

NOVEMBER 2018

West End Good Growth

Identifying future growth scenarios for Oxford Street and the West End

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Ove Arup & Partners Limited

29th November 2018

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Executive Summary

Background

At the beginning of August 2018, Arup was appointed by the Greater London Authority (GLA) and Westminster City Council (WCC) to generate an evidence-based approach to optimising good growth in the West End. The purpose of the study is to assist decision makers understand what plausible growth scenarios for the West End including the Oxford Street District look like over the medium and longer terms. We have assessed what the outcomes of selected growth scenarios might mean in terms of gross value added (GVA), land use changes, employment, some taxes for the economy of London for Londoners and from a national perspective. Building on an extensive body of literature and drawing on initiatives and lessons from international case studies, we have set out what we consider to be the conditions required for good growth outcomes to be achieved.

The West End is going through a period of considerable change. The ongoing transformation of the retail industry, the advent of the Elizabeth line and major public realm schemes are just a few examples of factors that will have a material impact on its future.

The West End remains of crucial importance to the London and indeed UK economy. Westminster's economy has an estimated GVA of £57bn; the majority of which sits in the West End. Sales in the West End's retail district (mainly Oxford Street, Regent Street and Bond Street) alone are estimated at £9bn (2018 prices). One in five Londoners work in the City of Westminster alongside the London Borough of Camden. Oxford

Street sees around 200 million visitors a year. TfL projections suggest Crossrail could facilitate as many as 90 million more visitors per annum within 15 years.

Through the West End Special Retail Policy Area (WESPRA), the London Plan recognises the West End as a vibrant mixed-use business location, an internationally-renowned shopping, cultural and visitor destination and home to several world-leading academic institutions as well as a location with a significant residential population.

The Plan seeks to ensure that the unique role of the West End and its strategic contribution to the economy, culture and identity of the capital is promoted and enhanced. This will include significant growth in office and commercial floorspace to meet projected demand as well as measures to enhance the attractiveness of the West End. This is in order that it can retain its crucial function as an international centre in London's town centre network.

For all of these reasons, the West End's future is of vital importance to amongst others, Londoners and London's government.

Growth targets for employment and housing for the area have been set out in opportunity area planning frameworks and borough plans. We were asked to undertake a review of risks and opportunities facing the West End to assess whether the area can deliver as part of London's Central Activities Zone (CAZ), whilst at the same time being mindful of the fact that its success lies in part from

its "human scale" and strong residential function. The changes outlined in this report create opportunities and some challenges to the delivery of growth in the West End.

Our focus has been on producing recommendations that are in line with ensuring the West End's unique economic "ecosystem" is secured and specifically supporting Oxford Street's position in that context. We have assessed not only traditional sectors that make up the West End's economy (such as food & beverage and "bricks and mortar" retail) but also entertainment and cultural institutions, future retail (with a focus on experiential offers, flagships) – and attempted to understand how these fit together - to maximise good growth.

Trends and their implications

Historical data shows that employment floor space has been declining across Westminster, the West End over the last 15 years.

Office and retail floorspace have decreased by 2% and 6% respectively between 2011-16. Interestingly, significant employment growth has occurred over the same period. The evidence suggests that this has been achieved largely through intensification of use of existing space combined with falling vacancy rates. We would argue that in good growth terms, this trend will be very difficult to sustain over the long term. This is because there are limits as to how low floorspace per worker can fall. And vacancy rates are already well below the London average.

If these trends continue our analysis

indicates that employment might actually fall – at a time when Crossrail 1 and Crossrail 2 are offering the prospect of a major increase in transport capacity to serve the West End.

An increase in transport accessibility (and capacity) without any corresponding increase in floorspace (employment) or indeed a bottoming out of employment density for the West End risks undermining the attractiveness of the West End as a major centre of employment and as a place to live and visit. This is because the laws of supply and demand mean that real asset values could grow in such a way as to damage the West End's economic "ecosystem." There could be growth of a very "high end" offer alongside expansion of mass market "products". Intermediate and some more modest value economic activities that give the West End its character and distinctiveness would risk being priced out.

Our research, experience and analysis of what makes the West End (and indeed areas that are comparable to it) successful, indicate that such change would damage the West End's competitiveness and its attractiveness as a place to live.

Furthermore, another important impact would be to risk undermining TfL's longer term financial position - if farebox revenue associated with Elizabeth line and Crossrail 2 demand in the West End failed to materialise.

Executive summary

Defining Good Growth

We consider that there is a broad consensus among key stakeholders as to what “Good Growth” for the West End means, as outlined in the draft London Plan and the West End Partnership’s Vision 2030 and emerging Good Growth Toolkit. Whilst Westminster City Council and other key players in the West End may have differences in emphasis, they are generally aiming for the same sorts of good growth outcomes for their communities and stakeholders. These outcomes include neighbourliness and supporting growth which makes a wider contribution to the local area, to London and nationally.

The draft London Plan principles of Good Growth include building strong and inclusive communities, making the best use of land, creating a healthy city, delivering the homes Londoners need, growing a good economy and increasing efficiency and resilience.

Taking the overarching policies outlined in the draft London Plan, together with the aforementioned documents, we have developed a context-specific description of what Good Growth might look like in the West End including the Oxford Street District, based on the unique mix of sectors in the area.

- Borough plan targets are fulfilled or exceeded – where sustainably possible
- The rich mix and attractiveness of the West End is enhanced
- West End maintains and improves its international position for visitors, investment and employers
- Fulfils its potential as an attractive and affordable place for people to live, work, and enjoy themselves
- The West End fulfilling its potential for Westminster and Camden residents (including those from disadvantaged backgrounds) and all Londoners given its primacy in the central area activity zone (CAZ) and its regional national and international significance
- The West End’s quality green spaces and historical buildings, air quality and other quality of life indicators are maintained and improved
- The West End’s unique character and residential amenity is enhanced, particularly for distinct neighbourhoods within the West End
- It is able to sustainably generate the resources to secure the public services required to maintain, invest, and enhance the area as a whole
- The area takes a maximum advantage of public transport and other sustainable transport modes
- Good growth policies deliver prosperity and opportunity irrespective of (borough) boundaries
- The real estate market functions in such a way as to facilitate the good growth factors highlighted above

Executive summary

Project methodology

The figure below summarises our overall approach to this project to allow us to produce the scenarios for growth and associated recommendations. We have followed a structured approach combining a comprehensive review of relevant policy documentation to allow us to define good growth with analysis of how the West End has been performing to date. We have supplemented these with a series of meetings and discussions with a review of case studies drawn from comparable districts elsewhere in the world. To arrive at our projections for the West End, we constructed a range of scenarios that have been used to inform the modelling exercise we have undertaken. The results of these have then been subject to a “Good Growth” assessment alongside recommendations as to how this type of growth can then be best delivered. The main body of this report is largely structured to follow this approach. Appendices provide supplementary detail.



Source: Arup analysis

Executive summary

Determining Growth Scenarios and developing an economic impact model

To inform projections for the West End, we undertook a detailed analysis to capture the effect of the major trends which are likely to have an impact on the characteristics and composition of land uses in the area. We have focused on how these may then “play out” in the context of the West End’s “ecosystem”. The analysis was undertaken in four parts:

- A review of the existing planning policy context and historical data covering key variables (employment, GVA, floorspace and so forth)
- A review (largely literature based) of the drivers of change across principal sectors
- Insights gained through engagement with a range of local stakeholders (undertaken as part of this and previous studies); and
- An assessment of comparable international retail and mixed-use centres

We have then considered growth targets and growth projected to occur in the context of major transport investments (most notably Crossrail 1 and Crossrail 2) to determine their potential impact.

Three scenarios were developed as plausible descriptions of how the future economic conditions in the West End might develop. These were based on an interrelated set of assumptions about key sectoral relationships and trends emerging from a number of drivers of change. These included digital disruption, planning policy, the cost of doing business and consumer culture. Details of the methodology can be found in chapter five this report.

The results in terms of floorspace for the three (soft Brexit) scenarios we developed are shown in the table below.

These scenarios have been developed up to 2041. Trends acting on the major sectors of the West End economy could follow substantially divergent paths:

- Projecting historical floorspace data from 2018 up to 2041 and assuming that employment densities eventually stop rising would lead to the loss of 225,000 sqm of employment floor space and 17,000 net jobs at the GLA level (21,000 gross jobs for the West End); by the end of the modelling period
- The Decline of sorts scenario sees a net loss of 680,000 sqm of employment floorspace and a loss of 45,000 net jobs at the GLA level (58,000 gross jobs for the West End)
- The Chequered growth scenario forecasts a net loss of 150,000 sqm of employment floorspace and a loss of 12,000 net jobs at the GLA level (15,000 gross jobs for the West End)
- The Good Growth scenario forecasts a net increase of 1.3 million sqm of employment floorspace and a gain of 96,000 net jobs at the GLA level (124,000 gross jobs for the West End)

A summary of our results (for a soft Brexit scenario) including projections for GVA, business rates and residential development are reproduced overleaf for the periods to 2022 and to 2041. Further analysis (including how we have attempted to model a “hard Brexit”) can be found later in the report

Change to 2041 (All West End) in net floorspace compared to 2018 levels	Office	Retail	Residential	Hotel	ACE	F&B
Scenario 1 - Decline of sorts	-9%	-11%	6%	-3%	6%	-4%
Scenario 2 – Chequered growth	-2%	-2%	8%	-0%	-4%	-4%
Scenario 3 – Good Growth	19%	3%	12%	4%	7%	7%

Executive summary

Model outputs - Headline short-term results in 2022 compared to 2018 (all for a “soft Brexit” scenario) (£ 2018 values)

*Growth rates compared to 2018 levels

**Zero due to rounding – marginal change

***Net results refer to additional macro-economic impacts (at the GLA level) whereas gross figures are specific to the West End



Decline of Sorts



Chequered Growth



Good Growth

		Decline of Sorts	Chequered Growth	Good Growth
Homes		340 1.2%*	480 1.7%*	410 1.5%*
Jobs (FTE)		Net*** 200 (0%*) Gross 300 (0%*)	Net 1,500 (0.2%*) Gross 1,900 (0.3%*)	Net 15,000 (2.5%*) Gross 20,000 (3.0%*)
Business rates		£5m 0.2%*	£14m 0.5%*	£132m 4.6%*
GVA		£46m 0.2%*	£186m 0.3%*	£2bn 3.1%*
Floor space (sqm)		0** (0%*)	0** (0%*)	230,000 2.3%*

Executive summary

Model outputs - Headline results in 2041 compared to 2018 (soft Brexit scenario) (£ 2018 values)

*Growth rates compared to 2018 levels

**Zero due to rounding – marginal change

***Net results refer to additional macro-economic impacts (at the GLA level) whereas gross figures are specific to the West End



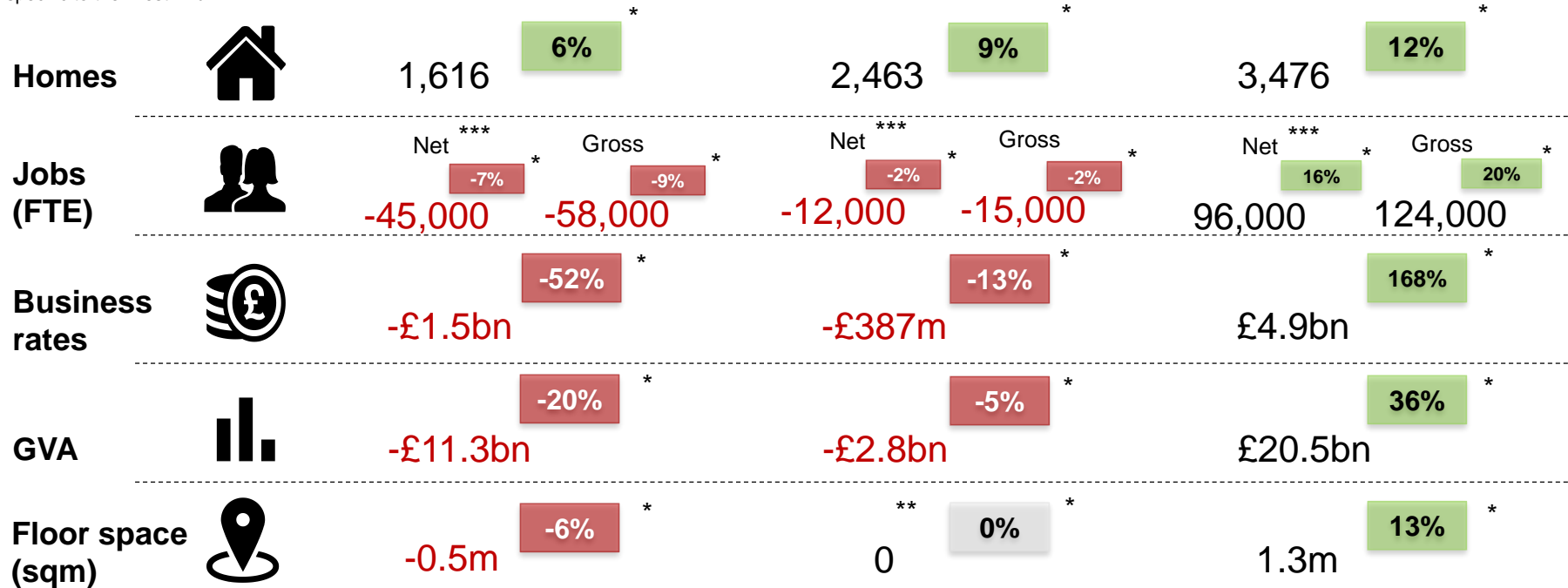
Decline of Sorts



Chequered Growth



Good Growth



Executive summary

Recommendations

Over the last decade and a half (and longer), much has been written about the West End its challenges and ideas to improve it.

In more recent years, the West End Partnership driven by the City of Westminster, has developed a vision for the West End that has led to policy papers and recommendations being put together on many of the big issues. The partnership was itself a response to previous findings and recommendations from the West End Commission.

In putting these recommendations together, we have drawn significantly from these bodies of work; many of the recommendations appear to be well thought out and in line with good growth principles. A list of sources for our work can be found in Appendix 4.

Alongside the Mayor's transport strategy and the draft London plan, review and revision of core policy documents covering the West End is underway at present.

Westminster's soon to be revised City Plan and associated policies for its parts of the West End alongside Camden's refresh of its Supplementary Planning Document (SPD) for the Holborn area) mean that important decisions are being taken by both authorities over the coming months. Taken together with the GLA's updated policies and strategies, these borough level changes are likely to have a material impact on the future of the West End and the extent to which it is allowed to change, grow and develop. We hope that the recommendations we make in this report are viewed in the context of the opportunity that these policy reviews provide.

Below we set out a set of our principal recommendations that tie back to Good Growth outcomes, as detailed elsewhere in our report. More detailed recommendations can found in Chapter 9.

• Policy

- Adopt a flexible positive good growth approach to policy for the West End. This will allow the area to fulfil more of its economic and social value potential for a wide range of stakeholders. These should be aligned to the international, national, regional, Central Activity Zone, borough and neighbourhood functions that the West End performs

• City Management & Financing:

- Secure a long-term sustainable financial footing for the provision of a range of 'city management services' and infrastructure investment in the West End with a focus on fostering Good Growth and protecting/enhancing residential quality of life and the wellbeing of visitors and workers in the West End
- This may include consideration of revised business rate retention and other sources of income such as tourism taxes

• Engagement:

- Identify the top five quality of life concerns for residents and assess the extent to which existing or planned initiatives might address them. These may range from concerns around housing, construction/utility works through to air quality, housing, waste collection, anti-social behaviour, traffic, etc. But it may also draw on existing data available from the City Survey (2017) which saw residents identify the top five services as most important (in order of priority) as parks and open spaces; refuse collection; facilities for young people; street sweeping; nursery / primary schools
- Once compiled, plans should be developed to address key gaps or concerns. These may include more robust enforcement around issues that are particularly disruptive to residents, adopting a "parking enforcement" style approach
- Ensure collaborative working between London government entities and their functional bodies (e.g. TfL) alongside the private sector and Business Improvement Districts (BIDS) to overcome administrative obstacles (e.g. borough boundaries) that might otherwise impede good place-based decision making

2. The study area

West End Study Area Spatial Definitions

The West End and the Oxford Street District are clearly dynamic places with fluid boundaries and wide reaching influences.

While officially defining boundaries might risk constraining or underestimating its full value, a designation has been made for the purpose of providing statistical evidence to support statements made concerning the West End's economic and social importance.

The statistical definition adopted is not intended to exclude 'fringe' areas on the West End's periphery, but instead to provide a basis for analysis.

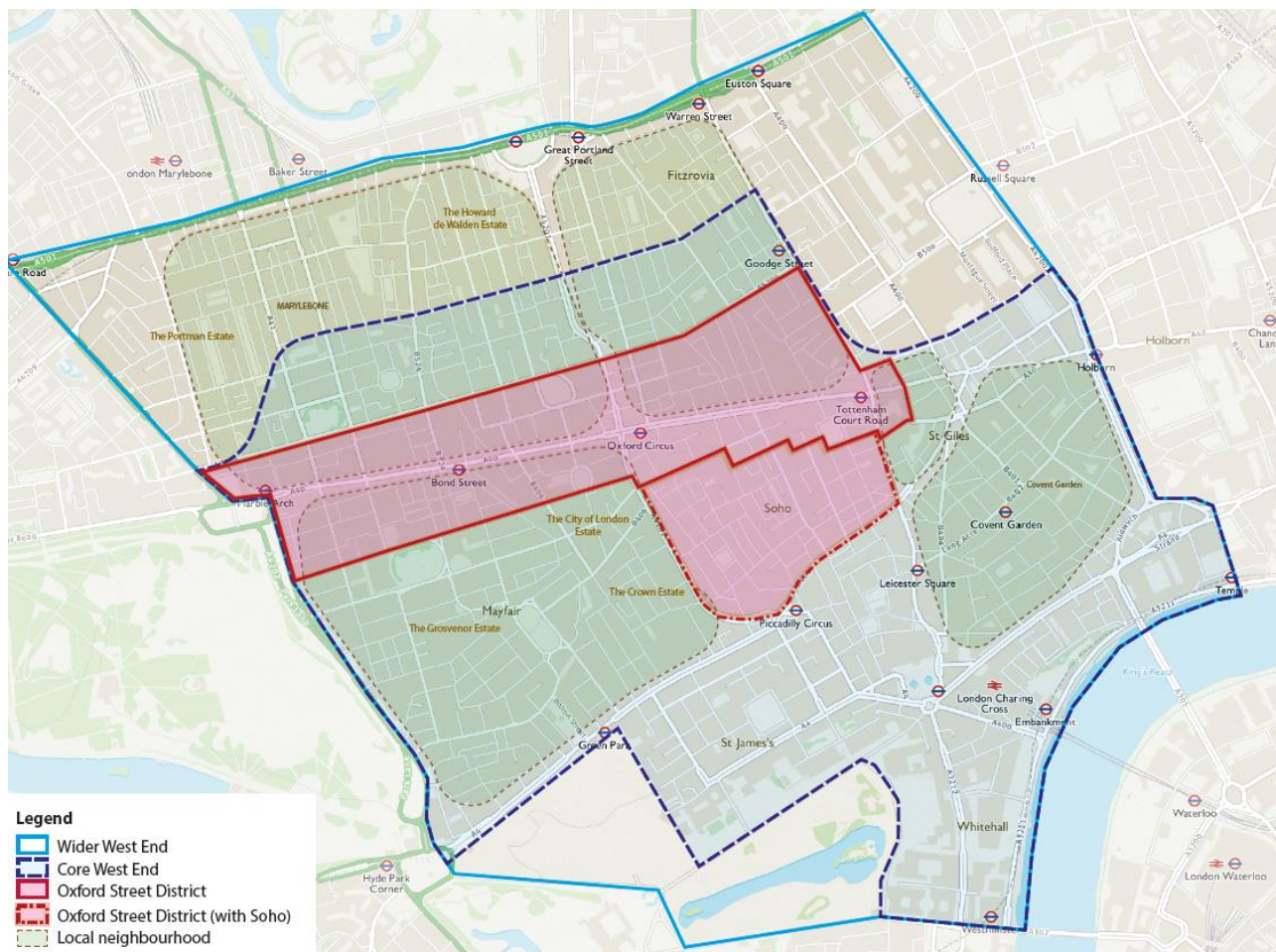
Arup has utilised four statistical definitions:

- **The Wider West End**
- **The Core West End**
- **The Oxford Street District (excl. Soho)**
- **Soho**

The study area definition of the Core West End matches the West End Partnership vision and boundaries. The Wider West End includes parts of Marylebone and Fitzrovia. The Oxford Street District incorporates the core area around the Crossrail station called Tottenham Court Road with entrances and exits both Oxford Street (in Westminster) and in Camden (in New Oxford Street).

The map opposite shows these definitions graphically.

The statistical boundaries used in the analysis are mutually exclusive. However results for all four of the statistical areas defined above are referred to as 'All West End'.



Spatial definitions of the West End and Oxford Street District

Source: Arup analysis based on West End Partnership Vision definitions

3. The West End baseline: key snapshots and trends

The West End baseline: key snapshots and trends

GVA

In nominal terms, Westminster GVA has grown by 170% since 1997, compared to 243% in the City of London and 130% for Kensington & Chelsea

The West End generates over 3% of the UK's annual economic output. It amounts to around £50 billion billion Gross Value Added (GVA) per year.

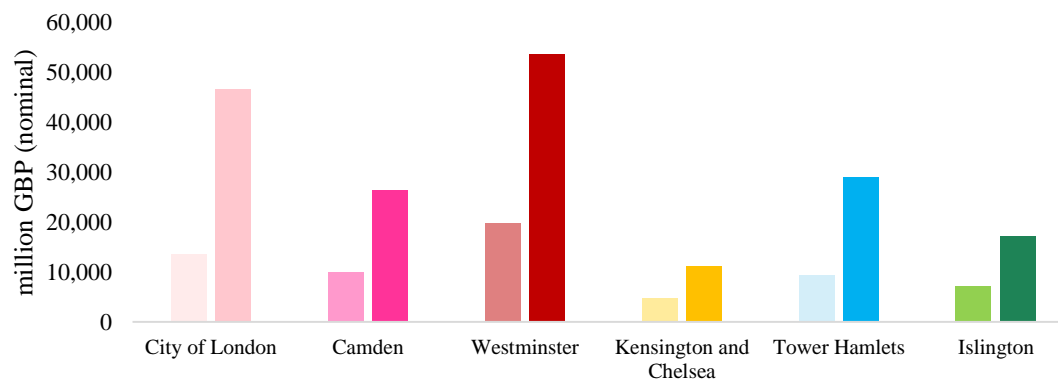
In order to put this into context we have compared Westminster in this regard with a number of other boroughs with similar characteristics. Whilst there are differences in these places, there are meaningful, relevant comparisons that can be drawn.

Westminster's economic contribution is higher than City of London and almost the same as the whole of Wales (West End Partnership Vision 2050). The West End also accounts for almost 90% of economic output of the whole Westminster.

Businesses within the Oxford Street District account for around 17% of that amount, contributing £5.6 billion and £2.8 billion respectively in the western and eastern sections.

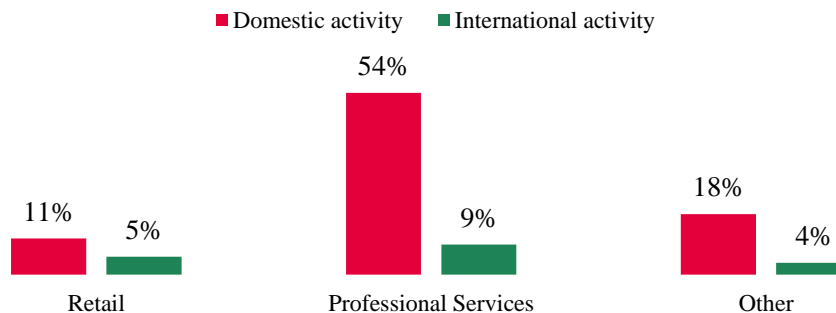
According to Volterra, a consultancy, some 18% of GVA produced in Oxford Street West is derived from international trade such as purchases by overseas consumers and Foreign Direct Investment.

Total GVA per borough/City
 1997 (left) vs 2015 (right)



Source: ONS, Arup analysis

West Oxford Street District GVA breakdown



Source: Volterra: Oxford Street West: The Economic Case for Intensification, March 2016

Estimation of employment for the West End areas under review

The four West End study areas identified for the purpose of the project spread across boundaries of statistical areas for which employment data are available (the most detail spatial division with employment data are Lower Super Output Areas).

In order to estimate employment values specifically for the study areas we needed to apportion LSOA data to the specific West End study areas boundaries. There are at least a few apportionment methods widely used, with most common being:

- apportionment based on the geographical area
- apportionment based on LSOA centroids
- apportionment based on proportion of postcodes

In this study we use the first approach – apportionment based on geographical area.

STEP 1

We identified all LSOAs covering the total West End boundary as defined for this study.

STEP 2

We overlay the LSOA map with map of all four study areas.

STEP 3

We calculated surface of each of the LSOAs.

STEP 4

For each LSOA we calculated how much of its surface (%) falls within a given study area.

STEP 5

Employment in each LSOA was apportioned to all study areas based on the proportions established in Step 4.

The West End baseline: key snapshots and trends

Office space tenants

The Oxford Street area is becoming a place for digital companies, whilst Soho and Wider West End have seen growth in real estate and financial services

Analysis of office transactions in the West End in period between 2010 and 2018 shows that 55% of space has been leased to tenants from business services, financial institutions and retailers. Real estate tenants account for around 10% of transactions (in terms of space), followed by 8.5% tenants from computer and data processing businesses and 6% from communications.

It is interesting to note the proportion of space leased to business services, financial services and retailers during 2010 to 2018 which coincided with an economic recession, demonstrating the West End's ability to respond to a changing economic environment.

We have looked at how the proportion of space leased to tenants from particular sectors has changed in the last decade, for each of our four study areas.



With respect to the Oxford Street area, computer and data processing tenants accounted for 8% of space leased between 2010 and 2014, whilst between 2015 – 2018 that share increased to 24%. Facebook opened its new UK headquarters at Rathbone Square in December 2017 and Capita moved into 87,000 square feet at the Copyright Building.

The market in Soho is characterised by a small increase in space leased out to real estate and financial institutions and a decrease of retail. This perhaps reflects the fact that higher-end businesses are moving to Soho from Mayfair and pricing out smaller retail companies.



Similarly, real estate and computer and data businesses are expanding into the Wider West End. For example, the real estate share of take up of space increased from 8% to 21% between 2010- 2014 and 2015 – 2018.

Oxford Street study area



Computers and data processing

  from 8% to 24%

Agriculture, mining, utilities

  from 2% to 5%



Retail and wholesale

  from 20% to 10%



Source: Arup analysis based on CoStar data

Soho



Real estate

  from 8% to 13%

Financial institutions



  from 8% to 13%

Retail and wholesale



  from 18% to 11%

Wider West End study area



Real estate

  from 8% to 21%

Computers and data processing

  from 3% to 6%

Personal services

  from 31% to 12%

The West End baseline: key snapshots and trends

Employment

Westminster employment has been growing relatively slowly

The West End represents one of the largest and most diverse concentrations of employment anywhere in the UK and hosts over 522,000 employees¹. The area accounts for the equivalent of 70 – 85% of all jobs in Westminster. Within that, the Oxford Street District accounts for 94,000 jobs². According to the ONS, Westminster employment amounted to 764,000 jobs in 2016; the highest for any London borough.

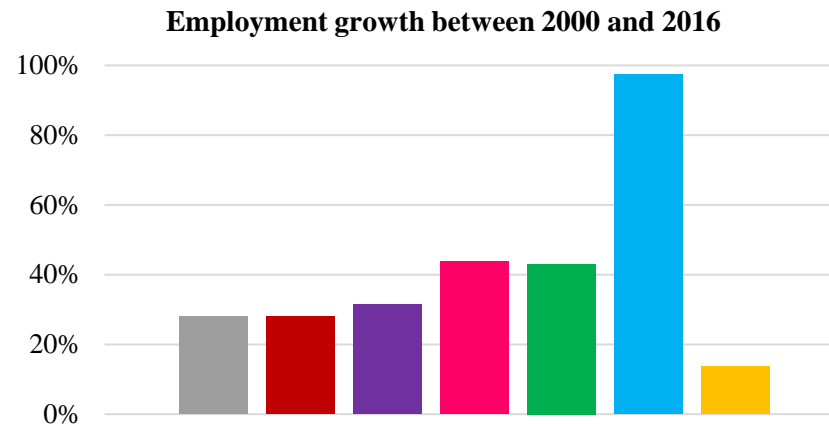
Historically Westminster's employment growth rate has lower than that for other boroughs. For example Arup's research for the West End Partnership showed that employment in Westminster grew in total by just 3.5% between 1961 and 2011, whilst growth in Camden and Greater London amounted to 27% and 14% respectively. This could be due in part to Westminster's higher starting position - in employment terms.

In the more recent period between 2000 and 2016, Westminster employment has been growing at the same rate as Greater London (a Compound Annual Growth Rate

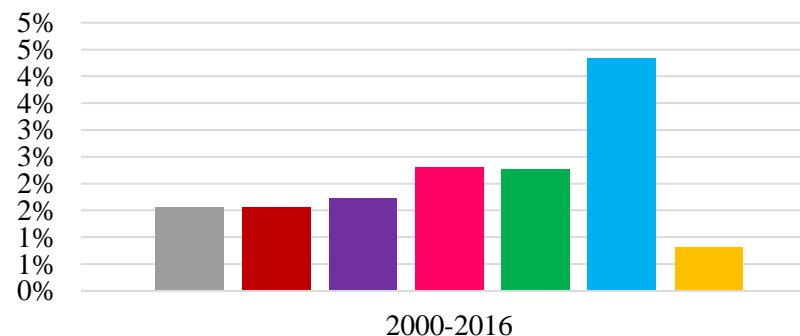
(CAGR) of 1.6%). Whilst other boroughs have exceeded this rate of growth (Camden and Islington have both been growing at a CAGR of 2.3% and Tower Hamlets has grown at a CAGR of 4.3%), Westminster's growth has been much higher than in previous decades.

The estimated values shown on the graphs on the right come from ONS, except for the West End, where we used Business Register Employment Survey (BRES) data apportioned to the study area.

We attempted to obtain ONS microdata, however it was not feasible given the timescales of the project.



Employment growth – CAGR (2000-2016)



- London
- Westminister
- Total West End
- Camden
- Islington
- Tower Hamlets
- Kensington and Chelsea

1. Depending on the spatial definition and estimation method, employment in the West End is to up to 650,000 jobs.

2. Again, that depends on the spatial definition. According to Volterra, Oxford Street District employment is around 65,000 people – but the area definition in the Volterra study is slightly more narrow than the one we have adopted (see map on page 12).

