



Can we save high streets?

It feels like a week doesn't go by without another story about a traditional retailer falling into financial difficulties. This is having a material impact in both investment and development property markets.

Retailers are increasingly seeking greater flexibility in lease terms, renegotiating the financial arrangements under which they occupy retail units. This requires a pragmatic approach to redrafting of lease terms such as rent and service charge as well as flexibility over assignment or sub-letting.

When acting for investors in shopping centres there is increasingly a need to ensure units remain occupied and to find alternative means of increasing footfall, e.g. market days or music events. To truly succeed, a comprehensive approach is required with Councils working alongside the private sector. Car parking charges are often cited as a deterrent to people visiting. Many car parks are council owned and this presents a challenge with councils needing to find increased income streams to offset reduced budgets whilst facing the need to limit parking charges as a way of attracting visitors to high streets. This can be seen by some councils in Kent removing parking charges whilst others have raised them greatly. Equally, we have seen Kent councils debating whether to retain park and ride schemes.



MAIDSTONE BOROUGH COUNCIL

Proposal for improvements to Week Street, Maidstone.

The Government has in recent years extended permitted development rights under the Town and Country Planning (General Permitted Development) (England) Order 2015 making it easier to convert units in to residential, for example, as a way of breathing fresh life in to town centres. These rights could, perhaps, be extended further but there remains a risk of permitted development just creating residential only areas devoid of traditional vibrancy. The balance has to be right.

Out of town development was always seen as the threat to town centres and planning policy in the new National Planning Policy Framework retains the need for ensuring the vitality of town centres and for a sequential approach to be applied with town centre locations and edge of centre sites to be considered first.

It is not all doom and gloom by any sense though. When visiting town centres in Kent it is evident that many town centres are fighting back and becoming destinations of choice from a leisure point of view.

We are seeing an increasing trend from investors and developers looking for large distribution centre space. This is driven, to a material degree, by internet shopping, for example Amazon acquiring considerable space in Medway. Kent's fantastic links to London, the wider South East and, of course, Europe remain strong drivers as well. Salvatori's new distribution depot at Eurolink, Sittingbourne is an example of this.

All stakeholders in the property industry are increasingly realising the need to work together to deliver improvements to the local economy, improve the environment in which we live and to retain vibrancy and vitality in our town centres. Flexibility is required in legal documentation and this is being assisted by greater collaboration between the private and public sectors. As the property industry faces uncertain times the need for flexibility is only likely to increase.

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