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SPOTLIGHT

F&B PROPERTY INSIGHTS

PART 1 – MARKET AND LOCATION DRIVERS – 2027

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RESEARCH

KEY STATS

100
Of the Top 500 F&B Brands were independent in 2020

2,000
Top 500 brand openings a year, three years running

5:1
Coffee/QSR openings for every restaurant opening

-15%
Contraction in the Top 200 casual dining estate

Food & beverage property insights 2026/2027



Tom Whittington

Director, Retail & Leisure Research

On the back of extraordinary macroeconomic circumstances and with volatility becoming increasingly normalised, the F&B sector has seen far more growth over the last 5 years than the property industry typically gives it credit for.

On the one hand, it has been operationally tough. On the other, the market has transformed and grown beyond recognition. Growth has been closely aligned with entrepreneurialism, inward investment, a natural fit with social media and hype, and an ability to adapt to evolving demographics. Savvy consumers are constantly on the hunt for value, convenience, reliability, indulgence and something new. Brand loyalty is increasingly hard to capture.

While the biggest brands remain dominant and the cornerstone of the market, new brands are disrupting the status quo and driving greater quality, diversity and opportunity.

In the last two years, a quarter of all retail and leisure store openings have come from brands with fewer than 20 stores in their portfolios. This reflects both an increasing number and more diverse mix of acquisitive brands.

Last year, 20% of all openings were from F&B operators. The Top 500 operators have collectively added an average of just over 2,000 locations a year for the last three years and are expected to match this in 2026. Around 20% of these brands were either independent or had no UK presence pre-Covid.

This four part report mini-series takes a deep dive into three sub-sectors of F&B: Café, QSR/Grab & Go and Casual Dining, with a focus on brands operating across high streets, shopping centres and retail parks. We examine how trends have evolved through the decade so far and what that tells us about how provision is likely to adapt over the next ten years. We look at the continued importance of the biggest brands, but also the significance of smaller chains in shaping the retail places of the future.

And with disruptor brands opening twice as many high street sites as in shopping centres and retail parks combined, the question is how we encourage earlier adoption of earlier adoption of emerging brands within retail schemes. After all, point of difference is one of the key metrics by which we build a place's relevance and resilience.







KEY THEMES

F&B is a clear footfall driver for landlords. Convenience formats are scaling quickly via café and QSR outlets, whilst casual dining is rebooting, with improved formats and quality across all sub-sectors.

Market polarisation

Consumers seek convenience and value on one side and indulgence and discovery on the other. Tenant mixes must answer to both.

Look beyond the Top 5

Around 20% of the Top 500 brands today were independents in 2020. First-mover advantage sits in brands ranking outside the Top 50 in each sub-sector.

Strong capital is accelerating growth

Well financed brands and group consolidation will drive much of the growth in the next decade. The sector needs to reflect on past boom periods and avoid growing too far and too fast in the wrong locations.

Balance covenant with relevance

Size of portfolio is no guarantee against failure. A brand engaged with its consumer, offering distinction and good experience, will command the best footfall.

Social media engagement

Over half of consumers now use social channels to inspire their venue or menu choices. Viral posts are reported to have increased footfall by over 65%.

Know when enough is enough

F&B now accounts for 25-30% of high street units and is rising in shopping centres and retail parks. F&B can be a game changer, but spend is finite and saturation a real risk. Good market and data assessment will be key to success.

