

PADDINGTON BID

Praed Street Vision – Final Report

December 2019



PaddingtonNow

BUSINESS
IMPROVEMENT
DISTRICT

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Conduit Place – September 2019

INTRODUCTION & CONTEXT



Introduction & Context

INTRODUCTION

- The Paddington area is transforming, emerging as a destination in its own right. With a range of developments in the pipeline, including Paddington Square, later phases of the Merchant Square, Paddington Central and the arrival of the Elizabeth Line from 2020/21 onwards, Praed Street is well placed to flourish.
- In fact - in total, over 1.8 million sqft of new commercial & Retail / F&B space is proposed or on site to deliver in Paddington. This is higher than any other district in the West End and 45% higher than Mayfair, ranked in second. Furthermore, Paddington is home to two of the top three largest developments in the West End pipeline – Paddington Square and 5 Kingdom Street which are a total of 1 million sqft combined. An additional 2,000+ residential units and 550+ hotel rooms are also in the pipeline.
- Praed Street currently has a poor reputation, with its retail / service / F&B provision viewed as low quality. The street is characterised by high traffic volumes both in terms of pedestrian footfall and road traffic. This coupled with narrow pavements and A-boards / refuse from traders does not encourage dwell.
- These issues will become further exacerbated as local new developments come online which are set to offer higher quality space both for traders and visitors. Action is required now, to redefine Praed Street in this pivotal period as new developments change both the local infrastructure and demographic.



Paddington Square Development CGI – Fronting Praed Street

THE BRIEF & OUR APPROACH

- The broad objective of the project is to improve Praed Street's offer. The focus of this project seeks to maximise this potential through the delivery of data and analytics which support a shared vision for Praed Street, London Street and Spring Street. This study covers:
 - **Existing Retail Landscape** – Occupier mix, catchment spend, rental trends, ownership and future development.
 - **Defining Catchment** – population size & forecasts, age profile, housing tenure, occupation profile, ethnicity profile, geodemographic segmentation.
 - **Defining Visitor Profile** – footfall, visit frequency, dwell time, conversion rate, preferences.
- All final recommendations have been made through collaboration with the Colliers Central London agency team – providing additional perspective on the latest local market retail and occupier trends.

RETAIL LANDSCAPE

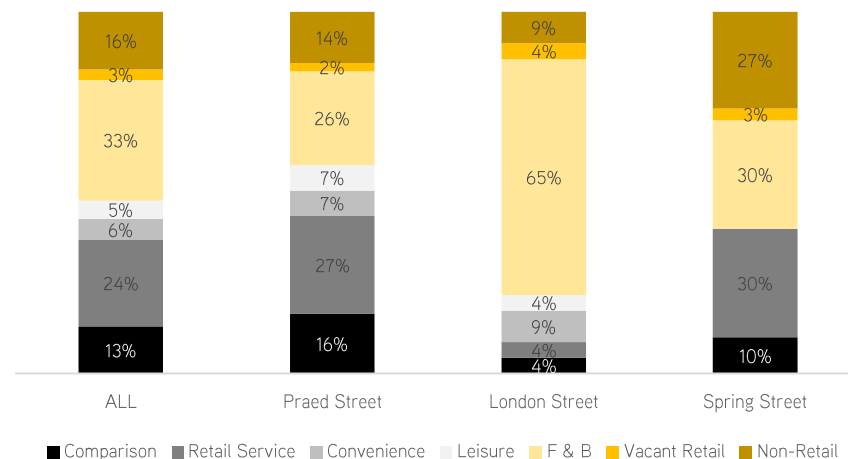


Occupier Mix

LOCATION AUDITS - SUMMARY

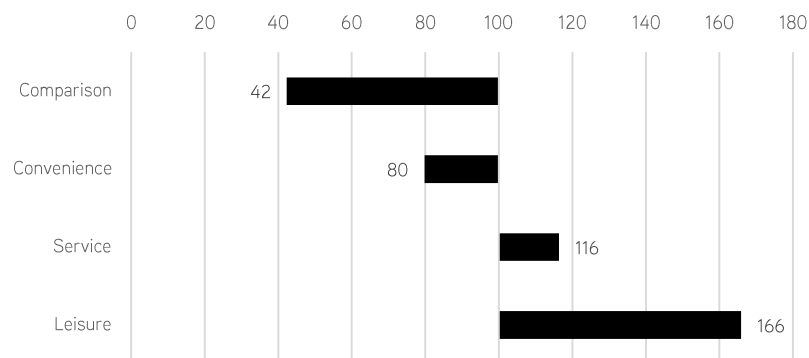
- Since the project inception meeting in August, Colliers have undertaken several location audits – collecting the latest occupancy data for Praed Street, Spring Street and London Street.
- Occupancy trends are a key component of defining the retail landscape of Praed Street. Colliers have leveraged insights collected from the location audits together with Local Data Company data to deliver the latest and most complete picture to support key strategic recommendations.
- Across all streets, vacancy is low (<3%) and on a downward (positive) trend. This bucks a national average which has been steadily rising and now sits above 10%.
- F&B operators are the most dominant occupier type across all streets covered in the location audits, representing 33% of all shops. Cafés & Restaurants represent the highest proportion of occupiers in this group (20%) with Food to Go operators and Bars / Pubs representing 9% and 4% respectively. Leisure representation across the three streets sits 66% above the national average!
- The second most dominant type across all streets are Retail Service operators, who make up 24% of occupiers. This is led predominantly by finance led services e.g. Bureau de Change & Banks who represent 12% of the total number of occupiers. Nationally, these occupier types represent 1.2% of businesses!
- Additional insights provided by Local Data Company indicate that 91% of operators on Praed Street are 'Mass Market' or 'Value' orientated. Furthermore, 60% of operators are classified as 'Independent' defined as businesses with less than five stores nationally.
- See Appendix (page 22) for a summary table for all occupier categories.

OCCUPIER MIX PROFILE, BY STREET *(Ground Floor Only)*



Source: Colliers

PRAED STREET OCCUPIER MIX PROFILE, INDEX VS UK *(UK=100)*

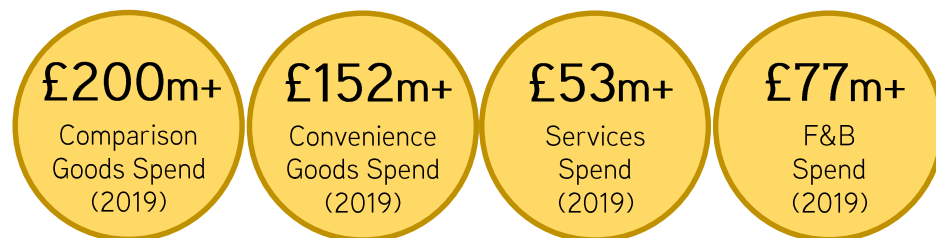


Source: Colliers / LDC

Catchment Spend

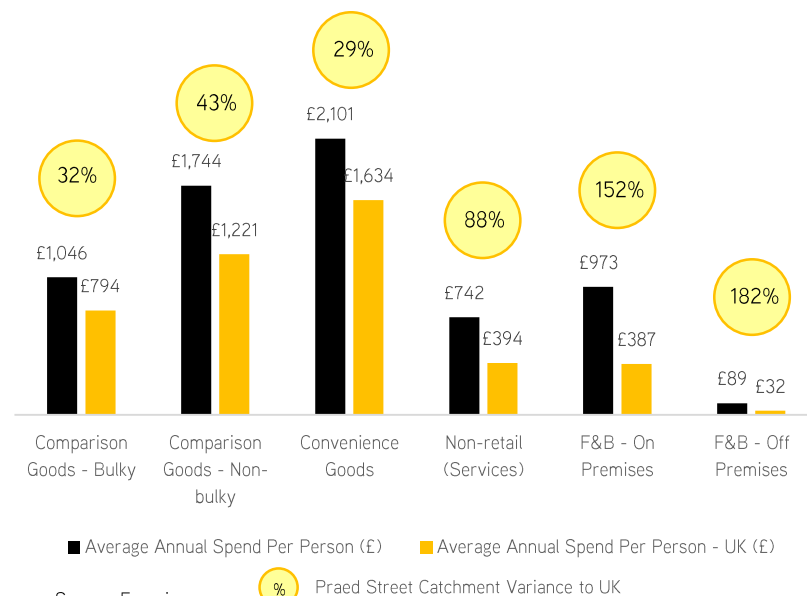
CATCHMENT SPEND - SUMMARY

- Supporting context for defining the retail landscape of Praed Street is a view of catchment spend. Set out on this page is a summary from a bespoke catchment, reflecting a 1km / c.5 min drive from Praed Street. A catchment map showing the extent of the boundary has been provided in the appendix (page 27) for reference.
- The latest Experian expenditure forecasts show catchment spend on Comparison Goods equalled £203million as of March 2019. On average, annual spend on Comparison Goods per head in the Praed Street catchment is £2,790. This is 38% above the national average of £2,015 and a key indicator of a highly affluent demographic.
- Equally, average annual Convenience spend per head in the Praed Street catchment is above the national average. Total spend of £152million is driven by a spend per head of £2,101 – 29% above the national level of £1,634.
- However, it is on Services and F&B where there is a considerable over index and exceptional spend levels in the local catchment.
- 'Non-Retail Services' is inclusive of Health & Beauty services such as Hairdressing Salons, Barbers and other Beauty therapies. Average annual spend per head in the local catchment here is 88% above the national average at £742. This consumer trend in particular should be a focus for any renewed Praed Street strategy and would both capitalise on high spend in this category and meet the needs of a residential catchment with high disposable income.
- F&B spend however is the key differential in the Praed Street catchment, with over £1,000 (£1,062) spent annually per head on food & drink to be consumed either on or off premises. This level of spend is a staggering 153% above the national average, indicating a very high level of demand and an excellent opportunity for Praed Street to capitalise on in a renewed letting strategy.



