



**Canterbury
Connected**

BUSINESS IMPROVEMENT DISTRICT

Canterbury City Centre

Performance Report

July 2015

Canterbury City Centre Performance Report – July 2015

Executive summary

Welcome to the July 2015 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

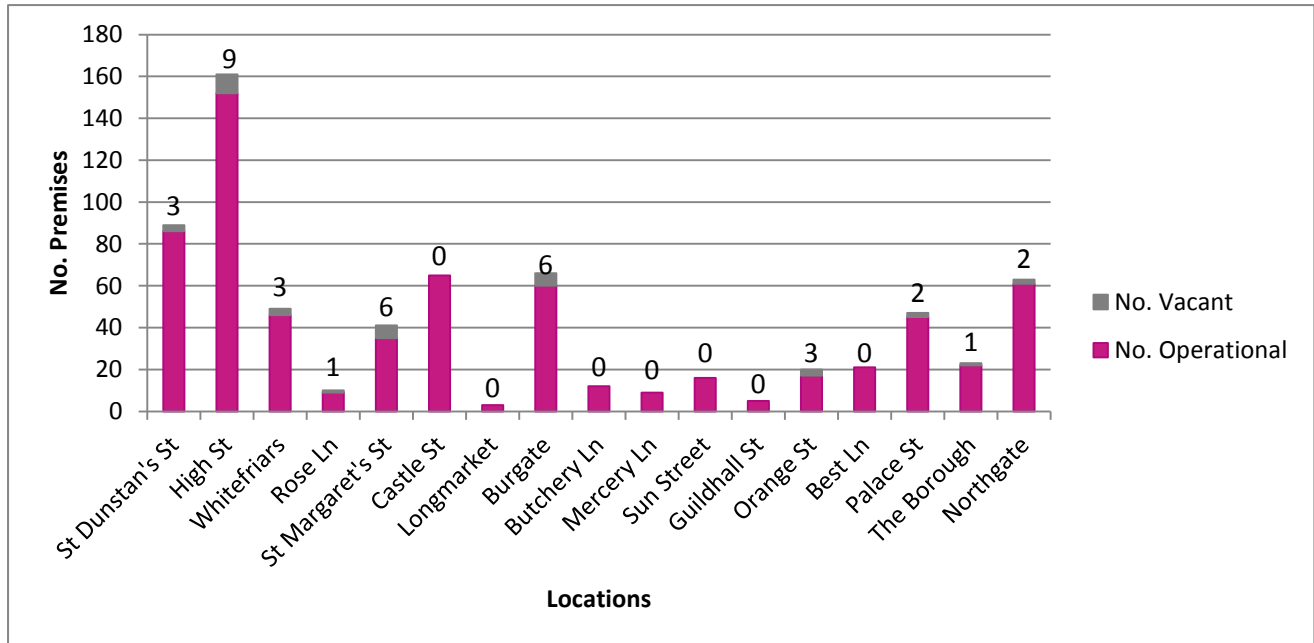
Indicator	Trend	Comment
Premises vacancy rates	●	The vacancy rate for Canterbury in July was 5.4%, 0.2% lower than June and the same as July 2014. The vacancy rate for the Southeast in Q3 2015 was 9.8%, 1.0% higher than in Q2 and 1.6% higher compared to this time last year.
Premises type	●	Canterbury has a good healthy mix of premises types with specialty (24%) and food outlets (23%) having the highest presence. Overall 34% of Canterbury's retailers are multiples and 44% are independents.
Business start-up rates	●	For Canterbury there was a -66% annual change in registered start-up businesses, a -116% decrease over the month from June and a -239% 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.
City Centre footfall	●	Overall footfall was up +0.4% YOY in July which is a -3.7% decrease on June (+4.1 %YOY) and a -4.4% decrease on July 2014, +2.8% higher than the average for the South East and +1.5% higher than the national average. The twelve month average for Canterbury is +4.0%.
Business Sales Performance	●	In July there was an overall +0.3% YOY change in sales performance, which is a +1.1% increase from June and a -5.2% decrease in comparison to the same time last year. A1 retailers had a stable month up +0.3% YOY and food and drink establishments had a better month up +0.5% YOY.
Tourism	●	Visitor numbers to visitor attractions in Canterbury were down -16.7% YOY (-4.5% YOY in June). For Kent, attraction visitor numbers were up -5.8% YOY (+3.7% YOY in June). 50% of visitors to Canterbury were domestic, 20% long haul and 30% 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 July a survey of 17 key streets within Canterbury City Centre was undertaken. A total number of 664 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

