Canterbury Connected

BUSINESS IMPROVEMENT DISTRICT

Canterbury City Centre

Performance Report

October 2018

Canterbury City Centre Performance Report – October 2018

Executive summary

Welcome to the October 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

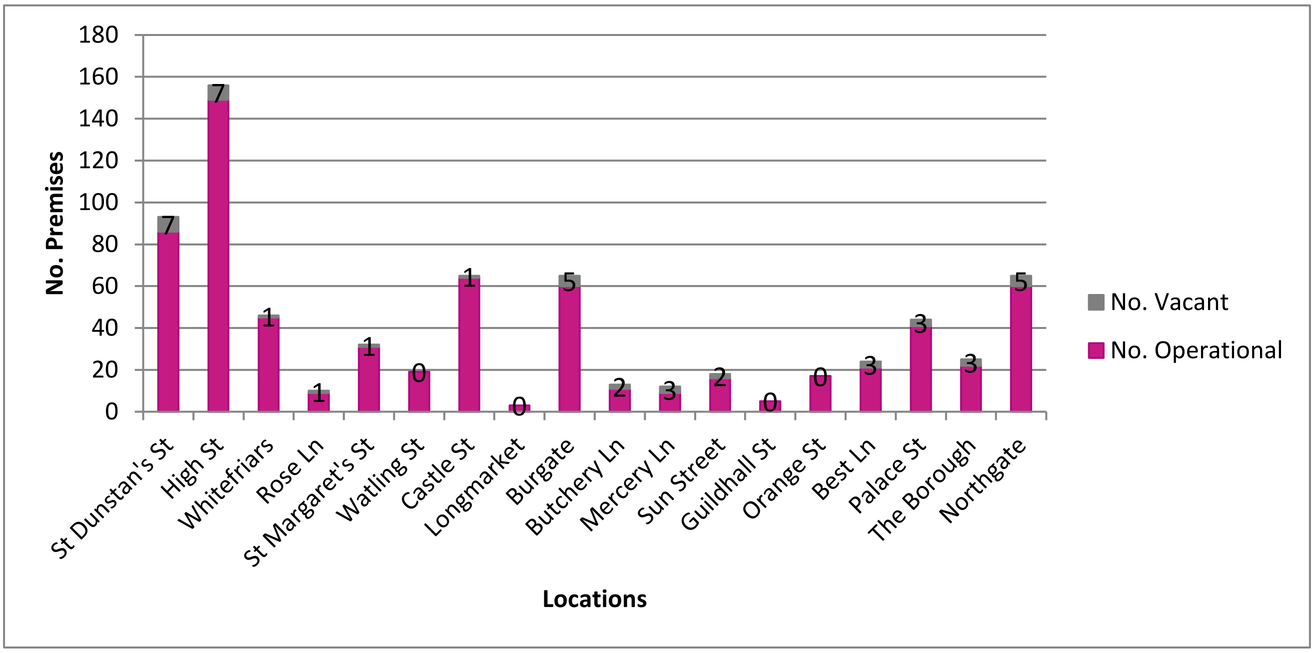
Indicator	Trend	Comment
Premises vacancy rates	●	The vacancy rate for Canterbury in October was 6.6%, 0.3% lower than September but -1.1% more than October 2017. The twelve-month average for Canterbury is 5.8%.
Premises type	●	Overall Food and drink premises (24%), 'speciality and other' (19% - down 1% from September) 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 -16.3% YOY in October, -10.6% lower than the average for the South East, -11.5% lower than other historic centres and -13.8% lower than the national rate. The twelve-month average for Canterbury is -4.4% YOY. However there is some data missing for Canterbury which could skew the result.
Business Sales Performance	●	Sales in October were down -1.9% YOY, -0.9% down on the twelve-month average of -1.0% for Canterbury and -2.0% lower than the national rate YOY.
Tourism	●	In October there was a +6.0% YOY annual change in visitor numbers to visitor attractions in Canterbury which is a +8.0% increase over the month from September and a +20.4% increase on October 2017. For Kent, there was a -6.0% 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 October 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

