



‘Tottenham Court Road could become the centre of the West End’

By [Georgi Gyton](#) | 25 May 2022 | 9 min read

The pandemic has led to an influx of day trippers to the capital and the opening of the Elizabeth line is set to amplify this. MCA assesses what the impact might be on F&B and which locations could flourish.

It’s been a long time coming, but the first section of the Elizabeth line finally opened yesterday after 14 years in the making.

Despite having been pushed back several times from its original opening date of 2017, and coming in at £3bn more than its original budget of £15.9bn, the line is set to transform the way people travel across London from east to west.

New station entry and exit points will mean people use streets in different ways, with demand likely to increase on some of London’s already crowded streets.

While the majority of the modelling around passenger numbers and movement was done pre-pandemic, there can be no disputing the impact on footfall will be significant, which is of course great news for hospitality.

“Investment in new tube stations and their surrounding areas, particularly those in the East (Essex) and the West (Berkshire), as well as the likes less-developed locations such as Woolwich and Abbey Wood, is one of the biggest benefits of the project, increasing footfall, sales and the development of the F&B offer across the board,” Nick Weir, joint managing partner, Shelley Sandzer, tells MCA.

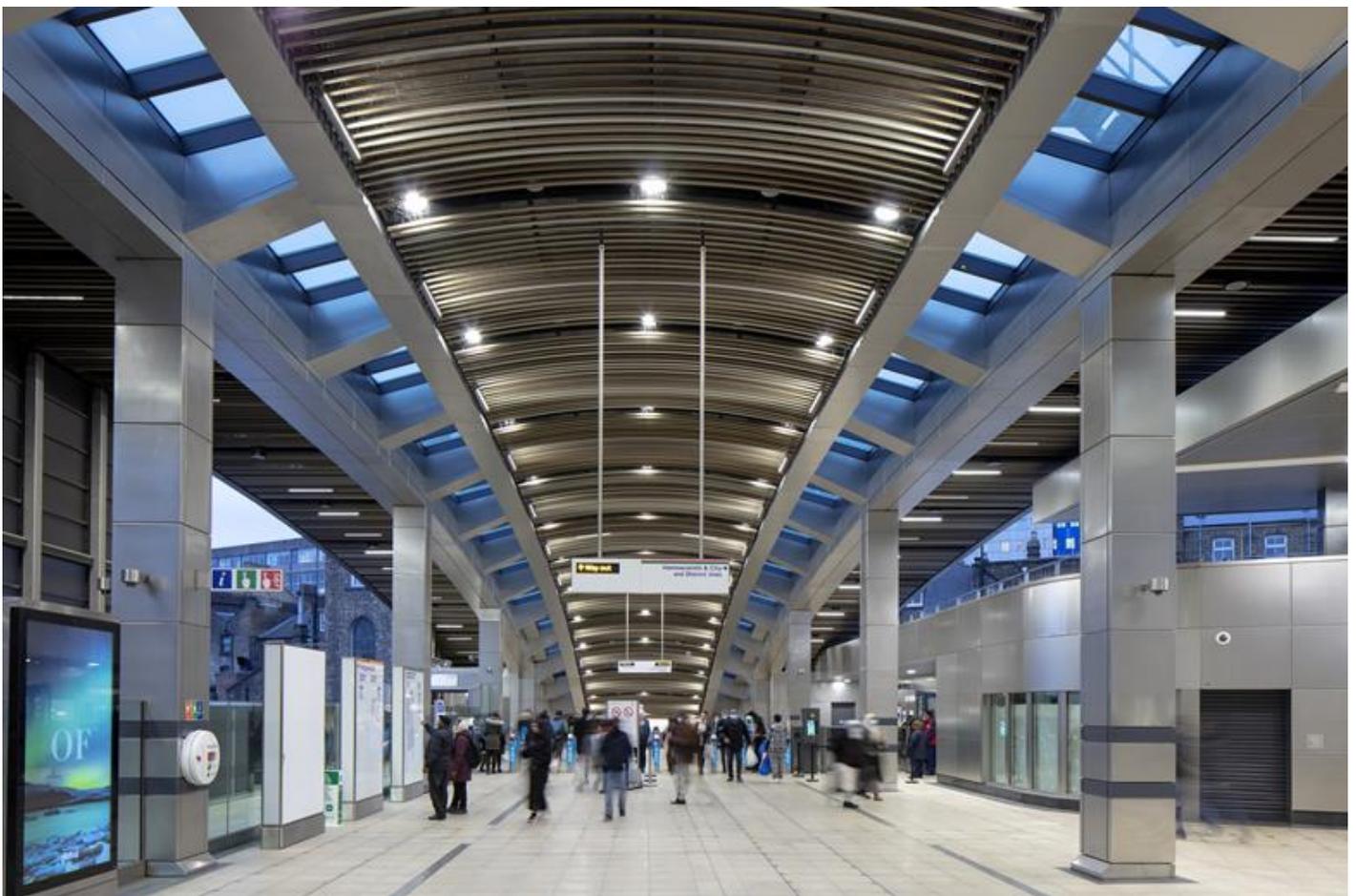
“Heathrow Airport and its customers are also set to benefit in the long term, with the Elizabeth Line providing even greater accessibility to the heart of the capital (the West End), for international tourists.”

