Canterbury Connected

BUSINESS IMPROVEMENT DISTRICT

Canterbury City Centre

Performance Report

December 2015

Canterbury City Centre Performance Report – December 2015

Executive summary

Welcome to the December 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

The table below provides at-a-glance colour coded trend indicators:

● Signifies improvement ● Relative stability ● Decline

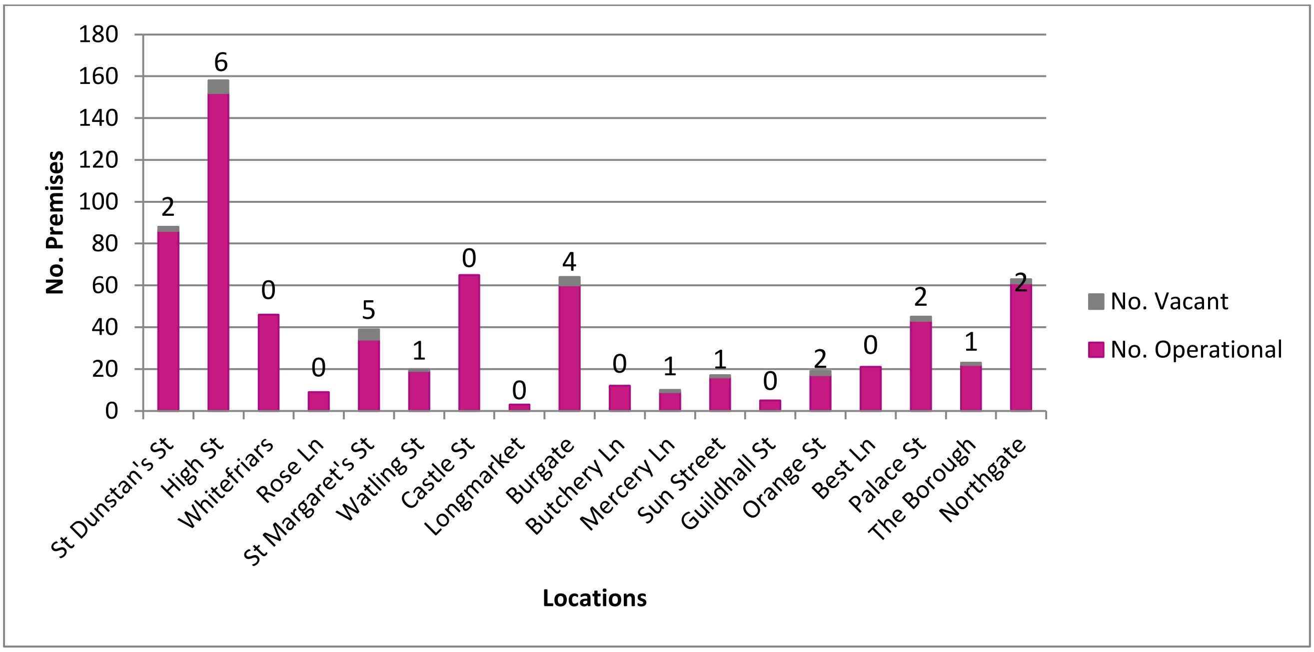
Indicator	Trend	Comment
Premises vacancy rates	● (green)	The vacancy rate for Canterbury in December was 4.0%, -0.9% lower than November, -0.5% lower than December 2014 and the lowest it has been over the last twelve months. The vacancy rate for the Southeast in Q4 2015 was 8.4% and 9.1% in Q4 2015 nationally.
Premises type	● (amber)	Canterbury has a good healthy mix of premises types with food and drink (22%) and specialty (22%) having the highest presence. Overall 35% of Canterbury's retailers are multiples and 45% are independents.
Business start-up rates		Figures unavailable this month
City Centre footfall	● (amber)	Overall footfall was down -0.1% YOY in December which is a +0.4% increase on November (-0.5 % YOY) but a -8.9% decrease on December 2014, +0.1% higher than the average for the South East and +2.1% higher than the national average. The twelve month average for Canterbury is +1.8%.
Business Sales Performance	● (green)	In December there was an overall +5.9% YOY change in sales performance, which is a +5.9% increase from November but a -4.2% decrease in comparison to the same time last year. A1 retailers had a good month with a +6.2% change in sales performance YOY and A3 Food and drink establishments had a good month too with a +4.3% increase in trade YOY.
Tourism	● (green)	Visitor numbers to visitor attractions in Canterbury were up +3.9% YOY (-5.5% YOY in November). For Kent, attraction visitor numbers were up +12.2% YOY (-1.6% YOY in November). 45% of visitors to Canterbury were domestic, 5% long haul and 50% 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 December 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

