Canterbury Connected

BUSINESS IMPROVEMENT DISTRICT

Canterbury City Centre

Performance Report

September 2018

Canterbury City Centre Performance Report – September 2018

Executive summary

Welcome to the September 2018 edition of Canterbury city centre 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

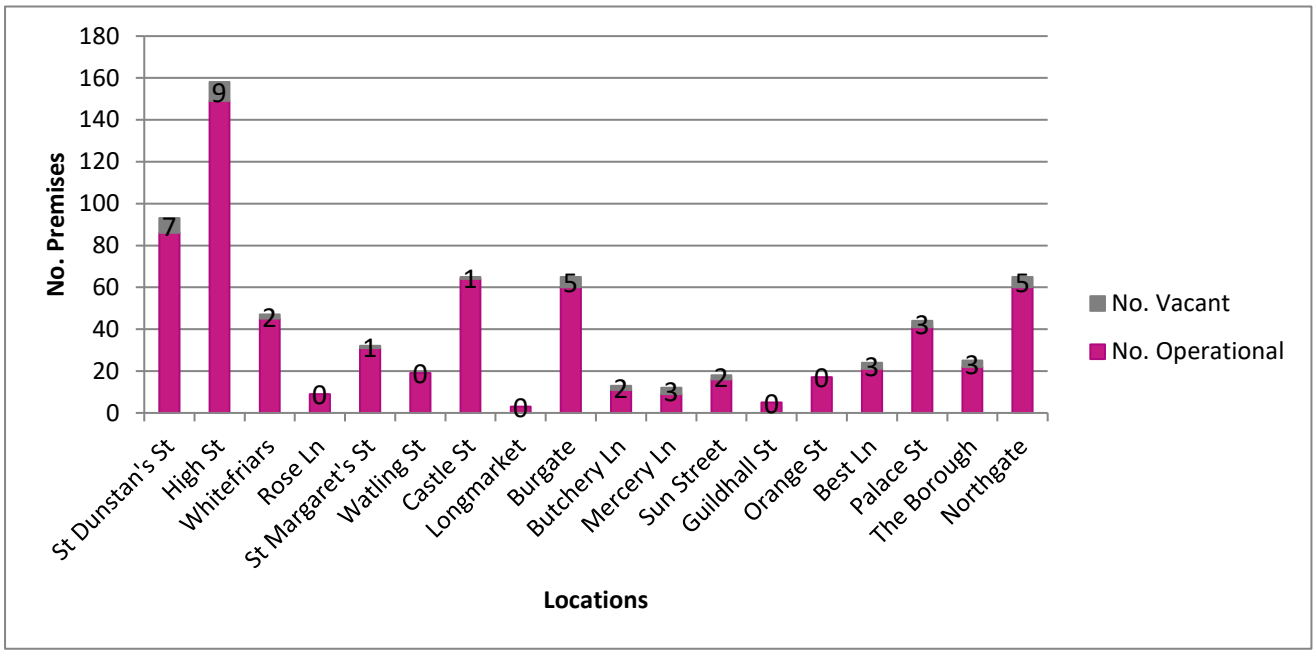
Indicator	Trend	Comment
Premises vacancy rates	🔴	The vacancy rate for Canterbury in September was 6.9%, 0.2% higher than August and 1.4% more than September 2017. The twelve-month average for Canterbury is 5.7%.
Premises type	🟡	Overall Food and drink premises (24%), 'speciality and other' (19% - down 1% from August) 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	🔴	Data unavailable
City Centre footfall	🔴	Footfall in Canterbury was down -1.3% YOY in September, -1.2% lower than the average for the South East, +0.5% higher than other historic centres and +0.3% higher than the national rate. The twelve-month average for Canterbury is -3.0% YOY. However there is some data missing for Canterbury which could skew the result.
Business Sales Performance	🔴	Sales in September were down -6.6% YOY, -5.3% down on the twelve-month average of -1.3% for Canterbury and -6.4% lower than the national rate YOY.
Tourism	🔴	In September there was a -2.0% YOY annual change in visitor numbers to visitor attractions in Canterbury which is a -4.0% decrease over the month from August and a -5.5% decrease on September 2017. For Kent, there was a 3.0% 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 September 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

