



**Canterbury
Connected**

BUSINESS IMPROVEMENT DISTRICT

Canterbury City Centre

Performance Report

December 2016

Canterbury City Centre Performance Report – December 2016

Executive summary

Welcome to the December 2016 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

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

- Signifies improvement ● Relative stability ● Decline

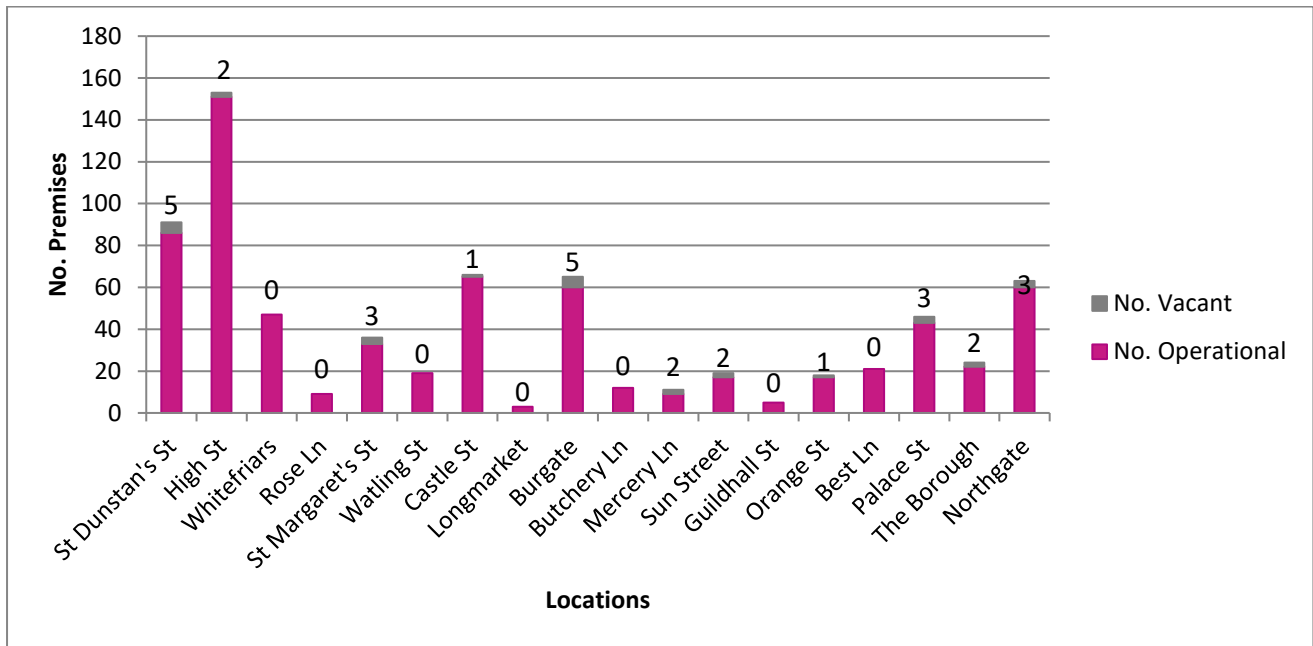
Indicator	Trend	Comment
Premises vacancy rates	●	The vacancy rate for Canterbury in December was 4.6%, 1.4% less than November and +0.6% higher than December 2015. The twelve month average for Canterbury is 5.1%. The vacancy rate for the Southeast in Q4 2016 was 7.1%, 0.3% lower than Q3 2016 and -1.3% lower compared to this time last year.
Premises type	●	Overall Food and drink premises (23%), 'speciality and other' (21%) and residential (15%) had the highest presence in the city. Education establishments in the city centre (1%) department stores (2%) and technology premises (3%) had the lowest presence.
Business start-up rates	●	For Canterbury there was a -47% annual change in registered start-up businesses, there was no data available at that time for December 2015 to make the year on year comparison. 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.
City Centre footfall	●	Footfall in Canterbury was down -1.3% YOY in December, +3.6% higher than the average for the South East and -0.4% less than the national rate. The twelve month average for Canterbury is +0.3%.
Business Sales Performance	●	In December there was an overall 3.2% YOY change in sales performance which is a -4.3% decrease from December 2015. December is the most important trading period of the year and with sales across 2016 growing more slowly than the previous year, it was all to play for in the final month. Despite the slow start to the Christmas trading period, the week itself was a bumper one and exceeded expectations.
Tourism	●	In December, there was a 8.4% YOY annual change in visitor numbers to visitor attractions in Canterbury which is a 12.7% increase over the month from November. This was mainly due to the Christmas period.

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 18 key streets within Canterbury City Centre was undertaken. A total number of 679 premises were recorded within the survey area. Below is a summary of the 18 key streets monitored and the vacancy rates in each street.