The West End baseline: key snapshots and trends

Employment density compared to other areas

Westminster employment density is more than nine times higher than for the average London borough but significantly lower than for the City of London

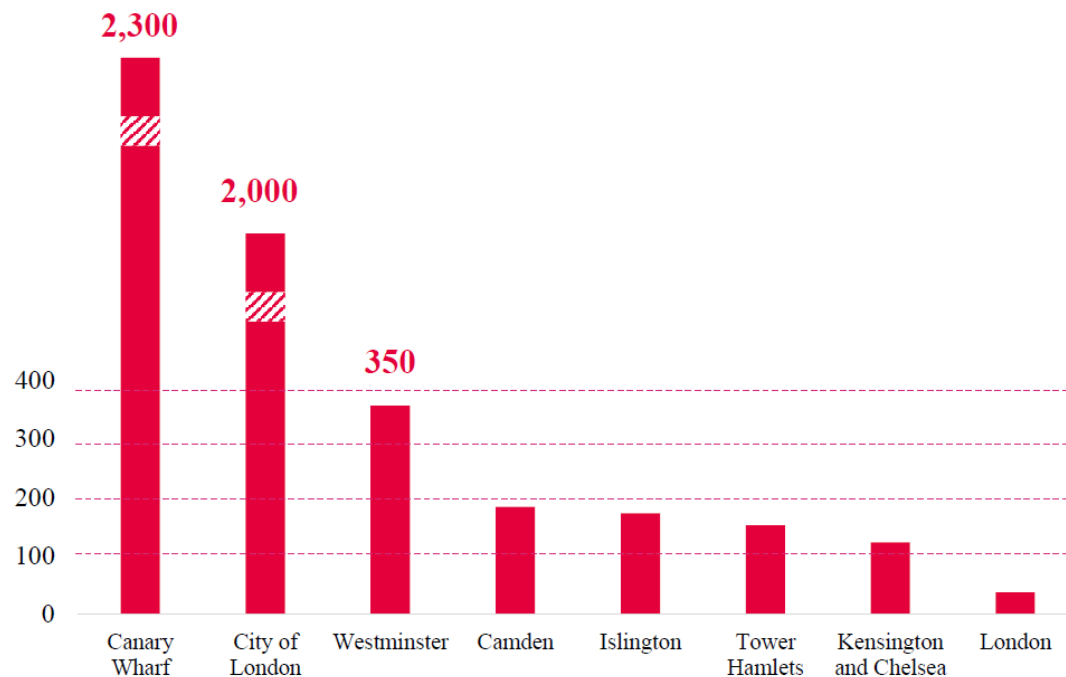
Westminster has the second highest employment density rate among all London boroughs – 350 jobs per hectare, which is 9.5 times higher than the average density in London (38 jobs/ha).

Westminster is second only to the City of London, which has almost 2,000 jobs per hectare (5.5 times higher than in Westminster).

These substantial variations in density are at least in part a reflection of the fact that Westminster is a significant residential borough and that its building mix varies significantly when compared to the Square Mile or Canary Wharf.

As can be seen from the figure, Camden and Islington employment densities are somewhat lower than in Westminster. This in part reflects their smaller spatial contribution to the CAZ.

An alternative analysis is to assess employment density within the West End area (as shown overleaf). This gives us an indication of the potential for the district to accommodate further employment growth - such as that facilitated by Crossrail 1 and Crossrail 2 - when measured against densities already achieved in the area which may be deemed more appropriate.



Source: ONS 2016, Arup analysis

The West End baseline: key snapshots and trends

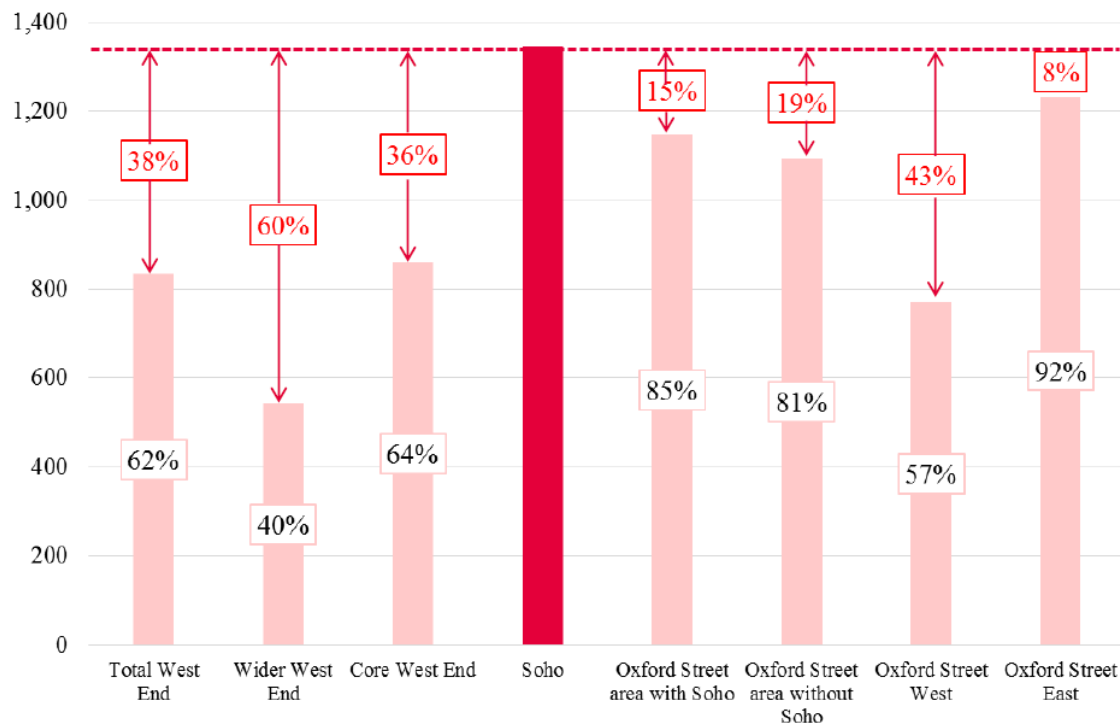
Employment density within the West End

Employment density varies significantly within the West End, with Oxford Street East area being 60% more densely “populated” than the Oxford Street West

We noted on the previous page that Westminster has the second highest employment density rate amongst London boroughs, but that density varies within Westminster’s boundaries due in part to its substantial residential population.

In the West End, Soho is the most densely employed area with around 1,350 jobs per hectare (estimated using BRES data and apportionment method described earlier in the section). Employment density across the whole West End is around 800 jobs per hectare, which is around 38% lower than that of Soho.

The density in the Oxford Street study area is 19% lower than in Soho. However we can see significant variations between its western and eastern sections. Density in Oxford Street East is almost as high as in Soho (1,230 jobs per hectare), whilst density in the Oxford Street West is the second lowest in the West End (770 jobs per hectare; higher than 543 jobs per hectare in the Wider West End). This may be due to a range of factors including planning policy, historical building typology, proximity of Oxford Street East to a borough boundary and the way in which residents engage in the planning process. This analysis is helpful because it provides us with some indication as to where employment growth might occur and the level of growth that might be possible.



Source: BRES 2016 and Volterra: Oxford Street West: The Economic Case for Intensification, March 2016

The West End baseline: key snapshots and trends

Employment potential with intensification

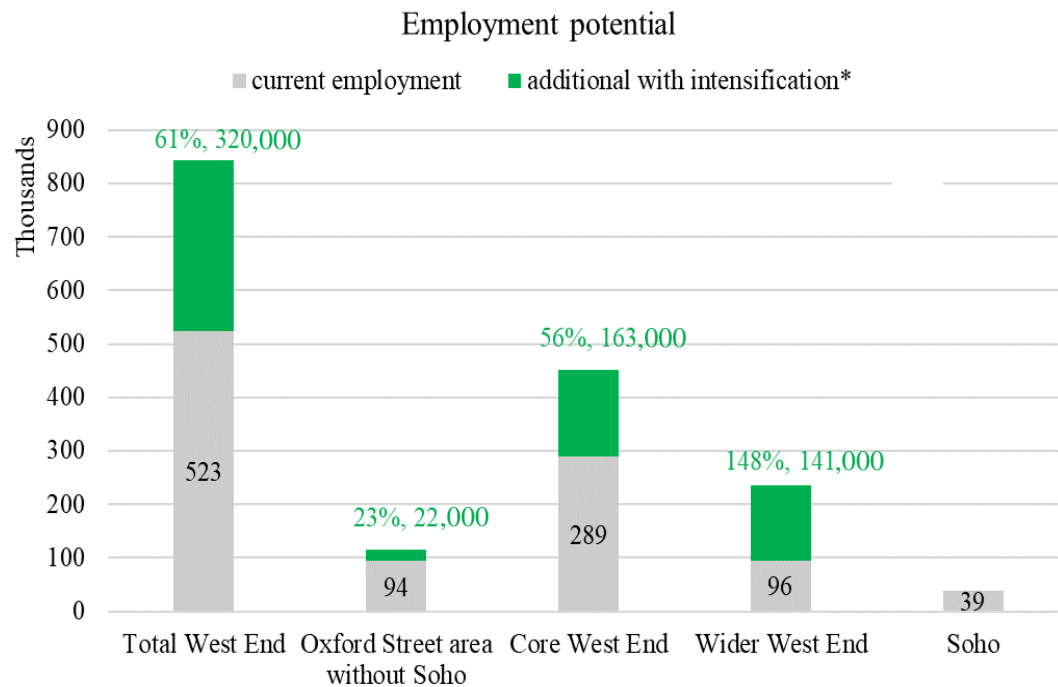
The Oxford Street area (without Soho) could accommodate additional 22,000 jobs with development intensified up to the level achieved in Soho

The figure on the right shows potential employment levels across West End study areas if they achieve the employment density rate of Soho (1,350 jobs per hectare). Intensification up to the Soho level would equal to 320,000 more jobs across the whole West End – which would represent an increase of some 60% on the current level of employment (523,000 jobs).

The Wider West End area has the biggest relative intensification potential given its lowest current employment density. In addition, as the figure on the previous page highlighted, there is also potential for intensification in other parts of the West End such as Oxford Street West.

Based on benchmarking against Soho, the Oxford Street area without Soho could accommodate an additional 22,000 jobs.

We recognise that these comparisons need to be seen as largely illustrative and to a degree represent the different building typologies that shape each area in question - and indeed the width of roads and amount of greenspace that characterises different parts of the West End. As will be seen in the latter part of our report, our "Good Growth" scenarios fall well short of the 320,000 jobs that could in theory be accommodated with Soho density levels.



Source: BRES 2016, Arup analysis

The West End baseline: key snapshots and trends

Employment vs employment floorspace change

Employment has increased while employment space has decreased

In more recent years, intensification of (a declining quantum of employment space per worker) has been taking place in Westminster. This can be seen in the figure opposite.

According to Valuation Agency Office (VOA) data*, the amount of office floorspace has decreased in Westminster by 1.6% between 2000 and 2016. Employment growth was on par with Greater London. It increased by 28% in the 16 year period in question; a percentage point increase that is more than seven times the 3.5% achieved in the 50 year period from 1961 and 2011.

This has happened because of:

- improved space utilisation thanks to new working models such as hot-desking, flexible hours and other new working models; and
- falling vacancy rates.

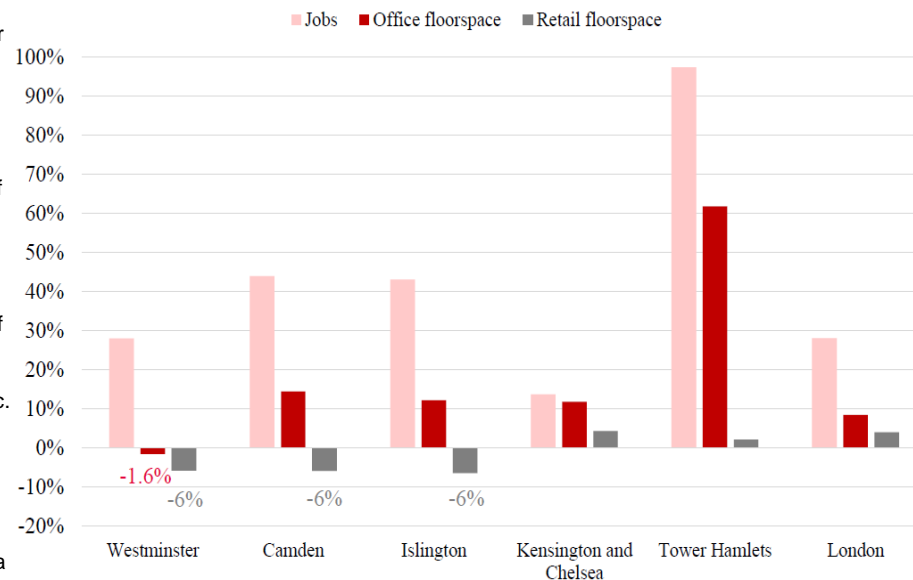
Whilst in many ways this can be seen as a positive change over recent years, making better use of existing space, the ability of the existing space to absorb further employment growth may be limited.

According to JLL, a real estate advisory company, vacancy rates in Central London in 2018 (YTD) remain lower than the ten year average. In the West End, the vacancy rate remained at 3.7% in 2018 which we

understand is very close to a lower limit for an efficiently functioning market. Some vacancy is required for tenants to have flexibility to adapt to changing market conditions. The “buffer” for that flexibility is currently almost used up in the West End which will risk hindering the functioning of the commercial property market.

In terms of employment space density, Volterra work for Grosvenor suggests that the Oxford Street area could already be close to reaching a benchmark of 8 sqm of office floorspace per worker. We understand that decreasing the amount of space even further is somewhat unrealistic. It would mean that the West End cannot rely on space intensification and vacancy rate decreases over the longer term to increase the employment level in the Core West End and Oxford Street areas in particular. We would therefore argue that a proactive growth strategy is essential to enhance the capacity and maintain the character on the West End.

Total percentage change between 2000 and 2016



Source: VOA 2000-2016, Arup analysis

*All administrative data are subject to processing and system errors and as such while the VOA has made every effort to ensure accuracy of the data underpinning this analysis it is possible that some errors remain

The West End baseline: key snapshots and trends

Office rents

Due to material increases in rent, some companies are leaving the West End for other parts of London due to high rents.

Rents in the West End are already the highest of any market in the UK. The average office rent in the West End amounts to £65 per sq. ft per year. That is around 15% higher than in Midtown and 18% higher than in the City.

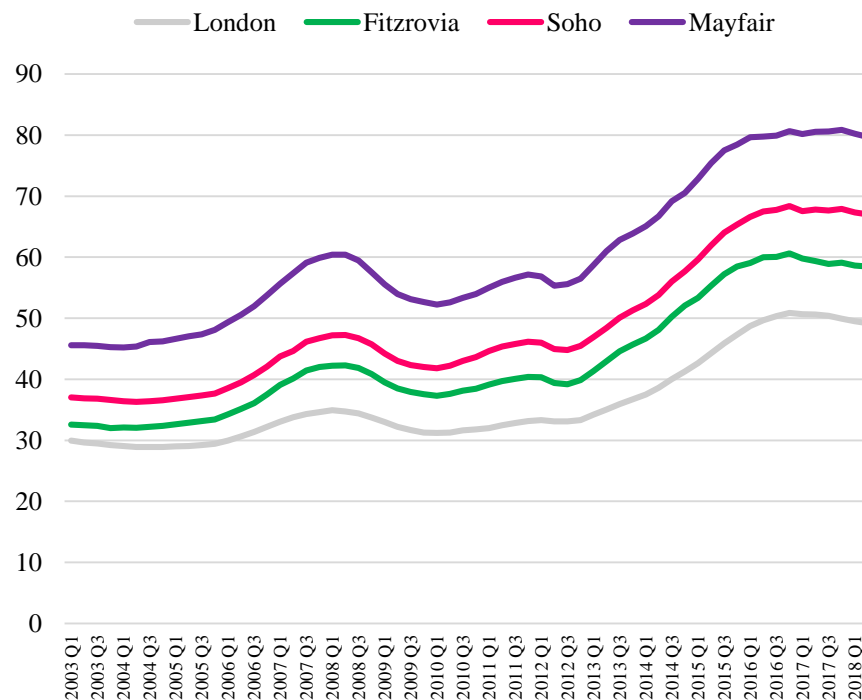
Office rents have risen sharply in recent years, fuelled by falling vacancy and growing demand. As a consequence some companies are leaving the West End for other parts of London. For instance, the Economist Group and McKinsey & Co have both recently signed deals to leave St James's for Midtown. Several national embassies have also departed from Mayfair, while Turner Broadcasting, COS, and Spotify are moving east from Soho. Other factors such as the availability of suitable real estate will also be factors that are shaping decisions to move.

We observe that annual growth has been slowing since a peak in 2015, with rents stabilizing or actually falling over the past year for the first time since 2012 (by around 3%, which is about half the rent losses experienced in the City). The greatest declines have been recorded in the Saint James's (and Victoria submarkets of late).

Soho and Fitzrovia have seen the some softening in their rental values but are expected to see increases over the next few

years, buoyed by the imminent arrival of Crossrail. They are especially popular with Technology, Media and Telecom (TMT) firms. There have been some notable lease deals in recent years. Facebook opened its new 230,000 sq. ft UK headquarters at Rathbone Square and Arup and Boston Consulting Group each signed 100,000 sq. ft-plus pre-lets at Derwent London's 80 Charlotte Street scheme.

Office rental value
 £ per square foot (nominal values)



Source: CoStar 2003-2018 Arup analysis

The West End baseline: key snapshots and trends

Population

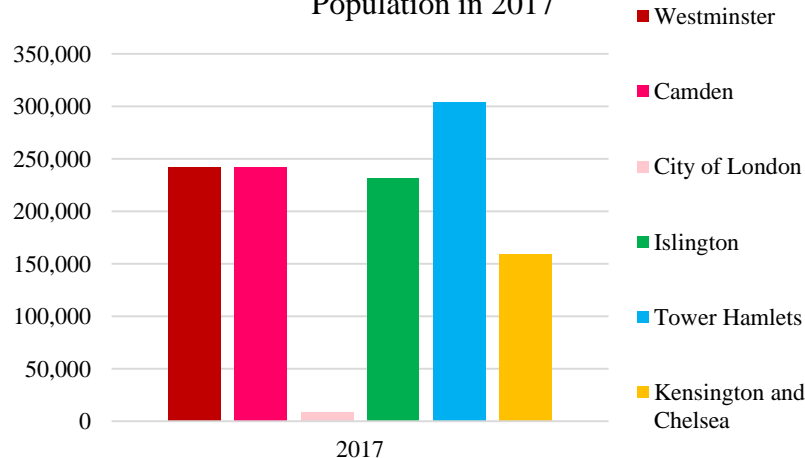
Westminster population has been growing at similar pace to Greater London

The West End is a home to around 55,000-60,000 people. It accounts for the equivalent of some 23% of Westminster's population (250,000) making Westminster the eight biggest London borough in population terms. Westminster's population grew by 23% between 2000 and 2017.

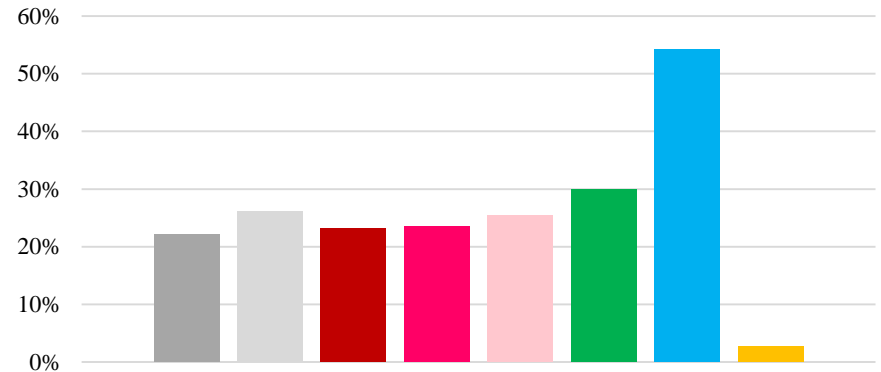
per annum), whilst Westminster has grown at a rate closer to the average for Greater London as a whole.

In terms of pace of growth, Westminster has been growing recently at the same annual growth rate as Camden and Islington – just over 1% per year. Tower Hamlets, City of London and Islington have seen accelerated growth in recent years (2%-3%

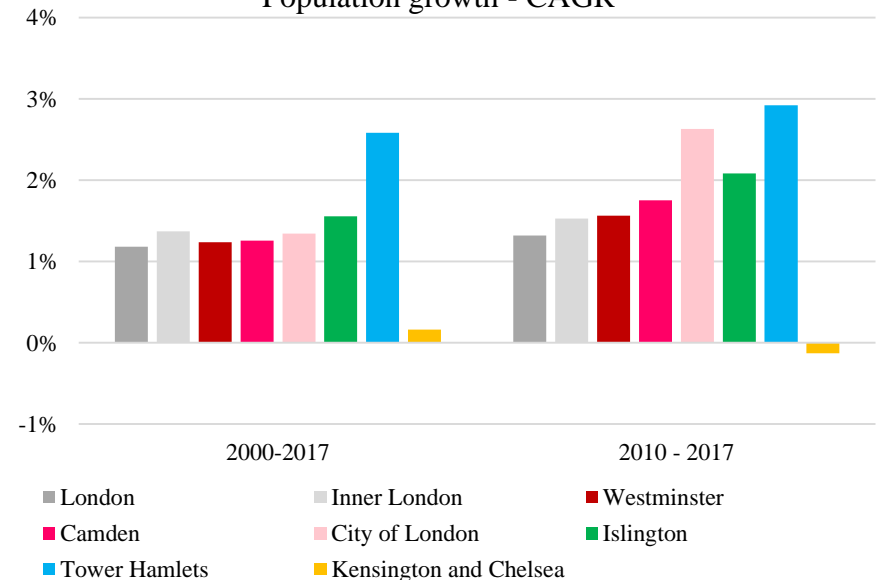
Population in 2017



Population growth between 2000 and 2017



Population growth - CAGR



Source: ONS 2000-2017, Arup analysis

The West End baseline: key snapshots and trends

Workplace population and work place of population

Over 30% of Westminster residents work in Westminster (largely in the West End); 5% of the West End workforce lives in the West End

The West End is a significant place of employment for both Westminster and Camden residents (both of which have long term unemployment challenges that the West End could perhaps help to tackle).

But as was noted earlier, Westminster and Camden are very important locations of employment for Londoners more generally – with one in five Greater London jobs located in the two authorities' areas.

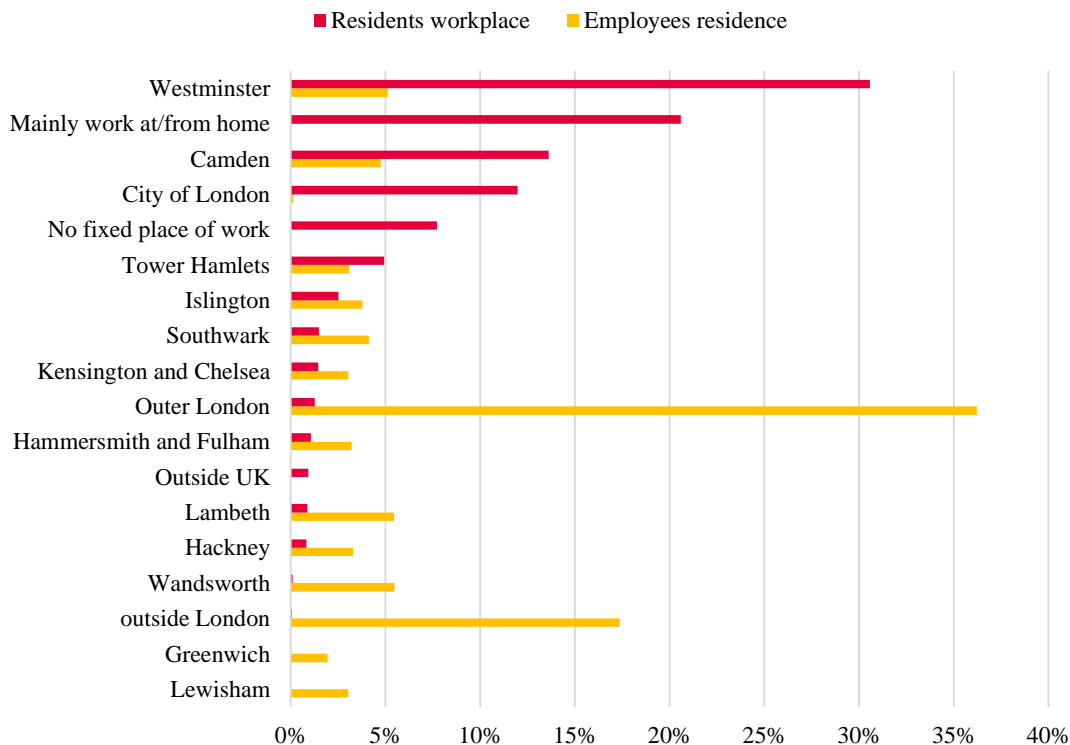
With respect to the West End itself, some 56% of West End residents work in three local authority areas:

- 30% of West End in Westminster borough
- 14% in Camden and
- 12% in the City of London.

Some 20% work mainly from home and 8% have jobs with no fixed place of work. Out of all residents in employment with a fixed place of work, almost all of them work in Inner London.

For West End workers alone:

- 46% live in Inner London
- 36% live in Outer London and
- 17% live outside London.



Source: ONS Census 2011, Arup analysis

Scenario development

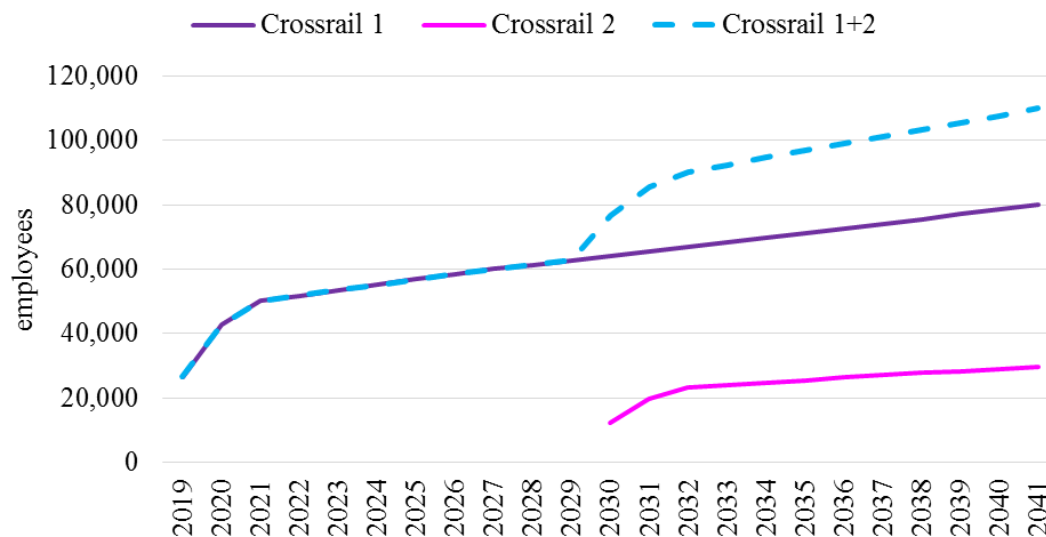
Major committed schemes and developments

As part of our “top down/bottom up” assessment of the capacity of the West End to accommodate good growth, we have reviewed TfL (RailPlan) data on the morning peak capacity of Crossrail 1 and Crossrail 2 for Tottenham Court Road and Bond Street stations. Taken together, we estimate that they will be able to accommodate sufficient peak hour capacity to support around 120,000 employees commuter journeys (in the morning peak – when capacity is most intensively used).

- Crossrail 1 will be able to transport an additional 80,000 employees in the morning peak to the West End by 2041.
- Crossrail 2 will be able to transport an additional 30,000 employees to the West End by 2041.

In addition, other improvements to the public transport system, such as High Speed 2 and upgrades to existing Tube lines (such as the Piccadilly, Bakerloo, Central and Sub Surface lines) as well as stations (Holborn and possibly Oxford Circus over the longer term) could also add carrying capacity. These improvements could facilitate growth in the West End’s employment base. These have not been factored in to the analysis shown here. Furthermore measures to encourage use of other modes (walking and cycling for example), are not included in the total estimate.

Crossrail-related passengers-employees net potential
 (cumulative in each year)



Source: Arup analysis based on TfL data

4. Defining Good Growth in a West End context

Planning Policy Context Introduction

This section summarises the relevant planning policy context for the West End Good Growth Areas, as defined by the GLA. Our review of planning policy looks at national, regional and local levels, and considers other statutory and non-statutory policy against which the proposed growth area is considered. These are set out under the headings of Statutory Development Plan Policy and Material Planning Considerations. Key policies within each plan and that are relevant to the West End Growth Area are outlined in greater detail in Appendix 1.



The London Plan / FALP (2016)

Sets out the 20-year spatial development strategy for Greater London. It is very strong in supporting the West End as an international retail centre and strategic cultural area. Argues that policy in the area should focus on improving the public realm and optimize benefits from Crossrail stations at Bond Street and Tottenham Court Road. The (FA)LP was adopted in 2016.



The draft London Plan (2018)

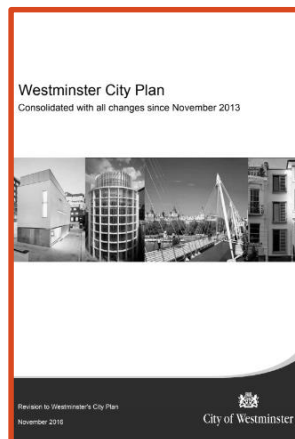
Focuses on the unique role of the CAZ in light of its concentration and diversity of uses. The plan also recognises the vitality and viability of the West End, its commercial growth potential as well as the strategic contribution the area has on the economy, culture and identity of the capital. Currently in public consultation.

Statutory Development Plan Policy

- London Plan (adopted 2016)
- Draft London Plan (2018)
- Westminster City Council Local Plan Policy (2016)
- Camden Local Plan Policy
- Neighbourhood Plans

Material Planning Consideration

- National Planning Policy Framework (2018)
- London Office Policy Review
- Other relevant planning policy considerations



Westminster City Plan (2016)

Presents strategic and more detailed policies to manage the city and deliver Westminster's future development. Notes that most of the strategic land uses within Westminster and the CAZ converge in the West End, making it a unique area within London and providing it with unrivalled economic and cultural breadth and diversity. We understand the City Plan is in the process of being revised.



Camden 2025 (2018)

Sets out the Council's vision for the borough and objectives for 'good growth'. It recognises its strong relationship with Westminster, adhering to the wider vision for the West End and identifies the challenges in balancing economic, social and cultural roles to promote the area as a successful and vibrant part of the capital. At the time of writing, we understand the SPD for the Holborn area (which forms part of Camden's part of the West End along with St. Giles, Covent Garden and Fitzrovia) is being revised.

