Canterbury Connected

BUSINESS IMPROVEMENT DISTRICT

Canterbury City Centre

Performance Report

June 2016

Canterbury City Centre Performance Report – June 2016

Executive summary

Welcome to the June 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

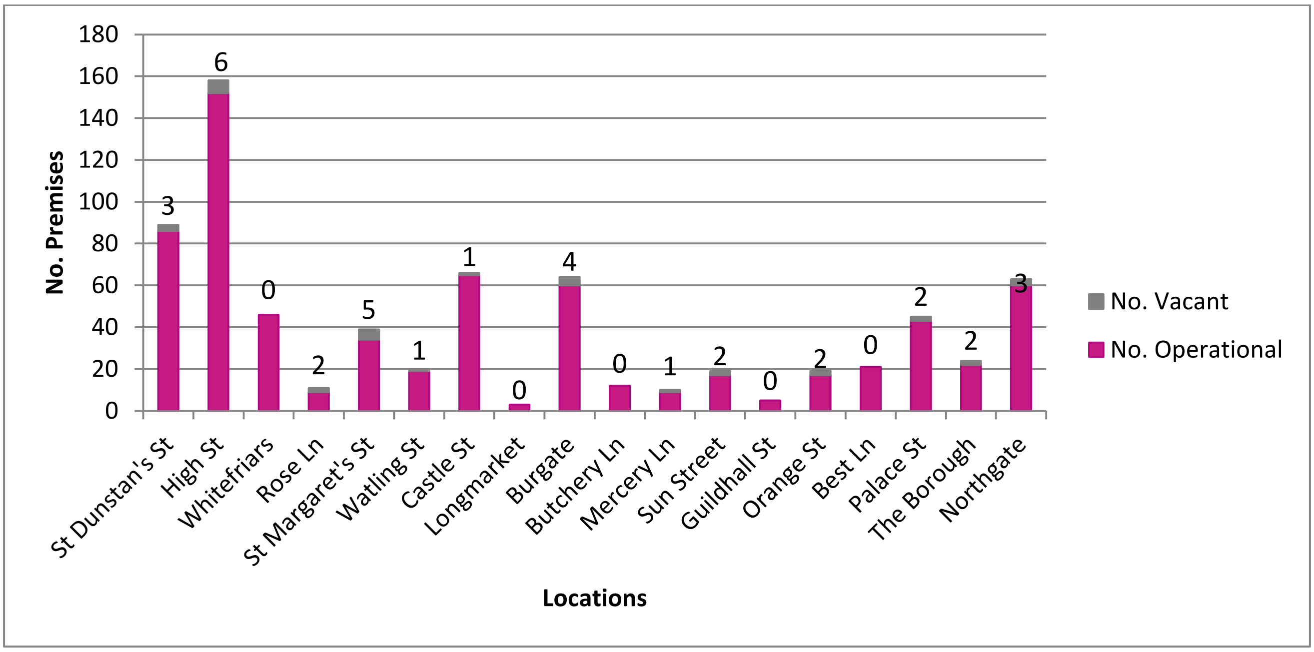
Indicator	Trend	Comment
Premises vacancy rates	● (amber)	The vacancy rate for Canterbury in June was 5.0%, 0.6% higher than May and 0.6% lower than June 2015. The vacancy rate for the Southeast in Q2 2016 was 7.4%, the same as Q1 2016 and -1.4% lower compared to this time last year. Nationally the vacancy rate was 9.6%.
Premises type	● (amber)	Canterbury has a good healthy mix of premises types with food and drink (23%) and specialty (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	● (red)	Overall footfall was down -4.0% YOY in June which is a -6.1% decrease on May and a -8.1% decrease on June 2015, +1.4% higher than the average for the South East and +0.1% higher than the national rate. The twelve month average for Canterbury is -0.1%.
Business Sales Performance	● (amber)	In June there was an overall -0.6% YOY change in sales performance, which is a -1.6% decrease from May but a +0.2% increase in comparison to the same time last year. A1 retailers had a poor month with a -0.6% change in sales performance YOY whilst A3 Food and drink establishments had a poor month too with a -0.7% change in sales performance YOY.
Tourism	● (red)	Visitor numbers to visitor attractions in Canterbury were down -10.4% YOY (-11.3% YOY in May). For Kent, attraction visitor numbers were down -1.6% YOY (-4.4% YOY in May). 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 June 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