Source: Experian

PRAED STREET CATCHMENT - AVERAGE ANNUAL SPEND PER HEAD, VS UK



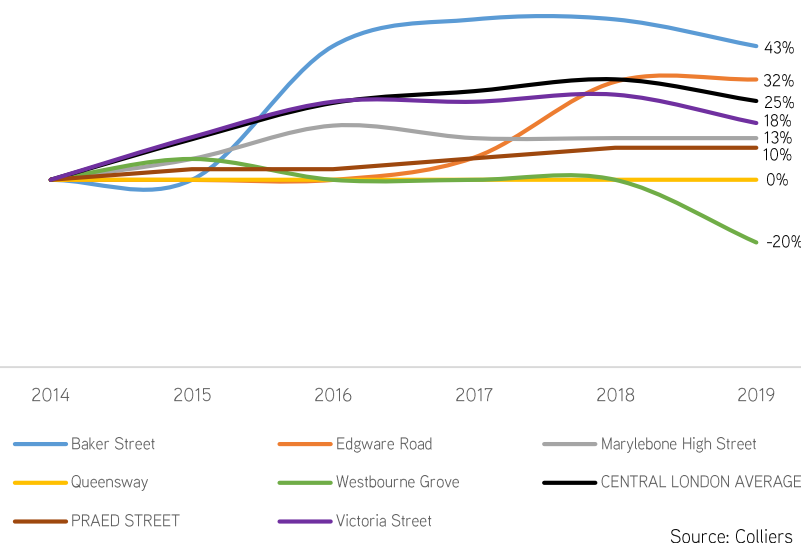
Source: Experian

Rental Trends

BENCHMARKING LOCAL RETAIL RENTS - SUMMARY

- Since 2014, average Prime Zone A rent in Central London has grown by 25%, from £361 to £452. This is inclusive of 50 streets across the West End and The City.
- Only one location in our sample of local streets has witnessed a decline in Zone A rent over the last five years – Westbourne Grove. Prime Zone A rent here has fallen from £375 to £300 over the last 12 months in light of a rise in availability.
- At £425, Prime Zone A rent on Marylebone High Street is the highest in the local area. Rents here have grown 13% over the last five years - below the Central London average but reflects a long term strategy of sustainable rental growth.
- At £160 Prime Zone A rent, Praed Street has the lowest across all streets in the sample. Naturally, there is disparity in this figure across the street – as distance from Paddington station increases. £160 Zone A is reflective of a unit in a prime location on the street and is closely aligned with rent Costa agreed in 2015 (£150). For instance, Tesco & Superdrug at West End Quay also agreed deals reflecting Zone A rents of £67.50 and £70 respectively (2015).
- Quoting Zone A rents of £250-£275 in the Paddington Square development are significantly higher than the current Praed Street tone (50-70% higher). However, with only four of the 41 units are under offer to date (*two concourse level, two ticket hall level*), more occupier leasing deals are needed in order to establish a true market tone for the development.
- Both the existing level of Zone A rent on Praed Street, limited growth over the last five years and the quoting rents at Paddington Square present a significant opportunity for Praed Street landlords. Adopting a collective letting and rental strategy which capitalises on local area and infrastructure development can push tone on the street to a level more closely aligned with neighbouring locations.
- However, it is clear that without action and a collective approach both occupier mix and rental values are likely to deteriorate, particularly as new space at Paddington Square is launched.

RENTAL GROWTH INDEX VS 2014



2019 PICTURE: PRIME ZONE A RENTAL LEVELS

Location	2019
CENTRAL LONDON AVERAGE	£452
Marylebone High Street	£425
Westbourne Grove	£300
Victoria Street	£260
PADDINGTON SQUARE	£250-275
Baker Street	£250
Notting Hill Gate	£225
Queensway	£200
Edgware Road	£185
Connaught Village	£105
PRAED STREET	£70-£160

See glossary for definition of Prime Zone A rent

Source: Colliers

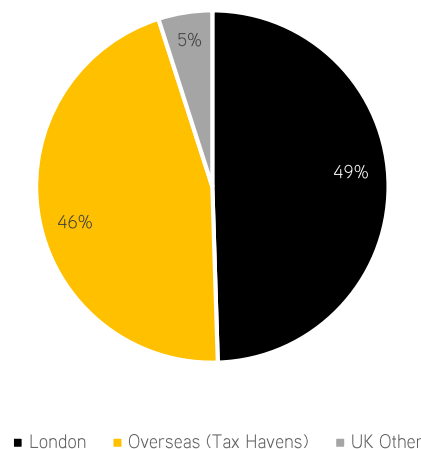
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Ownership

OWNERSHIP DATA – SUMMARY

- Central to any thriving retail / leisure destination today is a collective, holistic approach to strategy across leasing and pricing. Delivering a mix of uses that are bespoke to the needs of a catchment is essential if a location is to thrive. Fragmented ownership is often a barrier to this, with landlords all working towards different strategies.
- Understanding ownership across a location is of paramount importance – particularly to PaddingtonNow BID, if the future vision of Praed Street is to be realised. Indeed, this is where PaddingtonNow BID can support through delivering the right insights and incentives for landlords on Praed Street to work together under a common goal.
- The first step towards this has been achieved by PaddingtonNOW BID, through establishing an ownership database for Praed Street.
- It is clear that registered ownership on Praed Street is fragmented - with 51 separate landowners on the street. Furthermore, there is 50/50 split between London / UK based landlords and overseas landlords registered at tax havens – presenting additional challenges for the delivery of the future Praed Street vision.
- Colliers have built further on the analysis of ownership data provided by the BID – identifying location themes through mapping. Thumbnails reflecting a two stage cluster analysis have been provided on the right hand side, larger versions can be found at the back of this report.
- The 'ownership overview' map shows how overseas ownership is broadly clustered towards both ends of Praed Street, including at the prime junction with London Street. London based ownership is clustered in a central section, opposite Paddington Square.
- The 'ownership clusters' map details identifies which adjoining properties on the street are owned by a single landowner – presenting a key opportunity for influencing Praed Street vision strategy. Again single ownership of multiple properties is clustered at both ends of Praed Street.
- Implications for the Praed Street vision from this analysis are covered in more depth in our recommendations section.

REGISTERED OWNERSHIP – PRAED ST



Source: PaddingtonNOW

OWNERSHIP OVERVIEW



OWNERSHIP CLUSTERS

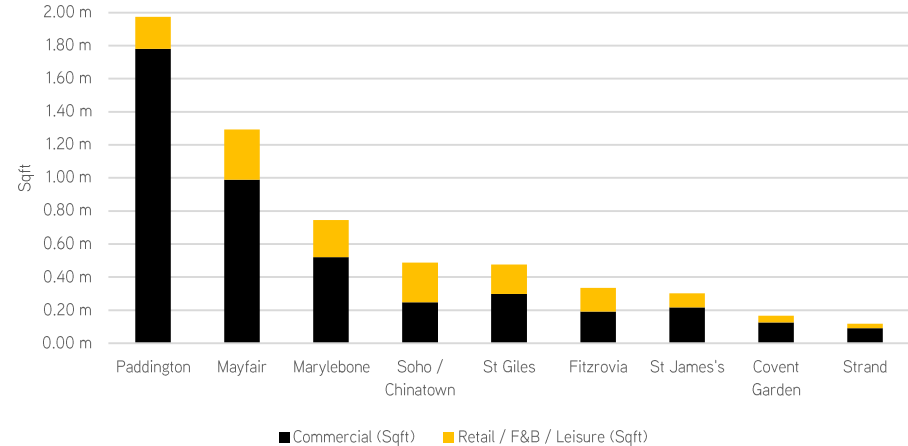


Future Development

DEVELOPMENT PIPELINE – SUMMARY

- Development in Paddington is set to transform the fabric of the district, behaviour of visitors and the subsequent demand for retail. To assess the extent of development in Paddington in context of the wider Central London market, Colliers have blended pipeline data provided by PaddingtonNOW with their latest West End development pipeline.
- The chart on the right summarises all developments, including 'On Site', 'Consented' and 'Subject to Further Applications' for Paddington and eight other West End sub-districts. These are ranked by total Commercial (office led), Retail / F&B / Leisure space.
- In total, over 1.8 million sqft of new commercial & Retail / F&B space is proposed or on site to deliver in Paddington and is inclusive of the remainder of the Merchant Square development. Total pipeline space in Paddington is 45% higher than Mayfair, ranked in second.
- Additionally, a further 2,000+ residential units and 550+ hotel rooms are in the pipeline – again, higher than all districts covered in this analysis.
- Across all developments in our pipeline, Paddington Square and 5 Kingdom Street both rank in the top three for the amount of commercial & retail space delivered – over 1 million sqft combined.
- Of course, the arrival of Crossrail is a major catalyst behind the development in Paddington. Figures from Arup indicate a growth in daily passengers using Paddington Station post Crossrail will reach a volume in excess of 200,000. Average daily users at Paddington Station over the last 10 years has averaged 125,000 – Crossrail would represent a 64% increase.
- These developments both in terms of their size and further improvements to Paddington's connectivity present a once in a lifetime opportunity for Praed Street to reposition and repurpose to meet future demand. The opportunity for Praed Street occupiers is unparalleled, particularly in context of the proximity of new developments such as Merchant Square – action is required now to maximise the potential of the street, before these developments launch.

