



Canterbury City Centre

Performance Report

January 2020

Canterbury City Centre Performance Report – January 2020

Executive summary:

Welcome to the January 2020 edition of Canterbury city centre performance report. This report has been prepared by Canterbury 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 January 2020 was 7%, 0.3% higher than December 2019 and +0.3% higher than January 2019. The twelve-month average for Canterbury is 6.4%.
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. In total, retail (department stores, fashion, jewellery, speciality and other) occupied 31% of city centre premises.
City Centre footfall	●	Footfall in Canterbury increased by 4.8% in comparison to December 2019 and in was -4.1% lower YOY in January 2020. It is -1% lower than the average for the South East, -0.6% lower than other historic centres and -2.5% lower than the national rate.
Business Sales Performance	●	In January there was an overall -1.5% YOY decrease in sales performance which is a -0.8% change from January 2019 and +3.2% change from December 2019.
Tourism	●	In January there was a +25% YOY change in visitor numbers to visitor attractions in Canterbury and 30.4% increase comparing to December 2019. For Kent, there was a +3.5% YOY change in visitor numbers to visitor attractions which is -3.4% decrease comparing to December 2019.

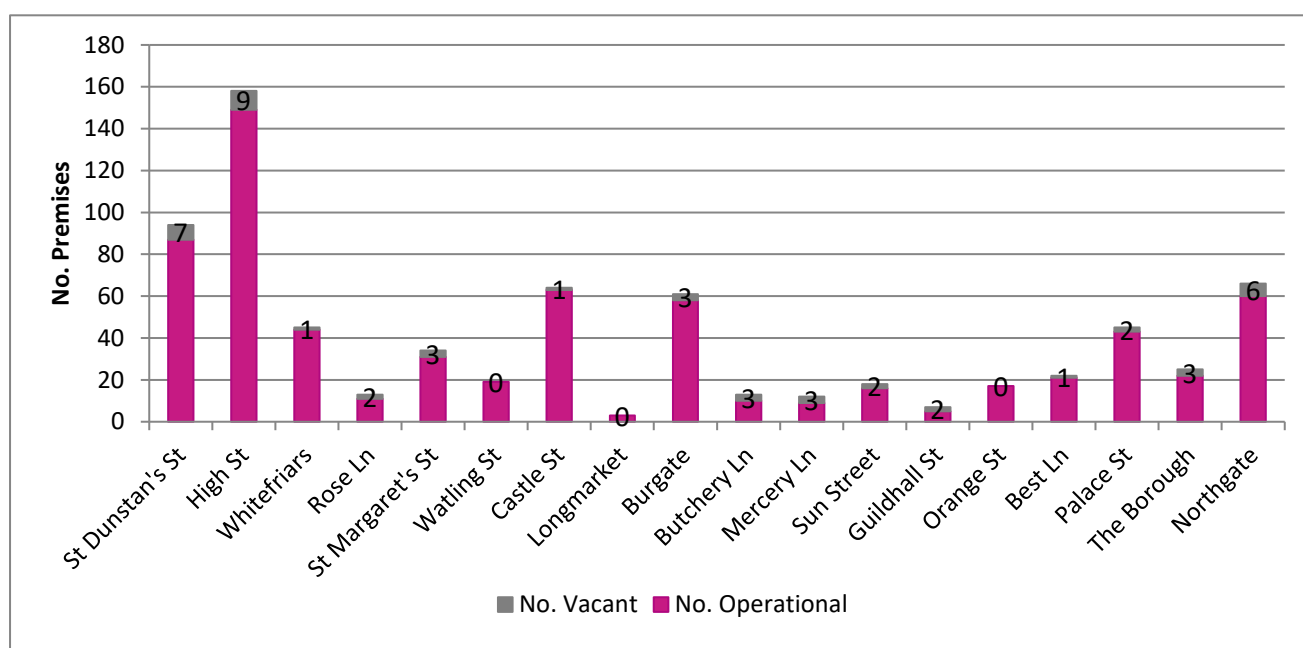
All data provided within this report is limited by the amount of information available at the time of the report being written. Where data is missing, it will be indicated at the end of each section. YOY = Year on Year.