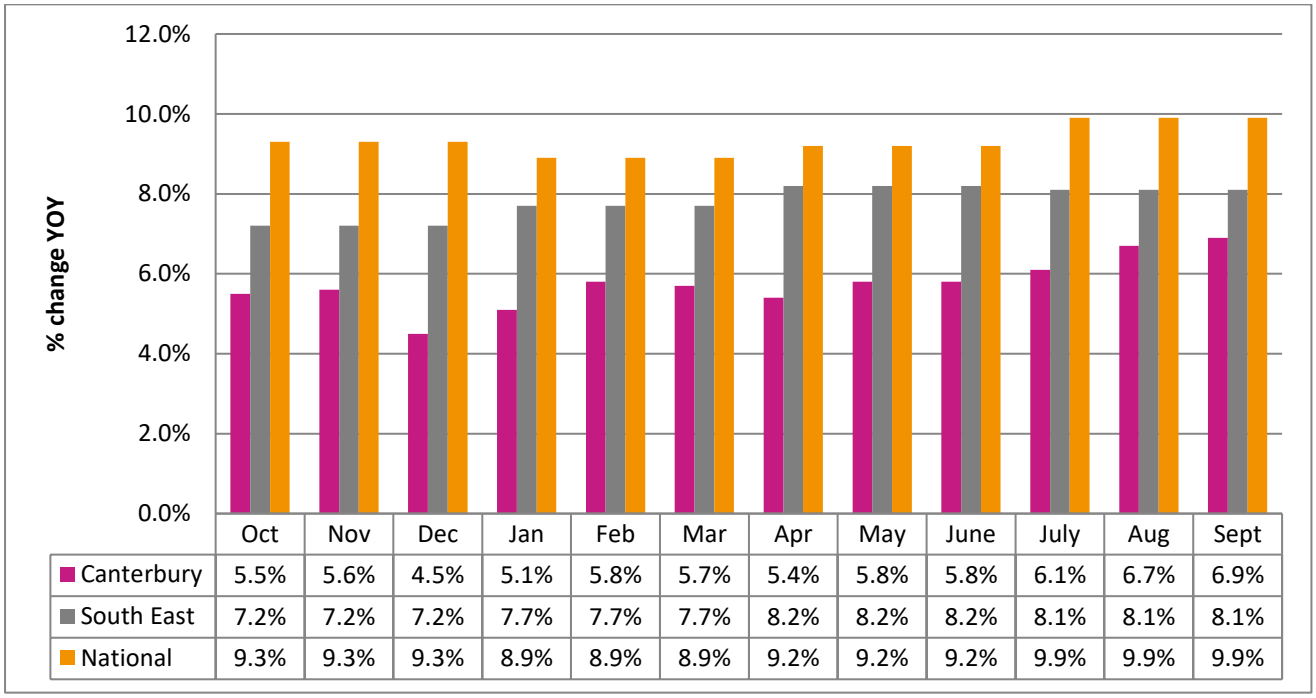


Source: Canterbury Connected BID monthly survey.

Key findings:

- A total number of 46 businesses premises were recorded as vacant in September, 1 more than August.
- St Dunstan's street, the High Street, Burgate and Northgate had the highest number of empty premises whilst Rose Lane, Watling 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



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
Canterbury	5.5%	5.6%	4.5%	5.1%	5.8%	5.7%	5.4%	5.8%	5.8%	6.1%	6.7%	6.9%
South East	7.2%	7.2%	7.2%	7.7%	7.7%	7.7%	8.2%	8.2%	8.2%	8.1%	8.1%	8.1%
National	9.3%	9.3%	9.3%	8.9%	8.9%	8.9%	9.2%	9.2%	9.2%	9.9%	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, August and October.

