Canterbury Connected

BUSINESS IMPROVEMENT DISTRICT

Canterbury City Centre

Performance Report

October 2016

Canterbury City Centre Performance Report – October 2016

Executive summary

Welcome to the October 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

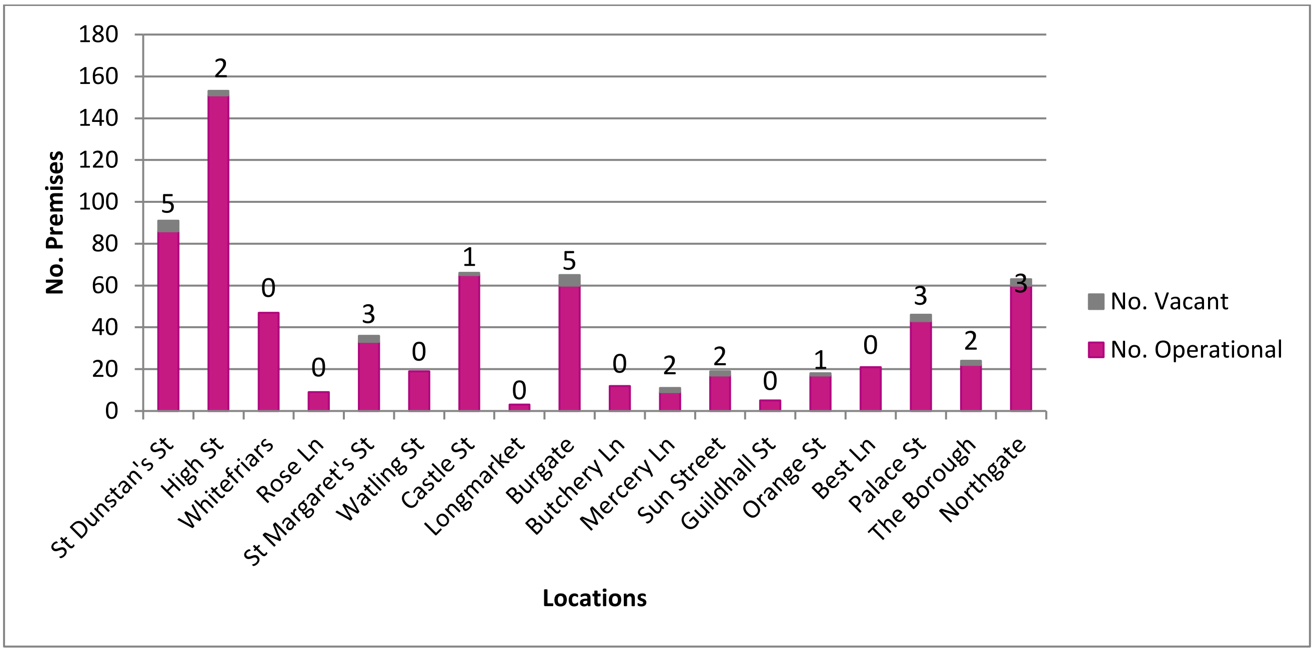
Indicator	Trend	Comment
Premises vacancy rates	● (amber)	The vacancy rate for Canterbury in October was 6.0%, the same as August and +1.3% higher than September 2015. The twelve month average for Canterbury is 4.9%. The vacancy rate for the Southeast in Q4 2016 was 7.1%, 0.3% lower than Q3 2016 and -1.3% lower compared to this time last year.
Premises type	● (amber)	Overall Food and drink premises (22%), 'speciality and other' (23%) and residential (14%) had the highest presence in the city. Education establishments in the city centre (1%) department stores (2%) and Health & Beauty premises (1%) had the lowest presence.
Business start-up rates	● (amber)	For Canterbury there was a -47% annual change in registered start-up businesses, which is 57% less than October 2015. 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	● (green)	Footfall in Canterbury was down -0.5% YOY in October, +2.8% higher than the average for the South East and +0.8% higher than the national rate. The twelve month average for Canterbury is +0.2%.
Business Sales Performance	● (green)	In October there was an overall +5.4% YOY change in sales performance which is a 1.3% increase from October 2015. Food and drink establishments had a poor month with a -26.6% decrease in trade which is a -4.1% decrease from September and a -9.0% decrease in comparison to the same month last year.
Tourism	● (green)	In October there was a +2.8% YOY annual change in visitor numbers to visitor attractions in Canterbury which is a +10.6% increase over the month from September. This was mainly due to an excellent and well supported Halloween half-term event coupled with unseasonably warm and clement weather. For Kent, there was a +8.7% YOY annual change in visitor numbers to visitor attractions which is a -1.0% increase over the month from September.

