Canterbury Connected

BUSINESS IMPROVEMENT DISTRICT

Canterbury City Centre

Performance Report

March 2015

Canterbury City Centre Performance Report – March 2015

Executive summary

Welcome to the March 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

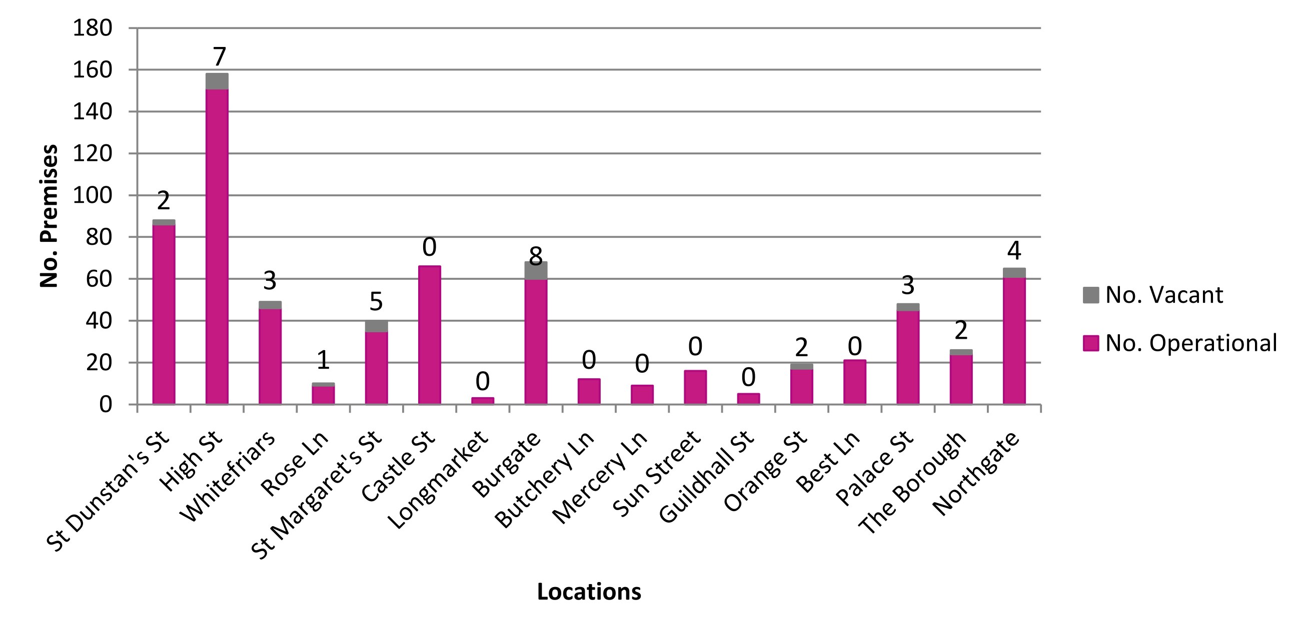
Indicator	Trend	Comment
Premises vacancy rates	🟢	The vacancy rate for Canterbury in March was 5.6%, 0.2% lower than February and 0.6% lower than March 2014. The vacancy rate for the Southeast in Q1 2015 was 8.9% and the national town centre vacancy rate was 10.4%.
Premises type	🟡	Canterbury has a good healthy mix of premises types with specialty (24%) and food outlets (23%) having the highest presence. Overall 33% of Canterbury's retailers are multiples and 45% are independents.
Business start-up rates	🔴	For Canterbury there was a -35% annual change in registered start-up businesses, a -3% decrease over the month from February and a -171% 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 +2.9% YOY in March which is a -3.3% decrease on February (+6.2 YOY), a -4.0% decrease on March 2014, +6.3% higher than the average for the South East and +4.3% higher than the national average. The twelve month average for Canterbury is +4.3%.
Business Sales Performance	🟢	In March there was an overall +4.2% YOY change in sales performance, which is a -0.2% decrease from February but a -10.1% decrease in comparison to the same time last year. A1 retailers had a good month up +3.9% YOY and food and drink establishments also had a good month up +5.6% YOY.
Tourism	🟢	Visitor numbers to visitor attractions in Canterbury were up -1.4% YOY (-0.1% YOY in February). For Kent, attraction visitor numbers were up +7.0% YOY (+9.9% YOY in February). 55% of visitors to Canterbury were domestic, 5% long haul and 40% 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 March a survey of 17 key streets within Canterbury City Centre was undertaken. A total number of 666 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

