



HEART
OF LONDON
BUSINESS
ALLIANCE

Unlocking the Experience Economy: *Driving Growth in the West End*

February 2025



FOREWORD

For over 150 years, London’s West End has been a vibrant centre for entertainment and experiences. Today, the Experience Economy is recognised as a key driver of economic growth. The proposed London Growth Plan and the Government’s Industrial Strategy Green Paper both identify it as a primary growth opportunity, alongside areas like technological innovation and the green economy.

The West End’s diverse ecosystem - encompassing immersive theatre, exhibitions, competitive socialising, casinos, cinemas, hotels, innovative restaurants, retail, and live events - holds immense potential to fuel UK economic growth. However, realising this potential requires focused support and strategic action. The sector is at a crucial juncture, demanding bold measures to address challenges and capitalise on opportunities.

Heart of London Business Alliance (HOLBA) has commissioned this initial report to build upon the deep dive into the Experience Economy, featured as part of HOLBA’s **Quarterly Real Estate Insight Report for Q2 2024**, which highlights shifting consumer preferences towards experiences over commodities and substantial investment in the sector.

Research in this sector is still in its early stages. While highlighting the impact of the Experience Economy, this report aims to spark discussion and action while acknowledging data gaps and serves as a foundation for future HOLBA-commissioned research. Aimed at a diverse audience, from landowners to occupiers, to policy makers and industry influencers, this report goes on to explore international exemplar precedents, as well as the current growth opportunities and barriers faced by this fundamentally important economic sector within the West End.

Delving into the significant investment already underway in this sector in the Heart of London (HOL) area, this report spotlights the potential development of over 41,000 sq ft of new casino space, £370 million in hotel refurbishments, and transformative developments in Leicester Square, Regent Street, Haymarket and at the National

Gallery. These projects will generate jobs, attract visitors, and contribute significant revenue to the UK economy.

Despite this significant investment, challenges remain, including inadequate infrastructure (lack of step-free access to transport and public amenities), inefficient planning systems, rising business costs, crime levels (and perception of crime), and licensing challenges. To address these, alongside additional research into the Experience Economy, HOLBA is developing a proposed framework to secure special designation for the HOL area, enabling planning flexibility, tailored licensing, and additional resources. Additionally, HOLBA aims to facilitate further initiatives such as experiential pop-ups, integrated physical/virtual experiences, cross-sector collaboration and innovative formats.

HOLBA’s mission is to ensure the West End’s Experience Economy continues to thrive, maintaining the area’s status as the UK’s cultural and entertainment capital and a driver of national growth. Through increased knowledge and collective effort, we can overcome these challenges and secure a prosperous future for this iconic area.

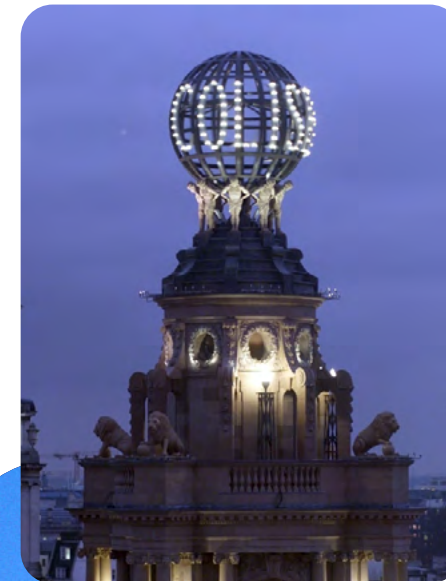
Warm regards,



Ros Morgan
Chief Executive
Heart of London Business Alliance



Ros Morgan



INTRODUCTION

What is the Experience Economy?

The term ‘Experience Economy’ was first used in a 1998 article by B. Joseph Pine II and James H. Gilmore. Their article explores the emerging phenomenon of people preferring to spend their money on experiences rather than commodities.

More recently, The University of Nevada, Las Vegas, has coined the phrase ‘The Fun Economy’ to capture the global tourism, entertainment, and sports sectors added together. The value of these sectors alone exceeds that of other major global contributors, such as the pharmaceutical industry, and they are only set to continue to grow as the audience for ‘fun’ increases.



Dr. Bo Bernhard, PhD

UNLV Vice President of Economic Development

At the University of Nevada, Las Vegas, we have coined the phrase ‘the fun economy’ to reflect the global tourism, entertainment, and sports sectors added together.

Amazingly, the fun economy today constitutes upwards of 14% of Gross World Product – the entire world’s economy. To put this into perspective, this is roughly five times the size of the global automobile industry. Today, fun is serious. And those numbers are only growing in the decades to come, as we live in the first-ever period in the history of humanity that has accomplished something remarkable: more than half of the earth’s residents are now in the middle class (or above), according to a Brookings Institute analysis. As enormous numbers of individuals on the planet (30 million-plus in India alone in the past year) escape the clutches of poverty, which of course forces you to only buy basic necessities, what do they begin to buy? This new global middle class starts to buy large quantities of trips, entertainment experiences – and fun.

