

# Oxford Street: 2030



# Foreword

**Oxford Street has long been the epicentre of retail innovation – a must-see shopping destination for international and domestic visitors alike and a coveted address for businesses and investors.**

Since New West End Company released its last Oxford Street report in 2019, seismic shifts in consumer expectations, coupled with changes in the macro-economic environment, have driven a radical re-appraisal of the British retail environment. At its core, this shift has been characterised by an – arguably overdue – shift from transactional retail to immersive retail and leisure experiences which cannot be replicated online.

As an established flagship destination, Oxford Street is primed to respond to these changes and, indeed, is already undergoing a once-in-lifetime transformation, bolstered by significant public and private investment into infrastructure, public realm, and increased commercial demand for space on the street.

Oxford Street: 2030 explores this transformation in more detail, convening senior stakeholders from across the district and local government to provide their own expert assessment of what the future holds for the nation's high street. What became clear over the course of these conversations is what the street means to everyone who has a stake in it – whether they are an owner, an occupier, a temporary custodian or a visitor.

For the first time, in partnership with Colliers, the report also includes an analysis of the potential sales uplift set to be generated by the landmark £90 million Oxford Street Programme – a series of public realm enhancements to Oxford Street, which will be delivered in partnership by New West End Company, our members, and Westminster City Council.

It is clear that Oxford Street is at a pivotal turning point – a moment to both revitalise the street we all love and create a new, best-in-class blueprint of what it means to be a thriving flagship retail leisure destination long into the future.



**Dee Corsi,**  
Chief Executive, New West End Company



# Introduction

**Oxford Street holds a unique position at the centre of London: a 1.2 mile-long thoroughfare with an unmatched vibrancy. Ever evolving, in recent years, the street has remained remarkably resilient – maintaining its status as one of Europe's most visited shopping destinations despite the headwinds it has faced. It remains the only place in the UK that you can find such a wide array of retailers, restaurants and activities, with the footfall to match. As a result, it contributes more in value to the West End than any other street in the area.<sup>1</sup>**

Many of the changes and challenges facing Oxford Street have played out across the retail sector as a whole: related to a wider shift in how we consume products, which was sharply accelerated by the outbreak of Covid-19. The impact of this was felt on high streets across the UK, as several anchor retail frontages shuttered in a short space of time. Against this backdrop, Oxford Street has been moving into a new mixed-use era, with even greater emphasis on delivering immersive experiences – whether retail or leisure – which align more closely with the way people shop and live in today's multi-channel world.

The arrival of the Elizabeth Line in 2022 has also had a significant impact on the district, driving an uplift in accessibility, footfall and thereby attracting investment throughout the West End. On Oxford Street, new developments near Tottenham Court Road and Bond Street stations are leading the way when it comes to offering spaces where people can

eat, shop and play. It is also making the district more accessible for office workers; the majority of the nine additional developments in the pipeline feature office space and, already, global corporations have begun to relocate their office headquarters to the district.

In tandem with these changes, New West End Company is working closely with Westminster City Council to deliver the Oxford Street Programme; a landmark £90m public realm enhancement scheme, which will transform the street with wider paving, more crossings and additional seating – ultimately making the street more inclusive, greener and more appealing for those who would choose to visit or invest. Following a consultation in the second half of 2023, plans were formally approved by the majority of locals, visitors and businesses, with work set to begin in Autumn 2024. Taken together, these components comprise a road map for a once-in-a-generation transformation of the area, securing Oxford Street's reputation as a world-renowned destination for flagship retail and leisure. Today, the street gives brands more exposure than any other flagship retail destination in the U.K. offering visitors an experience that cannot be found online. Now, it is time for the next chapter.

<sup>1</sup> Colliers, West End Turnover Report, 2023



# The evolution of flagship retail and leisure destinations

Flagship stores have long shaped Oxford Street's identity, attracting shoppers from across the world and investment from brands. But the role of these stores is changing. The advent of e-commerce led to a shift in the way people shop, and many retailers could not evolve fast enough. When the pandemic hit, nascent challenges within the retail sector were accelerated. Some of the UK's most loved retailers were affected and the loss of Debenhams, Topshop and House of Fraser from the central stretch of Oxford Street reflected a trend playing out across the nation.

As the district recovered from the pandemic, demand for retail space along the street soared. Uniqlo, Pandora, Footasylum, Steve Madden, HMV and IKEA are a few of the global brands that have opened or are soon to unveil new flagships on Oxford Street. "That is quite a story in terms of lettings," says Paul Souber, Co-Head of the UK and EMEA retail team at Colliers. "We've got double the amount of occupiers looking to locate on the street since last year. If we have a period of macroeconomic and political stability, the street will see an enormous revival."

The post-pandemic shift in the retail landscape also brought with it opportunities for a much-needed reset. Souber points out that the sector has effectively rebased and right sized itself. "The department stores that occupied big chunks of the space: were they relevant anymore? The answer was no. And the market took care of that. And now you get some fantastic new space at ground and basement level that will be retail, or restaurants or leisure. You'll have upper floors that are best in class new offices or residential. That's all brilliant, because it guarantees activity 24/7."

"Rents have corrected and rates have improved, so the operating cost for a retailer is somewhere between 40 and 50 per cent lower than it was," adds Toby Courtauld, CEO of West End landlord GPE. "Suddenly the economics are back in retailers' favour, and sales and footfall have been recovering. So, there is a resurgence of interest, but for different sorts of spaces."

## Adapting to stay relevant

The path to purchase has changed dramatically. Before, customers would go to a shop, browse the shelves or rails, buy something at the till and take it home. Today, that path is much harder to track: shoppers might find inspiration online and shop in-store, or vice versa. They want to click and collect, or get items delivered quickly to home, and they expect to be able to return anything unwanted easily and usually free of charge.

"Shoppers are expecting to be able to engage with a brand in a way they weren't able to before," observes Councillor Geoff Barraclough, Cabinet Member for Planning and Development, Westminster City Council. "They want the opportunity to test products and try new experiences that they can't at home. This revolution of the high street, with a focus on customer experience and brand building, is how physical retailers compete with the ease of purchasing online."