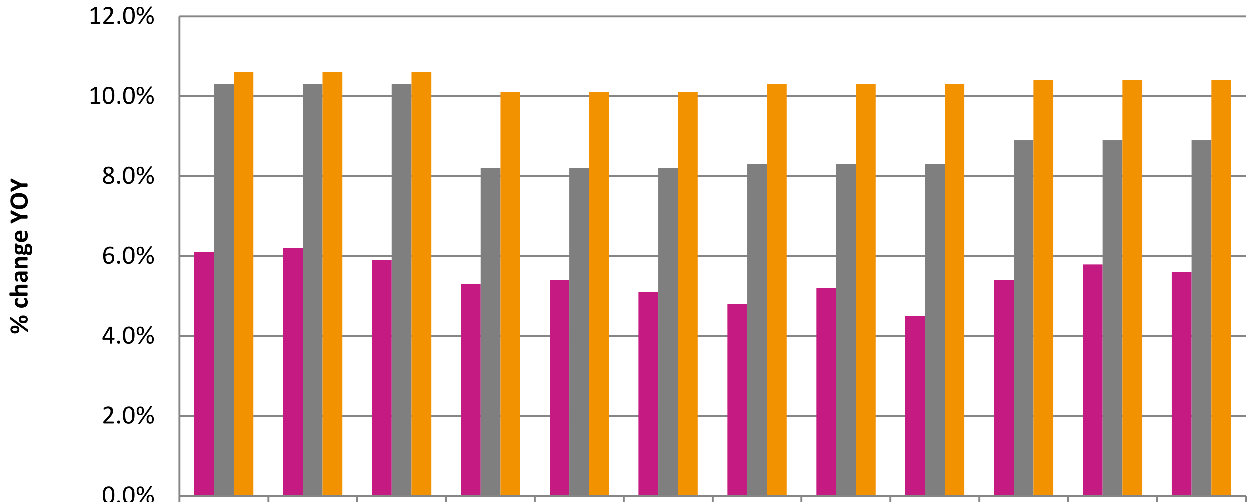


Source: CCP March survey 2015. For a detailed breakdown please refer to Table 1.1 in the Appendices.

Key findings:

- A total number of 37 businesses premises were recorded as vacant in March, which is 1 less than in February and 3 less than in March 2014.
- The High Street, St Margarets Street and Burgate had the highest number of empty premises whilst Castle 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, St Margarets Street had the highest vacancy rate (14%).

Graph 1.2 - Premises vacancy rates YOY



	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Canterbury	6.1%	6.2%	5.9%	5.3%	5.4%	5.1%	4.8%	5.2%	4.5%	5.4%	5.8%	5.6%
South East	10.3%	10.3%	10.3%	8.2%	8.2%	8.2%	8.3%	8.3%	8.3%	8.9%	8.9%	8.9%
National	10.6%	10.6%	10.6%	10.1%	10.1%	10.1%	10.3%	10.3%	10.3%	10.4%	10.4%	10.4%

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

Key findings:

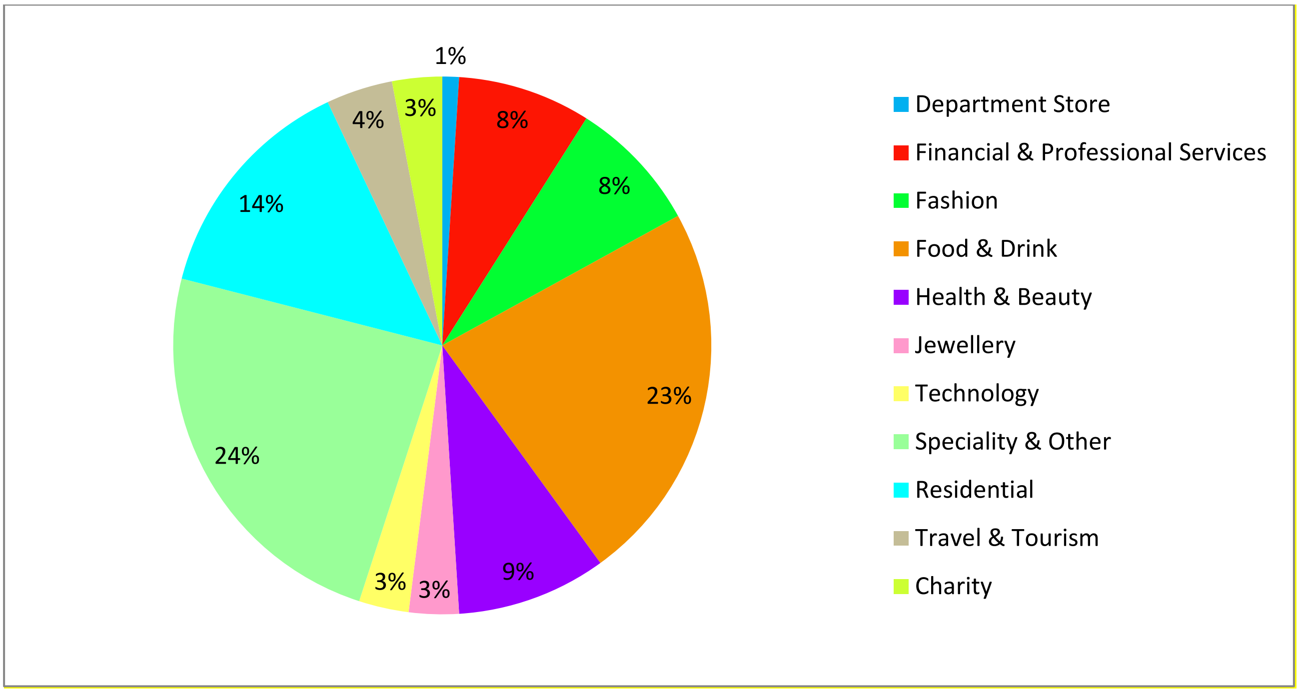
- The vacancy rate for Canterbury in March was 5.6%, -0.2% lower than February and -0.6% lower than March 2014.
- The vacancy rate for the Southeast in Q1 2015 was 8.9% (+0.6% higher than in Q4 2014). Canterbury had the 8th lowest vacancy rate of the 26 towns in the South East that published their results in the Springboard Quarterly Vacancy Rate Survey Q1 2015.
- The national town centre vacancy rate was 10.4% in Q1 2015, +0.1% higher than Q4 2014 rate and -0.6% lower compared to this time last year.
- The following table provides a breakdown of the vacancy rates by region:

Location	Vacancy rates – Q1 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	7.1%	
West Midlands	15.4%	
South East	8.9%	
South West	9.9%	
East Midlands	9.6%	
East	6.8%	
North & Yorkshire	10.3%	
Northern Ireland	16.3%	
Wales	9.9%	
Scotland	9.7%	
National	10.4%	

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



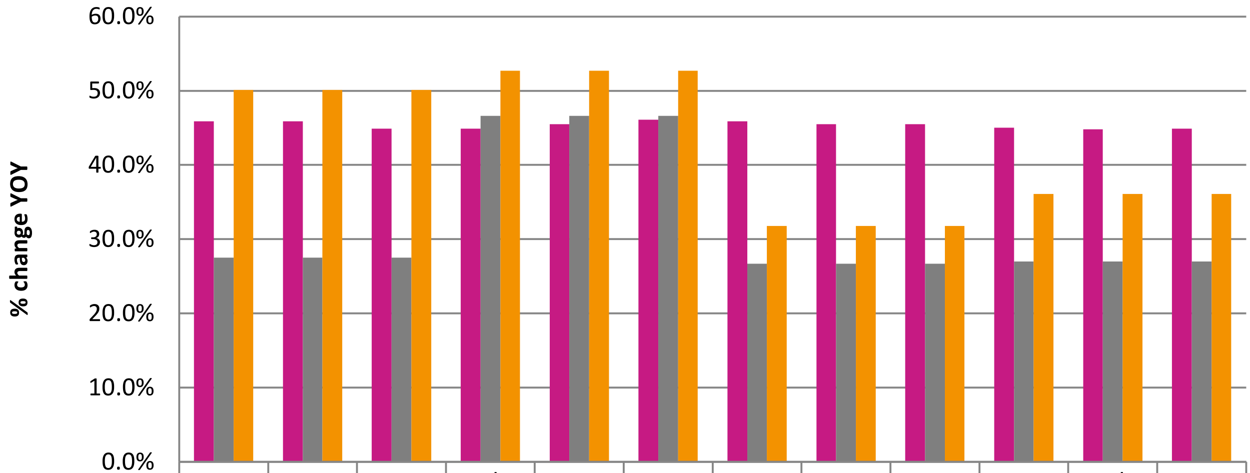
Source: CCP March survey 2015.

Key findings:

- Overall 'speciality and other' and Food and drink premises type have the highest presence in the city (24% and 23% respectively) followed by residential (14%). Department stores had the lowest presence (1%).

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



	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Canterbury	45.9%	45.9%	44.9%	44.9%	45.5%	46.1%	45.9%	45.5%	45.5%	45.0%	44.8%	44.9%
South East	27.5%	27.5%	27.5%	46.6%	46.6%	46.6%	26.7%	26.7%	26.7%	27.0%	27.0%	27.0%
National	50.1%	50.1%	50.1%	52.7%	52.7%	52.7%	31.8%	31.8%	31.8%	36.1%	36.1%	36.1%

Source: CCP March survey 2015 and Springboard's quarterly reports which are gathered in January, April, July and October.