PADDINGTON DEVELOPMENT IN CONTEXT



Source: PaddingtonNOW / Colliers

*inclusive of Merchant Square pipeline

PADDINGTON & WEST END PIPELINE MAP



Web link to interactive version of this map has been provided separately

DEFINING CATCHMENT & VISITORS

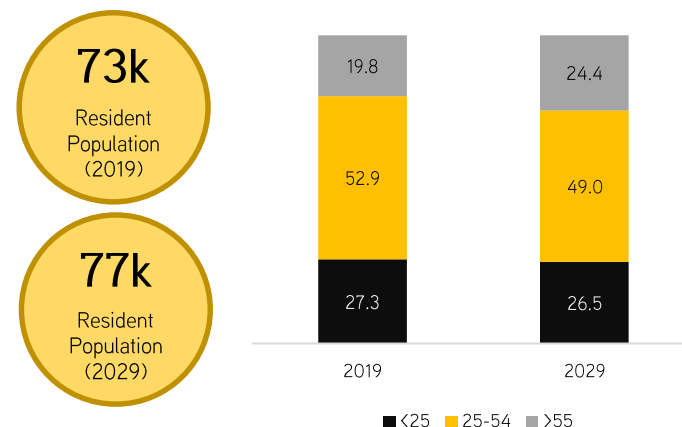


Catchment Profile

CATCHMENT SIZE & AGE PROFILE

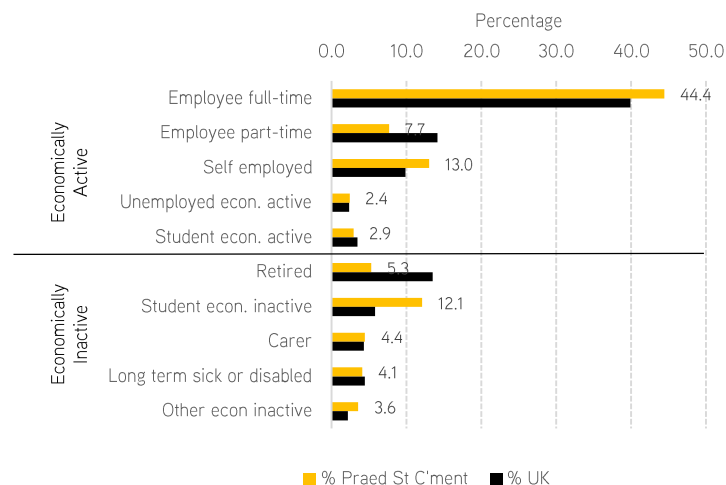
- If the future strategy for the BID is to fully reflect today's retail climate, indeed if the value and potential of Praed Street is to be realised, then a holistic approach centred around catchment profiling and human behaviour analytics is essential.
- In the first instance, Colliers have drawn out catchment insights on the local residential population from Experian. These include the latest view of population size and growth forecasts over the next 10 years.
- Within the 1km / c.5min drive time catchment for Praed Street the current residential population is 73,000 – that's larger than Maidenhead! This residential catchment population is set to grow by a further 6% over the next 10 years, to 77,000.
- A primary driver behind the population growth is the delivery of new homes in the catchment. As of March 2019, there were an estimated 35,000 homes in the Praed Street catchment, this is set to rise by a further 2,800 over the next 10 years.
- Looking in more detail at age profile, 25-34 year olds have the highest representation in the Praed Street catchment (24%), followed by 35-44 year olds (18%).
- Forecasts up to 2029 indicate a growth in over 55's in the Praed Street catchment. There are currently 14,300 over 55's, this is set to rise to 18,700 – representing a growth of over 30% in 10 years.
- Whilst the 25-54 year olds will continue to have the highest representation in the catchment, by some distance, the future Praed Street vision should not ignore these forecasts, if it is to fully meet the needs of the local population in the future.
- 71% of the Praed Street catchment population are defined as 'Economically Active' – the majority (44%) in full time employment. Against the UK average, Praed Street is home to a higher proportion of self employed residents – 13% against a national average of 10%.
- Across those 'Economically Inactive', 5% of the catchment are retired (UK average 14%). The main over index in the catchment is in the student population which represent 12% against a UK average of 6%.

CATCHMENT SIZE & AGE PROFILE (2019 VS 2029 - %)



Source: Experian

CATCHMENT ECONOMIC ACTIVITY (2019)



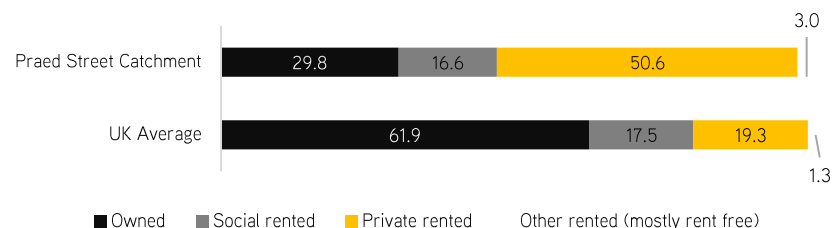
Source: Experian

Catchment Profile

HOUSING, OCCUPATION & ETHNICITY

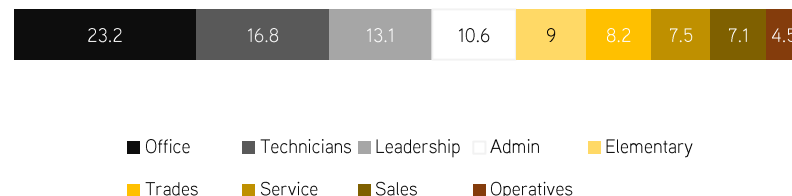
- Building on the headline population figures and growth estimates overleaf, further insights on Praed Street catchment housing tenure, population occupation type and ethnicity breakdown has been provided on the right hand side.
- Private rented housing represents over 50% of all homes in the catchment, significantly higher than the 19% average for the rest of the UK. The proportion of social rented housing in the Praed Street catchment is broadly in line with the UK average.
- The profile of occupation types is broad, covering nine different groups. The group with the highest representation are in professional office based roles (23%), a further 13% are in Leadership roles. Both of these groups cover highly skilled professions across all business sectors and are commonly managers, directors and senior officials.
- Technicians also have high representation across Praed Street visitors (17% of total). These are also highly skilled roles, encompassing engineering, planning, science and IT professionals.
- The Praed Street catchment is ethnically diverse. Almost 1/3 of the residential population are classified as 'Asian / Asian British' or 'Other Ethnic' group. The Asian / Asian British population in the Praed Street catchment is predominately made up of Indian, Bangladeshi and Pakistani residents. 'Other Ethnic Group' is inclusive of residents from the Middle East.

CATCHMENT HOUSING TENURE (%)



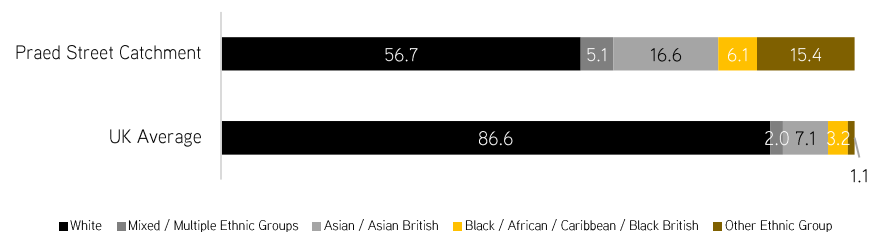
Source: Experian

CATCHMENT OCCUPATION TYPE (%)



Source: Colliers Insight Platform

CATCHMENT ETHNICITY BREAKDOWN(%)



Source: Experian

Catchment Profile

GEODEMOGRAPHIC PROFILING - MOSAIC

- Mosaic is Experian's most comprehensive cross-channel consumer classification. Over 850 million pieces of information across 450 different data points are condensed using the latest analytics techniques to identify 15 summary groups across the UK population. A full background on the Mosaic groups on this page and all category definitions has been provided in the appendix (pages 23-26) for reference.
- The profile of the Praed Street catchment indicates skews towards two of these 15 summary groups, as highlighted in the bubbles on the right hand side:
- A granular heat map to show distribution of Mosaic groups across the Praed Street catchment has been provided in the appendix (page 27).

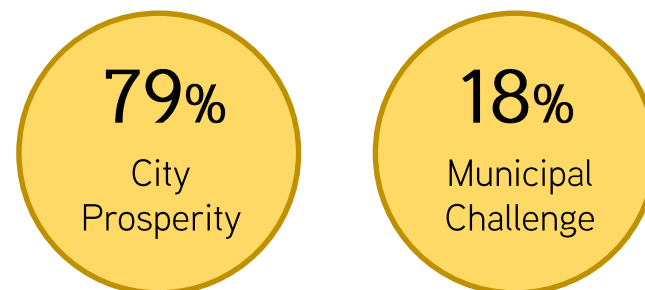
CITY PROSPERITY

- The catchment has a very high proportion (79%) of 'City Prosperity'. This group are defined as 'High status city dwellers in central locations in careers with high rewards'.
- 'City Prosperity' is the most affluent demographic in the UK and are typified by occupying high value homes and work in high status jobs. This group are also known for low car ownership, high mobile phone spend and internet usage.
- There are three sub-groups within 'City Prosperity' that have very high representation in the Praed Street catchment, compared against the UK average.

MUNICIPAL CHALLENGE

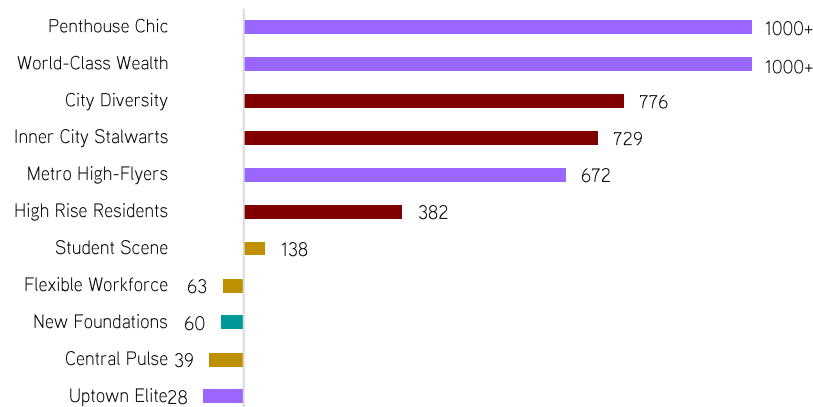
- The 'Municipal Challenge' group are defined as 'Urban renters of social housing facing an array of challenges' and represent 18% of the Praed Street catchment.
- Again, there are three sub-groups which significantly over index against the UK population average – these groups are defined in the table on the right.
- The challenge this presents the BID is to develop a vision for Praed Street which meets the needs of both of these groups whilst catering for highly transient station visitors and local workers. Our recommendations for strategy have been detailed further in the 'Vision for Praed Street' section of this report.