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Business premises vacancy rates

In January 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



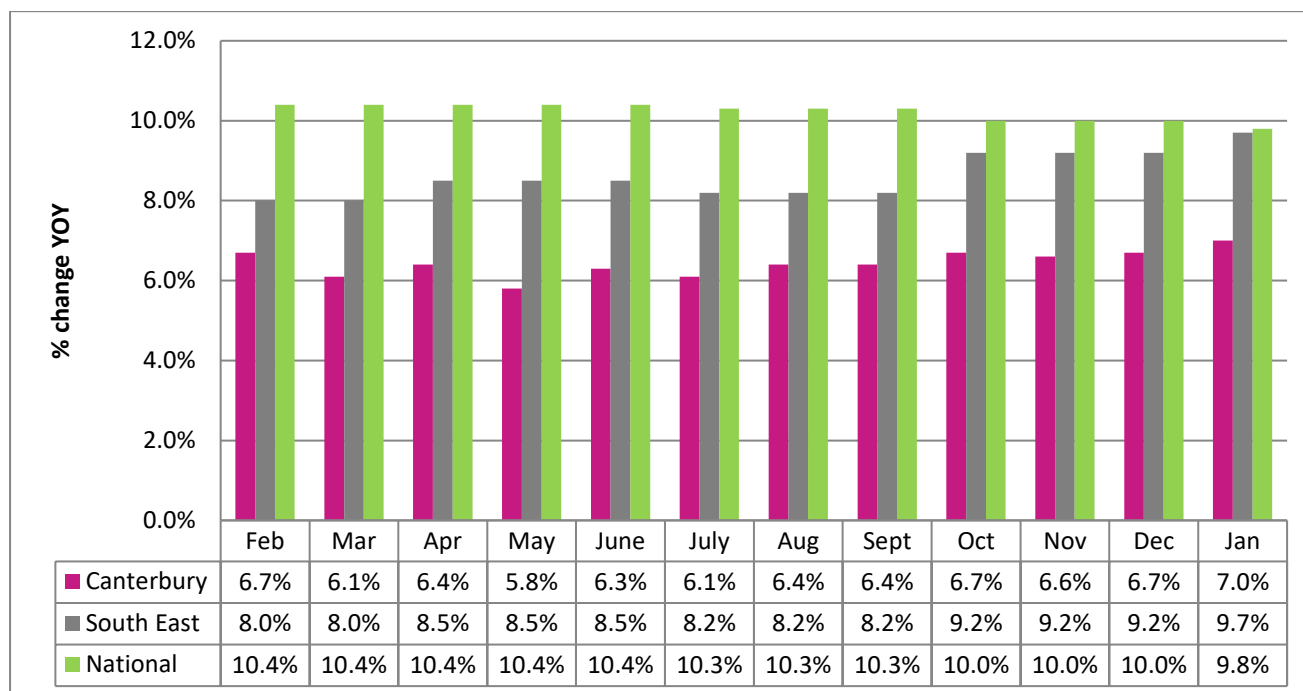
Source: Canterbury BID monthly survey.

Key findings:

- A total number of 47 businesses premises were recorded as vacant in January, two more than in December 2019.
- St Dunstan's Street, the High Street and Northgate had the highest number of empty premises whilst Watling Street, Longmarket and Orange Street had none.
- As a comparison to the total number of premises within each street, Butchery Lane (30%), Mercery Lane (33%) and Guildhall Street (40%) had the highest vacancy rate.

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Graph 1.2 - Premises vacancy rates YOY



Source: Canterbury 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 2020 was 7%, 0.3% higher than December 2019 and +0.3% higher than January 2019. The twelve-month average for Canterbury is 6.4%.

- The vacancy rate for the Southeast in January 2020 was 9.7%, +0.5% higher than Q4 2019 and +1.7% higher compared to the same quarter last year.
- Canterbury had the 6th lowest vacancy rate of the 26 towns in the South East that published their results in the Springboard Vacancy Rate Survey.
- The National Town Centre Vacancy Rate was 9.8% in January 2020. This is lower than the vacancy rate of 10.4% in February and May 2019 and 10.3% in July 2019.

The result this January is also -0.6% lower than the same month last year and remains higher than the benchmark low of 8.7% recorded in January 2016.

