Canterbury Connected

BUSINESS IMPROVEMENT DISTRICT

Canterbury City Centre

Performance Report

November 2015

Canterbury City Centre Performance Report – November 2015

Executive summary

Welcome to the November 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

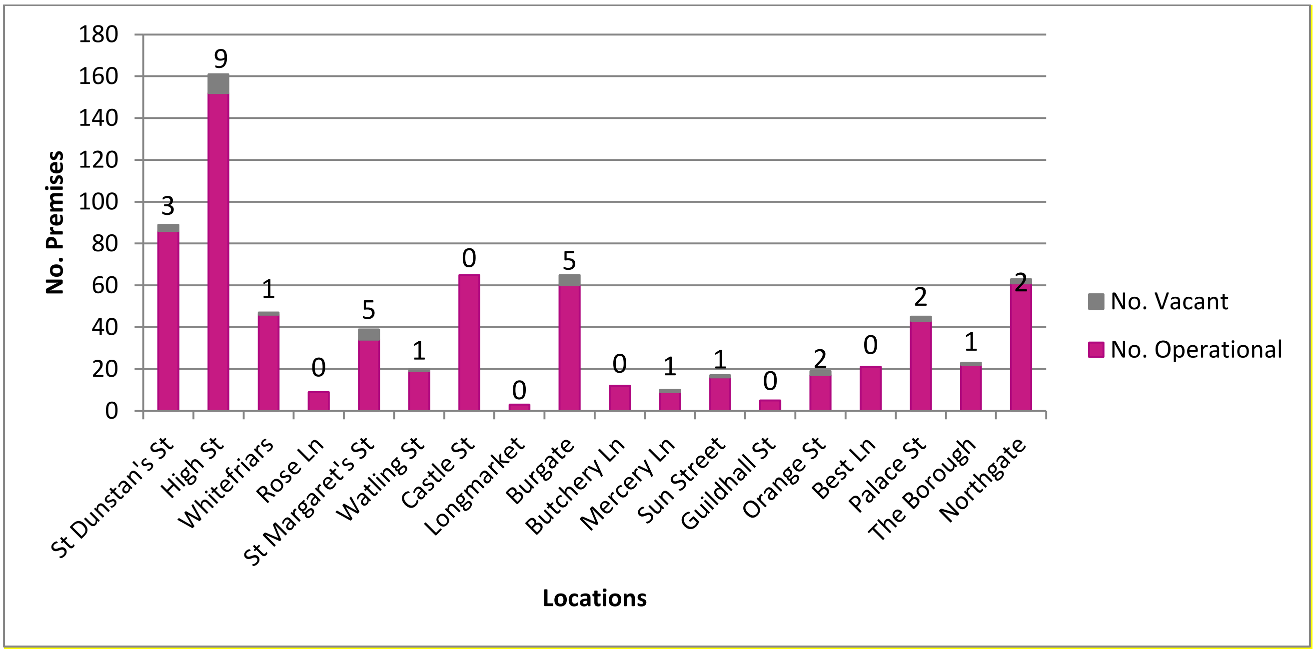
Indicator	Trend	Comment
Premises vacancy rates	●	The vacancy rate for Canterbury in November was 4.9%, 0.5% lower than October and 0.3% lower than November 2014. The vacancy rate for the Southeast in Q4 2015 was 8.4% and 9.1% in Q4 2015 nationally.
Premises type	●	Canterbury has a good healthy mix of premises types with food and drink (23%) and specialty (22%) having the highest presence. Overall 34% of Canterbury's retailers are multiples and 45% are independents.
Business start-up rates		Figures unavailable this month
City Centre footfall	●	Overall footfall was down -0.5% YOY in November which is a -0.4% decrease on October (-0.1 %YOY) and a -2.2% decrease on November, +0.6% higher than the average for the South East and +1.6% higher than the national average. The twelve month average for Canterbury is +2.5%.
Business Sales Performance	●	In November there was an overall 0.0% YOY change in sales performance, which is a -2.2% decrease from October and a -6.7% decrease in comparison to the same time last year. A1 retailers had a reasonable month with a +0.8% change in sales performance YOY and A3 Food and drink establishments had a poor month with a -3.2% increase in trade YOY.
Tourism	●	Visitor numbers to visitor attractions in Canterbury were down -5.5% YOY (-6.0% YOY in October). For Kent, attraction visitor numbers were down -1.6% YOY (+6.4% YOY in October). 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 November a survey of 18 key streets within Canterbury City Centre was undertaken. A total number of 680 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

