Canterbury Connected

BUSINESS IMPROVEMENT DISTRICT

Canterbury City Centre

Performance Report

August 2018

Canterbury City Centre Performance Report – August 2018

Executive summary

Welcome to the August 2018 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
- City Centre footfall
- Business Sales Performance
- Tourism

The table below provides at-a-glance colour coded trend indicators:

🟢 Signifies improvement 🟡 Relative stability 🔴 Decline

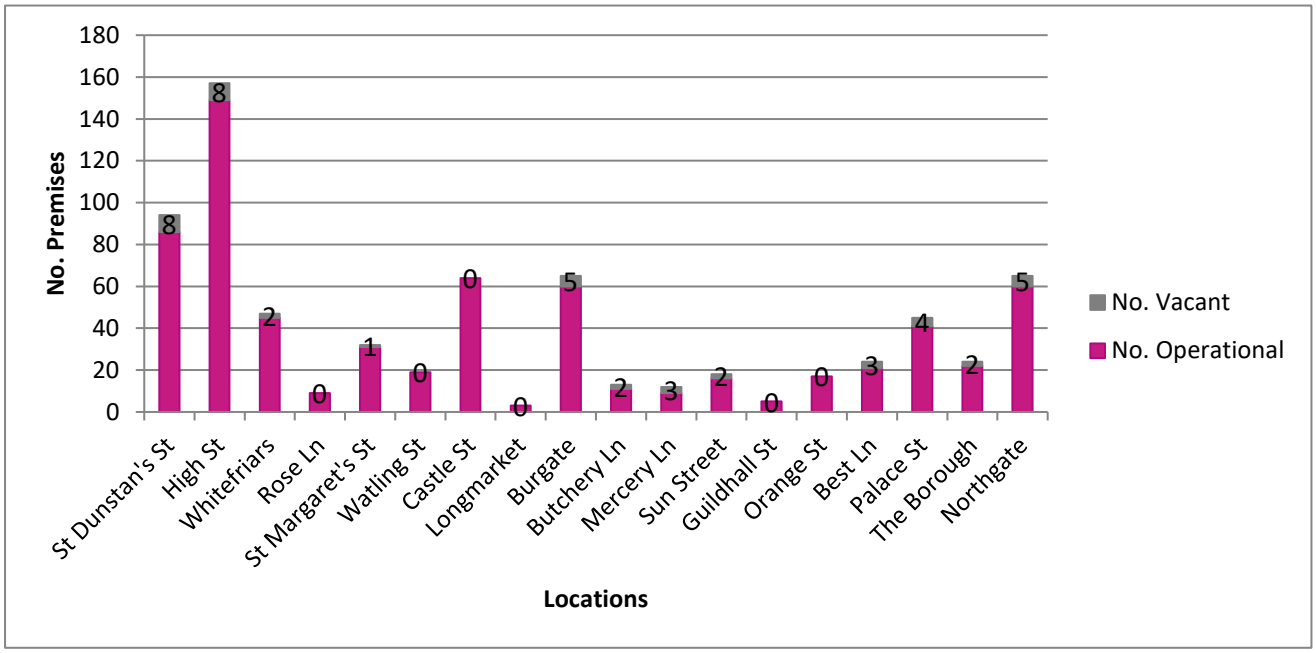
Indicator	Trend	Comment
Premises vacancy rates	🔴	The vacancy rate for Canterbury in August was 6.7%, 0.6% higher than July and 2.4% more than August 2017. The twelve-month average for Canterbury is 5.6%.
Premises type	🟡	Overall Food and drink premises (24%), 'speciality and other' (20%) and residential (15%) had the highest presence in the city. Education establishments in the city centre (1%) department stores (1%) and technology premises (2%) had the lowest presence.
Business start-up rates	🟡	For Canterbury there was a -53% YOY annual change in registered start-up businesses and a -1% annual change in registered start-ups nationally. 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 1.0% YOY in August, +4.3% higher than the average for the South East, +2.1% higher than other historic centres and +3.3% higher than the national rate. The twelve-month average for Canterbury is -2.7% YOY. However there is some data missing for Canterbury which could skew the result.
Business Sales Performance	🟢	Sales in August were up +0.4% YOY, +0.7% up on the twelve-month average of -0.3% for Canterbury and +0.2% higher than the national rate YOY.
Tourism	🟢	In August there was a +2.0% YOY annual change in visitor numbers to visitor attractions in Canterbury which is a -4.0% increase over the month from July but a +1.0% increase on August 2017. For Kent, there was a -4.7% YOY annual change

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. 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 668 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

