Once in a Generation Repurposing of Iconic Oxford Street

3 years ago

Recent data gathered by global real estate advisor, CBRE, showed circa 3million sq ft of retail and office space either in the pipeline or under construction on London's Oxford Street.

Together, ten core developments are set to deliver 1million sq ft of modern re-purposed retail, food and beverage, and leisure accommodation. This will transform the street and provide new flagship stores which are aligned to current retail requirements and increased interest from occupiers.

Retailers along the street will benefit from lower occupational costs following the recent Rating revaluation announcement, with CBRE's research identifying a base rate fall of 40% for prime Oxford Street.

The improved occupational outlook has driven investor appetite for both Oxford Street and the wider London retail market. This renewed confidence follows recent investment transactions including the sale of four iconic London retail buildings. Selfridges Department Store on Oxford Street, Fenwick on New Bond Street, The Royal Exchange in the City and Foyles Bookstore on Charing Cross Road have all been purchased by international investors, bringing new capital to the sector from Austria, Thailand, North America and Germany. As a result, London retail investment volumes for 2022 totalled £2.7bn, according to the research.

Phil Cann, Head of UK Retail at CBRE, said: "The transformation of Oxford Street is well underway, and the scale of the development pipeline is a clear indicator of landlords' commitments to investing in the street. The proximity of a new business district and Elizabeth Line access is set to significantly strengthen the long-term legacy created for occupiers, tourists and shoppers at the retail destination.

"With rebased capital values and the prospect of rental growth, the investment rationale for Oxford Street

is compelling. As both occupier and investor confidence continues to grow, we anticipate a higher number of transactions this year."