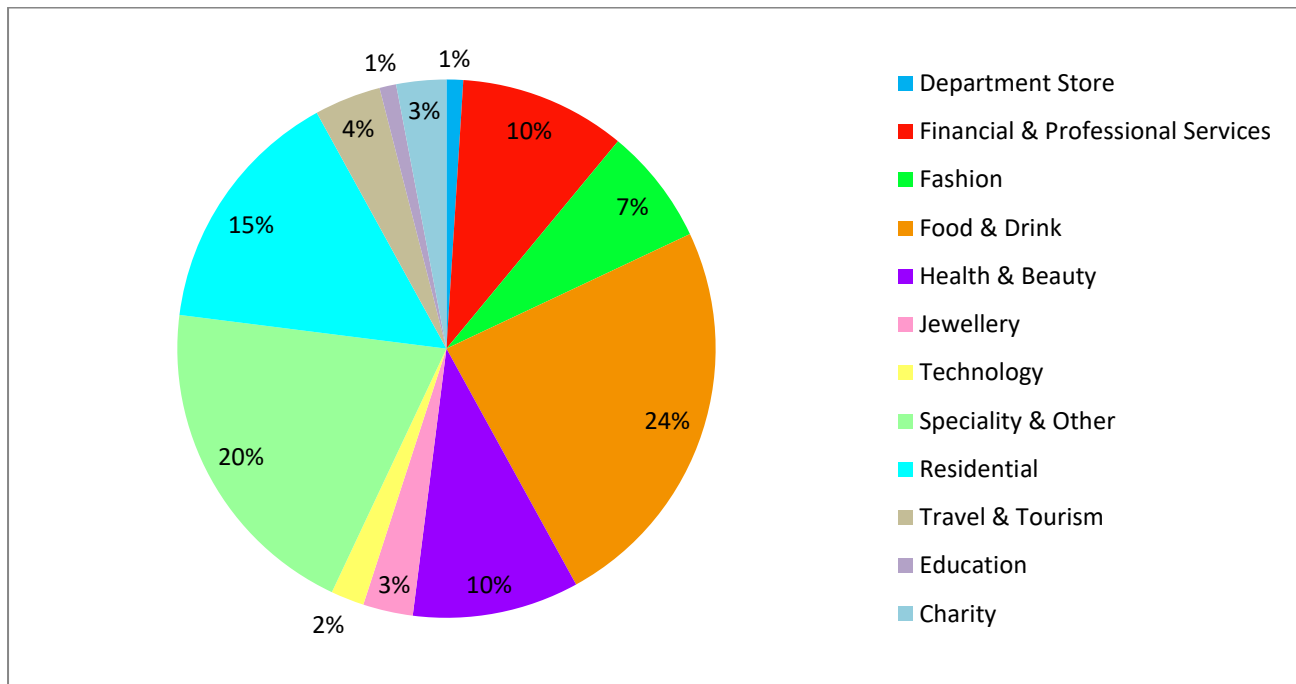
Regional Vacancy Rates January 2020			
London	5.3%	North East Yorkshire	12.7%
South East	9.7%	North West	11.6%
South West	10.6%	Scotland	10.7%
East	6.7%	Northern Ireland	14.3%
East Midlands	10.8%	Wales	13.2%
West Midlands	9.9%		

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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 12 categories. The following graph illustrates the premises type in Canterbury:

Graph 2.1 - Premises type in Canterbury



Source: Canterbury BID monthly survey.

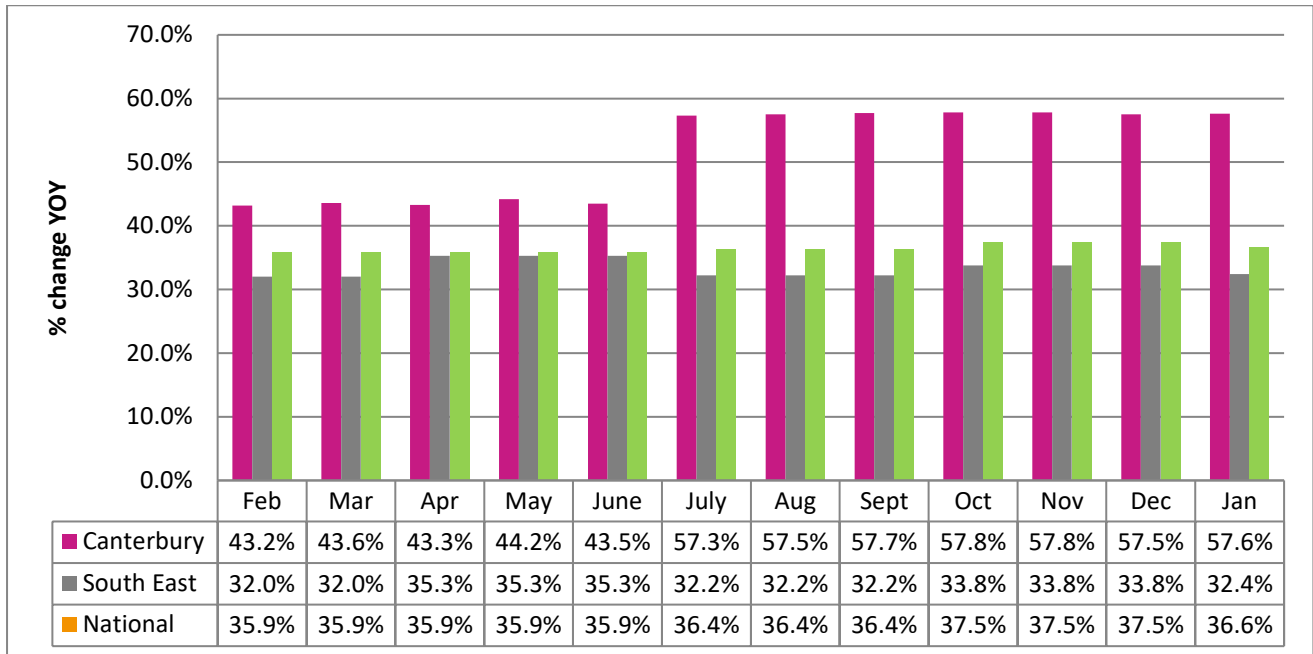
Key findings:

- 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. In total, retail (department stores, fashion, jewellery, speciality and other) occupied 31% of city centre premises.