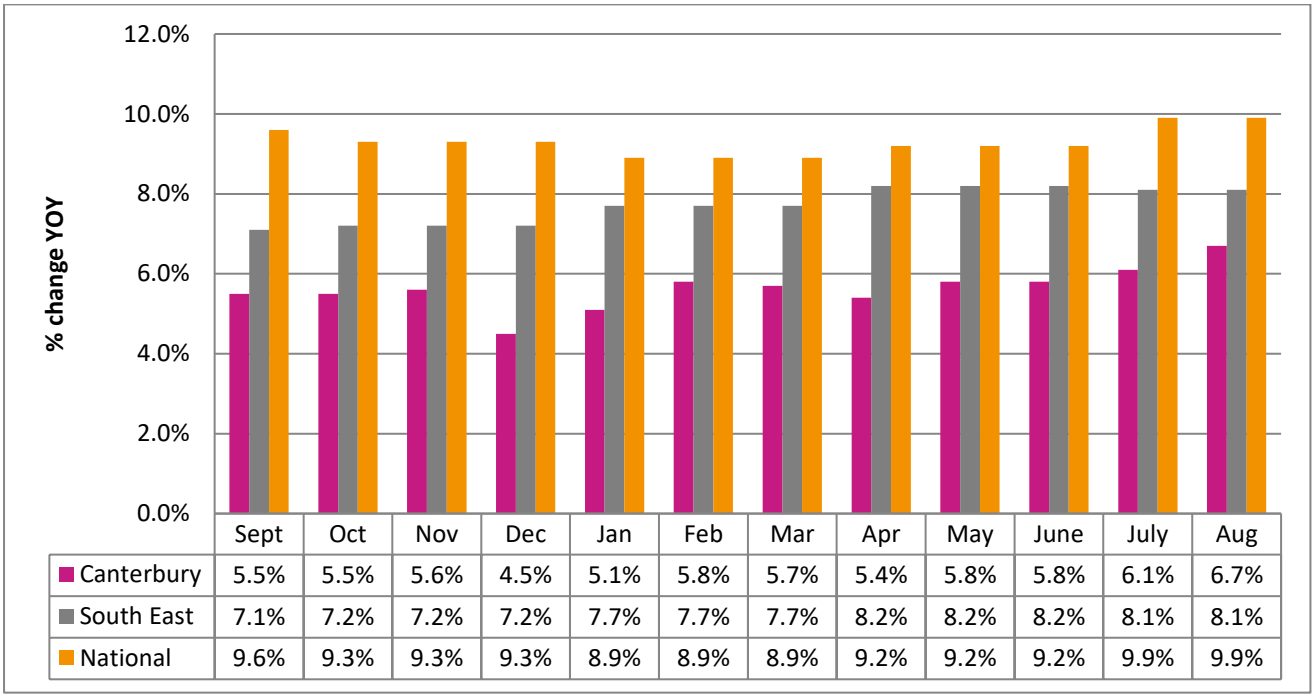


Source: Canterbury Connected BID monthly survey.

Key findings:

- A total number of 45 businesses premises were recorded as vacant in August, 4 more than July.
- St Dunstan's street, the High Street, Burgate and Northgate had the highest number of empty premises whilst Rose Lane, Watling Street, Castle Street, Longmarket, Guildhall Street and Orange Street had none.
- As a comparison to the total number of premises within each street, Mercery Lane had the highest vacancy rate (33%).

Graph 1.2 - Premises vacancy rates YOY



	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
Canterbury	5.5%	5.5%	5.6%	4.5%	5.1%	5.8%	5.7%	5.4%	5.8%	5.8%	6.1%	6.7%
South East	7.1%	7.2%	7.2%	7.2%	7.7%	7.7%	7.7%	8.2%	8.2%	8.2%	8.1%	8.1%
National	9.6%	9.3%	9.3%	9.3%	8.9%	8.9%	8.9%	9.2%	9.2%	9.2%	9.9%	9.9%

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:

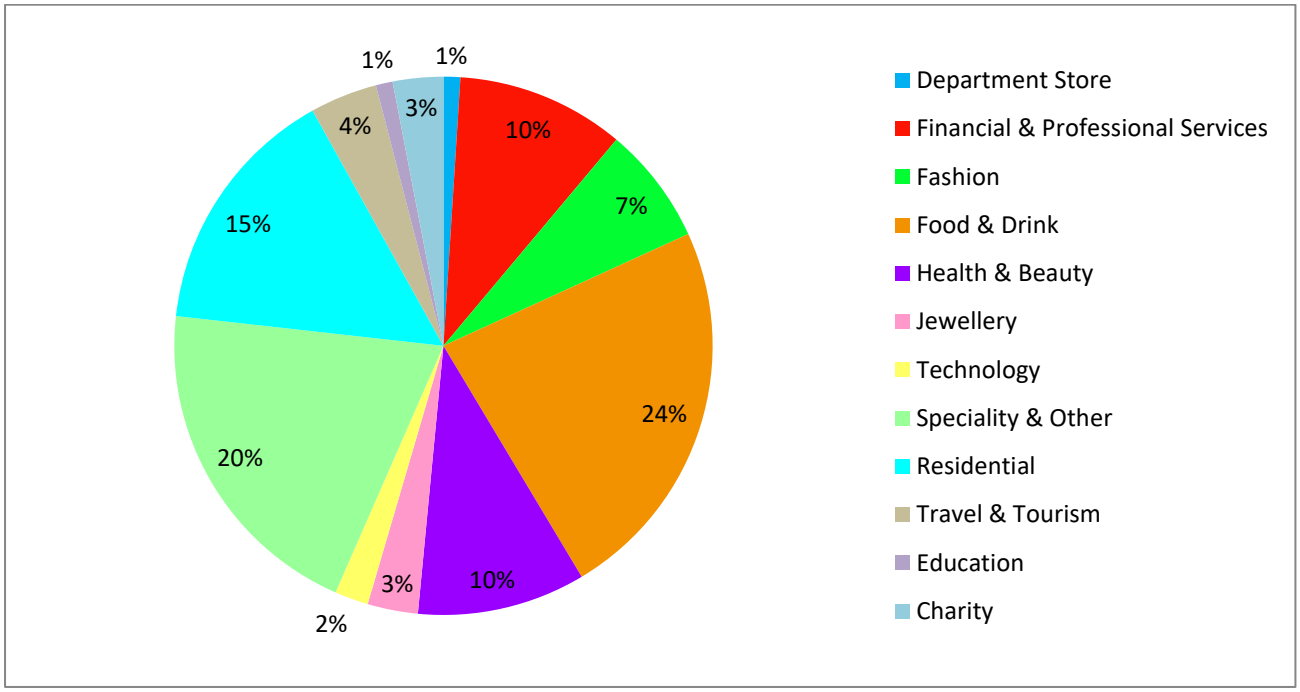
- The vacancy rate for Canterbury in August was 6.7%, 0.6% higher than July and 2.4% more than August 2017. The twelve-month average for Canterbury is 5.6%.
- The vacancy rate for the Southeast in Q3 2018 was 8.1%, 0.1% lower than Q2 2018 but 1.0% higher compared to the same time last year.
- Canterbury had the fourth lowest vacancy rate of the 20 towns in the South East that published their results in the Springboard Quarterly Vacancy Rate Survey Q3 2018.
- The National Town Centre Vacancy Rate was 9.9% in July 2018. This is a rise of 0.7% from the vacancy rate of 9.2% in April 2018 which, in turn, was a 0.3% reduction on the 8.9% vacancy rate recorded in January 2018. The result this quarter, is also 0.3% higher than the same quarter last year and remains higher than the benchmark low of 8.7% recorded in January 2016.

Regional Vacancy Rates Q3 2018			
London	4.0%	North East Yorkshire	13.7%
South East	8.1%	North West	11.8%
South West	8.7%	Scotland	10.8%
East	7.0%	Northern Ireland	14.4%
East Midlands	8.6%	Wales	12.6%
West Midlands	10.2%		

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 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



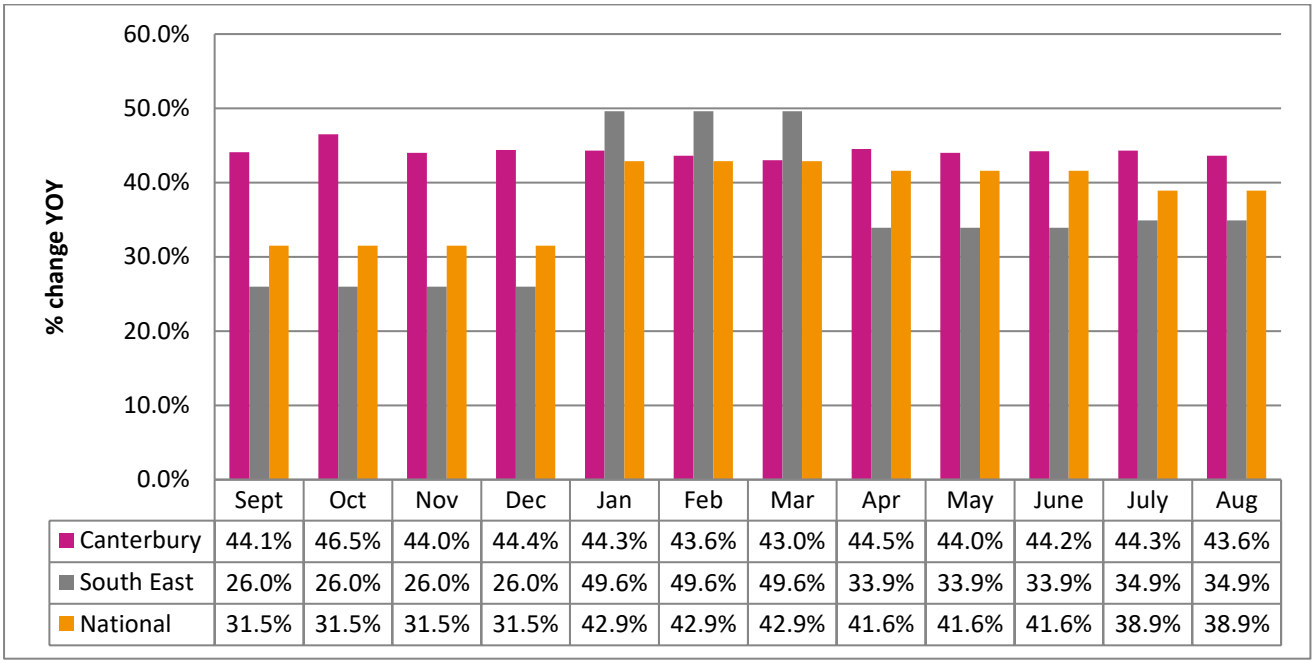
Source: Canterbury Connected BID monthly survey.