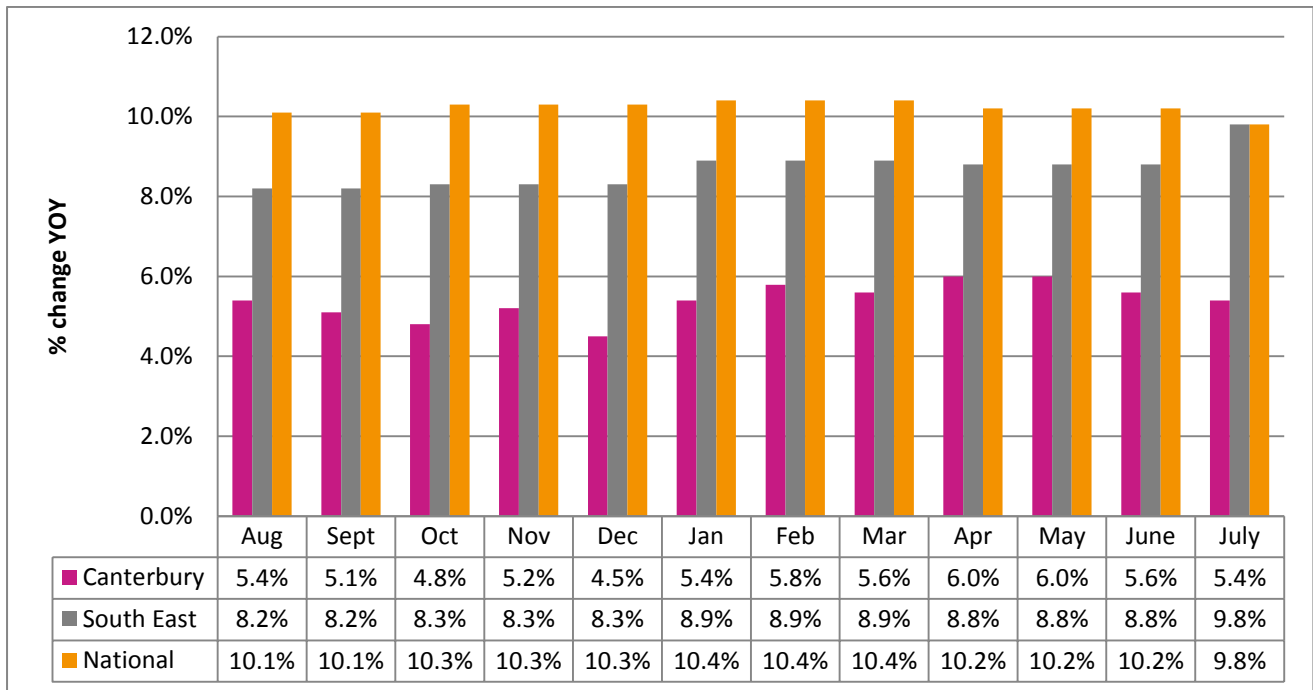


Source: Canterbury Connected BID survey July 2015.

Key findings:

- A total number of 36 businesses premises were recorded as vacant in July, 1 less than in June and the same as June 2014.
- The High Street, St Margarets Street and Burgate had the highest number of empty premises whilst Castel Street, 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, Orange Street had the highest vacancy rate (18%).

Graph 1.2 - Premises vacancy rates YOY



Source: Canterbury Connected BID survey July 2015 and the British Retail Consortium and Springboard reports which are gathered on a quarterly basis in January, April, July and October.

Key findings:

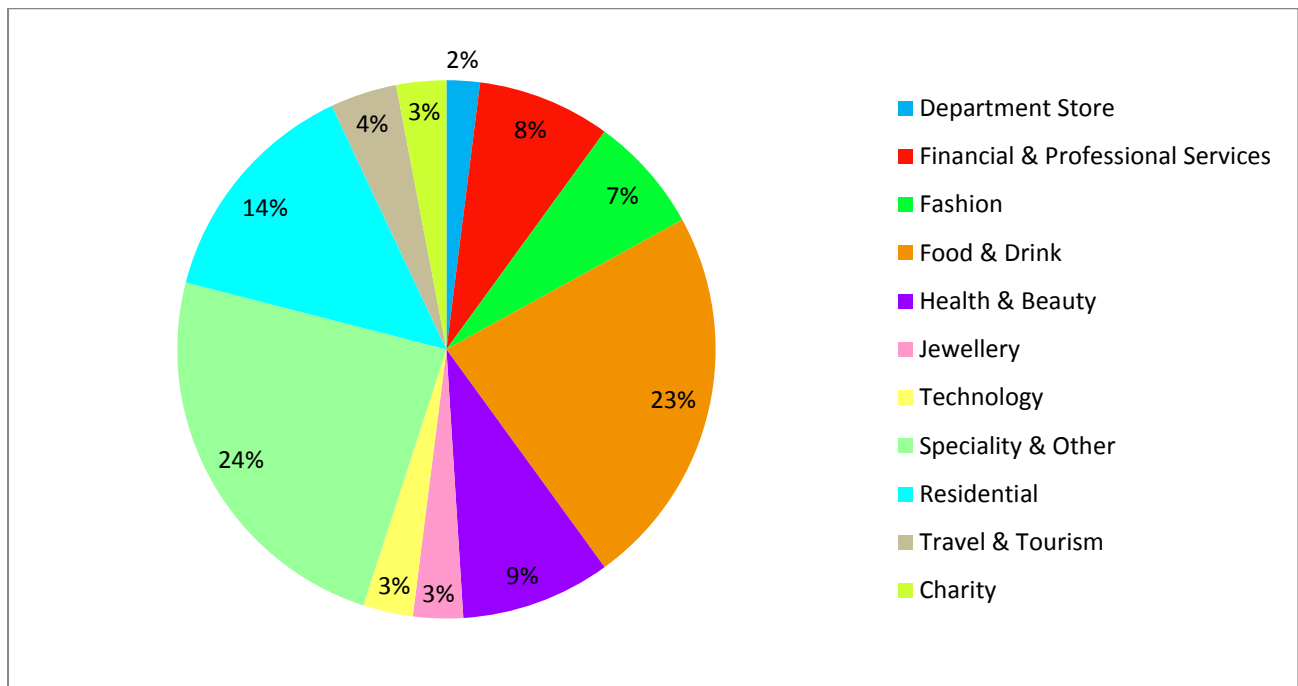
- The vacancy rate for Canterbury in July was 5.4%, 0.2% lower than June and the same as July 2014.
- The vacancy rate for the Southeast in Q3 2015 was 9.8%, 1.0% higher than in Q2 and 1.6% higher compared to this time last year
- Canterbury had the third lowest vacancy rate of the 12 towns in the South East that published their results in the Springboard Quarterly Vacancy Rate Survey Q3 2015.
- The national town centre vacancy rate was 9.8% in Q3 2015, 0.4% lower than Q2 rate and 0.3% lower compared to this time last year.
- The following table provides a breakdown of the vacancy rates by region:

Location	Vacancy rates – Q2 2015	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	6.8%	
West Midlands	10.1%	
South East	9.8%	
South West	8.2%	
East Midlands	9.3%	
East	8.4%	
North & Yorkshire	11.3%	
Northern Ireland	17.3%	
Wales	9.8%	
Scotland	10.6%	
National	9.8%	

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



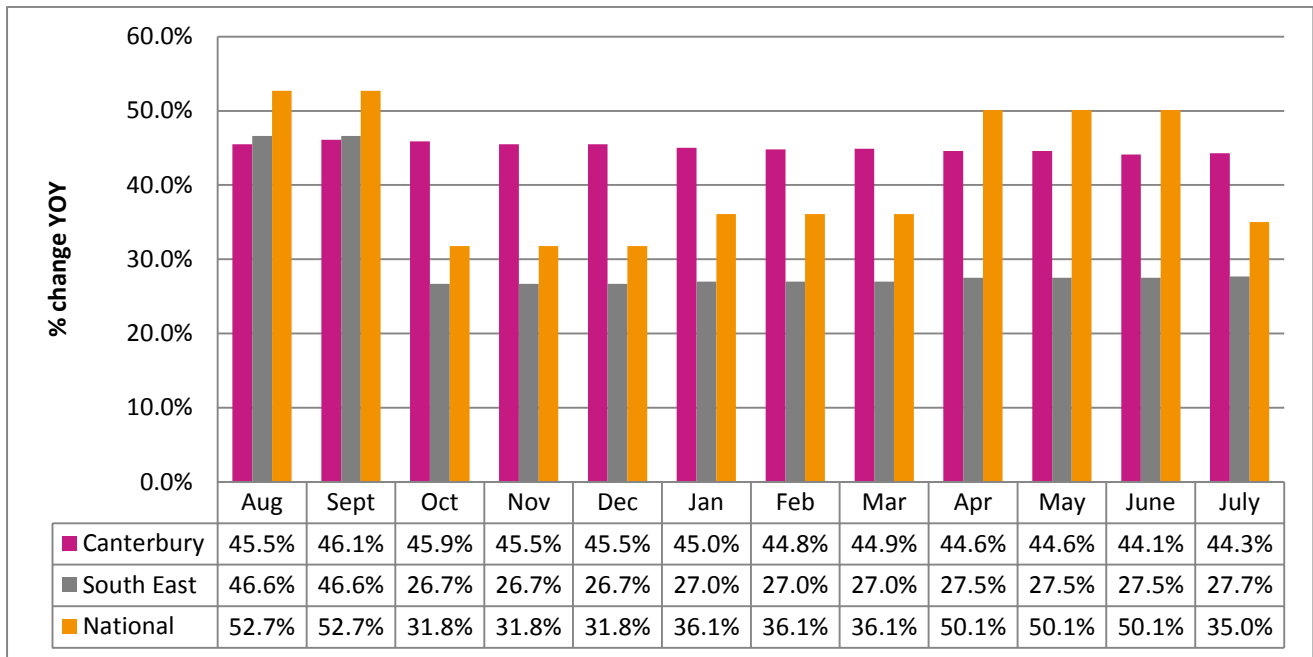
Source: Canterbury Connected BID survey July 2015.

Key findings:

- Overall 'speciality and other' (24%), Food and drink premises (23%) and residential (14%) have the highest presence in the city. 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



Source: Canterbury Connected BID survey July 2015 and Springboard’s quarterly reports which are gathered in January, April, July and October.