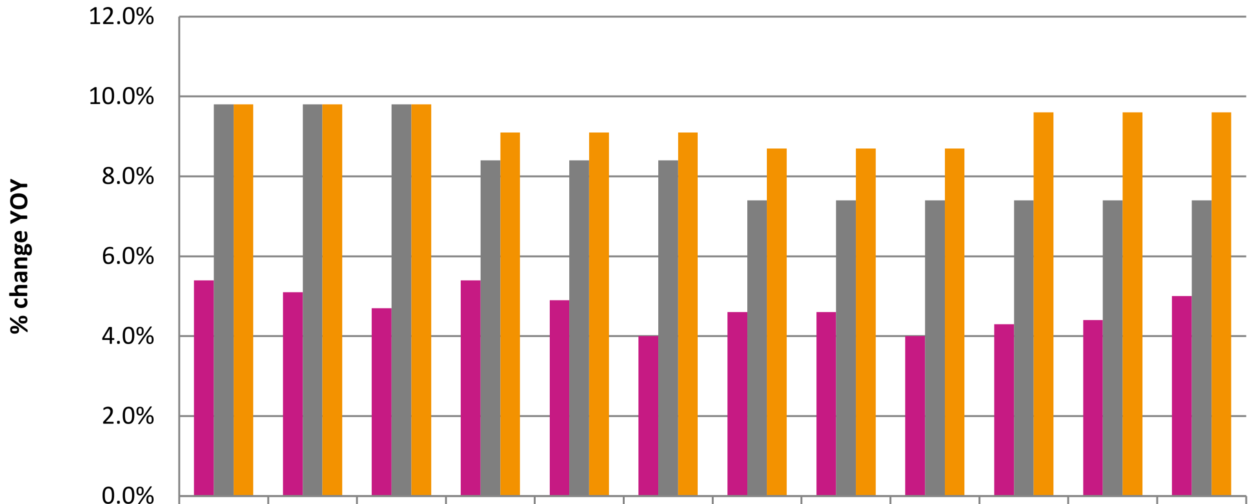


Source: Canterbury Connected BID monthly survey.

Key findings:

- A total number of 34 businesses premises were recorded as vacant in June, 4 more than May and 3 less than in June 2015.
- The High Street, St Margarets Street and Burgate had the highest number of empty premises whilst Whitefriars, Longmarket, Butchery Lane, Guildhall Street and Best Lane had none.
- As a comparison to the total number of premises within each street, Rose Lane had the highest vacancy rate (22%).

Graph 1.2 - Premises vacancy rates YOY



	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Canterbury	5.4%	5.1%	4.7%	5.4%	4.9%	4.0%	4.6%	4.6%	4.0%	4.3%	4.4%	5.0%
South East	9.8%	9.8%	9.8%	8.4%	8.4%	8.4%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%
National	9.8%	9.8%	9.8%	9.1%	9.1%	9.1%	8.7%	8.7%	8.7%	9.6%	9.6%	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.

