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VANTAGE POINT

CUSHMAN & WAKEFIELD RESEARCH

UNIFIED BY DISRUPTION A GENERATION REWRITING RETAIL

OCTOBER 2026

INTRODUCTION

Gen Z's growing spending power and digital fluency are fundamentally reshaping UK retail demand and strategy.

The influence of Gen Z on the UK consumer landscape has accelerated rapidly in recent years. As those born between 1997 and 2012 enter employment, form households and accumulate spending power, they are becoming an increasingly influential force shaping culture, consumption and retail strategy. Understanding the deeper structural shifts underpinning Gen Z behaviour is likely to provide valuable insights for retailers, investors, developers and landlords looking to stay relevant and capture consumer demand and strong retail trading performance.

WHO ARE GEN Z? ONE GENERATION, MANY MARKETS

Broadly defined as those born between the late 1990s and early 2010s, Gen Z is the first generation to have grown up entirely in a digitally connected world. Despite often being discussed as a single consumer group, Gen Z spans 16 years and is one of the most fragmented and rapidly evolving demographics. Including students, early-career professionals and young families, the cohort encompasses a wide range of lifestyles, priorities and financial circumstances. Gen Z is not a single consumer segment but a collection of diverse consumer groups linked by digital fluency, community participation and identity-driven consumption. Globally, Gen Z is estimated to account for around 17% of spending power, with this share forecast to rise to approximately 19% over the next decade¹. In the UK, Gen Z is estimated to account for approximately 20% of the population, and a near 12.2 million consumers². They value authenticity, experience and community, while remaining highly informed, trend-aware and socially conscious.

However, this behaviour is not solely driven by technology or individual choice. Much of Gen Z's behaviours are owed to navigating a unique set of economic challenges that differentiate them from previous cohorts, with affordability often playing as important a role in purchasing decisions as sustainability, ethics or brand values. Gen Z are subject to lower housing access, higher rental burdens, and delayed wealth accumulation relative to previous consumer groups. They also continue to transition into the work force and leave home amidst a reconfiguration in global trade dynamics, a sustained period of inflationary pressures and an AI technological revolution. These economic circumstances undoubtedly manifest differently from location to location, making Gen Z both an important and complex consumer group.



GEN Z RETAIL IN MOTION: KEY TRENDS

Compared with Millennials and earlier generations, Gen Z demonstrates a stronger preference for instant access, personalisation and digitally enabled shopping experiences. This is driving format innovation and increasing demand for fulfilment infrastructure, flexible store concepts and technology-rich environments that support both physical and online engagement.

Circular fashion has been accelerated by Gen Z through resale and rental models, with platforms such as Vinted, Depop, By Rotation and Hirestreet making second-hand and short-term access to fashion increasingly attractive. A recent report from ThredUp forecasts that the global resale market is likely to grow at twice the rate of the general apparel market, with 60% of customers now citing resale value as a key factor in purchasing decisions and 52% of Gen Z and Millennials looking to resell more than half of their wardrobes³. This reflects Gen Z's growing focus on balancing affordability

and sustainability. Established bricks and mortar retailers are responding, with Primark Vintage and Office's Offcuts demonstrating how brands are combining lower price points with more sustainable alternatives. What's more, these trends are now expanding beyond fashion and apparel with IKEA recently announcing the launch of its second hand resale market.

Discovery & Community continue to drive engagement with physical retail space despite an evolution of the sales path. Research from

Circana found that shoppers aged 18-24 made 62% of their general merchandise purchases in store compared to just 52% for shoppers over 25⁴, reaffirming Gen Z's engagement with stores. However, this engagement is evolving, and social media has become a key discovery engine for this cohort with Gen Z, representing 38% of social commerce shoppers⁵. Gen Z shoppers increasingly use physical stores to validate, see, try and touch products previously discovered online. Simultaneous to this evolution, Gen Z consumers seek participation in communities, whether through running clubs, wellness groups, creator networks or brand-led events. As well as rapid growth in immersive and destination led retail and leisure, activations such as Tik-Tok native Edikted's Barbie x Grove collaboration show how shareable, culturally relevant experiences can drive both social engagement, community engagement and physical footfall with the Gen Z consumer group.