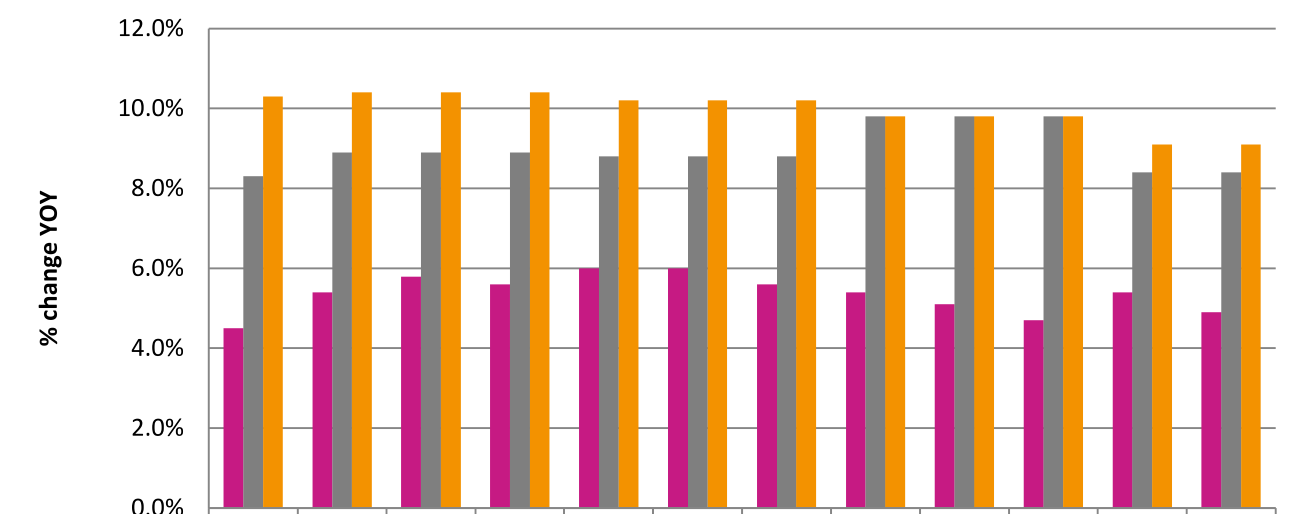


Source: Canterbury Connected BID survey November 2015.

Key findings:

- A total number of 33 businesses premises were recorded as vacant in November, 3 less than in October and 2 less than in November 2014.
- The High Street, St Margarets Street and Burgate had the highest number of empty premises whilst Rose Lane, 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 (15%).

Graph 1.2 - Premises vacancy rates YOY



	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov
Canterbury	4.5%	5.4%	5.8%	5.6%	6.0%	6.0%	5.6%	5.4%	5.1%	4.7%	5.4%	4.9%
South East	8.3%	8.9%	8.9%	8.9%	8.8%	8.8%	8.8%	9.8%	9.8%	9.8%	8.4%	8.4%
National	10.3%	10.4%	10.4%	10.4%	10.2%	10.2%	10.2%	9.8%	9.8%	9.8%	9.1%	9.1%

Source: Canterbury Connected BID survey November 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 November was 4.9%, 0.5% lower than October and 0.3% lower than November 2014.
- The vacancy rate for the Southeast in Q4 2015 was 8.4%, 0.6% lower than in Q3 and 0.1% higher compared to this time last year
- Canterbury had the fourth lowest vacancy rate of the 13 towns in the South East that published their results in the Springboard Quarterly Vacancy Rate Survey Q4 2015.
- The national town centre vacancy rate was 9.1% in October 2015, down from the 9.8% rate reported in Q3 2015. This is the lowest reported rate since July 2011.
- The following table provides a breakdown of the vacancy rates by region:

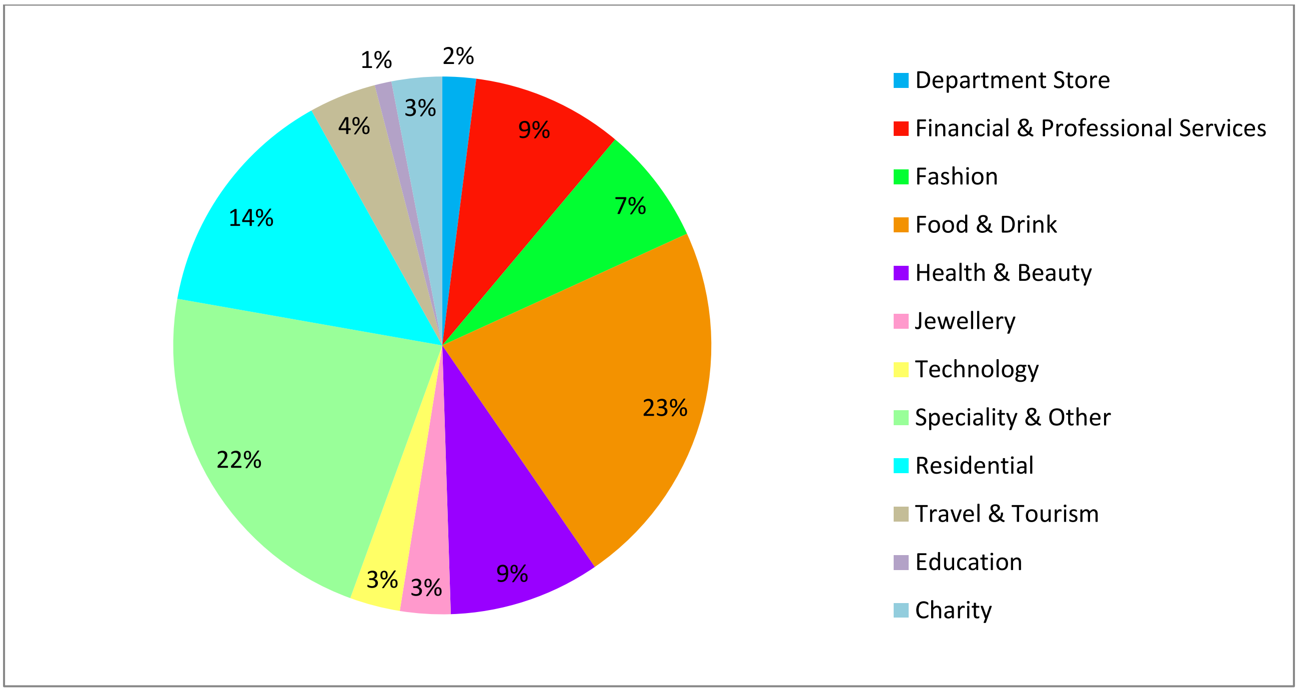
Location	Vacancy rates – Q4 2015	Location	Vacancy rates – Q4 2015
England		North & Yorkshire	<10 & >14.9%
Greater London	<5 & >9.9%		
West Midlands	<10 & > 14.9%	**Northern Ireland**	16.3%
South East	8.4%	**Wales**	11.8%
South West	<5 & >9.9%	**Scotland**	8.7%
East Midlands	<10 & >14.9%		
East	<5 & >9.9%	**National**	9.1%

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



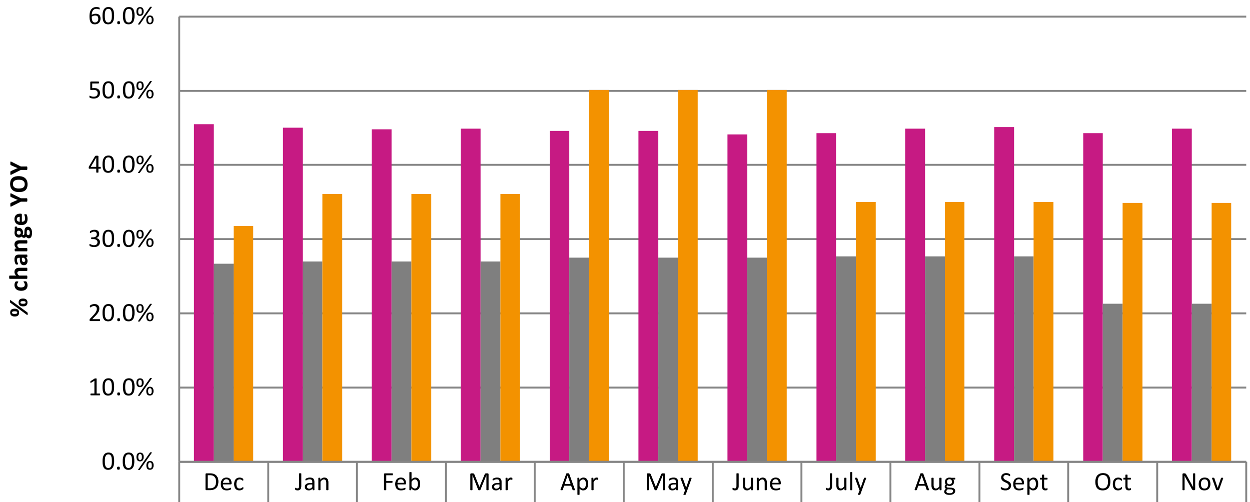
Source: Canterbury Connected BID survey November 2015.

