Canterbury Connected

BUSINESS IMPROVEMENT DISTRICT

Canterbury City Centre

Performance Report

January 2017

Canterbury City Centre Performance Report – January 2017

Executive summary

Welcome to the January 2017 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

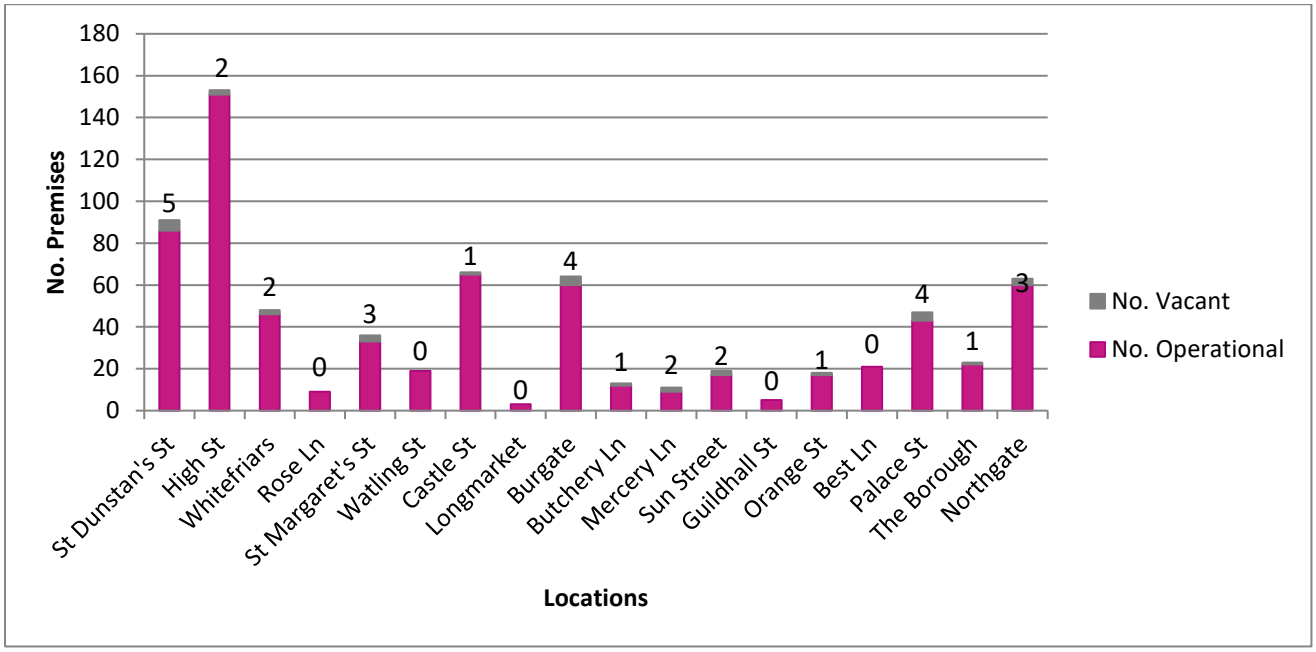
Indicator	Trend	Comment
Premises vacancy rates	🟡	The vacancy rate for Canterbury in January was 4.6%, the same as December 2016 and January 2016. The twelve month average for Canterbury is 5.1%. The vacancy rate for the Southeast in Q1 2017 was 7.1%, the same as Q3 2016 and -0.3% lower compared to this time last year.
Premises type	🟡	Overall Food and drink premises (23%), 'speciality and other' (21%) and residential (15%) had the highest presence in the city. Education establishments in the city centre (1%) department stores (2%) and technology premises (3%) had the lowest presence.
Business start-up rates		Figures unavailable this month
City Centre footfall	🟡	Footfall in Canterbury was up 1.6% YOY in Janauary, +3.4% higher than the average for the South East and +2% than the national rate. The twelve month average for Canterbury is +0.5%.
Business Sales Performance	🟢	In January there was an overall 2.3% YOY change in sales performance which is a -5.2% decrease from January 2016. After a strong end to the Christmas trading, year on year sales growth ground to a halt, compensated only by stronger furniture sales and a boost for some retailers from Chinese New Year. While this may appear disappointing overall, retailers were up against a strong January last year to try and deliver a repeat performance and many reported an increase in the number of returns received in January.
Tourism	🟢	In December there was a 27.4% YOY annual change in visitor numbers to visitor attractions in Canterbury which is a 19% increase over the month from December.

