

# Urban Coffee Shop: Shifting Housing to Commercial Space

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## ABSTRACT

Growth of coffee shops reflecting the economic growth (investment and consumption), new coffee shops chose location that cause distance between coffee shops are getting closer. Early condition, the coffee shops were founded in business areas, malls or business centres. New coffee shops were built in housing areas with accessible routes. This showed shifting land use in the urban areas. People's decisions on using coffee shops as meeting spots, working spaces, and leisure places are consequences from a smaller housing space. The shifting house buildings into coffee shops, altered the business's needs, improving profits. Gentrification as a perspective of discussions, questioning the government and the society should be aware of housing and business policy, to fulfil the needs of housing and stimulate business activities.

**Keywords:** coffee shop, gentrification, housing, commercial space.

## 1. INDONESIA'S COFFEE INDUSTRY

Coffee is the leading export agricultural commodity of Indonesia [1]. The coffee beans, Arabica and Robusta coffee are produced in Indonesia. Most beans produced is Robusta, although Arabica has higher selling price than Robusta.

Drinking coffee has become habit in most of society in the world. In Malaysia, the trend is having time with family and friends over tea or coffee at café [2]. In England, coffee shops have potentially grown into space community [3].

Indonesia national coffee consumption 2021 expected to reach 369,9 thousand (increased 4,52% from 2020) [4]. Ready to drink (RTD) coffee consumption in Indonesia is rising, driven by the trend of ice milk coffee (known as 'kopi susu kekinian') which 6 from 10 people like the variant [5]. Increasing coffee consumption also reflects the increase in the numbers of coffee shops. Approximately, in 2019, more than 2.937 outlets [5]. In 2015-2016, there was a local brand with national chain emerged as pioneer of popular coffee drinks.

## 2. GENTRIFICATION

Consideration on gentrification studies rose in the late 70s, pictured the condition in London, gentrified neighbourhood as consequences of policies pushed by wealthy individuals, politicians, and the companies [6] [7]. The changing dynamic of society, people have to find, adjust, or renovate their housing, instead of having new house with decent and accessible place. Rising price of land, shifting the initial housing area, could cause gap between the rich and the poor in housing issues.

Smaller space and higher price of housing could cause needs of public space. People find difficult to invite friends and family to their house or have groups activities. They need space where they can meet other people or community and do activities.

Business outlets emerge within the neighbourhood. It helps embed myths of creativity in specific neighbourhoods, the area is becoming populated by homeworking creative and artistic types [8]. Terminology 'coffice' is, a neologism, describing the

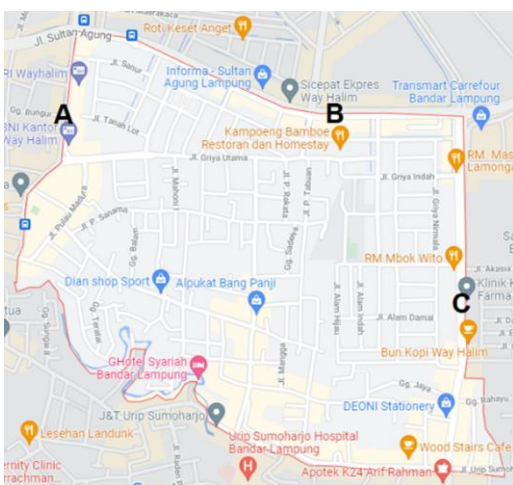
café (coffee shop) as ideal working environment where there are no colleagues or family members to provide a distraction [8]. Described as ‘third places’, separate from the work and home, giving places for people to meet, relax and develop connections [3], [9]. In different condition, with a Muslim-majority population, coffee shops became the go-to hangout spot instead of bars [10].

Not only workers, the situation of higher education (HE) students is giving student taken part on agent of being future gentrifier. From different city and state, they come to a city to learn. When they are separated from their home and family, creating new space for activities as students and learner. In describing studentification, there are four different dimensions within the contemporary process; economic, social, cultural, dan physical [7]. Restructuring the economy, they rent a room, instead of a house, remodification on houses in multiple occupation (HMO) for HE students. Socially, young-middle class grouping carrying new pattern of social that also impact in shared culture and lifestyle (consumption). The physical process, it drives converting the properties into HMO.

**3. BUSINESS VERSUS HOUSING**

Global brand coffee shop keeps on expanding their network around the world. In 2018, one of the global brand has 326 store in 22 cities in Indonesia [11]. The existence of global brand coffee shop, stimulate the emerge of local coffee shop as part of responding to the hegemony [12]. Rise of café (coffee shop) culture and its impact on domestic coffee consumption, in 2019, local coffee chains overtook global brands in terms of market presence [10].