"Consumers are most definitely more discerning and they are well informed," says Katherine Russell, Head of Property at the John Lewis Partnership. "They expect frictionless shopping. They want ease, they want choice, and they want it through different mediums. That's only going to amplify."



Given the convenience of online shopping, bricks-and-mortar shopping destinations now have to work much harder to attract spend. Retailers that were able to meet changes in consumer behaviour and expectations have thrived. Henrik Nordvall, Country Manager for H&M U.K. and Ireland, stresses the importance of its flagships when it comes to communicating the brand messaging. “What we see right now, across the market, is that experience is more important than transaction. A transaction you can do wherever you want now; on a bus, at home, wherever you can get online. So the physical store becomes about how you experience the brand, not just the product. What does the brand stand for? What’s its true story? That is what stores will be about in the future in flagship locations; they will serve a bigger purpose.” That might mean less space for retail and more for experiences, food and beverage (F&B), click and collect, or in H&M’s case, its burgeoning rental and resale services.

Selfridges has been an exemplar of experiential retail. For example, in 2019, it became the first department store in the world to install a permanent cinema; in October 2023 it opened a new permanent event space called The Selfridges Lounge, where visitors can enjoy music and cultural programming. “We don’t define ourselves as being a ‘shop’, we see ourselves as a destination — a place to come and meet friends, to watch a movie, to have a cocktail, to be seen,” says

Andrew Keith, Selfridges’ CEO. “Yes, we have an extraordinary selection of incredible products, sourced from all the best places around the world, but it’s much more than just the shopping experience. And I think that is what has held us in really good stead, particularly in this post-Covid world. So much of our time has become digital; the physical element of how we invest our time and build relationships is becoming much more important.”

Lush is similarly focused on experience; its Oxford Street store has been designed to act like a “playground” for customers, according to Kasey Swithenbank, Head of U.K and Ireland Retail, Lush. Downstairs, there is an in-store spa, and an ice filled, deli style counter for its fresh face masks; upstairs, bathing and shower items rotate on a sushi belt. “Customers see Lush as a destination on the high street and in shopping centres, so we really believe it’s our responsibility to show people a good time and make lasting memories for them,” says Swithenbank.

Stores are being redesigned with a focus on inspiring, and creating an emotional connection with the customer, rather than simply transacting. IKEA’s move into more central city locations, underlines this shift. “Customers are using our stores in different ways as behaviours continue to change.” says Peter Jelkeby, CEO of IKEA U.K. and Ireland, which will open a flagship in the former Topshop building on Oxford Street in 2024.

“We have an app that allows you to decorate your living room with IKEA furniture from the comfort of your home. Then, if you choose to visit us in-store, you can bring your living room with you, symbolically speaking, through your phone. Whilst you’re there you can experience our products and feel inspired by our solutions; test the furniture, speak to our expert co-workers. You may not then necessarily buy right there and then – you may go home and order online to have your items delivered directly to you or collect from one of our many partner locations. We’re constantly adapting and transforming our total service offer to become more relevant to the way people want to shop with us, wherever and whenever they’d like to, be that physically or online.”

In November 2023, HMV reopened its iconic store at 363 Oxford Street after a four-year absence. The new store focuses on delivering experiential, immersive retail, with in-store gigs and a focus on vinyl, film and pop culture fandoms. “Our Oxford Street shop now serves as a hub for fans of pop culture to come together and meet like-minded people with a love for similar genres of music and film,” says HMV owner, Doug Putman. “I’m a big believer in physical retail. It has something over and above what you can get online, whether that’s recommendations from staff who are experts in the field, or discovering a new artist or genre while browsing in store. Providing our customers something over and above the product offering is hugely important to us, so we have two performance spaces in the shop, one of which is a dedicated floor.”

Russell believes flagship retail will continue to play an important role in bringing people together. “Everyone experiences life in a very different way, everyone learns in a very different way. And I think physical retail still plays a massive role in exciting, delighting, bringing people together and enabling people to experience things in a different way. There is an opportunity for physical retail, particularly department stores, to have a USP within that space. At John Lewis, we anchor ourselves on service. It’s about building relationships, and the physical retail world brings it to life in a different way that you can’t achieve online.”

### New cultural bolt-ons

But it is not just retail which is focused on delivering the experiential on Oxford Street; both ends of the street are now book-ended by immersive leisure providers looking to meet this growing demand. Thanks to immersive art experience Frameless and plans to open a modern art gallery, Moco Museum, Marble Arch has even been described by some as a burgeoning “cultural quarter”.

“In a world that’s in flux, increasing numbers of people are looking for escapism and enriching new experiences,” says Richard Relton, CEO of Frameless. “This plays into our innate human sense of wonder

and curiosity and the desire to feel truly moved by an experience, rather than being a passive bystander.”

Frameless opened in late 2022. Part of the location’s appeal, says Relton, is its proximity to Oxford Street and Hyde Park, and accessibility from every major station and part of London. “Being just off of Oxford Street means that it is fast becoming the obvious place for a cultural bolt-on to a shopping trip.”

The Moco Museum is expected to draw a different crowd into the area, boosting its appeal and having a positive knock-on impact on retail. “We see this cultural provision as complementary to our retail and restaurants just north of Oxford Street in Marylebone,” says Tom Knight, Portfolio Director of The Portman Estate.

At the other end of Oxford Street, next to Tottenham Court Road station, is the immersive leisure venue Outernet London: a four-storey complex that includes events and exhibition space, hospitality and a boutique hotel. A public atrium with a vast set of screens hosts digital exhibitions and live events.

Over the 2023 holiday period, Xbox hosted a free immersive audio-visual experience in Outernet London. The 15-minute sessions were curated by dream psychologist Dr Ian Wallace and inspired by three Xbox games and aimed to bring to life the connections between dreams, imagination and gaming. The focus is on creating an emotional connection, explains Outernet’s CEO, Philip O’Ferrall. “The idea is to make you feel something.”