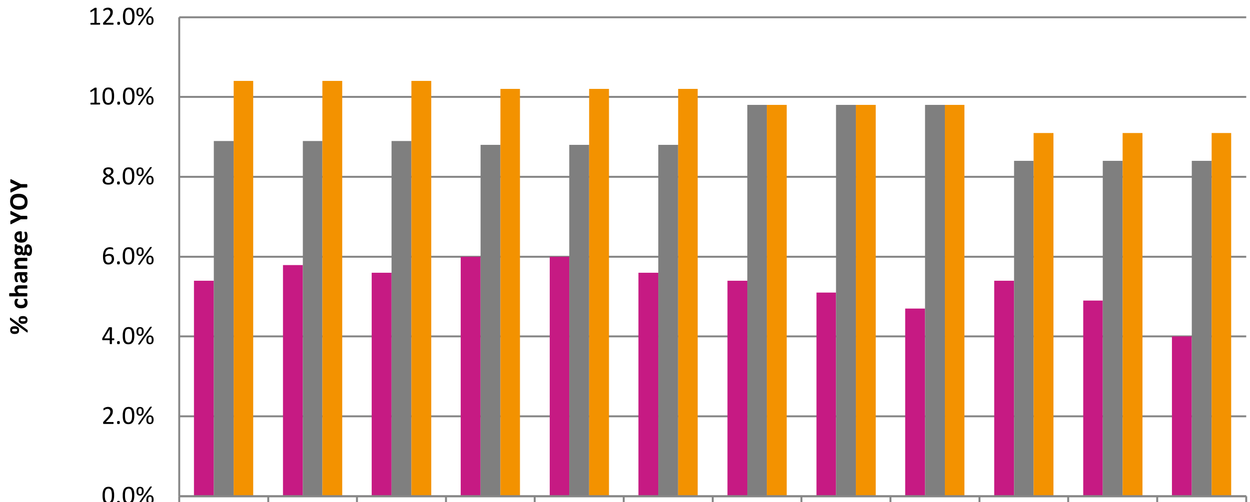


Source: Canterbury Connected BID survey December 2015.

Key findings:

- A total number of 27 businesses premises were recorded as vacant in December, 6 less than in November and 3 less than in December 2014.
- The High Street, St Margarets Street and Burgate had the highest number of empty premises whilst Whitefriars, 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 (14%).

Graph 1.2 - Premises vacancy rates YOY



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Canterbury	5.4%	5.8%	5.6%	6.0%	6.0%	5.6%	5.4%	5.1%	4.7%	5.4%	4.9%	4.0%
South East	8.9%	8.9%	8.9%	8.8%	8.8%	8.8%	9.8%	9.8%	9.8%	8.4%	8.4%	8.4%
National	10.4%	10.4%	10.4%	10.2%	10.2%	10.2%	9.8%	9.8%	9.8%	9.1%	9.1%	9.1%

Source: Canterbury Connected BID survey December 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 December was 4.0%, -0.9% lower than November, -0.5% lower than December 2014 and the lowest it has been over the last twelve months.
- 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 Q4 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:

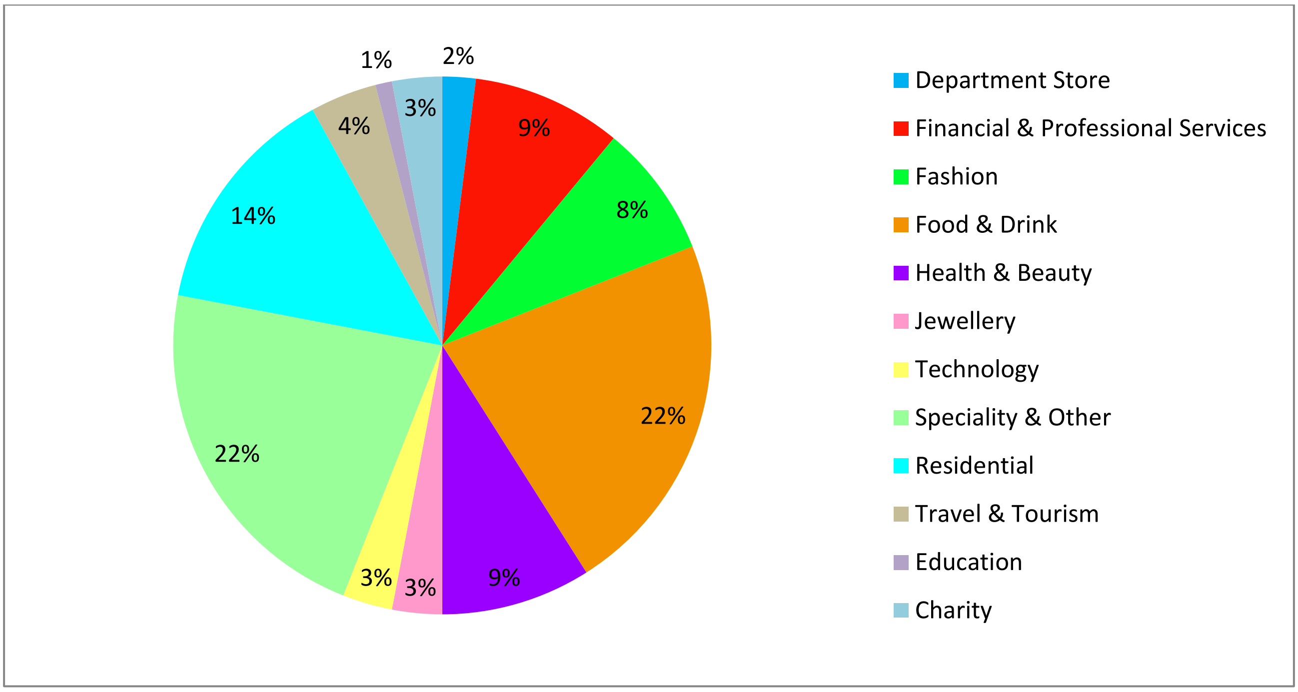
Location	Vacancy rates – Q4 2015	Location	Vacancy rates – Q4 2015
England		North & Yorkshire	<10 & >14.9%
Greater London	<5 & >9.9%		
West Midlands	<10 & > 14.9%	**Northern Ireland**	16.3%
South East	8.4%	**Wales**	11.8%
South West	<5 & >9.9%	**Scotland**	8.7%
East Midlands	<10 & >14.9%		
East	<5 & >9.9%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



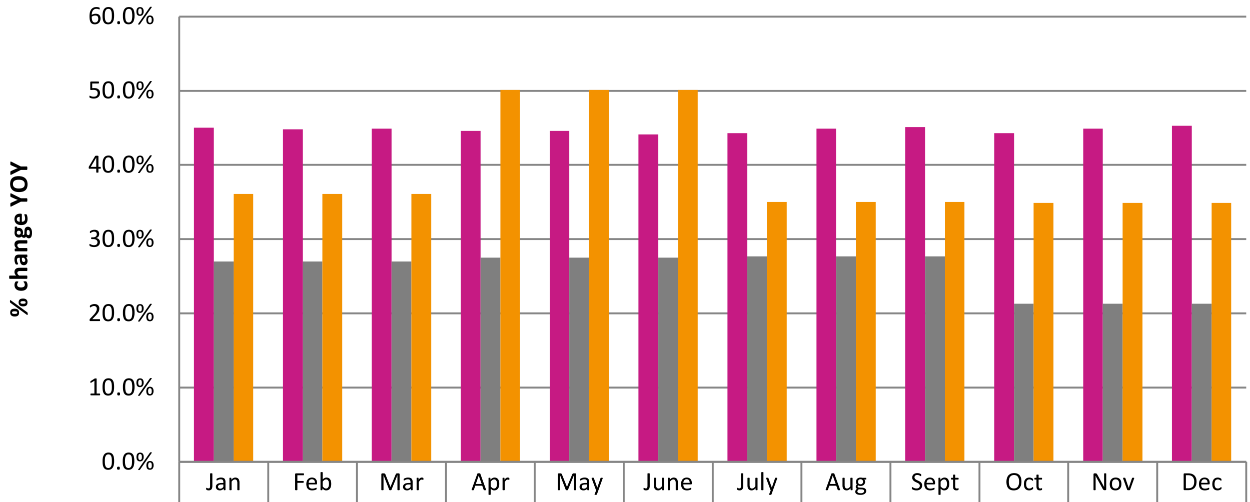
Source: Canterbury Connected BID survey December 2015.