This should give us great hope for humanity itself, as a quarter century of “psychology of happiness” research has now demonstrated that buying experiences in the fun economy leads to enduring increases in happiness overall. Hence, the fun economy is not only good for the economy; when done right, it is good for you.

All of this provides a unique ‘good news’ assessment for the future of the Heart of London area. Neglecting the fun economy right now would be like saying, in the 1950s, that we are just going to ignore this automobile trend – as we don’t think it’s going to last or have an impact. The future of the economy is bending in the direction of the fun economy, and in the direction of experiences like those housed in this world-famous district.



Laura Citron, OBE

CEO of London & Partners

As London’s official growth agency, London & Partners is responsible for developing the Mayor of London’s Growth Plan - a ten-year strategy which will create an aligned vision and narrative for London, generate investment and identify how central Government can provide support. The plan will focus on making London’s economy more prosperous, inclusive, and sustainable, and includes the Experience Economy as one of its priority sectors.

The Experience Economy, which includes retail, hospitality, culture, events and tourism, is often overlooked due to traditional economic classifications. However, it is essential to London’s prosperity as a core component of the capital’s economic ecosystem. It underpins the cycle of

visitors, experiences and attracting global talent, which drives investment and sustains London’s appeal as an amazing city.

By redefining the Experience Economy as a key sector in the Mayor’s Growth Plan, we aim to ensure its recognition in policy and investment decisions. The plan, set for release on 27 February 2025, will guide efforts to promote sustainable, inclusive, and strategic growth, leveraging London’s cultural and economic strengths. It is just the beginning, and we want to work in partnership with stakeholders on growing the Experience Economy in London over many years to come.



What is the impact of the Experience Economy?

In 2019, Allied Market Research valued the global Experience Economy at \$5.2 trillion and projected it could reach \$12.8 trillion by 2028¹. Research by Dr Bo Bernhard and Quinton Singleton indicates that the global Experience Economy grew at an even more rapid rate and was worth \$13.7 trillion by 2022 - 9.2X larger than the global pharmaceutical industry². Research by the university of London valued the UK Experience Economy at £300 billion in 2022³, while Barclays and the Centre for Economics and Business Research estimated that UK consumers would spend an average of £3,332 on experiences (including holidays) between June and September 2024, totalling £178 billion⁴. Research by Frontier Economics⁵ suggests that the trend towards spending on experiences has been in place in the UK for decades, with experience spending overtaking possessions spending in 2005, increasing by 15% between 2001 and 2017, to account for 14.1% of households’ ‘choice’ spending by 2017.

Policy makers are taking note of the Experience Economy. The upcoming London Growth Plan⁶ identifies the Experience Economy as one of

three growth opportunities, alongside frontier innovation (R&D, AI) and the green economy. The UK government has also designated the creative industries as one of eight key growth-driving sectors⁷. The UK is a creative powerhouse: creative services exports were worth £87 billion in 2022 (third globally)⁸; one in ten songs streamed globally are by British artists⁹; and the UK boasts an 8% in the global e-sports industry (worth \$1.6bn in 2023)¹⁰. The creative industries and the Experience Economy have significant overlap, e.g., performing arts, film and television, museums, galleries and more. All are also relevant to the West End with potential to grow here.



THE HEART OF LONDON AREA

Experience Economy at a glance

The Experience Economy is a cornerstone of the HOL area and the wider West End, with most parts of the district contributing to the sector across the day and night.

Across the West End, the Arts and Culture offer is estimated to contribute £4.8 billion GVA¹¹. The West End is the epicentre of the UK's theatre scene - 4.2 million tickets were sold to live theatre performances in the HOL area in 2023, generating £238.4 million in gross revenue¹².

Theatre is not the only strength of the Experience Economy in the HOL area and the wider West End. The area is home to an array of world-leading destinations from cinemas to restaurants to casinos. ONS's Business Register and Employment Survey 2023¹³ reports that the hospitality sector ('accommodation and food services'), encompassing restaurants, pubs, bars, cafés and clubs, and hotels, employs 114,000 across the Cities of London and Westminster alone.

It is estimated that a quarter of all jobs in the HOL area are in the night-time industries. The area is home to a powerful concentration of these businesses which take up 12% of the West End's night time economy floorspace whilst covering only 6% of the wider West End geographical area¹⁴.

Central also to the area's appeal is its heritage, with iconic architecture and landmarks drawing visitors. In 2023, 156.8 million people visited the HOL area¹⁵. In the same year, tourists spent an average of £819 per person per visit to London¹⁶. There is an opportunity to harness the HOL area's strengths to create a cohesive experience-led offer that maintains and enhances the area's position as a world-famous destination as consumer preferences evolve.

