Canterbury Connected

BUSINESS IMPROVEMENT DISTRICT

Canterbury City Centre

Performance Report

April 2016

Canterbury City Centre Performance Report – April 2016

Executive summary

Welcome to the April 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 April was 4.3%, 0.3% higher than March and -1.7% lower than April 2015. The vacancy rate for the Southeast in Q2 2016 was 7.4%, the same as Q1 2016 and -1.4% lower compared to this time last year. Nationally the vacancy rate was 9.6%.
Premises type	● (amber)	Canterbury has a good healthy mix of premises types with food and drink (23%) and specialty (20%) having the highest presence. Overall 35% of Canterbury's retailers are multiples and 45% are independents.
Business start-up rates	● (green)	For Canterbury there was a -11.1% annual change in registered start-up businesses, which is +24% more than March and 20% more than April 2015. 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	● (green)	Overall footfall was up +5.2% YOY in April which is a +10.9% increase on March (-5.7 % YOY) a +3.4% increase on April 2015 and +7.6% higher than the national rate. The twelve month average for Canterbury is +0.6%.
Business Sales Performance	● (green)	In April there was an overall -0.3% YOY change in sales performance, which is a +2.2% increase from March but a -2.3% decrease in comparison to the same time last year. A1 retailers had a poor month with a -1.3% change in sales performance YOY whilst A3 Food and drink establishments had a good month with a +3.3% change in sales performance YOY.
Tourism	● (red)	Visitor numbers to visitor attractions in Canterbury were down -11.2% YOY (-4.5% YOY in March). For Kent, attraction visitor numbers were down -6.9% YOY (+27.2% YOY in February). 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 April 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.

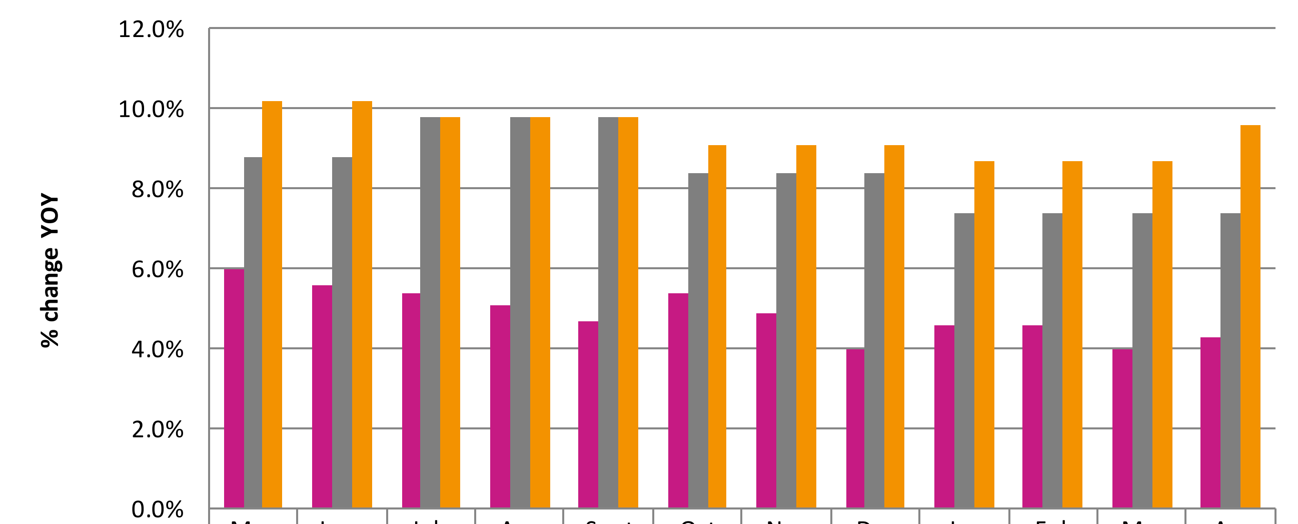
Graph 1.1 - Premises vacancy rates

Source: Canterbury Connected BID monthly survey.

Key findings:

- A total number of 29 businesses premises were recorded as vacant in April, 2 more than March and 11 less than in April 2015.
- The High Street and St Margarets Street had the highest number of empty premises whilst Watling Street, Longmarket, Butchery Lane, Guildhall Street and Best Lane had none.
- As a comparison to the total number of premises within each street, St Margarets Street had the highest vacancy rate (15%).

