



THE FUTURE



OF THE



HIGH-BRID STREET



IWG

Regus

SPACES.

HQ

Signature

PREFACE

The Future of the High-Brid Street

This paper, commissioned by flexible office-space provider IWG plc, explores the ever-shifting relationship between how and where people work, and its impact on the local communities where they live.

From the rise of the centralised office to the acceleration of hybrid working in the post COVID-19 era, it considers the challenges, opportunities and success factors facing our towns, suburbs and villages as they seek to build and protect thriving communities around their centres and High Streets. As changing work patterns reduce the dominance of the daily commute, is now the moment for such communities to throw off the ‘dormitory’ tag and create a more sustainable and dynamic future for themselves?

An expert line-up of contributors, led by Mark Dixon, Founder and CEO of IWG, add their voices to the discussion. They are:

- **Phil Allmendinger,**
Former Professor of Land Economy, University of Cambridge. Fellow of Clare College. Deputy Vice Chancellor, University of Bath
- **Matthew Dillon,**
Associate Director, Arup
- **Ray Gaul,**
Co-Founder and CEO, Retail Cities
- **Bryan Roberts,**
Founder, Shopfloor Insights



In this paper, I have invited a number of experts in a range of specialist areas to set out their thoughts on the future of communities and High Streets; this thinking alongside forward planning, will increasingly enable them to evolve. I personally find their views and arguments fascinating – and I hope they will give you much food for thought.”

Mark Dixon

Founder and CEO, IWG plc

October 2022



EXECUTIVE SUMMARY

A short history of

High Streets and the towns, suburbs and villages they serve are constantly evolving – and today they're changing faster than at any time since the 19th Century.

This was when the railway made it possible for workers to travel long distances for work. In turn, this drove the development of large offices with first clerks and then typing pools, and then increasingly mechanised and automated resources that were too expensive to replicate in smaller, local centres.

As trade and businesses grew simultaneously more global and more

centralised, cities attracted more and more people away from their homes, villages and towns. This left many communities at least partially deserted during the daytime, diminishing the role of the High Street as a hub of local commerce.

The rise of the car as a widely available means of transport accelerated this process in the 1970s, with the growth of out-of-town shopping centres feeding a continued decline in the economic performance of smaller villages, towns and suburban centres.



Cities, meanwhile, flourished as the influx of workers – representing some of the most affluent and free-spending members of society – bought products and services around their places of work rather than in their home communities. Dormitory towns and villages suffered economically, socially and culturally from the regular absence of their most energetic and active members.

And then, gradually at first, the situation

started to go into reverse, as the costs of technology fell in a virtually inverse proportion to the growing power and versatility of communications tools like first the personal computer and then the smartphone. The need to travel to access centralised resources diminished. The concept of flexible working began to take hold in the public consciousness.

And then the COVID-19 pandemic struck.



Successful High Streets don't just happen, they are managed, shaped and evolve to meet challenges and change. They require collective endeavour and action."

Phil Allmendinger, Former Professor of Land Economy, University of Cambridge. Fellow of Clare College. Deputy Vice Chancellor, University of Bath

changing fortunes

TODAY'S CHALLENGES AND OPPORTUNITIES

The immediate impact of the pandemic, of course, was the closure of non-essential retail and further reductions in footfall in High Streets. Over two years later, we can see this further exacerbated the damage caused by other longer-term trends eroding the viability of High Streets based on bricks-and-mortar retail, including ever-accelerating digital disruption, high rents and rateable values and a lack of local and national government support.



Further challenging issues include:

- 1 Extended journey times by car and growing difficulties in parking;
- 2 The shift online of retail locations including fashion, games, books and cosmetics;
- 3 The increasing restriction of shopping days to weekends;
- 4 The higher proportion of tourism visitors making it hard for retailers to know the customer;
- 5 Non-retail companies flexing their budgetary power to gain prime locations;
- 6 Changes in consumer spending patterns, away from buying physical items in favour of experiences like streaming, holidays and eating out;
- 7 The impact of private equity on rising debt levels for retailers, driven by asset stripping, rising costs, sale and leasebacks;
- 8 Poor decision-making by retailers, in areas including multi-channel retailing, formats, range and pricing;
- 9 A widespread lack of local government support in public realm areas like transport, accessibility, lighting and toilet provision.

Today, a looming cost of living crisis across the world is likely to put further pressure on domestic budgets – cutting the discretionary spend that so many shops and other High Street businesses depend upon.

After restrictions were finally lifted across the world this year it became increasingly clear that the impact of COVID-19 helped accelerate a shift in working and commuting habits that have the potential to revitalise town and village centres and their High Streets. This was driven by a rise in remote working in cities across the world, already driven by factors including the desire to attract and retain the best talent, support female empowerment and enable better mental health. A survey this summer for IWG revealed 51 per cent of workers now say they have adopted hybrid working – a material long-term change to the way we operate.

This is reducing commuting levels, giving people more time to spend however they choose, with reduced day-to-day costs and more freedom to explore what is on their doorstep.

Of course, as city-based offices reopened, there was a return to the commute and to the city-centre office. However, it was at a reduced level from before the pandemic as companies recognise the cost and productivity benefits of a more flexible and fulfilled workforce.

So, despite the challenges identified above, today a vision is growing of the High Street of the future, dependent on many factors other than retail, creating community hubs where people can play, live and work. In fact, 75% of jobs based on the UK's High Streets today are already in non-retail sectors, partly driven by the fact that recreation and culture were the largest factors behind the increase in household spending between 2012 and 2019.

Further positive trends include:

Growing interest in healthy lifestyles, increased walking journeys into town centres and encouraging more people to work close to where they live;

More mixed-use property development, combining residential, tourism, commercial and entertainment;

Increased levels of eating out and buying street food;

People taking 'working holidays': i.e. professionals mixing their schedule to travel while working;

Growth in community events.



A greater number of workers drives more demand for quality shops and leisure activities, which, in turn, can make the High Street a more desirable place to live and to visit.”

Matthew Dillon,
(Associate Director), Arup



THE HYBRID WORKING

Today, many employers are revolutionising how they work to adopt a hybrid – working model, with conveniently sited ‘hub and spoke’ or ‘drop-in’ office or co-working spaces that enable people sometimes to work from home, sometimes from a local office and only occasionally to visit corporate head office.

REVOLUTION

This trend is powerful and ongoing. During 2021 and 2022, the highest rises in demand came from suburban and rural locations as companies either gave access to shared office spaces or opened smaller offices away from city centre hubs. In the United Kingdom towns outside major urban centres such as London saw sharp rises.



In Bromsgrove, outside Birmingham, demand rose by 153%, Andover in Hampshire was up by 85%, Broxbourne in Hertfordshire went up by 58% and Croydon, outside London, was up by 54%. This was balanced by a decline in interest in city locations, including the City of London particularly in the earlier stages of the pandemic (-26% in Q1). In 2022, a new Regus in Altrincham, a suburban town outside Manchester, was 80% sold before opening.

Research by Arup for IWG has highlighted the potential positive impact of creating local drop-in office centres in the UK, the USA and Germany: creating 1,200 around the UK, for example, would relocate up to £7.5 billion in gross value added (GVA) into smaller communities, additionally driving up to £151 million in productivity gains and £171 million in local spending.

The positive impact on society of this ongoing shift, in terms both of reduced carbon emissions and improved happiness, is currently difficult to quantify precisely. However, it is anticipated that the impact of hybrid and home working will be significant. A Censuswide study from August 2022 revealed 51% of workers now say they have adopted hybrid working.

While this means a potential 20% decline in revenues for businesses in cities and towns with large office populations, it will clearly drive increased footfall in current dormitory towns. With office space providers actively targeting such communities, and the resurrection of hospitality having a positive knock-on effect for retailers, the future of the High Street in such towns is looking more positive.

This, in turn, is accelerating the creation of the long-predicted 15-minute city. In this model, networks of interlinked communities provide local people with the work, the homes, the shops, the entertainment, the education and the healthcare resources they need, accessible on foot or by bicycle within the time the average commuter might have spent waiting on a station platform.



RISES IN DEMAND

- 153%** Bromsgrove, Birmingham
- 85%** Andover, Hampshire
- 58%** Broxbourne, Hertfordshire
- 54%** Croyden, London



People are waking up and shaking themselves to become free of the commuting nightmare they've been living with unnecessarily, sometimes for decades."

Mark Dixon,
Founder and CEO, IWG plc

THE ESSENTIAL SUCCESS FACTORS

The authors have identified a wide range of factors that, if implemented, are likely to support the survival and success of communities and their High Streets in the years ahead.

These include:

- 
1 Accommodating growth within a wider range of communities, including small towns, to facilitate the changing demands of work, supported through associated retail, leisure and housing;

- 
2 Repurposing redundant buildings as offices, homes and leisure facilities, with the support of planners and landlords;

- 
3 Enabling flexibility in usage, including innovation zones that allow change and experimentation in the uses and mix of uses in our High Streets, with no aversion to the concept of ‘fast fail’;

- 
4 Enabling better collaboration between landlords and tenants, including the increased usage of smarter, turnover-related leases;

- 
5 Local authorities taking on a leadership role, working with landowners, investors and tenants to co-create the kind of places that will thrive;

- 
6 Increasingly blurring the distinction between the places where people live and where they work, creating a critical mass of people living and working on and around High Streets;

- 
7 Creating policies that enable pedestrians to reclaim town and city centres;

- 
8 Increasing the number of planned events held in town centres;

- 
9 Supporting the growth of multi-modal transport, with joggers encouraged to return home via rider-share, and cyclists taking onward journeys by train;

- 
10 Making a deliberate effort to bring together all elements of society.

There are also several examples of successful policies and initiatives that policy-makers, businesses and communities can learn from.

These include exploring areas such as:

- 1** **Minority ownership:** towns and investment funds are actively repositioning themselves to create platforms for minorities to own shops and to encourage the public to recognise the value of such investments;
- 2** **Ecological/sustainable initiatives:** many communities have reconsidered their policies on waste removal and recycling during the COVID-19 pandemic, and have come up with new policies related to 'green cities';
- 3** **Alternative transport:** communities are creating transport-friendly town centres where cars may be prohibited, where pedestrian zones and cycling zones/lanes are created and more space given to outdoor dining;
- 4** **Local government partnering with business:** improving amenities including more outdoor seating and toilet provision, as well as free Wifi and phone charging points.



When looking abroad, we discover that every community's High Street requires personalised care and patience. Britain's High Streets will be no different."

Ray Gaul,
Founder and CEO, Retail Cities

Other factors for consideration include the provision of space for business start-ups, growth in event-based marketing, apps supporting local deliveries and even the introduction of local currencies and loyalty schemes.

Guidance for the years ahead

An illustration of a man in a blue suit and white shirt, steering a large wooden ship's wheel. He is also looking through a telescope. The background is a light beige color with a few white clouds. A yellow wavy line is drawn across the middle of the page, partially overlapping the text and the man's suit.

Positive trends identified today by no means ensure the future survival and success of tomorrow's communities and their High Streets. There needs to be a combination of activities attracting local residents, workers and visitors. Retailers, for example, will need to offer fewer, better stores, backed up by online retail provision. Other uses will need to include workspace, hospitality, leisure, medical, local government, education, services, culture and housing.

Getting these factors right will help us create and sustain the hybrid blended future reality on which High Streets will increasingly depend. The constituent elements of a successful High Street – retail, offices, housing and leisure – are self-reinforcing. As Phil Allmendinger writes, "More people working in a place underpins supports services and entertainment that, in turn, provide the buzz to make it an attractive place to live and to be. The High Street is more than the sum of its parts."



There is no one size fits all. It will be better to improve 100 things by 1% than seeking to improve one thing by 100%.”

Bryan Roberts,
Founder, Shopfloor Insights.

Matthew Dillon agrees. “With workers, shoppers and leisure visitors spending more time in their local communities, there is potential for greater civic engagement and participation in other community activities.”

Gaul concludes, “There will probably never be a better time than now to get

centralised and large-scale support for re-imagining the connection between town centres and their communities.” He believes there should be a clear analysis of what can best be achieved at grassroots level and what should be done by government.

Bryan Roberts advises: “It will take

many years of sequential modest improvements and innovations to reinvent the High Street and recapture the affection and affinity of the British shopping public.”

And Dixon looks forward to a post-commuting society, where people are better able to live as they choose:

“Where people, if they wish, can lead a localised life, whether in the city, town or countryside. Where people can work and play, making them healthier and more productive. Where companies can attract and retain the best talent. Where carbon emissions will fall. And where communities will thrive as investment floods in.”



Urban areas will increasingly leverage their existing infrastructure to become social centres, conveniently sited at the heart of far-reaching road and rail networks for easy access in a post-commuting world.”

Mark Dixon,
Founder and CEO, IWG plc

SPACES NEW MALDEN, GREATER LONDON, UK

From supermarket to flexible workspace...

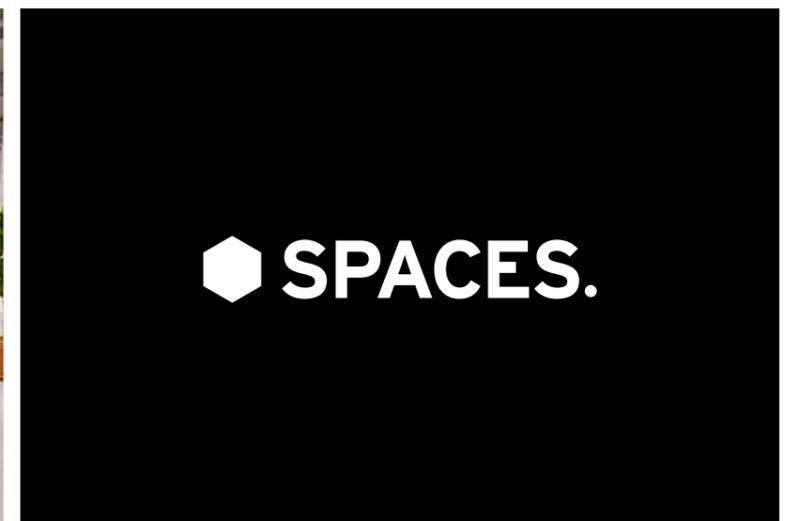
IWG created Spaces New Malden to meet a new demand in the London suburbs. Companies and workers are seeking high quality office space closer to home.

IWG was able to meet rising demand by converting unused space at a Tesco Extra store into flexible working spaces, making hybrid working a reality in the heart of the suburbs as workers seek to improve their work – life balance.

The first location in the new partnership is located at one of the supermarket giant's best performing locations. The 3,800 square foot Spaces contains 12 OpenDesks, 30 co-working spaces and a meeting room.

This is part of IWG's ambition to add 1,000 new locations to its global network over the course of the next year alone as the demand for hybrid working accelerates. Other IWG locations across South London include Twickenham, Sutton and the revamped Battersea Power Station.

The drive is in response to the sharp growth in hybrid working, with customers demanding a place to work closer to where their employees live, and workers wanting to live and work in the heart of their communities, scrapping their commute into central London.



SPACES KVADRATUREN, OSLO, NORWAY

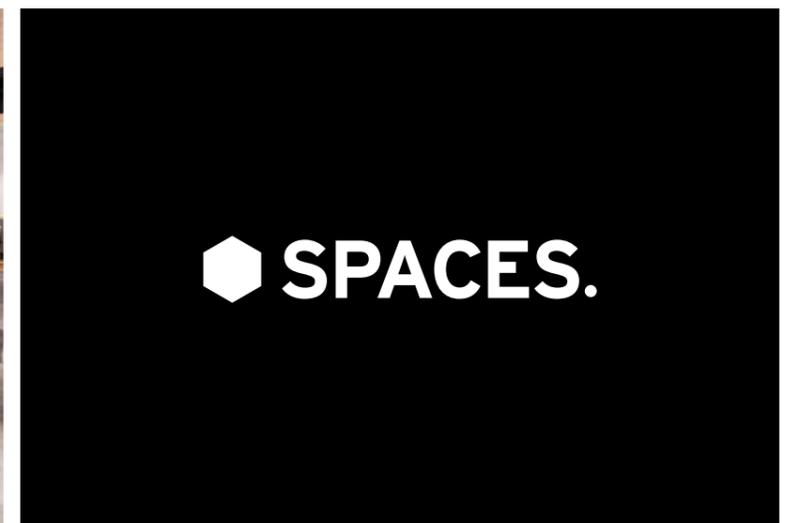
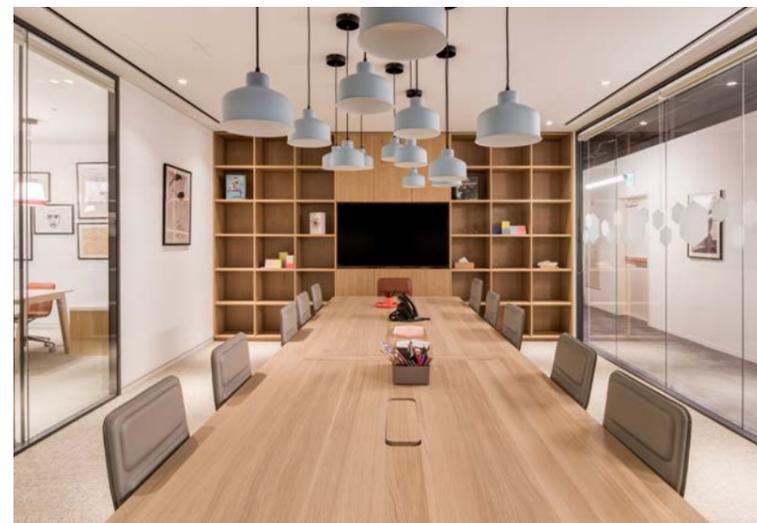
Investment attracts enterprise to redeveloped area

Spaces Kvadraturen is in old town Oslo, a previously undeveloped part of the Norwegian capital that is now a thriving district thanks to private and business investment. As one of the key investors, IWG recognised early on the huge potential the area offered the city, as a hub to attract a diverse range of talent and enterprise.

Right in the heart of Oslo, the Spaces Kvadraturen centre is very well placed for convenience, efficiency and entertainment. Within easy reach of the city's Central Station and Stock Exchange, it's just a short walk from the bustling Karl Johan Street, home to many of Oslo's busiest restaurants and cafés.

The centre itself respects the building's 19th-century origins, with a sleek modern design that includes many original details. With more than 400 seats and several private meeting rooms, it offers a light, airy environment with many open spaces. Its large open-plan atrium is designed to inspire creative collaboration and innovation, and amenities include cycle parking, storage lockers, a gym and showers.

Its greatest asset, however, is the 350-sqm terrace that provides more than just a flexible space for all types of occasion. It also has one of the best views across Oslo, clearly reflecting IWG's commitment to blending work and life for an effective working environment.



1

CHAPTER ONE

By Mark Dixon,
Founder and CEO of IWG

THE HIGH-BRID JOURNEY:

From centralisation to localisation

Several phrases tellingly sum up the way countless millions of people have lived their lives over the last 100 years or so – the period during which trains, planes and automobiles have ‘freed’ us from having to work close to where we live.



Phrases like ‘the daily commute’, ‘dormitory town’ and, closely associated, ‘executive burnout’.

As we battled our way to work in cities on crowded and expensive trains or through traffic in polluting cars, it was hard to imagine what the world was like before commuting became the norm.

A world in which people spent most of their lives in their towns and villages, close to their families and with their friends. Where businesses primarily served local interests and local communities, in easy walking distance for everyone who lived there. Where the High Street was an essential local hub from which people could

find everything they needed to sustain their day-to-day lives.

A world where cities, too, operated like a massive complex of interconnected villages, each with its own set of services and businesses serving local people. Above all, a world where work was local – not in a metropolitan centre 30, 70 or even 100 miles away.

High Streets buzzed. Small, independent retail businesses flourished. Village pubs and restaurants were full. People cared about and understood their communities. They knew one another’s business, they looked out for another – not least because they were commercially interdependent.

