Canterbury Connected

BUSINESS IMPROVEMENT DISTRICT

Canterbury City Centre

Performance Report

December 2014

Canterbury City Centre Performance Report – December 2014

Executive summary

Welcome to the December 2014 edition of Canterbury city centre's performance report. This report has been prepared by Canterbury Connected Business Improvement District (BID) to determine how the city centre is performing on a range of indicators. The objective of the report is to track the impact of economic activity on the city centre, and to provide a baseline from which future performance can be benchmarked. This report considers the following key indicators to determine the City's economic health:

- Business premises vacancy rates
- Business premises type
- Business start-up rates
- City Centre footfall
- Business Sales Performance
- Tourism

This report will be produced on a monthly basis and will be sent to the Local Economy team at Canterbury City Council. Topline figures will be sent to Canterbury BID members on a monthly basis.

The table below provides at-a-glance colour coded trend indicators:

Colour code as follows: ● signifies improvement ● relative stability ● decline

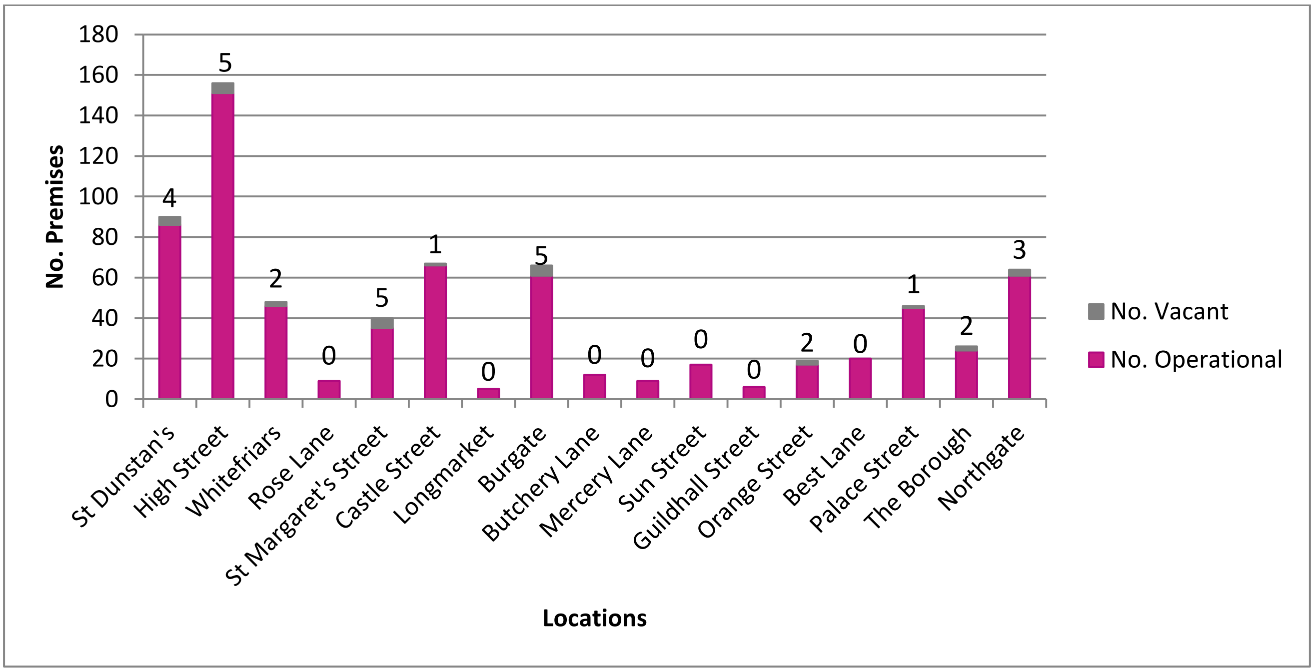
Indicator	Trend	Comment
Premises vacancy rates	●	The vacancy rate for Canterbury in December was 4.5%, -0.7% lower than November and -0.7% lower compared to the same time last year. The vacancy rate for the Southeast in Q4 2014 was 8.3% and the national town centre vacancy rate in the UK was 10.3% in Q4 2014.
Premises type	●	Canterbury has a good healthy mix of premises types with specialty (23%) and food outlets (23%) having the highest presence. Overall 34% of Canterbury's retailers are multiples and 46% are independents.
Business start-up rates	●	There was a +14% annual change in registered start-up businesses, a +22% increase over the month from November and a -119% decrease compared to the same time last year.
City Centre footfall	●	Overall footfall was up +8.8% YOY in December which is a +7.1% increase on November (+1.7 YOY), a +6.4% increase on December 2013, +5.9% higher than the average for the South East and +10.5% higher than the national average. The twelve month average for Canterbury is +3.9%.
Business Sales Performance	●	There was an overall +10.2% YOY change in sales performance which is a +2.7% increase from November and a +11.2% increase in comparison to the same time last year. A1 retailers had a good month with a +10.0% change in sales performance YOY and so did food and drink establishments with a +11.3% increase in trade YOY.
Tourism	●	Visitor numbers to visitor attractions in Canterbury were up +4.6% YOY (-2.8% YOY in November). For Kent, attraction visitor numbers were up +24.2% YOY (+47.6% YOY in November). 60% of visitors to Canterbury were domestic, 2% long haul and 38% were European visitors.