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

Key findings:

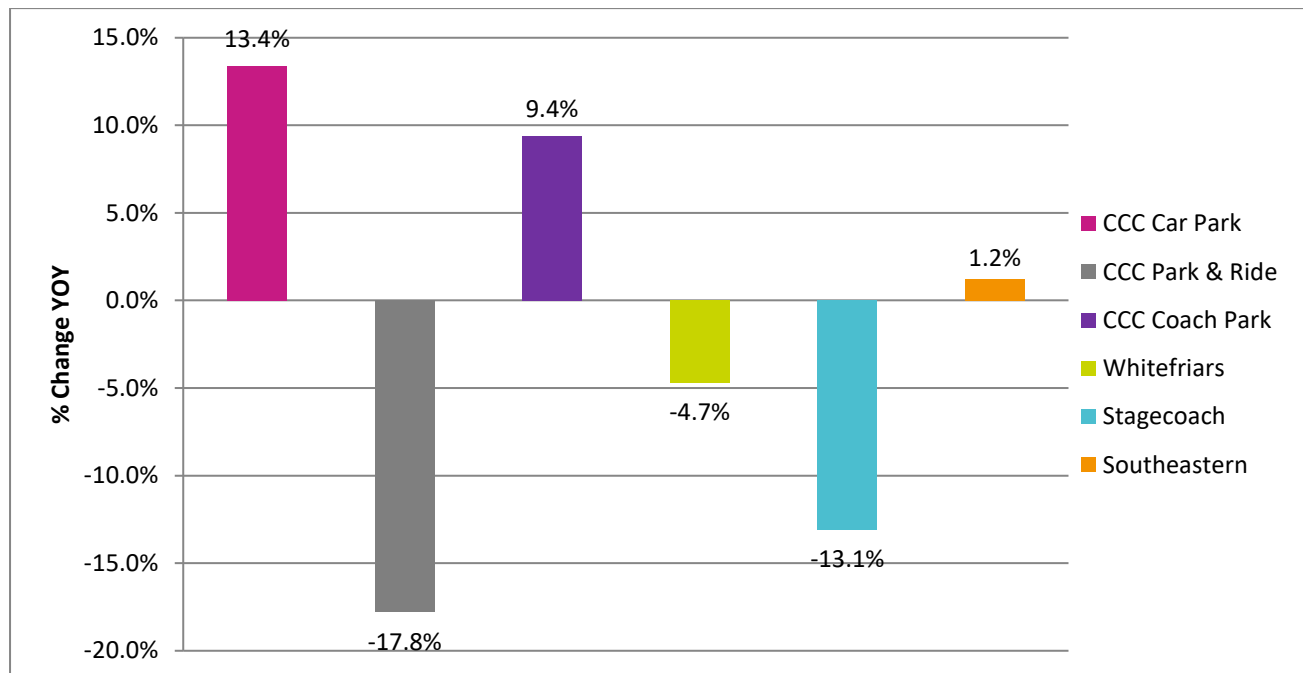
- 57.6% of businesses recorded in January were independent, +25.2% more than the average for the South East and +21% more than the national average.
 - Longmarket (100%), Whitefriars (98%) and Rose Lane (90%) had the highest number of multiples, which is unsurprising as they are managed developments.
 - Orange Street (100%), Palace Street (95%) and The Borough (93%) had the highest number of independent businesses.

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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 3.1 – City centre transportation usage YOY



