Canterbury Connected

BUSINESS IMPROVEMENT DISTRICT

# Canterbury City Centre

# Performance Report

# March 2016

# Canterbury City Centre Performance Report – March 2016

## Executive summary

Welcome to the March 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

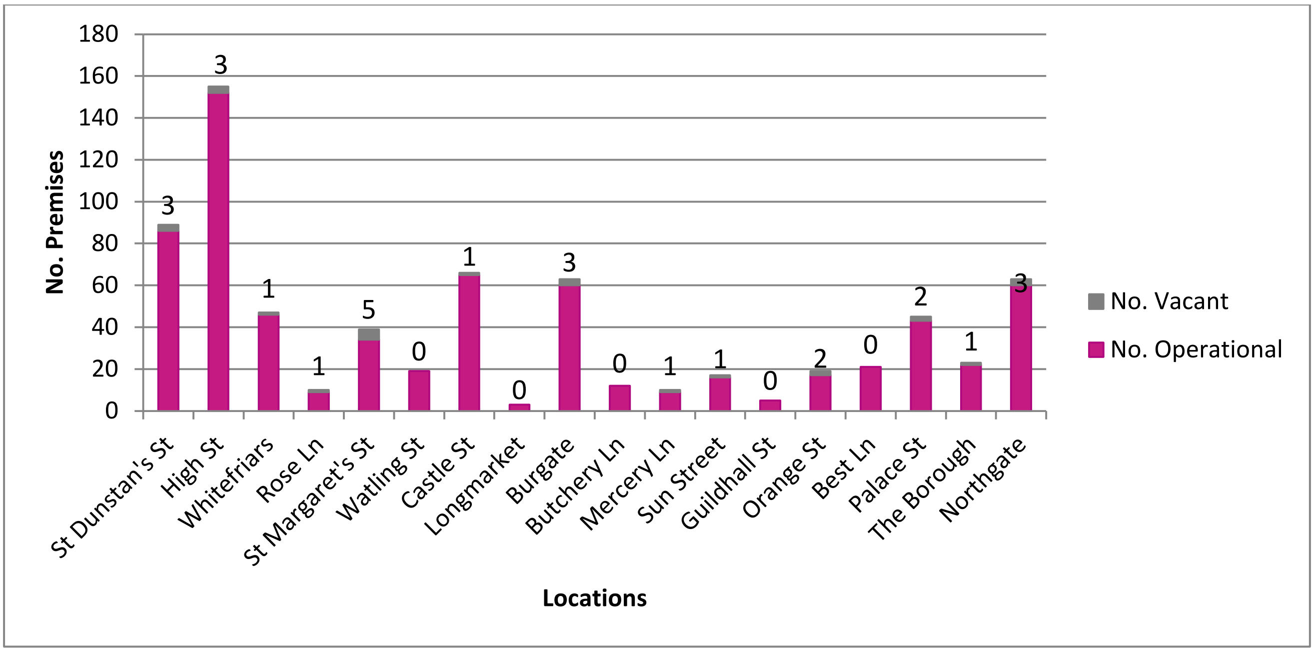
| Indicator | Trend | Comment |
|---|---|---|
| Premises vacancy rates | ● | The vacancy rate for Canterbury in March was 4.0%, 0.6% lower than February and -1.6% lower than March 2015. The vacancy rate for the Southeast in Q1 2016 was 7.4%, -1.0% lower than in Q4 2015 and -1.5% lower compared to this time last year. |
| Premises type | ● | 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 | ● | For Canterbury there was a -35% annual change in registered start-up businesses, which is the same as March 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 | ● | Overall footfall was down -5.7% YOY in March which is a -9.3% decrease on February (+3.6 % YOY) and a -8.6% decrease on March 2015, -1.6% lower than the average for the South East and -2.0% lower than the national rate. The twelve month average for Canterbury is +0.4%. |
| Business Sales Performance | ● | In March there was an overall -2.5% YOY change in sales performance, which is a -3.5% decrease from February and a -6.7% decrease in comparison to the same time last year.<br>A1 retailers had a poor month with a -1.8% change in sales performance YOY and A3 Food and drink establishments had a bad month with a -4.5% decrease in trade. |
| Tourism | ● | Visitor numbers to visitor attractions in Canterbury were down -4.5% YOY (-2.0% YOY in February). For Kent, attraction visitor numbers were up +27.2% YOY (+7.9% YOY in February). 80% of visitors to Canterbury were domestic, 3% long haul and 17% 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 March 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**

