



**Canterbury
Connected**

BUSINESS IMPROVEMENT DISTRICT

Canterbury City Centre

Performance Report

November 2016

Canterbury City Centre Performance Report – October 2016

Executive summary

Welcome to the November 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

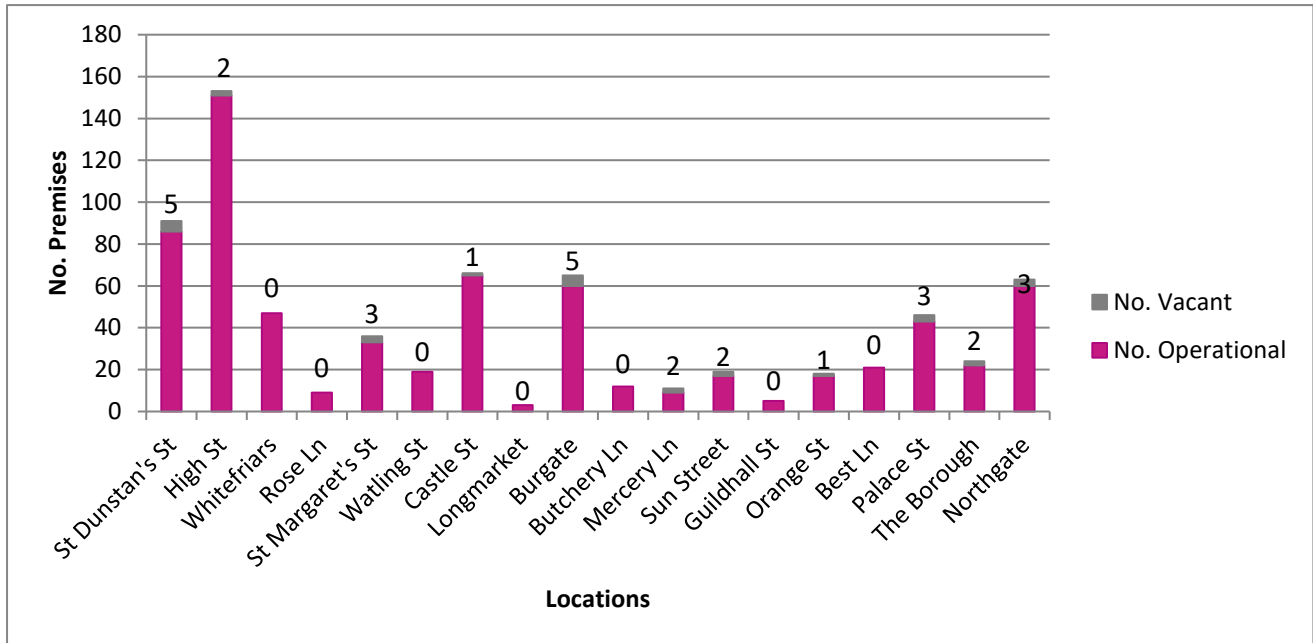
Indicator	Trend	Comment
Premises vacancy rates	●	The vacancy rate for Canterbury in November was 6.0%, the same as October and +1.1% higher than November 2015. The twelve month average for Canterbury is 5%. The vacancy rate for the Southeast in Q4 2016 was 7.1%, 0.3% lower than Q3 2016 and -1.3% lower compared to this time last year.
Premises type	●	Overall Food and drink premises (22%), 'speciality and other' (23%) and residential (14%) had the highest presence in the city. Education establishments in the city centre (1%) department stores (2%) and Health & Beauty premises (1%) had the lowest presence.
Business start-up rates	●	For Canterbury there was a -47% annual change in registered start-up businesses, which is 105.7% less than November 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 1.9% YOY in November, +3.1% higher than the average for the South East and 1.2% higher than the national rate. The twelve month average for Canterbury is +0.4%.
Business Sales Performance	●	In November there was an overall -0.9% YOY change in sales performance which is a -0.2% decrease from November 2015. November was the third consecutive month of double-digit growth for online sales. The Black Friday sales period had managed to secure significant growth last year, making November a tough comparison. So this month's figure of 10.9 per cent, slightly ahead of the long-term trend of 10.8 per cent, is positive.
Tourism	●	For Canterbury there was a total +2.7% YOY annual change in visitor enquiries, a +3.6% increase over the month from October. Visitor Information Centres in Kent had a +1.4% YOY annual change in visitor enquiries, a +5.2% increase over the month from October.