The creative, night-time and visitor economies are intrinsically linked, and the role of the Experience Economy is significant. These overlapping sectors function as an ecosystem, supporting one another through their co-creation of a diverse, rounded offer for consumers.

Opportunity for the HOL area: UK experience spending on the rise

Average spends per person (June - September 2024):

£3,322
per person*

Aged 18-34 expect to spend (June - September 2024):

£5,531
per person*

Aged over 55 expect to spend (June - September 2024):

£2,123
per person*

57%
would rather spend money on experiences rather than buying material possessions*

ADMIT ONE

F&B

Four Michelin Star restaurants

HOLBA Exemplars

The Ritz
Wild Honey
Evelyn's Table
Veerswamy

Two Bib Gourmand restaurants¹⁸

Bancone
Palomar

Experiential retail

Key occupier M&M's London welcomes over **Five million visitors** annually¹⁹



Theatre

17 theatres

£238.4 million generated in gross revenue¹²

4.2 million tickets tickets were sold in the HOL area in 2023



Hotels

31 hotels

3,483 rooms²²



Live music & nightclubs

11 music/dance venues²³



Casinos

Four high-end casinos

HOLBA Exemplars

The Hippodrome
Horizons
Empire
Grosvenor

The Hippodrome has over **1.5 million visitors** annually²⁰



Entertainment

Key occupier The Crystal Maze LIVE Experience had over **25,000 guests** between July and September 2024²¹



Cinema

Eight cinemas

60 UK film premiers hosted in Leicester Square per year¹⁷



Art

24 commercial galleries

Three national institutions²⁴



Landmarks & public spaces

63 million people visited Piccadilly Circus in the financial year 2023-24*

170,000 mentions for Leicester Square on social platforms²⁵



THE HEART OF LONDON AREA

Investment spotlights

There is a significant pipeline of investment in the Experience Economy anticipated across the next few years, which will create a tangible impact to the economic landscape of the HOL area.

Casinos

Refurbishment and investments

The HOL area's four casinos occupy over 150,000 sq ft of floorspace²². It is estimated that these casinos employ 1,500 people, generate annual turnover of over £240 million, and welcome 3 million visitors per year. Horizons Casino is awaiting planning permission to convert 4,284 sq ft of ground-floor Class E restaurant space into sui generis use, a planning category for unique activities that do not fall under standard classifications, in order to expand the casino into the ground floor²⁴. The Empire Casino on Leicester Square is currently undergoing a phased redevelopment, with the first stage expected to be completed in April 2025²⁵.

New Entrant

New entrant to the area, Genting Group, has signed an agreement with the Trocadero owner, Criterion Capital, to convert 37,000 sq ft of space into a new entertainment and leisure venue which will include a casino, restaurants and bars²⁶. The developing proposal includes a gaming area which will be up to 16,000 sq ft and operate 24 hours a day, in line with other casinos in the area. In total, we estimate that these investments will generate approximately 430 new jobs, £70 million in additional annual revenue, and attract up to 850,000 additional yearly visitors*.

41.2k + sq ft

Under development

£70 million

Additional annual revenue*

430

New jobs*

850,000

Additional yearly visitors*

Cultural Landmarks

Investment programmes

Across the cultural landmarks, the National Gallery²⁸ is celebrating its 200th anniversary with a programme of capital works known as NG200. Significant investment is planned to the north of its site, including transformation of the Centre for Creative Learning and changes to Jubilee Walk, which will create a curated route from Trafalgar Square, connecting up through the Arts Quarter** to Leicester Square. The intention is that this space becomes filled with activity and events, enlivening the street experience in this part of the HOL area.



*Estimated figures based on AND research, assuming % increase in floorspace equates to an equal % uplift in employment/revenue. Based on employment, revenue and visitor figures reported in yearly accounts of the four existing casinos in the HOL area.

Development

Pipeline

In Leicester Square, Soho Estates is planning to invest significantly in transforming the northern side of Leicester Square and Bear Street. The property owner currently has a live planning application lodged with Westminster City Council for an innovative LED screen system at 17-21 Leicester Square to form a stand-out backdrop to the Square. Alongside this, it is developing emerging pipeline proposals across the rest of its portfolio for the construction of a significant new visitor attraction. In total, the Soho Estates investment will be worth over £100 million and create 60,000-80,000 sq ft of exhibition attraction space.

Public Realm

Design work is due to start in 2025 on The Crown Estate and Westminster City Council's ambitious Park to Park urban and public realm project, which will see proposals brought forward to reimagine Regent Street, Haymarket and Piccadilly Circus. The project is seen as a once in a lifetime opportunity to better connect people and place.



**The Arts Quarter is a hub for world-class arts and culture in the HOL area which will bring together 250+ years of heritage in theatre, fashion, craft, film, and visual arts. Learn more – [Arts Quarter Strategy](#).

