



Please cite the Published Version

Parker, Catherine , Millington, Steven  and Sonderland, Regine (2021) Saving the high street: what to do with empty department stores and shopping centres. *The Conversation*. ISSN 2201-5639

Publisher: The Conversation Trust

Version: Published Version

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THE CONVERSATION

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Saving the high street: what to do with empty department stores and shopping centres

Published: February 5, 2021 1.47pm GMT

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Chain stores are moving out of the high street. Recent high-profile deals, such as online fashion retailer Asos's purchase of high street brands including Topshop and Miss Selfridge from the Arcadia group, and the acquisition of Debenhams by another online business, Boohoo, have cemented the trend.

Neither deal includes any physical shops, meaning that 118 Debenhams stores and a further 70 Arcadia shops are closing.

As shopping increasingly moves online – a trend accelerated by lockdown – the question remains of what to do with all the empty space on the high street. Research by estate agent Savills suggests the UK may already have 40% excess retail space.

<https://theconversation.com/saving-the-high-street-what-to-do-with-empty-department-stores-and-shopping-centres-154327>

Different approaches

As a rule, smaller units, like those occupied by Topshop or Miss Selfridge, have been easier to let or repurpose than large department stores, like Debenhams. Before the pandemic, chain store closures and a declining demand for retail space caused rents to fall and resulted in shorter lease lengths over the past few years. These trends led to an influx of independent businesses on our high streets including bars, restaurants, small shops, music and cultural venues as well as community businesses.

COVID-19 is having a catastrophic impact on these businesses, in particular those in the arts, hospitality, entertainment and recreation sectors. It remains to be seen how many will survive the current lockdown. The failure of these businesses will not only lead to more redundant retail space – it will also effectively kill off many green shoots of town centre transformation.

Larger units, like those occupied by Debenhams, are even more problematic. The collapse of department store chain BHS four years ago offers some lessons. Less than half of their 160 stores have been reoccupied, and 23 – around 15% – repurposed or sub-divided. An additional 23 have been completely demolished and 43 remain vacant, leaving massive voids in those town and city centres.

Repurposing purpose-built multi-level retail stores is an expensive job. It is also architecturally difficult to convert them for commercial or residential use. The site of the BHS in Edinburgh, for example, is being redeveloped as a hotel, with some ground floor retail, but only the original building facade remains.

As well as redundant department stores, many towns also face the challenge of what to do with high street shopping centres, which are becoming increasingly deserted. However, there is scope for temporary change. A food court in a Norwich shopping centre has been converted into a mass vaccination centre. Longer term, such centres will need to find more permanent non-retail uses, such as leisure or health and fitness centres.

In some locations, demolition may be the way forward, to make space for other buildings or to create new and attractive spaces. This is happening in Stockton-on-Tees, where there are plans to replace a 1970s shopping centre with a riverside park. However, this requires bold vision and leadership from the council, community, landlords and businesses. It also requires financing: in order to demolish the shopping centre, the council first had to buy it.

Local leadership

In recent decades, the decisions affecting the high street have often been out of local control. Absent landlords and multiple retailers ruled from a distant head office have led to management and investment decisions being made far away from the towns and city centres that live with the consequences.

This has resulted in a lack of coherent management and development on high streets. Everything is piecemeal. While the collapse and restructuring of the retail sector is clearly damaging for many communities, there is a long-term opportunity here to reclaim local control and repurpose the high street as an engaging place for multiple local communities, not just shoppers.

This opportunity for joined-up planning is threatened by a recent change to regulations, which allows developers and property owners to convert former retail space into housing without local planning permission.

There is a place for residential development in town centres, but the potential loss of control over development undermines local leadership. For centres to thrive, they need carefully planned development which incorporates a wide range of uses into one space. This can include housing, but should also have a mix of cultural, retail, and leisure and entertainment facilities.

High streets also need reliable, long-term funding. Historically, much of this revenue has come from business rates. More recently, additional funding has been raised in many towns and cities through Business Improvement Districts, where businesses pay a levy – a form of additional tax – that funds projects within the boundaries of the defined district.

If retail and commercial spaces on the high street are replaced by housing, then this will seriously reduce the amount of money available to regenerate high streets.