



**Canterbury
Connected**

BUSINESS IMPROVEMENT DISTRICT

Canterbury City Centre

Performance Report

September 2015

Canterbury City Centre Performance Report – September 2015

Executive summary

Welcome to the September 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

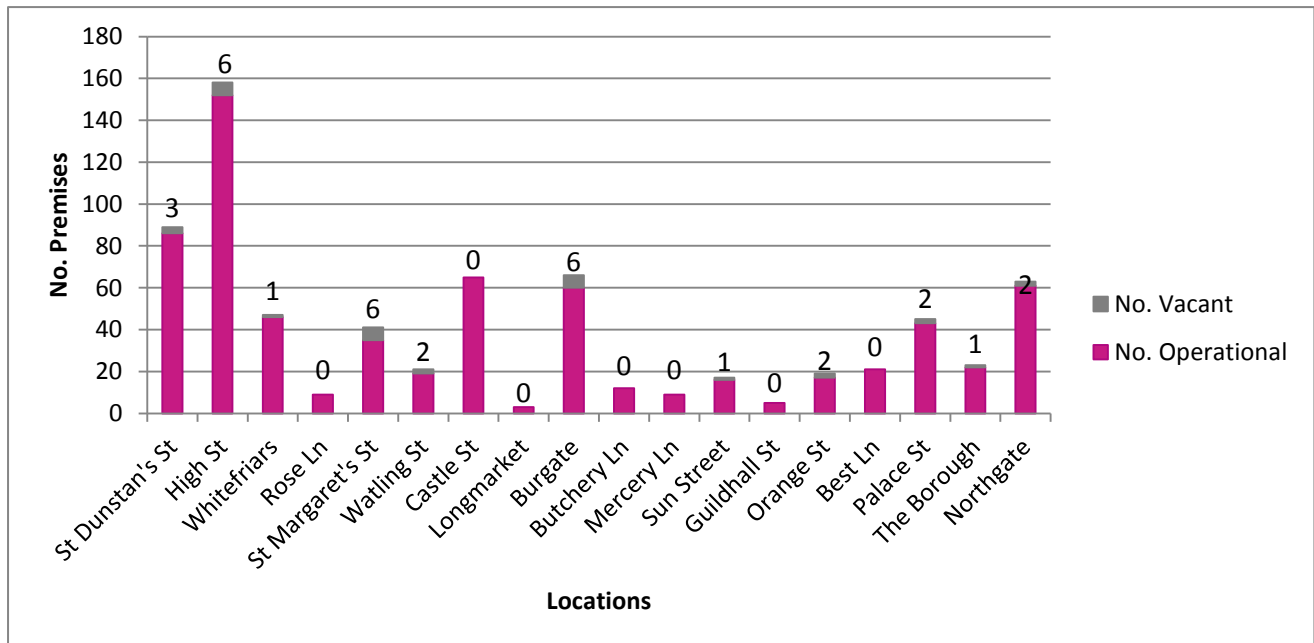
Indicator	Trend	Comment
Premises vacancy rates	●	The vacancy rate for Canterbury in September was 4.7%, 0.4% lower than August and 0.4% lower than September 2014. The vacancy rate for the Southeast in Q3 2015 was 9.8%, 1.0% higher than in Q2 and 1.6% higher compared to this time last year.
Premises type	●	Canterbury has a good healthy mix of premises types with specialty (23%) and food outlets (22%) having the highest presence. Overall 34% of Canterbury’s retailers are multiples and 45% are independents.
Business start-up rates	●	For Canterbury there was a +90% annual change in registered start-up businesses, a +145% increase over the month from August and a +121% increase 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 static (0.0%) YOY in September which is a +0.3% increase on August (-0.3 %YOY) and a -7.3% decrease on September 2014, -0.2% lower than the average for the South East and +0.2% higher than the national average. The twelve month average for Canterbury is +3.1%.
Business Sales Performance	●	In September there was an overall +6.0% YOY change in sales performance, which is a +3.0% increase from August and a +3.7% increase in comparison to the same time last year. A1 retailers had a good month with a +6.4% change in sales performance YOY and A3 Food and drink establishments also had a good month with a +4.5% increase in trade YOY.
Tourism	●	Visitor numbers to visitor attractions in Canterbury were down -4.3% YOY (-6.3% YOY in August). For Kent, attraction visitor numbers were down – 0.9% YOY (+0.5% YOY in August). 50% of visitors to Canterbury were domestic, 5% long haul and 45% 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 September a survey of 18 key streets within Canterbury City Centre was undertaken. A total number of 681 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