Key findings:

- Overall Food and drink premises (24%), 'speciality and other' (20%) and residential (15%) had the highest presence in the city. Education establishments in the city centre (1%) department stores (1%) and technology premises (2%) 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



	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
Canterbury	44.1%	46.5%	44.0%	44.4%	44.3%	43.6%	43.0%	44.5%	44.0%	44.2%	44.3%	43.6%
South East	26.0%	26.0%	26.0%	26.0%	49.6%	49.6%	49.6%	33.9%	33.9%	33.9%	34.9%	34.9%
National	31.5%	31.5%	31.5%	31.5%	42.9%	42.9%	42.9%	41.6%	41.6%	41.6%	38.9%	38.9%

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

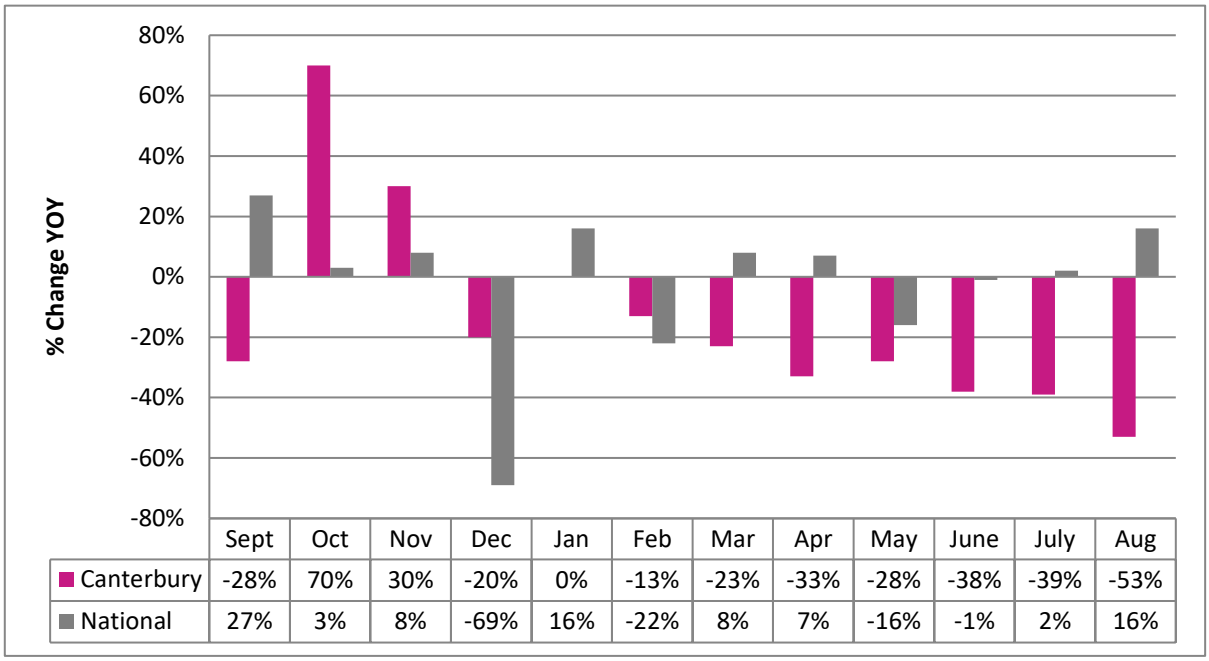
Key findings

- 43.6% of businesses recorded in August were independents, 0.7% less than July, 0.9% less than August 2017, +8.7% more than the average for the South East and +4.7% more than the national average.
    - Longmarket (100%), Rose Lane (100%) and Whitefriars (93%) had the highest number of multiples, which is unsurprising as they are managed developments.
    - Palace Street (73%), The Borough (68%) and Sun Street (63%) had the highest number of independent businesses.
- Overall based on the survey area, 33% of retailers are multiples and 44% are independents and 23% 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	-28%	70%	30%	-20%	0%	-13%	-23%	-33%	-28%	-38%	-39%	-53%
National	27%	3%	8%	-69%	16%	-22%	8%	7%	-16%	-1%	2%	16%

Source: Canterbury City Council, Selecta Base and Start-up Britain's Start-up Tracker.