Planning Policy Context

Statutory Development Plan Policy

The London Plan (adopted March 2016)

The current London Plan, with further alterations, was adopted in 2016 and sets out the spatial development strategy for Greater London, providing a framework for the development and use of land to 2036. It provides a strategic, London-wide policy context within which boroughs should set their local planning policies.

The London Plan emphasises the need to ensure the continued success of Knightsbridge and the West End as two international retail centres and global shopping destinations. Ensuring the protection and enhancement of their unique offer to improve the quality of their environment and public realm is something particularly important in the Oxford, Regent and Bond Street/Tottenham Court Road area. This is covered by the West End Special Retail Policy Area (WESPRA).

Policy for WESPRA, states that support should continue for the area as a retail and leisure district of national, city-wide and local importance, including 'Theatreland' in the West End which is considered to form part of the West End's strategic cultural offer. WESPRA focuses particularly on improving the public realm and optimising the benefits from Crossrail stations at Bond Street and Tottenham Court Road.

WESPRA highlights the Tottenham Court

Road Opportunity Area, recognising its status as an international shopping location.

Draft New London Plan (2017)

The Draft London Plan is the new statutory Spatial Development Strategy for Greater London and outlines the general policies in respect of development and land use. Whilst the current 2016 Plan is still adopted, the Draft London Plan does not comprise adopted policy. However given its advanced stage of development (currently at Examination in Public) it forms a material consideration in planning decisions.

The Draft London Plan focuses on the unique international, national and London-wide role of the CAZ and its strategic functions and taking advantage of its unique concentration and diversity of uses. It recognises the vitality and viability of the West End and its role as an international shopping destination, together with Knightsbridge and other CAZ clusters.

In addition to its role as an internationally-renowned shopping, cultural and visitor destination, the Plan comments on the vibrant mixed-use business role of the West End and the strategic contribution the area makes to the economy, culture and identity of the capital. It notes this should be promoted and enhanced. The West End Retail and Leisure Special Policy Area (WERLSPA) should therefore act to complement the co-existence of leisure,

evening and night-time activities in the area. It recognises the high commercial growth potential it offers. The WERLSPA recognises the wider contribution and interdependency between retail and leisure and the role that this takes in agglomeration and attractiveness of the West End.

Similarly, the Draft London Plan envisages Central London as a key driver of the economy and identifies its multiple Opportunity Areas as places where development schemes and growth can come forward. For example the Tottenham Court Road OA is designated to deliver 300 new homes and 6,000 new jobs.

Planning Policy Context

Statutory Development Plan Policy

Westminster City Council Local Plan Policy

The Westminster City Plan (WCP) contains Westminster City Council's local planning strategy. It was adopted by full council on 9 November 2016 and sets out the strategic vision and more detailed policies to manage the city and deliver Westminster's future development up to and beyond 2026/27. Although this latest Plan was due to be reviewed late 2017, in direct response to changes national and regional policy in recent months, which will have direct impact on Westminster policies, the timetable for City Plan review has been changed to enable consideration of policy, context and legislative changes that come forward. Consultation on the draft City Plan under Regulation 19 is therefore expected to take place in Autumn 2018, with adoption expected in late 2019.

The policies and key details that are relevant to the West End Good Growth study area in the adopted WCP are as follows.

The WCP identifies three specific Opportunity Areas, including Tottenham Court Rd OA. The study area is considered by the WCP to be a locally distinctive area and is therefore included within the Core Central Activities Zone (including West End Special Retail Policy Area) policy framework. Most of the strategic land uses

that take place within Westminster and the CAZ overlap and converge in the West End, making it a unique area within London. Complex land uses merge to provide economic and cultural breadth and diversity. The Tottenham Court Road OA is in line with this growth, recognising the need for regeneration in certain areas. It provides the potential for development that respects the character of the area and improves commercial performance.

Policy S7 of the WCP specifically relates to the West End Special Retail Policy Area (WESRPA). WESRPA covers the West End International Shopping Centre and wider West End area including Soho and Covent Garden. It has been established to sustain and enhance the central shopping district and its distinct character and history, while addressing the need to improve certain areas, such as the very east and very west ends of Oxford Street which offer particular scope for improvement. As a result of the intense activity on the main shopping streets and high numbers of visitors (likely to increase in capacity following the opening of Crossrail), it is vital that development within the WESRPA is:

- of exceptional design and townscape quality;
- capable of improving retail space and appropriate retail growth;

- addressing pedestrian congestion and mobility through; improved public transport provision and linkages; and
- able to deliver improved public realm, in terms of scale and location.

This approach will help to support the West End retain its status as a global shopping destination and rejuvenate London's retail competitiveness.

Similarly, Policy S8 of the WCP relates to Marylebone and Fitzrovia policy area which sits within the West End Good Growth study area. The area contains a number of Named Streets appropriate for residential use and a range of commercial activities.

In addition, all of Westminster's 5 Special Policy Areas (SPAs) fall within the West End Good Growth Boundary. Westminster's SPAs (Policy S2) are designated to protect and promote specialist uses and functions, specifically:

- Harley Street – medical facilities
- Portland Place – institutional uses
- Savile Row – Tailoring
- St. James's – Private members' clubs, art galleries and niche retail
- Mayfair – Art galleries, antiques traders and niche retail

The SPAs are recognised for their local

distinctiveness, in particular their land uses which the policy seeks to protect. All development should support and enhance existing uses and new complimentary development and uses will be encouraged if in keeping with the character and function of the areas.

Planning Policy Context

Statutory Development Plan Policy

Camden Local Plan Policy

The Camden Local Plan was adopted by Council in July 2017 and sets out the Council's vision for the borough and objectives for growth. The Local Plan covers the period 2016-2031.

It recognises the strong relationship with Westminster and the wider vision for the West End area. It recognises the unique role, character and challenges of the study area in balancing its economic, social and cultural role and the need to promote the area as a successful and vibrant part of the capital.

A significant proportion of the borough's growth up to 2031 is expected to be delivered across six identified growth areas, of which Tottenham Court Road is identified for large-scale redevelopment and significant increase in jobs and homes. Aspirations for the Tottenham Court Road growth area, in line with Westminster and the West End Partnership, include:

- A balanced mix of uses, including retail to support shopping frontages
- An excellent public realm, with improved areas for pedestrians to complement the West End
- Maximising densities compatible with the local context
- Development of the highest quality and
- Improving the lack of open space.

As noted earlier, Camden is in the process of revising its SPD for its part of the West End. We understand this might be ready for consultation in the first part of 2019.

Neighbourhood Plans

In terms of Neighbourhood Plans, the Mayfair Neighbourhood Plan and its defined area and policies have been submitted to the Council for examination. It sets the vision and future development of Mayfair to 2038. The Mayfair Neighbourhood Area is located within the West End Good Growth study area. The Mayfair Neighbourhood Plan is supportive of and in conformity with key influential policies within the WCP and the London Plan such as the Central CAZ (within which Mayfair entirely falls); the WESRPA; and mixed-use policies in relation to office and residential floorspace, design, heritage and open space. Policy direction for the uplift in commercial and residential uses is addressed in Policy S1 – Mixed Use in the CAZ within the current WCP and will be addressed further within WCC's emerging City Plan.

In addition to Neighbourhood Plans, Westminster has five approved Neighbourhood Forums. Once an area is designated as a Neighbourhood Area, an organisation can submit an application to be a Neighbourhood Forum. Forums and parish councils can use neighbourhood planning powers to establish general planning policies for the development and use of land in a neighbourhood. Approved Neighbourhood Forums designated by Westminster, and which fall within the West End Good Growth study area include:

- Fitzrovia (West) Neighbourhood Forum (Feb 2015)
- Marylebone Neighbourhood Forum (Sept 2015)
- Soho Neighbourhood Forum (July 2014)
- St. James's Neighbourhood Forum (Feb 2015)
- Fitzrovia East Neighbourhood Area [Camden] (April 2014)

However these designated forums do not yet have adopted Neighbourhood Plans.

Planning Policy Context

Material Planning Consideration

National Planning Policy Framework (NPPF, adopted 2018)

A revised NPPF[3] was published on 24 July 2018 and constitutes guidance for local planning authorities in forming policy and as a material consideration in determining planning applications. It sets out the Government's economic, environmental and social planning policies for England and articulates the Government's vision of sustainable development. It reinforces the Government's commitment to a plan-led system where Local Planning Authorities (LPAs) should formulate policy and approve development proposals that are accordance with the principles outlined in the NPPF. LPAs are encouraged to approach decision-taking in a positive way looking for solutions rather than problems, and work proactively with stakeholders and applicants to secure growth and development that improves the economic, social and environmental conditions of an area.

At the heart of the NPPF is a presumption in favour of sustainable development that should run through both plan-making and decision-taking. In terms of delivering sustainable development, the NPPF sets out a number of overarching policies that can be used to form policy and determine planning applications as a material

consideration. Those of relevance to the West End growth proposals include:

- Building a strong, competitive economy
- Ensuring the vitality of town centres
- Promoting sustainable transport
- Promoting healthy and safe communities
- Achieving well designed places
- Delivering a sufficient supply of homes
- Meeting the challenge of climate change
- Conserving and enhancing the natural and historic environment

Key Changes to Policy and Potential Development Impacts

Over the last five years planning policy at national, regional (London) and local (Westminster and Camden Borough Councils) levels has changed considerably.

At a national level, the new NPPF makes explicit the importance of supporting business growth and improved productivity. Supporting economic growth remains an important consideration in plan-making. Significant weight is given to the need to support economic growth, alongside a strong commitment to address the need for housing as a priority.

In terms of planning policies for retail and town centres, however, there are relatively few amendments. The fundamental principles of encouraging a 'town centre first' approach through sequential and impact testing remain largely unchanged. This is however accompanied by a greater emphasis on the need to address and manage change within town centres, recognising the need for town centres to evolve and address ongoing changes to the high street and retail industry. The NPPF promotes a more density-driven agenda, noting the importance of key transport nodes, addressing residential needs and how these may be balanced in the future through a more flexible approach to policy and land use.

In the same vein, existing and proposed policy measures within both the adopted and draft London Plans also offer the ability to diversify and provide a more dynamic retail and business landscape. In terms of ensuring a placemaking strategy

is at the centre of any development and or policy agenda to enhance retail experience and drive footfall, the draft London Plan focuses largely on the principles of 'Good Growth.' This includes promoting the delivery of high density development that is design-led and encouraging the optimisation of land use. It recognises the opportunities on offer with new transport nodes whereby associated investment will have a significant impact on the locations they serve and drive a regeneration impact that will help support the delivery of housing, mixed-use and commercial developments.

In respect of town centres, these policies provide new possibilities for town centres and a different emerging retail landscape. The draft London Plan in this sense goes further than the current adopted plan in terms of the envisaged role of town centres. It again acknowledges and encourages their changing role, envisioning the town centre as one that adapts to the changing needs of both commercial and residential growth. In centres such as the West End and other areas that fall within the CAZ, high commercial growth potential is identified.

Within the CAZ, development strategy continues to focus on promoting and enhancing the mixed-use office, retail, entertainment and cultural offers and promoting the ability of development to "curate" differentiated product mixes and more flexible spaces. However, whilst such change of use is encouraged, there is

some concern within policy with regard to the amount of residential use in the CAZ and other areas with a high level of commercial use. This concern is based predominantly on two core factors; the ongoing need for commercial space, and the 'neighbourliness' of residential development and economic activity.

In this respect, the draft London Plan reflects a change in outlook with regard to change of use and permitted development rights. Draft policy enables the targeted use of Article 4 Directions to refuse changes of use from retail, office or light industrial to residential development where it is considered inappropriate and would otherwise be acceptable under permitted development rights. This policy implementation can be used to restrict too much residential conversion in certain key growth areas to protect the unique and diverse economic offering provided by certain retail, office and light industrial uses. The draft London Plan therefore recognises that such land uses are still required and in some instances are needed to expand to keep pace with demand and changing trends, with for example additional demand for office space expected (up to 620,000 jobs up to 2041 and an estimated 4.7-6.1 million sqm of office space with demand to be 'broadly' accommodated within existing prime locations, such as the CAZ).

At a local level, both Westminster and Camden have also been following this approach, ensuring their strategies and

policies encourage a broad mix of uses while protecting core (retail) uses to meet demand. There is some recognition that as retail continues to change and new technologies emerge, commercial and town centres need to diversify to evolve and thrive in response to current and future economic trends. Local policies recognise that these changes, while they represent significant challenges, they equally offer great opportunity for place-making and the ability to provide more flexible spaces and innovative forms of land use.

Trends in both policy and practice present significant challenges and opportunities for town centres and LPA approaches to adaptation and diversification. This includes adapting to new innovative forms of retailing, accommodating new space where there is identified demand, potentially through increased densities, and managing a new mix of uses, especially where more mixed-use development including a residential component is appropriate. We would therefore argue that there is a need for Westminster, Camden and other key stakeholders to proactively manage policy and decision making to accommodate current and, critically, emerging trends with a broad mix of uses whilst actively protecting core retail and commercial uses through more flexible policy frameworks.

Planning Policy Context

Non-statutory documents – West End and the Oxford Street District

The West End Partnership and the New West End Company (NWE) have both developed visionary documents for the wider West End and Oxford Street District areas, as summarised to the right. We would argue that there is much in these documents that is consistent with delivering “Good Growth” policies for the West End as defined in our analysis - based on the statutory planning documents highlighted in this report. We discuss good growth over the next few pages.

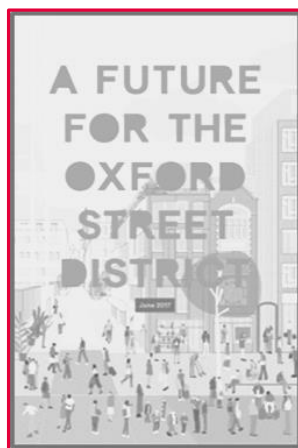
Non-statutory documents

- Vision 2030 – West End Partnership
- A Future for the Oxford Street District – New West End Company
- Oxford Street Today – New West End Company (2015)



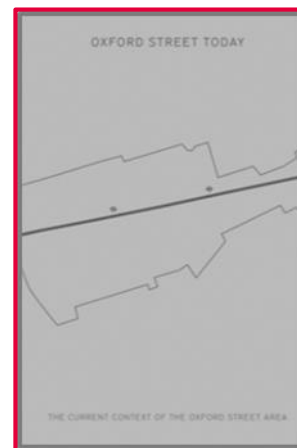
Vision 2030 – West End Partnership

Proposes a 15-year vision for the West End by setting twin goals of economic growth and strengthening of cultural character, amenities and openness. Defines ‘good growth’ as growth meeting eight sets of principles, including productivity, resilience and creativity; full integration of the West End into London’s economic success story; the provision of economic opportunities; environmental protection; safety and security; quality, interest and extent of public spaces; inspiring a sense of common purpose and making the area more self-resilient.



A Future for the Oxford Street District – New West End Company

Inspired by the WEP, it describes ‘good growth’ as creating gains in economic productivity alongside improvements in environmental conditions and quality of life. To realise this, the study proposes improvements in transport accessibility and integration with the wider West End, an improved public realm and delivery of enhanced commercial floorspace; completed in consultation with the business community and residents.



Oxford Street Today – New West End Company (2015)

Presents an overview of the current context of Oxford Street, its integration into the wider West End area and how it can capitalize on the opening of Crossrail in the future. The study creates an evidence base of the economic performance, the policy and planning framework as well as the physical conditions that exist in the district.

Good Growth for West End Defining Good Growth

From our research and analysis, we consider there should be a broad consensus as to what “Good Growth” for West End means - as largely outlined in the draft London Plan and the West End Partnership Vision 2030.

The Draft London Plan Principles of “Good Growth”

“Good Growth” is socially and economically inclusive and environmentally sustainable.

Good Growth Policies

- Policy GG1: Building strong and inclusive communities
- Policy GG2: Making the best use of land
- Policy GG3: Creating a healthy city
- Policy GG4: Delivering the homes Londoners need
- Policy GG5: Growing a good economy
- Policy GG6: Increasing efficiency and resilience

West End Partnership - Vision 2030

The West End Vision 2030 and West End Partnership Delivery Plan 2015-2030 outline the following vision of “good growth” for West End over the next 15 years:

1. Vibrant, productive, resilient, creative and surprising
2. Playing a pivotal role in London’s continued economic success
3. Providing new jobs and skills opportunities
4. Easy to reach, with less congestion and better air quality
5. Safe and secure as well as open and relaxed
6. Renowned for the quality, interest and extent of its public spaces, helping to differentiate London from

other world cities

7. Inspiring a sense of common purpose
8. More self-reliant

Good Growth for West End

Taking the overarching policies outlined in the draft London Plan and the 2030 vision for West End, we have developed a context-specific description of what Good Growth might look like in the West End and Oxford Street District, based on the unique mix of sectors in the area, as follows:

1. London plan targets fulfilled or exceeded – where sustainably possible
2. Rich mix and attractiveness of the West End is enhanced (reflected in new development and enhanced public space)
3. West End maintains and improves its international position for visitors, investment and employers
4. Fulfils its potential as an attractive and affordable place for people to live, work and enjoy themselves
5. Fulfils its potential for Londoners as well as its CAZ, regional and national roles
6. The West End’s quality green spaces and historical buildings, air quality, and other quality of life indicators are maintained and improved
7. It is able to sustainably generate the resources to

secure the public services required to maintain, invest, enhance the area and London as a whole

9. Takes maximum advantage of public transport and sustainable modes
10. Delivers irrespective of administrative (borough) boundaries
11. The real estate market functions in such a way as to facilitate the good growth factors highlighted above

Good Growth for West End

Sector specific needs to enable Good Growth

Retail

- The West End enhances its position as a leading retail destination (internationally, nationally, regionally, locally) and is able to compete with other world cities (retail offer) and other London / regional centres of retail
- Retail is able to react and adapt quickly to underlying changes in the sector, customer trends and the impact of technology
- Retail complements good growth goals and objectives for the West End as a whole
- Despite some decline retail continues to thrive and provide employment opportunities for Londoners and South Easterners

Residents

- Increase in number of residential units to help meet London Plan housing targets
- A growth in mix of tenure and type to contribute to meeting needs of Londoners including affordability etc.
- Ensuring that residents' quality of life is improved (will almost certainly require more investment in city management)
- Higher rates of occupancy (i.e. non-absenteeism).
- Provision of public services (including community infrastructure) and private sector provision to meet residents' legitimate needs
- Unique character and residential amenity enhanced, particularly for distinct neighbourhoods of Mayfair, Marylebone, Soho, Fitzrovia, Bloomsbury and Covent Garden

Office

- Expansion in high quality (and other grades) of office space to take full advantage of the additional employment generating capacity Crossrail 1 (and 2) bring
- A properly functioning real estate market that supports good growth outcomes. For example, sufficient diversity in product to support and enhance a rich mix of activities in office space and broader West End sectors
- Existing high quality listed buildings other buildings of cultural importance are maintained
- Higher rates of occupancy i.e. non-absent occupation – and where viable further intensification with respect to use of existing space
- “Good neighbours” to residential and other uses
- New development that complements or enhances the characteristics of the distinct areas that make up the West End and achieve appropriate height and massing
- Provides Londoners with accessible employment space/employment opportunities – enterprises of varying sizes

Arts, Culture and Entertainment

- Protection and enhancement of the public/non-public arts and culture offer of the West End to provide for international and national visitors and Londoners
- Protect and support the entertainment sector (subject to contributing to rich mix offer, ensuring manageable impact on residential areas)
- Promote and protect clusters of arts, so as to maximise benefits and minimise adverse effects

Hotel

- Make an increasing contribution to London's international offer as a world class destination
- Provide diversity of offer to improve competitiveness with respect to “AirBnB” type offers (through more boutiques, mid-range, deluxe products)
- Redevelopment/renewal of ‘tired’ hotel stock to enhance the West End offer and amenity
- Contribute to West End's rich mix of experience for international and importantly national visitors

Food and Beverage

- Food and beverage enhances its offer as part of the West End's sustained attractiveness as a destination
- Food and beverage supports other sectors (e.g. retail to make them attractive)
- Diversity of offer grows and is maintained
- Substitution of some lower grade (hot food) outlets with more mid to high end offers
- Some growth but at appropriate, sustainable levels by location

The vision for West End

Stakeholder meetings and feedback

In the course of our work we met with a number of stakeholders. In addition we were able to draw on our previous work on the future of the West End that we have overtaken over a number of years. Selected feedback from the meetings are summarised on this page.

Stakeholders

Public sector

- The Crown Estate
- City of Westminster
- GLA
- London Borough of Camden**
- TfL

Private sector (including those organisations that were represented at joint BID, London First meetings)

- London First West End Streets Grouping
- Grosvenor
- New West End Company (BID)
- Bee London Midtown (BID)**
- HOLBA (BID)
- Fitzrovia Partnership (BID)**
- Derwent London
- Shaftsbury
- Portman
- House of Fraser
- Almacantar
- Arcadia
- Westminster Property Association
- Great Portland Estates
- Howard de Walden
- Pollen Estate
- REM Limited
- Savills
- Kenningham Retail
- Berners Allsopp
- Gerald Eve

**as part of ongoing dialogue

The vision for West End

Stakeholder meetings and feedback

Summary insights from stakeholder meetings

Retail

- Stakeholders are working hard to understand how to best respond to structural changes in the retail market. Noted the appetite from retailers to intensify and rationalize their use of space and give people a reason for coming into stores to drive footfall – turning “clicks into bricks”
- Highlighted the need for flexible planning policy as traditional retail converges with experience based offers and food and beverage
- Stakeholders want to see the geographical extent of the West End International Retail Centre defined in key planning documents to enable greater policy flexibility and allow Sunday trading hours to be extended if future legislation allows for this to happen

Hotels and Food & Beverage

- Stakeholders noted dependency on migrant labour, and potential substitution to UK nationals; while Crossrail expected to boost the labour catchment area of West End
- Stakeholders seeking ways to encourage those on organised tours to the West End theatres to stay longer
- Support of the trend away from “vertical drinking” and towards “drinking while eating”
- Suggest planning system should encourage and facilitate food markets and ‘pop-ups’
- Suggest the need for a range of offers at different price points, including more mid-level value propositions

Office

- Stakeholders identified latent demand for flexible/co-working office space from a diverse occupier base
- Highlighted the fact there is a limit as to how much more intensification of employment space can take place – not only for practical reasons but also because of its adverse impact in terms of attractiveness to employees
- Supported an increase in floorspace to meet growing employment potential of the West End underpinned by Crossrail 1 and Crossrail 2
- Emphasised the need to ensure that residential development and type does not prevent commercial buildings from being redeveloped in the future
- Stressed the importance of careful location of residential next to commercial use to avoid conflict around (for example) delivery and other disruptive activities

Residential

- Noted shift from some providers towards leasing private sector rent rather than sale
- Suggested less large high-end apartments and more smaller/value units to avoid under occupancy
- Support for adopting good growth “toolkit” approach to protect and enhance residential quality of life and to focus on specific concerns to residents
- Support for proper funding of city management services to meet needs of residents (and public more generally) eg to maintain and repair existing and new public realm schemes

Arts, Culture & Entertainment

- Stakeholders suggested that music venues and LGBTQ+ offering may be priced out by high rents and business rates
- The way in which individuals “consume music” has changed. The West End needs to be able to complement that trend through maximising opportunities for the convergence between digital music consumption, retail and venues

Global positioning

- Some stakeholders noted their uncertainty with respect to London’s global and EU competitive positioning including the rate of investment (eg 5G) and the Brexit impact (financial services, movement of labour etc); as well as the rise of Farringdon and the City as increasingly attractive competing locations to the West End

Night time economy

- Stakeholders suggested that access to employment is the most crucial aspect in ensuring the night-time economy thrives, rather than just licensing hours

City Management

- The need for adequate resources to help ensure West End public services are funded sustainably was highlighted by a number of stakeholders. These could be secured through business rate retention, a tourism tax or other forms of fiscal devolution

5. Model methodology

Model methodology

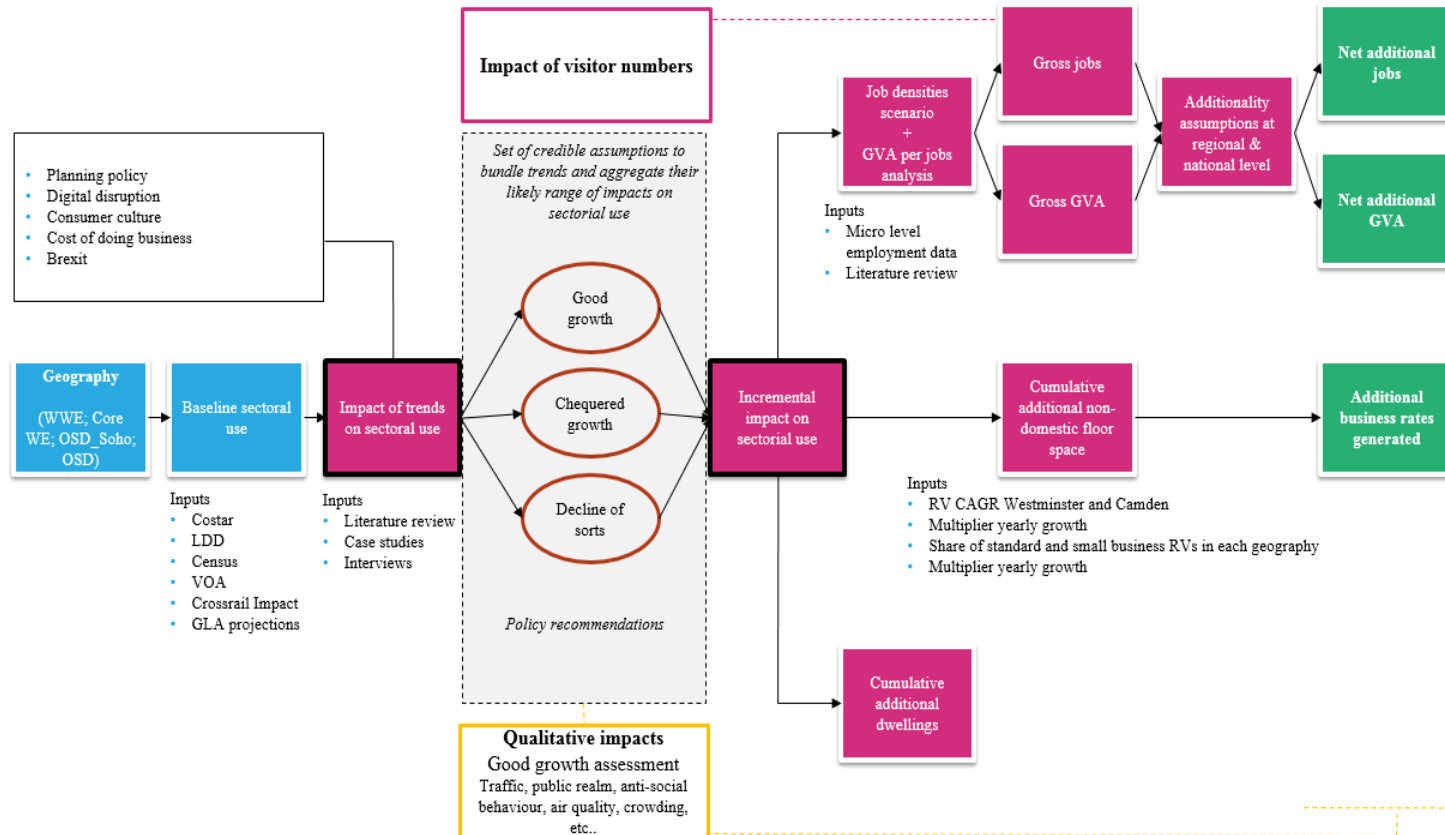
Overall approach

In this section of the report, we outline our approach to the development of our economic impact model. This is shown in a schematic form overleaf.

- 1. Define the baseline sectoral use in each sub-geography** – these have been determined by triangulating land use data from several sources including the Valuation Office Agency, CoStar, the London Development Database and the Census.
- 2. Identify historical trends** – the baseline land use mix in each geography has been projected from 2018 to 2041 drawing on borough (and City) level historical time series (2001-16) from the Valuation Office Agency.
- 3. Determine the land use impact of sectoral trends for each scenario** – the literature review, interviews, case studies and trends analysis have informed our view of trends which may have the most potential impacts on land use in the West End, the direction of their impacts negative or positive, and their importance relative to each other. Four main categories of trends have emerged (digital disruption, planning policy, cost of doing business, and consumer culture). For each category, we have developed two or three possible future outcomes. Our understanding of scale, relative divergence and timing of impact has then been informed “top-down” by looking at growth targets in the area, potential growth brought by transport investments, and opportunity areas and borough (City) targets as well as what made sense in terms of the relative impacts between trends of diverging effects. This step is further detailed in the ‘Scenario’ section of this report.
- 4. Establish scenarios** – the purpose of building scenarios is to identify plausible descriptions of the future which can be used to assess future economic outcomes. Three scenarios have been created based on different combinations of possible outcomes across the four categories of trends (decline of sorts, chequered growth and good growth).
- 5. Consider the economic impact** – the approach is based on a widely accepted methodology used in socio-economic assessments. The analysis has considered four main types of economic outputs; namely, jobs, GVA, business rates, and residential development. A more detailed explanation of the quantitative economic assessment method is provided in this section.

All values are in 2018 prices, unless stated otherwise.

Model methodology Overall approach



Source: Arup analysis

Model methodology

Economic impacts

When assessing economic impacts, it is necessary to convert gross outputs into net additional output; the assessment is therefore concerned with identifying additionality.

The following factors have been considered in the assessment to determine the genuinely additional outputs offered by above trend sectoral growth in the West End up to 2041:

- **Leakage** – the proportion of outputs which benefit those outside the study area
- **Deadweight** – the outputs which would have occurred following historical trends
- **Displacement/substitution** – the proportion of outputs accounted for by reduced outputs elsewhere in the assessment areas.

This approach closely follows the framework for evaluation recommended by the Homes and Communities Agency's Additionality Guide.*

Employment effects

A quantitative assessment of effects has been undertaken at the regional (GLA) level for office, retail, hotel, ACE and F&B uses. Employment has been derived for the extent of floor space in each scenario. This comprised a calculation of FTE operational employment based on floor space and recognised employment densities as set out on the HCA employment density guide**.

