

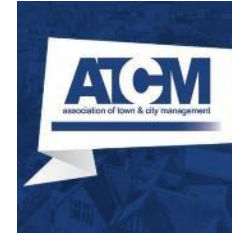
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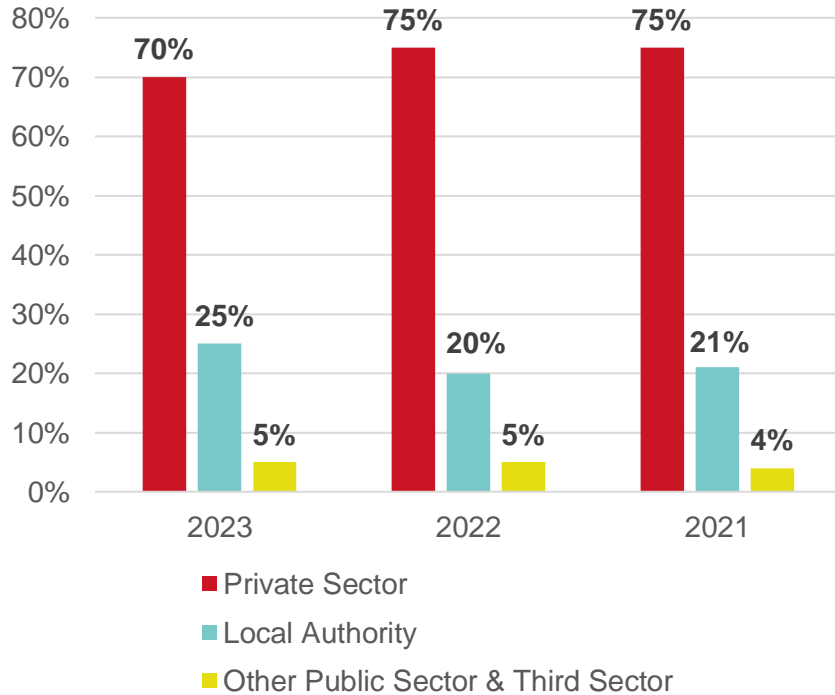
FROM
RECESSION  TO
RENAISSANCE

WHAT IS THE FUTURE FOR OUR TOWNS,
HIGH STREETS & SHOPPING CENTRES? **2023**

OUR RESEARCH PARTNERS



RESPONDENT PROFILES



Main Role in Town Centres	%
Local Authority	25%
Consultant	23%
Agent / Broker	14%
Property Investor / Owner	12%
Property / Facility Manager	8%
Occupier	5%
Town Centre / BID Manager	4%
Developer	4%
Other	5%
TOTAL:	100%

KEY THEMES



ISSUES AND
CHALLENGES



**LEADERSHIP
AND
INVESTMENT**

OPPORTUNITIES FOR GROWTH &
TRANSFORMATION



**WHAT HAVE
WE LEARNT?**

**1,000+ EXPERTS 32 LOCATIONS
ACROSS THE UK & IRELAND 7,700
PROPERTIES MANAGED ADVISE ON
£16BN OF PROPERTY EACH YEAR 1,000
RAILWAY STATIONS MANAGED 15M SQ FT
OF SHOPPING CENTRES MANAGED 18M
SQ FT OF INDUSTRIAL & LOGISTICS + 7M
SQ FT OF OFFICE SPACE TRANSACTED
EACH YEAR 350 PUBLIC SECTOR
CLIENTS 60% OF FTSE 100 ADVISED**

INTRODUCING PR+I

OVER 120 PROFESSIONAL ADVISERS
COVERING 8 CORE AREAS:



PLANNING
CONSULTANCY



DEVELOPMENT
CONSULTANCY



TOWN CENTRE
REGENERATION



URBAN DESIGN &
MASTERPLANNING



TRANSPORT &
INFRASTRUCTURE



COMPULSORY
PURCHASE



VALUATIONS



PUBLIC SECTOR

WHO WE WORK WITH



OUR LIFE CYCLE



CONCEPT

VISION & STRATEGY
RESEARCH
MARKET ANALYSIS
APPRAISAL, VIABILITY & FEASIBILITY



SITE ASSEMBLY

ACQUISITION
BY AGREEMENT
CPO SERVICES



DESIGN

MASTER PLANNING
DESIGN BRIEFS & GUIDES
DESIGN & ACCESS STATEMENTS



APPROVAL

STAKEHOLDER ENGAGEMENT
PLANNING APPLICATIONS & APPEALS
NEGOTIATION OF PLANNING
OBLIGATIONS



DISPOSAL

MARKETING & PR
MORTGAGE ADVICE
LETTINGS & SALES
INVESTMENT & DEVELOPMENT SALES
ONLINE AUCTIONS
HOUSING ASSOCIATION
SALES EXPERTISE



OPERATION

LANDLORD & TENANT
PROPERTY & ASSET MANAGEMENT
FINANCIAL SERVICES
EMERGENCY / SOCIAL RELOCATION



DELIVERY

DIRECT DEVELOPMENT SERVICES
JOINT VENTURE SOLUTIONS
PUBLIC PROCUREMENT EXPERTISE
DUE DILIGENCE SERVICES



FUNDING

VALUATION
DEVELOPMENT FINANCE
FORWARD PURCHASE
INVESTMENT PURCHASE

TOWN CENTRE REGENERATION

REGENERATE.
REPURPOSE.
REVITALISE.