It wasn't perfect – just try reading authors like Thomas Hardy to see quite how tough life could be. But it was a way of living that worked for most people. And then changing attitudes and new technologies blew this world away. Two parallel forces worked in tandem to create a new reality in which 'centralisation' became the norm, bringing people together into massive office buildings to serve increasingly regional, national, international and even global markets.

The first of these forces was the growing

importance of business infrastructure and technology, from the typing pool to the mainframe computer. This meant that workers had to travel to use the kit on which companies increasingly relied for generating, managing, sharing and storing information.

The second force, of course, was the transport infrastructure – rail and roads in particular – which made it possible for workers to reach these destinations – day after day, week after week, year after year.



The shift to centralisation



The impact of these changes was extreme. Just a few decades ago, records show, the small village close to where I live was home to more than 200 businesses. Today, it is entirely different. It's not somewhere to shop, meet, chat and work with other people, because there are virtually no businesses at all. It is no longer a self-sustainable community.

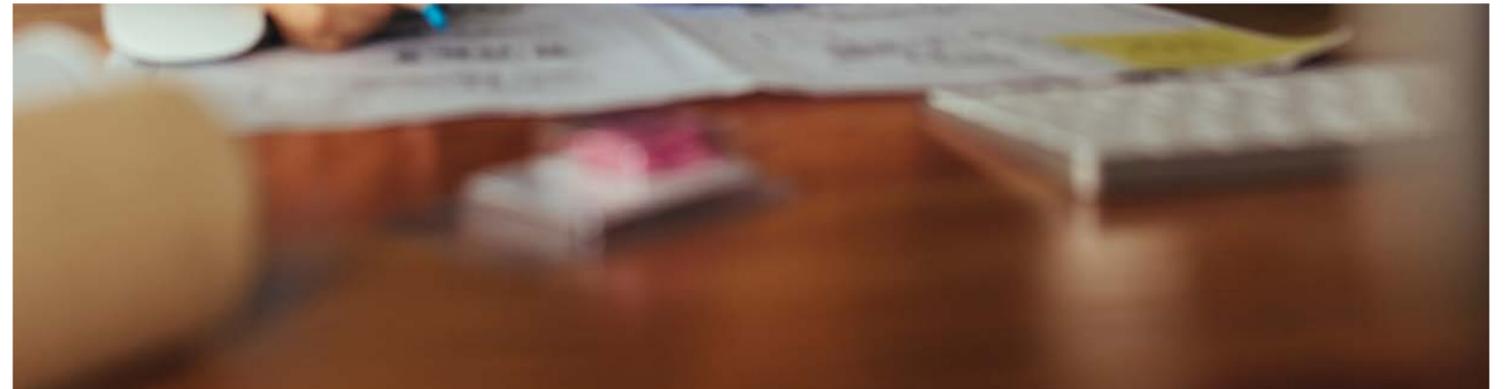
Local people didn't just commute away from it during the day. Many departed altogether, to move to the cities where the work was. The village was left with a few

elderly locals and a wave of wealthy city-dwellers looking for holiday and weekend properties. This rapidly became the norm for rural communities in developed countries across the world. It came to seem normal.

A parallel phenomenon took place in the suburbs and those towns within the gravitational pull of major cities. They were deserted by 90% of their wage earners during the working day and swamped by their return to sleep every evening, in a process that repeated itself five days a week.

This stripped those towns of their most energetic and free-spending demographic which, instead of using local shops, bars and restaurants, was fuelling those in city centres. This gave rise to a wave of national and international coffee, burger and pub chains that snapped up the expendable income of working people who in earlier eras would have been supporting their local economies.

FAREWELL TO THE COMMUTE



One of the few things that came to a complete stop was commuting. Company cars sat unused on driveways. Trains ran empty. And most people quickly found that they preferred it that way. They found the enemy was the commute, not the employer. And it soon became clear that those companies offering people work at or close to home could build a competitive advantage in attracting and retaining the best talent.

Of course, not everybody wants to work from home all the time, even though Zoom, Teams and many other apps have made it possible to do so. The office still has an important function, as a place for meetings, for collaborative innovation, for training and development, for fostering company culture and communication.

It's just that today that office no longer needs to be in a city centre, far from where people live. It can instead be in

their communities, enabling them properly to both live and work close to home. This is not some vague expectation or personal hobby horse. Rather, it is a clearly identifiable trend that's been underway in the UK for some time, along with similar patterns in many other countries where IWG operates.

To focus on the UK, companies are revolutionising how they work in a distributed way. As a result, we have

recently been seeing unprecedented demand from businesses for 'drop-in' office spaces for their employees. These have to be conveniently sited, enabling people to lead 'hybrid' working lives: sometimes working from home, sometimes from a nearby office (possibly based in a repurposed former retail site on their local High Street) and occasionally visiting corporate head office for specific purposes.

This phenomenon is already being reflected in the patterns of demand for office space we are seeing at IWG:



32%



There was a 32% rise in demand for space in suburban areas during the first quarter of 2021

20%



Also in the first quarter of 2021 there was a 20% increase in interest in rural space

175%



Our workspaces just outside London's M25 orbital motorway have particularly surged in popularity, with demand in Uxbridge growing by 175%

-26%



The interest of workspace in the City of London fell by 26%



In a major development, early in 2021 we pioneered a new concept in California's Napa Valley. This was with the launch of our new retail/co-working concept, where we offer workspaces and meeting rooms, available for daily or monthly rental, in a retail environment. By incorporating our Spaces brand into this setting, we're reducing workers' need to commute and giving them access to everything they'd expect from a traditional office, close to home and alongside everything they need on a daily basis. Uptake has been excellent, and we're looking to scale the concept globally to help re-energise local communities everywhere.

In the United Kingdom, we have undertaken a similar development in Brighton, on the south coast of England. This city became increasingly popular with people commuting to London. However, over the past decade, residents have relocated their businesses to the city or sought more hybrid working solutions. Meanwhile, retail use in the city is changing. Last summer, in response

to the COVID-19 crisis, Brighton & Hove City Council announced radical changes to its streets. These included road closures and a new temporary cycle lane that stretched for miles along the city's seafront – and there are further plans for a 10-year programme of walking and cycling improvements.

Brighton's commitment to pedestrianisation tallies with its reputation as a progressive, forward-looking city. Brighton already has three IWG centres – Regus Tower Point, Mocatta House and Regus Queensberry House – and all are accessible on foot or by bike from nearby residential areas.

In 2022, this trend has accelerated further. The challenge has been to keep the pace of new openings in new areas, working with partners to make more high quality flexspace available. While city centre volumes did recover after the lockdowns, what was more striking was the exponential demand in the suburbs and smaller towns previously seen as satellites

Throughout 2021, some of the highest rises in demand were in suburban and rural locations.



for larger cities. A new Regus in Altrincham, on the outskirts of Greater Manchester, was 80% sold before it opened. Intense demand has led to a new partnership with Tesco to repurpose space in their flagship store in New Malden into flexible workspace, with other openings in places

like Leicester and Finsbury Park.

I have made it clear over recent years that I want to see an IWG workspace in every village, town and city. In following customer demand, we are seeing strong growth in commuter towns and villages.



THE NIGHTMARE ENDS

People are waking up and shaking themselves to become free of the commuting nightmare they've been living with unnecessarily, sometimes for decades. Their lives are benefitting in many ways: less stress and discomfort in traffic jams or in crowded public transport, more time to spend with family and friends (or however else they choose), reduced costs and less enslavement to the ticking of the clock.

Towns that have been so aptly called 'dormitories' for many decades are rediscovering their living spaces too, with people returning to the shared public areas on their doorsteps. And local business opportunities are re-emerging, fuelled by consumers' new-

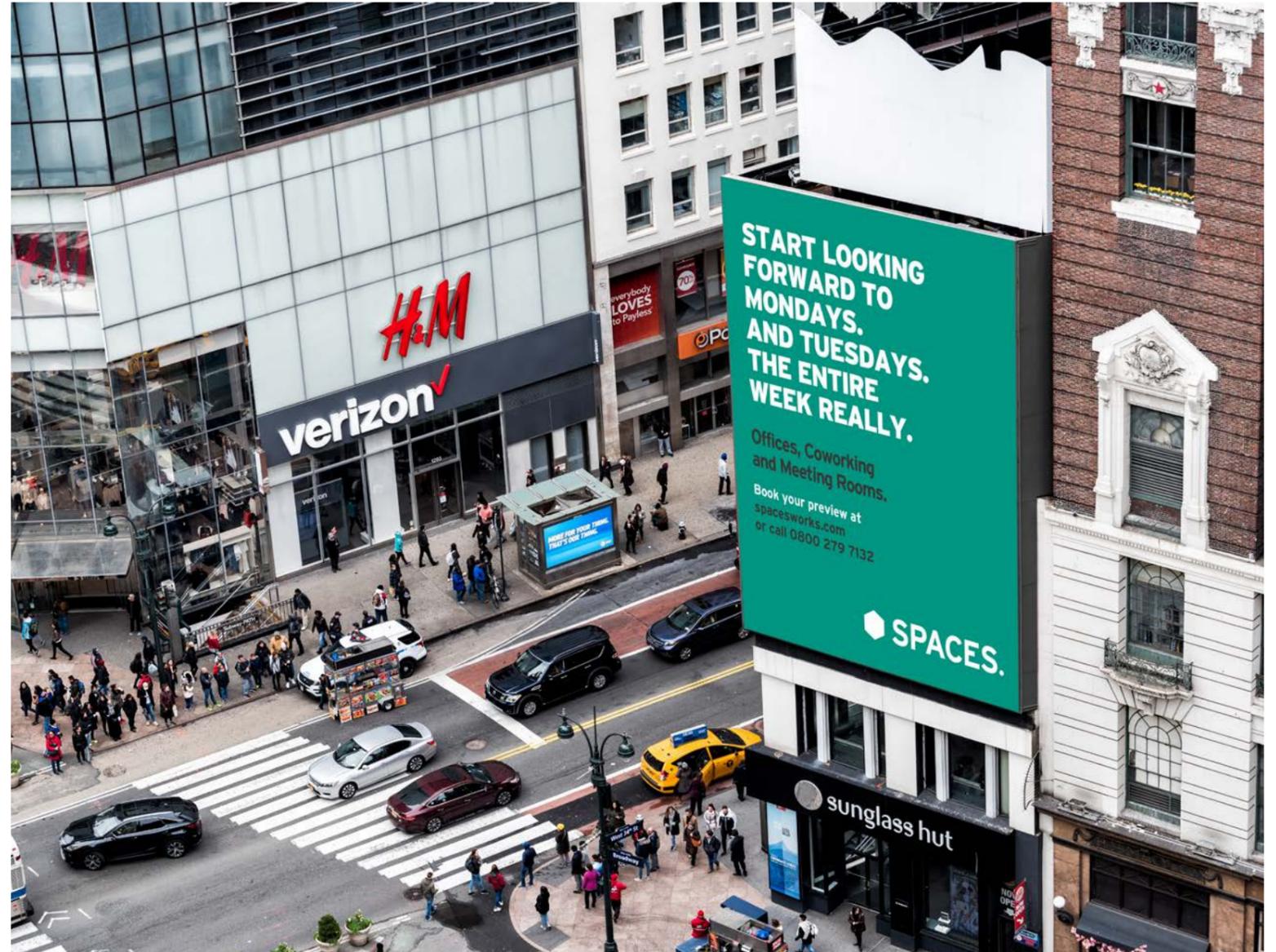
found ability to earn and spend locally.

Cities, meanwhile, will increasingly become 'experience hubs' for people to congregate and mark occasions ranging from stag and hen parties to sporting events, art exhibitions to city breaks. Urban areas will increasingly leverage their existing infrastructure to become social centres, conveniently sited at the heart of far-reaching road and rail networks for easy access in a post-commuting world.

And then, above all, there is the environmental gain that this shift will deliver. The potential that reduced commuting offers for cutting carbon emissions is too significant for us to ignore any longer.

INNOVATING ON THE HIGH STREET

Of course, there can be no return to the ‘good old days’, particularly for the retail sector, where the relentless march of online shopping, allied with the residual impact of COVID-19 shut-downs, continues to erode the number of bricks-and-mortar outlets on our High Streets. The current cost of living increases, and a looming global recession, will mean the discretionary spend that so many High Street businesses rely upon will be reduced, while fixed costs rise.



But even after we take that into account, we’ll see an acceleration in the birth of new businesses to serve the growing number of office workers in our town centres and suburban areas. Our High Streets might never be the same again, but given the right approach from planners and investors they will once more become increasingly important features of everyday life. And, as in the Napa Valley, opportunities for innovation around former retail sites are already being realised in towns and cities like Brighton.

The widely admired concept of the ‘15-minute city’, for example, envisages a network of interlinked communities where work, home, shops,

entertainment, education and healthcare are all available by foot or bicycle within the average time a commuter might have spent waiting on a station platform.

I believe such an approach delivers a raft of benefits: where people, if they wish, can lead a localised life, whether in the city, town or countryside. Where people can work and play, making them healthier and more productive. Where companies can attract and retain the best talent. Where carbon emissions will fall. And where communities will thrive as investment floods in.

The time to make it happen is now.

SPACES NAPA VALLEY, CALIFORNIA, USA

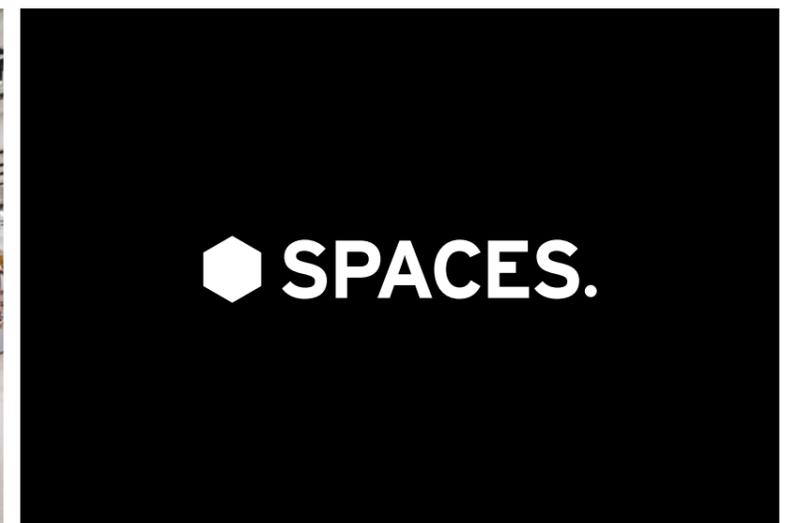
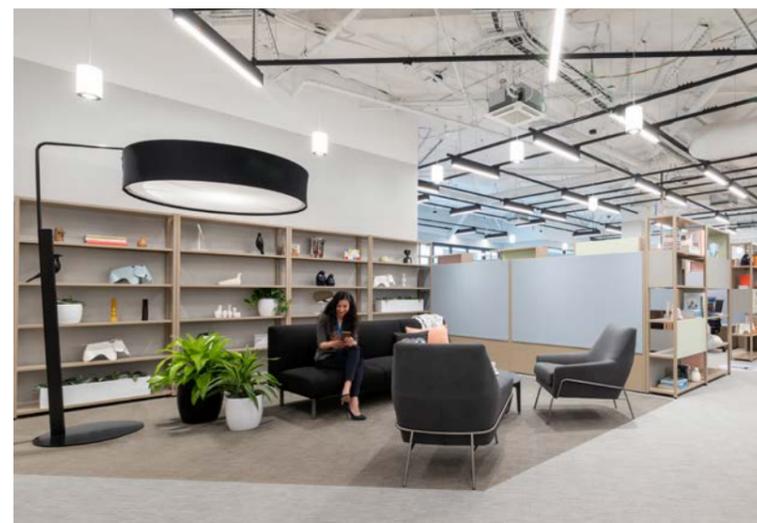
Exemplifying the 15-minute city model

Set in a newly-built retail complex at First Street Napa in the centre of the Californian city's redefined Downtown complex, Spaces Napa Valley is surrounded by a wide range of shopping, wellbeing and leisure facilities. As requested by local demand, it meets the criteria of IWG's '15-minute city' model, in which people can easily find everything they need to sustain their everyday lives on foot or by bicycle.

Today, the new centre provides convenient office space for local people employed by companies with main hubs in San Francisco and Silicon Valley. It also supports several businesses from the world-famous Napa Valley wine industry, giving them a professional address and meeting facilities.

The centre's guiding principles are flexibility and reliability in providing workspace options that can be tailored to every client's individual needs. COVID-19 measures such as one-way passages, health screening on entry and flexible scheduling options are in-built. It also offers customisable work-stations with portable privacy panels and adjustable desks for individual preferences and comfort.

The centre also reflects the building's retail roots, with an onsite office-supply store, a large kitchen area and the opportunity to borrow bikes to take a spin downtown.



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CHAPTER TWO

By Phil Allmendinger,

Former Professor of Land Economy,
University of Cambridge. Fellow of Clare College.
Deputy Vice Chancellor, University of Bath

THE HIGH-BRID JOURNEY:

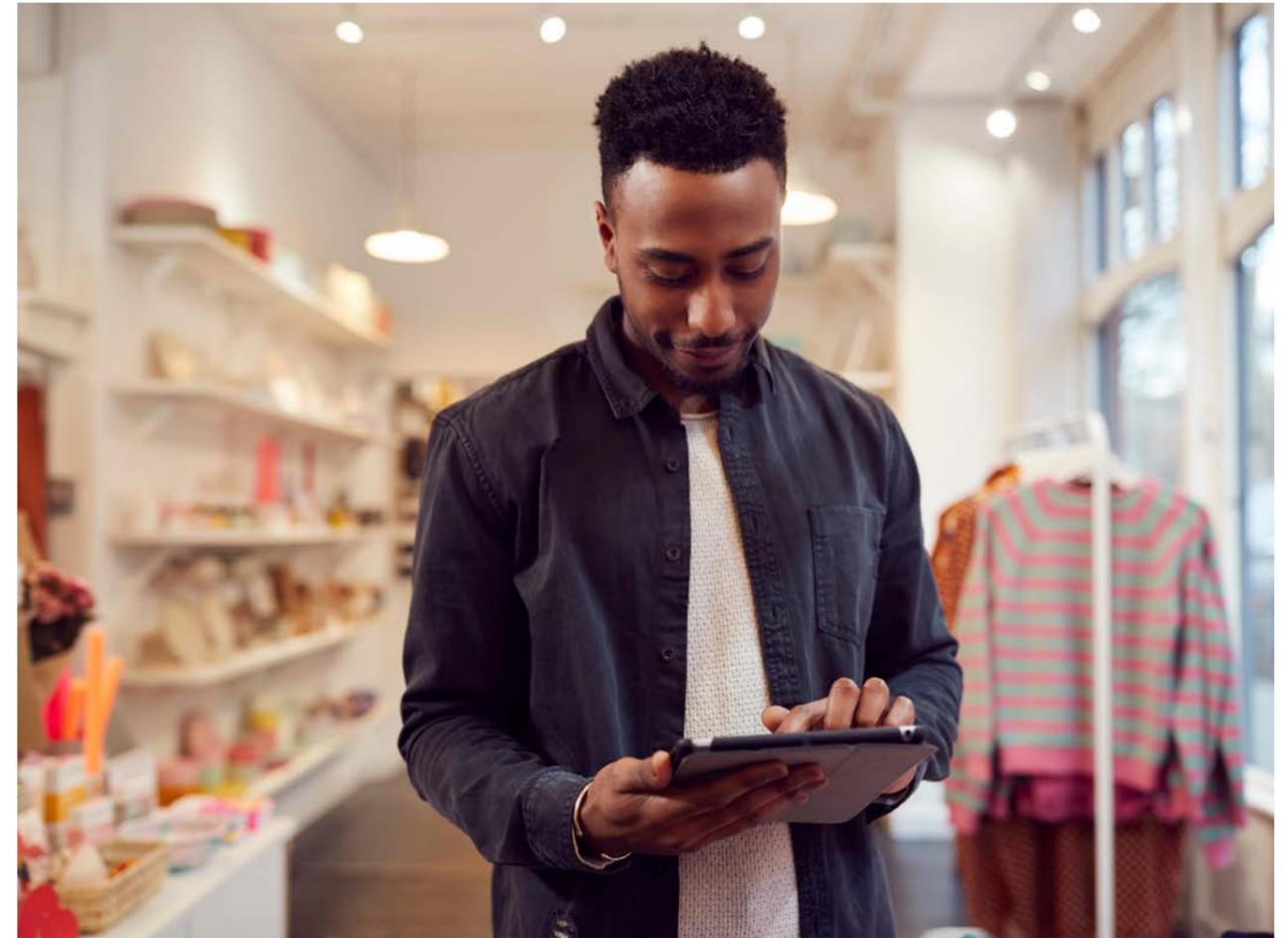
The resilience of the High Street



The resilience of the High Street through time is down to the interdependence and synergies of its constituent elements - retail, offices, housing and leisure.