PRAED STREET CATCHMENT AREA



Source: Experian

CATCHMENT MOSAIC PROFILE INDEX (100=UK AVERAGE)



Group	Sub-Group	Definition
City Prosperity	Penthouse Chic	City suits renting premium priced flats in prestige central locations where they work hard and play hard
	World-Class Wealth	Global high flyers and families of privilege living luxurious lifestyles in London's most exclusive boroughs
	Metro High-Flyers	Ambitious 20 and 30-somethings renting expensive apartments in highly commutable areas of major cities
Municipal Challenge	City Diversity	Multi-cultural households with children renting social flats
	Inner City Stalwarts	Long-term renters of inner city social flats who have witnessed many changes
	High Rise Residents	Renters of social flats in high rise blocks where levels of need are significant

Source: Experian

Visitor Behaviour

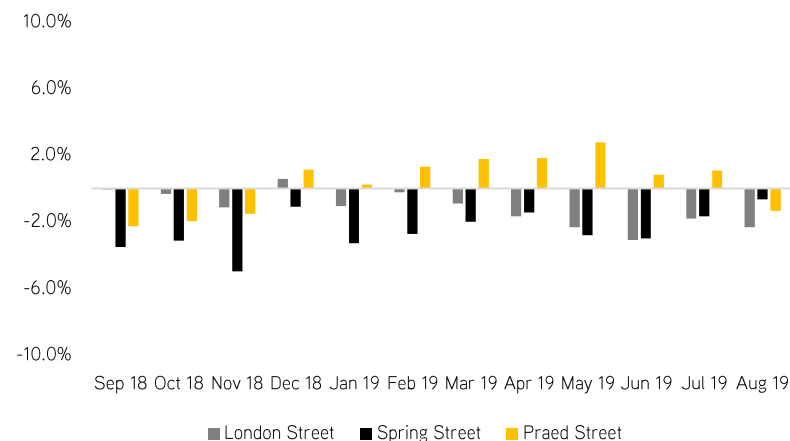
BEHAVIOURAL TRENDS - SUMMARY

- Colliers have created bespoke boundaries for three streets in the PaddingtonNOW bid area, for granular analysis of visitor profile and behaviour. These streets are detailed in the table on the right hand side and the boundaries adopted for the analysis have been provided in the appendix (pages 31 & 32). A full profile of Colliers Insights Platform has also been provided in the appendix (page 30), for reference.
- Behavioural trends of visitors across all streets over the last 12 months are set out in the table.
- Visitor footfall to Praed Street over the last 12 months is very high indeed – over 34 million. Whilst the boundary used for this analysis does not include Paddington Station, our total footfall figure is inclusive of high worker volumes passing through Praed Street and on to the station.
- On average over the last 12 months, visitors to Praed Street dwelled for 215 minutes. Our dwell time figures exclude those 'passing through', representing all visitors who display a dwell behaviour of over 10 minutes.
- Dwell time across all visitors to Praed Street is highly varied, the average of 215 minutes (c.3.5 hours) is driven by workers in local offices, the hospital, Imperial College and hotels.
- Conversely, 31% of visits to Praed Street dwell for up to 90 minutes, representing a different type of behaviour on the street from which occupiers can capitalise on.
- By comparison, Spring Street & London Street footfall over the last 12 months was 2.5 million and 4 million respectively. Year-on-year growth trends on these streets indicate a marginal overall decline – particularly in May & June 19 and Sept-Nov 18.
- Dwell on Spring St & London St, inclusive of workers, is between 7-14% lower than Praed Street at 184-199 minutes. Workers have less influence on behaviour on these streets, as a higher proportion of visits dwell under 90 minutes (37-38%).
- With high footfall volume, particularly for Praed Street comes a significant opportunity both for the BID and local occupiers. This report also addresses footfall conversion by occupier type, a metric that should be closely monitored in future. Improving footfall conversion is central to Praed Street Vision recommendations and will play a crucial role in the future success of the street.

Metric		Praed Street	London Street	Spring Street
Footfall	Total Footfall	34,700,000	4,090,000	2,550,000
	Visits Per Day	88k	10k	6.4k
	Year-on-Year Growth	0.20%	-1.0%	-2.30%
Dwell Time	Up to 90 mins dwell	31%	38%	37%
	Average (ALL VISITS)	215 minutes	184 minutes	199 minutes
	Year-on-Year Growth	7.7%	27%	23%

Source: Colliers Insights Platform

YEAR-ON-YEAR FOOTFALL, BY MONTH



Source: Colliers Insights Platform

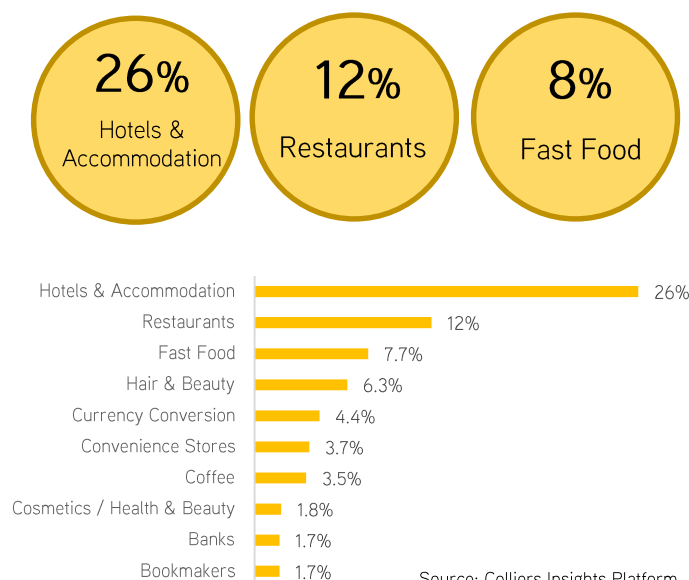
Visitor Behaviour

VISIT FREQUENCY & CONVERSION

- A summary of visit frequency by street has been summarised in the table on the right hand side. Across all streets 'Weekly' visit frequency is highest and a clear indicator that Paddington Station and local offices are the primary driver of visits.
- However, visits to local hotels also have a profound impact on visitor behaviour – across all three streets at least 30% of visitors visit 'Half Yearly' or 'Annually'.
- Peak visit days of the week across all streets are Wednesdays & Thursdays, combined footfall on these days is double the average weekend footfall – providing further evidence to demonstrate the influence that local workers and business visits have on driving footfall to Praed Street.
- More granular analysis has been completed to understand key footfall anchors, on Praed Street. These are the most visited occupier types on the street, converting the highest proportion of visitor footfall over the last 12 months.
- Overall 26% of visitors to Praed Street, visited a Hotel. Hilton & Mercure were the most visited over the last 12 months, converting 12% and 11% of total footfall respectively.
- Restaurants were the second most visited occupier type, converting 12% of footfall. When combined with Fast Food, food led occupiers converted 20% of visitor footfall over the last 12 months.
- It is clear that the Praed Street vision should seek to improve the quality of the F&B and services on Praed Street - to cater for highly transient station footfall and hotel visitors, if the street is to fulfil potential and improve conversion further.

Metric	Praed Street	London Street	Spring Street
Visit Frequency (% Weekly & Monthly Visitors)	37%	40%	31%
Stores Visited Per Trip	2.9	2.1	2.3
Peak Months / Days	January & March strongest footfall months Wednesday & Thursday highest footfall days	March strongest footfall month Wednesday & Thursday highest footfall days	July strongest footfall month Wednesday & Thursday highest footfall days

MOST VISITED PRAED STREET OCCUPIER TYPES (Conversion)



Source: Colliers Insights Platform

PRAED STREET VISION



Addressing Future Needs

INVESTMENT & INFRASTRUCTURE CONTEXT

- The arrival of Crossrail to Paddington is undoubtedly having a profound effect on investment on the area and is set to considerably improve connectivity both within London and outside the M25. A reduction in journey times into Central London for passengers is a major benefit – for frequent Paddington station users, a direct link from National Rail stations to the west of London into Central London will remove the need to change trains.
- Despite significant increases in daily station users at forecast at Paddington post Crossrail – the direct Elizabeth Line link into Central London could have negative impact on Praed Street footfall, as fewer passengers use Paddington for changing trains. 55% of Paddington train passengers change onto the Bakerloo Line at present (TfL).
- The arrival of Paddington Square presents both a strong opportunity to transform Praed Street and a risk to future vitality. Praed Street is characterised by a large number of high quality heritage buildings, however these are not purpose built to meet the needs of retail and F&B occupiers today.
- At present, Praed Street shop sizes are too small and limit the range of occupiers who can trade viably on the street. Conversely, the delivery of c.75,000sqft of new, modern retail and F&B space at Paddington Square will meet latest retailer requirements – this presents a high risk for Praed Street and is likely to have a negative impact on demand for space unless action is taken.

