# UK high streets revive unevenly as consumer confidence fuels city centre recovery and online growth persists



After enduring years of stagnation and widespread retail closures, the UK’s high streets are showing promising signs of revival, driven by shifts in consumer behaviour and a reinvention centred on experiential offerings, according to a recent analysis by Funding Circle. This resurgence, while uneven across the country, reflects broader economic and social changes reshaping the retail landscape.

Certain UK city centre high streets stand out as beacons of recovery, buoyed by income-driven demand, tourism, and their cultural appeal. London, Cambridge, Oxford, Brighton, York, and Edinburgh all report vacancy rates below 10 per cent, markedly better than the national average. These cities benefit from professional economies and diverse leisure options—which include a growing appetite for wellness studios, cafes, and creative retail ventures—particularly in Gen Z-influenced urban centres like Manchester and Bristol. Conversely, traditional retail hubs such as Newport, Bradford, and Blackpool continue to struggle with vacancy rates nearing one in five shops empty, highlighting stark regional disparities.

Deloitte’s consumer confidence tracker reinforces this evolving picture, recording a notable rebound in discretionary spending during the second quarter of 2025, with clothing and footwear seeing growth of 6.6 per cent. Other sectors like food, wellness, holidays, and dining also report strong spending increases. These trends align with Funding Circle’s findings that every 1 per cent rise in local disposable income corresponds with a 0.8 per cent fall in vacancy rates on high streets, demonstrating the critical role of income levels in retail vitality.

However, the revival is far from uniform. Towns relying heavily on retail-only models face ongoing challenges as footfall diverts to out-of-town centres or online platforms, where sales continue to grow at a faster pace than in bricks-and-mortar stores. Data from BDO’s High Street Sales Tracker for 2025 reveals relatively flat performance in-store for much of the year, with online sales outpacing physical retail growth consistently. In particular, June 2025 data showed store sales rising by a mere 0.6 per cent year-on-year, while online sales surged by 4.3 per cent amid economic uncertainty and changing consumer priorities.

These patterns concur with retail footfall reports showing a slight year-on-year decline in both high street and shopping centre visits during mid-2025. The British Retail Consortium highlighted that July failed to bring the expected summer uplift in shoppers, underscoring ongoing volatility in consumer behaviour.

In light of these challenges and opportunities, a recent House of Lords report advocates for a shift beyond traditional retail to foster resilient high streets. It recommends integrating more restaurants, leisure facilities, public services such as health centres and libraries, and flexible spaces that reflect local needs. This approach aims to create adaptable town centres that can better withstand economic shifts and changing social habits.

For entrepreneurs and business owners seeking to capitalise on the high street’s revival, success in 2025 requires a nuanced strategy. Location remains paramount, but equally important is timing and an in-depth understanding of evolving consumer preferences. Growth sectors to watch include food, wellness, homeware, and hybrid cultural spaces that combine leisure with shopping. Cities that align these elements effectively stand the best chance of sustaining their recovery and shaping the future of UK high streets.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.fibre2fashion.com/news/retail-industry/uk-high-streets-show-signs-of-revival-amid-shifting-consumer-trends-305165-newsdetails.htm), [[2]](https://www.fundingcircle.com/uk/resources/news/reviving-uk-high-street/)
* Paragraph 2 – [[1]](https://www.fibre2fashion.com/news/retail-industry/uk-high-streets-show-signs-of-revival-amid-shifting-consumer-trends-305165-newsdetails.htm), [[2]](https://www.fundingcircle.com/uk/resources/news/reviving-uk-high-street/)
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* Paragraph 4 – [[5]](https://www.apnews.org/uk-high-streets-stumble-june-shoppers-flock-online/), [[7]](https://www.retail-insight-network.com/news/uk-retail-footfall-july-2025/), [[6]](https://www.bdo.co.uk/en-gb/news/2025/high-street-sales-tracker-february-2025)
* Paragraph 5 – [[3]](https://www.parliament.uk/business/lords/media-centre/house-of-lords-media-notices/2024/november-2024/look-beyond-retail-to-reverse-high-street-decline-says-new-lords-report/)
* Paragraph 6 – [[1]](https://www.fibre2fashion.com/news/retail-industry/uk-high-streets-show-signs-of-revival-amid-shifting-consumer-trends-305165-newsdetails.htm), [[2]](https://www.fundingcircle.com/uk/resources/news/reviving-uk-high-street/)