In many ways, leisure experiences are becoming the anchors of Oxford Street — providing innovative new ways for brands to gain exposure that are focused on experience rather than transaction. Oxford Street is perfectly positioned to accommodate this shift: few other locations around the world offer the requisite size and mix of spaces, and volume of visitors, to make immersive retail work in this way.

In just over a year, Outernet has become the most visited attraction in London, making the appeal for brands like Xbox clear. The opening up of some of Oxford Street’s biggest buildings has brought even more opportunities to experiment with ways to delight visitors and elevate and raise awareness of brands in a way that is unmatched by any other location in London. “Smart brands, smart companies, have recognised that just offering products to consumers is very different to offering an experience,” says O’Ferrall.

“The growing appeal of immersive leisure and experience brands is testament to changing consumers,” adds Knight. “Customers are demanding more than ever; they don’t just want standard retail. Oxford Street is already a landmark retail destination and curating cutting-edge leisure experiences will consolidate its reputation.”

# A change in mix and the importance of connectivity

**The opening of the Elizabeth Line has transformed the West End of London, improving the connectivity between business districts, and making the area more accessible and attractive for all. “We’ve started to see a much different feel and vibe on Oxford Street because it now has a different dimension of connectivity from the Elizabeth Line,” says Katherine Russell, Head of Property at the John Lewis Partnership.**

“The Elizabeth Line has been the biggest single enhancement to the London transport network in decades,” says Alex Williams, Customer and Strategy Officer at Transport for London (TfL). “As of September 2023, the largest share (37.8 per cent) of the Elizabeth Line’s demand was estimated to be new demand that did not exist prior to the line being open.” The benefits to retail have been significant and are expected to continue, boosting sales in the West End by up to £800 million per year between now and 2031.<sup>2</sup>

Perhaps nowhere is the positive impact more evident than on Oxford Street East. There is a palpable buzz when emerging from Tottenham Court Road station, whether it is from people experiencing the immersive, digital screens in Outernet London or flocking to flagships from Primark to Pandora. As a result, it has become a focus for investment: 12 new retail, leisure and hospitality companies opened on Oxford Street East in 2023, more than double the number that opened on Oxford Street West. In February, existing anchor store Primark announced that it would refit its Oxford Street East store as part of a wider £100m investment in its U.K. retail footprint in 2024.

The objective now is on how to ensure Oxford Street West also capitalises on the benefits brought by the Elizabeth Line, by offering an inviting retail and leisure proposition that draws people down the length of the street. Dee Corsi, Chief Executive, New West End Company, says, “The introduction of the Elizabeth Line, and the influx of new brands to the

East end of the street underlines the opportunity for Oxford Street to reimagine and diversify its offering beyond pure-play retail. The demand is there, so it will only be a matter of time before we see that reflected across the entirety of the street, with high-profile openings at the western end including Pocket Planet, Moco Museum and, hopefully, the redevelopment of Marks and Spencer’s flagship store.”

## A change in mix

The improved connectivity between Oxford Street, other London boroughs, and the South East (including Heathrow Airport) make it an increasingly attractive place for employers to have office space with an impressive area of amenities on the doorstep. Take-up of office lettings in Elizabeth Line locations are 12 per cent above the London average, driven by demand around Paddington, Bond Street and Farringdon. Some 200,000 new office jobs have been created in areas served by the Elizabeth Line during the past five years.<sup>3</sup>

Availability of the best quality office space in key locations (around the stations) is limited and future supply is modest. However, the consolidation of retail has brought new opportunities along the breadth of Oxford Street. Historically, as much as 90 per cent of the value of buildings along Oxford Street was driven by the retail floors; today, it is closer to 50-60 per cent. As retail’s contribution has waned, upper parts of buildings are being unlocked for other uses, including leisure and offices.<sup>4</sup>

Global businesses have already begun to signal their confidence in the street’s future as business hub: multinational pharmaceutical company GlaxoSmithKline (GSK) is set to relocate its global headquarters from Brentford to the 144,000 sq. ft Earnshaw building near Tottenham Court Road station in 2024, taking advantage of its connectivity to leading education establishments, and the company’s R&D site in King’s Cross.

“The change in occupier mix creates a once-in-a-generation opportunity for Oxford Street. With large units freed up, there’s space to redevelop and repurpose these spaces collectively into a world-leading mixed-use destination,” says Tom Knight, Portfolio Director at West End landlord The Portman Estate. “Upper floors of buildings will be central to this mixed-use reinvention, creating room for offices. When you look at overseas markets this would put Oxford Street in line with other major destinations, which will only enhance its attractiveness to global investors.”

## Meeting the new office expectations

The post-pandemic shift to hybrid working has prompted a rethink in how office spaces look and feel, what they offer to employees, and how they interact with their surroundings. “We see strong demand for best-in-class offices in the right location, with a continued flight to quality,” says Paul Williams, CEO of property investment and development business Derwent London.

This brings new opportunities for Oxford Street as it evolves away from being a predominantly retail-led destination. New mixed-use developments along the street, including Hanover Square, are redefining best-in-class office design and placement, putting employee wellbeing, safety and sustainability at the forefront inside and outside the building.

“We’re putting all sorts of things into buildings now that we would never have thought of years ago, like yoga studios,” says Toby Courtauld, CEO of GPE. “The debate around the importance of an office to a business’s culture has been settled. Now, we need to invest in the space we have to make them more interesting places that draw people back in. It’s a much more grown up, humanised way of thinking about the office as a place for coming together, collaborating and having fun.”

In practice, this means making offices more comfortable, with natural lighting, communal areas and more greenery. Many will incorporate the outdoors through terraces and gardens. The London Property Alliance adds that best-in-class office buildings have state-of-the-art technology infrastructure; flexibility to accommodate different working styles; and enhanced security. Their sustainability credentials are also becoming more important. “The way in which we position a building from a sustainability standpoint is a vital way to attract customers,” agrees Courtauld.

