



**Canterbury
Connected**

BUSINESS IMPROVEMENT DISTRICT

Canterbury City Centre

Performance Report

August 2015

Canterbury City Centre Performance Report – August 2015

Executive summary

Welcome to the August 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

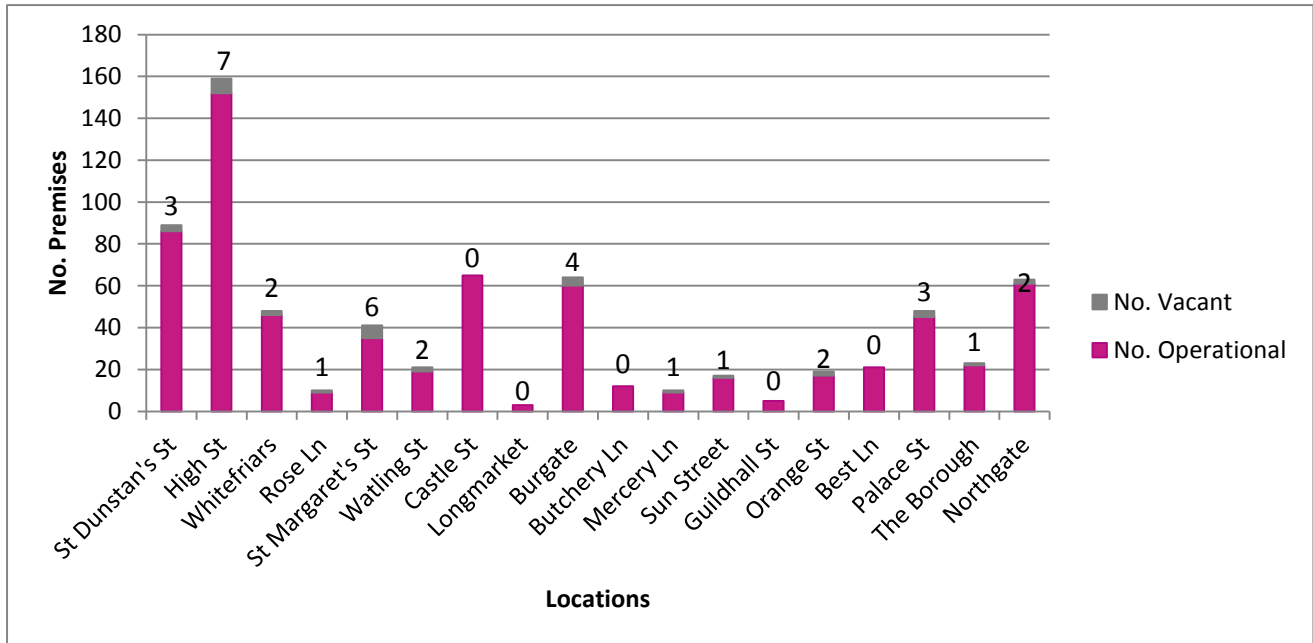
Indicator	Trend	Comment
Premises vacancy rates	●	The vacancy rate for Canterbury in August was 5.1%, 0.3% lower than July and 0.3% lower than August 2014. The vacancy rate for the Southeast in Q3 2015 was 9.8%, 1.0% higher than in Q2 and 1.6% higher compared to this time last year.
Premises type	●	Canterbury 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 -55% annual change in registered start-up businesses, a -11% decrease over the month from July and a -58% 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 down -0.3% YOY in August which is a -0.7% decrease on July (+0.4 %YOY) and a -4.1% decrease on August 2014, +2.0% higher than the average for the South East and +2.8% higher than the national average. The twelve month average for Canterbury is +3.7%.
Business Sales Performance	●	In August there was an overall +3.0% YOY change in sales performance, which is a +2.7% increase from July and a +2.2% increase in comparison to the same time last year. A1 retailers had a stable month with a +2.6% change in sales performance YOY and A3 Food and drink had a +1.0% increase in trade.
Tourism	●	Visitor numbers to visitor attractions in Canterbury were down -6.3% YOY (-16.7% YOY in July). For Kent, attraction visitor numbers were up +0.5% YOY (-5.8% YOY in July). 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 August a survey of 18 key streets within Canterbury City Centre was undertaken. A total number of 683 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