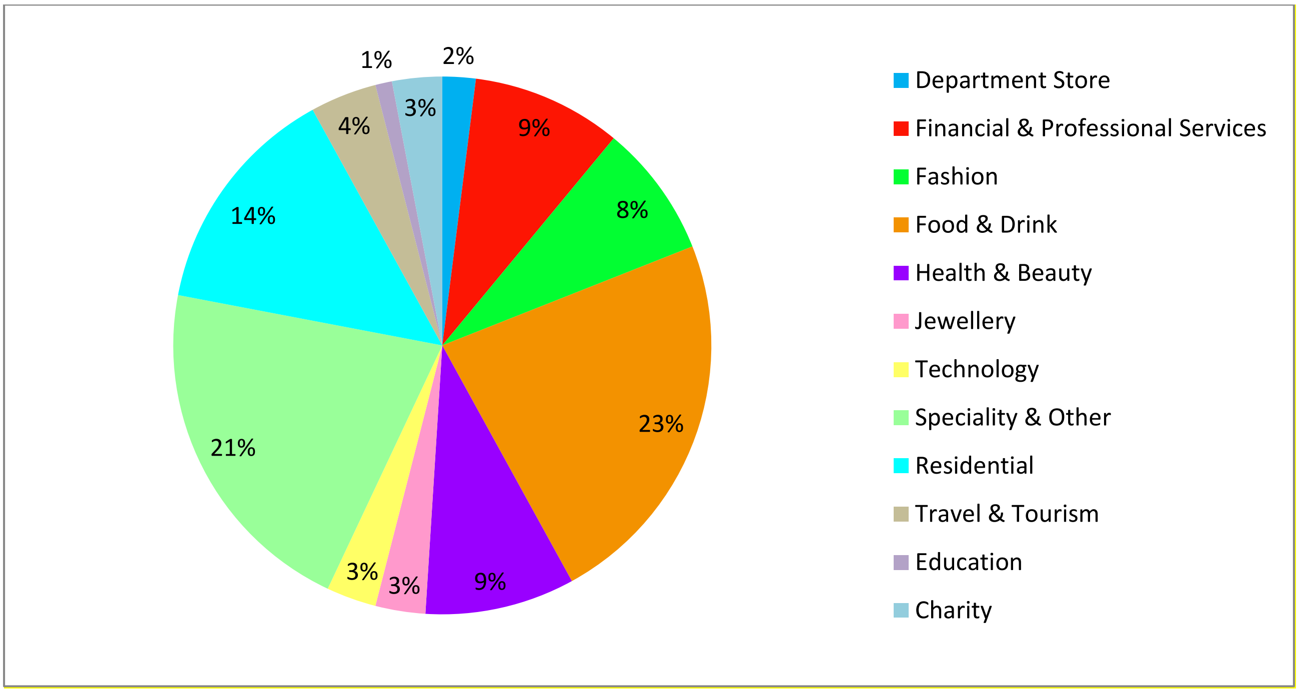
Key findings:

- The vacancy rate for Canterbury in June was 5.0%, 0.6% higher than May and 0.6% lower than June 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.

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



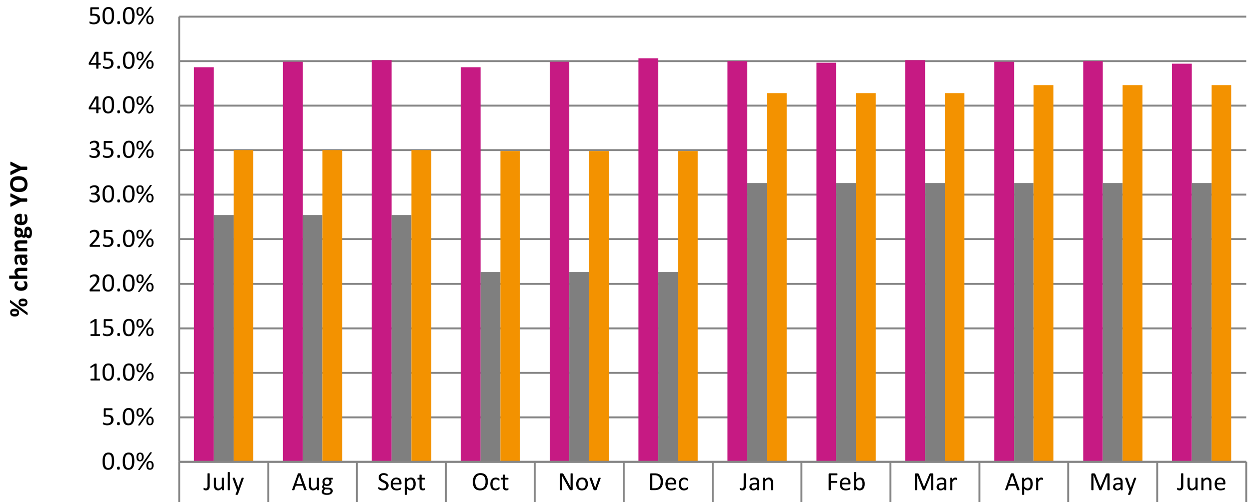
Source: Canterbury Connected BID monthly survey.