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DELIVERING
THE
RENAISSANCE
OF OUR TOWNS
AND HIGH
STREETS

lsh.co.uk/regeneration



TILBURY TOWNS FUND

We prepared the Town Investment Plan (TIP) in 2020 that helped secure £23 million of capital investment from the Government-backed £3.6bn Town Deal Fund, made available to 101 centres. Underpinned by wide-ranging engagement and consultation with stakeholders and the local community, the funds will help to kick-start key projects and interventions in Tilbury Town Centre; including new healthcare and youth facilities, improvements to the Station Hub Gateway, and stronger connections to the riverside and port.



CANNOCK CHASE DISTRICT COUNCIL

We provided property and planning advice to help inform the Council's £24m bid to secure Levelling Up Funds, matched by £14m of Council funding. The money will be used to help deliver new cinema and theatre improvements, along with offices and housing in the heart of the town centre.



GRAYS TOWNS FUND

Project managed and prepared a Town Investment Plan (TIP), securing nearly £20 million of capital funds. This will provide a "once-in-a-lifetime opportunity to transform the town into the leisure heart of Thurrock"; including creating a brand new river front destination.



CORBYS TOWNS FUND

We unlocked £20 million of capital funds to help deliver new regeneration and infrastructure projects across the town centre. The TIP involved significant collaboration, engagement and partnership-working during the height of the pandemic. This helped inform the preparation of a robust vision, and prioritise key interventions; including the repurposing of a long-term vacant building in the town for new education uses.



ROTHERHAM BOROUGH COUNCIL

Advised on the preparation of a Town Centre Masterplan and Delivery Strategy. This provided a long term vision for the town centre and identified key development opportunities. Our involvement has since extended to the Council's Future High Street Fund (FHSF) and Town Fund bids in 2020, which secured over £45 million of capital funds.



HIGH PEAK BOROUGH COUNCIL

Advised the Council on its bid submission for the Government's Future High Street Fund for Buxton Town Centre. We led a multi-disciplinary team on the preparation of a commercial masterplan and business case, which helped to unlock £6.6m of funds to progress a mixed use redevelopment focused on The Springs shopping centre and surrounding sites. We have been retained to advise on the procurement of a development partner to deliver the comprehensive redevelopment.

THOUGHT LEADERSHIP & RESEARCH

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SHOPPING CENTRE FUTURES

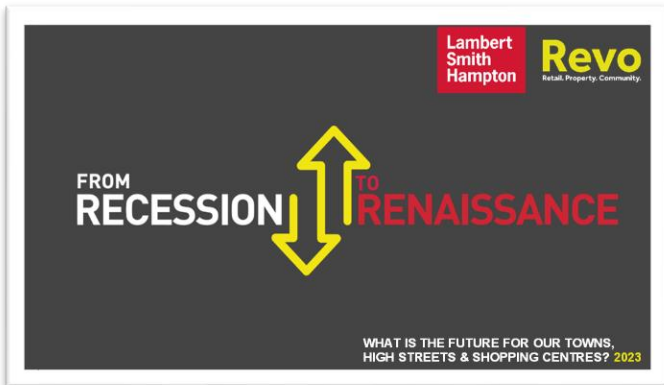
PUTTING SHOPPING CENTRES AT THE HEART OF REGENERATION 2022



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UK 2023 VITALITY INDEX

A DEFINITIVE HEALTH CHECK ON THE UK'S TOWNS AND CITIES



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FROM RECESSION TO RENAISSANCE

WHAT IS THE FUTURE FOR OUR TOWNS, HIGH STREETS & SHOPPING CENTRES? 2023



23 DATASETS 100 LOCATIONS LIFE SATISFACTION RETAIL SPEND EMPLOYMENT GROWTH RECYCLING RATES SOCIODEMOGRAPHICS GREEN SPACE PROPERTY INVESTMENT CRIME RATES EDUCATIONAL ATTAINMENT HOUSING DELIVERY WAGES

Welcome to the 2023 UKIT Vitality Index, LSH's tenth annual assessment of the health of the UK's largest towns and cities outside London.

Divided into three distinct pillars, the main index enables 10 datasets to identify which are the best places to live and work in the UK, with the strongest growth prospects, by incorporating a broad range of indicators encompassing Economy & Business, Living and Health & Environment, the report takes a holistic approach in assessing the vitality of towns and cities.

This year's ranking has been enhanced with the addition of a new indicator of green space per capita to the Living pillar.

For the third year running, a separate Opportunity Index is also included. This identifies the locations with the greatest potential to overcome existing challenges and grow.

The Vitality Index covers the 100 largest towns and cities by population outside London. Each of these places has had its strengths and weaknesses thoroughly tested by pandemic and, more recently, the cost of living crisis. Further challenges are undoubtedly to be faced in 2023.

Despite an uncertain backdrop, many locations have seen improvements across a host of indicators over the last year. This report offers a light on every location's relative resilience and provides insight into their potential for growth in an ever-changing world.