SUB-SECTOR HEADLINES

Coffee & café

Growth driven by dominant brands and independents

Top 5 share down to 75% of branded sites, from 82% in 2019

53 of today's Top 100 had under 10 sites in 2020

A third of the Top 30 now lead with matcha, chai or bubble tea

High streets responsible for 60% of all new openings

QSR & grab & go

The defining expansion story of the decade

1,275 convenience-led openings last year alone

Brands outside the Top 6 drove 74% of net growth

One in three openings since 2020 came from a chicken brand

Mobile ordering is 42% of transactions, up from 24%

Casual dining

Fewer sites, stronger concepts

Only 10 brands now run 80+ restaurants, down from 17

Net growth back to c.0.5% a year after years of decline

A third of the Top 100 entered the ranking after 2020

Covenant strength no longer equals low operational risk

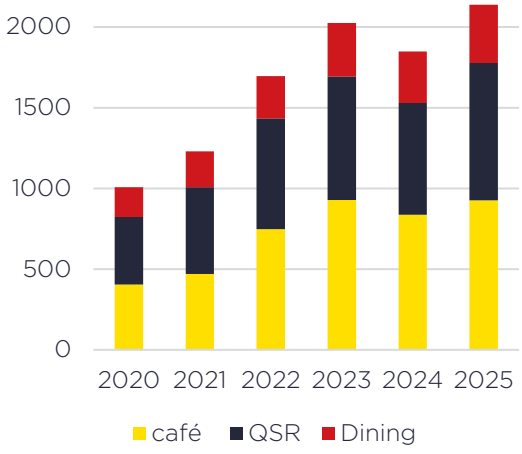
HEADLINE GROWTH

Openings by Place Type
The Top 500 operators in each sub-market (Café, QSR/G&G and Casual Dining restaurants) have opened an average of just over 2,000 locations per year for the last three years and are expected to match this in 2026.
it demonstrates the rapid domination of café and QSR (convenience formats) versus more muted growth of full-service casual dining (comparison formats).
The data doesn't reflect consolidation and closures but demonstrates does show the positive appetite in the sector.

2,000

OPENINGS PER YEAR

TOP 500 BRAND'S OPENINGS 2016-2026



Source: Savills

Market & location drivers of growth



Drivers for growth: Consumers behaviour & demographics



Tom Whittington
Director Retail & Leisure Research

Geopolitics and the ongoing cost-of-living squeeze continue to weigh on consumer confidence, but the question for F&B is whether demand is really growing, shrinking or simply shifting.

Recent spending suggests it's the latter. Barclays recorded 3.3% year-on-year growth in hospitality and leisure spending in August 2026, ahead of the 2.1% increase across overall consumer card spending. Yet 85% of consumers remained concerned about household bills and inflation.

Consumers are spending more on F&B than historically, but headline growth disguises the impact of inflation on margins. Much of the increase in expenditure has been absorbed by higher prices, while operators have faced rising food, energy and staffing costs. Consumers may be spending more, but operators are not necessarily making more. Efficiency has therefore become the key to resilience, helping to explain why cafés, QSR and grab-and-go have been on a growth trajectory, while more operationally intensive casual dining formats have had to work harder to drive performance.

Arguably the biggest change in consumer behaviour mirrors that seen across retail more widely; we want value and convenience most of the time but are prepared to pay for indulgence and experience when the occasion warrants it. A £15 lunch can feel excessive one day, while justified the next. Value is therefore less about just being affordable and more about feeling that what was paid was worth it in that moment.

This is polarising the market. Time-poor consumers support convenient, habitual formats, while destination dining and distinctive experiences provide reasons to trade up. The squeezed territory lies somewhere between the two. Successful restaurant operators need a clear identity, strong product and a compelling reason to visit, particularly when consumers have more choice but potentially fewer dining occasions. This puts large footfall locations at a distinct advantage over smaller markets where loyalty cannot be guaranteed.

Demographic change is accelerating this shift. The 25-34 age group accounted for 24% of eating-out occasions in Q1 2026, gaining 1.5 percentage points year-on-year, while 55-64-year-olds lost share. Eating-out frequency increased by 5.9% year on year in Q2 2025, with growth also led by 25-34-year-olds, according to Lumina Intelligence's Eating and Drinking Out Panel.

Younger consumers are not simply replacing older diners like-for-like. Their F&B spend stretches across multiple touchpoints. Delivery and pre-ordering increasingly blur the distinction between physical and online F&B, just as ecommerce did in retail, with click and collect accounting for 40% of QSR sales. Collection is often incentivised, which is more profitable for brands than delivery, while increasing customer engagement and loyalty. Stores remain important, but they now form part of a wider ecosystem of consumption, discovery and fulfilment.

The growth of home delivery is also a major feature. Food delivery is now worth almost £15bn annually in the UK, equivalent to around 14% of the total eating-out market, with the channel continuing to grow ahead of the wider foodservice sector. However, the impact in food service is nuanced because home delivery can top up restaurant/QSR sales or increase brand exposure. Coco di Mama has used home delivery to trial new markets before they had established store presence in these locations.

Health preferences could shift demand further. Around three million UK adults currently use GLP-1 medication, with around 80% of users aged 25-54. By comparison, around 3% of Britons followed a vegan diet at the end of 2025. In the last decade, veganism has prompted significant menu innovation across the F&B market.

