



Canterbury City Centre

Performance Report

August 2020

Canterbury City Centre Performance Report – August 2020

Executive summary:

Welcome to the August 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 August 2020 was 13.4%, 0.3% higher than July 2020 and 7% higher than August 2019. The 8-month average for Canterbury is 8.6%.
Premises Type	●	Overall food and drink premises (25%), 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 30% of city centre premises.
City Centre Footfall	●	Footfall in Canterbury increased by +21.6% in comparison to July 2020 and in was -12.5% lower than in August 2019. It is 18.6% higher than the average for the South East, 12.1% higher than other historic centres and 23.3% higher than the national rate.
Business Sales Performance	●	Sales in August increased by +21.3% compared to July 2020 and it is +19.8 up on the twelve-month average of -28.7% for Canterbury and it is -13.6% lower than the national rate YOY.
Tourism	●	In August there was a decrease of -59.5% YOY in visitor numbers to visitor attractions in Canterbury. For Kent, there was no data available for August 2020.

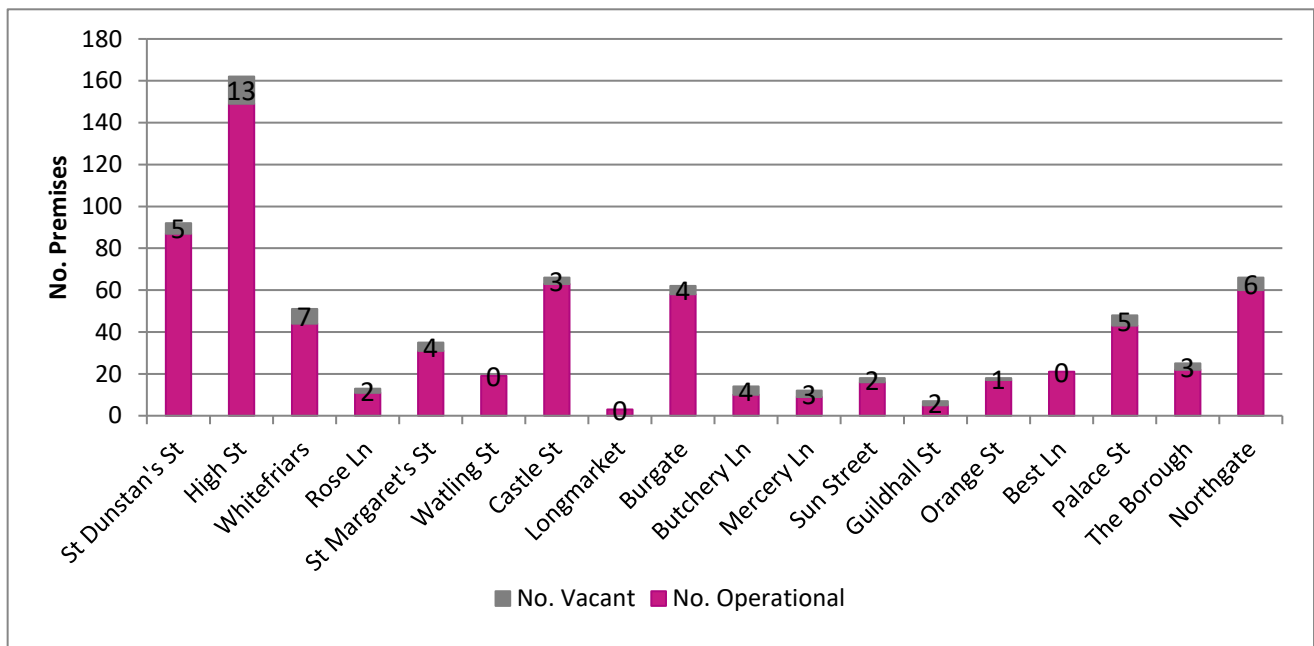
All data provided within this report is limited by the amount of information available at the time of the report being written. Where data is missing, it will be indicated at the end of each section. YOY = Year on Year.

