



# TRENDS 2021

brain &  
poulter

*Australia's No. 1  
Food Consultants*

Every year Brain & Poulter condenses hundreds of hours research, data, analysis and through leadership into a set of predictions for the food services sector within Australia and New Zealand property assets. Looking back through our predictions, 87% of them have come to fruition from the rise of home delivery to the growth in meal kits and the adoption of meat-free alternatives to the casualisation of “fine dining”.

Now more than any other year, there is much to predict for the future of food and beverage across the region. The pandemic wreaked financial havoc on hospitality businesses while creating a surge in fresh food and home cooking. As PanPac households re-balance their discretionary spending and hospitality operators radically reinvent their operating models to stay relevant, we share with you 10 thought provoking trends to inspire property owners, developers, government agencies and F&B operators.

To embrace the ideas on these pages will take courage, commitment and capital. For those readers up for the challenge, the rewards will be exponential.

We wish you every success,



**Suzee Brain**  
Director



**Kate Poulter**  
Director

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# MEGATREND 1: TECHNOLOGY

## 1.1 Dexter finds a perfect match

Food is about connection, socialising, celebration and has always been dominated by chefs with big personalities right? Can a robot chef even be trained to swear like Gordon Ramsay? What will technology mean for restaurants and the customer experience?

### Tech applications that Australians would most likely use



**63%**

interactive menus

Source: Future Grazing Report



**54%**

social media reviews linked to meal options



**42%**

VR headsets to see meals in 3D

From Robo at Darling Square in Sydney to Pazzi in Paris, turning out pizzas made by a robotic arm we will soon have an idea of how customers respond and if the concept has legs (or wheels). Spyce in Boston, a kitchen run by robotic chefs has a menu overseen by Michelin Star rated Daniel Boulud.

By the end of 2021 Brain & Poulter believe we will have an initial idea of what this begins to look like as robots start to replace chefs and wait staff to improve profits being eaten up by third party delivery fees. On the grocery front robotic distribution centres will replace the remaining check out operators picking groceries as home delivery food retail rockets.





## 1.2 Omni-channel food purchasing

Online food delivery was the largest growth sector of all online services during Covid-19. Smart landlords will look to own the omni-channel and delivery space in an effort to retain F&B operators and avert the march to dark kitchens.

3 OUT OF 5



hospitality business owners say third party home delivery apps eg Uber Eats, Deliveroo, etc have eaten into their profit lines

Source: Future Grazing Report

2020 taught many food retailers to maximise technology, use online platforms and enhance the ability of customers to order without actually turning up. As we live in a world where everything is online and on demand (think Netflix, Uber Eats) continuing to allow customers to buy from restaurants how they choose to will provide a point of difference.

Landlords that can accept and create an asset level digital ordering and fulfilment product to compliment the bricks and mortar experience will be the only survivors.

B&P call it an equal focus on “finger traffic” as there is on driving “foot traffic”.