Reports of the death of the High Street are greatly exaggerated. The headlines and data may be compelling, and few would argue that there are not challenges to the High Street today. Yet the stories of closed shops and empty streets that ran in the news during lockdown have a familiar feel. The shifts to out-of-town retailing that began with heavy goods in the 1970s, expanding into food and then leisure from the 1980s, and then into online over the past few years have all disrupted and challenged our High Streets. Yet High Streets survived and, in some cases, thrived, reinventing themselves and becoming attractive as 'full spectrum'

places encompassing work and play, destinations that offer entertainment and experiences that car based out of town schemes and online retailing struggle to match. There are also some elements of the High Street that cannot be easily moved into the digital world: as far as I'm aware, you can't yet get your hair cut online. As restrictions have been eased following lockdown, all the signs are that a city centre and High Street bounce back is underway. While some will continue to work and shop from home, a picture is emerging of a hybrid blended future reality.



The resilience of the High Street through time is down to the interdependence and synergies of its constituent elements - retail, offices, housing and leisure. These elements are self-reinforcing - more people working in a place underpins supports services and entertainment, that in turn provides the buzz to make it an attractive place to live and to be. The High Street is more than the sum of its parts.

On the one hand the headlines point to what some have termed the 'doughnut effect' as working for home and shopping have moved to towns and suburbs. Academics are also piling in. According to one recent paper, 'its (the pandemic) multifaceted impacts upon the functioning and experience of city living have been swift and deep'². On the other hand, there is an emerging picture of a shift back to the office, to the city and to our High Streets. As restrictions eased, one firm that contributed to our research³ reported that it didn't have to ask employees to come back; they returned to the office because they missed the social contact and the facilities around and about. There was also a fear of being left out and left behind, not being involved in discussions and decisions outside of formal meetings.

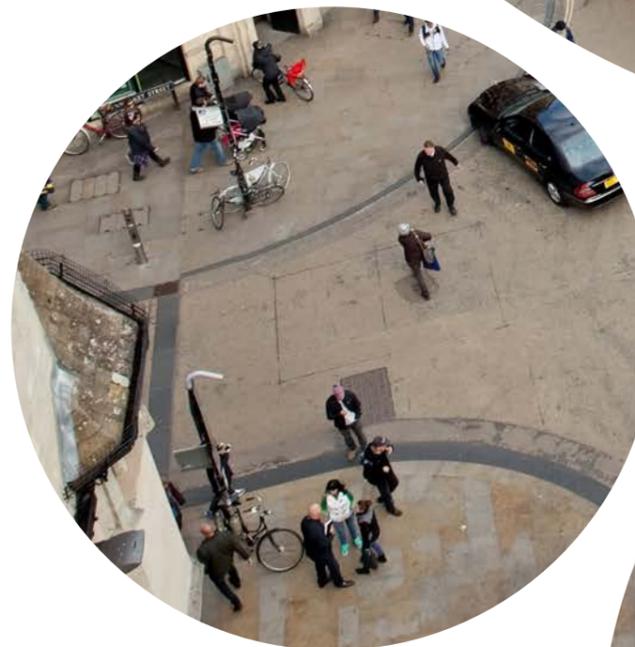


² Mick Lennon (2021): Planning and the Post-Pandemic City, Planning Theory & Practice, DOI: 10.1080/14649357.2021.1960733

³ Planning the Post-Covid City. Dr Stefania Fiorentino and Prof Phil Allmendinger, University of Cambridge. Funded by the Cambridge Humanities and Social Sciences Research Fund.

What, then, is the state of the High Street and what does the future hold?

Needless to say, the picture is more complex than the headlines would lead us to believe. Further, places are experiencing on-going trends differently. A focus on retailing alone tells a different story than a more holistic and longer-term perspective.



The impact of retail is covered elsewhere in this white paper, but in summary big cities and big stores have taken the brunt of change with names like Debenhams, Mothercare and House of Fraser, to name a few High Street stalwarts, either closing or severely reducing their operations. London and other commuting-based centres not surprisingly suffered the highest drop in footfall and activity during lockdown whilst coastal towns, commuter towns and local villages experienced less impact and are bouncing back quicker. Pandemic aside, the underlying trends and movements in retail are more significant for the High Street, however. Online sales stood at around a third of all retailing in mid-2021, up from around 20% before the pandemic though since the end of lockdown in July 2021 online has fallen back to around a quarter of all retailing.

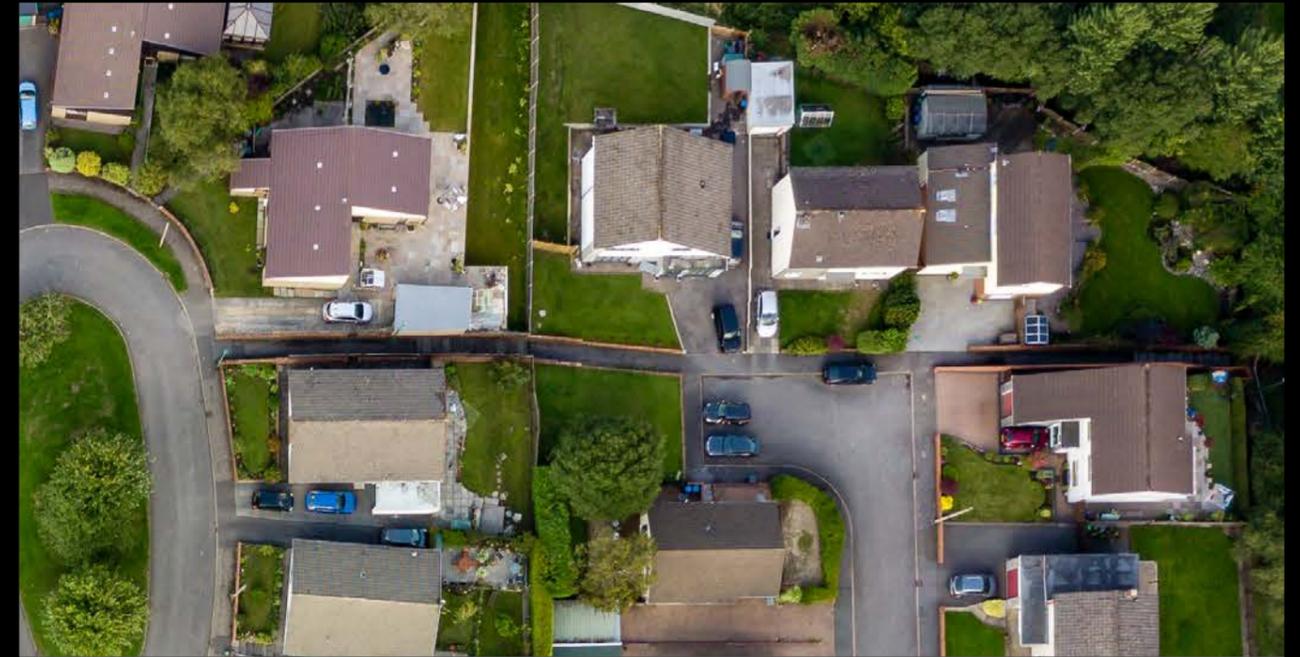


There has been a lot written about how online retailing is undermining the High Street, often accompanied with calls for an 'Amazon tax' to help level the playing field between online and so-called bricks and mortar retailing. Yet the pandemic growth in online shopping didn't kill the High Street shopping – bricks and mortar retailing has been in decline since the global financial crisis of the late 2000s. Since 2010 around 1,400 retailers have gone into administration, translating to nearly 400,000 jobs. The reasons for this cannot be solely laid at the door of online retailing – high rents, inflexible leases and permissive planning regulations that allowed out of town schemes, combined with restrictions on changes of use of empty shops need to take a share of the blame too. Digital and online accelerated on-going trends and have encouraged innovation and consumer-driven change, with many retailers developing blended online and physical shop models in response.

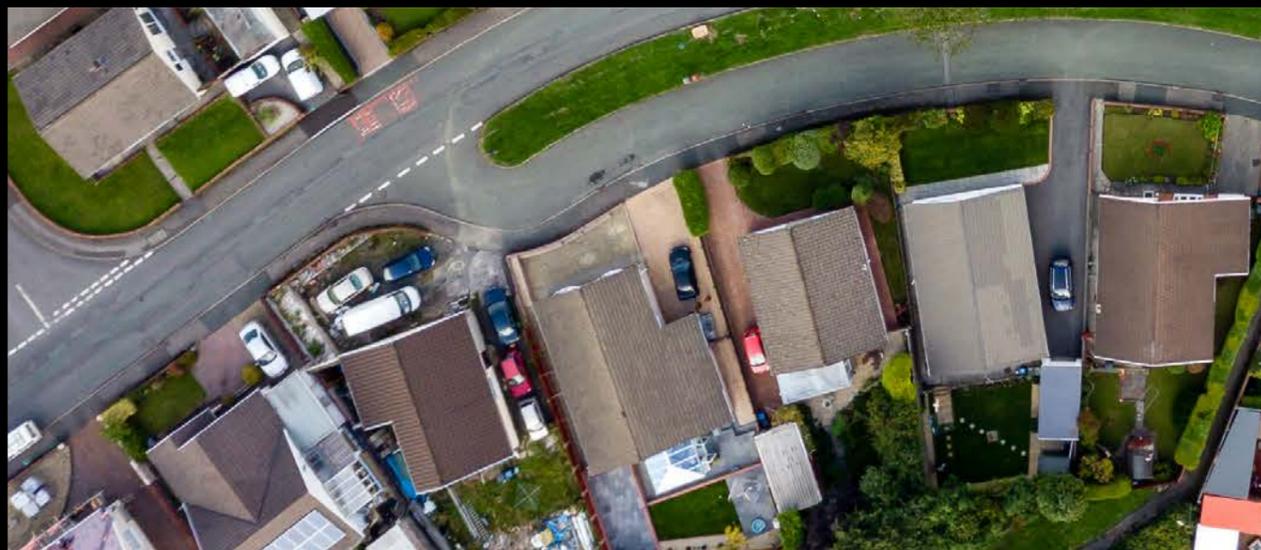
There are some that are enthusiastic of the pandemic related shifts in demand – the race for space, as it has been put – are sustained⁴. The hope is that the moves to trade apartment-based proximity to work for a home and garden in the suburbs or rural towns will help address affordability challenges in cities such as London. Again, high profile, pandemic-related impacts masked more significant longer-term trends and the realities as we emerge from the last 18 months.

Demand for housing and flats in cities began to recover as the lockdown lifted, driven by low interest rates, improved affordability driven by greater availability and employment prospects. Savills,

for one, expect a strong shift back to urban living. This return isn't simply a case of flats and urban living⁵ becoming more attractive as they become more available and affordable. It's also driven by important, supply side dimensions. In the longer-term local planning authorities remain wedded to restricting green field development in order to encourage regeneration in city centres. This model of regeneration and densification also fits the government's agenda for avoiding contentious and controversial housing schemes on green belts, an issue that grew in significance for many MPs following the Chesham and Amersham by-election in June 2021.



WHAT ABOUT HOUSING?



Many commentators and Conservative MPs connected the government's proposed relaxation of planning rules for new development with the loss of the seat to the Liberal Democrats. Opposition parties and many Conservative MPs have expressed concern that the changes will lead to more greenfield development against the wishes of local communities. The result is that there will continue to be a focus on redevelopment and regeneration of towns and cities alongside an ethos of 'placemaking' that drives the need for schemes to focus on a range of services to support communities.

Whatever the short-term impacts of the pandemic, the longer term supply will continue be driven by new homes and housing in existing towns and cities.

This picture of pandemic-related change temporarily eclipsing longer-term trends and evolution is mirrored in demand for office space. Lockdown and the shift to home working understandably raised questions over future demand for offices as many began to experience home working and employers realised that productivity didn't diminish.

⁴ Nick Gallent & Manuela Madeddu (2021): Covid-19 and London's Decentralising Housing Market – What are the Planning Implications?, Planning Practice & Research, DOI: 10.1080/02697459.2021.1964782

⁵ https://www.savills.co.uk/research_articles/229130/316864-0

Demand and rents have remained strong, particularly in Grade A office space, even in edge-of-centre locations.

This mismatch between speculation and reality can be explained by the underlying expectation from employers that the future will look more or less like the past: a recent survey of US firms found that employers were planning for 20 percent of full workdays being supplied from home after the pandemic ends, compared with just 5 percent before⁶. Such expectations of a more blended future having little, if any, impact on the demand for the amount of office space. Yet, again, the focus on the amount of space masks other issues that raise questions about future locations for offices and how office space is organised to meet changing market needs. Demand is shifting and providers are seeking to address this with a focus on affordability, flexibility in uses and the emergence of new locational opportunities.

Primary office locations have experienced no long-term decline in popularity. What has emerged is a growing demand in so called hub towns for space combined with an appetite for short-term, flexible arrangements. The demand for different kinds of office space emerges as a catch all to cover everything from a space to

work that's close to home for an individual to 'hot desk hubs' provided by large organisations for workers to use on days when not in the 'mother ship'. This 'hub and spoke' model is emerging in sectors beyond the traditional office market as universities develop satellite offices for administrative support, allowing expensive and often unsuitable city locations to be repurposed. These emerging trends in offices are beginning to soak up some of the surplus of retail space but this shift comes with its own issues, particularly around the cost of refurbishment of older buildings and the sometime inflexible attitude of planning authorities, though the recent changes in the Use Classes Order will help.

The continued evolution of the High Street and its ability to adapt are a result of the synergies of its reinforcing uses combined with a planning ethos of sustainable development that privileges urban redevelopment, densification and restrictions on out-of-town development. Many in the property industry feel that the pandemic has accelerated a necessary repricing in some High Street assets, particularly retail. 2022 is seen as being the point at which prices become attractive to bring back investment demand and repurposing.



⁶ <https://www.nber.org/papers/w28731>

So, should we just allow High Streets to evolve?



The simple answer is 'no'. There are two main reasons not to sit back and wait for the High Street to adapt despite the bounce back as lockdowns are lifted. The first reason is that the pandemic has masked some important underlying shifts that threaten at least two of the four elements of a successful, thriving High Street and the places that host them in the long term. Whilst our High Streets and cities have adapted to successive waves of disruption, from industrialisation in the 19th century to cars in the 20th, the current and primary disruption, digital technology, is different.

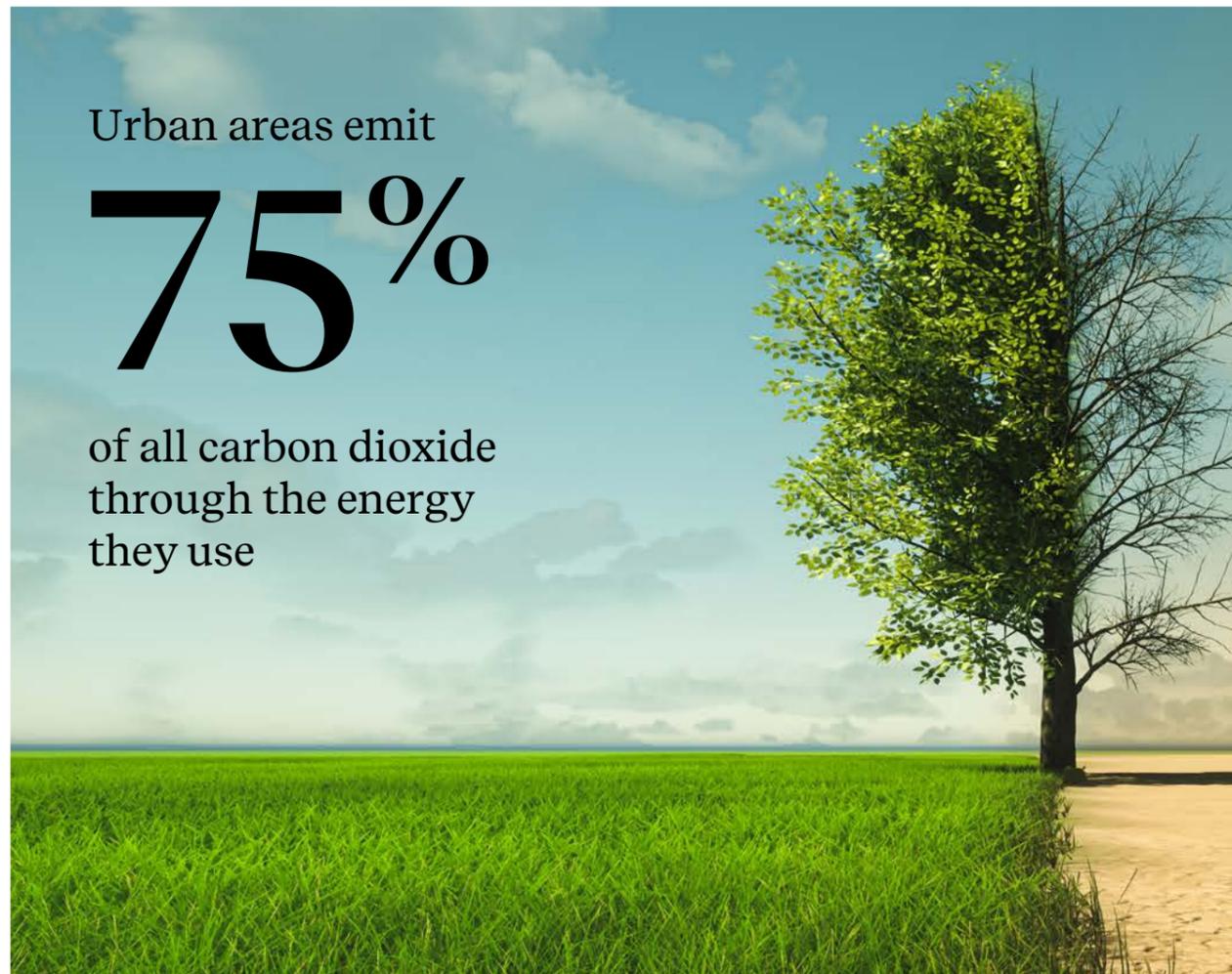
Online shopping and working from home are just the tip of the iceberg when it comes to the digital disruption that High Streets and cities face. Digital is fundamentally changing the nature of work with estimates of up to a third of current jobs in cities either disappearing or changing significantly. Just over half of all jobs under threat in cities are in five categories – sales assistants, administration, customer services, finance and storage. These categories are not equally shared across cities, and it is those cities that have attracted lower skilled jobs and are generally weaker performing that are most at risk. The cities that will be least affected are those that are already the most successful.

The nature of work is changing, and this will have significant impacts on the demand for goods and services in our High Streets, changes that will only be exacerbated by the opportunities afforded to some to work and shop from homes outside the city.