Key findings:

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



	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Canterbury	44.3%	44.9%	45.1%	44.3%	44.9%	45.3%	45.0%	44.8%	45.1%	44.9%	45.0%	44.7%
South East	27.7%	27.7%	27.7%	21.3%	21.3%	21.3%	31.3%	31.3%	31.3%	31.3%	31.3%	31.3%
National	35.0%	35.0%	35.0%	34.9%	34.9%	34.9%	41.4%	41.4%	41.4%	42.3%	42.3%	42.3%

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

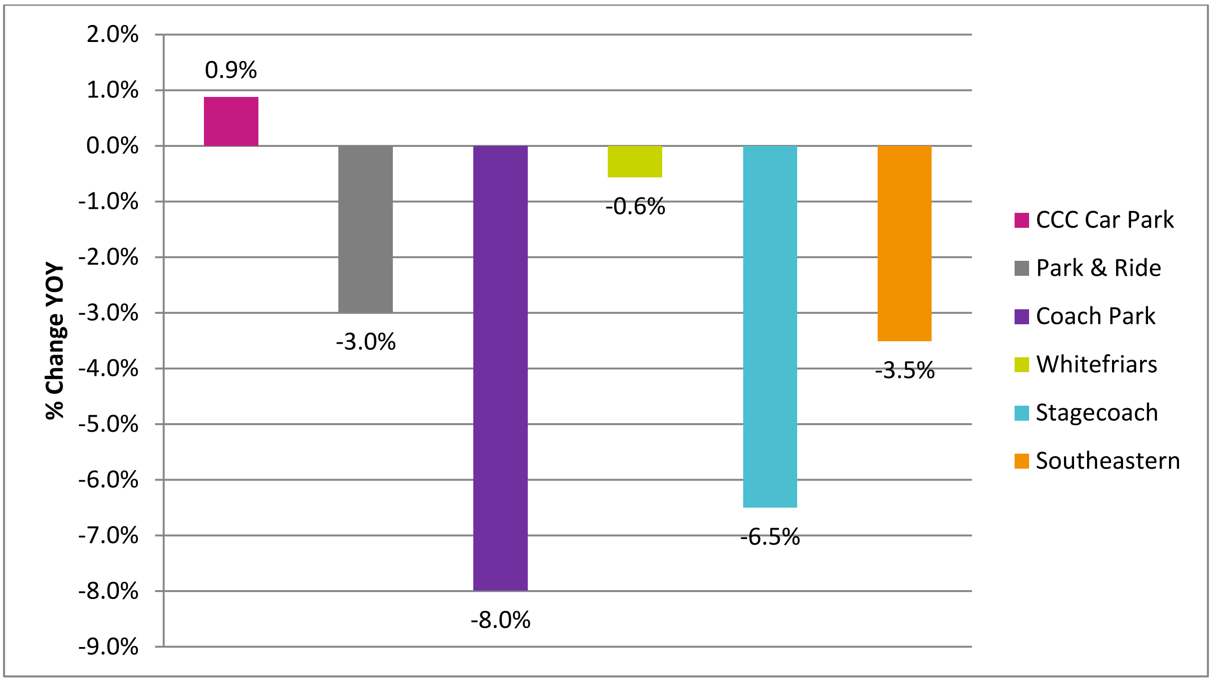
Key findings

- 44.7% of businesses recorded in June were independents, -0.3% less than May, +0.6% more than June 2015, +13.4% more than the average for the South East and +2.4% more than the national average.
  - Longmarket (100%), Whitefriars (98%) and Rose Lane (78%) 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, 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

