Exit strategy: Can high streets survive?

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#covidhighstreets

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• High street style businesses have been struggling
• The lockdown has not helped
Outline

• Relationship between high streets and offices before the lockdown
• Change in behavior during the lockdown
• Implications for policy
High street is changing but not all places were struggling
There’s more to city centres than retail and leisure.

England and Wales city centre average:

- Office: 50%
- Retail: 26%
- Food and leisure: 11%
- Industrial: 6%
- Warehouse: 2%
- Other: 5%

Source: centreforcities.org/data/building-blocks-data-by-city
City centres vary in their strength as office locations.
This feeds into the performance of their high streets.
How does the lockdown change things?

Some things play out the same everywhere:

- Shift to online shopping accelerated everywhere
- Government support e.g. job retention scheme, business rates relief available everywhere

But not everything...
Footfall in strong city centres has been hit harder

(Bubble size is Worker drop-off)
## Implications for policy response

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<tr>
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<th>Strong city centres</th>
<th>Weak city centres</th>
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<tr>
<td><strong>Lockdown</strong></td>
<td>• Bigger fall in footfall</td>
<td>• Smaller drop in footfall from previous levels</td>
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<td>• Likely to go on for longer</td>
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<td><strong>Longer-term</strong></td>
<td>• Lockdown is an <strong>interruption</strong></td>
<td>• Lockdown is an <strong>interruption and an acceleration</strong> of the long-term decline already underway</td>
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<td>• Demand will eventually pick up for cafes, pubs and shops as we get back towards normal</td>
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<td><strong>Policy response</strong></td>
<td>• Help the local services tide over financially while this process unfolds</td>
<td>• Extending support will stagger decline but <strong>cannot fix the structural lack of demand</strong></td>
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<td>• <strong>Longer-term approach</strong> needed to transform into more attractive business locations</td>
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