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BACK INTO BALANCE

UKIT 2023

RESEARCH
Back into Balance



RESEARCH
Industrial & Logistics Market Intelligence



TIME & SPACE

RESEARCH
Thames Valley & South East Office Report 2022



ONWARDS

UKIT Q422

RESEARCH
UKIT Q4 2022: UK investment slumps in final quarter



UNDER PRESSURE

2022 REPORT

RESEARCH
Regional Office Market Report 2022



BIG TICKET

UKIT Q122

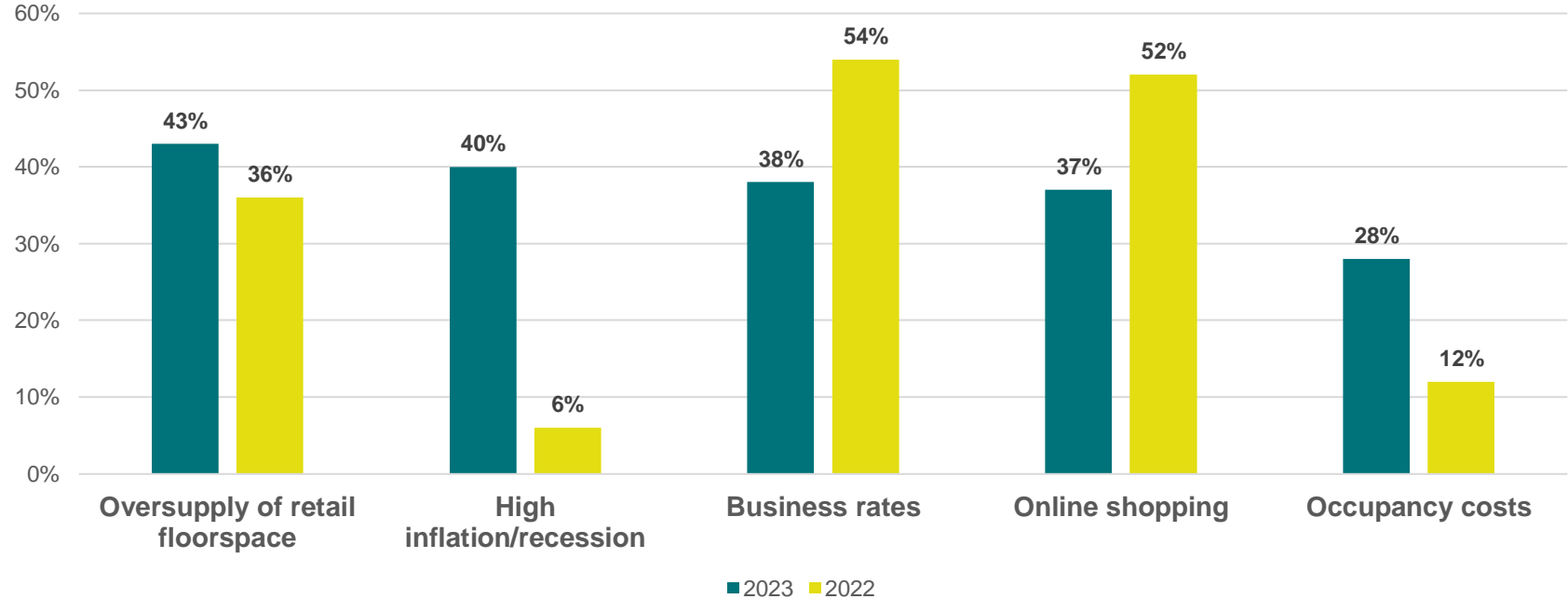
RESEARCH
UKIT Q1 2022: UK Investment Market Resilient Amid Headwinds in Q1



ISSUES AND CHALLENGES

THE BIG ISSUES

What do you think will be the top three challenges facing Britain's high streets & town centres over the next five years?



TOO MUCH RETAIL SPACE

Over the next five years, what percentage of our current town centre retail space needs to be repurposed/
redeveloped into **ALTERNATIVE** uses?



CLIMATE CHALLENGE

Which five main local initiatives for towns and shopping centres will best address the UK's pledge to tackle climate change over the next ten years?

Top Five Key Interventions	2023	2022
Improve public transport networks	70%	66%
Provide more infrastructure for electric vehicles	43%	53%
Provide infrastructure for healthy and active travel	43%	44%
Prioritise retrofitting over demolition and rebuild	43%	n/a
Improve building energy efficiency	42%	n/a