All data provided within this report is limited by the amount of information available at the time of the report being written. Where data is missing, it will be indicated at the end of each section. Over time this information will be enhanced and added to on a monthly basis allowing stronger comparisons to be made. YOY = Year on Year.

Business premises vacancy rates

In December a survey of 17 key streets within Canterbury City Centre was undertaken. A total number of 670 premises were recorded within the survey area. Below is a summary of the 17 key streets monitored and the vacancy rates in each street.

Graph 1.1 - Premises vacancy rates

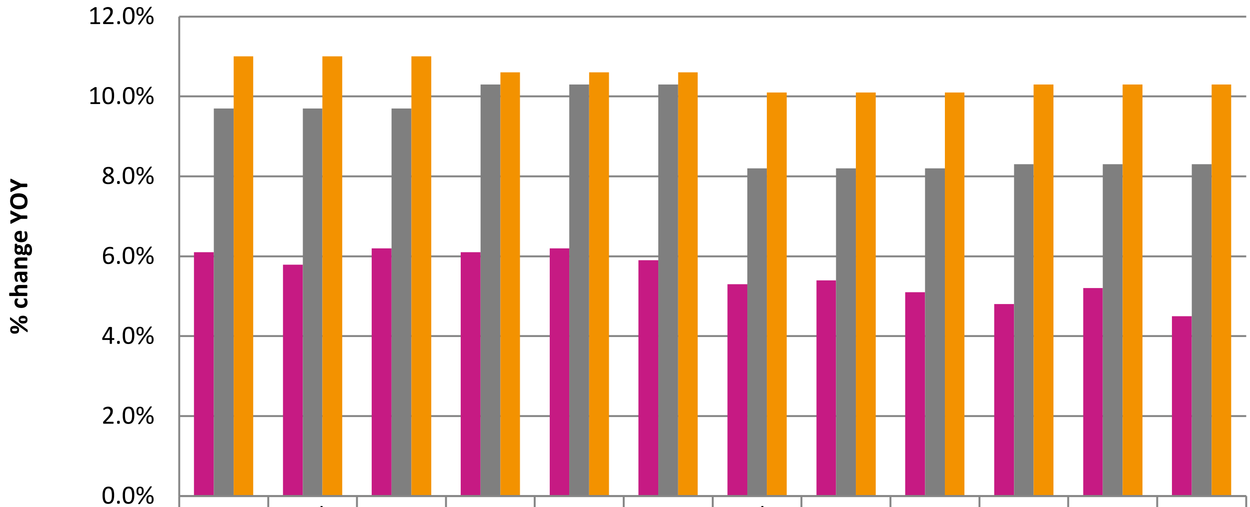


Source: CCP December survey 2014.

Key findings:

- A total number of 30 businesses premises were recorded as vacant in December, which is 5 less than in November and 5 less than the same time last year. This figure could be viewed as a short term fall as commercial property landlords become more flexible in an attempt to attract pop-up shops into their empty premises over the Christmas period.
- St Dunstans, the High Street, St Margarets Street and Burgate had the highest number of empty premises whilst Rose Lane, Longmarket, Butchery Lane, Mercery Lane, Sun Street, Guildhall Street and Best Lane had none.
- As a comparison to the total number of premises within each street, St Margarets Street had the highest vacancy rate (14%).

Graph 1.2 - Premises vacancy rates YOY



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Canterbury	6.1%	5.8%	6.2%	6.1%	6.2%	5.9%	5.3%	5.4%	5.1%	4.8%	5.2%	4.5%
South East	9.7%	9.7%	9.7%	10.3%	10.3%	10.3%	8.2%	8.2%	8.2%	8.3%	8.3%	8.3%
National	11.0%	11.0%	11.0%	10.6%	10.6%	10.6%	10.1%	10.1%	10.1%	10.3%	10.3%	10.3%

Source: CCP December survey 2014 and the British Retail Consortium and Springboard reports which are gathered on a quarterly basis in January, April, July and October.

Key findings:

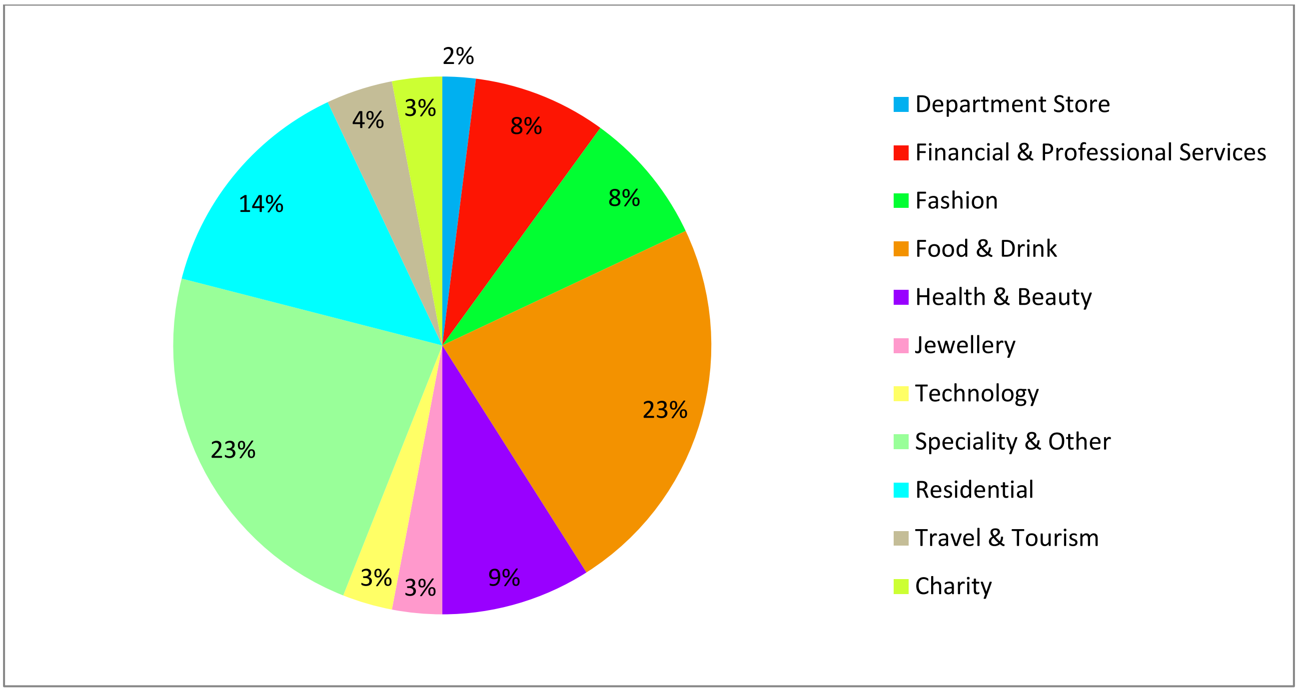
- The vacancy rate for Canterbury in December was 4.5%, -0.7% lower than November and -0.7% lower compared to the same time last year.
- The vacancy rate for the Southeast in Q4 2014 was 8.3% (+0.1% higher than in Q3 2014). Canterbury had the 4th lowest vacancy rate of the 18 towns in the South East that published their results in the Springboard Quarterly Vacancy Rate Survey Q4 2014.
- The national town centre vacancy rate in the UK was 10.3% in Q4 2014, +0.2% higher than Q3 2014 rate and -0.8% lower compared to this time last year.
- The following table provides a breakdown of the vacancy rates by region:

Location	Vacancy rates – Q4 2014	Springboard methodology
England		Vacancy rates are gathered quarterly via an online survey of 500 towns and cities nationally. The vacancy rate is defined as the percentage of total ground floor units, retail and non-retail, that are vacant. Results are amalgamated by Springboard, and regional averages and an average for the UK is derived. The average for the UK is weighted by regional spend so that the influence of specific regions on the national average is in line with their influence on the retail landscape.
Greater London	7.8%	
West Midlands	12.9%	
South East	8.3%	
South West	11.2%	
East Midlands	9.6%	
East	8.6%	
North & Yorkshire	11.8%	
Northern Ireland	16.6%	
Wales	14.2%	
Scotland	9.0%	
National	10.3%	

Business premises type

Business property plays an important role in an area's ability to generate, attract and retain economic activity. The type of property available in Canterbury plays a key role in determining the extent, and also the type, of businesses that will locate here in the future. Each premise within the study area has been categorised into 11 categories. The following graph illustrates the premises type in Canterbury:

Graph 2.1 - Premises type in Canterbury



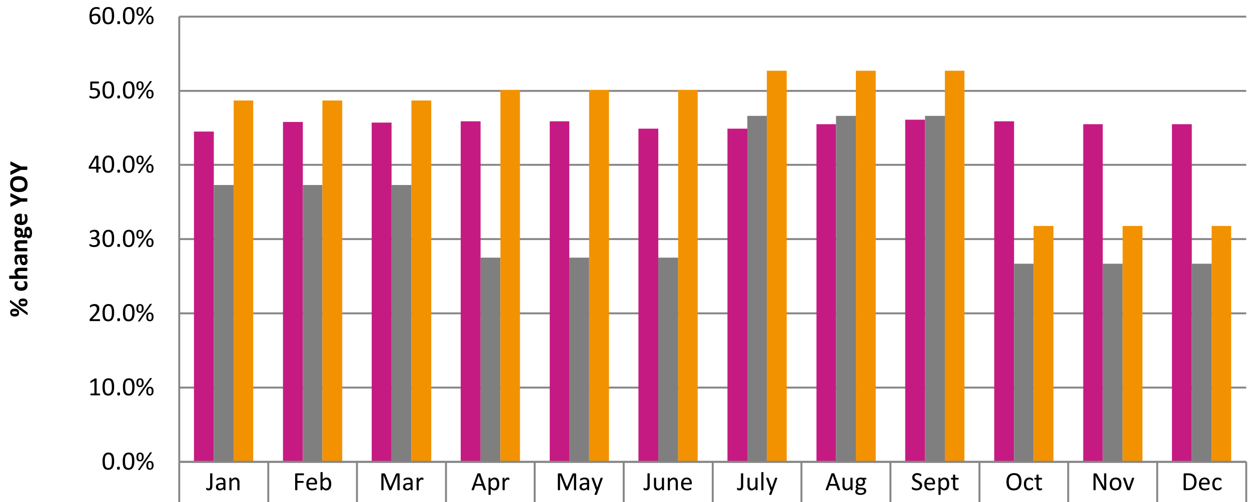
Source: CCP December survey 2014.

