



**Canterbury City Centre**

**Performance Report**

**July 2020**

## Canterbury City Centre Performance Report – July 2020

### Executive summary:

Welcome to the July 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	<span style="color: red;">●</span>	The vacancy rate for Canterbury in July 2020 was 13.1%, 5.2% higher than February 2020 and 7% higher than July 2019. The 8-month average for Canterbury is 7.6%.
Premises Type	<span style="color: yellow;">●</span>	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	<span style="color: red;">●</span>	Footfall in Canterbury increased by +32.3% in comparison to June 2020 and in was -35.4% lower YOY in July 2020. It is 6.2% higher than the average for the South East, 12.1% higher than other historic centres and 10.3% higher than the national rate.
Business Sales Performance	<span style="color: green;">●</span>	Sales in July increased by +30.8% compared to June 2020 and it is +0.1 up on the twelve-month average of -30.3% for Canterbury and it is -34.5% lower than the national rate YOY.
Tourism	<span style="color: red;">●</span>	In July there was a decrease of -87.1% YOY in visitor numbers to visitor attractions in Canterbury.

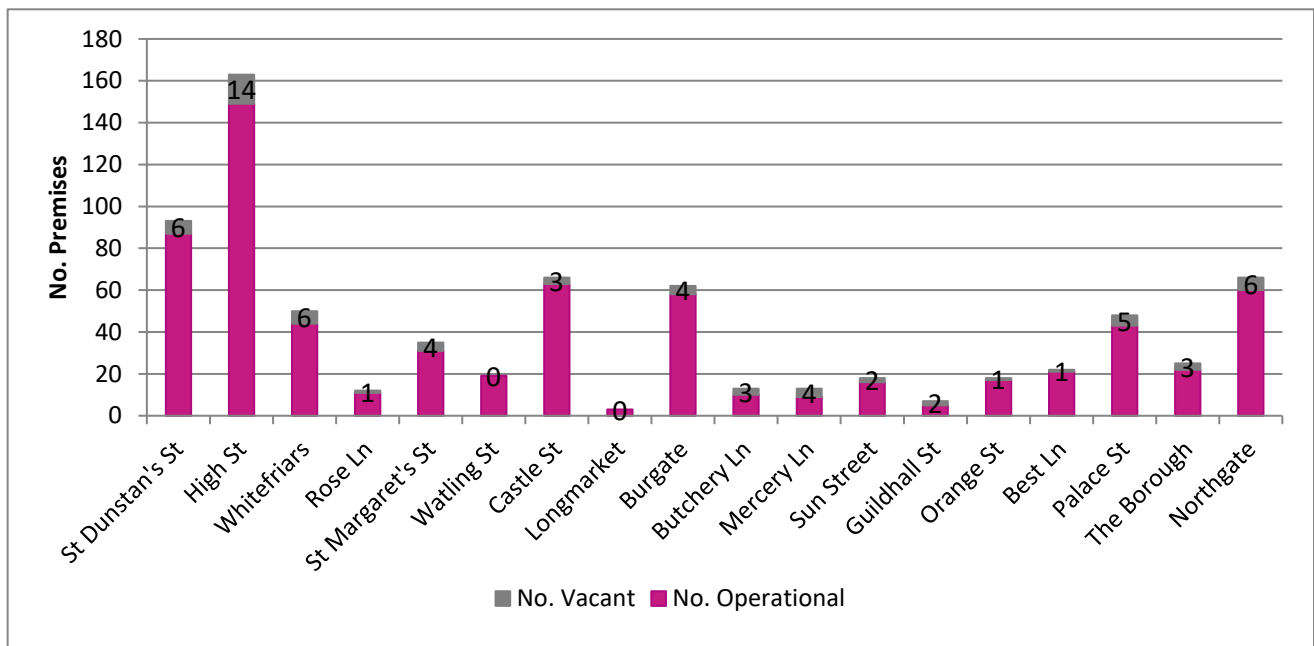
*All data provided within this report is limited by the amount of information available at the time of the report being written. Where data is missing, it will be indicated at the end of each section. YOY = Year on Year.*

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## Business premises vacancy rates