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 January, a survey of 18 key streets within Canterbury City Centre was undertaken. A total number of 678 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

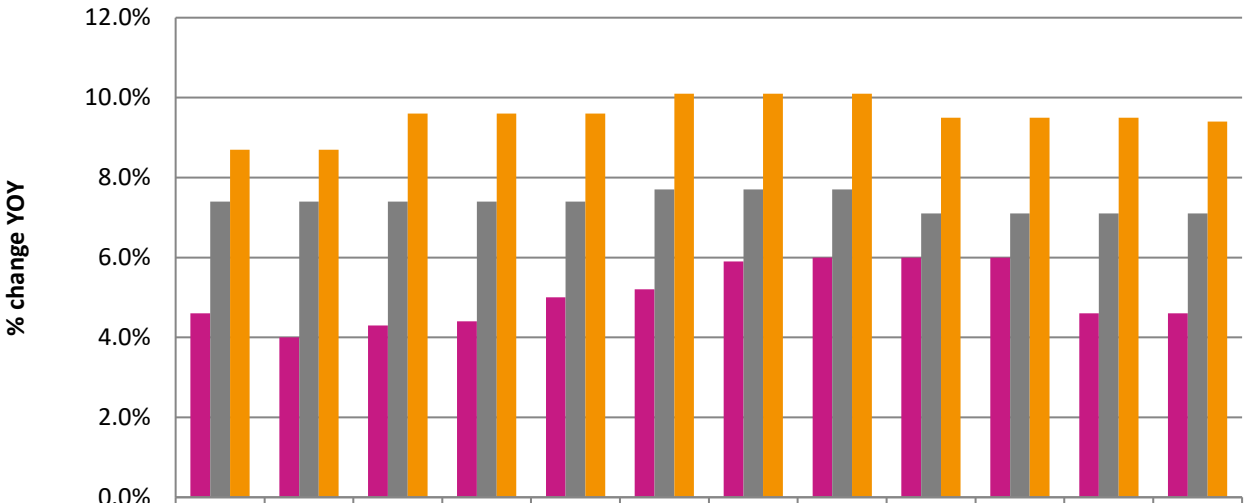


Source: Canterbury Connected BID monthly survey. For a detailed breakdown please refer to Table 1.1 in the Appendices.

Key findings:

- A total number of 31 businesses premises were recorded as vacant in January, the same as December 2016.
- St Dunstans, St Margarets Street, Burgate, Palace Street and Northgate had the highest number of empty premises whilst Rose lane, Watling St, 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 (34%).

Graph 1.2 - Premises vacancy rates YOY



	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan
Canterbury	4.6%	4.0%	4.3%	4.4%	5.0%	5.2%	5.9%	6.0%	6.0%	6.0%	4.6%	4.6%
South East	7.4%	7.4%	7.4%	7.4%	7.4%	7.7%	7.7%	7.7%	7.1%	7.1%	7.1%	7.1%
National	8.7%	8.7%	9.6%	9.6%	9.6%	10.1%	10.1%	10.1%	9.5%	9.5%	9.5%	9.4%

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.

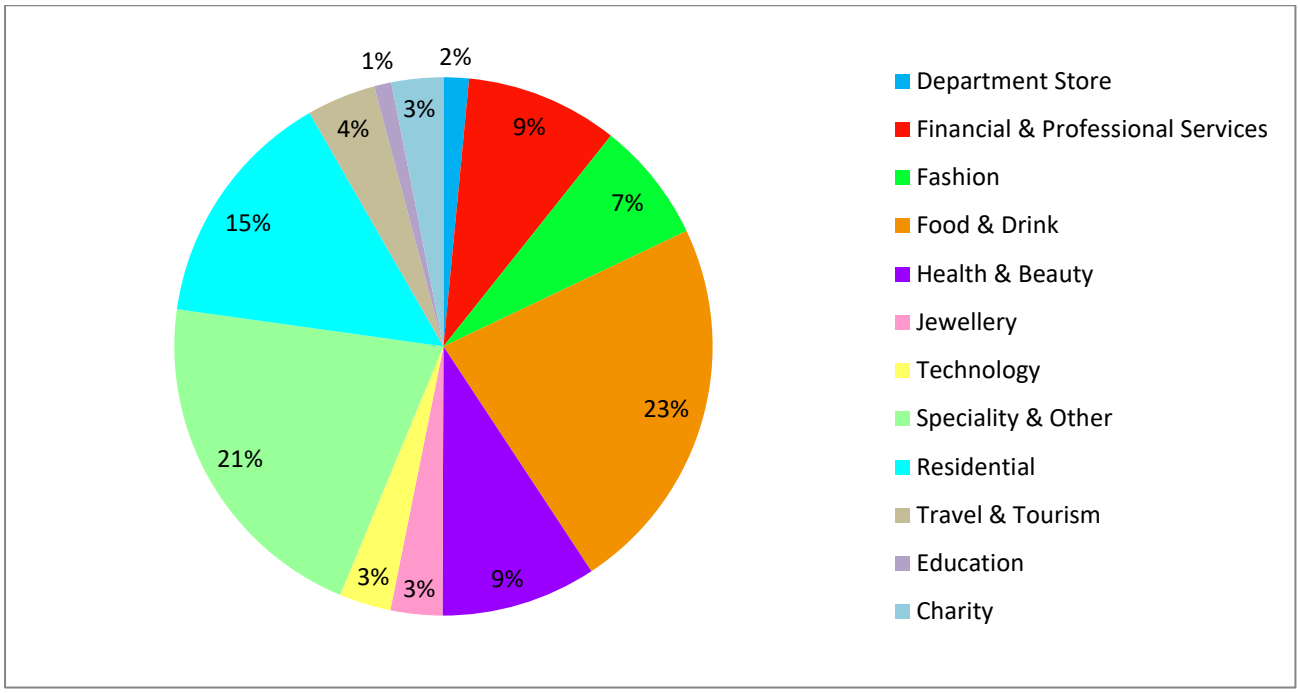
Key findings:

- The vacancy rate for Canterbury in January was 4.6%, the same as December 2016 and January 2016. The twelve month average for Canterbury is 5.1%.
- The vacancy rate for the Southeast in Q1 2017 was 7.1%, the same as Q4 2016 and -0.3% lower compared to this time last year.
- Canterbury had the sixth lowest vacancy rate of the 26 towns in the South East that published their results in the Springboard Quarterly Vacancy Rate Survey Q1 2017.
- The National Town Centre Vacancy Rate was 9.4 per cent in January 2017, down from 9.5 per cent in October 2016. This marks the second consecutive Quarter that the Vacancy Rate has fallen, though remains well above the January 2016 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



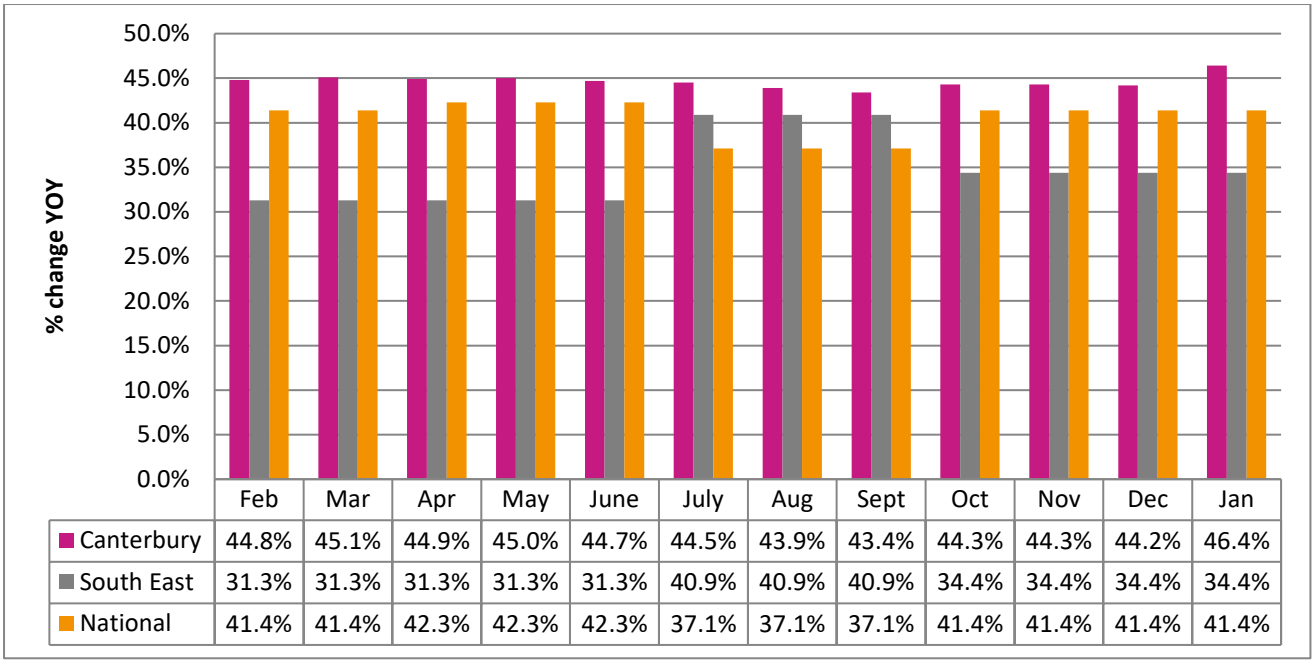
Source: Canterbury Connected BID monthly survey. For a detailed breakdown of the figures please refer to the accompanying Excel spreadsheet for a complete breakdown by street.

