Canterbury Connected

BUSINESS IMPROVEMENT DISTRICT

Canterbury City Centre

Performance Report

February 2016

Canterbury City Centre Performance Report – February 2016

Executive summary

Welcome to the February 2016 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

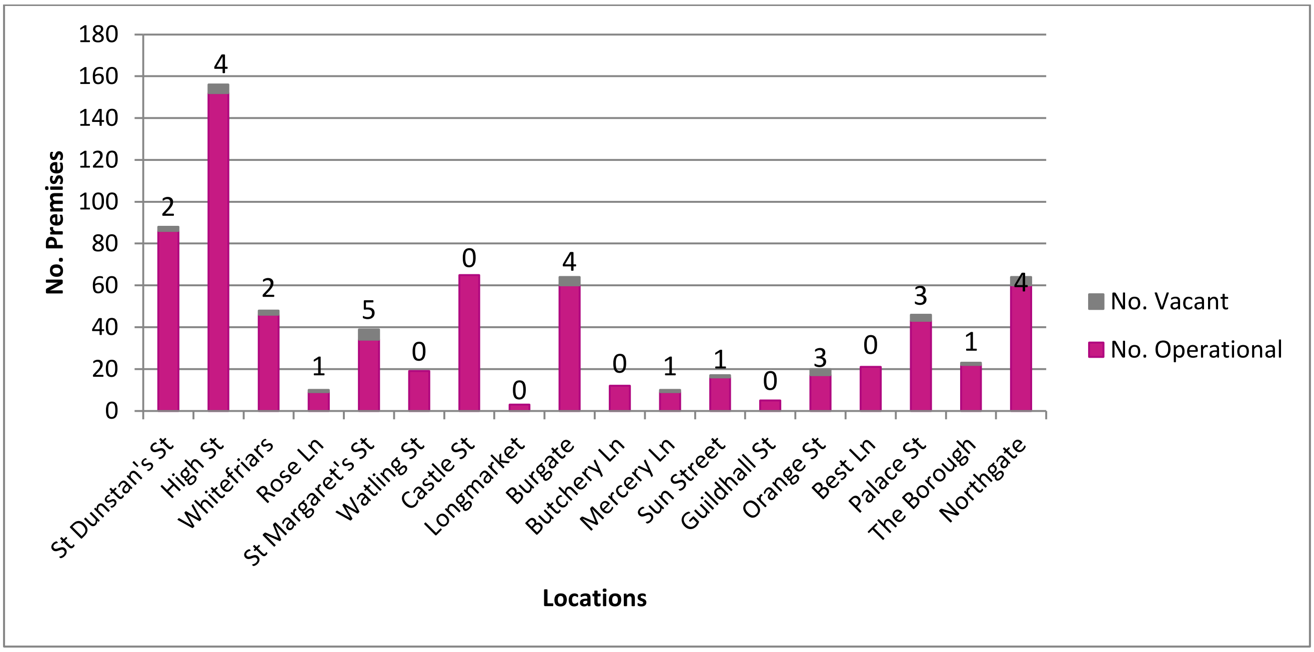
Indicator	Trend	Comment
Premises vacancy rates	● (green)	The vacancy rate for Canterbury in February was 4.6%, the same as January and -1.2% lower than February 2015. The vacancy rate for the Southeast in Q1 2016 was 7.4% and 8.7% in Q1 2016 nationally.
Premises type	● (amber)	Canterbury has a good healthy mix of premises types with food and drink (22%) and specialty (21%) 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	● (green)	Overall footfall was up +3.6% YOY in February which is a +5.3% increase on January (-1.7 % YOY) but a -2.6% decrease on February 2015, +4.8% higher than the average for the South East and +4.7% higher than the national rate. The twelve month average for Canterbury is +1.1%.
Business Sales Performance	● (amber)	In February there was an overall +0.1% YOY change in sales performance, which is a -6.4% decrease from January and a -5.2% decrease in comparison to the same time last year. A1 retailers had a stable month with a +0.2% change in sales performance YOY and A3 Food and drink establishments had a poor month with a -1.0% decrease in trade.
Tourism	● (red)	Visitor numbers to visitor attractions in Canterbury were down -2.0% YOY (+3.8% YOY in January). For Kent, attraction visitor numbers were up +7.9% YOY (+17.7% YOY in January). 25% of visitors to Canterbury were domestic, 5% long haul and 70% 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 February a survey of 18 key streets within Canterbury City Centre was undertaken. A total number of 679 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