Key findings:

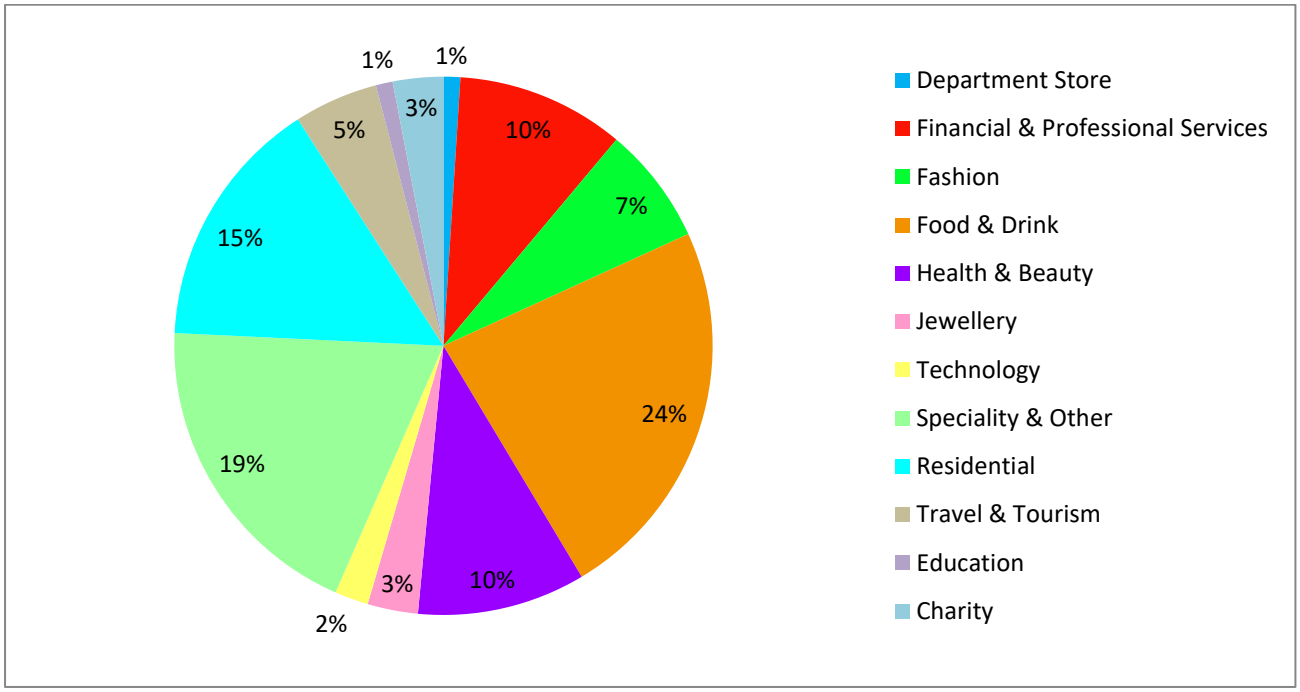
- The vacancy rate for Canterbury in September was 6.9%, 0.2% higher than August and 1.4% more than September 2017. The twelve-month average for Canterbury is 5.7%.
- The vacancy rate for the Southeast in Q3 2018 was 8.1%, 0.1% lower than Q2 2018 but 1.0% higher compared to the same time last year.
- 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 August 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