Hotels

Refurbishment and investments

Hotels across the HOL area are broadening their offer and investing in refurbishments and extensions. The Dilly, on Piccadilly, is developing proposals for a £70million refurbishment programme with more details expected during 2025. The Cavendish Hotel at 81 Jermyn Street is planning a refurbishment which will rejuvenate the building with a new garden room and a retrofit-first design approach to a new entrance and internal reconfiguration. The works will create 6,365 sq ft of new hotel floorspace. Additionally, Criterion Capital have a number of pipeline schemes, including planning consent to convert the 149,795 sq ft Morris House at 1 Jermyn Street to a hotel.

Basement expansion

The most significant investment is being made at the world-famous Ritz Hotel on Piccadilly. Proposals include 143,822 sq ft of new or changed use floor space, at an expected cost of £300 million. Works include a five-storey basement expansion, with a double storey spa which includes a 20m swimming pool, treatment rooms and beauty salon²⁷.

150k + sq ft

Under renovation

£370 million +

Invested



EXEMPLAR OCCUPIERS

Across the HOL area, occupiers are contributing to an ecosystem of complementary experiential uses. Below are just a few of these key occupiers:

Leicester Square Theatre

As a Grade II-listed building, the theatre is the oldest building in Leicester Square. The theatre first opened in the mid 1800s and has an illustrious history as a live music venue, featuring artists such as the Rolling Stones and The Who. It was refurbished in 2008 and boasts a 400-seat auditorium plus two bars. Today the programme blends comedy, cabaret, dance, music and theatre²⁹.



LEGO Store, Leicester Square

The LEGO Store in Leicester Square is the flagship retail location of the iconic Danish toy brand. Originally opened in 2016, the store underwent a significant renovation in 2022, adding 3,230 sq ft to its footprint to become the largest LEGO store in the world, spanning 9,838 sq ft across two floors³⁰. Customers can purchase the latest LEGO sets, including exclusive and hard-to-find items, engage in hands-on play opportunities, and explore creative zones like the Pick & Build Wall, Build a Minifigure station, and Personalisation Studio^{31,32,33}.



Fortnum & Mason, Piccadilly

Fortnum & Mason is an iconic British luxury department store with a history of high-quality food, luxury goods and exceptional customer service spanning over 300 years. Established in 1707, the store at 181 Piccadilly was rebuilt in 1926-27 with a striking Neo-Georgian design³⁴. Today, experiences are hosted in their third floor Food & Drink Studio. Customers can attend discussions with leading names in F&B, attend supper clubs, take part in masterclasses, and be guided through 82 tea varieties by the in-house "tearistas"³⁵.



Horizons Casino, Leicester Square:

Horizons Casino, located on the North Terrace of Leicester Square, has been a fixture there for 36 years. It was the first casino to open in the area and has recently announced that it is expanding. The ground floor is being added to the existing basement premises, creating an increased gaming presence. It will also be reinvigorating the North Terrace, by reinstating the traditional outside dining terrace, which will complement the interior restaurant and cocktail bar²⁴. This redevelopment entails an investment of over £2 million and will create over 50 new jobs.



The Dilly

The Dilly is a 5-star luxury hotel located at 21 Piccadilly. Originally opened in 1908 as The Piccadilly Hotel, it was rebranded as The Dilly in 2021. Currently, The Dilly has 283 rooms spread across six floors, seven event suites and an F&B offer including Madhu's for Indian cuisine and the Terrace at The Dilly³⁷. The hotel is currently developing proposals for a £70million refurbishment programme with more details expected during 2025.



Empire Casino, Leicester Square

Empire Casino is a dynamic 24/7 entertainment destination in the West End. Located at 5-6 Leicester Square, the historic venue has evolved from a theatre, cinema, and ballroom into a modern landmark casino, opening in 2007³⁶. It spans 50,000 sq ft across two floors and can accommodate up to 1,700 guests, offering 30 gaming tables, a private poker room for 80 players, slot machines, and 87 electronic roulette machines, as well as two restaurants and four bars.



The Hippodrome Casino

The Hippodrome Casino on Leicester Square opened under its current management in 2012. Since then, the casino's 820 staff have welcomed 17.5 million visitors from over 112 different countries. It is the UK's largest casino and entertainment venue with a huge draw, capturing one in ten UK casino visits, rising to one in every three in London. The Hippodrome has harnessed the fun economy, embracing the Las Vegas style of casinos, with entertainment and F&B alongside gambling. The Hippodrome is a driving force in championing the opportunities in the reforms proposed in the UK government's 2023 Gambling White Paper, including changes to limits on slot machine numbers.



The Crystal Maze LIVE Experience

Little Lion Entertainment (LLE), founded in 2015, is a leading immersive theatre production company that has redefined the entertainment landscape with its innovative experiences. Among its most successful offerings is the Crystal Maze LIVE Experience at 22-32 Shaftesbury Avenue, which captures the nostalgic charm of the iconic '90s television show while bringing it to life in a dynamic and immersive format. It has attracted over 1 million guests since its launch, solidifying its status as one of the UK's premier immersive attractions.



