# Northumbria Research Link

**HIGH STREET PROSPECTS Bounce back or recalibrate? A reflection on the prospect for UK high streets and town centres to find a new future in a post COVID-19 world**

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This article represents the third in series of articles by R3intelligence academics and researchers in the Department of Architecture and Built Environment, at Northumbria University, about analysing town and city centre retail markets using GIS and big data. It was written during a period of enforced Coronavirus (CV-19) self-isolation during which the author had the opportunity of revisit literature on the challenges facing our high streets and town centres and seeks to provide a contemporary perspective of collective knowledge and understanding on the current plight, and future prospects, of the UK high street post CV-19.

### Reviews

In the writing of this article, I was drawn, in particular, to the painstaking review by Neil Wrigley and colleagues at University of Southampton, of research projects that have sought to measure the performance of towns and city centre retailing in order to better understand the forces, drivers and behaviours that shape its future. In their 2014 report 'Evolving High Streets: Resilience and Reinvention', Wrigley and Brookes acknowledged 3 important structural forces that represented both a threat and opportunity to UK town centres and high streets:

1. Progressive rise in online shopping

2. Long term cumulative impact of competition from out of town retail

3. Progressive shift in consumer behaviour and cultures of consumption.

### Online shopping

The UK leads the world in online shopping or e-commerce, with internet sales as a percentage of all retail sales already breaking 20% before the end of the decade, according to the Office of National Statistics. This figure is set to increase further, as a consequence of the temporary closure of most non-essential retail and leisure 'bricks and mortar' outlets due to Covid-19 lockdown, compounded by people who are social distancing or self-isolating having little choice but to shop on-line. The seemingly inexorable shift from bricks to clicks is predicted, by some, to exceed 50% before 2030.

There is little dispute that high streets in the U.K. will need to adapt to survive. We know we have too much retail space, in the wrong format, in the wrong place, and most town and city centres in the UK were exhibiting systematic failure and waste of potentially productive assets, even before the fall-out from CV-19. The distinction between bricks and mortar and e-commerce is diminishing, through click and collect, multi and onmi-channel, showrooming

and, increasingly, for e-tailers to seek a presence on the high street. So how many physical shops does a retailer need in the digital age? Where should they be located? Will the high street ever recover? Can high streets bounce back or have we reached a tipping point?

Perhaps now is the time for a stock take of town and city centres, for a change in their trajectory, towards a more civic and societal role, providing a wider range of functional and experiential touch points that incorporate enhanced services to improve our well-being. In other words, to recalibrate and reorient towards a new future. Secondary and sub-urban retail nodes can also serve an important role and function, as society returns to a more stable equilibrium of 'just-in-time' convenience consumption that offers the prospect of re-localisation, with increasingly choice edited neighbourhoods providing both functional and experiential touch points at the local level.

The propensity for some locations to recover, and even bounce forward, will depend to a great degree on their relative resilience or vulnerability, and more specifically, on their adaptive resilience e.g. the fundamentals of places to find new uses for redundant spaces, to reabsorb vacant units, that would otherwise blight their surroundings. We are not short of intelligence in this regard, as evidenced by the plethora of studies that were undertaken in the last decade (see list of sources at end of the article).

### *Public sector intervention?*

Perhaps given this surfeit of earnest and well-intentioned scrutiny, there is a dawning realisation of the limitations of what intervention and planning can deliver. There are significant limits as to what can be achieved through planning and development control, in relation to the mix and diversity of the town centre offer. Land use planning, via town centre first policy, focussed on retailing in isolation, is largely irrelevant. Quite simply, you can't buck the market and you can't tell consumers how and where to shop. There needs to be a stronger reason and purpose for visiting and spending time (and money) in a town or city centre, and increasingly politicians and central and local government are looking for quasi autonomous organisations, working with local stakeholders, to help manage changes to the structure and 'offer' of town and city centres.

What we do know is that approaches focused narrowly on land and property development have not been successful in improving town centre vitality and viability. Such direct interventions are often a nil sum game, with inevitable winners and losers, due to subtle shifting of footfall and prime pitch, from one part of the town centre to another, and wider displacement or pulling of trade from nearby retail centres.

The aforementioned report, by Wrigley and Brookes (2014), also proffered 4 ways in which social science research could add considerable value, by:

1. Providing analytical insight to the marked variation in performance of town centres/high streets as they adjust

2. Providing related insight into whether and how drivers of differential performance may have varied in scale and position in the retail hierarchy

3. Providing a conceptual framework that helps make sense of complex variations in performance and of the longer-term evolving configurations of high streets

4. Contributing theoretically informed, evidence based, insight to the development and implantation of policy.

At the time, Wrigley and Brookes' thinking was framed around the economic fallout from the global financial crisis; now it will be how town and city centres recover from the measures implemented to halt the spread of CV-19. We need to understand why some high streets are better able to recover, to bounce back, and others to slide further into terminal decline. Useful insight can be gained from a study of how some of the key drivers, such as the position of a retail centre in the retail hierarchy, its role, size, mix, diversity, vacancy, and physical configuration influence resilience. This is where benchmarking can come in useful and, in this respect, there is no need to reinvent the wheel.