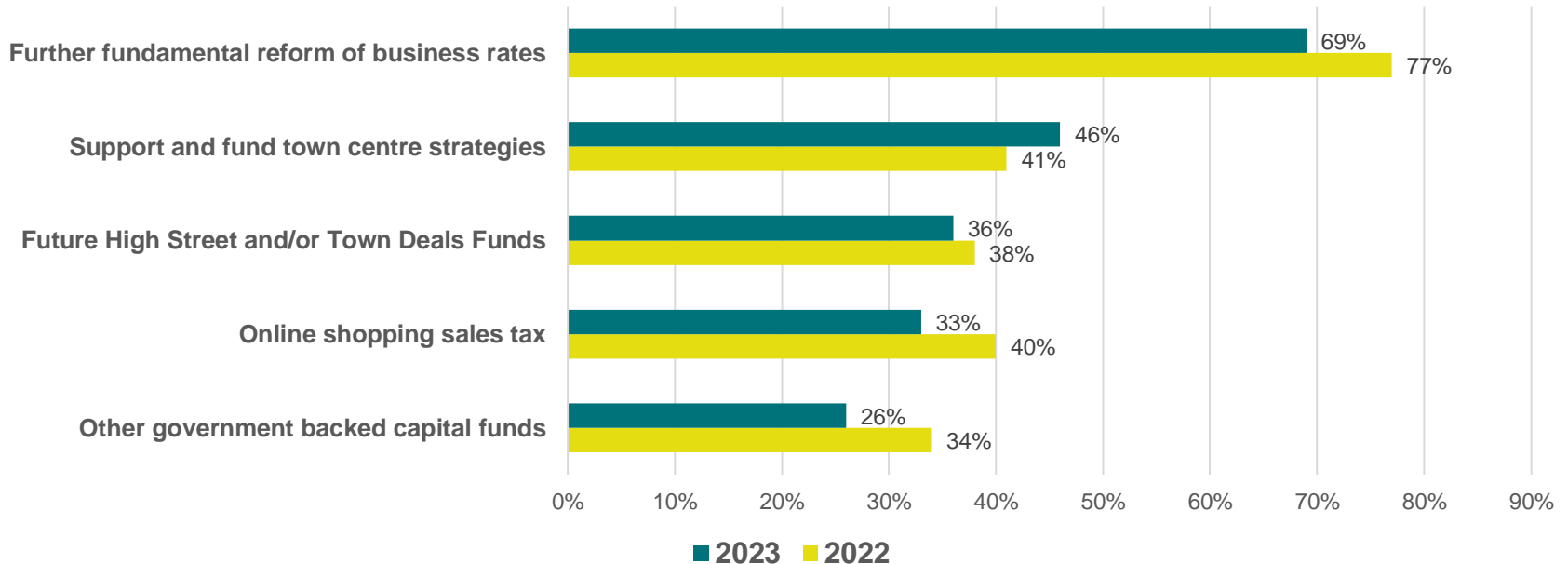


OPPORTUNITIES FOR GROWTH & TRANSFORMATION



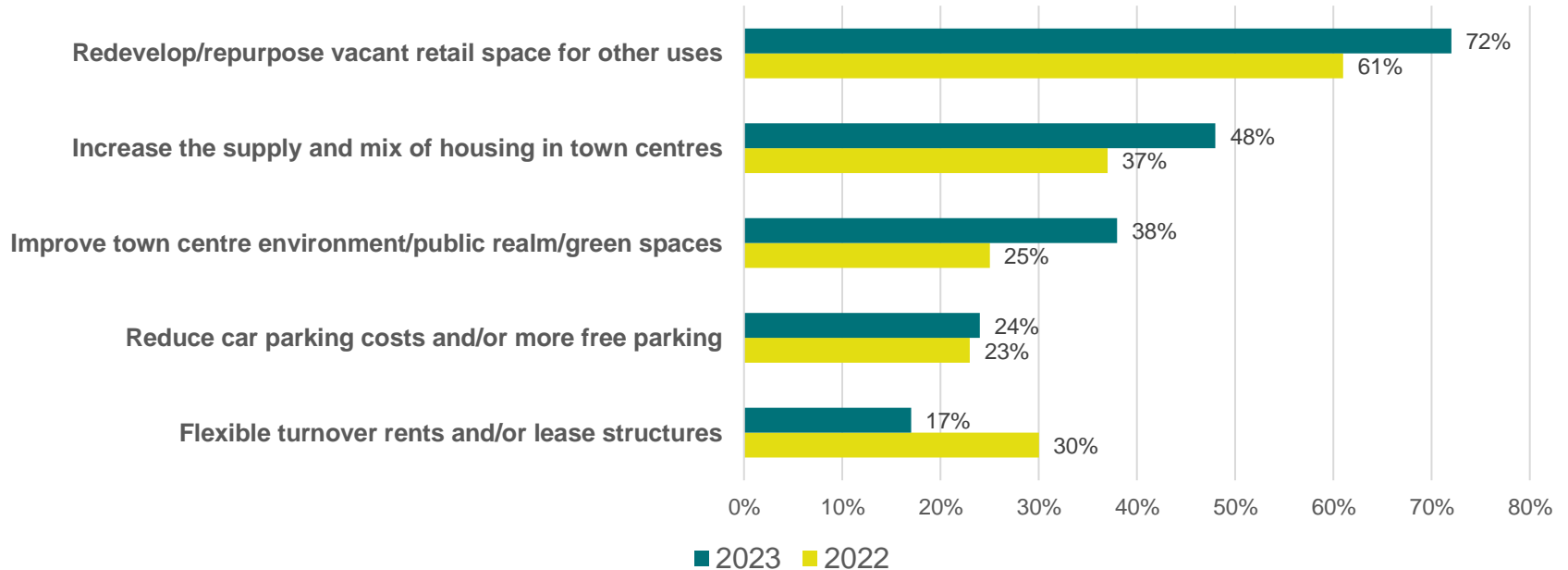
CENTRAL GOVERNMENT REFORMS

What Central Government initiatives and/or interventions do you think will be most effective in supporting our towns, high streets and shopping centres over the next five years?



