

Economics of Place

What makes a high street work
A briefing note from The Fitzrovia Partnership

About this event

The Fitzrovia Partnership convened this session to explore the economics of place and what it takes to keep a high street working. The conversation brought together a retail property specialist, a major Tottenham Court Road retailer, and an economist from the UK's leading urban research organisation. Alongside opening remarks from each speaker, the session included an open Q&A with member businesses and local stakeholders.

The panel

Mark Serrell, Partner, Kenningham Retail. Mark has spent 15 years working on the leasing and repositioning of Tottenham Court Road and advises landlords across the Fitzrovia and West End area. Kenningham Retail has been based in Mortimer Place for 13 years and has been closely involved in the transformation of the street, from its electronics-dominated past to a more diverse and resilient offer.

Hamish Mansbridge, Chief Executive, Heal's. Hamish has led Heal's for a decade. Founded in Fitzrovia in 1810 and trading from its Tottenham Court Road store since 1880, Heal's is one of the most established businesses on the street and a cornerstone of its furniture and design identity. Hamish is also a local resident, giving him a dual perspective on the area as both employer and neighbour.

Andrew Carter, Centre for Cities. Andrew works at Centre for Cities, the UK's leading think tank on urban economies. His work focuses on what drives the performance of city and town centres, and he brought national data and cross-city comparisons to the discussion, drawing on analysis of the 63 largest urban areas in the UK.

Tottenham Court Road: the transformation story

Mark Serrell gave an account of how Tottenham Court Road has changed since 2012. At that point, the street was almost entirely given over to low-quality electronics retail, a sector already in decline as online shopping took hold. The architecture reflected this: poor quality shopfronts, an unwelcoming colonnade on Stephen Street, rough sleeping concentrated around the southern section. To understand how far things have come, Mark suggested simply looking at the street on Google Street View from that period.

The catalyst for change was Derwent London's decision to redevelop Stephen Street and take a different approach to their 1.2 million square foot holding on the road. Rather than letting it wholesale, they asked for a leasing campaign aimed at creating a new retail identity that would serve their office occupiers and attract new ones. The early deals were hard to land. Tottenham

Court Road was synonymous with electronics, and persuading retailers to look again at the street required persistence.

The deals came gradually: Planet Organic, Kath Kidston and others followed, each one changing the composition of the southern section and making the next conversation easier. Mark now describes the street in three distinct sections:

- The southern section, from Percy Street to the station, is anchored by Tottenham Court Road station, one of the busiest in the UK with over 65 million annual users following the opening of Crossrail. The Outernet, now the most visited free attraction in central London, is also here, along with entertainment concepts including Monopoly and Museum of Illusions.
- The middle section is the furniture district, anchored by Heal's. This is the street's clearest point of difference in the wider West End context. During Covid, with people working from home and reconsidering how they live, this became the strongest letting period on record for the furniture zone, with around 18,000 sq ft of new deals including King Living, Timothy Oulton and Andrew Martin.
- The northern section is shaped by the universities and by UCLH, giving it a more community-facing character. MNG has recently taken space at this end, bringing in a food and drink element alongside retail and reflecting the gradual evolution of the offer.

The central challenge that came through clearly is that while Crossrail has driven a step-change in footfall at the southern end, much of that footfall goes south into Soho and Covent Garden rather than north up the road. Converting that movement, and extending the reasons for people to dwell further up the street, is the work in front of the area.

London Furniture Street: building on 200 years of identity

Hamish made the case for furniture as the organising identity for this part of London, and he made it without apology. The argument is not about nostalgia. It is about clarity. When people want to buy furniture, Tottenham Court Road should be the first place they think of, and at present it is not as strongly associated with that as the history warrants.

The evidence for that history is substantial. Tallis's London Street Views of 1838 to 1840 lists 11 upholsterers, six cabinet makers, five gilders, four pianoforte makers and two bedding manufacturers on this stretch of London. Shoolbreds and Maples, which occupied what is now the Maple Building at the northern end, were both furniture-focused department stores with hundreds of staff. Heal's has been here since 1880. That is not a recent association; it is two centuries of continuous specialisation.

