Canterbury Connected

BUSINESS IMPROVEMENT DISTRICT

Canterbury City Centre

Performance Report

August 2016

Canterbury City Centre Performance Report – August 2016

Executive summary

Welcome to the August 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

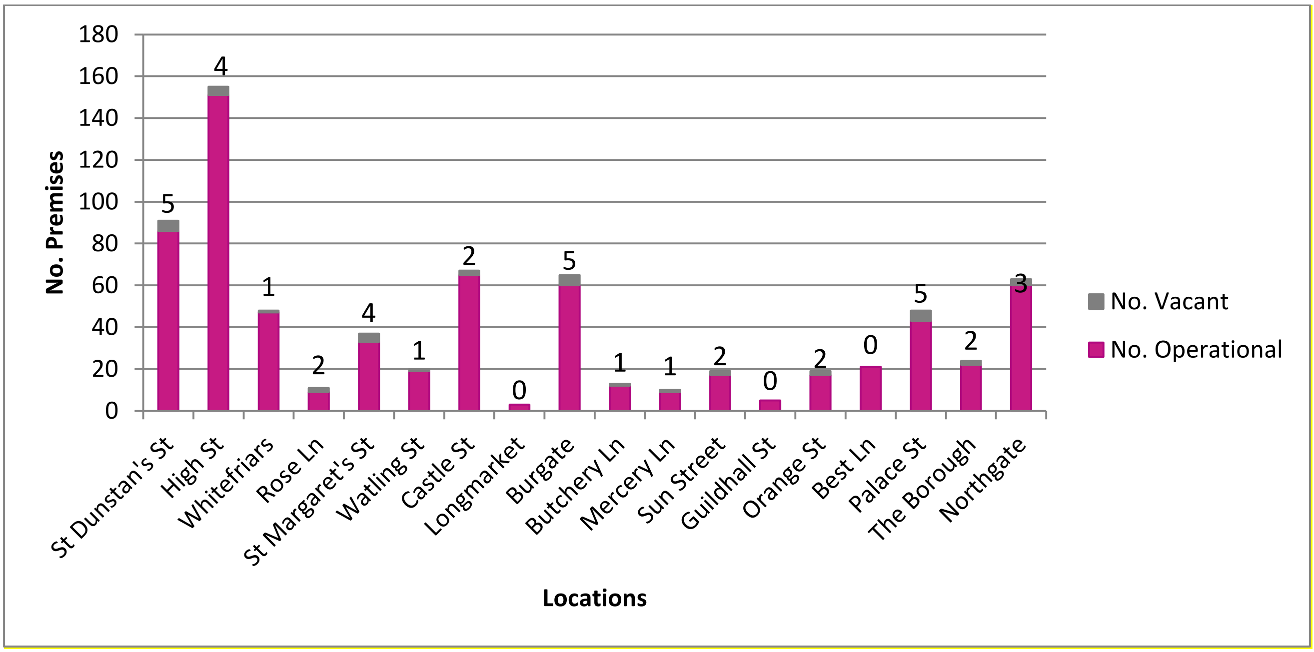
Indicator	Trend	Comment
Premises vacancy rates	● (amber)	The vacancy rate for Canterbury in August was 5.9%, +0.7% higher than July and +0.8% higher than August 2015. The twelve month average for Canterbury is 4.8%. The vacancy rate for the Southeast in Q3 2016 was 7.7% and nationally it was 10.1%.
Premises 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 44% are independents.
Business start-up rates	● (green)	For Canterbury there was a 100% YOY annual change in registered start-up businesses, which is +155% more than August 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)	Footfall in Canterbury was up +3.8% YOY in August, +6.3% higher than the average for the South East and +2.9% higher than the national rate. The twelve month average for Canterbury is 0.1%.
Business Sales Performance	● (green)	In August there was an overall +0.6% YOY change in sales performance, which is a -2.9% decrease from July. A1 retailers had a stable month with a +0.2% YOY change in sales performance, and A3 Food and drink establishments had a reasonable month with a +0.6% YOY increase in trade.
Tourism	● (red)	In August there was a -7.0% YOY annual change in visitor numbers to visitor attractions in Canterbury which is a +1.5% increase on July. For Kent, there was a +23.3% YOY annual change in visitor numbers to visitor attractions which is a -3.4% decrease on July. 30% of visitors to Canterbury's VIC were domestic visitors, 5% long haul visitors and 65% 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 August 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