Graph 1.1 - Premises vacancy rates

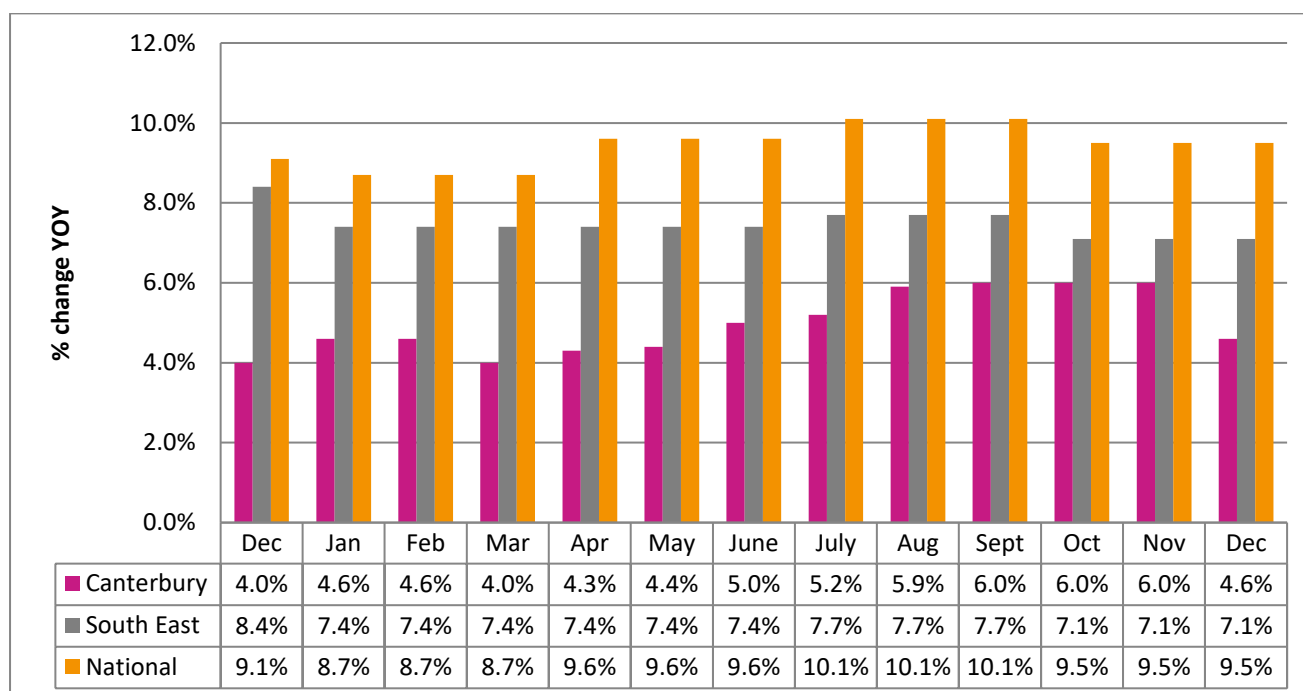


Source: Canterbury Connected BID monthly survey. For a detailed breakdown please refer to Table 1.1 in the Appendices.

Key findings:

- A total number of 31 businesses premises were recorded as vacant in December, 2 more than in November 2016.
- St Dunstans, St Margarets Street, Burgate, Palace Street and Northgate had the highest number of empty premises whilst Whitefriars, Rose lane, Longmarket, Guildhall Street and Best Lane had none.
- As a comparison to the total number of premises within each street, Sun Street and Mercery Lane had the highest vacancy rate (34%).

Graph 1.2 - Premises vacancy rates YOY



Source: Canterbury Connected BID monthly survey and the British Retail Consortium and Springboard reports which are gathered on a quarterly basis in January, April, July and October.

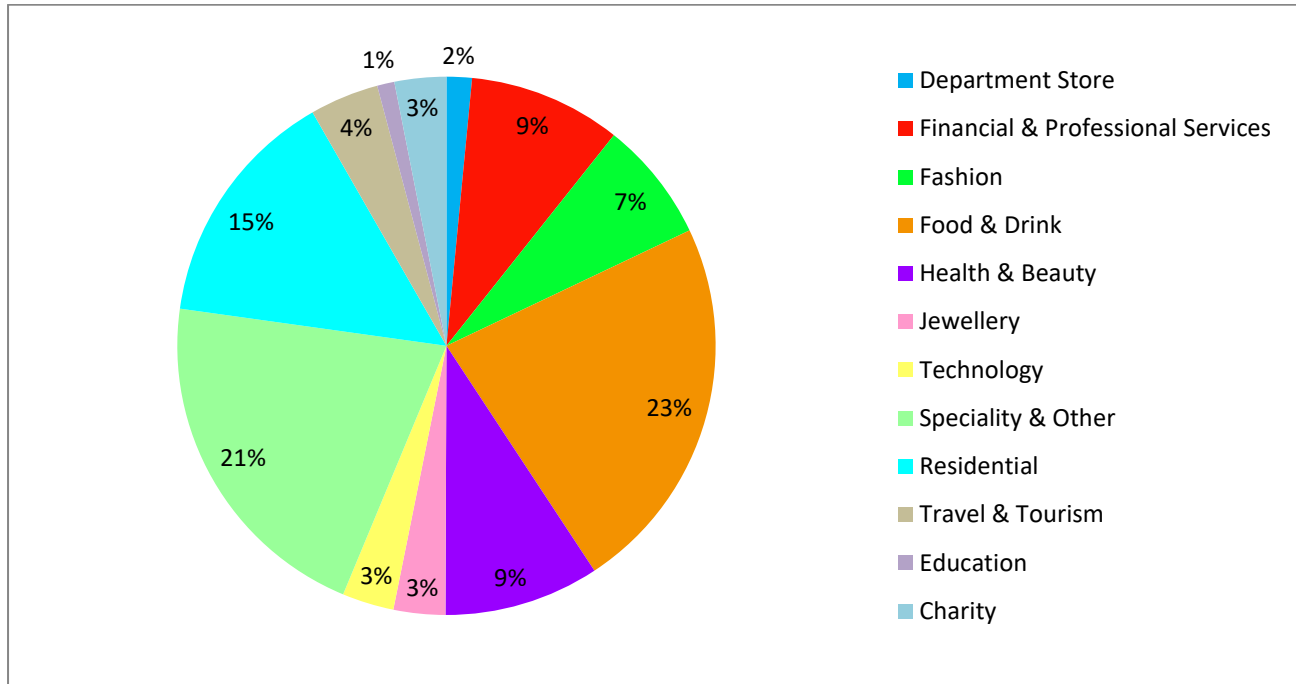
Key findings:

- The vacancy rate for Canterbury in December was 4.6%, 1.4% less than November and +0.6% higher than December 2015. The twelve month average for Canterbury is 5.1%.
- The vacancy rate for the Southeast in Q4 2016 was 7.1%, 0.3% lower than Q3 2016 and -1.3% lower compared to this time last year.
- Canterbury had the fourth lowest vacancy rate of the 22 towns in the South East that published their results in the Springboard Quarterly Vacancy Rate Survey Q4 2016.
- The national town centre vacancy rate was 9.5 per cent in October 2016, down from 10.1 per cent in July 2016. This fall in the vacancy rate came after two quarters of consecutive growth, though remains well above the January low of 8.7 per cent

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



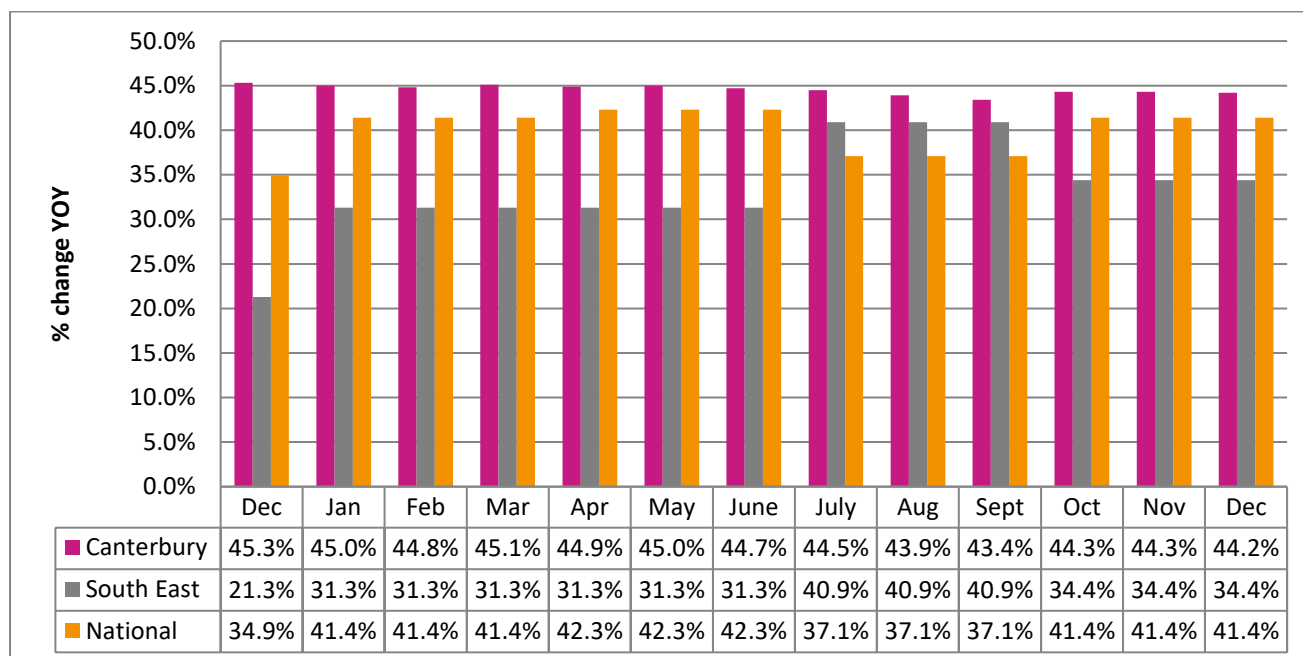
Source: Canterbury Connected BID monthly survey. For a detailed breakdown of the figures please refer to the accompanying Excel spreadsheet for a complete breakdown by street.

Key findings:

- Overall Food and drink premises (23%), ‘speciality and other’ (21%) and residential (15%) had the highest presence in the city. Education establishments in the city centre (1%) department stores (2%) and technology premises (3%) had the lowest presence.

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



Source: Canterbury Connected BID monthly survey and Springboard's quarterly reports which are gathered in January, April, July and October.