Hamish's point is that investing in this identity benefits the whole area, not just the furniture businesses. A destination with a clear reason to visit draws people who then eat, drink coffee, browse other shops and return. The challenge is that right now, too many potential visitors do not make the connection.

The Fitzrovia Partnership is actively developing the London Furniture Street concept. A working group has been established and is meeting to take forward how the identity can be expressed more clearly through the physical street, through promotion, and through how the sector is presented to Londoners and visitors. Businesses in the furniture and design sector who are not yet involved are encouraged to make contact.

The national context: where London sits

Andrew opened with data that sets the Fitzrovia conversation in its proper national context. Across the 63 largest urban areas in the UK, there is enormous variation in how city and town centres are performing. Places like Bradford and Newport are carrying vacancy rates of around 25%, and much of that is structural, meaning it will not be resolved simply by improving the retail offer. It

reflects decades of economic underperformance, low household incomes, and competition from out-of-town retail.

London sits at the other end of that spectrum. The city centre vacancy rate is around 8%, and roughly 80% of London's high streets outside the main core have vacancy rates below the UK average. That is a genuinely strong position, and it matters when making the case to national government. Arguments for regulatory reform need to be pitched at a systemic level, not just on the basis of local pressures.

Centre for Cities has identified three consistent factors that separate high-performing centres from struggling ones:

- Less reliance on retail. The places doing well have a more mixed offer: offices, residents, public services and leisure all contributing to footfall rather than depending on a single use.
- A sustained office presence. Despite all that has been written about post-Covid working patterns, maintaining commercial activity in a centre remains a significant positive for the surrounding streets.
- Residential density. Cities like Lyon have vastly more people living within walking or cycling distance of their centres than anywhere in the UK, including London. If there were a million more residents within easy reach of Tottenham Court Road, the street would look very different.

The underlying point is that a struggling high street is usually a symptom of a broader problem, not the problem itself. Where household incomes have not grown for two decades, spending on the high street suffers. Where housing costs absorb a disproportionate share of income, disposable spending falls. These are macro conditions, but they shape what happens at street level.

Barriers to growth

Footfall patterns and the weekend gap

Like much of central London, Tottenham Court Road is predominantly a weekday destination. Office occupancy has improved since the depths of the post-Covid period, and the panel suggested the area is broadly running at four office days per week now rather than three. But weekends remain underdeveloped. The question of what gives people a reason to come on a Saturday or Sunday, and to stay longer when they do arrive, is one that the Partnership and its members are actively working on.

Part of the answer lies in programming and activation. Charlotte Street's alfresco dining offer, which TFP is working to develop for Goadge Street, is one example of how the physical environment can be used to generate a reason to visit. The entertainment offer at the southern end of the road serves families and leisure visitors. But connecting these pieces, and extending the dwell time of people who arrive at the station and currently head south, requires coordinated effort across landowners, operators and the Partnership.

Rough sleeping and street safety

The issue of rough sleeping and antisocial behaviour was raised directly by a local resident in the audience. Her observation was straightforward: Tottenham Court Road feels less safe at night than comparable parts of central London, and that perception is affecting the willingness of people to be on the street after dark.

This was acknowledged plainly. There were 31 tents on the road at one point. There is now one. Progress has been made, and it has been made through persistent engagement with Camden and through the Partnership's street warden operation. But the challenge around Euston Road, and

around movement of people from other parts of the borough into this area, is ongoing. It is a London-wide issue, but that does not reduce the responsibility to manage it locally.

The practical impact on business is real. A major landlord cited rough sleeping as a reason potential tenants were hesitant about a building that has since let. Keeping this issue front of mind with the local authority, and pressing for coordinated responses rather than displacement, remains a priority.