GLOBAL INNOVATION IN THE EXPERIENCE ECONOMY

Other destinations across the world are leading innovation in the Experience Economy. This paper explores a range of global exemplars and draws out lessons that can be learnt.

YCK Laneways, Sydney

YCK Laneways is a consortium of independently operated retail, hospitality, corporate and entertainment businesses in Sydney's Central Business District (CBD). The organisational approach of the businesses has allowed them to create an aligned offer, run programmes, access funding, and host events to their shared benefit, using the 'YCK Laneways Block Party' as a launch event⁵¹. The block party was a massive success, running 75 cultural events over 6 weeks⁵². Similarly, the 4-week Night is Young festival⁵³ draws midweek visitors to the area with 50 free nightlife events on Wednesdays and Thursdays. YCK utilised a government 'CBD revitalisation' grant in 2022 to inject \$390,000 into their Front & Centre programme of musical and cultural events⁵⁴. A loyalty programme called Laneway Loyalty has also been launched, offering incentives for repeat visits to member businesses⁵⁵. YCK Laneways is Australia's first Purple Flag accredited location, an internationally recognised accreditation programme rewarding excellence in the evening and night-time economy⁵⁶.

Brand power

The consortium approach in the YCK Laneways area has allowed for the creation of a shared brand and unique identity from a diverse group of businesses which functions as a marketing and curatorial vehicle.

Events and programming

YCK was launched off the back of the highly successful street party event in 2021 and the organisation has enjoyed continued success through their regular programme of events which celebrate their members and draw a steady stream of new visitors.

Strength in numbers

As an organisation, YCK lobbies government and accesses funding, runs a loyalty programme for repeat visitors, and has achieved Purple Flag accreditation. This aligns with the work HOLBA's existing work and successes – the Leicester Square and Piccadilly Circus area is the longest serving Purple Flag area in the world.



Xintiandi, Shanghai



YCK Laneways, Sydney



Kreuzberg, Berlin

Xintiandi, Shanghai

Xintiandi is a vibrant urban district in central Shanghai, seamlessly blending history with modernity. Known for its iconic Shikumen stone-gated houses, Xintiandi preserves Shanghai's architectural heritage while housing contemporary cafés, boutiques, and entertainment venues⁴⁶. It offers a unique duality, where older generations find nostalgia, younger crowds see modern appeal⁴⁷. This car-free zone attracts 15 million visitors annually, with peak summer days drawing up to 100,000 visitors alone. Upscale restaurants showcase global cuisines, accompanied by vibrant nightlife and open-air bars that create a cosmopolitan atmosphere. Retail spaces cater to Gen-Zs through pop-ups, workshops, and brand collaborations⁴⁷. Initiatives like the Shanghai Fashion Zoo and collaborations with influencers provide selfie-friendly zones⁴⁸. Art and culture are at Xintiandi's core, with events like Shanghai Fashion Week, Lumières Shanghai Lighting Festival, and the Xintiandi Design Festival^{49,50}. By blending history, innovation, and experiential retail, Xintiandi creates a dynamic social and cultural ecosystem – a global ideal for urban placemaking.

Kreuzberg, Berlin

Kreuzberg was once West Berlin's poorest district³⁸, transformed after reunification into a vibrant hotspot for creativity and counterculture³⁹. Nicknamed "Little Istanbul", it has Germany's largest Turkish community⁴⁰ and is a hub for modern art, history, and architecture. Its reputation for nightlife is huge, with a wide range of rock, techno, and jazz clubs⁴¹. Markthalle Neun, a revitalised historic market, hosts events like Street Food Thursday⁴⁰, while the annual Carnival of Cultures culminates in a parade through the streets of Kreuzberg, featuring over 5,000 performers and drawing 650,000 visitors⁴². Kreuzberg is home to a growing number of tech startups⁴³, while the sustainably designed BRLO Brwhouse, a brewery built from transportable shipping containers, has become a local architectural landmark⁴⁴. With its vibrant street art, multicultural identity, and role as a creative melting pot, Kreuzberg has achieved success both culturally and economically, while preserving its rebellious, boundary-pushing spirit⁴⁵.

For Gen-Zs

Xintiandi emphasises experiences over transactions. By offering pop-ups, and curated spaces like Xintiandi Plaza, it connects with Gen-Zs preference for interactive retail environments and encourages behavioural change across all demographics.

Cultural programming and collaborations

Hosting events such as Shanghai Fashion Week and the Lumières Lighting Festival fosters public engagement and enriches Xintiandi's identity as a cultural hub. Similarly, collaborations with influencers and luxury brands help Xintiandi stay relevant and aspirational.

