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# Preliminary Proposal for NETWORK RAIL @ LONDON BRIDGE



## BACKGROUND - WHY MARKETS?

We believe that everyone deserves convenient access to real food as often as possible. There is so much research out there that suggests that a lot of us want to buy this sort of food but the reality is that few of us do, so easy is the lure of the supermarkets. The idea behind setting up Real Food Markets was to try to provide as much convenience and access to great food producers as we can.

By finding locations where there is already a high footfall and working with the owners of these spaces, we can help provide excellent trading opportunities for small producers that want access to new markets and bring fresh, high quality 'real food' at affordable prices to people and offering them a convenient way to buy.

The market can also offer a revenue stream for land-owners on space that may not normally have much lettable value and can serve to improve the attractiveness and destination appeal of these locations whilst also appealing to the local community.

Our market at Kings Cross Station has been running for 8 years now, originally launched as a monthly market and then establishing itself weekly. We also now run regular markets at Euston Station, West Handyside Canopy ([www.canopymarket.co.uk](http://www.canopymarket.co.uk)) and Islington Square and are launching a new market at Greenwich Peninsula.

Consumers have a strong, and growing, interest in the provenance of their food and are keen to support local producers. This can be clearly seen for the development of Borough Market as well as the growth in farmers markets and markets such as the Real Food Market.

The positive attributes of these markets are:

- Often local producers
- The chance to interact directly with the producer
- Knowledgeable service
- Identifiable provenance
- Atmosphere
- Green credentials
- Support the local community
- Focus on seasonal produce
- Variety and choice from many small producers



## TARGET CUSTOMERS

A food and craft market at London Bridge Station appeals to a number of target market groups:

- Ethical consumers who wish to support local producers and who prefer to buy ethically sourced products
- Premium consumers and commuters
- Customers seeking high quality, knowledgeable customer service
- Customers who find the market a convenient location
- Destination customers who enjoy the market experience
- Local residents who would otherwise not visit the station or its environs
- Tourists

### Experience

We have the key skills and experience to operate a safe and successful market working together seamlessly with Network Rail. We have 8 years history working successfully at Kings Cross station running a successful weekly 3 day market on a busy, high profile site. We also now run a small market at Euston Station and previously we have operated at Waterloo and Charing Cross Stations.

Our processes around Health and Safety and food hygiene are rigorous and we have an enviable reputation as a professional operator with integrity.

## KEY USP'S FOR REAL FOOD MARKETS

We now have a good understanding of the requirements of working on Network Rail sites which has been developed over the last 8 years working in Waterloo Station initially and then at Kings Cross, Euston and Charing Cross.

Furthermore, a key difference with us compared to most other market operators is that we invest in all the infrastructure ourselves and build and de-rig everything rather than allowing traders to bring their own gazebo that they install.

The benefits to this are:

- We control the quality of infrastructure so that we can ensure excellent H&S compliance
- This creates a clear, consistent and high standard of presentation.
- We store all the infrastructure away from site and bring it all at 4.00 am on build day so there only one transport delivering and taking away and the timings are also controlled.

Nearly all other market operators simply rent the land and then organise traders to bring their own stalls and do their own set-up with all the issues that this can bring.

Thirdly, we have been working in the sector for over 12 years now and therefore have:

- An excellent relationship and knowledge with the sector
- A great reputation for delivering high quality markets and events
- A huge experience of the logistical and operational requirements involved
- A good reputation with the consumer base who buy into and trust what we do.



## LONDON BRIDGE STATION - CONCEPT

The proposed space is large and covered, approximately 70m x 8m with various entrances and doorways along the length that would need to be kept clear. There is a curved ceiling that is approx. 8m high at its apex.

Our preliminary proposal would be to create a food and craft market in this space initially with around 30 stalls situated on either side of the alleyway. We would provide stalls that were 2.4m x 1.8m made of galvanised steel with countertops for traders and branded roof covers, side covers and skirts.

Independent craft and designer-makers are a very good fit with artisan food traders - we operate this model very successfully at Canopy Market and Islington Square and it has the impact of adding diversity of stalls with craft and food traders bringing different customers that on arrival are also likely to cross over and buy from the other.