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Business premises vacancy rates

In 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



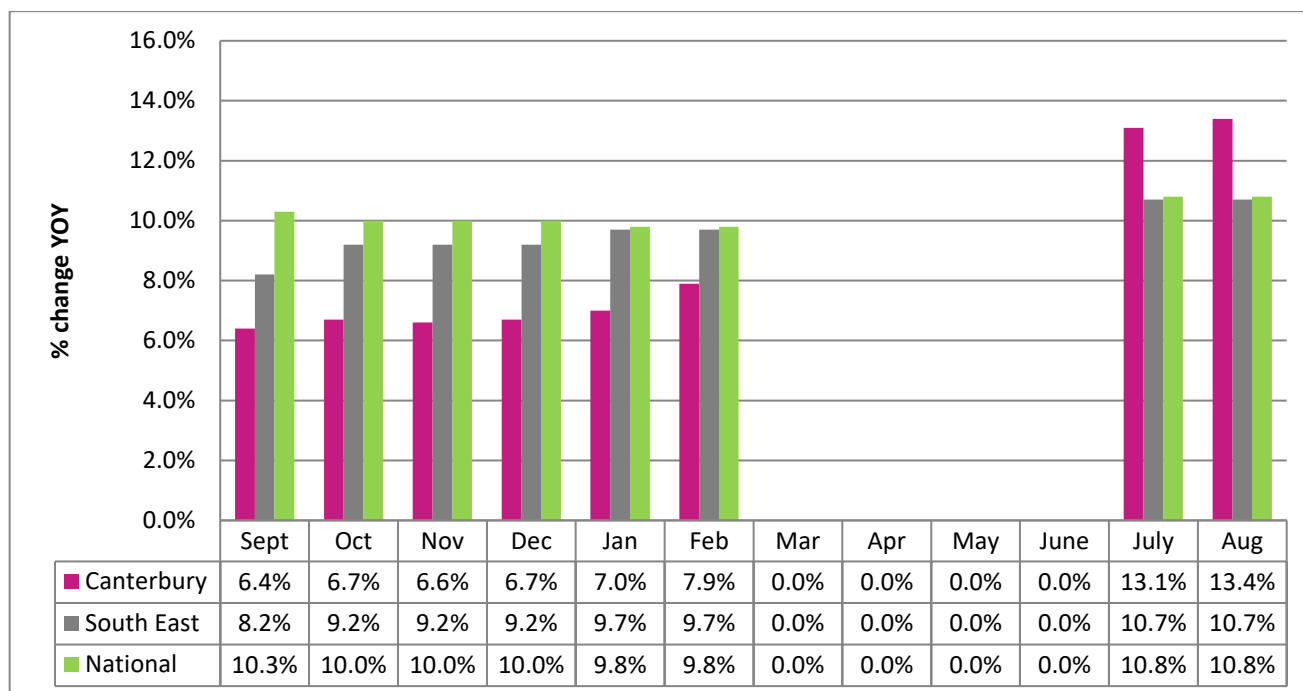
Source: Canterbury BID monthly survey.

Key findings:

- A total number of 65 businesses premises were recorded as vacant in August 2020, which is the same amount as in July 2020 and 22 more than in August 2019.
- High Street, Whitefriars/ Marlowe Arcade and Northgate had the highest number of empty premises whilst Watling Street and Longmarket and Best Lane had none.
- As a comparison to the total number of premises within each street, Butchery Lane (40%), Guildhall Street (40%) and Mercery Lane (33%) 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. Please note: no data was available for March, April, May and June 2020 due to COVID-19.

Key findings:

The vacancy rate for Canterbury in August 2020 was 13.4%, 0.3% higher than July 2020 and 7% higher than August 2019. The 8-month average for Canterbury is 8.6%.

- The vacancy rate for the Southeast in August 2020 was 10.7% and 2.5% higher compared to the same quarter last year.
- Canterbury had the 9th 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 10.8% in August 2020. This is higher than the vacancy rate of 10.3% in August 2019. The result this August is also 0.5% higher than the same month last year and remains higher than the benchmark low of 8.7% recorded in August 2016.