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 October, 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

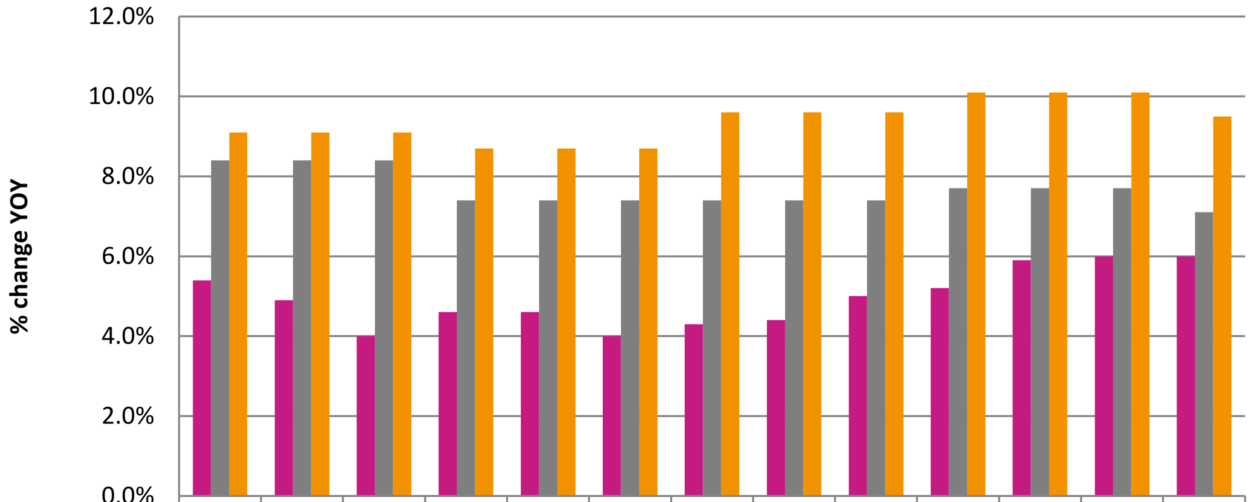


Source: Canterbury Connected BID monthly survey. For a detailed breakdown please refer to Table 1.1 in the Appendices.

Key findings:

- A total number of 29 businesses premises were recorded as vacant in October, 12 less than September and 8 less than in October 2015.
- St Dunstans, St Margarets Street, Burgate, Palace Street and Northgate had the highest number of empty premises whilst Whitefriars, 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 (33%).

Graph 1.2 - Premises vacancy rates YOY



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct
Canterbury	5.4%	4.9%	4.0%	4.6%	4.6%	4.0%	4.3%	4.4%	5.0%	5.2%	5.9%	6.0%	6.0%
South East	8.4%	8.4%	8.4%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	7.7%	7.7%	7.7%	7.1%
National	9.1%	9.1%	9.1%	8.7%	8.7%	8.7%	9.6%	9.6%	9.6%	10.1%	10.1%	10.1%	9.5%

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.