PADDINGTON SQUARE OVERVIEW & OPPORTUNITY

Data	Paddington Square	Praed Street
Total Retail / F&B (sqft)	75,000	160,000
Unit Size Range	100%	100%
<800sqft	39%	54%
800-1,500	44%	28%
1,500-3,000	12%	15%
3,000+	5%	3%
Average Unit Size	1,180	1,160
Median Unit Size	1,071	800
Zone A Rent Range	£250-£275	£70-£160
Occupier Mix	Tube Station Level: Amenity Led - 36% Station Concourse Level: Aspirational Retail - 44% Praed Street Level: F&B Led - 20%	43% - Comparison, Convenience, Retail Service 38% - F&B / Leisure

- The delivery of new space at Paddington Square represents 47% of the current total floor space on Praed Street. A total of 41 units will be delivered, with a median unit size of 1,071 – 33% larger than Praed Street.
- The delivery of 360,000sqft of commercial office space, is anticipated to bring a further 3,200 workers into Paddington. Other office developments in the Paddington catchment is set to bring an additional 5,500 workers. The step change in retail / F&B space at Paddington Square will adequately accommodate this additional demand, whilst presenting an opportunity for Praed Street occupiers to deliver improved sales densities.
- A focus of the development is to mitigate footfall pressure points with the current layout at Paddington Station. The delivery of a second separate station entrance on Praed Street will bring higher levels of station footfall further east, presenting another prime opportunity for Praed Street occupiers. A study has been commissioned by Sellar to model footfall numbers at all station entrances post Crossrail.
- Post completion, Sellar will be delivering an extensive marketing & events programme both to encourage local workers, residents and indeed station users to engage with the space, and to attract new visitors to the area. The space intended for use directly fronts Praed Street, delivering further opportunity for the BID to collaborate with Sellar on a programme that benefits the street.

Addressing Future Needs

SETTING OUT STRATEGY – ENCOURAGE CONVERSION & DWELL

- At present, Praed Street is characterised by high traffic volumes both in terms of pedestrian footfall and road traffic. This coupled with narrow pavements and A-boards / refuse from traders does not encourage dwell.
- Furthermore, these issues will become further exacerbated as local new developments come online which are set to offer higher quality space both for traders and visitors.
- Despite the arrival of Crossrail and a significant volume of new commercial, retail / F&B and residential space, the fundamental visit drivers both to Paddington and Praed Street will remain consistent and will continue to centre around; servicing a major transport hub, local workers, hotel visitors and a large residential catchment.
- Central to the needs of all visit types to Praed Street is space to dwell – meeting this need in particular will be key to improving conversion of the high footfall levels on the street at present.
- In support of the need to create the right environment for future retail growth, there are three key pillars behind the Praed Street vision:
 - **Increase shop sizes** – modern day requirements for our target occupier groups range from 800sqft – 1,000sqft in order to trade viably. A strategic approach to the issue of fragmented ownership structure on Praed Street will be required. This could initially target the cluster of London based owners opposite Paddington Square with a cohesive tenant mix vision which complements occupier uses in the new development and requires the amalgamation of units.
 - **Improving shopping environment** – a softening of the Praed Street environment and / or traffic free days would significantly improve dwell. Importantly, this will give an opportunity to enhance the quality of the streetscape and heritage buildings and would build on a key point of difference to the new, modern space at Paddington Square. More outdoor seating should be made available in place of A-boards and street clutter.
 - **Addressing occupier mix** – delivering complementary uses to the strategy in place at Paddington Square will be key and will maximise the opportunity for Praed Street to capture footfall from the new development. This coupled with the need to service both high volume transient station trade and a growing office catchment would see a greater range of quality F&B (Café, Quick Service & Restaurant) operators maximise the potential for further conversion and dwell on Praed Street.

INDEPENDENT
F&B



EXISTING
STREETSCAPE

Action Plan

SETTING OUT STRATEGY – ENCOURAGE CONVERSION & DWELL



- Our medium / long term vision for Praed Street is to encourage conversion rate and dwell time – central to this vision are three key pillars of change, as defined to the left and on the previous page. Working closely with landlords and Westminster across these areas will redefine Praed Street for the modern consumer and best position for growth in light of all upcoming developments.
- For Praed Street landlords, supply on the street is finite. This should be leveraged to drive demand through a collective leasing strategy and collaboration to amalgamate units to deliver the best space for occupiers. This, coupled with further investment into the Praed Street streetscape and collaboration delivery of a culture & events programme with Paddington Square will ultimately drive occupier demand and rents on Praed Street.
- The primary opportunity for tenant mix strategy is to capitalise on the proposed F&B mix expected at Praed Street level at Paddington Square – for a seamless link onto Praed Street itself. Fast but high quality independent food operators would align strongest with the affluent worker and residential catchment and station footfall. Attracting high quality independents in this category is key to delivering a unique experience on Praed Street, whilst also complementing the F&B mix at Paddington Square. Improving quality of the service operators should also remain a priority to attract higher conversion of footfall.

CITY PLAN – KEY POINTS & ACTIONS FOR PADDINGTON BID

- On review of the latest Westminster City Plan (2019-2040), below is a summary both of the key points of relevance to the Praed Street vision and our recommended policy actions for the BID.

City Plan - Key Points for Praed St Vision	
1	Further diversification of the evening and night-time economy will be supported, inc enhancements to cultural offer.
2	Inclusive and high-quality public realm that enhances sense of place and encourages dwell.
3	Reduced severance from surrounding areas including Praed Street town centre.
4	Improvement to the appearance and the quality of the retail offer on Praed Street are supported.
5	Secure the conservation and continued beneficial use of heritage assets through sensitive adaptation, while allowing them to meet changing needs.
6	Developments should strengthen links with neighbouring areas including Praed Street.

Paddington BID Actions	
1	The council publishes a statement of licensing policy at least every 5 years – the latest revision was Jan 2016. Monitor future revisions to limit impact to future diversification of Praed St night time economy.
2	Create more pedestrian friendly environment through investment including: widening pavements, defined taxi and cycle areas and traffic calming measures.
3	Relaxing planning restrictions for change of use to A3 and combining units for A1 or A3 use. Encourage approval for applications for outdoor seating on Praed Street.
4	Extending licencing hours for local F&B operators, to fulfil evening economy potential from station passengers, hotel residents and local workers.
5	Improve links with St. Mary's Hospital to encourage visits to Praed Street. Including internal signage and local area maps.
6	Delivery of cultural programme for Praed Street & Paddington Station

APPENDIX



Glossary & Definitions Tables

Prime Zone A Rent

Zoning is a standard method of measuring retail premises to calculate and compare their value. It is used by both public and private sector surveyors.

Zoning as a method has been applied in the UK to the analysis of shop rents and properties for rating purposes since the 1950s.

Shop or retail premises are divided into a number of zones each of a depth of 6.1 metres - or 20 feet.

Zone A closest to the window is most valuable with the value decreasing with distance from the frontage: Zone B is the next 6.1 metres, then Zone C until the entire depth of the retail area is allocated to a zone - anything after Zone C is usually defined as the remainder.

Zone A rent, per sqft, is commonly used as a measure of rental tone in a location and one that enables a comparison of tone between a group of locations. Colliers 'Prime Zone A' rents data refers to the Zone A rent in the most prime store on a street.

Occupier Mix Category Table

Category	Sub Category	Further Groups
Comparison	General Merchandise	
	Cards, Gifts & Books	
	Health & Beauty	Chemist & Drugstores Toiletries, Cosmetics & Beauty Products
Retail Service	Banks & Building Societies	
	Dry Cleaners	
	Financial Services	
	Health & Beauty	
	Post Offices	
	Property & Travel Agents Photo, Printing, Copying	
Convenience	Food & Convenience	
	Food to Go	Bakers & Confectioners
Leisure	Finance	Casinos & Betting Offices
	Not Classified	
F & B	Café & Restaurant	
	Bar / Pub	
	Food to Go	Fast Food & Take Away
Vacant Retail	Under Alteration / Vacant	
Non-Retail	Not Classified	
	Other Service	

Glossary & Definitions Tables

CITY PROSPERITY GROUP OVERVIEW

City Prosperity are most likely to live in flats in London



64%

are educated to degree level or higher



Almost half are in managerial or professional jobs



33%

don't own a vehicle

83%

use the internet several times a day, more than any other group

Overview

City Prosperity work in high status positions. Commanding substantial salaries they are able to afford expensive urban homes. They live and work predominantly in London, with many found in and around the City or in locations a short commute away. Well-educated, confident and ambitious, this elite group is able to enjoy their wealth and the advantages of living in a world-class capital to the full.

Core features

City Prosperity are found in senior and well-paid positions in the City's key financial and professional organisations, as well as in high status roles in politics, media and the arts.

Highly educated, very ambitious and focused on their careers, many of this group are single and are less likely than others to have children.

Their homes are luxurious and often found in London's most prestigious neighbourhoods and exclusive City and riverside locations. They are not always the most spacious homes though and are extremely expensive. Around half of these properties are owned, with many rented for, sometimes, astronomically high rents. Homes are often chosen because of their central locations and the easy commutes their locations offer to the office by underground or overground. Car ownership is consequently relatively low.

Constantly connected via their smartphones, work-life takes precedence for many. They spend many hours online and couldn't manage their lives without the internet. Frequent shopping online allows them to buy whatever they want efficiently, and price is less important than time. They shop at upmarket online grocery stores and book multiple trips abroad.

They keep themselves informed with current affairs and read broadsheet newspapers.

Glossary & Definitions Tables

MUNICIPAL CHALLENGE GROUP OVERVIEW

**Municipal
Challenge are likely
to be on some of
the lowest incomes**

And the most likely to be seeking
employment presently



**They are most
likely to live in
council flats**



10%

of Municipal
Challenge main
language is not
English

38%

don't own a car

20%

have bought a
broadband
contract within the
last three months

Overview

Municipal Challenge are long-term social renters living in low-value multi-storey flats in urban locations, or small terraces on outlying estates. These are challenged neighbourhoods with limited employment options and correspondingly low household incomes.

Core features

People in Municipal Challenge are typically of working age. There are some families with children, but most are singles.

Many have been renting their flats for a number of years. These are often in multi-storey or high-rise blocks built from the 1980s onwards. Those in houses on estates have been settled there for a long time.

These neighbourhoods suffer from high levels of unemployment, and incomes can be particularly low. Those in work tend to be in manual or low level service jobs. People are the most likely to be finding it difficult to cope on their incomes and they often receive benefits.

Municipal Challenge contains the highest proportion of people without a current account. They have a low take up of financial products but may use short term finance occasionally. Given their income and urban location, car ownership is very low.