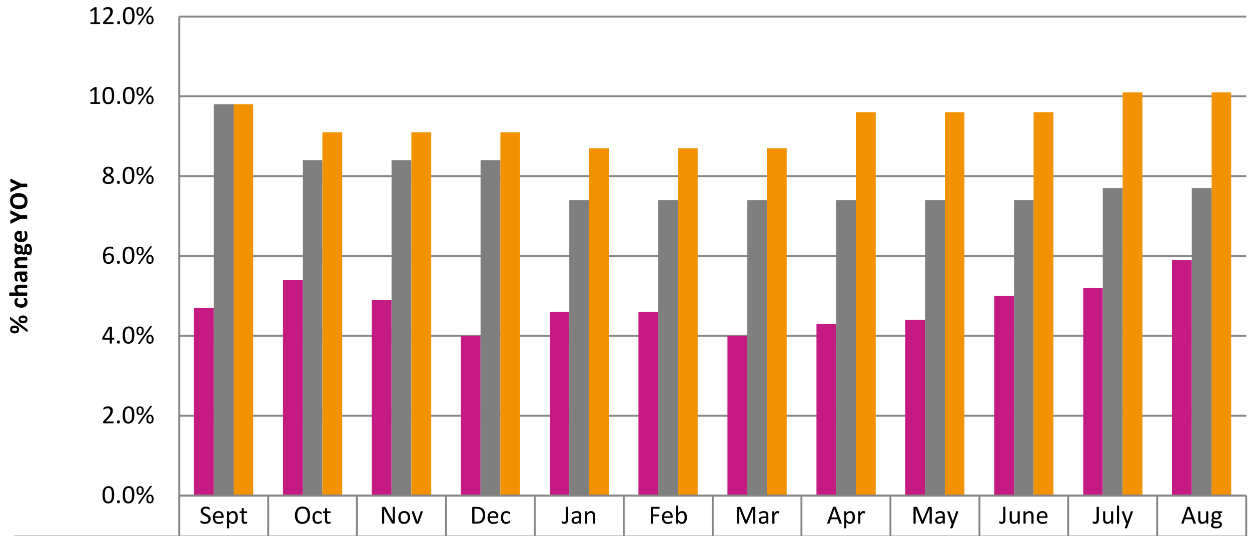


Source: Canterbury Connected BID monthly survey.

Key findings:

- A total number of 40 businesses premises were recorded as vacant in August, 5 more than July and 5 more than in August 2015.
- St Dunstans, The High Street, St Margarets Street and Burgate had the highest number of empty premises whilst Longmarket, 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



	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
Canterbury	4.7%	5.4%	4.9%	4.0%	4.6%	4.6%	4.0%	4.3%	4.4%	5.0%	5.2%	5.9%
South East	9.8%	8.4%	8.4%	8.4%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	7.7%	7.7%
National	9.8%	9.1%	9.1%	9.1%	8.7%	8.7%	8.7%	9.6%	9.6%	9.6%	10.1%	10.1%

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.