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 November, 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

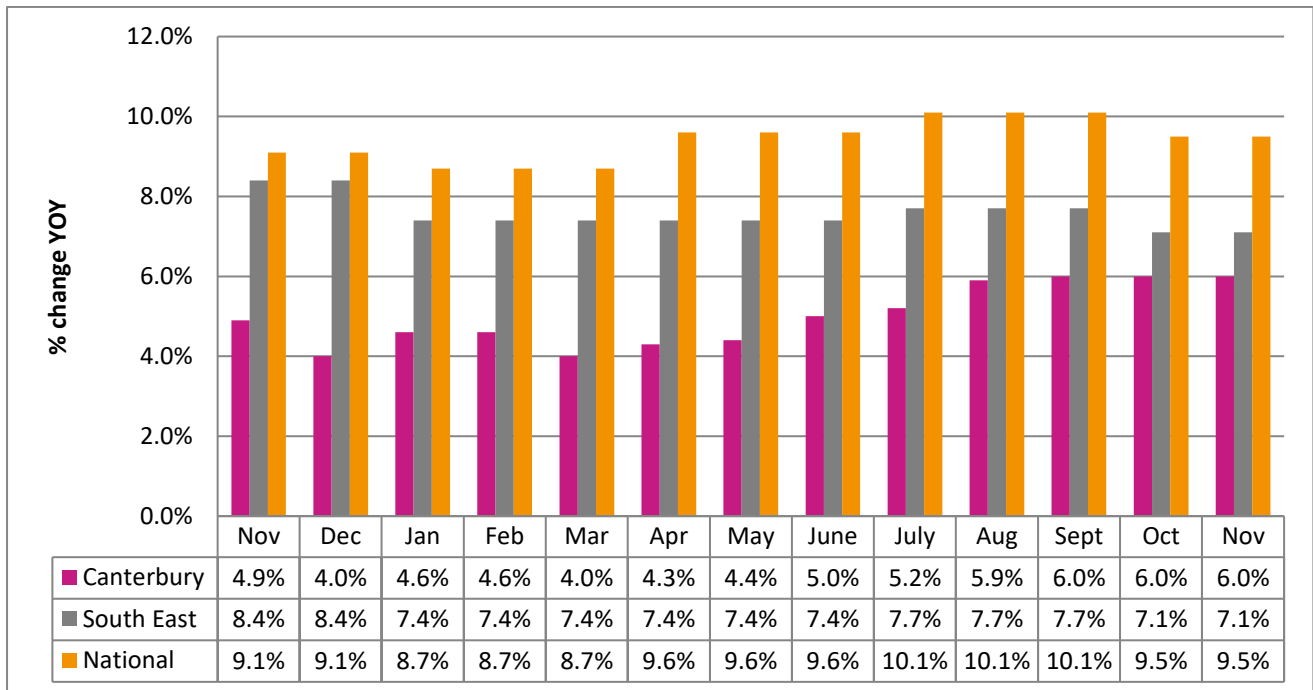


Source: Canterbury Connected BID monthly survey. For a detailed breakdown please refer to Table 1.1 in the Appendices.

Key findings:

- A total number of 29 businesses premises were recorded as vacant in October and 4 less than in November 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, Sun Street and Mercery Lane had the highest vacancy rate (33%).

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.

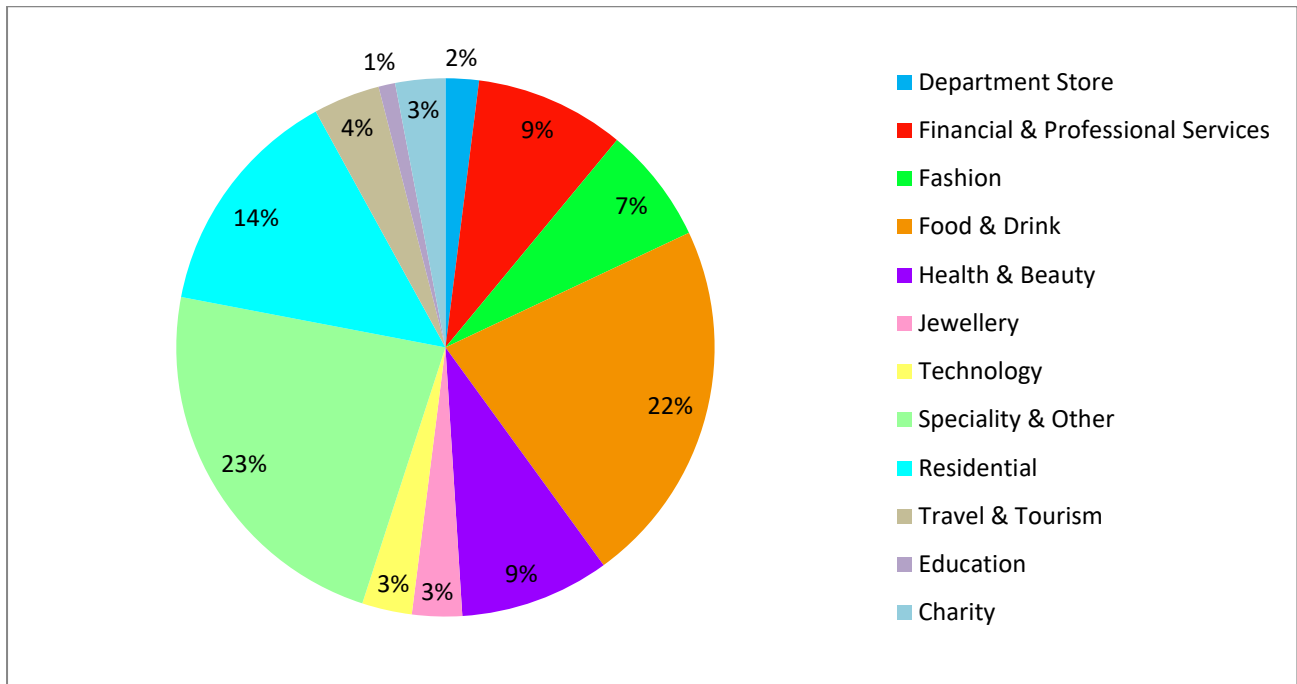
Key findings:

- The vacancy rate for Canterbury in November was 6.0%, the same as October and +1.1% higher than November 2015. The twelve month average for Canterbury is 5%.
- The vacancy rate for the Southeast in Q4 2016 was 7.1%, 0.3% lower than Q3 2016 and -1.3% lower compared to this time last year.
- Canterbury had the fourth lowest vacancy rate of the 22 towns in the South East that published their results in the Springboard Quarterly Vacancy Rate Survey Q4 2016.
- The national town centre vacancy rate was 9.5 per cent in October 2016, down from 10.1 per cent in July 2016. This fall in the vacancy rate came after two quarters of consecutive growth, though remains well above the January low of 8.7 per cent

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. For a detailed breakdown of the figures please refer to the accompanying Excel spreadsheet for a complete breakdown by street.

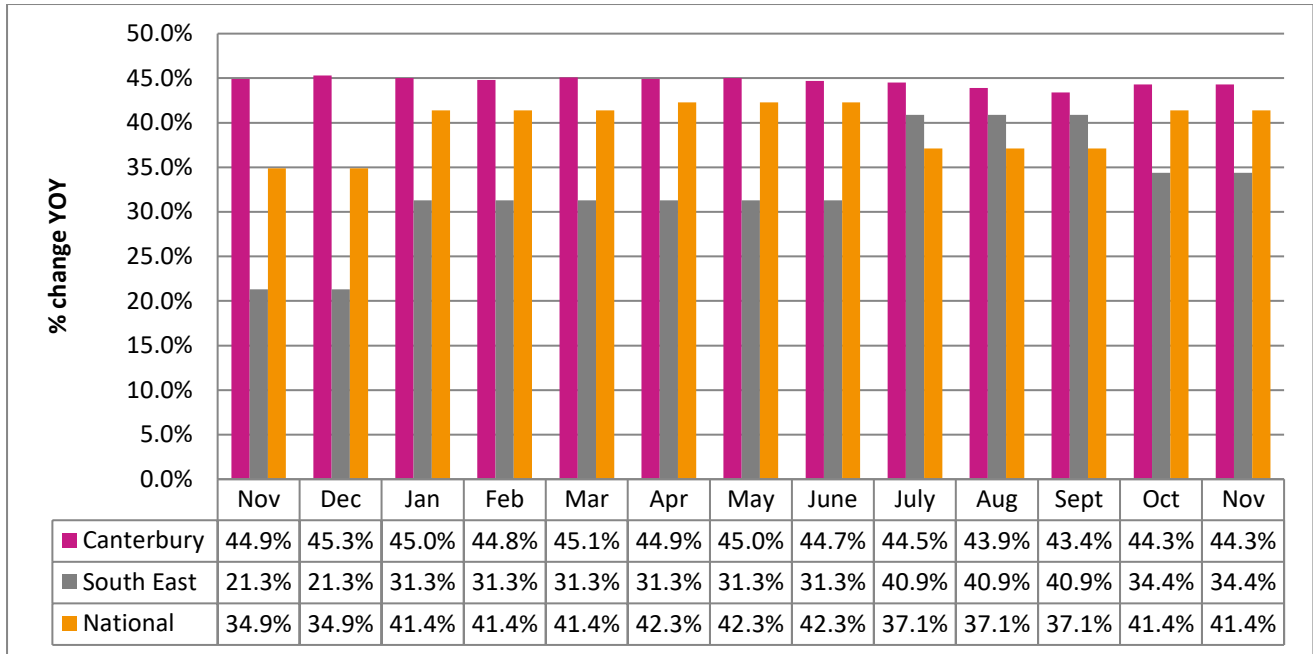
Key findings:

- Overall Food and drink premises (22%), 'speciality and other' (23%) and residential (14%) had the highest presence in the city. Education establishments in the city centre (1%) department stores (2%) and Health & Beauty premises (1%) had the lowest presence.

Canterbury City Centre Performance Report – October 2016

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.