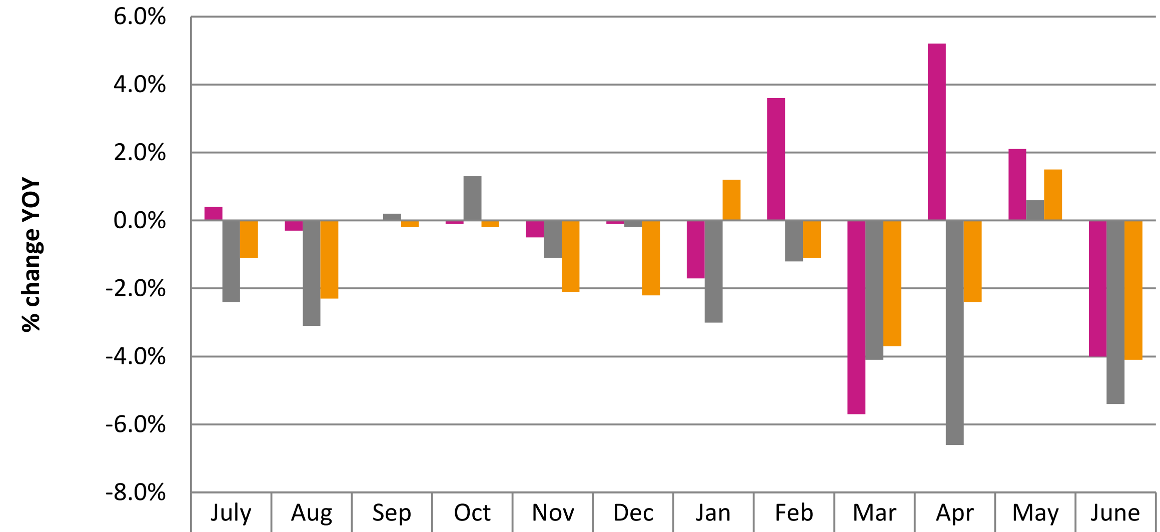


Source: Canterbury City Council Transportation Department, Stagecoach East Kent, Whitefriars shopping centre and Southeastern.

Key Findings

- Overall footfall was down -4.0% YOY in June which is a -6.1% decrease on May and a -8.1% decrease on June 2015.
- Car travel was relatively stable in June whilst all other transportation methods showed a decrease. Coach travel experienced the biggest decrease year on year.

Graph 4.2 – Canterbury footfall rates YOY



	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Canterbury	0.4%	-0.3%	0.0%	-0.1%	-0.5%	-0.1%	-1.7%	3.6%	-5.7%	5.2%	2.1%	-4.0%
South East	-2.4%	-3.1%	0.2%	1.3%	-1.1%	-0.2%	-3.0%	-1.2%	-4.1%	-6.6%	0.6%	-5.4%
National	-1.1%	-2.3%	-0.2%	-0.2%	-2.1%	-2.2%	1.2%	-1.1%	-3.7%	-2.4%	1.5%	-4.1%

Source: Canterbury Connected BID monthly survey and the BRC - Springboard Footfall and Vacancies Monitor.