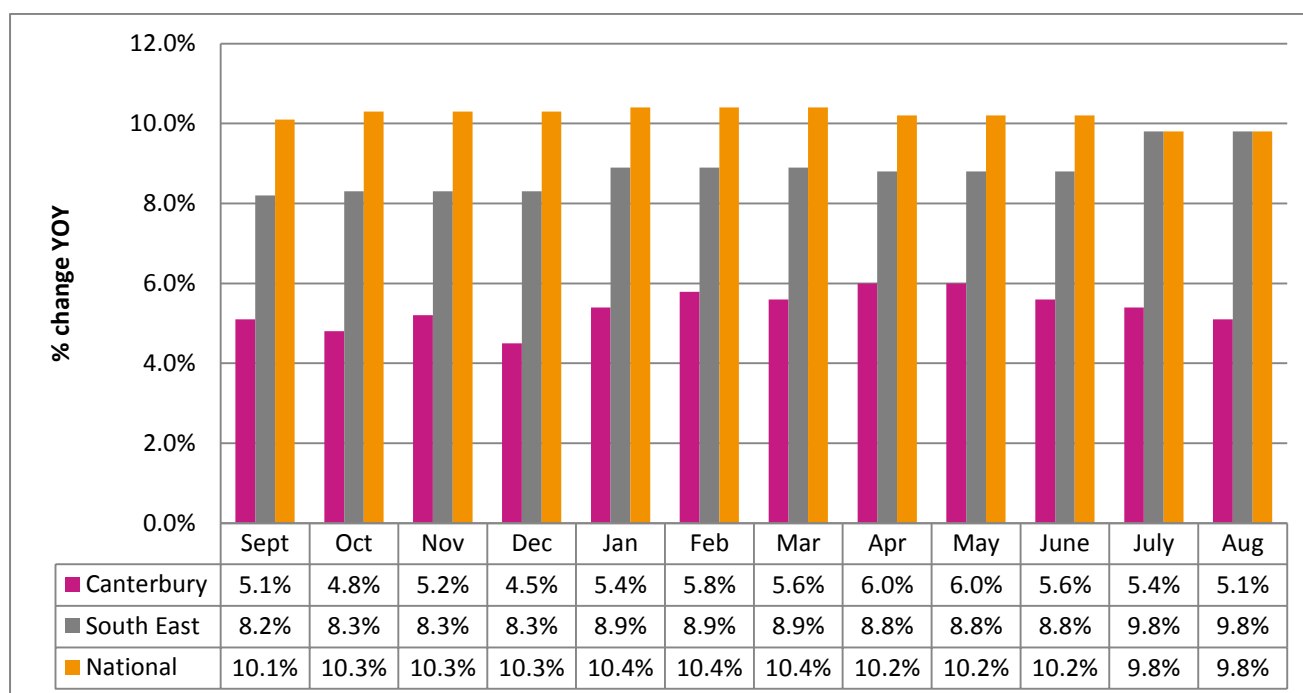


Source: Canterbury Connected BID survey August 2015.

Key findings:

- A total number of 35 businesses premises were recorded as vacant in August, 1 less than in July and 1 less than in August 2014.
- The High Street, St Margaret's Street and Burgate had the highest number of empty premises whilst Castle Street, Longmarket, Butchery Lane, Guildhall Street and Best Lane had none.
- As a comparison to the total number of premises within each street, St Margaret's Street had the highest vacancy rate (17%).

Graph 1.2 - Premises vacancy rates YOY



Source: Canterbury Connected BID survey August 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 August was 5.1%, 0.3% lower than July and 0.3% lower than August 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:

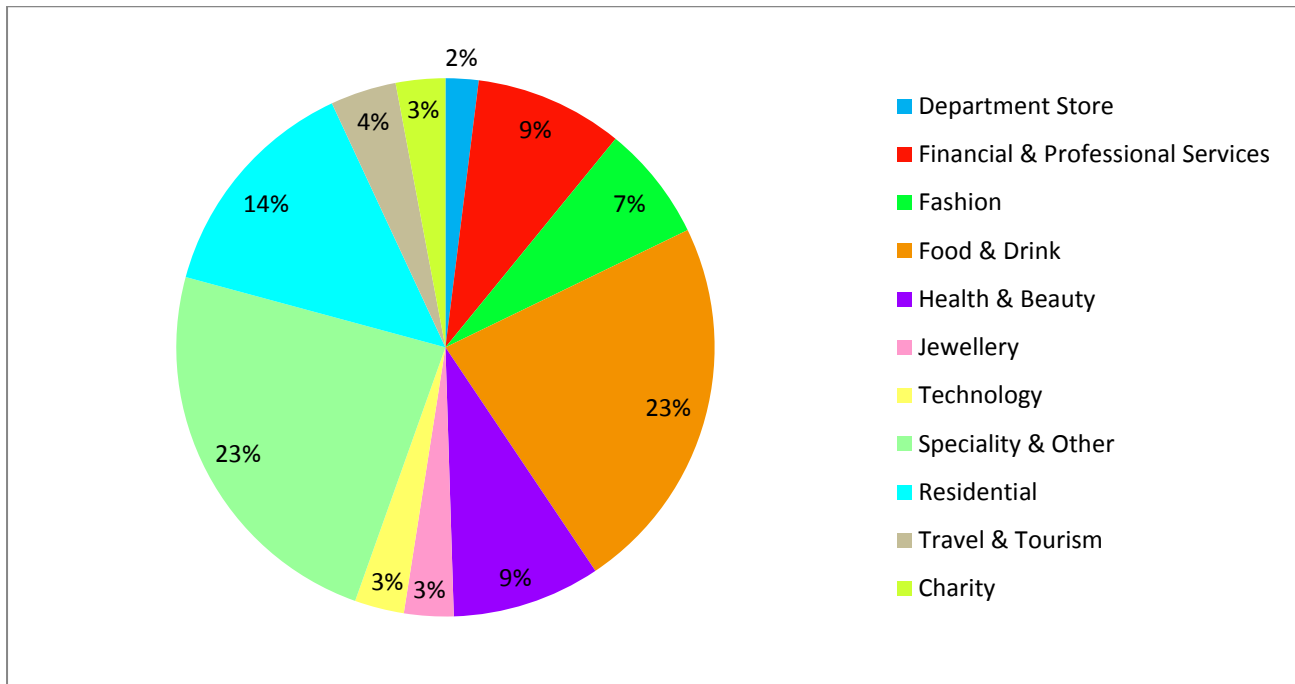
Location	Vacancy rates – Q3 2015	Location	Vacancy rates – Q3 2015
England		North & Yorkshire	11.3%
Greater London	6.8%		
West Midlands	10.1%	Northern Ireland	17.3%
South East	9.8%	Wales	9.8%
South West	8.2%	Scotland	10.6%
East Midlands	9.3%		
East	8.4%	National	9.8%