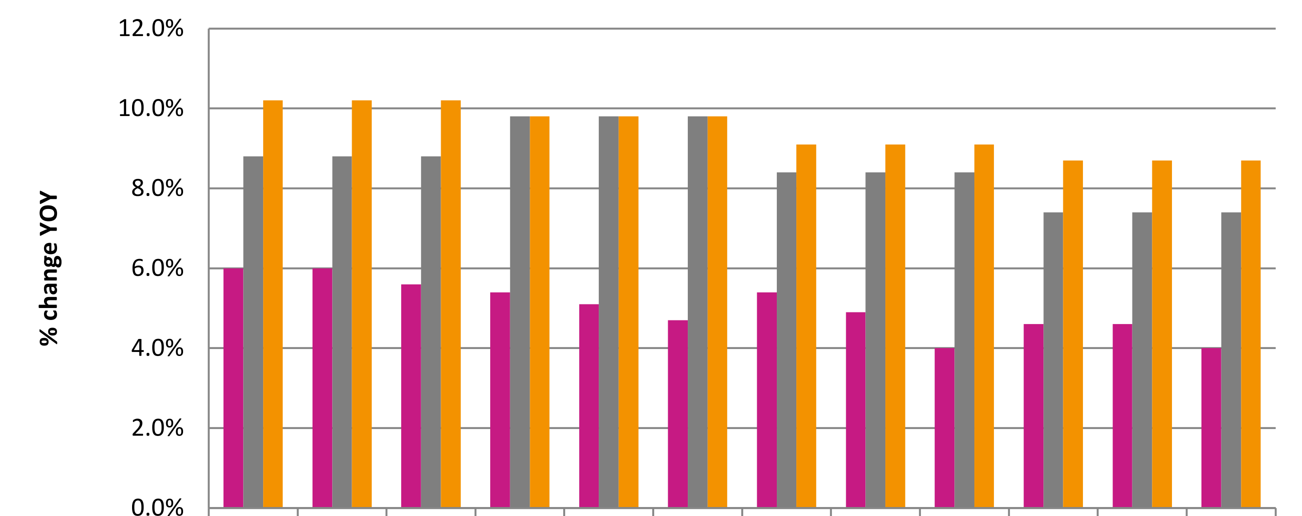



*Source: Canterbury Connected BID survey March 2016.*

Key findings:

- A total number of 27 businesses premises were recorded as vacant in March, 4 less than February and 10 less than in March 2015.
- 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**




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

*Source: Canterbury Connected BID survey March 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 March was 4.0%, 0.6% lower than February and -1.6% lower than March 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:

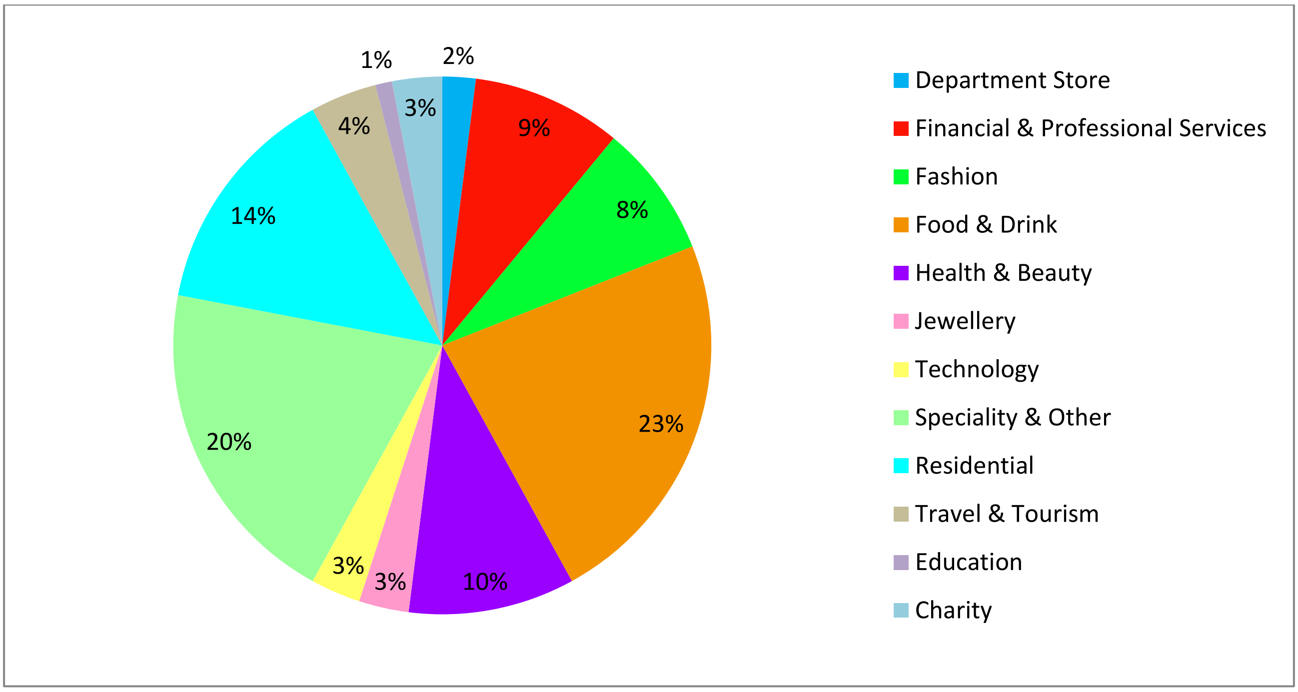
| Location | Vacancy rates – Q1 2016 | Location | Vacancy rates – Q1 2016 |
|---|---|---|---|
| **England** | | North & Yorkshire | 11.5% |
| Greater London | 6.0% | | |
| West Midlands | <5 & >9.9% | **Northern Ireland** | 14.7% |
| South East | 7.4% | **Wales** | 13.7% |
| South West | <5 & >9.9% | **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**