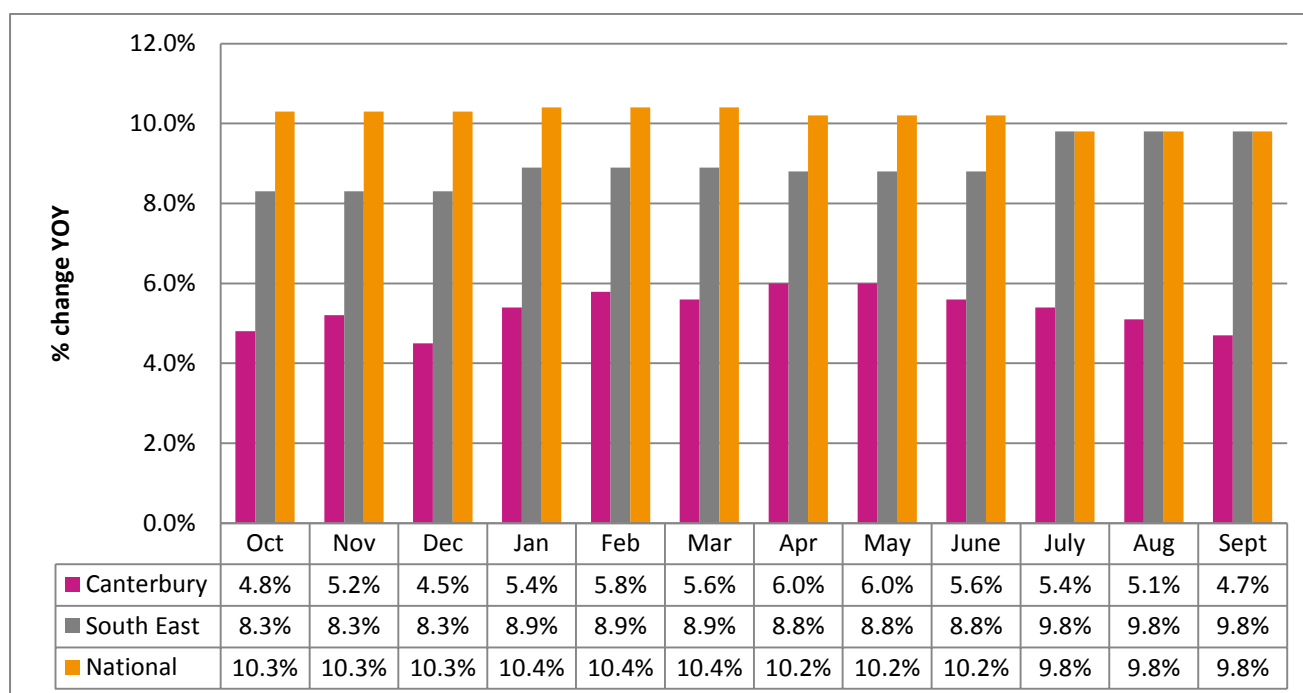


Source: Canterbury Connected BID survey September 2015.

Key findings:

- A total number of 32 businesses premises were recorded as vacant in September, 3 less than in August and 2 less than in September 2014.
- The High Street, St Margarets Street and Burgate had the highest number of empty premises whilst Rose Lane, Castle Street, Longmarket, Butchery Lane, Mercery 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 September 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 September was 4.7%, 0.4% lower than August and 0.4% lower than September 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:

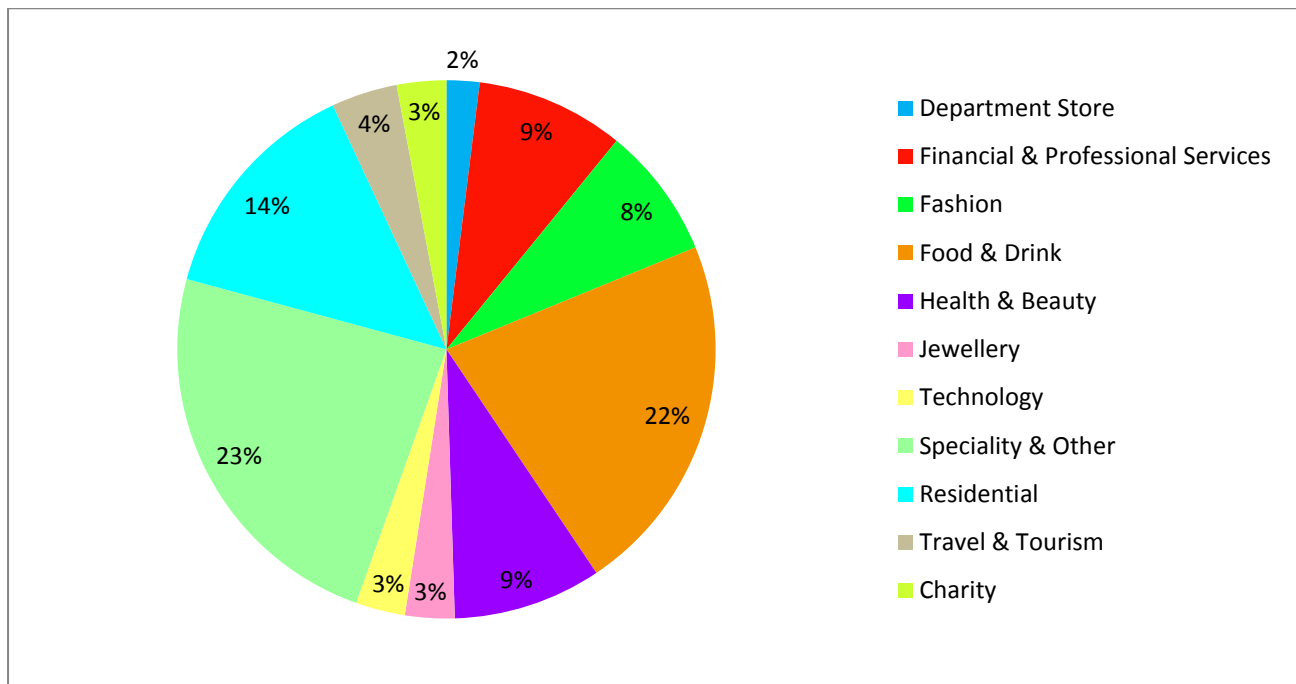
Location	Vacancy rates – Q3 2015	Location	Vacancy rates – Q3 2015
England		North & Yorkshire	11.3%
Greater London	6.8%		
West Midlands	10.1%	Northern Ireland	17.3%
South East	9.8%	Wales	9.8%
South West	8.2%	Scotland	10.6%
East Midlands	9.3%		
East	8.4%	National	9.8%

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



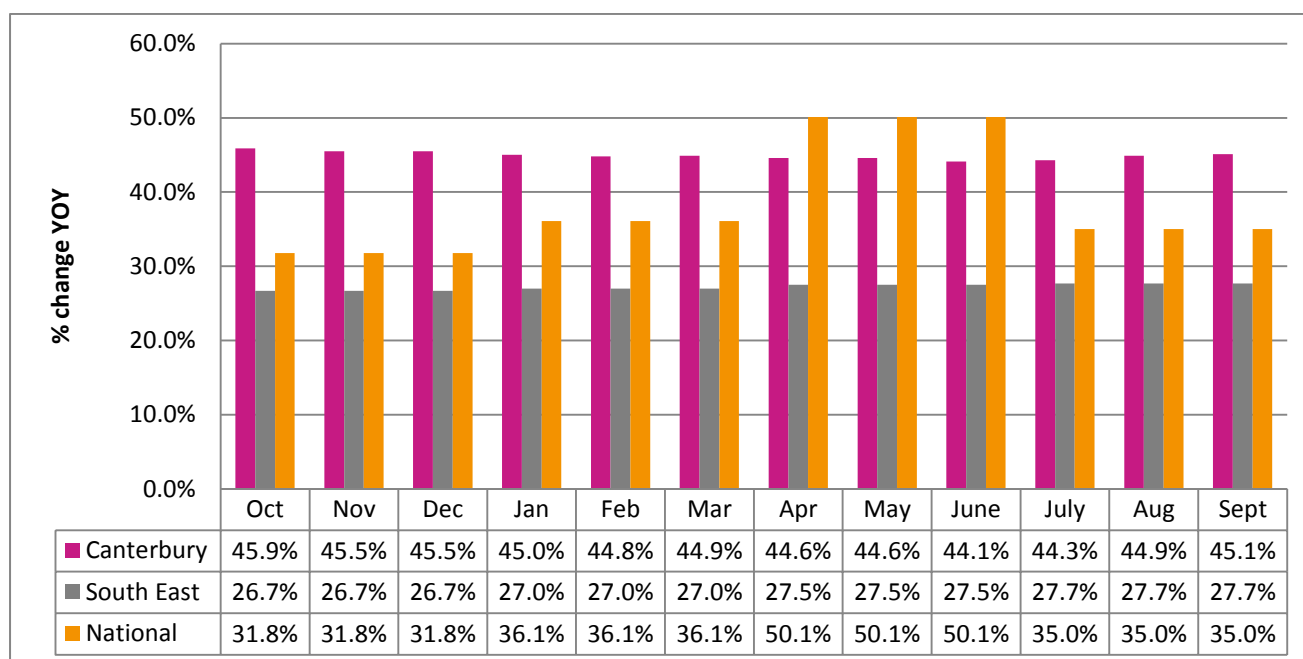
Source: Canterbury Connected BID survey September 2015.

Key findings:

- Overall ‘speciality and other’ (23%), Food and drink premises (22%) 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 September 2015 and Springboard’s quarterly reports which are gathered in January, April, July and October.