Health & Wellbeing has become increasingly important to Gen Z, with brands such as Lululemon, Alo Yoga, On Running and Gymshark capitalising on this growing focus. This focus has seen sustained occupier demand from across the athleisure sector, which continues to account for a significant share of prime leasing activity. The growing popularity of running in particular further reflects this shift, with 1.3 million people applying for the 2027 London Marathon, more than double the number in 2024 and with Gen Z accounting for 35% of entrants⁶. The Health & Wellbeing hype extends far beyond running, Gen Zs focus on Health and Wellbeing is also evidenced by the rapid growth of K-Beauty brands across the UK, as featured in an [insight piece](#) we released earlier this year, with value driven innovation and digital storytelling continuing to see the sector scale its UK real estate footprint.

¹ <http://schroders.com/en-gb/uk/institutional/insights/how-gen-z-is-rewriting-the-rules-of-consumer-engagement/>

² <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections>

³ https://www.thredup.com/resale?srsltid=AfmBOorg83loS3Dj-6peOqnJaUme9rNeBPbz_yIFYm2KOAVm1RjumP_

⁴ <https://www.wsj.com/business/retail/gen-z-shopping-mall-visits-15716009>

⁵ <https://www.retail-week.com/customer/breaking-down-the-uks-91bn-social-commerce-spend/7050123.article>

⁶ <https://www.londonmarathonevents.co.uk/london-marathon/article/record-133-million-people-apply-2027-tcs-london-marathon>



RETAIL REAL ESTATE IMPLICATIONS

Much like Millennials before them, Gen Z is reshaping how consumers discover brands, engage with retailers and interact with physical places. The behaviours that unite this generation, including a preference for community, personalisation, digital discovery and experiential consumption, are likely to have lasting implications for retail destinations, potentially re-writing the economics of retail real estate and fundamentally altering location decisions and occupier requirements.

REWRITING RETAIL ECONOMICS & TENANT SELECTION

Historically, retail performance has been driven by a relatively linear relationship between footfall, sales and occupier demand. Increasingly, however, Gen Z-oriented brands are building a more complex and evolved value proposition through community engagement, loyalty programmes, product subscription models, premium memberships and widened social reach. In this environment, physical stores are evolving from transactional environments into platforms for customer acquisition, community building and brand engagement and in turn re-writing traditional retail real estate economics.



THE EVOLUTION OF THE GEN Z RETAIL VALUE CHAIN

This evolution may require landlords to broaden how occupier strength and suitability are assessed as brand mix plays an increasingly important role. Traditional measures such as turnover, covenant strength and sales densities will undoubtedly remain key drivers from an investment perspective. However, these will be increasingly complemented by an occupier’s ability to generate loyalty, social buzz, customer acquisition and footfall complementary to other occupiers, and therefore ultimately rental security. Landlords may also consider incorporating greater leasing flexibility when targeting Gen-Z brands, helping to manage the complexities behind those brands which are shorter term Gen-Z fads versus those which represent true long-term trends. Pop-ups and temporary lease trials may become more institutionally acceptable and not only from a pure occupancy perspective.

LOCALISING GEN Z

As Gen Z continues to mature the importance of localisation will grow. Differences in gender composition, income levels, housing affordability, student populations and employment profiles can all influence spending behaviour and brand affinity. A catchment with a higher concentration of male Gen Z consumers may exhibit stronger demand for mission-led sportswear, fitness and performance-led brands, while female-skewed catchments may support greater demand for beauty, wellness and lifestyle discovery concepts. This nuance becomes important at asset level when assessing tenant mix. For example locations such as Camden, York, Kensington & Chelsea are all subject to materially higher exposure to Female Gen Z consumers whilst locations such as North Yorkshire, Derby, Leicester, Luton are all subject to materially higher exposure to Male Gen Z consumers.

Localised tenant mixes aligned to Gen Z demographics will define future retail asset performance advantage.

What’s more, in locations like Manchester, Newcastle, Nottingham, Oxford and Cambridge, with below average Millennial representation and a disproportionately large Gen Z population the structural change in consumer behaviours may feel more pronounced, thus requiring additional attention to leasing strategy, space configuration, and use allocations. The competitive advantage therefore will increasingly lie in curating localised occupier mixes and experiences that reflect local Gen Z traits rather than broad national consumer assumptions.