Key findings:

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



	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov
Canterbury	45.5%	45.0%	44.8%	44.9%	44.6%	44.6%	44.1%	44.3%	44.9%	45.1%	44.3%	44.9%
South East	26.7%	27.0%	27.0%	27.0%	27.5%	27.5%	27.5%	27.7%	27.7%	27.7%	21.3%	21.3%
National	31.8%	36.1%	36.1%	36.1%	50.1%	50.1%	50.1%	35.0%	35.0%	35.0%	34.9%	34.9%

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

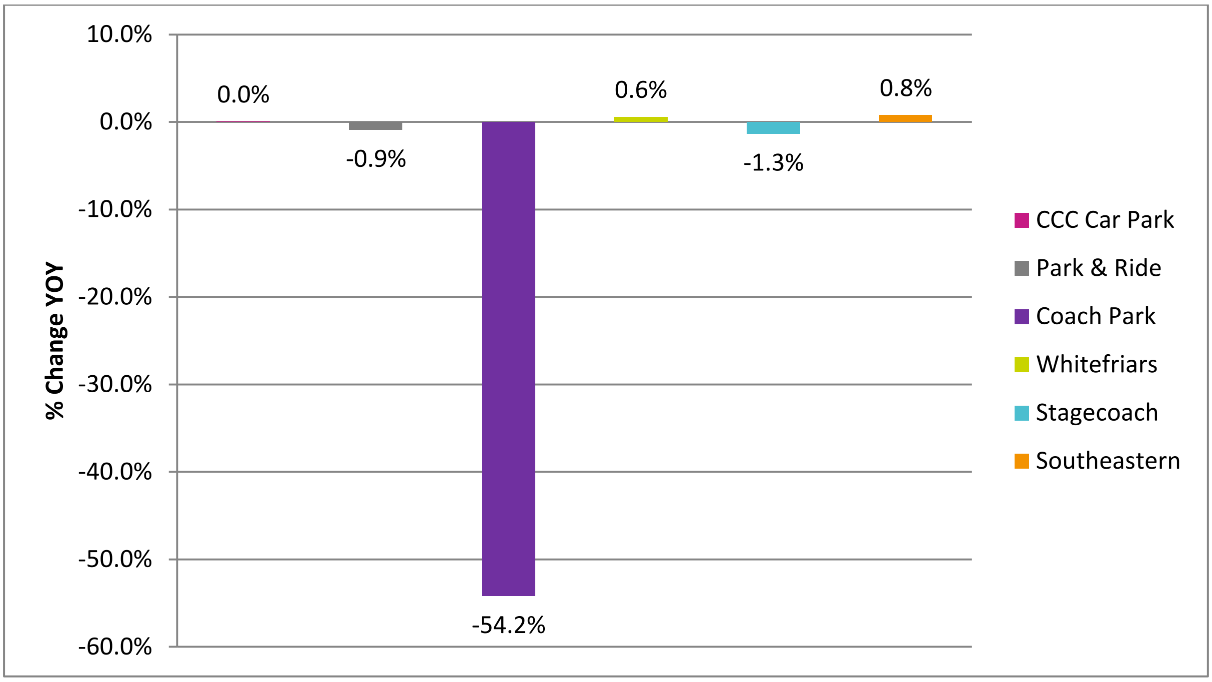
Key findings

- 44.9% of businesses recorded in November were independents, +0.6% more than October, -0.6% less than November 2014, +23.6% more than the average for the South East and +10.0% more than the national average.
    - Longmarket and Rose Lane had the highest number of multiples (100%) followed by Whitefriars (93%), 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.

