., making Vegas its 6th location in the country.
Build a food hall brand

As food halls proliferate, it’s more important than ever that your project has a brand your customers can relate to. Your brand will distinguish your project from others, creating a unique destination.

What kind of food hall do you want to build?

No one food hall fits neatly into a single classification, but thinking through these categories will help you determine who you want your food hall to serve and in what capacity. Some of the most successful food halls take pieces and ideas from several of the following concepts.

Traditional marketplace:
Marketplaces have been around ever since humanity began trading—cities would create markets to provide an area for buyers and sellers of goods, and people would set up stalls to feed traders. Marketplaces often serve multiple needs, sell both goods and food and have spaces dedicated to each.

Incubator:
Incubator concepts often spend significant amounts of time finding the right local vendor that represents something great from the local community. Incubators want to elevate local chefs and businesses by providing opportunities to scale.

Convenience:
Food here may align more closely with a food court than a food hall. These food halls gear toward the office worker who is running to grab lunch during the day. This model of food hall encourages quick entrances and exits.

Community focused:
Community-focused food halls offer regular activities and events, usually with dedicated space for programming that gives added flexibility to the food hall. Legacy Hall in Plano, Texas, has a space called the Box Garden that is part beer garden and part concert hall, depending on the day.
Who is your target customer and how will you appeal to them?

Understanding whether your target customer is an office worker, a nearby resident or a mall visitor will dictate the type of food hall you should gravitate toward. Each of these groups will have different needs that would be served differently. There are four main groups: office workers (the daytime visitor), the after-work crowd and residents (the night and weekend visitor), tourists and families.

How will you build identity?

Food halls that celebrate a local industry, culture, cuisine or history inherently build a community brand. This relates not just to locals but also to tourists who want a unique place-based experience. Assembly Chef’s Hall in Toronto is a collection of famous Toronto chefs who are opening new and second brands. When the Raptors were playing the Golden State Warriors in the 2019 NBA finals, Assembly Chef’s Hall was packed with locals rooting for their city team.

How will you market this concept?

Marketing any project is important, but food halls have multiple vendors with various specialties that all need to be elevated and supported. Crafting a collective voice to unite each vendor’s uniqueness is something a skilled operator and marketer can help with to sell this concept to your future customers on social media and other platforms.
Case study: The Bourse, Philadelphia, PA

A self-described culinary incubator, The Bourse in Philadelphia has revived a century-old building that was originally a commodities exchange, including a stock exchange and grain-trading exchange. The food hall has shops with local vendors selling homemade crafts, teas and flowers, along with cuisine from local Philly chefs. Canadev is a developer and operator that has worked to bring The Bourse, which reopened in 2018, back to the community.

Case study: Rock Row, Portland, ME

Rock Row is being designed and curated to celebrate a local industry of distilleries and breweries (Portland has one of the highest numbers of craft breweries per capita in the U.S.). The developer, along with the design team, is dedicating a significant amount of space to tasting rooms and bars to showcase this local industry and to give local vendors an opportunity to scale their business. There will be a 2,000-square-foot brewery in addition to six tasting rooms that will account for about 3,000 square feet. There will also be rooftop seating to accommodate socializing and hanging out. This project is being developed by Waterstone Properties with curation by Colicchio Consulting and design guidance from Eimer Design.
Develop a design vision

Once you’ve defined your food hall’s brand, it will guide the overall design. The key is to translate this vision into reality and dictate how the customer experiences your food hall.

How will people use your space?

Is there space for the community?
If you are building a food hall with programming, the design will have to focus on quality space for socializing and gathering. What happens with this space when there isn’t an event?

Will there be a central gathering place?
Often this could be a bar at the center of a food hall or in a clear location that allows people to more easily find friends and then continue their culinary journey. Bars have proven to be a successful center to these projects, and often operators will choose to manage all liquor sales, and in some cases all beverages, if there is a centralized drink location like at Legacy Hall in Plano, Texas.

Is there an outdoor component?
How do the indoor and outdoor components work together, and is the path between the two easily navigable? If there will be a bar, think about how that connects to outdoor spaces when the weather is nice. Keep in mind how your customer will use the space throughout the year, not just in one particular season.
How will you build day-to-day operations into your design?

Design also plays a role in the logistical and operational aspects of a food hall. Designers and architects can help work through these questions and design a space that works for all vendors.

Is your loading area big enough for all tenants?
With multiple vendors receiving varying types of deliveries, you ought to dedicate significant space to back-of-house activities—between 30 and 40 percent of the project (think of all the cardboard from all those deliveries).

Are you partnering with a delivery service?
If you are thinking of partnering with a third-party delivery service (UberEats, GrubHub, Caviar, etc.), keep in mind how much space those delivery people will need to get in and out of your space quickly. Is there a centralized location for pick-up? Are you in a market where deliveries occur on bikes? Ensure the right space to accommodate how those orders will realistically be picked up.
How will stalls be designed?

Every vendor has a unique identity and vision, but there is generally some sense of continuity in a food hall. You must balance a vendor’s individuality with the singular brand of the food hall, determined by the design process.

Will you let vendors customize their own space?

I will let the vendors completely customize their spaces. This will elevate the local flare that each of your vendors brings to the table, creating spaces that are very much their own.

I will control the entire design of the food hall, including all stalls.

If there is no customization, your food hall concept is probably more aligned with a single-tenant operator, in which one master designer will design every stall. This option would dictate everything from pots and pans to backsplashes.

I will provide some design guidance.

