Canterbury Connected

BUSINESS IMPROVEMENT DISTRICT

Canterbury City Centre

Performance Report

May 2016

Canterbury City Centre Performance Report – May 2016

Executive summary

Welcome to the May 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

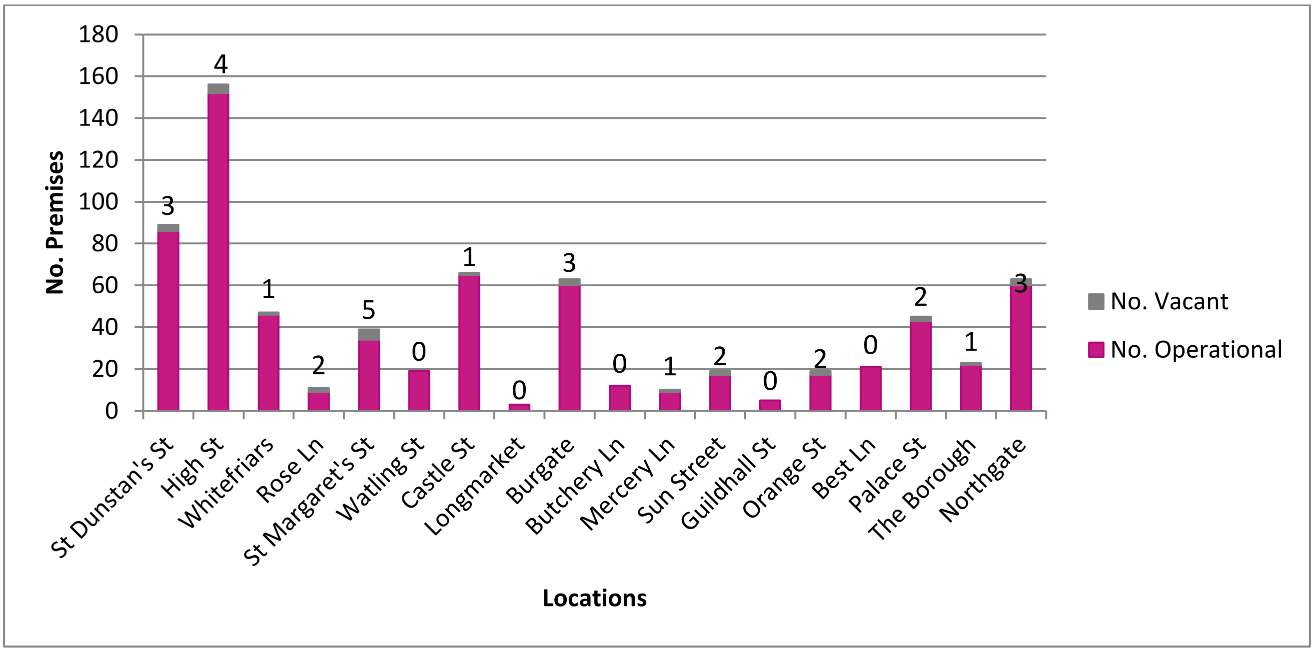
Indicator	Trend	Comment
Premises vacancy rates	●	The vacancy rate for Canterbury in May was 4.4%, 0.1% higher than April and -1.6% lower than May 2015. The vacancy rate for the Southeast in Q2 2016 was 7.4%, the same as Q1 2016 and -1.4% lower compared to this time last year. Nationally the vacancy rate was 9.6%.
Premises type	●	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	●	For Canterbury there was a -69% annual change in registered start-up businesses, which is -58% less than April and -57% less than May 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 up +2.1% YOY in May which is a -3.1% decrease on April (+5.2 % YOY), +1.5% higher than the average for the South East and +0.6% higher than the national rate. The twelve month average for Canterbury is +0.6%.
Business Sales Performance	●	In May there was an overall +1.0% YOY change in sales performance, which is a +1.3% increase from April but a -3.6% decrease in comparison to the same time last year. A1 retailers had a good month with a +1.3% change in sales performance YOY whilst A3 Food and drink establishments had a poor month with a -0.4% change in sales performance YOY.
Tourism	●	Visitor numbers to visitor attractions in Canterbury were down -11.3% YOY (-11.2% YOY in April). For Kent, attraction visitor numbers were down -4.4% YOY (-6.9% YOY in April). 55% of visitors to Canterbury were domestic, 5% long haul and 40% 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 May 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