Graph 1.2 - Premises vacancy rates YOY



	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Canterbury	6.0%	5.6%	5.4%	5.1%	4.7%	5.4%	4.9%	4.0%	4.6%	4.6%	4.0%	4.3%
South East	8.8%	8.8%	9.8%	9.8%	9.8%	8.4%	8.4%	8.4%	7.4%	7.4%	7.4%	7.4%
National	10.2%	10.2%	9.8%	9.8%	9.8%	9.1%	9.1%	9.1%	8.7%	8.7%	8.7%	9.6%

Source: Canterbury Connected BID monthly survey and the British Retail Consortium and Springboard reports which are gathered on a quarterly basis in January, April, July and October.

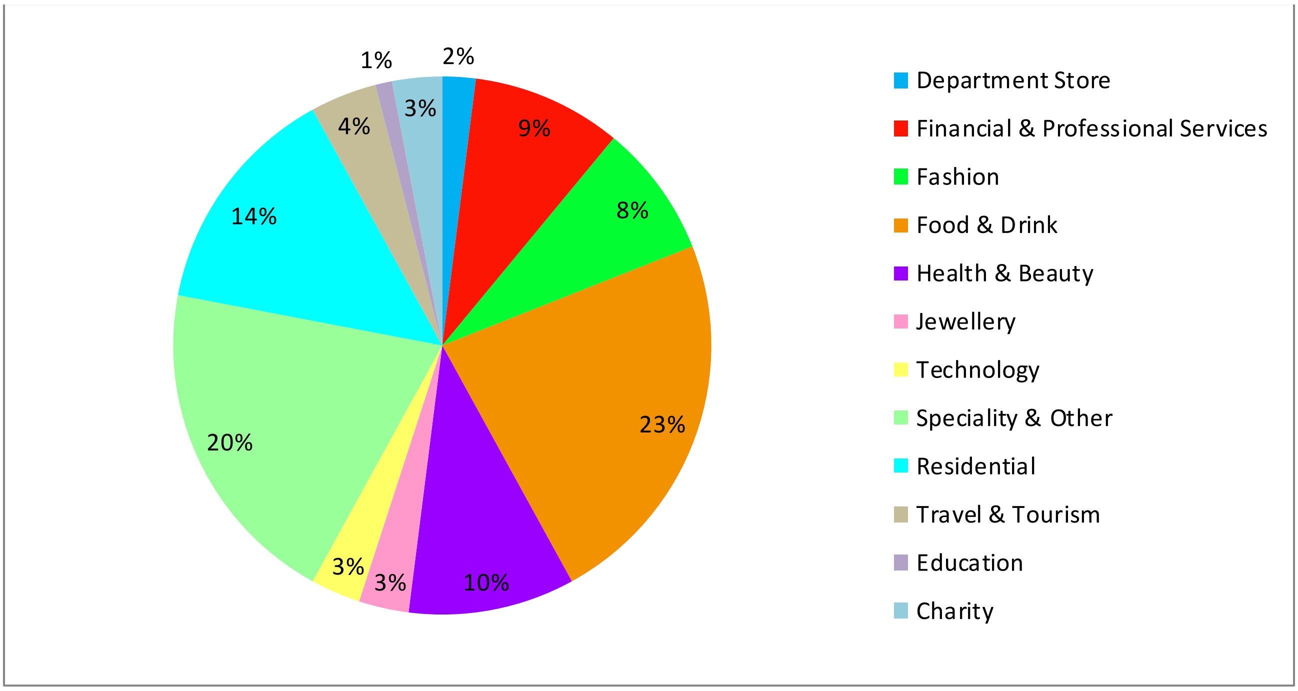
Key findings:

- The vacancy rate for Canterbury in April was 4.3%, 0.3% higher than March and -1.7% lower than April 2015.
- The vacancy rate for the Southeast in Q2 2016 was 7.4%, the same as Q1 2016 and -1.4% lower compared to this time last year.
- Canterbury had the second lowest vacancy rate of the 12 towns in the South East that published their results in the Springboard Quarterly Vacancy Rate Survey Q2 2016.
- This quarter's survey saw an increase in national vacant units with a vacancy rate of 9.6% which is a 0.9% increase in vacant units across the UK. Vacant units have seen a drop of 0.6% compared to April 2015.