The most common option is providing design criteria that will guide vendors. Generally, developers and operators will provide furniture, fixtures and equipment for all tenants and vendors, and then allow for individual stalls to have logos and signs. Varying degrees of design guidelines are acceptable, but no matter how strict or lax, they should be the same for every tenant. Tenants will also feel more attached to this project and the community they are building if they are involved early in the process.
Case study: Urbanspace, New York, NY

Now with several concepts under its belt, Urbanspace has a unifying design that comes through even while balancing the design needs of its tenants. Every Urbanspace project feels like an Urbanspace project, but each vendor remains elevated and individual. Urbanspace has developed such a strong brand that each subsequent food hall is consistently branded while still encouraging the individuality of the market it occupies.

Case study: American Dream Munchies
Food Hall, East Rutherford, NJ

A 45,000-square-foot food hall in the soon-to-be-open American Dream, a 3 million-square-foot retail and entertainment project, has been designed by GH+A design studios. GH+A is working with owner and developer Triple Five Group to design the overall project which includes the Munchies Food Hall, as well as several other food courts and restaurant areas, to develop a cohesive brand throughout the massive new project. MUNCHIES is a James Beard award-winning website and digital video channel from VICE Media.
Curate the right vendor mix

Without good operators, designers and marketers, a food hall won’t be around for too long. But much of that work is behind the scenes and customers will only make note of it if it goes wrong. The vendors, however, are what will draw in those customers. The vendors make a food hall unique, so how to choose them and foster their growth is the last major section of this guide.

How will you develop the vendor roster?

What kind of vendors do you want in your food hall?
Take time to explore local markets and neighborhoods so you understand the food culture of a place. Choosing vendors that embody the market or neighborhood helps to build identity and gives locals and tourists alike reasons to visit and try a great selection of local cuisine.

Do they have an established business already?
Vetting tenants and understanding their financials is key to evaluating their success rate in the food hall. When curating a vendor roster, balance vendors that have more experience and that may have already expanded their business with those that have not yet had this type of opportunity. This can reduce your risk. It is very likely that at least one vendor, depending on the size of your food hall, will not make it past the first year of opening. You should expect that inevitable situation, which leads directly into...

Do you have a list of interested vendors as backups?
Again, there will be vendor attrition after opening. Be prepared for that and have an ongoing list of other vendors that would work well in the food hall and that have an interest in joining your new community.

Curation is also an ongoing process—a task that does not end after opening. Food halls should remain an iterative process so they are constantly evolving. This process will continually require effort and time and should be considered when starting a project of this magnitude and deciding on long-term resource allocation.

Will you have any anchor tenants?
It can be easier to obtain financing if you have one or more anchors with longer-term lease agreements. Lenders feel more comfortable with more typical lease structures providing stability to these types of projects. Considering the recent proliferation of food halls, lenders are still struggling with how to value these types of properties, and more established tenants can help. An established coffee brand with good credit can help with this issue.
I have my vendors; now what?

Once you have a roster, you’ll need to address questions of contracts, operational needs, labor and point-of-sale systems.

How will you design your contracts?
Simplicity seems like the best policy here. Many operators have variations on tenant terms and how rents are calculated, but having all tenants on the same type of agreement is a way to ensure vendors feel they’ve all been given the same opportunities.

Will there be a buy-in requirement?
Some operators require a buy-in up front. In exchange, the operators provide stall buildouts with all necessary equipment, marketing expertise and a network to support a growing business.

What is the rent structure?
Larger projects may choose to have vendors pay a percentage rent based on sales, whereas smaller projects may have a flat rent per square foot. If there is an anchor, or multiple anchors, the lease structure may adjust for longer terms compared to the other inline stalls for rent roll stability.

What is the time frame of your licenses (or leases)?
Shorter agreements can be helpful for some tenants that don’t feel comfortable committing to anything long term. Remember, many of your vendors are small business owners that only have one location. This also allows for a natural evolution over time as vendors leave and are replaced with new concepts that keep customers interested.

What are the operational needs of your tenants?
The beauty of food halls is that they have such variety. However, from an operational standpoint that means understanding if individual vendors require ventilation hoods or if they open early to do food prep, which has implications for the lighting and HVAC systems.
Will you have one point-of-sale (POS) system for all tenants?

**I will have one POS system.**
The operator is responsible for the system and therefore can see daily sales. This allows for greater oversight over the financial success or struggles of vendors. It gives access to a sort of report card for all vendors and a better understanding of how the food hall is operating. If built into the contracts, the shared POS system can also provide the evidence required to kick out a vendor for underperformance.

**I will let all vendors have their own POS system.**
This gives you a more hands-off approach where each vendor is responsible for their own system, and therefore, each can operate however they feel is most efficient.

Case study: Halcyon Market Food Hall, Forsyth County, GA

Market Food Hall at Halcyon, a new 550,000-square-foot mixed-use project in the suburbs of Atlanta, has signed an ice cream and confections shop, Kilwins, as an anchor tenant in the food hall. The Kilwins space is twice the square footage of the interior food stalls. It is located on the edge of the Market Hall allowing Kilwins to open earlier than the other stalls and giving them direct access to the Village Green, the hub of the property’s activities and events.

Case study: Santa Barbara Public Market, Santa Barbara, CA

It took the developer and operator of Santa Barbara Public Market four years to source the tenants for this SoCal food hall. Vendors create the community within the food hall, so the time spent searching ensured a good cultural fit. The Public Market still has some of its original vendors that were there on opening day five years ago like Enjoy Cupcake.
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