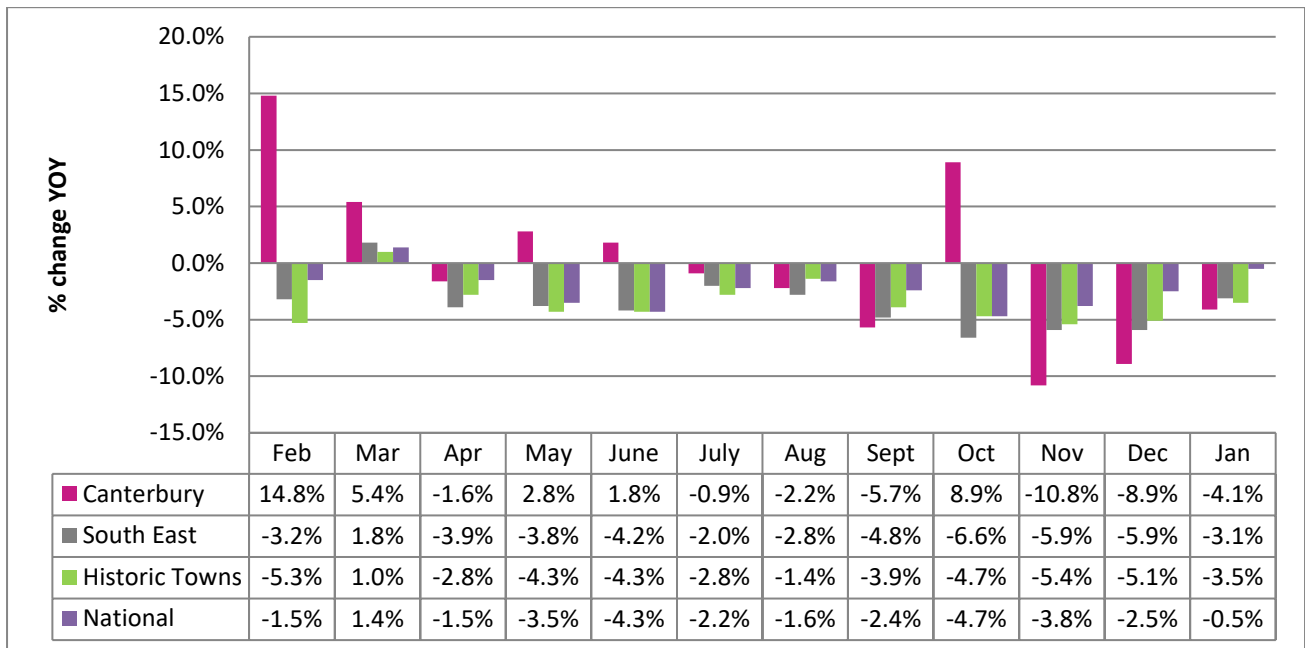
Source: Canterbury City Council Transportation Department, Stagecoach East Kent, Whitefriars shopping centre car park and Southeastern.

Key Findings

- Overall footfall decreased by -4.1 % YOY in January 2020 which is a 4.8% increase on December 2019.
- Car Parks, Coach Park and Southeastern Rail saw a YOY increase in footfall.

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Graph 3.2 – Canterbury footfall rates YOY



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

Key Findings:

Footfall in Canterbury increased by 4.8% in comparison to December 2019 and in was -4.1% lower YOY in January 2020. It is -1% lower than the average for the South East, -0.6% lower than other historic centres and -2.5% lower than the national rate.

Nationally:

The start of 2020 brought some stability for bricks and mortar stores, with a drop in footfall in retail destinations of just -0.5% from January 2019, when footfall dropped by -0.7% from January 2018. Shop vacancies reinforced this, with a second consecutive quarterly improvement, bringing the UK rate down to 9.8%, the lowest for a year and below the rate of 9.9% in January 2019. Retail parks continued to attract additional shoppers, with a rise in footfall of +1.4%, demonstrating their ability to bridge the gap between functionality and experience by offering a proposition that meets the needs of today’s efficient shopper; they are easy to access and navigate with the additional benefit of free parking, whilst incorporating an offer that matches consumer expectations as spending restraint continues in the face of ongoing economic uncertainty. January was the first month since March 2017, and only the third month in four years, that footfall in shopping centres rose; and whilst a rise of +0.2% is only a modest increase it brings some much needed hope for this destination type that has consistently lost shoppers for over two years. It seems that this is an early sign that the regeneration schemes long planned by owners to broaden the offer of malls to a greater experiential element, particularly in the larger malls, are working and they now better reflect consumers demands. It is likely that this is part of the reason why footfall in high streets declined by -1.8% in January, as consumers were attracted back into shopping centres, and is further illustrated by the contrast in footfall post 8pm which rose by +3% in shopping centres whilst declining by -1.3% in high streets. This result