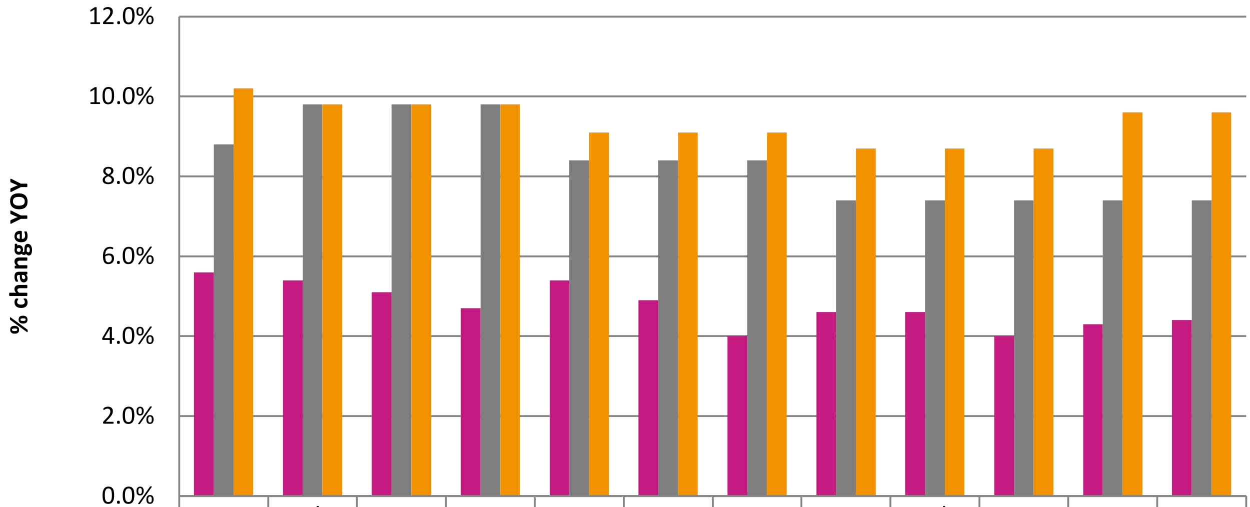


Source: Canterbury Connected BID monthly survey.

Key findings:

- A total number of 30 businesses premises were recorded as vacant in May, 1 more than April and 10 less than in May 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



	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Canterbury	5.6%	5.4%	5.1%	4.7%	5.4%	4.9%	4.0%	4.6%	4.6%	4.0%	4.3%	4.4%
South East	8.8%	9.8%	9.8%	9.8%	8.4%	8.4%	8.4%	7.4%	7.4%	7.4%	7.4%	7.4%
National	10.2%	9.8%	9.8%	9.8%	9.1%	9.1%	9.1%	8.7%	8.7%	8.7%	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.

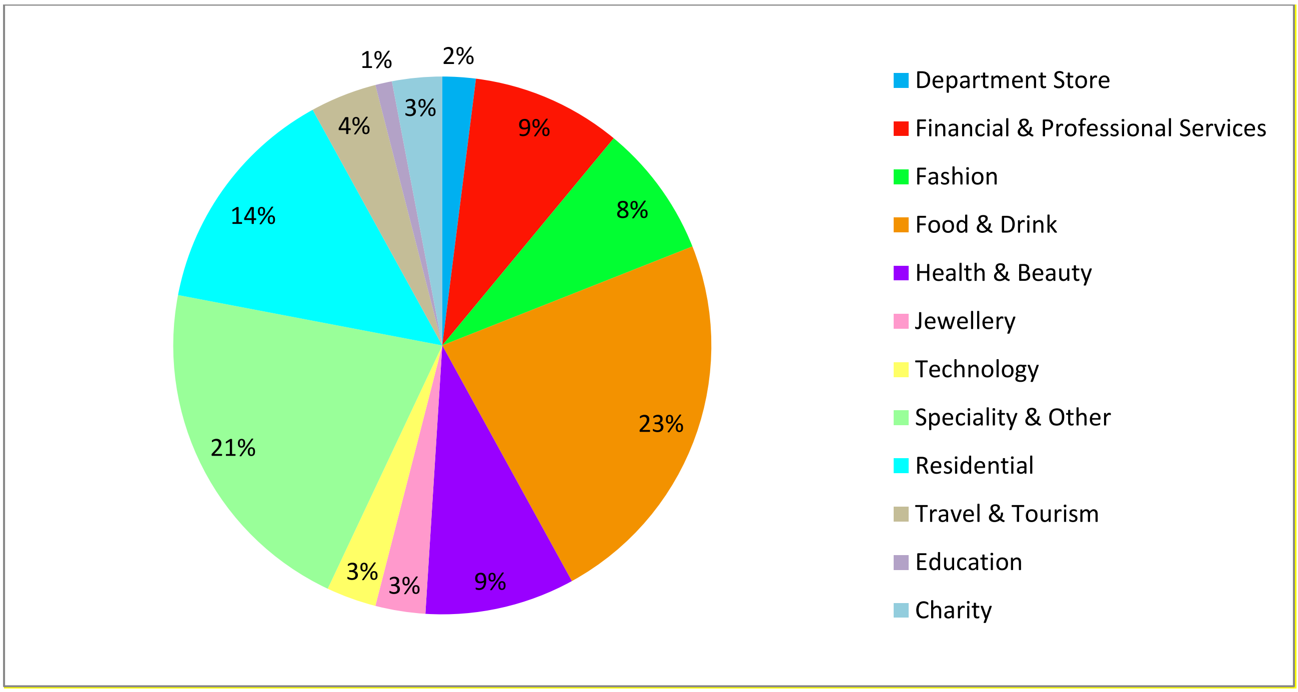
Key findings:

- The vacancy rate for Canterbury in May was 4.4%, 0.1% higher than April and -1.6% lower than May 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



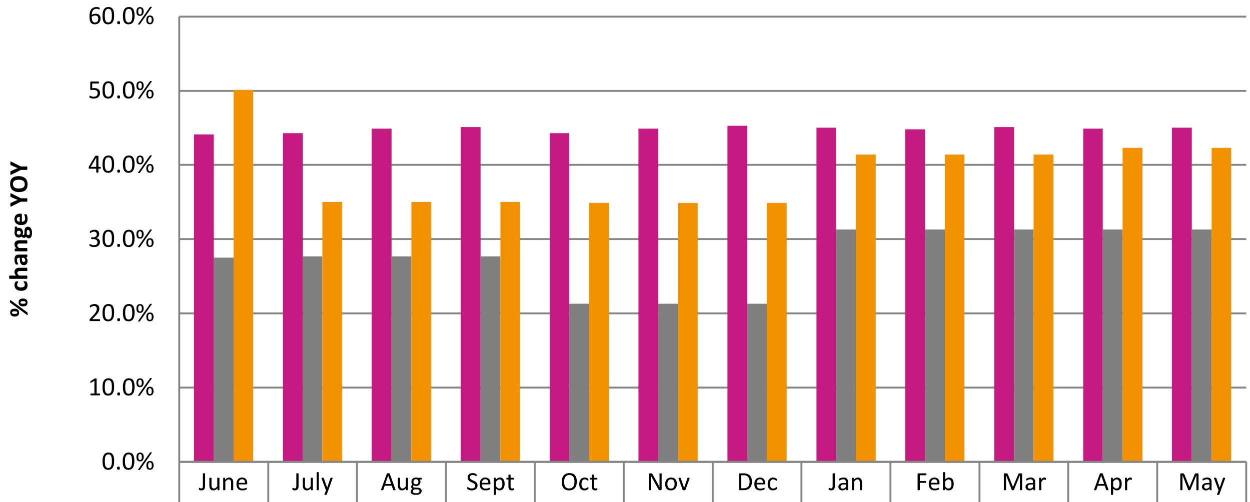
Source: Canterbury Connected BID monthly survey.