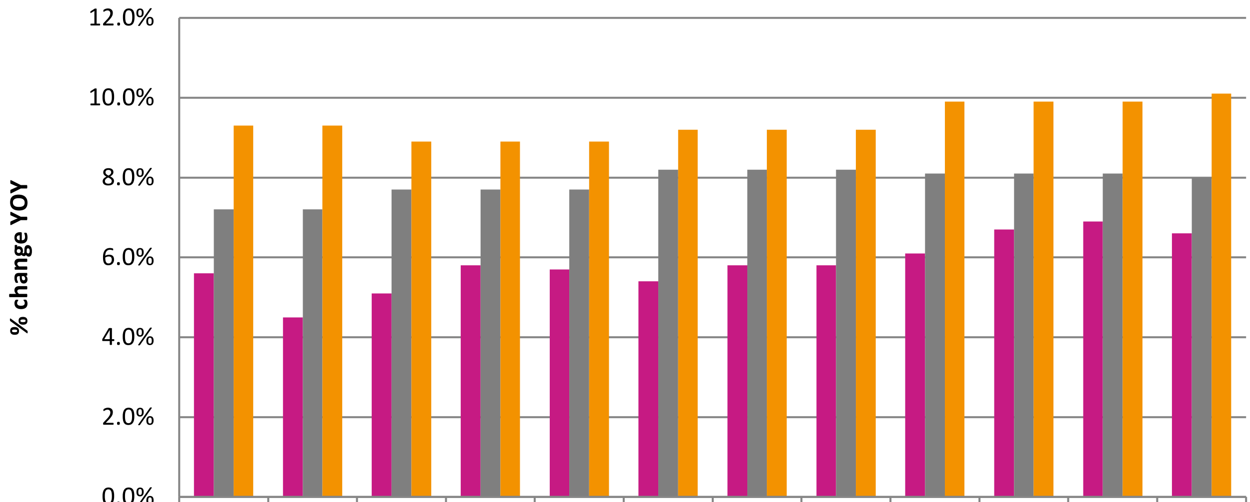


Source: Canterbury Connected BID monthly survey.

Key findings:

- A total number of 44 businesses premises were recorded as vacant in October, 2 less than September.
- St Dunstan's street, the High Street, Burgate and Northgate had the highest number of empty premises whilst 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



	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct
Canterbury	5.6%	4.5%	5.1%	5.8%	5.7%	5.4%	5.8%	5.8%	6.1%	6.7%	6.9%	6.6%
South East	7.2%	7.2%	7.7%	7.7%	7.7%	8.2%	8.2%	8.2%	8.1%	8.1%	8.1%	8.0%
National	9.3%	9.3%	8.9%	8.9%	8.9%	9.2%	9.2%	9.2%	9.9%	9.9%	9.9%	10.1%

Source: Canterbury Connected BID monthly survey and the British Retail Consortium and Springboard reports which are gathered on a quarterly basis in January, April, September and October.

Key findings:

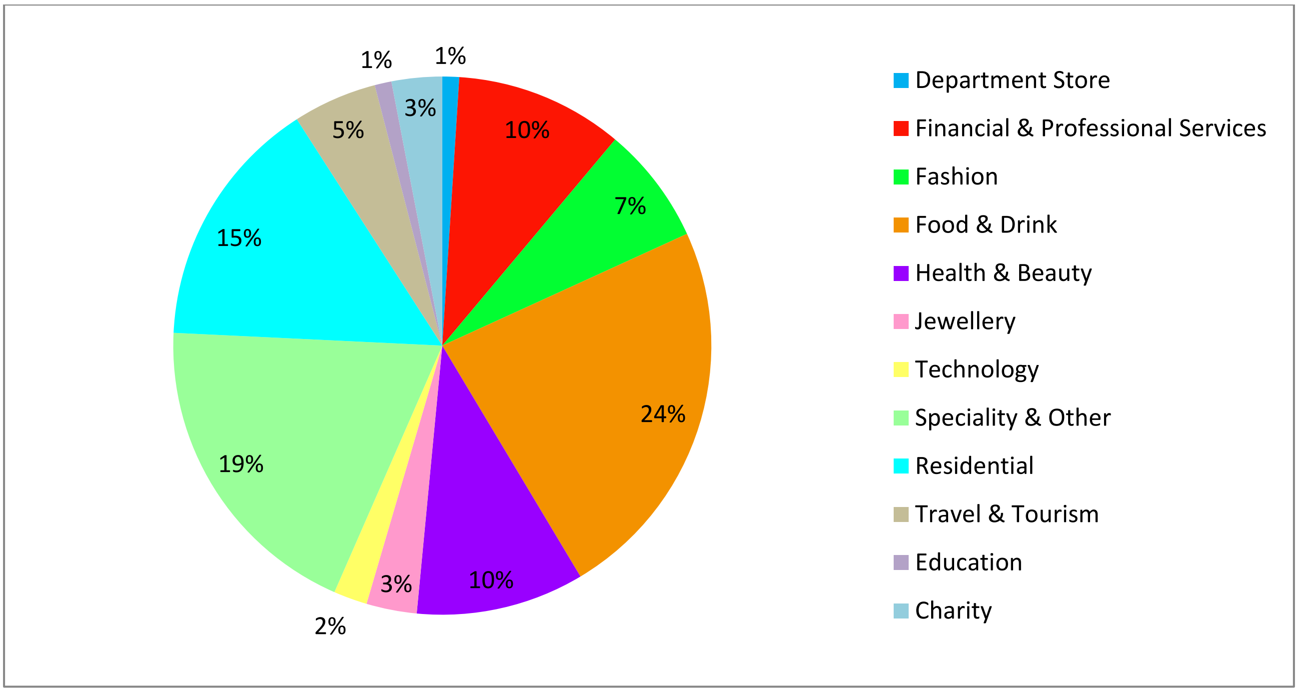
- The vacancy rate for Canterbury in October was 6.6%, 0.3% lower than September but -1.1% more than October 2017. The twelve-month average for Canterbury is 5.8%.
- The vacancy rate for the Southeast in Q4 2018 was 8.0%, 0.1% lower than Q3 2018 but 0.8% higher compared to the same time last year.
- Canterbury had the fifteenth lowest vacancy rate of the 36 towns in the South East that published their results in the Springboard Quarterly Vacancy Rate Survey Q4 2018.
- The National Town Centre Vacancy Rate was 10.1% in October 2018. This is a rise of 0.2% from the vacancy rate of 9.9% in July 2018 which, in turn, was a 0.7% rise on the 9.2% vacancy rate recorded in April 2018. The result this quarter, is also 0.8% higher than the same quarter last year and remains higher than the benchmark low of 8.7% recorded in January 2016.

Regional Vacancy Rates Q4 2018			
London	5.0%	North East Yorkshire	15.2%
South East	8.0%	North West	11.9%
South West	8.6%	Scotland	11.1%
East	7.2%	Northern Ireland	13.6%
East Midlands	8.8%	Wales	13.6%
West Midlands	10.5%		