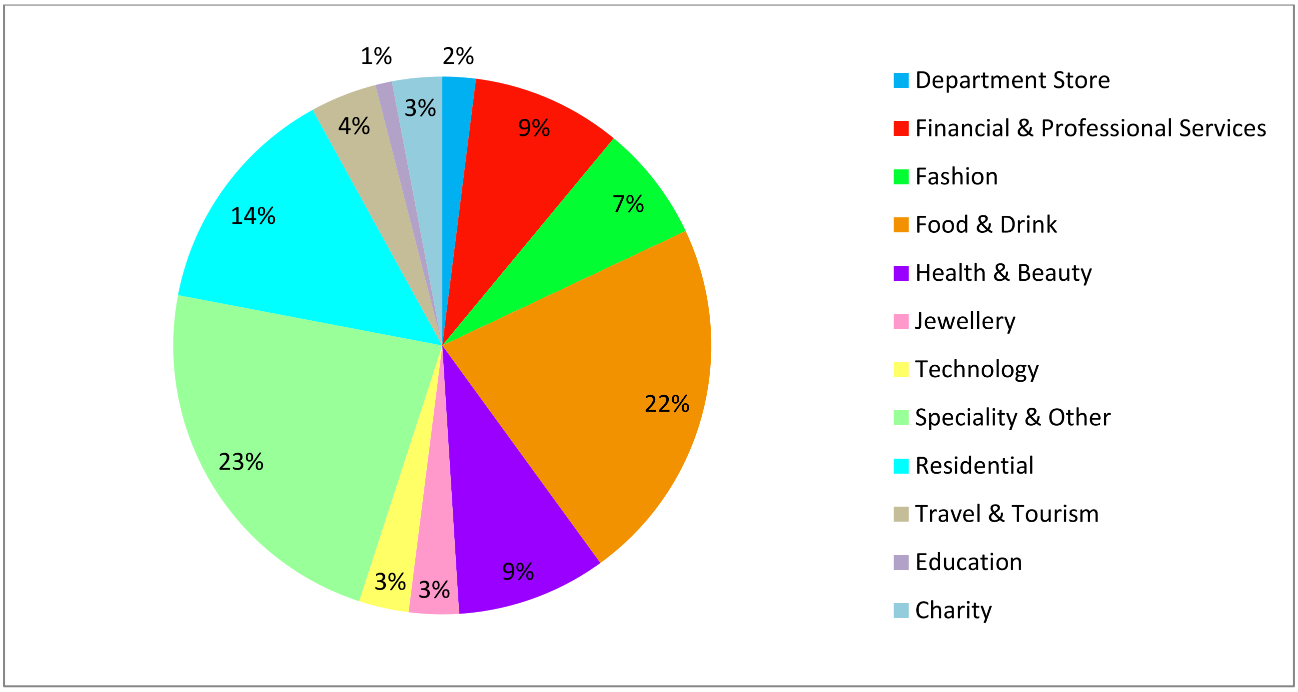
Key findings:

- The vacancy rate for Canterbury in October was 6.0%, the same as September and +0.6% higher than October 2015. The twelve month average for Canterbury is 4.9%.
- 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



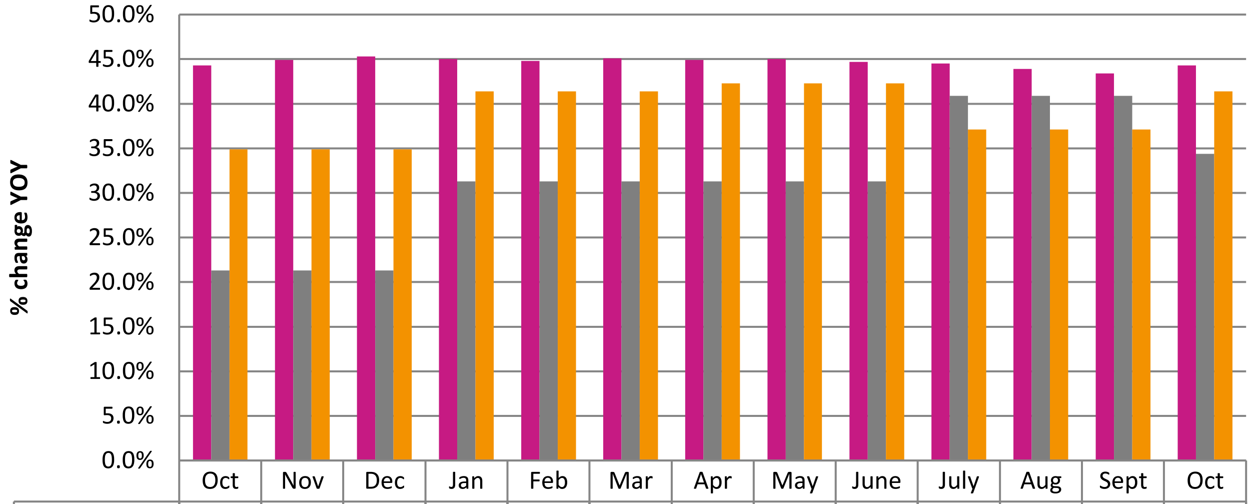
Source: Canterbury Connected BID monthly survey. For a detailed breakdown of the figures please refer to the accompanying Excel spreadsheet for a complete breakdown by street.