The potential ramifications of GLP-1, which has already reached 4% of the population, could be greater still, from portion sizes and protein-led menus to the economics of snacking and smaller plates. Amongst users, there has been a marked reduction in demand for nutrition poor food and a marked increase in nutrition rich foods.

The consumer story is therefore not that everyone is simply eating out more. Demand is fragmenting across people, occasions and formats. Convenience and value remain critical, but so do novelty, authenticity and experience. Growth prospects remain available but needs to be earned.



> Consumers want value and convenience most of the time but are prepared to pay for indulgence and experience when the occasion warrants it.

Drivers for growth:

Hype and the power of social media in F&B



Josh Howe
Director Retail & Leisure Agency

> Viral TikTok posts have reportedly increased footfall by up to 65%

The rapid change to consumer behaviour has been closely aligned with the growth and influence of social media. Queues for matcha at Blank Street, photo ops at Joe & The Juice and even bouncers managing celebrity-endorsed chicken shop queues in Glasgow highlight how hype can quickly mobilise consumers. Starbucks' limited edition bear cup release in early 2026 used social channels to intensify visitor behaviour, indicating that hype can be both mainstream and niche.

In the UK, a third of consumers indicate they have tried a new drink because it looked good on social media and around half use platforms to search for venues. Consequently, 82% of UK hospitality brands use Instagram for marketing, with 40% reporting increased customer engagement in the past year (Doublepuc). Maki & Ramen has described reaching 800,000 to 900,000 social media accounts each week and engaging with multiple influencers to launch each new opening and increase reach.

The impact extends beyond online engagement. Viral TikTok posts have reportedly increased footfall by 65% for some hospitality businesses. For landlords, the right socially savvy occupier can effectively become a marketing channel for the wider destination, generating footfall, dwell time and visibility beyond its own pitch. Brands like Yo-Chi, Humble Crumble, Czer and Spud Bros have proven that viral food trends can turn an ordinary food purchase into something people feel they need to experience, document and share.

Social media can also compress the time required to build a brand. A single-site operator can develop the profile of a much larger business before its physical estate catches up. Coffee and cocktail operator Kloud Concept has described influencer activity generating interest in locations before it has even opened there.

But hype is not simply about the mechanism that creates it. Its more interesting legacy is what happens when the trend becomes a habit.

The matcha craze is a particularly prominent example of how hype can move from a short-term craze towards having a longer-term impact. Squareup recorded 1.6 million matcha drinks sold through just over 2,100 UK sellers in just two months during summer 2025. What started as a highly visual, social-media-friendly product has moved rapidly into the mainstream. Costa Coffee reported selling one matcha drink every four seconds following its nationwide launch in January 2026.

Whether that growth rate is sustainable is another question. Supply pressures, greater competition and the inevitable arrival of the next viral flavour will take some heat out of the market. But matcha's legacy may prove more enduring than the hype. It has helped extend the traditional coffee occasion into the afternoon, demonstrated consumers' willingness to pay a premium for innovative drinks and shown how rapidly digital traction can translate into physical footfall and occupier demand.

Matcha is likely to endure, but the hype-train will move on to other formats and promote the venues of other brands. Landlords need to consider the agility and adaptability of their tenants, while the enduring challenge for operators is how to stay fresh and appealing once consumers move on to something new.



Drivers for growth:

Inward investment & financing



Tom Whittington
Director Retail & Leisure Research

> The challenge comes when estate growth begins to run ahead of the customer base, operational infrastructure or economics supporting it

Capital is once again fuelling expansion across the UK food and beverage market, but the lessons of the last casual-dining boom have not been forgotten. Domestic investors in particular remain mindful of the over-expansion that preceded a wave of restructuring and failures over the last decade, particularly in the casual dining sector. As a consequence, growth capital may be available, but its deployment has tended to be more strategic and measured.

That doesn't mean expansion has slowed across broad F&B categories. Instead, the sources of capital have also broadened. Private equity and institutional investment sit alongside debt facilities, franchising and master-franchise agreements, landlord contributions and profits reinvested from established sites.

Increasingly, international capital is adding another dimension, particularly within QSR and other scalable F&B formats. US brands remain amongst the best-capitalised globally with restaurants and bars representing a third of US capital deployed across European cross-border consumer sectors.