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



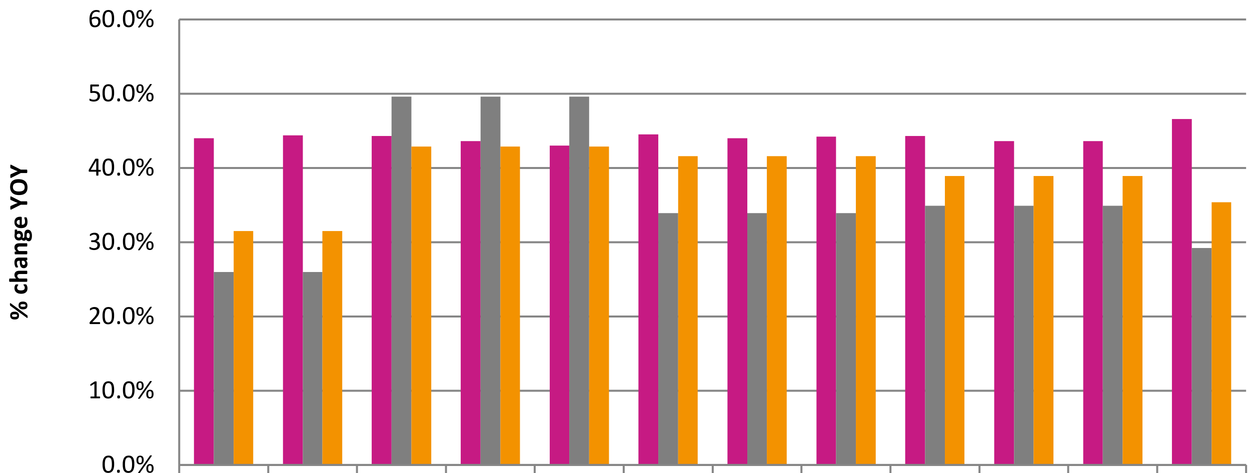
Source: Canterbury Connected BID monthly survey.

Key findings:

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



	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct
Canterbury	44.0%	44.4%	44.3%	43.6%	43.0%	44.5%	44.0%	44.2%	44.3%	43.6%	43.6%	46.6%
South East	26.0%	26.0%	49.6%	49.6%	49.6%	33.9%	33.9%	33.9%	34.9%	34.9%	34.9%	29.2%
National	31.5%	31.5%	42.9%	42.9%	42.9%	41.6%	41.6%	41.6%	38.9%	38.9%	38.9%	35.4%

