

8th August 2011

Reviving Our High Streets

Much has been written in recent months about our failing High Streets and how best to revitalise them.

David Cameron's appointment of Mary Portas as his *High Street Revival Adviser*, recalls Gordon Brown's sagacious ennoblement of Alan Sugar as his *Enterprise Champion*. If nothing else, such appointments secure extensive media coverage, and promote an illusion of action, often as much as a politician can realistically hope to achieve. Whether an ability to front a reality television programme transmutes into a talent to tackle the serious structural problems of the High Street is yet to be seen, although Ms. Portas has a significant retail background.

Those of us whose livelihoods depend on the Nation's High Streets, whether as Landlord, Tenant, Retailer, Surveyor or Agent, can make many suggestions for both Government and Ms. Portas to consider. So, with some 47 years experience dealing in all aspects of High Street retail property behind me, here are mine.

A failing High Street is but a reflection of a failing town. The only way to revive a failing town is by regenerating its town centre as a desirable place in which to live, work and play. Shopping is a by-product of these activities. People will be attracted to live in the heart of a town if it offers a sufficiency of good quality, low-cost housing, for rent or sale, in a safe and pleasant environment. Government can help here by amending the 2001 Finance Act concession of 100% first year capital allowances, introduced to simulate the conversion of redundant High Street upper parts to residential use. To secure the tax relief, a Landlord is presently required to retain ownership of the accommodation created for seven years. He should be free to sell whenever he wishes.

The plethora of vacant office suites above shops, because today's start-ups can apply IT and work from home in the early years of the business, should be converted to residential use, again incentivised by tax breaks. A relaxation of the 2006 Pension Act Regulations, to again permit small pension schemes to invest in commercial properties with a residential content, where it is the lesser part by value, or to undertake conversion thereto, would also be helpful in increasing town centre residential stock. It has been estimated by Living Over The Shop (LOTS) that some 500,000 people could be housed in High Street upper part accommodation.

In many towns High Streets have become too elongated; the extremities need developing in alternative uses, whether residential, commercial or even as shoppers' car parking. Where tertiary retail and commercial property has been vacant for a minimum of two years, change of use to residential should be permissible without planning consent, subject only to Building Regulation Approval. This will create more low-cost town centre housing for rent or sale, and should also be stimulated by tax breaks or grants.

Town centre leisure amenities should be conserved, and subsidised, where necessary. Libraries, theatres, cinemas, museums, galleries, etc. are an important factor in regeneration. The arts stimulate creativity and creativity stimulates business. Following reunification, Germany revitalised East Berlin's moribund economy after the stagnation of the communist era, by a strategy focused on artistic development. Tourism, business and prosperity soon followed.

Open A1 retail applications for out of town shopping should be refused where possible.

Consider Newbury Council who, having granted Planning Consent on land largely owned by the Council, for a major in-town shopping centre, then granted an open A1 consent for a nearby retail park, to which Argos, Boots, Currys, JJB Sports, Mothercare, Next, etc. all promptly decamped, weakening both the established town centre retail offer and the new shopping centre. Peterborough is about to face the same pressure. A failing bulk-goods park has been granted open A1 consent for 260,000 square feet retail in 11 units, with 70,000 square feet now pre-let to Marks & Spencer. What is the impact of that scheme likely to be on the City's central shopping stock? It will not be positive, that is for sure.

Lessons were there to be learned, 30 or more years ago, from the North American experience. Allow the proliferation of out-of-town shopping malls, and the towns and cities are hollowed out, declining into unsafe, unpleasant, crime-ridden ghettos.

Specific measures could include the following:-

1. Government should provide funding for the appointment of Town Regeneration Managers, for towns in severe recession, where retail vacancy rates and unemployment levels are excessively high.

Researching for this paper, I came across the web-site of The Association of Town Centre Management. This states that the "ACTM works with all those interested in promoting the vitality and viability of town and city centres in the UK". Considering the acres of newsprint I have read on the subject of our declining High Streets over the last couple of years, the existence of this organisation seems to have been a remarkably well-kept secret. Perhaps Mary Portas should be appointed to lead it – that should raise its profile.