Springboard methodology: 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.

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



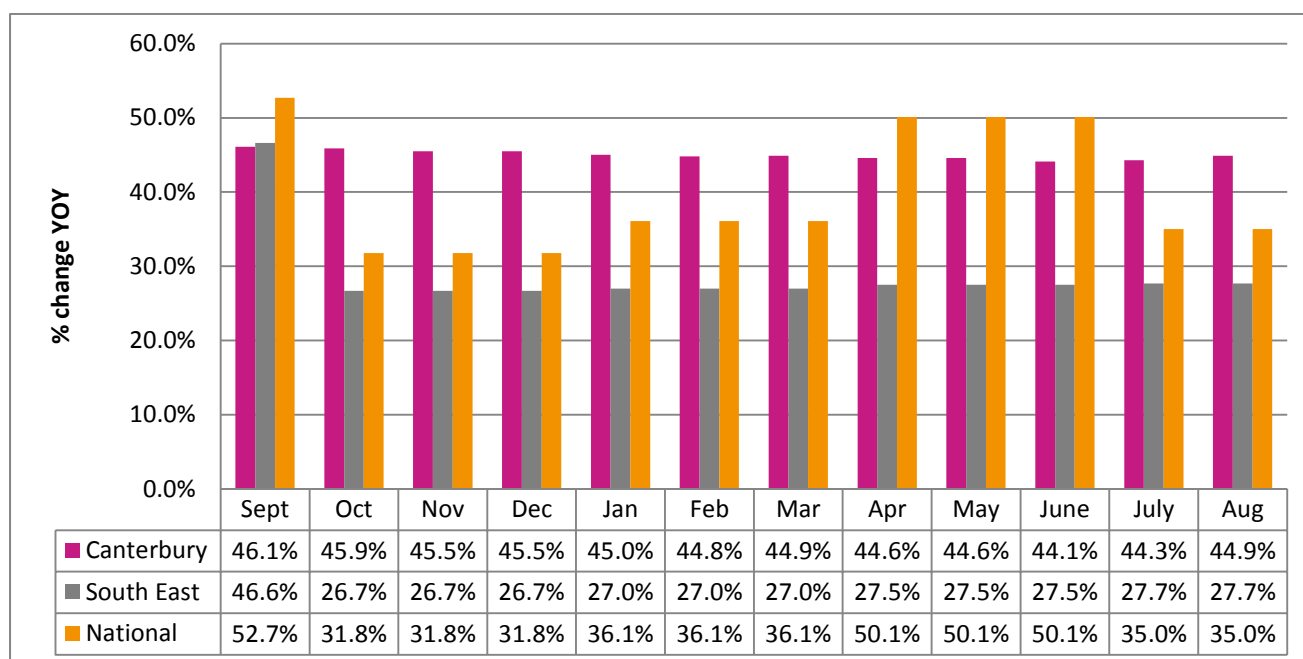
Source: Canterbury Connected BID survey August 2015.

Key findings:

- Overall ‘speciality and other’ (23%), 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 August 2015 and Springboard’s quarterly reports which are gathered in January, April, July and October.