However, the investment inside these buildings needs to be matched on the outside – and this is where the public realm improvements will play an important role. Creating easily accessible green spaces, where workers and shoppers alike can enjoy a moment of quiet, is integral to creating best-in-class office environments on Oxford Street. The redevelopment of Hanover Square at Bond Street station is an example of how public realm and greater connectivity is driving office uptake: the creation of the new Medici Courtyard has significantly improved the area for residents, workers and visitors.

“Placemaking is critical to Oxford Street and its longevity. You need a diverse range of uses to create a thriving environment,” adds John Lewis Partnership’s Russell.

## Breaking down silos

From an investment point of view, Oxford Street’s retail, office and leisure spaces are no longer being considered in isolation, but rather as part of a wider ecosystem that must work together to ensure its future success.

“For too long, mixed-use has been about disconnected siloes – commercial, residential, hospitality, workplace,” adds Ibrahim Ibrahim, Managing Director of Portland Design. “We need to reinvent mixed-use to what we call blended use where we identify the ‘blending component’ of a specific use and create connection through activation. For a workspace, if we put coworking at ground level and, and blend it, connect it, align it to retail, you change the rhythm from a shopping rhythm to a community rhythm. It’s a response to today’s dip in, dip out culture of work: we’re going to go to the office, do an email, make a call, dip back out to go shopping, eating, drinking.”

Retailers and property developers agree that the future of Oxford Street looks very different to the past: it is becoming a hub for retail, office, hospitality and leisure spaces, which acknowledge that they need each other in order to survive and thrive. “There is a much better recognition of the role that all of those things play in solidifying Oxford Street as a place,” says Russell.

“Oxford Street, and the West End, has always been more than the sum of its parts - and it is Oxford Street’s ability to offer a variety of different, complementary experiences, which make it a destination for workers, tourists, and families alike,” adds Corsi.

<sup>2</sup> Colliers, Elizabeth Line Report

<sup>3</sup> London Property Alliance, The Crossrail Effect

<sup>4</sup> Colliers

# The Oxford Street story in numbers

That Oxford Street is internationally recognised as a flagship retail and leisure destination is not just a feat of marketing, but borne out by data. Oxford Street is the largest single component of the West End, both in terms of scale of offer<sup>5</sup> and share of spend and visits.<sup>6</sup> As a result, it is the single biggest contributor to the West End being ranked as the top commercial venue in the U.K. by Colliers.

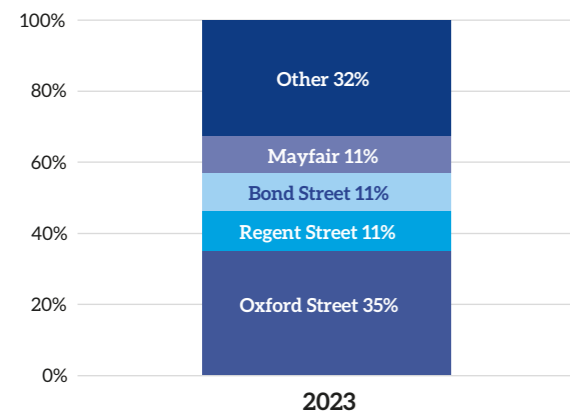
Colliers' proprietary LocateVenue ranking – which provides investors and retailers with a data-led analysis of venues across the U.K. - takes into account a whole host of factors, including scale and mix of venues, presence of multiple retailers, and price positioning of the offer.

Paddy Gamble, Director, Retail Strategy & Analytics, Colliers, says, "Using LocateVenues allows us to create a benchmark for retail across the country which is incredibly useful for both retailers and landlords alike. Our metrics clearly show the West End is unique in its ability to attract shoppers from both domestic and international markets."

New catchment analysis from Colliers – including a detailed analysis of mobility data – paints a picture of the strength of the West End's draw of trade in comparison to other retail and leisure destinations across the U.K.

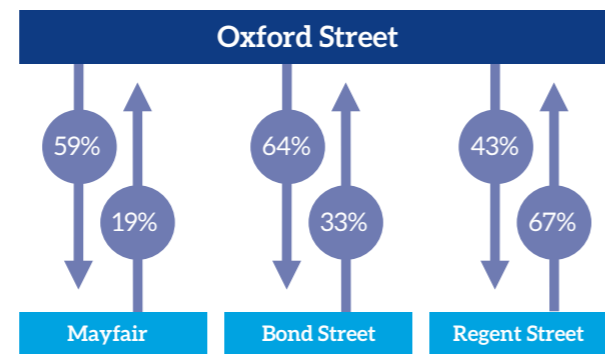
This analysis found that the West End, and all its component trade areas, have a greater geographic draw of trade than competitor catchments. What this means

## Oxford Street share of West End spend



Source: Colliers Annual West End Turnover Report | NWEC consumer research

## Share of West End trips



At least 33% of visitors to Oxford Street going on and visiting either Mayfair, Bond Street and Regent Street

for retailers and brands is that a store in the West End provides the greatest level of exposure to U.K. consumers – a selling point that no other locations can offer.

Sales are another critical consideration when it comes to assessing a destination's commercial value for investors and retailers - and Oxford Street's economic contribution to the West End's overall performance is indisputable. Colliers' most recent Annual West End Turnover Report estimated that Oxford Street captured £3.1 billion in retail sales alone in 2023 – or approximately 35% of all West End sales, the highest share of any component part of the district, including Bond Street and Regent Street.

It also has a powerful halo effect for the rest of the district, with at least 33% of those who visit Oxford Street also visiting either Mayfair, Bond Street or Regent Street as part of a trip into the West End. For this reason, it is clear that a strong and healthy Oxford Street benefits the wider West End ecosystem – as the street continues to evolve and improve, so too will this positively impact the total visits to the West End and act as a catalyst for growth for the rest of the district. "The halo effect is often overlooked when discussing the importance of Oxford Street. When looking to the street's future, the planned public realm enhancements and evolution of the street will act as a catalyst for long-term, sustainable growth for Oxford Street and the wider West End," Gamble adds.