2. Government should cancel the **2010** Business Rates Valuation, setting Rateable Values back to the **2005** Valuation, thereby aligning them more closely with present market values. It was a good decision that Business Rate revenues are now to be retained by Local Authorities, for direct expenditure in the community.
3. Government should reduce the myopic **100%** Empty Rates charge to **25%**, and instruct District Valuers to stop obfuscating over the delisting of properties undergoing refurbishment and incapable of beneficial occupation.

4. Government should direct Planning Officers to support applications to merge and enlarge High Street shops to create the larger floor plates that retailers now require. Recently, we were refused consent to redevelop two adjoining 1920's shop units as one large store, because the existing properties had been built to accord with medieval plot lines.

Whilst the preservation of our built heritage is important, in commercial locations that must be weighed against socio-economic factors.

5. Improve and extend the in-town shopping car park provision. Make parking free for the first 2/3 hours and expensive thereafter.

Caterham has an in-town 350 space demised car park, owned and operated by Morrisons. It is free to shoppers for 3 hours, allowing ample time for shopping in the town and supermarket, but not for commuter use from the adjacent railway station. Properly patrolled and enforced, this demonstrates how an in-town food offer, with a well run car park, can benefit the whole town.

An excellent example of the type of in-town comprehensive development we need, is the recently reported regeneration proposal in Dartford by Tesco, who have submitted a planning application on a 7.2 acre high street site, for a 100,000 sq ft superstore, 10 shops and restaurants in 40,000 sq ft, with 220 flats over.

6. Semi-pedestrianise the High Streets; allow limited free 20 minute parking; and abolish all yellow lines where possible.
7. Install seating, planting, and kiosk catering, to encourage shoppers to meet and linger in a safe, clean and pleasant High Street environment. On-line shopping has grown apace, but many leading retailers combine that with a strong High Street presence, offering "bricks and clicks", as John Lewis has so ably demonstrated. Shopping at its best is an enjoyable social experience. Provide that to customers and they will patronise the shops in shopping hours, and the web when the shops are closed.
8. Put an attractive and substantial food offer in the High Street. Howard de Walden famously revived Marylebone High Street, by first reportedly securing Waitrose on concessionary rental terms, in replacement of a smaller and less attractive supermarket.
9. Develop tourism, which provides an extra layer of prosperity and an economic buffer when times are hard.
10. Support and encourage Street and Farmers' Markets. Re-establish them in towns where they no longer exist.
11. Get the police out of their cars and back on the streets. Their boots on the ground are a reassuring presence to the shopper and a deterrent to the shoplifter.

12. High rents and upward only rent reviews are just a “wrong kind of snow” excuse used by stumbling retailers. Shop rents have fallen significantly over the last two years, and with Landlords now conceding **10** year Leases and **5** yearly Tenant breaks, upward only rent reviews have been largely neutered.

Excessive business rates, fettering regulations, restrictive employment laws, absurd Health & Safety requirements, constant interference at both local and central Government level, and punitive and inconsistent taxation policies, have been far greater negative factors for all British business to contend with in recent years.

In summary, repopulating our town and city centres will bring the retail, commercial and leisure businesses to serve them. According to the 1999 Urban Task Force Report, “an active residential community creates the critical mass vital to economic and social regeneration”.

The socio-economic benefits are manifest – a reduction in street crime, alcoholism, graffiti and vandalism; an increase in personal and business security; a reduction in commuter travel, fuel usage and air pollution; a speedy increase in low-cost housing at minimal environmental cost; the restoration of many fine period buildings, with reliable on-going maintenance by the occupier or landlord; an increase in Council tax revenues, coupled with a reduction in the Local Authority’s costs combating anti-social behaviour; and of course the High Street revitalisation so badly needed.

A Portas pill will not be a panacea for the present ills of our High Streets, but small measures, sensibly implemented in combination at local level, will kick-start the process of revival. This can be achieved under the auspices of empowered Town Regeneration Managers, persuading Local Authorities, Landlords and Retailers, to all engage with each other. Revivals germinate best at the grass-roots level.

Anthony H. Ratcliffe FRICS FRSA