



**Canterbury  
Connected**

**BUSINESS IMPROVEMENT DISTRICT**

**Canterbury City Centre**

**Performance Report**

**September 2016**

# Canterbury City Centre Performance Report – September 2016

## Executive summary

Welcome to the September 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

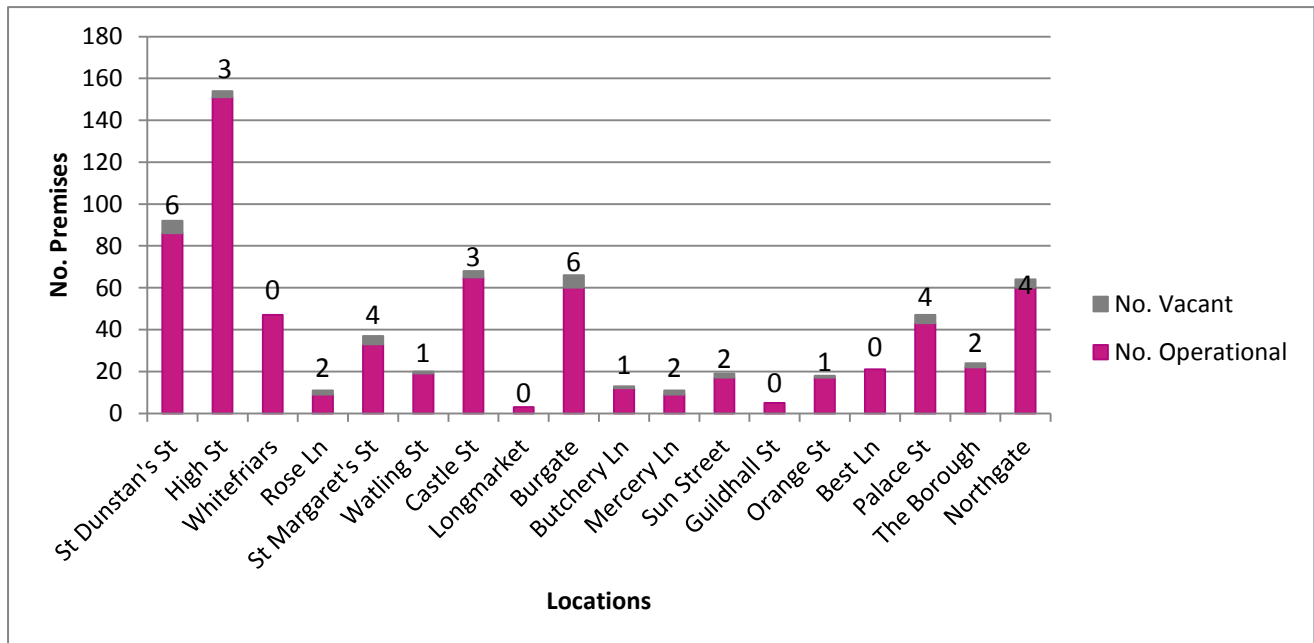
Indicator	Trend	Comment
Premises vacancy rates	●	The vacancy rate for Canterbury in September was 6.0%, +0.1% higher than August and +1.3% higher than September 2015. The twelve month average for Canterbury is 4.9%. The vacancy rate for the Southeast in Q3 2016 was 7.7% and nationally it was 10.1%.
Premises 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 44% are independents.
Business start-up rates	●	For Canterbury there was a -14% annual change in registered start-up businesses, which is 104% less than September 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	●	Footfall in Canterbury was up +0.9% YOY in September, +4.1% higher than the average for the South East and +1.6% higher than the national rate. The twelve month average for Canterbury is +0.2%.
Business Sales Performance	●	In September there was an overall +1.4% YOY change in sales performance which is a -4.8% decrease from September 2015. A1 retailers had a reasonable month with a +2.8% YOY change in sales performance however A3 Food and drink establishments had a poor month with a -2.5% YOY decrease in trade.
Tourism	●	In September there was a -7.8% YOY annual change in visitor numbers to visitor attractions in Canterbury which is a -0.8% decrease over the month from August. For Kent, there was a +9.7% YOY annual change in visitor numbers to visitor attractions. 45% of visitors to Canterbury’s VIC were domestic visitors, 5% long haul visitors 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 September 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**