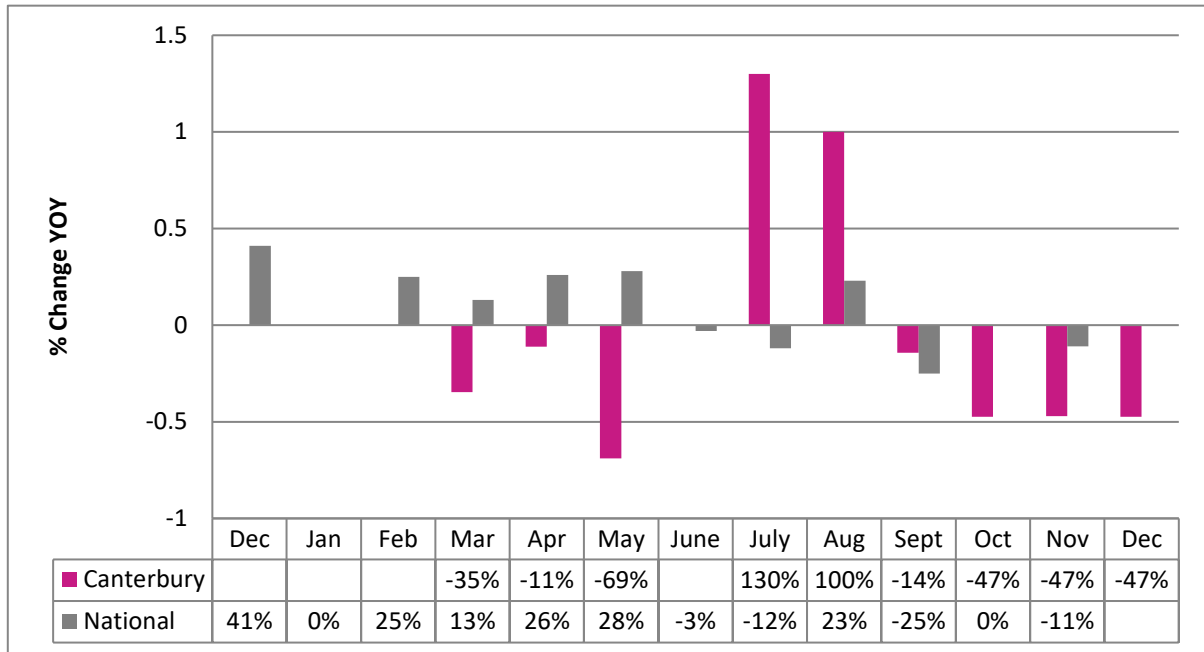
Key findings

- 44.2% of businesses recorded in December were independents, 0.1% less than November, 1.1% less than December 2015, +9.8% more than the average for the South East and +2.8% more than the national average.
 - Longmarket (100%), Whitefriars (96%) and Rose Lane (100%) had the highest number of multiples, which is unsurprising as they are managed developments.
 - Palace Street (77%), Sun Street (76%) and Butchery lane (75%) and had the highest number of independent businesses.
- Overall based on the survey area, 35% of retailers are multiples and 44.2% are independents and 21% 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



Source: Canterbury City Council, Selecta Base and Start-up Britain's Start-up Tracker. Please note data was not available from Canterbury City Council, Selecta Base for November, December, January and February.

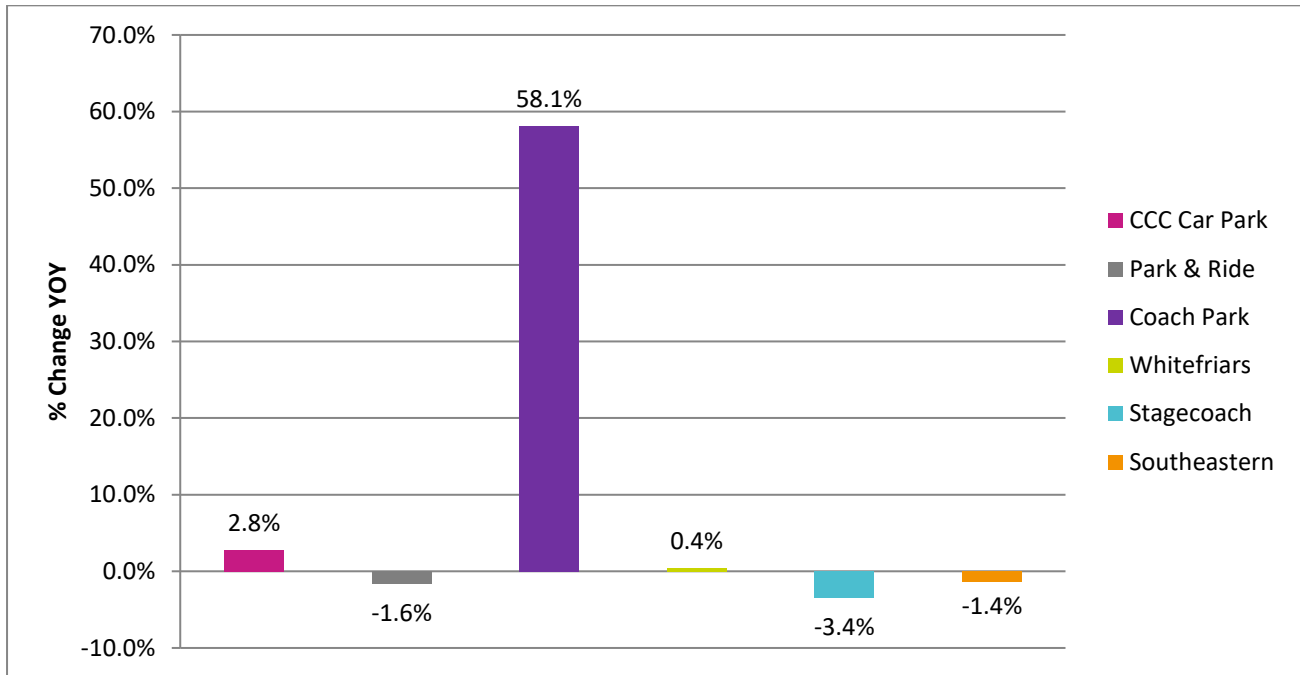
Key findings:

- For Canterbury there was a -47% annual change in registered start-up businesses, there was no data available at that time for December 2015 to make the year on year comparison. 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.

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

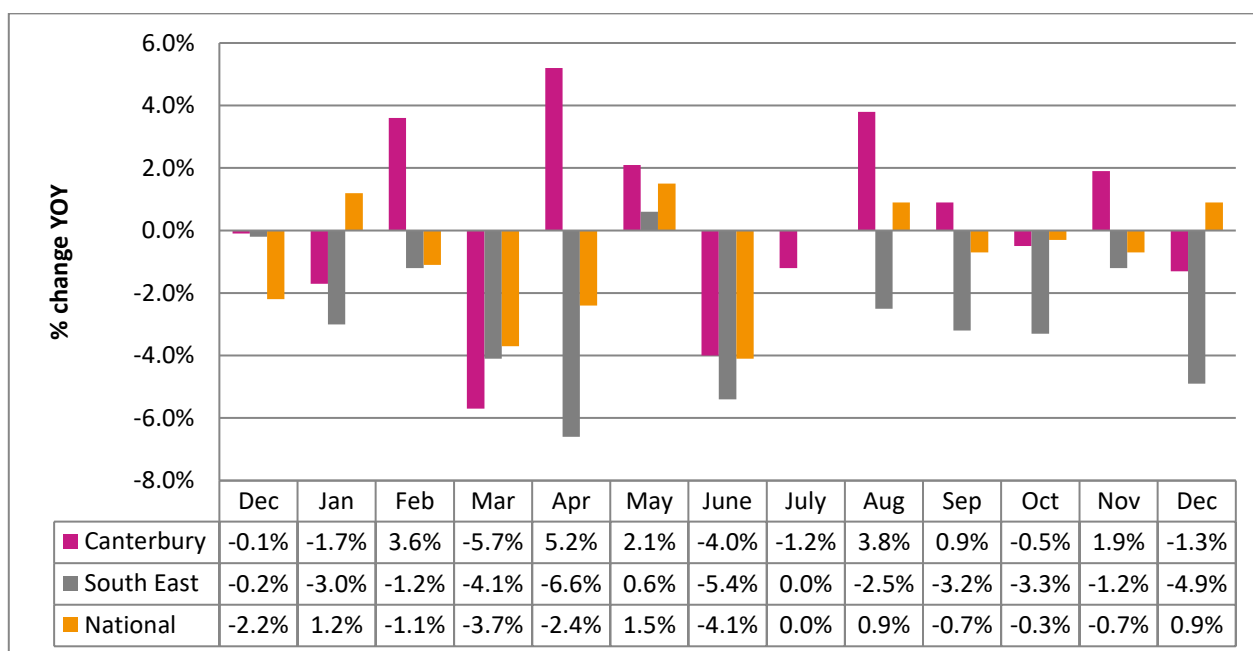


Source: Canterbury City Council Transportation Department, Stagecoach East Kent, Whitefriars shopping centre and Southeastern.

Key Findings

- Overall footfall was down -1.3% YOY in December which is a 3.2% decrease on November.
- Some transportation methods saw an increase in December including CCC car park and Whitefriars with the coach park with the biggest increase. However stagecoach, southeastern and the park & ride saw a decrease.

Graph 4.2 – Canterbury footfall rates YOY



Source: Canterbury Connected BID monthly survey and the BRC - Springboard Footfall and Vacancies Monitor.

