



# How Crossrail will put retail on the fast track

Crossrail's 2018 launch may seem distant. But the first retail development linked to one of the new stations will open in just a year, and there are plenty more down the line. By Ben Cooper

London, like much of the UK, has two types of high street. There are the landmark, expensive central destinations and there are the outlying high streets that must work hard to keep their shoppers. But this could all change with the arrival of Crossrail.

A future artery through London, it will connect the city centre with areas such as Slough, and could be the engine for development and investment in and around the new stations it creates.

It's still four years before the trains whir into life, and there is plenty to do. But for retailers looking to make the most of London's next potential game-changing development, it's worth planning ahead. So what do retailers need to know about the scheme?

## Driving footfall

Martyn Saunders, principal consultant at commercial property agency GVA, says railway stations are increasingly popular retail destinations: "Transport hubs really focus the footfall. They create a critical mass of people and the commercial opportunities come alongside that."

Crossrail's route will start in Reading and head straight for the heart of London – with a branch to Heathrow Airport – from Paddington to Bond Street, Tottenham Court, Farringdon, Liverpool Street, Whitechapel and Canary Wharf, before extending out to Brentwood in the northeast and Abbey Wood south of the Thames. That means an extra 1.5 million people within an hour's commute of central London.

There are 40 construction sites in total and 1,700 companies involved – all the major developers are in on the

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act, and Transport for London is leading. London will be the greatest beneficiary, but the potential value of the Crossrail project to the wider UK economy is estimated at £42bn.

As John Platt, managing consultant at location analyst CACI explains: "Currently no major high speed rail routes offer direct access to the heart of central London's retail offer from the suburbs. All the major stations are on the edge of central London's retail, meaning shoppers travelling from outside central London have to make a second trip on some form of transport."

"With stations at Tottenham Court Road and Bond Street this will not be the case with Crossrail."

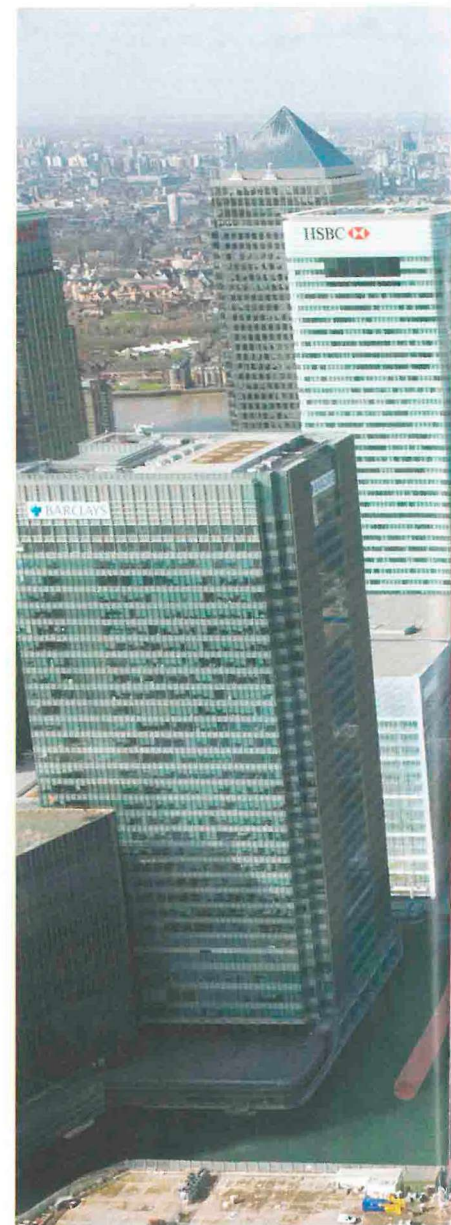
"Shoppers living as far afield as Reading will find themselves being able to access the West End within minutes."

All of this puts the West End in a superb position. Landlord Shaftesbury, which owns the Seven Dials area near Covent Garden, says that retailers are starting to talk about Crossrail.

Shaftesbury portfolio manager Charles Owen says: "There are lots of retailers interested in Covent Garden because of Crossrail. We get a lot of retailers asking how it will affect their business and how it will impact the area. It's on everybody's radar and that's only going to get more so now it's getting closer."