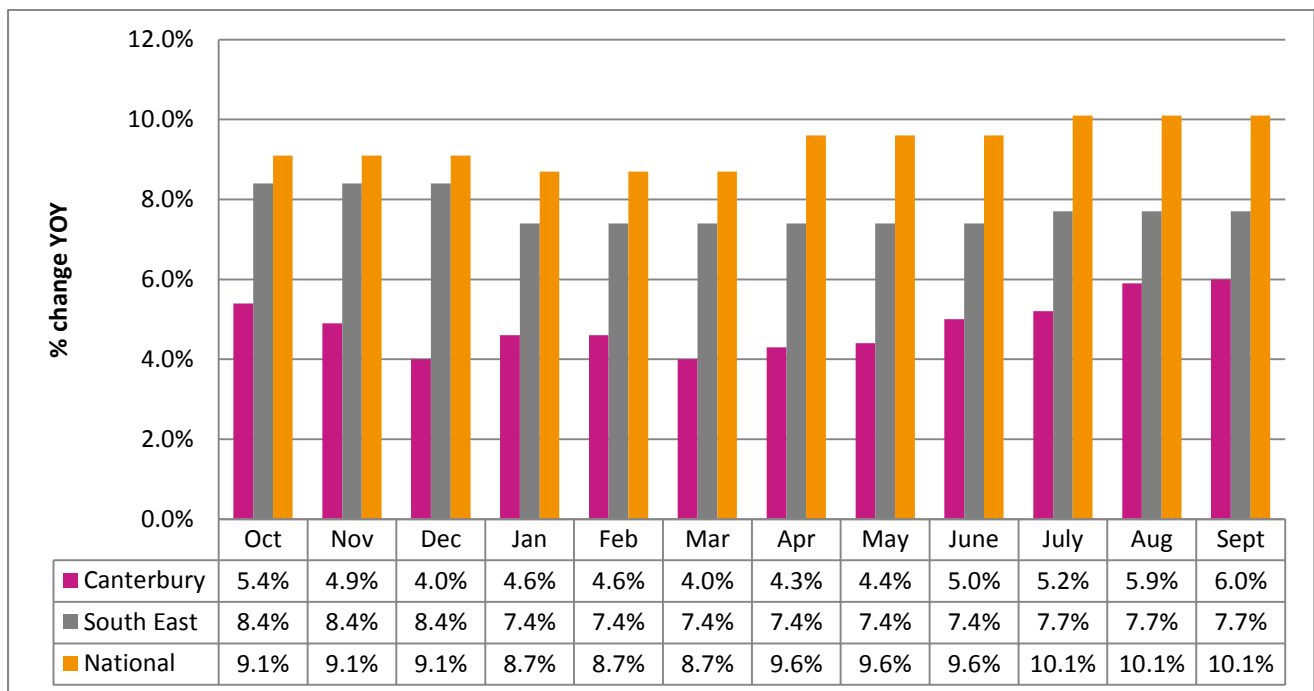


Source: Canterbury Connected BID monthly survey.

### Key findings:

- A total number of 41 businesses premises were recorded as vacant in September, 1 more than August and 9 more than in September 2015.
- St Dunstans, St Margarets Street, Burgate, Palace Street and Northgate had the highest number of empty premises whilst Whitefriars, Longmarket, Guildhall Street and Best Lane had none.
- As a comparison to the total number of premises within each street, Rose Lane and Mercery Lane had the highest vacancy rate (22%).

**Graph 1.2 - Premises vacancy rates YOY**



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.

