

NEW FIGURES REVEAL £5 BILLION CAPITAL INVESTMENT SET FOR LONDON'S WEST END

Unprecedented funding over the next 5 years will diversify the district's offerings and cement its place as the world's leading cultural, retail and leisure hub.

New West End Company calls on the Government to improve the UK visa process for overseas visitors.

September 2021 - New West End Company, which represents 600 businesses on Oxford Street, Regent Street, Bond Street and in Mayfair, has announced details regarding a collective planned £5 billion capital investment into London's iconic West End.

The investment is spread across 22 existing and new West End developments, with the area not only looking to bounce back from a pandemic that ravaged the retail, hospitality and commercial property sectors, but to also evolve into the destination of choice for the modern consumer. An onus on public realm projects - with over £220 million of the total investment dedicated to this open public space - is accompanied by a marked shift in the makeup of the high street.

Traditional bricks and mortar stores - while not without their place on the high street - are to be complemented with brands that fulfil the needs of a consumer looking for a more diversified and immersive experience from their city centres. In one of the most ambitious overhauls of a high street to date, 76 per cent of the West End developments listed will be mixed use. The launch of Outernet London - the first of a global network of the world's most advanced immersive media, entertainment and culture districts - and the plans to turn Cavendish Square into a health and wellbeing destination are just two examples of a new era for London's West End.

James Raynor, CEO, Grosvenor Britain & Ireland, said: *"Over the last year, we've seen an incredible response to interventions like outdoor dining, pavement widening and public art schemes.*

"But to secure the West End's future we need to think bigger and bolder. Only continued investment in the evolution of the place and political support to entice back international visitors will see it able to contribute to the UK economy as it has in past years.

"In Mayfair, our development pipeline alone represents c£1 billion of future investment in the destination's recovery and resilience to climate change. Our commitment to net zero and schemes like the redesign of Grosvenor Square and South Molton Triangle will play a major part in re-establishing the area's draw to climate conscious and experience-driven consumers.

"We will also continue to advocate for initiatives that will help the local community and businesses get back on their feet post COVID including reducing traffic pollution and enhancing air quality."

This investment signifies the continued commercial confidence in the district, the capital and - with the right aspirations for change - the UK's high streets. With Westminster City Council's £150 million Oxford Street District Transformation already underway, and the much-anticipated £18 billion Elizabeth Line due to open in the first half of 2022, the future looks bright for the district.

Despite the emergence of an exciting new collection of developments on the horizon, there is a danger that external barriers will limit the number of visitors that are likely to experience them. The pot of potential domestic visitors remains strong, with the Treasury estimating around £180 billion in unplanned savings across UK households. Alongside a 2% increase in average transaction values compared with pre-pandemic spending levels and the tens of millions of additional visitors that the Elizabeth Line will bring to the area each year, the new West End looks set to benefit from a group of consumers looking to spend money on premium experiences.

However, the district has little reason to be so optimistic when it comes to custom from overseas. If the West End is to reach its full potential and once more become the beating heart of London, it needs to be attractive enough to welcome back international tourists en masse from key markets. Only then can it realise its goal to deliver £10 billion in annual turnover with 200 million visitors a year.

The district is currently at a significant disadvantage compared with other international shopping destinations, such as Paris, which offers visitors preferable visa terms. Visas for visitors to the UK are currently less attractive or flexible than their Schengen equivalent, which allows entry into 26 countries. As a result, Britain is often missed off multi-country European tours. Coupled with the eradication of tax free shopping in the UK, London is becoming much less appealing to the high net worth shoppers, diners and holidaymakers that contribute so much to the district and country's economy.

Jace Tyrell, Chief Executive at New West End Company, said: *“London’s West End has long held a place as one of the globe’s leading commercial hubs, but this unprecedented level of billions in capital investment will cement our spot as the most iconic and diverse consumer district in the world. As Covid restrictions ease, we are now looking ahead to a high street that aligns to our 21st century customer.*

“Some of the work is already underway, but - as it stands - those that are placing their financial faith in the West End are working with one hand tied behind their back. With support from the Government, we need to make the West End as attractive as possible to both domestic and international visitors, showing them why London is the place to shop, dine, explore and experience over alternatives such as Paris or Milan. This means exploring a simplified visa process to entice overseas visitors back to British shores.

“We truly believe that we are building back better and more sustainably, but - if we want consumers to flock back to our high street and continue to support one in ten London jobs that benefits both the Capital and country - we must clear a path for them.”