Key findings:

- Overall 'speciality and other' and Food and drink premises type have the highest presence in the city (23% each) followed by residential (14%). Department stores had the lowest presence (2%).

The following graph illustrates the number of Independent premises within the survey area benchmarked against the South East and National results:

Graph 2.2 Independent premises: Canterbury, the South East and Nationally



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Canterbury	44.5%	45.8%	45.7%	45.9%	45.9%	44.9%	44.9%	45.5%	46.1%	45.9%	45.5%	45.5%
South East	37.3%	37.3%	37.3%	27.5%	27.5%	27.5%	46.6%	46.6%	46.6%	26.7%	26.7%	26.7%
National	48.7%	48.7%	48.7%	50.1%	50.1%	50.1%	52.7%	52.7%	52.7%	31.8%	31.8%	31.8%

Source: CCP December survey 2014 and Springboard's quarterly reports which are gathered in January, April, July and October.

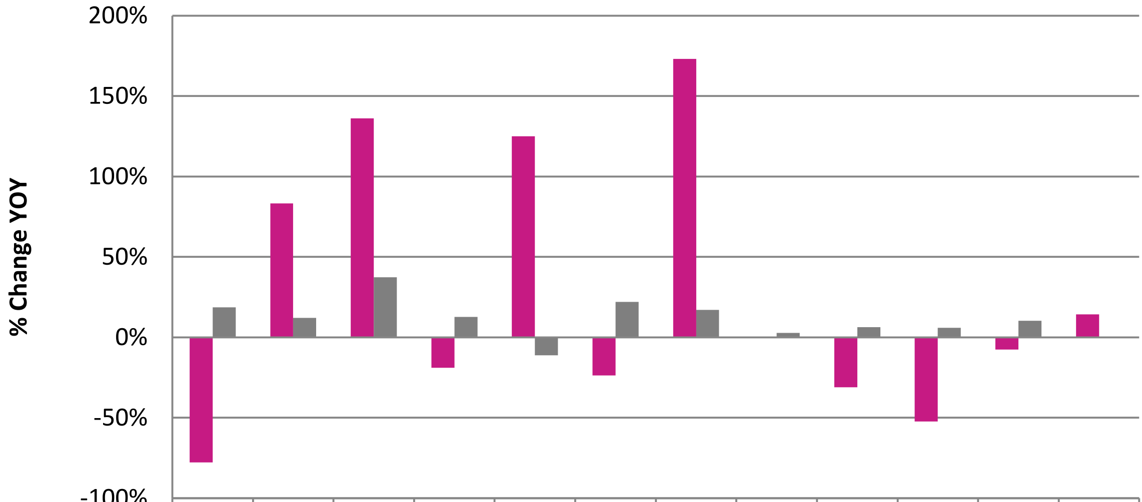
Key findings

- 45.5% of businesses recorded in December were independents, the same as November, which is +0.3% higher than December 2013, +18.8% higher than the average for the South East and +13.7% higher than the national average.
    - Longmarket and Rose Lane had the highest number of multiples (100%) followed by Whitefriars (93%) which is unsurprising as they are managed developments.
    - Palace Street had the highest number of independent businesses (82%) followed by Sun Street (76%) and The Borough (75%).
- Overall based on the survey area, 34% of retailers are multiples and 46% are independents and 20% were categorised as N/A.

Business start-up rates

Business start-up is the key to regional growth as well as finding and stimulating high growth businesses. As such it is important to monitor business start-up rates in Canterbury.

Graph 3.1 – Canterbury business start-up rates YOY



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Canterbury	-78%	83%	136%	-19%	125%	-24%	173%	0%	-31%	-52%	-8%	14%
National	19%	12%	37%	13%	-11%	22%	17%	3%	6%	6%	10%	0%

Source: Canterbury City Council, Selecta Base and Start-up Britain's Start-up Tracker.

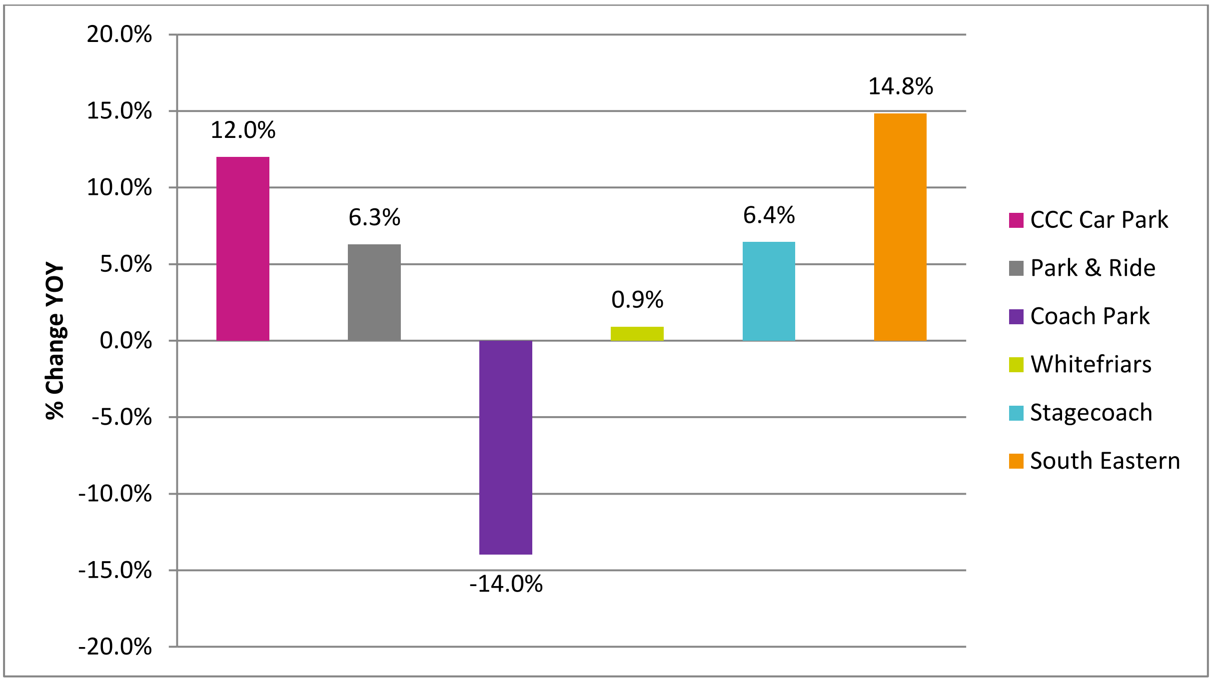
Key findings:

- For Canterbury there was a +14% annual change in registered start-up businesses, a +22% increase over the month from November and a -119% decrease compared to the same time last year. However this is not a true reflection of the number of businesses that started up as these figures are based on the number of businesses that registered as new businesses.
- Over the last twelve months there have been 203 registered start-up businesses which equates to an average of 17 per month in Canterbury.
- According to Start-up Britain there were 37,182 start-up businesses in December 2014, which equates to 8,753 less than in November and a total of 581,173 over the last twelve months (an average of 48,431 per month).

City centre footfall

The footfall of the City Centre is extremely hard to measure without investment however; the best indicator is to look at the car park and public transport user data:

Graph 4.1 – City centre transportation usage YOY

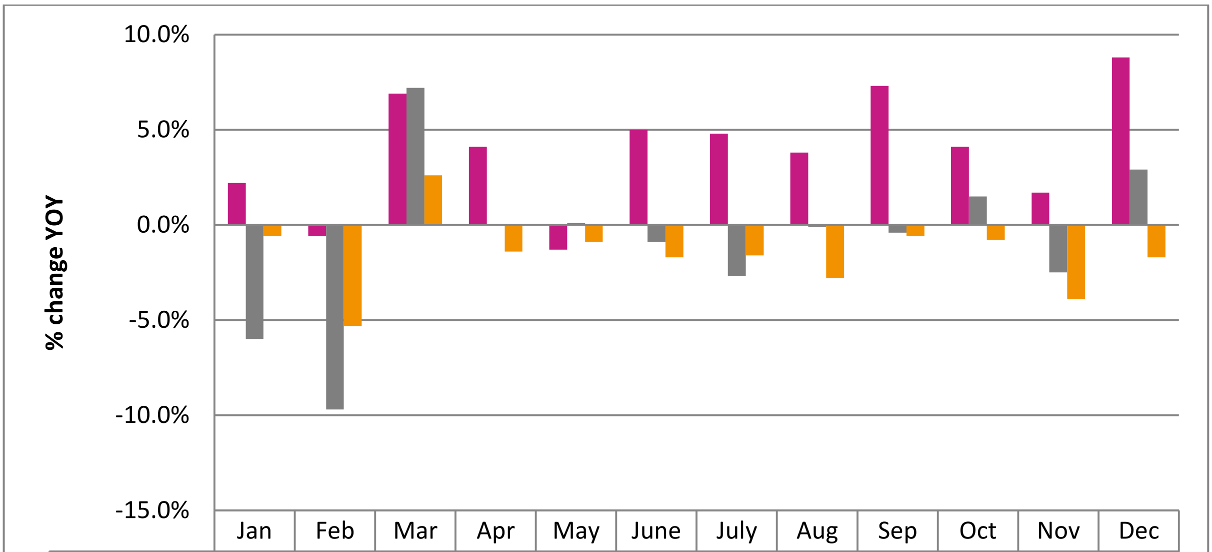


Source: Canterbury City Council Transportation Department Car Park data, Stagecoach East Kent, Whitefriars Car Park Data and Southeastern.

Key Findings

- Overall footfall was up +8.8% YOY in December which is a +7.1% increase on November (+1.7 YOY) and a +6.4% increase on December 2013.
- All transportation methods saw an increase in usage YOY apart from the coach park which with the exception of September has seen up until now a decline in usage YOY over the last twelve months. The increase in the coach parking charges could have had an impact on this result.

Graph 4.2 – Canterbury footfall rates YOY



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Canterbury	2.2%	-0.6%	6.9%	4.1%	-1.3%	5.0%	4.8%	3.8%	7.3%	4.1%	1.7%	8.8%
South East	-6.0%	-9.7%	7.2%	0.0%	0.1%	-0.9%	-2.7%	-0.1%	-0.4%	1.5%	-2.5%	2.9%
National	-0.6%	-5.3%	2.6%	-1.4%	-0.9%	-1.7%	-1.6%	-2.8%	-0.6%	-0.8%	-3.9%	-1.7%

Source: CCP December survey 2014 and Springboard - ATCM High Street Index monthly report.