The Occupier Density Study from the British Council for Offices (2013)***, Publica's report

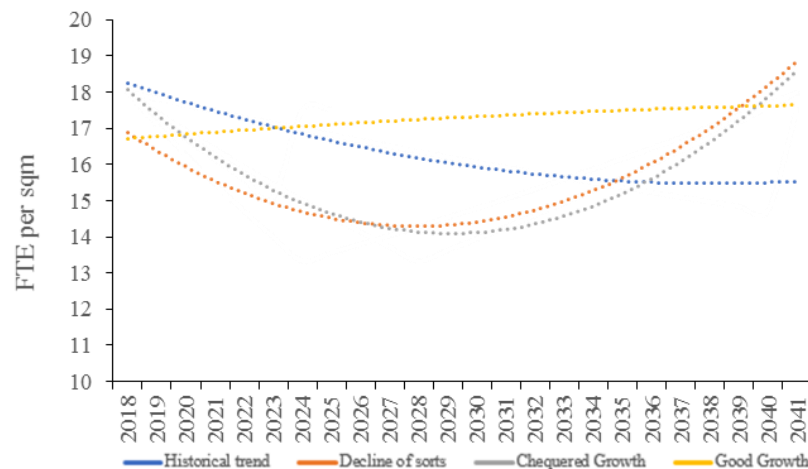
on the future for the Oxford Street District (2017)**** and professional judgement have been considered to build profiles of job densities up to 2041 specific to the West End and specific to each growth scenario.

As noted earlier, there are likely to be limits to how much floor space per worker can decrease. Evidence suggest that densities have risen over recent years as economic pressure and technology enablement have combined to encourage changes in work styles. However, it is to be expected that this increase in densities should level at some point. Data***** suggest that this might be happening now, and, if true, this has important implications for the amount of future employment growth that can be accommodated. Our assumptions of average job densities across all sector uses for each scenario are shown in the figure opposite.

The assessment has estimated effects at the regional level. Based on the international nature of commercial offer in the West End, some employment is not expected to be provided from within the regional area. This is reflected within the additionality assumptions made which are set out in the following paragraphs.

A "leakage" level of 10.4% has been assumed at the regional level. This assumes that a significant proportion of the benefits will be retained within the regional area.

Average job density across all sector uses



Source: HCA (2015); BCO (2013); Publica (2017); CAG (2016); Arup analysis

*: Homes and Communities Agency (2014): Additionality guide fourth edition
 **: Homes and Communities Agency (2015): Employment density guide fourth edition
 ***: British Council for Offices (2013): Occupier density study
 ****: Publica (2017): A future for the Oxford Street District
 *****: CAG consultants (2016): London Employment Sites Database

Model methodology

Economic impacts - continued

Employment effects (continued)

Deadweight assumptions for operational employment account for estimated employment from the existing uses within the regional area. Deadweight for all operational employment assessment levels is therefore assumed to be equivalent to current employment. Thus only the net additional direct employment has been assessed relative to the leakage and displacement effect.

The West End competes with other retail centres in the regional area. This suggests that there would be some displacement effects, although only to a limited extent considering the unique and complementary nature of commercial uses across the West End when compared to other retail centres and the high level of latent demand for commercial space across Greater London. Displacement and substitution have been assumed to be respectively at 37% and 2% respectively.

A “ready reckoner” has been used to determine the employment effects informed by HCA guidance. This is a composite multiplier and has been assumed to be 1.4 at the regional (GLA) level.

Local economic impact (GVA)

The calculation for estimating the level of GVA contribution from scenario-based growth in the West End is based on the GVA per worker** in each of the SIC 2-digit sectors making up the economy of each sub-geographies, multiplied by the gross amount of jobs*** created in each scenario from 2018 to 2041. The GVA per worker in each sub-geography was determined by apportioning the SIC 2-digit GVA per worker in Westminster and Camden to the specific location and composition of employment in each sub-geographies (shown in figure opposite). The compounded annual growth rate of GVA per worker from 1997 to 2016 across each

sector for Camden and Westminster has then been apportioned to sub-geographies to project 2018 figures up to 2041.

The same additionality assumptions are then applied in order to compute the net (GLA level) GVA created over the period in each scenario.

Business rates generated

Our projected baseline rateable values per sqm are based on 2016 values drawn from the Valuation Office Agency**** and shown in 2018 prices. The baseline increases at each reset point based on the average annual growth rate over the period between 2001 and 2016 for the period from 2018 to 2041.

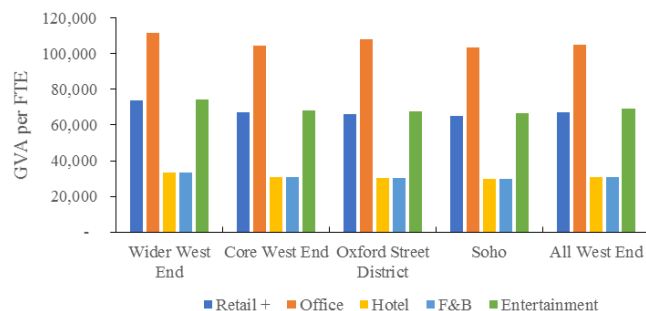
Based on the latest government policy we assume rateable values reset in 2021 and then every three years following 2021.

We assume that the business rate multiplier that is used to calculate business

rates payable remains consistent with historical precedent (0.48 in the year of reset and growing by 1.5p per year until the following reset). We have also assumed that the level of government taxation of businesses does not significantly change.

All scenarios are built with a “soft” / “hard” Brexit option. We have taken a high-level approach to quantifying the impacts of a hard Brexit option, aligning our thinking to GDP forecasts from the Office for Budget Responsibility and HM Treasury who in broad terms halve their growth projections under a ‘hard’ Brexit. We have therefore doubled the impacts of negative trends and halved the impacts of positive trends over a 5-year period (2018-22) to account for the potential effect of a hard Brexit.

GVA per worker by geography and sector (2018)



GVA per worker (£)	Wider West End	Core West End	Oxford Street District	Soho	All West End
Retail +	73,868	67,209	66,011	65,317	67,387
Office	111,430	104,565	108,145	103,635	105,004
Hotel	33,145	30,658	30,306	29,983	30,909
F&B	33,145	30,658	30,306	29,983	30,909
Entertainment	74,144	68,293	67,402	66,486	69,017

Source: ONS (2017); BRES(2017); Arup analysis

*: Homes and Communities Agency (2015): Employment density guide fourth edition

**: ONS (2017): regional GVA release

***: ONS (2018); Business Register and Employment Survey

****: Valuation Office Agency (2016): Non-domestic rates; Business floor space tables

6. International case studies: selected findings

Introduction

Learning from global comparators

This section of our report presents key findings gained from case study research of international and major retail high-streets in mature markets.

The objective of this research is to extract key insights from other places' attributes of success, how other centres are evolving in a fast changing global retail context and where possible draw comparisons between them, with a focus on implications for the Oxford Street District.

This analysis has informed the development of growth scenarios for the West End and Oxford Street District in chapter 8. They have also helped inform our understanding and definition of conditions of success for the West End along with associated recommendations.

The research was desk-based, using publicly available data, industry analysis and publications including two recent NWECC BID commissioned studies that benchmarked a selection of international retail streets. We also draw upon work undertaken by Jones Lang Lasalle, a real estate consultancy, on Global Retail Cities and International Retail Trends.

Case study selection criteria

We developed a set of criteria for case study selection focused on the objectives of this study. These are shown in the table to the right.

Case study areas

Comparing the precedent case studies (see Appendix 2) with our criteria, the following cases have been selected to inform this research:

1. New York: Fifth Avenue & Times Square
2. Paris: Champs Élysées – Haussmann – Saint Lazare
3. Tokyo: Ginza
4. Milan: C. Vittorio Emanuele
5. Munich: Kaufingerstrasse and Altstadt
6. Hong Kong: Times Square - Causeway Bay
7. Singapore: VivoCity



Global Retail Cities, JLL



International Retail Rents, JLL

Case study selection criteria	
1	Global Retail Cities – as defined by JLL Global Retail Market Maturity “Global retail cities such as Hong Kong, New York and London are mature, established markets with the greatest appeal to international retailers”
2	Prime International Retail Rents – Retail centres are seeing highest prime retail rents globally and/or in their city. Indicator of retail appetite for the best space globally and resilience of Global Retail Cities to structural and cyclical changes
3	Retail offer is predominantly high-street, mid-market and flagship – excluding predominantly luxury shopping destinations from the benchmark, although district level can include other retail offer specialisation
4	Retail destination is within an employment and/or residential centre – with competing land uses resulting in tensions around access to public and real estate space between residents, workers and visitors
5	Driving international and domestic visitors – Key destination for international and domestic visitors to the city and/or one of the drivers for international tourism, high visitor spending and cluster of visitor economy activities
6	High pedestrian footfall observed in the street and district , traditionally used as a decision factor for retailer location, it now also serves as an indicator of people's attraction to the physical shopping and urban experience
7	Major high-street inner-urban context, major axis in the city centre , not exclusively vehicular traffic but comparable in scale (length and right-of-way) to Oxford Street, and highly accessible by public transport.
8	Largely fragmented ownership - multiple land owners and retail operators, as opposed to a shopping mall and/or single retail landlord

Introduction

Learning from global comparators

Key findings from our analysis of other global retail destinations	
1	Successful districts engage in developing and implementing proactive strategies. They also have effective programmes of stakeholder engagement. These allow them to manage the tensions that naturally occur – for example between heritage and new developments, residents and visitors etc
2	Retailers are increasingly investing heavily in quality and experience and defining their brands in part on “place”. This means that architecture, lighting, mixed use (F&B, entertainment, art and culture) are now all attractors to reinforce retail offers and draw in visitors and spend
3	Providing a mix of quality and experiences extends to areas adjacent to core retail districts. So “dining” and cultural districts are common place. In some cases, the public realm is itself a draw for tourists and visitors
4	There is a comprehensive evening/night time entertainment offer. Sometimes this contrasts with daytime use. Often it caters for both residents and workers as well as visitors
5	Growing employment in prime locations underpins high densities of workers who in turn “fuel” the retail, F&B, culture and entertainment economies. Office workers are often located at scale above retail buildings
6	Residential densities are typically higher than for the city average – although lower on commercial/retail corridors. Residential populations also generate spending that helps to support <i>inter alia</i> “local” components of retail/city centre locations
7	There is often a varied mix of international, national retailers which appeal to a range of customers. Sub-sectors such as tech, fashion etc are often present. Retail is often juxtaposed with other business and leisure uses and activities

Key findings from our analysis of other global retail destinations (continued)	
8	There is evidence of investment by retailers in “retail-ment” providing a mix of retail and entertainment to shoppers with a strong digital content
9	Catering to overseas visitors is a key component of retailers’ strategies. They often capitalise on currency fluctuations and campaign for favourable visa regulations to help drive higher value retail sales from countries such as China
10	Retail districts strive to be safe and welcoming to the public and invest in a high quality public realm. Business Improvement Districts and other multi-stakeholder partnerships are often part of the strategy to deliver these. They are often important sources of funding. Successful districts showcase and maintain their heritage assets, landmark buildings, open spaces etc.
11	There is in many cases, either a long-established policy of pedestrianisation and reducing vehicular access or a move towards increasing levels of pedestrianisation and vehicle restriction

Summary findings

Conditions of success

1. Proactive Strategy & Stakeholder Engagement

Strong Business Improvement Districts (BIDs)/business bodies and local authority engagement drive growth and benefits for all stakeholders

- Ginza Machidukuri (Design) Council is involved in planning decision-making to help define and protect the local character of the area whilst managing growth. Strong planning principles and shared vision, rooted in past culture provides clear design guidelines
- The Commission for Urban Design (Kommission für Stadtgestaltung) was established to ensure building quality in Munich. New design guidelines for the Munich Altstadt district have been developed to address the ongoing tension between tradition and change - the Altstadt district today has over 450 individual listed buildings
- Champs Élysées Committee, a local business association since 1916 is in charge of promotion of the Champs Élysées as a destination. The Committee leads programming and temporary events like the pedestrianisation days, outdoor cinema days but also commercial projects such as the branding programme. Branding “Champs Élysées” with licensing rights to retailers who brand their products to the location, a percentage of sales tax (2-10%) paid to the Local Business Association
- The Times Square Alliance and Fifth Avenue BID, founded in 1992 and 1993 respectively together cover over 70,000 feet of linear frontage. Their expenditure is mainly spent towards cleaning, public safety, marketing and public events

Retailers invest heavily in quality and experience of their stores and build branding on place

- Successful retailers embrace structural change in sector, deploy global and omni-channel retail strategies
- Across global hubs, retail sales are driven by foreign spend to take advantage of growing international visitors to the city. This is particularly important for Tokyo (where Japan’s population is declining and ageing) but also in NYC, Paris and Milan
- In Ginza, flagship stores tend to be on multiple levels with world-class architectural design contributing to the overall visitor experience. The Sony building for instance contains a Sony showroom and store, other brands’ shops and a restaurant
- Attracting high spend/ experience focused shoppers through marketing and brand identity with place at its centre
- The retail offer in Ginza is primarily focused on high end to-mass-market fashion and luxury products. Ginza has acquired a “brand caché” with designers. It is common for Japanese brands with headquarters in Ginza (for example Uniqlo and Nissan Ginza) to utilize Ginza in their marketing
- Saks Fifth Avenue in NYC synonymous with the shopping district

Summary findings

Conditions of success

2. Mix of uses

Complementary offer in adjacent areas

Principal retail avenues are complemented by side streets with diverse offer for a range of customer segments.

- The diverse offer of dining, cultural and entertainment uses in the Ginza district complements the retail offer. Fragmented land ownership is considered not so much an impediment but a driver of the area's distinct architectural diversity and mix of uses, contributing to its distinctiveness
- In Milan, the quality of the public space is a tourist draw in itself, anchored by most popular cultural attractions of Milan (*Duomo*, *Gallerias*), one of Europe's major department stores (*La Rinascente*) connected through a network of small streets and passageways
- Times Square hosts innovative marketing events and cultural initiatives for the community, including the "Saint Seiya 30th anniversary exhibition", and a Picasso and Jacqueline Exhibition. In 2015 the "Living Room Museum" was launched; the first ever "museum-in-a-mall"
- Paris offers a wide range of entertainment for residents and workers (e.g. restaurants, bars, cinemas) alongside destination cultural attractions for special nights out to cater for tourists and local cultural life (Opera)

Wide night-time entertainment offer

Successful centres provide a night time and entertainment offer that changes in response to visitor demographics; with a different atmosphere from day-time use. These include a rich mix and density of restaurants and bars, cinemas, cafes, theatres, night clubs, music venues catering for locals and visitors. These may be spread throughout quite a wide area.

- The character of Ginza transforms from a shopping destination in the day to a theatre and entertainment district at night, extending the hours the district is a draw for people
- In New York's Fifth Avenue there is a wide mix of uses in the area including entertainment venues, cultural institutions, hotels, banks and churches. Fifth Avenue in close proximity to Times Square and Broadway and other major visitor attractors
- Kaufingerstrasse, with landmark buildings and plazas, together with a complementary mix of retail and dining offer in the wider area (Neuhauser Strasse) (hosting seasonal events) is known as a popular leisure, night-time and strolling district

High and growing employment population in prime office locations

Growing demand for office space seen in high and growing rents, low vacancy rates, new and planned developments and supporting policies for office space.

- The case study area in New York Fifth Avenue is a high density employment hub, hosting around 200,000 office workers
- Ginza is a major commercial and employment hub in high demand for domestic and regional headquarters particularly in the upper floors along the main artery Chuo Dori and across Ginza District. The latest shopping complex project, Ginza Six, hosts 3,000 office jobs in upper floors of the complex
- Munich's Kaufingerstrasse district is a prime office location, which together with residential densities and tourism, contributes to footfall, vibrancy and a diversity in retail and food and beverage offer
- Champs Élysées – Haussmann - Saint Lazare district is also an employment hub – with some of the highest employment densities in Paris

Residential density higher than city average

Whilst residential density is higher than the city average, it is typically lower directly along retail and commercial corridors – with a tendency towards non-family households and higher earner demographic groups.

- Munich's Kaufingerstrasse district is a prime residential location with some of the highest residential values in Munich
- Champs Élysées – Haussmann - Saint Lazare district home to high density residential communities in the surrounding areas
- Residential population in the District around Fifth Avenue is significantly lower than workplace population due to land use allocation for commercial, with average density of 4,000 people / km². It comprises a young population - 60% are under 45 – and college educated, and majority of non-family households (75% compared to 40% average in NY) with high income levels (\$85,000 median, 20% residents' income exceeds \$200,000)

Summary findings

Conditions of success

3. Range of offer

Mix of international and domestic retailers, with broad demographic and budget appeal

Mature market building on historical success, density of competing international retailers and growth in international visitors

- New York's Fifth Avenue retail offer is primarily up-market although many shops are aimed at the mass-market or emerging sub-sectors such as tech
- Milan's enjoys a network of pedestrian thoroughfares, each with its own market and product specialization; whilst Vittoria E. is primarily focused on mid-market fashion. Nearby streets offer luxury and tech
- In Paris there is a mix of high culture (opera house) and mid-to-mass-market entertainment offers (cinemas, bars, restaurants and night-clubs) in small streets
- In Ginza, modern malls are being integrated alongside street retail. For example, *Ginza Six* that opened in spring 2017. The district's largest shopping complex incorporates 241 stores including flagship stores for large brands, as well as six floors of office space, 24 restaurants and cafes, a banquet hall, a theatre and a rooftop garden. It also has a programme focusing on contemporary Japanese art

Adaptation of stores towards mixed experiential destination and embracing digital enhancement

Stores have been adapting and in some cities - despite department stores struggling - new stores have opened with a focus on mixed experiential retail destinations, particularly in higher rent areas.

- At Times Square (Causeway Bay) in Hong Kong, the constant tenant mix refinement has helped to accommodate evolving customer preferences and appeal to all ages and budgets. For example the "Kids Square" and the conversion of the 9th and part of the 10th floor into a lifestyle hub. Retail offerings have been enhanced through the addition of established brands and leaders in "retail-tainment"
- Times Square has also embraced the "digital advancement" wave with the expansion of Fortress (a consumer electronics group) to a 17,000 square foot flagship store; its largest in HK

Catering to overseas visitors as a key segment of retail sales

Taking advantage of currency depreciations (as and when they happen) and favourable visa regulations, are key attractors to overseas markets.

- Retailer strategies often target foreign (Chinese) international visitor spend to drive sales.

4. A variety of high quality public spaces and public realm features

Interesting, safe, and welcoming public realm

- Architectural excellence and attractive lighting displays in Ginza draw in visitors of all types
- The two BIDs covering Times Square and Fifth Avenue in New York, spend \$5.2 million annually on public safety. Initiatives range from increased security staff to designing extensive communications system to alert stakeholders to the latest news. These have been deployed in recent years to help deal with terrorist attacks and severe weather events
- In New York's Fifth Avenue, there is a mix of parks and plazas for public use, with a range of scale and character from micro / pocket parks (Paley Park), landmark urban parks (Bryant Park) and destination plazas such as Times Square and Rockefeller Center. These public spaces offer a respite from the busy Midtown district for workers and tourists alike. Typically these are managed and funded through partnerships involving a range of stakeholders from local businesses to public agencies
- On Fifth Avenue, provision of landmark and smaller public / open spaces along the street offer places to rest and seasonal store displays add interest and "delight"
- In Milan, quality of the public space is "a tourist destination" in itself

Trends towards pedestrianisation and reduced vehicular access

Pedestrian comfort, safety and air pollution issues are acknowledged and important – car-free weekends and associated events are common. Permanent or temporary pedestrianisation as well as proactive experimentation involving the reallocation of space from one mode to another is common. 'Curated' programmes of events to attract residents and local visitors back to the district take place with special attention given to public realm improvements.

- In Ginza, the 'Ginbura' concept (hanging and swinging around with no particular purpose) is the driving principle advocated by the Ginza Design Council to enhance pedestrian experience and walkability. Recent larger developments work with this approach.
- The Champs Élysées has been pedestrianised every first Sunday of the month since 2016. In Ginza, residents enjoy the long-standing family-friendly weekly 'Pedestrian Paradise'. About ten years ago Milan city centre was pedestrianised alongside the introduction of congestion charging and logistics schemes, bike share and financial incentives for commuters to switch out of cars. Munich's centre has been pedestrianised since the Olympics in 1972

Summary findings

Example Levers: Coordinated spatial strategy and design guidelines

Lever	Case Study examples
<p>Policy</p> <ul style="list-style-type: none"> Spatial strategy and design guidelines coordinated across authorities to promote quality public realm and architectural excellence <p>Engagement</p> <ul style="list-style-type: none"> Delegated powers and collaborative working partnerships between public and private entities 	<p>Within the Ginza context, there are several levels of governance to ensure development is aligned with historical and cultural context that has made it a success. The area is governed firstly by municipal and national laws and regulations, then Chuo-ku (city) district plan – law enacted specifically for the district of Ginza to regulate the building height, FAR and setbacks which quantifies the underlying shape of the community. Chuo-ku has also enacted a bylaw called “Administrative Directive for Urban Zone Development” (ADUZD) in conjunction with the Ginza Design Council. Ginza Machidukuri (Design) Council is a Business Improvement District which consists of dozens of store representatives, discusses the district’s development and organizes district events. Ginza Design Council is involved in planning decision-making helps define and protect the local character whilst managing growth. Strong planning principles and shared vision, rooted in past culture provides clear design guidelines. World-class architectural achievement of buildings in Tokyo, Ginza is both a reason for visitors to come to the district, a brand statement for retailers and companies located here. Achieved in part due to high rental values that demand highest quality spaces, and in part due to Ginza Planning Council (BID) which has decision making powers over planning permissions for design and character, defines design guidelines and advocated for the historic character of the district – yet support growth.</p> <p>The Commission for Urban Design (Kommission für Stadtgestaltung) is an established tool for ensuring building quality in Munich. This voluntary body was founded in its current form in 1970 and is composed of 27 members. In addition to the Mayor and the Head of Department of Urban Planning and Building Regulation, it is made up of other representatives of the city administration, specialists from other authorities, Guardians of Cultural Heritage, city councillors as well as ten freelance architects. Some of these architects are from other cities, ensuring that an external perspective is given. New design guidelines for the Munich Altstadt district have also been developed to address the ongoing conflict between tradition and change - the Altstadt district today has over 450 individual listed buildings. Munich also has a rich tradition of construction competitions; an important instrument in ensuring quality in urban planning, open space design and architecture as well as promoting a dialogue between stakeholders, ensure transparency in the planning process and foster a public discussion about planning and building.</p> <p>Champs Élysées Committee, a local business association since 1916 is in charge of promotion of the Champs Élysées as a destination. The Committee leads programming and temporary events like the pedestrianisation days, outdoor cinema days but also commercial projects such as the branding program. Branding “Champs Élysées” with licensing rights to retailers who brand their products to the location, % of sales tax (2-10%) paid to the Local Business Association.</p>

Summary findings

Example Levers: Policy

Lever	Case Study examples
Land Use Zoning <ul style="list-style-type: none"> Promoting mix of uses in broader geographical area and within building levels and efficiency of building plots and provision of space 	<p>All case study streets share a reliance on other streets nearby, retail and visitor destinations in their own right, to sustain visitor and retailer attraction.</p> <p>In New York, entertainment and cultural uses tend to be concentrated around Times Square and Broadway, Fifth Avenue generates night-time footfall through its restaurants, holiday lights and window displays. Historically many planning interventions have ensured the mix of activities over the last century. For example, the Zoning Resolution in 1916 the first of its kind; designated uses, heights, amount of open space to reduce shadowing of the public realm. New York City's Landmarks Preservation Committee was enacted in 1965. The public parks also are host to many events and amenities.</p> <p>The C5-3 zoning surrounding 5th Ave supports significant retail and commercial uses securing active frontage and employment, as well as mixed-use buildings including department stores, large office buildings and mixed buildings with residential space above. Many of the streets behind or adjacent to 5th Avenue are within two contextual C5 districts which regulates the height and bulk of new buildings to produce buildings that are consistent with the existing neighbourhood character, including residential towers. Other uses around 5th Avenue are in zone C6 which permits a wide range of high-bulk commercial uses requiring a central location including corporate headquarters, large hotels, department stores and entertainment facilities in high-rise mixed buildings.</p>
Preservation Policies <ul style="list-style-type: none"> Protection of specific uses, historic preservation and view shafts 	<p>In Paris' Plan Local D'urbanisme (land use plan) land use policies are intended to rebalance employment and residential uses across the city. The case study area is an area of protected residential use where all existing residential floorspace must be produced by residential uses, and there is no new provision of commercial floorspace or capped growth (+10%).</p> <p>Specific department stores, including Galeries Lafayette and Printemps on Boulevard Haussmann are protected whereby they cannot be transformed into office buildings or alternative uses. All proposals in the area are subject to historic preservation policies (architecte des batiments de France validation), and the Champs Élysées views and perspective is protected.</p>
Inclusive Housing <ul style="list-style-type: none"> Special provisions to encourage housing for the elderly 	<p>In Ginza, the TMG is increasing the area of floor-space permitted for construction of large scale developments which fall under the urban development system, if they incorporate facilities for childcare and the elderly.</p> <p>In New York, the maximum Floor Area Ratio (FAR) ranges within the district from 4.0-15.; the maximum residential FAR in the C5-3 is 10.0. Floor areas may be increased by a bonus for a public plaza, Inclusionary Housing. or that provide certain senior facilities.</p>
Land Use Activities <ul style="list-style-type: none"> Restricting oversaturation of single type of use 	<p>In Ginza, recent discussions around restrictions within their district plan on type of hotel offer limiting number of capsule hotels in advance of Tokyo 2020 Olympics, amidst fear that too many of these will reduce amenity in the district.</p>

Summary findings

Example Levers: City Management and Financing

Lever	Case Study examples
District Entities <ul style="list-style-type: none"> Security of long-term sustainable financing footing for the provision of a range of city management services 	<p>New York Times Square Alliance is one of the oldest BIDs in NYC (1992) includes Times Square and Broadway entertainment districts has been instrumental in advocating and delivering public realm schemes in Times Square. Annual revenue of \$18 million covers 52,000 feet of linear frontage. Some 30% of annual expenditure goes to cleansing, 30% to marketing and public events, and 20% towards public safety. In NY the BID average allocated towards streetscape and beautification is 10%.</p> <p>BIDs in New York have also closely worked and experimented with Bloomberg's World Class Spaces Initiative.</p>
Alternative funding streams <ul style="list-style-type: none"> Developer contributions 	<p>In Hong Kong, developers are often required to help pay for quality public space when granted a lease for their site.</p>

Conclusions

The international case study comparison analysis reveals that there are common conditions of success that together have enabled these districts to remain attractive and competitive in the face of change.

Most notably, linear spaces with mixed ownership have proven adaptive and resilient across time and countries. This is a key characteristic of Oxford Street and can inform the type of approach that is possible at a policy and stakeholder level.

The interface between the dominant street and the surrounding district is also critical to unlocking “Good Growth”. This enables different types of businesses and public realm to emerge that meet a wider range of objectives and user needs. Having a mix of uses across a range of sectors attracts residents, employees and visitors alike to activate the space at different times of the day and contribute to a thriving night-time economy. Residents can perform an informal stewardship role – helping to maintain the attractiveness of districts for other stakeholders.

Successful districts typically offer a range of retail offers that appeal to broad demographic and budgets options as well as both international and domestic visitors. Retailers adapting their stores towards mixed experiential destinations, building branding of place and embracing digital

enhancement appear to be at the forefront of retail success.

Areas exhibiting high quality public space focusing on interesting, safe and welcoming pedestrian amenity at all times of day is a common factor drawing visitors to the districts not only to shop but as a destination enjoy, as well as provide for employee and residential amenity.

In order to achieve these conditions, there are a number of levers that have been utilised within the case study areas. These include coordinated spatial strategies and design guidelines, policy interventions and city management and financing mechanisms to fund local services and promotional activities.

Land use zoning is one of the most powerful tools to enable a mix of uses in the broader geographical area within building levels, through the efficiency of building plots and the provision of space. Land use codes also have a role in supporting the provision of certain types of uses over others. For example in the case of New York, floor area “bonuses” are awarded if housing for the elderly is provided within developments. Bodies that govern the zoning regulations can also play a role in retaining the diversity of activities through restricting activities to avoid over-saturation of a singular use.

Districts that are able to embrace growth whilst retaining their unique historical and cultural heritage and local character, typically elevate urban design-led bodies such as the Ginza Design Council and Munich's Commission for Urban Design (*Kommission für Stadtgestaltung*) in their planning and decision-making processes. These bodies help ensure the integrity and consistency of preservation policies and their applications.

District entities with a secure financial footing for the provision of a range of city management services were common across case study areas. These were commonly in the form of Business Improvement Districts which to differing degrees shaped civic life through coordinated programming of space, branding initiatives and safety, sanitation and cleaning initiatives measures.

7. Scenarios

Scenarios

Introduction

As detailed in previous sections of the report, we undertook a detailed analysis to capture the effect of the major trends which are likely to have an impact on the characteristics and composition of land uses in the area. We have focused on how these may then “play out” in the context of the West End’s “ecosystem”. The analysis was undertaken in four parts:

- A review of the existing planning policy context and historical data covering key variables (employment, GVA, floorspace and so forth)
- A review (largely literature based) of the drivers of change across principal sectors
- Insights gained through engagement with a range of local stakeholders (undertaken as part of this and previous studies); and
- An assessment of comparable international retail and mixed-use centres

We have then considered growth targets and growth projected to occur in the context of major transport investments (most notably Crossrail 1 and Crossrail 2) to determine their potential impact.

In this section, we detail three scenarios that have been developed. These are then followed by the model outputs (in chapter eight). We consider these to be plausible paths of growth (or indeed decline) for the West End. The scenarios have been based on an interrelated set of assumptions about key sectoral relationships and trends emerging from a number of drivers of change. These included digital disruption, planning policy, the cost of doing business and consumer culture.

Scenario

Descriptors for our three scenarios



Decline of Sorts

The “**Decline of Sorts**” scenario sees the West End failing to adapt and respond to change.

Growth is restricted and policies don't allow business to innovate or invest successfully

There is a long term decrease in commercial space but some increase in high end residential

- Growth of London's more distinctive industries stalls. Growth in finance, fintech and the creative sector goes elsewhere or doesn't materialise. But some higher value-added activities increase further pushing up asset prices
- Whilst planning policy supports further residential growth (but market pulls towards higher end residential. Fewer permissions granted for commercial floorspace growth. Increased pressure on redevelopment of existing space for higher end commercial market and residential properties
- International tourists are drawn to the high end market offer but over the longer term, the West End becomes less attractive as it loses variety
- The West End becomes more dormitory, less diverse, loses its rich mix. It is less relevant to Londoners and UK visitors. Some decline in employment and GVA over the long term (despite growth in GVA per job). Under-use of infrastructure and West End assets. Shift to the east of London continues apace



Chequered Growth

The “**Chequered Growth**” scenario assumes no major change in economic conditions being experienced at present and somewhat limited change to planning policy

Due to supply-side constraints, investment activity in the West End will be primarily focused on redevelopment of existing buildings. The amount of commercial space falls marginally. The West End only modestly draws on the opportunities Crossrail presents

- In the short term, some growth in employment occurs in spite of a decline in floorspace
- Due to supply-side constraints, rents rise in real terms materially (especially office) which provides an incentive for intensification of use in the short to medium term, and a shift to more higher value added activities in the longer term
- Constrained capacity in commercial space means Crossrail 1 (and 2) are not taken advantage of
- Less decline compared with the “down of sorts” scenario
- Shift to London in the east continues



Good Growth

In the “**Good Growth**” scenario the West End is able to grow and take maximum advantage of public transport capacity.