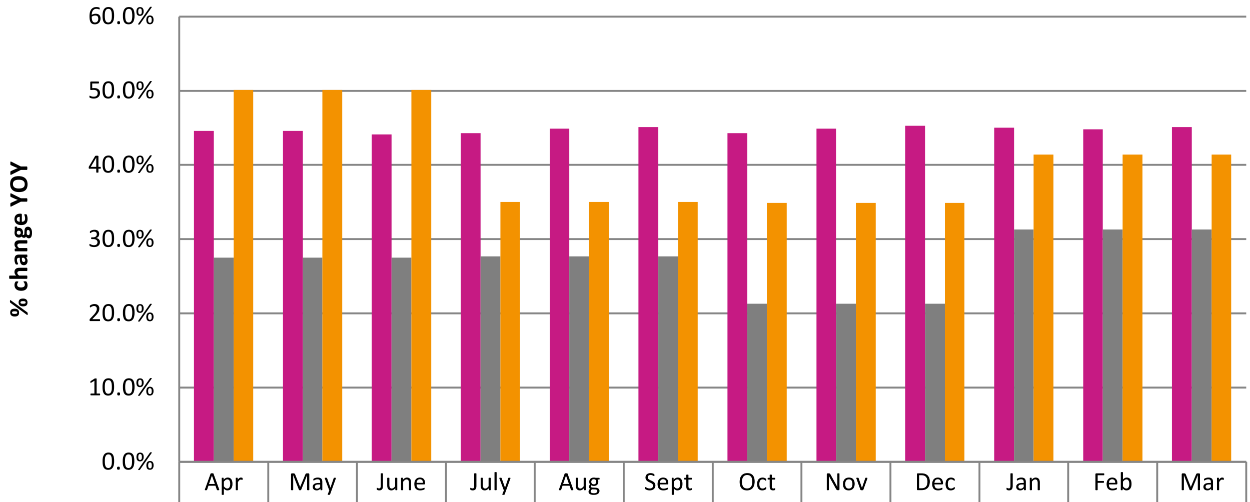

*Source: Canterbury Connected BID survey March 2016.*

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**




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

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

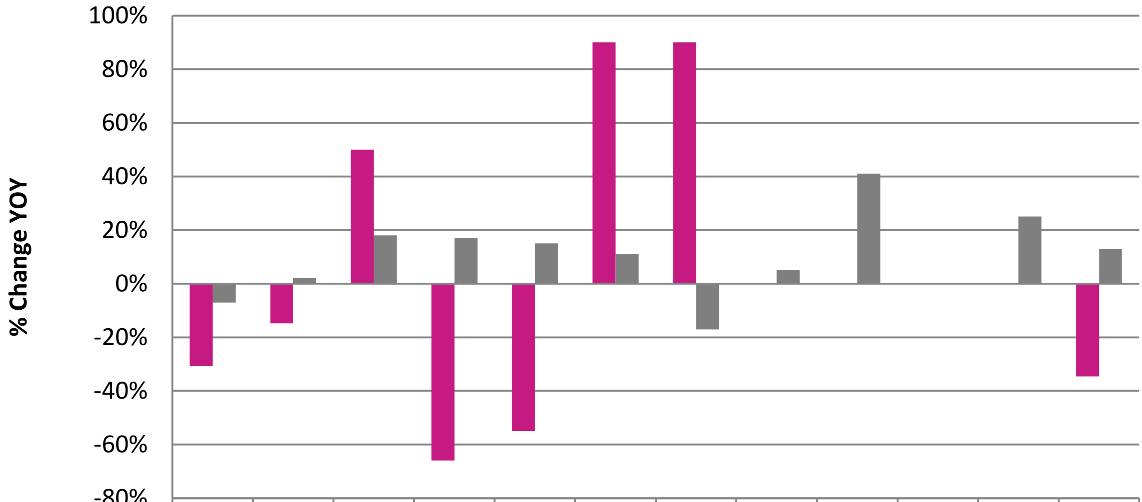
Key findings

- 45.1% of businesses recorded in March were independents, +0.3% more than February, +0.2% more than March 2015, +13.8% more than the average for the South East and +3.7% 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.