Lampung Province has the second biggest production in Indonesia [13], also has benefit on selling coffee in RTD business. Local coffee shops in Bandar Lampung City, Lampung, are still increasing.



**Figure 1** Way Halim Permai Subdistrict

**Table 1** List of Way Halim Permai’s Coffee Shops

No	Coffee shop	Year
1	ARCH Eatery & Coffee	2016
2	El's Coffe Lampung Walk	2016
3	Wood Stair Cafe	2017
4	Kedai Kopi Kini	2019
5	Ujang Jadoel	2019
6	Kopi Lain Hati Way Halim	2019
7	Banana Strudel X Kopi Majoo	2019
8	Moody Café	2020
9	Gallery 24ra	2020
10	Kopi dari Hati & Toast	2020
11	Coffee Chic & Rocky Rooster Fried Chicken	2020
12	Bun Kopi Way Halim	2021
13	Radiasi Kopi	2021

Bandar Lampung City has 20 districts. There are two sub districts that show the shifting area, from housing to become business area, by the emergence of coffee shops. Business activities are getting closer to housing area.

Since 2016, local coffee shops in Bandar Lampung start to establish. Significant brand, Kopi Ketje (Lampung’s brand), brought out the ready to drink menu to the market. They built the shops in the downtown, Tanjung Karang Pusat, business area. Kopi Ketje was showing opportunities for others entrepreneur in coffee industry.

The highlight in this article, focus on growth of coffee shops in housing area. In one of subdistrict, Way Halim Permai, Way Halim, Bandar Lampung, Lampung Province, Indonesia. Population density of Way Halim district is 12.316 people per sq. km, contribute 6,28% of total population density in Bandar Lampung City [14].

Way Halim Permai is area housing that are settled since early 1990. Four main road surround are Ki. Maja St. (Figure 1, mark A), Sultan Agung St. (Figure 1, mark B), Letjen Alamsyah Ratu Prawiranegara St (Figure 1, mark C). Initially, business area was designed at Ki. Maja Street. Eventually, it is expanding.

Within the area, there are 13 coffee shops (Table 1), 6 of them are located in business space, while others 7 are shifting the initial house to coffee shop (business building). The shifted function building, 3 of them are in the main road, Letjen Alamsyah Ratu Prawiranegara St, and 4 of them are located in the concentrated housing area.

This situation indicates on renting issues and ownership. Occasionally, the taxes for valuable housing area are increasing, also happened in cost of renting for business. Owning or renting, would cost the operation in business. Renting a place would have less risk and less cost.

Location, as part of marketing strategies, is decided in order to grab bigger market, and get closer to potential market. As consequences, business will be dealing with head to head competition, Arch Eatery & Coffee 91 meters apart with Bun Kopi Way Halim, Bun Kopi Way Halim to Kedai Kopi Kini takes 190 meters. The distances are close, they are targeting the same community in Way Halim Permai. In additional, distance to other district (surround Way Halim district) could be considered as target market.

Bandar Lampung as the capital city of also become destination for HE student and centre of business activities in Lampung Province. They use coffee shops as extended space, from house and office/school. Although, transformations in shops and meeting places cause a sense of loss of place even without physical displacement [15]. Sense of separation on the community become challenge for society.

Community has to deal with sophistication of consumption culture. Rents rather than consumer goods and services determine who can run a business in a neighbourhood, and the right to live should be emphasized before the right to consume [16].

Government has to fulfil the basic needs of their citizen; food, housing, and healthcare. People have the right to have access and get the food, housing, and healthcare. The policy of Indonesian government is 'rumah bersubsidi' (subsidised house), it allows citizen to get house with loan and low interest rate.

The problem occurs when the locations of housing area are in the suburban area. It remotes activities of the community. As consequences, people would have more expense on transportation.

Developments and economy performances of a city, is shown by the economic activities. Business entities are trying to find the best location for reaching out their customer. With the limitation of land in the city, they looking for other option, shifting the usage of building, form housing to coffee shop.

Housing is built in suburban area, coffee shops appear within the neighbourhood, and price of land getting higher. Government has obligation on accessible on house ownership for citizen and also supporting business sector to bring better performance in economic.

#### 4. CONCLUSION

Gentrification issues in Way Halim Permai occurs when the shifting house buildings into coffee shops happened, altered the business's needs, improving economic. Government should be aware on housing and business policy, to fulfil the needs of society and support the business activities.

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**Figure 2** House (left) next to coffee shop (right)

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