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



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

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

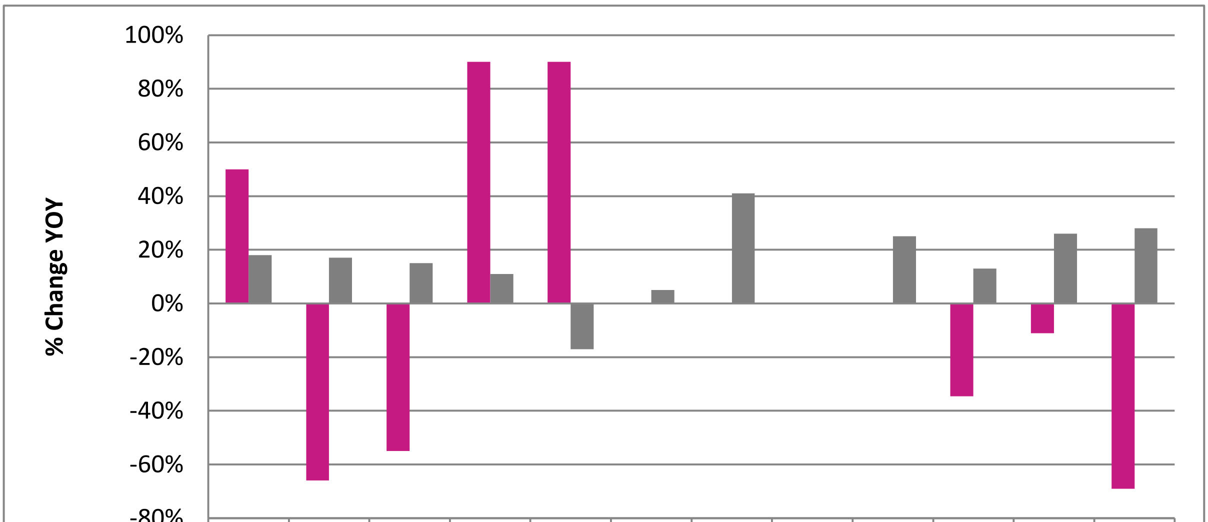
Key findings

- 45.0% of businesses recorded in May were independents, +0.1% more than April, +0.4% more than May 2015, +13.7% more than the average for the South East and +2.7% more than the national average.
    - Longmarket (100%), Whitefriars (96%) 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.

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



	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Canterbury	50%	-66%	-55%	90%	90%					-35%	-11%	-69%
National	18%	17%	15%	11%	-17%	5%	41%	0%	25%	13%	26%	28%

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.

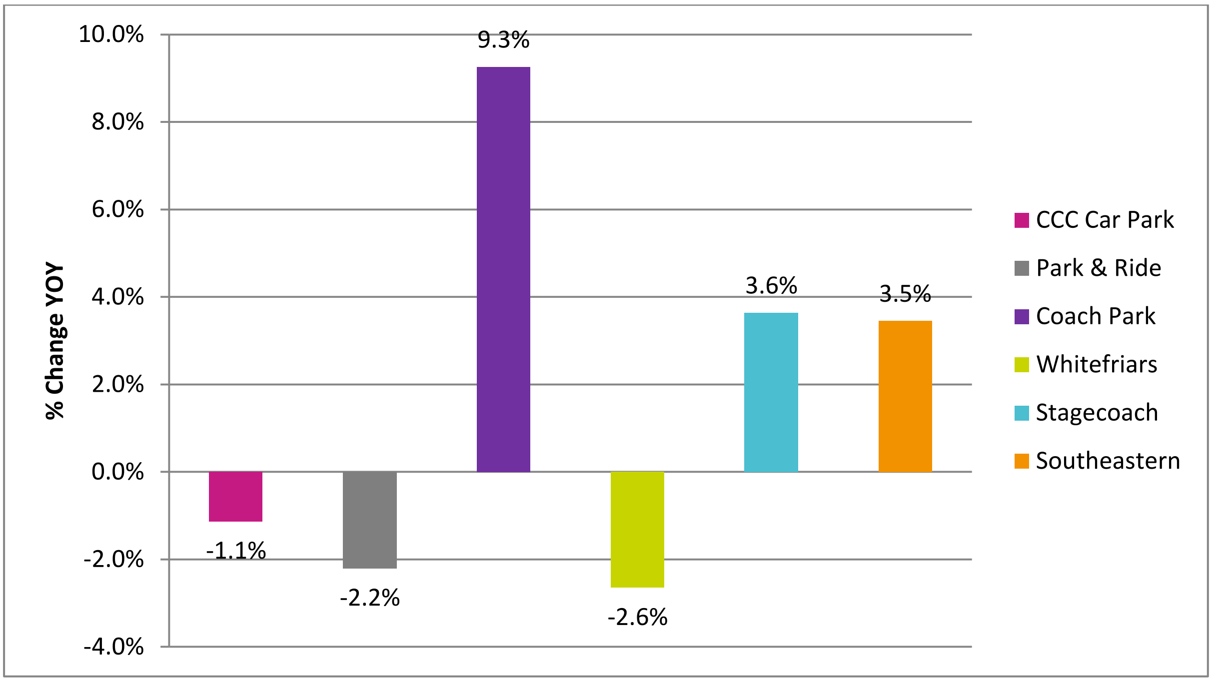
Key findings:

- For Canterbury there was a -69% annual change in registered start-up businesses, which is -58% less than April and -57% less than May 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 May 2016, which equates to 13,952 more than May 2015 and a total of 653,572 over the last twelve months (an average of 54,464 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