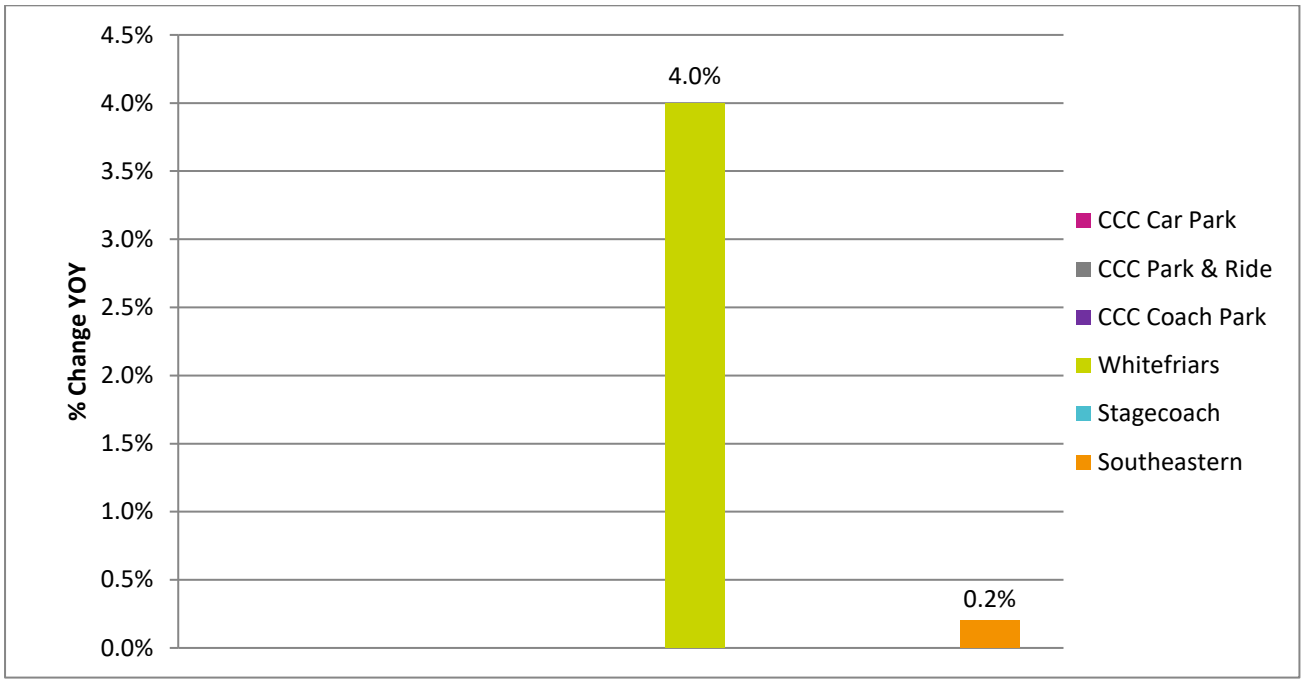
Key findings:

- For Canterbury there was a -53% YOY annual change in registered start-up businesses and a -1% annual change in registered start-ups nationally. 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