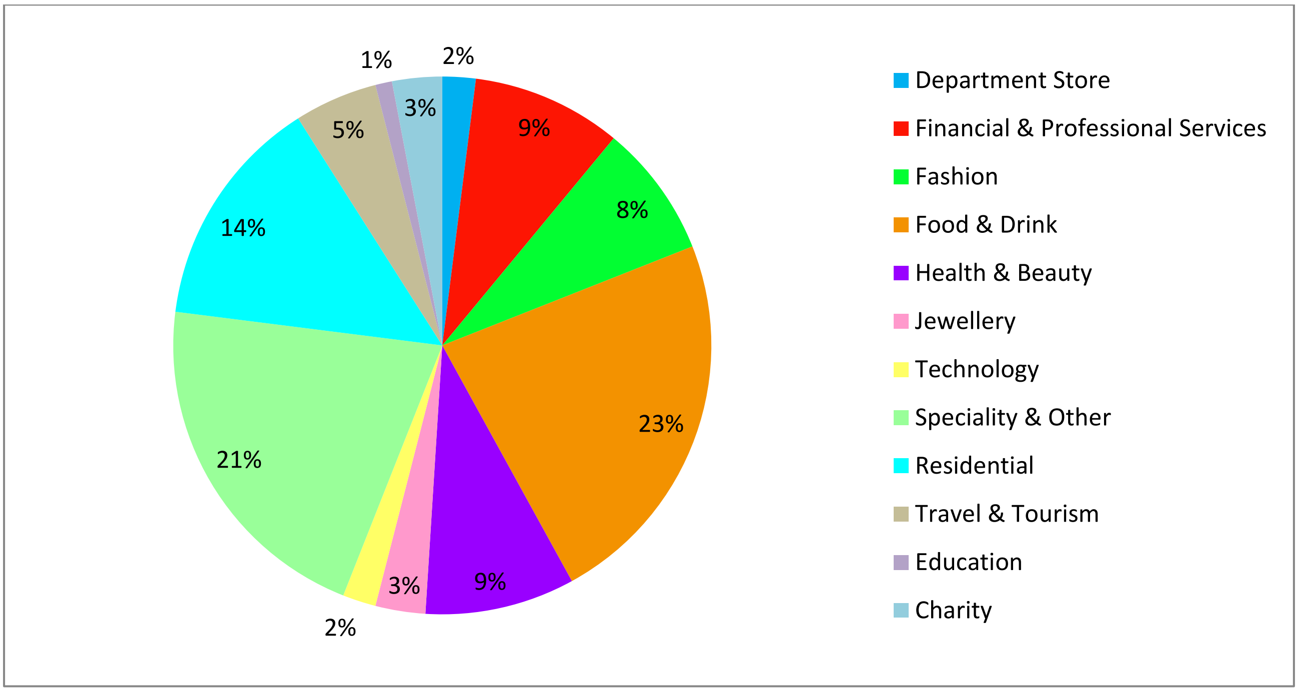
Key findings:

- The vacancy rate for Canterbury in August was 5.9%, +0.7% higher than July and +0.8% higher than August 2015. The twelve month average for Canterbury is 4.8%.
- The vacancy rate for the Southeast in Q3 2016 was 7.7%, 0.3% higher than Q2 2016 and -2.1% lower compared to this time last year.
- Canterbury had the third lowest vacancy rate of the 14 towns in the South East that published their results in the Springboard Quarterly Vacancy Rate Survey Q3 2016.
- This quarter's survey saw another increase in national vacant units with a vacancy rate of 10.1% which is a 0.5% increase in vacant units across the UK. Vacant units have seen a rise of 0.3% compared to July 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



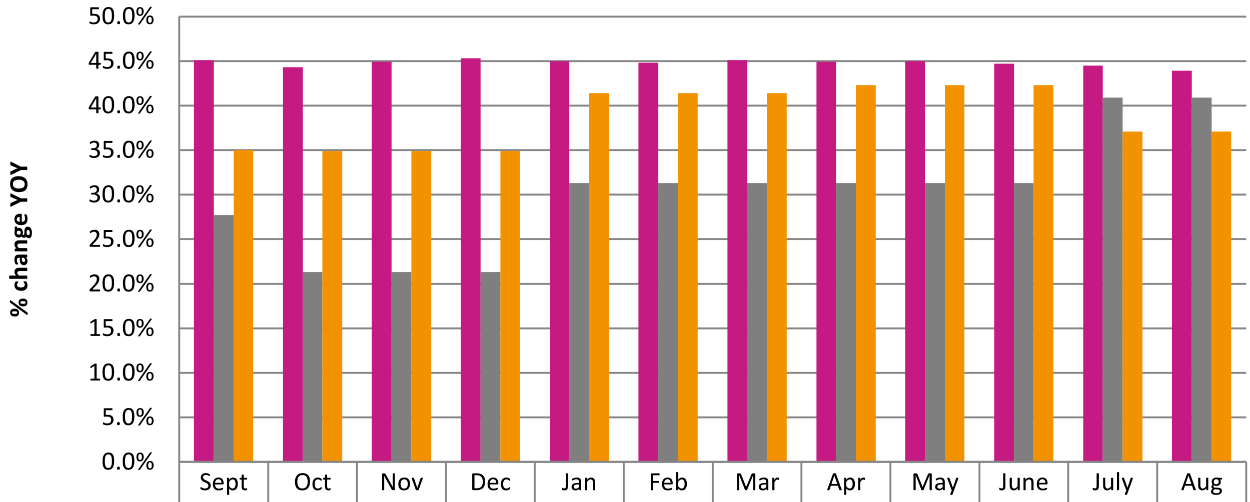
Source: Canterbury Connected BID monthly survey.