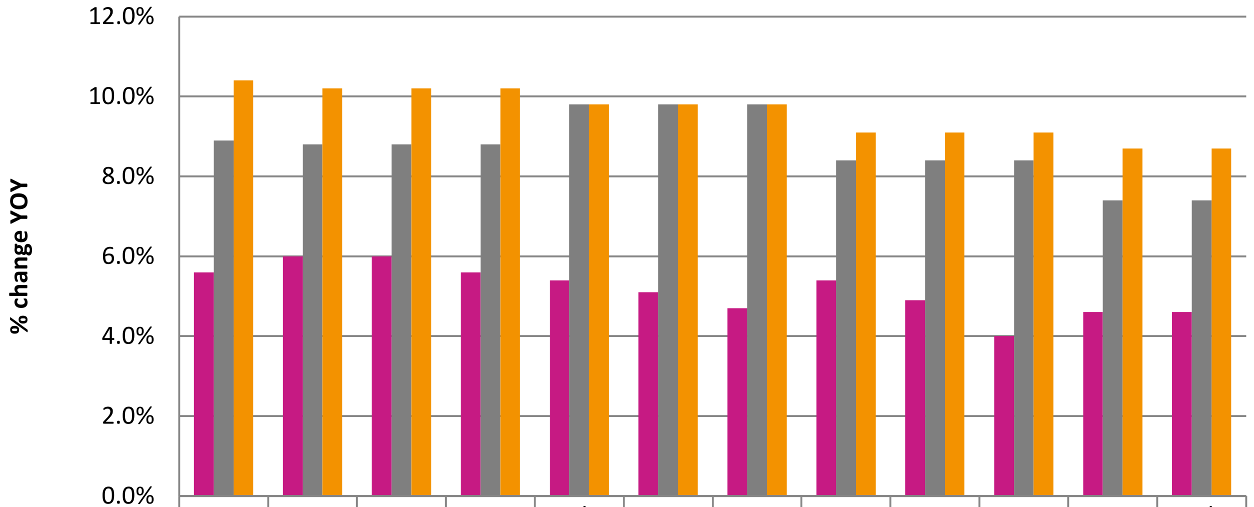


Source: Canterbury Connected BID survey February 2016.

Key findings:

- A total number of 31 businesses premises were recorded as vacant in February, the same as January and 7 less than in February 2015.
- The High Street, St Margarets Street, Burgate and Northgate had the highest number of empty premises whilst Watling Street, Castle Street, Longmarket, Butchery Lane, Guildhall Street and Best Lane had none.
- As a comparison to the total number of premises within each street, Orange Street had the highest vacancy rate (18%).

Graph 1.2 - Premises vacancy rates YOY



	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb
Canterbury	5.6%	6.0%	6.0%	5.6%	5.4%	5.1%	4.7%	5.4%	4.9%	4.0%	4.6%	4.6%
South East	8.9%	8.8%	8.8%	8.8%	9.8%	9.8%	9.8%	8.4%	8.4%	8.4%	7.4%	7.4%
National	10.4%	10.2%	10.2%	10.2%	9.8%	9.8%	9.8%	9.1%	9.1%	9.1%	8.7%	8.7%

Source: Canterbury Connected BID survey February 2016 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 February was 4.6%, the same as January and -1.2% lower than February 2015.
- The vacancy rate for the Southeast in Q1 2016 was 7.4%, -1.0% lower than in Q4 2015 and -1.5% lower compared to this time last year.
- Canterbury had the third lowest vacancy rate of the 19 towns in the South East that published their results in the Springboard Quarterly Vacancy Rate Survey Q1 2016.
- The following table provides a breakdown of the vacancy rates by region:

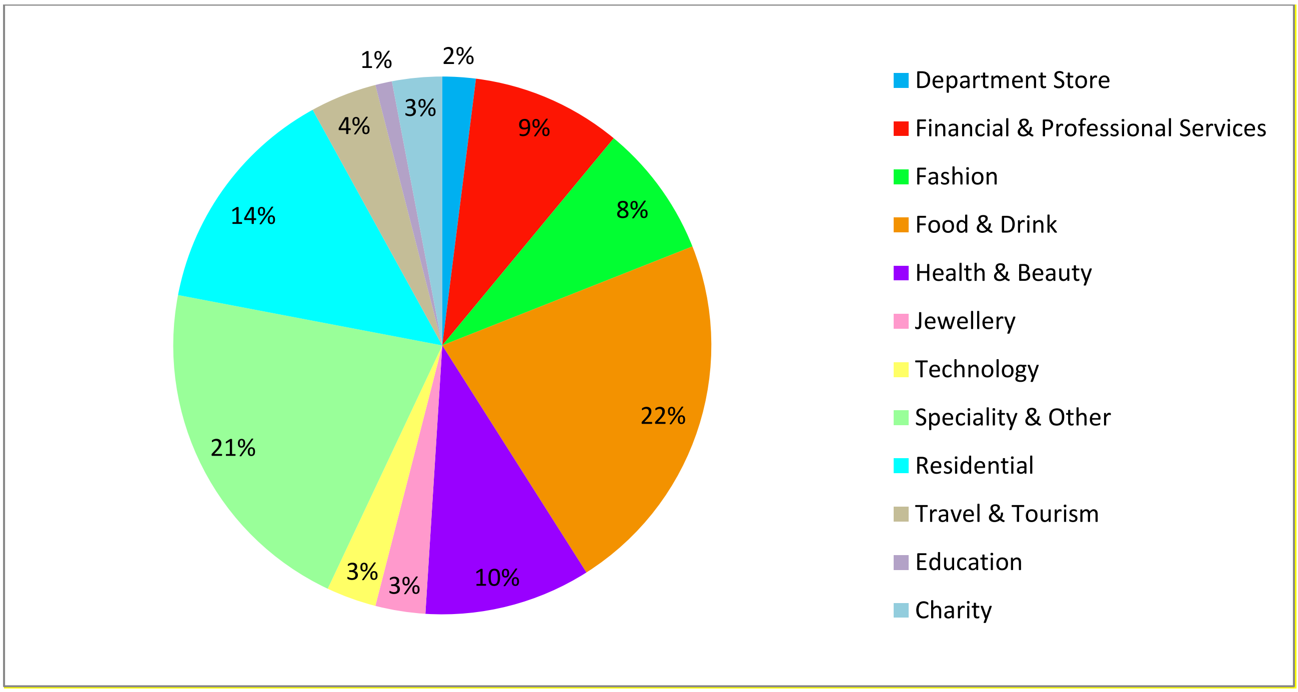
Location	Vacancy rates – Q4 2015	Location	Vacancy rates – Q4 2015
England		North & Yorkshire	11.5%
Greater London	6.0%		
West Midlands	<5 & >9.9%	**Northern Ireland**	14.7%
South East	7.4%	**Wales**	13.7%
South West	<5 & >9.9%	**Scotland**	9.1%
East Midlands	<5 & >9.9%		
East	5.4%	**National**	8.7%

Springboard methodology: Springboard gathers vacancy rates in towns and cities via an online survey of town centre Managers in 450 locations throughout the UK. The vacancy rate is defined as the percentage of the ground floor units In the town centre that are vacant, and a vacant unit is regarded as one which is not trading at the time of the survey (whether or not it is let).