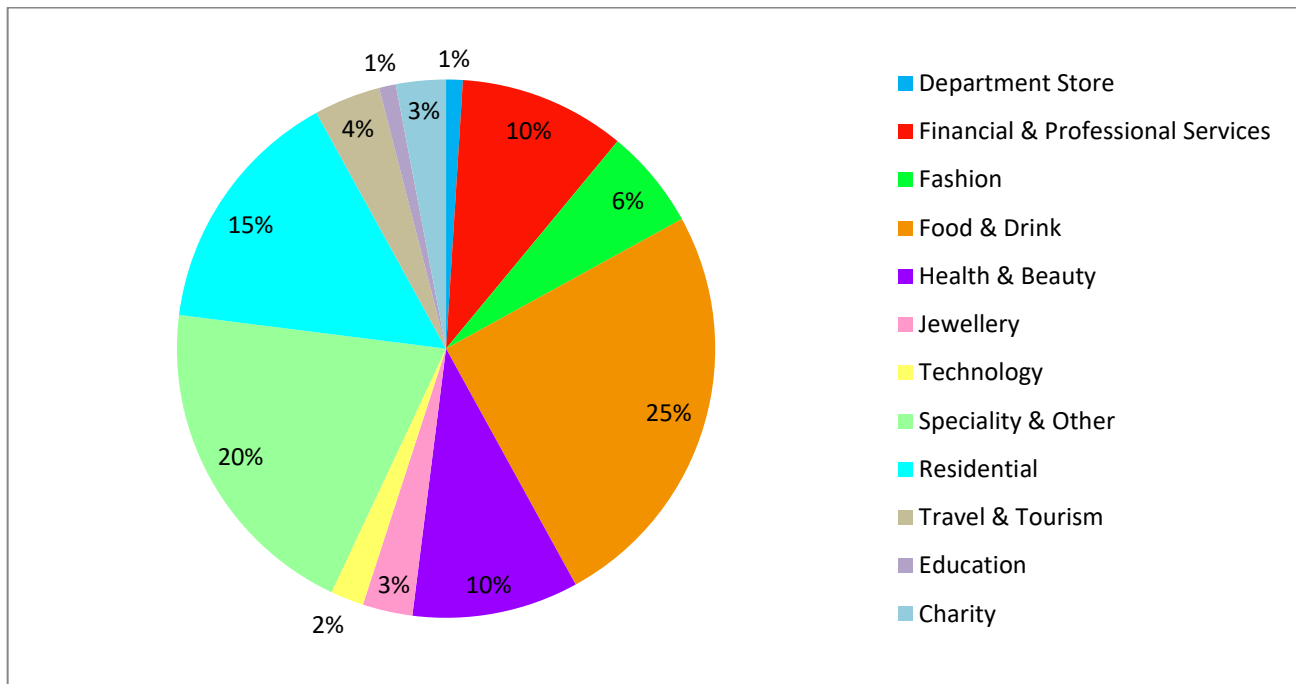
Regional Vacancy Rates August 2020			
London	8.5%	North East Yorkshire	12.1%
South East	10.7%	North West	11.9%
South West	12%	Scotland	10.1%
East	6.8%	Northern Ireland	15%
East Midlands	10.8%	Wales	13.2%
West Midlands	12.9%		

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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.

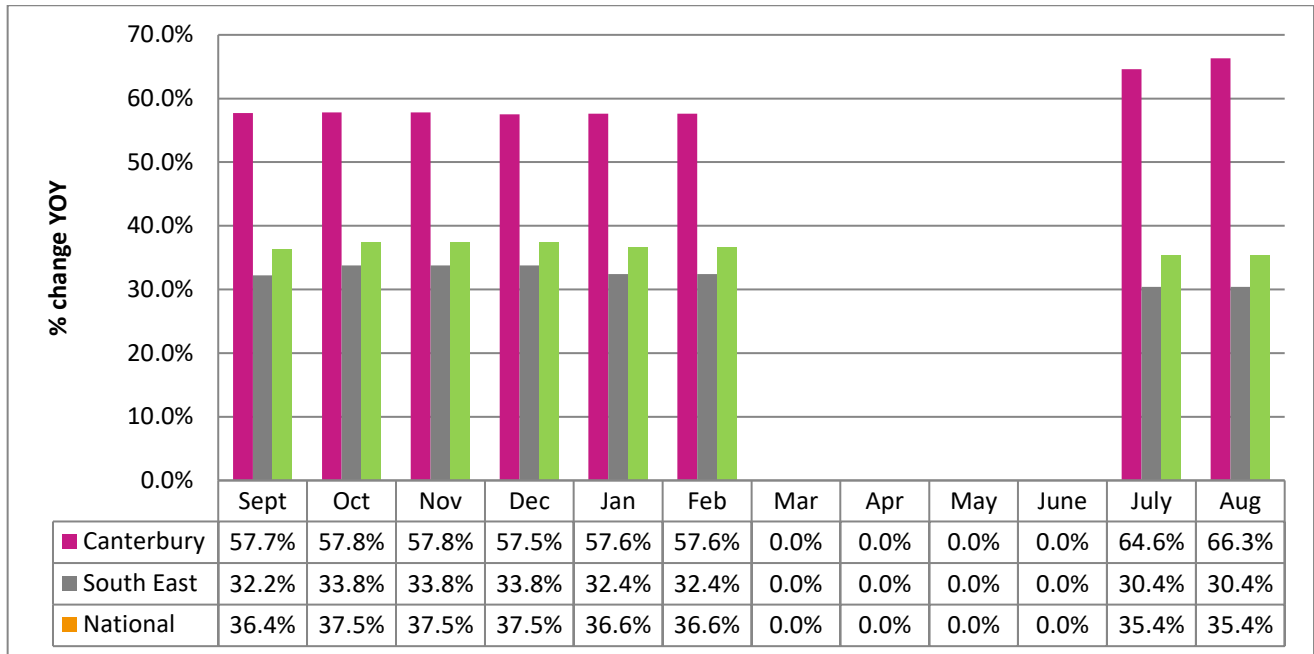
Key findings:

- Overall food and drink premises (25%), 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 30% 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. Please note: no data was available for March, April, May and June 2020 due to COVID-19.

Key findings:

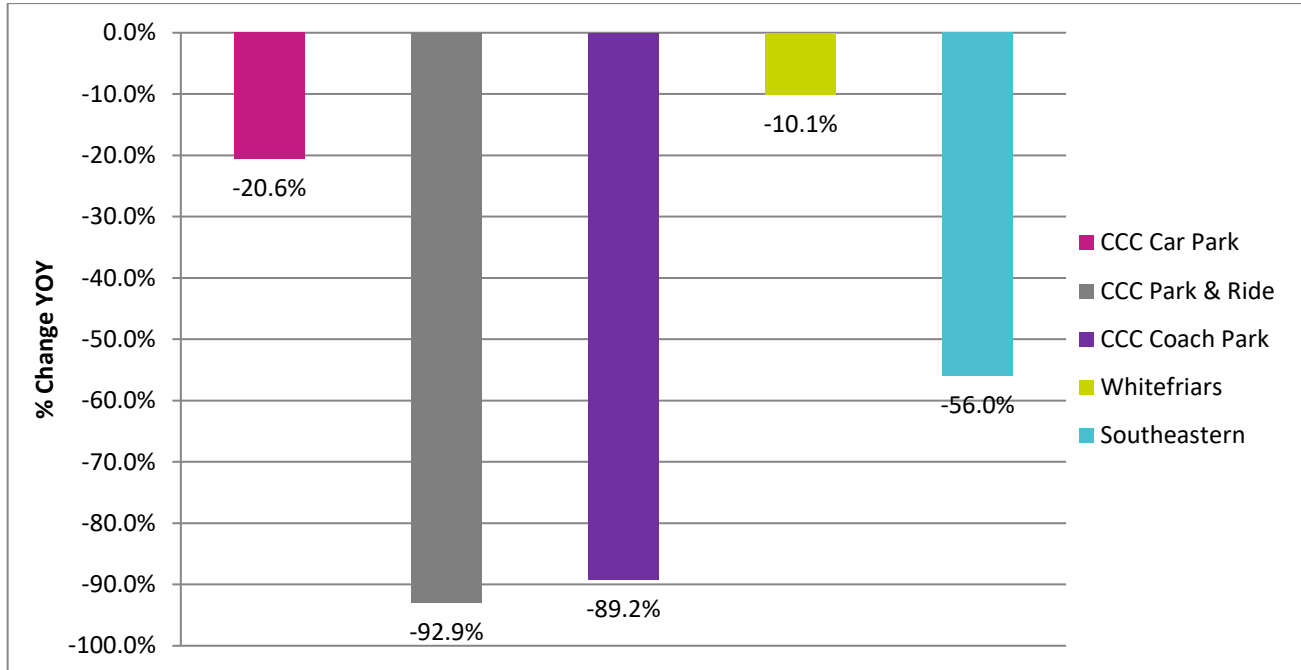
- In Canterbury, 66.3% of businesses recorded in August 2020 were independent, 35.9% more than the average for the South East and 30.9% more than the national average.
 - Longmarket (100%), Whitefriars (97%) and Rose Lane (90%) had the highest number of multiples, which is unsurprising as they are managed developments.
 - Orange Street (100%), Mercery Lane (100%), Butchery Lane (100%) and The Borough (100%) 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