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



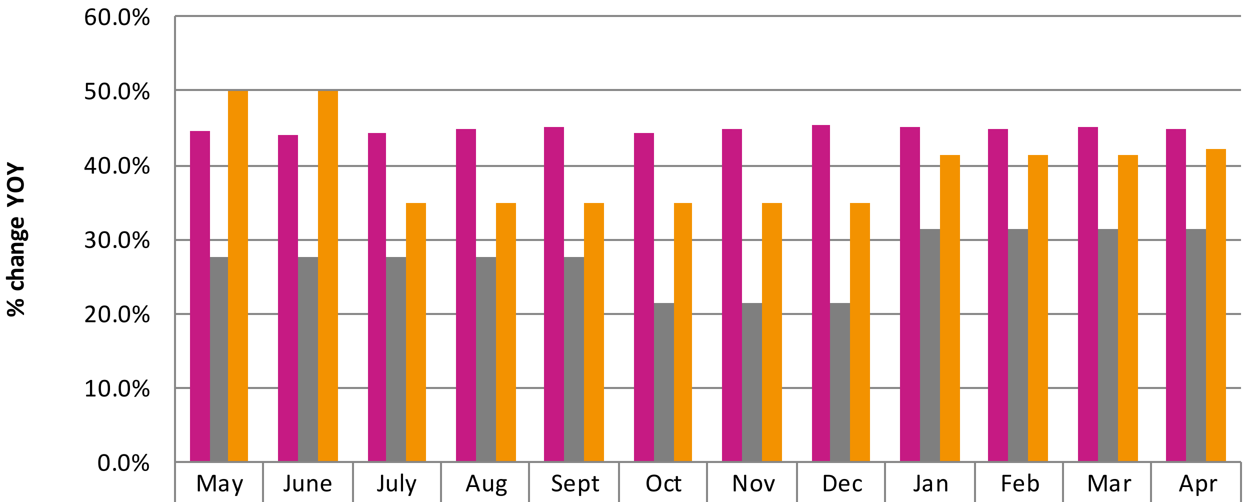
Source: Canterbury Connected BID monthly survey.

Key findings:

- Overall Food and drink premises (23%), 'speciality and other' (20%) 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



	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Canterbury	44.6%	44.1%	44.3%	44.9%	45.1%	44.3%	44.9%	45.3%	45.0%	44.8%	45.1%	44.9%
South East	27.5%	27.5%	27.7%	27.7%	27.7%	21.3%	21.3%	21.3%	31.3%	31.3%	31.3%	31.3%
National	50.1%	50.1%	35.0%	35.0%	35.0%	34.9%	34.9%	34.9%	41.4%	41.4%	41.4%	42.3%

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

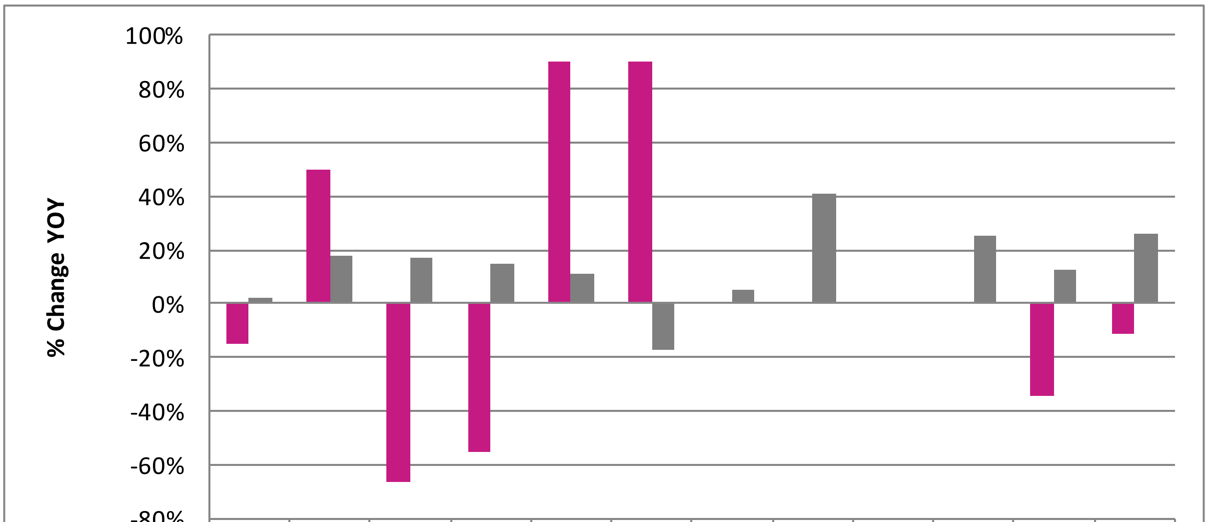
Key findings

- 44.9% of businesses recorded in April were independents, -0.2% less than March, +0.3% more than April 2015, +13.6% more than the average for the South East and +2.6% more than the national average.
    - Longmarket (100%), Whitefriars (96%) and Rose Lane (89%) had the highest number of multiples, which is unsurprising as they are managed developments.
    - Palace Street (81%), Sun Street (76%) and The Borough (73%) 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.