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

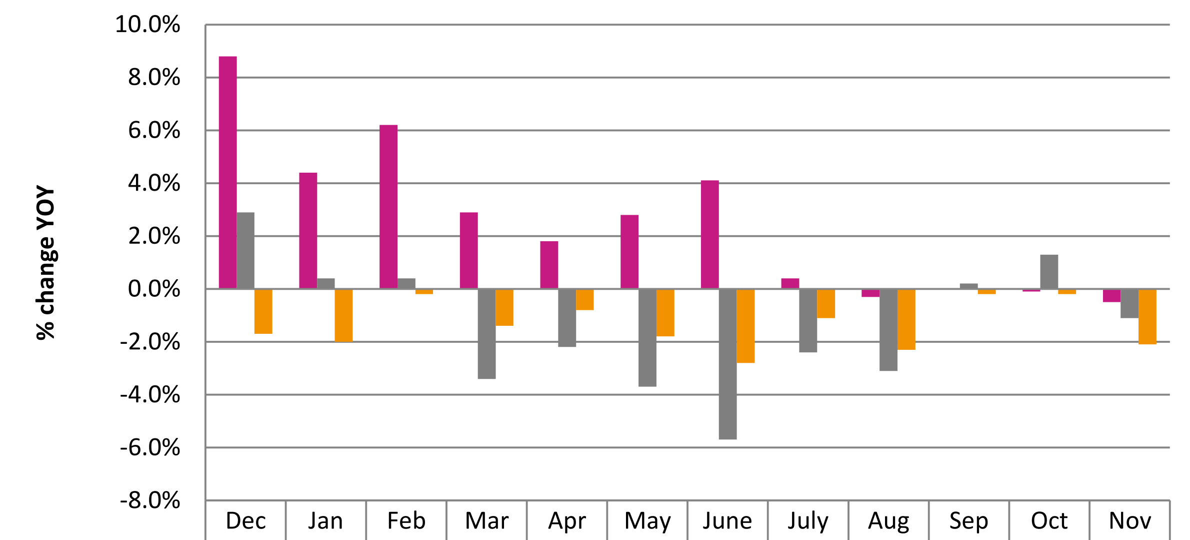


Source: Canterbury City Council Transportation Department Car Park data, Stagecoach East Kent, Whitefriars Car Park Data and Southeastern.

Key Findings

- Overall footfall was down -0.5% YOY in November which is a -0.4% decrease on October (-0.1 %YOY) and a -2.2% decrease on November 2014.
- Most transportation movements remained static however coach travel continued to experience a decrease in usage YOY. With the exception of September 2014 the coach park has seen a decline in usage YOY over the last twenty six 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



	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov
Canterbury	8.8%	4.4%	6.2%	2.9%	1.8%	2.8%	4.1%	0.4%	-0.3%	0.0%	-0.1%	-0.5%
South East	2.9%	0.4%	0.4%	-3.4%	-2.2%	-3.7%	-5.7%	-2.4%	-3.1%	0.2%	1.3%	-1.1%
National	-1.7%	-2.0%	-0.2%	-1.4%	-0.8%	-1.8%	-2.8%	-1.1%	-2.3%	-0.2%	-0.2%	-2.1%