Much of this evolution is already underway. The completion of commercial developments at Oxford

Street East has made this section of Oxford Street the fastest growing area in the whole of the West End, with footfall growth of 19% year-on-year in 2023, compared to growth of 12% year-on-year for the street as a whole.<sup>7</sup> This growth has, in part, been facilitated by the introduction of Elizabeth Line at Tottenham Court Road station – now the second busiest underground station in London – which has improved accessibility and offers an elevated transport experience for visitors to the district.

One of the most notable investments into the Oxford Street experience has yet to be realised; the £90 million Oxford Street Programme is a critical component of a once-in-a-lifetime transformation for the street.

Public realm is an undeniable contributor to the overall visitor experience – good or bad. It is universally accepted that high-quality public realm provision is a route to driving growth for businesses in a location, and a recent Colliers study of public realm initiatives globally underlined how well-planned improvements to public spaces can boost trading performance. All the initiatives analysed by Colliers had a positive impact on performance related to either consumer behaviours, such as footfall, dwell or spend, or asset value, such as rental or vacancy rates.

For Oxford Street, the proposed programme of public realm enhancements is set to have very tangible impact on the street's contribution to the district. Using Colliers' Annual West End Turnover model, the successful completion of the Oxford Street Programme is forecast to result in a sales uplift of up to £376 million in the first year, and a cumulative uplift of up to £2.8 billion between 2027 – 2033, compared to a non-development scenario. "Our research shows the considerable value that the enhanced public realm will bring to Oxford Street. The planned enhancements and shift to a more varied mix on-street will act as a

catalyst for long-term, sustainable growth and deliver undeniable returns on investment, when it comes to consumer consideration, dwell time and, ultimately, sales," says Gamble.

Crucially, this forecast of a 5 – 10% uplift in annual sales is for Oxford Street alone; the potential value of this public realm programme to the wider West End, of which Oxford Street is the largest single component, is sure to be significant. Beyond the planned public realm enhancements, a key part of Oxford Street's transformation is its evolution away from pure-play retail to a more mixed-use environment, comprising leisure, F&B and office occupiers.

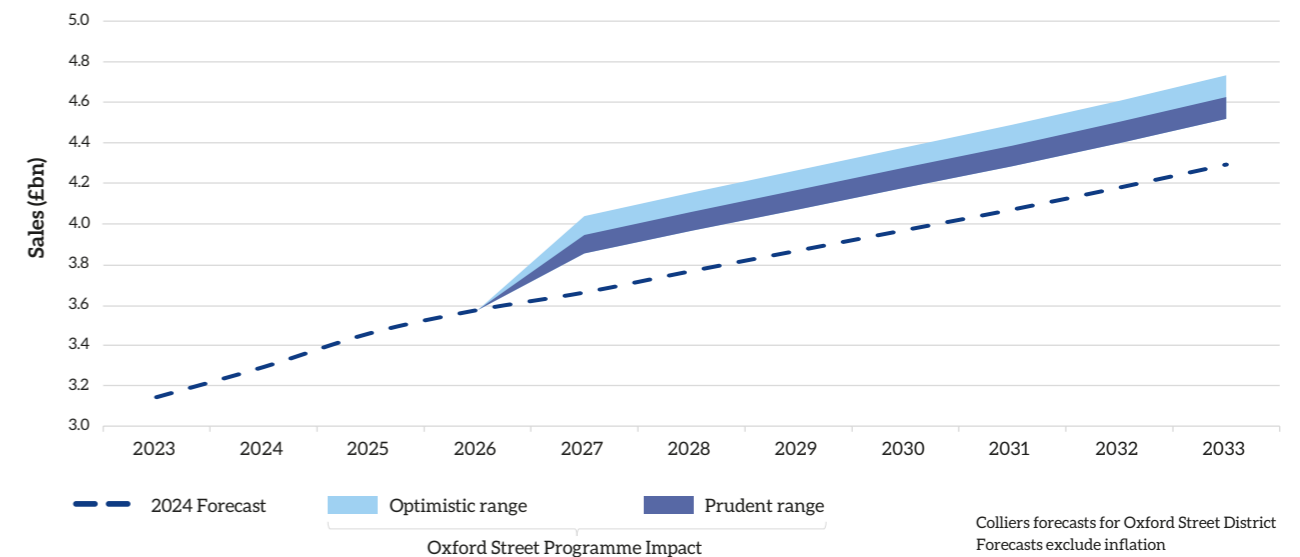
Over the last decade, there has been a clear national shift in the quantum and mix of trading space, with visible changes across the retail sector. The biggest, and most evident shift, has been in the amount of anchor store, and clothing and accessories space, nationally, which has fallen by 20% since 2019. Comparatively, leisure space has grown by 13% in the same time period, and around 39% in the last decade.

In the West End, this has manifested itself in a continuing reorientation away from pure-play retail. Whilst Colliers' occupier demand tracker highlights increasing demand for space for all types of businesses in the West End, the greatest increase in demand is from food service and leisure operators. This shift is positive for the district – by serving the evolving demands of visitors with a more diverse offering, the West End – and Oxford Street – benefits from an environment which is more conducive to long-term, sustainable economic growth.

<sup>5</sup> Colliers, LocateVenues data, February 2024  
<sup>6</sup> Colliers, West End Turnover Report, 2023  
<sup>7</sup> New West End Company, Full Year 2023

## Oxford Street Public Realm Impact

Oxford Street programme likely to boost sales by around 5% to 10% per annum



Colliers forecasts for Oxford Street District  
 Forecasts exclude inflation

# Public realm Oxford Street Programme

The landmark £90 million Oxford Street Programme includes a series of public realm enhancements, from wider pavements, and more pedestrian crossings, to additional seating, lighting, and greening. Side streets will also be improved, there will be greater accessibility for those traveling on foot or by bike, and greater public art provision will create moments for rest and reflection.

Dee Corsi, Chief Executive, New West End Company says, "The proposed enhancement of Oxford Street's public realm infrastructure is part of a bigger, once-in-a-lifetime opportunity to regenerate one of the world's most iconic retail and leisure destinations, in which enhanced public realm provision is a key component of its long-term, sustainable growth."