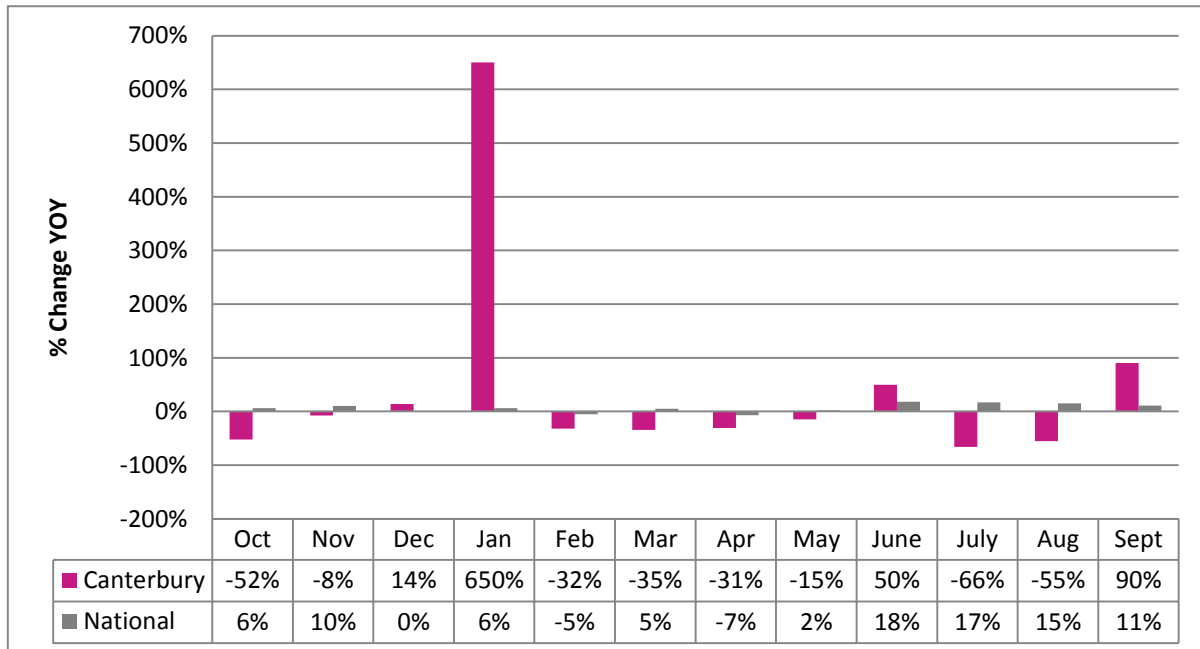
Key findings

- 45.1% of businesses recorded in September were independents, +0.2% higher than August, -1.0% lower than September 2014, +17.4% higher than the average for the South East and +10.1% higher than the national average.
 - Longmarket and Rose Lane had the highest number of multiples (100%) followed by Whitefriars (91%), which is unsurprising as they are managed developments.
 - Sun Street and Palace Street had the highest number of independent businesses (81%) followed by 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.

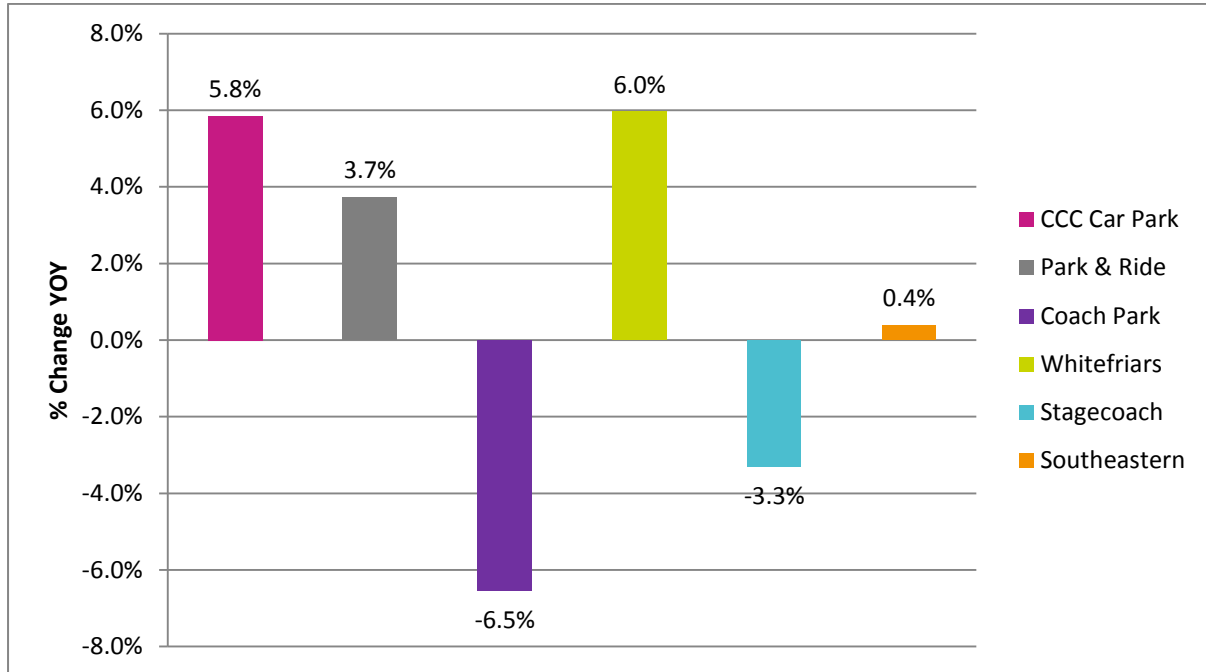
Key findings:

- For Canterbury there was a +90% annual change in registered start-up businesses, a +145% increase over the month from August and a +121 increase 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 53,290 start-up businesses in September 2015, which equates to 3527 more than in August 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

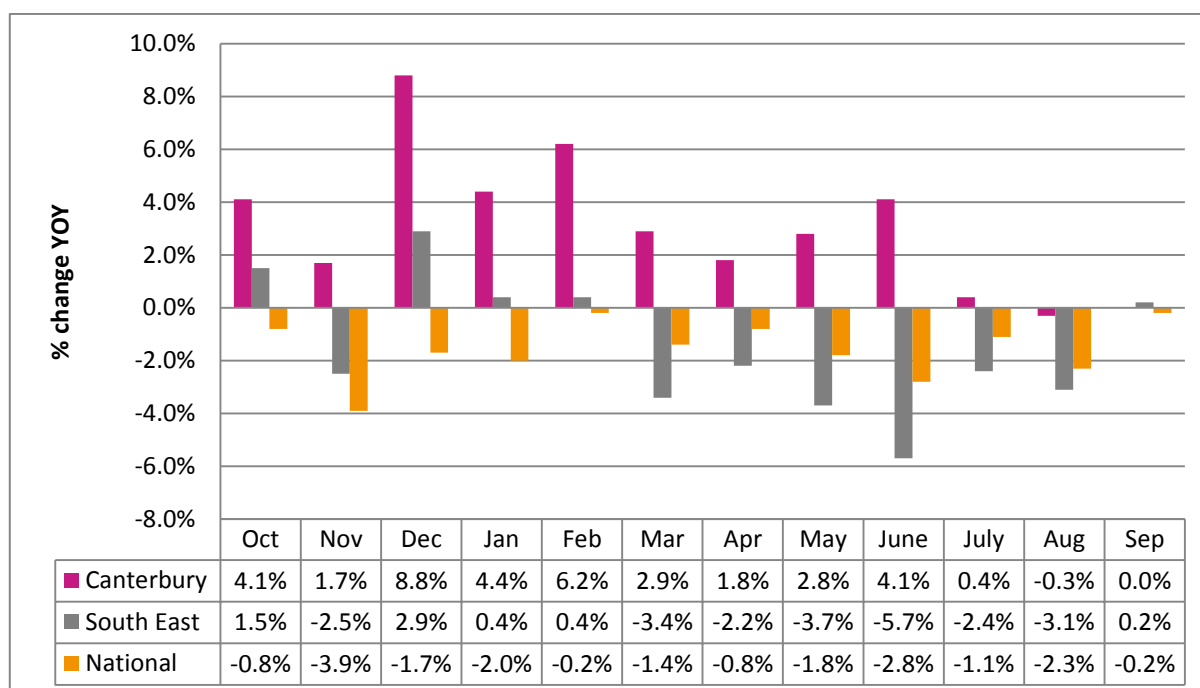


Source: Canterbury City Council Transportation Department Car Park data, Stagecoach East Kent, Whitefriars Car Park Data and Southeastern.

Key Findings

- Overall footfall was static (0.0%) YOY in September which is a +0.3% increase on August (-0.3 %YOY) and a -7.3% decrease on September 2014.
- Car and train travel saw an increase whilst coach and bus travel experienced 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 four months. The increase in the coach parking charges could have had an impact on this result as well as the disruption at the channel ports.