Key findings:

- Overall Food and drink premises (23%), 'speciality and other' (21%) and residential (14%) had the highest presence in the city. Education establishments in the city centre (1%) department stores and Technology based outlets 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



	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
Canterbury	45.1%	44.3%	44.9%	45.3%	45.0%	44.8%	45.1%	44.9%	45.0%	44.7%	44.5%	43.9%
South East	27.7%	21.3%	21.3%	21.3%	31.3%	31.3%	31.3%	31.3%	31.3%	31.3%	40.9%	40.9%
National	35.0%	34.9%	34.9%	34.9%	41.4%	41.4%	41.4%	42.3%	42.3%	42.3%	37.1%	37.1%

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

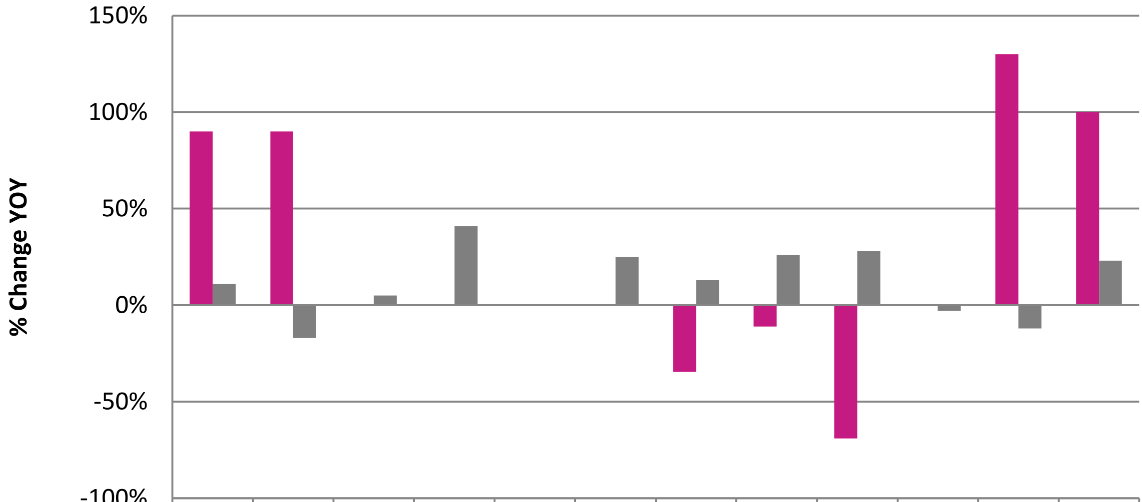
Key findings

- 43.9% of businesses recorded in August were independents, -0.6% less than July, +1.0% more than August 2015, +3.0% more than the average for the South East and +6.8% 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.
  - Sun Street (76%), Palace Street (74%) and The Borough (73%) and had the highest number of independent businesses.
- Overall based on the survey area, 34% of retailers are multiples and 44% are independents and 22% 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



	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
Canterbury	90%	90%					-35%	-11%	-69%		130%	100%
National	11%	-17%	5%	41%	0%	25%	13%	26%	28%	-3%	-12%	23%

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.