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



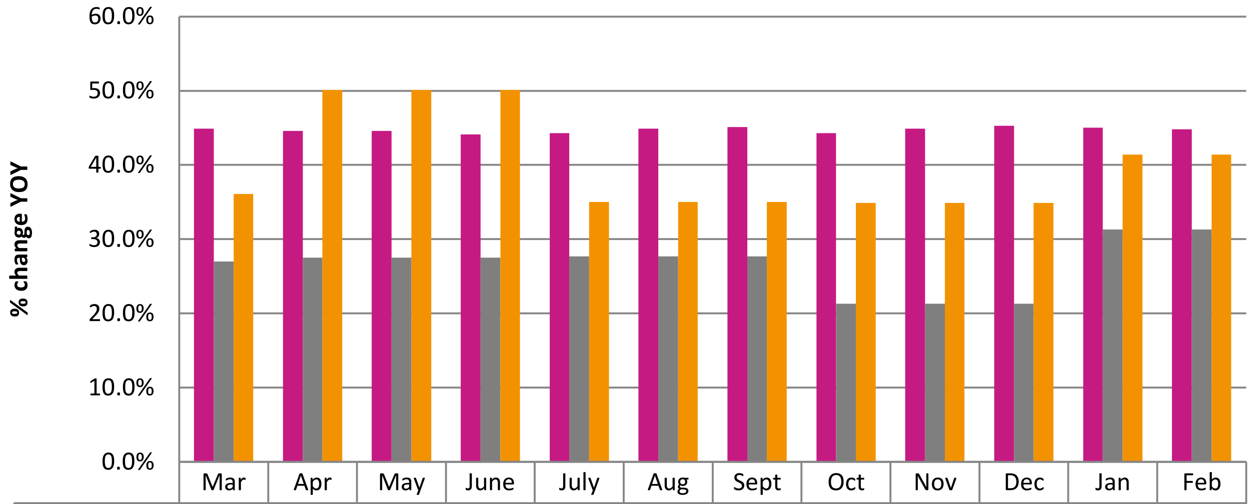
Source: Canterbury Connected BID survey February 2016.

Key findings:

- Overall Food and drink premises (22%), 'speciality and other' (21%) 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



	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb
Canterbury	44.9%	44.6%	44.6%	44.1%	44.3%	44.9%	45.1%	44.3%	44.9%	45.3%	45.0%	44.8%
South East	27.0%	27.5%	27.5%	27.5%	27.7%	27.7%	27.7%	21.3%	21.3%	21.3%	31.3%	31.3%
National	36.1%	50.1%	50.1%	50.1%	35.0%	35.0%	35.0%	34.9%	34.9%	34.9%	41.4%	41.4%

Source: Canterbury Connected BID survey January 2016 and Springboard's quarterly reports which are gathered in January, April, July and October.