Key findings:

- Overall Food and drink premises (23%), 'speciality and other' (21%) and residential (15%) had the highest presence in the city. Education establishments in the city centre (1%) department stores (2%) and technology premises (3%) had the lowest presence.

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



	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan
Canterbury	44.8%	45.1%	44.9%	45.0%	44.7%	44.5%	43.9%	43.4%	44.3%	44.3%	44.2%	46.4%
South East	31.3%	31.3%	31.3%	31.3%	31.3%	40.9%	40.9%	40.9%	34.4%	34.4%	34.4%	34.4%
National	41.4%	41.4%	42.3%	42.3%	42.3%	37.1%	37.1%	37.1%	41.4%	41.4%	41.4%	41.4%

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

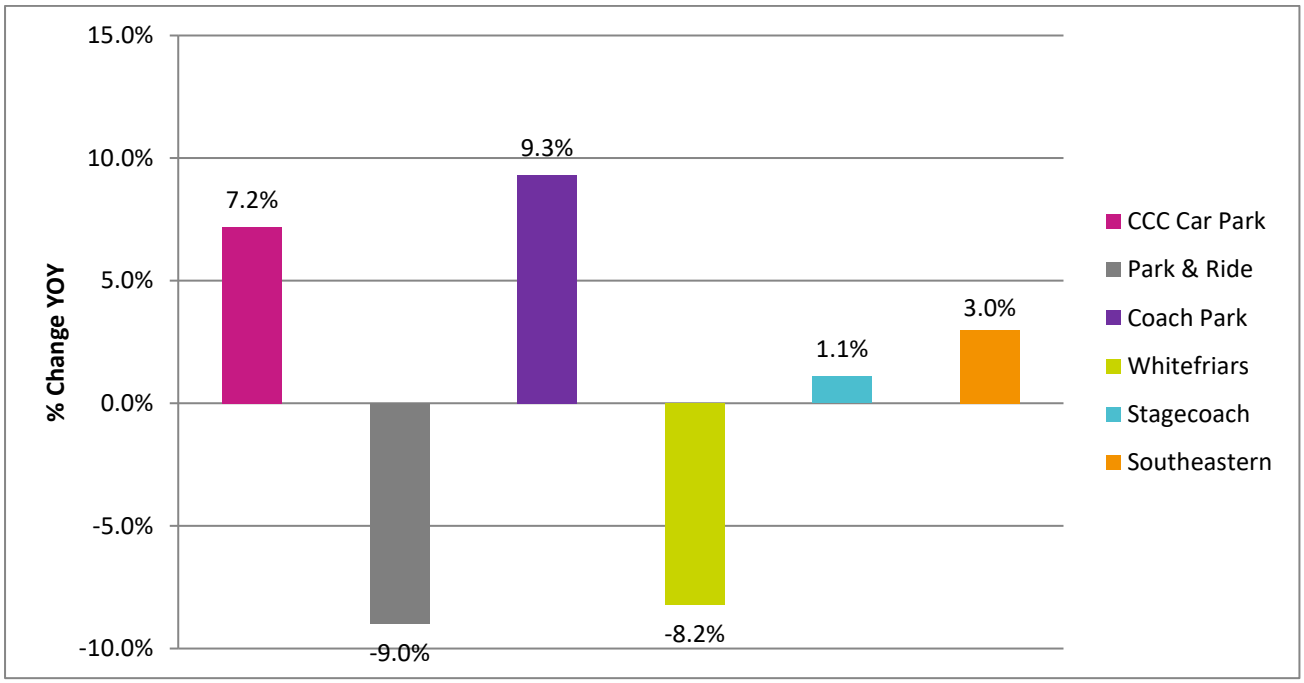
Key findings

- 46.4% of businesses recorded in January were independents, -2.2% less than December 2016, 1.4% more than January 2016, +12% more than the average for the South East and +5% more than the national average.
    - Longmarket (100%), Whitefriars (98%) 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 44.2% 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