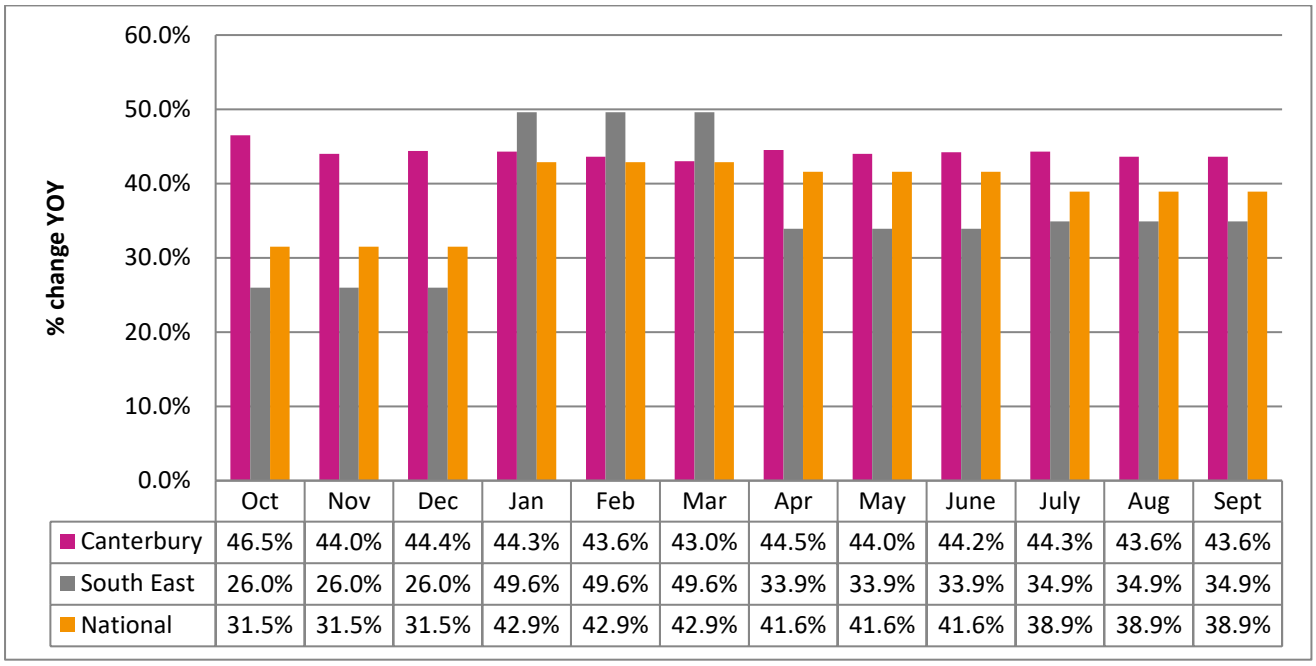
Source: Canterbury Connected BID monthly survey.

Key findings:

- Overall Food and drink premises (24%), 'speciality and other' (19% - down 1% from August) 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