  - Sun Street (81%), Palace Street (81%) 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**




| | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Canterbury | -31% | -15% | 50% | -66% | -55% | 90% | 90% | | | | | -35% |
| National | -7% | 2% | 18% | 17% | 15% | 11% | -17% | 5% | 41% | 0% | 25% | 13% |

*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.*

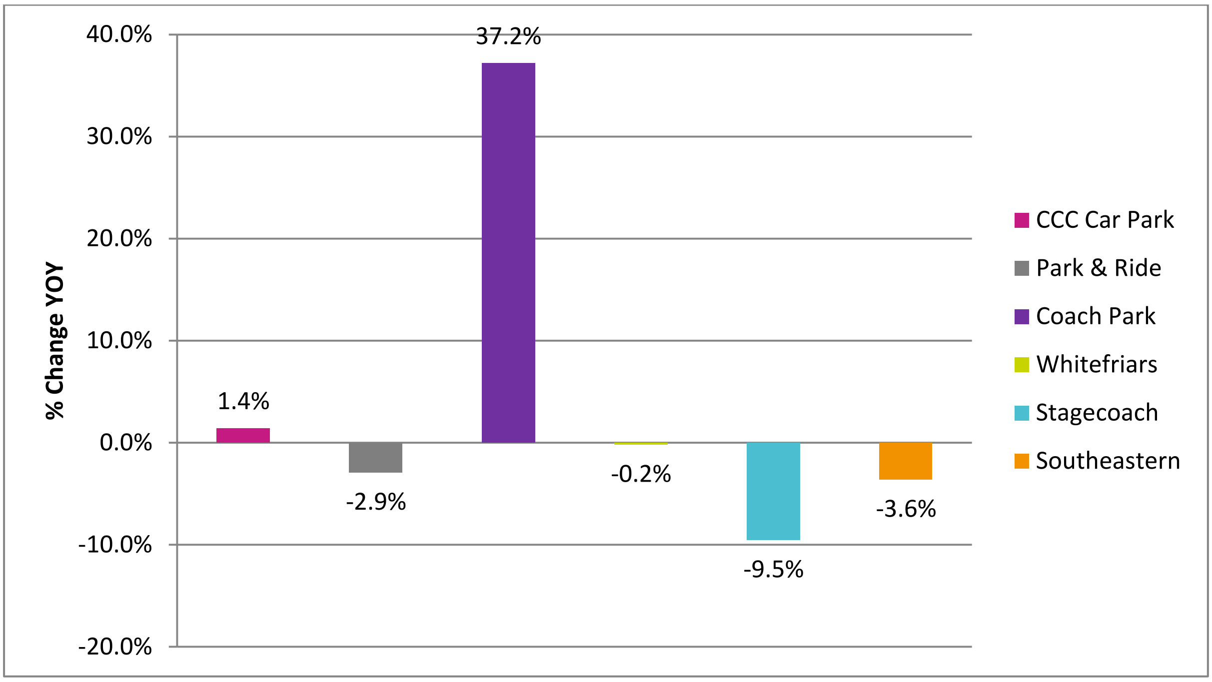
Key findings:

- For Canterbury there was a -35% annual change in registered start-up businesses, which is the same as March 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 66,358 start-up businesses in March 2016, which equates to 6,468 more than in February, 7,845 more than March 2016 and a total of 628,066 over the last twelve months (an average of 52,339 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**

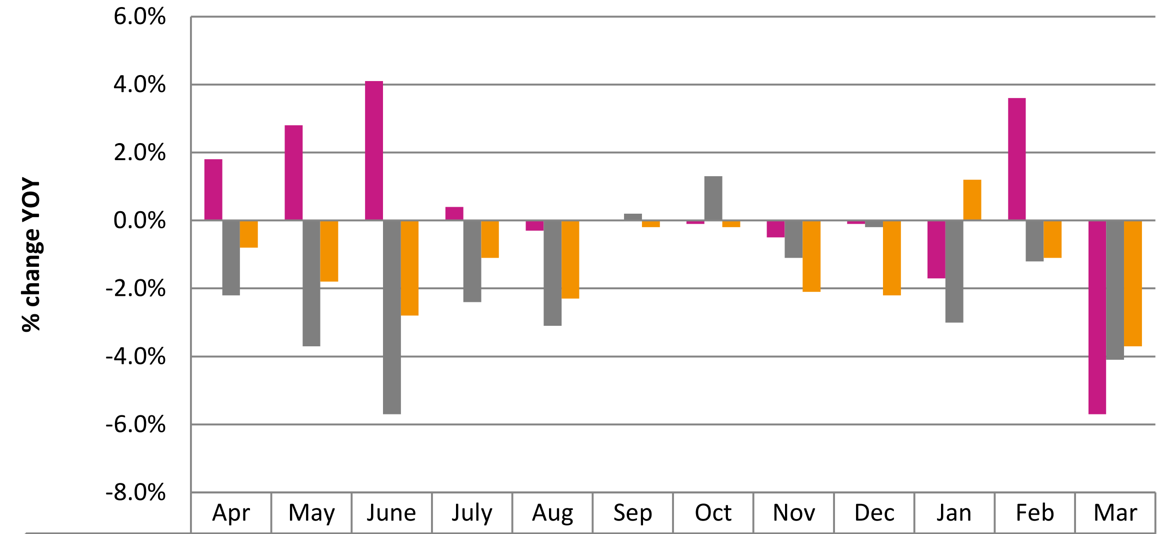



*Source: Canterbury City Council Transportation Department Car Park data, Stagecoach East Kent, Whitefriars Car Park Data and Southeastern.*

Key Findings

- Overall footfall was down -5.7% YOY in March which is a -9.3% decrease on February (+3.6 % YOY) and a -8.6% decrease on March 2015.
- February was a poor month with all methods of transport, apart from the coach park, down year on year. However it should be noted that coach travel was down -46.5% YoY in March 2015.