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

Key Findings

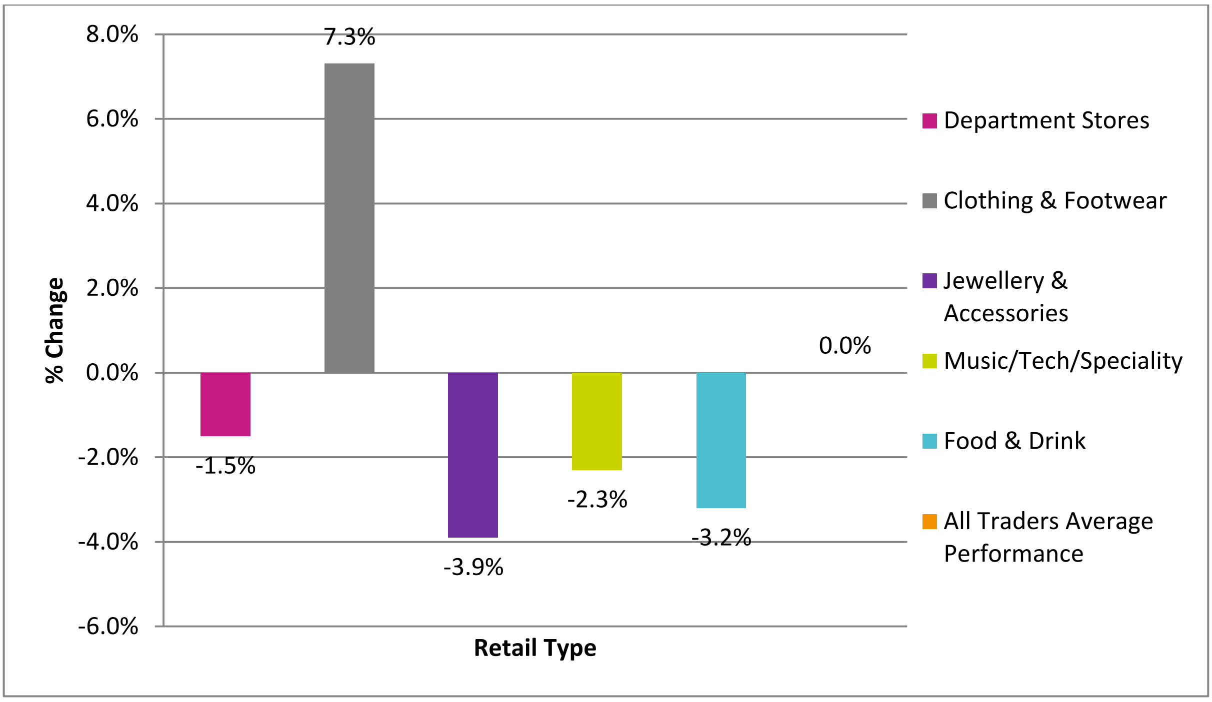
- Footfall in Canterbury was slightly down at -0.5% in November, +0.6% higher than the average for the South East and +1.6% higher than the national average. The twelve month average for Canterbury is +2.5%.
- Nationally:
  - Footfall in November was 2.1% lower than a year ago, significantly below the 0.2% decline in October and underperformed the three month average of -0.8%.
  - Footfall in retail park locations increased 2.0% YOY. This is below October's high of 2.9%.
  - High Streets and Shopping Centres saw a further decline in footfall, falling to 3.4% and 2.8% respectively.
  - Only two regions reported positive footfall growth in November, the East Midlands and Greater London.
  - Footfall was impacted by Black Friday promotions which saw consumers opting to buy online instead of in-stores.
  - The following table provides a breakdown of the footfall rates by region:

Location	% change YOY	Location	% change YOY
England		East	-3.0
Greater London	+0.2	North & Yorkshire	-4.7
West Midlands	-4.1		
South East	-1.1	**Northern Ireland**	-7.9
South West	-2.3	**Wales**	-1.9
East Midlands	+0.2	**Scotland**	-4.2

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

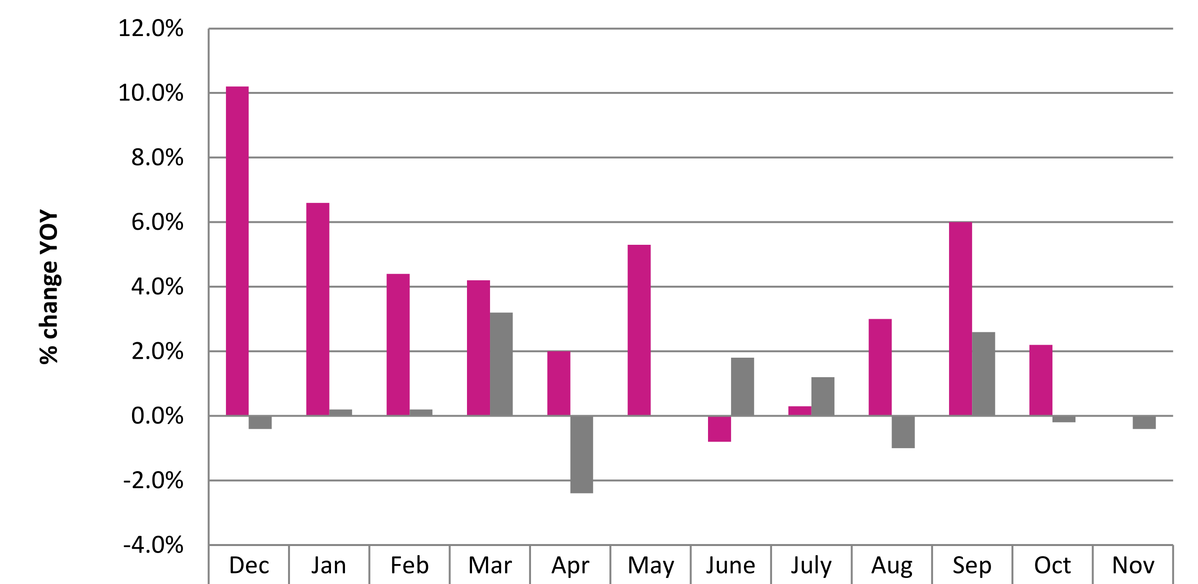


Source: Canterbury Connected BID November 2015 Business Survey of Average Sales Performance based on 25 respondents.

