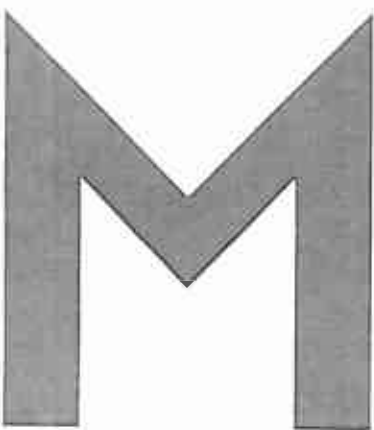


# FOOD COURTS FOR FOOD LOVERS

MALLS TEMPT THOSE WHO LIVE TO EAT, NOT JUST THOSE WHO EAT TO LIVE

By Joel Groover



MALLS ALL OVER THE WORLD

are spicing up their food offerings to suit the specific tastes of local shoppers, and not just by serving plates of seafood paella or bowls of *tom yum* soup. The American-style food court, typically a sea of tables ringed by fast-food vendors, was the de facto design in the early years of the global mall-building boom. But it is losing ground to more-sophisticated models that emphasize quirky cafés, sit-down restaurants, wine bars and other palate-pleasing flourishes, sources say.

Inspired by creative approaches to food at international hotels and shopping centers, landlords, including some in the U.S., are ripping out the older food courts in favor of updated versions with dining pavilions, outdoor terraces and cozy banquettes. Some, particularly those in emerging markets such as the Czech Republic, Russia, Turkey and the United Arab Emirates, are placing extraordinary emphasis on haute cuisine as they plan new malls.

This focus on comfort, atmosphere and fresh food is a natural fit in café cultures like those of Asia, southern Europe, the Middle East and Latin America, where dining out is an event and food is to be savored, says Jeffrey J. Gunning, vice president of North American operations at Baltimore-based design firm RTKL. For enclosed malls in the U.S., however, the trend marks a sharp departure from an eat-and-go imperative that has prevailed for the past 30 years, he says. "I can remember a time when we would be designing a food court and the developer would say, 'Let's not make those chairs too comfortable. We want people to get up and go back into Nordstrom,'" he said. "Now it is totally different."

The new food courts give shoppers permission to slow down and enjoy themselves. The de-

signs tend to contain not just comfortable seating, but also cafés and bars, landscaped terraces and bathrooms straight out of the Ritz-Carlton. RTKL has worked with developers' in-house designers to create such courts for several malls, including European Property Development's Palladium, a mixed-use project launched last year in the Czech capital of Prague; and Tamdeen Group's 360° Kuwait, a seven-level mall set to open next year in Kuwait City.

Sonae Sierra, of Lisbon, Portugal, and mall REITs Macerich and Westfield, also champion taking food courts in new directions. "We feel like this is the next-generation food environment for enclosed malls," Gunning said. "It seems to be arching on rapidly around the world."

Indeed, rising fortunes clearly are fueling demand for gourmet food at malls in hot markets like Russia and the Middle East, where chic restaurants sit across from stores selling Lamborghini sports cars or fashions by Louis Vuitton, says Ian E. Thomas, chairman of Thomas Consultants, a global retail consulting firm based in Vancouver, British Columbia. "You see some oil oligarch sitting down in a shopping center and having champagne and caviar, and it makes you think, 'Wow, malls have come a long way,'" he said.

But even in mature markets, such as the United Kingdom, where office workers might grab a sandwich rather than take two hours for lunch, like their counterparts in Spain or Portugal, shoppers want better dining at their malls, says Neville Moss, who is Jones Lang LaSalle's head of retail research for Europe, the Middle East and Africa. "People in the United Kingdom eat out more than they used to, following the U.S. trend, and they also want higher-quality food," Moss said. "We're finding that mid-to-upper-market [food] retailers are prepared to look at shopping centers. That is something they would not have done a few years ago."

In much of the U.S., however, the traditional food court has evolved little since the 1970s. U.S. food courts are designed for efficiency rather than the dining experience, says Gunning, who has designed food courts since 1984. "All the tenants are in a line, and there is a single corridor behind them, so you can service them easily," he said. "[The food court] is adjacent to an exterior service area, so that is done neatly. You can have tray-washing in a central location, with tenants sharing trays."

But this design also creates headaches for mall owners and shoppers. "U.S. mall food courts are so noisy," said Paco Underhill, managing director of New York City-based marketing research firm Envirosell and author of *The Call of the Mall*. "People will take food to quieter places in the mall where they can have more privacy."

Malls use fashion boutiques and Madison Avenue-style marketing campaigns to appeal to women, but their food courts often seem oblivious to what these all-important shoppers actually want, Underhill says. Even women willing to tolerate uncomfortable chairs, noise and lack of privacy might still leave the mall to find better food. "Women have been forgotten in mall food courts," Underhill said. "They serve calorie-rich, salty, ethnic food without realizing there is a clientele out there that wants something 'good for you.'" Landlords could counter this by signing healthier tenants, says Underhill, citing Chicago's Lo Cal Corner, a quick-serve eatery that appeals to health-conscious women.