Key findings:

- Overall Food and drink premises (22%), 'speciality and other' (23%) and residential (14%) had the highest presence in the city. Education establishments in the city centre (1%) department stores (2%) and Health & Beauty premises (1%) 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



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct
Canterbury	44.3%	44.9%	45.3%	45.0%	44.8%	45.1%	44.9%	45.0%	44.7%	44.5%	43.9%	43.4%	44.3%
South East	21.3%	21.3%	21.3%	31.3%	31.3%	31.3%	31.3%	31.3%	31.3%	40.9%	40.9%	40.9%	34.4%
National	34.9%	34.9%	34.9%	41.4%	41.4%	41.4%	42.3%	42.3%	42.3%	37.1%	37.1%	37.1%	41.4%

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

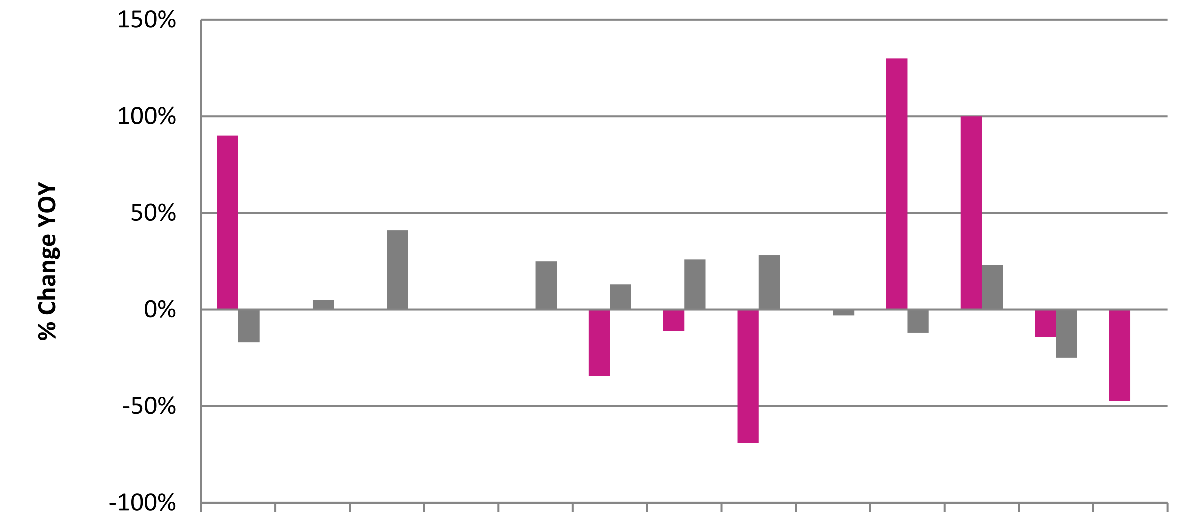
Key findings

- 44.3% of businesses recorded in October were independents, 0.9% more than September, -0.8% less than October 2015, +9.9% more than the average for the South East and +2.9% 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 44.3% 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



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct
Canterbury	90%					-35%	-11%	-69%		130%	100%	-14%	-47%
National	-17%	5%	41%	0%	25%	13%	26%	28%	-3%	-12%	23%	-25%	0%

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.

