

London retail redevelopment picks up as prime locations enjoy stable void rates

3 years ago



Retail space that is under redevelopment in London's West End has risen to 101,000 sq ft according to new research from Colliers.

This figure is up considerably from the 31,000 sq ft recorded in December 2019 and 49% up on the five-year average.

The research reveals that units housing global brands are less impacted than others, and super prime portions of pitches look largely unaffected. This was especially apparent on Kings Road where the Duke of York Square was 100% occupied. Regent Street shows a void rate decline from 10.0% to 8.4% that occurred in the second half of 2021. Pitches reliant on local workforces are harder hit and in reaction some retailers have reduced or changed opening days and hours to capture the highest rates of footfall.

[Paul Souber, head of Central London Retail at Colliers](#), comments: "The retail void rate in central London can't be explained by one factor, as each pitch has its own character and mix of brands. One thing that has contributed, particularly on Oxford Street is the loss of the department store. While these are being redeveloped, the projects will take time and as such will keep the headline rates high. Elsewhere, void rates need to be managed with great care to ensure that the right occupier is put in place that compliments the location be that a pop up, new entrant or a brand looking for rightsized space."

Cheapside was hit hard with the void rate rising from 3.4% in 2019 to 24.8% in 2022. However, Colliers anticipates Cheapside and other City locations will recover rapidly as the movement of workforces back into the office continues apace.

Flagship stores housing global brands look less impacted than others, and super prime portions of pitches

look largely unaffected. As a result, shopping 'destinations' such as in Bond Street, Regent Street, Kings Road and Long Acre fared better. This was especially apparent on Kings Road where the Duke of York Square was 100% occupied. Kings Road is largely unaffected with a void rate up marginally from 5.3% in 2020 to 6.6% in 2022.

[Walter Boettcher, head of Research and Economics at Colliers](#), adds: "While void rates remain generally high, movement looks to be in a positive direction. The surge in refurbishments across the pitches bodes well, providing opportunities for new market entrants and the possibility of repositioning high streets generally. Despite an obvious 'pandemic hit' to London's key retail destinations, punctuated by ubiquitous 'pop up' shops, few signs of a lasting upheaval are evident."

Photo credit: Shutterstock