Key Findings

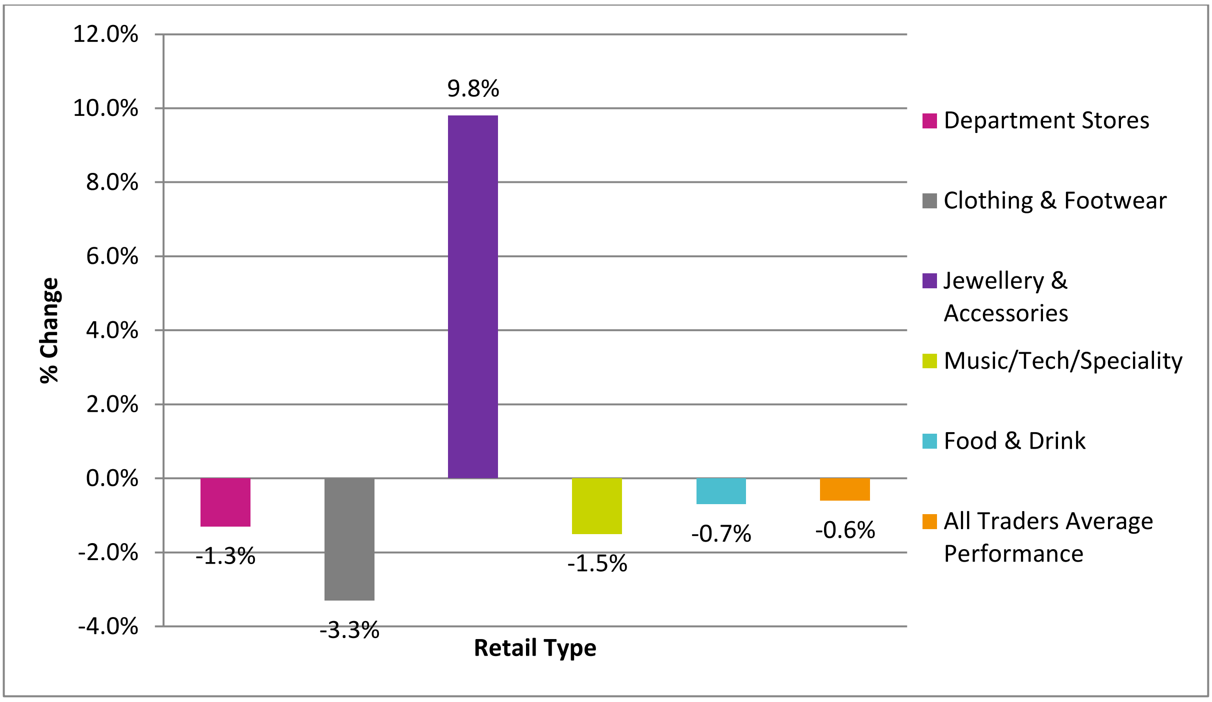
- Footfall in Canterbury was down -4.0% YOY in June, +1.4% higher than the average for the South East and +0.1% higher than the national rate. The twelve month average for Canterbury is -0.1%.
- Nationally:
  - Footfall did not fare well in June, with a decline of -0.7% from May compared with a rise over the month of +3.8% in June 2015. This meant that the annual decline grew in magnitude from -2.6% in June last year to -4.1% this year, and the deterioration was even more noticeable as it followed an annual increase of +1.5% in May. Whilst in May footfall increased annually in all but three areas of the UK, in June footfall dropped in every area apart from Wales where it rose by a modest +0.5%.
  - There was a clear decline in footfall leading up to the referendum, with the drop in footfall accelerating from -2.1% in the first to -5.2% in the second week, and then to -6.0% in the third week, the week of the referendum itself. The light at the end of the tunnel, however, is that in the last week of the month, the week following the referendum, the decline lessened and settled at -3.6%.
  - In coastal towns, footfall dropped by -5.3% compared with -3.2% in June 2015; and in regional cities footfall declined by -4.6% compared with -2.6% in June last year.
- The following table provides a breakdown of the footfall rates by region:

Location	% change YOY	Location	% change YOY
England		East	-2.6
Greater London	-5.1	North & Yorkshire	-1.9
West Midlands	-7.6		
South East	-5.4	**Northern Ireland**	-2.6
South West	-3.6	**Wales**	+0.5
East Midlands	-3.1	**Scotland**	-3.5