Key findings:

- In November there was an overall 0.0% YOY change in sales performance, which is a -2.2% decrease from October and a -6.7% decrease in comparison to the same time last year.
- A1 retailers had a reasonable month with a +0.8% change in sales performance YOY, which is a -0.9% decrease from October and a -6.5% decrease in comparison to the same month last year. The picture was somewhat mixed when we look across the different categories, with the majority showing a decline. Even Black Friday would appear to have had little impact, especially on the Technology category. This could be due to a change in retailers trying to move away from continuous discounting.
- A3 Food and drink establishments had a poor month with a -3.2 decrease in trade which is a -7.6% decrease from October and a -8.2% decrease in comparison to the same month last year.

Graph 5.2 – Average Sales performance YOY



	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov
Canterbury	10.2%	6.6%	4.4%	4.2%	2.0%	5.3%	-0.8%	0.3%	3.0%	6.0%	2.2%	0.0%
National	-0.4%	0.2%	0.2%	3.2%	-2.4%	0.0%	1.8%	1.2%	-1.0%	2.6%	-0.2%	-0.4%

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

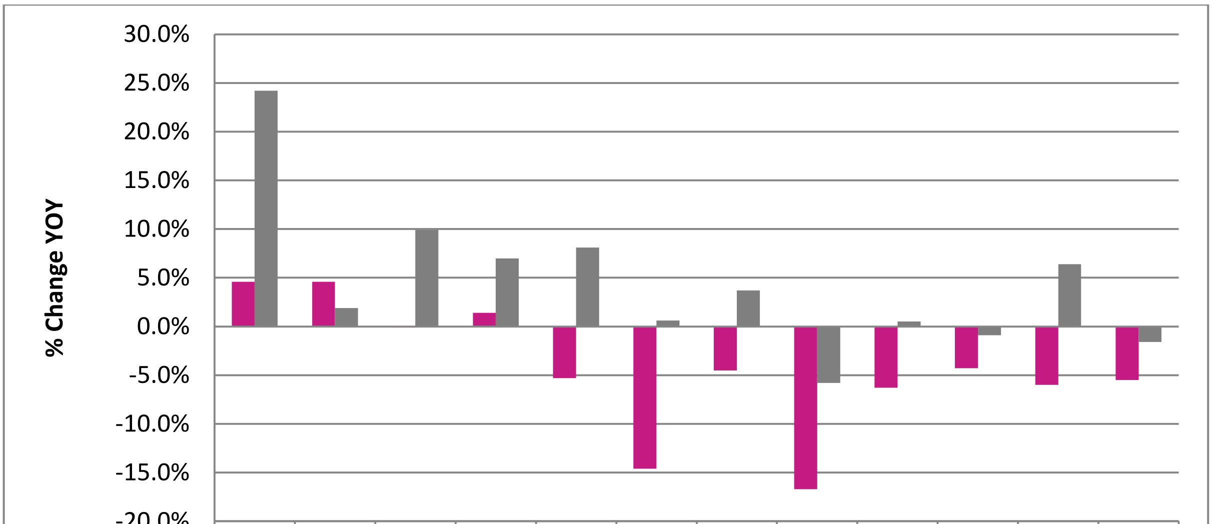
Key findings:

- Sales Performance in November was static at 0.0% YOY, down -3.6% on the twelve month average of +3.6% for Canterbury, and +0.4% higher than the national rate of -0.4% YOY.
- According to the BRC-KPMG UK Retail Sales Monitor:
    - UK retail sales decreased 0.4% on a like-for-like basis from November 2014, when they had increased 0.9% from the preceding year.
    - On a total basis, sales were up 0.7%, against a 2.2% rise in November 2014. Adjusted for the BRC-Nielsen Shop Price Index deflation, total growth was 2.2%.
    - Total growth was below the 3-month average of 2.0% and the 12-month average of 1.7%. Half of the RSM categories showed year-on-year growth on a total basis but, excluding online sales, only two categories showed growth in stores, Furniture and Home Accessories.
    - Total Food sales grew 0.1% over the three months to November and 0.3% over the twelve months, but declined for the month. On a three-month basis, total Non-Food sales were up 3.5%, ahead of their twelve-month average of 2.9%.
    - Online sales of Non-Food products in the UK grew 11.8% in November versus a year earlier, when they had grown 12.0%. The Non-Food online penetration rate was 22.4%, up 2.1 percentage point from November 2014 and the highest on record.