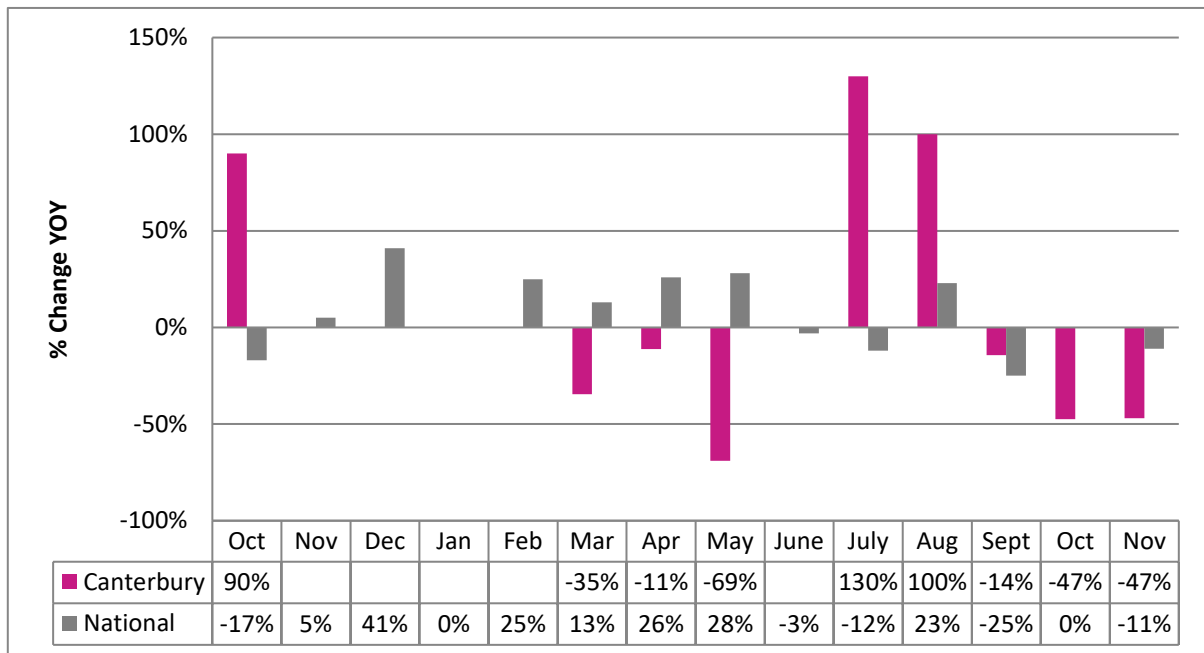
Key findings

- 44.3% of businesses recorded in November were independents, the same as October, -0.8% less than November 2015, +9.9% more than the average for the South East and +2.9% more than the national average.
 - Longmarket (100%), Whitefriars (96%) and Rose Lane (100%) had the highest number of multiples, which is unsurprising as they are managed developments.
 - Palace Street (77%), Sun Street (76%) and Butchery lane (75%) and had the highest number of independent businesses.
- Overall based on the survey area, 35% of retailers are multiples and 44.3% 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



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.

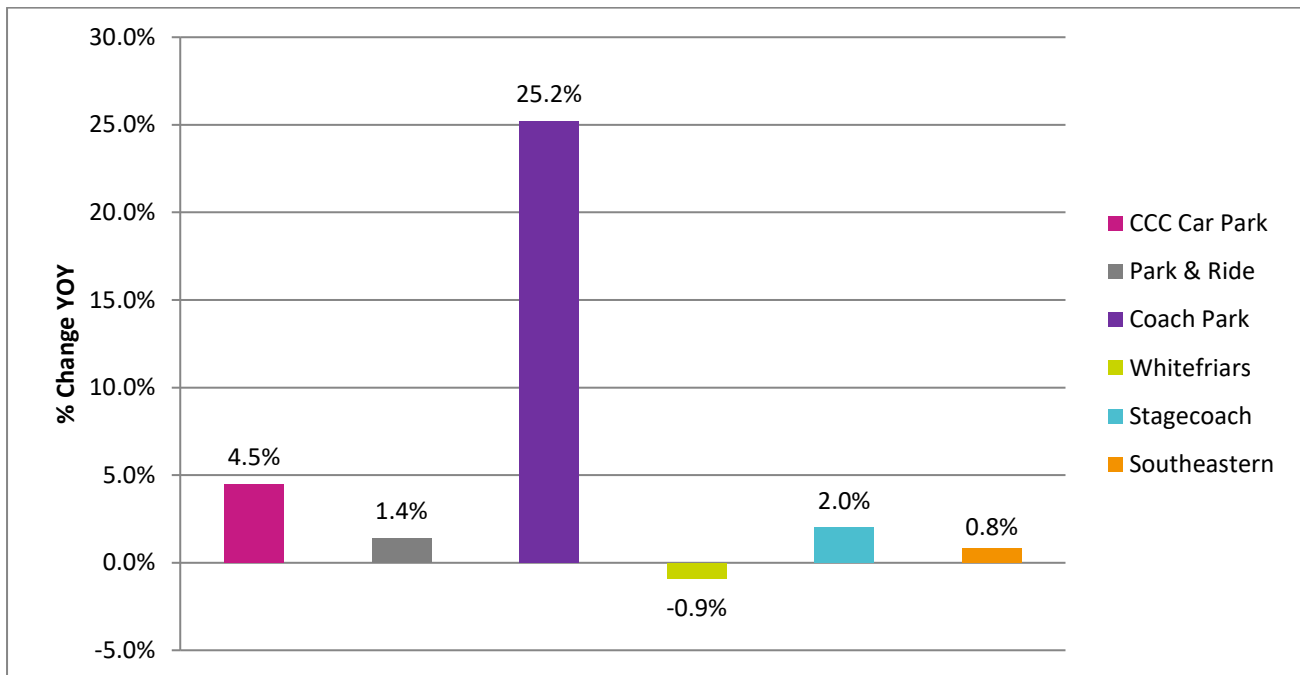
Key findings:

- For Canterbury there was a -47% annual change in registered start-up businesses, which is 105.7% less than November 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 42,958 start-up businesses in November 2016, which equates to 733 less than October and a total of 641,090 over the last twelve months (an average of 53,424 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



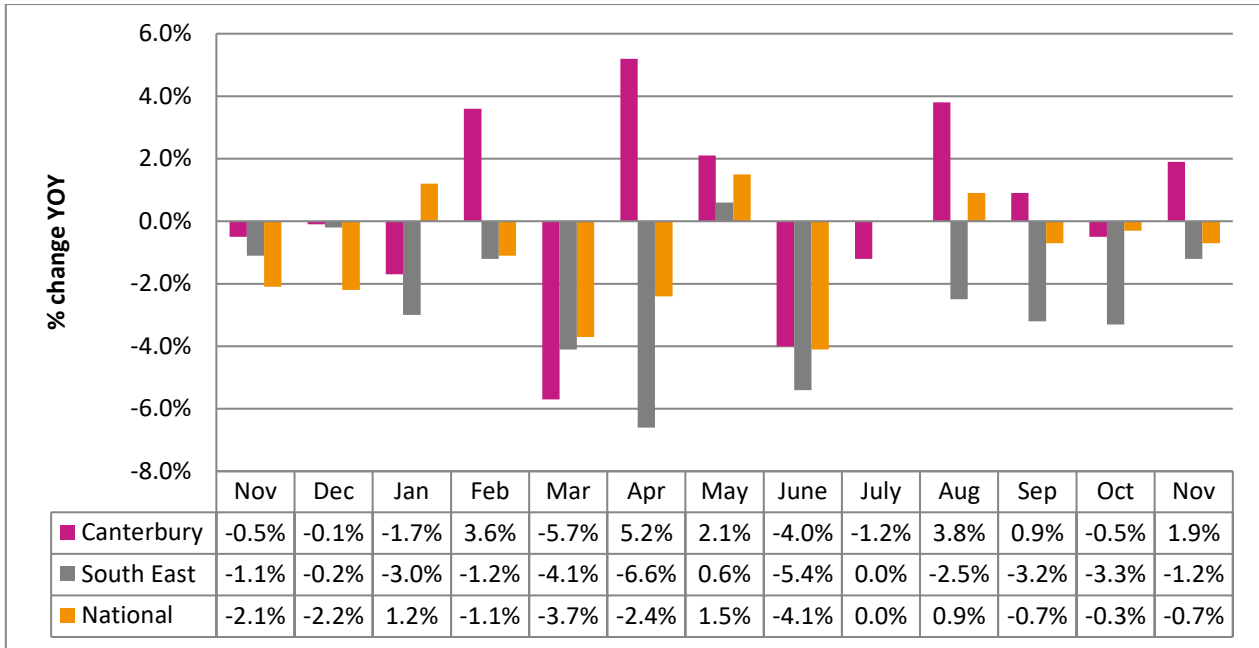
Source: Canterbury City Council Transportation Department, Stagecoach East Kent, Whitefriars shopping centre and Southeastern. For a detailed breakdown of the figures please refer to Table 4.1 in the Appendices section of this report.

Key Findings

- Overall footfall was up 1.9% YOY in November which is a 5.9% increase on October.
- All transportation methods saw an increase in November with the coach park with the biggest increase.