In July, 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**



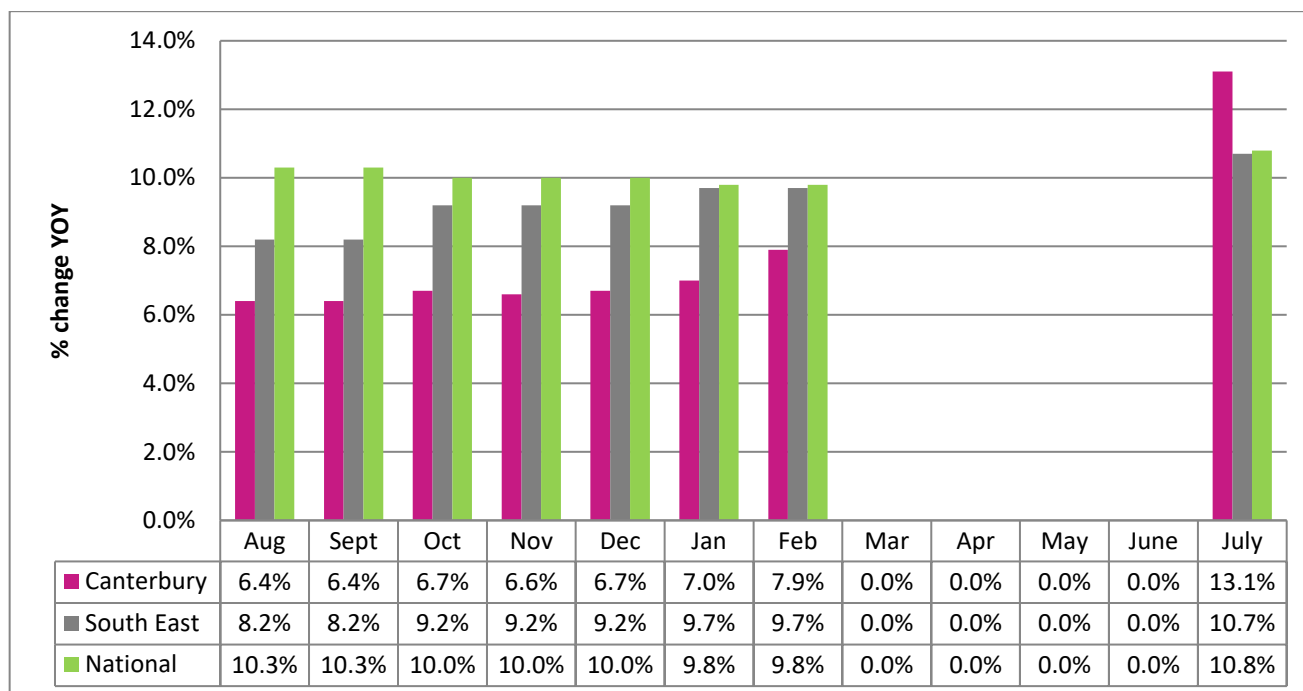
Source: Canterbury BID monthly survey. Please note: this report usually compares current month with the previous one and YoY trends. Because of the national lockdown where no data could have been collected for March, April, May and June; some parts of this report compare current month to February 2020.

### Key findings:

- A total number of 65 businesses premises were recorded as vacant in July, 12 more than in February 2020.
- High Street, St Dunstan's and Whitefriars/ Marlowe Arcade had the highest number of empty premises whilst Watling Street and Longmarket had none.
- As a comparison to the total number of premises within each street, Mercery Lane (44%), Guildhall Street (40%) and Butchery Lane (30%) 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.

## Key findings:

The vacancy rate for Canterbury in July 2020 was 13.1%, 5.2% higher than February 2020 and 7% higher than July 2019. The 8-month average for Canterbury is 7.6%.

