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West London Retail – Survival of the Fittest?

The Government has announced its intention to turn around the fortunes of Britain's suffering high streets after data has shown that the number of vacant shops has tripled to more than 14 percent since 2007.

The odds have been mounting against the survival of the British high street for years. Structural changes continue to take place as a result of internet, mail order and out of town competition, rent and rates pressures, accessibility and planning constraints. Add the economic crisis, the lack of credit, inflation, wage freezes, VAT rises, public spending cuts and the situation becomes desperate. Some estimate that almost a quarter of our high streets are failing and the gap between good and bad is growing. In some towns one in three units are vacant. The national vacancy rate is around 15 percent.

West London's high streets are also faltering due to the reasons above. Its town centres have been losing national and independent retailers for years as they collapse, downsize or move to locations where footfall and sales support rent and business rates. West London has seen banks, buildings societies, recruitment agencies and estate agents close down at the fastest rate. In their place we see a glut of charity, discount and coffee shops which compounds the cycle of departing retailers.

On the local high street there are often a large number of owners and occupiers with no clear strategy and little or no control over local services and amenities; not so at Westfield! For West London high streets to thrive owners and occupiers must be incentivised to invest (both time and money) in the local community. All communities need a sense of identity and a unique selling point. Barriers need removing: public transport and accessibility to town centres must be improved, local parking should be affordable with revenues being ploughed back into specific local requirements and antisocial behaviour, vandalism and litter must be tackled.

Just three percent of town centres in the UK are categorised as “improving” and West London has one of them in Ealing. In 2010 Ealing Council undertook a £15m scheme to regenerate its town centres with many improvements being geared towards improving the customer experience. Earlier this year a new arts project was launched in West Ealing. In the current economic climate, publicly funded regeneration may not be an option but there are opportunities. Ealing itself has more than one Business Improvement District. Local occupiers should consider such options to raise additional revenue to solve local problems. Local retail forums will assist in defining strategy and cultivating the USP. Targeted events and promotions could also provide the necessary “hook”.

Ironically it could be the planning regime that helps turn around the high street. Supermarkets can no longer obtain permissions for large out of town stores and so are looking at smaller sites, often in town centres.

To survive, West London’s retailers must put themselves in the best position possible to protect cashflow and adaptability. When moving into new premises they must negotiate hard: resist an upwards only rent review, cap service charge, ask for monthly rent payments – in the current climate, landlords do not want empty units. When negotiating a lease; make sure the terms are as flexible as possible – retailers should take good advice and know what they’re getting into. Perhaps then, West London high streets will remain and hopefully thrive

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