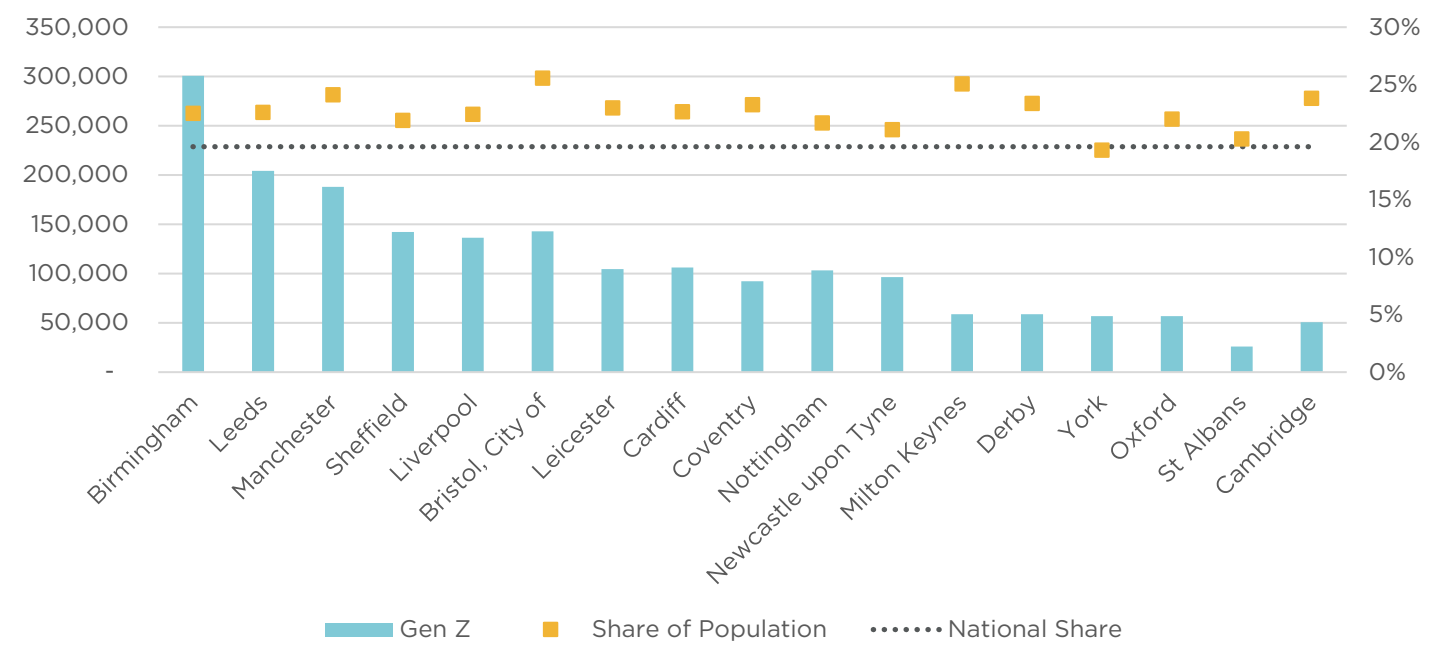
DIGITALLY NATIVE DISRUPTORS & BEING A WINNER

The competitive advantage may increasingly favour digitally native, community-led brands that can successfully integrate physical retail, social engagement and loyalty ecosystems. In turn, demand is likely to concentrate within destinations capable of supporting experiential flagships, activations, wellness-led concepts and community-based retail environments. As retail becomes less transactional and more participatory, the role of physical space is likely to evolve from facilitating purchases to fostering engagement, loyalty and long-term customer relationships. For established retailers looking to capture Gen Z spending, a more proactive approach to real estate portfolio and network management is required. Digitally native and disruptive brands often are faced with smaller retail networks, higher levels of risk appetite and are able to operate with higher agility owed to fewer legacy real estate constraints.