The scale of investment can be significant. In August 2026, Blank Street Coffee secured a $75 million funding round to help propel its European rollout. In 2025, Popeyes secured a £43m facility from Barclays to support growth of 25 UK sites. There are also signs of greater investor appetite across the established restaurant market. UK restaurant-group M&A increased from 16 transactions in 2023/24 to 30 in 2024/25, an 88% rise. In late 2024, US investment firm Sixth Street acquired a major stake in Wingstop's UK and Ireland operation, valuing the business at more than $400m, since when the QSR brand has opened a further 50 UK sites.

Yet the legacy of the last expansion cycle provides an important note of caution. Growth in itself is not evidence of a sustainable model. Franco Manca's decision to close 16 restaurants in 2026, having previously identified more than 125 potential locations for expansion, is a timely reminder of the risks of expanding into markets that are oversaturated or undersized.

The challenge comes when estate growth begins to run ahead of the customer base, operational infrastructure or economics supporting it. This is particularly relevant as competition for prime QSR and F&B space intensifies. Just accounting for chicken based QSR, there are more than ten well-funded North American brands seeking expansion in the UK, let alone demand being seen in other segments. This is likely to drive rental growth in the best pitches, similar to that seen in the drive-thru market in recent years. While this could come at the expense of diversity in the sector, the influx of investment into UK hospitality is positive given well reported operational challenges.



Drivers for growth:

Occupational and operational costs



Carlene Hughes
Director Leisure & F&B Agency

> Operators increasingly expect rent-free periods, capital contributions or landlord support with fit-out expenditure, shifting more of the upfront risk towards property owners

F&B operators face a renewed squeeze from costs that are both global and domestic. Geopolitical instability is once again feeding uncertainty into energy markets, international freight and food production. The Food and Drink Federation expects food and non-alcoholic drink inflation to accelerate to 3.9% by December 2026 and average 5.5% in 2027, as higher energy, ingredient, transport, logistics and packaging costs work through supply chains. For restaurants, cafés and takeaways, this creates pressure on both sides of the equation: higher input costs alongside consumers who remain highly sensitive to menu-price increases.

Occupational costs add another layer. The end of temporary pandemic-era rates relief and the 2026 revaluation have reset liabilities across the sector. Permanently lower multipliers provide some support to qualifying hospitality properties, but sharp increases in rateable values mean that lower tax rates do not necessarily translate into lower bills. Additional relief has been directed towards pubs and live music venues, prompting continued calls for similar treatment across restaurants, cafés and hotels. Industry lobbyists continue to call for a hospitality-wide solution.

The Autumn Budget 2026 was mixed for UK F&B. It offers meaningful property-cost relief to smaller businesses but does relatively little to address the bigger structural pressure on restaurant and café margins. An estimated 70,000 businesses could be taken out of rates altogether, which will be positive for independent cafés, restaurants and neighbourhood operators. It is much less transformational for larger prime units and multi-site groups.

Rental pressure is more nuanced. Prime pitches capable of sustaining strong sales continue to command a premium, while the wider rebasing of rents has made many secondary locations more affordable. However, entry costs remain a significant barrier. Operators increasingly expect rent-free periods, capital contributions or landlord support with fit-out expenditure, shifting more of the upfront risk towards landlords.

Operational costs are equally challenging. The National Living Wage rose by 4.1% to £12.71 in April 2026, while employer National Insurance remains 15% above a £5,000 threshold. UK Hospitality estimated that the 2026 wage increases alone would add £1.4 billion to the sector's cost base. Insurance, utilities and ingredients compound that pressure, leaving limited room to absorb further increases without raising prices, reducing labour hours or accepting lower margins.

For landlords, covenant strength remains important, but historic turnover alone is no longer sufficient evidence of resilience. Rent affordability, labour productivity, capital requirements and the effect of the rates reset must be assessed at individual-unit level. A busy restaurant is not necessarily a profitable one, and robust sales can mask an increasingly fragile bottom line.



Location dynamics:

How has F&B supply affected the tenant mix?



Chris O'Mahony
Director Retail & Leisure Agency



Tom Whittington
Director Retail & Leisure Research

> Disruptor brands have opened twice as many high street sites as in shopping centres and retail parks combined

Evolution of supply is not uniform

Several aspects of the F&B market have transformed rapidly since the end of the last decade, but high streets, shopping centres and retail parks have followed different courses.