The second reason not to be relaxed about the future is that the disruptions and challenges the High Street faces are not landing evenly, either between places

or within our society. The opportunity to continue to work from home and take advantage of online provision of goods and services is by no means universal. In my latest book I explore what I term the "forgotten city", those elements of our society that are not benefiting from the opportunities offered by embracing a digital future. I also explore how the advantages offered by digital technology are matched by the less desirable consequences.

This loosening of the bonds of communities makes it more likely that we shrug our shoulders and say 'so what?' to the challenges towns, cities and High Streets face. After all, the city and the High Street didn't exist for 97% of human existence. Maybe, like the dinosaurs, their time has come, and the future will be one with a different urban form, one that emerges from multiple and unpredictable interactions. Attractive as this approach may be to some the health of our High Streets is too important to the future of cities to be left to chance. Successful cities are where we live together but separately. They are dependent upon tolerance, dialogue and compromise. If we can't agree on what are facts anymore then we cannot act collectively. And cities are vital to how we tackle the pressing issues that face us as a species. While many may be indifferent to the fate of our urban areas, the stakes couldn't be higher, because cities are the places where we work out our best, our most creative, our most vigorous responses to challenges we face as societies and indeed, as a species. From climate change to pollution, soil erosion to decreasing biodiversity, those urban spaces bring people together to figure out how we live together without destroying the planet. The future of humankind is inextricably linked to the future of our cities.



Urban areas emit

75%

of all carbon dioxide
through the energy
they use

Urban areas emit 75% of all carbon dioxide through the energy they use, while places like London import 80% of their food from all corners of the planet. Towns and cities are also feeling the brunt of climate change. In Europe alone 70% of urban areas are vulnerable to rising sea levels in the next 100 years and around the globe 360m urban dwellers live in areas vulnerable to flooding and storm surges, 78m people in China alone, a figure rising at 3% per annum. The vast majority of our urban infrastructure and services from energy plants to public transportation systems are vulnerable too, facilities upon which civilisation depends.

Places like London import

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Climate change is the issue facing the world and our towns and cities are the key to addressing it.

Our towns and cities might be the culprits and victims of climate change but they are also our best hope of tackling it by collectively, working to shift behaviours in consumption and production, shifting to renewable energy sources and limiting harmful emissions. At a time when some national governments are turning their backs on the global need to address climate change many towns and cities are stepping up their commitments and their efforts. Surveys highlight that urban residents are felt to be doing more to improve people's lives than national leaders. None of this should be a surprise. Towns and cities require us to think communally, to face up to the social rather than turn our back on it, forcing us to face common challenges. Cities need common solutions - collective transport, collaborative urban design, communal education, shared waste solutions - to succeed.

So, our High Streets face significant challenges and are critical to the future of towns and cities, which in turn are fundamental to the fight against climate change and other challenges facing humankind.

What, then, are the ways forward?



The first point to make is that successful High Streets don't just happen, they are managed, shaped and evolve to meet challenges and change. They require collective endeavour and action. The digital challenge is undermining the High Street and our ability to act collectively.

The second point to make is that we cannot 'know' the future. The future of the successful High Street won't come from a top-down plan but from a complex mix of the planned and unplanned, of order and

chaos. They need long-term thinking and the room to evolve, experiment and to fail. They also need space for the serendipitous and the unforeseen, the risky and the innovative. This requires a collective approach to work with, facilitate and shape on-going trends and opportunities to support the next stage in the evolution of the High Street. But it will also require us to drop some holy cows and embrace, instead, a more flexible attitude, future shaping, not future defining.

WHAT, THEN, DO WE NEED TO DO?

To ensure that our High Streets and our towns and cities can meet the challenges they face a range of elements within an overall strategy of a continued emphasis on redevelopment and regeneration to maintain critical mass and demand. Alongside this commitment is the need to facilitate long term shifts and trends in the nature of work, consumer attitudes and locational preferences. Embracing the above I offer below a number of elements to an approach that will help High Streets succeed.

POLYCENTRICITY

Let a thousand flowers bloom

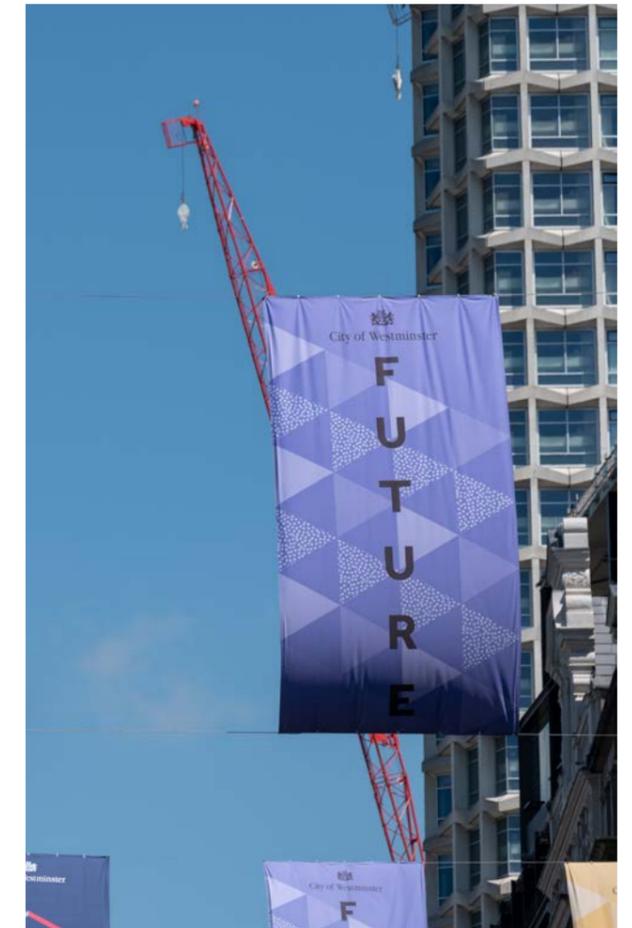
Hub towns and suburbs have experienced increased demand for office and retail space throughout the pandemic though these demands are likely to continue and underpin increased need for leisure and homes in these locations too. Traditionally, planning has used a nested hierarchy approach to settlements, focusing major change in the larger cities and restricting development in smaller towns. Going forward the spatial strategy for plans and planners needs to embrace the concept of polycentricity, accommodating growth within a wider range of settlements to facilitate the changing demands of work and support this through associated retail, leisure and housing.

FLEXIBILITY

One size does not fit all

At the same time the nature of the space planned for in this polycentric approach needs to be different from what has traditionally characterised planning policy. The era of the large chain store or big office schemes are over. In larger cities, traditionally the home of the large footprint store, this translates into the need for repurposing space. This presents physical challenges to adapt existing buildings but it also presents challenges to local government, landlords and investors. In recent years reoccupation of former department stores has been largely led by other retail uses mainly discount, charity or a mix of cafes, hairdressing and grocery. A more open and flexible approach will be needed in future given

the scale of underlying changes, allowing for redevelopment and repurposing for other High Street supportive uses, including offices, leisure and homes. The recently introduced Class E is a move in the right direction. Repurposing has been a particular issue outside of the capital: in London only 1 department store has remained unused though 63 have closed. In the North West the equivalent figures are 15 out of 96. As the proportion of physical retailing falls, experiential and blended schemes of homes/retail/offices can emerge but will need both support and facilitation from planners and landlords.



FLEXIBILITY

Create the space for fast fail

In hub towns and suburban locations the issues are more around flexibility in the amount and size of space and an approach that supports the notion of 'fast fail' in planning policy and decision making for office and retail schemes. In these locations, where demand is growing, local authorities need to accommodate changing needs and provide the space for experimentation and new platforms. The traditional approach in planning policy has been to attempt to define the High Street and then protect changes of use away from retail to other uses. This approach has stifled change and innovation and needs to be replaced by innovation zones that allow change and experimentation in uses and mix of uses in our High Streets.



LANDLORD AND TENANTS

Partners not competitors

Planning is a critical element to the future of our High Streets but there are others. Change in the physical nature of the High Street has to be accompanied by shifts in the relationship between landlord and tenant too. Leases and rents have to become more flexible and able to accommodate change: long leases and upwards-only rent reviews no longer match the reality of many High Streets where profitability has fallen and a blended physical-online presence means that space is less important than previously. Shorter, turnover-related leases are coming but the sooner that these become the norm, the sooner High Streets can begin to adapt and evolve.



THE PUBLIC SECTOR

Leading the way

Another dimension to how the High Street adapts is the need too for public involvement through schemes such as the Future High Streets Fund, an £830m pot providing co-funding towards regeneration schemes that will help support change. Yet this funding needs to be accompanied by a change in attitude within local authorities and a willingness to use some of the powers available to them, including, where necessary, compulsory purchase. For decades, local authorities have been on the back foot on High Streets, seeing their role as regulator and supporter. The transformation of High Streets will need local authorities to take on a leadership role, working with landowners, investors and tenants to co-create the kind of places that will thrive.

HOME AND WORK

Blurring the edges

Historically 'living over the shop' was a way in which costs could be reduced and proximity between work and home maximised. As the number of family-owned shops and businesses declined and chains emerged, physical spaces became more segregated. This often created evening 'ghost towns' as people left the High Street to head home, undermining demand for nighttime economy uses such as bars and restaurants. Independent shops are again in vogue and home working through the pandemic has shown that there are many advantages and upsides to creating mixed use spaces, be it retail-homes or office-homes. One clear benefit is reducing costs and increasing flexibility, particularly for start-ups. Another is the critical mass of people working and living in and around our High Streets. Another recent dimension to this desire to co-locate homes and jobs has been termed the '15-minute city', another angle on the long standing compact city narrative that has underpinned city planning as it attempts to help reduce car dependency and tackle climate change.





The High Street has been evolving and will continue to change, responding and adapting to needs and demands and disruptions. We can thank the pandemic for accelerating some slow burning, underlying trends sufficiently to make them visible, raising concerns and government attention as well as funding. Yet there is a bigger, more important picture that we shouldn't lose sight of.

Now, more than ever, we need healthy, active and purposeful cities to help support collective action on a range of global challenges. Healthy towns and cities need healthy High Streets. Indeed, the High Street is a barometer of a city's well-being. While it is difficult if not impossible to predict how digital commerce will transform the High Street and the city this should not and must not be an excuse for inaction. The biggest threat our High Streets face is not digital, it is inactivity and indifference. The way forward is to shape these trends and technologies to support what we want our High Streets and cities to be. This requires a range of partners and approaches, knowing as we do that the future will not look like the past. It will also require the loss of a few sacred cows along the way, particularly in the realm of planning.

IN CONCLUSION

REGUS TIANJIN, CHINA

Bringing new opportunities to a vibrant business location

Regus Tianjin has been designed to fulfil IWG's policy of siting its centres in high-demand locations that offer great connectivity and easy access. Its location in Tianjin Riverview Place, in the most upmarket zone of the Chinese city's Hedong district, connects workers directly to a vibrant business ecosystem that's a key hub for the manufacturing, textiles and technology industries.

Just a three-minute walk from the subway system and less than half-an-hour's drive from Tianjin Binhai Airport, its transport links are world-class. And with several international restaurants and the world-class Shangri-La hotel close by, it's also directly connected to the city's thriving entertainment scene.

Having opened in June 2019, the 1,500 sqm centre has already hosted many of the world's leading businesses in industries including pharma, finance and IT. It also welcomes start-ups and individual entrepreneurs, giving them the solutions they need to maximise their prospects.

When choosing the centre's location, aesthetics were an essential consideration for IWG. With a fabulous view over the River Hai, the building's large windows and marble walls fully complemented the city's own spirit of authenticity.

The company was also very careful about its choice of developer, as working with trustworthy businesses that support local communities has always been an important element of IWG's growth strategy. In this case, the reputation of Kerry Properties as an expert manager of Grade A office buildings attracted IWG's interest. Its record of employing local people from the communities around its multi-use spaces across China made the decision straightforward.



3

CHAPTER THREE

By Matthew Dillon,
Associate Director, Arup Ltd

The economic future of the High Street



Our High Streets deliver significant economic clout. As many as one-in-seven jobs in the entire economy in the UK are located on them (ONS).



And over £300bn was spent on in-person retail in 2020 (Retail Economics), a significant portion of the overall income of the nation. As the pandemic receded that rose by 7.8 per cent in 2021, and was predicted to rise by 2 per cent in 2022⁷. But these are mere numbers. Beyond this, our High Streets offer so much more in terms of their societal value: they are the centres of our communities, they are where people meet up with one-another, and they host events ranging from weekly markets, to annual New Year's Eve celebrations. They are a place



where people live and work. They offer a transport route. The words "High Street" are synonymous with our local economies

In this chapter I will talk about how investments in the High Street can impact positively on other policy areas. I will then talk about the opportunities for growth going forward, the importance of having fun, of having residents and workers on a High Street, and the ingredients for an economically successful High Street in the future.

The very idea of pride in place is almost defined by a town's main thoroughfare: it is what people think of when they consider a certain location, to the extent that when the Sunday papers examine a town's suitability as a place to move to, they almost invariably feature a photo of the relevant High Street (and, of course, an assessment of its distinctive, local amenities). This level of focus means that the actions that we take to re-invigorate the High Street can often create benefits that stretch into the local community, and well beyond.

Economists call these multipliers: the idea that by taking a certain action, there



are positive (and sometimes negative) impacts on others. Often these are well-understood. For example, the money that is spent on a cup of coffee, creates jobs for the people serving you in the café, and in-turn, for the people supplying the coffee beans, the milk, and the equipment. In fact, for every £10 spent locally, nearly £4, or approximately £120bn (based on 2020 spending), stays entirely within the local area (NatWest, CEBR). More broadly, there can be impacts beyond the parties that are involved in an immediate transaction. Investment in, say, walking and cycling infrastructure on the High Street can help reduce road congestion and encourage healthy lifestyles.

⁷ <https://www.retaileconomics.co.uk/retail-insights/thought-leadership-reports/outlook-for-the-UK-retail-and-consumer-industry-2022>

A boom in leisure; post-pandemic growth in retail, then resumption of the decline

This use of the High Street for leisure opportunities was the big growth story, prior to the pandemic. Retail continues to be significantly important, and, interestingly, is often used as a barometer for High Street success (an aside is that retail spend is among the few metrics on High Street performance that are monitored in detail) but, as time goes by, other sectors are growing in importance. Over 75% of High Street jobs are now in

non-retail sectors (including the public sector, food, accommodation, and other services and industries) (ONS). Looking forward, we expect further growth for recreation and culture, which were the largest drivers in the increase in household spending between 2012 and 2019 (ONS, 2020), and by the end of the last decade, were almost the single largest category of household expenditure.





During 2020, households decreased discretionary spend, and have lowered spending intentions across every category except groceries (McKinsey and Company). Whilst the impact of the pandemic on domestic finances has been polarised; those in lower income brackets have seen their savings decrease, and those in higher income brackets have seen their savings increase (although the majority of savers did not plan to spend their new wealth) (Bank of England, 2020). With a background of reduced overall spend, the double-whammy has come from competition from online and 'click and collect' shopping, which has

a relatively good pandemic, and those that have not fared so well: even in 2020, the numbers of barbers, beauty salons, fast food outlets, nail bars and food shops all came out positively, and fashion and clothing stores, bookmakers, estate agents and mobile phone shops declined (DC, reported in The Guardian). The re-allocation of the properties that were previously let by big names, in the UK such as Debenhams and Topshop, and in the US by Sears, presents a particular challenge.

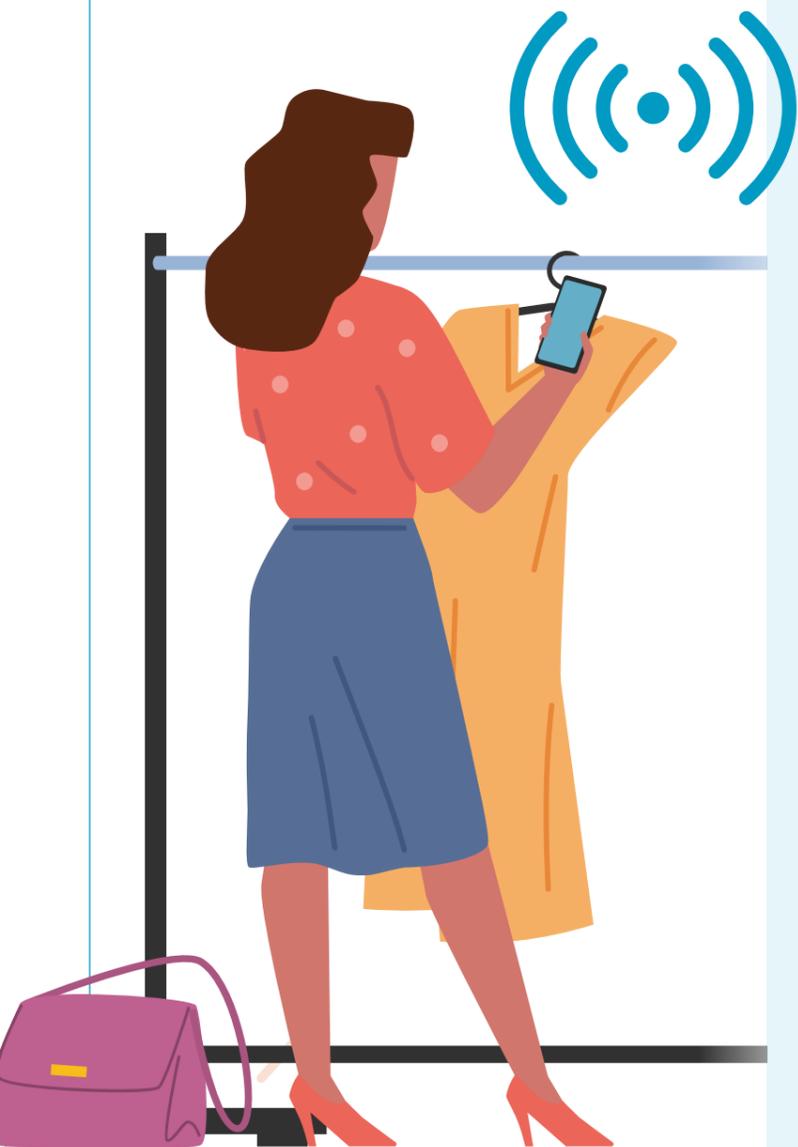
Whilst retail is not dead – even Amazon is examining opening large physical stores in the United States – in the future, we might expect a further evolution further away from being just a market (for shopping) to being a place to live, work and play (at events, pubs, restaurants, and cultural venues). More High Streets will adapt to these changes and begin to diversify away from some parts of retail, and into other sectors. High Streets have many key assets. They are often located at the centres of our community, benefitting from the best transport access locally. They normally have a fantastic leisure offer (not to mention a number of places for workers to find that perfect lunchtime sandwich). The architecture is often stunning. The footfall is the highest in town. The buildings are tightly packed in, making chance encounters possible. And even the properties left behind by retailers presents an opportunity for reinvention. Appetite for in-person experiences may increase as much of our baseline social and work contact is maintained online. There are large opportunities to build on the local loyalty that has been established during COVID-19, and the desire for a more experience-driven economy, to embrace a new era. If 2020 and 2022 are about survival, with a brief boost in 2021, the period beyond the current economic contraction is the one in which, with the right conditions, the High Street might be expected to thrive.

IN-PERSON RETAIL HAS BEEN HIT HARD BY THE PANDEMIC



been accelerated by COVID-19, and this has resulted in a shrinking of the overall space that is devoted to retail. This was reversed in 2021 and continued at a slower rate in 2022, but would expect the trend to online retail to resume shortly. In many ways, these impacts will not be evenly distributed: already we are seeing a stronger footfall recovery in smaller towns and cities, and those closer to residential locations, with those that depend on office workers, and international tourism, such as central London, and other large cities, slower to recover. Likewise, there are parts of the High Street that have had

The high street as a place to play



Figures 1 and 2 on the following page show how a typical High Street may respond to today's challenges. There may be more space for transformation economy experiences, including workshops and classes, and immersive installations, where memorability, and time spent are key. Creating a unique character will be a priority for property owners and developers, who are likely to seek retailers that have a distinctive identity. Experience and entertainment will be an essential requirement for a successful physical store, where people will seek what they cannot experience online.