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



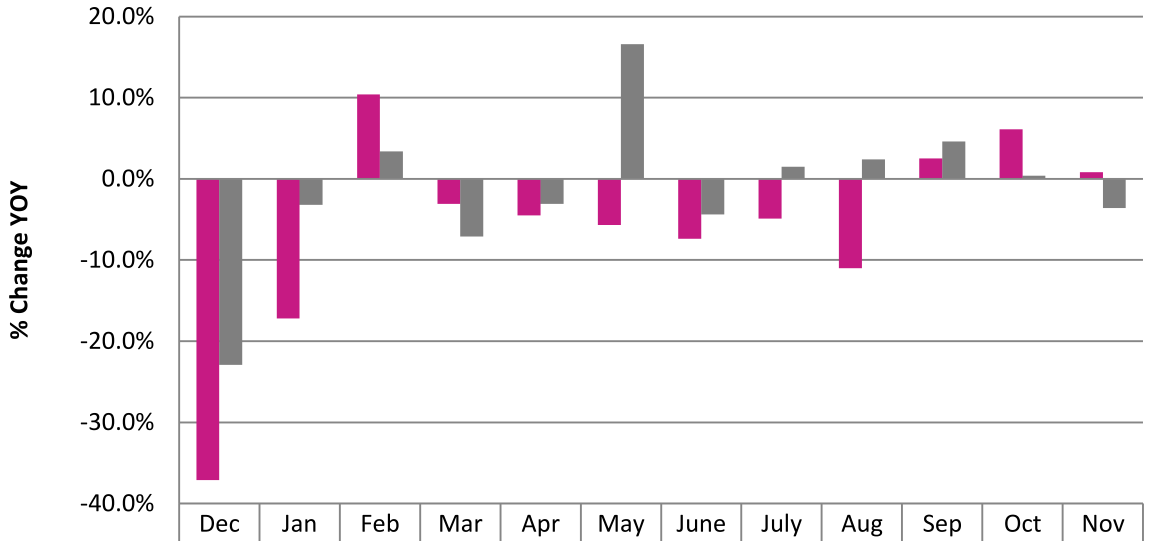
	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov
Canterbury	4.6%	4.6%	-0.1%	1.4%	-5.3%	-14.6%	-4.5%	-16.7%	-6.3%	-4.3%	-6.0%	-5.5%
Kent	24.2%	1.9%	9.9%	7.0%	8.1%	0.6%	3.7%	-5.8%	0.5%	-0.9%	6.4%	-1.6%

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

Key findings:

- In November there was a -5.5% annual change in visitor numbers to visitor attractions in Canterbury, a +0.5% increase over the month from October but a -2.7% 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 terrorist attacks in France.
- For Kent, there was a -1.6% annual change in visitor numbers to visitor attractions which is a -8.0% decrease over the month from October and a -49.2% decrease in comparison to the same time last year.

Graph 6.2 – Percentage change in Visitor Information Centre Enquires YOY



	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov
Canterbury	-37.1%	-17.2%	10.4%	-3.1%	-4.5%	-5.7%	-7.4%	-4.9%	-11.0%	2.5%	6.1%	0.8%
Kent	-22.9%	-3.2%	3.4%	-7.1%	-3.1%	16.6%	-4.4%	1.5%	2.4%	4.6%	0.4%	-3.6%

Source: Visit Kent Business Barometer, November 2015.

Key findings:

- For Canterbury there was a total +0.8% annual change in visitor enquiries, a -5.3% decrease over the month from October but a +37.0% increase in comparison to the same time last year.
- Visitor Information Centres in Kent had a -3.6% annual change in visitor enquiries, a -4.0% decrease over the month from October and a -13.8% 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, 5% long haul visitors and 45% 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.

- 7: Christ Church University Open Day
- 19: Christmas Light Switch On
- 21: Meet and Greet the Panto Stars at Whitefriars
- 29: Meet Santa's (Real) Reindeer and Elves at Whitefriars