Generally, ownership of technology is not high, but mobile phones are important and are the preferred means of contact. On average they spend more time watching television than they do on the internet and they prefer making purchases in local shops than buying online.

Glossary & Definitions Tables

MOSAIC GROUP OVERVIEW

A City Prosperity	A01	World-Class Wealth	Global high flyers and families of privilege living luxurious lifestyles in London's most exclusive boroughs
	A02	Uptown Elite	High status households owning elegant homes in accessible inner suburbs where they enjoy city life in comfort
	A03	Penthouse Chic	City suits renting premium-priced flats in prestige central locations where they work hard and play hard
	A04	Metro High-Flyers	Ambitious 20 and 30-somethings renting expensive apartments in highly commutable areas of major cities
B Prestige Positions	B05	Premium Fortunes	Influential families with substantial income established in distinctive, expansive homes in wealthy enclaves
	B06	Diamond Days	Retired residents in sizeable homes whose finances are secured by significant assets and generous pensions
	B07	Alpha Families	High-achieving families living fast-track lives, advancing careers, finances and their school-age kids' development
	B08	Bank of Mum and Dad	Well-off families in upmarket suburban homes where grown-up children benefit from continued financial support
	B09	Empty-Nest Adventure	Mature couples in comfortable detached houses who have the means to enjoy their empty-nest status
C Country Living	C10	Wealthy Landowners	Prosperous owners of country houses including the rural upper class, successful farmers and second-home owners
	C11	Rural Vogue	Country-loving families pursuing a rural idyll in comfortable village homes while commuting some distance to work
	C12	Scattered Homesteads	Older households appreciating rural calm in stand-alone houses within agricultural landscapes
	C13	Village Retirement	Retirees enjoying pleasant village locations with amenities to service their social and practical needs
D Rural Reality	D14	Satellite Settlers	Mature households living in expanding developments around larger villages with good transport links
	D15	Local Focus	Rural families in affordable village homes who are reliant on the local economy for jobs
	D16	Outlying Seniors	Pensioners living in inexpensive housing in out of the way locations
	D17	Far-Flung Outposts	Inter-dependent households living in the most remote communities with long travel times to larger towns

E Senior Security	E18	Legacy Elders	Time-honoured elders now mostly living alone in comfortable suburban homes on final salary pensions
	E19	Bungalow Haven	Peace-seeking seniors appreciating the calm of bungalow estates designed for the elderly
	E20	Classic Grandparents	Lifelong couples in standard suburban homes enjoying retirement through grandchildren and gardening
	E21	Solo Retirees	Senior singles whose reduced incomes are satisfactory in their affordable but pleasant owned homes
F Suburban Stability	F22	Boomerang Boarders	Long-term couples with mid-range incomes whose adult children have returned to the shelter of the family home
	F23	Family Ties	Active families with teens and adult children whose prolonged support is eating up household resources
	F24	Fledgling Free	Pre-retirement couples with respectable incomes enjoying greater space and spare cash since children left home
	F25	Dependable Me	Single mature owners settled in traditional suburban semis working in intermediate occupations
G Domestic Success	G26	Cafés and Catchments	Affluent families with growing children living in upmarket housing in city environs
	G27	Thriving Independence	Well-qualified older singles with incomes from successful professional careers in good quality housing
	G28	Modern Parents	Busy couples in modern detached homes juggling the demands of school-age children and careers
	G29	Mid-Career Convention	Professional families with children in traditional mid-range suburbs where neighbours are often older
H Aspiring Homemakers	H30	Primary Ambitions	Forward-thinking younger families who sought affordable homes in good suburbs which they may now be out-growing
	H31	Affordable Fringe	Settled families with children owning modest, 3-bed semis in areas where there's more house for less money
	H32	First-rung Futures	Pre-family newcomers who have bought value homes with space to grow in affordable but pleasant areas
	H33	Contemporary Starts	Fashion-conscious young singles and partners setting up home in developments attractive to their peers
	H34	New Foundations	Occupants of brand new homes who are often younger singles or couples with children
	H35	Flying Solo	Bright young singles on starter salaries choosing to rent homes in family suburbs

Glossary & Definitions Tables

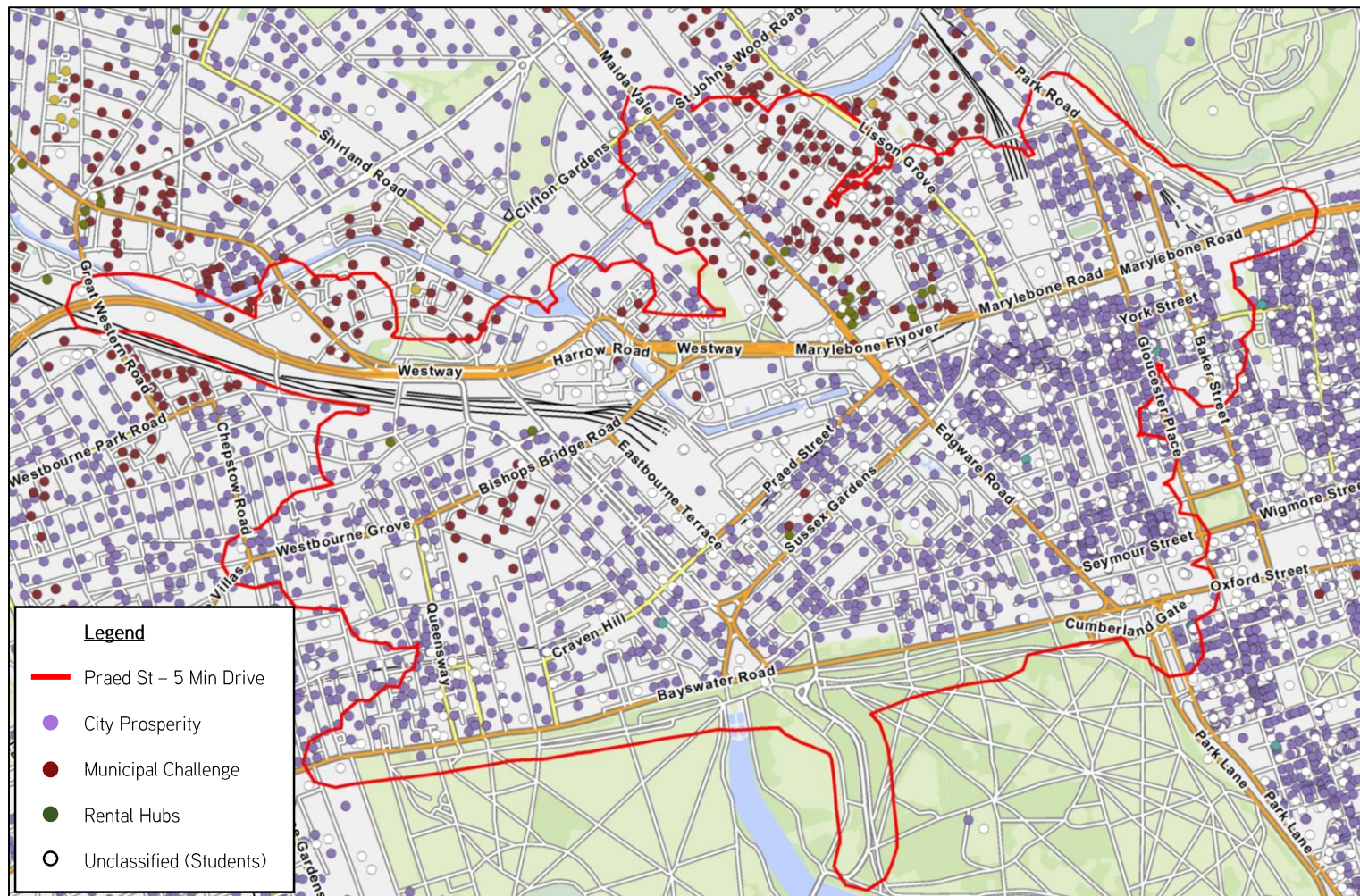
MOSAIC GROUP OVERVIEW

I Family Basics	I36	Solid Economy	Stable families with children renting better quality homes from social landlords
	I37	Budget Generations	Families supporting both adult and younger children where expenditure can exceed income
	I38	Childcare Squeeze	Younger families with children who own a budget home and are striving to cover all expenses
	I39	Families with Needs	Families with many children living in areas of high deprivation and who need support
J Transient Renters	J40	Make Do & Move On	Yet to settle younger singles and couples making interim homes in low cost properties
	J41	Disconnected Youth	Young people endeavouring to gain employment footholds while renting cheap flats and terraces
	J42	Midlife Stopgap	Maturing singles in employment who are renting short-term affordable homes
	J43	Renting a Room	Transient renters of low cost accommodation often within subdivided older properties
K Municipal Challenge	K44	Inner City Stalwarts	Long-term renters of inner city social flats who have witnessed many changes
	K45	Crowded Kaleidoscope	Multi-cultural households with children renting social flats in over-crowded conditions
	K46	High Rise Residents	Renters of social flats in high rise blocks where levels of need are significant
	K47	Streetwise Singles	Hard-pressed singles in low cost social flats searching for opportunities
	K48	Low Income Workers	Older social renters settled in low value homes in communities where employment is harder to find
L Vintage Value	L49	Dependent Greys	Ageing social renters with high levels of need in centrally located developments of small units
	L50	Pocket Pensions	Penny-wise elderly singles renting in developments of compact social homes
	L51	Aided Elderly	Supported elders in specialised accommodation including retirement homes and complexes of small homes
	L52	Estate Veterans	Longstanding elderly renters of social homes who have seen neighbours change to a mix of owners and renters
	L53	Seasoned Survivors	Deep-rooted single elderly owners of low value properties whose modest home equity provides some security

M Modest Traditions	M54	Down-to-Earth Owners	Ageing couples who have owned their inexpensive home for many years while working in routine jobs
	M55	Offspring Overspill	Lower income owners whose adult children are still striving to gain independence meaning space is limited
	M56	Self Supporters	Hard-working mature singles who own budget terraces manageable within their modest wage
N Urban Cohesion	N57	Community Elders	Established older households owning city homes in diverse neighbourhoods
	N58	Cultural Comfort	Thriving families with good incomes in multi-cultural urban communities
	N59	Asian Heritage	Large extended families in neighbourhoods with a strong South Asian tradition
	N60	Ageing Access	Older residents owning small inner suburban properties with good access to amenities
O Rental Hubs	O61	Career Builders	Motivated singles and couples in their 20s and 30s progressing in their field of work from commutable properties
	O62	Central Pulse	Entertainment-seeking youngsters renting city centre flats in vibrant locations close to jobs and night life
	O63	Flexible Workforce	Self-starting young renters ready to move to follow worthwhile incomes from service sector jobs
	O64	Bus-Route Renters	Singles renting affordable private flats away from central amenities and often on main roads
	O65	Learners & Earners	Inhabitants of the university fringe where students and older residents mix in cosmopolitan locations
	O66	Student Scene	Students living in high density accommodation close to universities and educational centres

Defining Catchment Geography

PRAED STREET CATCHMENT & MOSAIC SEGMENTATION



What do the points represent?