**Graph 4.2 – Canterbury footfall rates YOY**




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

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

Key Findings

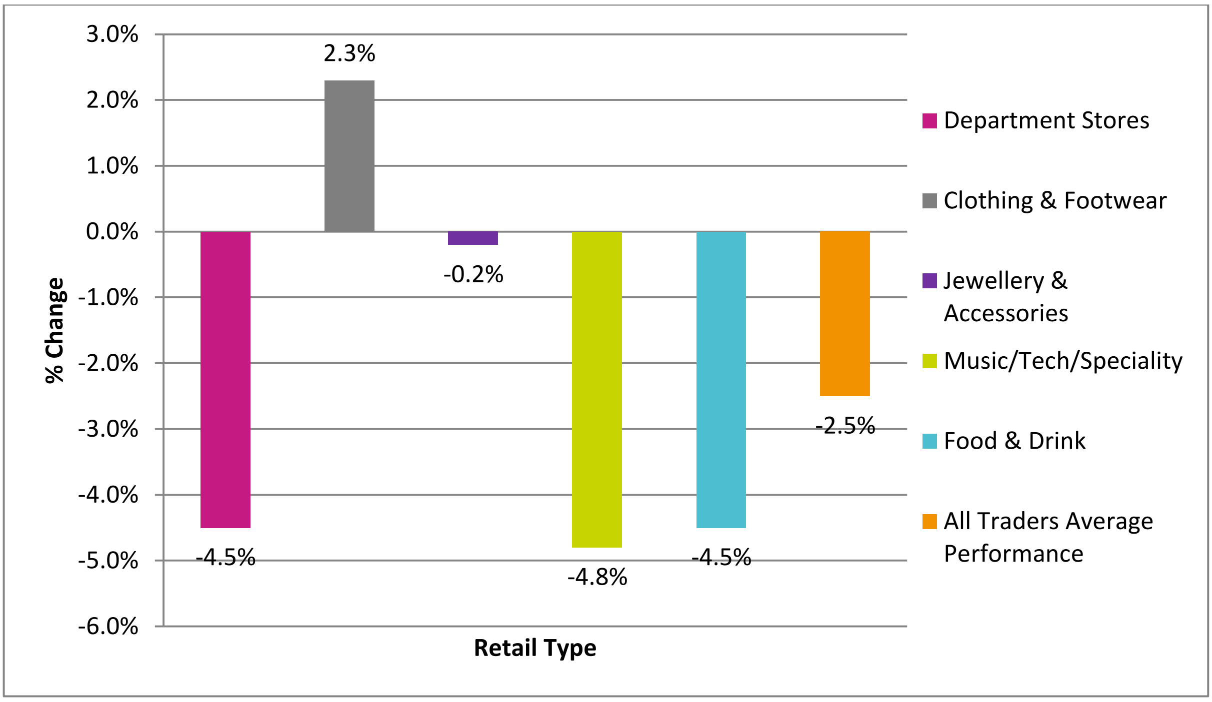
- Footfall in Canterbury was down -5.7% YOY in March, -1.6% lower than the average for the South East and -2.0% lower than the national rate. The twelve month average for Canterbury is +0.4%.
- Nationally:
    - An early Easter and poor weather contributed to a drop in footfall of -3.7% on the High Street in March. High streets and shopping centres were affected the most, and even the longstanding uplift in footfall on retail parks was dampened.
    - The widespread coverage across the UK of Storm Katie, and overall a cold March, meant that footfall dropped in all regions and nations, with a drop of more than -2% in six of the ten different areas. Only the South West saw an increase for the month with a lift of +0.8%. The greater vulnerability of retailing compared with leisure and hospitality is highlighted by a drop in high street footfall of -4.3% during retail trading hours compared with -2.5% between 5pm and 8pm.
    - The following table provides a breakdown of the footfall rates by region:

| Location | % change YOY | Location | % change YOY |
|---|---|---|---|
| **England** | | East | -4.1 |
| Greater London | -4.8 | North & Yorkshire | -4.0 |
| West Midlands | -2.2 | | |
| South East | -4.1 | **Northern Ireland** | -2.0 |
| South West | +0.8 | **Wales** | -4.1 |
| East Midlands | -3.3 | **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 2015.

**Graph 5.1 – Average Sales performance of businesses YOY**

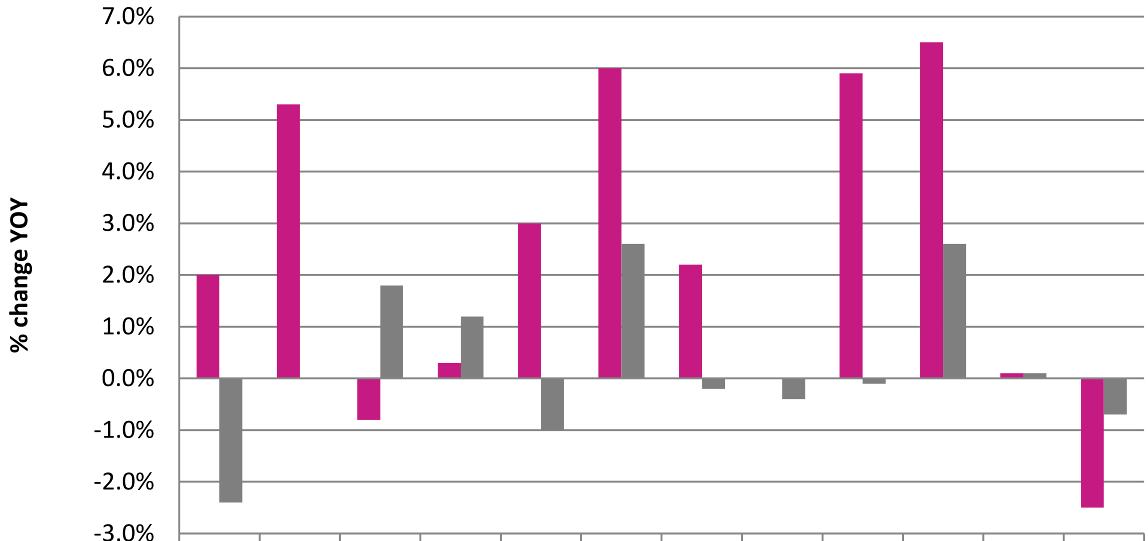



*Source: Canterbury Connected BID March 2016 Business Survey of Average Sales Performance based on 28 respondents.*