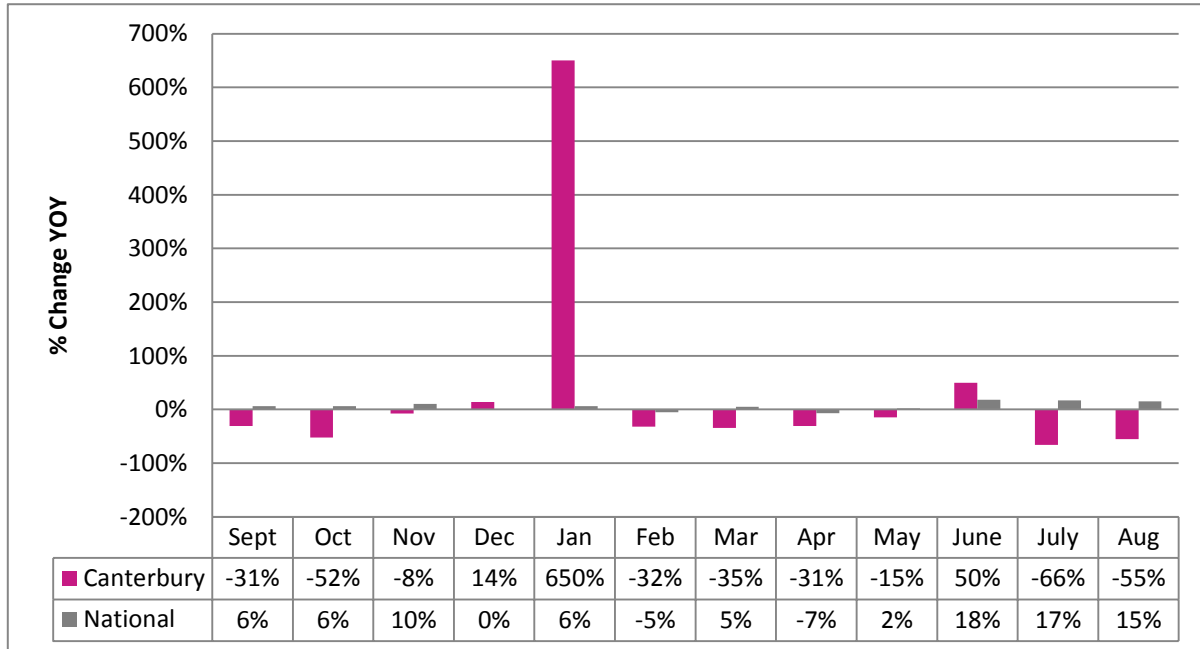
Key findings

- 44.9% of businesses recorded in August were independents, +0.6% higher than July, -0.6% lower than August 2014, +17.2% higher than the average for the South East and +9.9% 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 (81%) 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.

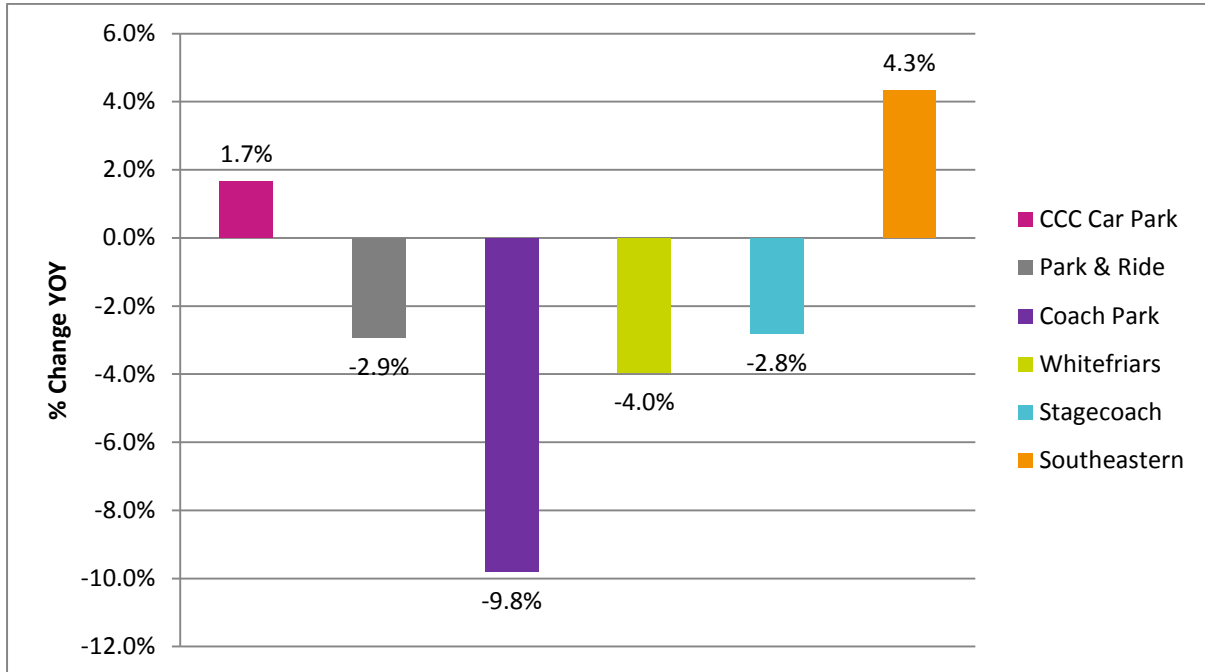
Key findings:

- For Canterbury there was a -55% annual change in registered start-up businesses, a -11% decrease over the month from July and a -58% 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 170 registered start-up businesses which equates to an average of 14 per month in Canterbury.
- According to Start-up Britain there were 53,290 start-up businesses in August 2015, which equates to 3527 more than in July and a total of 600,077 over the last twelve months (an average of 50,006 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

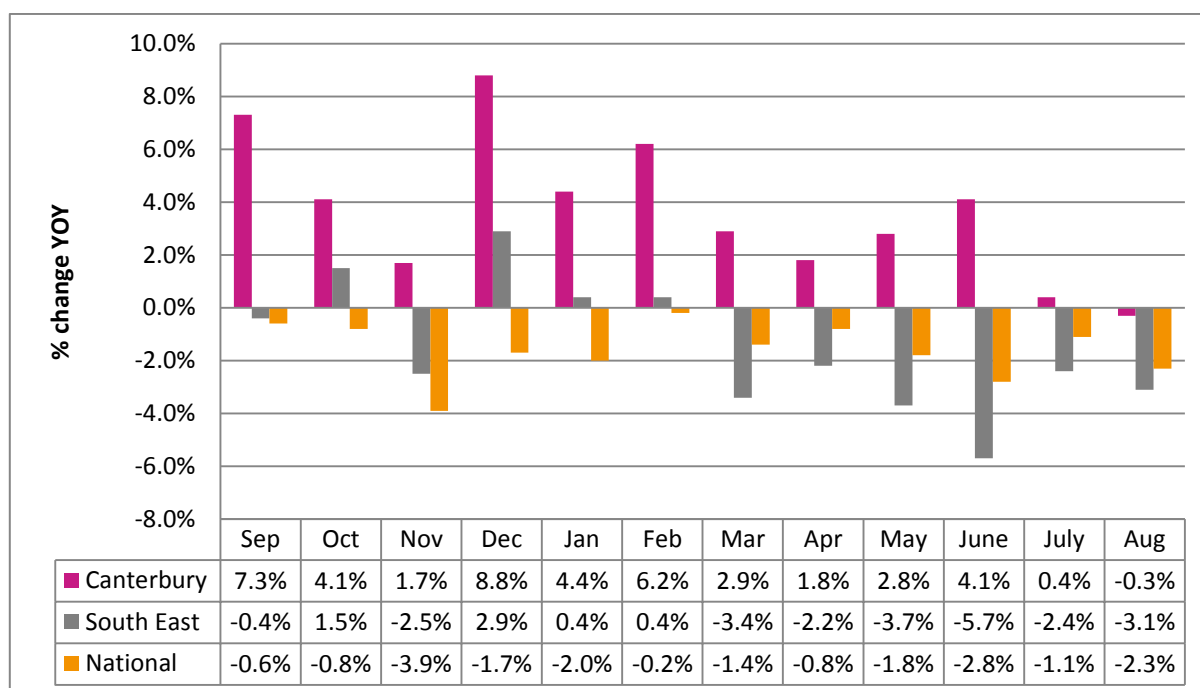


Source: Canterbury City Council Transportation Department Car Park data, Stagecoach East Kent, Whitefriars Car Park Data and Southeastern.

Key Findings

- Overall footfall was down -0.3% YOY in August which is a -0.7% decrease on July (+0.4 %YOY) and a -4.1% decrease on August 2014.
- Car and train travel saw an increase whilst all other transportation methods saw a decrease in usage YOY, the same pattern seen in July. 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 three 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 August 2015 and Springboard - ATCM High Street Index monthly report.