Key Findings

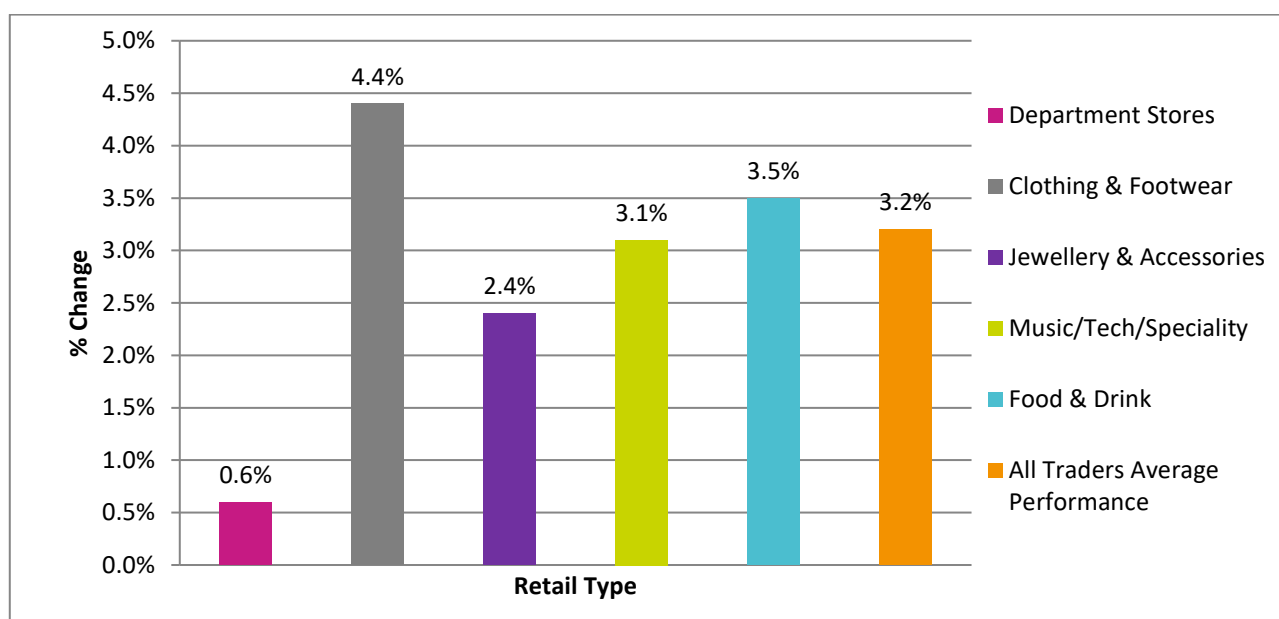
- Footfall in Canterbury was down -1.3% YOY in December, +3.6% higher than the average for the South East and -0.4% less than the national rate. The twelve month average for Canterbury is +0.3%.
- Nationally:
 - The increase in high street footfall in December of +0.9% compared with -3.9% in December 2015 was more positive than the results for key trading days over Christmas led us to believe it would be.
 - The month began just after Black Friday, which is now generating a similar level of in-store spend to Boxing Day, and so is clearly bringing forward shopping that in the past took place during December. This together with the fact that Christmas Day fell at the end of the fourth trading week meant that shoppers deferred purchases in order to snap up any additional discounts –demonstrated by the fact that footfall remained virtually flat until the fourth week of the month.
 - Also evident is that the availability of discounts throughout December is subduing the significance of our traditional sale days of Boxing Day and New Year’s Day for bricks and mortar trips.

Location	% change YOY	Location	% change YOY
England		East	-0.3
Greater London	+1.2	North & Yorkshire	+2.4
West Midlands	-1.7		
South East	-4.9	Northern Ireland	+1.1
South West	-0.5	Wales	+0.6
East Midlands	1.8	Scotland	+2.6

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 illustrates business' average percentage change in sales compared to the same month in 2015.