Rich mix and attractiveness of the West End is enhanced. It continues to be an attractive global destination for visitors, employers and investors.

In the good growth scenario the West End is able to accommodate a more diverse community of residents.

- London plan targets fulfilled or exceeded – where sustainably possible
- Rich mix and attractiveness of the West End is enhanced
- West End maintains and improves its international position for visitors, investment and employers
- Fulfills its potential as an attractive and affordable place for people to live, work and enjoy themselves (albeit at a modest scale with respect to residential growth)
- The West End fulfils more of its good growth potential for Londoners as well as its CAZ, regional and national roles
- The West End's quality green spaces and historical buildings, air quality, and other quality of life indicators are maintained and improved
- It is able to generate sustainably the resources to secure the public services required to maintain, invest, enhance the area
- Takes maximum advantage of public transport and other sustainable modes
- The real estate market functions in such a way as to facilitate the good growth factors highlighted above

Scenario

Scenario development - methodology

Three scenarios to 2041, each describing a plausible but divergent future for the West End and the Oxford Street District have been created.

We have used a “morphological” method* of scenario development to translate assumptions across the four categories of trends into different land use outcomes.

Morphological analysis is a method for rigorously structuring and investigating the total set of relationships in inherently non-quantifiable socio-technical problems. The method is carried out by developing parameters of the problem to be investigated, here defined as the four categories of trends, and defining relationships between the parameters on the basis of internal consistency.

For example, the method begins by identifying and defining a parameter, e.g. “Cost of doing business” and assigning it a range of relevant values, e.g. “Higher” or “Lower to stable”, as likely outcomes observed throughout our literature review, interviews, and international case studies.

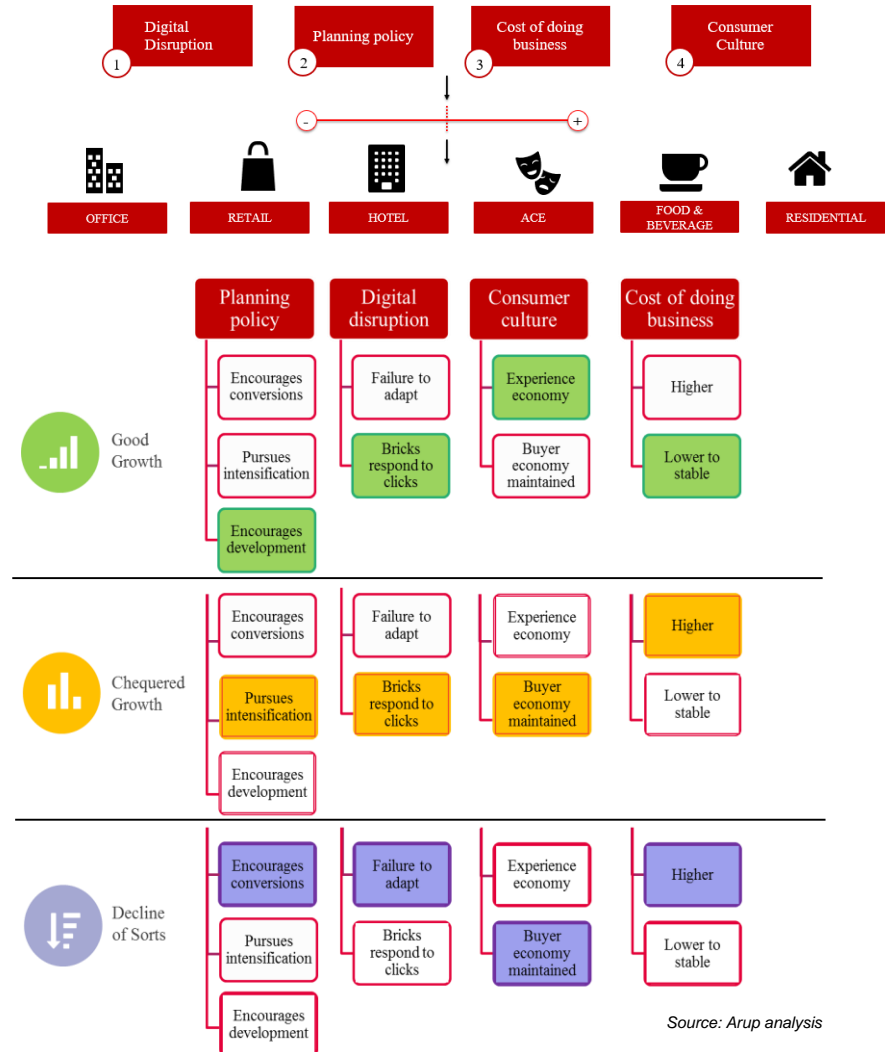
The extent to which values within each parameters can fluctuate and influence land use outcomes has been informed top-down by looking at historical growth rates,

GLA economics projections, growth targets, transport impacts emerging from the arrival of Crossrail; Crossrail 2; HS2, other benchmarks consistent with our assessment of good growth e.g. levels of housing density; reliance on sustainable transport etc. and what made sense in terms of the relative impact between different parameters.

The figure opposite represents a ‘morphological field’, which is constructed by setting parameters against each other. Each scenario can then be viewed as a specific configuration of values across each parameter. Each potential configuration contains one value from each of the parameters and thus marks out a particular state.

The three scenarios that we have created consider the internal relationships between the parameters and ‘weeded out’ all mutually contradictory configurations.

As each possible configurations were examined, a judgement has been made as to whether – or to what extent – each configurations fitted our definitions of scenarios and could coexist in a consistent relationship. Note that there is no reference here to causality, but only to internal consistency.



Source: Arup analysis

*: see for example:

<https://www.sciencedirect.com/science/article/pii/S004016251730656X>

Scenario

Scenario development – parameter (categories of trends) and values definitions

Planning Policy

Encourages conversion from commercial to residential use

- Policies giving greater weight to offices and other CAZ strategic functions are lifted and residential development in commercial areas is encouraged

Pursues intensification

- The planning regime does not encourage new developments and focuses on redevelopment opportunities

Encourages developments

- A flexible, positive good growth approach to policy which allows for redesign and intensification of space and encourages new commercial and residential developments

Digital disruption

Bricks respond to clicks

- In store experience links the demand for online with traditional customer service. Retailers invest in the right digital tools for the store and transform the physical shopping experience. Physical channels complement digital channels

Failure to adapt

- Physical stores do not evolve into experience based destinations that drive brand loyalty. Lack of personalised experience and offerings. High street retail does not complement online sales. As a consequence the amount of retail space in the area is significantly reduced

Cost of doing business

Lower to stable

- No step change in level of taxation and rents. Potential for marginal business rate re-evaluation in the West End

Higher

- National living wage is increased significantly and business rate supplement for Crossrail 2. Brexit (both hard and soft cases) benefits of lower pound and shift in labour markets outweigh potential benefits

Consumer culture

Buyer economy maintained

- Consumers are slowly embracing the experience economy and put only gentle pressure on retailers

Experience economy

- “Millennial” culture drives a transformation of commercial spaces that blurs the line between traditional land use categories. More integration between office, retail, food & beverage and entertainment

8. Scenarios: Quantified outputs

Scenarios results

Introduction

In this section we provide the outputs from our model for the scenarios described in chapter seven above. The results are shown not only by scenario but also by geography and for soft or hard Brexit eventualities.

Net results (at the GLA level) refer to additional macro-economic impacts whereas gross figures are specific to the West End. The former take into account official Government (HCA) guidance on additionality (ie to deal with the issue of double counting).

All values are in 2018 prices, undiscounted. For further details on our methodology please refer to chapter five.

Model outputs

Headline short-term results in 2022 compared to 2018 (all for a “soft Brexit” scenario) (£ 2018 values)

*Growth rates compared to 2018 levels

**Zero due to rounding – marginal change

***Net results refer to additional macro-economic impacts (at the GLA level) whereas gross figures are specific to the West End



Decline of Sorts



Chequered Growth



Good Growth

		Decline of Sorts		Chequered Growth		Good Growth	
Homes		340	1.2%*	480	1.7%*	410	1.5%*
Jobs (FTE)		Net***	0%*	Net	0.2%*	Net	2.5%*
		Gross	0%*	Gross	0.3%*	Gross	3.0%*
		200	300	1,500	1,900	15,000	20,000
Business rates		£5m	0.2%*	£14m	0.5%*	£132m	4.6%*
GVA		£46m	0.2%*	£186m	0.3%*	£2bn	3.1%*
Floor space (sqm)		0**	0%*	0**	0%*	230,000	2.3%*

Model outputs

Headline results in 2041 compared to 2018 (soft Brexit scenario) (£2018 values)

*Growth rates compared to 2018 levels

**Zero due to rounding – marginal change

***Net results refer to additional macro-economic impacts (at the GLA level) whereas gross figures are specific to the West End



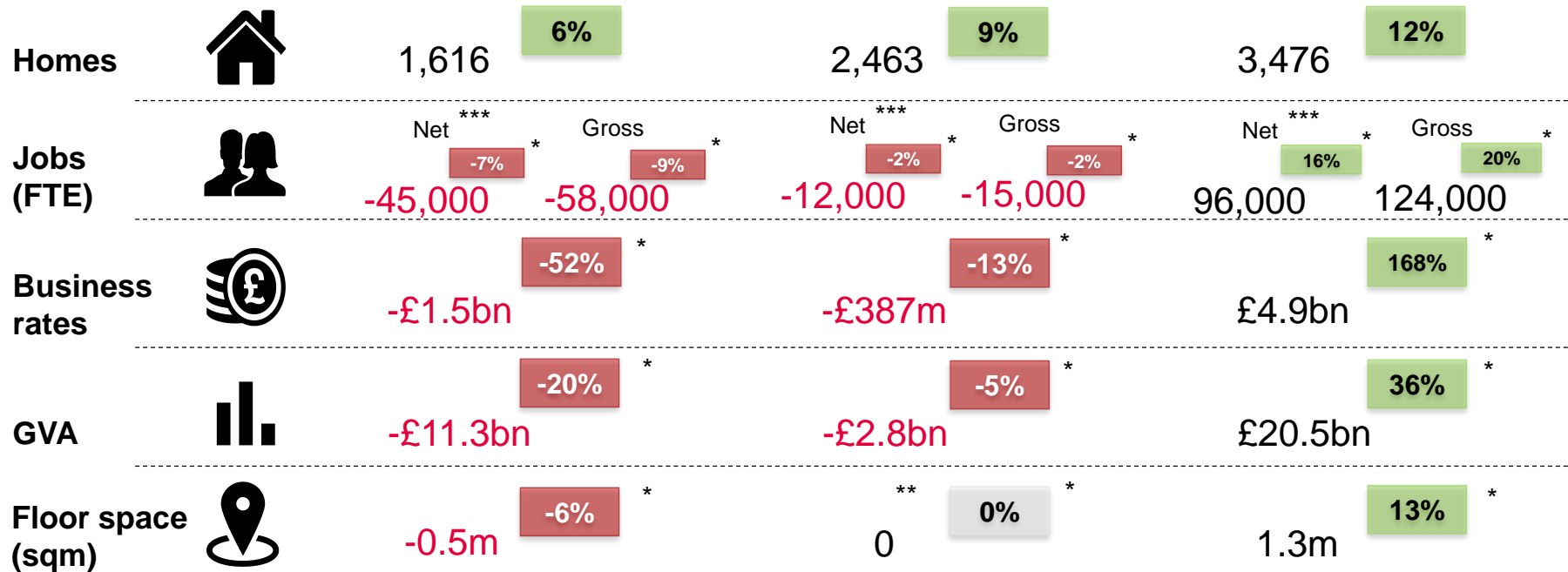
Decline of Sorts



Chequered Growth



Good Growth



Model outputs

Headline results in 2041 compared to 2018 (hard Brexit scenario) (£2018 values)

*Growth rates compared to 2018 levels

**Zero due to rounding – marginal change

***Net results (at the GLA level) refer to additional macro-economic impacts whereas gross figures are specific to the West End

Homes



Decline of Sorts



Chequered Growth



Good Growth

1,359

5%*

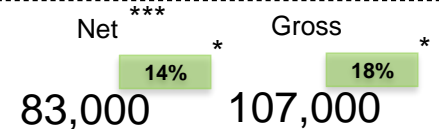
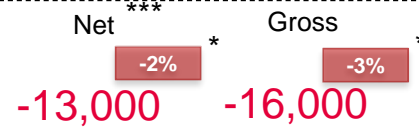
2,104

8%*

3,170

11%*

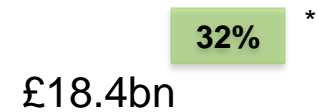
Jobs (FTE)



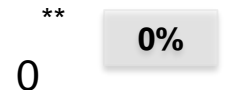
Business rates

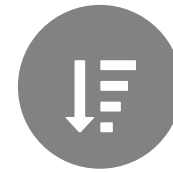


GVA



Floor space (sqm)





Decline of Sorts

Decline of Sorts Implication for uses



Office

- Job intensity (employment to space ratio) not enough to compensate for loss space
- Demand for office space to residential conversion.
- Higher office asset values resulting from high demand and constraints on and loss of supply



Hotel

- Reduction/stagnation in overall stock and mix of hotel rooms
- Some increase in very high-end/boutique hotel rooms
- Redevelopment continues/grows



ACE

- Leisure activities shift further towards the high-end plus mass market leading to some (very modest) growth in floor space
- Continued shift to the east - but pace picks up



Residential

- Increase in demand for more expensive residential property
- Decline in long-term residential population compared to historical trend
- Properties treated as "nest eggs not nests" – high level of vacancy
- Adverse impact on other housing tenures?



Retail

- Retail remains stable in high end streets but suffers decline in mid-range offer (e.g. on Oxford Street)
- Loss of diversity in smaller offer – priced out by increasing asset values
- Increase in chains in areas such as Soho
- Overall, retail space falls



F&B

- Decrease in a number of small restaurants and bars, sector becoming more high-end and mass market
- Some loss of floor space over the long term



Decline of Sorts

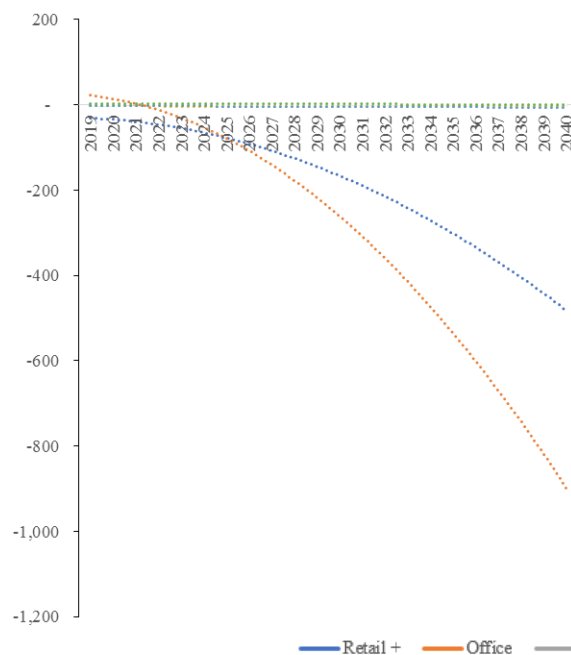
Model outputs

Decline of Sorts - All West End (soft Brexit scenario) (£ 2018 values)

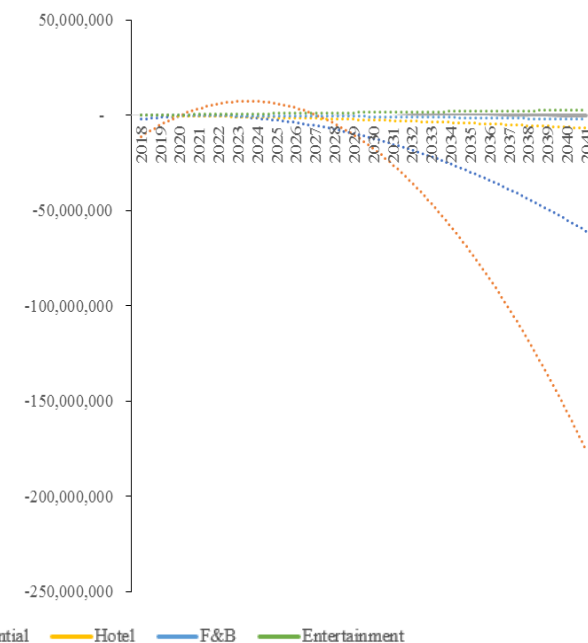
Total floor space percentage change by sector 2018-41



Net employment created per annum 2018-41



Net business rates generated per annum 2018-41



Change to 2041	Floor space (sqm)	Net jobs (FTE)	Business rates (£)
Retail +	-214,000	-10,000	-441,000,000
Office	-438,000	-34,000	-1,024,000,000
Residential	107,000	-	-
Hotel	-28,000	-800	-65,000,000
F&B	-9,000	-400	-20,000,000
Entertainment	11,000	343	33,000,000
Total	-570,000	-45,000	-1,500,000,000

Source: Arup analysis



Decline of
Sorts

Model outputs

Decline of Sorts - Results by geography (soft Brexit scenario) (£ 2018 values)

- Results for 'All West End' are inclusive of all sub-geographies
- Results for sub-geographies are mutually-exclusive (e.g. results for the Wider West End as a whole should be added to results from Core West End, Oxford Street District, and Soho for a representation of the area as a whole)
- Visitor numbers have been derived using data from the Local Area Tourism Impact Model (LDA)*. We have assumed that 90% of overseas and domestic tourists visiting Westminster or Camden would visit the West End, and that 10% of day visitors going to Westminster and Camden would visit the West End
- We have relied on international case studies to derive benchmark growth rates in order to project visitor numbers. In the Decline of Sorts scenario, the London wide trends in international tourism have been projected from 2018 to 2041 to compute overseas visitors going forward; trends in Tokyo's domestic tourism have been applied to domestic tourists and half the growth rate of entries and exits from West End stations has been applied to day visitors
- VAT has been calculated before deductions on the basis of a 20% rate, assuming a constant average spending of £503 per overseas visitor; £209 per domestic visitors; and £45 for day visitors*



Visitors

Of which - overseas

Of which - domestic

Of which - day trips



VAT (£)

before deductions



Residents



Homes



Net jobs (FTE)

2018 total based on land use



Business rates (£)

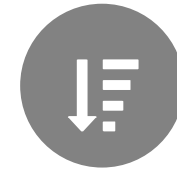


Net GVA (£)

	Annual level in 2018					Change to 2041 (compared to 2018)				
	All West End	Wider West End	Core West End	Oxford Street District	Soho	All West End	Wider West End	Core West End	Oxford Street District	Soho
Visitors	39,000,000	7,000,000	20,000,000	10,000,000	4,000,000	28,000,000	5,000,000	15,000,000	7,000,000	3,000,000
Of which - overseas	13,000,000	3,000,000	7,000,000	3,000,000	2,000,000	16,000,000	3,000,000	8,000,000	4,000,000	2,000,000
Of which - domestic	3,000,000	1,000,000	2,000,000	1,000,000	1,000,000	-2,000,000	-1,000,000	-1,000,000	-1,000,000	-1,000,000
Of which - day trips	25,000,000	5,000,000	13,000,000	6,000,000	2,000,000	14,000,000	3,000,000	7,000,000	4,000,000	2,000,000
VAT (£)	1,549,000,000	277,000,000	775,000,000	372,000,000	127,000,000	1,641,000,000	293,000,000	821,000,000	394,000,000	134,000,000
before deductions										
Residents	46,344	20,366	20,033	4,057	1,889	2,683	1,179	1,160	235	109
Homes	27,908	12,264	12,064	2,443	1,137	1,616	710	698	141	66
Net jobs (FTE)	611,000	76,000	315,000	164,000	56,000	-45,000	-6,000	-23,000	-13,000	-5,000
2018 total based on land use										
Business rates (£)	2,911,000,000	322,000,000	1,281,000,000	978,000,000	332,000,000	-1,517,000,000	-189,000,000	-733,000,000	-458,000,000	-135,000,000
Net GVA (£)	56,820,000,000	7,855,000,000	29,395,000,000	15,082,000,000	5,007,000,000	-11,301,000,000	-1,606,000,000	-5,856,000,000	-2,971,000,000	-984,000,000

*: Greater London Authority (2017) – Local Area Tourism Impact Model
 Sub-geographies may not sum to "All West End" due to rounding

Source: Arup analysis



Decline of Sorts

Decline of Sorts Overall outcomes



"Rich Mix" Attractiveness

- Decline in the mix of uses
- Less attractive for low- and middle- income Londoners and domestic visitors
- Leisure offer adapts to meet high-end and mass market unlikely to support night-time economy
- Some cultural activities priced out of the area



West End Assets

- Crossrail capacity remains under-used
- Reinvestment in heritage buildings stalls?
- Green spaces not used so much by Londoners



International positioning

- Likely to remain attractive to international tourists drawn by the luxury offer
- Risk of over dependence of visitors from fewer countries e.g. if they go through economic crisis or visa regulations tighten



Residents

- Inequality between wealthy and low-income residents widens as affordable and mid-range housing options not provided
- Increase in residential space does not result in relative increase in residential activity to contribute to life and shape of the community



GVA

- Increase in high-end businesses and retail in the area pushes up GVA per job.
- But commercial space stalls/declines
- Supply constraints drives rent values up above a sustainable level of good growth
- In the long term GVA falls modestly compared to trend



Employment

- Employment likely to focus on higher value-add professions, however this ultimately leads to decline as area becomes unattractive
- Lower employment in TMCs and "millennials" who put off by lack of rich mix of activities
- Rising rents squeeze out smaller shops and restaurants
- Ultimately employment falls



Chequered Growth

Chequered Growth Implication for uses



Office

- Largely fixed supply and high demand increases rents and decreases vacancy rates
- Over the short-term, higher rents lead to higher intensity of use
- But over the longer term, shift to higher value added activities leads to some employment loss
- Redevelopment continues at a substantial level



Hotel

- Hotels become more attractive (price competitive) relative to short term ("Air BnB" type) rents
- Slight fall in the value of the pound attracts more leisure tourists
- Luxury hotels gain in attractiveness
- Marginal loss in hotel floor space over longer term



ACE

- Focus on redevelopment creates price pressures on smaller cultural venues
- Entertainment offer caters to the high end market
- Some reduction in space as shift to the east continues



Residential

- Loss of some higher density (more affordable) housing growth
- High-end, lower occupancy levels with more space per person grows
- Risk residential areas become less busy/due to higher day to day vacancy rate of properties



Retail

- The West End largely safeguards its position as a leading retail centre
- Slight decrease in retail floor space as mid-range priced out
- Over the long term higher rents leads to decreasing employment due to loss of retail space



F&B

- Focus on redevelopment creates price pressure on smaller mid-market restaurants and bars
- Customer base shifts towards high-end; offer is less mixed
- Benefits of night time economy may not be fully realised



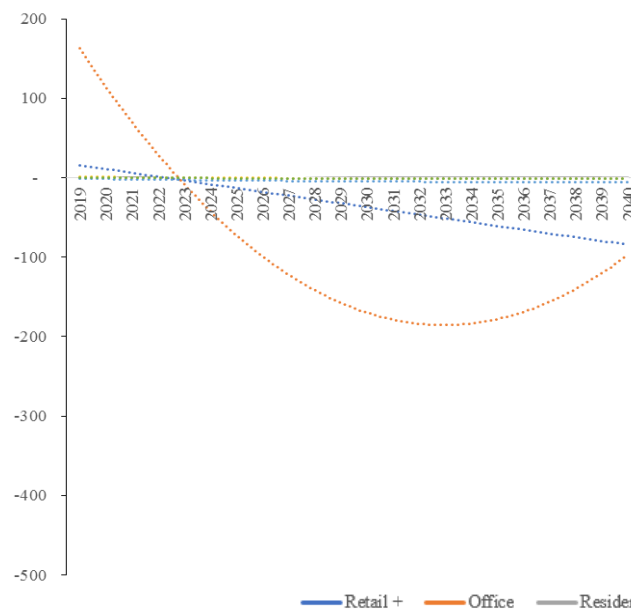
Model outputs

Model outputs – Chequered Growth (soft Brexit scenario) (£ 2018 values)

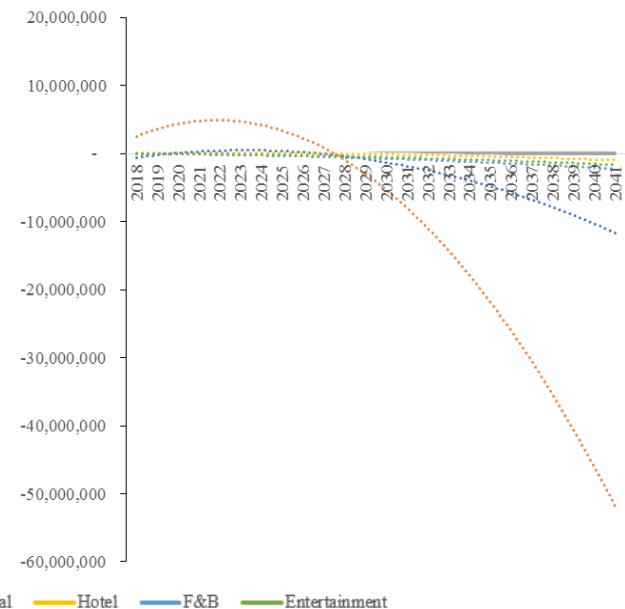
Total floor space percentage change by sector 2018-41



Net employment created per annum 2018-41



Net business rates generated per annum 2018-41



Change to 2041	Floor space (sqm)	Net jobs (FTE)	Business rates (£)
Retail +	-37,000	-1,700	-69,000,000
Office	-108,000	-9,200	-277,000,000
Residential	164,000	-	-
Hotel	-4,000	-100	-5,000,000
F&B	-9,000	-400	-20,000,000
Entertainment	-7,000	-200	-15,000,000
Total	-	-12,000	-386,000,000



Model outputs

Chequered Growth - Results by geography (soft Brexit scenario) (£ 2018 values)

- Results for 'All West End' are inclusive of all sub-geographies
- Results for sub-geographies are mutually-exclusive (e.g. results for the Wider West End as a whole should be added to results from Core West End, Oxford Street District, and Soho for a representation of the area as a whole)
- Visitor numbers have been derived using data from the Local Area Tourism Impact Model (LDA)*. We have assumed that 90% of overseas and domestic tourists visiting Westminster or Camden would visit the West End, and that 10% of day visitors going to Westminster and Camden would visit the West End
- We have relied on international case studies to derive benchmark growth rates in order to project visitor numbers. In the Chequered Growth scenario, the international tourist trends in Singapore have been applied to overseas visitor numbers to project 2018 figures to 2041; borough trends in domestic tourism have been applied to domestic tourists and half the growth rate of entries and exits from West End stations has been applied to day visitors
- VAT has been calculated before deductions on the basis of a 20% rate, assuming a constant average spending of £503 per overseas visitor; £209 per domestic visitors; and £45 for day visitors*

		Annual level in 2018					Change to 2041 (compared to 2018)				
		All West End	Wider West End	Core West End	Oxford Street District	Soho	All West End	Wider West End	Core West End	Oxford Street District	Soho
	<i>Visitors</i>	39,000,000	7,000,000	20,000,000	10,000,000	4,000,000	43,000,000	8,000,000	22,000,000	11,000,000	4,000,000
	Of which - overseas	13,000,000	3,000,000	7,000,000	3,000,000	2,000,000	30,000,000	6,000,000	15,000,000	8,000,000	3,000,000
	Of which - domestic	3,000,000	1,000,000	2,000,000	1,000,000	1,000,000	-2,000,000	-1,000,000	-1,000,000	-1,000,000	-1,000,000
	Of which - day trips	25,000,000	5,000,000	13,000,000	6,000,000	2,000,000	14,000,000	3,000,000	7,000,000	4,000,000	2,000,000
	<i>VAT (£)</i>	1,549,000,000	277,000,000	775,000,000	372,000,000	127,000,000	3,058,000,000	546,000,000	1,530,000,000	733,000,000	250,000,000
	before deductions										
	<i>Residents</i>	46,344	20,366	20,033	4,057	1,889	3,830	1,683	1,656	335	156
	<i>Homes</i>	27,908	12,264	12,064	2,443	1,137	2,463	1,082	1,065	216	100
	<i>Net jobs (FTE)</i>	611,000	76,000	315,000	164,000	56,000	-12,000	-2,000	-7,000	-4,000	-2,000
	2018 total based on land use										
	<i>Business rates (£)</i>	2,911,000,000	322,000,000	1,281,000,000	978,000,000	332,000,000	-387,000,000	-49,000,000	-196,000,000	-104,000,000	-39,000,000
	<i>Net GVA (£)</i>	56,820,000,000	7,855,000,000	29,395,000,000	15,082,000,000	5,007,000,000	-2,885,000,000	-411,000,000	-1,518,000,000	-730,000,000	-256,000,000

Source: Arup analysis

*: Greater London Authority (2017) – Local Area Tourism Impact Model
 Sub-geographies may not sum to "All West End" due to rounding

Chequered Growth

Overall outcomes



Chequered Growth



"Rich Mix" Attractiveness

- Shifts to higher value added activities over time may impair rich mix to some extent



West End Assets

- Employment opportunities brought by Crossrail not be fully realised
- Area less attractive to Londoners and domestic visitors
- Continued strain on resources for city management



International positioning

- Area retains some of its attractiveness to international visitors particularly high-end and mass market



Residents

- The area become less affordable for middle- and lower- income Londoners
- Quality of life for residents under pressure (resourcing challenges)



GVA

- Increase in high-end businesses and retail in the area is likely to result in net GVA growth
- Higher GVA in the area may not be consistent with Good Growth criteria



Employment

- Small reduction in employment
- West End is unable to harness potential generated by Crossrail 1 and 2
- Overall, more modest decline compared to 'decline of sorts' scenario

Good Growth Implication for uses



Good
Growth



Office

- Expansion in office space to take full advantage of the additional capacity of Crossrail 1 (and 2) but with appropriate limits on height and massing by location
- Some intensification in the use of existing space
- Gently rising office rents over the long term
- “Good neighbours” to residential and other uses



Hotel

- Hotel supply grows to meet growing demand
- Offer is diverse catering for various income levels - attractive to mid and upper market
- Sector complements restaurants, bars and entertainment