### *Benchmarking*

While many indicators of town centre performance are biased towards retail metrics, there is still much useful data available with which to track performance. For example, 'Town Benchmarking', developed by the now defunct Action for Market Towns, comprised 12 KPIs, including vacancy rates, retail rents, and car parking provision. GENECON's (2011) report, for the Department of Business Innovation and Skills, recommended 4 KPIs, comprising footfall, consumer and business satisfaction, diversity of offer, and consumer spend and business turnover. The Association of Town Centre Managers proposed a 2-dimensional approach, comprising a first stage personality test linked to a classification matrix, followed by indicators grouped around 4 themes - people and footfall, diversity and vitality, consumer and business perceptions, and economic characteristics. The Distressed Property Task Force (2013) made use of Colliers' Town Performance Matrix that used demand and supply indicators, such as vacancy rates, Zone A rents, catchment area, plus qualitative factors, to place towns into one of 5 classifications: thriving; improving; stable; degenerating; failing. In combination with footfall and consumer satisfaction, the vacancy rate is perhaps the most powerful 'tell-tale' of relative resilience or vulnerability of high streets to respond to crisis conditions. The persistence of void units, particularly over the medium term (12-24 months) offers the most compelling sense of the relative health or distress of a high street or retail location.

Simplistically, there are 2 types of vacancy - natural, that allows for churn and turnover of retail outlets, and structural, linked to over-supply of retail stock and problems with its physical configuration. While there are many reasons for vacancy to occur, some are more benign, for example, changing retailer requirements, new developments, or a shift in the prime pitch, while others are more malign, such as falling footfall and consumer spend, leading to fundamental unprofitability, and resulting in business failures. The latter is sadly all too apparent due to CV-19 lockdown and, despite government measures aimed at reducing overheads and occupancy costs, it is questionable how many businesses on the high street

will survive. There is little doubt that structural vacancy is set to increase on high streets across the UK. How will this be tracked, monitored, reported and evaluated?

Given that town and city centres are highly complex urban ecosystems, comprising a series of markets and submarkets, with a wide range of stakeholders, it is often hard to bridge across from benchmarking and performance metrics, to more nuanced appreciation of how these factors are playing out 'on the ground' over time. What is missing is consistent longitudinal place-based analysis with which to both measure performance, and assess resilience or vulnerability, at the micro-scale e.g. at high resolution or fine grain.

Over the last 4 years, R3intelligence has been exploring the potential to use Geographic Information System (GIS) software and Valuation Office (VOA) Rating List data, to filter and segment millions of non-domestic hereditaments by bulk class, using SCAT codes (see aforementioned Terrier articles by Adebayo, Greenhalgh and Muldoon-Smith (Autumn 2017) and Ellis and Richardson (Summer 2019)). Such a tool fulfils some of the ambitions of BIS Retail Unit's suggestion of a toolkit for finer grained, street level data collection and analysis.

The method developed by R3intelligence makes use of data covering all of England and Wales, available under licence from the VOA, and covers all retail units, regardless of size or status. The technique we have developed avoids the tendency of most retail market analyses to ignore secondary and tertiary markets, and smaller units, that are vital to entry level retailers and small businesses. A further level of complexity can be introduced by layering in-depth-map data representing street level configuration and integration, as a proxy for accessibility and pedestrian footfall. The GIS can be further enhanced by feeding in vacancy data, typically compiled by local authorities, and increasingly available in the public domain, based on empty property rates. Such data can then be linked to the base 'rating list' data, using unique property or address reference numbers. The resulting multi-criteria data model can be used to reveal the incidence and concentration of high street voids, in relation to the total stock of retail premises, down to postcode level and potentially even finer grain geolocation, using individual address fields.

The data model can be interrogated, at a variety of scales, to offer an illustration and interpretation of the complex interaction between demand and supply geographies at street level, to track the incidence of voids units, act as a tell-tale of distressed locations, as well as identifying those that exhibit greater resilience. The use of GIS software also permits the opportunity to layer in other spatial datasets, to provide a richer and more complex portrayal of both the characteristics and prospects of individual high streets and secondary and tertiary retail nodes.

For further information about R3intelligence see r3intelligence.co.uk or email paul.greenhalgh@northumbria.ac.uk For further illustration of the GIS method developed by R3intelligence please refer to Paper #118 'Investigating retail space performance through spatial configuration of consumer movement: A Comparison of York and Leeds', in the Proceedings of the International Space Syntax Symposium (SSS12) 2019, Beijing, by Adebayo, A., Greenhalgh, P. and Muldoon-Smith, K. available at: http://www.12sssbeijing.com/upload/file/1562664603.pdf

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