Key findings:

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



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Canterbury	45.0%	44.8%	44.9%	44.6%	44.6%	44.1%	44.3%	44.9%	45.1%	44.3%	44.9%	45.3%
South East	27.0%	27.0%	27.0%	27.5%	27.5%	27.5%	27.7%	27.7%	27.7%	21.3%	21.3%	21.3%
National	36.1%	36.1%	36.1%	50.1%	50.1%	50.1%	35.0%	35.0%	35.0%	34.9%	34.9%	34.9%

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

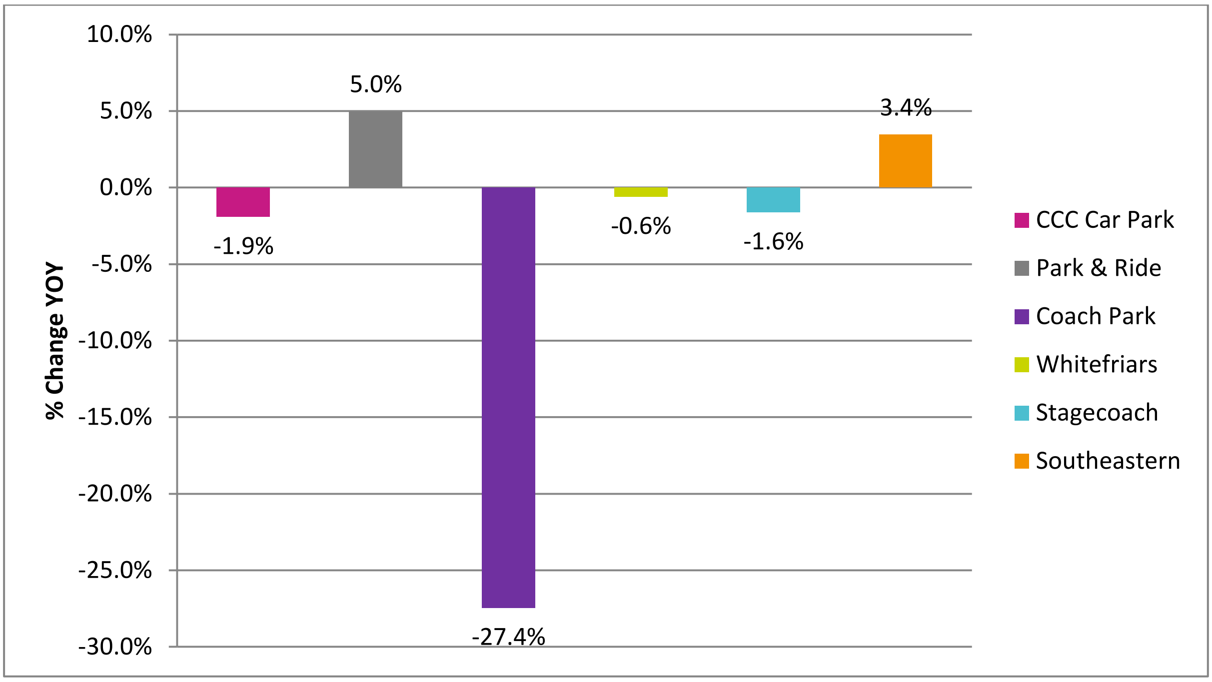
Key findings

- 45.3% of businesses recorded in December were independents, +0.4% more than November, -0.2% less than December 2014, +24.0% more than the average for the South East and +10.4% more than the national average.
    - Longmarket and Rose Lane had the highest number of multiples (100%) followed by Whitefriars (96%), 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, 35% of retailers are multiples and 45% are independents and 20% 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