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

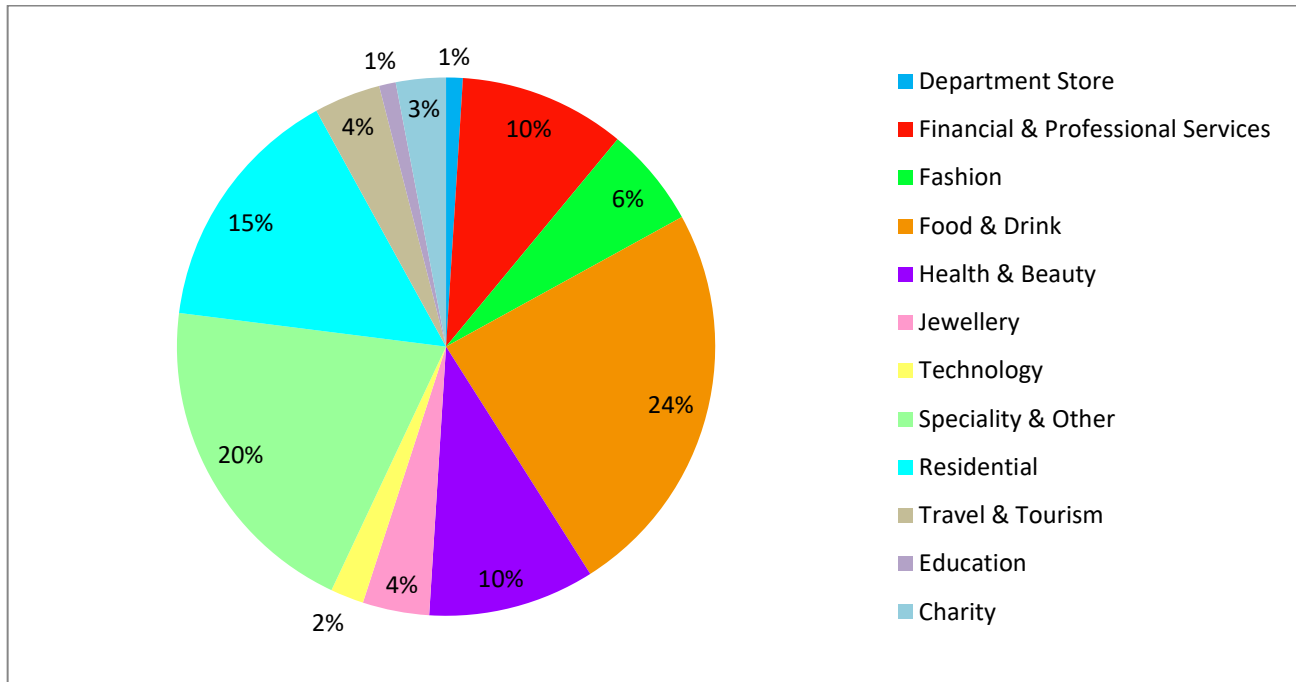
Regional Vacancy Rates July 2020			
London	8.5%	North East Yorkshire	12.1%
South East	10.7%	North West	11.9%
South West	12%	Scotland	10.1%
East	6.8%	Northern Ireland	15%
East Midlands	10.8%	Wales	13.2%
West Midlands	12.9%		

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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.