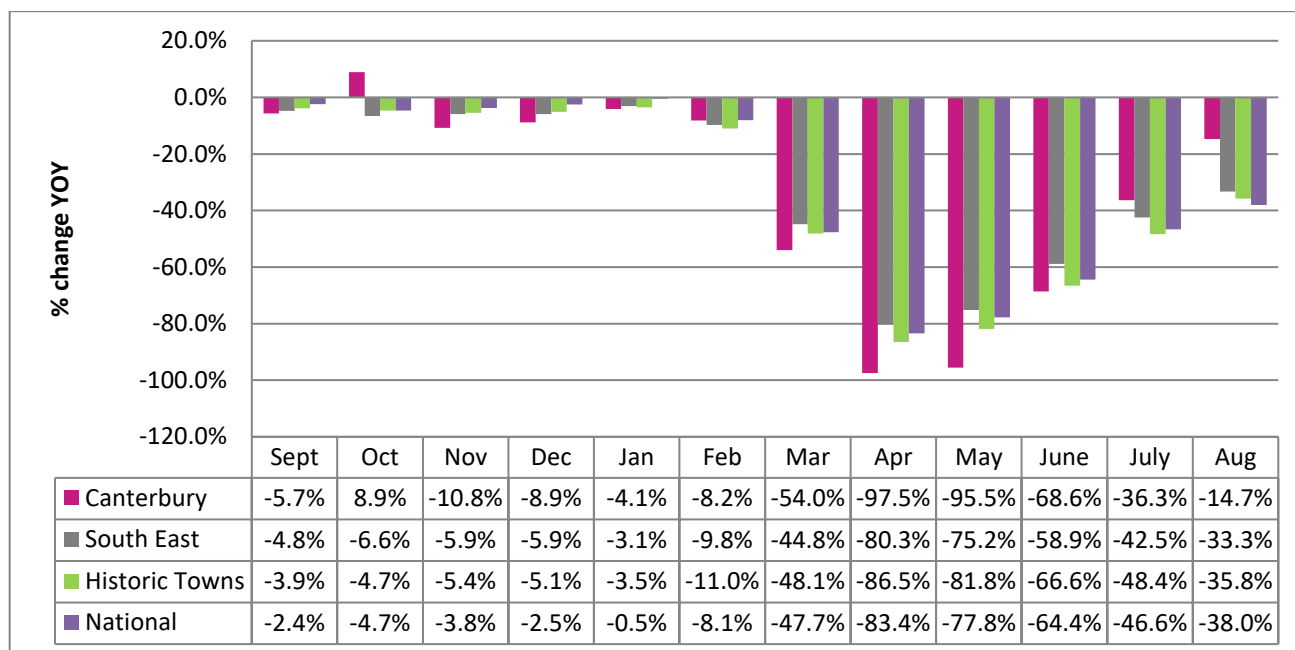
Source: Canterbury City Council Transportation Department, Stagecoach East Kent, Whitefriars shopping centre car park and Southeastern. Please note: no data was available for Stagecoach Car Park in August 2020.

Key Findings

- Overall footfall decreased by -14.7 % YOY in August 2020 which is a 21.6% increase on July 2020.
- All parking sites saw a YoY decrease in footfall comparing to the same month in 2019.

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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 +21.6% in comparison to July 2020 and in was -12.5% lower than in August 2019. It is 18.6% higher than the average for the South East, 12.1% higher than other historic centres and 23.3% higher than the national rate.