Key Findings

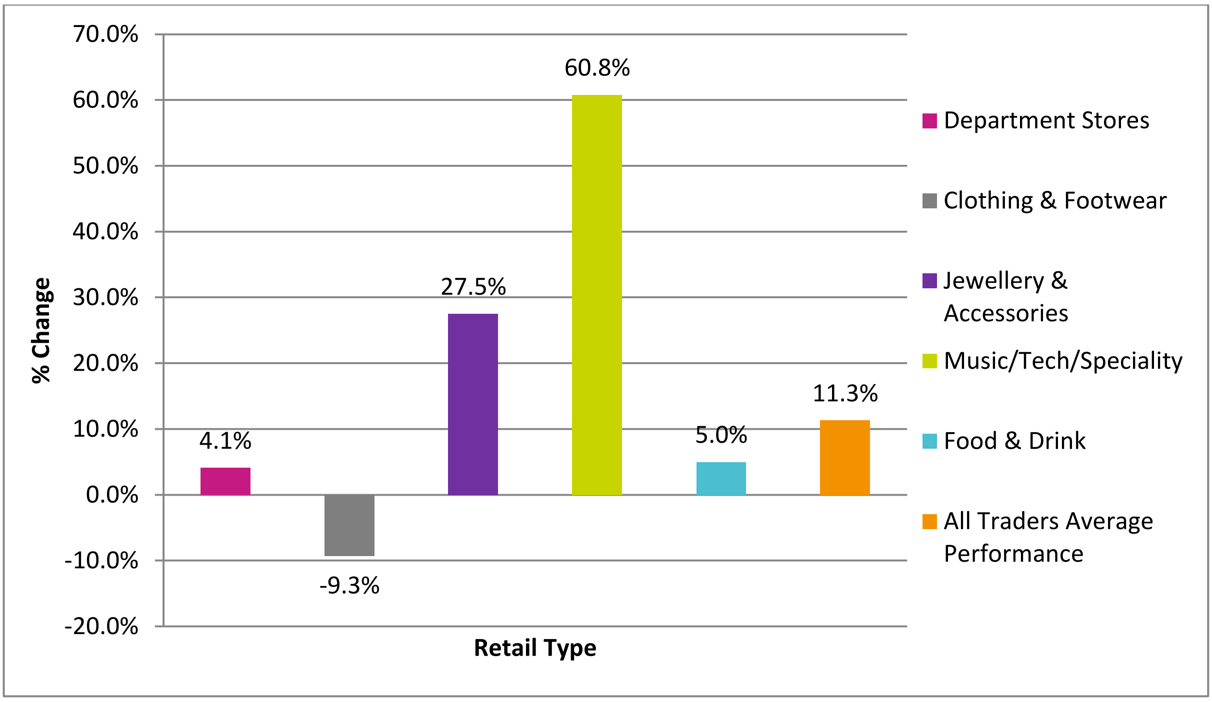
- Footfall in Canterbury was up +8.8% in December, +5.9% higher than the average for the South East and +10.5% higher than the national average. The twelve month average for Canterbury is +3.9%.
- Nationally:
  - Footfall experienced a modest drop of -1.8 per cent from December 2013.
  - The most positive result, however, is that footfall in high streets improved compared with both November and with December last year.
  - The year ended with a decline in footfall of -1.6% over the 12 months from January to December which is a modest worsening of the drop of -1.4% recorded for 2013.
  - In the light of the increasing maturity of online shopping and increasing demands of consumers in terms of choice and flexibility it is unrealistic to expect footfall to increase from year to year, however, the levelling off in the rate of decline suggests that online is starting to drive activity back into high streets. As yet it is inconclusive as to the relative influence of showrooming and click and collect, but it is clear that high streets remain a key element of the shopping experience.
  - The following table provides a breakdown of the footfall rates by region:

Location	% change YOY	Location	% change YOY
England		**Northern Ireland**	1.7
Greater London	-2.8	**Wales**	-0.5
West Midlands	-6.4	**Scotland**	2.0
South East	2.9		
South West	-0.4		
East Midlands	-3.2		
East	-2.7		
North & Yorkshire	-1.0		

Business sales performance

Canterbury has no problem getting large numbers of people in the city but distributing them across the centre and getting them to part with their hard earned cash is more of a challenge. Therefore footfall tells only part of the story and trader sales performance figures are important. The below graph illustrate business' average percentage change in sales compared to the same month in 2013.