Behind the scenes, dark kitchens may cater for a continued take up in deliveries, and urban warehouses can keep stock to fulfil retail deliveries. To be insulated against future pandemics, and to increase vibrancy and street life, the future High Street may make the best of the outdoors. Pop up structures, temporary covering and environmentally sustainable heating or ventilation solutions can be used in winter to provide more space. Flexible design of store layouts to provide for changing

uses will be an increasingly important factor, that allows retailers to integrate different activities and offerings as tastes evolve further. And at the check-out, technologies such as facial recognition and proximity sensors may – if the public supports it – facilitate fast and contactless payments. Human support is still likely to be necessary in store management, customer service, and security.

Even after the pandemic, social life may continue to flourish in the streets, and the demand for improved public realm is expected to gather pace, as people continue to search out experiential, rather than transactional experiences. Many cities, including Paris, are already delivering on these plans, which often bring people closer to nature, provide space for families, include recreational facilities close to workplaces and residential locations, and spaces for active travel and play. Within this, we expect the most successful High Streets to be those that host even more grassroots arts and culture events, that reflect local traditions and diversity. In this way, transforming

High Streets can help contribute to a number of other positive policy outcomes: making spaces more accessible, increasing community cohesion, and diversifying street life in our towns and cities.

Within individual neighbourhoods, the quality of the immediate location, rather than proximity to a city centre or economic hub, may continue to define our experiences after the pandemic, where we can provide access to essential goods and services on our doorstep. This may include car-free zones, with restricted traffic, with car parking at their outskirts and accessible cycling and walking infrastructure, reclaimed streets and public space for people that support physical distancing. Restaurants and shops are expected to spill out onto streets and plazas; and widened sidewalks can support queue management and offer a place to wait and meet, where reservations, digital queues and take-away services are not possible.

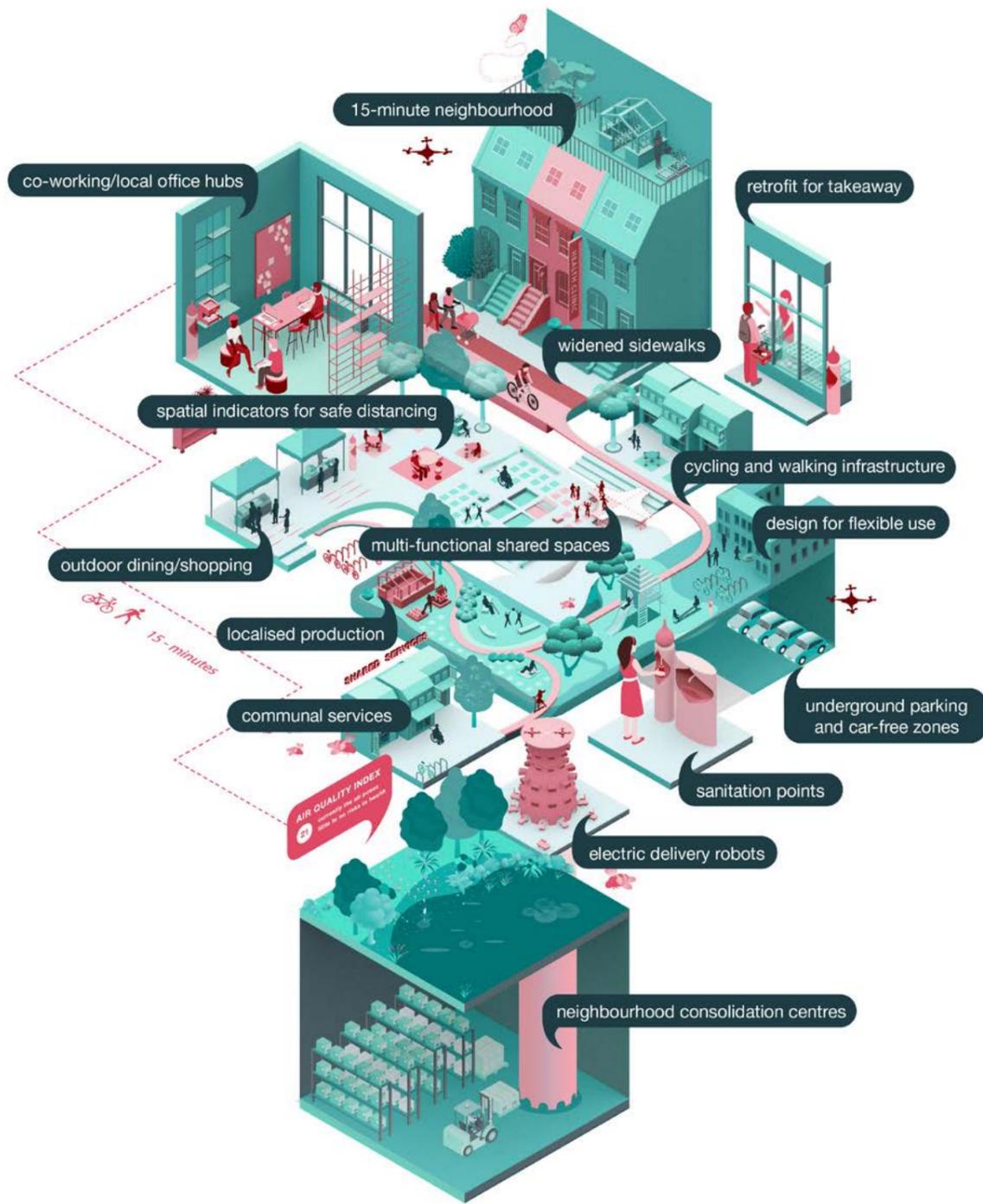


FIG. 1 - Image copyright of Arup Ltd

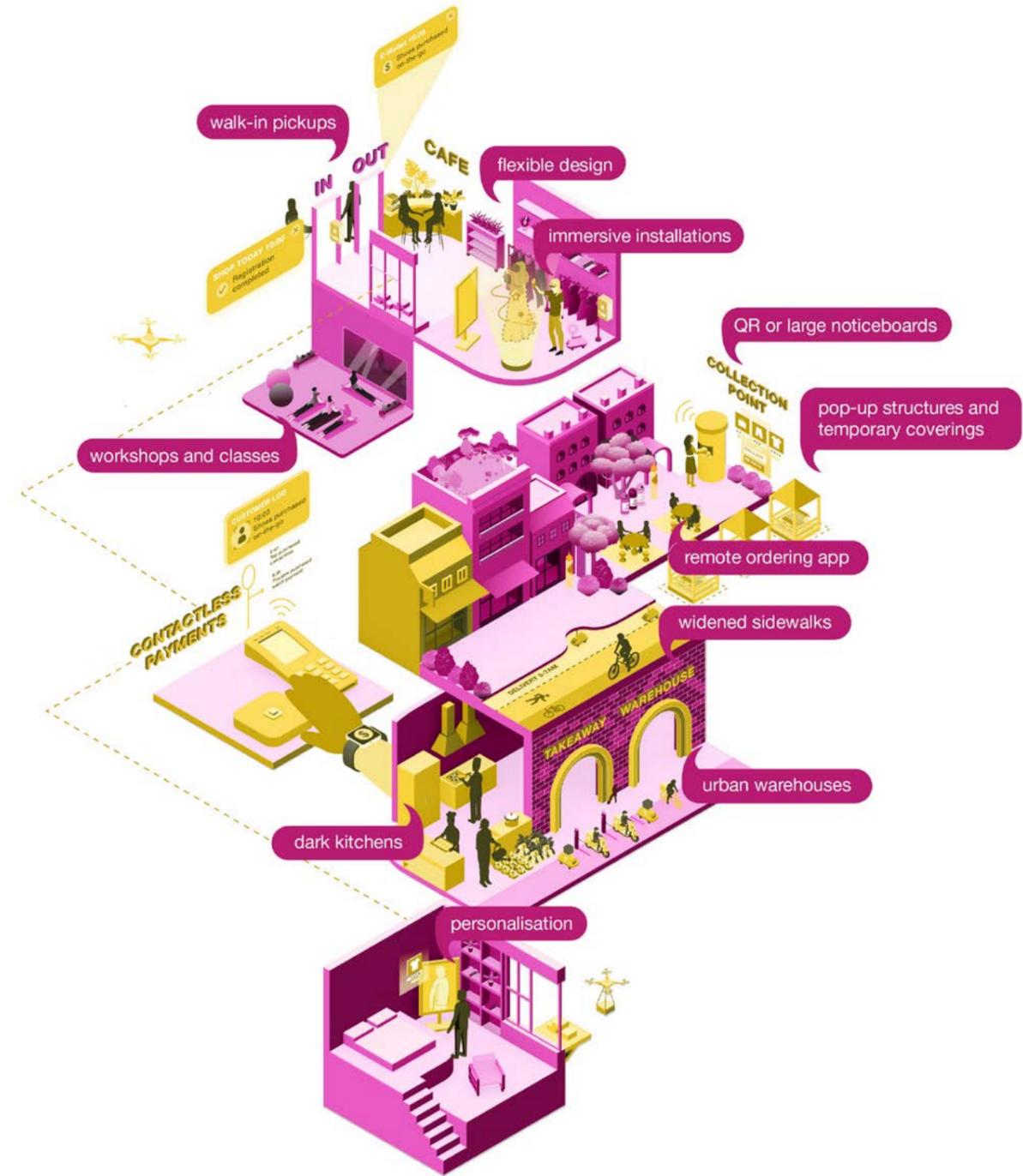


FIG. 2 - Image copyright of Arup Ltd

THE HIGH STREET



AS A PLACE

TO LIVE

Already, over 50% of buildings in UK High Streets are used for residential purposes (ONS), and sometimes a higher number in many European countries. There is a real opportunity to increase this further over time, to help with the housing shortage in many countries. City- and town-centre lifestyles are more sustainable lifestyles, less likely to be reliant on cars, and more efficient in delivering local services: a higher residential population will therefore help the transition to net zero. Residents offer a backbone of demand for local retail, entertainment, arts, culture, hospitality and for other public amenities such as

libraries and sports centres. As well as increasing footfall and vibrancy, this will help protect urban centres against future pandemics. Residents also offer a “stewardship” role, by curating and shaping facilities that are enjoyed by visitors and workers, especially in locations that are popular with visitors. We suggest that the number of High Street residents can be increased through positive strategic growth, and local planning, and is best delivered by high quality accommodation in homes that, given the High Street’s access to other transport links, are not dependent on car access.

AS A PLACE TO WORK



The pandemic has transformed working patterns for white-collar office workers. In the UK, the share of full-time employees working at least 1 day per week from home rose from 14% pre-pandemic to approximately 50% by early 2021. In the US, most full-time workers, and over 70% of white-collar workers, work remotely in some capacity by mid-2021. Over 30% of workers in Germany are working remotely by early 2021. Moreover, surveys show that nearly nine out of ten of employees in the UK who worked at home during lockdown would like to continue working remotely in

some capacity, while in the US this figure exceeds two-thirds.

Whilst the pandemic has increased remote working, it has also exposed some downsides of working exclusively from home, such as inadequate facilities, unreliable connectivity, unclear division between work and personal life, impacts to mental health, and lack of human contact and collaboration opportunities.

Flexible office spaces in High Streets, potentially using the space vacated by larger retailers in smaller cities, suburbs,

towns, and village centres, can allow for reduced commute times and greater flexibility and variety for workers, while offering an equipped workplace setting. Indeed, organisations such as John Lewis, Westfield and Macy's have been exploring adding office space to their existing High Street commercial offers.

These lifestyle shifts to flexible, remote working and conscious travel behaviours can increase the demand for local amenities to support new routines. Co-working and local office hubs close to our

homes or proximate transport hubs can provide an alternative to home-working, with access to high-quality equipment and a local community, and provision of a "third space" that will allow workers the flexibility to be away from distractions at home, whilst saving on the commute. A recent survey found that 47% of UK businesses are considering how their employees could work closer to home, while 21% of businesses said they will look at operating offices closer to where people live (Knight Frank).

The economic benefits



of more office workers

These additional workers would be expected to deliver significant economic benefits. New workplaces and offices in town centres can create new job opportunities through operations, such as front desk and cleaning staff. In turn, jobs may be generated to support these offices, such as in marketing or finance, often based off-site. Secondly, the number of white-collar office workers

working in smaller cities, towns, and village centres can have regenerative impacts, turning former dormitory towns into vibrant centres, as the economic activity shifts from being generated in closer-to-home locations. Thirdly, there are regeneration impacts from local footfall and spending: the increased presence of white collar office workers and operational staff will lead to increased worker



spending around workplaces, including at lunchtime and after work spending on retail and services, food and beverages, and entertainment. With this spend, new flexible office spaces can bring in demand for businesses on the High Street, support local jobs in face-to-face sectors, reduce vacancies and underutilisation of commercial spaces, and contribute to increased vibrancy. Fourthly, there is a potential productivity gain: A hybrid way of working blending home, flexible-office, and in-office working may potentially contribute to productivity from employees based on individual needs.

on the High Street

Working on the High Street could create thousands of local jobs, and billions of pounds of benefits

A study by Arup for IWG attempted to quantify these benefits in terms of their economic impact on local centres. The impacts are significant. In the UK, we examined a scenario in which up to 1,200 new work locations were established in suburbs, towns, and village centres by 2030. These centres would host workers either full-time, or that might travel to their offices on other days of the week. They would be equipped with IT and conferencing facilities, and would offer workers the chance to interact with one-another, in a dedicated work environment.

This portfolio of locations could create up to 2,400 jobs locally in day-to-day operations, management and cleaning, which would be associated with up to £92 million in direct annual GVA locally by 2030. There could be an additional 700 jobs in off-site support staff (such as marketing and finance), generating up to £77 million in annual GVA off-site.

Assuming up to 75,000 full-time equivalent workers were to become located in these new offices on High Streets, a staggering amount of up to £7.5 billion in annual GVA could be produced in these locations, transferred from elsewhere.



On top of this, if there is a 2% productivity gain, as might be expected from the delivery of a “third space” option, it could be worth up to £151 million in annual GVA.



The presence of additional workers in turn generates significant spending elsewhere, with up to £171 million being spent on lunchtime sandwiches, retail, leisure and after work entertainment in local High Streets, supporting up to 2,000 jobs (FTE) in the face-to-face sector.

In the United States the results are expected to be on a much grander scale. Up to 4,000 close-to-home locations on Main Streets in smaller cities, suburbs, and towns by 2030 could lead to up to 8,000

operational jobs, directly generating up to \$480 million in annual GVA locally. If 200,000 full-time white-collar workers decide to locate in those offices, \$35.5 billion in GDP output could transfer to smaller centres. In this case a 2% increase in productivity could generate an additional \$709 million in GDP, a huge amount for the local economy. Again, the spending impact is significant, with up to 6,500 jobs being supported by up to \$1.3bn in spend.

In Germany Arup examined up to 800 new locations in suburbs,

towns, and village centres. This would lead to up to 1,600 direct operational jobs in the country, generating up to €77 million in annual GVA. If nearly 40,000 employees were to locate in these new offices, then it would transfer up to €3.4 billion to German Hauptstrasses. Any increase in productivity could deliver €69 million in annual GVA in local centres. Lunchtime and evening spending would support nearly 1,300 jobs in face-to-face sectors, and deliver some €171 million per year in benefits.

With up to

£171 million

being spent on lunchtime sandwiches, retail, leisure and after work entertainment

			United Kingdom	United States	Germany
			1,200 Locations	4,000 Locations	800 Locations
	Direct Creation of New Jobs	Jobs created for operational staff (FTE) Annual GVA created	2,400 £92m	8,000 \$480m	1,600 €77m
	Transfer Value of White-Collar Work	White collar workers transferred (FTE) Annual GVA transferred	75,600 £7.5bn	198,800 \$35.5bn	38,600 €3.4bn
	Regeneration Impact	Spending by new workers Jobs created for face-to-face workers (FTE) Annual GVA created	£171m 2,000 £84m	\$1.3bn 6,590 \$471m	€171m 1,260 €57m
	Potential Productivity Gain	Annual GVA created	£151m	\$709m	€69m
	Total	Jobs created (FTE) Annual GVA created Jobs created or transferred Annual GVA created or transferred	4,400 £327m 80,000 £7.9bn	14,560 \$1.7bn 213,400 \$37.1bn	2,860 €203m 38,600 €3.6bn

Beyond these immediate impacts, there is a real symbiotic relationship between the play, live and work uses.

A greater number of workers drives more demand for quality shops and leisure activities, which, in turn can make the High Street a more desirable place to live and to visit. Similarly, a greater number of visitors makes the experience more vibrant, and pleasurable, creating additional demand for the services located there. Many facilities in local town- and village-centres have suffered in recent years. For example, even before the pandemic, around 1,000 local pubs in the U.K. were closing each year. In the U.S., over 9,300 retail locations closed in 2019. Other facilities under threat include restaurants, food and beverage, bank branches and public sector institutions such as libraries and sports centres, and even bus services. Additional patronage from office workers will help maintain these local facilities for the benefit of others in the community.

Likewise, a greater number of workers increases the number of business connections that can be made during the working days, the number of ideas that can be traded and the innovation that can take place. In some cases a snowball of activity may take place, whereby increased business opportunities, lead to a “pull” of the High Street to further providers, often in supplier and customer roles, relative to the incumbents.



Increased number of local workers and visitors



Increased local business and personal spending



Increased quality and quantity of local business, career, and leisure opportunities



More local businesses grow, and others relocate nearby

FIG. 3 - The virtuous circle of increased working on the High Street

IMPACTS ON LABOUR POOL DIVERSITY,

By allowing workers to work flexibly near to their homes, and offering the choice of a third way between central office and at-home, employers can recruit from a larger catchment area for the best talent and better retain those who may otherwise leave. Flexible working has previously been shown to be good for workforce diversity. In this way, offering workers a “third space” can help retain diversity of the workforce, which is key to the financial success of employers.

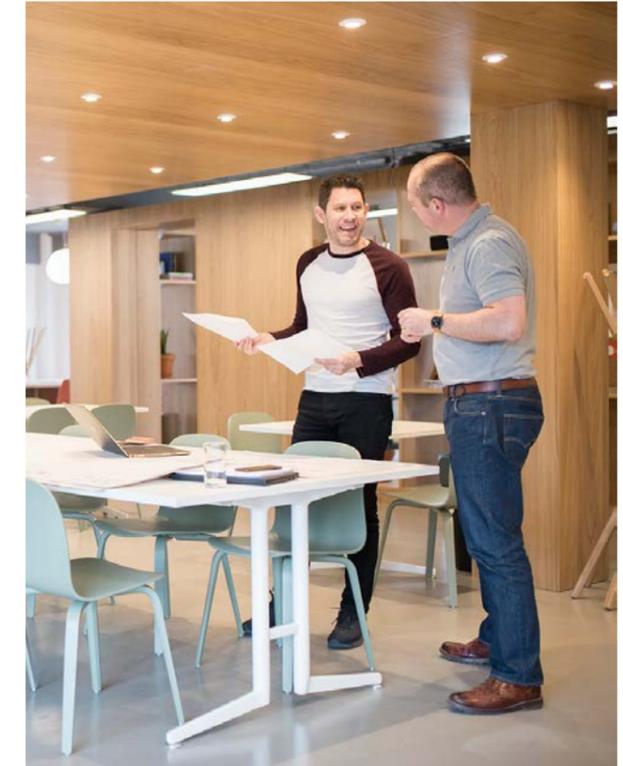


Furthermore, co-locating in an environment with diverse colleagues from the same, or different, organisations allows for face-to-face interactions to foster creative and innovative work. During the pandemic, businesses stated that innovation declined in part due to lack of informal interactions and collaboration.