OUTLOOK

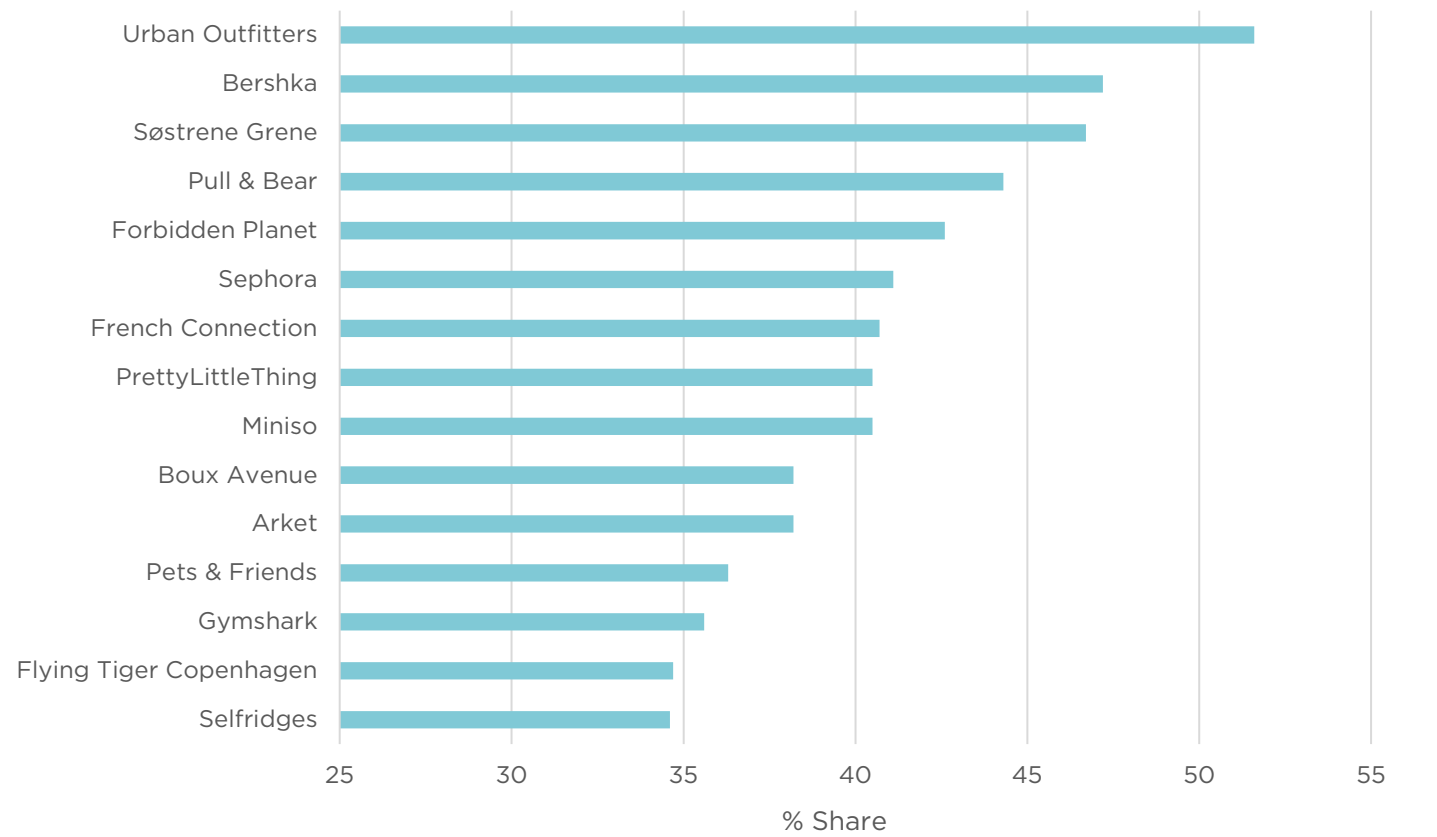
Gen Z should not be treated as a single consumer cohort, but a complex and important generation likely to drive structural change in retail economics. Gen Z’s influence extends far beyond what consumers buy and increasingly shapes how retail operates. The shift from Store to Footfall to Sales toward Store to Community to Dwell to Loyalty to Sales is not a distant trend but one already reshaping leasing decisions on the ground, as Carnaby Street’s evolving tenant mix demonstrates. As brands place greater emphasis on loyalty, community and omnichannel engagement, landlords and investors will need to broaden how occupier quality is assessed and, just as importantly, ground that assessment in local catchment reality rather than national assumptions, given how differently Gen Z spending power, gender composition and lifestyle priorities present across locations. The winners will not simply be destinations that welcome Gen Z brands, but those that curate the right brands for their specific catchment and give them the space to build community, not just sell product.

GEN Z POPULATION BY LOCAL PLANNING AUTHORITY



Source: ONS Population Projections, 2025

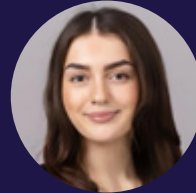
SHARE OF CUSTOMERS AGED 16-24



Source: Global Data, How Britain Shops 2026

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ABOUT CUSHMAN & WAKEFIELD

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