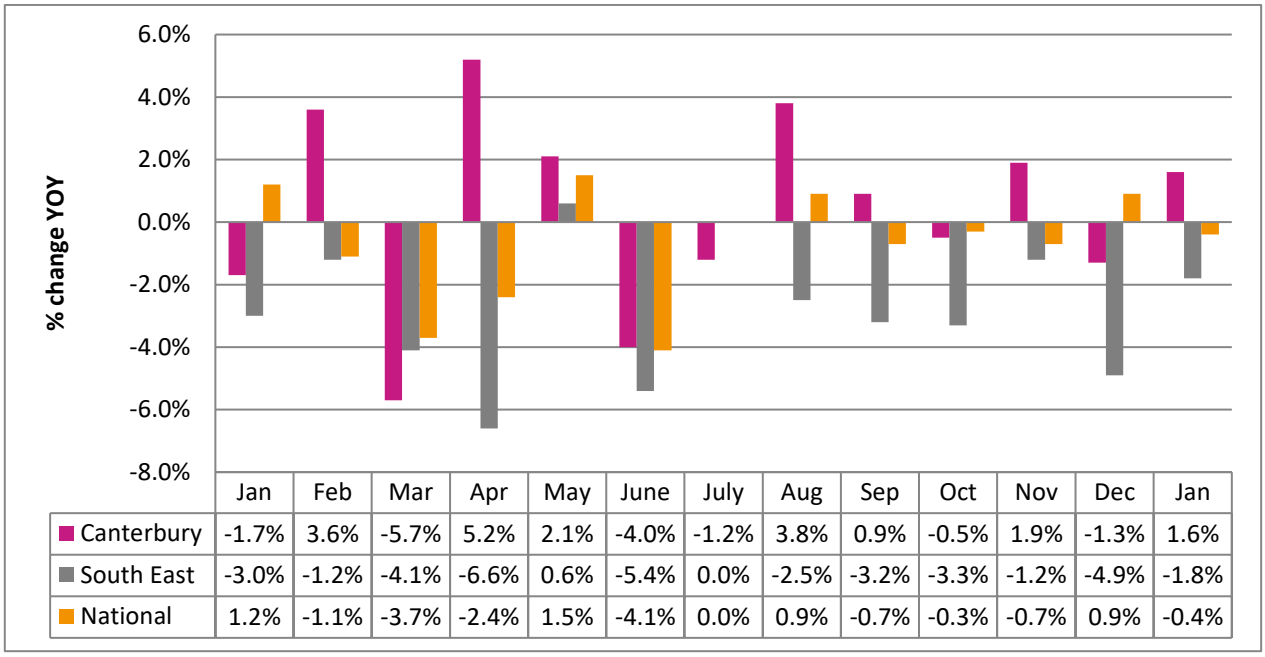


Source: Canterbury City Council Transportation Department, Stagecoach East Kent, Whitefriars shopping centre and Southeastern.

Key Findings

- Overall footfall was up 1.6% YOY in January which is a 2.9% increase on December.
- Some transportation methods saw an increase in January including CCC car park and south eastern with the coach park with the biggest increase. However, Whitefriars and the park & ride saw a decrease.

Graph 4.2 – Canterbury footfall rates YOY



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan
Canterbury	-1.7%	3.6%	-5.7%	5.2%	2.1%	-4.0%	-1.2%	3.8%	0.9%	-0.5%	1.9%	-1.3%	1.6%
South East	-3.0%	-1.2%	-4.1%	-6.6%	0.6%	-5.4%	0.0%	-2.5%	-3.2%	-3.3%	-1.2%	-4.9%	-1.8%
National	1.2%	-1.1%	-3.7%	-2.4%	1.5%	-4.1%	0.0%	0.9%	-0.7%	-0.3%	-0.7%	0.9%	-0.4%

