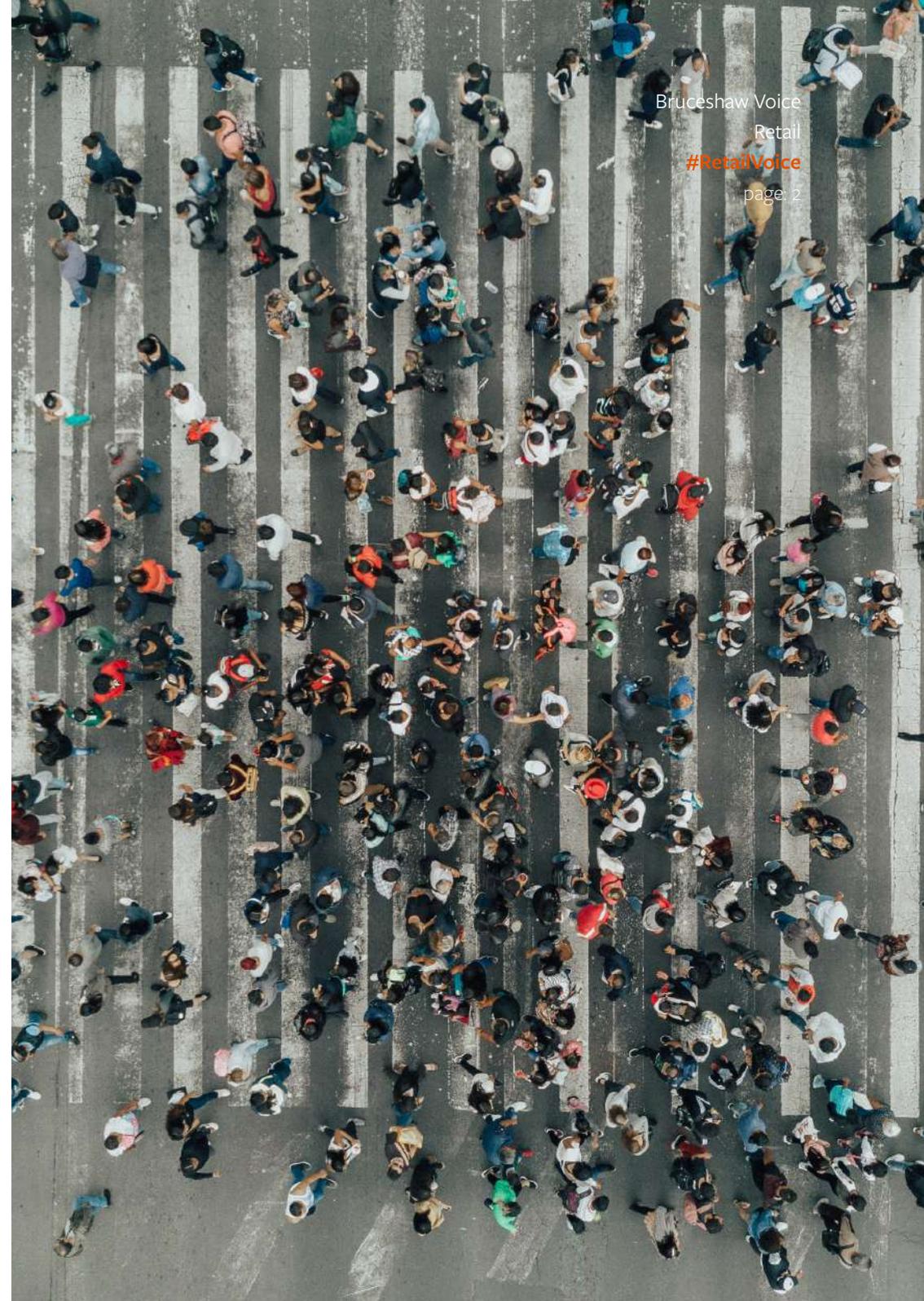


THE URGENT NEED TO REINVENT THE HIGH STREET IS A TOPIC THAT HAS GENERATED A RAFT OF REVIEWS, GROWING PUBLIC DEBATE AND INCREASING CONSTERNATION.

While a changing world is clearly demanding a new role and purpose for many of our high streets, little has so far been done to try and redefine town centres for the modern era, especially those outside the major metropolitan centres. So what needs to change?

Retail journalist Mark Faithfull sat down to discuss some of the key issues with Paul Body, Conor Kelly and Tim Valler of Bruceshaw, identifying the players who can drive transformation and looking at possible solutions.