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



	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Canterbury	-15%	50%	-66%	-55%	90%	90%					-35%	-11%
National	2%	18%	17%	15%	11%	-17%	5%	41%	0%	25%	13%	26%

Source: Canterbury City Council, Selecta Base and Start-up Britain's Start-up Tracker. Please note data was not available from Canterbury City Council, Selecta Base for November, December, January and February.

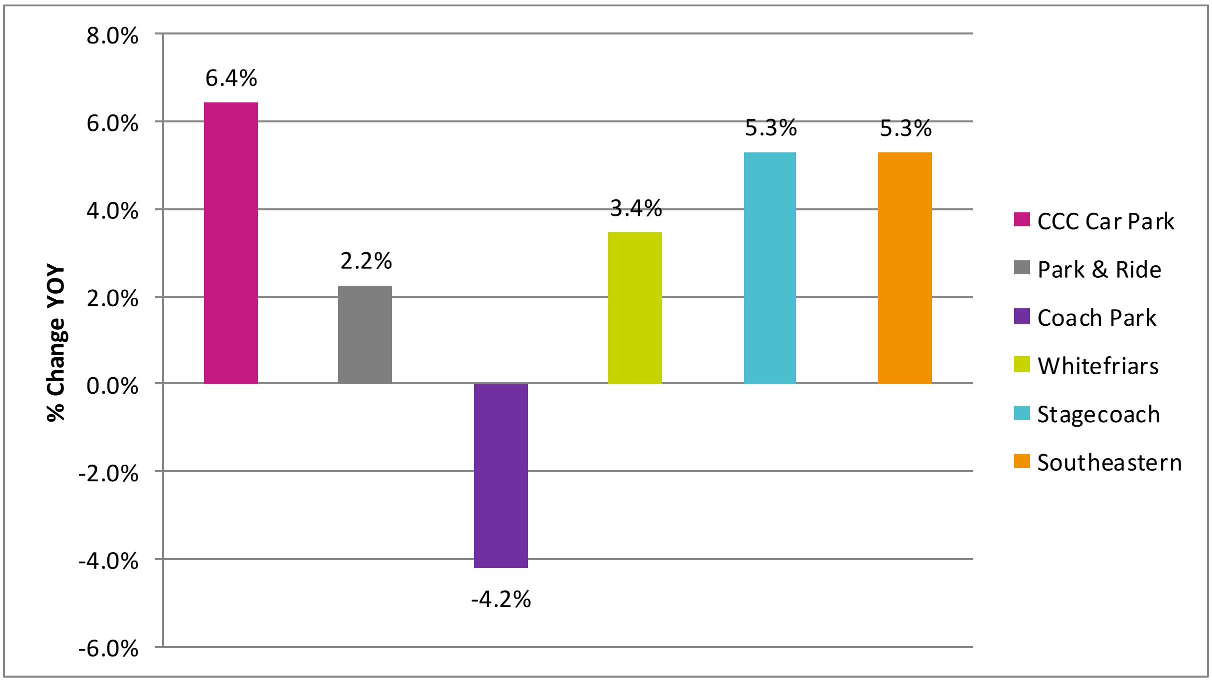
Key findings:

- For Canterbury there was a -11.1% annual change in registered start-up businesses, which is +24% more than March and 20% more than April 2015. 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.
- According to Start-up Britain there were 63,681 start-up businesses in April 2016, which equates to 2,677 more than in March, 13,041 more than April 2015 and a total of 655,059 over the last twelve months (an average of 54,588 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