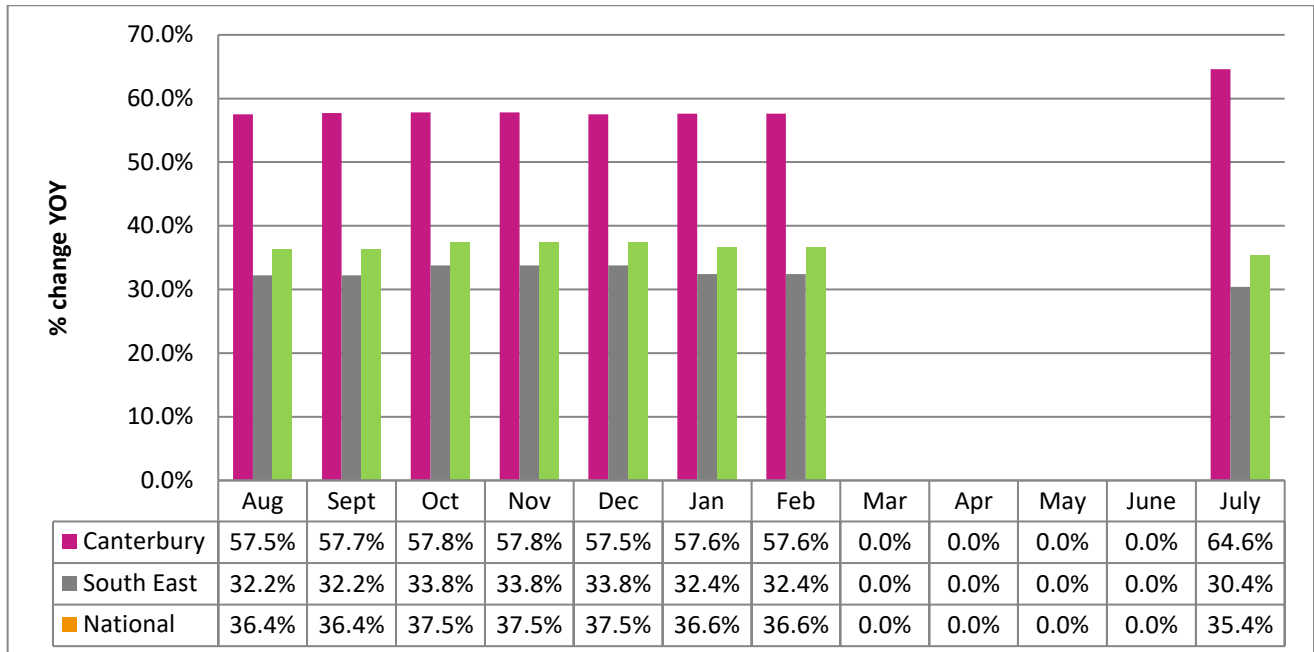
### Key findings:

- Overall food and drink premises (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. Please note: no data was available for March, April, May and June 2020.

### Key findings:

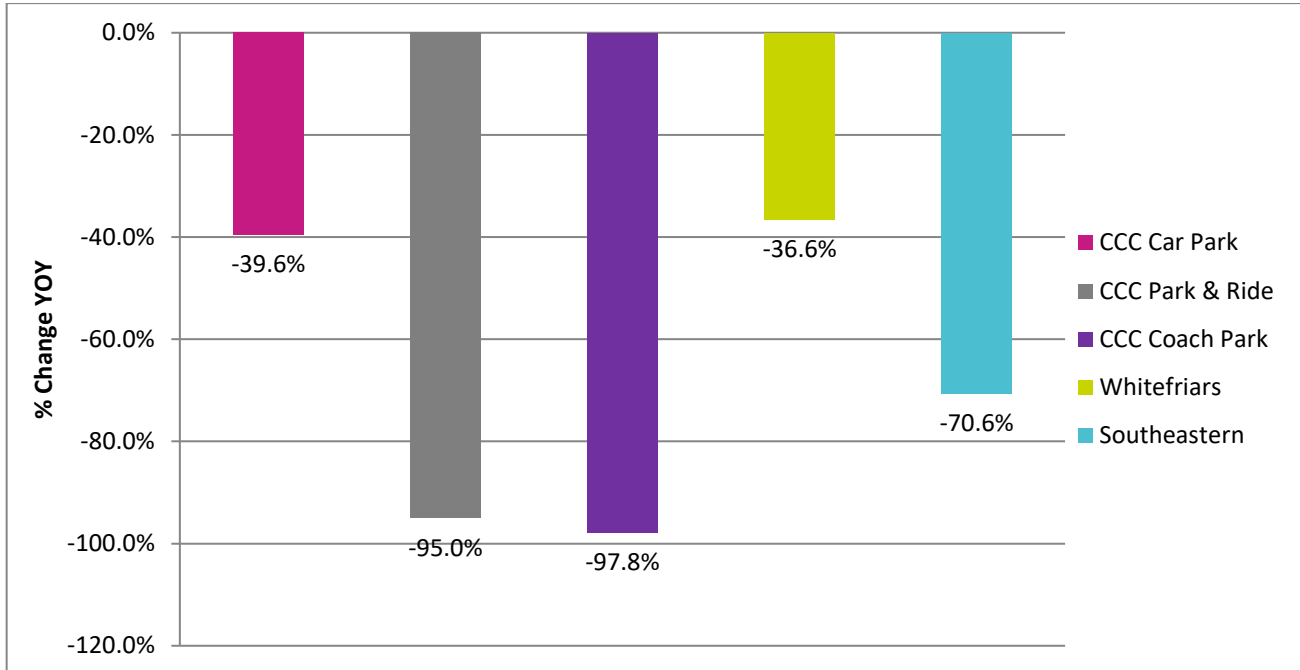
- 64.6% of businesses recorded in July were independent, 34.2% more than the average for the South East and 29.2% more than the national average.
  - Longmarket (100%), Whitefriars (97%) and Rose Lane (90%) had the highest number of multiples, which is unsurprising as they are managed developments.
  - Orange Street (100%), Mercery Lane (100%) and Palace Street (94%) 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**