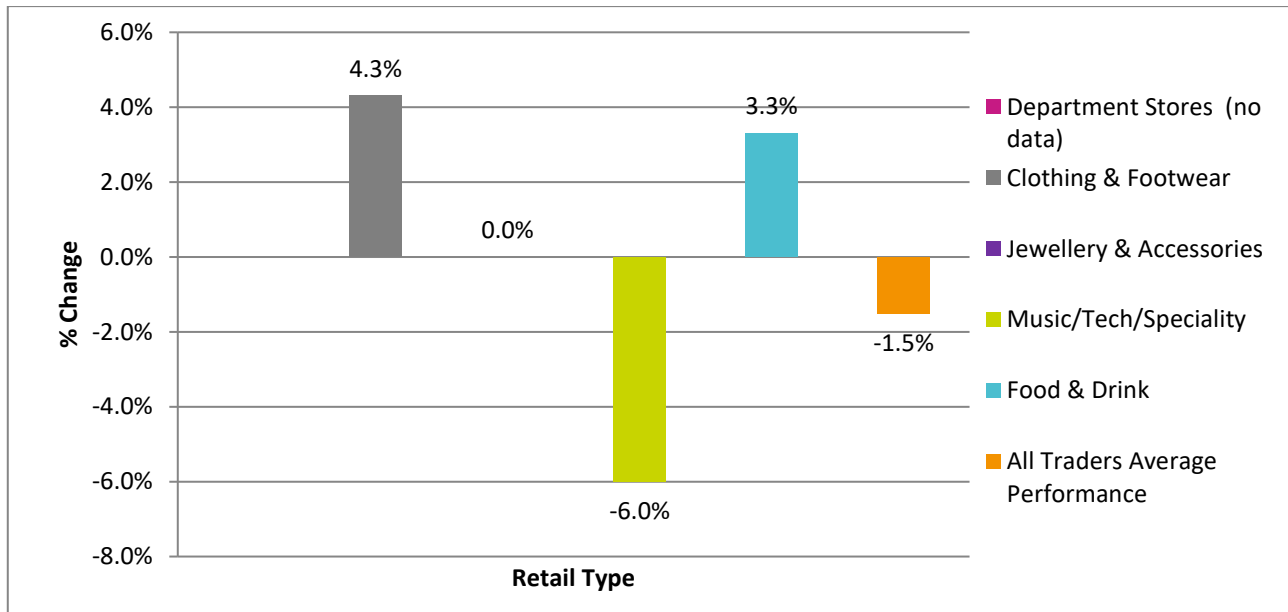
reinforces the benefit of a single ownership structure and also demonstrates the realisation that the old format of 100% retail is no longer relevant. Whilst the gestation period for shopping centre investment may be a long one, once the chess pieces are finally in place a single owner is often more readily able deliver meaningful change than a high street, which can be weighed down by a multiplicity of owners all of whom have varying objectives and aspirations for their particular asset. The path of enhancement of shopping centres has only just begun, but the shift in the proposition of some malls alongside the reduction in supply, taking out malls that are simply not fit for future purpose, will bode well for those that remain. The issue moving forward will be the cumulative impact of this, together with the functionality of retail parks, on high streets.

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Business sales performance

The below graph illustrates business' average percentage change in sales compared to the same month in 2018.

Graph 4.1 – Average Sales performance of businesses YOY



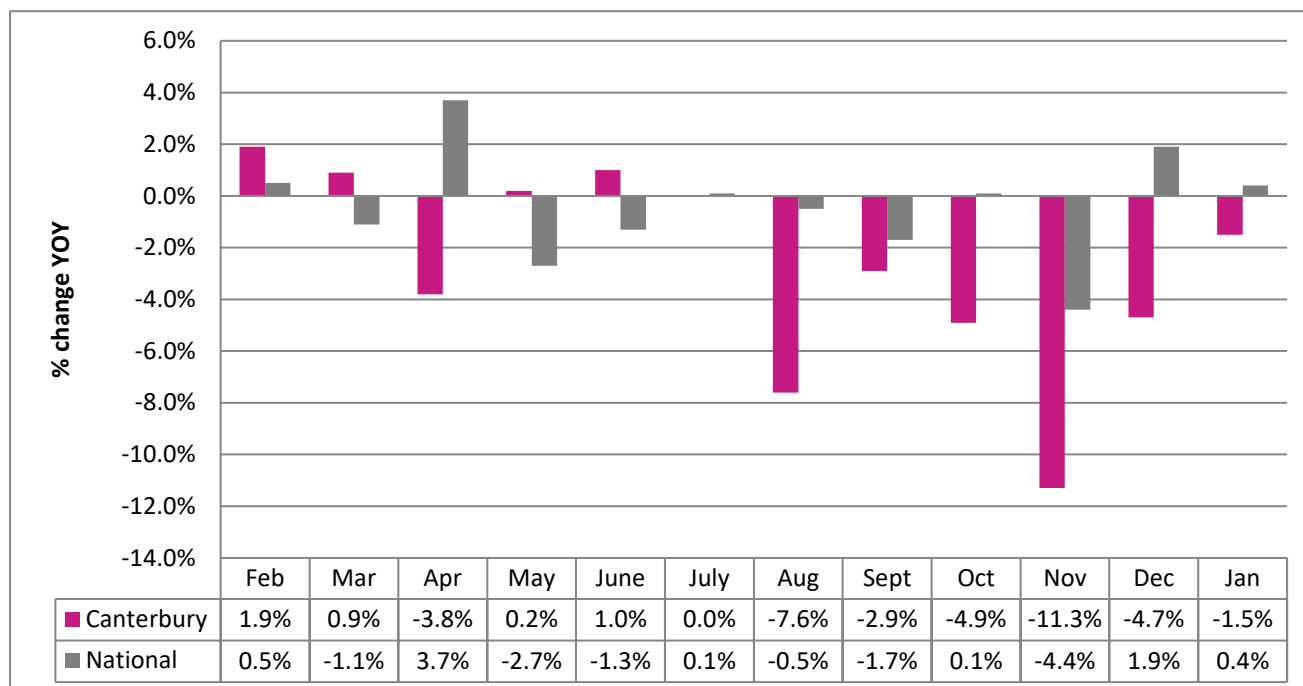
Source: Canterbury BID Business Survey of Average Sales Performance based on 22 respondents. Please note that no data was available in January 2020 for Department Stores.