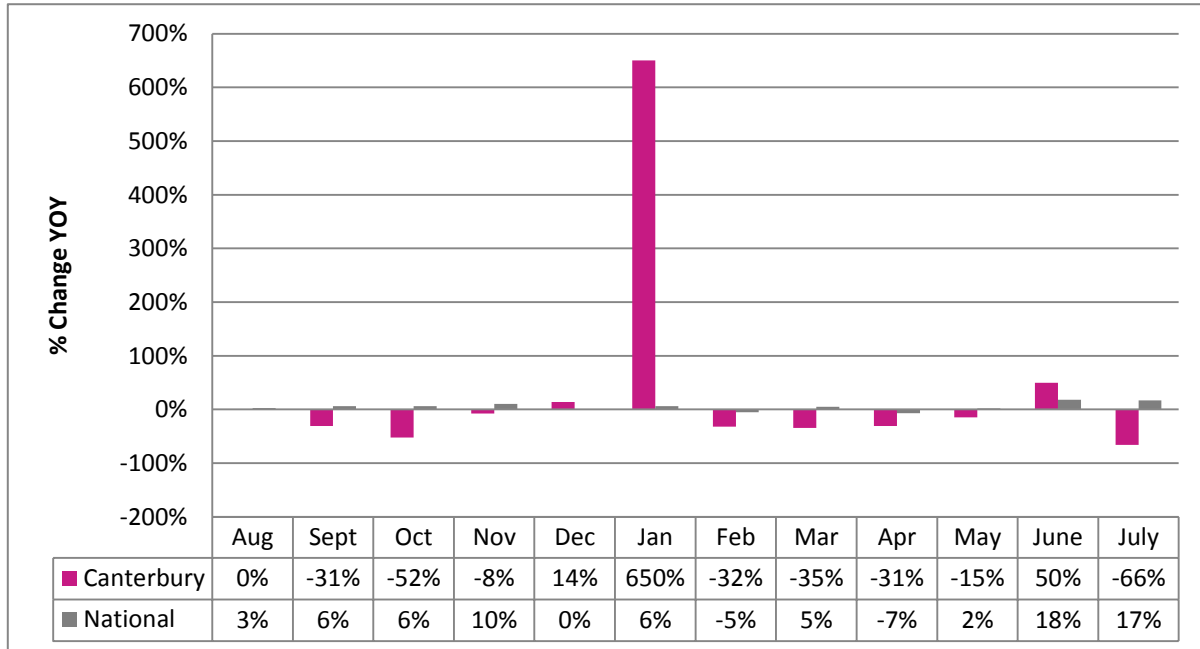
Key findings

- 44.3% of businesses recorded in July were independents, +0.2% higher than June, -0.6% lower than July 2014, +16.6% higher than the average for the South East and +9.3% higher than the national average.
 - Longmarket had the highest number of multiples (100%) followed by Whitefriars (91%) and Rose Lane (89%) which is unsurprising as they are managed developments.
 - Sun Street had the highest number of independent businesses (88%) followed by Palace Street (78%) and The Borough (77%).
- Overall based on the survey area, 34% of retailers are multiples and 45% 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.

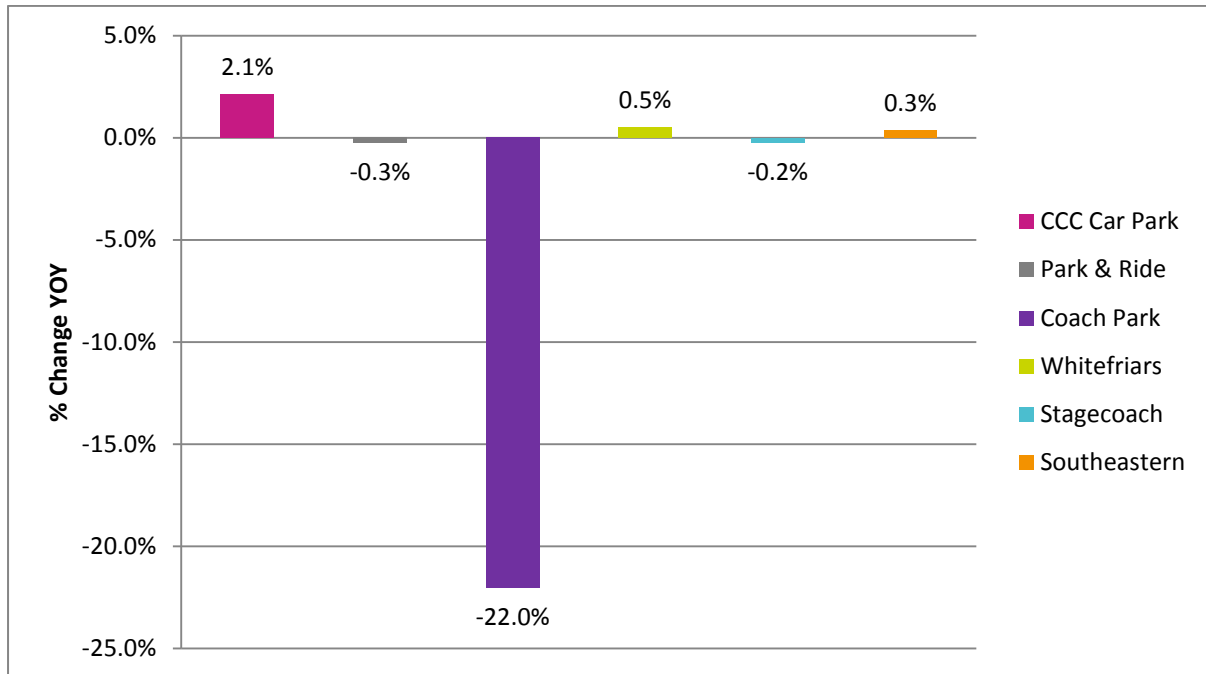
Key findings:

- For Canterbury there was a -66% annual change in registered start-up businesses, a -116% decrease over the month from June and a -239% 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 180 registered start-up businesses which equates to an average of 15 per month in Canterbury.
- According to Start-up Britain there were 49,763 start-up businesses in July 2015, which equates to 62 less than in June and a total of 594,913 over the last twelve months (an average of 49,576 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

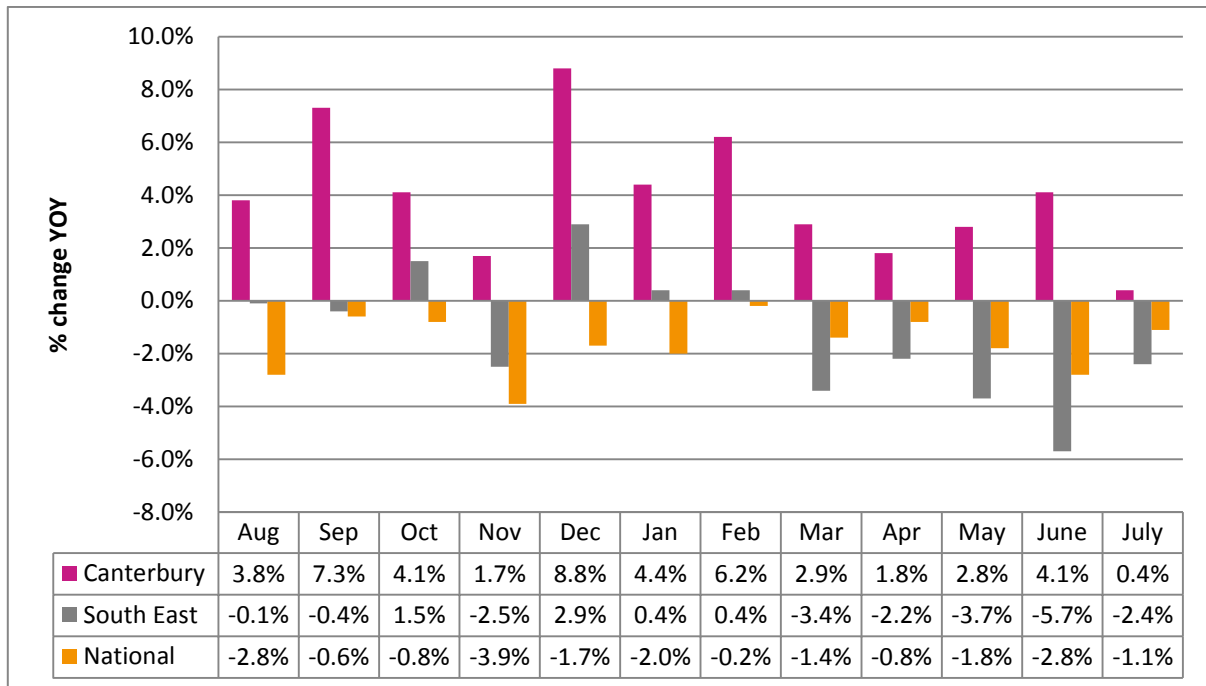


Source: Canterbury City Council Transportation Department Car Park data, Stagecoach East Kent, Whitefriars Car Park Data and Southeastern.

Key Findings

- Overall footfall was up +0.4% YOY in July which is a -3.7% increase on June (+4.1 %YOY) and a -4.4% decrease on July 2014.
- Car and train travel saw an increase whilst all other transportation methods saw a decrease in usage YOY. The most significant decrease is from the coach park which with the exception of September 2014 has seen a decline in usage YOY over the last twenty two months. The increase in the coach parking charges could have had an impact on this result.

Graph 4.2 – Canterbury footfall rates YOY



Source: Canterbury Connected BID survey July 2015 and Springboard - ATCM High Street Index monthly report.