LOCAL INTERVENTIONS

What other measures do you think will help to build greater resilience in our town centres over the next five years, helping to ensure their overall vitality and viability?



OPTIMUM CRITICAL MIX OF USES



LEVELLING UP & REGENERATION BILL (LURB)

What impact do you think the LURB will have on the recovery and revitalisation of our high streets, towns and shopping centres over the next five years?

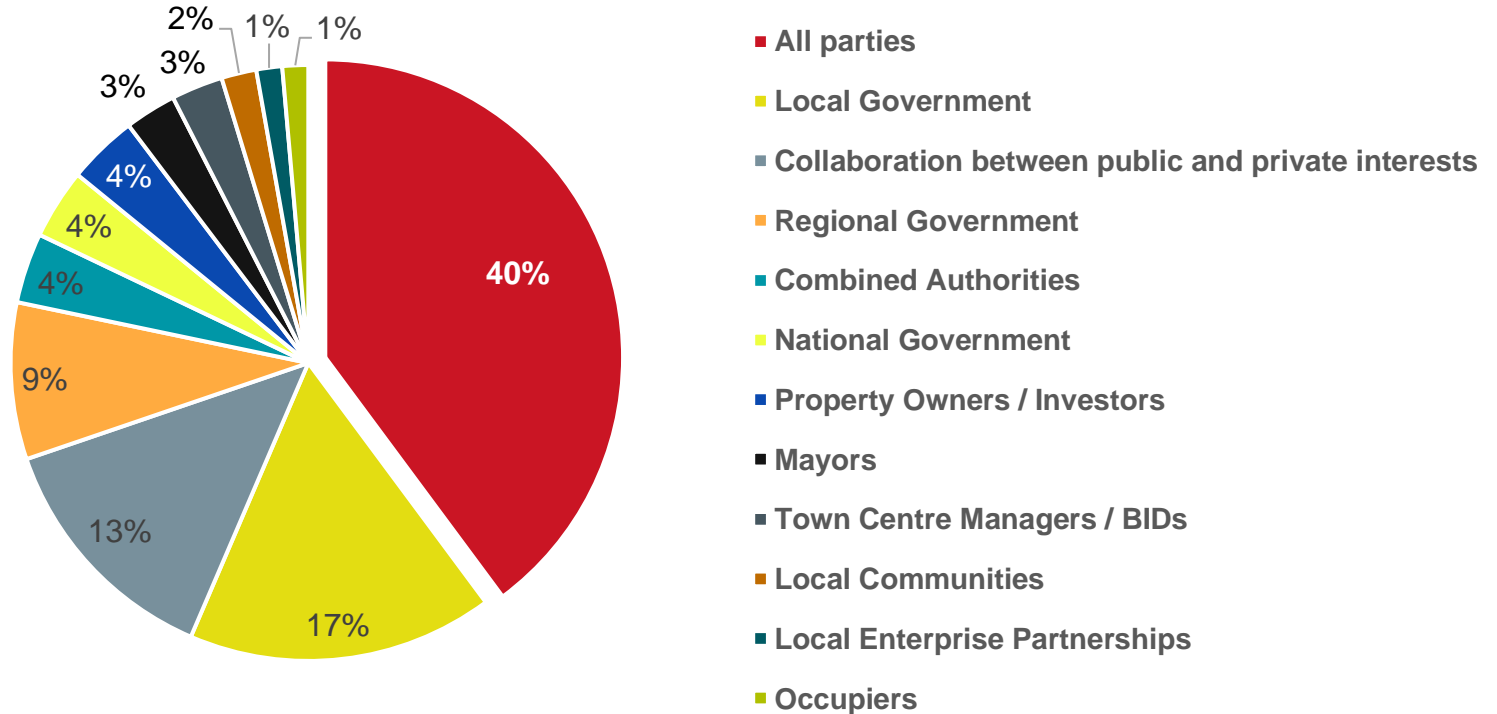
	All respondents	Private sector	Public sector
Extremely positive	4%	4%	3%
Positive	42%	50%	25%
Neutral / immaterial	37%	35%	45%
Adverse	5%	1%	12%
Significantly adverse	2%	1%	2%
Don't know	10%	9%	13%



LEADERSHIP AND INVESTMENT

LEADING THE RENAISSANCE

Who do you think should lead the transformation and renaissance of our towns and high streets?