A multifunctional ecosystem

Xintiandi integrates shopping, dining, art, and social spaces into a single ecosystem, enhancing dwell time and creating a more cohesive visitor experience.

Blend history with innovation

Kreuzberg preserves its architectural heritage and showcases its unique history, while embracing modern design practices and fostering an entrepreneurial, creative and cultural ecosystem.

Use food and events as connectors

Events like "Street Food Thursday" at Markthalle Neun illustrate the power of food and shared experiences, celebrating local culture, attracting visitors, and stimulating economic activity.

Foster a creative ecosystem

Kreuzberg's art galleries, cultural venues, and street art showcase its commitment to creativity. Supporting arts and culture enhances a place's appeal, fosters a sense of identity, and attracts visitors and investment.

GROWTH IN THE HEART OF LONDON AREA'S EXPERIENCE ECONOMY

Opportunities

The potential for growth of the Experience Economy in the West End is significant. Learning from the existing landscape, future trends and precedent examples, there are a number of opportunities which can be harnessed to create an environment for the sector to thrive. We cover a range of these which are relevant to the HOL area, from thinking about leasing in a different way, to exploiting innovations in technology or creatively utilising existing space.

Offering short-term leases for experiential pop-ups to retailers, brands, and institutions

Whilst occupancy across the HOL area is high, there is a significant opportunity to think about meanwhile use and short-term leasing in a way which supports the experiential focus of the West End. Brands, organisations and institutions are always looking for spaces to host launches or temporary installations in central locations. The HOL area is iconic and accessible creating a ready stream of potential tenants. Programmes such as Westminster City Council's Meanwhile On⁵⁷ platform supports emerging brands, entrepreneurs, and creatives to launch stores by transforming spaces with new concepts and experiences.

Utilising the public realm to create unique experiences

Given the premium on space within the HOL area, there is potential to think beyond the confines of buildings and expand into the public realm and open spaces. Both Leicester Square and Piccadilly Circus have demonstrated the potential of this approach. Leicester Square, for example, has established itself as London's premier location for film premieres, hosting 60 such events annually and transforming the public realm into a spectacle of theatre and entertainment. Bold examples, including the Paramount+ West End Takeover and the 'Good Things Come to Those Who Wait' installation by Art of London and Yinka Ilori MBE, created unforgettable entertainment experiences. Other sectors and events should draw inspiration from these examples, ensuring a positive impact on neighbours while fostering an ecosystem of uses that drives experience-led footfall and activity.

Investing in technology to create world-leading experiences

New and emerging technologies offer significant potential for developing the Experience Economy. From enhancing iconic local vistas, landmarks, and open spaces with after-dark media displays, to integrating technology within venues, retail spaces, and the public realm to improve the customer experience, investment in technology is essential.

Bridging the gap between the physical and virtual worlds with technology

Technology has the power to combine the physical and digital worlds. From statement one-off events to everyday integration, there are significant opportunities. We have seen the dominance of social media over recent years and platforms like Tik Tok are leading the way, creating hybrid experiences including those at the HOL area's Piccadilly Lights. Augmented Reality and Emerging Virtual Reality platforms are also bringing landmark destinations into people's homes, allowing people to shape their visit before they step out of the front door and whilst experiencing the place in person.

Collaborating across sectors to create innovative concepts

There is significant potential to broaden the audience for concepts, by collaborating across sectors to create new and innovative experiences. Examples to learn from include media giant Netflix's F&B pop-up 'Netflix Bites' in Los Angeles, or their charity retail pop-ups 'As Seen on Netflix' that appeared in Bethnal Green and Birmingham in October 2024⁵⁸. There is further opportunity to celebrate the area's heritage, art and culture through collaboration. The Art of London programme and the Art After Dark initiative from HOLBA are leading the way by taking culture to new audiences in the public realm.

Encouraging clustering of experience led occupiers to create an agglomeration of complementary typologies

There is a significant emergence and clustering of uses already happening within the western part of the HOL area. Piccadilly Circus and Leicester Square are at the forefront of this activity, as a 'strip' of casinos is emerging, with expansions planned for the Horizon and Empire casinos and proposals in place to convert the Trocadero to a casino and leisure venue. There is potential to capitalise on the expansion of the Experience Economy, with complementary uses such as F&B and retail, sitting side by side with destination venues, theatres, casinos and experience attractions.

Supporting the development and implementation of new typologies

The HOL area is a world-class destination which sits on a world stage. With so many other destinations across London and further afield competing for visitors and spending power, the need to stay at the forefront of innovation is paramount. Initiatives such as HOLBA's proposed new Arts Quarter⁵⁹ would revitalise the area by attracting new creative businesses and fostering a CreaTech hub, championing innovation and creating a test-bed for new typologies.