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

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

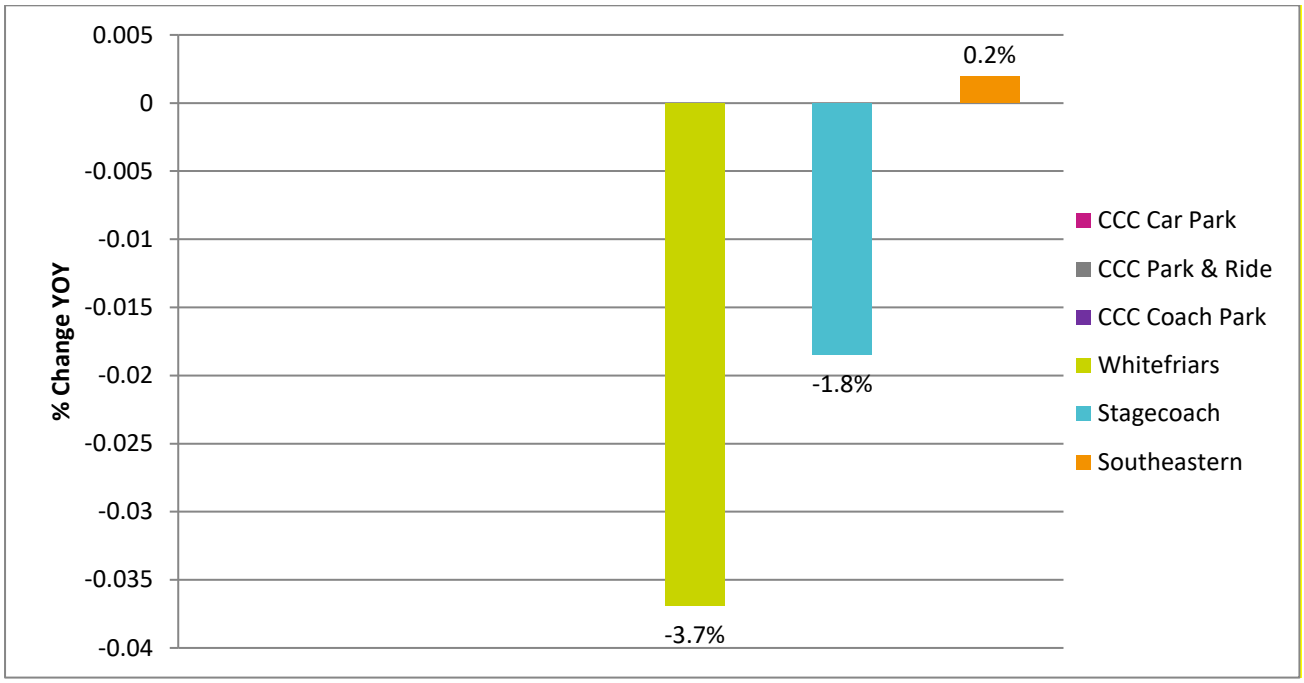
Key findings

- 43.6% of businesses recorded in September were independents, the same as August, 0.5% less than September 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 (76%), Sun Street (75%) and The Borough (64%) 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.

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

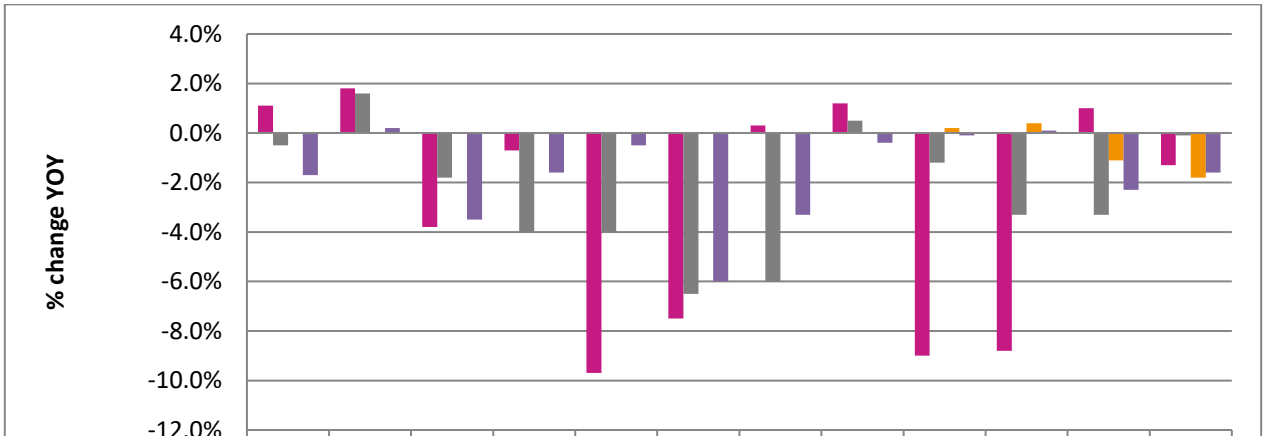


Source: Canterbury City Council Transportation Department, Stagecoach East Kent, Whitefriars shopping centre car park and Southeastern. Please note that data was unavailable from Canterbury City Council (CCC) this month.

Key Findings

- Overall footfall was down -1.3% YOY in September which is a -2.3% decrease on August, however there is some data missing which could skew the result.