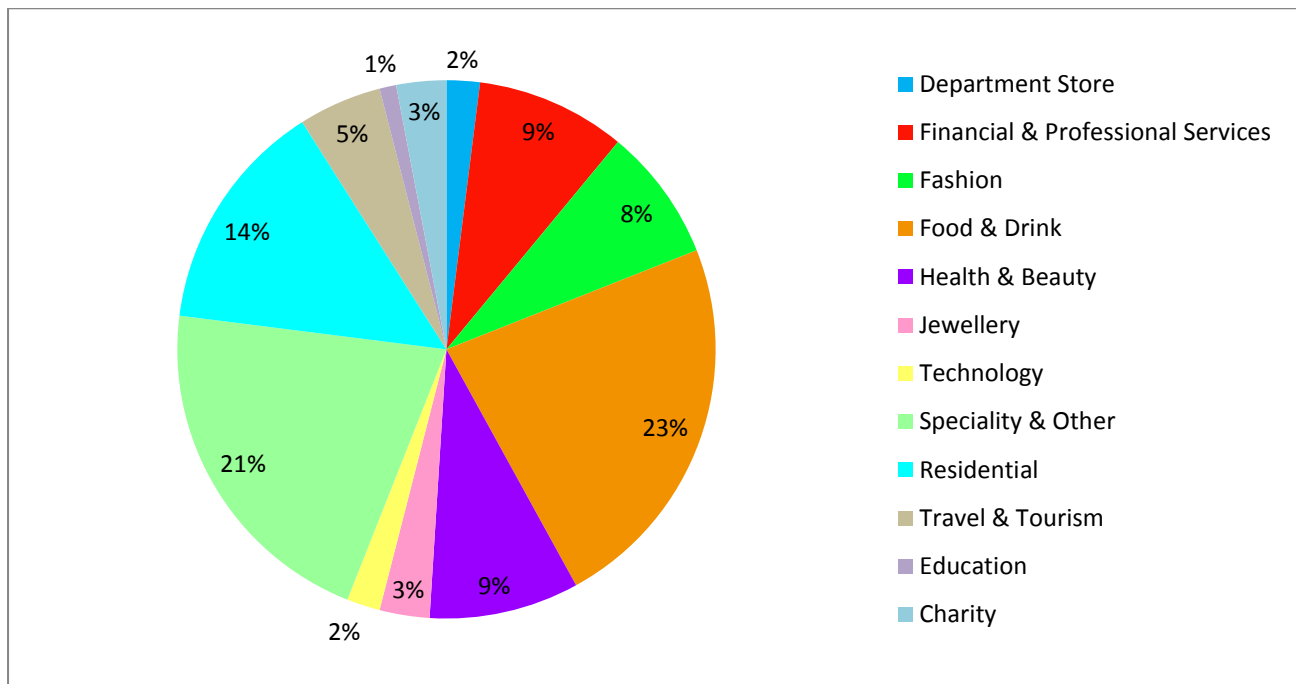
**Key findings:**

- The vacancy rate for Canterbury in September was 6.0%, +0.1% higher than August and +1.3% higher than September 2015. The twelve month average for Canterbury is 4.9%.
- 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**



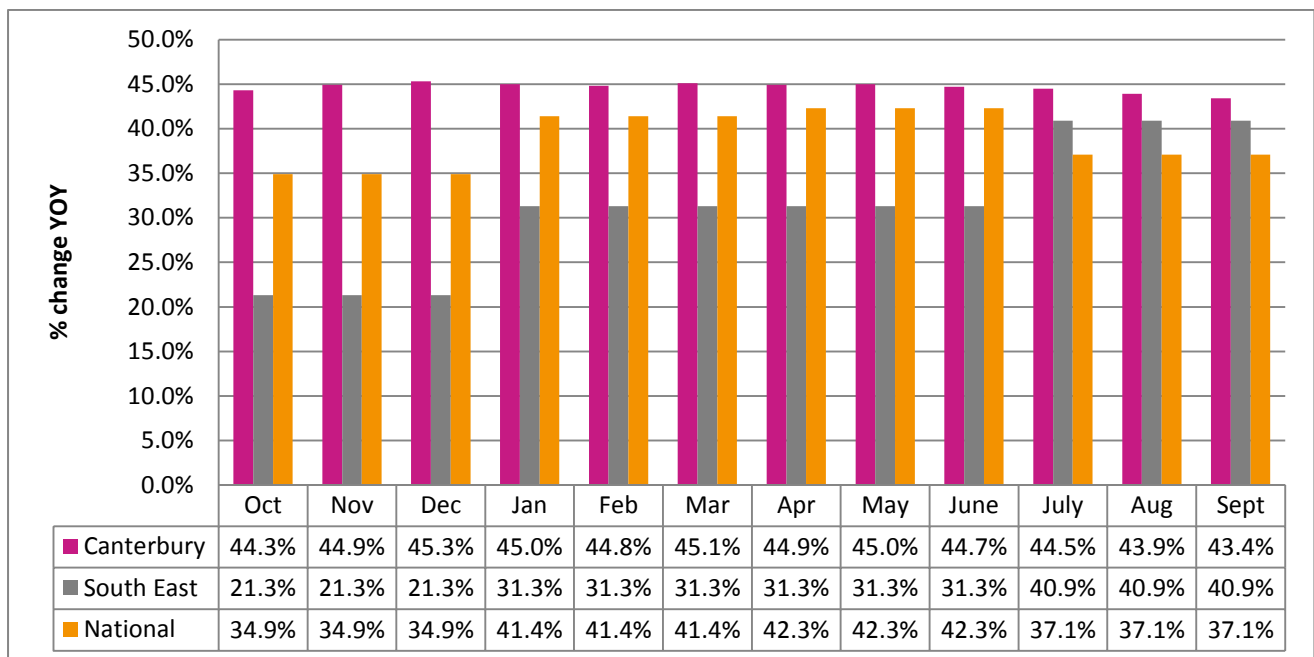
Source: Canterbury Connected BID monthly survey.