GROWTH IN THE HEART OF LONDON AREA'S EXPERIENCE ECONOMY

Barriers to Growth

HOLBA works closely with landowners and occupiers to support them to achieve their full potential, advocating for them and engaging with policy and changemakers. Across the West End, landowners and occupiers highlight similar challenges and barriers which are limiting their ability to grow and reinvest in the area.

Licensing Policy

Restrictions imposed by licensing policy, especially within the cumulative impact zone*, prevent the clustering of venues, particularly those operating in the evening and night-time economy. This fragmented distribution of entertainment venues inhibits the growth of the Experience Economy and limits both the opening of new venues and the evolution of existing ones.

Operating Costs

General operating costs across the West End are high, which can act as a deterrent for continued inward investment, particularly for the Experience Economy. Occupiers have cited significant operational costs such as premium rents, rising business rates, the increasing costs of employing staff and maintenance of complex equipment.

Gambling Laws

Current gambling legislation limits casinos' ability to satisfy customer demand. The Government's 2023 White Paper, "High Stakes"⁶⁰, acknowledges the need for a modern approach to casino regulation. Two key proposals, increasing the maximum number of gaming machines permitted from 20 to 80 per casino and finally allowing casinos to offer a sports book, will lead to substantial investment in the casinos allowing them to deliver more engaging and entertaining experiences for players. In turn this will lead to further innovation and development by both casino operators and game developers to the benefit of the customers, a wonderful virtuous spiral.

Accessibility

To encourage visitors to the area, it needs to be accessible. The area is fortunate to have three London Underground Stations within the district (Leicester Square, Piccadilly Circus and Green Park). Though this is advantageous, step-free access is still not available at all stations. The 2016 introduction of the Night Tube, on Fridays and Saturdays, was a welcome addition to transport provision, however the options for late night travel on other days is generally limited, particularly on Thursday nights.

The balance of public realm and dominance of vehicle traffic across the HOL area also present barriers to accessibility and impacts public perceptions of safety.

Planning Policy

Current planning policy and processes do not support the ambitious visions of many key stakeholders in the HOL area. To address this, HOLBA is developing the case for designating key areas in the Heart of London as a 'Special Area for Commerce, Culture and Experience' within policy and statutory documents such as The London Plan and The City Plan. This new designation would both recognise the area's significance and offer greater planning flexibility. The case will also include proposals for appropriate licensing and additional resources to support and grow the West End's unique economic and cultural offer.

Business Rates

Increasing business rates present challenges for many experiential operators. These costs compound issues already faced by high overhead costs and unique operational challenges, such as complex sets and fit-out costs.

The Retail, Hospitality and Leisure Business Rates Relief Scheme that the industry has benefited from in the last few years has been a lifeline for the sector and so the decrease in this relief from April 2025 and possibly beyond could limit potential for growth and development.

Crime

Crime levels or the perception of crime can impact the experience of visiting the HOL area and the wider West End. With nearly two thirds of all crime in the borough of Westminster taking place in the West End, a comprehensive crime reduction strategy is urgently needed. This would help to improve safety and security in the West End and reduce fear around the perceptions of crime for visitors, employees and residents.

16 *Cumulative Impact is defined as the potential impact on the licensing objectives arising from a concentration of licensed premises in a single area.



CONCLUSION

The Experience Economy is what the West End is all about. The sector is growing significantly and the opportunities it holds are exciting, but it needs to be supported and enabled to grow. The West End's thriving cultural and entertainment scene is fundamental to attract visitors, retain talent and secure investment. There are challenges which need to be addressed, but the opportunity for landowners and occupiers to work together, in collaboration with HOLBA, to enhance and build on the ecosystem of complementary uses across the area is building.