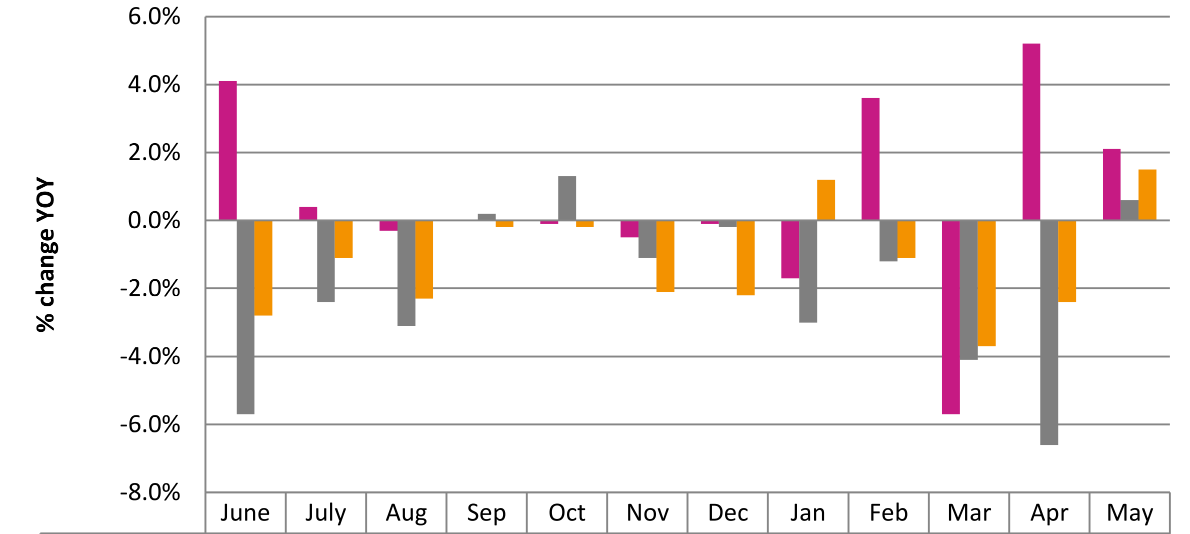


Source: Canterbury City Council Transportation Department, Stagecoach East Kent, Whitefriars shopping centre and Southeastern.

Key Findings

- Overall footfall was up +2.1% YOY in May, however this is a -3.1% decrease on April and a -0.7% decrease on May 2015.
- Car travel showed a decrease in May whilst all other transportation methods showed an increase. Surprisingly coach travel showed an increase but this is against a decrease of -33.2% YOY in May 2015.

Graph 4.2 – Canterbury footfall rates YOY



	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Canterbury	4.1%	0.4%	-0.3%	0.0%	-0.1%	-0.5%	-0.1%	-1.7%	3.6%	-5.7%	5.2%	2.1%
South East	-5.7%	-2.4%	-3.1%	0.2%	1.3%	-1.1%	-0.2%	-3.0%	-1.2%	-4.1%	-6.6%	0.6%
National	-2.8%	-1.1%	-2.3%	-0.2%	-0.2%	-2.1%	-2.2%	1.2%	-1.1%	-3.7%	-2.4%	1.5%