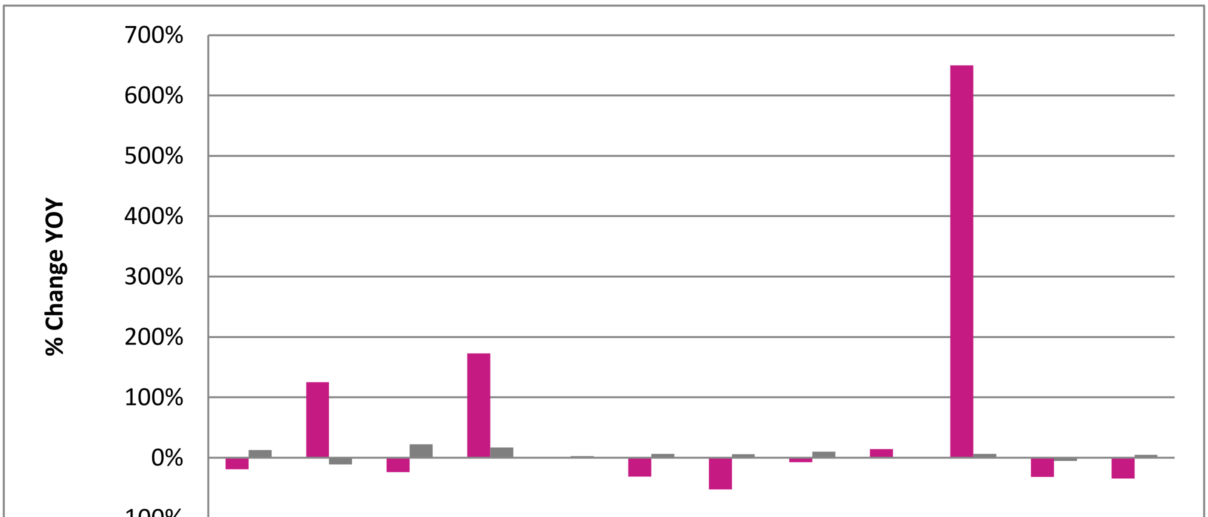
Key findings

- 44.9% of businesses recorded in March were independents, which is +0.1% higher than in February 2015, -0.8% lower than March 2014, +17.9% higher than the average for the South East and +8.8% 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 (75%).
- Overall based on the survey area, 33% of retailers are multiples and 45% are independents and 22% 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



	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Canterbury	-19%	125%	-24%	173%	0%	-31%	-52%	-8%	14%	650%	-32%	-35%
National	13%	-11%	22%	17%	3%	6%	6%	10%	0%	6%	-5%	5%

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

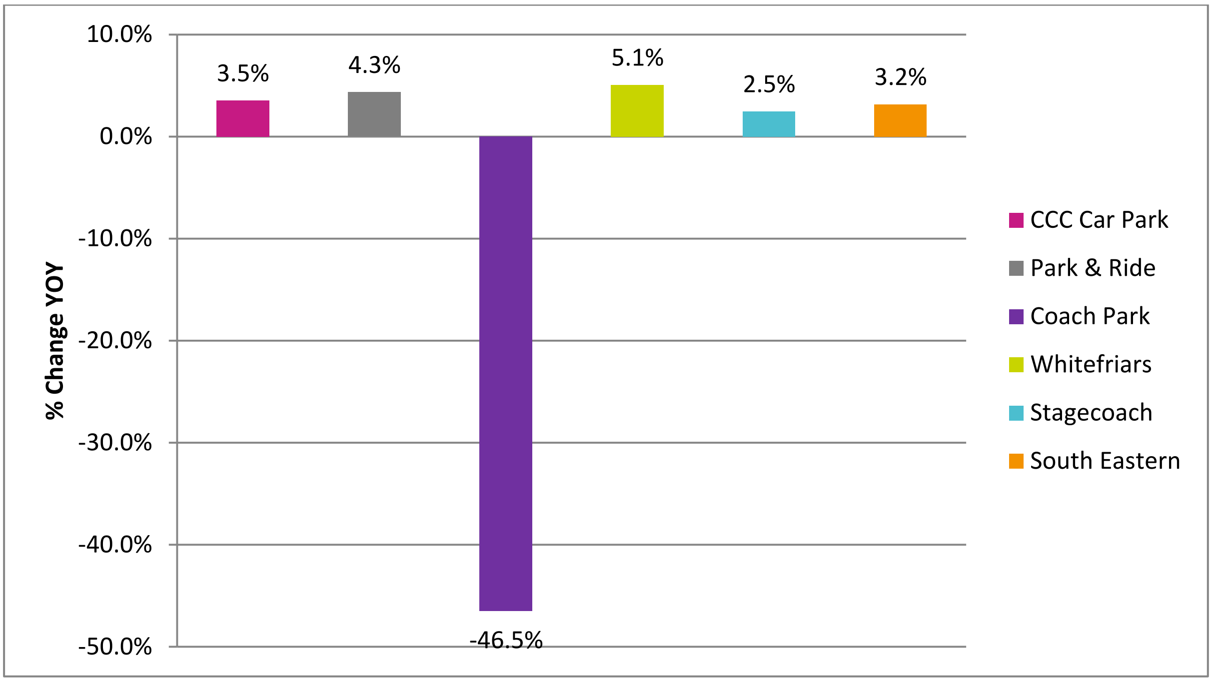
Key findings:

- For Canterbury there was a -35% annual change in registered start-up businesses, a -3% decrease over the month from February and a -171% 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 189 registered start-up businesses which equates to an average of 15 per month in Canterbury.
- According to Start-up Britain there were 58,513 start-up businesses in March 2015, which equates to 10,770 more than in February and a total of 584,607 over the last twelve months (an average of 48,717 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

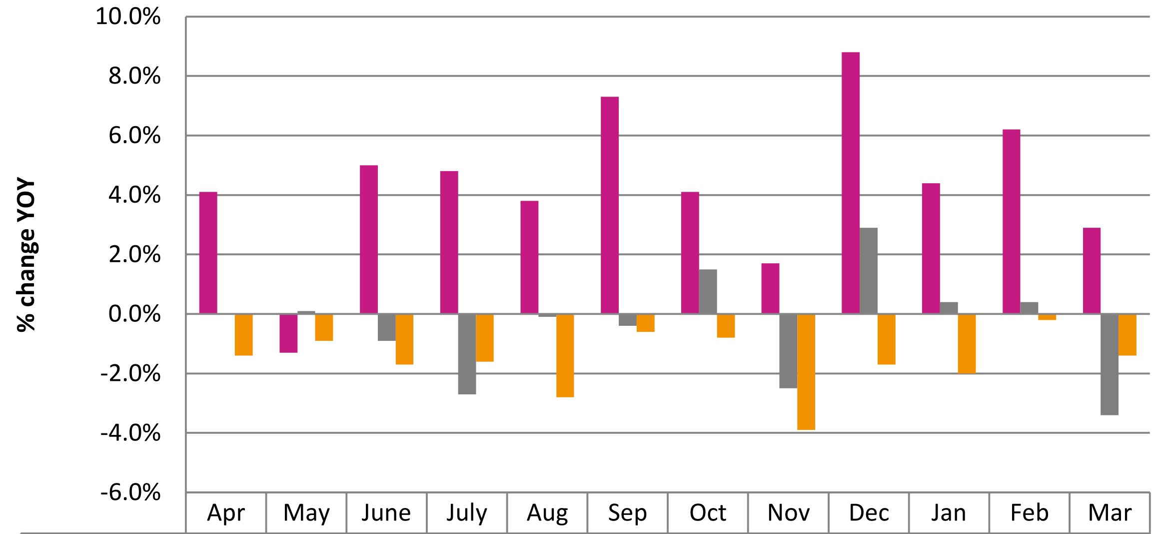


Source: Canterbury City Council Transportation Department Car Park data, Stagecoach East Kent, Whitefriars Car Park Data and Southeastern.

Key Findings

- Overall footfall was up +2.9% YOY in March which is a -3.3% decrease on February (+6.2 YOY) and a -4.0% decrease on March 2014.
- All transportation methods saw an increase in usage YOY apart from the coach park which with the exception of September 2014 has seen up until now a decline in usage YOY over the last nineteen months. The increase in the coach parking charges could have had an impact on this result.

Graph 4.2 – Canterbury footfall rates YOY



	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Canterbury	4.1%	-1.3%	5.0%	4.8%	3.8%	7.3%	4.1%	1.7%	8.8%	4.4%	6.2%	2.9%
South East	0.0%	0.1%	-0.9%	-2.7%	-0.1%	-0.4%	1.5%	-2.5%	2.9%	0.4%	0.4%	-3.4%
National	-1.4%	-0.9%	-1.7%	-1.6%	-2.8%	-0.6%	-0.8%	-3.9%	-1.7%	-2.0%	-0.2%	-1.4%

Source: CCP March survey 2015 and Springboard - ATCM High Street Index monthly report.