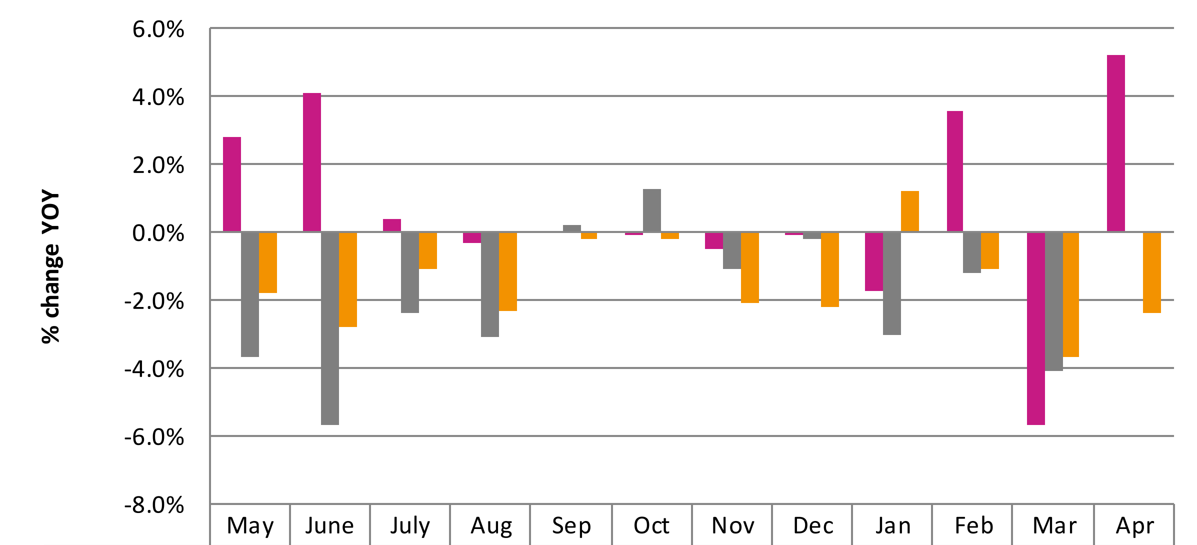


Source: Canterbury City Council Transportation Department, Stagecoach East Kent, Whitefriars shopping centre and Southeastern.

Key Findings

- Overall footfall was up +5.2% YOY in April which is a +10.9% increase on March (-5.7 % YOY) and a +3.4% increase on April 2015.
- April was a good month with all methods of transport, apart from the coach park.

Graph 4.2 – Canterbury footfall rates YOY



	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Canterbury	2.8%	4.1%	0.4%	-0.3%	0.0%	-0.1%	-0.5%	-0.1%	-1.7%	3.6%	-5.7%	5.2%
South East	-3.7%	-5.7%	-2.4%	-3.1%	0.2%	1.3%	-1.1%	-0.2%	-3.0%	-1.2%	-4.1%	
National	-1.8%	-2.8%	-1.1%	-2.3%	-0.2%	-0.2%	-2.1%	-2.2%	1.2%	-1.1%	-3.7%	-2.4%

Source: Canterbury Connected BID monthly survey and the BRC - Springboard Footfall and Vacancies Monitor. Please note data for the South East is no longer available.