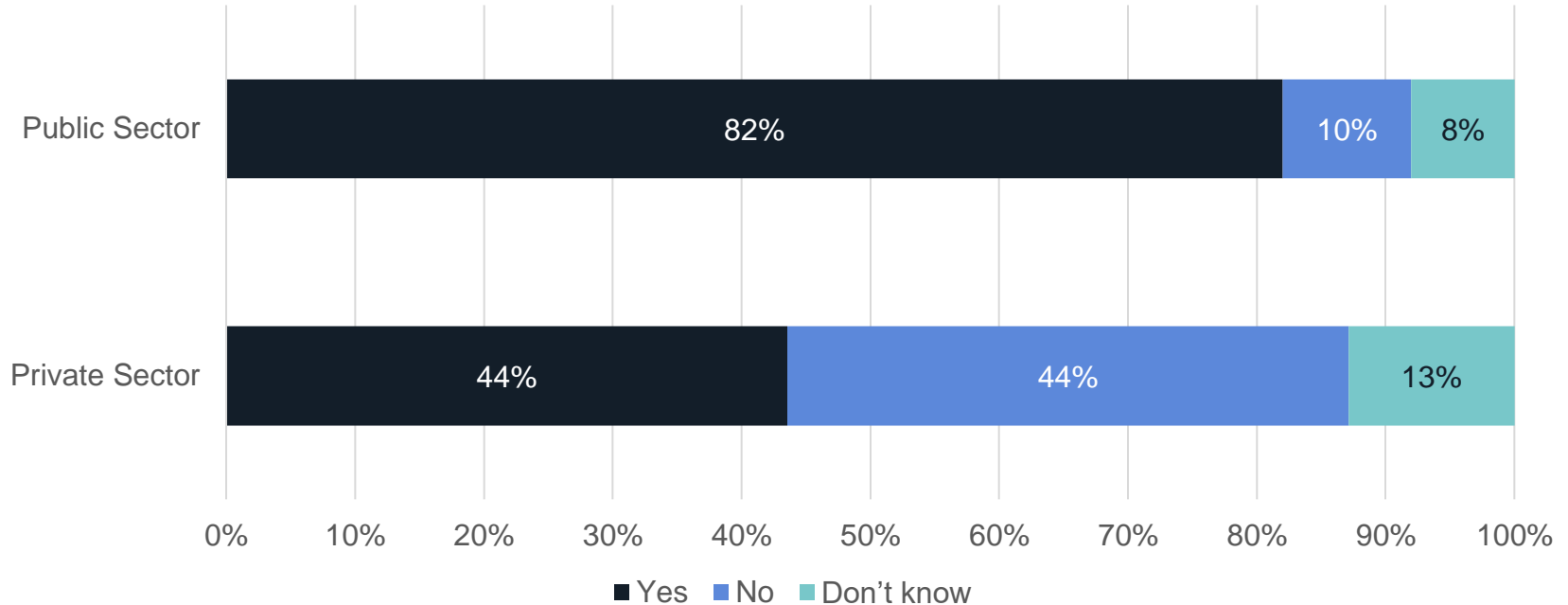
FUNDING SOURCES

How do you intend to fund your key regeneration / development projects over the next five years?

Funding Source	2023	2022	2021	2020
Joint ventures / partnerships	42%	36%	38%	46%
Public Sector - Local Authority (part/whole) funding	35%	30%	24%	36%
Town Deals Fund and/or Future High Street Fund	28%	26%	31%	n/a
Levelling Up Fund	27%	26%	31%	n/a
Grants	25%	16%	24%	23%
Debt Financing	19%	n/a	n/a	n/a
UK Based Institutional Investors / Private Sector	16%	18%	24%	24%
s106 / CIL	16%	12%	12%	18%
Individual wealth	15%	8%	17%	6%
UK Shared Prosperity Fund	13%	n/a	n/a	n/a

FUNDING THE RENAISSANCE

Do you or your company/organisation intend to plan, fund and/or develop town centre schemes over the next five years?



GOVERNMENT-BACKED CAPITAL FUNDS

Fund	Objective	(£)
Future High Streets Fund (2018)	To renew and reshape town centres and high streets in a way that drives growth.	£1bn
Towns Fund (2019)	Economic regeneration of 101 towns.	£3.6bn
Levelling Up Fund (2020)	Supports investment in three key areas – (i) local transport projects; (ii) town centre / high street regeneration; and (iii) cultural and heritage assets.	£4.8bn
Welcome Back Fund (2021)	To support the safe return to high streets and help build back better from the pandemic.	£56m
UK Community Renewal Fund (2021)	To prepare for the UK Shared Prosperity Fund	£220m
UK Infrastructure Bank (2021)	Investment in infrastructure assets that drive regional and local economic growth or support tackling climate change.	£22bn
UK Shared Prosperity Fund (2022)	Succeeds the old EU structural funds. Provides funding up to March 2025 focussed on 3 local priorities – (i) communities and place; (ii) support for local businesses; and (iii) people and skills. All areas of the UK will receive an allocation from the fund via a funding formula rather than through competition.	£2.6bn

WITHER TOWN CENTRE INVESTMENT?