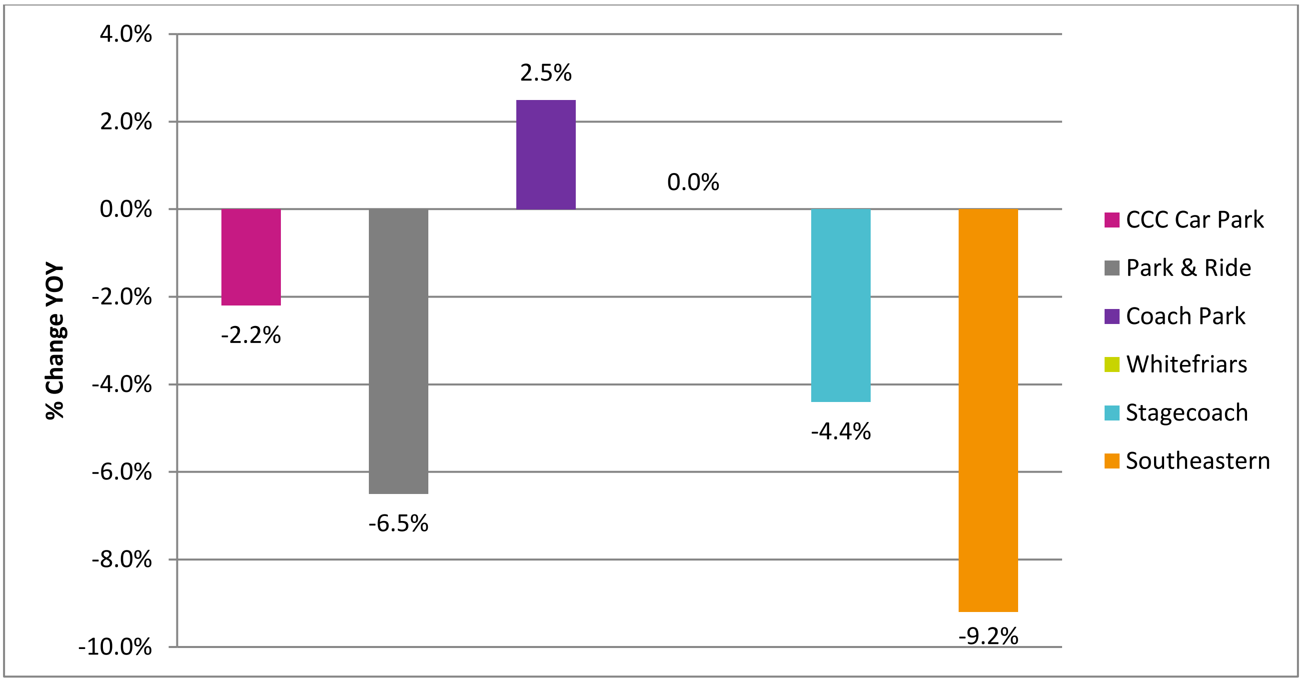
Key findings:

- For Canterbury there was a -47% annual change in registered start-up businesses, which is 57% less than October 2015. 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.
- According to Start-up Britain there were 43,961 start-up businesses in October 2016, which equates to 23,488 more than September and a total of 646,173 over the last twelve months (an average of 53,848 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

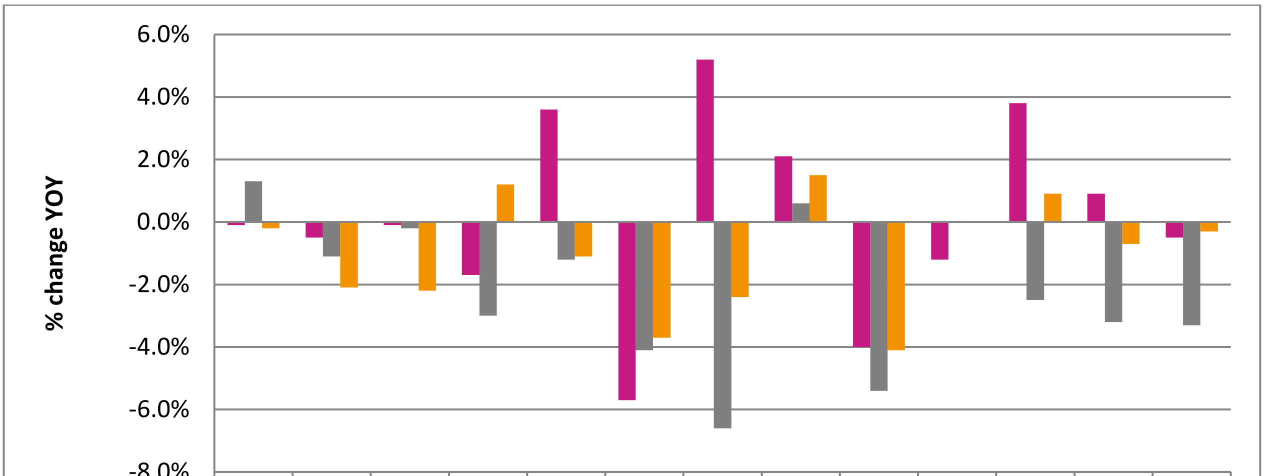


Source: Canterbury City Council Transportation Department, Stagecoach East Kent, Whitefriars shopping centre and Southeastern. For a detailed breakdown of the figures please refer to Table 4.1 in the Appendices section of this report.