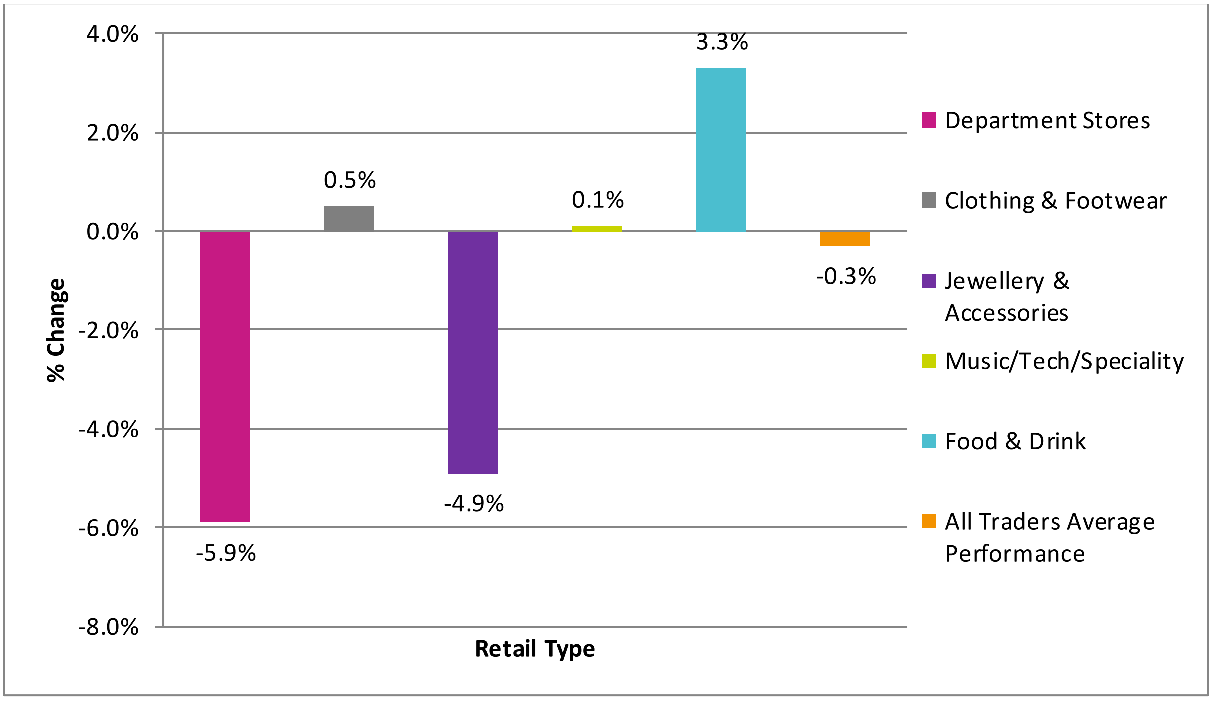
Key Findings

- Footfall in Canterbury was up 5.2% YOY in April, +7.6% higher than the national rate. The twelve month average for Canterbury is +0.6%.
- Nationally:
  - April's footfall figures certainly echo the high street decline seen over recent months, which can be attributable to the poor weather for this time of year, but with digital sales and retail parks also slowing down it signifies something more at play. The rise in unemployment and economic uncertainty in this pre EU referendum period has undoubtedly adversely impacted consumer confidence.
  - These figures will make sobering reading for retailers battling to attract customers into their shops. In all but retail parks, footfall has fallen again. The High Street has seen the deepest decline in footfall since February 2014 at 4.7 per cent, putting April well below the three-month average. This also coincides with the first rise in town centre shop vacancies for fifteen months.

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

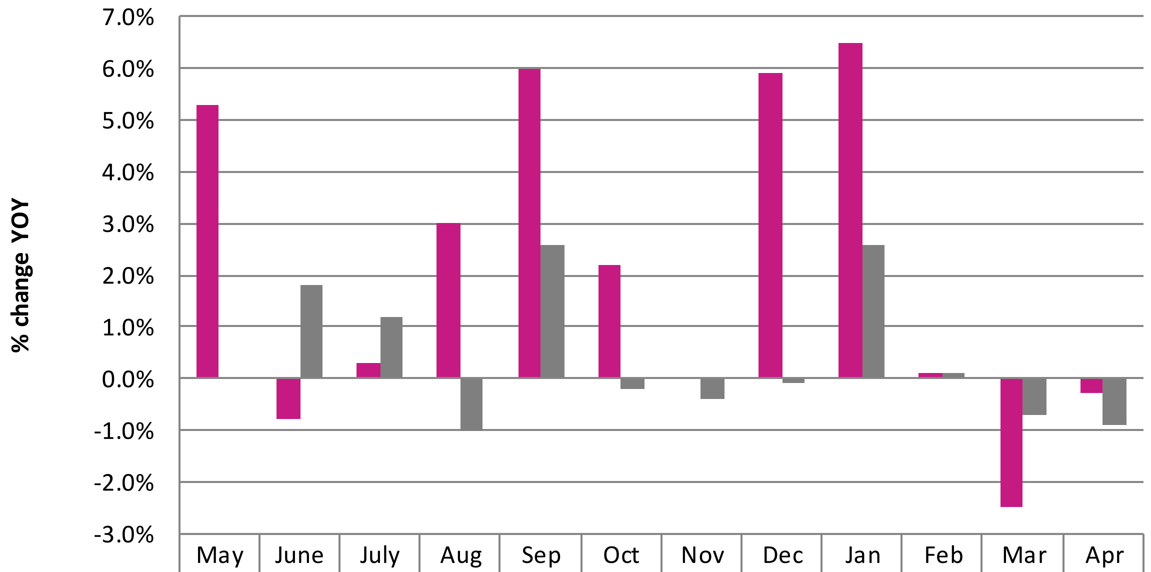


Source: Canterbury Connected BID Business Survey of Average Sales Performance based on 36 respondents.