Key Findings

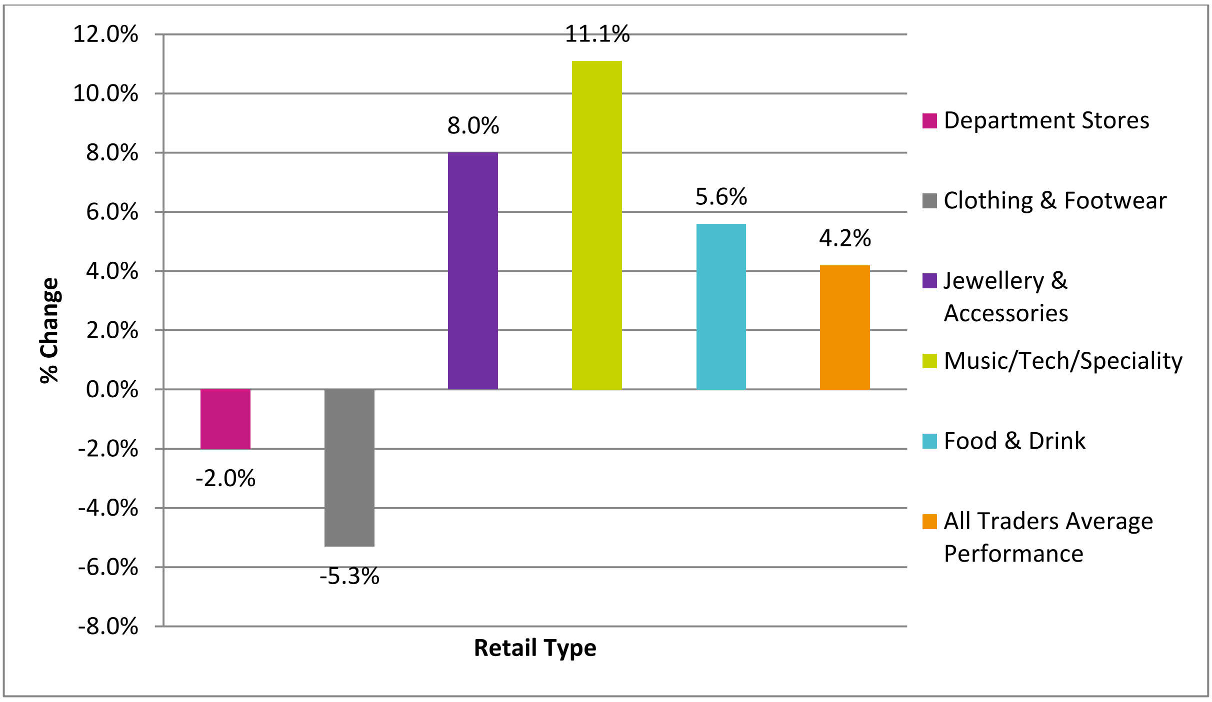
- Footfall in Canterbury was up +2.9% in March, +6.3% higher than the average for the South East and +4.3% higher than the national average. The twelve month average for Canterbury is +4.3%.
- Nationally:
    - Footfall across UK high streets in March has declined on average by -1.7% in the past 5 years.
    - Easter occurred two weeks earlier than last year which meant that the two key trading days of Good Friday and Easter Saturday fell in the March trading period this year which ensured that the final week saw an annual rise.
    - The annual change of Q1 2015 vs 2014 shows a slight decrease in footfall in high street locations of just -0.1% in comparison to a decline of -1.0% for the same period last year.
    - Whilst Retail Parks, have continued to show growth in 14 consecutive months, over the last 12 months high streets have lagged behind shopping centres by just 0.3 percentage points, with an average annual change of -1.6% in high streets compared with -1.3% in shopping centres.
    - The following table provides a breakdown of the footfall rates by region:

Location	% change YOY	Location	% change YOY
England		**Northern Ireland**	+0.7
Greater London	-1.4	**Wales**	-0.3
West Midlands	-6.9	**Scotland**	-0.5
South East	-3.4		
South West	-0.5		
East Midlands	-1.0		
East	+1.8		
North & Yorkshire	-2.0		

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 2014.