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

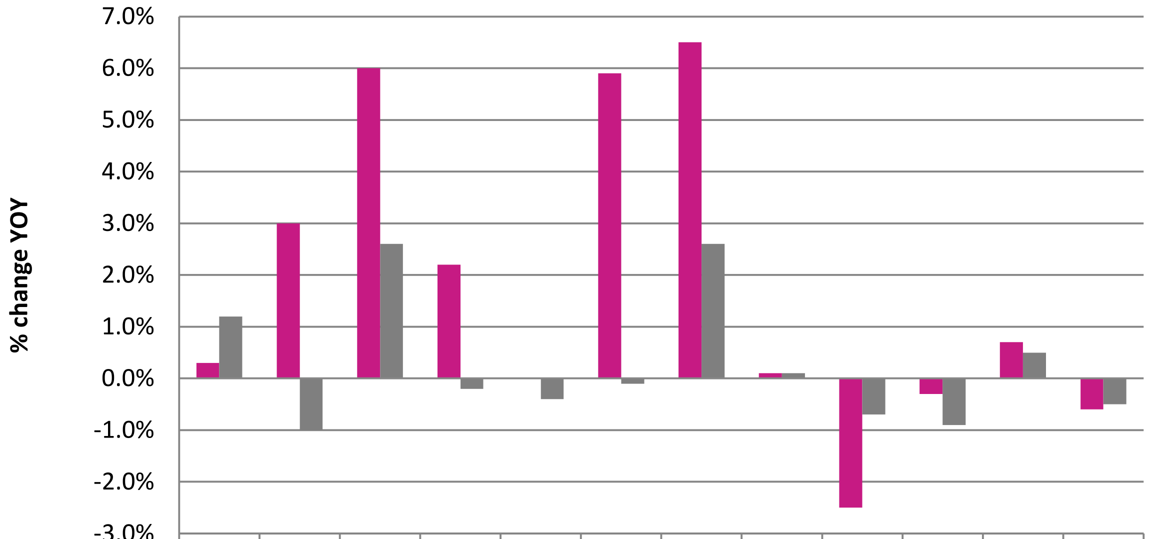


Source: Canterbury Connected BID Business Survey of Average Sales Performance based on 29 respondents.

Key findings:

- In June there was an overall -0.6% YOY change in sales performance, which is a -1.6% decrease from May but a +0.2% increase in comparison to the same time last year.
- A1 retailers had a poor month with a -0.6% change in sales performance YOY, which is a -1.9% decrease from May and a -0.4% decrease in comparison to the same month last year. Sales of fashion and footwear plummeted following one of the wettest and dullest starts to a UK summer since records began and sales of large ticket items were put on hold in the build-up and then aftermath of the referendum.
- A3 Food and drink establishments had a poor month with a -0.7% decrease in trade which is a -0.3% decrease from May and a -2.5% decrease in comparison to the same month last year.

Graph 5.2 – Average Sales performance YOY



	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Canterbury	0.3%	3.0%	6.0%	2.2%	0.0%	5.9%	6.5%	0.1%	-2.5%	-0.3%	0.7%	-0.6%
National	1.2%	-1.0%	2.6%	-0.2%	-0.4%	-0.1%	2.6%	0.1%	-0.7%	-0.9%	0.5%	-0.5%

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

Key findings:

- Sales Performance in June was down -0.6% YOY, down -2.6% on the twelve month average of +1.8% for Canterbury, and down-0.1% on the national rate of -0.5% YOY.
- According to the BRC-KPMG UK Retail Sales Monitor:
  - UK retail sales were down -0.5% on a like-for-like basis from June 2015 and on a total basis, sales rose by 0.2%.While sales did slow towards the end of the month, it is too early to define this as a trend.
  - The month outturn was predominantly driven by a decline in sales in the fashion categories and isn't a surprise given that June 2015 saw record growth in clothing and footwear. Looking across the last three months, food has held its ground with a better performance than non-food sales, which has seen its lowest growth since April 2012, largely due to fashion combined with a slowdown in furniture.
  - Britain's retailers remain open for business. The EU referendum vote has not changed their relentless pursuit of delivering for customers day in, day out or their investment in meeting the needs of fundamental changes in the way people shop, driven by digital and technology. Despite the fall in the pound, the time it takes for any input price increases to translate into higher shop prices will depend on a combination of factors including further changes in the pound, commodity prices and the challenge for retailers to move pricing given the intensity of competition. So, there won't be any instant shocks as any changes would take time to feed through.