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

Key Findings

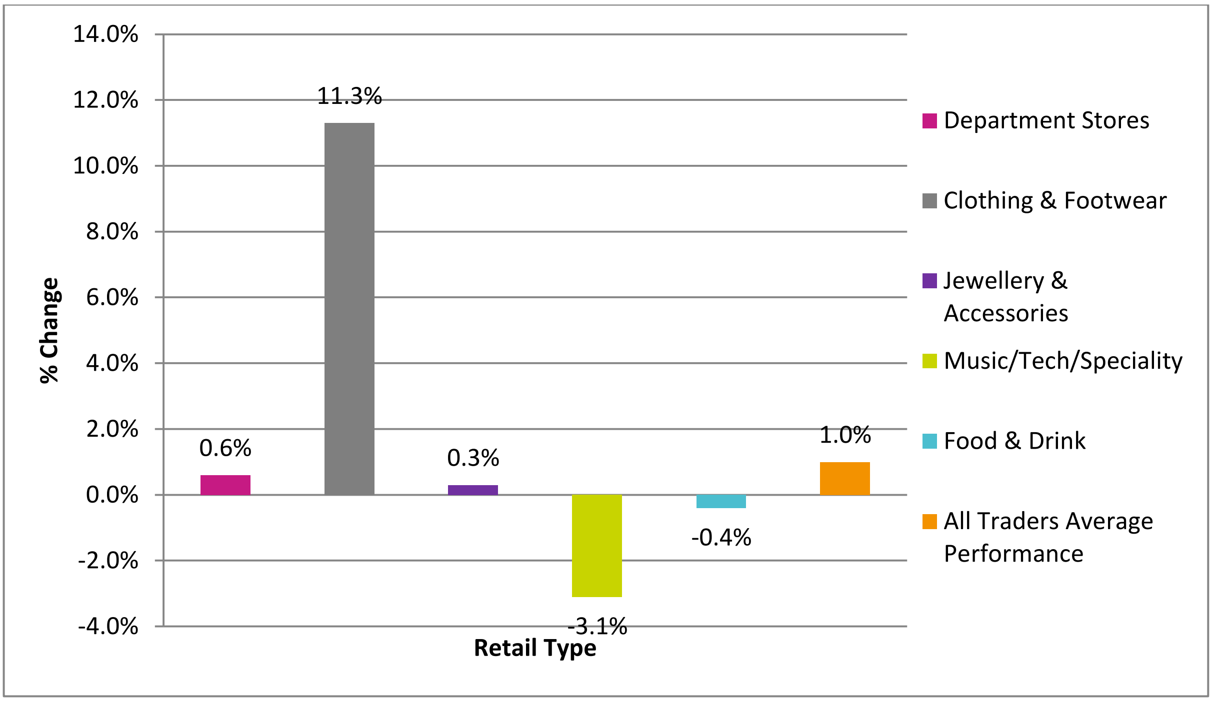
- Footfall in Canterbury was up +2.1% YOY in May, +1.5% higher than the average for the South East and +0.6% higher than the national rate. The twelve month average for Canterbury is +0.6%.
- Nationally:
    - Footfall in the UK's high streets rose by +1.5% in May, a welcome respite from the drops in footfall that have largely typified 2016 to date. However, the figures show the month's footfall increase emanated wholly from a +8.1% rise in the first week of the month stimulated by the May bank holiday weekend. For the rest of the month, footfall dropped by an average of -0.6% in the remaining three weeks. Furthermore, during daytime hours of 9am to 5pm - the period of the day with the greatest footfall volumes and hence spend - the result was even less favourable, with an rise of +7.7% in the first week of the month and an average drop of -1.8% over the subsequent three weeks.
    - In addition, a positive increase in a single month does not necessarily mark the start of a positive trend. This is only the 10th time over the last six years that footfall has risen, and over this period footfall increased in two consecutive months only once.
- The following table provides a breakdown of the footfall rates by region:

Location	% change YOY	Location	% change YOY
England		East	+0.1
Greater London	+0.8	North & Yorkshire	+3.0
West Midlands	-5.1		
South East	+0.6	**Northern Ireland**	+6.0
South West	+0.3	**Wales**	+2.7
East Midlands	+5.3	**Scotland**	+3.4

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

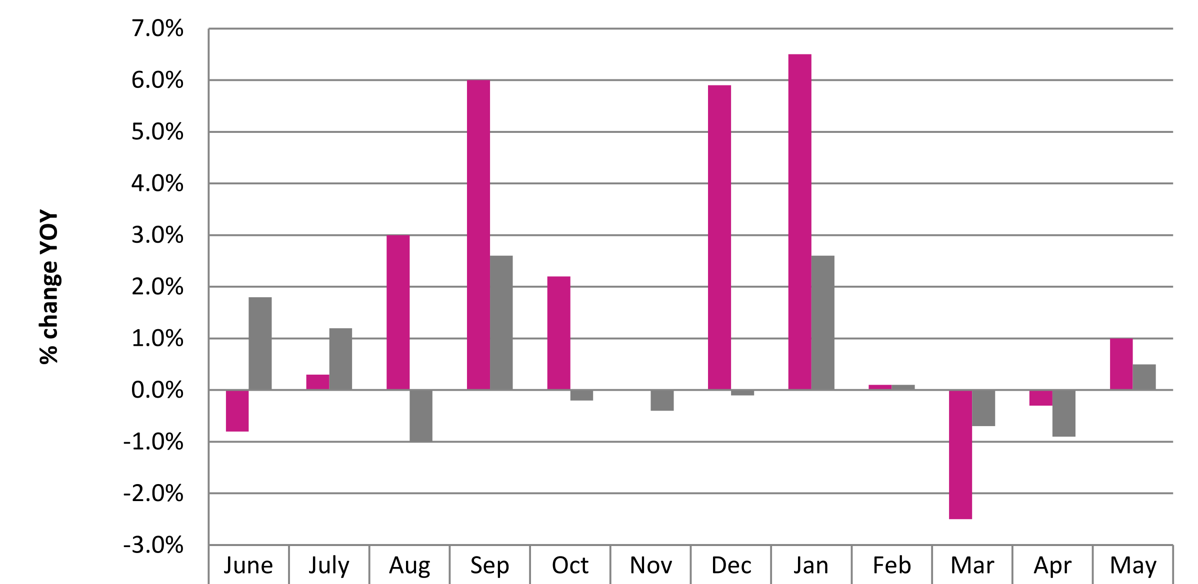


Source: Canterbury Connected BID Business Survey of Average Sales Performance based on 24 respondents.