This map displays dominant Mosaic group by 'Post Code Point'.

Nationally, there are over 1.7 million postcode points.

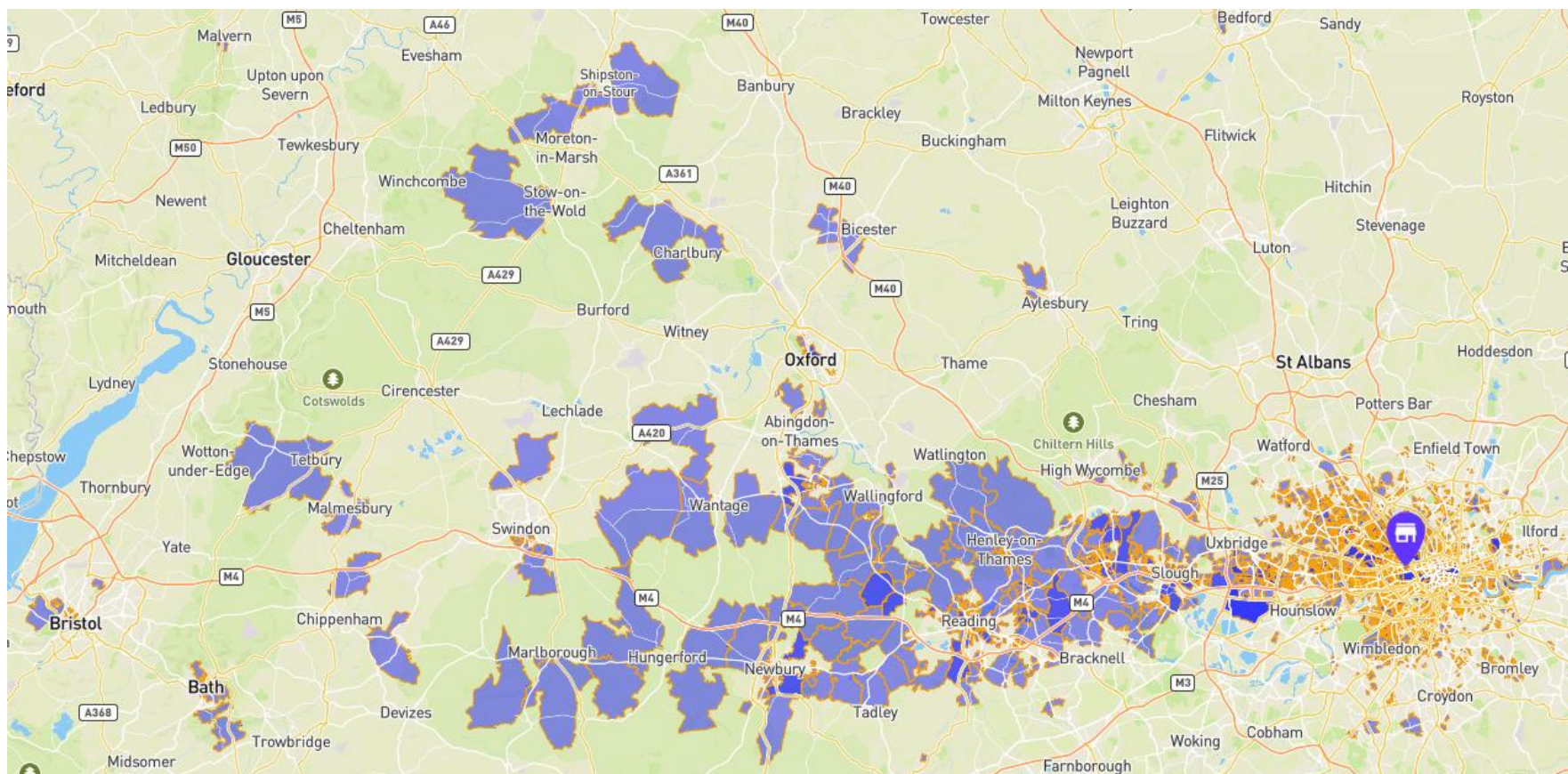
Each point represents an average of 15 adjoining addresses, to provide the finest level of granularity for thematic mapping.

Use of this technique shows how the headline Mosaic segmentation figures stated on Page 14 are distributed across the five minute drive catchment from Praed Street.

Defining Catchment Geography

PRAED STREET – HOME CATCHMENT

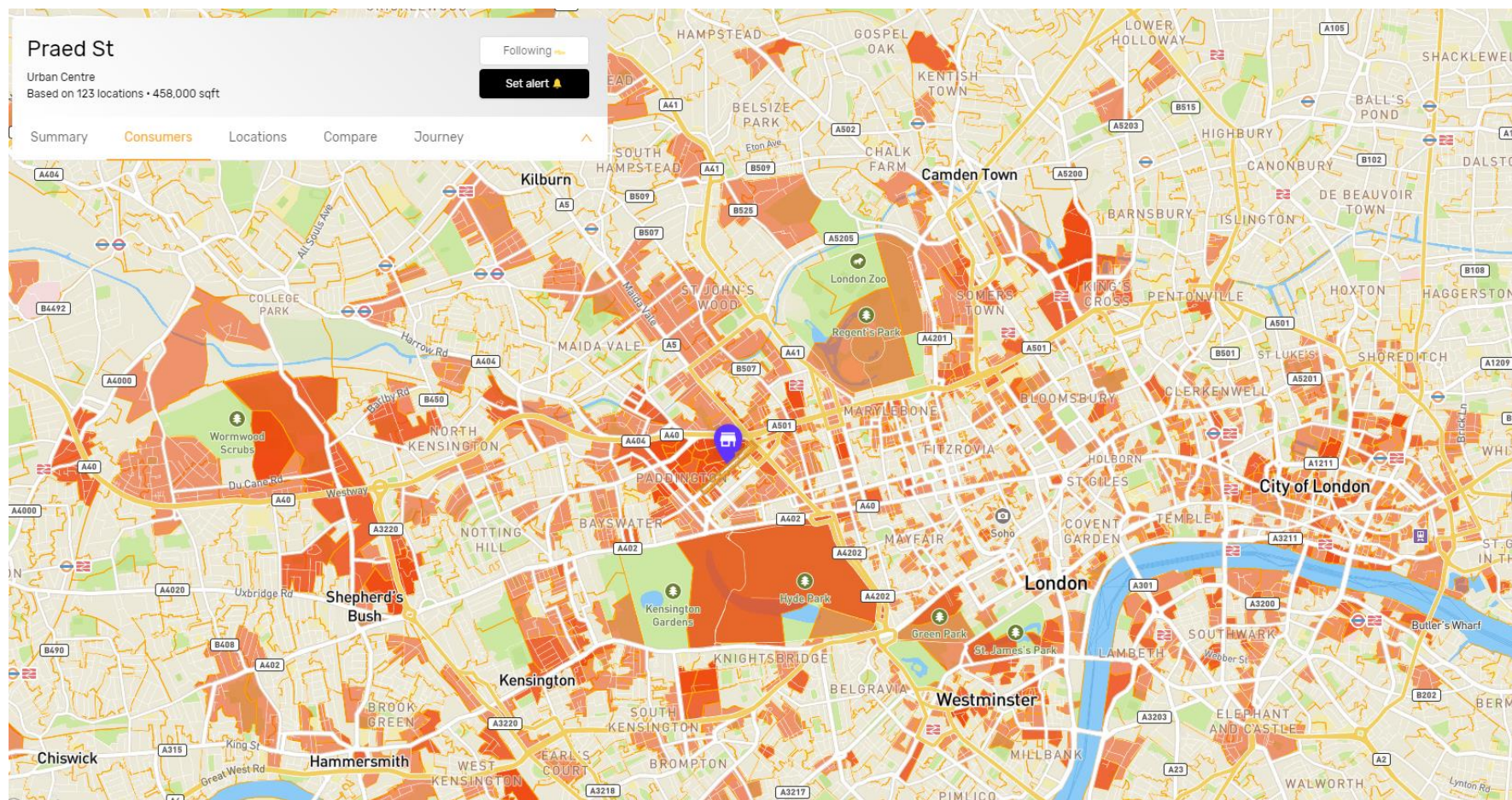
Where do visitors to Praed Street over the last 12 months live?



Defining Catchment Geography

PRAED STREET – WORK CATCHMENT

Where do visitors to Praed Street over the last 12 months work?



Colliers Insights Platform - Overview

Colliers Insights Platform is powered by two core sources of data: geographic data (geofences) and mobility data. The mobility data comes as GPS location data from smartphones. This provides 'always on' location information at approximately 10 minute intervals. The geographic data is a database of all places (e.g. stores, shopping centres, high streets) across the country.