## Effect on smaller towns

But Covent Garden is already a flourishing retail spot that doesn't need much help in terms of footfall. And while the extra boost the centre will receive is welcomed by many, there is a danger. As shoppers get sucked in by



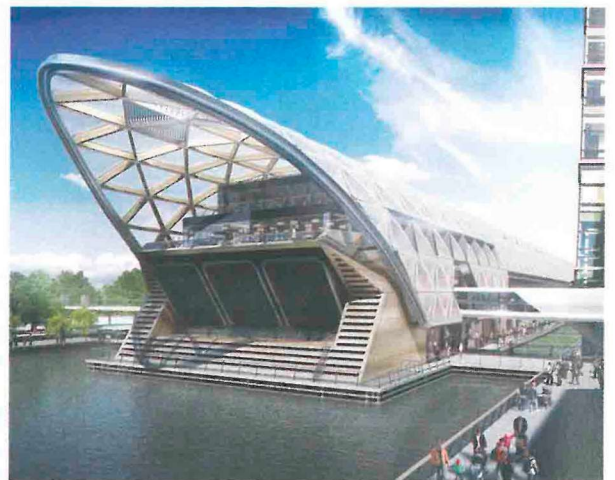
the pull of the West End, smaller towns on the edge of London and further afield will find competition from the city centre gets even tougher.

Platt says: "Local centres will struggle to compete with the likes of the West End in terms of comparison goods retail. Towns towards either end of the Crossrail route run the risk of being severely impacted if they don't reposition themselves as convenient comparison and leisure destinations."

But some smaller towns and areas within the capital could benefit. Crossrail fits nicely with a grand plan to grow London eastwards and will add to the development process started by the introduction of Westfield Stratford City. Areas such as Whitechapel, Tower Hamlets, Ilford and Romford will all become stop-offs along the route, and could be

**CROSSRAIL KEY FACTS**

- Crossrail will increase London's rail capacity by 10%.
- At peak times 24 trains an hour will run between Paddington and Whitechapel.
- Passengers will be able to get from Paddington to Liverpool Street in 12 minutes, from Slough to Bond Street in 30 minutes, and from Ilford to Tottenham Court Road in 23 minutes.
- The overall project will have cost an estimated £14.8bn by the time it is completed.
- The route will run through 38 stations, connecting existing overground rail hubs Paddington, Farringdon and Liverpool Street.
- Tunnelling work has been carried out using eight 1,000 tonne tunnel boring machines.
- The earth excavated by the tunnelling will be used to create a new nature reserve on Wallasea Island, Essex.



**CANARY WHARF**

Canary Wharf Group is creating a 115,000 sq ft retail and leisure hub directly above the future Crossrail station with an opening date set for May 2015. The developer expects the number of people living in and around the financial hub to double by 2025.

One of the retailers already signed up offers a glimpse of the type of businesses that might be given a leg up by Crossrail.

Bicycle and cycling accessories retailer Bespoke only has one store so far, in Farringdon, central London. When the new retail space opens above the future Canary Wharf Crossrail station the retailer will open another set of doors.

Bespoke owner Barry Scott says part of the appeal for his company is the way Crossrail will change London's connectivity and therefore the way people shop.

He says: "We wanted to be in Canary Wharf but we might not have got there if it wasn't for Crossrail. It's an amazing opportunity. A lot of people think Canary Wharf is quite far away and cut off – in three years it will be eight minutes away from the centre. It'll mean the shop can be a destination store and a convenience site at the same time."

Canary Wharf head of retail leasing Stuart Fyfe says: "The forecasts are amazing. It will add an additional 10% capacity to London's public transport overnight and will bring an additional 1.5 million commuters within a 60-minute commute."

further reinvigorated as a result.

Whitechapel, for instance, looks likely to benefit. Four years ahead of Crossrail's completion, three new apartment buildings are in various stages of development around Aldgate East Underground station, and the area immediately surrounding the future Whitechapel Crossrail station is set for a big overhaul.

**Countdown to 2018**

It might seem like a long way off yet, but in development terms 2018 is just around the corner. Saunders says: "The retailers will not commit much longer than two or three years out, but at this stage developers will be looking at what they can do."

Owen says: "There are areas like Whitechapel that are coming alive –

you wouldn't have thought of them as being retail areas before."

It's tempting to take a wait-and-see attitude to Crossrail. But with so much development happening, and areas previously untouched by high street brands suddenly becoming viable markets, retailers should be making long-term decisions.

Platt maintains: "Crossrail should be on the agenda of all retailers trading in London and the Southeast, whether it is a retailer looking to benefit from a shifting demographic in a suburb such as Ealing or whether it is a retailer concerned about how the changing pitch of Oxford Street will impact their flagship store. Retailers need to start planning now."

The economic footprint of London is about to get a lot bigger.