### 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**



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

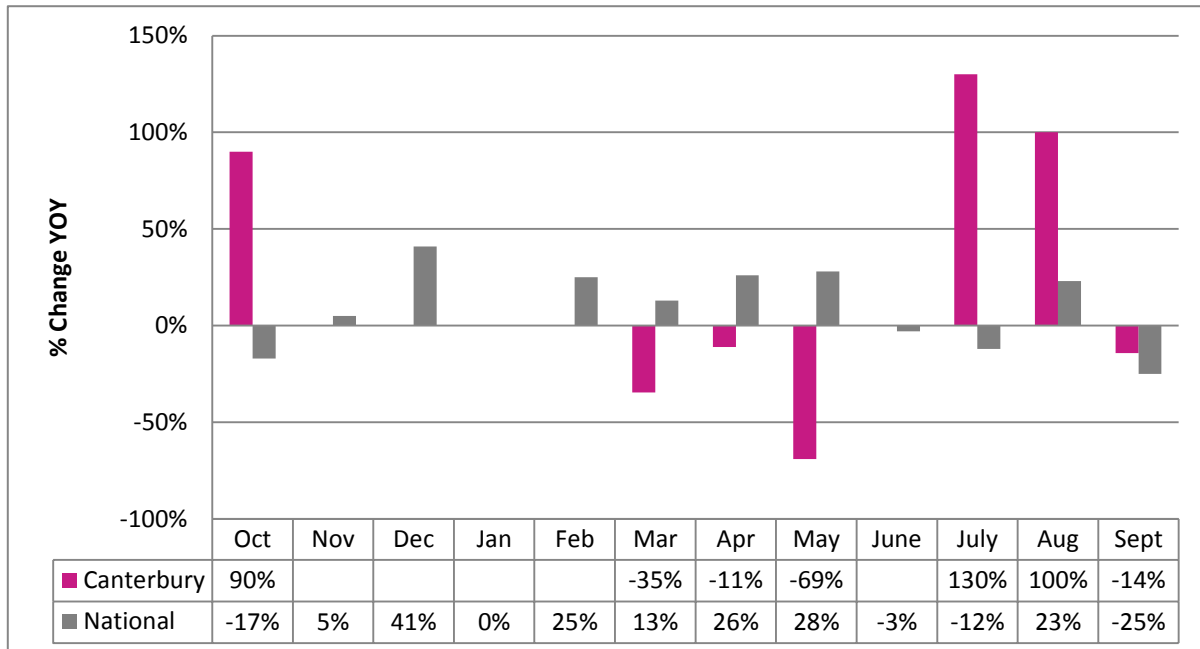
### Key findings

- 43.4% of businesses recorded in September were independents, -0.5% less than August, -1.7% less than September 2015, +2.5% more than the average for the South East and +6.3% 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 (77%), 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 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**



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.

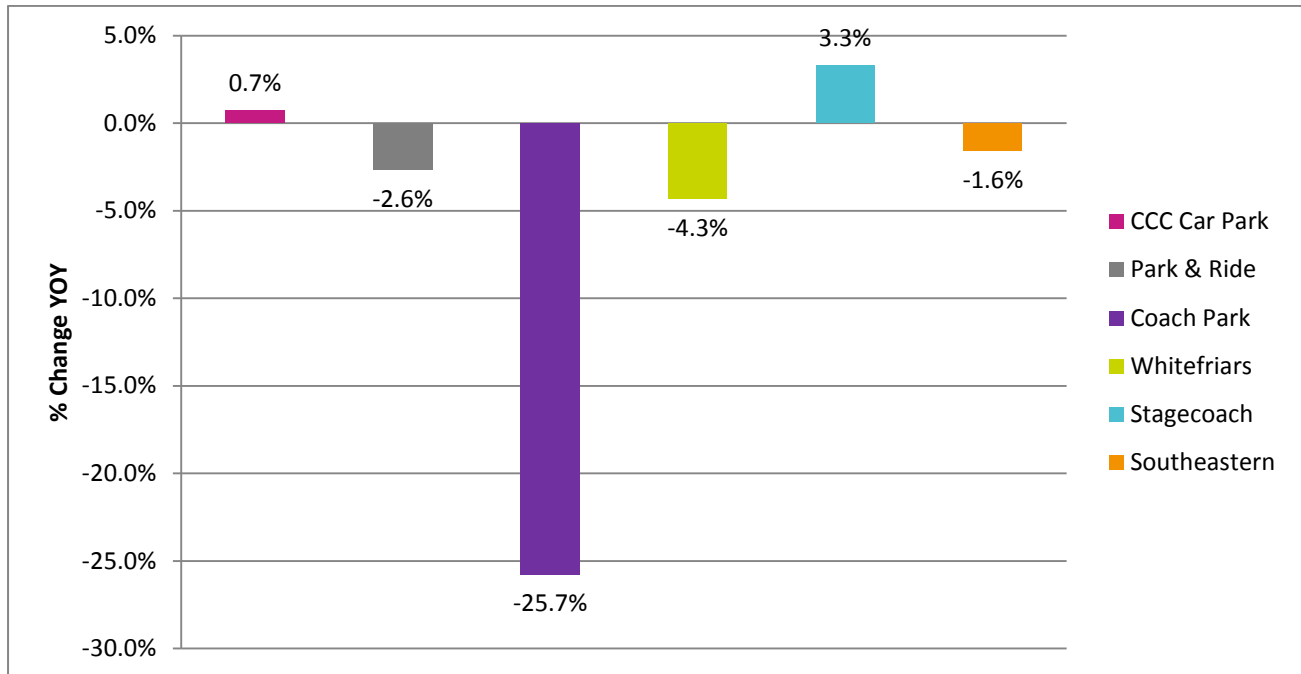
### Key findings:

- For Canterbury there was a -14% annual change in registered start-up businesses, which is 104% less than September 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 40,203 start-up businesses in September 2016, which equates to 20,999 less than August and a total of 646,072 over the last twelve months (an average of 53,839 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**



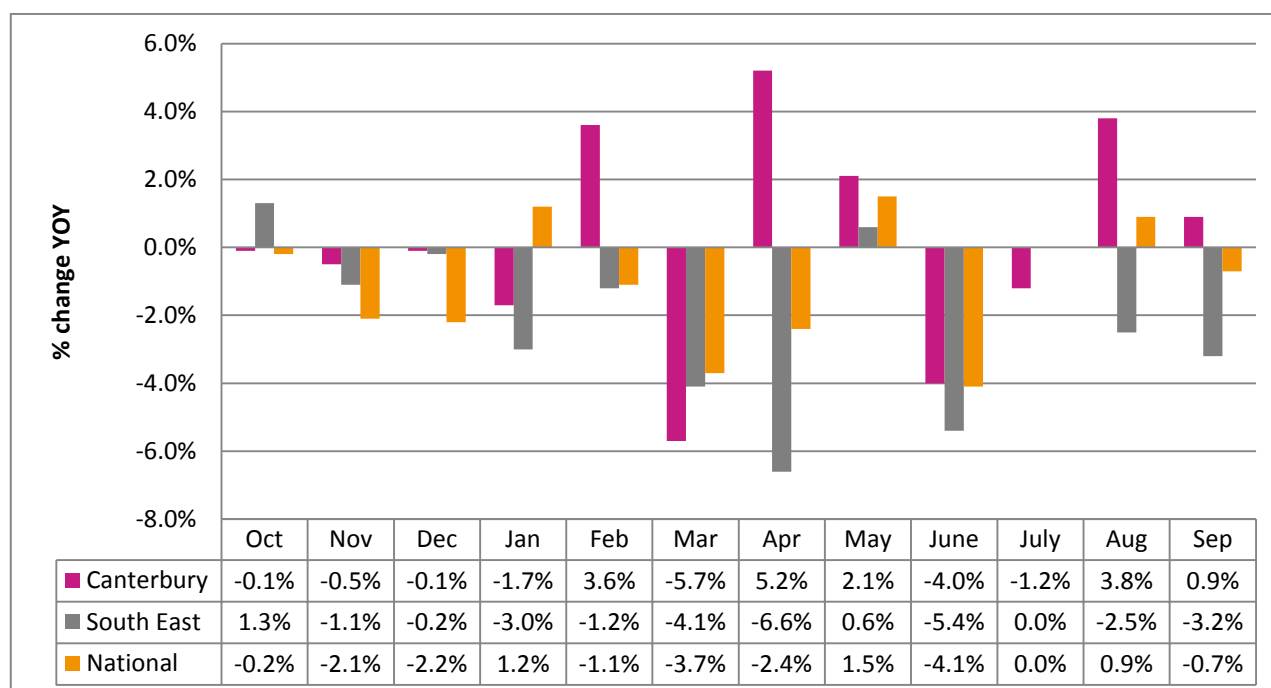
Source: Canterbury City Council Transportation Department, Stagecoach East Kent, Whitefriars shopping centre and Southeastern.

### Key Findings

- Overall footfall was up +0.9% YOY in September which is a -2.9% decrease on August.
- All transportation methods saw a decline in September apart from car and bus travel. Coach travel experienced the biggest decrease YOY and has been doing so for long time.