The rejuvenation of the High Street can contribute significantly to other policy areas. Building new homes in local centres can encourage more environmentally friendly lifestyles, whilst also meeting demands for new housing. The environmental impacts of working closer to home could be substantial. A typical worker commutes 58 minutes to work (with 67% travelling by car) in the UK and 55 minutes in the US, while in Germany,

over 27% of workers commute more than an hour per day. A working, shopping and leisure location closer to workers’ homes in the suburbs, town, and village centres may reduce commute need and time, offering workers more hours to work or to spend on leisure, compared to travelling to further central offices. They could help reduce congestion and CO2 emissions (in countries like the U.K. and U.S., transport is the largest emitting sector of CO2), particularly if workers access the site through low-carbon or active modes.

Beyond these, localisation on the High



Street may also bring benefits through increasing localisation and resilience. Greater cohesion, through increasing the role of the High Street as the centre of the community, and increasing the number of local services could improve the speed of emergency response and strengthen future resilience to pandemics and other shocks and stresses.



CARBON, RESILIENCE, AND EFFICIENCIES

PRIDE IN PLACE



Delivering this growth in areas that might have experienced a decline in retail or suffered multiple closures under COVID-19, can also contribute to “levelling up”, or redistribution of opportunity, allowing a place to fully realise its potential as the centre of the community.

There will, of course, be different solutions for different areas. All town centres and High Streets have unique, complex and interrelated issues that need to be addressed and that decisions need to be made in the context of scale, hierarchy,

surrounding context, business ownership and political will. A solution for Birmingham, Alabama, will need to be different to the solution for Birmingham, England. And of course, local ambition and champions will be needed to deliver. The most successful of these will bring together the clarity of purpose that is needed, with local knowledge, and a realistic, but stretch target of what can be delivered locally.

The potential rewards are immense. We have the opportunity to pump billions of pounds into the High Street. We have the opportunity

to protect and create thousands of jobs, and to enable many others to work more closely to where they live. We will be doing this, focussed on the streets that are the best-known, the most well-trodden, and the focus of much of our emotion in the places that we know best. We can do this whilst helping to achieve environmental benefits, and build new homes. And we have the opportunity to ensure that the economic growth that results is spread across all areas of the country.

And it is this – the pride in place that comes with a home-grown solution –

that is perhaps the largest prize from the new chapter in the existence of our High Streets. With workers, shoppers and leisure visitors spending more time in their local communities, there is potential for greater civic engagement, participation and engagement in other community activities. It is, perhaps, no coincidence that in the prime era of town centres, up to the mid-twentieth century, most people lived and worked locally. With the right ingredients, we could be looking at a second golden age in the coming decade.

SPACES UPTOWN VIC, CANADA

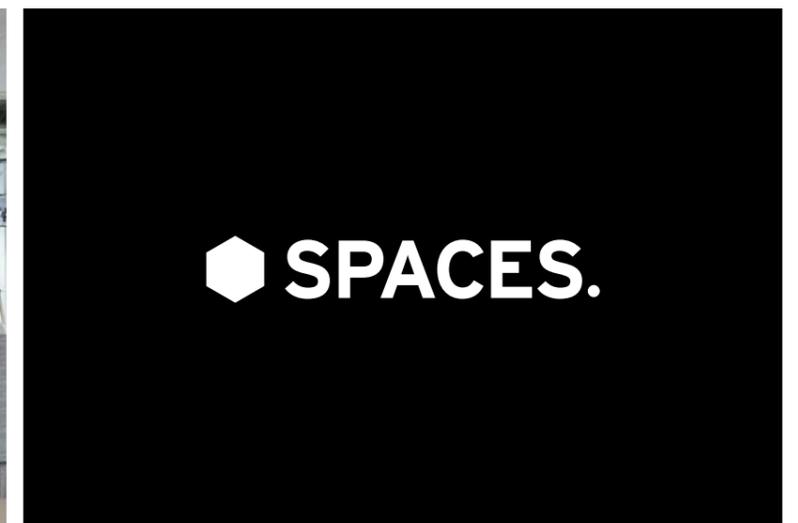
Purpose-built centre brings work/ life balance to Vancouver's workers

Vancouver Island's city of Victoria has undergone a 30% growth in the tech industry since 2014, and today hosts more than 1,000 firms specialising in all aspects of the sector.

This makes Spaces Uptown Vic centre, based in the city's suburban north end region, particularly attractive to a growing population of local tech professionals, creatives and other freelancers who are keen to lead flexible working and home lives. The centre's location means it not only offers open spaces as well as the services and amenities people need to live from day to day. It also provides easy access to what is widely regarded as Vancouver Island's premier shopping, dining and entertainment experience.

As such, the centre sets new standards for the 15-minute city concept, intimately connected to the local economy yet free from congestion. And the clientele profile – in businesses from app design to financial management and medical software – offers everybody involved great opportunities to meet similarly creative professionals focused on innovation.

Built from scratch, the centre embodies IWG's commitment to creating design-led workspaces that deliver a tailored work experience to suit all needs. So the 25,244 sq ft building provides areas dedicated to different working styles, from high-ceilinged break-out lounges to state-of-the-art meeting rooms and private offices for more formal requirements.



4

CHAPTER FOUR

By Ray Gaul,

Co-Founder and CEO, Retail Cities

HIGH STREETS INTERNATIONAL

What can Britain learn
by looking abroad?

Before the age of the car, village and town centres were designed for two purposes: to accommodate rail travellers from outside of town and enable horse & carriage setups, and trams, for travellers in town.

More importantly, if a town were a port, transport facilities were required. Would-be retailers and wholesalers setup so locals could buy goods 'from the boat' before they were transported onward. The role of the High Street was literally to connect points of interest - the port to the rail station, or the commercial centre to the residential areas, or place of worship to places of transport.

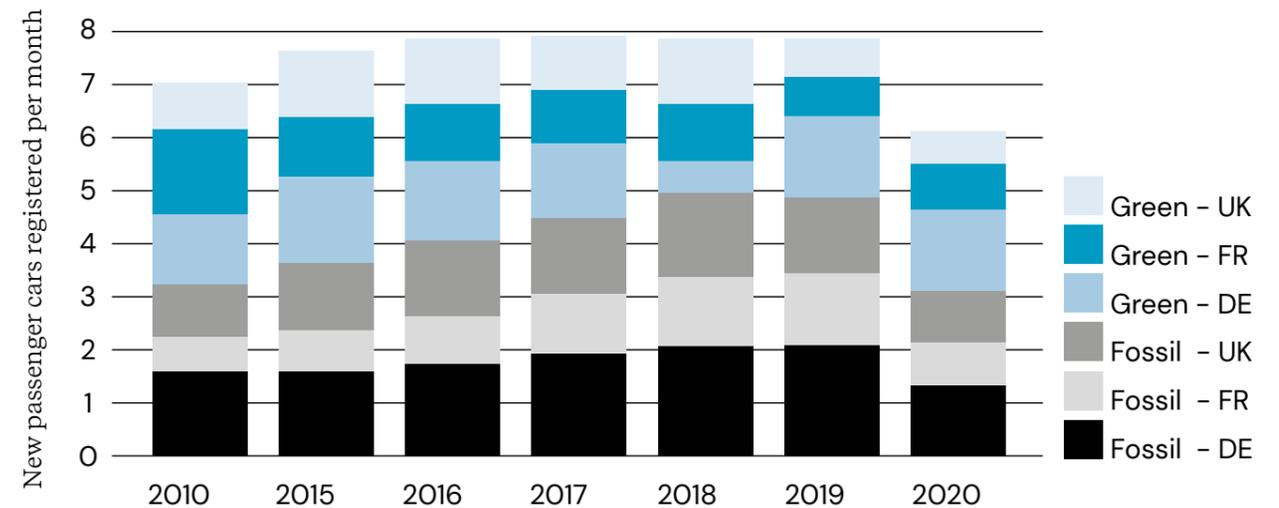
Motorways changed all that. In the age of highspeed motoring, the main objective has been to get on and off the motorway with as little delay as possible. Retailers have embraced this mission statement by building properties designed almost exclusively for motoring citizens and the High Street was replaced by the Mall.

Early signs of change are in the air. Will we revert to the former blueprint one day?

An increasing number of individuals are abandoning car ownership for car sharing. Younger citizens are switching to alternative modes of transport. In June 2021, leaders of the G-7 group of countries announced plans to stop manufacturing cars that burn fossil fuels, phasing production out over a twenty-year cycle.

Statistics from three of the G7 countries illustrate this shift. Looking at new car registrations from 2010-2020, we can see that 2017 was the 'peak' year with just under 8 million new passenger cars registered. In 2017, the majority of these were fossil-fuel based. In 2020, not only did fewer cars get registered as a result of the pandemic, but the ones that were registered, were overwhelming non-fossil fuel-based motors, especially in Germany.

New Passenger Car Registrations in UK, France and Germany



These points are important to understand when considering the types of retail businesses that will become the best fit for the modern High Street – both near term and medium term. When we look at towns from two perspectives, asking, "What type of 'goods transport' defines the town centre?" and "Has the town been able to adapt to passenger cars?", the result is that at a global level there are nine types of town centres, as illustrated in this diagram:

	Seaport	River or Canal Port	Trading Centre
Built or rebuilt for lorries	1	2	3
Able to retrofit to accomodate lorries	4	5	6
Unable to retrofit to accommodate lorries	7	8	9

INTERNATIONAL COMPARISONS

It is unsurprising, given this perspective, that in G-7 countries where towns and villages were rebuilt from the ashes of World War II, particularly in locations that are neither sea nor river ports, they have had an easier time building commercial shopping streets that perform strongly in the motoring age. Countries such as Germany, France, and Japan, where vibrant town centres have a mix of old and new retail, often with regular deliveries from large lorries in the newly constructed areas (built post 1945). Moreover, the Western half of North America has had similar success where towns have sprung up across prairies, deserts, and mountains where no towns existed in the age of the horse & buggy.

These differences are reflected in the names that locals give to their 'High Streets'. In the Eastern half of the USA the High Street is frequently called variations of 'front street' (such as river front or water front), 'commercial street', or main street. In the Western half of the USA, the main shopping centres are often called "avenue" or "boulevard" or "drive" or even "strip". Perhaps the most famous High Street examples are Rodeo 'Drive' in Beverly Hills or the Las Vegas 'Strip'. Almost everywhere they are simply called downtown.

These street names are only possible in

a city built around cars. We can spot the same pattern in countries rebuilt from the ashes of World War II. In Japan there are two types of shopping streets: Pedestrian shopping streets, often arcade-style, called shōtengai, and commercial districts. Shōtengai pre-date automobiles but commercial districts were built fresh where war had destroyed that which came before. There are over 12,000 shōtengai in Japan. Shōtengai became the hubs of economic activity in the post-World War II baby boom and therefore have strong associations with many of Japan's over 65 age group – which now represents almost a third of the total population. They



FIG. 4 - Heidelberg, Germany's shopping district, reconstructed to accommodate passenger cars

declined in the 1980s alongside Japan's economic slowdown.

Japan's commercial districts are possibly more famous in cinema, often chosen as backdrops to sci-fi future of humanity films. In these films, skyscrapers fitted with flashing lights and videos share the same space with busses, trucks/lorries, flying transporters, and pedestrians.

In France and Germany, the modern-day terms for High Street shopping environments are difficult to align precisely with the emotive meaning of 'High Street'. In France the most widely used expression is "centre ville" and in Germany it is "innenstadt". These are effectively the same meaning which is town centre or inner-town. For consumers, these expressions have stronger emotional correlation to the North American expression of "downtown" than they do the British expression "High Street". Once again, France and Germany's town planners benefitted from the possibility of redesigning towns to accommodate

automobiles when rebuilding after the war, an advantage, to some degree, for a good portion of the 1950-1995 era, which preceded internet shopping.

Rounding it out, Italians talk more frequently about "il mercato" (the fresh fruit and veg marketplace) than other topics, indicating the blend between traditional and modern that characterises the Italian way of town and village activities.



FIG. 5 - Nakamise shopping street, a typical shōtengai, in Asakusa. The street was designed to link the train station to the city's main temple of worship and retains many of its original features.

Similarities and differences between international “High Street” equivalents

Statistically speaking, several trends negatively impacting High Streets appear to be universal across all G-7 countries.



Automobiles

Car journeys are taking more time and costing more money in 2021 than they did for prior generations and it takes longer to park. In many countries shopping malls are also facing declines in footfall, largely as a result of alternative forms of shopping with ecommerce and discount stores predominant.



Shopping Destinations

Key destination shopping categories like fashion, games, books, cosmetics have moved online, particularly for the under 40 age segments – at nearly the same rates as the UK in most G-7 countries, the exception being Italy.



Shopping Days

Many High Streets are showing the heaviest periods of demand during public holidays, Sundays, and evenings – which can be difficult for small and traditional shopkeepers who prefer the old Monday to Saturday schedules.



Tourism

Both international (dreamcations) and domestic (staycations) are increasing as a main rationale for visiting a High Street – making it harder for shopkeepers to “know the customer” a key advantage they enjoyed for decades, and thereby justifying higher prices than in mass retail.



Budgets

Towns are building “teams” of both paid-professionals and volunteers to target the tourist economy and drive that momentum into a mix of local established commercial businesses and startups; this often means non-retail focused companies are sweeping up premium retail properties or pushing up the cost of rent; similarly, many towns facing lower direct income from retail increase the business rates expected from commercial enterprises in the prime sector of the town or village.

On the flip side, there are many trends driving investment into the High Streets, which appear to be universal across the G-7 countries



Healthy Lifestyles

Many people are concerned about sedentary lifestyles and obesity rates, particularly for the youth and the elderly, and town centres are becoming the new meeting or final destination points for community activities designed to get people active once again. Increasingly people of all ages want to abandon the drive to work and begin living where they work. Alternatively, retirement age individuals want to be in a place where it's easy to go for a walk but with parks, shops, restaurants and other conveniences should they overextend and need a rest.



Property Development

Many property developers are now building mixed-use properties, places that include residential, tourist-based, commercial-based, and entertainment-based tenants in the same development; resulting in a better chance that people who live and work in the town also consume and shop in the town.



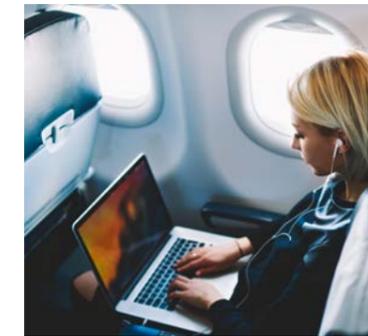
Flexible Working Hours and Gig Economy Jobs Markets

Many industries are seeing people who want to work from home, work from a place near home to get a break and see something different, get out and meet neighbours – as a result, a typical flexible worker might have a business card that reads something like “Teacher/ Fitness Instructor/Car-Sharing Driver/Barista”.



Dining Away From Home

Most dramatically, the percentage of snacks, refreshments, and meals consumed away from home is skyrocketing, and town centres that claim success in attracting commercial investments state that a good mix of successful pubs, restaurants, cafes, and street food is the most important factor in building a renaissance model around a High Street. All fresco options are much more attractive in picturesque town centres than they are on the rooftops of motorway-side shopping malls.



Working Holidays

Where professionals mix their schedule to travel while working.



Community Events

Lastly, particularly when considering the older generations, towns that put on special community events are claiming success as the events have a residual effect for businesses that participate or are located nearby

PREDICTIONS FOR THE FUTURE, BASED ON THE IMPACT OF COVID-19

The general trend has been mixed. Some towns and villages have thriving retail High Streets and others have seen better days. As we hit the third quarter of 2022, many cities across the world remain subject to varying levels of COVID-19 restrictions. When we look at case studies from High Streets that have evolved in the 2015-2021 period and are performing at a high level of growth, several similarities can be identified:

SLOW

Many towns that have seen huge success in the age of e-shopping and traffic jams, state that their number one objective has been to reclaim town centres for pedestrians and casual shoppers. They state emphatically: The shoppers who want to come here are happy if there are no motorised vehicles and that's the type of shopper we want.

PLANNED

These same towns state that they have built a calendar of 'events' designed at different segments of shoppers, have advertised the calendar in advance, and build momentum year-over-year for signature events.

MULTIMODAL

In award-winning High Streets, planners state their goal is to make multimodal transport possible. They want joggers to be able to come into town, and then rideshare back home. They want a person to arrive by train and then bicycle to their next destination. They want to welcome somebody with a courtesy shuttle at the nearby airport and then put them on a boat after their hotel stay.

COOPERATIVE

Another major differentiator between award winning High Streets in the USA, Canada, Japan, Germany, France and Italy and others is the focus on bringing all elements of society together in the planning and budgeting process.



When we look more closely at the G-7 economies, specifically at the health of the retail sector as a contributor to economic growth, we can see two trends. The first trend is related to the global economic recession of 2007-2010. North America, and to some degree Germany, rebounded dynamically and have seen more rapid growth in the past five years. The second trend is that during the first wave of COVID-19 stimuli, these same countries, led by Germany, were able to support retail consumption from falling too dramatically compared to others that struggled, notably Italy and France.

Retail, Wholesale, & Food Service GDP Growth Since 2006

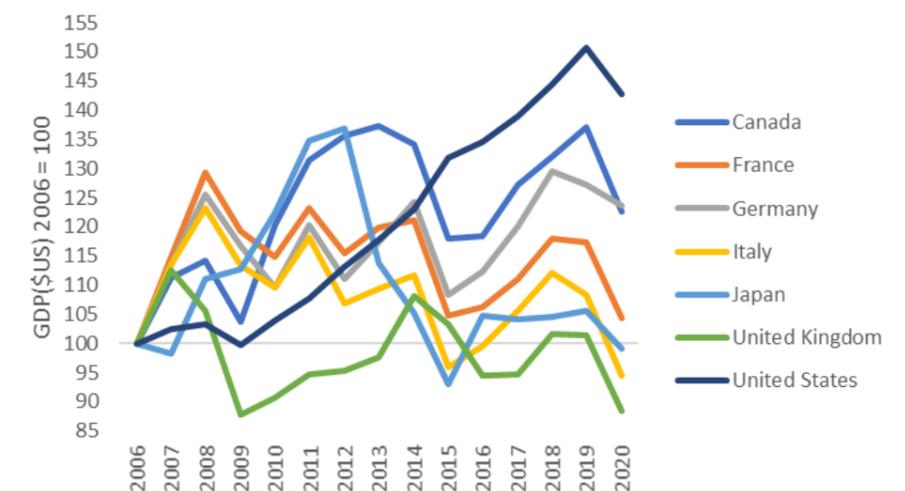


FIG. 6 - OECD statistics on retail, wholesale, and food service contributions to GDP illustrate that some countries have rebounded more strongly from the great recession of 2007-2010 than others.

THE RISE OF HYBRID WORKING



Many cities were implementing programmes to facilitate better-and-better remote working infrastructure before the pandemic. And ever larger numbers of workers are using these facilities to adopt hybrid working – where they balance their time between a central office, a local centre and from home.

The benefits often cited for these investments have been the ability to attract the best talent, success in reaching female empowerment objectives, improvements in traffic flow and public transport levels, improvements in overall mental health, and better conditions for working seniors and working parents. COVID-19 created two urgent needs at a city level: The first was to fast-track the initiatives underway by giving them bigger budgets and bigger ambitions. The second was to add new initiatives to the list of platforms being supported by city government.