Key findings:

- In March there was an overall -2.5% YOY change in sales performance, which is a -3.5% decrease from February and a -6.7% decrease in comparison to the same time last year.
- A1 retailers had a poor month with a -1.8% change in sales performance YOY, which is a -2.0% decrease from February and a 5.7% decrease in comparison to the same month last year. An early Easter is always a challenge for retails as the bank holiday traditionally kick starts demand for Spring fashion and household purchasing. Adverse weather when new season stock comes in significantly impacts shopping trips.
- A3 Food and drink establishments had a bad month with a -4.5% decrease in trade which is a -9.6% decrease from February and a -10.1% decrease in comparison to the same month last year.

**Graph 5.2 – Average Sales performance YOY**




| | Apr | May | June | July | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Canterbury | 2.0% | 5.3% | -0.8% | 0.3% | 3.0% | 6.0% | 2.2% | 0.0% | 5.9% | 6.5% | 0.1% | -2.5% |
| National | -2.4% | 0.0% | 1.8% | 1.2% | -1.0% | 2.6% | -0.2% | -0.4% | -0.1% | 2.6% | 0.1% | -0.7% |

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

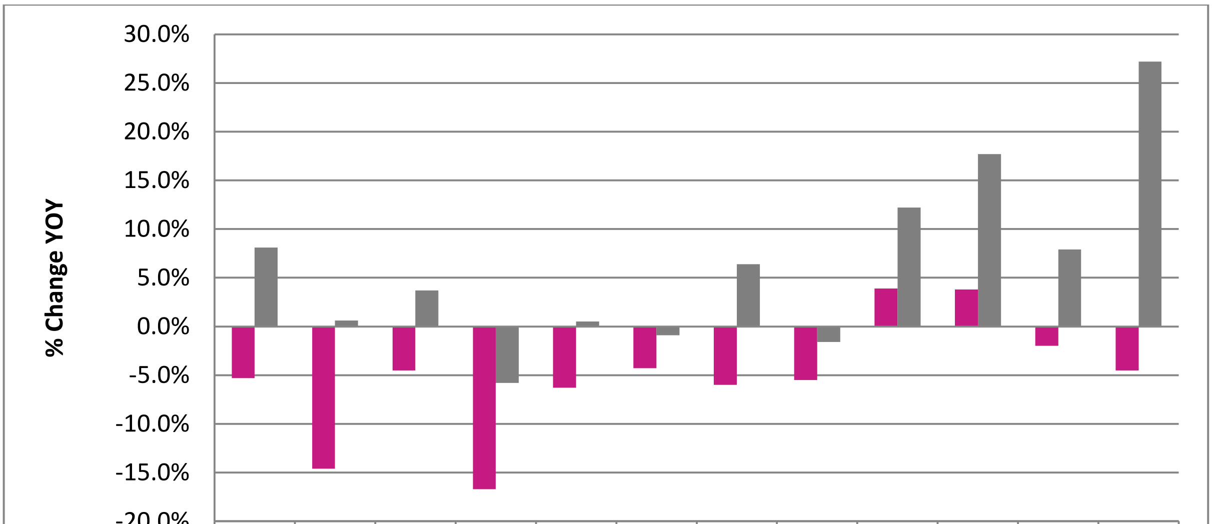
Key findings:

- Sales Performance in March was down -2.5% YOY, down -4.8% on the twelve month average of +2.3% for Canterbury, and down -1.8% on the national rate of -0.7% YOY.
- According to the BRC-KPMG UK Retail Sales Monitor:
  - UK retail sales fell by -0.7% on a like-for-like basis from March 2015, when they had increased 3.2% from the preceding year. On a total basis, sales were flat at 0.0%, against a 4.7% rise in March 2015. The three-month average was 1.4%, its lowest since August 2015.
  - It was a bit of a mixed picture across the industry as a whole with big ticket items continuing to do well and furniture being the main contributor of total sales growth. However the fashion category found the going tough, with both clothing and footwear sales showing their largest decline since September 2014, despite increased promotional activity.