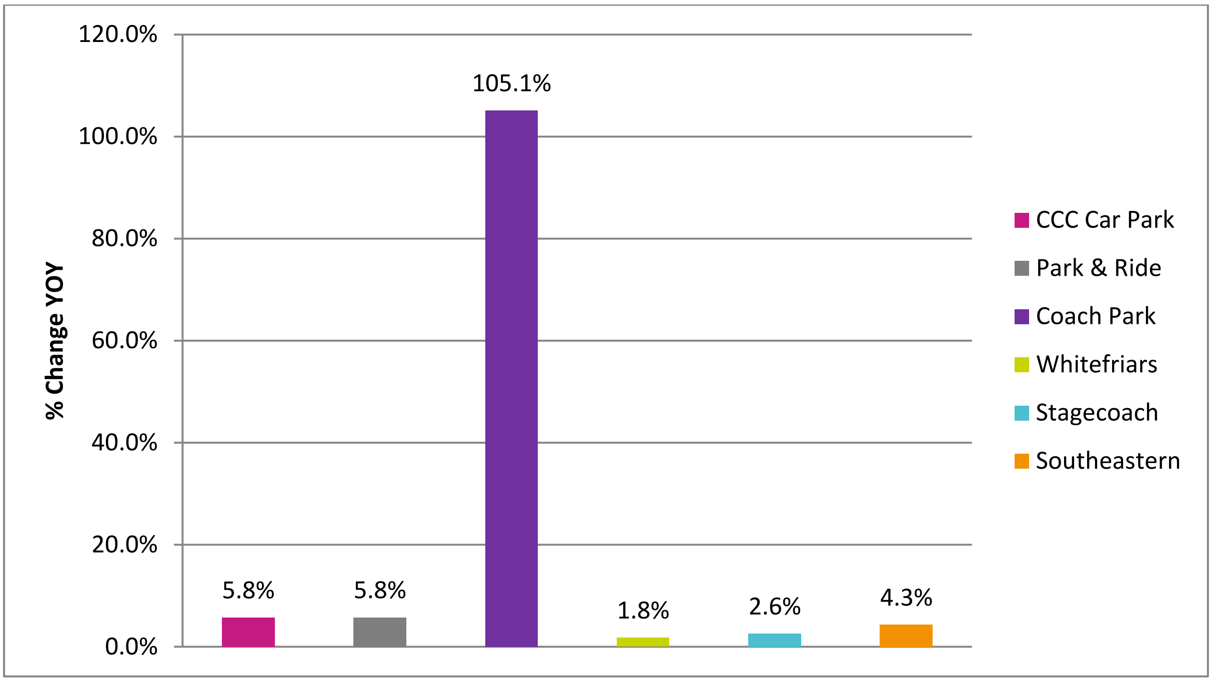
Key findings

- 44.8% of businesses recorded in February were independents, -0.2% less than January, the same as February 2015, +13.5% more than the average for the South East and +3.8% more than the national average.
  - Longmarket (100%), Whitefriars (93%) and Rose Lane (89%) had the highest number of multiples, which is unsurprising as they are managed developments.
  - Sun Street (81%), Palace Street (79%) and The Borough (77%) and had the highest number of independent businesses.
- 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

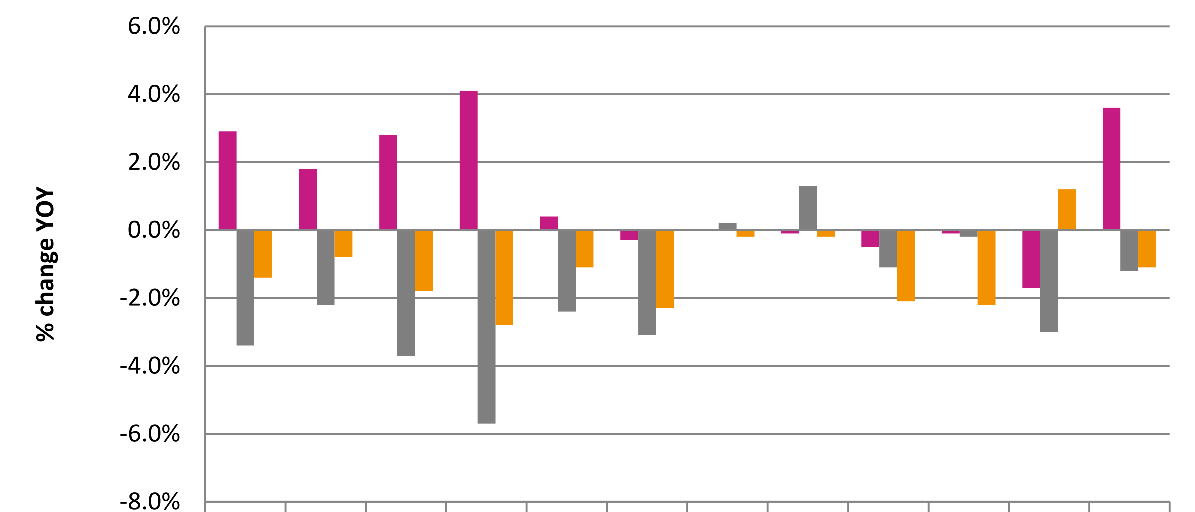


Source: Canterbury City Council Transportation Department Car Park data, Stagecoach East Kent, Whitefriars Car Park Data and Southeastern.

Key Findings

- Overall footfall was up +3.6% YOY in February which is a +5.3% increase on January (-1.7 % YOY) but a -2.6% decrease on February 2015.
- February was a good month with all methods of transport up year on year. However it should be noted that coach travel was down -31.9% YoY in February 2015 when the coach park was under water due to persistent wet weather. With the exception of September 2014 the coach park has seen a decline in usage YOY over the last twenty nine 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



	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Canterbury	2.9%	1.8%	2.8%	4.1%	0.4%	-0.3%	0.0%	-0.1%	-0.5%	-0.1%	-1.7%	3.6%
South East	-3.4%	-2.2%	-3.7%	-5.7%	-2.4%	-3.1%	0.2%	1.3%	-1.1%	-0.2%	-3.0%	-1.2%
National	-1.4%	-0.8%	-1.8%	-2.8%	-1.1%	-2.3%	-0.2%	-0.2%	-2.1%	-2.2%	1.2%	-1.1%

Source: Canterbury Connected BID survey February 2016 and Springboard - ATCM High Street Index monthly report.