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

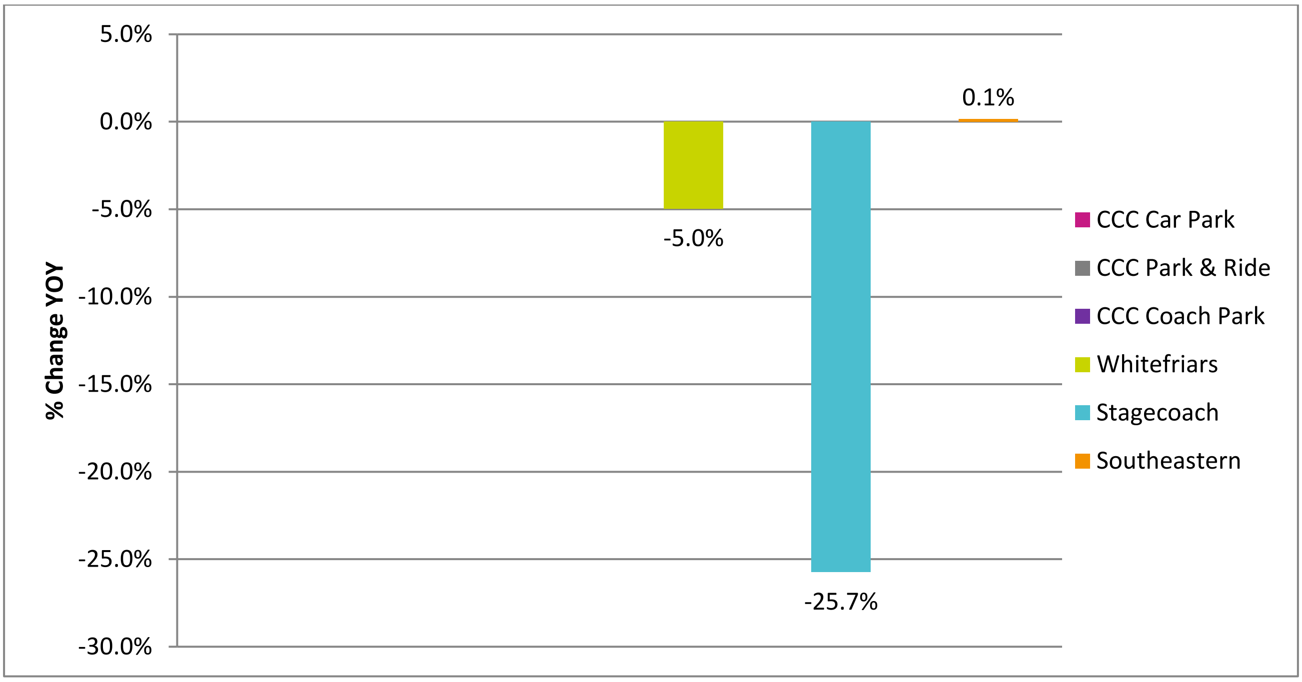
Key findings

- 46.6% of businesses recorded in October were independents, 0.3% more than September, 0.1% more than October 2017, +17.4% more than the average for the South East and +11.2% more than the national average.
  - Longmarket (100%), Whitefriars (96%) and Rose Lane (89%) 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

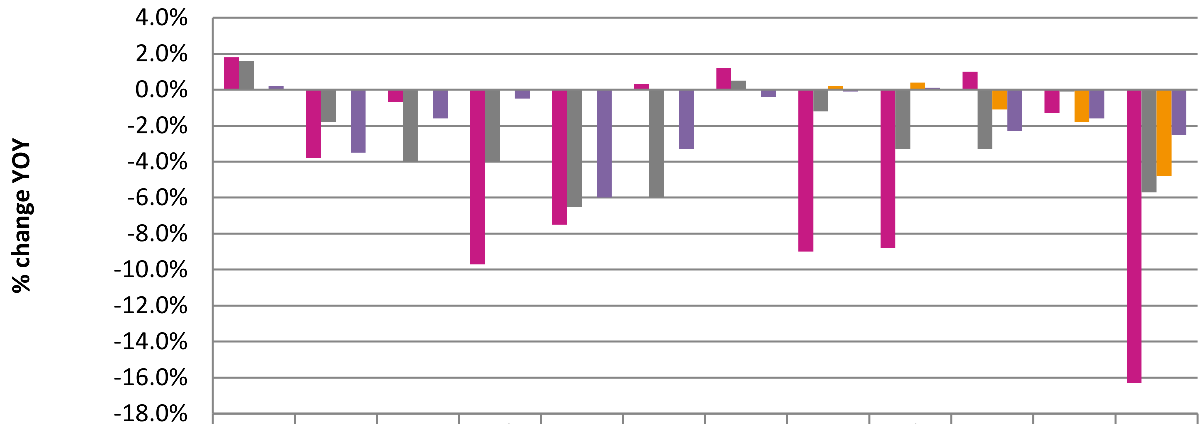


Source: Canterbury City Council Transportation Department, Stagecoach East Kent, Whitefriars shopping centre car park and Southeastern. Please note that data was unavailable from Canterbury City Council (CCC) this month.

Key Findings

- Overall footfall was down -16.3% YOY in October which is a -15% decrease on September, however there is some data missing which could skew the result.