ACE

- Mix of ACE venues (size, public, not for profit and private sector) stay in the area thanks to stable rents and benign planning policy
- ACE complements offer from other sectors
- Floor space grows modestly



Residential

- Increase in number of residential units – growth above historical trend.
- A mix of tenure and type to contribute to meeting needs of Londoners including affordability albeit at a modest level compared to overall demand



Retail

- Planning policy allows retail to respond quickly to underlying changes in the sector
- Sector continues to thrive and provide employment. Modest increase in floor space over the long term as sector addresses the “experience” market



F&B

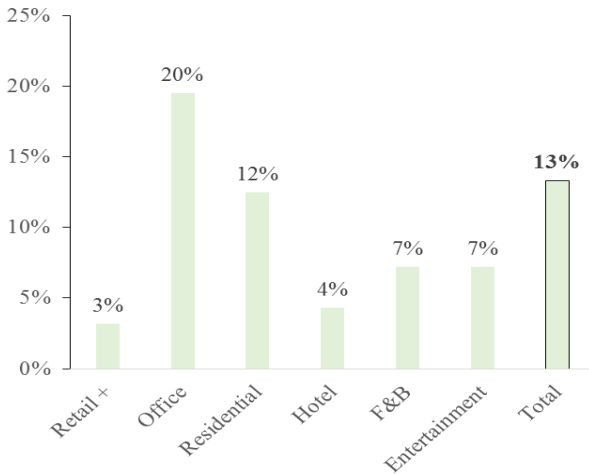
- Food and beverage offer continues to grow and change .
- Planning policies enable retail, F&B and culture to “converge” into the same spaces to provide a diverse, attractive experience for visitors
- “Rough edges” managed so as not to impinge on residential quality of life
- Floor space grows modestly over the long term



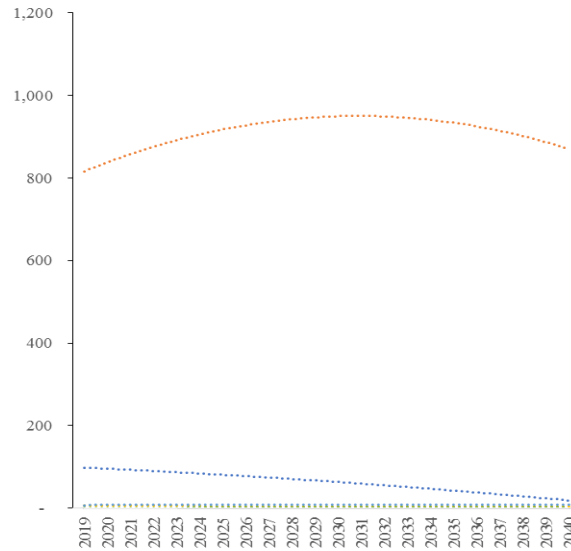
Model outputs

Model outputs – Good Growth (soft Brexit scenario) (£ 2018 values)

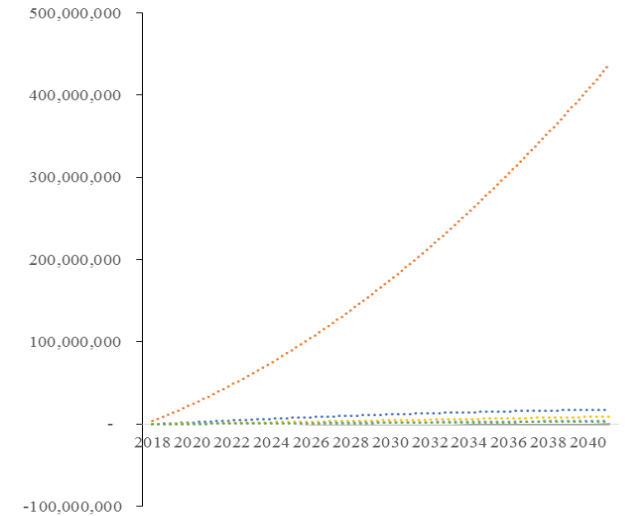
Total floor space percentage change by sector 2018-41



Net employment created per annum 2018-41



Net business rates generated per annum 2018-41



— Retail + — Office — Residential — Hotel — F&B — Entertainment

Change to 2041	Floor space (sqm)	Net jobs (FTE)	Business rates (£)
Retail +	59,000	3,000	250,000,000
Office	971,000	90,000	4,451,000,000
Residential	231,000	-	-
Hotel	38,000	1,000	108,000,000
F&B	17,000	900	46,000,000
Entertainment	13,000	500	34,000,000
Total	1,300,000	96,000	4,890,000,000



Model outputs

Good Growth - Results by geography (soft Brexit scenario) (£ 2018 values)

- Results for 'All West End' are inclusive of all sub-geographies
- Results for sub-geographies are mutually-exclusive (e.g. results for the Wider West End as a whole should be added to results from Core West End, Oxford Street District, and Soho for a representation of the area as a whole)
- Visitor numbers have been derived using data from the Local Area Tourism Impact Model (LDA)*. We have assumed that 90% of overseas and domestic tourists visiting Westminster or Camden would visit the West End, and that 10% of day visitors going to Westminster and Camden would visit the West End
- We have relied on international case studies to derive benchmark growth rates in order to project visitor numbers. In the Good Growth scenario, the international tourism trends in Westminster and Camden have been applied to overseas visitor numbers to project 2018 figures to 2041; the average of New York and Tokyo domestic tourism trends have been applied to domestic tourists and the growth rate of entries and exits from West End stations has been applied to day visitors
- VAT has been calculated before deductions on the basis of a 20% rate, assuming a constant average spending of £503 per overseas visitor; £209 per domestic visitors; and £45 for day visitors*

Annual level in 2018

Change to 2041 (compared to 2018)

		All West End	Wider West End	Core West End	Oxford Street District	Soho	All West End	Wider West End	Core West End	Oxford Street District	Soho
	<i>Visitors</i>	39,000,000	7,000,000	20,000,000	10,000,000	4,000,000	92,000,000	17,000,000	46,000,000	22,000,000	8,000,000
	Of which - overseas	13,000,000	3,000,000	7,000,000	3,000,000	2,000,000	71,000,000	13,000,000	36,000,000	17,000,000	6,000,000
	Of which - domestic	3,000,000	1,000,000	2,000,000	1,000,000	1,000,000	3,000,000	1,000,000	2,000,000	1,000,000	1,000,000
	Of which - day trips	25,000,000	5,000,000	13,000,000	6,000,000	2,000,000	19,000,000	4,000,000	10,000,000	5,000,000	2,000,000
	<i>VAT (£)</i>	1,549,000,000	277,000,000	775,000,000	372,000,000	127,000,000	7,341,000,000	1,310,000,000	3,673,000,000	1,760,000,000	600,000,000
	before deductions										
	<i>Residents</i>	46,344	20,366	20,033	4,057	1,889	6,177	2,715	2,670	541	252
	<i>Homes</i>	27,908	12,264	12,064	2,443	1,137	3,476	1,527	1,502	304	142
	<i>Net jobs (FTE)</i>	611,000	76,000	315,000	164,000	56,000	96,000	14,000	52,000	23,000	9,000
	2018 total based on land use										
	<i>Business rates (£)</i>	2,911,000,000	322,000,000	1,281,000,000	978,000,000	332,000,000	4,890,000,000	694,000,000	2,578,000,000	1,175,000,000	434,000,000
	<i>Net GVA (£)</i>	56,820,000,000	7,855,000,000	29,395,000,000	15,082,000,000	5,007,000,000	20,506,000,000	3,056,000,000	10,963,000,000	4,947,000,000	1,783,000,000

*: Greater London Authority (2017) – Local Area Tourism Impact Model
 Sub-geographies may not sum to "All West End" due to rounding

Source: Arup analysis

Good Growth Overall outcomes



Good
Growth



"Rich Mix" Attractiveness

- Rich mix and attractiveness of the West End is enhanced.
- Leading retail destination and office supply able to compete with other world cities and other London / regional centres
- London plan targets fulfilled or exceeded – where sustainably possible



West End Assets

- Existing cultural heritage is maintained.
- Quality green spaces and historical buildings, air quality, and other quality of life indicators are maintained and improved
- Takes maximum advantage of public transport and sustainable modes, including Crossrail 1 and



International positioning

- West End maintains and improves its international position for visitors, investment and employers



Residents

- Residents' quality of life is protected and improved (requires more investment in city management)
- West End fulfils more of its potential as an attractive and affordable place for residents to live (albeit at a modest scale compared to overall demand)



GVA

- Assets values rise gently over the long-term.
- Delivers irrespective of administrative (borough) boundaries.
- It is able to sustainably generate the resources to secure the public services required to maintain, invest, enhance the area and London as a whole



Employment

- Provides Londoners with accessible employment space/employment opportunities – enterprises of varying sizes.
- Fulfils its potential for Londoners as well as its CAZ, regional and national roles
- Growth in employment and employment space

9. Recommendations for securing good growth

Recommendations for securing good growth

Introduction

Background

Over the last decade and a half (and longer), much has been written about the West End, its challenges and ideas and recommendations to improve it.

In more recent years, the West End Partnership (WEP) driven by Westminster, has developed a vision for the West End that has led to policy papers and recommendations being put together on many of the big issues. The partnership was itself a response to previous findings and recommendations from the West End Commission.

Evidence

In putting these recommendations together, we have drawn significantly from these bodies of work; many of the recommendations appear to be well thought out and in line with good growth principles.

The evidence base includes:

- Draft WEP Board Good Growth Toolkit (2018)
- Experience of other boroughs
- Detailed analysis of the economic function the West End performs in previous work (West End Commission (2013))
- A vision for the West End (Arup, 2014 unpublished)
- West End Vision (2015)
- West End Partnership Board meetings and minutes
- West End Commission (2013) submissions
- New West End Company priority
- Key recommendations of the West End Commission (2013)
- Experience from councillors dealing with resident concerns
- TfL analysis of Crossrail's capacity and usage (Crossrail RailPlan modelling (2018) as detailed in Arup's work for NWECC and other BIDS (2018) provides a quantified estimation of the additional volumes of commuters, visitors, shoppers etc anticipated to use the line
- Close working and co-operation between local government, functional bodies etc is supported very strongly by BIDS, the Great Estates, residents and others
- London Finance Commission reports (2013, 2017)
- The West End "TIFF" bid submission to Central Government (2018)
- Planning documents from the GLA, Camden and Westminster reviewed in detail in chapter four
- Increasing employment density will only partially be able to offset loss of commercial space in the West End/facilitate employment growth (Arup 2018). Crossrail passenger demand analysis (2018) and Arup modelling for this GG study demonstrates the benefits of expansion in space for employment and some of the consequences of it not being permitted to occur

Draft WEP Board Good Growth Toolkit (2018)

The draft WEP Board Good Growth Toolkit outlines how Good Growth might be achieved in the West End:

- Investors, landowners, developers and occupiers thinking and acting proactively about the impacts of their activities over the short and long term
- The benefits of development being felt at all levels – from the occupier next door to the local neighbourhood and ultimately across the city
- Policy makers setting a positive Good Growth policy framework and establishing programmes to assist the delivery of Good Growth
- A positive, transparent and proactive development process
- Spending the Community Infrastructure Levy (CIL), Mayor's Community Infrastructure Levy (MCIL) and s106 funding in growth areas to support capital and non-capital infrastructure
- Encouraging neighbourhood plans to be pro- Good Growth

Recommendations for securing good growth

Recommendations

Alongside the Mayor's transport strategy and the draft London plan, review and revision of policy by both Westminster (a revised City Plan and associated policies for its parts of the West End) and Camden (its SPD for Holborn) means that important decisions are being taken by both authorities over the coming months. These are likely to have a material impact on the future of the West End and the extent to which it is allowed to change, grow and develop.

The recommendations we make here should be viewed in that context.

Conditions

As summarised in previous sections, through the cross referencing of original analysis, international case studies and extensive work on the West End, it is suggested that the following conditions are required to unlock the full potential for good growth in the West End:

- **A proactive strategy** for good growth that engages with key stakeholders, residents, workers and visitors
- **Mix of uses** including retail, residential, commercial, cultural and food and beverage
- **Range of offer** from premium through to high street, as well as cultural programming
- **High quality and flexible public space**, to meet the needs of residents, workers and visitors

Recommendations

The targeted and practical recommendations that emerge from this work have been grouped as follows:

- **Engagement**
- **Policy**
- **City Management & Financing** including consideration of public space management and programming

These are outlined in more detail in the pages that follow.

Implementation

The likely impact, timescale to implement and difficulty of implementation has been identified for each recommendation.

Stakeholders

With respect to implementation, one or more stakeholders have been suggested for each recommendation.

Where we have used abbreviations, these are shown in the table below.

Abbreviation	Stakeholder
WEP	West End Partnership
WCC	Westminster City Council
LBC	London Borough Camden
GLA	Greater London Authority
TfL	Transport for London
BIDs	Business Improvement Districts

Recommendations for securing good growth Policy

A strong policy framework with clear metrics of Good Growth, and the establishment of programmes to assist with the delivery of Good Growth

ID	Recommendation	Impact	Timescale to implement	Difficulty of implementation	Key stakeholders
1	Adopt a flexible positive good growth approach to policy for the West End. This will allow the area to fulfil more of its economic and social value potential for a wide-range of stakeholders. These should be aligned to the international, national, regional, Central Activity Zone, borough and neighbourhood functions that the West End performs.	High	Short	Medium	WCC, LBC, GLA
2	Take full advantage of the anticipated capacity of Crossrail 1 and Crossrail 2 and other improvements to transport infrastructure serving the West End to secure good growth objectives.	High	Short - Medium (Crossrail 1); Long (Crossrail 2)	Medium	WCC, LBC, GLA with TfL
3	Ensure the principles of good growth (where outlined in the WEGG report, the Draft London Plan, the West End Partnership Board vision and associated documents) are reflected and embedded within Westminster City Council's revised City Plan covering the West End plus Camden's corresponding planning documents (the SPD for Holborn that is being reviewed) (WCC, Camden). A stronger spatial vision/strategy that is co-ordinated across the two authorities could be part of this.	High	Short	Low	WCC, LBC
4	Update commercial and other floorspace targets to reflect WEGG analysis (WCC, Camden, GLA) with a view to facilitate more efficient building plots/provision of space.	High	Short	Medium	WCC, LBC, GLA
5	Building on existing initiatives, ensure employment opportunities are maximised for Westminster and Camden residents especially those from economically disadvantaged backgrounds	High	Short	Medium	WCC, LBC, GLA, BIDs, Businesses, construction industry
6	Use planning policy revisions and licensing/enforcement policies to support arts culture and entertainment to help sustain a rich mix of activities.	Medium	Short	Medium	WCC, LBC
7	Providing a level of flexibility of use to enable the retail sector to respond to a changing environment and customer needs (for example combined provision of food and beverage, experience and traditional retail activities) to allow a greater mix of retail, leisure, office and cultural offers at different building levels. This should avoid the introduction of uses that will constrain the West End economy.	Medium	Short - Medium	Low	WCC, LBC
8	Lobby for revisions to Sunday trading to allow the retail sector to open for longer, and work jointly (Local Authorities, Central Government, BIDs) to consider funding options to cover additional costs if there any.	Medium	Long	Hard	Lobbying by BIDs, authorities of Central Govt

Recommendations for securing good growth

Engagement

Effective engagement is critical to achieving good growth outcomes for West End residents, workers and visitors

ID	Recommendation	Impact	Timescale to implement	Difficulty of implementation	Key stakeholders
9	Identify top five quality of life concerns for residents and assess extent to which existing or planned initiatives can be expected to address them. These may range from concerns around housing, construction/utility works through to air quality, housing, waste collection, anti-social behaviour, traffic, etc. This could draw on existing data available from the City Survey (2017) which saw residents identify the top five services as most important (in order of priority) as parks and open spaces; refuse collection; facilities for young people; street sweeping; nursery / primary schools. Once compiled, plans should be developed to address any key gaps or concerns identified which may include exploration of more robust enforcement (as is used for parking control) of issues particularly disruptive to residents.	High	Short	Low	WCC, LBC
10	Ensure collaborative working between London government entities and their functional bodies (eg TfL) alongside the private sector, BIDs etc. to overcome administrative obstacles (e.g. borough boundaries) that might otherwise impede good place-based decision making.	High	Short	Low	WCC, LBC, GLA, residents' organisations, BIDs, Private Sector, TfL and others
11	Review and consider adopting the Good Growth principles to construction and development (as outlined by the West End Partnership Board). - Principles for Good Growth for development (toolkit, code of practice) - Vision 2030, WEP Delivery Plan	High	Short - Medium	Medium	WCC, LBC, GLA, WEP, BIDs and investors, landowners, developers and occupiers

City Management & Financing

Coherent city management and sustainable financing mechanisms will ensure the district's long term success

12	Secure a long-term sustainable financial footing for the provision of a range of "city management services" and infrastructure investment in the West End with a focus on fostering good growth and protecting/enhancing residential quality of life. For example, this could be achieved through consideration of business rates retention, fiscal devolution measures and/or some sort of tourist tax, as used successfully in other cities.	High	Medium	Hard	WCC, LBC, GLA
13	Highlight and demonstrate more transparently, how existing S106, Community Infrastructure Levy/ developer contributions generated from development in the West End are used to help pay for improvements within the locality. This would help to inform public opinion about the benefits development can generate in the area.	Low - Medium	Short	Low	WCC, LBC, GLA, TfL, BIDs, Private sector

Appendix 1: Planning Policy Review

Policy Tables

Statutory Planning Policy

Current London Plan (adopted 2016)	
Policy	Relevant Content
Policy 2.9 Inner London	West End forms part of a strategic inner London. The London Plan states that stakeholders should work to realise this potential to sustain and enhance economic and demographic growth whilst improving its distinct environment, public realm and communities.
Policy 2.10 CAZ Strategic Priorities	<p>West End is at the heart of the CAZ. The LP states that strategic partners should:</p> <ul style="list-style-type: none"> - Enhance and promote the unique international, national and London-wide roles of the CAZ, supporting the distinct offer of the Zone based on a rich mix of local as well as strategic uses and forming the globally iconic core of the world's most attractive and competitive business locations; - Focus on sustaining and enhancing historic environment and high-quality design and urban management, including focus on public realm, small open spaces and distinctive buildings; - Support and improve retail offer of CAZ, especially West End as a global shopping destination (in combination with Knightsbridge); - Address issues of environmental quality raised by the urban heat island effect and realise unique potential for district energy networks.
Policy 2.11 CAZ Strategic Functions	<p>The LP states the Mayor and relevant agencies should:</p> <ul style="list-style-type: none"> - ensure that development proposals to increase office floorspace within CAZ include a mix of uses including housing, unless such a mix would demonstrably conflict with other policies; - seek solutions to constraints on office provision and other commercial development imposed by heritage designations without compromising local environmental quality; - identify, enhance and expand retail capacity to meet strategic and local need and focus this on the CAZ frontages; - work together to prepare a planning framework for the West End Special Retail Policy Area (Para 2.47 states that it is important to support the success of Knightsbridge and West End as two international retail centres. Policy should support the area's future as a retail and leisure district. - recognise, improve and manage the country's largest concentration of night time activities in Soho/Covent Garden as well as other strategic clusters in and around CAZ in line with Policy 4.6 - ensure development complements and supports the clusters of other strategically important, specialised CAZ uses including legal, health, academic, state and 'special' uses; - ensure strategic and more local needs are met, while not compromising the quality of the CAZ's residential neighbourhoods or its distinctive heritage and environments; - realise resultant uplifts in development capacity to extend and improve the attractions of the Zone; and - seek capacity in or on the fringe of the CAZ suitable for strategic international convention functions.
Policy 2.12 CAZ Predominantly local activities	The LP states that the Mayor and relevant agencies should identify, protect and enhance residential neighbourhoods within CAZ whilst being sensitive to the fact housing development does not compromise CAZ strategic functions.

Policy Tables

Statutory Planning Policy

Current London Plan (adopted 2016)	
Policy	Relevant Content
Policy 2.13 Opportunity Areas and Intensification Areas	<p>Opportunity areas are major reservoirs of brownfield land with significant capacity to accommodate new housing, commercial and other development. Intensification areas are typically built-up areas with good existing or potential transport accessibility which can support redevelopment at higher densities.</p> <p>Development proposals within opportunity areas and intensification areas should:</p> <ul style="list-style-type: none"> - support the strategic policy directions for the opportunity areas and intensification areas set out in Annex 1, and where relevant, in adopted opportunity area planning frameworks; - seek to optimise residential and non-residential output and densities and provide necessary densities to sustain growth - contribute towards meeting (or where appropriate, exceeding) the minimum guidelines for housing and/or indicative estimates for employment capacity; - realise scope for intensification associated with existing or proposed improvements to public transport accessibility; and - support wider regeneration.
	<p>Tottenham Court Road Opportunity Area</p> <p>There is significant potential for integrated renewal across borough boundaries recognising the Area’s strategic role as part of one of London’s two ‘International’ shopping locations in the context of the West End Special Retail Policy Area, as well as addressing more local concerns. This will include enhancing the public realm of the Tottenham Court Road and eastern Oxford Street and providing better connection between Covent Garden, Oxford Street and Bloomsbury.</p> <p>Area (Ha): 19 Indicative employment capacity: 5,000 Minimum new homes: 420</p>
	<p>Holborn Intensification Area</p> <p>Improved public transport accessibility and capacity should support selective intensification through mixed-use redevelopment at higher densities. The area has the potential to benefit from links with the nearby Tottenham Court Road Opportunity Area and Crossrail 1 station.</p> <p>Area (Ha): 13 Indicative employment capacity: 2,000 Minimum new homes: 200</p>
Policy 2.14 Areas for Regeneration	<p>Boroughs should identify areas for regeneration and set out integrated spatial policies that bring together regeneration, development and transport proposals with improvements in learning and skills, health, safety, access, employment, environment and housing, in locally-based plans, strategies and policy instruments.</p>

Policy Tables

Statutory Planning Policy

Current London Plan (adopted 2016)	
Policy	Relevant Content
Policy 2.15 Town Centres	<p>The LP states that the Mayor and other stakeholders should co-ordinate development to provide a structure for sustaining and improving a competitive choice of goods. West End is identified as an International Centre.</p> <p>Development proposals for retail to residential permitted development should conform to policies 4.7 and 4.8 and be able to:</p> <ul style="list-style-type: none"> - sustain and enhance the vitality and viability of the centre; - accommodate economic and/or housing growth through intensification and selective expansion in appropriate locations; - support and enhance the competitiveness, quality and diversity of town centre retail, leisure, employment, arts and cultural, other consumer services and public services; and - be in scale with the centre
Policy 3.3 Increasing housing supply	<p>Housing targets to 2020/21:</p> <p>Westminster Conventional supply = 594 Annual target = 770 Minimum ten-year target = 7,700</p> <p>Camden Conventional supply = 500 Annual target = 665 Minimum ten-year target = 6,650</p> <p><i>Context of an annual average of 32,210 net additional homes across London.</i></p>
Policy 4.1 Developing London's economy	<p>The LP states that the Mayor will work with partners to:</p> <ul style="list-style-type: none"> - promote and enable the continued development of a strong, sustainable and increasingly diverse economy; - support and promote the distinctive and crucial contribution to London's economic success made by central London and its specialist clusters of economic activity; - sustain the continuing regeneration of inner London
Policy 4.2 Offices	<p>The LP states that the Mayor and stakeholders should:</p> <ul style="list-style-type: none"> - support the management and mixed-use development and redevelopment of office provision to improve London's competitiveness and to address the wider objectives of this Plan, including enhancing its varied attractions for businesses of different types and sizes including small and medium sized enterprises - recognise and address strategic as well as local differences in implementing this policy to meet the distinct needs of the central London office market by promoting their competitive advantages, focusing new development on viable locations with good public transport, enhancing the business environment including through mixed use redevelopment, and supporting managed conversion of surplus capacity to more viable, complementary uses - encourage renewal and modernisation of the existing office stock in viable locations to improve its quality and flexibility - monitor the impact of government liberalisation of Permitted Development rights for changes of use from offices to residential.

Policy Tables

Statutory Planning Policy

Current London Plan (adopted 2016)

Policy	Relevant Content
Policy 4.3 Mixed use development and offices	Within the Central Activities Zone increases in office floorspace, or those above a justified local threshold, should provide for a mix of uses including housing, unless such a mix would demonstrably conflict with other policies in this plan.
Policy 4.5 London's visitor infrastructure	The LP states that the Mayor and stakeholders should: <ul style="list-style-type: none"> - support London's visitor economy and stimulate its growth, considering the needs of business as well as leisure visitors and seeking to improve the range and quality of provision - seek to achieve 40,000 net additional hotel bedrooms by 2036 - ensure that new visitor accommodation is in appropriate locations: – within the CAZ strategically important hotel provision should be focussed on its opportunity areas, with smaller scale provision in CAZ fringe locations with good public transport.
Policy 4.6 Support for and enhancement of arts, culture, sport and entertainment	The LP states that the Mayor and other stakeholders should: <ul style="list-style-type: none"> - enhance and protect creative work and performance spaces and related facilities in particular in areas of defined need - support the temporary use of vacant buildings for performance and creative work - designate and develop cultural quarters to accommodate new arts, cultural and leisure activities, enabling them to contribute more effectively to regeneration - promote and develop existing and new cultural and visitor attractions especially where they can contribute to regeneration and town centre renewal - develop innovative approaches to managing pressures on high volume visitor areas and their environments - identify, manage and co-ordinate strategic and more local clusters of evening and night time entertainment activities
Policy 4.7 Retail and town centre development	The Mayor supports a strong, partnership approach to assessing need and bringing forward capacity for retail, commercial, culture and leisure development in town centres. This should identify future levels of retail and other commercial floorspace need (or where appropriate consolidation of surplus floorspace considering integrated strategic and local assessments)
Policy 4.8 Supporting a successful and diverse retail sector and related facilities and services	The Mayor and other stakeholders should support a successful, competitive and diverse retail sector. This should: <ul style="list-style-type: none"> - bring forward capacity for additional comparison goods retailing particularly in International, Metropolitan and Major centres - support convenience retail to secure a sustainable pattern of provision and strong, lifetime neighbourhoods - provide a policy framework for maintaining, managing and enhancing local and neighbourhood shopping and facilities - identify areas under-served in local convenience shopping and services provision and support additional facilities at an appropriate scale - support the range of London's markets and contribute to the vitality of town centres - support the development of e-tailing and more efficient delivery systems - manage clusters of uses having regard to their positive and negative impacts.
Policy 4.10 New and emerging economic sectors	The LP states that the Mayor and relevant agencies should: <ul style="list-style-type: none"> - support innovation and research - give strong support for London's higher and further education institutions and their development - work with developers, businesses and, where appropriate, higher education institutions and other relevant research and innovation agencies to ensure availability of a range of workspaces - support the development of green enterprise districts - promote clusters of research and innovation as focal points for research and collaboration between businesses, HEIs, other relevant research and innovation agencies and industry - support the evolution of London's science, technology, media and telecommunications (TMT) sector.