Key Findings

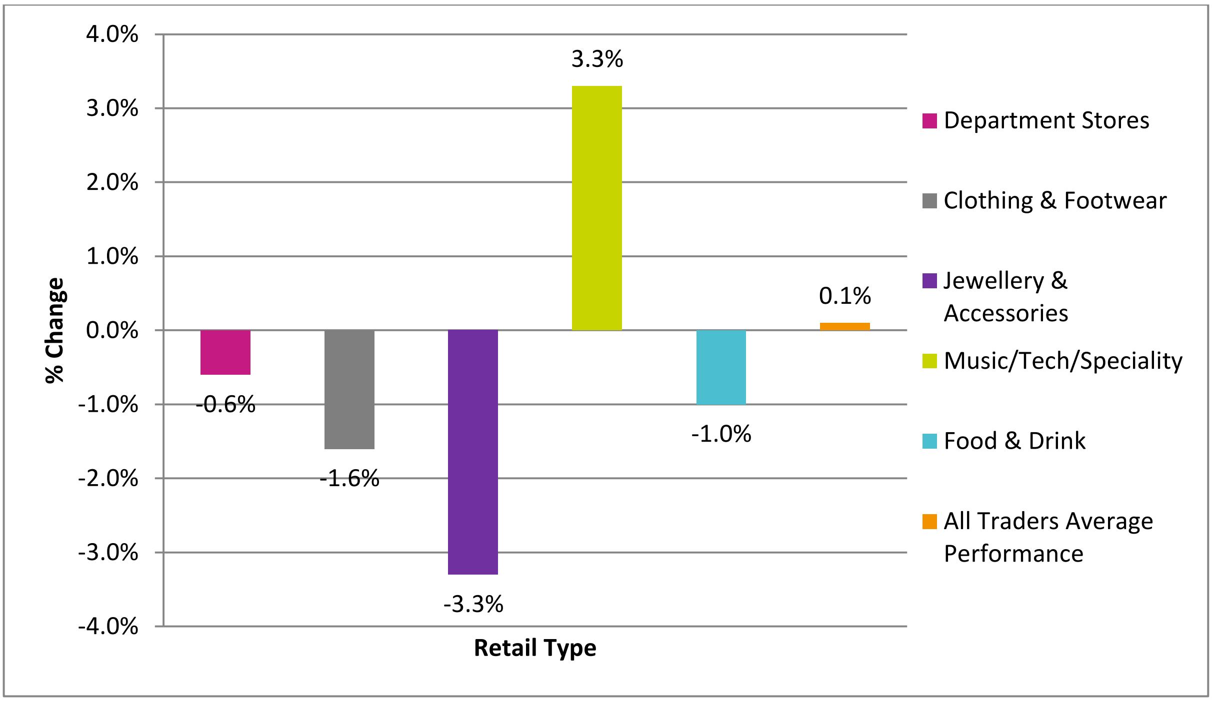
- Footfall in Canterbury was up at +3.6% YOY in February, +4.8% higher than the average for the South East and +4.7% higher than the national rate. The twelve month average for Canterbury is +1.1%.
- Nationally:
  - Footfall in February was 1.1% down on a year ago, lower than the 1.2% rise seen in January and lower than the three-month average rate of -0.8%.
  - Footfall in retail park locations increased 2.5% year-on-year, down from the 5.2% rise in January. Both High Streets and Shopping Centres reported a decline in February, falling 2.9% and 0.6% respectively.
  - The South West and Greater London were the only regions to report a rise in footfall, up 0.4% and 0.2% respectively on a year ago. Notable declines were seen in Northern Ireland and Scotland which fell 5.1% and 3.1% respectively.
  - The following table provides a breakdown of the footfall rates by region:

Location	% change YOY	Location	% change YOY
England		East	-1.1
Greater London	+0.2	North & Yorkshire	-1.8
West Midlands	-1.7		
South East	-1.2	**Northern Ireland**	-5.1
South West	+0.4	**Wales**	-2.2
East Midlands	-0.5	**Scotland**	-3.1

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 2015.