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

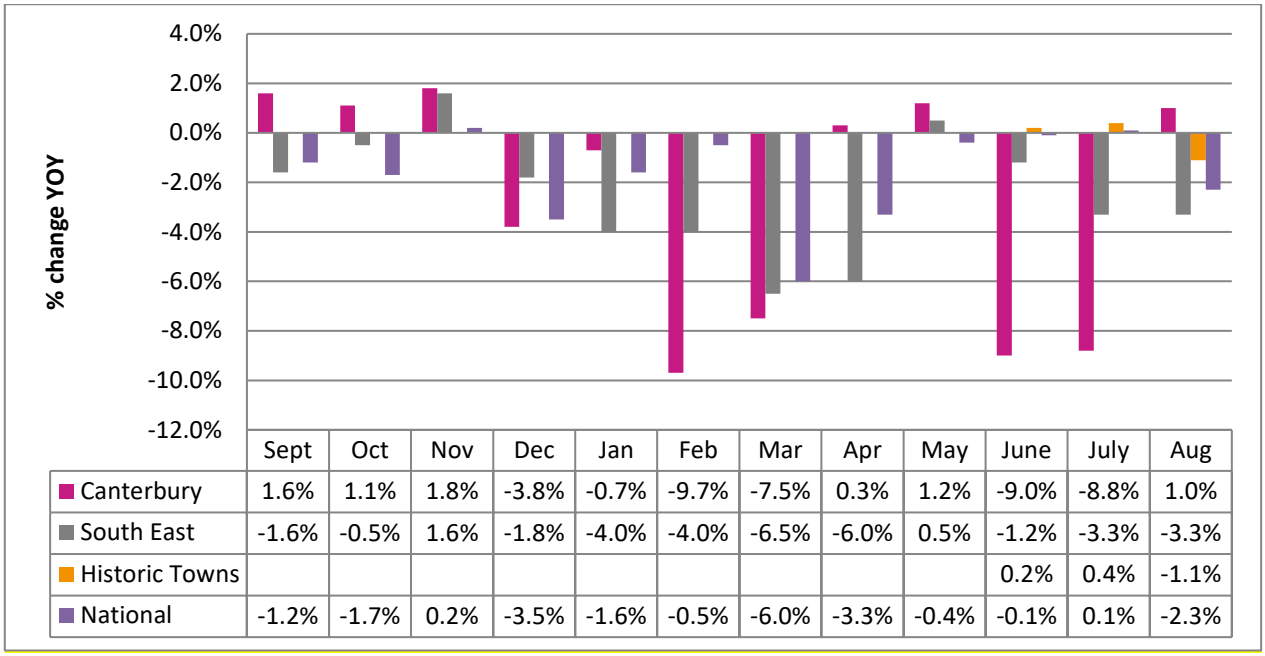


Source: Canterbury City Council Transportation Department, Stagecoach East Kent, Whitefriars shopping centre car park and Southeastern. Please note that data was unavailable from Canterbury City Council (CCC) and Stagecoach this month.

Key Findings

- Overall footfall was up 1.0% YOY in August which is a 9.8% increase on July, however there is some data missing which could skew the result.

Graph 4.2 – Canterbury footfall rates YOY



	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
Canterbury	1.6%	1.1%	1.8%	-3.8%	-0.7%	-9.7%	-7.5%	0.3%	1.2%	-9.0%	-8.8%	1.0%
South East	-1.6%	-0.5%	1.6%	-1.8%	-4.0%	-4.0%	-6.5%	-6.0%	0.5%	-1.2%	-3.3%	-3.3%
Historic Towns										0.2%	0.4%	-1.1%
National	-1.2%	-1.7%	0.2%	-3.5%	-1.6%	-0.5%	-6.0%	-3.3%	-0.4%	-0.1%	0.1%	-2.3%

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

Key Findings

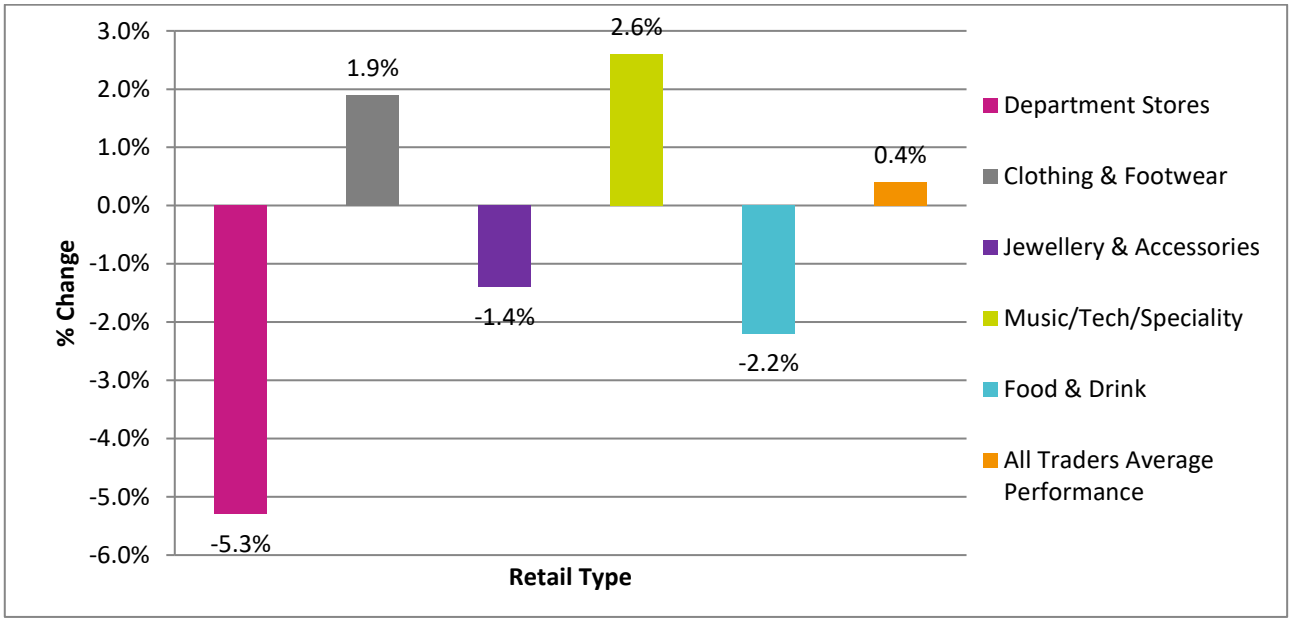
- Footfall in Canterbury was up 1.0% YOY in August, +4.3% higher than the average for the South East, +2.1% higher than other historic centres and +3.3% higher than the national rate. The twelve-month average for Canterbury is -2.7% YOY. However there is some data missing for Canterbury which could skew the result.