Key Findings

- Overall footfall was down -5.0% YOY in October which is a -4.1% decrease on September.
- All transportation methods saw a decline in October apart from coach travel. Southeastern experienced the biggest decrease YOY.

Graph 4.2 – Canterbury footfall rates YOY



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct
Canterbury	-0.1%	-0.5%	-0.1%	-1.7%	3.6%	-5.7%	5.2%	2.1%	-4.0%	-1.2%	3.8%	0.9%	-0.5%
South East	1.3%	-1.1%	-0.2%	-3.0%	-1.2%	-4.1%	-6.6%	0.6%	-5.4%	0.0%	-2.5%	-3.2%	-3.3%
National	-0.2%	-2.1%	-2.2%	1.2%	-1.1%	-3.7%	-2.4%	1.5%	-4.1%	0.0%	0.9%	-0.7%	-0.3%

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

Key Findings

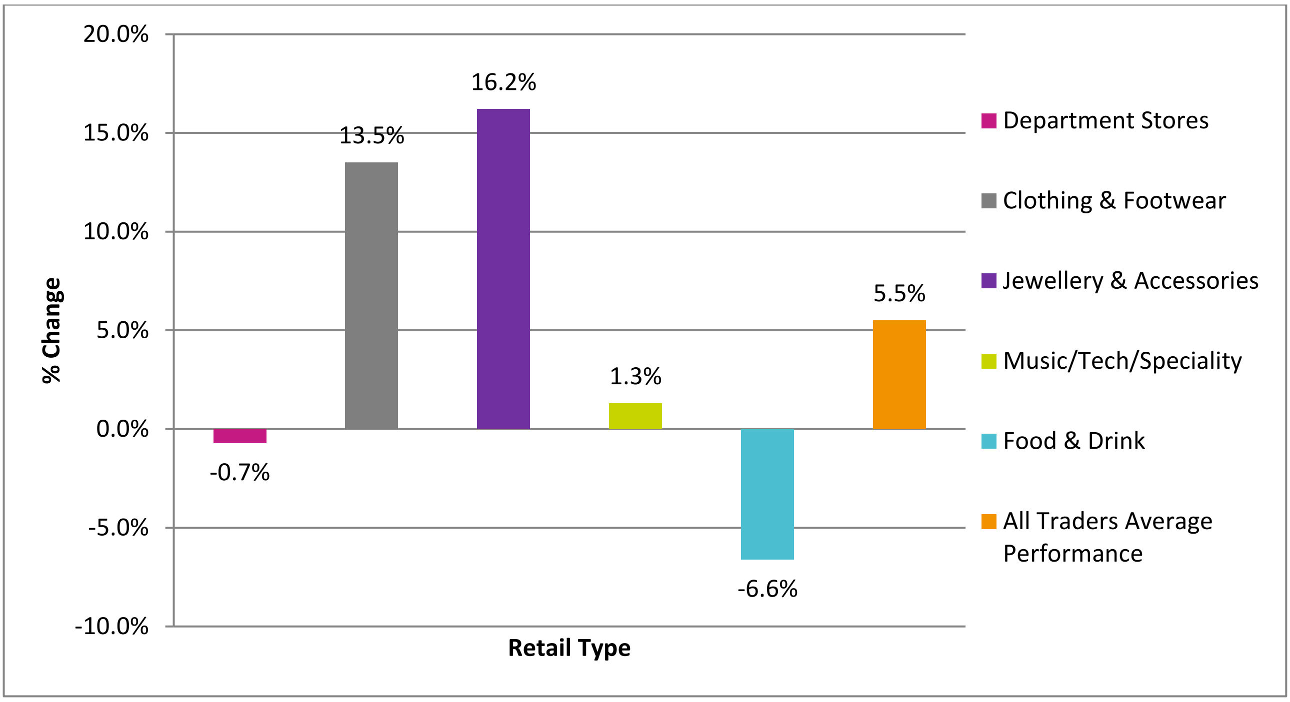
- Footfall in Canterbury was down -0.5% YOY in October, +2.8% higher than the average for the South East and -0.2% lower than the national rate. The twelve month average for Canterbury is +0.2%.
- Nationally:
    - Performance was relatively steady throughout the month, ranging from a high of +1.5% in the first week to a low of -1.4% in the last week. The occurrence of Halloween over the weekend at the very tail end of the fourth week of the month meant that that high streets were offered the maximum opportunity to capitalise on increased purchasing. This appears to be exactly what happened, as footfall in the second half of the month averaged -0.7% compared with -2.1% in the same two weeks in October 2015.
    - There appeared to be a clear geographic split in footfall performance, with five abutting regions recording drops (London, the South East, South West, the West Midland and Wales); whilst in the East, East Midlands and North & Yorkshire footfall rose. The clear underperformer was Northern Ireland with a drop of -11.8%, however, its key characteristic is volatility with noticeable upward and downward swings every two to three months. At the same time, this must be regarded as a warning sign of potential vulnerability as it is the worst result since April 2012 when footfall dropped by -15.1%. The following table provides a breakdown of the footfall rates by region:

Location	% change YOY	Location	% change YOY
England		East	+0.2
Greater London	-0.8	North & Yorkshire	+2.1
West Midlands	-4.1		
South East	-3.3	**Northern Ireland**	-11.8
South West	+0.4	**Wales**	-1.3
East Midlands	+1.5	**Scotland**	-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 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 October there was an overall +5.4% YOY change in sales performance which is a 1.3% increase from October 2015.
  - It's been a spooktacular month for retailers this October, with total sales up 2.4% in the month - continuing the on-going theme of UK shoppers being undeterred by the prospect of Brexit. Children's clothing and accessories performed particularly well, no doubt prompted by Halloween as well as the prospect of colder weather in the months to come. However, it was jewellery and watch sales that seemingly continue to go from strength to strength, suggesting that international shoppers are continuing to clock-in on favourable exchange rates before potential price hikes next year.
    Following disappointing sales in female fashion for some time now, collectively women's clothing fared a little better this month with some growth - undoubtedly welcome news.
- A3 Food and drink establishments had a poor month with a -6.6% decrease in trade which is a -4.1% decrease from September and a -9.0% decrease in comparison to the same month last year.

Graph 5.2 – Average Sales performance YOY

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct
Canterbury	2.2%	0.0%	5.9%	6.5%	0.1%	-2.5%	-0.3%	0.7%	-0.6%	3.5%	0.6%	1.4%	5.4%
National	-0.2%	-0.4%	-0.1%	2.6%	0.1%	-0.7%	-0.9%	0.5%	-0.5%	1.1%	-0.9%	0.4%	1.7%