Graph 5.1 – Average Sales performance of businesses YOY

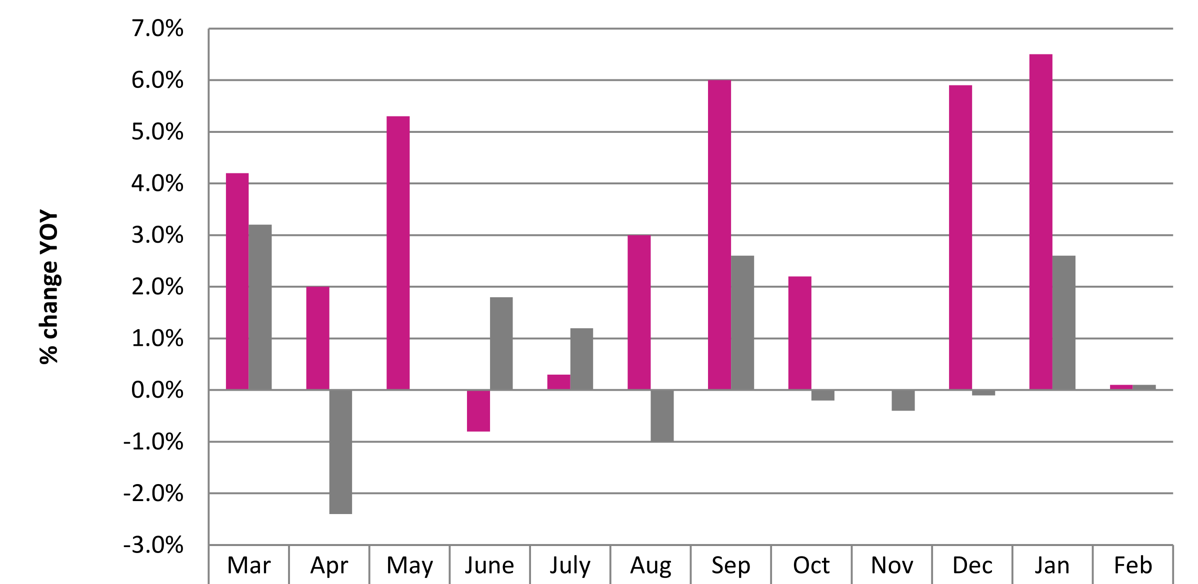


Source: Canterbury Connected BID February 2016 Business Survey of Average Sales Performance based on 30 respondents.

Key findings:

- In February there was an overall +0.1% YOY change in sales performance, which is a -6.4% decrease from January and a -5.2% decrease in comparison to the same time last year.
- A1 retailers had a stable month with a +0.2% change in sales performance YOY, which is a -7.4% decrease from January and a -6.2% decrease in comparison to the same month last year. After a strong start to the year, February's growth slowed across all product categories bar music, technology and speciality e.g. furniture.
- A3 Food and drink establishments had a poor month with a -1.0% decrease in trade which is a -2.1% decrease from January and a -2.8% decrease in comparison to the same month last year.

Graph 5.2 – Average Sales performance YOY



	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Canterbury	4.2%	2.0%	5.3%	-0.8%	0.3%	3.0%	6.0%	2.2%	0.0%	5.9%	6.5%	0.1%
National	3.2%	-2.4%	0.0%	1.8%	1.2%	-1.0%	2.6%	-0.2%	-0.4%	-0.1%	2.6%	0.1%