- Nationally:
    - Retail footfall was down by 1.6% overall in August compared with the previous year, the sharpest decline since April
    - Three months of high street footfall growth came to an end in August with a decline of 2.0 per cent, with Northern Ireland the only region to report an increase, up 1.4 per cent.
    - Retail parks were one of the only positive finds for the report, which found The east and south west reporting a 5.1 per cent and 4.0 per cent growth respectively.
    - Shopping centre footfall continued to drop, but at a decelerate rate, down 2.4 per cent for August against 3.4 per cent in July.

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 2017.

Graph 5.1 – Average Sales performance of businesses YOY

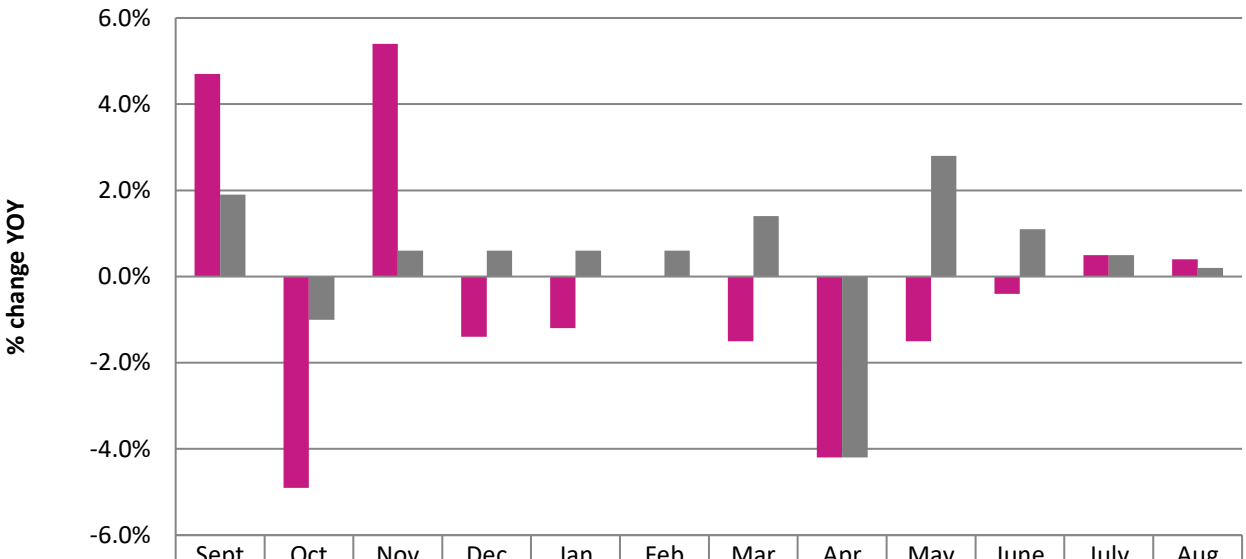


Source: Canterbury Connected BID Business Survey of Average Sales Performance based on 30 respondents.

Key findings:

- In August there was an overall +0.4% YOY change in sales performance which is a +0.1% change from August 2017.
  - A1 retailers had a reasonable month with a +0.7% change in sales performance YOY, which is a +4.7% increase on July but a +0.5% decrease in comparison to the same month last year.
  - A3 Food and drink establishments once again had a very good month with a +2.2% decrease in trade which is a -21.3% decrease from July but a +2.5% increase in comparison to the same month last year.