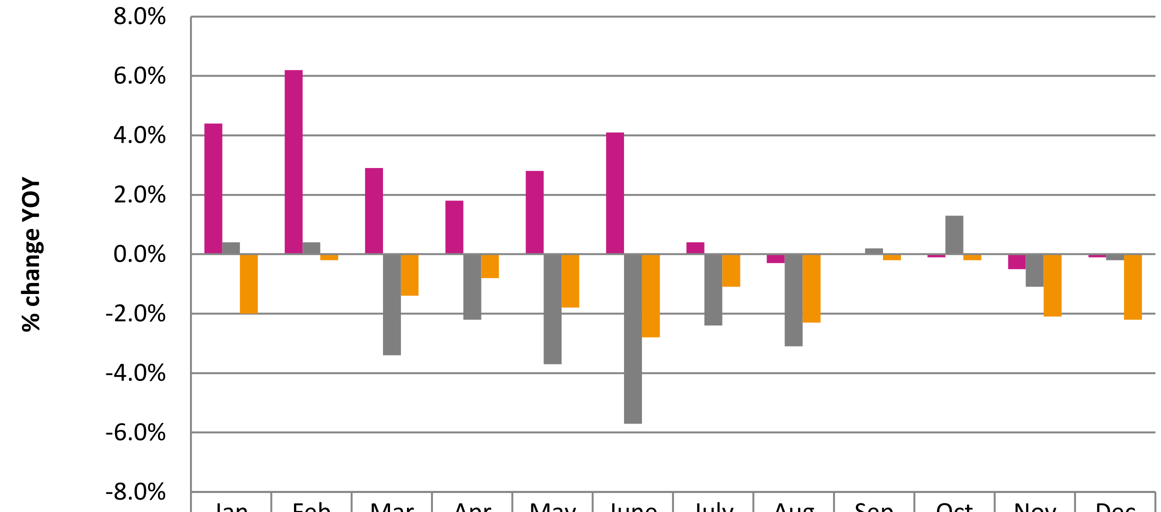


Source: Canterbury City Council Transportation Department Car Park data, Stagecoach East Kent, Whitefriars Car Park Data and Southeastern.

Key Findings

- Overall footfall was down -0.1% YOY in December which is a +0.4% increase on November (-0.5 % YOY) but a -8.9% decrease on December 2014.
- December was a mixed picture with park & ride and train travel increasing whilst car and bus travel declining year on year. The most significant decline is with the coach park which with the exception of September 2014 the coach park has seen a decline in usage YOY over the last twenty seven months. The increase in the coach parking charges could have had an impact on this result as well as the security concerns on the near continent.