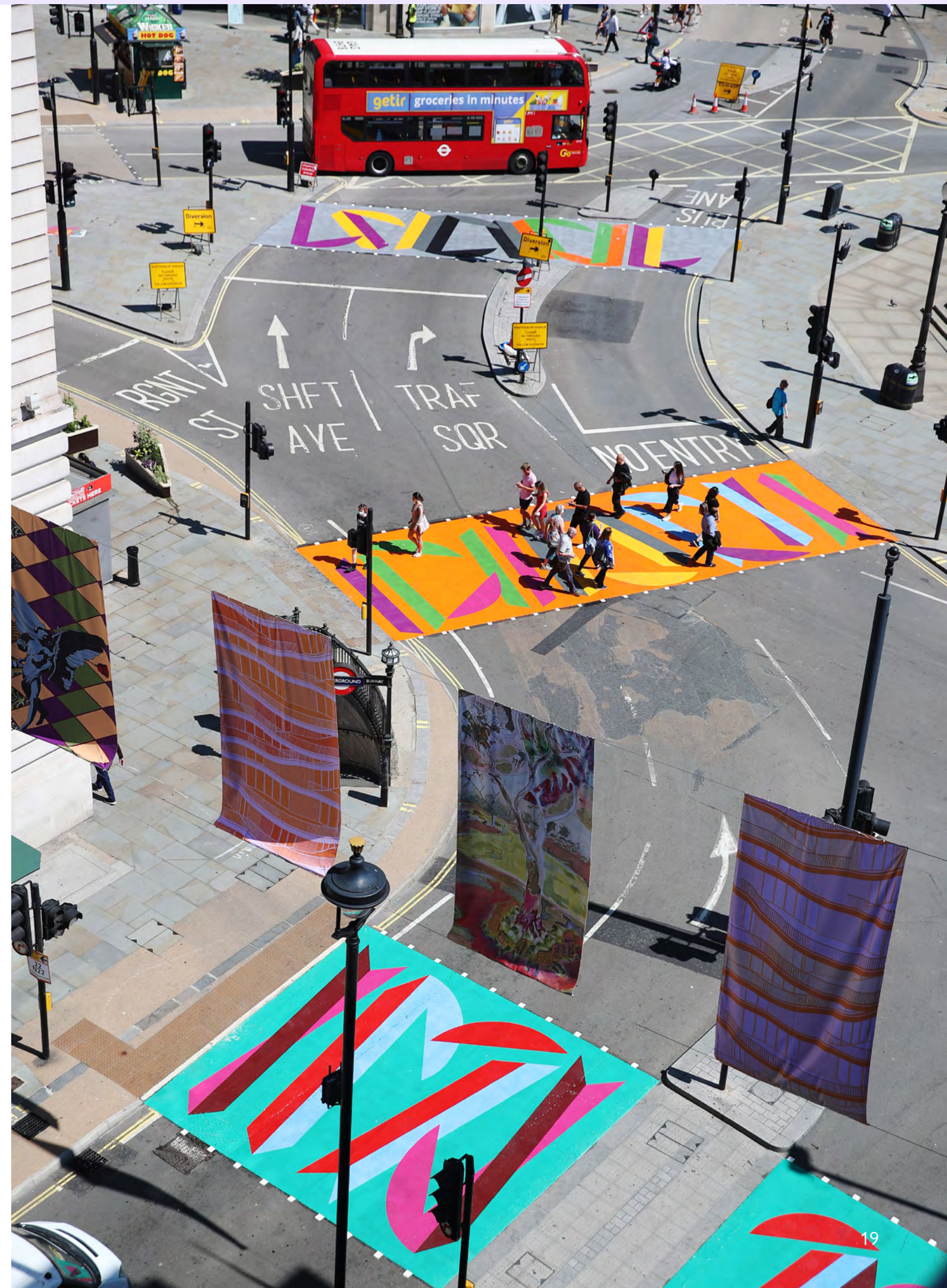
To maximise the potential of the HOL area, there needs to be a wider recognition of the value of the Experience Economy, financially, politically and socially, to enable growth of this sector in this unique part of London. Government is now starting to focus on the sector, so the time for stakeholders to act is now. HOLBA will continue to work with Government in defining the Experience Economy, recognising the role it plays in the West End and the opportunity to drive wider growth, but we cannot act alone. The Experience Economy needs to be demonstrated and acknowledged through a unified and collective vision for the future of the HOL area, which both landowners and occupiers, plus wider stakeholders, can champion and work towards delivering for the medium to long-term.

A thorough review of statutory constraints and growth strategies from both local, regional and central Government is needed, including planning and licensing, to ensure that policy is reflective of the unique character of the West End. This will enable occupiers to achieve ambitious and pipeline projects that are currently constrained by regulation. HOLBA will continue to advocate on behalf of members to ensure that the needs of the businesses that form the lifeblood of the HOL area are enabled to thrive and innovate, whether through grants, tax incentives, subsidies or policy change.

Improving the infrastructure for the cultural and entertainment offer in the West End would enable it to be an even greater driver of growth and prosperity. This includes accessibility improvements in the public realm such as pedestrianisation, step-free access at the tube stations that service the West End and provision of better public amenities. Implementing the placemaking strategies proposed by HOLBA would encourage investment, cultural engagement, and local innovation. Additionally, Westminster City Council and The Crown Estate are developing a significant public realm strategy from Regent Street, across Piccadilly Circus and down Haymarket, which will make a significant impact in addressing these issues in this core section of the HOL area.

Against that backdrop, businesses will be better enabled to think innovatively and confidently invest in the area, making it a place for world firsts and new typologies. We should learn from other locations across the world and push for world class excellence to set the HOL area apart from its international rivals. Landowners should maximise opportunities to enable new occupiers to enter the West End market, particularly becoming more ambitious with their leasing strategies and thinking creatively about how refurbishment schemes can accommodate these tenants, on both a meanwhile and long-term basis.

Ultimately, collaboration is at the core. No single stakeholder will be able to maximise their potential in isolation. Growing the Experience Economy will rely on the efforts of all stakeholders, BIDs, landowners, occupiers, agents and policy and decision makers.



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Heart of London Business Alliance

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