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

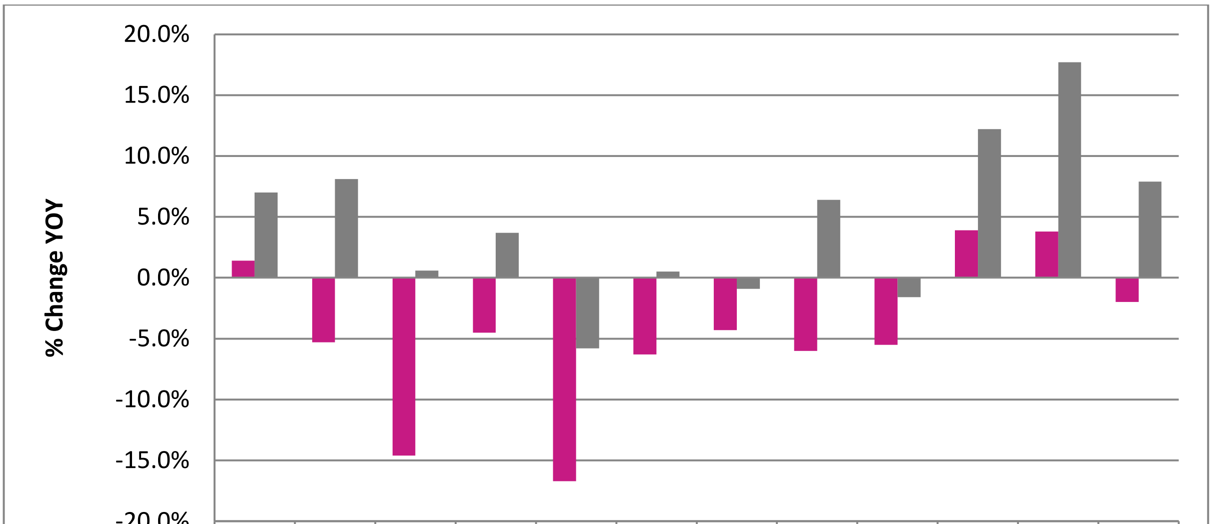
Key findings:

- Sales Performance in February was up +0.1% YOY, down -2.8% on the twelve month average of +2.9% for Canterbury, and the same as 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 February 2015, when they had increased 0.2% from the preceding year. On a total basis, sales were up 1.1%, against a 1.7% rise in February 2015. After January's acceleration, February's slowdown puts the three-month average growth in line with the 12-month average at 1.8%.
    - Adjusted for the BRC-Nielsen Shop Price Index deflation of 2.0%, total growth was 3.1% in February against 3.7% and 3.6% for the 3-month and 12-month averages respectively.
    - February growth was mostly driven by Furniture and Home Accessories again while Food, Clothing and Footwear experienced declines on a like-for-like basis.
    - Online sales of Non-Food products grew 10.7% in February versus a year earlier, when they had grown 8.3%. The Non-Food online penetration rate remained above 20% at 20.4%, 1.5 percentage points above February 2015.

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



	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Canterbury	1.4%	-5.3%	-14.6%	-4.5%	-16.7%	-6.3%	-4.3%	-6.0%	-5.5%	3.9%	3.8%	-2.0%
Kent	7.0%	8.1%	0.6%	3.7%	-5.8%	0.5%	-0.9%	6.4%	-1.6%	12.2%	17.7%	7.9%

Source: Canterbury Connected BID survey of members, Canterbury City Council attraction figures and Visit Kent Business Barometer, February 2016

Key findings:

- In February there was a -2.0% annual change in visitor numbers to visitor attractions in Canterbury, a -5.8% decrease over the month from January and a -1.9% decrease in comparison to the same time last year.
- For Kent, there was a +7.9% annual change in visitor numbers to visitor attractions which is a -9.8% decrease over the month from January and a -2.0% decrease in comparison to the same time last year.

Graph 6.2 – Percentage change in Visitor Information Centre Enquires YOY

	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Canterbury	-3.1%	-4.5%	-5.7%	-7.4%	-4.9%	-11.0%	2.5%	6.1%	0.8%	19.9%	10.7%	-6.9%
Kent	-7.1%	-3.1%	16.6%	-4.4%	1.5%	2.4%	4.6%	0.4%	-3.6%	8.3%	-3.7%	3.4%

Source: Visit Kent Business Barometer, February 2016.

Key findings:

- For Canterbury there was a total -6.9% annual change in visitor enquiries, a -17.6% decrease over the month from January and a -13.8% increase in comparison to the same time last year.
- Visitor Information Centres in Kent had a +3.4% annual change in visitor enquiries, a +7.1% increase over the month from January and the same as last year.
- According to Visit Kent's February Business Barometer 25% of visitors to Canterbury's VIC were domestic visitors, 5% long haul visitors and 70% were European visitors.