# MEGATREND 2: LEASING

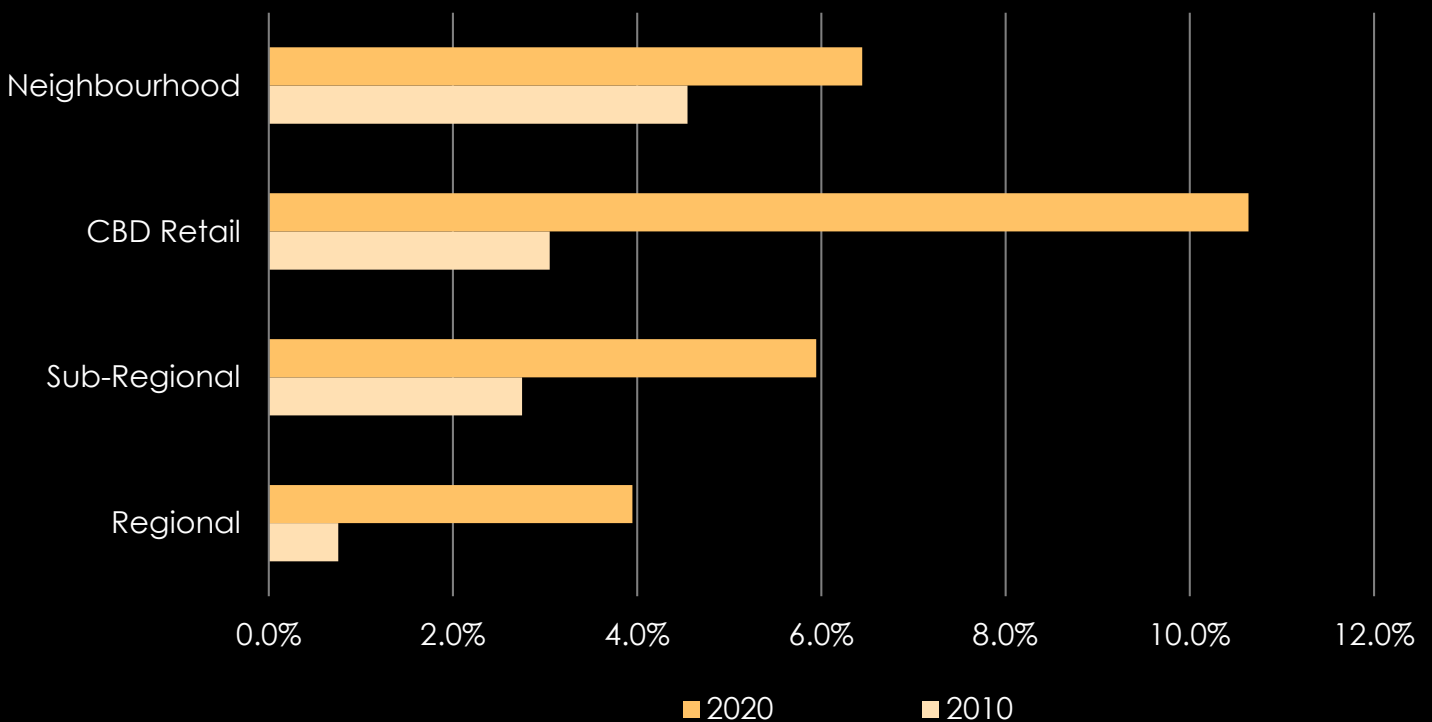
## 2.1 Abandonment issues

Lights on or off? As everyone plays the waiting game to see what the final retail landscape looks like post Covid-19 there is an opportunity for marriages of convenience through attracting chefs and good food & beverage operators in between gigs or those unwilling to commit to long lease terms to counteract the rise in F&B tenancy vacancies.

Embracing temporary leasing solutions are a means to bridging the gap between an empty tenancy and a permanent trader while maintaining asset vibrancy and providing the right drawcards to keep consumers engaged.

Consider replacing abandoned F&B outlets with “casual leasing” from out of work and capital poor chefs for a season/semester on a percentage rent arrangement.

**Retail Vacancy Rates\***  
By property type\*\*



\* Vacancy rates for specialty stores

\*\* Regional centres are anchored by department stores, sub-regional by discount department stores and neighbourhood by supermarkets

Sources: JLL Research, RBA

## 2.2 Multi-generational co-habitation

Ever thought about allowing existing F&B tenants to “sub-lease” to other operators to use their facilities after hours as dark kitchens – especially in food courts where there is limited opportunity for evening trade?

Co-shared tenancies with two differing chefs, single focus cuisines with shortened menus or rotating tenancies with pop ups providing seasonal emphasis (winter/summer) are among some of the solutions B&P have identified.





# MEGATREND 3: DESIGN

## 3.1 Food court de-risking

Covid-19 has been both the great accelerator and disruptor for food precincts and tenancies. Food courts already in decline relied on common seating spaces which were first to close and last to open up during the peak of Covid-19 restrictions. Tenancies with minimal seating and inability to trade effectively for take away only were disproportionately impacted.

As traditional common spaces become relatively uncommon what will food courts look like? Individual tenancies will need consider internal layout, al fresco areas and takeaway as key interaction points when designing the customer experience and journey with more internal seating where possible.

To future proof, smart landlords will re-furbish the food courts to add attached seating to all tenancies and reduce common area seating. Surviving Food courts will be reimaged as a collection of small intimate , delineated sealed off spaces with controlled entry and exit points easily set up should they be required.



Image Source: Mirvac Broadway



### 3.2 Smaller footprints

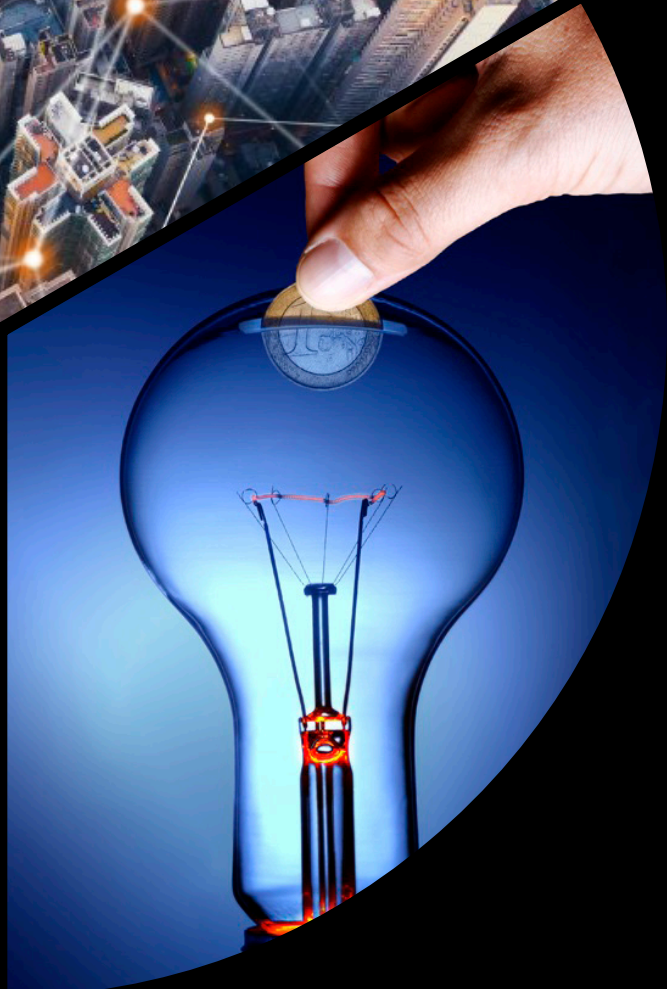
Small is beautiful?