Graph 4.2 – Canterbury footfall rates YOY



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

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

Key Findings

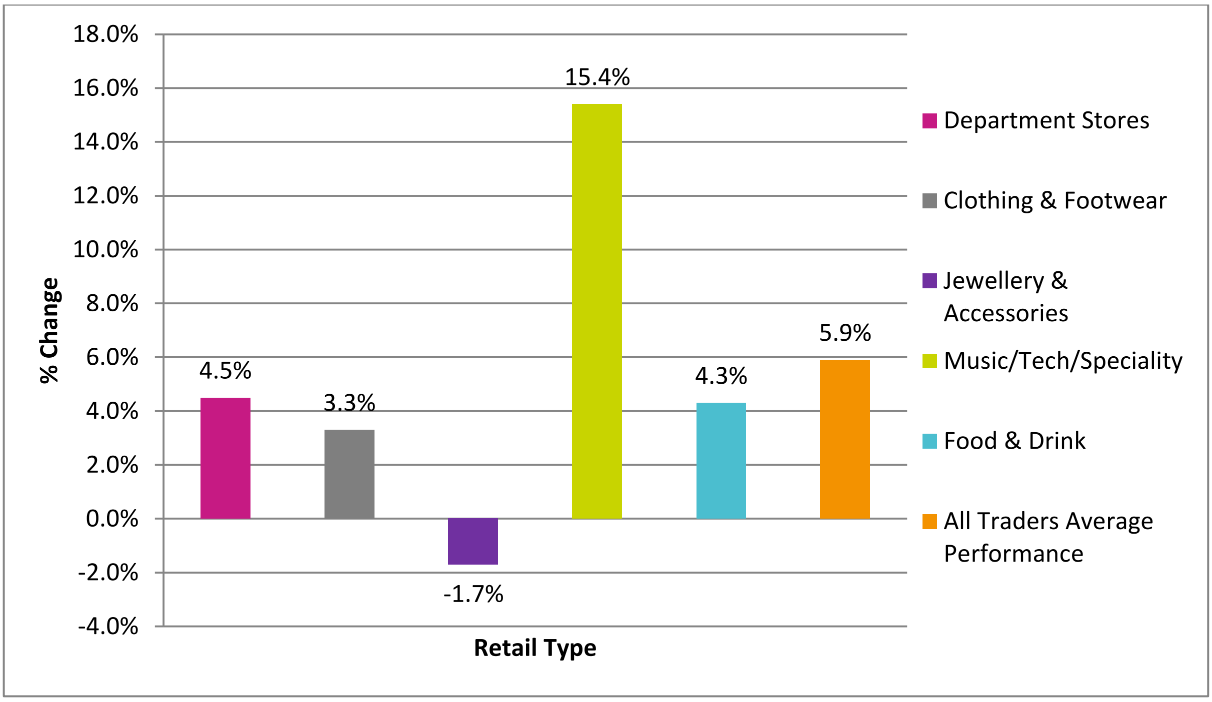
- Footfall in Canterbury was slightly down at -0.1% in December, +0.1% higher than the average for the South East and +2.1% higher than the national average. The twelve month average for Canterbury is +1.8%.
- Nationally:
  - Footfall in December was -2.2% down on a year ago, marginally lower than the -2.1% decline in November, underperforming the three-month average rate of -1.6%.
  - Footfall in retail park locations increased +2.1% year-on-year. This is slightly above November's +2.0% rise.
  - High Streets and Shopping Centres saw a further decline in footfall, falling to 4.0% and 2.0% respectively. This was High Streets sharpest decline since November 2014.
  - The only region or nation to report a rise in footfall was Scotland, albeit marginally at 0.2%.
  - The following table provides a breakdown of the footfall rates by region:

Location	% change YOY	Location	% change YOY
England		East	-2.7
Greater London	-1.6	North & Yorkshire	-3.5
West Midlands	-3.4		
South East	-0.2	**Northern Ireland**	-1.1
South West	-2.2	**Wales**	-2.9
East Midlands	-0.8	**Scotland**	+0.2

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

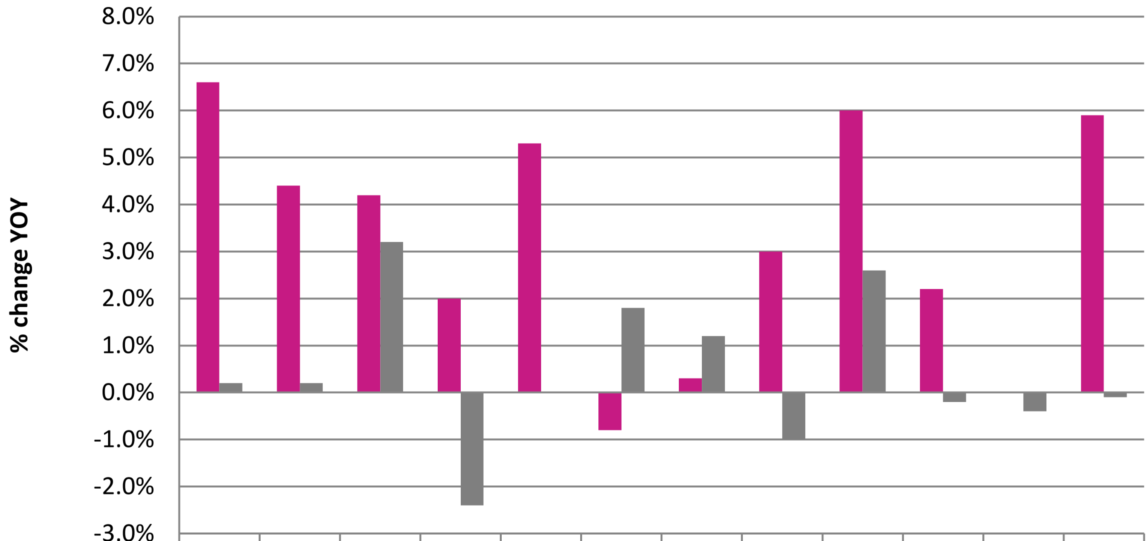


Source: Canterbury Connected BID December 2015 Business Survey of Average Sales Performance based on 26 respondents.