Graph 5.1 – Average Sales performance of businesses YOY

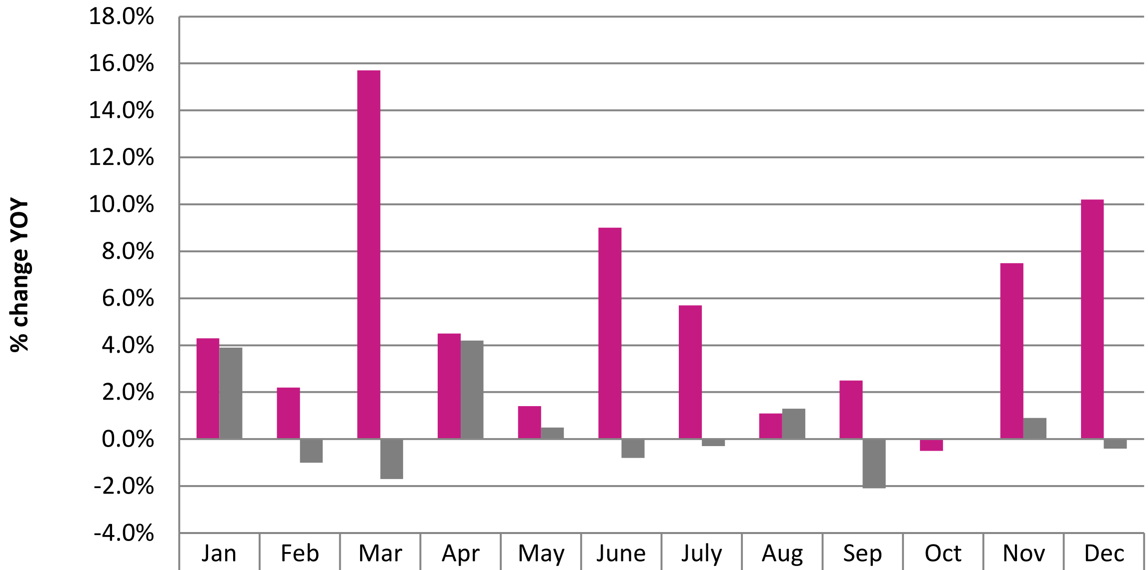


Source: CCP December 2014 Business Survey of Average Sales Performance based on 18 respondents.

Key findings:

- In December there was an overall +25.2% YOY change in sales performance, however the result is slightly skewed by one retailer and so the actual figure is +10.2% which is a +2.7% increase from November and a +11.2% increase in comparison to the same time last year.
- A1 retailers had a good month with a +27.9% change in sales performance YOY, again the result is slightly skewed by one retailer and so the actual figure is 10.0% which is a +1.6% increase from November and a +11.5% increase in comparison to the same month last year. The figures show that customers were in a shopping mood with total sales up on the same period last year. The Black Friday feeling continued into early December as customers bagged great deals on their Christmas gifts. The Boxing Day and End of Season sales also contributed to December's positive performance.
- Food and drink had a good month with a +11.3% increase in trade which is a +6.3% increase from November and a+10.1% increase in comparison to the same month last year.

Graph 5.2 – Average Sales performance YOY



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Canterbury	4.3%	2.2%	15.7%	4.5%	1.4%	9.0%	5.7%	1.1%	2.5%	-0.5%	7.5%	10.2%
National	3.9%	-1.0%	-1.7%	4.2%	0.5%	-0.8%	-0.3%	1.3%	-2.1%	0.0%	0.9%	-0.4%

Source: CCP Business Survey of Sales Performance and BRC-KPMG UK Retail Sales Monitor.

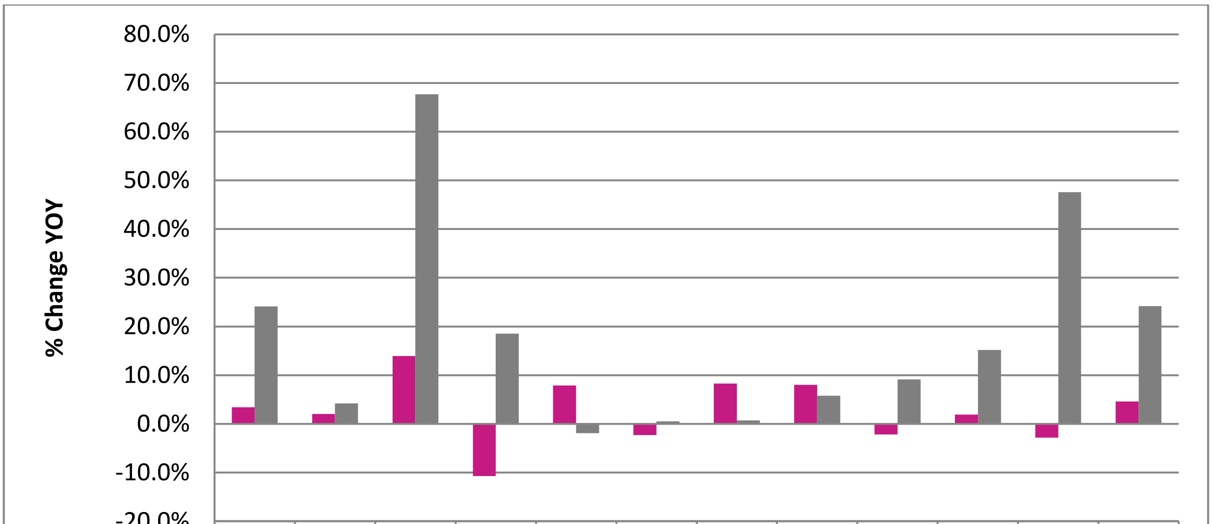
Key findings:

- Sales Performance in December was up +10.2% YOY, up +4.9% on the twelve month average of +5.3% for Canterbury and+9.8% higher than the national rate of 0.4% YOY.
- According to the BRC-KPMG UK Retail Sales Monitor:
  - UK retail sales declined by -0.4%, on a like-for-like basis from December 2013, when they had increased 0.4% on the preceding year.
  - On a total basis, sales were up +1.0%, against a +1.8% rise in December 2013. This is the slowest December growth since December 2008.
  - In December total Food sales grew for the first time since April. Over the last three months, Food showed a decline of -0.3%. The Non-Food performance was helped by the cyber-week and the end-of-season sales, particularly fashion.
  - Online sales of non-food products in the UK grew +7.0% in December versus a year earlier, when it had grown +19.2%. The Non-Food online penetration rate was +17.0%, up from +16.0% in December 2013.