Westminster City Council

Reflecting the core pillars in all placemaking projects, the changes will put people first: creating welcoming spaces to dwell, and greenery to promote mental and environmental wellbeing. The safety and comfort of pedestrians as they move around the street will be a priority. The plans have had the backing of local residents and businesses, and work is expected to begin in the Autumn of 2024.

“The Oxford Street Programme will give Oxford Street a much-needed facelift,” says Councillor Geoff Barraclough, Cabinet Member for Planning and Economic Development, Westminster City Council. “Improvements will be made to bring the street up to modern standards, bringing new seating, lighting, and 64 new or improved pedestrian crossings. We think these changes will entice more visitors to the street and into the shops. Oxford Street generates five per cent of London’s GVA, so the economic success of the street is critical to the commercial wellbeing of London and the wider U.K. economy.”

The street and its surroundings have already undergone complementary public realm improvements, including those made in line with the Elizabeth Line opening, such as the creation of the Medici Courtyard at Hanover Square. The semi-pedestrianisation of the square has led to a reduction in traffic and improved air quality, creating a more pleasant and inviting atmosphere for residents, workers and visitors.<sup>8</sup>

“[The development of Hanover Square] creates a feeling of safety, a unique experience, a lovely atmosphere. It’s displaying the best of the West End, really. That’s what we’ve got to try and get across with the public realm changes to Oxford Street,” says Paul Souber, Co-Head of the U.K. and EMEA retail team at Colliers.

“You’ve got to work harder at making appealing and inviting places people want to visit. And for that to happen, you’ve got to invest in the infrastructure and the public realm,” adds Toby Courtauld, Chief Executive of GPE, which was behind the Medici Courtyard project.

### Strategic intervention

The Programme’s scope extends, not just along the length of Oxford Street itself, but also across the amenity spaces which branch off of it. There are currently 14 such spaces, with a further two created as part of the changes. Together, these 16 amenity spaces will provide gathering and resting spaces supplemented by seating and greening to create an oasis for rest and play. Each amenity space is tailored to the surrounding land use and available space.

“Those side streets could change the pace of the street, allowing people to slow down and meander. The result of that is that they stay longer,” says Ibrahim Ibrahim, Managing Director of Portland Design. He adds that having pockets of interest off a main street is crucial.

“You see it on Regent Street: people are going to Conduit Street, Hanover Square, Carnaby Street, Heddon Street. A street as an artery is not interesting unless it has these little journeys of discovery. Oxford Street could really take advantage of that.”

He argues that public realm interventions should be strategic. “Public realm isn’t just beautifying. How do you use those interventions to cajole your audience into discovering new experiences with activations at key nodes and portals?” The Oxford Street Programme will do just that, moving people along the street and improving dwell times.

Corsi adds, “There is a real opportunity to enhance the Oxford Street experience by offering visitors the opportunity to enjoy moments of respite and relaxation throughout their visit, ensuring they can curate the experience that works for them.”

### Delivering benefits for investors

Public realm improvements can boost footfall and occupier demand, driving down vacancies and increasing rents.<sup>9</sup> This has been neatly illustrated by the Bond Street public realm programme delivered in 2018, which saw a strong increase in footfall, rents, and property values between 2017 and 2019 in line with the public realm improvements, and rebounded more quickly than Oxford Street after pandemic restrictions were lifted.

“Enhancing the public realm will be extremely welcome and crucial in Oxford Street’s next phase of transformation,” says Tom Knight, Portfolio Director at The Portman Estate. “Being an estate, we know the importance of public realm and how it boosts desirability. For Oxford Street, creating a connected, green and porous environment will encourage inward investment from potential occupiers.”

Research by Colliers shows public realm improvements improve the performance and vitality of high streets. Long-term investors are increasingly focused on central place theory: the strength of locations rather than asset class. Tenant mix and “busyness” are important considerations. “For international investors, London’s reputation as one of the global gateway cities is undoubted, but since Covid these investors are now focused on locations where footfall and commercial activity is strongest,” says Andrew Thomas, Head of International Markets, Colliers. “The creation of additional public realm only enhances Oxford Street and will act as an draw to global capital, particularly if the real estate is occupied by a well-known brand.”

Paul Williams, CEO of Derwent London, is equally confident that the public realm proposals will offer significant return on investment. “Buildings and assets will become more valuable and there will be a greater demand for development, leading to positive job opportunities,” Williams predicts.

<sup>8</sup> London Property Alliance, The Crossrail Effect

<sup>9</sup> Colliers

### Aiding the retail revitalisation

For retailers on Oxford Street, the appeal of public realm improvements is clear. “The physical environment of the street is so important,” says Andrew Keith, CEO of Selfridges. “Being able to introduce a bit more greenery, to be able to look at traffic flow more effectively, wider pavements – all of that is great.”

Brian Duffy, CEO of Watches of Switzerland, agrees. “People like to walk and pass time in pleasant environments. And the reason to come to the West End and shop is because that whole area appeals; it’s somewhere you want to come and have lunch, spend time. And so making it more green, making it easier to get around as a high traffic street – all of that is positive. It should feel like a park, more than a retail centre.”

“It will create a more shopping-friendly street, its own environment,” says Peter Jelkeby, CEO, IKEA, U.K. and Ireland. “I think it’s important that consistency is maintained across the whole street; that feeling of being safe, feeling inspired, in a clean, sustainable environment.”

Research by TfL shows a 17 per cent decline in empty shops in areas where there has been investment in accessibility for walking and cycling. Such enhancements “can help save our high streets”, says Alex Williams, Customer and Strategy Officer at TfL. “Encouraging active travel has a key role, alongside the huge impact of Elizabeth Line investment. It also complements other work to enhance the retail offer and to give visitors a much broader offer in terms of ‘things to see and do’. High streets need to offer much more than just shopping.”

Critical to the success of the Oxford Street Programme will be an emphasis on management and maintenance. New West End Company and Westminster City Council are working closely together to ensure Oxford Street maintains a high-quality public realm well into the future following the initial improvements.