These initiatives require corporate support and managerial backing. You could call this culture change. A great example of this can be seen by comparing Tokyo to Paris. Tokyo's work culture is famous for being a workaholic landscape while Paris

is more commonly considered to be the inventor of the work-life balance philosophy. In Tokyo, pre-COVID-19, the average salaried worker is expected to deliver 40 hours' office work a week on paper, but often must deliver higher than that without any direct recognition for those hours. Meanwhile, in Paris, the government has played with automatically turning off emails to enforce salaried workers' rights to having both family and a career.

The initial result when COVID-19 arrived was that in Paris, many workers fled the big city to telecommute from smaller towns and regions. Some estimates indicate as many as 1.5 million people moved from Paris-proper to secondary homes. Meanwhile, in Tokyo, workers remained in place, stubbornly, forcing the government to gradually take stronger and stronger measures.

In the USA, where large scale shopping malls like Spaces Napa Valley, IWG’s new concept for retail locations, provide both a destination for community activities and a valuable stream of tax revenues for local municipalities, local governments have begun helping rezone the locations to accommodate offices, housing, ecommerce fulfilment and more.



The most famous example of this is in Los Angeles, where Google has moved into One Westside, part of the Westside Pavilion, one of the area’s largest shopping malls. America’s largest shopping mall operator, Simon Property Group, has recently launched a new flagship “workplace” shopping mall at Phipps Plaza in Atlanta. The flagship blends work-home-shopping-entertainment into one and is a vision for the future.

The result: France is actively trying to get Parisians to return to their urban homes, especially on a mixed-time basis. Japan is successfully encouraging companies to change their culture and allow Tokyo’s office workers more flexibility. The USA is rapidly converting its vast shopping mall properties into mixed-use residential/office spaces.

As of August 2020, Tokyo’s “Smooth Biz” platform, a programme designed to create flexible working conditions for salaried workers, reported an all-time record of 65% of workers involved in flexible working. This compares favourably to Paris, where the government has reported that 70% of workers who can easily telecommute are doing so, with the number gradually moving downward. In summary, as politics and business work together, we are beginning to settle on similar levels even when coming at it from different directions. The future is clear: Remote working will be a major platform for urban governments and this will often require soft skills in encouraging corporate cultures to adapt to a new way of urban living.

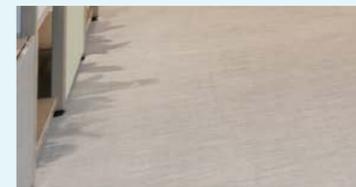


FIG. 7 - Tokyo’s City Government has been promoting remote working in bigger and bigger ways each year – the result was 65% of eligible workers working remotely in August 2021.

Looking to the future, while we can never be certain, several defining features appear to be emerging across all G-7 countries – whether these are innenstadt, centre ville, or main street programmes.

Let’s explore two examples of how retail is evolving, including the role of government and other support groups, in two parts of the world. We will look first at Japan’s shōtengai and second at North America’s old New England villages where the main shopping streets are still called “Main Street”, “Front Street”, “High Street”, “Commercial Street” rather than “avenue” or “boulevard” or “drive” or “strip” like in newly built parts of America.



Minority Ownership

In many countries, the experiences of 2020 where ethnic minorities made their voices clear in protests such as Black Lives Matter, towns and investment funds are actively repositioning themselves to create platforms for minorities to own shops and to encourage the public to recognise the value of such investments.



Ecological/Sustainable Initiatives

Similarly, many communities have reconsidered their policies on waste removal and recycling during the COVID-19 pandemic, and have come up with new policies related to ‘green cities’.



Alternative Transport

As a build on the ecological theme, many communities are creating more alternative transport friendly town centres where cars may be prohibited, pedestrian zones and cycling zones/lanes created, and more space is given to outdoor dining areas.



Government Support

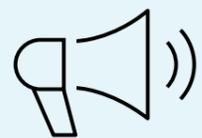
The COVID-19 pandemic stimulated an unprecedented government response to supporting businesses unable to trade due to pandemic restrictions. The result has been government direct intervention in supporting High Streets, a defining feature which we believe will remain in place for years post-pandemic.



MAIN STREET AMERICA COMPARED TO GO TO JAPAN IN THE AGE OF THE PANDEMIC

Prior to the pandemic, Japan and the United States both had movements to protect their historical shopping districts which were dynamic and growing.

The two countries' approaches are remarkably similar. They centre around four main objectives:



Public Relations

The first and foremost objective of these movements is to develop national awareness for shopping in historical locations.



Education

Another key feature is educating both town/village officials on ways to support a vibrant shopping district but also to educate entrepreneurs on ways to succeed.



Small Business Support

Nearly as important as generating public awareness, these organisations work with banks, service providers, and other groups to help educate and modernize small businesses.



Activism

Finally, these movements have activists among their members, working toward objectives such as architectural policies preventing modern forms of retail from taking over the historic district, reduction of car activities in the historical district, and other initiatives.

The two biggest differences between Japan and America during the COVID-19 pandemic have been related to public relations and small business support.

In Japan, the government quickly and decisively intervened to give Japan's shopping districts a boost in public relations. Conversely, in America, Main Street America worked with community leaders to lobby federal, state, and local governments to provide financial support to shopkeepers and business owners. The result has been that in Japan, loosely speaking, the response to the pandemic has seen a national 'response' where nearly all towns and villages have received the same types and levels of support. In America, the opposite is true, with each community having received a combination of unique ingredients.

A great illustration of these differences can be seen when looking in Japan's signature pandemic response platform: GO TO SHOPPING STREETS. The "Go To" shopping initiative was a centralized government investment to bring shopping streets to the homes of ordinary Japanese, using social distancing and hygienic approaches. Key features include a national schedule of shopping street events, often built around the religious calendar for ancestral shrines and temples, streaming video platforms enabling shopkeepers to entertain households in lockdown, efforts to educate shopkeepers about hygiene and disinfection, and encouraging citizens to shop local through community walks and other healthy activities.

Comparatively, MAIN STREET AMERICA did not develop a universal approach to the pandemic. Instead, the organisation provided COVID-19 response educational materials and increased the amount of crowd-sourcing activities being managed. In the American example, the emphasis is thoroughly on helping shopkeepers respond to various challenges confronting them, in the Japanese example it's primarily about building a national emotional connection.



FIG. 8 - An Instagram example of the 'Go To' national campaign to drive footfall to Japan's historical shopping streets

In both the Japan and USA examples, investments must be made to get the desired results. The two models show very different approaches to the same objective. In one example, the USA, it is a very grassroots movement which takes time, patience, and volunteerism. In the other example, Japan, government direct involvement creates a national platform and the scale to get many things moving at once and quickly. For cities, villages, and towns looking to borrow from both models, the right approach will be to look at both questions: What can be done at the grassroots and what can be done centrally? Following the pandemic, there will probably never be a better time than now to get centralised and large-scale support for re-imagining the connection between town centres and their communities.

Main Street Together

The Main Street America movement is built on strong partnerships. Explore our current focus areas and discover how organizations, companies, and individuals are working together to advance our common cause of fostering vibrant, thriving communities.



Inspiration for Britain's High Streets

While conducting this statistical and anecdotal tour of the health of High Streets across Britain's peer group of countries – the G7 – several themes have emerged. Those themes are universal:

Charm

High Streets tug at heart strings – best described as having charm. The goal of any High Street approach should be to enhance the charm that lies beneath rather than create something new. The focus should be on creating centres of community gravity. Activities and investments that draw people out of their homes into the community are the ones that generate long-term success.

Commitment

Each success story, while having very different governance models, has required time and patience to emerge as a winner. There are no quick wins in this space.

Care

Volunteers and entrepreneurial businesses are fragile, and therefore require greater care to nurture than chain-style businesses.



Taking all of these into consideration, we would encourage Britain’s communities to try to find relevant examples, based on infrastructure, looking at examples of where similar infrastructural examples can be comparable.

For example, Britain’s ancient seaports where it’s nearly impossible to retrofit to accommodate large lorries, might find more in common with villages in Canada’s Maritimes than by looking at French towns reconstructed post-war.

A loose illustration of how to apply this inspirational filter can be seen in the accompanying figure.

In addition, best practices should consider the type of governance support expected and the level of investment. For example, in Japan the government provides nearly universal support to all shopping streets while in the USA it is a more grassroots platform.

Likewise, demographics and trends in tourism will play a big role in determining the best path forward. In communities where job creation is robust and modern, investments in mixed-use renovations, eating establishments, alternative modes of transport, modern work-sharing facilities will make or break success in the decade to come.

In summary, when looking abroad, we discover that every community’s High Street requires personalised care and patience. Britain’s High Streets will be no different.



	Seaport	River or Canal Port	Trading Centre
Built or rebuilt for lorries	West Coast, USA	Urban Japan	Germany
Able to retrofit to accomodate lorries	Great Lakes, North America	France	France Germany Italy
Unable to retrofit to accommodate lorries	Northeast, USA & Maritime Canada	Italy	Shōtengai, Japan

FIG. 9 – Example of how to filter international inspirational case studies to match the local scene in Britain based on infrastructural constraints.

SPACES NORTHGATE HOUSE, BATH, UK

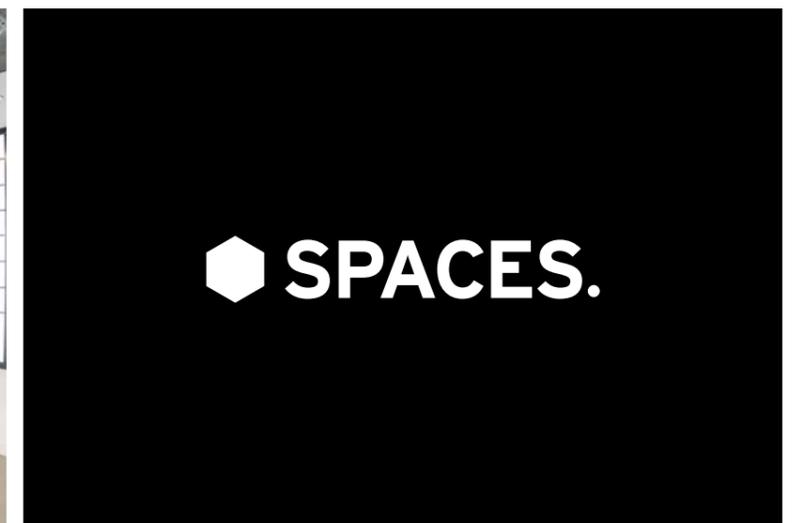
From council office to creative hub...

IWG created Spaces Northgate House in Bath in response to demand from the World Heritage city's local business community, which includes a high proportion of small firms and a significant and fast-growing high-tech sector.

This is the city's first Spaces location, converted into a modern workplace from its former incarnation as the offices of Bath and North East Somerset Council. It is located centrally in the city, which has excellent road and rail connections to the rest of the UK. And it houses clients ranging from PR and marketing companies to education businesses, legal and accountancy firms, fostering an environment of innovation for all.

Today, the centre is providing a dedicated workspace within a thriving local community, which helps people live and work locally. Nearby Bristol already has six successful Spaces locations, clearly demonstrating increasing demand across the region for flexible hybrid workspace options.

There are 75 private offices and four meeting rooms in the Bath centre, as well as 32 co-working desks designed to give the city's numerous small enterprises access to a space where they can channel their creativity in the company of others on a similar journey.



5

CHAPTER FIVE

By Bryan Roberts,
Founder of Shopfloor Insights

It will take more than
retail to rejuvenate the
High Street

thinkpod

The narrative around ‘saving the High Street’ is often a mix of nostalgia, myopia and optimism: hoping to recreate a misremembered vision of bustling town centres full of retail stores that will be achieved through an unspecified magic wand being waved. Instead, a more progressive, realistic and inclusive vision is required, one that acknowledges that retail alone is not the future for our High Streets and shopping centres.



Instead, the repurposing of these spaces to include a much broader mix of economic and social endeavour is required and it should be achieved through a patient and inclusive approach that recognises that all participants have a role to play in this process. It can be too easy to wave vaguely in the direction of business rates, online retail or planning policy and hope that changes in these areas will lead to a sudden rejuvenation of our towns, cities and commercial districts.



A more realistic philosophy will be the realisation that all participants will need to play their part in the reimagining of the High Street. Local and national governments, landlords, retailers, financial institutions and, crucially, shoppers themselves, need to think about their involvement in the future of the High Street.

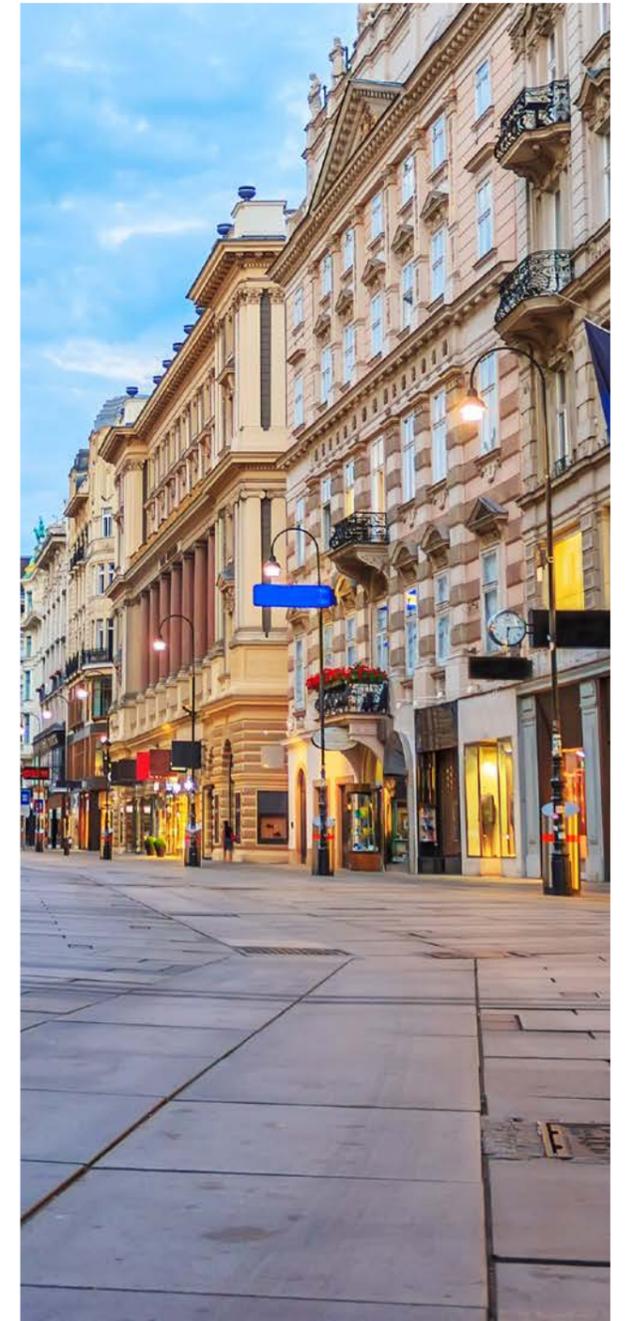
LONG-TERM STRUCTURAL DECLINE



Even before the impact of the COVID-19 pandemic, the UK High Street was in a huge state of flux and long-term structural decline. Aside from the relatively steady grocery sector and the booming online retail businesses, many non-food retail sectors were experiencing massive challenges.

Over the last 20 years, sectors such as fashion, department stores, electricals, books, music and games, home improvement, furniture and sports had seen a significant number of casualties, both in terms of retailers disappearing or severely hacking back their store estate in an effort to find profitability.

As a consequence, both shopping centres and High Streets were struggling with high vacancy rates and there has long been some form of existential debate about what the future of the High Street should be. What used to be thriving community centres had become half-vacant ghost towns with many units occupied by enterprises seen as less aspirational, such as fast-food joints, bookmakers, charity shops and vape stores.



What was going



The rise and rise of online retailing is clearly a reason for the corresponding decline in the fortunes of the High Street. Many shoppers have been eager to flood to the rapidly growing number of specialist and multichannel retailers who can offer extensive assortments and low prices combined with the convenience of click & collect or home delivery.

wrong?

Access to a seemingly limitless array of products and categories delivered to one's home rather than driving to a shopping centre or traipsing around the local High Street has been a compelling proposition. Every item that is purchased online is one less trip to the local retailers in the High Street or shopping centre.

The development of large out-of-town shopping centres and retail parks exacerbated the woes of the High Street often sucking up demand for miles around and also shifting the retail 'centre of gravity' in a large number of towns and cities. At the same time, food retailers were putting down lots of superstore space in the 1990s which saw them rapidly expand their participation in categories like fashion, electronics, media, sports and toys with an obvious

knock-on effect for specialist retailers in these segments.

On the back of this, many observers have pointed to the unlevel fiscal playing field that favours online retailers over their High Street counterparts. In 2019 Amazon's revenue was £8.8 billion and it paid £63 million in business rates, compared to similar figures of £2.3 billion and £80 million for Debenhams, which has since ceased trading through physical stores.

This and other disparities underline why many High Street retailers have been begging for a change to the business rate system for many years now. It is hoped that changes in the business rate structure might help in late 2021-2022, but it remains to be seen just how extensive they might be.





Another driver of long-term structural decline is the simple fact that many categories have virtually disappeared or have seen their consumption shift to a predominantly digital format. The prime examples here would be books, music, DVD and games, where digital consumption has become a significant part of the market. Although bookshops and music stores have been relatively resilient (there has been a net increase in bookstores over the past year and HMV is looking to open new stores), a large chunk of the market is now consumed digitally.

Another headwind has been a significant shift away from physical objects in terms of overall consumer spending. In the 1970s and 1980s most household spending was accounted for by housing costs and retail spend. Today consumers can spend an enormous proportion of their disposable income on non-physical items or experiences such as telecoms, Wi-Fi, streaming, holidays, leisure and eating out.

There needs to be another important, if unkind, point made here, which is that many retailers who have disappeared or have struggled were simply not very good. In some cases, this meant that they made poor strategic decisions regarding multi-channel retailing, format development and also over basic but important issues such as range, pricing, instore environment and customer service.

Retail is a very democratic industry in that customers can vote with their feet or their wallets and there is also a strong sense of Darwinism in the sector, where only the strongest and best retailers will

survive, while the poor retailers will soon fall by the wayside.

There have also been other issues, such as retailers being taken over by private equity investors who have occasionally taken a less than constructive approach to their investments, stripping assets, slashing costs and embarking on sale and leasebacks, a process which has often saddled retailers with unsustainable debt levels.

A final observation would be that retail has not received enough support from local government (in areas aside from business rates). In too many locations around the UK, the High Street suffers from a lack of investment in public realm, public transport, accessibility, lighting and toilets, with some local councils more concerned about revenue from parking than its impact on where people choose to shop. Coupled with a lack of engagement and dialogue between retailers and local councils, it is fair to suggest that many smaller retailers have had the odds firmly stacked against them.

On one level, the COVID-19 pandemic simply exacerbated pre-existing trends, mainly through encouraging more people to stay at home and shop online. Essential retailers like supermarkets, pharmacies and discount stores saw their sales boom, although it should be remembered that costs also skyrocketed, while non-food retailers were hamstrung by a combination of enforced closures and then weaker footfall once they were allowed to reopen. The hospitality industry was also ravaged with enforced closures, although many operators were quick to pivot to other avenues to reach their customers, including home delivery and click & collect.

There were, conversely, a number of positive impacts from the pandemic for local High Street retailers. With many office personnel working from home for all or part of the time, many suburban High Streets saw significant upticks in footfall and a number of non-essential retailers have seen sales grow strongly when they have been allowed to reopen.

The latest Pret a Manger data reveals sales from their sandwich stores have recovered to pre-COVID-19 levels in the London suburbs, but are only at 55 per cent in Canary Wharf and 77 per cent in the West End.