Key Findings

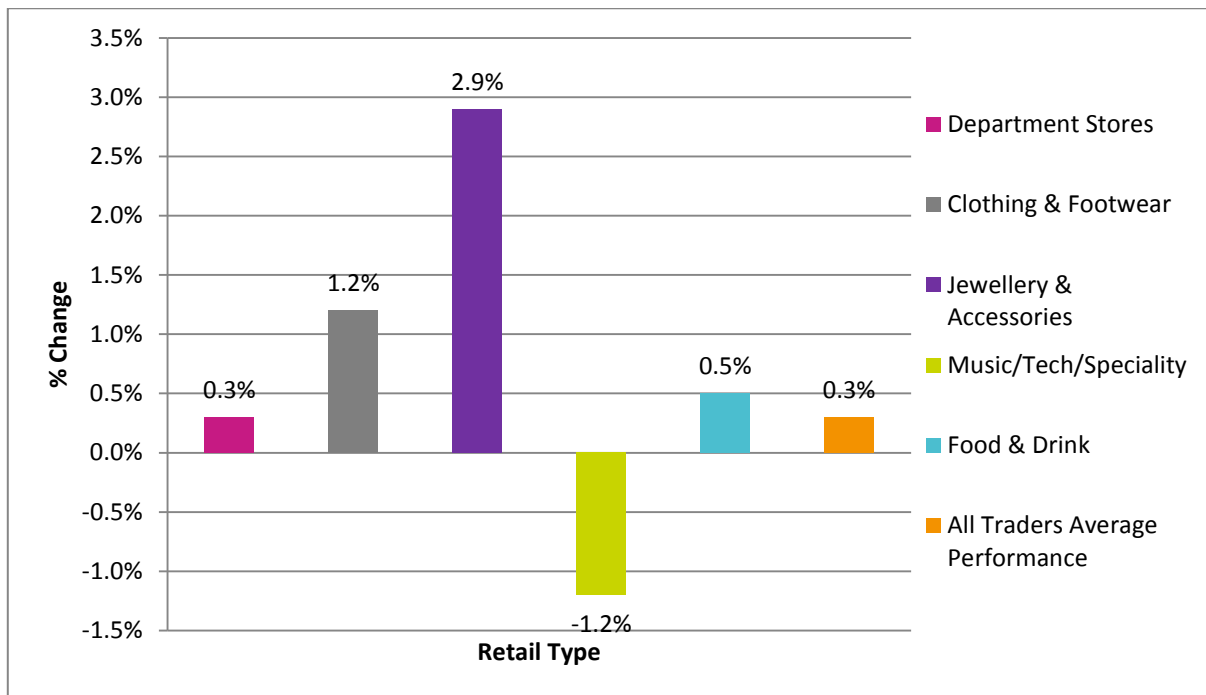
- Footfall in Canterbury was up +0.4% in July, +2.8% higher than the average for the South East and +1.5% higher than the national average. The twelve month average for Canterbury is +4.0%.
- Nationally:
 - Footfall in July was 1.1% lower than a year ago, up from the 1.5% fall in June. This was slightly above the three month average of -1.2%.
 - Both High Streets and Shopping Centres reported a decline, falling 2.2% and 2.5% respectively.
 - Footfall in retail park locations fared the best with a 3.1% increase year-on-year, the highest figure since May 2014, excluding Easter distortions.
 - Two regions and countries reported footfall above the UK average, with Greater London the only region to report positive footfall growth.
 - The national town centre vacancy rate was 9.8% in July 2015, down from the 10.2% rate reported in April 2015. This is the lowest reported rate since we began reporting the data in July 2011.
 - The following table provides a breakdown of the footfall rates by region:

Location	% change YOY	Location	% change YOY
England		Northern Ireland	-4.5
Greater London	0.4	Wales	-4.4
West Midlands	-1.7	Scotland	-2.4
South East	-2.4		
South West	-1.3		
East Midlands	-0.7		
East	+1.5		
North & Yorkshire	-3.0		

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 illustrates business' average percentage change in sales compared to the same month in 2014.