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

Key Findings

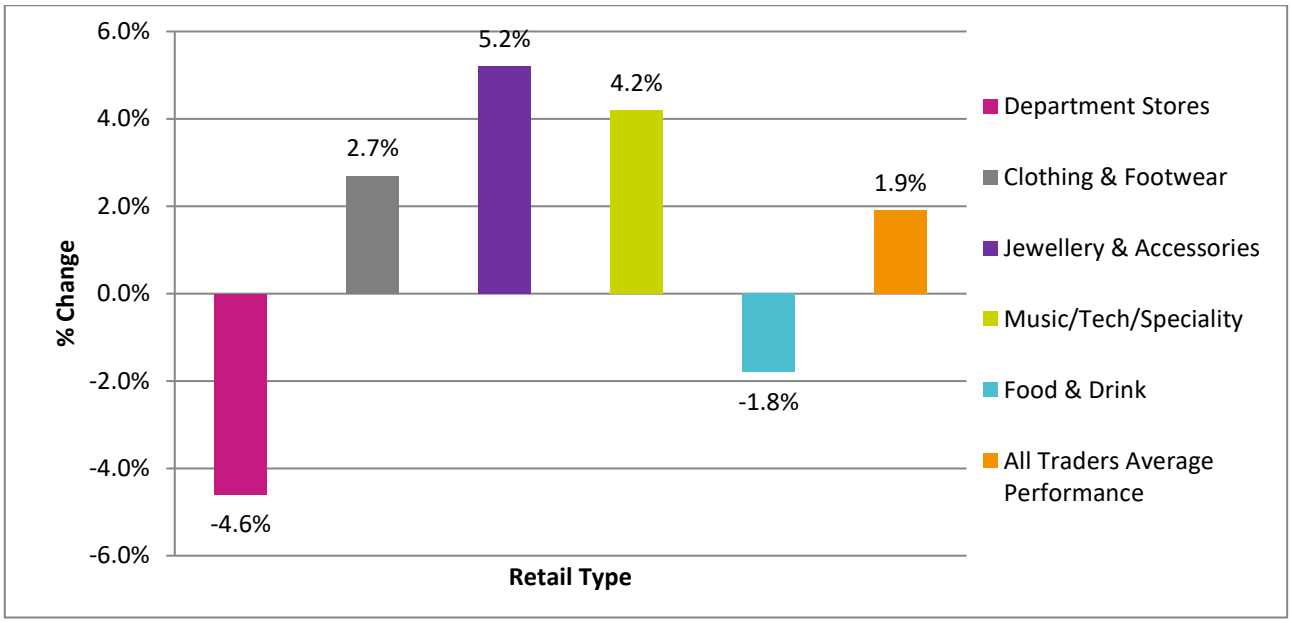
- Footfall in Canterbury was up 1.6% YOY in January, +3.4% higher than the average for the South East and +2% than the national rate. The twelve-month average for Canterbury is +0.5%.
- Nationally:
    - The -0.4% drop in high street footfall in January was a slight degeneration of performance from January 2016 when footfall rose by +0.3%. However, despite the overall decline in footfall, shoppers gravitated towards city centres with a rise in footfall in regional cities of +0.9% compared with a drop of -4.0% in January last year.
    - Of significance is that footfall is correlating closely with retail sales, with all sales results published so far showing a poorer performance in January than in January 2016. Springboard's own data on bricks and mortar sales showed a -1.5% drop in January from January 2015.
    - The UK vacancy rate improved from 9.5% in October to 9.4% in January. This can be partly explained by the churn of occupancy from retail to hospitality, a feature of the last year, but is also due the fact that the vacancy rate reflects footfall and sales, and so lags behind these as a performance indicator. But it does demonstrate that high streets are adapting, with new occupiers offering a much demanded all round customer experience.

Location	% change YOY	Location	% change YOY
England		East	+6.0
Greater London	-2.1	North & Yorkshire	+3.3
West Midlands	-3.7		
South East	-1.8	**Northern Ireland**	-2.2
South West	-0.8	**Wales**	+4.6
East Midlands	-1.3	**Scotland**	-0.7

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

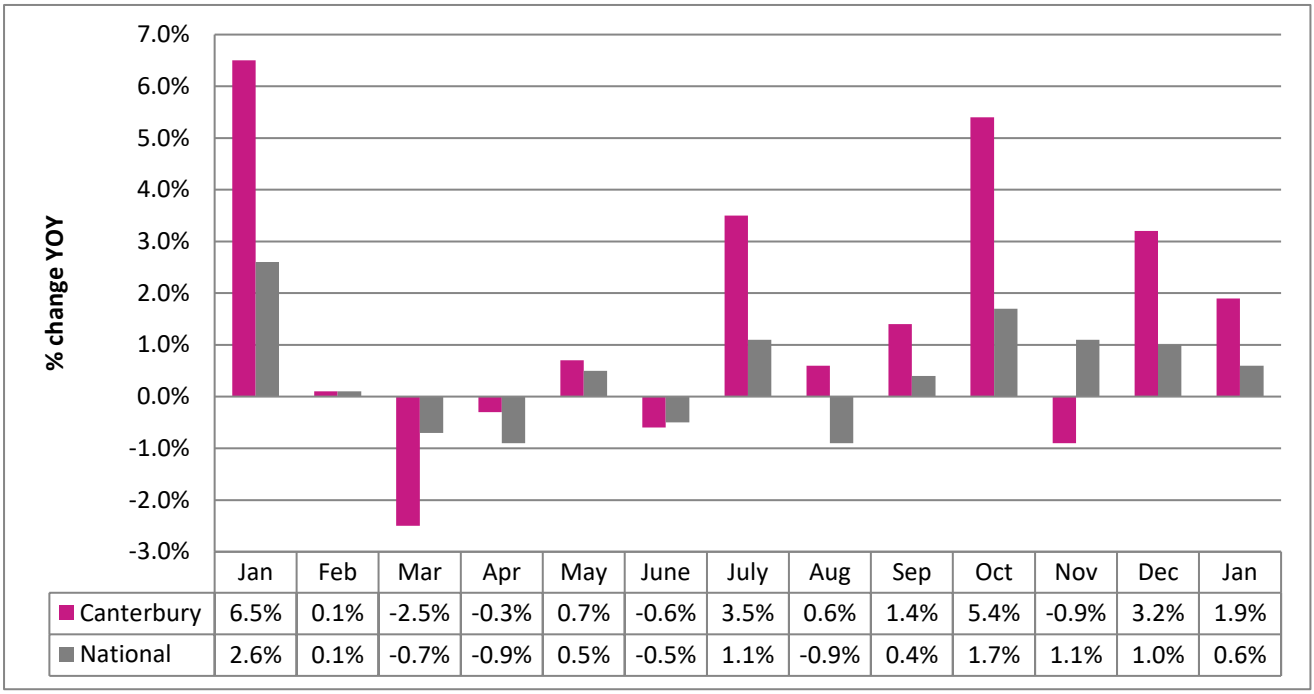


Source: Canterbury Connected BID Business Survey of Average Sales Performance based on 27 respondents.