Graph 4.2 – Canterbury footfall rates YOY



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
Canterbury	1.1%	1.8%	-3.8%	-0.7%	-9.7%	-7.5%	0.3%	1.2%	-9.0%	-8.8%	1.0%	-1.3%
South East	-0.5%	1.6%	-1.8%	-4.0%	-4.0%	-6.5%	-6.0%	0.5%	-1.2%	-3.3%	-3.3%	-0.1%
Historic Towns									0.2%	0.4%	-1.1%	-1.8%
National	-1.7%	0.2%	-3.5%	-1.6%	-0.5%	-6.0%	-3.3%	-0.4%	-0.1%	0.1%	-2.3%	-1.6%

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

Key Findings

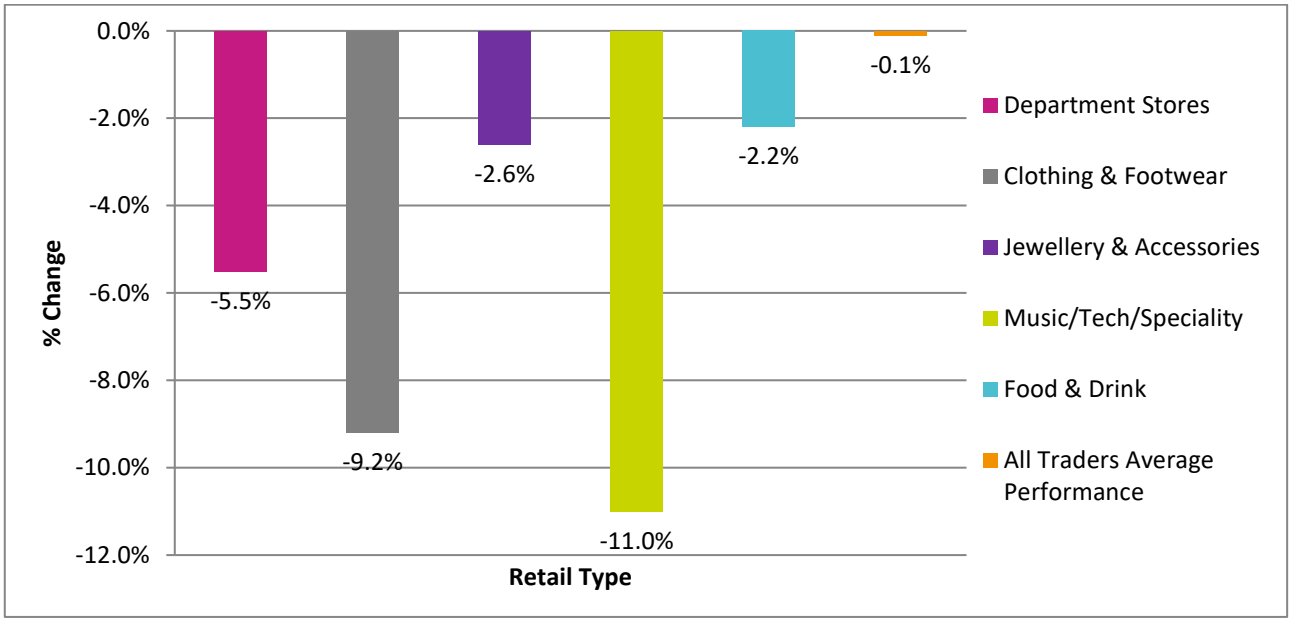
- Footfall in Canterbury was down -1.3% YOY in September, -1.2% lower than the average for the South East, +0.5% higher than other historic centres and +0.3% higher than the national rate. The twelve-month average for Canterbury is -3.0% YOY. However there is some data missing for Canterbury which could skew the result.