Key findings:

- In May there was an overall +1.0% YOY change in sales performance, which is a +1.3% increase from April but a -3.6% decrease in comparison to the same time last year.
- A1 retailers broadly had a good month with a +1.3% change in sales performance YOY, which is a +2.8% increase from April but a -2.9% decrease in comparison to the same month last year. Despite rain dampening the May Day mood, fashion sales were strong. The appearance of some spring sunshine encouraged consumers to hit the sales and take advantage of early summer promotions in all categories apart from Music/technology/speciality.
- A3 Food and drink establishments had a poor month with a -0.4% decrease in trade which is a -3.7% decrease from April and a -7.5% decrease in comparison to the same month last year.

Graph 5.2 – Average Sales performance YOY



	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Canterbury	-0.8%	0.3%	3.0%	6.0%	2.2%	0.0%	5.9%	6.5%	0.1%	-2.5%	-0.3%	1.0%
National	1.8%	1.2%	-1.0%	2.6%	-0.2%	-0.4%	-0.1%	2.6%	0.1%	-0.7%	-0.9%	0.5%

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

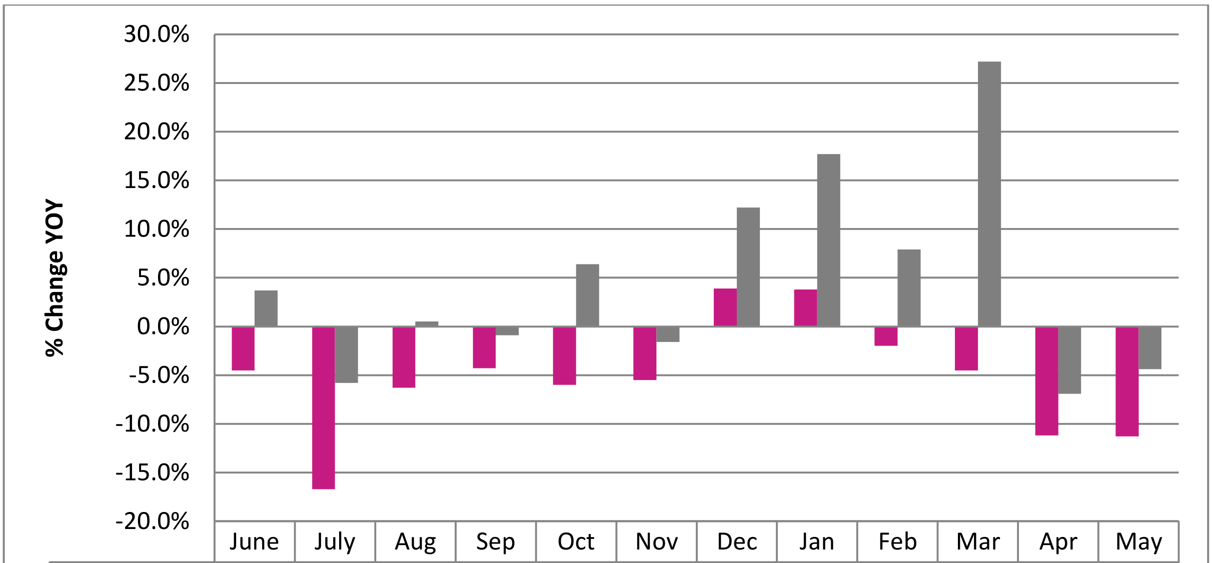
Key findings:

- Sales Performance in May was up +1.0% YOY, down -0.8% on the twelve month average of +1.8% for Canterbury, but up +0.5% on the national rate of +0.5% YOY.
- According to the BRC-KPMG UK Retail Sales Monitor:
    - UK retail sales rose by +0.5% on a like-for-like basis from May 2015 and on a total basis, sales rose by 1.4%.
    - May's figures brought better news for the UK's retailers after two months of flat sales.
    - Clothing made a big comeback this month after suffering declines in April. This appears to be due to consumers waiting for just the right moment before embarking on their pre- summer spending. However, with signs that the UK’s economy is slowing it’s unlikely that this is the beginning of a complete reversal of fortunes. The uncertain outlook means that customers will remain cautious with their spending, therefore it is expected that sales figures will remain volatile for the time being.
    - While this month's pick-up in sales will come as a welcome relief, it's still a challenging time for retailers. Shop price deflation continues and intensity of competition is fierce. Controlling costs and improving efficiency and productivity will be crucial for retailers as they continue to navigate increasingly tough trading conditions