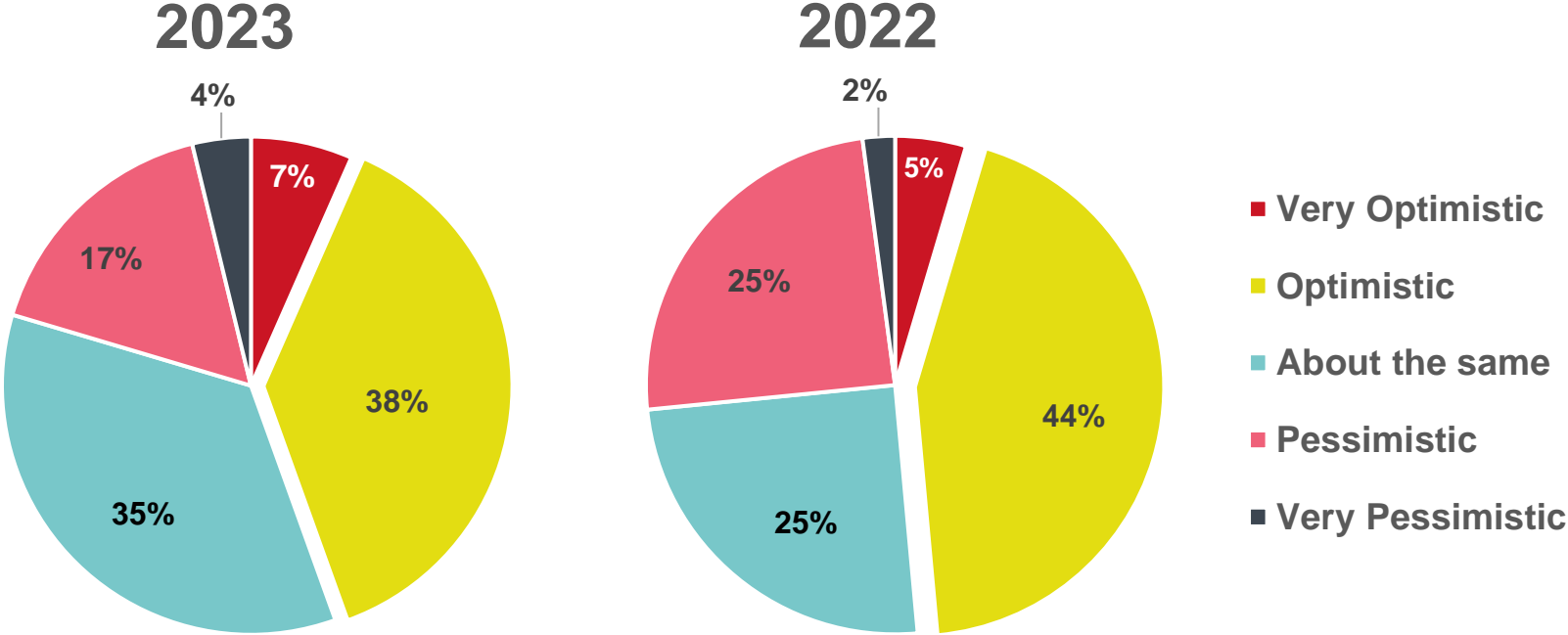
- Different Government-backed capital funds are fragmented
- Significant resource/cost incurred by local authorities applying for funds.
- Funds are short-term - need to be spent by 2024/25.
- Project costs have increased significantly - some are no longer viable
- Limited prospect of match funding from the private sector or other sources.
- Need a joined up approach to regeneration funding.
- Devolution could help.



**WHAT HAVE
WE LEARNT?**

2025 – REASONS TO BE CHEERFUL?

Thinking ahead to 2025, how do you feel about the future of the towns and high streets you are currently operating in, or engaged with?



IMPACT OF ECONOMIC DOWNTURN

Have your investment and/or development plans been impacted by the recent changes in economic / financial climate?

	Private Sector	Public Sector
Yes – plans withdrawn completely	3%	2%
Yes – plans on hold until economy improves	20%	8%
Yes – plans scaled back (but still going ahead)	22%	42%
No	40%	28%
Don't know	15%	20%

DELIVERING SUCCESSFUL FUTURE CENTRES

- Leadership and governance
- Stakeholder and community engagement
- Market-facing evidence-based visions and strategies
- Repurpose/Redevelop unviable retail/office & shopping centre space
- More flexible and diverse uses
- New & affordable homes with different tenures
- Invest in new physical/digital infrastructure
- Plan for more active modes of travel - “*walkable neighbourhood concept*”.
- Restore civic and community pride
- Create beautiful, green, attractive buildings and places

OPPORTUNITIES

For the third year running, the Opportunity Index is included in addition to the main index, putting a spotlight on those locations with the greatest potential to overcome current challenges and grow.

RANK	TOWN / CITY	REGION
1	NUNEATON	WEST MIDS
2	ST HELENS	NORTH WEST
3	WIGAN	NORTH WEST
4	TELFORD	WEST MIDS
5	WAKEFIELD	YORKS & HUMBER
6	PLYMOUTH	SOUTH WEST
7	SHEFFIELD	YORKS & HUMBER
8	LINCOLN	EAST MIDS
9	LIVERPOOL	NORTH WEST
10	WOLVERHAMPTON	WEST MIDS



WHAT'S IN IT?

The Opportunity Index encompasses an analysis of government funded support (Future High Street Fund, Towns Fund, Levelling Up Fund, City Region Deals and Enterprise Zones), forecasted population growth among 20-44 year olds, housing deliveries and future pipeline, and the ratio of retail to office stock. The last of these is indicative of opportunities to repurpose and regenerate.