Across the three subsectors analysed, the Top 5 brand **stalwarts** continue to dominate national provision. At location level, almost all growth since 2020 has come from the expansion of café and QSR formats in out-of-town retail locations. Casual dining brands that had significant retail park presence last decade have largely not been replaced like-for-like. Instead, provision has shifted towards convenience-led formats, playing directly to retail park strengths as efficient, accessible destinations. Drive-thru expansion has been instrumental to this.

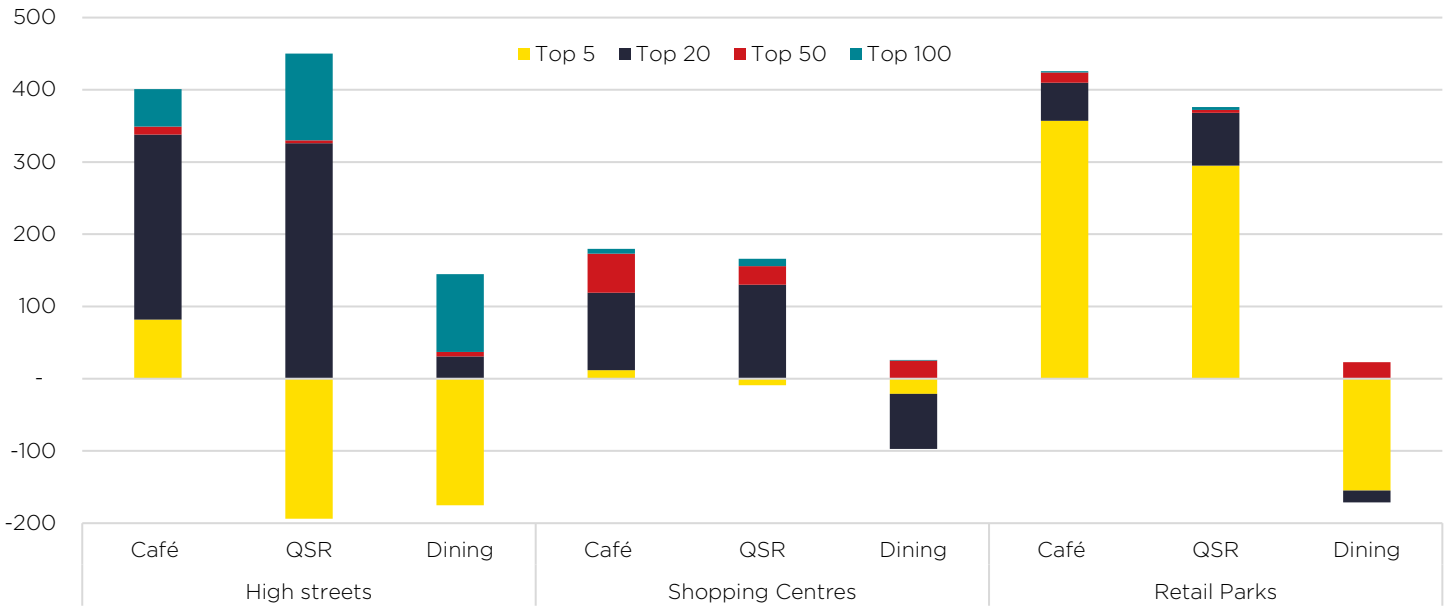
Over the same period, high streets have recorded a net reduction in Top 5 brands, reflecting consolidation and changes in brand strategy. Shopping centres, by contrast, have seen little change, largely because established café and QSR operators have been seen as dependable tenants with strong consumer followings. Standalone leisure schemes were also analysed, but to simplify the narrative have not been isolated here because the statistics broadly mirror those of shopping centres.

Brands ranked 6-20 represent the **disruptors**. Although café and QSR operators in this group are beginning to gain traction on retail parks, their growth has been dwarfed by high street expansion. They have opened twice as many high street sites as shopping centres and retail parks combined.

The **up-and-coming brands** within the Top 50 have driven the greatest change in shopping centres, which have diversified their café and QSR offer through this cohort over the past six years. High street unit numbers are broadly unchanged from 2020, although the brand names have evolved. Some landlords have become more flexible on covenant, but operators typically still need an established track record before being accommodated.