“Throughout, longevity and sustainability have been integral to the plan’s development. Those who invest in the street, whether developers or occupiers, invest with the long-term in mind, so it is critical that the public realm programme reflects that,” says Corsi. Paul Souber, Co-Head of the UK and EMEA retail team at real estate advisor Colliers, paints a picture of what Oxford Street could look like in the near future. “You come to look around, you may or may not partake in purchasing, but you have an amazing customer experience. You’re greeted nicely. You’re walking along safe boulevards, it’s cleaner, you’re not being run over by a taxi or a bus. There’s still the busyness, but there are little pockets where you can dwell, revive, have a cup of coffee or some food. This is the gateway into the West End and into London. It should be a very memorable experience.”





# A sustainable district

Oxford Street also has a role to play in delivering a more sustainable future for the West End. According to the United Nations' Sustainable Development Goal 11, sustainable cities offer equitable employment opportunities and economic prosperity, accessibility and green public spaces, while reducing their resource use and environmental impact. As the evolution of Oxford Street continues and the public realm improvements begin, it will contribute to driving positive social change across London.

“The concern about sustainability [in urban planning/public realm] is that people begin to think that you’ve ticked the box because you’ve greened the environment,” says Ibrahim Ibrahim, Managing Director of Portland Design. “It is much more than just greening; it’s about biophilia [our innate tendency to seek connections with other living things, including nature] and it’s a regenerative approach. It is also about human sustainability: how we make the rights choices in the occupier mix and

public realm activation to drive community cohesion, physical and mental wellness, inter-generational connection, and meaningful employment.”

The lion’s share of Westminster’s economic activity is concentrated in the West End, making it an economic powerhouse that punches above its weight in terms of its geographical size – contributing around £57 billion to the national economy. There are approximately 560,000 jobs in the area, which has one of the highest employment densities in the world.<sup>10</sup>

With such a large working community, social sustainability is also critical. New West End Company works with partners and stakeholders to ensure that Oxford Street is an inclusive environment for all those who visit. In June 2023, as part of the city-wide celebrations in the run-up to London Pride, audio-visual art exhibition PROUD West End championed the area’s LGBTQIA+ community.

Dee Corsi, Chief Executive, New West End Company, says, “What makes the West End such an incredible district is the diversity of the community who work, live and visit it. We are committed to not only celebrating this community with initiatives like PROUD West End, but also engaging with them, which is why we have invested in developing a Community Strategy, set to be launched in 2024.”

“High streets are hubs of economic activity: they keep cities and towns thriving by providing jobs, attracting visitors, and providing local people with the things they need like clothes, food and places to socialise,” says Councillor Geoff Barraclough, Cabinet Member for Planning and Economic Development, Westminster City Council. “High streets are important for business, but they also shape the culture and identity of an area – that is why we are so keen to see new galleries and art exhibitions like the Moco Museum and Frameless join Oxford Street.”

The Council’s Fairer Economy plan – which sets out its plans to create inclusive economic growth between now and 2026 – also highlights the importance of a diverse and thriving high street offer that best serves the local community. “Westminster is a global destination, and we want to design a fairer economy which utilises the position of our high streets to support economic and social renewal with the local community. This means helping our residents to build the right skills and networks to take advantage of the city’s employment opportunities and supporting local small businesses to thrive.”

Another key focus of the ongoing improvements to Oxford Street is on making the area more accessible and inclusive. The public realm enhancements will include 6,100 sq. m of additional footway space as well as new or improved pedestrian crossings. The

street will be easier to navigate for all, including people with visual impairments and mobility needs. Getting to and from Oxford Street is already easier thanks to the Elizabeth Line, which offers step-free access from street to platform level at both stations. Air conditioning, wider carriages and platforms all work to make it more comfortable for all those travelling on it throughout the year as well.

## High on the agenda for retail

Public awareness of sustainability issues is growing by the day, gradually driving changes in the way we shop. Research from Barclaycard Payments has found that the rising cost of living and a desire to be more sustainable is changing the nation’s shopping habits, with Gen-Z driving the shift.

As a result, retailers say sustainability is a priority when considering the role of their flagships on Oxford Street, driven by consumer expectations. “If you think about the younger customer, we know that over 80 per cent of them are really concerned about climate, and they’re concerned about the role that they play in shaping their future. And they are choosing to express that through how they’re shopping, the brands that they’re interacting with, and the value that they’re applying to products,” says Andrew Keith, CEO of Selfridges. “Helping that journey and helping to shape that behaviour is something that is going to be incredibly important for us for the future.”

Henrik Nordvall, Country Manager for H&M U.K. and Ireland, which has two flagships on Oxford Street, agrees. “Gen Z has already shown that sustainability is high up on their agenda. There are a lot of discussions around the quality and longevity of products from a sustainability perspective also. So as customer awareness increases, so does the demand for transparency and accountability, and brands need to respond to that as authentically as possible.”

IKEA has set ambitious goals that include becoming climate positive by 2030. This means reducing more greenhouse gas emissions than its full value chain emits, while continuing to grow the business. This extends to its bricks-and-mortar stores. The retailer moved the opening of its Oxford Street store back to autumn 2024 to allow it plenty of time to upgrade the landmark building’s sustainability credentials while preserving its original features.

“Today, all our stores run on renewable energy, and we are very conscious about how we invest into buildings to be more environmentally friendly. The biggest impact we can have on our IKEA U.K. operational climate footprint is to transform IKEA U.K. to renewable heating and cooling by 2030. This has been completed in three stores, and the transition is underway in four more. Alongside

<sup>10</sup> Westminster City Council. State of the Economy Report

our operations, the way we share how to live a more sustainable life at home with our customers, enabling people to do so in a more affordable way, is an important part of our way of working with sustainability.” says Peter Jelkeby, CEO, IKEA U.K. and Ireland.

At H&M, there’s a similar ongoing discussion about how to reduce its impact. “Everything that we do, we try to find a more sustainable way of doing it,” says Nordvall. “From a [bricks-and-mortar] retail perspective, that comes down to materials – how do you build the store, what components do you put in – it’s about being mindful of how we contribute to the destinations and areas themselves, whilst also reducing our carbon footprint at every point of our value chain. This is where working in partnership with local stakeholders is key.”

