

Insights**RE-PURPOSING THE HIGH STREET**

Jun 28, 2021

The demise of Debenhams has ripped a crater-sized hole in the heart of the UK's high streets, bringing back memories of the fall of BHS and Woolworths. (According to the Local Data Company 26.3% of BHS units were still vacant four years later and 10.1% of Woolies units are currently vacant over a decade later.) Exacerbated by the pandemic, a conundrum which retailers have been wrangling with for some time has now been brought into sharp relief: how to fill empty units on a long-term, sustainable basis whilst increasing footfall and creating a local buzz? Whilst the likes of Mary Portas have been grappling with these issues for some time; has the pandemic finally presented us with a different incentive to make this work?

Is retail broken or could the right retail succeed?

Online sales have grown exponentially as consumers have, by necessity, adapted to the constraints of lockdown. Few would dispute a continuing need for good quality retail (and some high street favourites are now upping their game) but do we need all of the retail units we currently have - particularly older units which are more difficult and expensive to fit-out or units which have already been vacant for years?

If not retail then what else?

A 2019 committee report to parliament concluded that "high streets and town centres will survive and thrive, in 2030, if they adapt, becoming activity-based community gathering places where retail is a smaller part of a wider range of uses and activities". An urban location with good connectivity attracts a wide range of uses. Even in this year's disrupted market, mixed use, community focussed developments are a serious contender in this space, with Brandon Stephens' "Anthem" concept of a "department store of experiences" a case in point. The last year has seen headlines around John Lewis' ambitions to convert 45% of its flagship Oxford St store into office, an Edinburgh BHS being converted into a hotel and more recently a proposal to re-purpose ex-department stores and other larger buildings for university space and even life sciences.

The appeal on paper for universities is obvious – department stores in particular offer a lot of space, often with high ceilings that can accommodate both lecture theatres and the ventilation required for uses such as laboratories. The infrastructure is often strong and comes with the

opportunity to have a more visible presence in the heart of the community with students being seen hard at work by day and bringing much needed footfall to the night time economy.

Plan to change

Recent changes to the Use Classes Order 1987 created a new class E, now the relevant class for most retail units. In the majority of cases, Class E allows operators to switch between a diverse list of uses (retail, food and drink, financial services, gyms, health services, crèches and nurseries and office uses) without needing planning permission. However, local authorities can still exert control via planning conditions where physical changes are required.

From 1 August, a new permitted planning development right, Class MA, will allow the change of any building in Class E into residential use. Class MA will be subject to a prior approval process for residential conversions from all Class E properties but the right can be removed by Article 4 Directions in defined areas..

Will local authorities want diversity of uses? They certainly need some control for a cohesive scheme and to meet any development plans in place. However, a cynic might say that, in the current climate, intervention (in the form of acquisition/land assembly) will be a challenge without significant support from central government or the private sector and income will be the key driver. Occupiers who pay business rates will be popular and bring in more revenue than domestic occupiers paying council tax.

This article was first published by [Property Week](#) on 28 June, 2021.

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