For smaller brands moving from independent to small-chain status (ranked 50-100), the high street remains the melting pot. These are **the ones to watch**, with much of the market's next phase of expansion likely to come from this group. Casual dining remains a shadow of its former scale, despite an increasingly promising pipeline of new brands. Growth is concentrated among these emerging operators, suggesting that the sector may have rebooted, with positive movement likely as lower-ranked brands expand.

NET SUPPLY CHANGE IN CAFÉ, QSR AND DINING, BY BRAND RANK AND LOCATION TYPE (2020-2026)



Source: Savills

F&B becomes a footfall driver

Even accounting for the ebb and flow of different subsectors, F&B has become an increasingly important part of the makeup of all retail place types over the last decade. For high streets, F&B typically accounts for 25-30% of the offer, while in shopping centres the proportions are 14-23%, with larger destinations having a more significant skew. The proportion of F&B units has increased by over 20% in the largest shopping centre destinations, but 17% for the market as a whole. This analysis is for units rather than floorspace. Larger destinations will have a more significant area devoted to F&B due to larger sized average retail units.

Retail parks have seen the biggest swing in provision, albeit from a lower base. F&B units now account for around a third more units than they did before Covid (18% of units; the floorspace figure closer to 3%).

There are three primary reasons for these increases:

- organic - natural evolution of occupational demand
- strategic - landlords proactively seeking to address changes in consumer demand
- reactive - as a last resort when alternative retail tenant cannot be found

The benefit is clear, F&B drives both footfall and dwell time. The key consideration is how much F&B is too much, and is it always the answer to a retail problem?

The risk of saturation is a real one. The amount of consumer spend remains finite. even as we spend a higher proportion of disposable income on leisure activities.

Optimising the offer

The right F&B mix is strongly related to the type of retail place, with visit purpose, dwell and convenience all skewing the offer. F&B has often been seen as the sticking plaster for challenged spaces, but what mix is right for what place, and when is enough, enough?

Super regional malls broadly have an even weighting of café, QSR and full-service dining propositions, with each major scheme having an average of 38 outlets. When considered on a floorspace basis, the casual dining offer is the most significant offer, though on average there are around 12 units provided within each F&B category. This includes a blend of the Top 5 operators that have probably be in place for a long period, as well as a mix of alternatives from the Top 100. Analysed at this granular level, there is a more significant number of lower ranking brands, indicating that variety and brand agility are important for the biggest retail schemes.

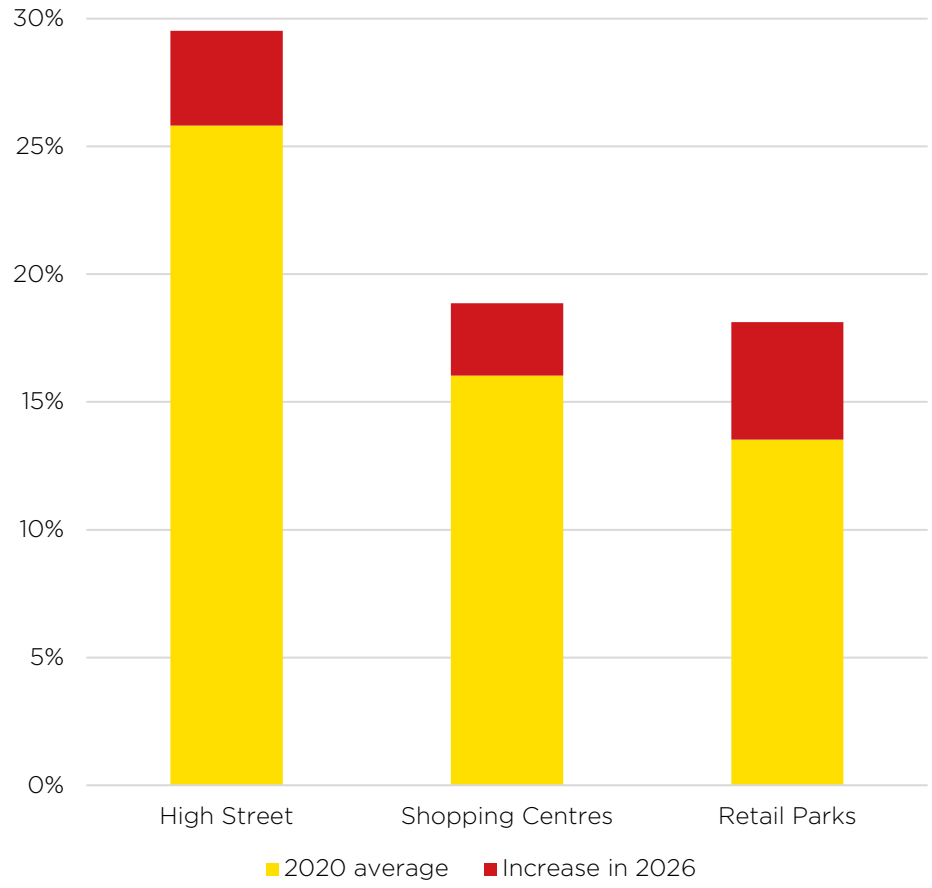
Similarly for prime city centre shopping centres, although the overall offer is around half of that in the super regionals - around 20 outlets - there is broad parity between the formats. For city centre schemes, brands outside of the Top 5 have started to become more important than those in it, especially when it comes to casual dining formats.