Graph 4.2 – Canterbury footfall rates YOY

Canterbury City Centre Performance Report – October 2016



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

Key Findings

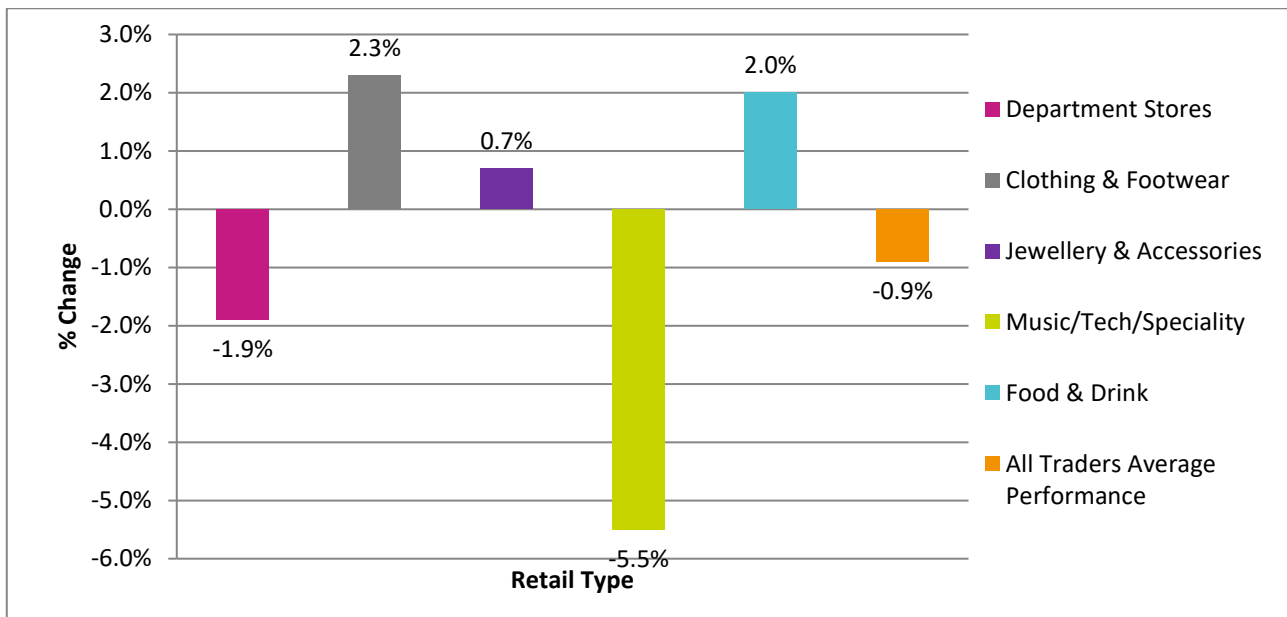
- Footfall in Canterbury was up 1.9% YOY in November, +3.1% higher than the average for the South East and 1.2% higher than the national rate. The twelve month average for Canterbury is +0.4%.
- Nationally:
 - The result for high streets in November footfall reflects the continued bounce back that we have been tracking for the past few months, with footfall moving to -0.7% from -4.2% in November 2015, albeit that it slipped back a little from the -0.3% in October. Black Friday is the key trading feature of November; not only was it the busiest trading day of the month but high street footfall rose by 2.8% from Black Friday last year. Online purchases on Black Friday rose by 6.7% versus a forecast increase of 25%, demonstrating that whilst consumers shopped and researched discounts online they also visited bricks and mortar stores..
 - Despite the improvement in performance, only four out of the ten geographic areas of the UK recorded increases in footfall, albeit that in Northern Ireland footfall rose by +4.2% which is greater than +2.5% in Scotland which delivered the second best result. Despite the success of Black Friday for high streets, footfall dropped in three of the four weeks of the month, although these drops averaged only -1.4% and were substantially more modest than the falls in each week of November 2015, when the decline ranged from -1.5% in the first week to -6.8% by the fourth week of the month. The following table provides a breakdown of the footfall rates by region:

Location	% change YOY	Location	% change YOY
England		East	+0.2
Greater London	-1.3	North & Yorkshire	+1.3
West Midlands	-2.9		
South East	-1.2	Northern Ireland	+4.2
South West	-2.0	Wales	-0.7
East Midlands	-2.8	Scotland	+2.5

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 illustrates business' average percentage change in sales compared to the same month in 2015.