Graph 5.1 – Average Sales performance of businesses YOY

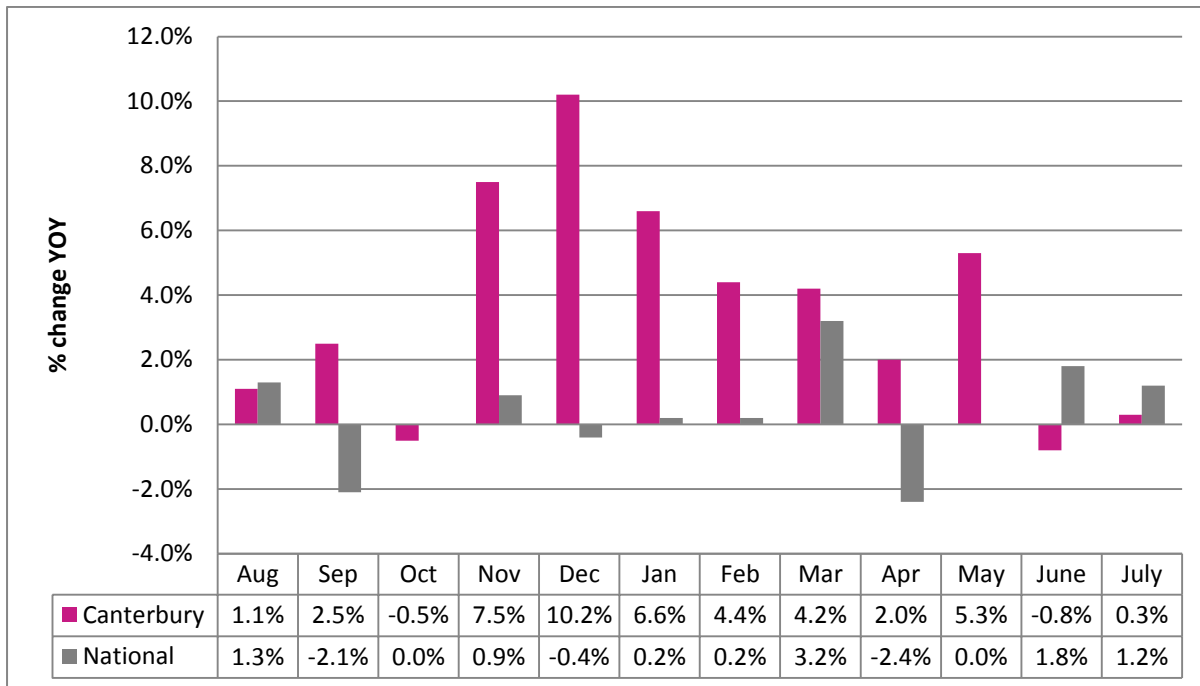


Source: Canterbury Connected BID July 2015 Business Survey of Average Sales Performance based on 29 respondents.

Key findings:

- In July there was an overall +0.3% YOY change in sales performance, which is a +1.1% increase from June and a -5.2% decrease in comparison to the same time last year.
- A1 retailers had a stable month with a +0.3% change in sales performance YOY, which is a +0.5% increase from June and a -5.0% decrease in comparison to the same month last year. Retail sales remained positive in July as consumer confidence improved with disposable income being spent on more discretionary purchases. Heading into the start of school summer holidays, sales of footwear and fashion were given a boost as families kitted out ready for the holidays.
- A3 Food and drink had a better month with a +0.5% increase in trade which is a +5.0% increase from June but a -5.7% decrease in comparison to the same month last year.

Graph 5.2 – Average Sales performance YOY



Source: Canterbury Connected BID July 2015 Business Survey of Sales Performance and BRC-KPMG UK Retail Sales Monitor.

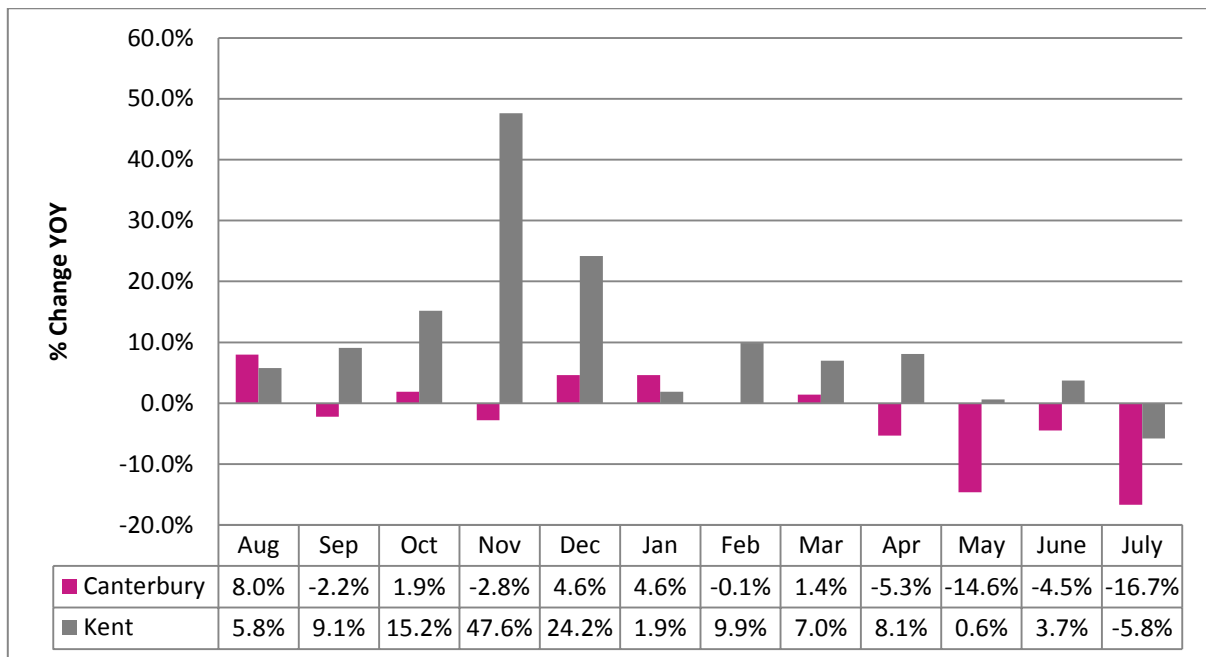
Key findings:

- Sales Performance in July was up +0.3% YOY, down -3.3% on the twelve month average of +3.6% for Canterbury and -0.9% lower than the national rate of +1.2% YOY.
- According to the BRC-KPMG UK Retail Sales Monitor:
 - UK retail sales increased 1.2% on a like-for-like basis from July 2014, when they had decreased 0.3% on the preceding year.
 - On a total basis, sales were up 2.2%, against a 1.3% rise in July 2014.
 - Total Food sales fell for the first time this year, excluding Easter distortions. In the three months to July, total Food sales were up 0.1%. Non-Food sales grew 3.7% over the same period, showing strong underlying momentum for Non-Food.
 - Furniture, Home Accessories and House Textiles formed three of the top four performing categories, supported by a robust housing market.
 - Online sales of Non-Food products in the UK grew 14.7% in July versus a year earlier, when they had grown 14.9%. The Non-Food online penetration rate was 17.6%, up from 16.5% in July 2014.