Key findings:

- In January there was an overall –1.5% YOY decrease in sales performance which is a -0.8% change from January 2019 and +3.2% change from December 2019.
 - A1 retailers had a -1.7% decrease in sales performance YOY, which is a +3.3% increase from December 2019 and +0.5% increase in comparison January last year.
 - A3 food and drink trade increased by +3.3% YOY which is a +2.3% increase from December 2019 and a -3.5% decrease in comparison to the same month last year

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Graph 4.2 – Average Sales performance YOY



Source: Canterbury BID Business Survey of Sales Performance and BRC-KPMG UK Retail Sales Monitor for January 2020

Key findings:

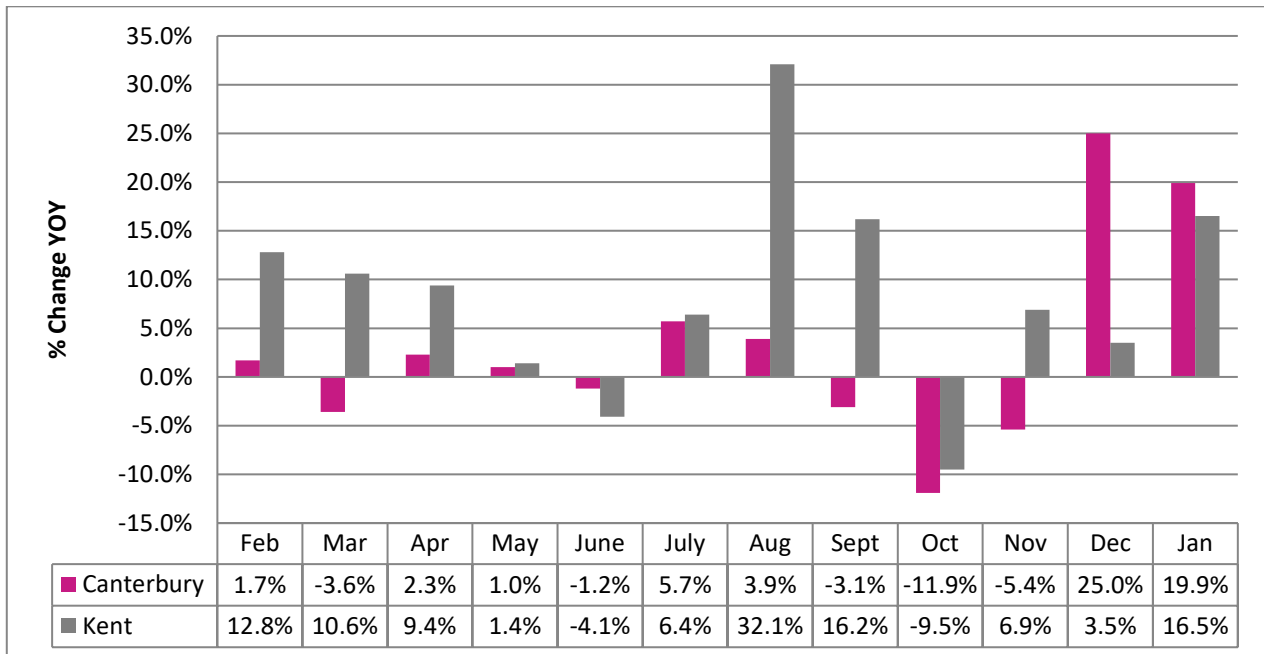
- Sales in January increased by 3.2% compared to December 2019 and it is 1.2% up on the twelve-month average of -2.7% for Canterbury and -1.9% lower than the national rate YOY.
- According to the BRC-KPMG UK Retail Sales Monitor covering the five weeks 29 December 2019 – 1 February 2020:
 - On a total basis, sales increased by 0.4% in January, against an increase of 2.2% in January 2019. This is above both the 3-month and 12-month average declines of 0.4% and 0.2% respectively. The 12-month average hit a new record low since our records began in 1995.
 - In January, UK retail sales were flat on a like-for-like basis from January 2019, when they had increased 1.8% from the preceding year.
 - Over the three months to January, food sales decreased 0.1% on a like-for-like basis and increased 0.6% on a total basis. This is below the 12-month total average growth of 1.2%, the lowest since February 2017.
 - Over the three-months to January, non-food retail sales in the UK decreased by 1.5% on a like-for-like and 1.3% on a total basis. This is in line with the 12-month total average. For the month of January, non-food was in slight growth year-on-year.
 - Over the three months to January, in-store sales of non-food items declined 3.0% on a total and 3.3% on a like-for-like basis. This is slightly better than the 12-month total average decline of 3.1%.
 - Online non-food sales increased by 2.5% in January, against a growth of 5.4% in January 2019. This is lower than the 3m and 12m averages of 2.6% and 3.1% respectively.
 - Non-food online penetration rate increased from 29.5% in January 2019 to 30.6%.