Graph 4.2 – Canterbury footfall rates YOY



	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct
Canterbury	1.8%	-3.8%	-0.7%	-9.7%	-7.5%	0.3%	1.2%	-9.0%	-8.8%	1.0%	-1.3%	-16.3%
South East	1.6%	-1.8%	-4.0%	-4.0%	-6.5%	-6.0%	0.5%	-1.2%	-3.3%	-3.3%	-0.1%	-5.7%
Historic Towns								0.2%	0.4%	-1.1%	-1.8%	-4.8%
National	0.2%	-3.5%	-1.6%	-0.5%	-6.0%	-3.3%	-0.4%	-0.1%	0.1%	-2.3%	-1.6%	-2.5%

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

Key Findings

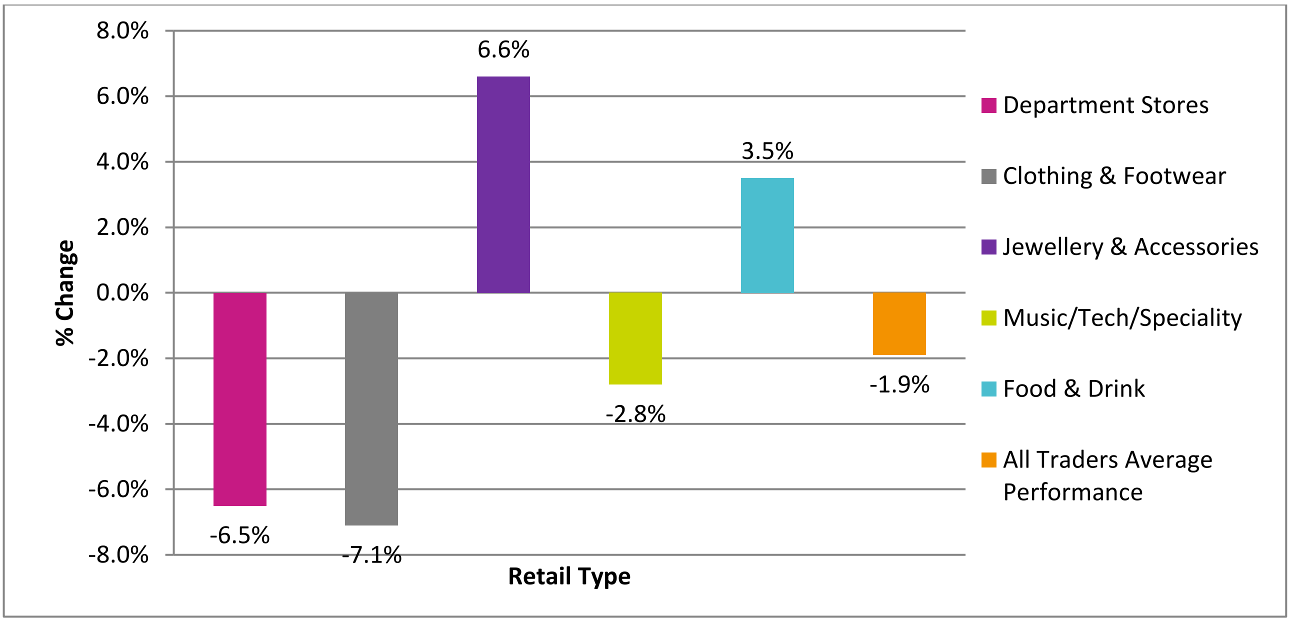
- Footfall in Canterbury was down -16.3% YOY in October, -10.6% lower than the average for the South East, -11.5% lower than other historic centres and -13.8% lower than the national rate. The twelve-month average for Canterbury is -4.4% YOY. However there is some data missing for Canterbury which could skew the result.

- Nationally:
    - Footfall in October fell by 2.5% on the previous year, an identical fall to that recorded in October 2017 and a deeper decline than September 2018 when footfall fell by 1.6%. October is also the eleventh month of consecutive footfall decline. These numbers reflect the ongoing trend of declining footfall.
    - Northern Ireland was the only region to record growth of 2.7%, with footfall growing by 4.0% in both its High Streets, an improvement from September's sharp declines of 6.1% in both of these locations. The East and East Midlands experienced the deepest footfall decreases of 6.1% and 4.8%, respectively.
    - High Street footfall fell by 2.3%, now three months of consecutive weakening for this shopping location. Northern Ireland and Greater London were the only two regions to see growth of 4.0% and 0.2%, respectively. The decline in the South East saw a significant acceleration from 0.6% to 5.0% in this location, the deepest fall since April 2018 when it declined by 6.2%.
    - At -0.2% in October, Retail Parks footfall slipped back after two months of positive growth.
    - The Shopping Centre footfall decline deepened to 3.3% from 2.5% in September (now 19 months of consecutive decline), a similar rate seen in October 2017, when it fell by 3.0%.