Key findings:

- In December there was an overall +5.9% YOY change in sales performance, which is a +5.9% increase from November but a -4.2% decrease in comparison to the same time last year.
- A1 retailers had a good month with a +6.2% change in sales performance YOY, which is a +5.4% increase from November but a -3.0% decrease in comparison to the same month last year. Overall sales performance was positive due to an improving consumer environment buoyed by rising incomes, low inflation and low unemployment.
- A3 Food and drink establishments had a good month too with a +4.3% increase in trade which is a +7.5% increase from November but a -9.4% decrease in comparison to the same month last year.

Graph 5.2 – Average Sales performance YOY



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Canterbury	6.6%	4.4%	4.2%	2.0%	5.3%	-0.8%	0.3%	3.0%	6.0%	2.2%	0.0%	5.9%
National	0.2%	0.2%	3.2%	-2.4%	0.0%	1.8%	1.2%	-1.0%	2.6%	-0.2%	-0.4%	-0.1%

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

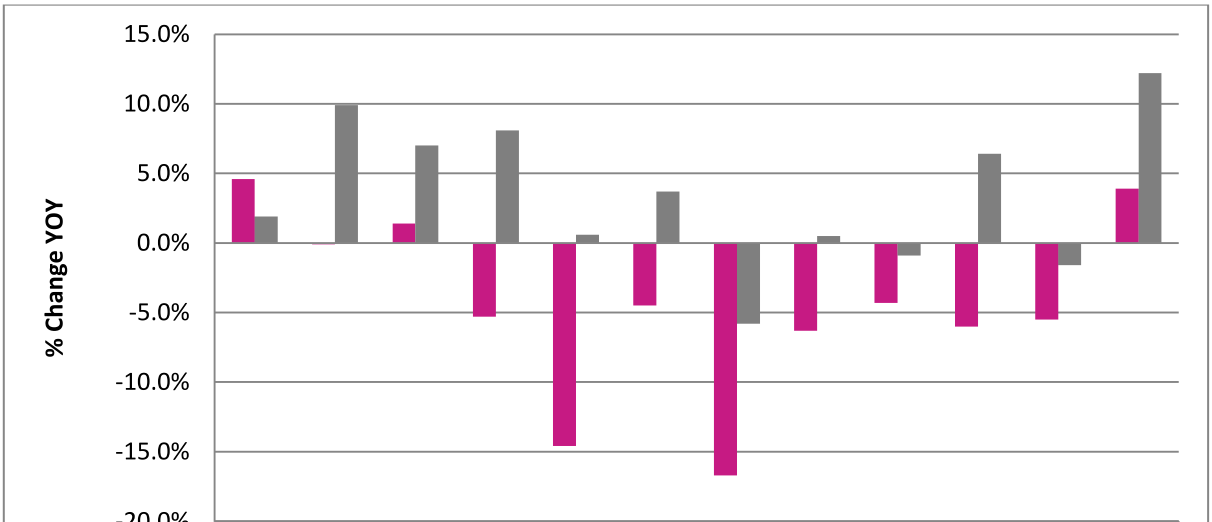
Key findings:

- Sales Performance in December was up +5.9% YOY, up +2.6% on the twelve month average of +3.3% for Canterbury, and +5.6% higher than the national rate of -0.1% YOY.
- According to the BRC-KPMG UK Retail Sales Monitor:
  - UK retail sales rose by 0.1% on a like-for-like basis from December 2014, when they had decreased 0.4% from the preceding year.
  - On a total basis, sales were up 1.0%, against a 1.0% rise in December 2014.
  - Adjusted for the BRC-Nielsen Shop Price Index deflation, total growth was 3.0%.
  - Total growth was above the 3-month average of 0.9% but weaker than the 12-month average of 1.7%.
  - Total Food sales grew 0.2% over the three months to December and 0.3% over the twelve months. On a three-month basis, total Non-Food sales were up 1.5%, the weakest growth since January 2013.
  - Online sales of Non-Food products in the UK grew 15.1% in December versus a year earlier, when they had grown 7.0%. The Non-Food online penetration rate was 19.7%, up 2.4 percentage points from December 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