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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 and where they have come from.

Graph 5.1 – Percentage change in visitor numbers to Canterbury attractions YOY



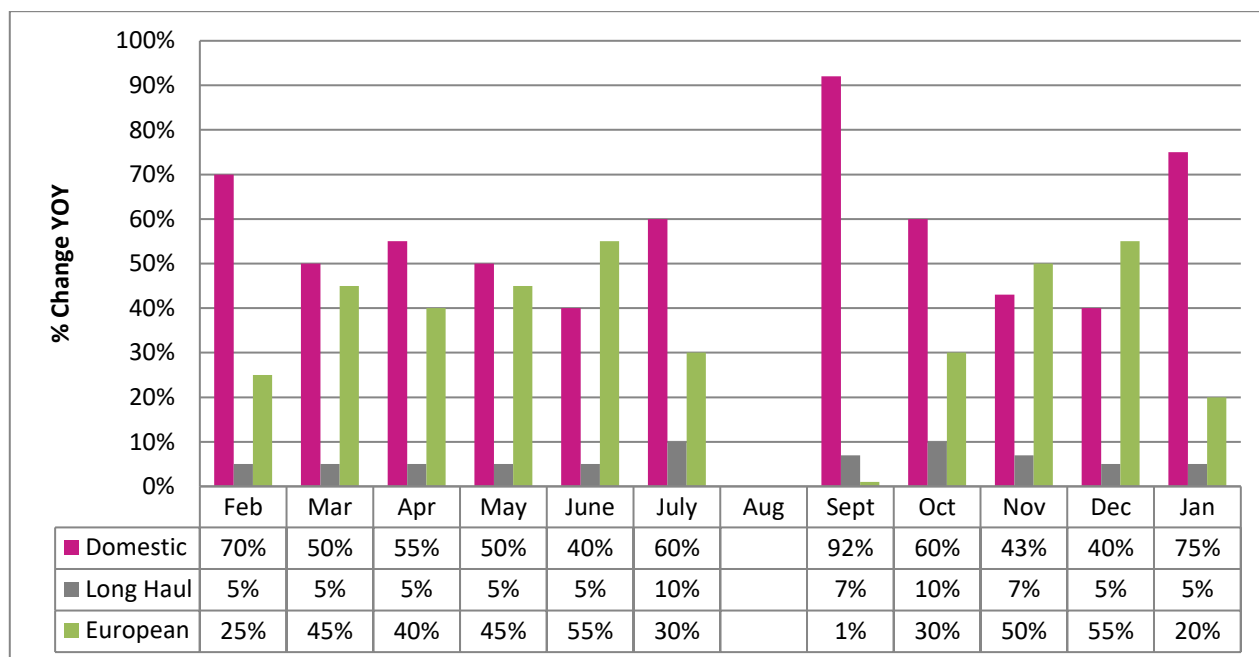
Source: Canterbury City Council attraction figures and Visit Kent Business Barometer

Key findings:

- In January there was a +19.9% YOY change in visitor numbers to visitor attractions in Canterbury and -5.1% decrease comparing to December 2019.
- For Kent, there was a +16.5% YOY change in visitor numbers to visitor attractions which is 13% increase comparing to December 2019.

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Graph 5.2 – Visitor Information Centre Visitors to Canterbury



Source: Visit Kent Business Barometer. Please note data was not available in August 2019.

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.

5th January 2020
 9th January 2020
 20th January 2020
 25th – 27th January 2020
 28th January 2020

Vegan Market
 BID Networking at The Ambrette
 Google Training at The Marlowe
 CCCU Graduation
 Employment Law Training – BID Office