The shortcomings of the American model become clearer in cultures where eating out is a central part of family and social life, says Phillip S. Engelke, a vice president at RTKL's Washington office. "The rest of the world uses food courts for a higher level of social interaction," he said. "They are kind of roaring past the United States in terms of what is going on [in food courts]."

Sonae Sierra's portfolio reads like an itinerary for a world-traveling epicure; it owns malls in Brazil, Germany, Greece, Italy, Portugal, Romania and Spain. At Centro Colombo, Sonae Sierra's 1.3 million-square-foot mall in Lisbon, the food court seats a whopping 1,200. The mall's roughly 50 tenants include traditional café and restaurants like Chimarrão, Portuguese and Siga la Vaca, as well as fast-food joints like Burger King, KFC and Pizza Hut. Elderly people lounge there by day, and young people are there until 2 a.m. "It is packed all the time — and in a city filled with cafés and local restaurants," Engelke said.

Eat-and-go food courts full of "17-minute chairs" — so named for the amount of time diners can tolerate sitting in them — clearly are a poor fit for Portugal. Given the demands of its shoppers, Sonae Sierra now offers food courts with upholstered seating, better lighting, privacy screens and other tweaks. "The level of service is different," Engelke said. "If you get a beverage, it will come in a china cup. The bussing of tables is closer to that of a restaurant. Seating next to the food venue tends to be the responsibility of that café owner, so you don't have a sea of tables."

Owners in the Philippines, Singapore, Thailand and other world-renowned food cultures have done likewise. So have some in northern Europe, where the idea of Slow Food International, an 89,000-member movement founded in 1989 to battle fast-food culture, are gaining traction. In fact, Slow Food experts from the Italy-based University of Gastronomic Sciences helped shape the plan for Mosae Gusto, a fine-food market in Maastricht, Netherlands, that opened in 2007 as part of the Mosae Forum town center redevelopment. It includes 200,000-square-

feet of retail (including H&M), 18 luxury apartments and 177,000 square feet of office space. With its brick archways, soaring ceilings and colossal variety of fresh food, Mosae Gusto is no typical food court. Cucina Mosae, its largest vendor, offers champagne, coffee, wine and antipasto bars; a traditional Italian ice salon, a lunch café; a Mediterranean restaurant; an outdoor terrace and even a theater for culinary workshops. Mosae Gusto's eight other vendors include Styx (a sushi bar) and Schmidt Zeevis (a local fish retailer). "Good food is a way of life, and we are trying to sell this," said Maarten van Elk,

Cucina Mosae's general manager.

And these swanky concepts are making inroads in the birthplace of the food court. Westfield has introduced dining pavilions, outdoor terraces, open kitchens and the like at its American malls. The company was emboldened by its \$540 million, 1.1 million-square-foot Bondi Junction mall, in Sydney, Australia, which features a state-of-the-art food court that offers a spectacular view of the harbor, says Steve Dumas, Westfield's senior vice president of retail design. Westfield has installed Bondi Junction-like food courts in California at centers in Canoga Park, Century City and San Francisco. Lots of local tenants cooking in open kitchens give these spaces a lively atmosphere, says Vince Zawodny, senior vice president of design. "It's the idea of food as theater," he said.

Westfield flatly rejects the eat-and-go modus operandi of traditional food courts, says Dumas. "When we opened the dining terrace at Westfield Century City, I was thrilled to see a couple had come and brought their Sunday newspapers," he said. "They were sitting and listening to a jazz band. If that becomes part of their weekly ritual, they will spend money at the mall."

Likewise, Macerich is taking a more sophisticated approach to its food courts. "We are looking for our food courts to have the same amenities and feel as a nice restaurant, specifically designed for each market area," said Kenneth M. Gillett, SCSM, senior vice president of property management for the firm's Western portfolio. These updated food courts are centerpiece at Macerich's Santa Monica Place, set to open in 2009, and the ongoing expansion and redevelopment of The Oaks in Thousand Oaks, Calif.

But scrapping the eat-and-go model does not mean throwing out the playbook on how to make heavily used food courts function smoothly and stay clean. Chic design must be balanced with durability, says Gillett. Nor do these designs require five-star restaurants beyond the means of ordinary mall shoppers, or unrealistic tenant mixes devoid of national names, Dumas says. "At Westfield Century City we included a Panda Express," he said. "But we also got them to rethink their prototype and focus more on how they merchandise the food."

But are these imported concepts working in the U.S.? "Absolutely," said Zawodny. "We're typically doing 800 seats or so, where your average American food court is 400 to 600," he said. "More people use them because they're more appealing." Century City's original food court was highly popular, says Dumas, but paled in comparison to the new version. "It is doing twice the sales," he said.

Metaphorically speaking, only that kind of result will prompt other American food courts to slow down, don a beret and savor a plate of escargot.