A **report by Arup, published back in March 2018**, estimated that turnover in the West End would increase from £8.8bn in 2014 to £13bn in 2021 – based on the service having started in December 2018... the equivalent of an extra £4.2bn in the first three years of its opening.

The three West End stations on the line were expected to see an increase in demand of 55% by 2031 – generating substantial benefits for local businesses.

So which areas are likely to be the winners and losers and what trends are being seen already in terms of demand for space?

Bond Street and Tottenham Court Road stations will see the largest rise in passenger numbers, with entries and exits increasing by a projected 74% at Bond Street and 72% at Tottenham Court Road, between 2016 and 2021, suggests the report.



While these figures are of course wildly out of date now, they demonstrate the impact that is expected from the opening of the Elizabeth line.

‘Day trippers are on the up’

“The importance of the West End as an entertainment district will become more important than ever,” Camilla Topham, co-founder and director of landlord-focused property agency Distrkt tells

MCA.

Distrkt works with the likes of The Crown Estate, Soho Estates and Shaftesbury, so has understandably been keeping a keen eye on developments.

“One of the features of the pandemic has been that people living around London are really choosing to utilise it now,” she says.

“The rise in day drippers is something that a lot of our clients have really noticed. People are coming in for the day and really enjoying what London has got to offer, and that is only set to increase.”

For Topham, the area around Tottenham Court Road is likely to see some of the biggest benefits from the opening of the line, and the new station – “arguably it could become the centre of the West End”.

An area that has historically been a bit weaker in Soho, with people favouring Oxford Circus or venturing deeper into Soho, the whole area around Tottenham Court Road is really starting to develop. Centre Point has opened, as has the Arcade Food Hall, while there is now a rooftop restaurant at hotel Chateau Denmark, on Denmark Street.

Soho Estates also has a development on Charing Cross Road at Ilona Rose House – a new mixed-use development within the former Foyle’s bookshop. Manette Street, which will feature one of the frontages of the development will form an access through it and onto Greek Street, with that road likely to become “really well trafficked”, Topham explains.



Office occupiers are also finding that area more attractive to locate in, with several developments in progress at the moment.

“People that would traditionally have located in Mayfair or St James are now looking at Soho,” she adds. The area is vibrant with a good F&B offering – something which is drawing people back to the office.”

Cushman & Wakefield (C&W) said the anticipated opening of the line has tempted companies to base themselves outside London’s traditional office hubs, in areas that have previously been largely ignored, with rents increasing in some of the capital’s smaller office markets.

Rental values in Shoreditch and Clerkenwell have increased the most since the project was first announced in 2008 – up 123%, with the Southbank seeing a 61% rise, Kings Cross 55%, Paddington 45% and Soho 42%. By contrast rents in the City have increased by 21% and in the West End by only 2%, according to C&W.

‘Demand outpacing supply’

“I think the dynamics of Soho in particular will change, with it being centred between Tottenham Court Road and Bond Street. That part of the West End will just become even stronger,” Topham says.

With strong existing demand from restaurants to open in Soho, the challenge is likely to be “where we are going to put them – we desperately need more space”.