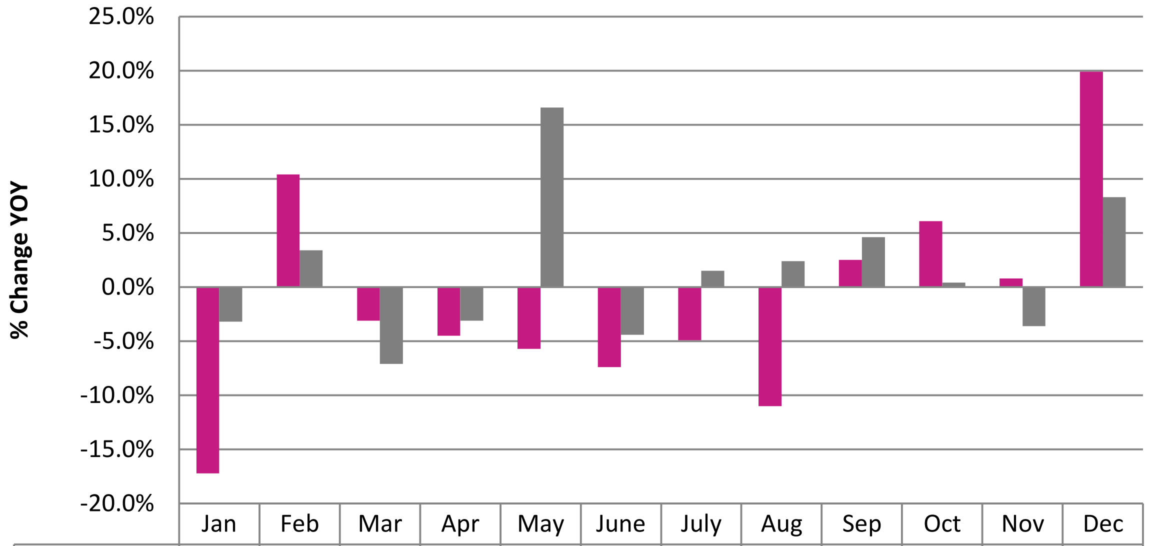
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Canterbury	4.6%	-0.1%	1.4%	-5.3%	-14.6%	-4.5%	-16.7%	-6.3%	-4.3%	-6.0%	-5.5%	3.9%
Kent	1.9%	9.9%	7.0%	8.1%	0.6%	3.7%	-5.8%	0.5%	-0.9%	6.4%	-1.6%	12.2%

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

Key findings:

- In December there was a +3.9% annual change in visitor numbers to visitor attractions in Canterbury, a +9.4% increase over the month from November but a -0.7% decrease in comparison to the same time last year. The is a positive result given the strength of the Pound against the Euro as well as safety concerns in light of terrorist attacks in France.
- For Kent, there was a +12.2% annual change in visitor numbers to visitor attractions which is a +13.8% increase over the month from November but a -12.0% decrease in comparison to the same time last year.

Graph 6.2 – Percentage change in Visitor Information Centre Enquires YOY



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Canterbury	-17.2%	10.4%	-3.1%	-4.5%	-5.7%	-7.4%	-4.9%	-11.0%	2.5%	6.1%	0.8%	19.9%
Kent	-3.2%	3.4%	-7.1%	-3.1%	16.6%	-4.4%	1.5%	2.4%	4.6%	0.4%	-3.6%	8.3%

Source: Visit Kent Business Barometer, December 2015.

Key findings:

- For Canterbury there was a total +19.9% annual change in visitor enquiries, a +19.1% increase over the month from November and a +57.0% increase in comparison to the same time last year.
- Visitor Information Centres in Kent had a +8.3% annual change in visitor enquiries, a +11.9% increase over the month from November and a +31.2% increase in comparison to the same time last year.
- According to Visit Kent's August Business Barometer 45% of visitors to Canterbury's VIC were domestic visitors, 5% long haul visitors and 50% were European visitors.

Events

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

- 2 – 3: White Stuff store launch
- 5: St Nicholas Parade
- 1 – 24 – Whitefriars Christmas market & Grotto
- 1 – 31: Marlowe Pantomime
- 24: Lord Mayor Christmas Community Carole Singing