- Nationally:
    - September saw a continuation of the trend for decreased footfall at UK shops, with overall figures down 1.6% on September 2017. Shoppers are feeling the squeeze of increasing shop price inflation and little real wage growth.
    - Footfall on UK high streets decreased by 2.2% in September, marking the second consecutive month of decline, while shopping centre footfall continued to decrease – however, the decline in footfall decelerated, falling by 2.5%. Footfall growth in retail parks slowed by 0.1%

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

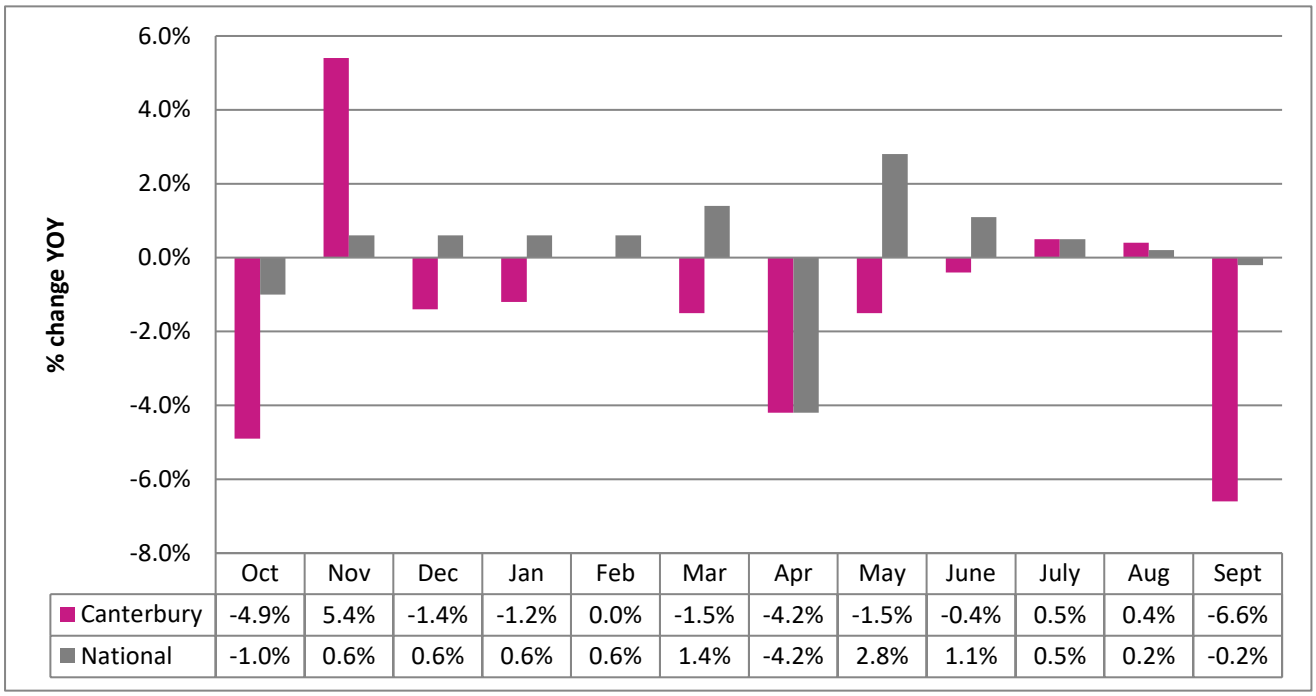


Source: Canterbury Connected BID Business Survey of Average Sales Performance based on 30 respondents.

Key findings:

- In September there was an overall -6.6% YOY change in sales performance which is a -11.3% change from September 2017. After a reasonable July and August, constrained consumer spending in September has resulted in the weakest sales growth this year.
  - A1 retailers had a poor month with a – 8.1% change in sales performance YOY, which is a -8.8% decrease on August and a -11.7% decrease in comparison to the same month last year.
  - A3 Food and drink had a relatively stable month with a -0.1% decrease in trade which is a +2.1% increase from August but a -10.7% decrease in comparison to the same month last year.

