

# **The Economy of Oxford Street**

## **Key information**

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## **Introduction**

The Economy, Culture and Skills Committee is investigating the economy of Oxford Street.

## **Terms of Reference**

- Understand the role of Oxford Street in London's wider economy and the challenges faced by businesses and employees based on and around Oxford Street, as well as by the people working in these businesses.
- Examine the opportunities and challenges inherent to the planned pedestrianisation of Oxford Street and its potential impact on the economy of the surrounding area and London as a whole.
- Share informed advice or recommendations with the Mayor, Oxford Street Development Corporation (OSDC) and partners on how to realise any potential economic benefits created by pedestrianisation.
- Understand the initial impacts of traffic removal on the economy of Oxford Street and the surrounding area, and where required make further recommendations to the Mayor and OSDC.

## **Key issues**

- The pedestrianisation of Oxford Street has already been confirmed by the Mayor, with the road set to be closed to traffic by the end of August 2026. So far this includes only a portion of Oxford Street, west of Oxford Circus.
- There are some concerns that pedestrianisation could lead to increased congestion on surrounding roads, potentially worsening air and noise pollution. The extent to which these impacts will occur is not yet clear.
- Oxford Street is located in London's 'West End', which comprises a diverse mix of employers. The largest sectors by employees are: professional, scientific technical (19 per cent), information & communication (12 per cent) and accommodation and food services (12 per cent). The retail sector employs seven per cent of all West End employees (part-time and full-time).
- Oxford Street contributes an estimated £25bn to London's economy annually. It has weathered the rise of online shopping comparatively well with retail and food & drink sectors expanding in recent decades. Vacancy rates and rents are broadly back to pre-pandemic levels.
- However, the street has faced increased competition from large retail malls. There have also been longstanding problems, such as overcrowding, road safety and pollution, each of which were described as urgent by Westminster Council in 2021. A number of 'household names' have disappeared from the street in recent years.
- An increasing number of 'American Candy' and Harry Potter-themed shops have moved into premises vacated by large brands. It has been reported that some of these businesses may be involved in money laundering.
- When the Mayor announced the pedestrianisation proposals, he cited the need to improve the economic prospects of Oxford Street, stating that the rise in online retail and candy stores had negatively impacted the destination. Scott Parsons, Chair of the OSDC, told the Assembly at a confirmation hearing that Oxford Street may need to diversify away from retail into leisure and hospitality.

## Key questions

1. What is the role of Oxford Street in London's wider economy and how will this be impacted by pedestrianisation?
2. What challenges are faced by businesses, residents and employees based on and around Oxford Street?
3. What are the opportunities and challenges inherent to the planned pedestrianisation of Oxford Street?
4. What will the initial impacts be of traffic removal on the economy of Oxford Street and the surrounding area from summer 2026 onwards?

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