Graph 5.1 – Average Sales performance of businesses YOY

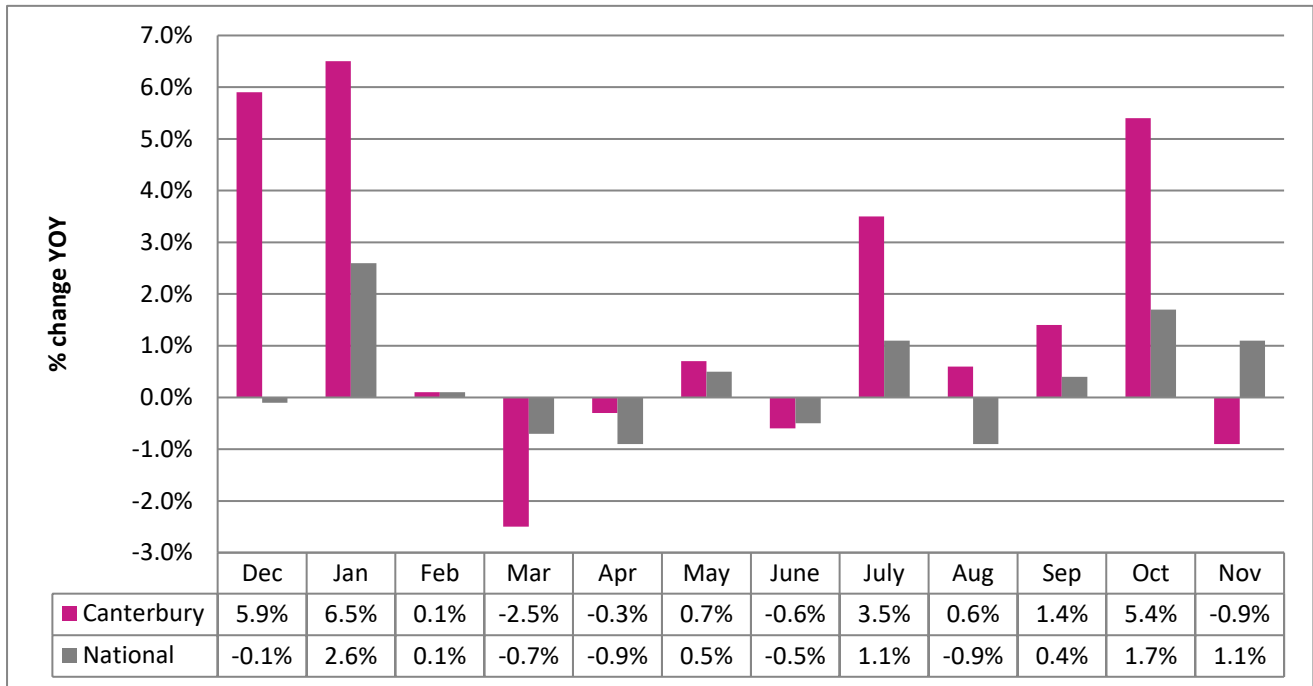


Source: Canterbury Connected BID Business Survey of Average Sales Performance based on 27 respondents.

Key findings:

- In November there was an overall -0.9% YOY change in sales performance which is a -0.2% decrease from November 2015.
 - November was the third consecutive month of double-digit growth for online sales. The Black Friday sales period had managed to secure significant growth last year, making November a tough comparison. So this month's figure of 10.9 per cent, slightly ahead of the long-term trend of 10.8 per cent, is positive.
 - With discounts on electricals being the key feature of Black Friday sales, it is unsurprisingly that the other non-food category, in which consumer electronics sit, contributed the most to growth in November. It was the beauty and toy categories which topped the growth rankings, as customers took advantage of the pre-Christmas discounts for gift purchases.
 - With more than 1 in 4 pounds spent online, this was a record high for online non-food sales. Facilitated by the convenience of buying online, heavy sales periods, such as November, encourage an increasingly value-driven customer to shop around for price comparisons to fulfil their Christmas shopping list.

Graph 5.2 – Average Sales performance YOY



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

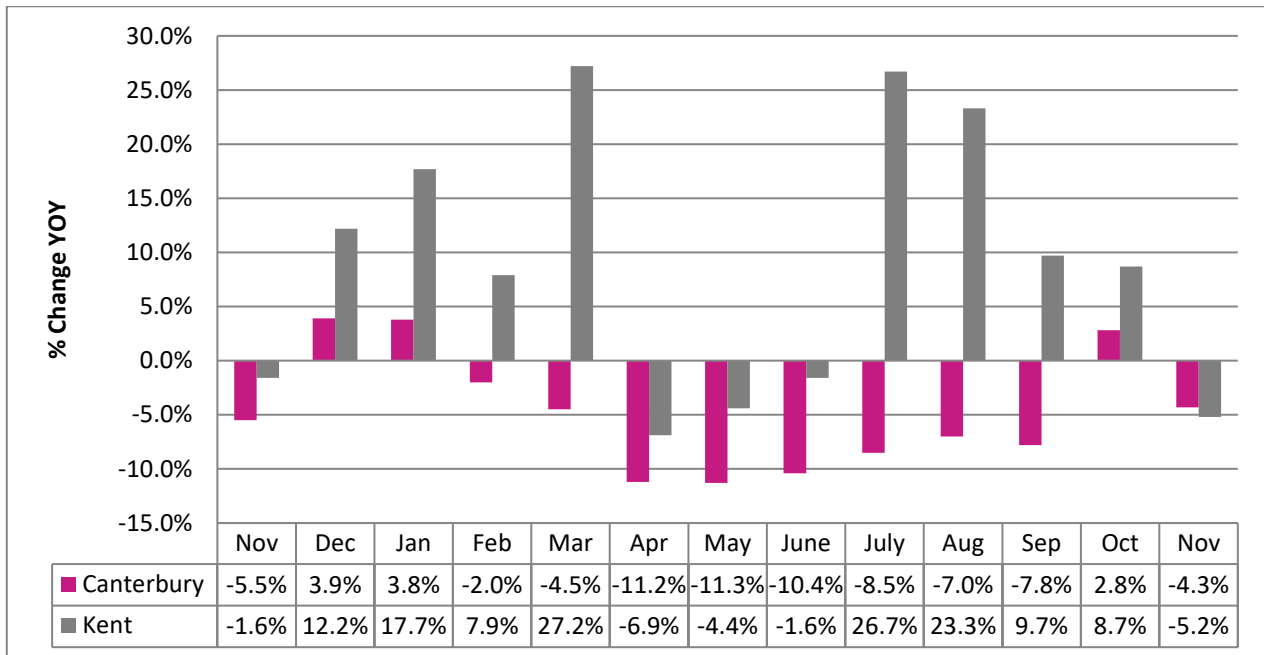
Key findings:

- Sales Performance in November was up -0.9% YOY, down -0.8% on the twelve month average of +1.7% for Canterbury, and down -0.2% on the national rate of +1.1% YOY.
- According to the BRC-KPMG UK Retail Sales Monitor:
- Online sales of Non-Food products in the UK grew 10.9% in November versus a year earlier, when they had increased by 11.8%. This is the third consecutive month of growth above 10%. November’s growth was above the 3-month average of 10.7% and just ahead of the 12-month average of 10.8%.
- Over the 3 months to November, Online sales of Non-Food products in the UK grew 10.7% year-on-year. Over the same period, Total Non-Food sales in the UK grew 1.7%.
- In November 2016, Online sales represented 27.6% of total Non-Food sales in the UK, against 25.3% in November 2015. This is the highest Non-Food penetration rate on record, and the eleventh consecutive month that the rate has remained above 20%.
- Over the 3 months to November, Online sales contributed 2.8 percentage points to the year-on-year growth of Total Non-Food sales, while In-Store sales made a negative contribution of 1.1 percentage points (rounded). In November, Online sales contributed 3.7 percentage points.
- Over the 3 months to November, In-Store sales fell, posting declines of 0.8% on a total basis and 1.1% on a like-for-like basis. For the month of November, In-Store sales showed a decline

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

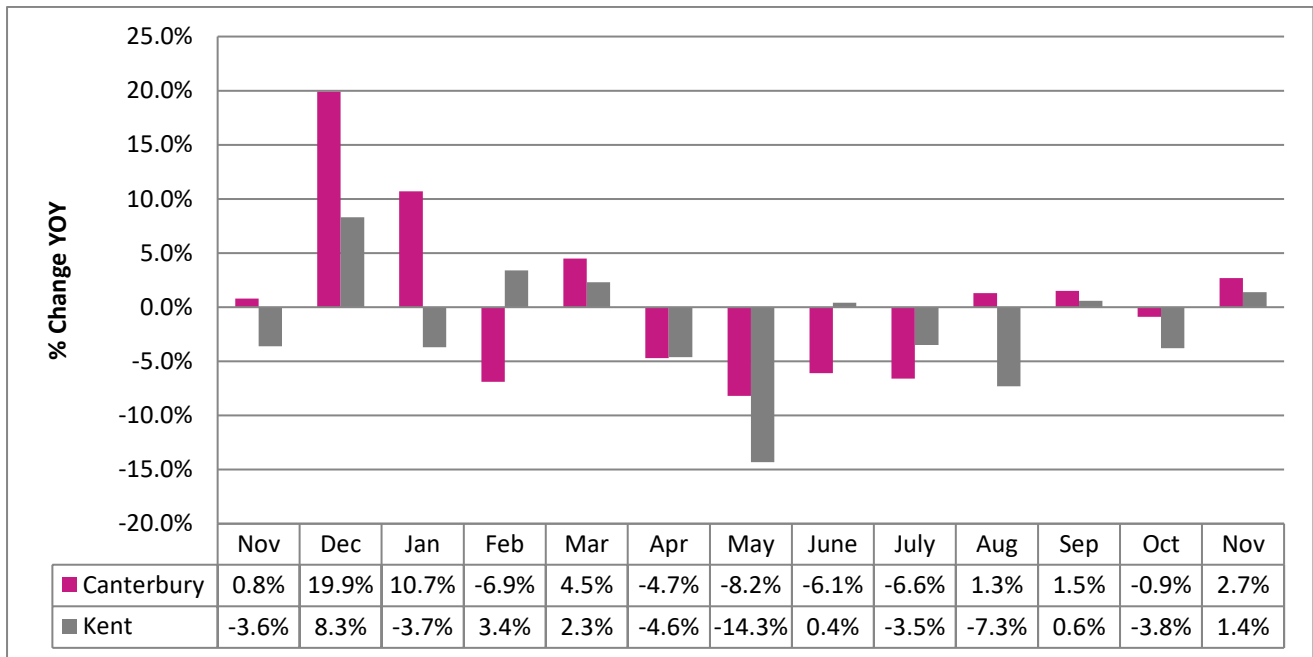


Source: Canterbury City Council attraction figures and Visit Kent Business Barometer

Key findings:

- In October there was a -4.3% YOY annual change in visitor numbers to visitor attractions in Canterbury which is a -7.1% decrease over the month from October. This was mainly due to some attractions being closed all month
- For Kent, there was a -5.2% YOY annual change in visitor numbers to visitor attractions which is a -13.9% decrease over the month from October.

Graph 6.2 – Percentage change in Visitor Information Centre Enquires YOY



Source: Visit Kent Business Barometer September 2016.

Key findings:

- For Canterbury there was a total +2.7% YOY annual change in visitor enquiries, a +3.6% increase over the month from October.
- Visitor Information Centres in Kent had a +1.4% YOY annual change in visitor enquiries, a +5.2% increase over the month from October.
- According to Visit Kent’s Business Barometer 85.2% of visitors to Canterbury’s VIC were domestic visitors, 3.6% long haul visitors and 11.2% were European visitors.

Events

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

- 25: Black Friday
- 28: Cyber Monday
- 24: Christmas Eve
- 26: Boxing Day



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