Graph 5.1 – Average Sales performance of businesses YOY

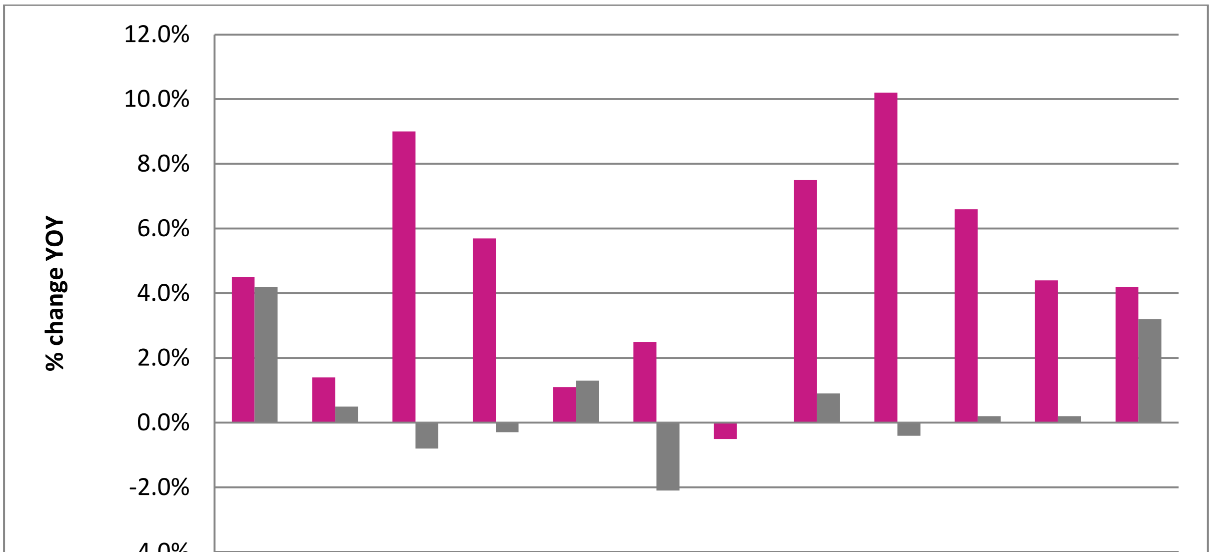


Source: CCP March 2015 Business Survey of Average Sales Performance based on 36 respondents.

Key findings:

- In March there was an overall +4.2% YOY change in sales performance, which is a -0.2% decrease from February but a -10.1% decrease in comparison to the same time last year.
- A1 retailers had a good month with a +3.9% change in sales performance YOY, which is a -1.3% decrease from February and a -11.6% decrease in comparison to the same month last year. Consumers responded well to the retailers Mother's Day and Easter offerings, but it is important to note that April figures will be impacted by the absence of Easter this year. Furniture and home accessory retailers were the major beneficiaries of the bank holiday break, seeing sales soar as shoppers focussed on the home and garden.
- Food and drink had an even better month with a +5.6% increase in trade which is a +3.8% increase from February but a -4.5% decrease in comparison to the same month last year.

Graph 5.2 – Average Sales performance YOY



	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Canterbury	4.5%	1.4%	9.0%	5.7%	1.1%	2.5%	-0.5%	7.5%	10.2%	6.6%	4.4%	4.2%
National	4.2%	0.5%	-0.8%	-0.3%	1.3%	-2.1%	0.0%	0.9%	-0.4%	0.2%	0.2%	3.2%

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

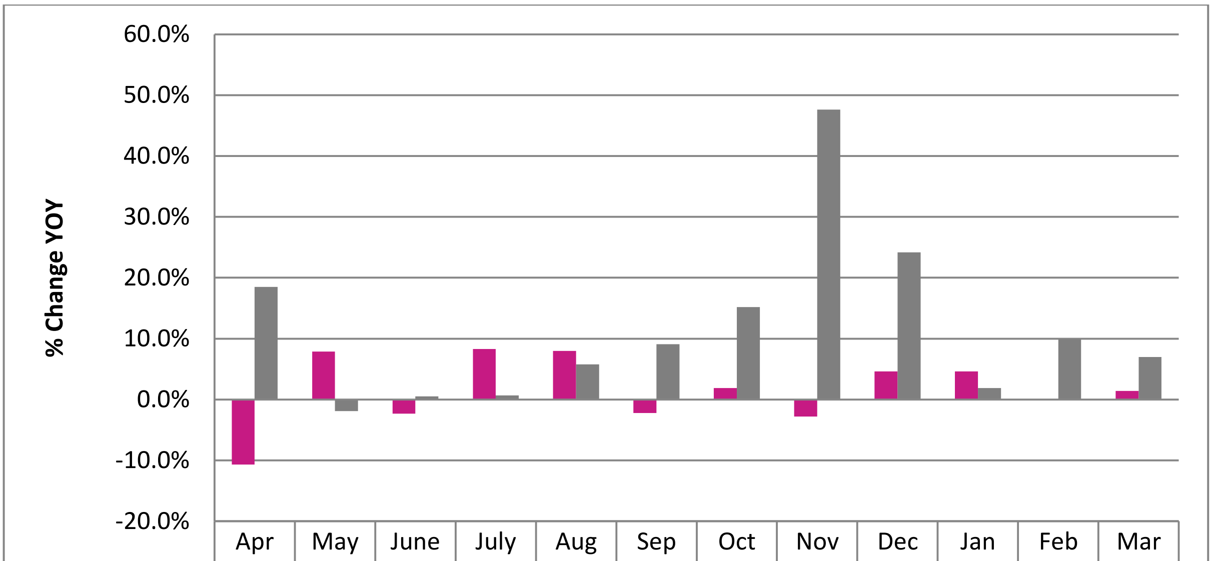
Key findings:

- Sales Performance in March was up +4.2% YOY, down -0.5% on the twelve month average of +4.7% for Canterbury but +1.0% higher than the national rate of 3.2% YOY.
- According to the BRC-KPMG UK Retail Sales Monitor:
    - UK retail sales increased by +3.2% on a like-for-like basis from March 2014, when they had decreased -1.7% on the preceding year.
    - On a total basis, sales were up +4.7%, against a -0.3% fall in March 2014. Adjusted for the BRC-Nielsen Shop Price Index deflation, total growth was +6.8%. The figures are flattered by the inclusion of Easter in March this year against April last year.
    - Total Food sales experienced their strongest growth since July 2013, helped by the Easter distortion. Growth was also strong in the home categories but subdued in the fashion ones.
    - Online sales of non-food products in the UK grew +12.3% in March versus a year earlier, when it had grown 12.8%. The Non-Food online penetration rate was +17.6%, up from +16.9% in March 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



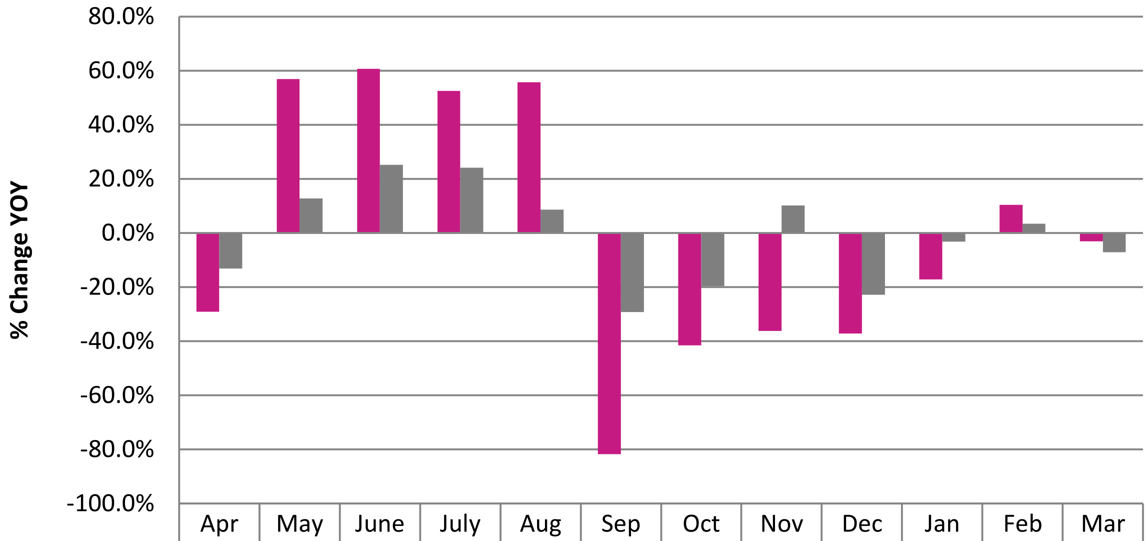
	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Canterbury	-10.7%	7.9%	-2.3%	8.3%	8.0%	-2.2%	1.9%	-2.8%	4.6%	4.6%	-0.1%	1.4%
Kent	18.5%	-1.9%	0.5%	0.7%	5.8%	9.1%	15.2%	47.6%	24.2%	1.9%	9.9%	7.0%

Source: CCP survey of members, Canterbury City Council attraction figures and Visit Kent Business Barometer, March 2015

Key findings:

- In March there was a +1.4% annual change in visitor numbers to visitor attractions in Canterbury, a +1.5% increase over the month from February but a -12.5% decrease in comparison to the same time last year.
- For Kent, there was a +7.0% annual change in visitor numbers to visitor attractions which is a -2.9% decrease over the month from February and a -60.7% decrease in comparison to the same time last year.

Graph 6.2 – Percentage change in Visitor Information Centre Enquires YOY



	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Canterbury	-29.1%	56.9%	60.7%	52.5%	55.7%	-81.7%	-41.5%	-36.2%	-37.1%	-17.2%	10.4%	-3.1%
Kent	-13.2%	12.7%	25.2%	24.1%	8.6%	-29.2%	-19.7%	10.2%	-22.9%	-3.2%	3.4%	-7.1%

Source: Visit Kent Business Barometer, March 2015.

Key findings:

- For Canterbury there was a total -3.1% annual change in visitor enquiries, a -7.1% decrease over the month from February but a +30.0% increase in comparison to the same time last year.
- Visitor Information Centres in Kent had a -7.1% annual change in visitor enquiries, a -10.5% decrease over the month from February and a -6.8% decrease in comparison to the same time last year.
- According to Visit Kent's March 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 March. These events both maintain and increase footfall to the city and in turn have an economic impact.

- 13th – 14th - Italian Market in Whitefriars Square
- 20th – Christ Church Spring term ends
- 28th – 29th - Whitefriars Wedding Fair