Nationally:

In August, UK retail footfall continued to strengthen for the third consecutive month, with a drop of -38% from last year, as the Government's 'Eat Out to Help Out' scheme enticed visitors back to UK retail destinations. All three destination types benefited, although retail parks remain a clear winner in the competition for shoppers, with footfall in July just 11.1% lower than in 2019. Despite the growth, the rate of improvement was only around half that in June and July 2020 when non-essential retail stores and hospitality reopened following the lockdown, suggesting that the climb back to pre-COVID footfall levels is going to be a steep one. It is clear that footfall has only been marginally boosted by the government support initiatives, and the ONS have reported that non-food spending remains lower than in February 2020. With the news this month of the UK officially going into recession and the impending end to the furlough scheme in two months which is likely to see unemployment levels rise, it appears that the retail sector is standing at the edge of a trading precipice. As many continue to work from home and shop locally, smaller high streets have continued to benefit; footfall in market towns was down by -26.6% on last year in August versus -38.3% across all UK high streets. Coastal towns have also performed strongly with footfall down -24.4% from August 2019, as the shifting quarantine regulations have led to a summer of staycations. The reality of the new normal has already started to bite, with Springboard's latest vacancy rate data reflecting the widespread store closures announced by large retail and hospitality operators. Representing those stores

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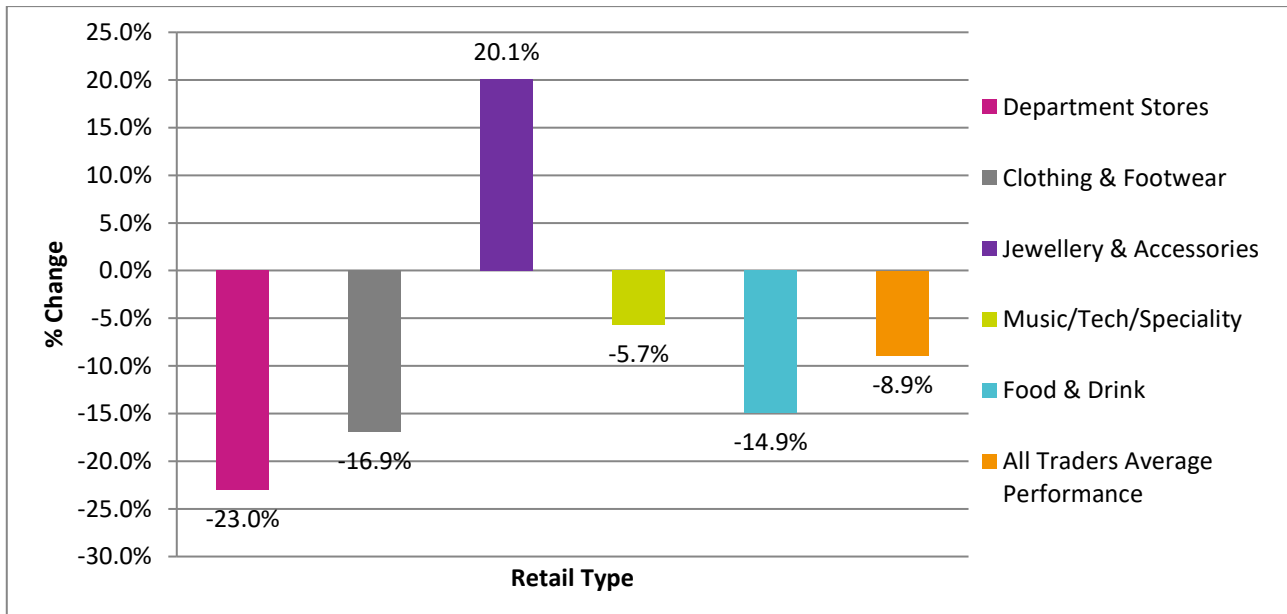
and outlets that have ceased trading rather than not having yet reopened, the UK vacancy rate rose in July 2020 to 10.8% from 9.8% in January 2020 which means it is now at the highest level since January 2014. Vacancies rose in six out of ten geographies across the UK, but by far the greatest increase occurred in Greater London where the vacancy rate rose by nearly two-thirds. With Central London dominating Greater London in terms of footfall volume, this result brings into sharp focus the difficulties faced by large cities in attracting customers back and the impact of this on our bricks and mortar retail landscape. The importance of large cities in the ongoing evolution of bricks and mortar retailing needs to be emphasised; in 2019 regional cities across the UK attracted three times the volume of footfall compared to UK high streets, and these greater volumes of footfall are required to support new store formats and environments now demanded by shoppers. But with footfall in regional cities still 50.3% lower than in 2019 versus an annual decline of just -11.1% in retail parks it suggests that out of town locations may become even more attractive to retailers.