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## Bibliography

1. <https://www.fibre2fashion.com/news/retail-industry/uk-high-streets-show-signs-of-revival-amid-shifting-consumer-trends-305165-newsdetails.htm> - Please view link - unable to able to access data
2. <https://www.fundingcircle.com/uk/resources/news/reviving-uk-high-street/> - Funding Circle's analysis reveals that UK high streets are experiencing a revival after years of stagnation and retail closures. Some cities, such as London, Cambridge, and York, are thriving due to income-driven demand, tourism, and cultural appeal. Conversely, cities like Newport and Bradford continue to struggle with high vacancy rates. Deloitte's consumer confidence tracker indicates a notable rebound in discretionary spending during Q2 2025, with growth strongest in clothing and footwear at 6.6%. The report highlights opportunities in the food, wellness, and cultural sectors.
3. <https://www.parliament.uk/business/lords/media-centre/house-of-lords-media-notices/2024/november-2024/look-beyond-retail-to-reverse-high-street-decline-says-new-lords-report/> - A House of Lords report suggests that to reverse the decline of UK high streets, there should be a shift beyond traditional retail. The report highlights the loss of over 10,000 stores in 2023, including department stores, pharmacies, and banks. It advocates for incorporating more restaurants, leisure activities, and public services like health centres and libraries into town centres. The report emphasizes the need for adaptable and resilient high streets that reflect local conditions and urges collaboration among local authorities, communities, and businesses.
4. <https://www.retailgazette.co.uk/blog/2025/09/high-street-bounces-back/> - Retail sales in the UK have climbed, with the high street recording its highest growth since August 2023. Total like-for-like retail sales, both in-store and online, rose by 3.9% over the month, compared to a base of -0.7% in August 2024. Bricks-and-mortar store sales increased by 5.2% compared to last year, marking the highest level of growth since August 2023. Online retail saw sales rise by 6.6% compared to the same month last year, continuing its strong performance throughout the year.
5. <https://www.apnews.org/uk-high-streets-stumble-june-shoppers-flock-online/> - In June 2025, UK high streets faced challenges as shoppers shifted to online platforms amid economic uncertainty and a summer heatwave. Data from BDO’s High Street Sales Tracker showed in-store sales increased by only 0.6% year-on-year, while online sales surged by 4.3%. This marked the sixth consecutive month where physical retail growth lagged behind inflation, indicating a deeper decline in real sales volumes. The article discusses factors such as rising job losses, geopolitical volatility, and changing consumer behaviour contributing to this trend.
6. <https://www.bdo.co.uk/en-gb/news/2025/high-street-sales-tracker-february-2025> - BDO's High Street Sales Tracker for February 2025 indicates a flat performance in in-store sales, with a growth of just 1.2% against a negative base of -2.0% last year. Overall, total like-for-like sales grew by 2.3%, driven by a 5.0% increase in online sales. The report highlights the continued struggle for retailers to entice shoppers onto high streets, with the fashion sector particularly vulnerable as consumers prioritise essential items amid persistently high household and food costs.
7. <https://www.retail-insight-network.com/news/uk-retail-footfall-july-2025/> - In July 2025, UK total retail footfall dropped by 0.4% year-on-year, marking the second consecutive year of decline. High street footfall continued to struggle, decreasing by 1.7% year-on-year, although at a slower rate than the 3% fall observed in June 2025. Shopping centres saw a reduced decline of 0.3%, improving from a 1.6% decrease in June. The British Retail Consortium's chief executive, Helen Dickinson, stated that July failed to bring about the summer boost in shoppers many retailers had hoped for.