Graph 5.2 – Average Sales performance YOY



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
Canterbury	-4.9%	5.4%	-1.4%	-1.2%	0.0%	-1.5%	-4.2%	-1.5%	-0.4%	0.5%	0.4%	-6.6%
National	-1.0%	0.6%	0.6%	0.6%	0.6%	1.4%	-4.2%	2.8%	1.1%	0.5%	0.2%	-0.2%

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

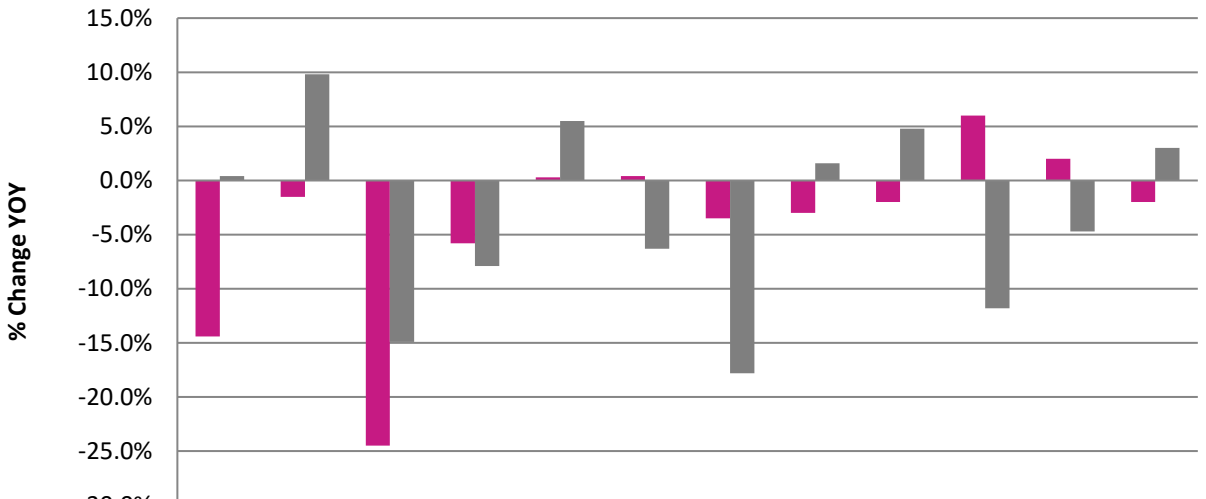
Key findings:

- Sales in September were down -6.6% YOY, -5.3% down on the twelve-month average of -1.3% for Canterbury and -6.4% lower than the national rate YOY.
- According to the BRC-KPMG UK Retail Sales Monitor:
    - UK retail sales fell 0.2 per cent in September compared with the same period a year before, when they had risen 1.9 per cent year-on-year.
    - On a total basis, sales rose 0.7 per cent in September, against an increase of 2.3 per cent in September 2017. The sales monitor pointed out that this was the lowest rise since last October, excluding Easter distortions.
    - In the three months to September, in-store sales of non-food items fell 2.7 per cent on a total basis and four per cent on a like-for-like basis.
    - Across the same period, food sales were up 2.3 per cent on a like-for-like basis and 3.4 per cent on a total basis.
    - Online sales of non-food products rose 5.4 per cent in September, against impressive growth of 10.7 per cent in September 2017, and achieving the lowest growth since January, well below the three month and 12 month respective averages of 6.7 per cent and 7.1 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.

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



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

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

Key findings:

- In September there was a -2.0% YOY annual change in visitor numbers to visitor attractions in Canterbury which is a -4.0% decrease over the month from August and a -5.5% decrease on September 2017.
- For Kent, there was a 3.0% YOY annual change in visitor numbers to visitor attractions which is a +7.7% increase over the month from August.

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.

8 September – Hop Hoodening
10 – 12 September – Canterbury Christ Church University Graduation Ceremonies
17 – 21 September – Freshers Week
21- 23 September – Canterbury Food & Drink Festival
22 September - A Night to Shine Pilgrims Hospice sponsored walk/run