Graph 4.2 – Canterbury footfall rates YOY



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

## Key Findings

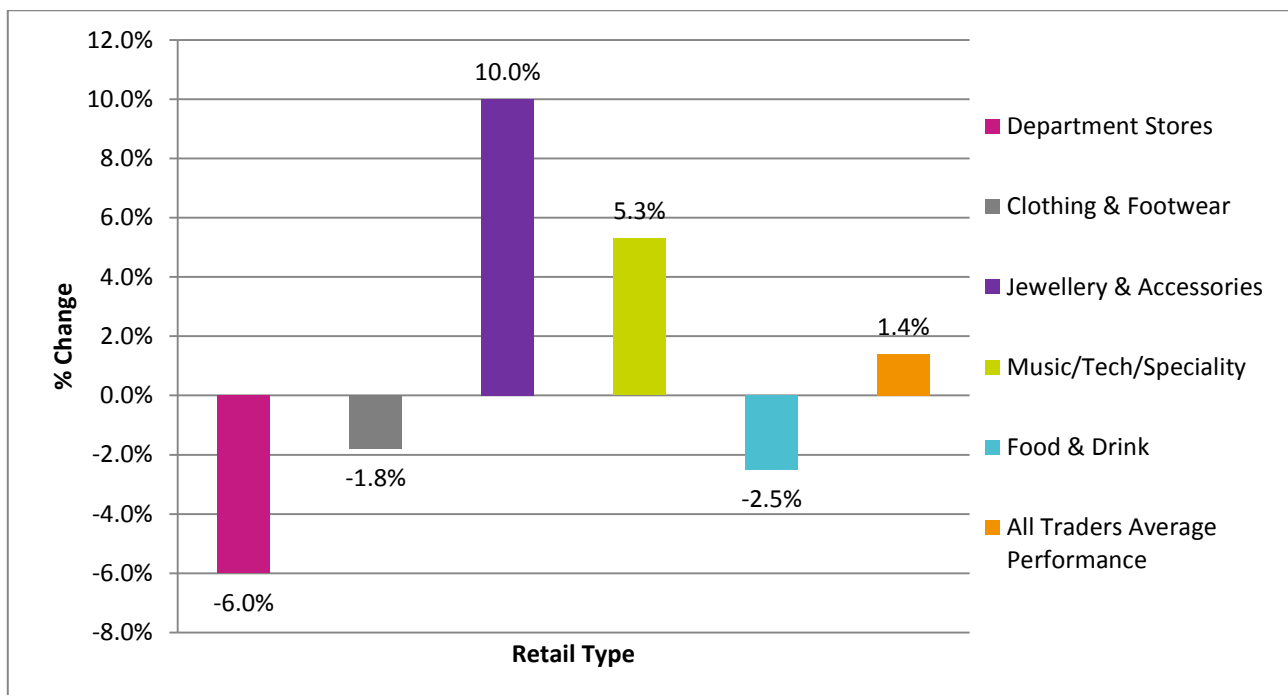
- Footfall in Canterbury was up +0.9% YOY in September, +4.1% higher than the average for the South East and +1.6% higher than the national rate. The twelve month average for Canterbury is +0.2%.
- Nationally:
  - The decline in high street footfall of -0.7% is an improved result on the -1.3% recorded in September last year, but disappointing following the rise of +0.9% in August. Furthermore, the month was divided into two distinct halves, with increases in footfall in each of the first three weeks followed by two weeks of declining footfall. Although high streets increased for the first three weeks, averaging +1.1%, the drops in weeks four and five were more severe, averaging -3.3%. And despite the month including the August Bank Holiday week, footfall in speciality towns – coastal and historic towns - and in regional cities declined from the same month last year.
  - The overall result for the UK disguises shifts in activity that occurred from region to region in September. The footfall position improved in five areas, albeit that in two of these areas footfall remained in negative territory. The greatest shifts occurred in Wales and Northern Ireland, with footfall moving from +0.9% to +5.5% in Wales whilst in Northern Ireland the movement was in a downward direction from +0.7% to -6.1%.
  - The following table provides a breakdown of the footfall rates by region:

Location	% change YOY	Location	% change YOY
<b>England</b>		East	+1.5
Greater London	-1.5	North & Yorkshire	+1.1
West Midlands	-5.5		
South East	-3.2	<b>Northern Ireland</b>	-6.1
South West	+0.9	<b>Wales</b>	+5.5
East Midlands	-0.3	<b>Scotland</b>	-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**

