



**Landsec**

## Press release

**Title**                    **Sustainable retail has the potential to boost local UK economies by nearly £100m and grow brand revenues by up to 13%, reveals new research from Landsec**

**From**                    Landsec

**Date**                    Tuesday 3 October

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**Sustainable retail has the potential to boost local UK economies by nearly £100m and grow brand revenues by up to 13%, reveals new research from Landsec.**

New modelling, carried out as part of a research project by Landsec in partnership with Bradshaw Advisory, revealed the potential growth for brands that rented space in a sustainable retail destination, compared to a traditional retail destination<sup>1</sup>. It revealed that, over the course of 10 years, brands in a sustainable retail destination could see revenues increase by up to 13%. Overall footfall for such destinations could see a 6% increase, leading to a potential boost of up to £100m for local economies.

Through its research - [The potential of sustainable retail](#) - Landsec set out to explore what sustainable retail means to those that influence the industry most – consumers, brands and local authorities - and to better understand the role sustainable retail can play in enabling a thriving retail environment that positively impacts communities and the planet.

Representative public polling also revealed ‘localism’ as the leading feature of sustainable retail among consumers. Two of the top five elements of sustainability identified by the public were creating job opportunities for local people and using local suppliers, as well as a desire to see local, independent brands in their local shopping centres and high streets. This view was consistent across consumers, with the preference for localism strongest among middle-aged people.

Leaders and officers from local authorities across the UK, including Leeds, Portsmouth, Glasgow, Manchester, and London councils Camden, Westminster and Lewisham, agreed with the localism theme. In interviews, they emphasised the importance of independent stores that may be more in tune with local consumers' needs and are at a size where they could experiment with sustainability initiatives. They also noted that a mix including bigger, more renowned brands are needed to support footfall which in turn will support smaller brands.

Interviews with a range of brands across retail, F&B, hospitality and leisure revealed their focus was on the elements of sustainability they perceive as within their control and are priorities for their consumers. This includes their use of sustainable materials and their supply chains - all while remaining economically viable.

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<sup>1</sup> [See definitions in notes to editors](#)



**Bruce Findlay, Managing Director – Retail at Landsec** said: “This research reinforces just how much retail is a force for growth for the UK. Retail destinations have long been fueling local economies and are closely tied to how people feel about where they live, connecting them to everything they want and need in their local places.

“For us to continue to drive value through retail we need an even greater focus on sustainability, ensuring retail destinations remain a platform for opportunities long into the future. This means working closer with brand partners to better understand how we can meet our sustainability goals together. And it means more collaboration with local authorities, so we can continue to respond to individual community needs. If we do this, retail can - and will - do better for the environment, create more opportunities for local communities and keep driving value for our cities.”

**Cllr Steve Pitt, Leader of Portsmouth City Council, who took part in Landsec’s research, said:** “We all need to keep working together locally to create a more sustainable future for retail which plays such a vital role in local communities.

“Our work with Landsec at Gunwharf Quays has shown the importance of collaboration between councils and retail destinations in supporting Portsmouth's economy and wider community through creating jobs and opportunities for local people and businesses.”

**Ends**

#### **Notes to editors**

*As defined in the [modelling](#) section of *The potential in sustainable retail report**

**A sustainable retail destination** has sustainability and energy efficiency concerns built into the design and operation of the site. It maintains a retail mix which reflects the destination’s concerns about the environment, as well as the value it places on local businesses and supply chains. There’s also a greater emphasis on experience, with design which provides easily navigable environments, pleasant aesthetics and ambience, as well as a greater incorporation of hospitality and entertainment into its retail mix. A key enabler of sustainable retail destinations is collaboration – consumers, brands, local authorities and landlords working together for a sustainable future.

**A traditional retail destination** has a retail mix largely reflective of the UK’s store mix as a whole, with an emphasis towards larger, nationally known retailers. Here, the retail brands compete most heavily on price and convenience.

*More information on the modelling featured in this report can be found in the [Methodology](#).*



## **The potential of sustainable retail - snapshot of key findings**

### **What makes sustainable retail**

#### **Finding A: Localism**

- Consumers and local authorities value engagement with local retailers alongside national 'brand names'.
- Consumers say sustainable retail should provide local jobs and sell more local products, and they're in favour of sustainable refurbishment of their local shopping centres.

#### **Finding B: Collaboration**

- Local authorities and brands would like to collaborate with landlords more.
- Some brands see sustainability as core to their brand and embedded throughout their businesses, including buildings. Some brands are tending towards small incremental changes as directed by regulation or where there's clear ROI for change.

#### **Finding C: Data sharing**

- Landlords and brands must baseline current performance and set targets for improvement - data sharing and transparency is required.

### **The value of sustainable retail**

#### **Finding D: Incentives and costs**

- Consumers are caring more about sustainable retail and brands can capitalise on this opportunity.
- It's unclear if sufficient consumers are currently willing or able to pay the premiums for the sustainability they say they'd like to see.
- There's a steady ratcheting of regulations and planning policy towards retail becoming more sustainable.

#### **Finding E: Sustainable retail boosts brand profits and local economies**

- Modelling shows that a retailer opening in a sustainable retail destination could see their profits boosted by up to 12.7% at 10 years post-opening compared to being in a traditional retail destination.
- A sustainable retail destination the size of White Rose Shopping Centre in Leeds could add £100m more to a local economy over the course of a decade than a similarly sized traditional retail destination.
- There's a potential 6% footfall boost and a possible increase in occupancy rates for a sustainable retail destination.

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### **About Landsec**

At Landsec, we build and invest in buildings, spaces and partnerships to create sustainable places, connect communities and realise potential. We are one of the largest real estate companies in Europe, with a portfolio of retail, leisure, workspace and residential hubs. Landsec is shaping a better future by leading our industry on environmental and social sustainability while delivering value for our shareholders, great experiences for our guests and positive change for our communities.



## **About Bradshaw Advisory**

Bradshaw Advisory helps its clients to solve and shape public policy questions.

Uniquely, we are a blend between an economics and data consultancy, public affairs agency and a think tank meaning that we can give a more holistic approach and deliver outputs that resonate with key decision-makers, funders and industry.

Find out more at [landsec.com](https://landsec.com)

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