Business rates and regulatory barriers

A franchise operator in the audience raised the question of what local and national government are doing to address the structural disadvantages facing high street businesses. Business rates, planning timescales and licensing restrictions all featured in the conversation.

Andrew's response was candid. Business rates reform is a national issue that requires a national coalition to move. London's case is complicated by the fact that, compared to many other parts of the country, its vacancy rate looks manageable, and the national government weighs London's position against places with far more acute structural decline. That is not an argument against making the case. It is an argument for making the case more systematically and in coordination with other BIDs, business groups and local authorities.

There is also a well-documented dynamic worth noting: where occupancy costs fall through rates relief, landlords have historically adjusted rents upward to capture the benefit. This does not make reform wrong, but it does complicate the argument and suggests that rates changes alone are unlikely to transform the economics of the street.

Emerging opportunities

Life sciences and the knowledge economy

Fitzrovia has a growing life sciences cluster, anchored by UCLH and UCL and complemented by a number of life science businesses already operating in the area. This is a genuine point of difference. King's Cross has demonstrated how a concentration of tech, life science, offices and quality public realm can create a place with sustained appeal. Fitzrovia has similar ingredients. The Partnership is considering how events like Life Science Week could be used to raise the visibility of this cluster and attract further investment to the area.

Oxford Street East

Significant investment is now arriving on Oxford Street East, the stretch closest to Fitzrovia's southern boundary. New lettings, new architecture and improved digital signage have changed the character of that end of the street, and Warner Bros and GPE are among the occupiers and developers active in the area. The pedestrianisation of Oxford Street West is advancing, and the New Oxford Street Development Corporation's involvement creates a governance structure that spans Camden and Westminster, which should help with the coordination challenges that have historically slowed progress.

The opportunity for Fitzrovia is to connect with the energy being generated on Oxford Street and ensure that some of the footfall drawn to the area's major new attractions finds its way north into the quieter streets and the furniture district. That requires a clear offer, clear wayfinding and active promotion.

Wellness and new occupier types

Wellness operators are showing increasing interest in Tottenham Court Road and the surrounding streets. Planning flexibility under the new Class E and Class C use categories means that operators who previously needed change of use consents can now take retail space more straightforwardly. The caution, raised by Mark, is that wellness occupiers who design themselves off the street visually, with opaque windows and limited interaction with the pavement, can make

an area feel emptier rather than fuller. Any offer in this category needs to contribute to the life of the street, not retreat from it.

What the Partnership is working on

A number of workstreams and upcoming activities are relevant to the themes raised in this session:

- London Furniture Street. A working group is actively developing the concept and its expression in the public realm, in communications and in how the cluster presents itself to visitors and buyers. Contact TFP if you are in the furniture and design sector and want to be involved.
- Fitzrovia Public Realm and Placemaking Strategy. The Partnership will launch its public realm strategy at the London Festival of Architecture kickoff event at the Building Centre on 4 June. The strategy sets out a programme of interventions for the area and will be shared with members and stakeholders.
- Great Titchfield Street alfresco dining. TFP is working to bring outdoor dining to Goodge Street in a way that mirrors the Charlotte Street model and creates a reason to visit on evenings and weekends.
- Street safety and rough sleeping. Engagement with Camden is ongoing, with TFP holding the council to account on its obligations and continuing to invest in the street warden operation.
- Life science and innovation. TFP is exploring how to use events and communications to raise the visibility of Fitzrovia's knowledge economy cluster, building on the UCLH and UCL anchor institutions.

About The Fitzrovia Partnership

The Fitzrovia Partnership is the Business Improvement District for Fitzrovia, working across Camden and Westminster in central London. We represent businesses on and around Tottenham Court Road and the surrounding streets, delivering programmes across public realm, street operations, business support, events and place promotion.

To find out more or to get involved in any of the workstreams mentioned in this briefing, visit www.fitzroviapartnership.com or contact us directly.