In addition to the trend toward smaller tenancies to reduce rent, a few other factors are contributing to the increased demand for smaller footprints. And by footprints we don't just mean physical footprints but the carbon variety as well.

Some drivers of change include general elimination of gas-powered cooking equipment, preference for F&B operators reducing food miles in their supply chain and favouring recycled/ lower carbon materials in their fitouts.



**SERVICES**  
**POWER**  
**FLEX** KW/HR\$  
**STORAGE** DSR  
**RENEWABLES**





# MEGATREND 4: MARKETING

## 4.1 Value engineering

As 2021 unfolds, consumer's discretionary income will tighten. How retailers respond effectively will determine their survival. Retailers often confuse value solely with price reductions. In a price war everyone is collateral damage.

Fortunately even the smallest retailers now have access to good data through modern point of sale systems, online ordering platforms and social media infrastructure to help make more strategic marketing decisions.

However most retailers are time poor and using this data to fine tune what customers really want requires a more sophisticated approach to using information to create clear, realistic sales goals and potentially, mentoring.

Smart operators will look at pricing "value" over pricing "discount" to drive sales growth. Think 2 course set menus that offer value instead of price discounts to main courses. Is the new sweet spot \$20 or \$50? Depends on the time of day and the customer's needs. Smart landlords will provide mentoring to enhance retailer pricing strategies.





## 4.2 Supporting local

One positive to emerge from Covid-19 was the willingness of local communities to support local small businesses. With hard cash as well as goodwill. Pretty important given that many of food & beverage businesses in Australia are independent operators.



Local food outlets providing consistently good food and service will increasingly provide a community focal point and will be able to rely on a decent frequency of regular visitation over the coming year. The unlikelihood of international travel until 2022 will also likely result in increased staycations which retailers should look to take advantage of through creating a well considered promotional calendar featuring suitably local and occasional events.



Image Credit: Arthur Franklin - Unsplash

Food operators and marketing teams should continue to understand, talk and celebrate this in order to continue to leverage this. In addition, changed consumption patterns due to continued work from home adoption will see support for local F&B operators and micro chains over faceless conglomerates continue through 2021.



### 4.3 Redemption bars

Covid-19 and health have reshaped how we interact with alcohol. While during Covid-19 alcohol sales boomed, at the same time the desire towards health has increasingly manifested in non alcoholic bars and consumer drink with low alcohol demand.

We expect that stand alone low/ no alcohol bars will emerge to serve the growing trend of the iGeneration who reject alcohol but not what goes with it!



Image Credit: Eiliv Sonas Acheron - Unsplash



Image Credit: Patrick Tomasso - Unsplash



## 4.4 Zoom In Not Out

As our tastes become more sophisticated consumers expect more variety and sophistication in terms of choices. In a diverse society with many different backgrounds this is even more inevitable. The flavour of the month will become increasingly localised within regions of a different countries cuisines. Think not Mexican but outlets featuring food from Yucatan, not Chinese but outlets specialising in Sichuan, Cantonese, Hunan.





👍 GET THE “WOW” FACTOR  
 👍 GET FOOD DONE RIGHT  
 👍 GET BRAIN & POULTER

If you're seeking advice about planning a food precinct, leasing your assets, or maximising profitability of your tenants, then Brain & Poulter can help.

We are Australasia's No. 1 food retail consultant, generating from 15-120% increases on rental yields for our retail food clients.

We can achieve these consistent results because our team has developed a proven set of systems and strategies over the past 15 years.

These systems and strategies can help you to:

1. Generate the highest returns from your development or food precinct by masterplanning, concept planning and retail mixing.
2. Attract the best food operators for your asset with leasing advice, tendering recommendations and in-depth industry knowledge
3. Increase profits of tenants seeking rent abatement with tried-and-tested retail and sales recommendations.

We have also been the food consultant behind many of Australasia's most iconic food precincts including:



**Mixed Use**

Tramsheds  
 Quay Quarter  
 The Depot  
 The Glen



**Commercial**

Wesley Place  
 Qantas HQ  
 80 Ann Street  
 101 Collins Street



**Retail**

Broadway  
 Pacific Fair  
 DFO Perth  
 Melbourne Central



**Tourism/Leisure**

Sydney Fish Market  
 Wet 'n' Wild  
 Sydney Modern  
 Port Arthur Visitor Centre



**Higher Education**

Flinders University  
 UQ  
 UTS  
 RMIT



**Government**

The Canopy Lane Cove  
 Ipswich City Heart  
 City of Canada Bay  
 The Rocks Market (Property NSW)

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