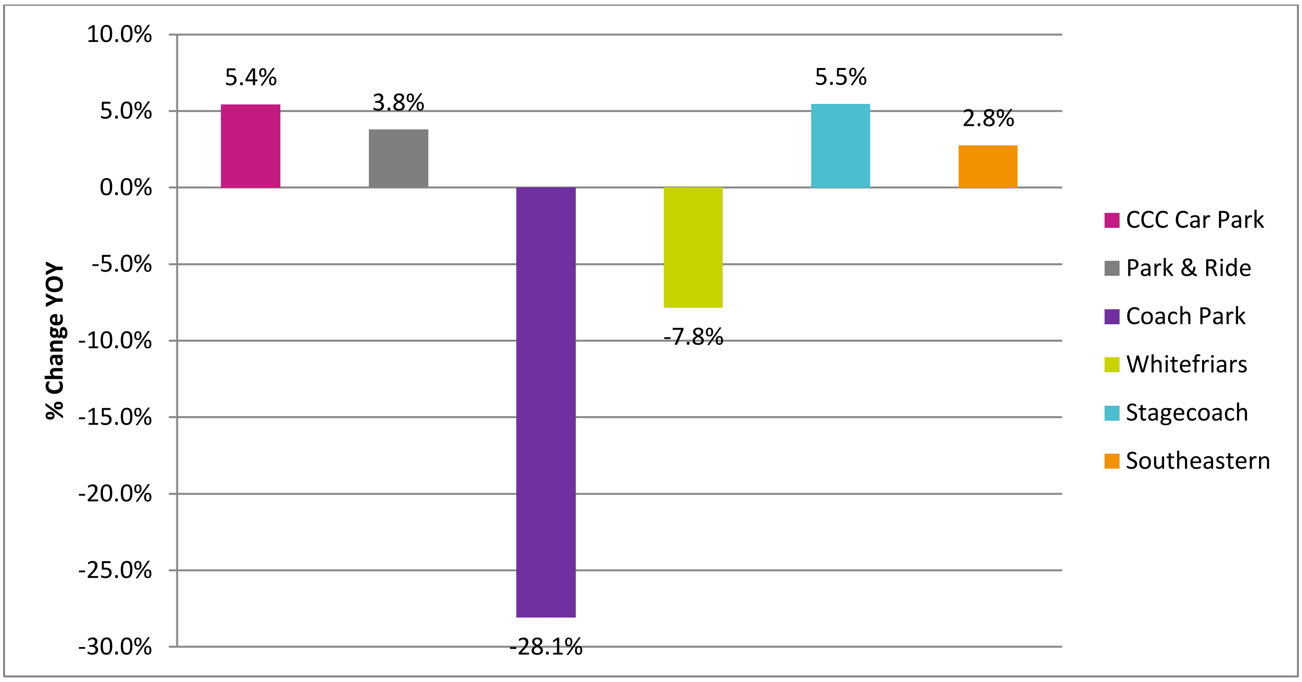
Key findings:

- For Canterbury there was a 100% annual change in registered start-up businesses, which is 155% more than August 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 61,202 start-up businesses in August 2016, which equates to 17,353 more than July and a total of 659,159 over the last twelve months (an average of 54,929 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

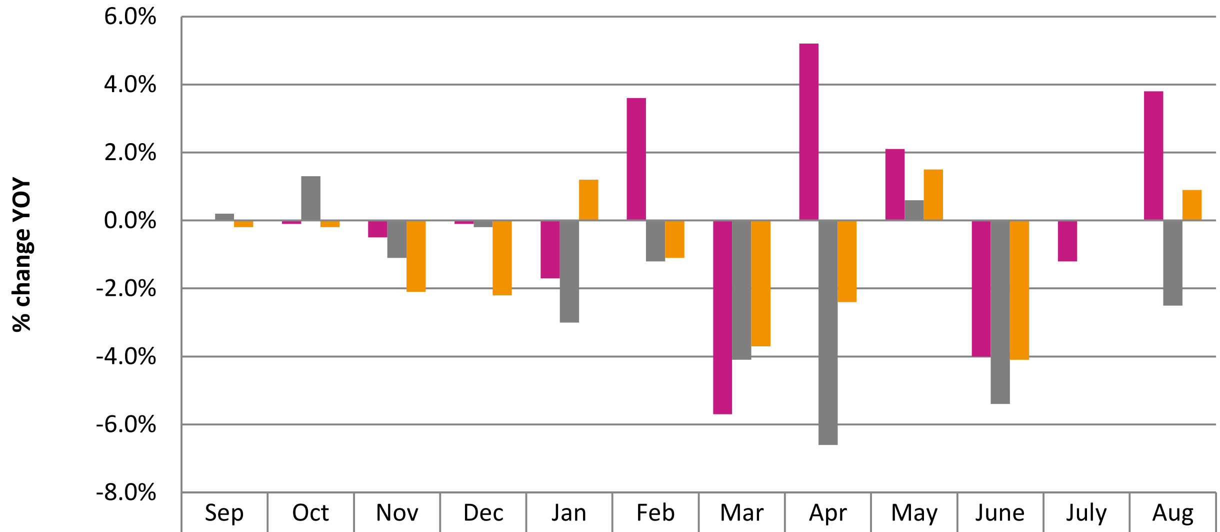


Source: Canterbury City Council Transportation Department, Stagecoach East Kent, Whitefriars shopping centre and Southeastern.

Key Findings

- Overall footfall was up +3.8% YOY in August which is a +5.0% increase on July.
- All transportation methods were relatively stable in August apart from coach travel which experienced the biggest decrease YOY and has been doing so for long time.