Key findings:

- In April there was an overall -0.3% YOY change in sales performance, which is a +2.2% increase from March but a -2.3% decrease in comparison to the same time last year.
- A1 retailers had a poor month with a -1.3% change in sales performance YOY, which is a +0.5% increase from March but a -3.1% decrease in comparison to the same month last year. Overall, retail sales slowed during April with temperatures well below the average for the time of year. Surprisingly fashion and footwear where not affected by the cooler weather which threatened to dampen the launch of spring/summer ranges. Sales in music/speciality and technology increased slightly year on year which can be attributed to the healthy housing market and a higher proportion of disposable income going into leisure and entertainment.
- A3 Food and drink establishments had a good month with a +3.3% increase in trade which is a - +7.8% increase from March and a -0.1% decrease in comparison to the same month last year.

Graph 5.2 – Average Sales performance YOY



	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Canterbury	5.3%	-0.8%	0.3%	3.0%	6.0%	2.2%	0.0%	5.9%	6.5%	0.1%	-2.5%	-0.3%
National	0.0%	1.8%	1.2%	-1.0%	2.6%	-0.2%	-0.4%	-0.1%	2.6%	0.1%	-0.7%	-0.9%

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

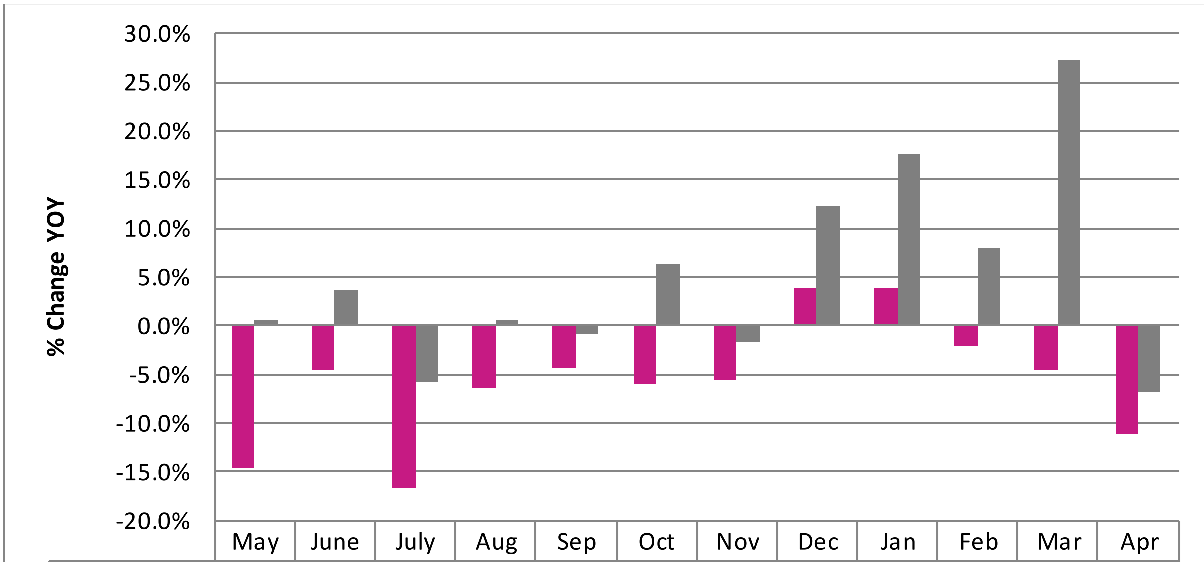
Key findings:

- Sales Performance in April was down -0.3% YOY, down -2.4% on the twelve month average of +2.1% for Canterbury, but up +0.6% on the national rate of -0.9% YOY.
- According to the BRC-KPMG UK Retail Sales Monitor:
    - UK retail sales fell by -0.9% on a like-for-like basis from April 2015, on a total basis, sales were flat at 0.0% and the three-month average was 0.3%.
    - April saw the second month of flat sales for UK retailers with positive food sales offset by record declines in fashion. As a result, the 12-month average growth for non-food sales slowed to 2.5 per cent while for food sales it nudged back into positive territory at 0.1 per cent.
    - Some retailers will take comfort in the fact that sales in the home categories continued to grow; once again ranked as the best performing sector. This is on the back of a continuing rise in the number of home owners enjoying record low interest rates.
    - Over all, flat total sales mask a very mixed picture; some retailers benefitting from the healthy housing market, while others are evidently more susceptible to the effects of lower consumer confidence and a higher proportion of disposable income going into leisure and entertainment. While glimmers of hope are evident, the rapid pace of change in the industry, increasing cost pressures and other businesses burdens remain a cause for concern.