As well as providing much needed support to businesses in the capital, this investment will also focus on making the West End a more sustainable district. This is now a top priority for consumers who - in a recent New West End Company survey - revealed that they would like to see brands reduce packing use (51 per cent) and offer more products from sustainable sources and recycled materials (42 per cent), something encouraged across West End businesses. New West End Company is also working with partners at Westminster City Council, Transport for London and the Mayor’s Office to develop one of the first UK Zero Emission Transport Zones, with diesel buses reduced by 50 per cent in the last six years.

All of these changes, as well as more insight into the new shape of the West End will be discussed at the London Real Estate Forum this year. New West End Company, alongside Westminster Property Association, will be hosting a panel discussion on the future of London’s West End.

Additional Quotes & Information:

Andy Byford, London’s Transport Commissioner, said: *“The West End is an iconic part of London, and its world class retail, hospitality, culture and leisure industries play a vital role in the UK economy. It’s fantastic to already see people heading back to the high street, restaurants and theatres, and the planned investment in the area will ensure it remains a vibrant, much-loved and economically vital part of the capital. Next year the millions of visitors to the West End will be able to use the Elizabeth line, which will transform life and travel in London and the South East and play a key role in supporting London’s recovery from the pandemic.”*

Cllr Rachael Robathan, leader of Westminster City Council said: *“Central London’s economy was badly hit by the pandemic and what happens in Westminster matters. The economy of the West End generates £72bn a year and is responsible for one in eight jobs in the capital.*

“The nation’s favourite high street needs to be bright and inviting and a major public-private partnership is the right way to deliver that. It is hugely encouraging to see NWECC’s members today signalling their confidence in the West End while the council leads on public realm work and Crossrail delivers the Elizabeth line. Collectively this represents an investment of billions in the area.

The council is doing everything it can to get people back into central London – from continuing our support for al fresco dining to laying on a big programme of free art on the streets this autumn. We will also be renewing our call to central Government for an online sales tax to ensure internet giants don’t have an unfair advantage over the West End’s bricks and mortar retailers.”

Harry Chichester, Executive Director at Almacantar, said: *“It’s very important that city centres are able to reinvent themselves and the West End now has the opportunity and resilience to make the most extraordinary shift to cement its position as a global centre and look towards the future. As lifestyles evolve, so must our buildings so quality and flexibility will become the benchmark - buildings with serious consideration for how people will use and interact with them, as well as the ability to adapt, will always be occupied.”*

Richard Metcalfe, Group COO Outernet Global said: *“Opening in the West End will stimulate huge cultural as well as commercial growth and we always wanted the Outernet district to be here given the incredible musical heritage this area has. The increased footfall once we are open will benefit everyone in the area as we truly believe Outernet will become a new London landmark. We are immensely proud to call the West End and Soho our home.”*

Sam Foyle, Co-Global Head of Retail at Savills, said: *“We are seeing a renewed confidence returning to Oxford Street after a challenging 18 months. There have been new store lettings to Hugo Boss, Mango and Superdry, demonstrating the importance of Oxford Street as a global destination for international brands.*

“There has also been a number of recent store refurbishments, with Sports Direct and Lush having recently completed major investment programmes. We are also seeing an increase in international retail demand and viewings from new and exciting brands that will hopefully convert into further deals in the coming months.

“The commitment from the council on place making spend and the eventual planned arrival of Crossrail next year, will provide the added stimulus to reinvigorate Oxford Street to its previous best.”

Marks & Spencer: *As a sign of growing commitment to the area, M&S has recently proposed to redevelop and modernise its Marble Arch store in the west end of Oxford Street, as a mixed use office and retail redevelopment. First opened in 1930, the M&S store is located in the west end of Oxford Street and the redevelopment proposal includes transforming the store into both a modern retail environment offering a full range of trusted value M&S products for customers, as well as sustainable, Prime Grade A office space in an area where demand remains high.*

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Notes to Editors

About New West End Company:

New West End Company is a partnership of 600 retail, restaurant, hotel and property owners across the world’s top shopping and leisure destination anchored by Bond Street, Oxford Street and Regent Street. New West End Company works in partnership delivering transformational projects, sustainable place management, destination marketing, advocacy, inward investment and commercial insights. It is an influential business voice, active in the wider community and a key partner in delivering a new West End.



Bond Street | Oxford Street | Regent Street