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



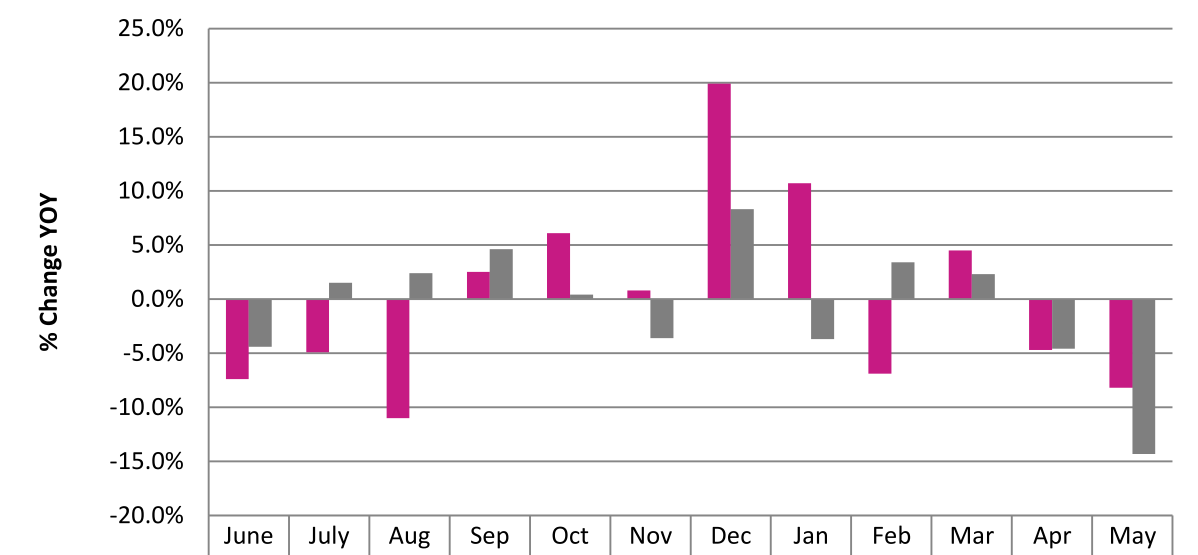
	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Canterbury	-4.5%	-16.7%	-6.3%	-4.3%	-6.0%	-5.5%	3.9%	3.8%	-2.0%	-4.5%	-11.2%	-11.3%
Kent	3.7%	-5.8%	0.5%	-0.9%	6.4%	-1.6%	12.2%	17.7%	7.9%	27.2%	-6.9%	-4.4%

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

Key findings:

- In May there was a -11.3% annual change in visitor numbers to visitor attractions in Canterbury, a -0.1% decrease over the month from April but a +5.3% increase in comparison to the same time last year.
- For Kent, there was a -4.4% annual change in visitor numbers to visitor attractions which is a +2.5% increase over the month from April but a -5.0% decrease in comparison to the same time last year.

Graph 6.2 – Percentage change in Visitor Information Centre Enquires YOY



	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Canterbury	-7.4%	-4.9%	-11.0%	2.5%	6.1%	0.8%	19.9%	10.7%	-6.9%	4.5%	-4.7%	-8.2%
Kent	-4.4%	1.5%	2.4%	4.6%	0.4%	-3.6%	8.3%	-3.7%	3.4%	2.3%	-4.6%	-14.3%

Source: Visit Kent Business Barometer May 2016.

Key findings:

- For Canterbury there was a total -8.2% annual change in visitor enquiries, a -3.5% decrease over the month from April and a -2.5% decrease in comparison to the same time last year.
- Visitor Information Centres in Kent had a -14.3% annual change in visitor enquiries, a -9.7% decrease over the month from April and a -30.9% decrease in comparison to the same time last year.
- According to Visit Kent's May Business Barometer 55% of visitors to Canterbury's VIC were domestic visitors, 5% long haul visitors and 40% were European visitors.

Events

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

- 1 – 8 – Wise Words Festival
- 1 – City Sound Project
- 1 – CT1 Festival
- 1 – Cathedral Quarter May Day Celebrations
- 2 – Early May bank Holiday
- 7 – Kent Vegan Festival
- 7 – Whitefriars Spring Fashion Event
- 14 – Busters Big Bash
- 28 – World Naked Bike Ride
- 30-31 – Children's Festival