Data is derived from 80+ data, covering over 10 million active smartphone users. Data providers include:

- Human mobility data
- GPS from mobile phone apps
- Telecoms providers
- Wifi providers

The providers of mobile data insights above, aggregate and anonymise all location based visitor data and have strict privacy controls in place. No individuals are ever identifiable or personal data shared. Use of this data is fully GDPR compliant.

Platform harnesses 100+ terabytes of data generated from c.15% of devices across the UK. Advanced A.I removes data 'noise', extracts correct device signals and intelligently builds the complete view for any point of interest.

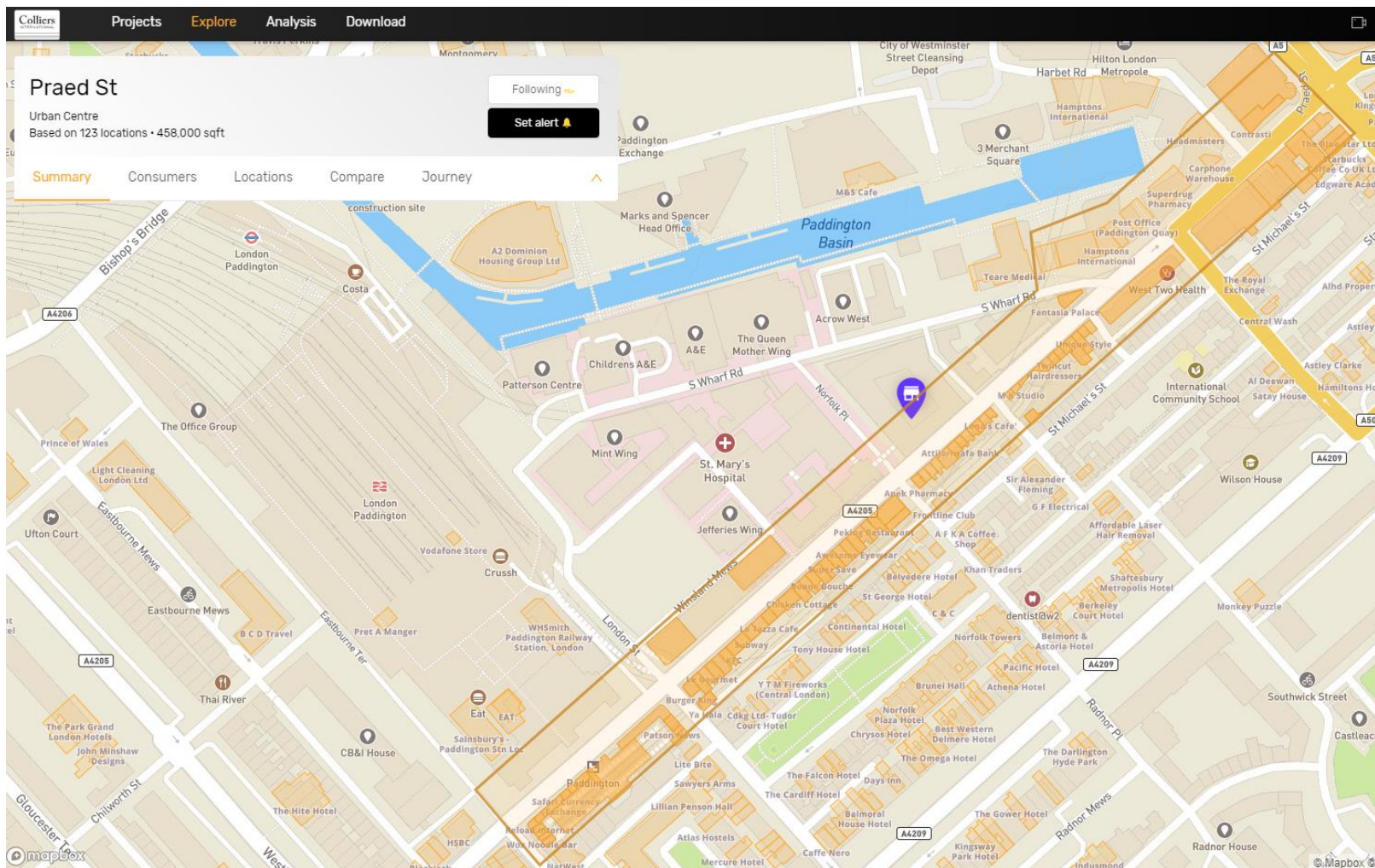
Product is regularly tested & updated and delivers insights over any specified real-time or historical time period (inc. daily, weekly, monthly metrics). The platform has capability to provide immediate data for benchmarking like-for-like performance, without the need for hardware installation.

Quality Checks

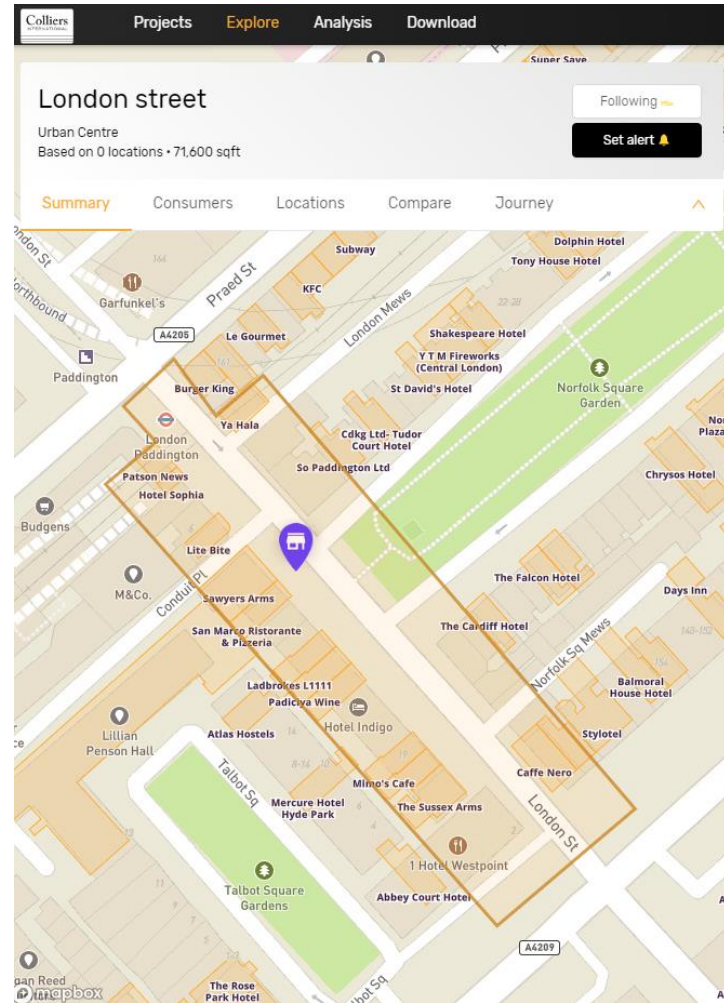
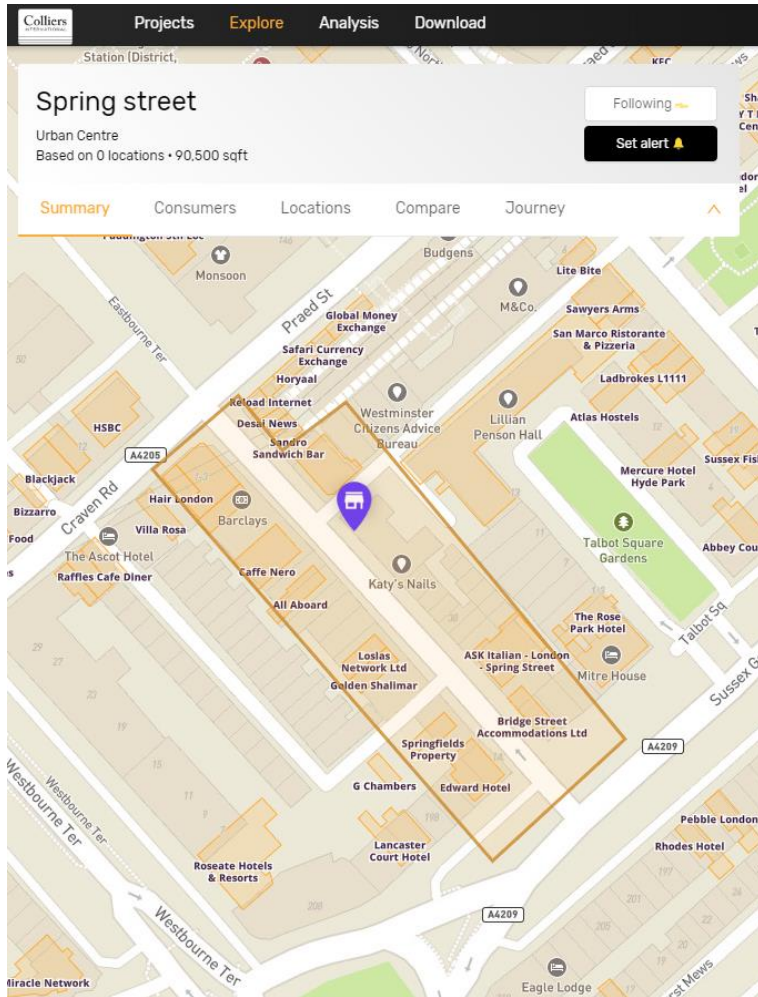
Ground truth verification is executed in different ways:

- **Manual:** employment of contractors to manually count visitations to stores & locations, in the 'old fashioned' way.
- **Third Party Verification:** Delivery of third party data sets from alternative providers, for a comparison and to provide feedback for algorithms where necessary.
- **Publically available data / reporting:** cross-check publically available datasets on footfall (e.g. town centres / streets / official reports), with our insights.

Praed Street Boundary – Insights Platform



Spring & London Street Boundaries





Paddington Now

BUSINESS
IMPROVEMENT
DISTRICT