Key findings:

- In January there was an overall 1.9% YOY change in sales performance which is a -4.6% decrease from January 2016.
  - After a strong end to the Christmas trading, year on year sales growth ground to a halt, compensated only by stronger furniture sales and a boost for some retailers from Chinese New Year. While this may appear disappointing overall, retailers were up against a strong January last year to try and deliver a repeat performance and many reported an increase in the number of returns received in January.
  - Looking across the last three months, we've seen the slowest growth of the festive period since 2009. Closer inspection reveals that this was driven by slowing sales in non-food sectors.

Graph 5.2 – Average Sales performance YOY



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan
Canterbury	6.5%	0.1%	-2.5%	-0.3%	0.7%	-0.6%	3.5%	0.6%	1.4%	5.4%	-0.9%	3.2%	1.9%
National	2.6%	0.1%	-0.7%	-0.9%	0.5%	-0.5%	1.1%	-0.9%	0.4%	1.7%	1.1%	1.0%	0.6%

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

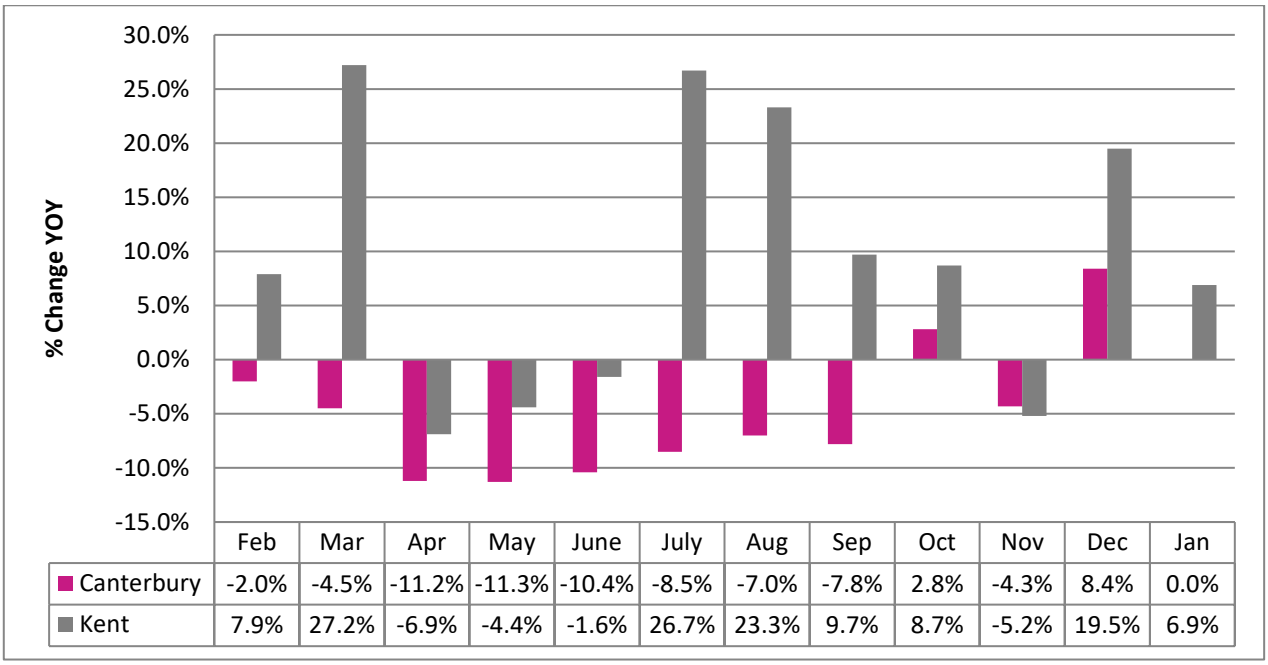
Key findings:

- Sales Performance in January was up 1.9% YOY, 2.0% up on the twelve-month average of +1.0% for Canterbury, and up 0.8% on the national rate of +0.3% YOY.
- According to the BRC-KPMG UK Retail Sales Monitor:
    - In January, UK retail sales decreased by 0.6% on a like-for-like basis from January 2016, when they had increased 2.6% from the preceding year.
    - On a total basis, sales rose 0.1% in January, against a 3.3% increase in January 2016. This is well below the 3-month average of 1.1% and the 12-month average of 0.9%.
    - Over the three-months to January, Food sales increased 0.6% on a like-for-like basis and 2.0% on a total basis, clearly ahead of the 12-month Total average growth of 1.0%. This is the second consecutive 3-month average Total growth of 2.0% or above.
    - Over the three-months to January, Non-Food retail sales in the UK rose 0.2% on a like-for-like basis and 0.3% on a total basis. This is below the 12-month Total average growth of 0.8%, which is the lowest since July 2012.
    - Over the three-months to January, Online sales grew 8.6% while In-store sales declined 2.2% on a Total basis and 2.4% on a like-for-like basis

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



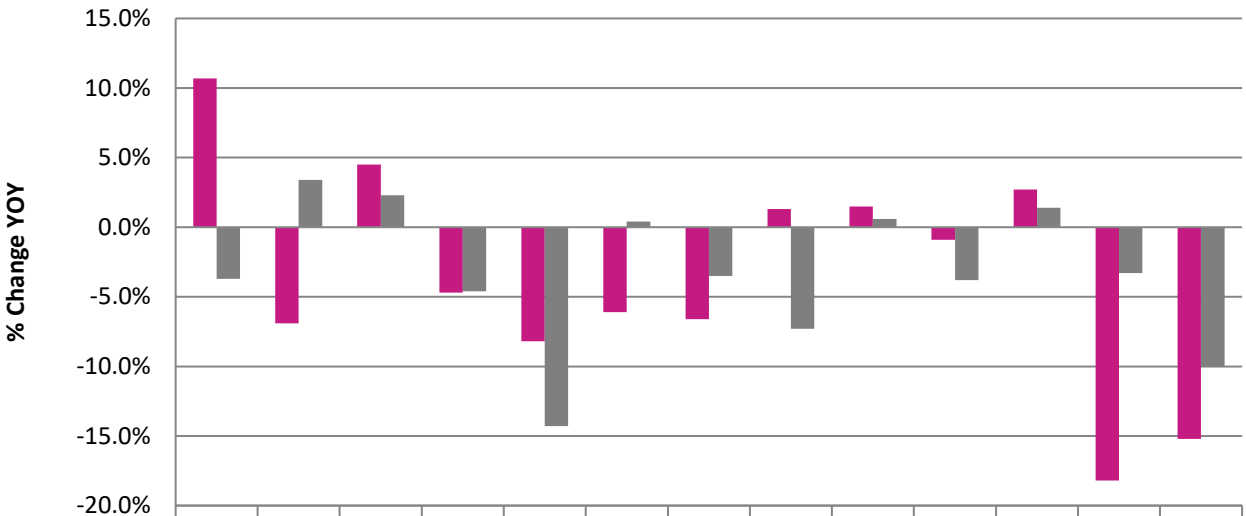
	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan
Canterbury	-2.0%	-4.5%	-11.2%	-11.3%	-10.4%	-8.5%	-7.0%	-7.8%	2.8%	-4.3%	8.4%	0.0%
Kent	7.9%	27.2%	-6.9%	-4.4%	-1.6%	26.7%	23.3%	9.7%	8.7%	-5.2%	19.5%	6.9%

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

Key findings:

- In January there was a 0.0% YOY annual change in visitor numbers to visitor attractions in Canterbury which is a -8.4% decrease over the month from December and a -3.8% decrease on January 2016.
- For Kent, there was a 6.9% YOY annual change in visitor numbers to visitor attractions which is a -12.6% decrease over the month from December and a -10.8% decrease on January 2016.

Graph 6.2 – Percentage change in Visitor Information Centre Enquires YOY



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan
Canterbury	10.7%	-6.9%	4.5%	-4.7%	-8.2%	-6.1%	-6.6%	1.3%	1.5%	-0.9%	2.7%	-18.2%	-15.2%
Kent	-3.7%	3.4%	2.3%	-4.6%	-14.3%	0.4%	-3.5%	-7.3%	0.6%	-3.8%	1.4%	-3.3%	-10.0%

Source: Visit Kent Business Barometer September 2016.

Key findings:

- For Canterbury there was a total -15.2% YOY annual change in visitor enquiries, a +3% increase over the month from December.
- Visitor Information Centres in Kent had a -10.0% YOY annual change in visitor enquiries, a -6.7% decrease over the month from December.
- According to Visit Kent's Business Barometer 91% of visitors to Canterbury's VIC were domestic visitors, 3% long haul visitors and 6% were European visitors.

Events

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

- 01: New Year's Day
- 02: New year's Day Bank Holiday
- 27: CCCU Graduation