Graph 4.2 – Canterbury footfall rates YOY



	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
Canterbury	0.0%	-0.1%	-0.5%	-0.1%	-1.7%	3.6%	-5.7%	5.2%	2.1%	-4.0%	-1.2%	3.8%
South East	0.2%	1.3%	-1.1%	-0.2%	-3.0%	-1.2%	-4.1%	-6.6%	0.6%	-5.4%	0.0%	-2.5%
National	-0.2%	-0.2%	-2.1%	-2.2%	1.2%	-1.1%	-3.7%	-2.4%	1.5%	-4.1%	0.0%	0.9%

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

Key Findings

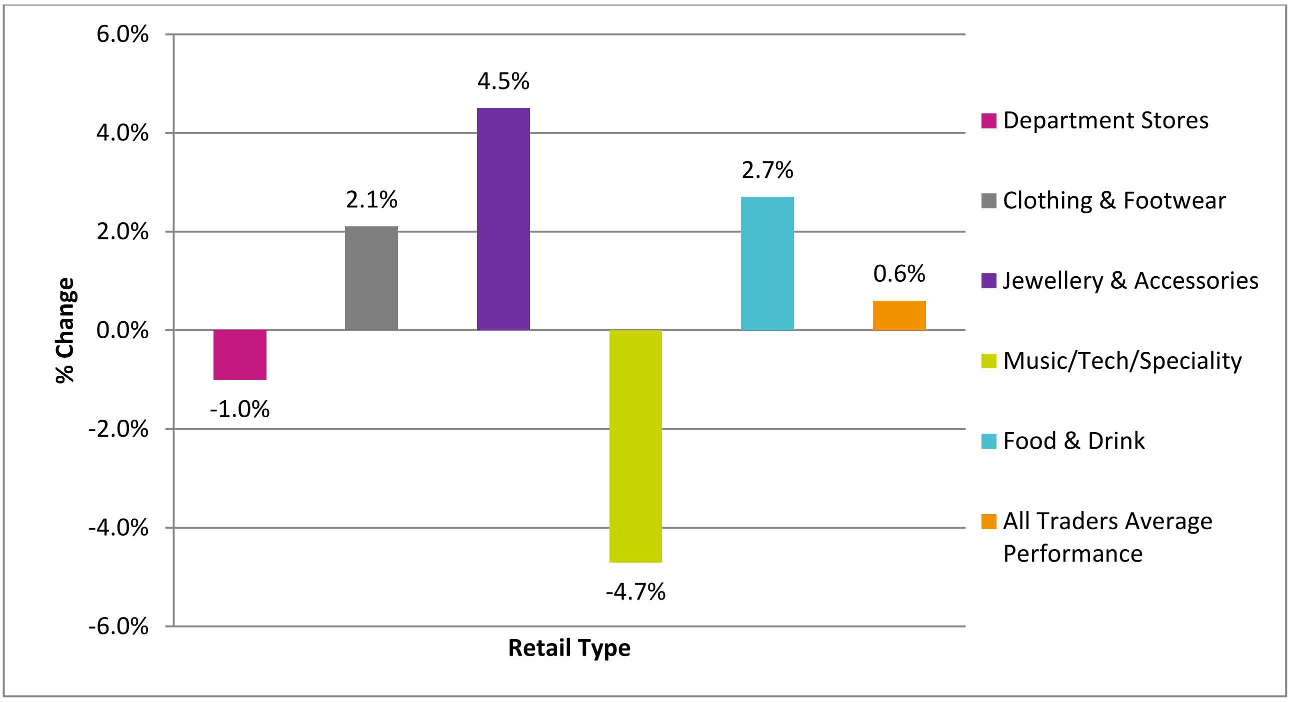
- Footfall in Canterbury was up +3.8% YOY in August, +6.3% higher than the average for the South East and +2.9% higher than the national rate. The twelve month average for Canterbury is 0.1%.
- Nationally:
  - The modest uplift in August's high street footfall of +0.9% is welcome news following a flat performance in July and a drop of -4.1% in June, and compared to the drop of -2.3% in August 2015. Driving the overall rise on the high street is an increase in footfall in the early evening between 5pm and 8pm of +4.8%, which highlights the growing evening economy based on leisure activities – hospitality, food and beverage trips – and is a result of a markedly improved and expanded offering by shopping destinations.
  - The weaker pound appears to be supporting high streets, as August saw an influx of tourists and a return of the staycation in the UK as 5.1 m Brits decided to holiday at home over the bank holiday weekend. Coastal towns saw an improvement in July/August with a drop in footfall of -2.5% across the two months and in historic towns there was a modest drop of just -0.5% in July/August. Regional cities, a focus for many overseas tourists, moved into positive territory with an increase in footfall of +0.9% over July and August .
  - The following table provides a breakdown of the footfall rates by region:

Location	% change YOY	Location	% change YOY
England		East	+2.3
Greater London	+2.7	North & Yorkshire	-2.0
West Midlands	-5.4		
South East	-2.5	**Northern Ireland**	+2.4
South West	+2.0	**Wales**	+4.2
East Midlands	+0.3	**Scotland**	-0.4

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

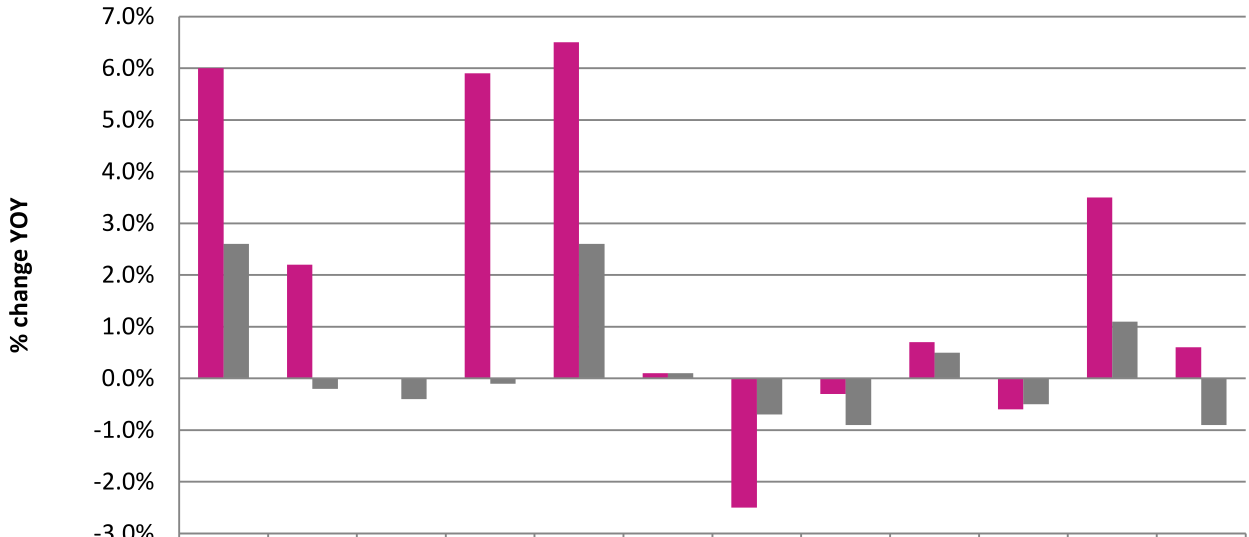


Source: Canterbury Connected BID Business Survey of Average Sales Performance based on 29 respondents.

Key findings:

- In August there was an overall +0.6% YOY change in sales performance, which is a -2.9% decrease from July.
- A1 retailers had a stable month with a +0.2% change in sales performance YOY, which is a -3.6% decrease from July and a -2.5% decrease in comparison to the same month last year. The Olympics produced a feel-good effect and consumer confidence was up on July, but that generally didn't translate into extra sales. Consumers were enticed towards leisure and outdoor activities rather than shopping.
- A3 Food and drink establishments had a reasonable month with a +0.6% increase in trade which is a -1.0% decrease from July and a -6.3% decrease in comparison to the same month last year.

Graph 5.2 – Average Sales performance YOY



	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
Canterbury	6.0%	2.2%	0.0%	5.9%	6.5%	0.1%	-2.5%	-0.3%	0.7%	-0.6%	3.5%	0.6%
National	2.6%	-0.2%	-0.4%	-0.1%	2.6%	0.1%	-0.7%	-0.9%	0.5%	-0.5%	1.1%	-0.9%