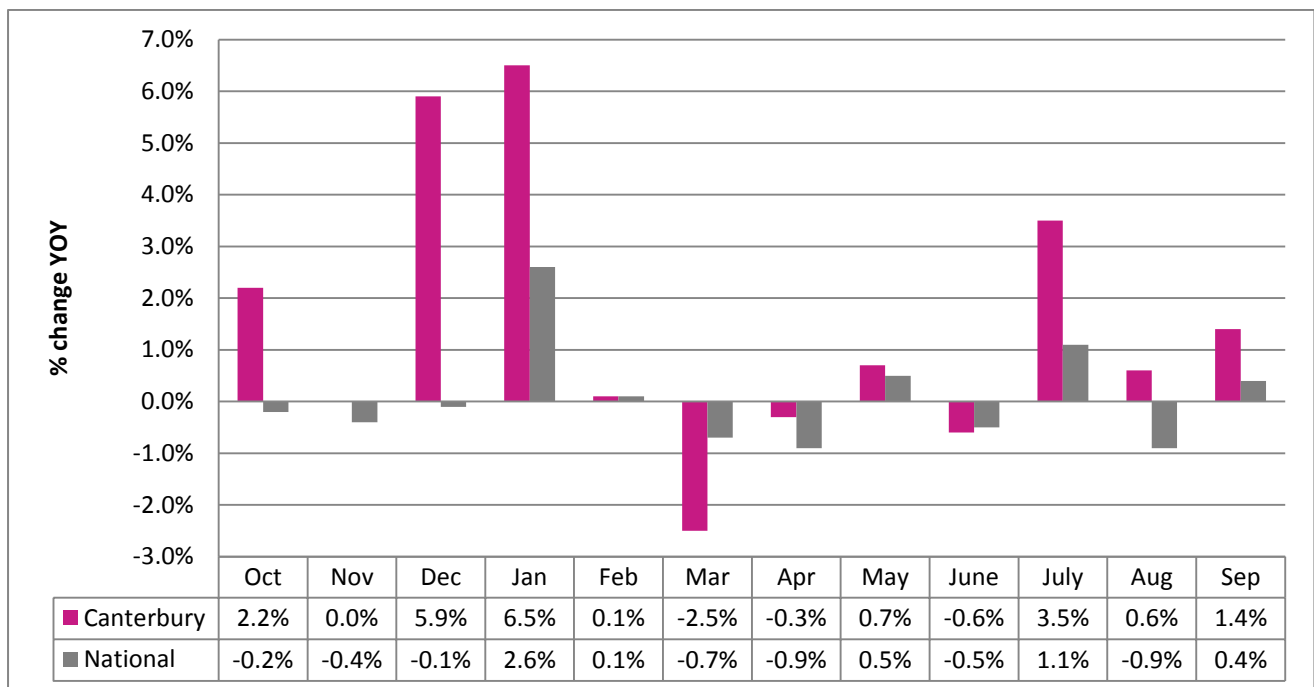


Source: Canterbury Connected BID Business Survey of Average Sales Performance based on 27 respondents.

### Key findings:

- In September there was an overall +1.4% YOY change in sales performance which is a -4.8% decrease from September 2015.
- A1 retailers had a reasonable month with a +2.8% change in sales performance YOY, which is a +2.6% increase from August and a -4.7% decrease in comparison to the same month last year. Despite a flurry of back- to- school purchases, clothing sales in particular had a more challenging month, perhaps due to the continuing warm weather which enticed consumers towards leisure and outdoor activities rather than shopping. September saw the consumer confidence index restored to levels seen before the EU referendum in June which did translate into a willingness to spend on bigger ticket items.
- A3 Food and drink establishments had a poor month with a -2.5% decrease in trade which is a -3.1% decrease from August and a -3.2% decrease in comparison to the same month last year.