Some of the highest rises in demand for workspace continue to be in suburban and rural locations. Towns such as Bromsgrove (+153%), Andover (+86%) and Havant (79%) have also seen major rises in interest in IWG workspaces, with businesses of all sizes increasingly turning to a hybrid model for their employees

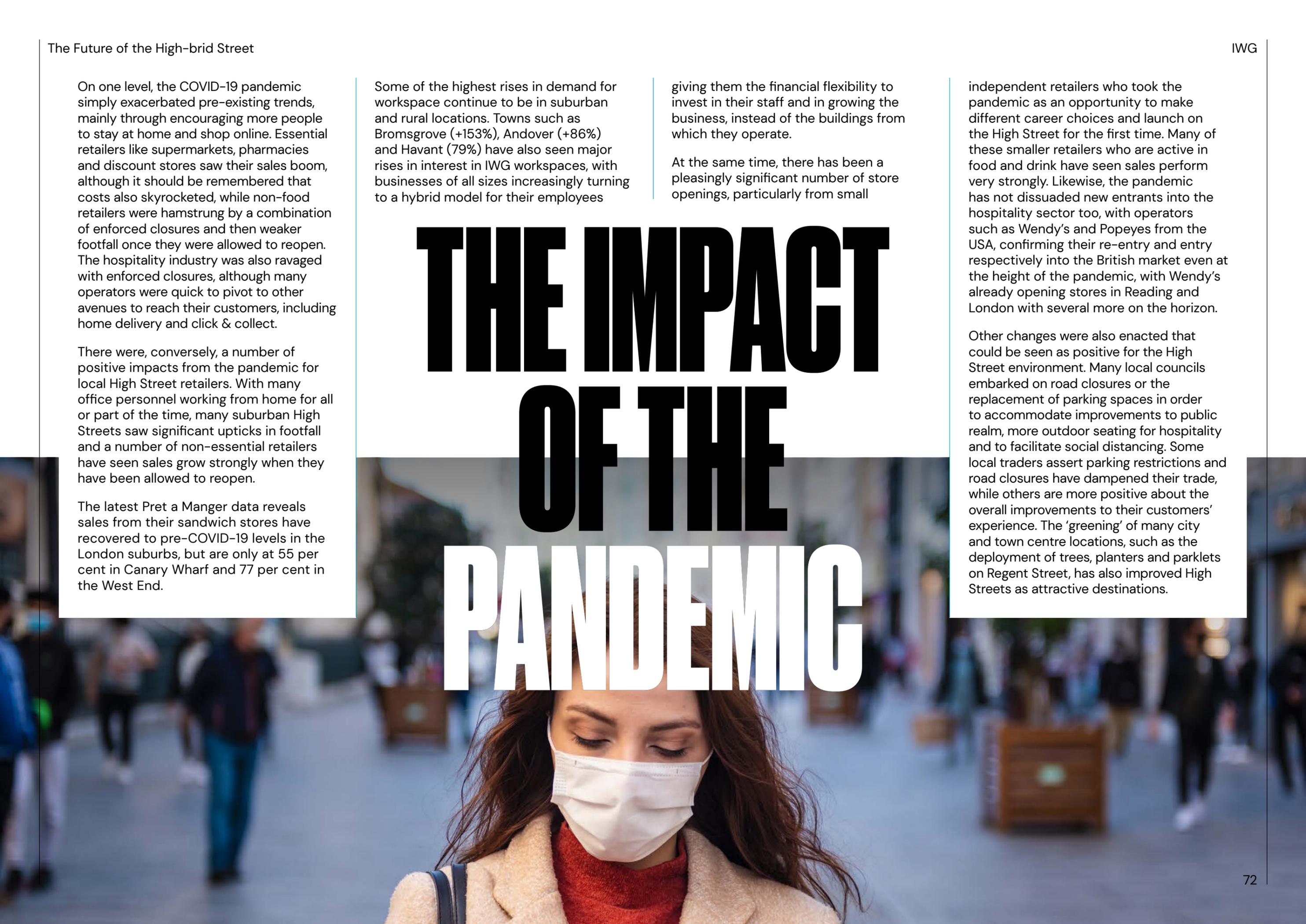
giving them the financial flexibility to invest in their staff and in growing the business, instead of the buildings from which they operate.

At the same time, there has been a pleasingly significant number of store openings, particularly from small

independent retailers who took the pandemic as an opportunity to make different career choices and launch on the High Street for the first time. Many of these smaller retailers who are active in food and drink have seen sales perform very strongly. Likewise, the pandemic has not dissuaded new entrants into the hospitality sector too, with operators such as Wendy's and Popeyes from the USA, confirming their re-entry and entry respectively into the British market even at the height of the pandemic, with Wendy's already opening stores in Reading and London with several more on the horizon.

Other changes were also enacted that could be seen as positive for the High Street environment. Many local councils embarked on road closures or the replacement of parking spaces in order to accommodate improvements to public realm, more outdoor seating for hospitality and to facilitate social distancing. Some local traders assert parking restrictions and road closures have dampened their trade, while others are more positive about the overall improvements to their customers' experience. The 'greening' of many city and town centre locations, such as the deployment of trees, planters and parklets on Regent Street, has also improved High Streets as attractive destinations.

THE IMPACT OF THE PANDEMIC



WHAT TO EXPECT IN

The economic environment is expected to be one of polarisation. Those who retained their jobs have generally been operating on the same income, but have been spending less thanks to the lack of commuting costs, even after increased spending on office equipment and utility bills.

However, in July 2021 there were one million more people unemployed than in March 2020. Numbers recovered after that but a significant proportion of the working population remain out of employment or working for less. Others saw a serious decline in income through furlough and were therefore a lot more hesitant and reserved when it came to resuming retail spend at the same level.

This has created a situation

where both discounters and low-price retailers might thrive alongside premium or luxury brands. Early signs suggest that footfall and spend are still somewhat muted, although there have been other factors at play such as unseasonal weather patterns.

A big driver of what will play out in the retail sector in the coming years will be the extent to which home working or hybrid working is retained by employees and employers alike. Research suggests a minority of around 15% of workers are expecting to continue to work at home permanently, while another 20% have an expectation of flexible or hybrid working with at least some of their time at home and other times visiting a central or remote office.

THE FUTURE?



The implications for cities and towns with a large office-based population is that they can expect at least a

20% reduction

in revenues as people either remain at home full time or adopt a hybrid working pattern.



The flipside of this is that retailers in commuter towns could expect to see their sales remain robust as home workers continue to shop locally and also support the hospitality industry with coffee and lunches near to where they live. This realisation has been reflected by a strategic shift by some businesses – sandwich retailer Pret a Manger providing a good example, shifting to a national franchise approach in order to reduce its reliance on central London.

More workers will choose to use flexible working spaces near to where they live, as many individuals do not necessarily wish to sit at the same desk five days a week or undergo the disruption from family members that home working can create. Similarly, some occupations require a degree of face-to-face interaction to operate optimally and to foster the development of colleagues.

It is no surprise, therefore, to see flexible office space providers targeting smaller towns and cities for new facilities which remote workers can visit once or twice a week. We are also seeing retail space being repurposed to accommodate flexible working and office space. John Lewis, for example, has already stated its intention to convert some excess retail space to offices. Hammonds of Hull, a new food hall and cultural venue that is opening in the former House of Fraser store in the city, has revealed that some of its upper floorspace will be taken by a call centre.

Travel is an important factor too. Retailers in many locations rely on demand from commuters or other travellers and the fact that home working may persist will be bad news for them too. The same applies to retailers who are reliant on tourism, not just those located in airports but also retailers in high profile tourist destinations such as central London or Edinburgh will also see suppressed footfall if COVID-19 regulations or travel restrictions mean that overseas visitors prefer other destinations instead of the UK.

The resumption of full trading for pubs, restaurants, and other leisure destinations such as bowling alleys and cinemas might have a positive impact on retail. Visits to hospitality and cultural destinations are often combined with a more general trip to shopping centres, High Streets or retail parks, so one might hope that the full recovery of hospitality will have a positive knock-on effect for retailers in these environments too.



The future High Street & how to get there

There is no one single right answer, as so many towns, High Streets and shopping centres have their own unique set of problems, opportunities and local influences that will affect their prospects.



There also seems to be a common misperception that the High Street should be all about retail. But towns and cities developed as ecosystems encompassing a much broader mix of activities including leisure, retail, work and living. And this is where the future of the High Street and shopping centres lies: a combination of activities and purposes that will attract local residents and workers as well as visitors.

Undoubtedly, retail should still be a vital component of a vibrant High Street. But many multiple retailers simply have too many stores and are still looking to retrench with fewer, better stores backed up by an online retail provision.

That said, other retailers, particularly those at the discount end of the spectrum, are still hungrily looking for space in shopping centres and High Streets around the country. As we've already mentioned, there has been a pleasing renaissance in independent retail with many new operators springing up before, during and after the pandemic.

It is clear that the High Street in the future will have to encompass so much more than just retail. There are already signs that this is happening across the country with High Streets and shopping centres increasingly becoming home to other activities and enterprises, including workspaces, hospitality, leisure, medical, local government, education, services, culture and housing. The former Debenhams in Welwyn Garden City, for example, is already being redeveloped, with mixed retail and leisure being retained on the ground floor, with residential on the upper two storeys.

Amidst the ongoing housing crisis, the temptation to convert vacant retail space to accommodation is very strong, although most shops were not designed to be lived



in. However, it would not be a huge surprise to see some significant repurposing of retail space into accommodation over the next five to 10 years.

Lots of vacant retail space is housed in iconic or listed buildings for which repurposing rather than demolition is the preferred route. In Wolverhampton, the former Beatties (Debenhams) store will be transformed into more than 300 apartments with the ground floor being largely retained as retail space for new occupiers. Whiteleys in Bayswater, central London, has been given a £1 billion overhaul and will comprise shops, offices and flats.

Shopping centres and out-of-town retail parks also need to offer more experiences for visitors. More are hosting leisure facilities such as cinemas, climbing centres, escape rooms, indoor golf etc. Consumers often want to spend their money on good times with their friends, family and colleagues. More redundant retail space will be repurposed for leisure activities in the future.

Towns, cities and shopping centres around the country are attempting to recalibrate themselves away from retail and towards food and drink, either by encouraging the opening of new pubs and restaurants, or by enabling things like food trucks, food festivals, farmers markets and traditional street markets to flourish too.

This repositioning drives footfall from both local residents and visitors and can also form part of broader civic marketing initiatives. Home delivery has also become an important part of the hospitality industry. Wendy's has recently signed a deal with Reef Technology to open so-called "dark kitchens", which make the same food as restaurants but deliver direct, in car parks in the UK. More surplus retail space is likely to be converted into dark kitchens, as restaurants have realised that they cannot adequately service both seated diners and home delivery from the same space.

The so-called Market Hall concept will also expand, bringing together a variety of independent or chain hospitality providers. Operators like Mercato Metropolitano and Market Hall have seen the opening of new collective restaurant outlets in London, and we are seeing similar initiatives in former department stores in places like Hull and Bournemouth.

Educational use is also becoming more popular for former retail space, with ex-shops being devoted to activities such as revision, English or maths tuition and

offering youngsters the chance to learn coding for example. As local authorities and health services also seek to improve their finances by relocating libraries and clinics to smaller units, a lot of them are popping up in shopping centres and High Streets.

The services sector is also burgeoning. In many towns and cities there are now likely to be more alternative medical practitioners, beauticians, hairdressers, manicurists or nail bars than shops. These types of providers who provide shoppers with moments of indulgence or luxury are likely to be more in demand in the future as those fortunate enough to have been enriched by the pandemic will be looking to spend money more in this area.

With the expectation that hybrid or flexible working will continue to be a fact of life for many office workers across the UK, the need for more flexible working space within easy reach has accelerated and has already seen many retailers release space for this purpose: the House of Fraser in London Westfield, for example, is to be split into 68,000 square feet of co-working space with 32,000 square feet retained for retail.



While large-scale, flexible working spaces such as those offered by IWG, Spaces and Regus are commonplace, our expectation would be that flexible working providers will start opening new facilities with smaller footprints such as that of former retail stores on High Streets or in shopping centres, thus enabling local workers to break the monotony of home working and enjoy superior facilities and human contact by spending a few hours or a day or two each week working from somewhere else.



The rejuvenation of the High Street will not happen in a vacuum and we hope to see more local authorities, and even the national government, exerting a positive impact on the recuperation of what used to be our retail-centred spaces.

A variety of town regeneration bodies have highlighted that local governments have often been disengaged with the business community and demonstrate little understanding of the challenges facing independent traders and multiple retailers alike.

Improved engagement can create a much more favourable partnership between

business and local authorities which can see changes being made to position the High Street for a much more positive future. These could include substantial improvements to the public realm, including the greening of High Streets through the provision of parklets, planters and trees and pedestrianisation, enhanced seating, lighting and (importantly, as the population ages) more public conveniences. Free Wi-Fi or phone charging points are also important. Landlords and councils can also help in providing space for start-ups, enabling entrepreneurs to try their hand at retail without encumbering themselves with a massive rental bill, or by tempting online-



Key enablers



only traders to try brick and mortar retailing for the first time.

It is also important that local authorities instigate more event-based marketing with a cadence across the year that can strengthen footfall from local residents and visitors. Clearly, big seasonal retail events like Christmas, Easter and Halloween are obvious opportunities, but local authorities like Hertford Town Council in Hertfordshire have started an events programme including food festivals, treasure hunt-style activities for families, film and sports screenings. On a more modest level, it facilitates 'trails' several

times a year, encouraging families to visit around 20 different sites around the town to spot characters in the windows of shops, hospitality providers and council buildings.

While it might be difficult to accurately measure the impact of event-based activities such as these, having spoken to traders and local authorities, it becomes clear that footfall goes up and, over time, a particular location can gain a reputation for being an enjoyable place to visit.

More radical solutions explored by a variety of communities, councils and Business Improvement Districts include local currencies and local loyalty schemes.



A lot of these schemes are predicated on the benefits of local people spending money with locally-owned businesses, with various studies suggesting that around 60-70% of such spending stays in the community as opposed to only 10% if shopping with a multiple chain store or virtually zero if shopping online.

One of the trailblazers was the Devon town of Totnes, until cash usage dwindled to unsustainable levels. Bristol Pay is designed to prevent an estimated £60 million in transaction charges from leaving the city through the introduction of a local, not-for-profit payment platform

that will also be accompanied by a loyalty programme.

The Brixton pound is also being relaunched after its genesis in 2008 that involved 250 local businesses with the intention of creating 'money that sticks to Brixton', and also plans to go digital. The Lewes pound was established with the aim of "celebrating Lewes and the diversity and richness of its independent traders, producers and suppliers, encouraging visitors to come to Lewes and us all to shop locally."

Other areas have launched loyalty card programmes. Pilots in Llanelli and Port

Talbot in 2021 offered customers the chance to collect stamps in return for a £20 gift voucher after spending a minimum of £10 in one of the 45 businesses in the town that have signed up to the scheme

The London suburb of Wimbledon offers a card scheme for the 15,000 non-residents who work in the area, providing shopping, dining and entertainment offers and it has succeeded in signing up over 5,500 active Privilege Card users.

A final tech-based enabler that is worth mentioning here would be that of apps and websites that facilitate local retailers being able to deliver to local customers. Examples here could include Shocal in Manchester and GoGetters which has expanded beyond its roots in Essex into neighbouring areas.



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OUTLOOK

A sobering realisation is that there is no one size fits all remedy for the problems in every single town and city in the UK and that there is not going to be a single silver bullet that resurrects the High Street. The theory of marginal gains seems a sensible approach and it seems that the commercial, retail and local government sectors in the UK have to adopt this philosophy: it will be better to improve 100 things by 1% than seeking to improve one thing by 100%.

Issues such as accessibility, sustainability, connectivity and experience cannot be totally improved overnight. Instead, it will take many years of sequential modest improvements and innovations to reinvent the High Street and recapture the affection and affinity of the British shopping public.



SIGNATURE DUOMO, MILAN, ITALY

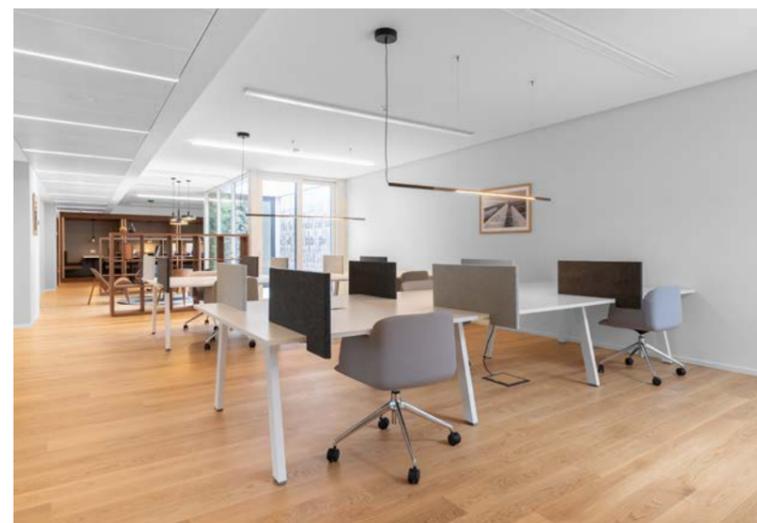
A glittering past and a fantastic future

Overlooking Milan's iconic Duomo Cathedral, IWG's Signature Duomo Milan stands on the district's High Street, Corso Vittorio Emanuele. Located between the Rinascente luxury mall and Tiffany Jewels flagship store, it's in a pedestrianised area that provides luxury goods and upmarket hospitality alongside the day-to-day amenities workers need to lead their lives.

The building itself is an important part of the city's heritage. During its past as the Grand Hotel Duomo, it hosted guests including Hemingway, Tchaikovsky and the Beatles. Its refurbishment fully respects and reflects this illustrious past, with an elegant interior designed to complement historic features that include an original 19th-century façade designed by the Milanese architect Mengoni.

Making use wherever possible of natural light, the centre's private offices, meeting rooms and co-working areas are all designed with comfort and creative collaboration in mind. Externally, its large rooftop terrace provides incredible views across the city.

In all respects, the centre embodies IWG's commitment to providing inspiring workspaces in places where people want and need them.



AFTERWORD

By Mark Dixon

I am very grateful to the experts who have contributed so impressively to this paper. I believe the common themes that have emerged throughout it demonstrate several facts we must consider today if we truly value the future development and health of our communities, from the smallest village to the mightiest city.

We are at a point in the evolution of how people work where technology is freeing more and more of us from the crushing burden of the soul-destroying, climate-wrecking and community-dividing daily commute.

This is an enormously positive trend, whose long-term viability has been proven over the last two and a half years by the rise of home and hybrid working during the pandemic, with multiple businesses reporting improved productivity and loyalty among employees.

It's a phenomenon that flies in the face of the doom-merchants' predictions of broken businesses and economic desolation. And it will continue once the economy recovers from its current difficulties.

But, as our contributors to this paper agree, without a collective effort to make it happen it would be foolish to expect a return to a golden age of self-sustaining, environmentally clean and socially cohesive communities.

Some factors will be driven by market

forces. For example, we are already seeing a substantial rise in demand for out-of-city flexible and hybrid workspace that enables people to work closer to where they live, in homes they can afford.

But this is just one factor among many. We also need to see a coherent approach from planners and landlords, investors and tenants, local and national government, retailers and other businesses, to create a shared vision of the sustainable communities we should be working to create. Communities with a healthy mix of retail, leisure, housing and workspace to support a critical mass of people living and working, shopping and playing in places where everything they need is within easy reach.

This will help us all to grasp opportunities and create a future where people and businesses can be more productive, and where communities and their High Streets will thrive.

It's a vision worth fighting for, and I call on everybody with a role to play to consider how they can contribute to making it happen.

Mark Dixon

Founder and CEO,
IWG plc

IWG is the world's leading provider of flexible workspace, supporting over eight million hybrid workers with a network of over 3,500 locations across more than 120 countries. Find out more about what we do at iwgplc.com.