Tourism: Visitor numbers

Canterbury is a popular tourist destination; consistently one of the most visited cities in the United Kingdom. The city's economy is heavily reliant upon tourism. Consequently it is important to monitor visitor numbers. The following graphs look at the number of visitors visiting attractions and the number of visitor enquiries received by Visitor Information Centre’s.

Graph 6.1 – Percentage change in visitor numbers to Canterbury attractions YOY



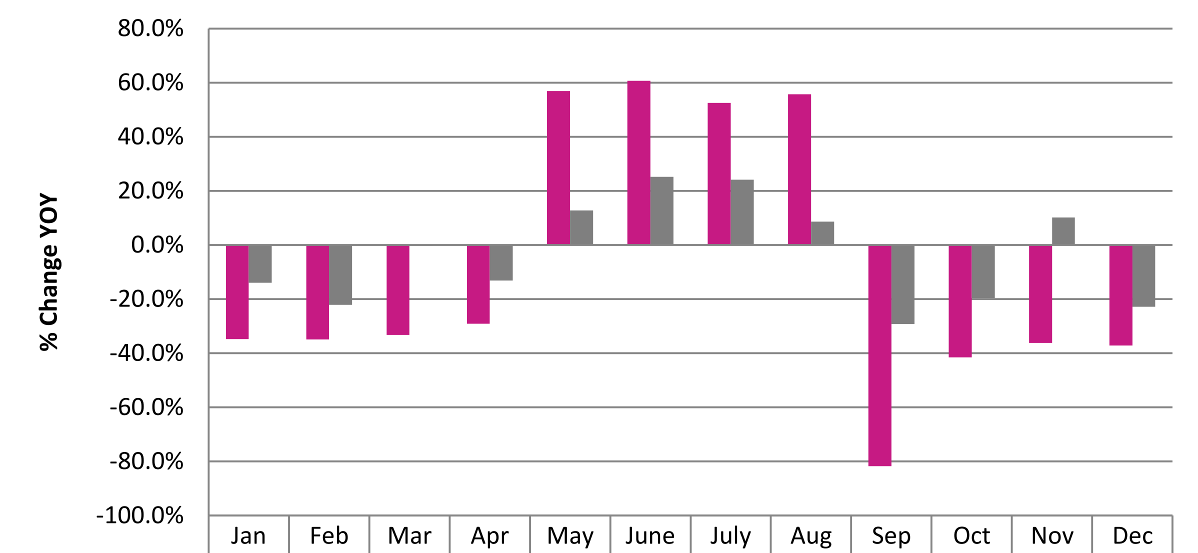
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Canterbury	3.4%	2.0%	13.9%	-10.7%	7.9%	-2.3%	8.3%	8.0%	-2.2%	1.9%	-2.8%	4.6%
Kent	24.1%	4.2%	67.7%	18.5%	-1.9%	0.5%	0.7%	5.8%	9.1%	15.2%	47.6%	24.2%

Source: CCP survey of members, Canterbury City Council attraction figures and Visit Kent Business Barometer, December 2014

Key findings:

- In December there was a +4.6% annual change in visitor numbers to visitor attractions in Canterbury, a +7.4% increase over the month from November and a +15% increase in comparison to the same time last year.
- For Kent, there was a +24.2% annual change in visitor numbers to visitor attractions which is a -23.4% decrease over the month from November but a +28% increase in comparison to the same time last year.

Graph 6.2 – Percentage change in Visitor Information Centre Enquires YOY



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Canterbury	-34.8%	-34.9%	-33.2%	-29.1%	56.9%	60.7%	52.5%	55.7%	-81.7%	-41.5%	-36.2%	-37.1%
Kent	-14.0%	-22.1%	-0.3%	-13.2%	12.7%	25.2%	24.1%	8.6%	-29.2%	-19.7%	10.2%	-22.9%

Source: Visit Kent Business Barometer, December 2014.

Key findings:

- For Canterbury there was a total -37.1% annual change in visitor enquiries, a -0.9% decrease over the month from November and a -31.8% decrease in comparison to the same time last year.
- Visitor Information Centres in Kent had a -22.9% decrease in visitor enquiries, a -33.1% decrease over the month from November and a -20.2% decrease in comparison to the same time last year.
- According to Visit Kent's December Business Barometer 60% of visitors to Canterbury's VIC were domestic visitors, 2% long haul visitors and 38% were European visitors.

Events

Below is a list of events which took place in Canterbury in December. These events both maintain and increase footfall to the city and in turn have an economic impact.

- 1st – 28th – Whitefriars Christmas Market
- 5th – Kings Mile Charity Carole Concert
- 6th – Small business Saturday
- 6th – St Nicolas Parade
- 12th – Christ Church University Christmas holiday
- 19th – University of Kent Christmas holiday
- 19th – Schools Christmas holiday
- 24th - Lord Mayor of Canterbury's Christmas Carol Concert