London’s Retail: exploring what works
The retail sector is undergoing fundamental structural changes but is far from dead. Contextualised by London’s highly competitive retail climate, and defined by creative thinking, the responsive evolution of the sector can be clearly understood in some of London’s new and established retail districts. This report looks at what lessons can be learned from these places, and the role the built environment sector is playing in shaping retail-led schemes that are able to withstand the test of time.
Introduction
With the golden era of British retail in faint memory, the retail sector continues to resiliently and creatively diversify its models to define the future of retail in London. As online consumption has supplanted ‘big box’ retail culture, London has faced an oversaturation of previously sought-after retail space, leading to an increase in vacancy rates and some of the most well-known high street names going into administration. While the rise of online shopping is demonstrative of consumers’ demand for convenience, unlimited choice, and optimal value, the shift to online is only one challenge facing the sector.

In a new age of conscious consumerism, shoppers are increasingly factoring ethical stances and sustainability into their purchasing decisions, ushering in the demand for a more circular economy. Larger retailers operating out of physical stores have also been hit by sharp spikes in business rates, particularly in the West End, where some have seen their liability double since the implementation of a business rates bill, part of the Government’s 2018 Autumn Budget.

In response to the urgent pressure that has been building on the industry since the 2008 financial crash, the 2011 Portas Review notably galvanised central government support for the UK’s struggling high streets. More recently, the government released The High Street Report alongside a Future High Street Fund of £675m to support local town centres in England. Business Improvement Districts (BIDs) such as the New West End Company have helped in concentrating funds to help businesses and retailers thrive, straddling the public and private sector.

And yet, the number of international retailers opening debut stores in the capital was up 27 per cent last year according to Savills research, and vacancy remains below the national average. While footfall paints a mixed picture across the key shopping streets in the West End—Oxford Street, Regent Street and Bond Street—overall the district experienced an increase of 1.7 per cent in the first quarter of 2019 according to the New West End Company.

This research explores the responsive innovations currently being undertaken at the intersection of the built environment and retail sectors: from London’s world-famous West End shopping streets, town centre retail districts, local high streets and major transport hubs.
Most active retail occupier sectors 2017–2018, UK (% of total make up)

Total UK retail spending (excluding fuel)

Types of retail space vacated in 2018, UK

Retail openings and closures in the first half of 2018, Greater London

Sources: Radius Data Exchange and Local Data Company
+6.7%  
Year-on-year growth in the quantity bought in retail sales in March 2019, the highest since October 2016, with a range of stores noting that the milder weather this year helped boost sales

−0.3%  
Department stores were the only store type to decrease in the quantity bought when compared with March 2018

+18.6%  
Increase of online sales as a proportion of all retailing in March 2019, from the 18.1% reported in February 2019

40%  
of all money spent in London is in the retail industry, contributing significantly to the economy

9%  
of all employment in the metropolitan area is in the retail industry (400,000 jobs)

78,000  
jobs in clothing shops, the single largest type of specialist retail shops. Specialist food shops such as bakers and butchers follow second with 22,000

All figures refer to London. Sources: ons.gov.uk → and uncsbrp.org →