Graph 5.2 – Average Sales performance YOY



	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
Canterbury	4.7%	-4.9%	5.4%	-1.4%	-1.2%	0.0%	-1.5%	-4.2%	-1.5%	-0.4%	0.5%	0.4%
National	1.9%	-1.0%	0.6%	0.6%	0.6%	0.6%	1.4%	-4.2%	2.8%	1.1%	0.5%	0.2%

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

Key findings:

- Sales in August were up +0.4% YOY, +0.7% up on the twelve-month average of -0.3% for Canterbury and +0.2% higher than the national rate YOY.
- According to the BRC-KPMG UK Retail Sales Monitor:
    - In August, UK retail sales increased by 0.2% on a like-for-like basis from August 2017, when they had increased 1.3% from the preceding year.
    - On a total basis, sales increased 1.3% in August, against an increase of 2.4% in August 2017. This is below the 3-month and 12-month averages of 1.8% and 1.5% respectively.
    - Over the three months to August, In-store sales of Non-Food items declined 2.1% on a Total basis and 3.5% on a Like-for-like basis. This is higher than the 12-month Total average decline of 2.6%.
    - Over the three months to August, Food sales increased 2.6% on a like-for-like basis and 3.9% on a total basis. This is in line with the 12-month Total average growth of 3.8%.
    - Over the three-months to August, Non-Food retail sales in the UK decreased 1.0% on a like-for-like basis and increased 0.1% on a Total basis. This is higher than the 12-month Total average decrease of 0.4%. August Non-Food sales remained in decline.
    - Online sales of Non-Food products grew 7.5% in August, against a growth of 11.0% in August 2017. This is below the 3-month average of 7.9% and in line with the 12-month average of 7.6%. Online penetration rate increased from 21.4% in August 2017 to 23.2% in August 2018.

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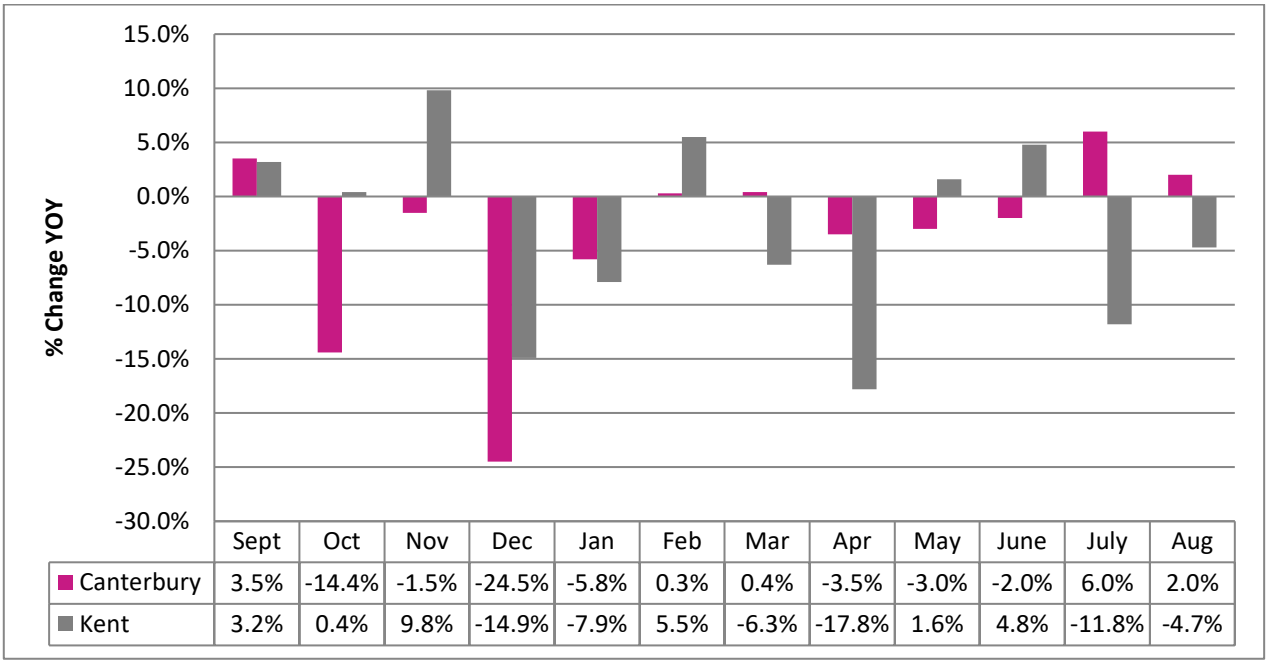
Tourism: Visitor numbers

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.

Graph 6.1 – Percentage change in visitor numbers to Canterbury attractions YOY



	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
Canterbury	3.5%	-14.4%	-1.5%	-24.5%	-5.8%	0.3%	0.4%	-3.5%	-3.0%	-2.0%	6.0%	2.0%
Kent	3.2%	0.4%	9.8%	-14.9%	-7.9%	5.5%	-6.3%	-17.8%	1.6%	4.8%	-11.8%	-4.7%

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

Key findings:

- In August there was a +2.0% YOY annual change in visitor numbers to visitor attractions in Canterbury which is a -4.0% increase over the month from July but a +1.0% increase on August 2017.
- For Kent, there was a -4.7% YOY annual change in visitor numbers to visitor attractions which is a +7.1% increase over the month from July.

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.

25 & 26th August – bOing Festival
27 August – Summer bank holiday