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

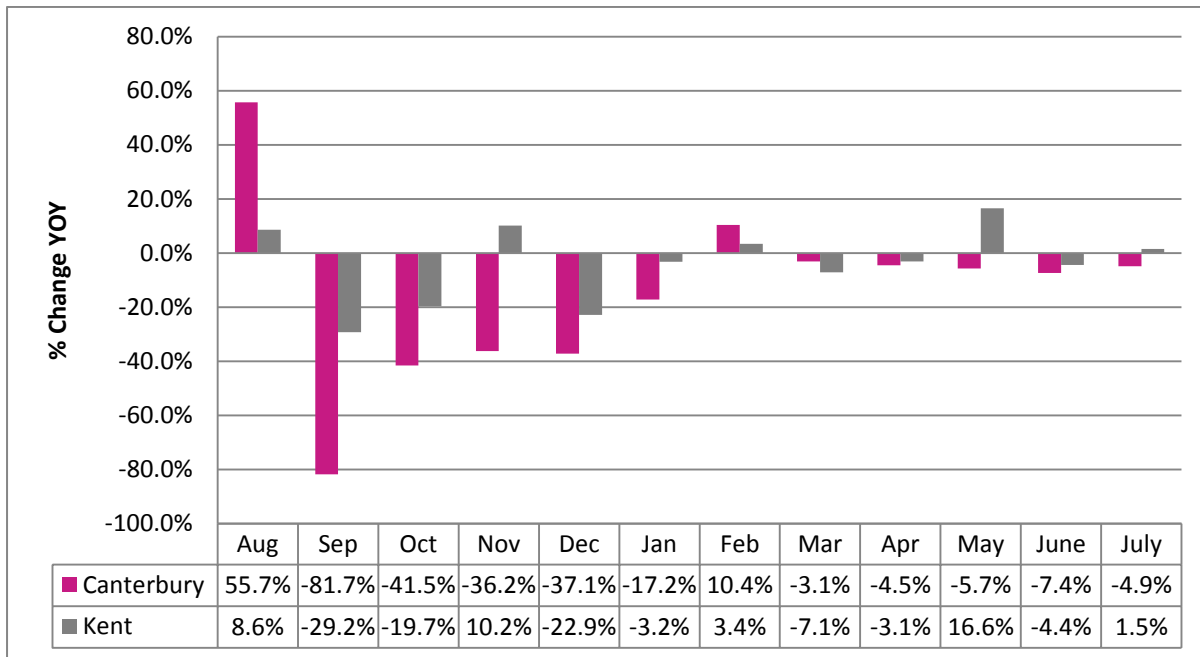


Source: Canterbury Connected BID survey of members, Canterbury City Council attraction figures and Visit Kent Business Barometer, July 2015

Key findings:

- In July there was a -16.7% annual change in visitor numbers to visitor attractions in Canterbury, a -12.2% decrease over the month from June and a -25.0% decrease in comparison to the same time last year. The strength of the Pound against the Euro is partially to blame for this result as well as safety concerns in light of the Charlie Hebdo attack in France and Operation Stack.
- For Kent, there was a -5.8% annual change in visitor numbers to visitor attractions which is a -9.5% decrease over the month from June and a -6.5% decrease in comparison to the same time last year.

Graph 6.2 – Percentage change in Visitor Information Centre Enquires YOY



Source: Visit Kent Business Barometer, July 2015.

Key findings:

- For Canterbury there was a total -4.9% annual change in visitor enquiries, a +2.5% increase over the month from June but a -57.4% decrease in comparison to the same time last year.
- Visitor Information Centres in Kent had a +1.5% annual change in visitor enquiries, a +5.9% increase over the month from June and a -22.6% decrease in comparison to the same time last year.
- According to Visit Kent’s July Business Barometer 50% of visitors to Canterbury’s VIC were domestic visitors, 20% long haul visitors and 30% were European visitors.

Events

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

- 1 – Canterbury Cathedral ordinations
- 9 – 12: Whitefriars Garden & Home Show
- 13 – 16: University of Kent Summer Graduation Ceremonies
- 15 – 19: Italian Market in Whitefriars Square
- 20: Canterbury Cathedral Heritage Open Day
- 25 – 31 : Whitefriars Summer Festival
- 27: Whitefriars Teddy Bears Picnic
- 30: Whitefriars CBeebies' TV Gardener Mr Bloom event