Key Findings

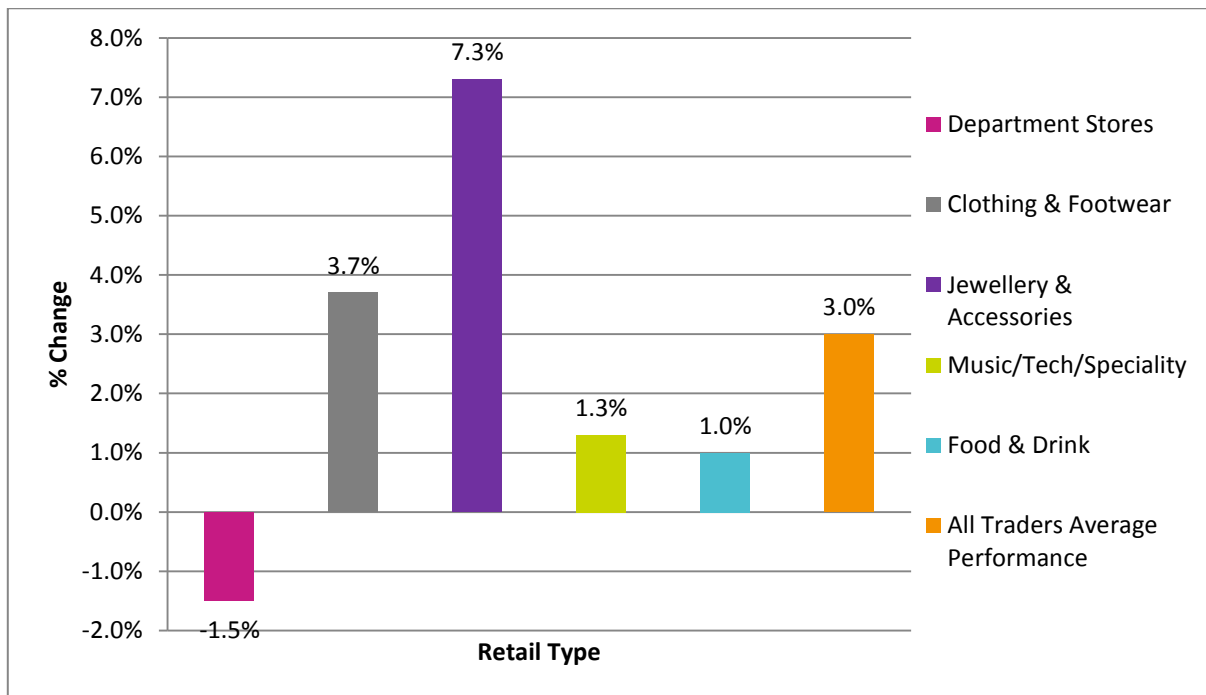
- Footfall in Canterbury was down -0.3% in August, +2.0% higher than the average for the South East and +2.8% higher than the national average. The twelve month average for Canterbury is +3.7%.
- Nationally:
 - High streets are once again under increasing pressure with a -2.3% drop in footfall in August. August was the third month in a row with a decline in footfall greater than -2% resulting in a three month average of -2.4%. The last time there was such a period of decline was in the last quarter of 2013 when economic conditions were far less favourable than they are now.
 - The additional spending power of consumers being delivered by a more stable employment market and low inflation is not being captured by high streets. Indeed, it appears that the threat of retail parks has become a reality with footfall in retail parks increasing by an average of +2.5% over the last three months and 20 months of continuous footfall growth in out of town locations across the UK. Apart from Greater London where the average drop over the last three months was -1.3%, every region recorded an average drop in high street footfall over the last quarter of more than -2%, and in six of the ten areas of the UK this was in excess of -3%.
 - The following table provides a breakdown of the footfall rates by region:

Location	% change YOY	Location	% change YOY
England		East	-0.5
Greater London	-2.9	North & Yorkshire	-3.0
West Midlands	-2.5		
South East	-3.1	Northern Ireland	-1.5
South West	-3.1	Wales	-2.0
East Midlands	+1.4	Scotland	-3.6

