

Savills research reveals Oxford Street will see 1m sq ft of retail space converted to offices

3 years ago



A 'generational change' is afoot at London's Oxford, according to [Savills](#), involving 1.32 million sq ft of new office schemes proposed for delivery in the next five years.

The analysis reveals the extent of potential in the conversion of former retail space to offices, which Savills says would account for 72% (960,000 sq ft) of new office space available on the prestigious address, as the street evolves into a truly mixed use offer.

Oxford Street's development pipeline is hotly anticipated, says Savills, as live requirements for 100,000+ sq ft offices have never been higher, with Palantir, Conde Nast and Evercore all in the market. This is against a backdrop of strong occupier demand across the Central West End sub-markets surrounding Oxford Street, that has seen a 1.4% decrease to the vacancy rate since the end of 2021 to now stand at 5.1% compared to the overall West End vacancy rate of 6.1%. Savills finds only nine Grade A options currently that could satisfy a requirement over 25,000 sq ft in the area. Larger floorplates are traditionally hard to satisfy in the West End, due to the make-up of heritage buildings, says the firm.

Key schemes along Oxford Street include: Sirosa's 163,000 sq ft at Emporium, Henrietta Place, the former House of Frasers, available from Q3 2024; Ramsbury & Capital Real Estate delivering 280,000 sq ft at the former Debenhams Store, 334 Oxford Street Q4 2024; Derwent London granted planning for 150,000 sq ft at Holden House 54-68 Oxford Street (exp, 2027); and 80,000 sq ft at a former Next store at The Ribbon, Wells Street, being delivered by M&G in H1 2024.

Savills says the strength of Oxford Street as an office location is defined by a strong amenity and cultural offer, along with unrivalled accessibility, boosted by the recently opened Bond Street Elizabeth Line station, and abundant green spaces on rooftops, Royal Squares and Parks.

Andrew Wedderspoon, director in the West End office agency team at Savills, comments: “The very best offices today not only offer cutting-edge design but also strong locations on account of connectivity and transport links and a proximity to amenities and leisure spaces. Oxford Street is already globally recognised as a leading retail and leisure destination and its location lies at the heart of Central London. While the area has been hard to imagine as a genuine office sub-market until now, the sheer volume of space available for conversion is a once in a generation moment to transform the street and attract those larger occupiers who may otherwise be pushed out of the West End due to a lack of opportunity.”

Sam Foyle, co-head of prime global retail at Savills, adds: “High streets up and down the country are evolving to be far more mixed use and Oxford Street is no different. Where department and retail stores are no longer fit for purpose, there is an opportunity to repurpose shopping streets, to breathe new life into older buildings, bring in new users and drive up footfall that will benefit the retailers that continue to operate in the area successfully. It also creates new opportunities for retailers and leisure operators to pivot to meet new demand from the after work market that will increase with more office occupiers in the area. All of this creates greater vitality and an ever more appealing destination to visit – whether for work or play.”