NORTH-SOUTH DIVIDE REVERSED

The Opportunity ranking results are starkly different to the Vitality Index, drawing on a distinct set of indicators. While the top locations for Vitality are mostly towns and cities in the south of England, the Top 10 for Opportunity is dominated by locations in the North West, the Midlands and Yorkshire. None of the towns and cities listed in the Top 10 of the Opportunity Index appear in any of the Vitality Index's pillar Top 10s.

NONE ABOVE NUNEATON

Top place in this year's Opportunity Ranking is taken by Nuneaton, which moves up one place from 2022. The Warwickshire town achieves top scores for population growth forecasts for 20-44 year olds and government funding, having made successful bids to both the Future High Streets Fund and Towns Fund.

LEVELLING UP BOOST

Nuneaton is one of three West Midlands locations in the Top 10, alongside Telford and Wolverhampton. The ranking of Telford is boosted by the recent award of £20m from round two of the government's Levelling Up Fund. The same amount was also awarded to Lincoln, helping it to become the only East Midlands location in the Top 10.

HIT THE NORTH

The North West features heavily in the Top 10 with St Helens, Wigan and Liverpool all included. St Helens and Wigan are consistent scorers across the Opportunity metrics, while Liverpool receives a particular boost from strong population growth forecasts for 20-44 year olds. Population forecasts are also a major factor behind Yorkshire's two representatives in the Top 10, Sheffield and Wakefield, which both receive a maximum score for this indicator.

ODD ONE OUT

Plymouth is the 'odd one out' in the Top 10, being the only southern location. The South West city is home to multiple regeneration projects and scores highly for both government funding and housing delivery. No South East, East of England or North East locations are included in the Top 10 but, at a regional level, the North East has an above-average Opportunity score.

OPPORTUNITY IN THE NATIONS

While the Top 10 is purely comprised of locations in England, other parts of the UK also rank highly for Opportunity. The average score for locations in Scotland is the highest of any region covered by the report, and Edinburgh and Dundee only narrowly miss out on Top 10 placements. Likewise, Cardiff is just outside the Top 10 and Wales has one of the highest average scores for Opportunity.

THE CENTRE OF THE FUTURE

The shopping centre as we think of it now may not exist in the future. Retail-only centres will need to evolve into mixed-use locations, serving a wide range of community needs. These may no longer be thought of as shopping centres, but simply as town centres. While every location will have to respond differently to the needs of its local community, some key characteristics of successful future centres can be proposed.



24/7

Across all commercial property sectors, one of the key post-pandemic challenges is finding ways to utilise and generate value from space for longer periods of the day and week. For shopping centres, this means adding uses that ensure they do not become dead spaces outside of retail hours.

Introducing residential space could be key, as it creates an on-site population generating 24/7 demand for services. Community, cultural and leisure uses will also bring life to centres at times when shops are quiet or closed.



FLEXIBLE

Flexible space and leases will be needed to ensure that centres can attract a broad range of occupiers across sectors. Landlords will need to be flexible on terms, by offering short leases or turnover rents, or even setting aside some space that can be rented on an hourly or daily basis to support new and local businesses.

Flexible units that are easily divisible and adaptable to different tenant needs will also be required. Future centres may ultimately need to offer ultra-flexible space that breaks conventional sector distinctions and can be used as retail, leisure, work or community space; and occupied by different tenants depending on the time of day, or the day of the week.



SUSTAINABLE

With ESG considerations continuing to rise up the agendas of investors, occupiers and consumers, there will be an increasing onus on centres to make positive environmental and social impacts. The shopping centre of the near future will need to be carbon neutral, and designed or retrofitted with features that reduce energy consumption and water usage.

Better integration with public transport and cycling links will help to reduce the emissions caused by travel to shopping centres. This will also be supported by the move towards mixed-use centres, as the addition of residential units will lessen the travel requirements of those living in these new homes.



EXPERIENTIAL

The key advantage that physical retail and leisure operators have in an increasingly online world is their ability to provide in-person experiences that go beyond simply browsing and buying products. Shopping centres will increasingly need to cater to consumer demand for personalised, immersive retail experiences, and the human desire for social and face-to-face interactions.

An increased focus on experiences will see centres giving greater volumes of space to leisure and food and beverage uses, as well as providing flexible and pop-up retail spaces suited to local, artisan and boutique businesses.

While unprecedented challenges abound, shopping centres still have important roles to play within towns and cities. However, they may need to take on radically different forms in order to survive and flourish. Repurposing activity is key to securing the future of centres, but it must be carefully planned and implemented so that it supports bold new visions of their long-term roles at the heart of communities.



MIXED

Leisure, food and beverage, flexible offices, residential, healthcare, education and other uses may all sit alongside retail in future centres. The greater the range of commercial, residential and community uses offered by a centre, the more reasons that people will have to come to them and to stay for longer.

Finding the right combination of mixed uses will generate a 'halo effect', with consumers' positive experiences in one area making it more likely that they will use others, improving footfall and revenues across the centre.



LIVING

Mixed-use centres with residential space will need to be integrated into the communities that live in and around them. Future centres will not survive if they are only places where people go to shop and then leave; instead they need to be locations where communities live, work, play and socialise.

By becoming living places with a resident population, demand will be created for a wide range of community services, including healthcare, education, libraries and sports facilities. The mixed-use centre of the future may essentially need to function as a town centre in itself, serving a broad range of public needs.



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