Graph 5.1 – Average Sales performance of businesses YOY

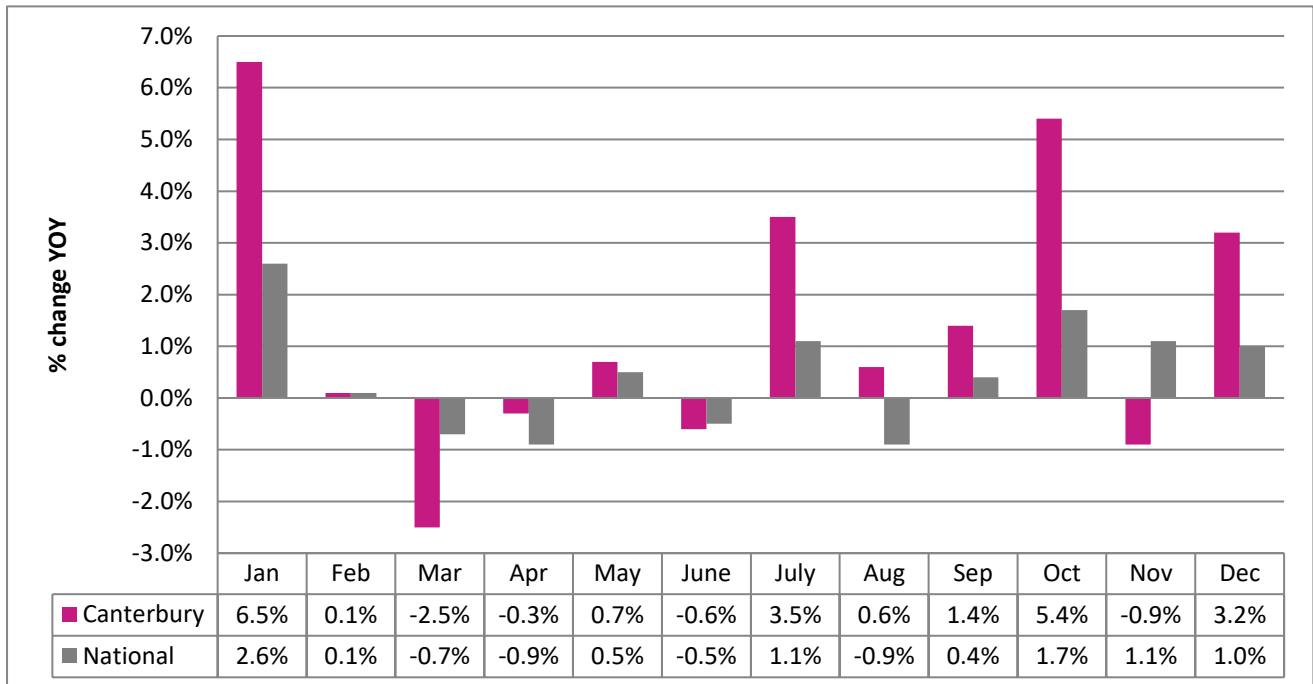


Source: Canterbury Connected BID Business Survey of Average Sales Performance based on 27 respondents.

Key findings:

- In December there was an overall 3.2% YOY change in sales performance which is a -4.3% decrease from December 2015.
 - December is the most important trading period of the year and with sales across 2016 growing more slowly than the previous year, it was all to play for in the final month. Despite the slow start to the Christmas trading period, the week itself was a bumper one and exceeded expectations. It delivered the majority of sales growth for the month, proving even bigger than the Black Friday period- which is the reverse of what we saw the year before.
 - It was a polarised month as shoppers held out for the Christmas week, which saw sales up around 40 per cent compared with the other weeks of the month. Food sales were the major contributor to total growth, while non-food sales on the other hand were sluggish overall, despite a strong performance by categories driven by gifting items.
 - In the end, total growth for 2016 was 1.2 per cent; a marginal increase in pound terms over the previous year but lower than the year-on-year growth achieved in 2015. The challenge for retailers in 2017 will be to create real growth against a backdrop of growing inflationary pressures and persisting economic and political uncertainty. To this end we'll be continuing our work with Government to encourage policies that help retailers keep prices down for consumers.

Graph 5.2 – Average Sales performance YOY



Source: Canterbury Connected BID Business Survey of Sales Performance and BRC-KPMG UK Retail Sales Monitor.

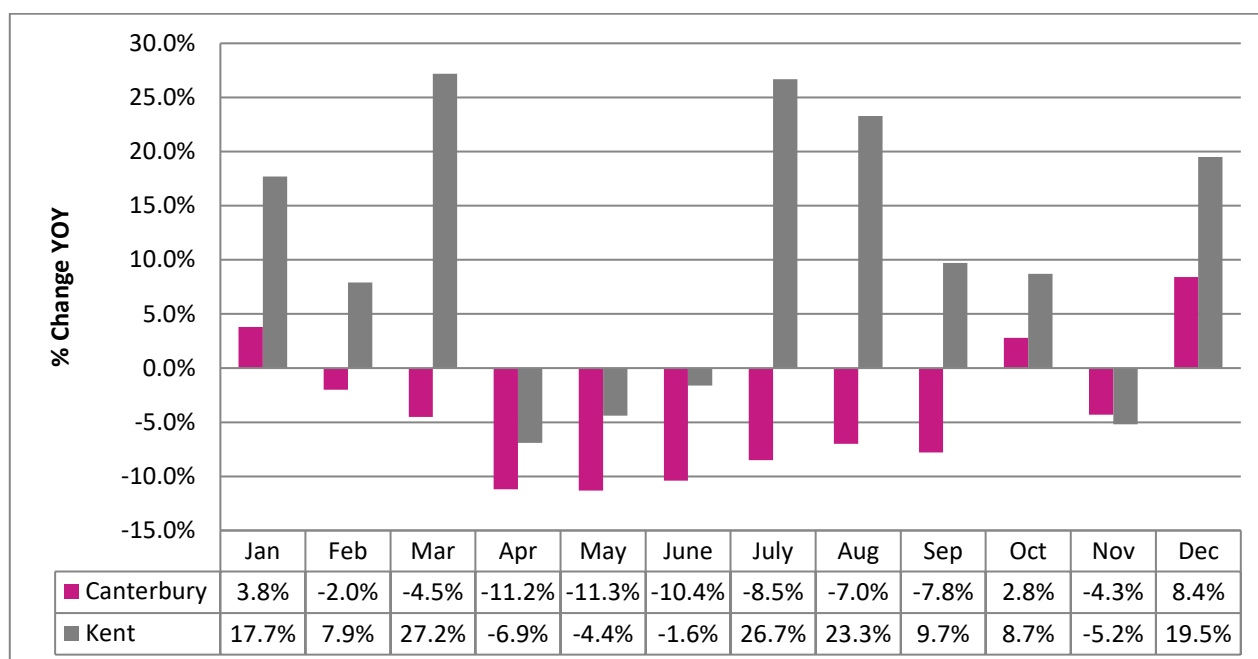
Key findings:

- Sales Performance in December was up 3.2% YOY, 1.8% on the twelve month average of +1.4% for Canterbury, and up 2.2% on the national rate of +1.0% YOY.
- According to the BRC-KPMG UK Retail Sales Monitor:
- UK retail sales increased by 1.0% on a like-for-like basis from December 2015, when they had increased 0.1% from the preceding year.
- On a total basis, sales rose 1.7%, against a 1.0% increase in December 2015. This is in line with the 3-month average of 1.8% but faster than the 12-month average of 1.2%.
- Over the three-months to December, Food sales increased 1.1% on a like-for-like basis and 2.4% on a total basis, clearly ahead of the 12-month Total average growth of 1.0%. This is the highest 3-month average Total growth since September 2013.
- Over the three-months to December, Non-Food retail sales in the UK rose 1.1% on a like-for-like basis and 1.3% on a total basis. This is in line with the 12-month Total average growth of 1.3%. This is the lowest Non-Food 12-month average Total growth since October 2012.
- Over the three-months to December, Online sales grew 7.2% while In-store sales declined 1.2% on a Total basis and 1.4% on a like-for-like basis.

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

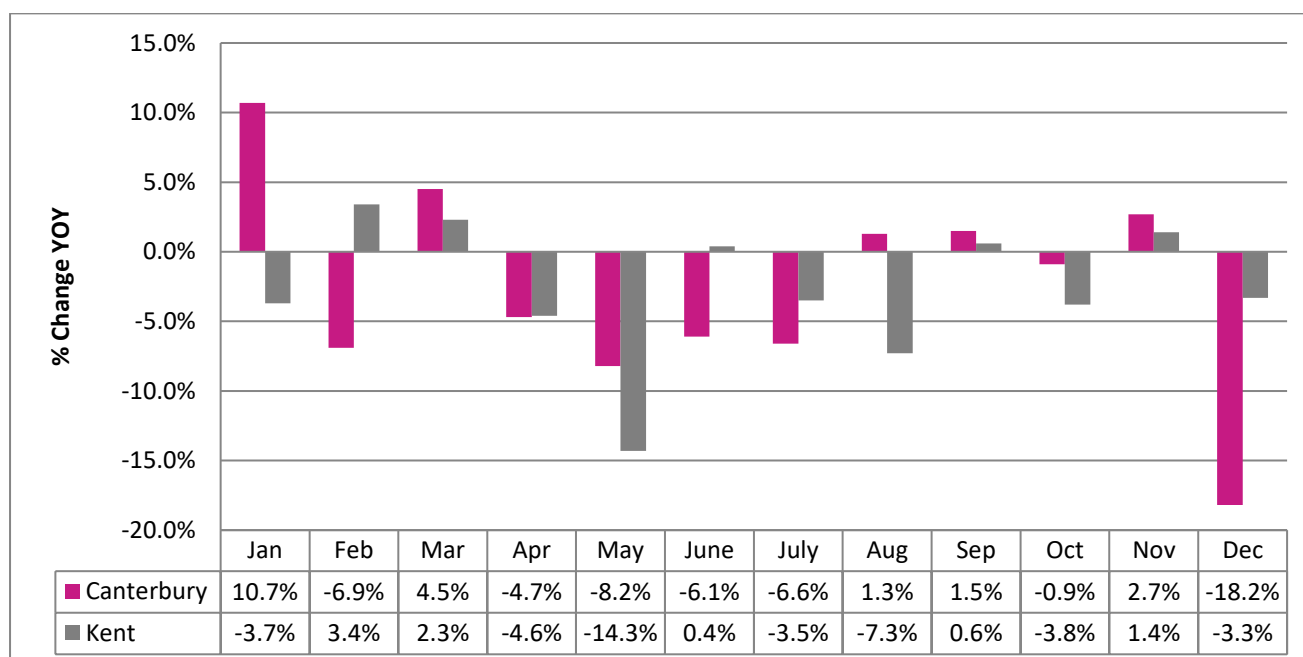


Source: Canterbury City Council attraction figures and Visit Kent Business Barometer

Key findings:

- In December there was a 8.4% YOY annual change in visitor numbers to visitor attractions in Canterbury which is a 12.7% increase over the month from November. This was mainly due to the Christmas period.
- For Kent, there was a 19.5% YOY annual change in visitor numbers to visitor attractions which is a -25.2% increase over the month from November.

Graph 6.2 – Percentage change in Visitor Information Centre Enquires YOY



Source: Visit Kent Business Barometer September 2016.

Key findings:

- For Canterbury there was a total -18.2% YOY annual change in visitor enquiries, a -20.9% decrease over the month from November.
- Visitor Information Centres in Kent had a -3.3% YOY annual change in visitor enquiries, a -4.7% decrease over the month from November.
- According to Visit Kent’s Business Barometer 60% of visitors to Canterbury’s VIC were domestic visitors, 35% long haul visitors and 5% were European visitors.

Events

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

- 14: Networking
- 24: Christmas Eve
- 25: Christmas Day
- 26: Boxing Day
- 27: Christmas Day (Substitute)



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