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

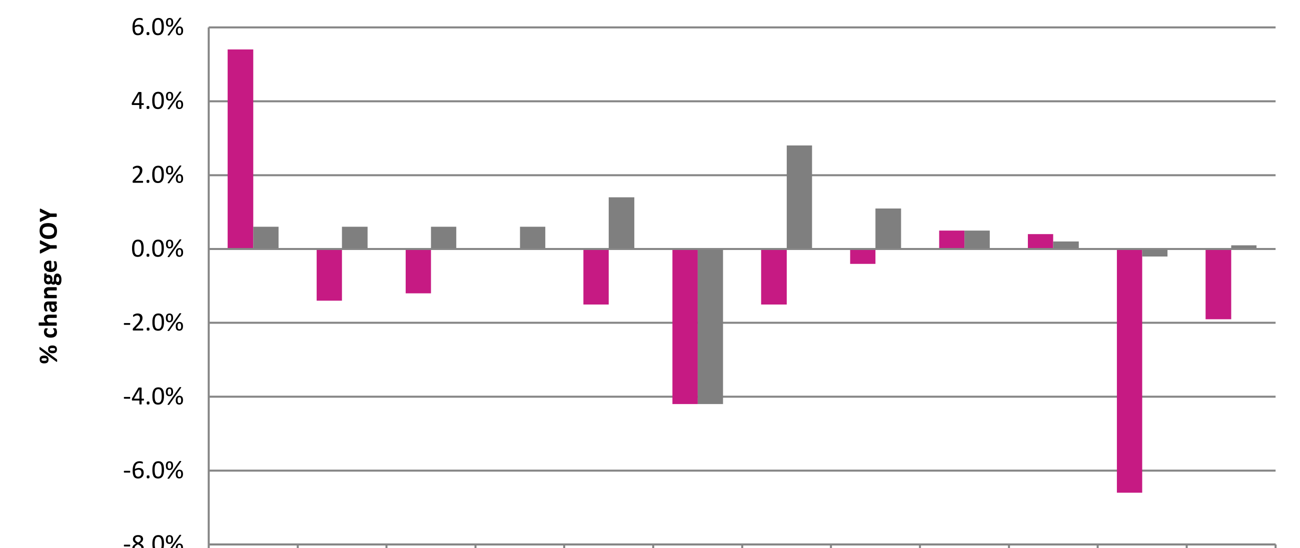


Source: Canterbury Connected BID Business Survey of Average Sales Performance based on 30 respondents.

Key findings:

- In October there was an overall -1.9% YOY change in sales performance which is a +3.0% change from October 2017.
    - A1 retailers had a poor month with a – 3.2% change in sales performance YOY, which is a -8.8% decrease on September and a +4.1% increase in comparison to the same month last year.
    - A3 Food and drink had a good month with a 3.5% increase in trade which is a +3.6% increase from September but a -2.2% decrease in comparison to the same month last year.