Lush views its bricks-and-mortar stores as hubs within each local community, which can drive positive social change. For example, its stores connect with local grassroots charities and host them and/or raise money for them. “Fairness, equity and giving are built into our DNA at Lush, which allows people to feel good while using our products both due to the benefits of the product itself, but also due to the fact that they can trust that the product and the ingredients are not tested on animals, that they are sourced ethically and responsibly, and made by hand by people who are paid the real living wage,” says Ellen Peters, U.K. and Ireland Property Director at Lush.

Part of the challenge of transforming Oxford Street with sustainability front of mind is its unique planning restrictions, given several buildings are listed.

There is therefore a clear need for a planning system that understands that sustainable retrofits must go hand-in-hand with commercial viability and long-term environmental results. “Such added clarity can only be positive for our city centres – from flagship retail and leisure destinations, like Oxford Street, to local high streets – and would drive growth and investment within the U.K.’s property sector.” says Corsi.

## Meeting occupier demand

Tom Knight, Portfolio Director at The Portman Estate, says office occupiers are also increasingly concerned with sustainability. He points to Portman’s redevelopment of One Great Cumberland Place at the western end of Oxford Street as an example of how buildings are being reimagined for the future. It has a green roof (to both cool the building and support biodiversity), smart lighting, intelligent energy use controls and renewable energy systems, among other attributes. “In the post-pandemic landscape, what occupiers demand from buildings has shifted; they now expect added amenities and strong sustainability credentials across the board,” he says.

Sustainability is also front of mind for those developing mixed-use spaces for the future. Of growing consideration for property development and investment company GPE is “the way in which we position a building from a sustainability standpoint” to attract clients, says Courtauld. “That’s becoming really important, especially to larger corporations. And over time, I think it’ll filter down to smaller companies as well.” GPE’s Hanover Square development achieved a BREEAM ‘Excellent’ rating, generates its own solar energy, and has a green roof.

Derwent London CEO Paul Williams points out that businesses need to attract the best talent as London’s work population continues to grow – and sustainability plays a growing part. “Meeting strong environmental credentials [such as accreditation from bodies like BREEAM and Nabers] is essential, but the better buildings also offer much improved amenity such as communal roof terraces, lounges, and high-quality cycle and shower facilities. Covid highlighted the need for safe, clean, less dense and adaptable space, and a reason to go to the office.”

The evolution of Oxford Street will play an important role in how the wider district rises to the challenge of becoming more economically, socially and environmentally sustainable. Meeting visitor expectations – whether they are workers, shoppers, residents or tourists – means having an increasingly clear focus on sustainability, from ensuring efficient energy consumption, to facilitating greater community connections. From a public realm perspective, the Oxford Street Programme will play a critical role in making the street a more accessible and inclusive place in which to shop, work, eat, drink and play. These changes will bring more people to the district and into the shops, which in turn will boost London’s and the wider UK economy, bringing a knock-on positive impact for all.

# Conclusion

Whether they have been operating on Oxford Street for decades or are newcomers to the area, the retailers, property developers, landlords, council members and other stakeholders that took part in this report all have one thing in common: they firmly believe in its future as a retail and leisure destination.

Watches of Switzerland occupies a townhouse on Oxford Street comprising three floors of retail plus office and workshop space on the upper floors. “We love Oxford Street,” says CEO Brian Duffy. “There is still so much to excite people, whether it’s Primark and M&S up towards Marble Arch, or us, or Selfridges. The other great redeeming factor is the foot traffic. We’re optimistic: there’s money being spent on the street; hopefully we can influence landlords to be sensible and act in a coordinated way [when it comes to deciding on tenancies]. There are reasons to be cheerful.”

Retailers are investing in new flagships or large-scale refurbishment projects, recognising that consumers still want to escape their screens and shop in bricks-and-mortar stores – but they want to be entertained while doing it. There is still no better way to tell a brand’s story than in a flagship store. But Oxford Street is evolving beyond its retail heritage to embrace a new, mixed-use future that will foster the development of more leisure and cultural spaces, alongside its shopping attributes. “Oxford Street has enormous capacity for change, and keeping pace with changing consumer expectations will ensure it remains a world-class destination and hub for investment,” says Tom Knight, Portfolio Director at The Portman Estate.

“Broadening the appeal develops a more diverse community and opens opportunities for cultural uses. Increased footfall through the week should create a more vibrant place, with a resilient nighttime economy,” adds Paul Williams, CEO of Derwent London. By 2030, he predicts that buildings and assets will be more valuable and there will be greater demand for development, leading to job opportunities. “Oxford Street is the nation’s high street and provides an important draw for the whole of the West End,” he adds.

Stakeholders agree that the success of Oxford Street will lie in the balance between commercial activities and the nurturing of a thriving public realm. A well-designed public realm fosters a sense of community, encourages social interactions and contributes to the wellbeing of residents and visitors. The £90 million Oxford Street Programme will breathe new life into the area, creating a calmer, more attractive place to shop, work, play and eat. The partnership underpinning this is critical. “We need everyone to be on board with creating an Oxford Street fit for the future; collaboration and partnerships are key to delivering a district that works for visitors, residents, retailers, and investors. That is why our partnership with New West End Company is so pivotal,” says Councillor Geoff Barraclough, Westminster City Council.

Dee Corsi, Chief Executive, New West End Company adds, “By prioritising the creation of welcoming and inclusive public spaces, Oxford Street is becoming more than just a retail destination; it is a vibrant, cultural and recreational hub whose success is integral to the future of London.”

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## Contact

**Lorna Keegan**

Head of Corporate Affairs, New West End Company  
[lorna.keegan@newwestend.com](mailto:lorna.keegan@newwestend.com)

**Paddy Gamble**

Head of Retail Strategy & Analytics, Colliers  
[paddy.gamble@colliers.com](mailto:paddy.gamble@colliers.com)