The Retail Picture: **All Doom & Gloom?**

You don't need to dig very deep for bad retail news right now. The national media is full of apocalyptic headlines declaring the worst retail performance for over a decade, fretting that our high streets are in turmoil and that online sales are reaching a tipping point. Doomsayer predictions that 2019 will unfold with even more challenges, as physical retail spirals into irrelevance, abound.

The mood has not been helped by the seemingly endless row of retail chief executives queuing up to blame their under-performance on the migration of sales online, consumer and business uncertainty over Brexit, rising costs and an unfair playing field. In the meantime, controversy continues around the use of Company Voluntary Administrations (CVAs), allowing retailers to divest stores and lease obligations while many landlords contest that the financial burden is being unfairly thrust upon them.

In reality, the retail market is far more nuanced. While the likes of department store groups House of Fraser, Debenhams and Marks & Spencer reported downbeat results, Paperchase confirmed that it was looking at a possible CVA, and entertainment specialist HMV was again put up for sale, others fared far better.

Lidl and Aldi continue to take record market share, UK discounter B&M reported positive like-for-likes, as did big box retailers such as Dunelm, Dobbies, Pets at Home and Hobbycraft, plus supermarket groups Tesco and Morrisons. In fashion, sales growth figures at Ted Baker, Matalan, Quiz and Jigsaw were among the highlights.

“ The one constant about retail is change

“The one constant about retail is change” reflects Tim Valler, senior associate at Bruceshaw. “Only a decade ago I was working on huge Tesco superstores with mezzanine levels for non-food, the bigger the better at the time. There was also a lot of talk about homogenised high streets, featuring all the same national chains. Now we are seeing the return of small independents, the ongoing rise of food and beverage and specialist food retailers. There are also lots of new experience concepts, like the pottery design shops for kids’ parties. So it’s a very different marketplace.”

Emphasising this changing landscape, in a note on Christmas retail trading, global advisor JLL cited net cumulative positive like-for-like sales across all categories, saying that 80% of retail results were positive, with only department stores/variety stores showing soft growth.



The role of Local Authorities

Of course, physical retail does face significant challenges this year. Away from metropolitan and affluent high streets, many town centres are suffering from the loss of store chains and the lack of replacement tenants in sufficient numbers, resulting in many high streets becoming populated by less desirable tenants such as betting shops and empty units.

In turn this has led to local authorities becoming the major purchasers of moribund local shopping centres and that trend could have a major influence on town centres in 2019, points out Paul Body, managing partner, Bruceshaw. “Councils are rebuilding their towns with residential, workspaces and leisure, making them places to live and work again. Bringing these uses back to the high street reverses previous trends and attracting people back to amenities and culture allows them to become real hubs again and great spaces for events and activities,” he says.

“ planning is restricting
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changes needed”

Body adds: “We’re already seeing transformation in others sectors, like change-of-use from offices to residential, for example. So why not, say, retail to hotels? We know we have too much oversized retail space in the wrong locations and, in many areas not enough town centre housing creating catchment, but planning is restricting some of the changes needed. It’s becoming obstructive to the necessary changes.”

Valler also believes that local authorities will be at the heart of transformation and notes: “We have seen councils stepping in to buy struggling shopping centres. In fact, councils are key in many locations, because they have compulsory purchase powers and tools to change the high street and the public realm. Many retailers are looking to offload and so these assets may well be repurposed to bring in residential and co-working, while keeping the prime space as retail.”



the role of TECHNOLOGY

While Valler feels that technology will continue to become more prevalent, he also cautions that it cannot be seen as a panacea, pointing out that there are plenty of examples of failed technologies and applications.

“Clearly technology will only work if it solves genuine problems, if it doesn’t make your life easier then it won’t get the uptake,” says Valler. But it could have a role in high street transformation. The ideal scenario is to turn town centres into more flexible spaces, using technology to enable these spaces to flex in terms of uses, allocation and respond to the needs of the local catchment without expensive physical changes. For all the challenges, in the UK space remains limited and real estate is still expensive, so we need to find cheaper and more flexible ways of doing things. Changes of use and mixed usage are the way to evolve.”

Though local authorities are undoubtedly perfectly placed to underpin such holistic and joined up approaches, the need for them to step in also raises the question as to why retailers are not doing more to re-energise their store portfolios, focusing their efforts on meeting the convenience and experience requirements demanded by modern-day consumers.