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

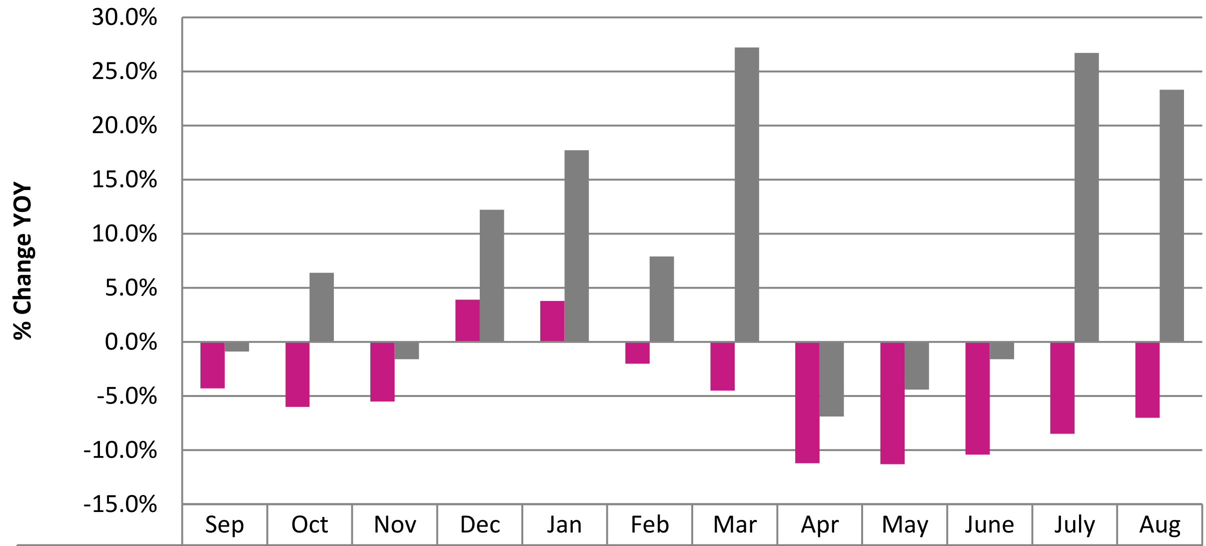
Key findings:

- Sales Performance in August was up +0.6% YOY, down -1.2% on the twelve month average of +1.8% for Canterbury, and up +1.5% on the national rate of -0.9% YOY.
- According to the BRC-KPMG UK Retail Sales Monitor:
  - Total retail sales declined 0.3% against a 0.1% rise in August 2015, the weakest performance since September 2014.
  - Despite the overall figure being down, Furniture sales remained ‘positive’ in August, although slowing further from July. Sales in the bedroom and dining categories drove performance.
  - On a three-month basis, total UK retail sales rose 0.6%, while non-food sales increased 0.4%.
  - On an overall basis, online sales of non-food products in the UK grew 6.2%, the slowest growth since March

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



	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
Canterbury	-4.3%	-6.0%	-5.5%	3.9%	3.8%	-2.0%	-4.5%	-11.2%	-11.3%	-10.4%	-8.5%	-7.0%
Kent	-0.9%	6.4%	-1.6%	12.2%	17.7%	7.9%	27.2%	-6.9%	-4.4%	-1.6%	26.7%	23.3%

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

Key findings:

- In August there was a -7.0% YOY annual change in visitor numbers to visitor attractions in Canterbury which is a +1.5% increase over the month from July. The continuing problems in Calais and the threat of terrorism are affecting continental school group numbers and language school numbers.
- For Kent, there was a +23.3% YOY annual change in visitor numbers to visitor attractions which is a -3.4% decrease over the month from July.

Graph 6.2 – Percentage change in Visitor Information Centre Enquires YOY

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
Canterbury	2.5%	6.1%	0.8%	19.9%	10.7%	-6.9%	4.5%	-4.7%	-8.2%	-6.1%	-6.6%	1.3%
Kent	4.6%	0.4%	-3.6%	8.3%	-3.7%	3.4%	2.3%	-4.6%	-14.3%	0.4%	-3.5%	-7.3%

Source: Visit Kent Business Barometer August 2016.

Key findings:

- For Canterbury there was a total +1.3% YOY annual change in visitor enquiries, a +7.3% increase over the month from July.
- Visitor Information Centres in Kent had a -7.3% YOY annual change in visitor enquiries, a -3.8% decrease over the month from July.
- According to Visit Kent's May Business Barometer 30% of visitors to Canterbury's VIC were domestic visitors, 5% long haul visitors and 65% were European visitors.

Events

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

- 3 – 31: Whitefriars summer of fun: Live music; story time; face painting; animal encounters etc.
- 29: Summer bank holiday