

# Landsec – written evidence submission (Levelling Up and Regeneration Bill)

## About Landsec

- 1.1 Landsec is one of the leading real estate companies in the UK. We shape places that create sustainable value for our customers, communities and stakeholders. Our £12 billion portfolio spans 23 million square feet of well-connected retail, leisure, workspace, and residential hubs. From the iconic Piccadilly Lights in the West End and the regeneration of London's Victoria to the creation of retail destinations at Westgate Oxford and Trinity Leeds, we own and manage some of the most successful and memorable places in the UK.
- 1.2 Our strategy is focused on three key areas – Central London offices, major retail destinations and mixed-use urban neighbourhoods. Although the proportions of use differ, there is increasingly more that unites these areas than divides them, as the lines between where people work, live and spend their leisure time blur. What really binds these three areas together is the importance of a sense of place.

## Reason for submitting evidence

- 2.1 The UK retail sector continues to undergo the biggest upheaval it has seen since the 2008 financial crash, with retailers across the country consolidating their portfolios to reduce store numbers as the growth of online shopping continues to rise and consumer behaviour continues to evolve. This, combined with weakening consumer confidence, inflationary cost pressures and the increasing business rate burden, has resulted in an estimated 25% oversupply of retail space in the UK<sup>1</sup>.
- 2.2 As currently drafted, **Part 8 (Clauses 150 – 177) of the Levelling Up and Regeneration Bill will give local authorities the power to require landlords like Landsec to let out vacant shops to prospective tenants.** However, it is rarely in a landlord's interest to keep a shop unit vacant for any length of time, not least because they will end up paying business rates without a rental income. This aspect of the Bill, though well-intentioned, is not the right tool to encourage the vibrant, mixed-use reimagining our high streets need.
- 2.3 We therefore believe the Government is tackling the wrong issue here. We need to rethink how we regenerate places to bring retail centres back to life, not tinker around the edges. **Instead, the Government needs to radically rethink its approach to the future of the high street in general which involves masterplanning in partnership with local authorities, businesses and the communities they serve.**
- 2.4 **Oversupply is a challenge, but we firmly believe it also presents opportunities for reimagining retail space not correctly in use.** There are perfect examples, both in the UK and internationally, that demonstrate how creatively adapting retail space for other uses – such as leisure, fitness, food and drink, office space, life sciences, community and housing – can have a positive impact on the wellbeing of communities and turbo-charge local economies.
- 2.5 Existing government policy prioritises the regeneration of town centres. **Under present legislation local authorities can already apply an ambitious approach to reimagining the role of retail space.** Planning officers can seek to address issues of oversupply by strategically working with investors and developers to create exciting new spaces that transform and connect local communities.

---

<sup>1</sup> The Retail Equation, JLL 2018

## Real world examples

- 3.1 **Lewisham shopping centre** is a prime example of where we are working in collaboration with the local community and Lewisham Council on a master plan to regenerate a shopping centre that is no longer fit for purpose. The public consultation began in November 2020 and our plans include a mixed-use scheme including new homes, together with workspaces, retail, and open green spaces for all to use.
- 3.2 Inspirational and visionary developments in other countries actively demonstrate the economic and societal value that results from repurposing retail space into places in which people can, and want to, live, work and play. This includes Hafen City in Hamburg, Germany – one of Europe’s largest regeneration schemes – and Barangaroo in Sydney, Australia – in which mix-use intertwines with a healthy public realm.
- 3.3 Like our work in Lewisham, our redevelopment of **Buchanan Galleries in Glasgow** is another key example. Cities around the world are learning to adapt to the public’s changing habits – and we want to help Glasgow to be well-positioned to do the same. Our vision is to replace the existing shopping centre with an exciting new mixed-use urban neighbourhood in the heart of Glasgow city centre, blending world-class shopping with places to work, live and play. Our plans will seek to extend the city’s iconic and accessible grid layout, support the city’s net zero ambitions, and be informed by the needs and views of local people, visitors and businesses.
- 3.4 The delivery of a new mixed use urban neighbourhood has the potential to generate significant jobs and economic benefits. Over 850 construction jobs could be created each year during the build phase leading to over 9,500 permanent jobs for the city centre. On completion this will could result in over £1bn of Gross Value Added to the economy each year, demonstrating a significant benefit to Glasgow and Scotland.
- 3.5 It’s important to note that there is not a ‘one-size-fits-all’ model that can be equally applied across locations and markets to achieve the above goals. Each redevelopment should be needs-led and requires extensive strategic planning and local market intelligence, while the synergies between residential, office and other commercial uses should be at the heart of all successful repurposing. Crucially, **no new legislation is required in the UK to replicate these best practice examples**. With pressures on retail, housing and the wider economy increasing, now is the time for local authorities, planning officers and developers to use existing frameworks to revitalise their communities and reimagine the space of former shops for the decades ahead, while generating social value and increasing community cohesion.
- 3.6 We agree with the Bill’s aims to simplify and standardise the local plan process to make it faster and with more community involvement. People can often feel development is done to them, rather than with them or for them. All developers have a duty to establish a proper understanding of a local community – how local people feel about a place, what they like about it, what they might like to change, and the role development can play in that. Any efforts to speed up the planning system should never be at the expense of comprehensive community engagement.

## Alternative consideration

- 4.1 Another crucial area in which the Government can breathe new life into UK high streets is through fundamental business rates reform. Only by having a system that can flex up when the economy is in growth, and flex down as it contracts, can we help our high streets to re-establish themselves

as vibrant focal points for cities across the UK, supporting the Government's aim of driving local prosperity.

### **Our commitment to the levelling up agenda**

- 5.1 The overarching commitment made by the Government in this Bill provides an opportunity to drive change across the UK. However, this will only work if the missions at the heart of it are given genuine direction and funding – and directed to the areas which need it most. Our cities, in particular, have the potential to play a powerful role in creating opportunities and inspiring talent.
- 5.2 To ensure the Government's levelling up mission succeeds, we believe there are three missions of paramount importance: those centred around productivity, wellbeing and pride in place. These three get to the heart of what good development should deliver: by generating economic activity in areas at risk of decline, bolstering the health and wellbeing of local residents. With better jobs and quality of life, local people feel prouder of their local area, retaining their talent and the community's social fabric, which in turn makes it a destination of choice, attracting new families and talent, fuelling more economic growth.
- 5.3 As the Bill carries out its remaining legislative stages, we look forward to continuing to work with government and local councils to create value that will help communities across Britain grow and thrive. By focusing on those three missions, we hope to make a lasting contribution to the success of the UK's cities, today and for years to come.