Policy Tables

Statutory Planning Policy

Draft New London Plan (2018)	
Policy	Relevant Content
GG5 Growing a good economy	<p>To conserve and enhance London’s global economic competitiveness and ensure that economic success is shared amongst all Londoners. Development must:</p> <ul style="list-style-type: none"> - promote the strength and potential of the wider city region; - seek to ensure that London’s economy diversifies and that the benefits of economic success are shared more equitably - plan for sufficient employment and industrial space - ensure that sufficient high-quality and affordable housing, as well as physical and social infrastructure is provided to support London’s growth - ensure that London continues to provide leadership in innovation, research, policy and ideas, supporting its role as an international incubator and centre for learning. - promote and support London’s rich heritage and cultural assets, and its role as a 24- hour city. <p>make the fullest use of London’s existing and future public transport, walking and cycling network, as well as its network of town centres, to support agglomeration and economic activity.</p>
SD1 – Opportunity Areas	<p>Opportunity Areas are identified as significant locations with development capacity to accommodate new housing, commercial development and infrastructure (of all types), linked to existing or potential improvements in public transport connectivity and capacity.</p> <p>Tottenham Court Road OA</p> <p>Indicative employment capacity: 6,000 Indicative new homes: 300</p>
SD4 - CAZ	<p>The unique international, national and London-wide roles of the CAZ, based on an agglomeration and rich mix of strategic functions as well as local uses, should be promoted and enhanced. The vitality and viability of the international shopping and leisure destinations of the West End (including Oxford Street, Regent Street, Bond Street and the wider West End Retail and Leisure Special Policy Area) and Knightsbridge together with other CAZ retail clusters should be supported.</p> <p>The CAZ supports a nationally and internationally significant scale and agglomeration of offices, enabled by the hyper-connectivity of its public transport infrastructure. Arts, culture, tourism and entertainment activities are a defining feature of the vibrant and distinctive character of the CAZ with its varied mix of daytime, evening and night-time uses. Together they make a vital contribution to London’s culture and heritage and these areas and functions should be recognised, nurtured and supported.</p> <p>The CAZ contains a vibrant and diverse retail offer that makes it a global shopping destination and includes West End international centre (including primary retail functions, and the wider WERLSPA.</p>
SD5 – Offices and residential development in the CAZ	<p>Offices and other CAZ strategic functions are to be given greater weight relative to new residential development within the West End and other core commercial areas. Residential development should not compromise the strategic functions of the CAZ.</p> <p>The Mayor will work with boroughs and support them to introduce Article 4 Directions to remove office to residential permitted development rights across the whole of the CAZ. Mixed-use office/residential proposals are supported in principle where there is an equivalent or net increase in office floorspace. Residential development proposals should not lead to a loss of office floorspace in any part the CAZ.</p>

Policy Tables

Statutory Planning Policy

Draft New London Plan (2018)	
Policy	Relevant Content
SD6 – Town centres and high streets	<p>Town centres and their vitality and viability should be promoted and enhanced as:</p> <ul style="list-style-type: none"> - strong, resilient, accessible, inclusive and viable hubs for a diverse range of uses - locations for mixed-use or housing-led intensification and higher-density renewal, securing a high-quality environment and complementing local character and heritage assets <p>The adaptation and restructuring of town centres should be supported in response to the challenges and opportunities presented by multi-channel shopping and changes in technology and consumer behaviour, including improved management of servicing and deliveries.</p>
SD8 - Town Centre Network	<p>The changing roles of town centres should be proactively managed in relation to the town centre network. The classification of International, Metropolitan and Major town centres (including West End) can only be changed through the London Plan. International, Metropolitan and Major town centres should be the focus for the majority of higher order comparison goods retailing, whilst securing opportunities for higher density employment, leisure and residential development in a high-quality environment.</p>
D6 – Optimising housing density	<p>Development proposals must make the most efficient use of land and be developed at the optimum density. Consideration should be given to: 1) the site context 2) its connectivity and accessibility by walking and cycling, and existing and planned public transport (including PTAL) 3) the capacity of surrounding infrastructure. The higher the density of a development, the greater the level of scrutiny that is required of its design</p>
D7 – Public realm	<p>Development proposals should ensure the public realm is safe, accessible, inclusive, attractive, well-connected, easy to understand and maintain, and that it relates to the local and historic context, and incorporates the highest quality design, landscaping, planting, street furniture and surfaces.</p>
D8 – Tall buildings	<p>Tall buildings should be part of a plan-led approach to changing or developing an area and should indicate the general building heights that would be appropriate, taking account of: 1) the visual, functional, environmental and cumulative impacts of tall buildings (set out in part C below) 2) their potential contribution to new homes, economic growth and regeneration 3) the public transport connectivity of different locations.</p>
H1 – Increasing housing supply	<p>Boroughs should prepare delivery-focused Development Plans which: a) allocate an appropriate range and number of sites that are suitable for residential and mixed-use development and intensification b) encourage development on other appropriate windfall sites not identified in Development Plans through the Plan period, and c) enable the delivery of housing capacity identified in Opportunity Areas. Where new sustainable transport infrastructure is planned, boroughs should re-evaluate the appropriateness of land use designations and the potential to accommodate higher-density residential and mixed-use development, taking into account future public transport capacity and connectivity levels.</p> <p>Westminster 10-year housing target: 10,100 Camden 10-year housing target: 10,860</p>
H4 – Meanwhile use	<p>Boroughs are encouraged to identify opportunities for the meanwhile use of sites for housing to make efficient use of land while it is awaiting longer-term development.</p>
E1 - Offices	<p>Improvements to the competitiveness and quality of office space of different sizes (for micro, small, medium-sized and larger enterprises) should be supported by new office provision, refurbishment and mixed-use development. Increases in the current stock of offices should be supported. The unique agglomerations and dynamic clusters of world city businesses and other specialist functions of the central London office market, including the CAZ and other nationally significant office locations should be developed and promoted.</p>

Policy Tables

Statutory Planning Policy

Draft New London Plan (2018)	
Policy	Relevant Content
E9 – Retail, markets and hot food takeaways	<p>A successful, competitive and diverse retail sector, which promotes sustainable access to goods and services for all Londoners, should be supported, particularly for town centres. Boroughs should:</p> <ul style="list-style-type: none"> - identify future requirements and locations for new retail development having regard to the town centre policies and strategic and local evidence of demand and supply - identify areas for consolidation of retail space where this is surplus to requirements - bring forward capacity for additional comparison goods retailing particularly in International, Metropolitan and Major town centres - support convenience retail in all town centres - provide a policy framework to enhance local and neighbourhood shopping facilities - identify areas under-served in local convenience shopping and related services - support the range of London’s markets, enhance their offer and contribute to the vitality of town centres and the Central Activities Zone <p>manage clusters of retail and associated uses having regard to their positive and negative impacts on the objectives, policies and priorities of the London Plan.</p>
E10 – Visitor Infrastructure	<p>London’s visitor economy and associated employment should be strengthened by enhancing and extending its attractions, inclusive access, legibility, visitor experience and management and supporting infrastructure. Within the CAZ, strategically important serviced accommodation should be promoted in Opportunity Areas, subject to the impact on strategic office space.</p>
T2 – Healthy Streets	<p>Development proposals and Development Plans should:</p> <ul style="list-style-type: none"> - promote and demonstrate the application of the Mayor’s Healthy Streets Approach to: improve health and reduce health inequalities; reduce car dominance, ownership and use, road danger, severance, vehicle emissions and noise; increase walking, cycling and public transport use; improve street safety, comfort, convenience and amenity; and support these outcomes through sensitively designed freight facilities. - identify opportunities to improve the balance of space given to people to dwell, walk, cycle, and travel on public transport and in essential vehicles, so space is used more efficiently and streets are greener and more pleasant. - In Opportunity Areas and other growth areas, new and improved walking, cycling and public transport networks should be planned at an early stage, with delivery phased appropriately to support mode shift towards active and public transport travel. <p>Designs for new or enhanced streets must demonstrate how they deliver against the ten Healthy Streets Indicators.</p>

Policy Tables

Statutory Planning Policy

Westminster City Plan (Nov 2016)	
Policy	Relevant Content
S1 – Mixed Use in the CAZ	<p>The council will encourage development which promotes Westminster’s World City functions, manages its heritage and environment and supports its living, working and visiting populations. Within the CAZ, a mix of uses consistent with supporting its vitality, function and character will be promoted.</p> <p>For development within Core CAZ, the Named Streets, and Opportunity Areas, which includes net additional B1 office floorspace:</p> <p>A) Where the net additional floorspace (of all uses) is less than 30% of the existing building floorspace, or less than 400sqm (whichever is the greater), or where the net additional B1 office floorspace is less than 30% of the existing building floorspace (of all uses), no residential floorspace will be required.</p> <p>B) Where A) does not apply and the net additional floorspace (of all uses) is: between 30% and 50% of the existing building floorspace, and more than 400sqm, residential floorspace or an equivalent payment in lieu will be provided, equivalent to the net additional B1 office floorspace less 30% of the existing building floorspace.</p> <p>C) Where A) does not apply and the net additional floorspace (of all uses) is: more than 50% of the existing building floorspace, and more than 400sqm, residential floorspace or an equivalent payment in lieu will be provided, equivalent to the net additional B1 office floorspace less 30% of the existing building floorspace.</p> <p>For development within Core CAZ, the Named Streets, and Opportunity Areas, which includes: changes of use from office to residential; and/or replacement of office floorspace with residential floorspace:</p> <p>A) Where the net additional C3 residential floorspace is less than 400sqm, or in the case of changes of use from B1 office to C3 residential, the building was originally built as residential and the building is substantially retained, no commercial floorspace and/or social and community floorspace will be required.</p> <p>B) Where A) does not apply and the net additional floorspace is increased by between 0% and 50% of the existing building floorspace, the net additional C3 residential floorspace will be accompanied by an appropriate amount of commercial floorspace and/or social and community floorspace.</p> <p>C) Where A) does not apply and the net additional floorspace is increased by more than 50% of the existing building floorspace, the net additional C3 residential floorspace will be accompanied by an equivalent amount of commercial floorspace and/or social and community floorspace.</p>
S2 – Special Policy Areas	<p>Westminster’s SPAs are designated to protect and promote specialist uses and functions. Development will support and enhance existing land uses and complementary development and facilities encouraged if in keeping with the character and function of the areas.</p>
S5 – Tottenham Court Rd OA	<p>At least 420 new homes and development capacity for 5,000 new jobs will be provided within the Tottenham Court Road Opportunity Area (including within the London Borough of Camden) between 2011 and 2031, together with the following priorities:</p> <ul style="list-style-type: none"> - Crossrail, including new Crossrail/London Underground stations; - Public realm improvements to improve pedestrian circulation and movement, particularly in retail and tourist destinations such as Covent Garden; - A1 retail use at basement to first floor level for all frontages onto Oxford Street, and at ground floor level for all frontages onto Tottenham Court Road and Charing Cross Road, including large scale retail development on appropriate sites. <p>The requirement for residential floorspace as part of new commercial development may be applied more flexibly where the council considers this to be necessary in order to deliver substantial planned transport and/or public realm improvements which are set out above and are also of benefit to the local community.</p>

Policy Tables

Statutory Planning Policy

Westminster City Plan (Nov 2016)	
Policy	Relevant Content
S6 – Core CAZ	<p>The Core CAZ is an appropriate location for a range of commercial and cultural uses and complementary residential use, subject to the following priorities:</p> <ul style="list-style-type: none"> - Supporting strategically important clusters of uses consistent with enabling the growth and evolution of places - Retail floorspace is encouraged throughout the area. Large scale retail development will be directed to the West End International Shopping Centre’s Primary Shopping Frontages, the CAZ Frontages and the Opportunity Areas - Within the West End Stress Area, new entertainment uses will only be allowed where the council considers that they are small-scale, low-impact and they will not result in an increased concentration of late-night uses. <p>Where retail developments fronting the Primary Shopping Frontages result in the requirement to provide residential floorspace, the residential floorspace may be provided off-site in the vicinity rather than on-site, where the council is satisfied that off-site provision would better contribute to the vitality of the West End Special Retail Policy Area.</p>
S7 – West End Special Retail Policy Area	<p>The unique status and offer of the West End Special Retail Policy Area will be maintained and enhanced, together with the following priorities:</p> <ul style="list-style-type: none"> - Improved retail space; - Appropriate retail growth throughout the WESRPA, including provision of A1 retail along the Primary Shopping Frontages at least at basement, ground and first floor levels; - Improved pedestrian environment to manage the significant pedestrian flows and address the adverse impacts of pedestrian congestion in the Primary Shopping Frontages; - Improved public transport provision and access to it; - Development of Oasis Areas of rest, including seating areas, and A3 café and restaurant uses where appropriate to support the main retail areas in WESRPA; - Improved linkages to and from surrounding retail areas and visitor attractions; and - Provision of appropriate service uses where they complement the shopping environment. <p>The requirement for residential floorspace as part of new commercial development may be applied more flexibly at the eastern end of Oxford Street Primary Shopping Frontage (east of Oxford Circus) where the council considers this to be necessary to deliver substantial planned transport and/or public realm improvements.</p>
S8 – Marylebone and Fitzrovia	<p>Edgware Road, Baker Street, Marylebone Road, Portland Place, Park Crescent and Great Portland Street (Named Streets) are appropriate locations for residential use and a range of commercial uses. Retail and other appropriate town centre uses will also be directed to Marylebone High Street and the Local Shopping Centres. Within the Edgware Road Stress Area, new entertainment uses will only be allowed where the council considers that they are low-impact and would not result in an increased concentration of late-night uses. Outside these locations, new commercial uses will not generally be appropriate unless they provide services to support the local residential community in that part of the Central Activities Zone.</p>
S14 – Optimising Housing Delivery	<p>Residential use is the priority across Westminster except where specifically stated. All residential uses, floorspace and land will be protected. The number of residential units on development sites will be optimised. The council will maintain a publicly available list of deliverable sites for housing development to ensure a continuous five-year supply of deliverable sites with a 5% buffer, and 6-15-year lists of future developable sites.</p>

Policy Tables

Statutory Planning Policy

Westminster City Plan (Nov 2016)	
Policy	Relevant Content
S18 – Commercial Development	<p>Commercial Development will be encouraged and directed to Paddington, Victoria and Tottenham Court Road Opportunity Areas, the Core Central Activities Zone, the Named Streets, the North Westminster Economic Development Area and designated Shopping Centres. The council will work to exceed the target of additional floorspace capacity for at least 77,000 new jobs (1,200,000sqm commercial floorspace) between 2016/17 and 2036/37, an average of 3,850 new jobs per annum.</p> <p>Commercial and other non-residential activity is the priority in the Core Central Activities Zone. Proposals for new commercial uses must be appropriate in terms of scale and intensity of land uses, and character and function of the area. Although the priority for Core CAZ, the Opportunity Areas and the Named Streets is commercial, where residential streets and areas within those areas are wholly residential, commercial encroachment is not appropriate.</p>
S19 – Inclusive Local Economy and Employment	<p>Where appropriate, new development will contribute towards initiatives that provide employment, training and skills development for residents and ensure that local people and communities benefit from opportunities which are generated from development.</p>
S20 – Offices and Other B1 Floorspace	<p>The council will work to exceed the target of additional B1 Office floorspace capacity for at least 58,000 new jobs (774,000sqm B1 office floorspace) between 2016/17 and 2036/37, an average of 2,900 new jobs per annum. New office development will be directed to Paddington, Victoria and Tottenham Court Road Opportunity Areas, the Core Central Activities Zone, the Named Streets, and the North Westminster Economic Development Area.</p> <p>Inside the Core Central Activities Zone, Opportunity Areas and the Named Streets, changes of use from office to residential or replacement of office floorspace with residential floorspace will only be acceptable where the council considers that the benefits of the proposal outweigh the contribution made by the office floorspace</p>
S21 – Retail	<p>New retail floorspace will be directed to the designated Shopping Centres. Existing A1 retail will be protected throughout Westminster except where the council considers that the unit is not viable, as demonstrated by long-term vacancy despite reasonable attempts to let. Existing non-A1 retail uses, and uses occupying shop-type premises within designated shopping centres will be protected from changing to uses that do not serve visiting members of the public and that do not have active shop fronts.</p>
S22 – Tourism, Arts and Culture	<p>Existing tourist attractions and arts and cultural uses will be protected. New arts and cultural uses and tourist attractions will be acceptable within the Core Central Activities Zone, the North Westminster Economic Development Area and the Strategic Cultural Areas.</p>
S24 – Entertainment Uses	<p>New entertainment uses will need to demonstrate that they are appropriate in terms of the type and size of use, scale of activity, relationship to any existing concentrations of entertainment uses and any cumulative impacts and that they do not adversely impact on residential amenity, health and safety, local environmental quality and the character and function of the area.</p>

Policy Tables

Statutory Planning Policy

Camden Local Plan (July 2017)	
Policy	Relevant Content
G1 – Delivery and location of growth	<p>The Council will deliver growth by securing high quality development and promoting the most efficient use of land and buildings in Camden by:</p> <ul style="list-style-type: none"> • supporting development that makes best use of its site, taking into account quality of design, its surroundings, sustainability, amenity, heritage, transport accessibility and any other considerations relevant to the site; • resisting development that makes inefficient use of Camden’s limited land; • expecting the provision of a mix of uses where appropriate; and • supporting a mix of uses either on site or across multiple sites as part of an agreed coordinated development approach.
H1 – Maximising housing supply	<p>The Council will aim to secure a sufficient supply of homes to meet the needs of existing and future households by maximising the supply of housing and exceeding a target of 16,800 additional homes from 2016/17 - 2030/31.</p>
E1 – Economic development	<p>The Council will secure economic growth by:</p> <ul style="list-style-type: none"> • supporting businesses of all sizes, in particular start-ups, small and medium-sized enterprises; • maintaining a stock of premises that are suitable for a variety of business activities; • supporting local enterprise development, employment and training schemes; • encouraging the concentrations of professional and technical services, creative and cultural businesses and science growth sectors; • supporting the development of Camden’s health and education sectors; • direct new office development to growth areas and Central London to meet the forecast demand of 695,000sqm of office floorspace between 2014 and 2031; • supporting industries by safeguarding existing employment sites and supporting proposals for the intensification of employment sites; • expecting the provision of high speed digital infrastructure in all employment developments; and • recognising the importance of other employment generating uses, including retail, education, health, markets, leisure and tourism.
E2 – Employment premises and sites	<p>The Council will encourage the provision of employment premises and sites in the borough by protecting premises or sites that are suitable for continued business use, in particular premises for small businesses, businesses and services that provide employment for Camden residents and those that support the functioning of the Central Activities Zone (CAZ) or the local economy.</p> <p>It will consider higher intensity redevelopment of premises or sites that are suitable for continued business provided that:</p> <ul style="list-style-type: none"> - the level of employment floorspace is increased or at least maintained; - the redevelopment retains existing businesses on the site as far as possible that support the functioning of the CAZ or the local economy; - it is demonstrated that any relocation of businesses supporting the CAZ or the local economy will not cause harm to CAZ functions; - the proposed premises include floorspace suitable for start-ups, small and medium-sized enterprises; - the scheme would increase employment opportunities for local residents; - the scheme includes other priority uses, such as housing, where this would not prejudice the continued operation of businesses on the site; and - for larger employment sites, any redevelopment is part of a comprehensive scheme.

Policy Tables

Statutory Planning Policy

Camden Local Plan (July 2017)	
Policy	Relevant Content
E3 - Tourism	<p>The Council recognises the importance of the visitor economy and will support tourism development by:</p> <ul style="list-style-type: none"> - expecting new, large-scale tourism development and visitor accommodation to be located in Central London, particularly the growth areas; - allowing smaller-scale visitor accommodation in town centres; - considering tourism development outside of the areas listed above where it would have a local or specialist focus; - encouraging large-scale tourism development and visitor accommodation to provide training and employ Camden residents; and - protecting existing visitor accommodation in appropriate locations.
TC1 – Quantity and location of retail development	<p>The Council will focus new shopping and related uses in Camden’s designated growth areas and existing centres, with additional provision as part of redevelopment schemes in the growth areas of Tottenham Court Road, Holborn and West Hampstead, as well as significant provision in the Tottenham Court Road Central London Frontage.</p>
TC2 – Camden’s centres and other shopping areas	<p>The Council will promote successful and vibrant centres throughout the borough to serve the needs of residents, workers and visitors by:</p> <ul style="list-style-type: none"> - seeking to protect and enhance the role and unique character of each of Camden’s centres, ensuring that new development is of an appropriate scale and character for the centre in which it is located; - provide for and maintain a range of shops including independent shops, services, food, drink and entertainment and other suitable uses to provide variety, vibrancy and choice; - make sure that food, drink, entertainment and other town centre uses do not have a harmful impact on residents and the local area and focusing such uses in King’s Cross and Euston Growth areas, Central London Frontages, and Town Centres; - support and protect Camden’s Neighbourhood Centres, markets and areas of specialist shopping.
TC4 – Town centre uses	<p>The Council will ensure that the development of shopping, services, food, drink, entertainment and other town centre uses does not cause harm to the character, function, vitality and viability of a centre, the local area or the amenity of neighbours.</p>
TCS – Small and independent shops	<p>The Council will promote the provision of small shop premises suitable for small and independent businesses by:</p> <ul style="list-style-type: none"> - expecting large retail developments to include a proportion of smaller units; - attaching conditions to planning permissions for retail developments to remove their ability to combine units into larger premises, where appropriate; and - encouraging the occupation of shops by independent businesses and the provision of affordable premises.

Policy Tables

Material Consideration

National Planning Policy Framework (2018)	
Strategic Policy Objective	Relevant Content
Achieving sustainable development	Paragraph 11 states that plans and decisions should apply a presumption in favour of sustainable development . For plan-making this means that: <ul style="list-style-type: none"> plans should positively seek opportunities to meet the development needs of their area, and be sufficiently flexible to adapt to rapid change; strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses.
Delivering a sufficient supply of homes	Paragraph 59 states that to support the Government’s objective of significantly boosting the supply of homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay.
Building a strong, competitive economy	Paragraphs 80-81 state significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. Planning policies should: <ul style="list-style-type: none"> set a clear economic vision and strategy which positively and proactively encourages sustainable economic growth; set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period; seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances.
Ensuring the vitality of town centres	Paragraph 85 states that planning policies and decisions should support the role that town centres play by taking a positive approach to their growth, management and adaptation. Planning policies should: <ul style="list-style-type: none"> define a network and hierarchy of town centres and promote their long-term vitality and viability – by allowing them to grow and diversify in a way that can respond to rapid changes in the retail and leisure industries, allows a suitable mix of uses (including housing) and reflects their distinctive characters; define the extent of town centres and primary shopping areas, and make clear the range of uses permitted in such locations; retain and enhance existing markets and, where appropriate, re-introduce or create new ones; allocate a range of suitable sites in town centres to meet the scale and type of development likely to be needed; where suitable and viable town centre sites are not available for main town centre uses, allocate appropriate edge of centre sites that are well connected to the town centre; and recognise that residential development often plays an important role in ensuring the vitality of centres and encourage residential development on appropriate sites.
Promoting sustainable transport	Paragraph 102 states that transport issues should be considered from the earliest stages of plan-making and development proposals, so that: <ul style="list-style-type: none"> potential impacts of development on transport networks can be addressed; opportunities from existing or proposed transport infrastructure, and changing transport technology and usage, are realised; opportunities to promote walking, cycling and public transport use are identified and pursued; the environmental impacts of traffic and transport infrastructure can be identified, assessed and considered.
Making effective use of land	Paragraph 117 states that planning policies and decisions should promote an effective use of land in meeting the need for homes and other uses, while safeguarding and improving the environment and ensuring safe and healthy living conditions. Strategic policies should set out a clear strategy for accommodating objectively assessed needs, in a way that makes as much use as possible of previously-developed or ‘brownfield’ land.

Policy Tables

Material Consideration

National Planning Policy Framework (2018)	
Strategic Policy Objective	Relevant Content
Achieving appropriate densities	<p>Paragraph 122 states that planning policies and decisions should support development that makes efficient use of land, considering:</p> <ul style="list-style-type: none"> - the identified need for different types of housing and other forms of development, and the availability of land suitable for accommodating it; - local market conditions and viability; - the availability and capacity of infrastructure and services – both existing and proposed; - the desirability of maintaining an area’s prevailing character and setting (including residential gardens), or of promoting regeneration and change; and - the importance of securing well-designed, attractive and healthy places.
Achieving well-designed places	<p>Paragraph 125 states that plans should, at the most appropriate level, set out a clear design vision and expectations, so that applicants have as much certainty as possible about what is likely to be acceptable. Design policies should be developed with local communities so they reflect local aspirations, and are grounded in an understanding and evaluation of each area’s defining characteristics.</p>

Appendix 2: Case Studies

Selected case studies

Learning from global comparators

Case study city comparators

Seven case studies were selected for comparison, based on their similarities to the Oxford Street District within the context of the Wider West End area.

The **first tier** case studies have been considered most relevant, and as such have been researched in more detail:

1. New York: Fifth Avenue & Times Square
2. Tokyo: Ginza

The **second tier** case studies provide useful insights in relation to main retail strips situated within central shopping districts:

3. Paris: Champs Élysées – Haussmann – Saint Lazare
4. Milan: C. Vittorio Emanuele
5. Munich: Kaufingerstrasse and Altstadt

The **third tier** cases specifically look into large shopping malls with similar characteristics to Oxford Street:

6. Hong Kong: Times Square - Causeway Bay
7. Singapore: VivoCity

Analysis content

Each of the case study areas have been summarised in accordance with their:

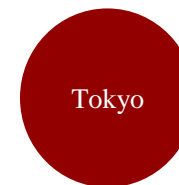
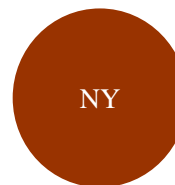
- Key attributes
- Key strengths
- Key challenges and threats

In addition, the more detailed analyses of New York and Tokyo outlines both quantitative and qualitative measures, a snapshot of current conditions of each benchmark, and where possible provides references to past or ongoing changes to the retail and district related to structural changes.

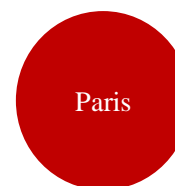
Metrics include:

- Physical characteristics
- Current land use, and past / recent / planned change where relevant
- Area demographics
- Area employment and economic profile
- Footfall
- Tourism
- Retail sales and growth forecast
- Prime rent and growth rates
- Flagship stores and international / domestic brands
- District governance
- Qualitative assessment of shopping experience

1st tier

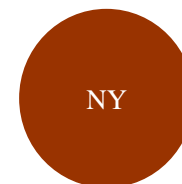


2nd tier



3rd tier





International Case Studies

Fifth Avenue and Times Square, New York

Key features

- 'Fifth Avenue' is the most expensive prime retail destination in the world with rents reaching \$3,000 per sq. ft.
- Historically famous for designer shops and historic department stores with over 160 flagship stores
- Mix of uses – entertainment venues, cultural institutions, hotels, banks and churches
- High density employment hub (around 200,000 office workers)
- Residential community of 30,000 (4,000/km²) – mostly young and college educated population
- Retailers are leveraging a strong economy and growing tourism to innovate the retail and experiential offering across Fifth Avenue

Key strengths

- Historic branded location for international retailers sustains density of competing brands
- Land use policy supports metropolitan significant retail and commercial uses securing active frontage and employment
- Large and growing worker and international visitor population
- Proximity to major entertainment districts (Times Square and Broadway) and major visitor attractions

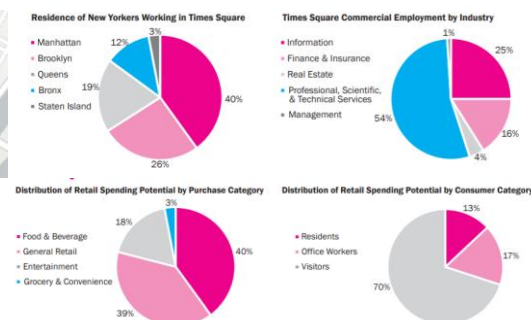
- Good public transport accessibility
- Fair provision of landmark and smaller public / open spaces along the street offer places to rest

Key challenges and threats

- Adapting real estate models and mix of uses to rapid structural changes (retail / commercial growth / short-term leasing)
- High property values and development putting retail under pressure
- Growth of competing retail hubs around the city in other growing visitor destinations (eg Hudson Yards)
- Reduced subway ridership and increasing traffic congestion
- Lack of attention to public realm quality and amenities to pedestrians and shoppers
- Air quality challenges (1.5x more harmful than NY average)
- Pedestrian overcrowding and large traffic volumes challenging
- Structural changes: consumer behaviour, online retailing
- Lack of local retail offer for workers and residents
- BID governance subject to criticism - lack of marketing and events to attract new and repeat visitors



Fifth Avenue main shopping street segment, and smallest statistical census area (Midtown South)
 (Source: popfactfinder.planning.nyc.gov)



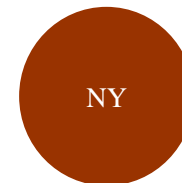
Times Square Socio-economic profile and retail spending potential estimates (Source: HR&A, Times Square Alliance)



International Case Study Profiles

New York

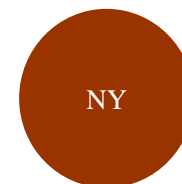
Characteristics	Description
Physical Characteristics & Land Use	<p>'Fifth Avenue' shopping district stretches along one mile between 39th and 60th Street in Midtown, NYC. The street is a historically famous shopping destination for designer shops and historic department stores. The district accounts over 20,000 ft of retail frontage and over 160 flagship stores. Overall, the retail offer tends to offer luxury fashion and accessories (with brands such as Armani Breitling, De Beers and Tiffany & Co), high-street international brands in mass-market fashion (H&M, Zara, Uniqlo, Under Armour, Nike), historic department stores (Saks Fifth Avenue, Bergdorf Goodman, Bendels) and tech retailers (Apple store). The 80-100ft-wide street provides 45/55% pedestrian-to-vehicular ROW ratio, with occasional trees and planting. The shopping district is defined by the Apple store and gate to Central Park to the north, and by Bryant Park, a popular open space for workers and residents with regular events to the south. The area is defined under NY zoning code as a Commercial District of Metropolitan Importance. Ground floor is required active frontage, predominantly retail and restaurants. Upper levels are primarily commercial office space or retail / flagship / department stores. Nearby Times Square District counts 50 million sq. ft. of occupied office space and has seen an unprecedented 6% growth in floorspace in 5 years. The district also has cultural institutions, hotels, banks and churches. Residential buildings are mostly in surrounding area or in mixed-use buildings with commercial use.</p>
Visitors and tourism	<p>International visitors to NYC have been steadily increasing for the past few years at an average 6% per annum, to 12.3 million, and record 16 million overnight visitors in 2016. International visitors driven retail and tourism spent, reaching \$11.4 billion (2015).</p>
Footfall & Traffic	<p>By its shopping reputation, other visitor attractions and high employment density in the area, Fifth Avenue sees high footfall volumes year on year:</p> <ul style="list-style-type: none"> • Fifth Avenue is served by five subway stations with 65 to 70 million annual entries and exits across the district. Nearby Times Square is used by a total 93 million passengers (2016). • Times Square counts 2.5 million footfall per week with a 3% annual growth rate and between 300 and 350 thousand visitors each day. Nearby Rockefeller Plaza counts 350,000 daily footfall. • Key visitor attractions in the district counted 16 million entries in 2016. <p>It is also a heavy southbound vehicular route with 1,500-2,000 vehicles per hour.</p>
Workplace population and economic performance	<p>Workers represent a significant addition to resident population in Manhattan: 60% of workers in Midtown commute from outside Manhattan. An economic impact study of nearby Times Square estimates around 180,000 direct employment and another 210,000 indirect jobs in the area. Another study estimates around 225,000 office workers in Midtown mostly in professional services, finance and media. Nearby Times Square supports the city's visitor economy with 12,500 people working in entertainment, over 19,000 hotel rooms (16% of NYC supply), up to 40 Broadway theatres representing \$31bn in ticket sales (2014).</p>



International Case Study Profiles

New York

Characteristics	Description
Residential population	<p>Residential population in the District around Fifth Avenue is significantly lower than workplace population due to land use allocation for commercial. The area is still based on a resident population of 30,000 (15,000 households) and up to 100,000 in the wider area (58,000 households), with average density of 4,000 people / km².</p> <ul style="list-style-type: none"> • Young population - 60% are under 45 – and college educated • Majority of non-family households (75% compared to 40% average in NY) with high income levels (\$85,000 median, 20% residents' income exceeds \$200,000). • 4,000 student population, 15% compared to 4% average in NY • Population growth is at least aligned with the city's forecast 5% annual rate to 2020. • Residents rely primarily on public and/or active transport for commuting, generating additional footfall and spending potential in the district.
Retail performance	<p>New York is a global retail market, achieving \$258bn total retail sales (2015, compared to \$186bn in London) with robust annual growth forecast of 2.7% to 2020 fuelled by growth in international visitors. It was ranked #1 American city and #5th global for cross-border retailer</p> <p>In the district, 13% and 17% of total retail spending is allocated to residents and office workers, with 40% spend in food and beverage, 20% entertainment and 40% in comparison goods (general retail).</p> <p>attractiveness with an index twice higher than average. CBRE estimated 46% international retailer presence in NY in 2017, 8th highest globally</p> <p>Times Square is estimated to contribute 15% to the city's GDP with \$58bn direct economic output. Excluding Broadway and the entertainment district – becoming more aligned with Fifth Av. economic profile – this represents \$45bn (2016).</p>
Retail rents	<p>Despite being the most expensive retail location in the world (\$3,500/sift) growth has been strong (16% year-on-year up to 2016). Times Square also has high prime retail rents at \$2,400 with a 4% to 5% annual growth rate in recent years. Historically low vacancy rates and growing international visitors to NY contribute to rising rents, and indicate the resilience of these destinations in attracting retail tenants over time.</p> <p>However high retail rents, associated with some of the highest real estate values in Manhattan, lowering retail sales and other impacts from structural changes in the retail sector have been putting this longstanding success into question. Retail rents along the street have started to drop by up to 30% over the past two years in reaction to these factors.</p> <ul style="list-style-type: none"> • An example is the closure of 665,000 sq. ft. Lord & Taylor historic department store to WeWork for \$850 million. This comes amid another 10 closures in the country (out of 50), operating losses of \$646 million in 2016/17, and a market-wide collapse of department stores. • Polo Ralph Lauren also closed its 2014 multi-level 38,000sqft flagship store in 2017. The unit remains vacant to this date with the rent falling to Ralph Lauren. • Saks Fifth Avenue has been considering capitalizing on real estate values by downsizing the retail to 3 levels and redevelop the upper 7 levels into luxury residential. • Opinions remain divided on the structural or cyclical nature of the drop in retail prices on Fifth Avenue, although seem to converge towards a positive outlook for flagship stores amid recent transactions from Under Armour and Nike.