## HEADLINE COMPONENTS

30 stalls provided by us - 2.4m x 1.8m - branded  
Mix of food and craft traders

Artisan Food Traders - NO STREET FOOD x 20

Designer-makers and craft traders - x 10

Initial open times - Wednesday to Sunday - 11.00 - 19.00 (although some traders would open earlier to catch morning commuters)

### **Proposed Financial Model**

Network Rail - A minimum base rent plus % turnover commission on the rent we take from traders

Food Traders - % turnover rent (17.5%)

Craft Traders - fixed rent - £35 per day (plus VAT)

### **Investment from Real Food Markets**

Infrastructure - 30 stalls plus branding - £30k

Marketing/social media - £5K

Legal/licence fees - £1K

Additional storage & transport costs - £12k per annum

## ARTISAN FOOD TRADERS

We would propose to deliver a selection of artisan food traders to initially offer a 'deli' range with a view to developing the offer to include more primary products (eg. fresh meat, wet fish, fruit and veg) when the customer base was able to justify it.

We would aim to bring around 20 food traders

- BAKERY
- CHEESE & DAIRY
- CURED MEATS & FISH
- HONEY, JAMS & CHUTNEYS
- FRUIT AND VEG
- SWEETS, DESSERTS, CAKES
- COFFEE
- NUTS, OLIVE OILS
- AUTHENTIC BILTONG & MEAT SNACKS



## DESIGNER-MAKERS

Working along the same principles as our food curation, our team includes experienced craft specialists who live a breath this world.

We would aim to create platforms for emerging independent talent from the designer-maker and artist community, delivering a curated range of handmade craft, designer-makers and original art.

We would aim to recruit 10 craft traders.





## LOGISTICS

1. Build – Real Food Markets teams will deliver and build infrastructure from 4.00 am on Wednesday morning. Build complete by 6.00 am
2. Breakdown from 19.00 on Sunday evening
3. Get in of traders from 6.00 am to 6.30 am. Any subsequent restock to take place between 6.00am and 6.30am each morning.
4. Market Manager on duty at market from 6.00am until 8.00pm on Wednesday, 8.00am to 8.00pm Thursday, Friday & Saturday and 8.00am to 7.00pm Sunday.
5. Security team (x 2 SIA guards) change over at 8.00pm until 8.00am next morning – market manager relieves security team.
6. Network Rail Station Specific Method Statement to be completed by Real Food Markets Ltd – resulting in issuance of Acceptance sheets (every 3 months)
7. Market Managers and Security team to be fully inducted to Station requirements
8. All traders to receive full induction to Station requirements
9. Market Manager to supervise and ensure compliance of retail security checks
10. Market Manager to ensure full compliance check-in for all traders with Network Rail.
11. Real Food Markets to ensure all trader documentation is complete including Council registration, HACCP, Food Hygiene, insurance, risk assessments.
12. Real Food Markets has in place £10 million public liability and employers liability insurance.



## FINANCIAL MODEL

### Rent payable by traders:

Food traders - % turnover rent of 17.5%

Craft Traders - Flat rent of £35 (plus VAT) per day\*

### Rent payable by Real Food Markets to Network Rail:

Base minimum rent £500 plus VAT per week

Turnover Rent (to include the base rent) at the following %

Up to £6,000 rent from traders 12.5%

Over £6,000 rent from traders 50%

There are a number of fixed and operating costs that we incur to deliver a market which means that on rents up to £6,000 it is difficult to pay a high % of rent and make the operation financially sustainable. However, once the operation is achieving above £6,000 in rent from traders the additional income is largely gross profit so we anticipate a 50:50 split of this additional income.

Based on our experience of operating at Kings Cross, Waterloo, Charing Cross and Euston Stations we would anticipate that for a market of this scale and make-up that traders rents would begin at around the £6,000 figure but within 3 - 6 months be achieving around £10,000 per week.

### Illustration:

Average market rent per week - £10,000

Average rent to Network Rail -  $£6,000 \times 12.5\% = £750 + £4,000 \times 50\% = £2,000$  Total Rent per week £2,750

**Annualised Rental Income for ~Network Rail per annum (50 market per year) - £137,500**

This illustration and these forecasts are based on our experience at other Network Rail Stations and therefore cannot be relied upon for accuracy.

\*Craft traders have a much higher transaction value than food traders and the purchase are often one off so often customers see the product on the stall but then often buy online, so the market stall is more of a shop window than a transactional store



# CONTACT

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