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

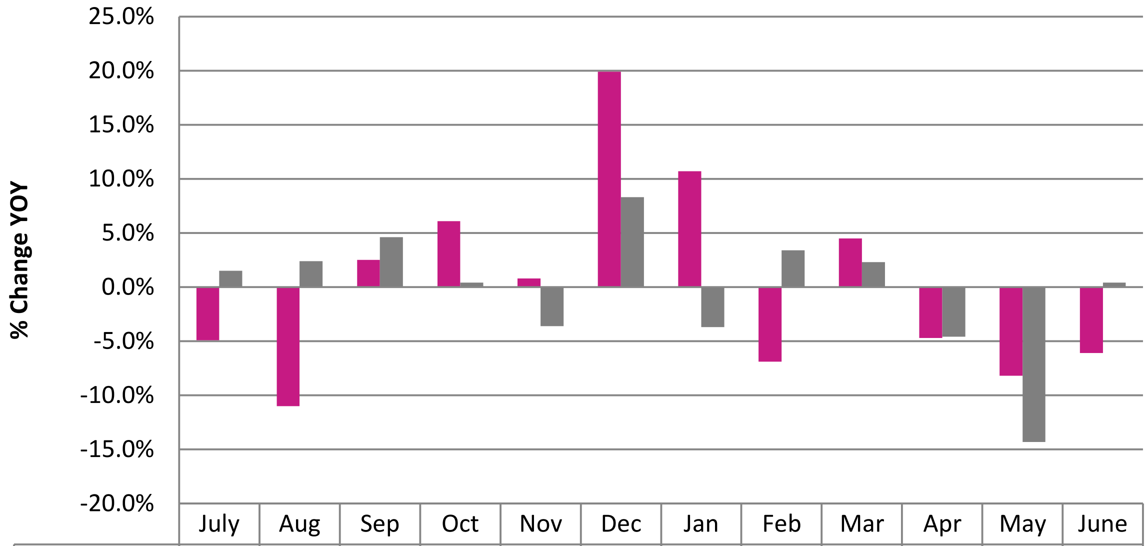
	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Canterbury	-16.7%	-6.3%	-4.3%	-6.0%	-5.5%	3.9%	3.8%	-2.0%	-4.5%	-11.2%	-11.3%	-10.4%
Kent	-5.8%	0.5%	-0.9%	6.4%	-1.6%	12.2%	17.7%	7.9%	27.2%	-6.9%	-4.4%	-1.6%

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

Key findings:

- In June there was a -10.4% annual change in visitor numbers to visitor attractions in Canterbury, a +0.9% increase over the month from May and a -5.9% decrease in comparison to the same time last year.
- For Kent, there was a -1.6% annual change in visitor numbers to visitor attractions which is a +2.8% increase over the month from May but a -5.3% decrease in comparison to the same time last year.

Graph 6.2 – Percentage change in Visitor Information Centre Enquires YOY



	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Canterbury	-4.9%	-11.0%	2.5%	6.1%	0.8%	19.9%	10.7%	-6.9%	4.5%	-4.7%	-8.2%	-6.1%
Kent	1.5%	2.4%	4.6%	0.4%	-3.6%	8.3%	-3.7%	3.4%	2.3%	-4.6%	-14.3%	0.4%

Source: Visit Kent Business Barometer June 2016.

Key findings:

- For Canterbury there was a total -6.1% annual change in visitor enquiries, a +2.1% increase over the month from May and a +1.3% increase in comparison to the same time last year.
- Visitor Information Centres in Kent had a +0.4% annual change in visitor enquiries, a +14.7% increase over the month from May and a +4.8% increase in comparison to the same time last year.
- According to Visit Kent's May 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 June. These events both maintain and increase footfall to the city and in turn have an economic impact.

- 1 – 4: Children's Festival
- 3: Christ Church University Ball
- 10 – 12: Whitefriars Home and Garden Event
- 11: Canterbury Pride
- 12: Christ Church Open Day
- 19: Father's Day
- 25: Friends of Westgate Parks Open Day
- 30: Kings Week