Graph 5.2 – Average Sales performance YOY



	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct
Canterbury	5.4%	-1.4%	-1.2%	0.0%	-1.5%	-4.2%	-1.5%	-0.4%	0.5%	0.4%	-6.6%	-1.9%
National	0.6%	0.6%	0.6%	0.6%	1.4%	-4.2%	2.8%	1.1%	0.5%	0.2%	-0.2%	0.1%

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

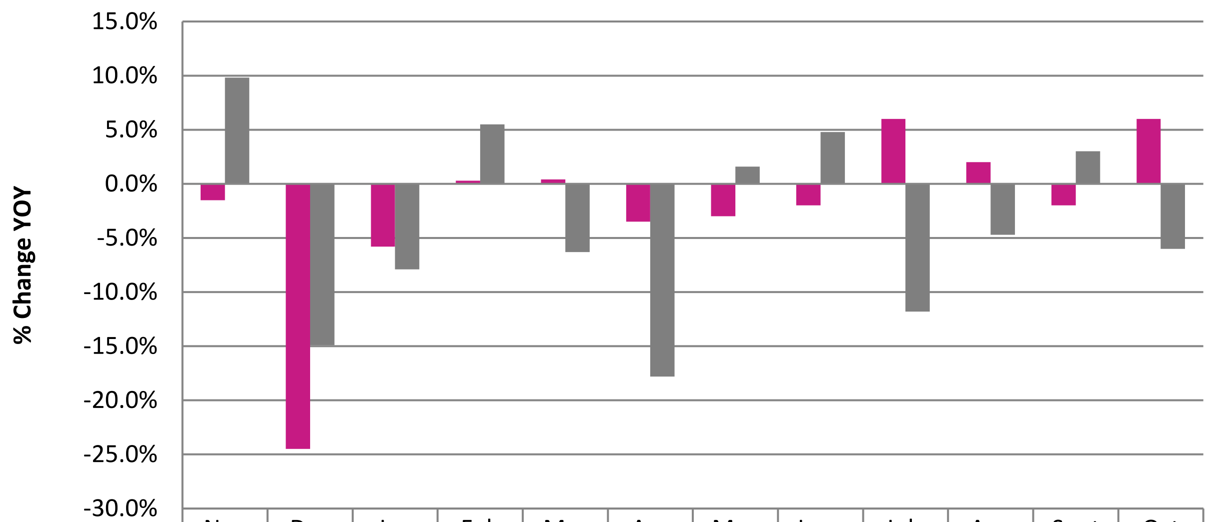
Key findings:

- Sales in October were down -1.9% YOY, -0.9% down on the twelve-month average of -1.0% for Canterbury and -2.0% lower than the national rate YOY.
- According to the BRC-KPMG UK Retail Sales Monitor:
    - In October, UK retail sales increased by 0.1% on a like-for-like basis from October 2017, when they had decreased 1.0% from the preceding year.
    - On a total basis, sales increased 1.3% in October, against an increase of 0.2% in October 2017. This is above the 3-month average of 1.1%, but below the 12-month average of 1.4%.
    - Over the three months to October, In-store sales of Non-Food items declined 2.0% on a Total basis and 3.3% on a Like-for-like basis. This is above the 12-month Total average decline of 2.4%.
    - Over the three months to October, Food sales increased 1.2% on a like-for-like basis and 2.3% on a total basis. This is below the 12-month Total average growth of 3.5%.
    - Over the three-months to October, 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 above the 12-month Total average decrease of 0.2%. October Non-Food sales saw growth for the first time in 4 months.
    - Online sales of Non-Food products grew 7.6% in October, against a growth of 4.0% in October 2017, the lowest growth of 2017. This is above the 3-month and 12-month averages of 6.7% and 7.4% respectively. Online penetration rate increased from 25.7% to 27.6% in October 2018.

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



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

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

Key findings:

- In October there was a +6.0% YOY annual change in visitor numbers to visitor attractions in Canterbury which is a +8.0% increase over the month from September and a +20.4% increase on October 2017.
- For Kent, there was a -6.0% YOY annual change in visitor numbers to visitor attractions which is a -9.0% decrease over the month from September and a -6.4% decrease on October 2017.

Events

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

4 October – Whitefriars Student Shopping Night
6 October – University of Kent Open Day
20–28 October – Half Term
20- 31 October – Canterbury Festival