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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



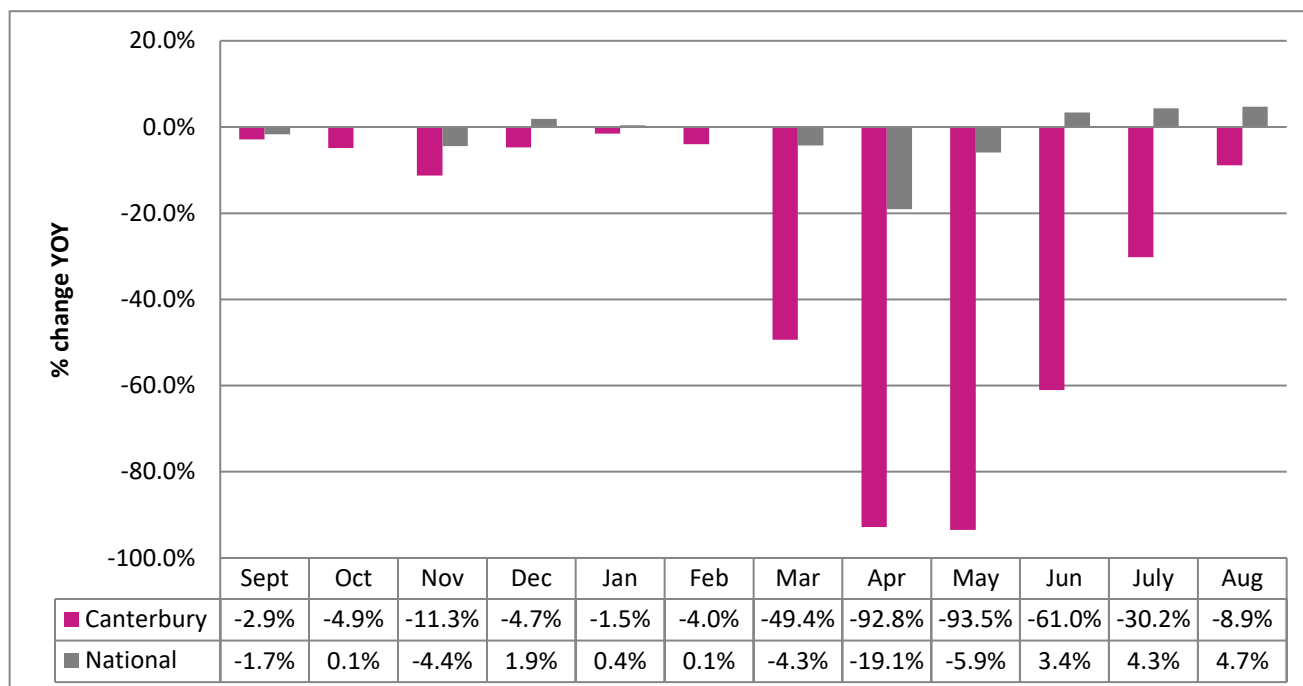
Source: Canterbury BID Business Survey of Average Sales Performance based on 61 respondents in August 2020 (comparing to 31 respondents in August 2019)

Key findings:

- In August there was an overall -8.9% YOY decrease in sales performance which is a -1.1% change from August 2019 and +21.3% change from July 2020.
 - A1 retailers had a -7.3% decrease in sales performance YOY, which is a +27.9% increase from July 2020 and -1.6% decrease in comparison August last year.
 - A3 retailers (Food & Drink) saw a -14.9% decrease YoY which is 3.1% increase from July 2020 and -20.9% decrease comparing to August 2019.