Graph 4.2 – Canterbury footfall rates YOY



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

Key Findings

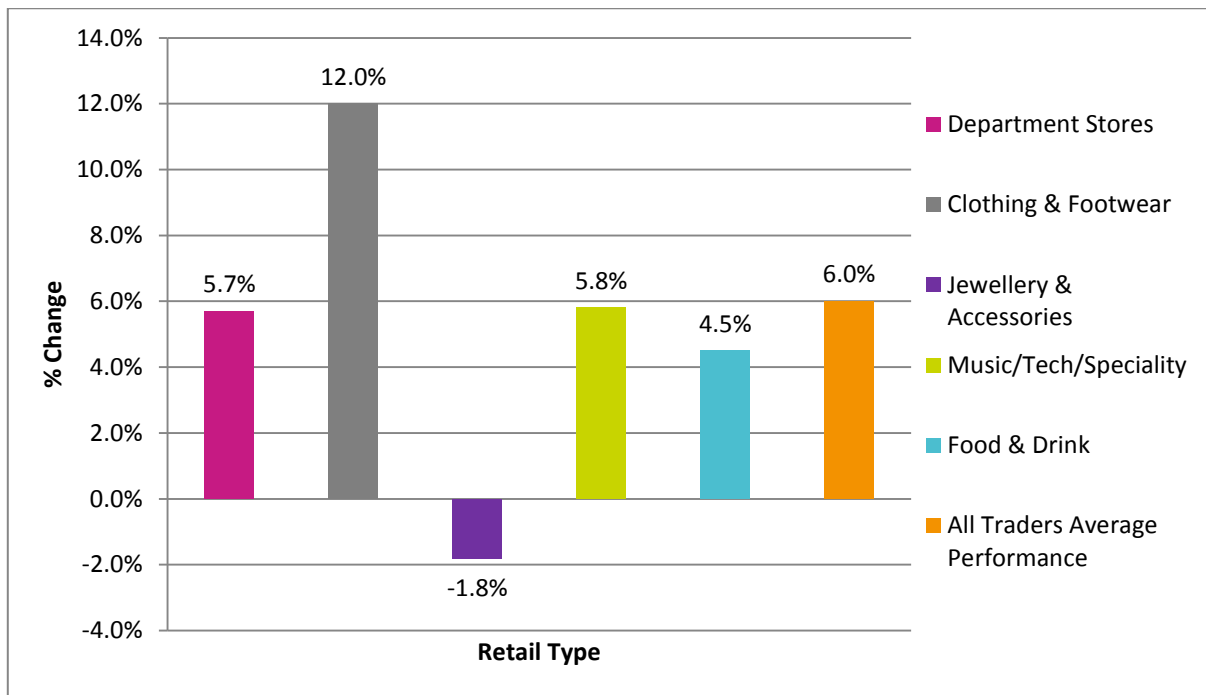
- Footfall in Canterbury was static at 0.0% in September, -0.2% lower than the average for the South East and +0.2% higher than the national average. The twelve month average for Canterbury is +3.1%.
- Nationally:
 - Footfall in September was -0.2% lower than a year ago.
 - Footfall in retail park locations increased by +4.0% year on year. This is the highest figure since January 2014, excluding Easter distortions.
 - High Streets and Shopping Centres reported a decline in footfall of -1.4% and 1.3% respectively. This is High Streets best performance for seven months, excluding Easter distortions.
 - Three regions reported footfall growth in September; East Midlands, Greater London and the South East. This was the South East's first move into positive territory since February 2015.
 - The following table provides a breakdown of the footfall rates by region:

Location	% change YOY	Location	% change YOY
England		East	-0.6
Greater London	+0.3	North & Yorkshire	-2.1
West Midlands	-1.7		
South East	+0.2	Northern Ireland	-0.7
South West	-0.4	Wales	-0.5
East Midlands	+0.4	Scotland	-0.8

