

Exploring the Impact of Vacancy Rates on High Streets based on Different Scenarios

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Background

High streets have shown increased uncertainty and vulnerability due to the business format changes and unexpected events, which caused the vacancy on the high streets. However, vacancy rates could sometime act as a deceptive measure that masks incoming opportunities. And there are different resilience or vulnerability exhibited by the high streets in different areas.

Data and Methods

This study aims to answer the question of

“What impact have differing scenarios and situations had on high streets performance?”

by exploring the characteristics of high streets from two dimensions, before building regression models to analyse the vacancy impact on business rates, employment, footfall and bid levy in four different local authorities in the west London and east London respectively.

The Individual unit data from openLocal, employment data from ONS and footfall data from Springboard are mainly employed.

Besides data processing, there are two stages for this study (Figure.1).

Key Findings

- The high streets in the west London are more resilient and have the capacity to resist the negative effect of unexpected events, particularly for those in Harrow.

- Vacancy rates usually have a negative impact on the business rates and footfall, while the impact on employment is not evidential.
- For the places with decreasing vacancy rate, the impact of vacancy on average business rate may be positive due to the property subdivisions, which deliberately make the rateable value below relief thresholds. And small businesses with low rateable value are easier to re-occupy the units on high streets due to the lower rental cost and the fewer employees needed.
- There is less impact on areas with higher diversity. However, the regional difference of vacancy impact is not significant that the degree of vacancy impact is related to the area or even the high street itself.
- In terms of BIDs, the vacancy rate has a positive impact on the bid levy. Given the property subdivision, it might be a negative effect on the capacity of local authorities and BIDs to invest and develop the high streets.

Value of the research

- It helps to get the further understanding of vacancy and its impact on high streets.
- It is suggested that the typology of high streets with indicators related to diversity etc. can be applied to the research of vacancy for further study.

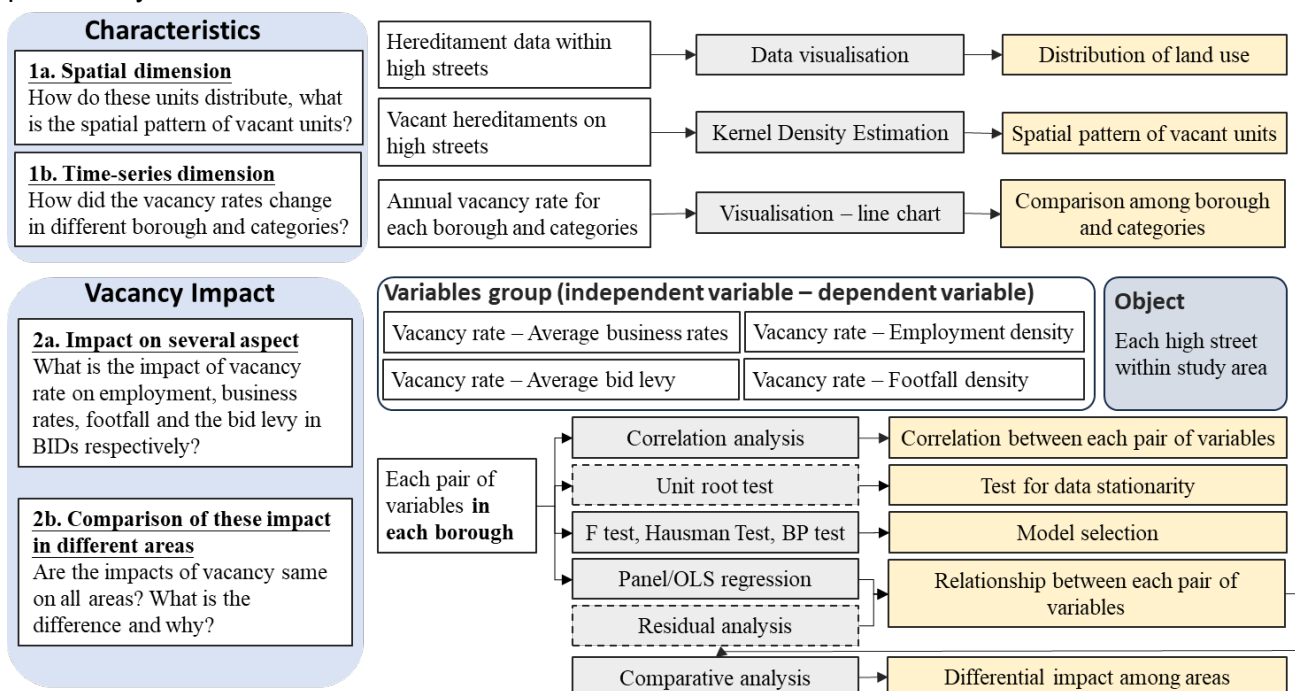


Figure.1 Workflow for each objective