**Graph 5.2 – Average Sales performance YOY**



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

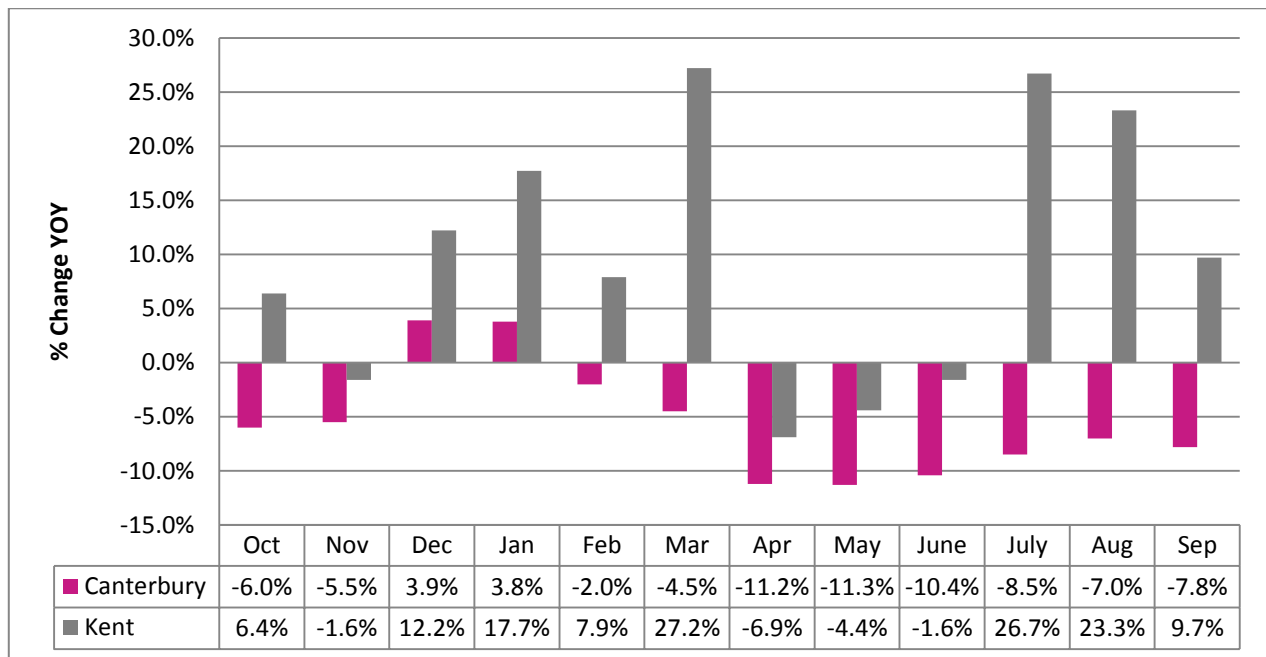
**Key findings:**

- Sales Performance in September was up +1.4% YOY, down – 0.1% on the twelve month average of +1.5% for Canterbury, and up +2.8% on the national rate of +0.4% YOY.
- According to the BRC-KPMG UK Retail Sales Monitor:
  - Retail sales regained some lost ground in September with total sales up 1.3 per cent, year-on-year, according to the BRC-KPMG Retail Sales Monitor. Like-for-like sales also improved on the previous month with growth of 0.4 per cent.
  - There are some seasonal factors to consider this month with a later back-to-school period supporting some sales activity. What’s more, September was the strongest month of the year in 2015 (excluding Easter distortions) when total sales rose by 3.9 per cent.
  - On a three-month basis, total UK retail sales rose 1.0%, while non-food sales increased 0.5%.
  - On an overall basis, online sales of non-food products in the UK grew 10.2%, an improvement on last month’s performance and back in line with the twelve-month average of above 10 per cent.

## 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**

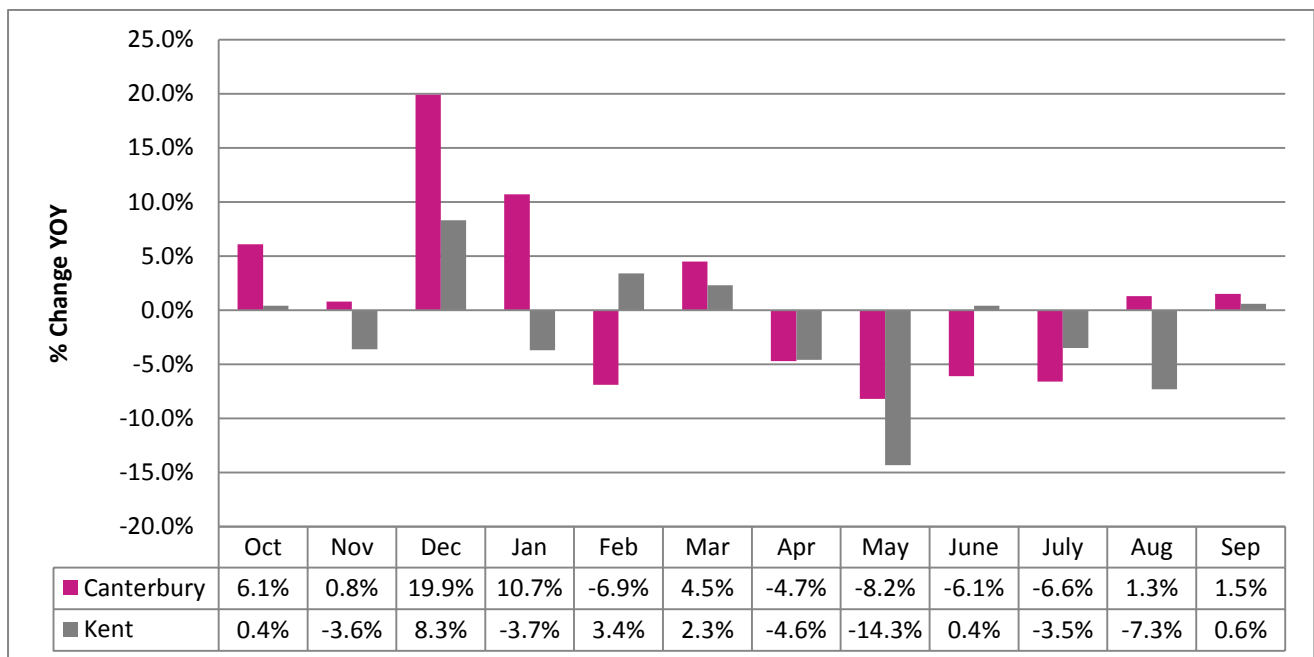


Source: Canterbury City Council attraction figures and Visit Kent Monthly Business Barometer

### Key findings:

- In September there was a -7.8% YOY annual change in visitor numbers to visitor attractions in Canterbury which is a -0.8% decrease over the month from August. The continuing problems in Calais and the threat of terrorism are affecting continental school group and language school numbers.
- For Kent, there was a +9.7% YOY annual change in visitor numbers to visitor attractions which is a -13.6% decrease over the month from August.

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



Source: Visit Kent Monthly Business Barometer.

#### Key findings:

- For Canterbury there was a total +1.5% YOY annual change in visitor enquiries, a +0.2% increase over the month from August.
- Visitor Information Centres in Kent had a +0.6% YOY annual change in visitor enquiries, a +7.9% increase over the month from August.
- According to Visit Kent’s 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 September. These events both maintain and increase footfall to the city and in turn have an economic impact.

- 10: Hop Hoodening Festival
- 13: Christ Church University Graduations
- 13: Britain's Got Talent Auditions in Whitefriars
- 17 – 18: Fresher’s arrival weekend
- 22: Hop Pocket Race
- 23 – 25: Canterbury Food & Drink Festival