International Case Study Profiles

New York

Characteristics	Description
Real estate	Times Square district real estate valued at \$7.1bn in 2016, having seen a 18% growth in 5 years.
Crime and Safety	There is between two and three times lower crime levels (assault) in Midtown than in Manhattan and NYC average. Two BIDs spend \$5.2 million annually in Public Safety with initiatives ranging from increased security staff to designing extensive communications system to alert stakeholders to the latest news which have been particularly efficient in recent years terrorist attacks and weather emergencies.
Governance	<p>Fifth Avenue BID was founded in 1993 and covers 20,000 sq. ft. of linear frontage between 46th and 60th Street . It has an annual revenue of \$3 million, with expenses shared between sanitation (30%) and Public Safety (41%), high priority spend area compared to NYC average (18%).Efforts have achieved up to 95% reduction in street crime reported along the street (peddling, pick-pockets and frauds) and improved waste collection. The Fifth Avenue BID is not responsible for Marketing or Events planning in the District which explains the lack of 'District image' for this key shopping destination.</p> <p>The Times Square Alliance founded in 1992 is one of the largest and best funded BIDs in NYC. It covers most of the territory from 40th Street to 53rd Street between 6th and 8th Avenues. It has an annual revenue of \$18 million covering 52,000 linear frontage. 30% of annual expenditure goes to Sanitation, 30% to Marketing and Public Events, and 20% towards Public Safety.</p> <p>Both BIDs only allocate around 1% towards streetscape and beautification (compared to NYC BID average of 10%).</p>
Qualitative commentary	<p>According to Savills' index scoring of qualitative criteria, New York (Fifth Avenue, Soho Broadway and Madison Avenue) scores:</p> <ul style="list-style-type: none"> • Highest for Shopping Experience, based on ease of shopping, connectivity to main attractions, service levels of staff in shops and cafes, and wayfinding (alongside Hong Kong), • Highest (excluding Dubai) for Facilities and Amenities, based on accessibility by public transport, street lighting, directional information, pedestrian priority and walkways, waste disposal, waste disposal, public toilets and car parking.



International Case Studies

Ginza, Tokyo

Key features

- Ginza is Tokyo's luxury retail and entertainment district, many department stores, international boutiques, art galleries, exclusive bars and restaurants and the city's most iconic kabuki theatre
- Often puts on car-free days. In the evenings, its designer stores are brightly illuminated. Ginza Pedestrian Paradise happens on weekends and holidays and is the oldest in Tokyo (1970)
- The area is a major commercial and employment hub with domestic headquarters and international offices in the upper floors along the main artery Chuo Dori and across Ginza district

Key strengths

- The character transforms from a shopping destination at day to a theatre and entertainment district at night, extending the hours the district is active with people
- Powerful BID involved in planning decision-making helps define and protect the local character whilst managing growth. Strong planning principles and shared vision, rooted in past culture provides clear design guidelines

- Interestingly, fragmented land ownership is seen as a key driver of the area's distinct architectural diversity and mix of uses, contributing to the area's distinctiveness and visitor attraction.
- World-class architectural design and high quality public realm
- Long-standing weekly 'Pedestrian Paradise' is a family-friendly activity for Tokyo residents
- Dense network of human scale side streets provide complementary retail and experiential offer to flagship and luxury stores on main arteries.
- Innovative retailer strategies embrace digital opportunities

Key challenges and threats

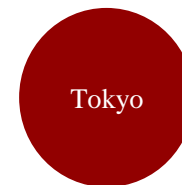
- Declining population forecast (still growing at moment) and ageing population represent greater challenges in Tokyo and Ginza in a context of structural changes in the retail sector and Japan more generally
- Lack of public open spaces
- Pedestrian overcrowding
- Volume and logistics of loading bays impact pedestrian experience and traffic congestion
- Very high land and property prices



Shibuya Crossing, Tokyo (Source: Ei Katsumata)



Ginza, Chuo Dori as Pedestrian Paradise (Source: Japan Guide)



International Case Study Profiles

Ginza, Tokyo

Characteristics	Description
Physical Characteristics & Land Use	<p>Ginza is a district of about 30 square city blocks in central Tokyo¹³⁵. It is a popular and mixed retail and entertainment district with flagship and department stores, shopping complexes, restaurants and hotels, art galleries and artist studios, clubs, bars, theatres and civic spaces. The area's dining offer ranges from upmarket (more 3* Michelin restaurants than the whole of London) to iconic small scale (700-meter under arches local street-food). The area has historically been designed following the 1923 Great Kanto Earthquake to represent Tokyo's modernity. Ginza is primarily known for its main artery (Chuo-Dori) and Ginza Crossing which compare in scale (85 ft right of way), iconic character and footfall volumes to Oxford Street and Oxford Circus.</p> <p>The area typically follows thin urban blocks (110x380ft), with building between 12-14 storeys high. A network of small alley-ways (40 ft) create a human scale pedestrian priority environment. Historically small development plots, fragmented land ownership, district design guidelines (see Governance) and height restrictions have contributed to the area's urban and architectural character which define the visitor experience and the area's authenticity. Recent large developments such as Ginza Six provide mixed-use retail complexes with a growing importance given to the experiential offer such as rooftops, eateries, and rest areas. These larger developments continue to provide the pedestrian-friendly scale.</p> <p>The area is also a major commercial and employment hub with domestic headquarters and international offices in the upper floors along Chuo Dori and across Ginza district.</p> <p>The area has benefited from major public realm improvements in the past few years, including pavement treatment (to reduce heat island effect and noise impact) and improve the area's aesthetics, landscaping and planting providing share and local character, street lighting (under an international design competition), and public wifi coverage.</p>
Visitors and tourism	<ul style="list-style-type: none"> • There are 9 million international visitors to Tokyo (2014). • A low Yen has fuelled international visitors growth, in particular from mainland China in the past few years. • The iconic lightings, world-class architecture and diverse and dense shopping offer provide key tourist attractions. The diverse offer in the district complementary to retail (dining, cultural and entertainment) and across markets (mid to upmarket) support visitor attraction and spent in Ginza. • Kabukiza is Tokyo's main Kabuki theatre. The 1,808 seat theatre offers three performances most days and attracts 900,000 visitors a year.
Workplace population and economic performance	<p>Overall there are 8 million people working in Tokyo in 2010, with up to 2.5 million people commute in central Tokyo each day, growing day-time population to 15.5 million.</p> <p>Ginza is a major commercial district and employment hub in high demand for domestic and regional headquarters. The latest shopping complex project, Ginza Six, hosts 3,000 office jobs in upper floors of the complex.</p>



International Case Study Profiles

Ginza, Tokyo

Characteristics	Description
Residential population	<p>Tokyo is Japan's primary metropolis with over 9 million population in the city and 36 million in the metropolitan area (25% of Japan's population). Tokyo's population is set to grow until 2020 when it is forecast to rapidly decline due to ageing population and low immigration, and to reduce by half by 2100.</p> <p>Wider Ginza (Chuo Ward) has a resident population of 105,000 (2016) with a resident density of 10,345 / km² lower than Tokyo average (14,000). This is related to Ginza being primarily a commercial and entertainment district which are less prone to residential uses, and high property values. However Ginza used to have a more balanced workplace and residential population when ground floor businesses also hosted family homes in upper levels.</p>
Footfall & Traffic	<ul style="list-style-type: none"> Chuo-Dori, the main artery, is closed to vehicular traffic every weekend afternoons. The event known as 'Pedestrian Paradise' was established in the 1970s and has been a longstanding tradition since. It has become a focal point of local social life, contributing to making the district inclusive to families with children. The area is serviced by three subway stations, with cumulated entries and exits reaching 400,000 daily average. Ginza station is the 4th busiest in Tokyo with 270,000 daily ridership. Ginza Crossing, the district iconic reference point (comparable to Oxford Circus but not a subway exit), is possibly the busiest crossing in Tokyo with an accounted 2,500 pedestrians crossing with each signal change at peak times. Sidewalk overcrowding is an issue.
Retail performance	<ul style="list-style-type: none"> Tokyo ranks 10th global and 5th APAC on JLL's cross-border retailer attractiveness index (index 150-200). The retail offer in Ginza is primarily high-to-mass-market fashion and luxury products. Ginza has acquired a brand quality with designers. It is common for Japanese brands with headquarters in Ginza (e.g. Uniqlo) to utilize Ginza on their brand marketing. Japanese brands tend to be loyal and established over a long time-period (e.g. Nissan flagship location since 1993), strengthening customer relationship both to the brand and the place in Tokyo. Flagship stores tend to be on multiple levels with world-class architectural design, contributing to overall quality of visitor experience to the district. Sony building for instance contains a Sony showroom, a store other brands shops and a restaurant. The newest shopping complex (Ginza Six) would have seen 20 million visitors in the first year of opening and achieved \$540 million in retail sales (Savills). Tokyo retail sales at \$1,500 billion (168 trillion Yen) in 2014 across 158,000 businesses are forecast to grow by 1.0% per annum to 2020. Recent drop in currency against the dollar demonstrate a direct correlation between currency rate and visitor retail (luxury) spend, captured in Ginza and fuelled by growth in mainland Chinese visitors and relaxed visa policy.
Retail rents	<p>Prime retail rents in Ginza reach \$1,200 / sq. ft. and are the highest in Tokyo and growing at an average of 5% per annum. Prime (1F) rents increased 14% yoy whilst non prime rents have slightly declined (1%) in Ginza. This could be fuelled by the boost in luxury spending, new retail offer (Ginza six) and general hot real estate market.</p>
Real estate	<p>The area, and the main artery (Cho-Dori) demand some of the highest land and property values in the capital city, and is seeing unprecedented accelerated growth since the financial crisis. Land prices in Chuo Ward has jumped by 51 percent in four years (compared to 48% average in Tokyo), asking 7,500\$/m². The area is seeing a spur in redevelopment in recent years, fuelled by rising visitor numbers and 2020 Tokyo Olympics, and supported by low vacancy rates and strong demand for retail and commercial space in spite of high property prices. Prices are forecast to decline in the next few years under cyclical change.</p>



International Case Study Profiles Ginza, Tokyo

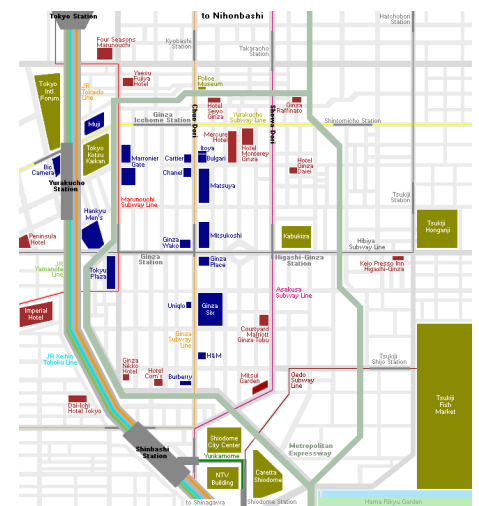
Characteristics	Description
Crime and Safety	n/a
Governance	<p>Ginza Machidukuri (Design) Council is a Business Improvement District which consists of dozens of store representatives, discusses the district's development and organizes district events.</p> <p>Strong neighbourhood planning direction and integration with planning process allows control and vision to be shaped for the district for all stakeholders. Urban Planning Vision (early 2000s) based 3 key principles for the future of the district:</p> <ol style="list-style-type: none"> 1- co-existing old and new, expressed through conservation of alley-ways fabric for rest places for people 2 - walkable - supported systems to reduce car usage and impact such as shuttles, park & rides, public realm etc 3 - foster a 'new ginza culture' not solely focused on retail activity, support arts and culture and places for artists to work.
Qualitative	<p>Ginza values the ginbura concept, in which shoppers can walk around the district and visit a variety of stores.</p> <p>Room for improvement: reduce vehicular traffic and loading issues in smaller streets; increase land use mix across the district, in particular by actively attracting major international companies, increase the density of creative industries and grow a residential community.</p>



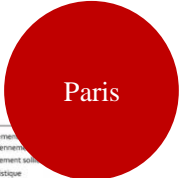
Chuo Ward, Tokyo and Ginza district (yellow) (Source: Google Maps)



Ginza, Chuo Dori at night (Source: Urban Capture Photography)



Ginza area map, showing main shopping and hotel amenities (Source: japanguide.com)



International Case Studies

Champs Élysées – Haussmann – Saint Lazare, Paris

Key features

- Historic tourism anchors at either end. Many flagship stores and iconic restaurants
- Traditionally a luxury retail destination, demand from mass market retailers seeking flagship stores in key tourist locations has been increasing
- The Champs Élysées is evolving with the arrival of a concept department store the Galeries Lafayette
- The district is an employment hub – with some of the highest densities in Paris – and residential communities in the surrounding areas
- Close-by Saint-Lazare/Haussmann hub is seen as a complementary hub to the Champs Élysées as shopping and employment district, with vibrant entertainment and nightlife economy
- Large amounts of traffic, pedestrian crowding, safety issues, and is apparently avoided by local residents and workers

Key strengths

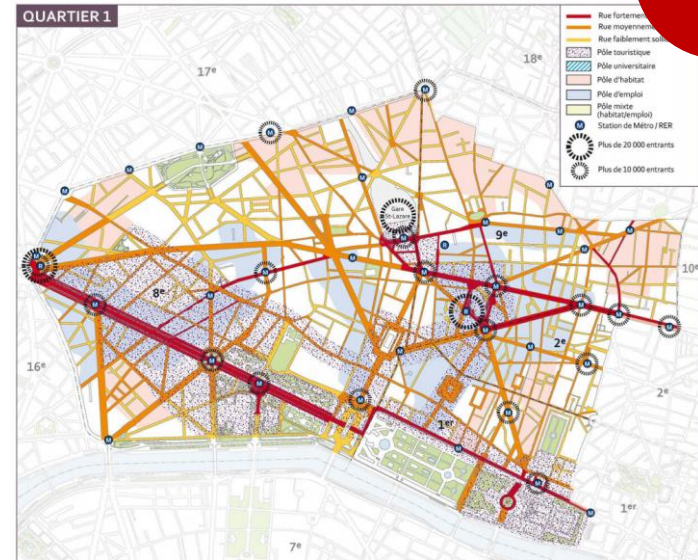
- High density employment hub
- A centre of culture, entertainment and nightlife
- Large public transportation investments (Grand Paris) with expansion of lines and increased accessibility from residential and other employment have

indirect employment and footfall benefits

- Variety of retail and restaurants offer, proximity of cultural landmarks and good public transport accessibility options
- Network of streets with diverse character and offer
- City policies to improve cycling and reduce car traffic

Key challenges and threats

- High traffic volumes on main arteries (pedestrian / cyclist safety and air quality issues)
- Cluttered sidewalks, narrow pedestrian space in side streets: overcrowding and safety issues - residents and workers avoid major shopping streets when possible
- Constrained growth opportunities for commercial development, with planning policies protecting residential uses and conservative historic preservation
- Landmark department stores (Galeries Lafayette, Printemps on Boulevard Haussmann) are protected uses under special planning policy
- Lack of business stakeholder governance initiatives
- Champs Élysées is increasingly a global retail destination at the expense of domestic, local entertainment offer (eg. cinemas)



Paris's Quartier 1 (Source: Arpur)



Interior of Galeries Lafayette, Haussmann (Source: Galeries Lafayette)



International Case Studies Corso Vittorio Emanuele II, Milan

Key features

- The *Corso* is a popular pedestrianised strolling and shopping destination for both residents and visitors in Milan, from upper-end Italian to international mass brands
- Landmark cultural and touristic attractions (*Duomo, Galleria*), luxury department stores and flagship stores opening recently that are becoming destinations in their own right (e.g. new Apple store)
- Its historic city centre characterised by a network of pedestrian piazzas and shopping and dining destination boulevards, connected through network of small streets and passageways
- Claims to compete with London and Paris as global retail and shopping destination and prime location for international retailers

Key strengths

- Renewed retail offer: pedestrianisation, renovations and unit expansion
- Catering for all: mass-market to high-end fashion and accessories
- Domestic brands successful: over half (65%) of brand are domestic (local or international)
- Brand uniqueness: 50 of 55 flagship

stores are unique to Milan

- Walkable space and mass-market retail contribute to the artery being a destination of choice for residents and visitors to stroll through the city. Footfall is amongst the highest in Europe (18,000 people at peak hour)
- The street architecture is a tourism destination in itself, anchored by most popular cultural attractions in Milan (*Duomo, Gallerias*) and one of Europe's major department store (La Rinascente)
- Pedestrianisation of parts of the city centre started 10 years ago alongside congestion charging and logistics schemes, bike share and financial mode shift incentives for commuters, part-funded by congestion charge revenue

Key challenges and threats

- Relatively high retail rents tend to restrict new entries and diversification of uses (restaurants) in the area
- Lack diversity in amenities: retail is 90% of frontages
- Relatively low direct public transport accessibility (no bus or metro exits directly on the street) reduce potential higher footfall volumes
- High car traffic levels



Corso Vittorio Emanuele II within broader shopping district context (Source: Jones Lang Lasalle)



Galleria Vittorio Emanuele (Source: 2018 Gobbi 1842)

International Case Studies Kaufingerstrasse, Munich

Key features

- Kaufingerstrasse is a major artery in Munich historic city centre, with landmark buildings and plazas
- It was pedestrianised for the 1972 Olympics along with a wider pedestrian district which includes major civic, cultural facilities and tourism attractions. The areas sees the highest footfall volumes in Germany (13,000ph)
- Munich prime retail shopping corridor and a lively and popular leisure, night-time and strolling district for residents, workers and visitors alike
- Prime office location, although historic regulations restricts development.
- It is also a prime residential location with some of the highest residential values in Munich
- Good public transport accessibility

Key strengths

- Tourism contributes to footfall and vibrancy, but residential and employment densities support authenticity and a diversity in retail and food and beverage offer
- Good level of street maintenance, cleanliness and safety

- Complementary mix of retail and dining offer in the wider area (Neuhauser Strasse)
- Pedestrian friendly: seating, passageways, mature trees
- Munich's strong and growing local economy: 12% employment growth between 2012 and 6 and higher purchasing power growth of residents than national average
- Pedestrian zone anchored by two major transit centres on either end, providing variety and density of transport modes.
- Night-time economy (clubs and bars)
- Seasonal events (markets)

Key challenges and threats

- Relatively high and growing prime rents with high growth rate over the past 10 years (38.5%). Slowdown since 2014 indicates market saturation
- Highest residential prices in Munich
- Historic conservation policies restrict growth and development in the city centre, contributing to rising commercial values



Kaufingerstrasse retail shopping district (Source: Getty Images)



Kaufingerstrasse retail shopping district (Source: Getty Images)



International Case Studies

Times Square Cluster - Causeway Bay, Hong Kong

Key features

- Times Square is a 17-level shopping landmark at the core of a "Greater Times Square" cluster in Causeway Bay; the centre of Hong Kong's shopping scene. Times Square itself integrates over 230 stores in over 900,000 sq. ft of retail space and over one million sq. ft of Grade A office space
- When the mall opened in April 1994, the site was deemed not a very attractive part of town; now is considered prime property in the heart of Causeway Bay

Key strengths

- Constant tenant mix refinement has helped to accommodate evolving customer preferences and appeal to all ages and budgets, including the "Kids Square" and the conversion of the 9th and 10th floor into a lifestyle hub
- Retail offerings enhanced through the addition of established brands. Leaders in leaders in "retail-tainment".
- Embracing the digital advancement wave with the expansion of Fortress to a 16,839 square foot store as its largest flagship in HK.
- Diverse collection of dining options and attraction of some of the city's big-name restaurants, including Joe & the Juice, and Hong Kong's first Selfie Café.
- Innovative marketing events and cultural initiatives for the community, including "Saint Seiya 30th anniversary

exhibition", and a Picasso and Jacqueline Exhibition. In 2015 the "Living Room Museum" was launched; the first ever museum-in-a-mall.

- Directly connected to the Causeway Bay MTR Station and accessible by tram
- Management and execution capabilities
- HK Asia's leading shopping destination and spring-board to Asia - topped the list of target markets from 2015-17

Key challenges and threats

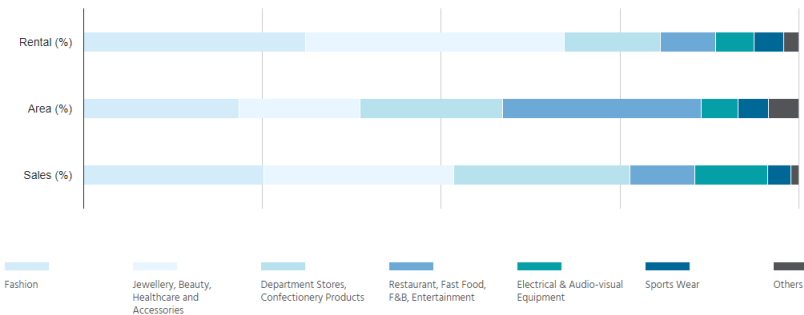
- Competition from Shanghai and Beijing who have both undergone an impressive transformation and are catching up fast on Hong Kong as Asia's leading retail destination
- Shanghai has become a favourite place for international brands to test the Chinese market sometimes bypassing Hong Kong in the process
- Hong Kong (specifically Mong Kok area) commands top retailer rents globally – potentially squeezing out local brands that cannot afford it and risk of being a "storage of brand name products" or "just another big mall"
- Potential competition from other shopping destinations in Hong Kong; Harbour City, Elements, ifc mall and Festival Walk
- Disputes around ownership and use of the ground floor "public space"

RETAIL

Gross Floor Area	Revenue (1H18)	Average Occupancy (1H18)	Year-end Valuation (2017)
943,000 sq ft	HK\$ 1,062 Million	97 %	HK\$ 38,651 Million

RETAIL TENANT MIX

(By Rental, Area and Sales)



Times Square retail overview (Source: WREIC Ltd, 2017)



Gundam Docks; and Picasso & Jacqueline Exhibition at Times Square (Source: 2016 Times Square Hong Kong)

International Case Studies

VivoCity, Singapore

Key features

- Completed in 2006, Singapore's largest mall with over 1 million square feet of NLA spread over a three-storey shopping complex and two basement levels. Home to a diverse mix of up to 450 retail, food and beverage and entertainment outlets complemented by large, recreational, entertainment and event spaces
- Positioned as a family, tourist and lifestyle destination in Singapore, offering visitors a unique waterfront shopping and dining experience.
- Its strategic location in the heart of the HarbourFront Precinct and connectivity enabled it to attract 55.8 million visitors in the year ended 31 March 2017.
- Recent expansion of 3,000 square metres of retail in July 2018

Key strengths

- Iconic design – designed by renowned Japanese architect, Toyo Ito, incorporating both internal and external spaces with alfresco seating and rooftop outdoor areas
- Key anchor tenants
- A multi-experiential destination and focus on work, live and play
- Strategic waterfront location and

transport links - VivoCity one of a handful of shopping malls in Singapore with two direct MRT connections (since the opening of the Circle Line Extension in October, 2011). Also the Sentosa Express Station, used by a substantial portion of visitors to the island, located within the mall

- Complemented by CBD remaining the hub – growing scale and vibrancy proved strong magnet to attract a wider occupier base to harness a thriving business ecosystem
- Singapore voted 7th most attractive retailer destination in 2016 (JLL) and benefit from burgeoning middle classes

Key challenges and threats

- Pedestrian overcrowding
- Potential logistical challenges in Singapore to fulfil retail orders
- Threat of rising costs and industry disruption from e-commerce
- Risk of losing out to Singapore's prime retail hotspot, Orchard Road which features cutting-edge shopping centres such as Ion Orchard, Paragon, Mandarin Gallery and recently extended Plaza Sinapura. Also competition from The Shoppes at Marina Bay Sands and the recently revamped Suntec City Mall



VivoCity complex (Source: 2018 VivoCity)



VivoCity complex and surrounds (Source: Shutterstock)

Appendix 3: Trend Analysis

Changing world Digital revolution

The retail sector has been undergoing remarkable change as a result of the development of the internet and e-commerce. It is now possible to buy goods without going into retail outlets. It is possible to find and compare products from many different providers regardless of their spatial location. On the positive side digital growth has helped mitigate the “imperfect information” problem and compelled retailers to be more competitive and innovative.

The birth of a smartphone has taken this transformation further. It has become even easier to shop online anywhere and anytime. A host of digital payment options are now available.

Experts agree that digital revolution does not mean death of retail and high streets. Quite the opposite, it is an opportunity. Successful retailers are those that are able to embrace the online channel and use it to complement traditional stores experience. For example, retailers have already developed smartphone apps to assist their customers to find products in stores which they have previously seen on websites. Online retailers are now often opening “pop-ups” and more traditional shops as they move towards **omnichannel** retailing.

Digital transformation is also behind many other sectoral trends. Increased

connectivity and other technology innovations have been the driving factors for the rise of flexible working model and generally development of the ‘gig economy’. This in turn has influenced the design and provision of **office space** towards a more flexible and multi-functional product. Workplace offers are increasingly capable of expanding and contracting on demand; responding to a need to accommodate rapid change to reductions in size and scale for tenants.

New build offices are now typically constructed with more open space and group seating to provide more social and informal environments. Traditional meeting rooms have been rethought to allow the integration of more open collaborative zones where teams can congregate. Breakout spaces are now also designed as social or “wellness” spaces such as dedicated meditation rooms with yoga mats, with the sole intention of staff taking a break from work to recharge.

The added digital layer across commercial assets and portfolios allows property owners and operators to offer new services, create new revenue streams and enables more flexible on-demand access to space and improved space utilisation.

Digital disruption is changing the **hospitality sector** as well. There has been

an explosion in competition from alternative accommodation choices brought about through digital disruption in e-commerce shared economy products such as Airbnb. In response, hotels are redesigning their space to cater for younger and ‘digitally native’ hotel guests and offering better, more intelligent, smart and individualised services.

Changing world Consumer culture

The **digital revolution** has without doubt been driving changes in **consumer culture**. Consumers are now presented with numerous opportunities to find, compare and buy goods. Notwithstanding this, in the early 1960s retail accounted for close to a third of Britons' spending but that figure is 24% today and is expected to fall further still.

Some experts call this trend **purchase fatigue**. Younger generations' aspirations have changed with the growth of social media, low-cost travelling and shared-economy options. Taken together, this has led to a shift towards the **experience economy**. Consumers are moving from buying goods and purchasing activities and experiences. As a result, retailers are focusing on offering shopping experiences which are enjoyable in their own right, rather than just being about successfully purchasing a desired good. Digital technology is part of this strategy helping retailers to make the shopping experience more personalised, efficient and memorable.

These changes are happening not only in retail, but in other sectors that are important to the West End. Hotels and restaurants recognise the need to provide more "meaningful" experiences and an evolving service model to meet customer expectations, providing inspiration,

personalisation, and local experiences. The food and beverage sector is placing more emphasis on local flavours, regional art and brands. Local cuisine, culture and entertainment are part of a more sophisticated offer. "Smart" partnerships are being leveraged to raise brand awareness such as those with celebrity chefs or homeware collections as hotels differentiate themselves in an increasingly competitive market.

Some hotels have turned their lobbies into areas for public multi-use spaces, for people to meet, work, connect and mingle in their bars and cafes, coupled to desks, lounge furniture and free wifi.



Occupier	Office Space (Million SF)
1 UK Government	13.04
2 WeWork*	2.37
3 Regus	2.01
4 HSBC	1.78
5 Deutsche Bank	1.68
6 JPMorgan	1.67

Source: CoStar; Arup analysis

* Includes pre-let space, excludes Devonshire Sq

Changing world

Cost of doing business

According to some estimates, the recent **business rate revaluation** saw West End bills rise by an average of 80%. This has no doubt contributed to some of the profit warnings and closures that have affected the retail sector.

There has been also a lot of discussion recently about the **apprenticeship levy**. It is discussed in the context of rising business costs, but also as an opportunity for businesses to recruit and retain employees who, if trained properly, will contribute to businesses success.

Not understating the importance of the factors mentioned above, **Brexit** and its impact on UK economy is most likely the biggest issue for business concerned with their costs – very much because of the uncertainty around it.

Core West End sectors such as retail and hospitality – rely on labour supply from other European Union countries. Brexit-related immigration limitations might make it more difficult, and therefore expensive, for many businesses in the West End to source employees. Recruitment and salary costs may well increase for many West End businesses because of Brexit.

The fall in the value of the pound has so far increased the cost of sourcing goods abroad, including especially retail and food and beverages in the West End. On the

other hand a weaker pound has helped to attract more foreign visitors.

Regardless of general Brexit uncertainty and this year's challenges in the retail sector more generally, in August this year **interest rates** in the UK were raised to their highest level since March 2009. Whilst still low by historical standards, further increased in interest rates would feed through into higher costs of debt for businesses,. This could adversely affect companies looking to invest to meet the needs of a changing market by adopting new technologies.

Changing world Redesigning space

Sectoral and behaviour changes impact the way commercial and residential space is used. The drive towards an experience economy requires retailers to rethink the way they use their space and their mix of offer. Reacting to demand for experience, **retailers are redesigning or want to be able to redesign their physical stores** to attract customers, to offer them participation in various activities, to be able to incorporate food and beverage and leisure uses, and to make better use of their current space in the time of increasing costs and competition from online retailers.

As we have highlighted, requirements for office space have been changing. Tenants are looking for open, collaborative and easily adaptable spaces. WeWork is one of the leading innovators in such new shared-space models of workspace provision. The company now has the largest volume of office space in London, second only to the UK Government. Much WeWork space is retail stock converted to co-working space. They collaborate with retailers wanting to scale back their portfolios. A Centre for Retail Research report predicts 22% of retail stock, or 60,000 shops in the UK would disappear over the next five years.

London has cemented its position as the global leader for flexible workplaces, experiencing recently a record 2.5m sq. ft of lettings signed for flexible workspaces,

tripling the previous years' volumes, and making up more than 21% of all commercial office leases in the capital (Cushman and Wakefield, Coworking 2018 Report). Even Mayfair has started to attract co-working firms such as Ourspace, which took 22,000 square feet at 55–59 Berkeley Square in 2017, and the Boutique Workspace Co, which leased 13,000 square feet at 25 Green Street in 2018.

There is strong latent demand for office space in the West End. But over the past two decades, the West End **has lost commercial office space through a combination of conversions**, including office-to-residential (especially in Mayfair) and redeveloped sites having smaller floorspace areas than the buildings they are replacing. Some recent examples of non-residential space loss include MacDonald House, 1 Grosvenor Square (109,000 square feet), the former U.S. Embassy building in Grosvenor Square which is likely to be converted into hotel and retail space and the Old War Office in Westminster (580,000 square feet) and Centre Point (c 300,000 square feet).

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