## 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**



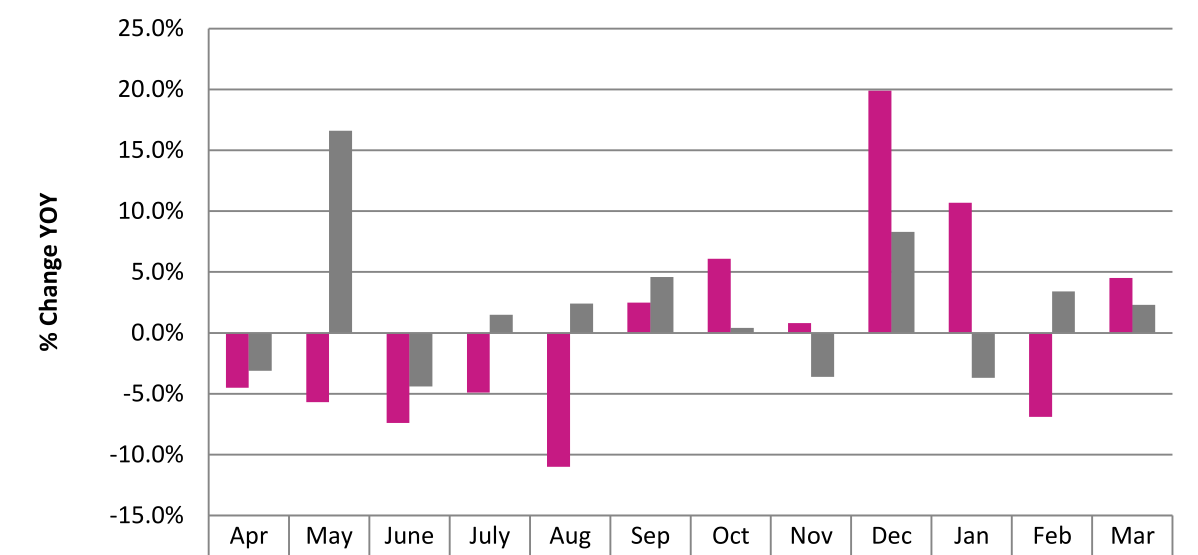

| | Apr | May | June | July | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Canterbury | -5.3% | -14.6% | -4.5% | -16.7% | -6.3% | -4.3% | -6.0% | -5.5% | 3.9% | 3.8% | -2.0% | -4.5% |
| Kent | 8.1% | 0.6% | 3.7% | -5.8% | 0.5% | -0.9% | 6.4% | -1.6% | 12.2% | 17.7% | 7.9% | 27.2% |

*Source: Canterbury City Council attraction figures and Visit Kent Business Barometer, March2016*

Key findings:

- In February there was a -4.5% annual change in visitor numbers to visitor attractions in Canterbury, a -2.5% decrease over the month from February and a -5.9% decrease in comparison to the same time last year.
- For Kent, there was a +27.2% annual change in visitor numbers to visitor attractions which is a +19.3% increase over the month from February and a +20.2% increase in comparison to the same time last year.

**Graph 6.2 – Percentage change in Visitor Information Centre Enquires YOY**




| | Apr | May | June | July | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Canterbury | -4.5% | -5.7% | -7.4% | -4.9% | -11.0% | 2.5% | 6.1% | 0.8% | 19.9% | 10.7% | -6.9% | 4.5% |
| Kent | -3.1% | 16.6% | -4.4% | 1.5% | 2.4% | 4.6% | 0.4% | -3.6% | 8.3% | -3.7% | 3.4% | 2.3% |

*Source: Visit Kent Business Barometer, March 2016.*

Key findings:

- For Canterbury there was a total +4.5% annual change in visitor enquiries, a +11.4% increase over the month from February and a +7.6% increase in comparison to the same time last year.
- Visitor Information Centres in Kent had a +2.3% annual change in visitor enquiries, a -1.1% decrease over the month from February and a +9.4% increase in comparison to the same time last year.
- According to Visit Kent's February Business Barometer 80% of visitors to Canterbury's VIC were domestic visitors, 3% long haul visitors and 17% were European visitors.

## Events

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

- 6th – Mother's Day
- 25th – Good Friday
- 27th – Easter Day
- 28th – Bank Holiday