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



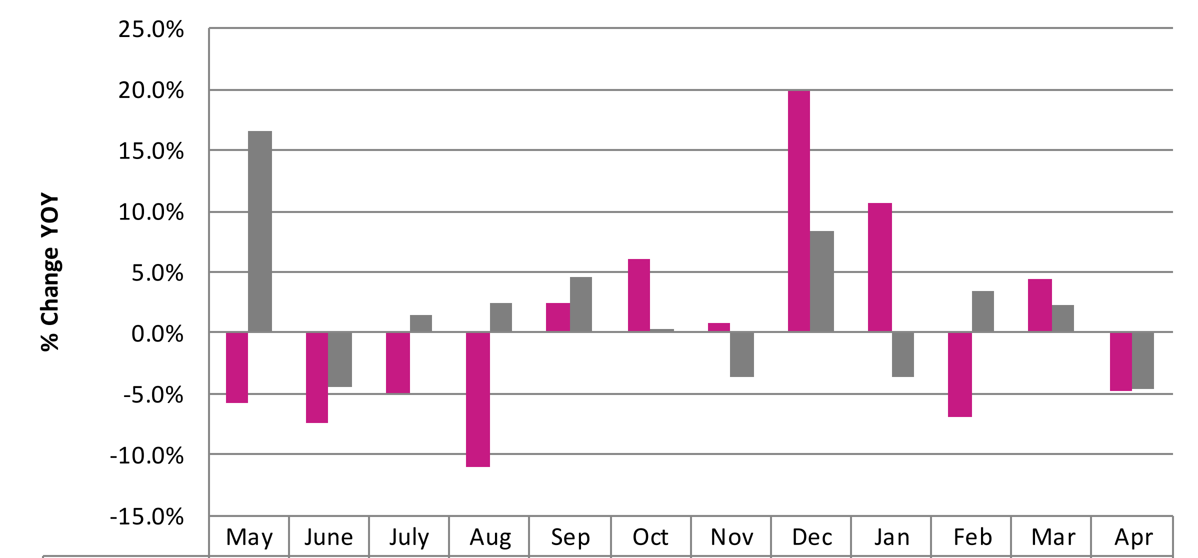
	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Canterbury	-14.6%	-4.5%	-16.7%	-6.3%	-4.3%	-6.0%	-5.5%	3.9%	3.8%	-2.0%	-4.5%	-11.2%
Kent	0.6%	3.7%	-5.8%	0.5%	-0.9%	6.4%	-1.6%	12.2%	17.7%	7.9%	27.2%	-6.9%

Source: Canterbury City Council attraction figures and Visit Kent Business Barometer

Key findings:

- In April there was a -11.2% annual change in visitor numbers to visitor attractions in Canterbury, a -6.7% decrease over the month from March and a -5.9% decrease in comparison to the same time last year.
- For Kent, there was a -6.9% annual change in visitor numbers to visitor attractions which is a -34.1% decrease over the month from March and a -15.0% decrease in comparison to the same time last year.

Graph 6.2 – Percentage change in Visitor Information Centre Enquires YOY



	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Canterbury	-5.7%	-7.4%	-4.9%	-11.0%	2.5%	6.1%	0.8%	19.9%	10.7%	-6.9%	4.5%	-4.7%
Kent	16.6%	-4.4%	1.5%	2.4%	4.6%	0.4%	-3.6%	8.3%	-3.7%	3.4%	2.3%	-4.6%

Source: Visit Kent Business Barometer, April 2016.

Key findings:

- For Canterbury there was a total -4.7% annual change in visitor enquiries, a -9.2% decrease over the month from March and a -0.2% decrease in comparison to the same time last year.
- Visitor Information Centres in Kent had a -4.6% annual change in visitor enquiries, a -6.9% decrease over the month from March and a -1.5% decrease in comparison to the same time 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.

Events

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

- 1 – 10 –Schools Easter Holidays
- 16 – Canterbury Christ Church University Applicant Day
- 22 – 24 – Canterbury Cycle Show
- 30 – City Sound Project
- 30 – Wise Words Festival
- 30 – CT1 Festival