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

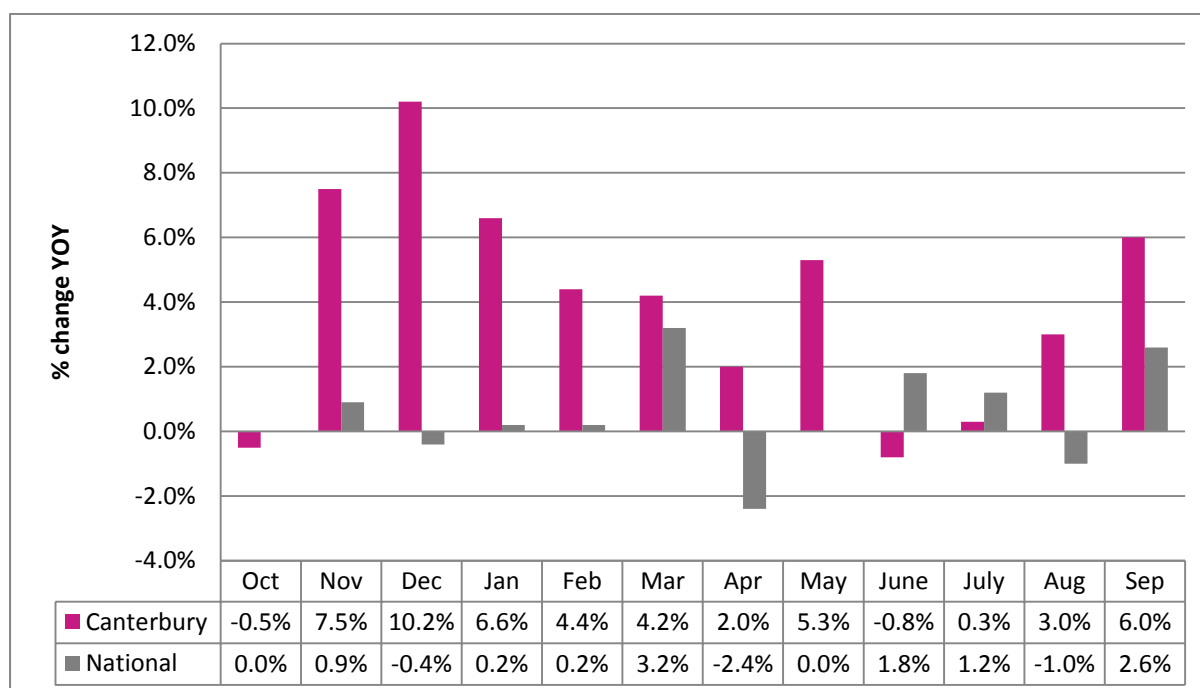


Source: Canterbury Connected BID September 2015 Business Survey of Average Sales Performance based on 28 respondents.

Key findings:

- In September there was an overall +6.0% YOY change in sales performance, which is a +3.0% increase from August and a +3.7% increase in comparison to the same time last year.
- A1 retailers had a good month with a +6.4% change in sales performance YOY, which is a +3.8% increase from August and a +6.6% increase in comparison to the same month last year. September was a bright month for retail, with the strongest sales performance since January 2015. However, sales growth was boosted by the August Bank Holiday, which fell in this period as opposed to August last year, shifting back-to-school sales into September, and so such strong growth is likely to be overstated.
- A3 Food and drink establishments also had a good month with a +4.5% increase in trade which is a +3.5% increase from August but a -5.9% decrease in comparison to the same month last year. The increase in trade is thanks in no small part to the Rugby World Cup for many retailers.

Graph 5.2 – Average Sales performance YOY



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

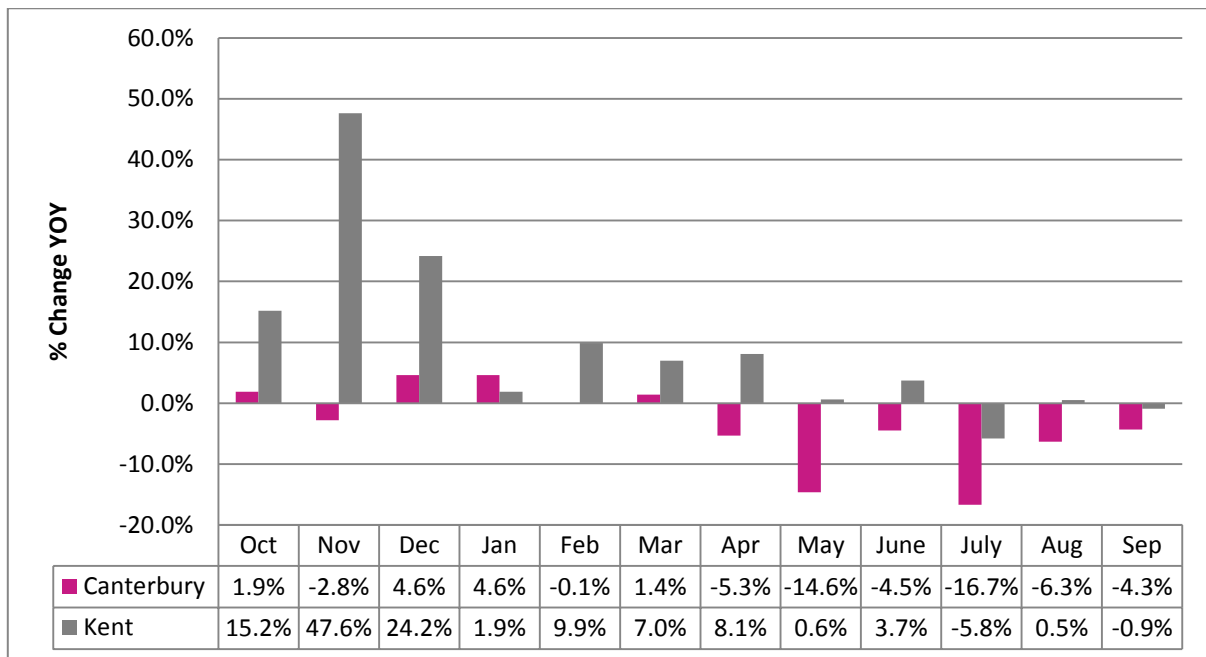
Key findings:

- Sales Performance in September was up +6.0% YOY, up +2.0% on the twelve month average of +4.0% for Canterbury, and +3.4% higher than the national rate of +2.6% YOY.
- According to the BRC-KPMG UK Retail Sales Monitor:
 - UK retail sales increased 2.6% on a like-for-like basis from September 2014, when they had decreased 2.1% on the preceding year.
 - On a total basis, sales were up 3.9%, against a 0.8% fall in September 2014. This is the fastest growth since January 2014, excluding Easter distortions. Adjusted for the BRC-Nielsen Shop Price Index deflation, total growth was 5.8%
 - The inclusion of the Bank Holiday into the September period positively distorted the figures of the back-to-school-sensitive categories, particularly the fashion and home categories. September's figures were also flattered by a soft comparable period last year.
 - On a three-month basis, total Non-Food sales were up 3.7%, ahead of their 12-month average of 3.3%.
 - Online sales of Non-Food products in the UK grew 14.2% in September versus a year earlier, when they had grown 8.2%. The Non-Food online penetration rate was 17.7%, up from 17.2% in September 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

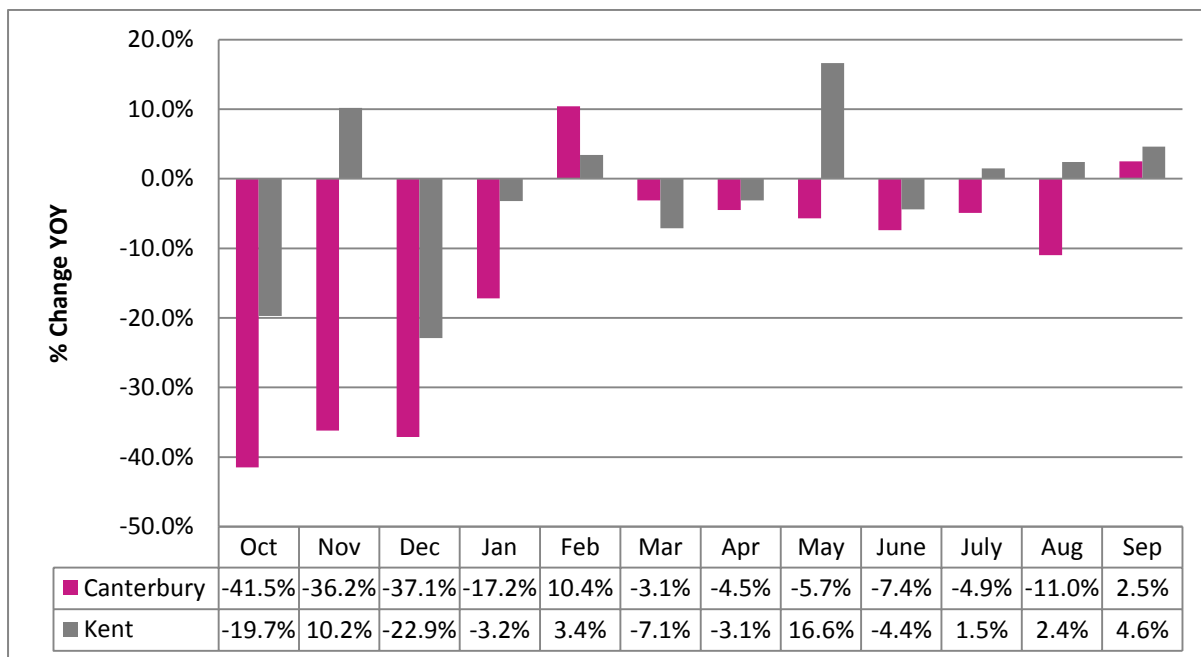


Source: Canterbury Connected BID survey of members, Canterbury City Council attraction figures and Visit Kent Business Barometer, September 2015

Key findings:

- In September there was a -4.3% annual change in visitor numbers to visitor attractions in Canterbury, a +2.0% increase over the month from August but a -2.1% 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 -0.9% annual change in visitor numbers to visitor attractions which is a -1.4% decrease over the month from August and a -10.0% 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, September 2015.

Key findings:

- For Canterbury there was a total +2.5% annual change in visitor enquiries, a +13.5% increase over the month from August and a +84.2% increase in comparison to the same time last year.
- Visitor Information Centres in Kent had a +4.6% annual change in visitor enquiries, a +2.2% increase over the month from August and a +24.6% increase 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, 5% long haul visitors and 45% were European visitors.

Events

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

- 4 - University of Kent 50th Anniversary Alumni Event
- 15 – 20 Italian Market in Whitefriars Square
- 19 – 20 – Student arrivals weekend
- 21 – 27 – Fresher’s Week
- 24 – Hop Pocket Race
- 25 – 27 – Food & Drink Festival