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

Graph 5.1 – Average Sales performance of businesses YOY

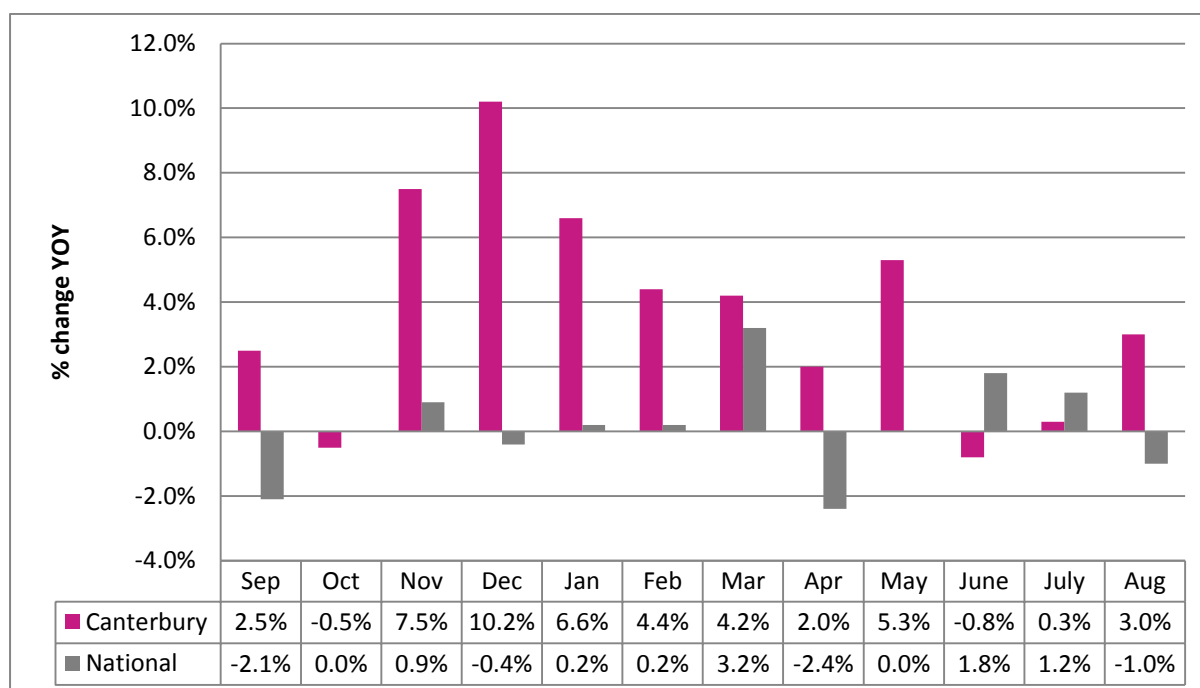


Source: Canterbury Connected BID August 2015 Business Survey of Average Sales Performance based on 26 respondents.

Key findings:

- In August there was an overall +3.0% YOY change in sales performance, which is a +2.7% increase from July and a +2.2% increase in comparison to the same time last year.
- A1 retailers had a good month with a +2.6% change in sales performance YOY, which is a +2.3% increase from July and a +3.7% increase in comparison to the same month last year. As the summer bank holiday fell a week later this year, sales were pushed into September meaning top-line trends for August were inevitably dampened versus 2014. The wet weather deferred the impetus to shop and furniture spending fell due to the timing of the bank holiday.
- A3 Food and drink had a stable month with a +1.0% increase in trade which is a +0.5% increase from July but a -5.0% decrease in comparison to the same month last year.

Graph 5.2 – Average Sales performance YOY



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

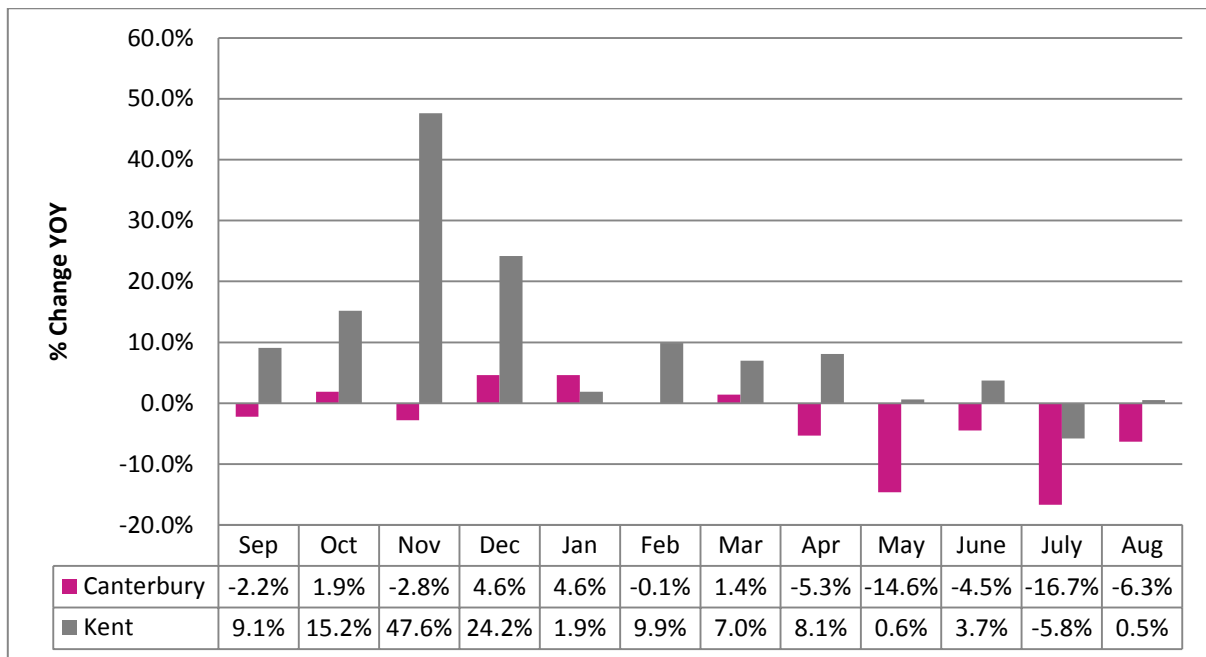
Key findings:

- Sales Performance in August was up +3.0% YOY, down -0.7% on the twelve month average of +3.7% for Canterbury, and +4.0% higher than the national rate of -1.0% YOY.
- According to the BRC-KPMG UK Retail Sales Monitor:
 - UK retail sales decreased 1.0% on a like-for-like basis from August 2014, when they had increased 1.3% on the preceding year.
 - On a total basis, sales were up 0.1%, against a 2.7% rise in August 2014.
 - In the three months to August, total Food sales were up 0.3%. The twelve-month average total Food growth turned positive for the first time since August 2014. Non-Food sales declined in August, for the first time since August 2014.
 - The fall of the Bank Holiday into the September period this year distorted the figures of the back-to-school-sensitive categories. Clothing, Footwear, Stationery, Furniture, and Household Appliances experienced declines.
 - Online sales of Non-Food products in the UK grew 6.5% in August versus a year earlier, when they had grown 19.8% and established the 2014 best performance. This was the slowest growth registered since April 2013. The Non-Food online penetration rate was 17.2%, up from 16.3% in August 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

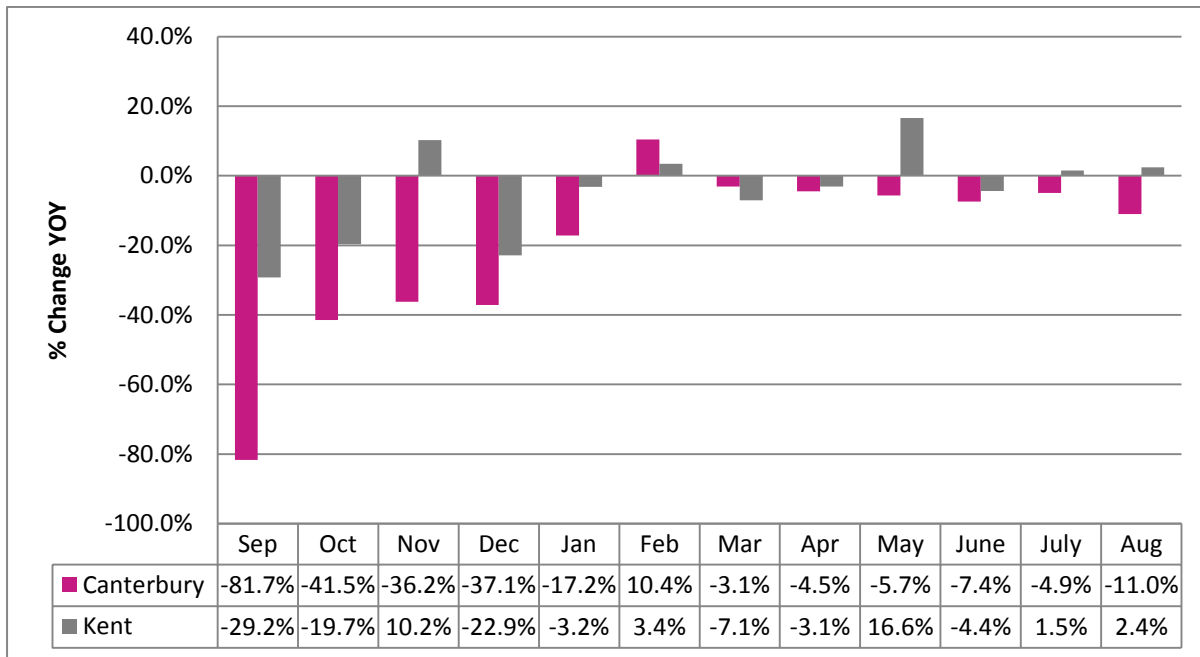


Source: Canterbury Connected BID survey of members, Canterbury City Council attraction figures and Visit Kent Business Barometer, August 2015

Key findings:

- In August there was a -6.3% annual change in visitor numbers to visitor attractions in Canterbury, a +10.4% increase over the month from July and a -14.3% 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 +0.5% annual change in visitor numbers to visitor attractions which is a +6.3% increase over the month from July and a -5.0% 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, August 2015.

Key findings:

- For Canterbury there was a total -11.0% annual change in visitor enquiries, a -6.1% decrease over the month from July and a -66.7% decrease in comparison to the same time last year.
- Visitor Information Centres in Kent had a +2.4% annual change in visitor enquiries, a +0.9% increase over the month from July and a -6.2% decrease in comparison to the same time last year.
- According to Visit Kent’s August Business Barometer 50% of visitors to Canterbury’s VIC were domestic visitors, 20% long haul visitors and 30% were European visitors.