Topham believes the areas that will do best are those offering a multitude of uses, from retail and leisure to office and residential, such as Liverpool Street or Whitechapel. “If it’s just an office-led area there is probably going to be a limited knock-on effect.”

Distrkt has already witnessed an uplift in restaurant operators choosing to locate in Farringdon, with development in Paddington only set to boom further.

“Ealing and Maidenhead are areas that people will perhaps choose to live in more and will probably be a little more attractive for operators that want to locate in neighbourhoods,” she adds.

Weir says that in the lead up the opening of the line, Shelley Sandzer has noticed interest in central London F&B stalwart locations, such as Soho, Chinatown and the wider West End, which, despite all the delays, the Elizabeth line has been a catalyst for.



“Although the temporary closure of Bond Street is a blow to the West End hospitality scene, the likes of Tottenham Court Road and the other East-to-West stations will usher in visitors from further afield, doing a great deal of good for central London.”

Tracey Mills, executive director, London estate leasing & strategy at David Coffey Lyons, tells MCA that while it is hard to distill the precise areas that will benefit, it is a “huge positive for central London” which has been made even more important due to the impact from the pandemic.

“The West End was really battered – the opening is going to strengthen it.” With the new line projected to put an additional 1.5 million people within 45 minutes, in effect you are making the city bigger, she says. “That connectivity is huge.”

'Outer London may see more demand from experiential concepts'

Mills says the “bridge and tunnel” audience from Essex may be more likely to travel into central London than previously, but it may be dispersed across a wider area. While areas further out such as Woolwich in south east London, which has historically had slow and convoluted connections to London, now finds itself 15 minutes from the City.

While the introduction of the Elizabeth line is unlikely to be the deciding factor for a single-site opening in central London – as demand is already strong enough – DCL believes the opening of the line may strengthen suburban pitches, particularly the large sites favoured by immersive and experiential concepts where the West End can be prohibitively expensive or not offer the square footage desired.

Within central London developers will be more confident about footfall. Buildings like old department stores are being repurposed and more offices and residential is being built. “That is driving traffic into London, which is, of course, supporting F&B,” she says.

Shaftesbury is also anticipating a positive impact from the opening of the new line. In its half year results yesterday (24 May), the real estate investment trust – which owns a 16-acre portfolio in the heart of London’s West End said that over the longer term the West End is set to benefit from the material increase in visitor numbers and spending this line should bring.

“Our portfolio is well-placed to benefit, with all our ownerships a short walk from the new Tottenham Court Road and Bond Street interchanges,” it said.



The fact you can see the stations now – and the Elizabeth line is not just something that may happen in the future – is hugely attractive to operators, Topham says. Interest is coming from both independents and big brands, and “international is coming back to the table”.

While all this interest is great for creating busy and vibrant areas, one of the big questions is what the impact will be on rents? With increased demand from operators likely to see rents go in one direction. “One of the challenges for Soho is going to be around how the independents are retained,” Topham adds.

“Crossrail or no Crossrail, the F&B industry has bounced back so quickly and strongly after Covid – the demand is there anyway,” Mills adds. “There are huge amounts of international operators coming in as well, which is always good and keeps our home-grown market on its toes.”

The Elizabeth line in numbers:

- The central section of the Elizabeth Line officially opened on 24 May, connecting Paddington to Abbey Wood in the east, via Canary Wharf. Trains from Paddington to Canary Wharf will take around 17 minutes – around half the previous journey time.
- The one station yet to open within the central section of the line is Bond Street, which is due to open this autumn when the eastern and western sections of the line will open.

- The full service is expected to open by May 2023, with the more than 60 miles of track stretching from Reading and Heathrow in the west, to Shenfield and Abbey Wood in the east.
- The Elizabeth line will stop at 41 stations – 10 of them new (Paddington, Bond Street, Tottenham Court Road, Farringdon, Liverpool Street, Whitechapel, Canary Wharf, Custom House, Woolwich and Abbey Wood), and others upgraded.
- It also connects 15 mainline stations. It will mean shorter journey times between popular destinations in the capital, according to TfL, with the new line expected to serve around 200m people each year.
- According to Crossrail the new line is expected to bring an extra 1.5m people to within 45 minutes of central London – up from five minutes currently – and add an estimated £42bn to the UK economy.