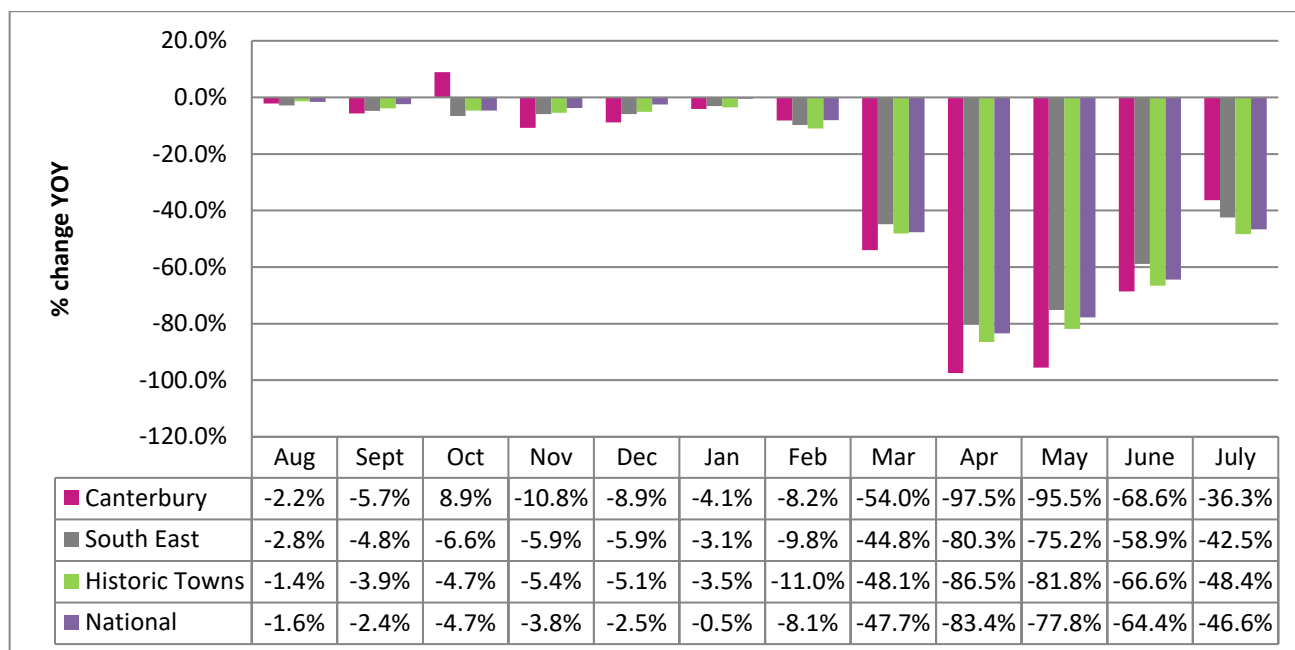
Source: Canterbury City Council Transportation Department, Stagecoach East Kent, Whitefriars shopping centre car park and Southeastern. Please note: no data was available for Stagecoach Car Park in July 2020.

### Key Findings

- Overall footfall decreased by -36.3 % YOY in July 2020 which is a 32.2% increase on June 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 +32.3% in comparison to June 2020 and in was -35.4% lower YOY in July 2020. It is 6.2% higher than the average for the South East, 12.1% higher than other historic centres and 10.3% higher than the national rate.