In Sub-regional and Community shopping centres, the significance of dining diminishes, and the role of quick and convenient formats dominates. The UK's Top 5 operators account for around 75% of brands and cafés replace QSR as the most popular format. The balance in these smaller or secondary schemes, is retaining relevance and a point of difference, without over exposure to unproven formats.





% OF UNITS DEVOTED TO F&B

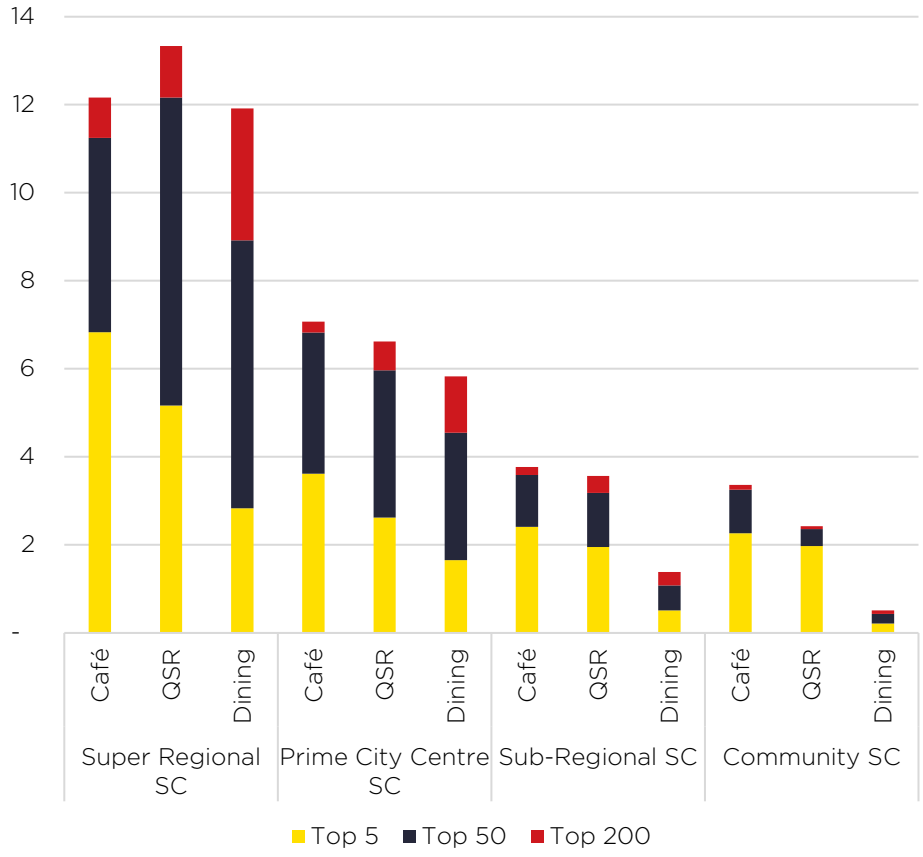


Source: Savills





AVERAGE NUMBER OF F&B UNITS IN DIFFERENT TIERS OF SHOPPING CENTRE



Source: Savills

*Analysis excludes independent traders that sit outside the Top 200 brands



> The key consideration is how much F&B is optimal, and when is enough, enough?



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