“It’s easy to talk about what retailers aren’t doing but the fact of the matter is that new concepts need payback,” reflects Body. “Perhaps that’s the wrong way to look at it, perhaps it should be more about investing in stores to arrest decline.”

Body concedes “there’s no escaping that it feels like a hard environment at the moment, with most retailers closing more stores than they are opening” and he points to the remaining over-capacity across the UK, meaning “there is still retrenchment”.

Valler points to retailers seemingly carrying too much excess baggage from their histories to innovate: “Trends are very quick. Some restaurant outlets, which were rapidly expanding, but then new players come in response to changing trends, pop-up stores start opening and before you know it they are closing stores and going out of business.”



EXECUTING PLANS AND DISRUPTORS

Conor Kelly, associate, retail and hospitality team, Bruceshaw, adds that well executed retail in traditional environments can still be successful, despite the current challenges. He cites the John Lewis department store at Cheltenham, which opened in October 2018.

“This new John Lewis has created a great focal point for the high street, which is busy anyway, with a good food offer and an affluent catchment. It’s meeting a lot of the requirements that we’re talking about here,” he says. “Look at a brand like Nespresso, which has created interesting environments but also has an App so that while in-store customers can make orders for next day delivery. It brings all those commercial and consumer factors together.

“Perhaps the next disruptor will be a completely new player, or perhaps they will form a joint venture with a developer to bring something new. Customers are increasingly demanding; they want to know: ‘what can you do for me?’

Indeed, Body wonders whether the focus on some well-known retail names has skewed perception. “There is a lot of success around too, often on a local basis, which is why perhaps it doesn’t get picked up so much,” he says. “It’s why I remain optimistic, there are too many good stories out there at micro-level and it might only take one spark to reignite the high street.”

“The brands are here to stay, and we are working with our clients on concepts that focus on the customer experience providing an environment that is flexible, inclusive, sustainable and with an authenticity to drive brand value”.



HOT TOPICS

Five approaches to boost the high street

Make shopping an experience

“The physical environment needs to engage and excite shoppers. This is what physical shops and shopping destinations can do that online can’t. Stores need to offer experience, customer service and experience – where they are doing it, they are succeeding.”

Conor Kelly

Change uses and create flexible spaces

“Planning is too restrictive and doesn’t reflect the changing world of work, living and leisure. Local authorities and developers need to work together to create more mixed and flexible spaces, which can adapt cost-effectively as high street requirements change.”

Tim Valler

Embrace technology

“Technology is not a panacea but used properly it can add to the customer experience, whether through simple tech such as Wi-Fi, future technologies like augmented reality and virtual reality, or robotics and automation for in-store delivery. The important thing is that technology must fulfil a customer need.”

Conor Kelly

Invest in the high street

“There is a lot of talk about the cost of maintaining a store portfolio but, to improve shopping, retailers and shopping centre landlords have to invest in their physical space. It’s not just about improving the high street, it’s about arresting sales decline.”

Paul Body

Encourage innovation and disrupters

“We need to make the high street fertile ground for innovators and disrupters. We can see that many of the legacy retailers are struggling but there are plenty of great retail ideas out there and they need to be encouraged to see the high street as a fantastic channel to the consumer.”

Paul Body



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As a retail sector specialist, Paul has in-depth knowledge and expertise of the key drivers in this sector. He has a consultative style but is not afraid to challenge current practices where appropriate.



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This Voice has been produced in conversation with Mark Faithfull

Mark Faithfull is an experienced retail and business journalist and event organiser, with over 20 years' experience in the retail sector. Mark started out as a construction journalist before he worked on leading business magazine Retail Week, relaunching and editing its monthly store design title Retail Interiors. He has since gone on to specialise in how retail and consumer trends impact the retail environment and among his current roles Mark is editor-in-chief of the publications for MAPIC, editor for World Retail Congress and runs specialist title and events business Retail Property Analyst. He also writes for a variety of retail design and property titles worldwide and speaks at and organises retail events around the world.



About Bruceshaw

We have been firmly rooted in the construction industry since 1974.

As a leading construction consultancy, we specialise in project and cost management, quantity surveying, management services and CDM.

Our solid experience has been developed over more than 40 years of delivering projects in the commercial, data centre, education, healthcare, hotel and leisure, residential, local authority, mixed use and retail sectors.

The strong relationships we have forged during this time have been built by our talented teams of specialists, who work diligently with our clients throughout each project – from the initial concept stages, right through to completion and beyond. It's this approach to building relationships that has attracted large and loyal clients that keep returning to us time and time again.

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