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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 August 2020

Key findings:

- Sales in August increased by +21.3% compared to July 2020 and it is +19.8 up on the twelve-month average of –28.7% for Canterbury and it is -13.6% lower than the national rate YOY.
- According to the BRC-KPMG UK Retail Sales Monitor for August 2020 (Covering the four weeks 2nd – 29th August 2020)
 - In August, UK retail sales increased 4.7% on a like-for-like basis from August 2019, when they had decreased 0.8% from the preceding year*.
 - On a total basis, sales increased by 3.9% in August, against a decline of 0.4% in August 2019*. It is above the 3-month average growth of 3.5% and the 12m average decline of 1.6%. This is the best growth since May 2018, excluding Easter distortions.
 - Over the three months to August, in-store sales of non-food items declined 17.8% on a total and 8.5% on a like-for-like basis. This is better than the 12-month total average decline of 18.4%. For August, the like-for-like excluding temporarily closed stores remained in decline.
 - Over the three months to August, food sales increased 6.3% on a like-for-like basis and 5.9% on a total basis. This is higher than the 12-month total average growth of 3.4%. For the month of August, food was in growth year-on-year.

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- Over the three-months to August, non-food retail sales increased by 7.7% on a like-for-like basis and 1.4% on a total basis. This is above the 12-month total average decline of 5.8%. For the month of August, non-food was in growth year-on-year.
- Online non-food sales increased by 42.4% in August, against a growth of 1.6% in August 2019*. This is below the 3-mth average of 44.2% but above the 12-mth average of 22.9%.
- Non-food online penetration rate increased from 29.0% in August 2019 to 39.3% this August.

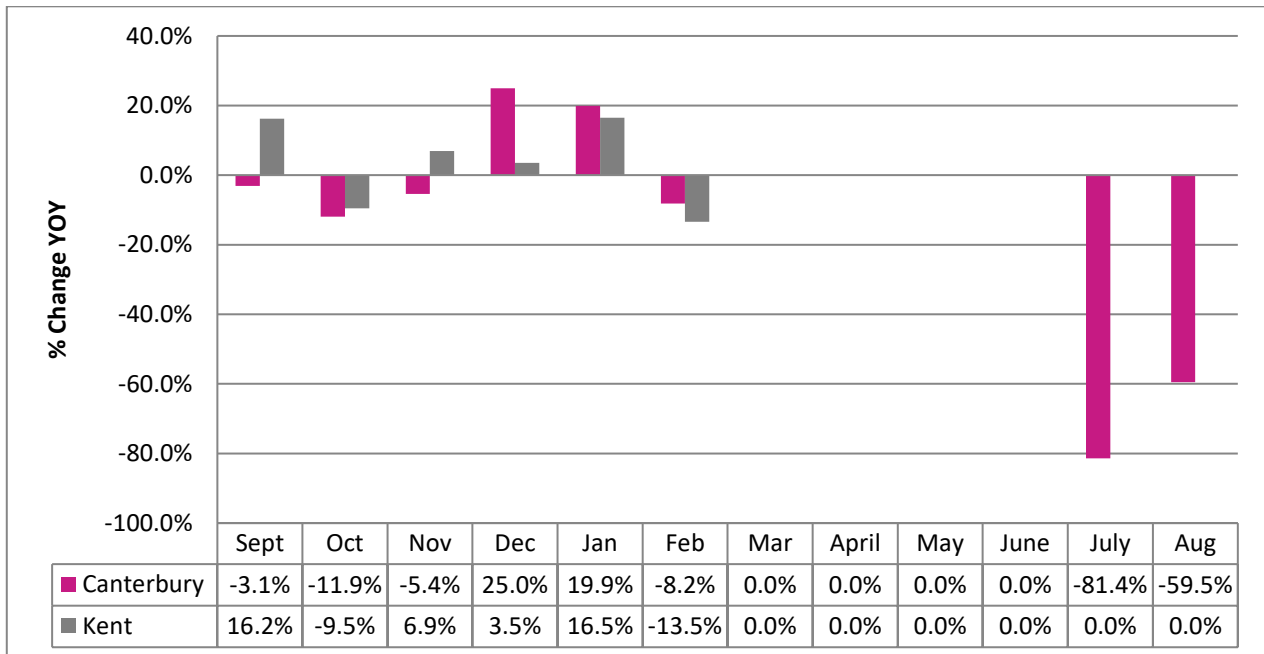
* Note 2020 is a 53-week year in the ONS calendar: as a result of the extra week in January 2020, the comparable 2019 performances cited here may differ from those published last year, due to the one-week shift in the comparison.

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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. Please note there was no data available for March, April, May, June 2020 due to COVID-19.

Key findings:

- In August there was a decrease of -59.5% YOY in visitor numbers to visitor attractions in Canterbury.
- For Kent, there was no data available for August 2020.