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

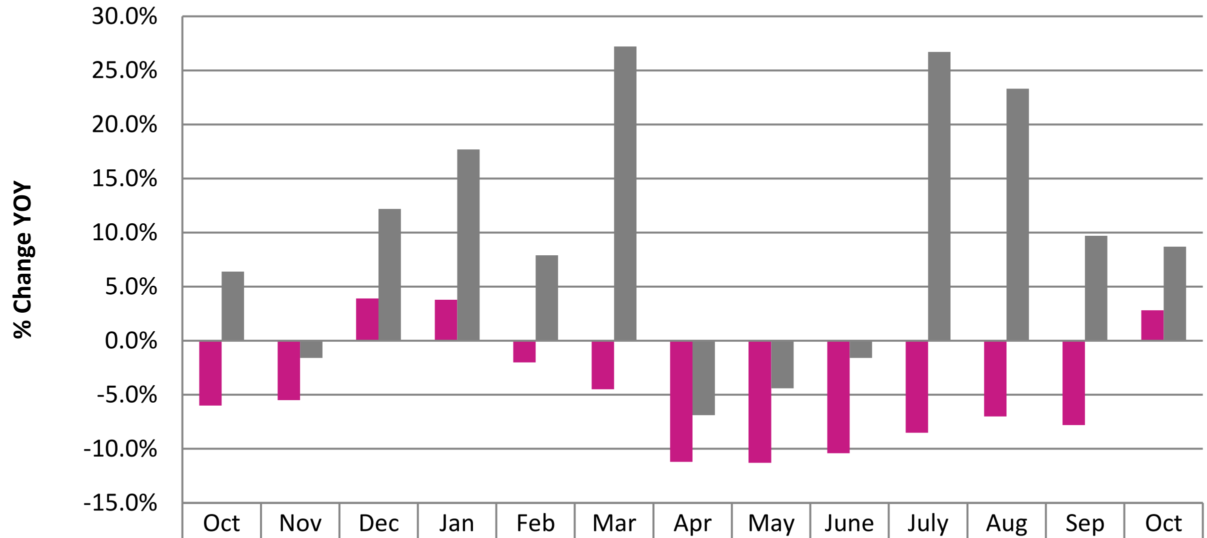
Key findings:

- Sales Performance in September was up +5.4% YOY, up 3.6% on the twelve month average of +1.7% for Canterbury, and up +3.7% on the national rate of +1.7% YOY.
- According to the BRC-KPMG UK Retail Sales Monitor:
    - UK retail sales increased by 1.7% on a like-for-like basis from October 2015, when they had decreased 0.2% from the preceding year.
    - On a total basis, sales rose 2.4%, against a 0.9% increase in October 2015. This is the strongest growth since January, clearly ahead of the 3-month and 12-month averages, both at 1.1%.
    - Over the three-months to October, Food sales increased 0.1% on a like-for-like basis and 1.5% on a total basis, clearly ahead of the 12-month Total average growth of 0.6%.
    - Over the three-months to October, Non-Food retail sales in the UK rose 0.6% on a like-for-like basis and 0.8% on a total basis. This represents a pick-up versus September but remains below the 12-month Total average growth of 1.4%.
    - Over the three-months to October, Online sales grew 11.1% while In-store sales declined 1.3% on a Total basis and 1.5% 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



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct
Canterbury	-6.0%	-5.5%	3.9%	3.8%	-2.0%	-4.5%	-11.2%	-11.3%	-10.4%	-8.5%	-7.0%	-7.8%	2.8%
Kent	6.4%	-1.6%	12.2%	17.7%	7.9%	27.2%	-6.9%	-4.4%	-1.6%	26.7%	23.3%	9.7%	8.7%

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

Key findings:

- In October there was a +2.8% YOY annual change in visitor numbers to visitor attractions in Canterbury which is a +10.6% increase over the month from September. This was mainly due to an excellent and well supported Halloween half-term event coupled with unseasonably warm and clement weather.
- For Kent, there was a +8.7% YOY annual change in visitor numbers to visitor attractions which is a -1.0% increase over the month from September.

Graph 6.2 – Percentage change in Visitor Information Centre Enquires YOY

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct
Canterbury	6.1%	0.8%	19.9%	10.7%	-6.9%	4.5%	-4.7%	-8.2%	-6.1%	-6.6%	1.3%	1.5%	-0.9%
Kent	0.4%	-3.6%	8.3%	-3.7%	3.4%	2.3%	-4.6%	-14.3%	0.4%	-3.5%	-7.3%	0.6%	-3.8%

Source: Visit Kent Business Barometer September 2016.

Key findings:

- For Canterbury there was a total -0.9% YOY annual change in visitor enquiries, a -0.6% decrease over the month from October.
- Visitor Information Centres in Kent had a -3.8% YOY annual change in visitor enquiries, a -4.4% decrease over the month from October.
- According to Visit Kent's Business Barometer 55% of visitors to Canterbury's VIC were domestic visitors, 5% long haul visitors and 40% were European visitors.

Events

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

- 06: Student Shopping Night 2016
- 08-09: A weekend of events to celebrate The Marlowe Theatre's 5th anniversary
- 15 - 5: Canterbury Festival
- 17: Christmas Lights Switch On
- 22: University of Kent Open Day
- 26: Developing Sales Workshop

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