### Nationally:

The decline in footfall in the UK's retail destinations of -46.6% in July represented an improvement from June, and meant the month ended with the best result since February. Footfall in July was clearly boosted by the reopening of hospitality businesses, and the fact that footfall strengthened as much in July as it did in June when retail reopened indicates the importance of this sector for bricks and mortar retail. High streets and shopping centres saw the most noticeable improvement, although both of these destination types have far more ground to make up than retail parks in terms of recovering shopper numbers as footfall in both is more than 40% lower than last year (-42.7% in high streets and -42.0% in shopping centres versus -19.9% in retail parks). Retail parks have an integral advantage with their ease of access by car, free parking, open air environments and large stores which make social distancing easier to achieve. This is going to be an ongoing competing challenge for high streets and shopping centres, and they therefore need to work even harder at reassuring shoppers of their safety. Indeed, whilst the introduction of mandatory wearing of face coverings in retail stores and enclosed environments in England is intended to contribute to the feeling of safety, the fact that it occurred at the tail end of the penultimate week of the month means that its contribution to footfall is yet to be established. Whilst July's result is the most positive since the pandemic, it comes with a note of caution; all of the key changes that are recognised as obvious boosts to footfall have now been implemented, and yet bricks and mortar destinations are still only attracting six out of every ten shoppers



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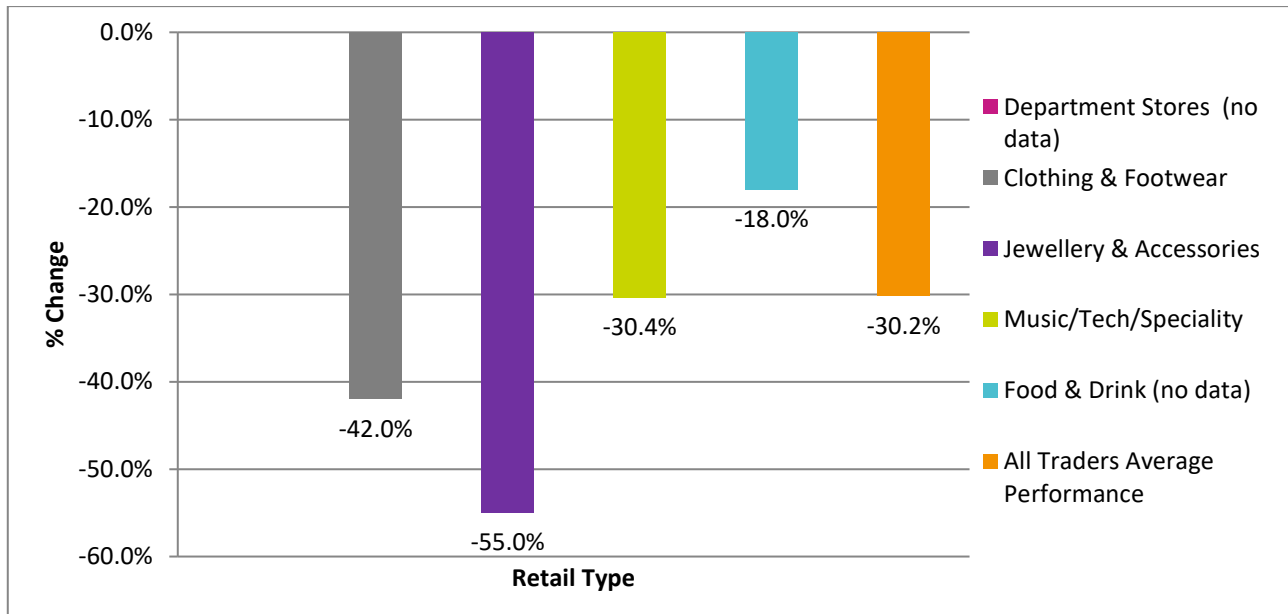
that visited last year. We know that the significance of online spending now exceeds the CRR's forecast for 2028, and it is unlikely to retract back into the starting blocks with many consumers having acquired new shopping habits, but other key factors that will constrain footfall are the lack of tourism, the fact that so many people continue to work from home and rising unemployment, as businesses feel the impact on their revenues of the lockdown and the ongoing social distancing requirements. This is demonstrated by the fact footfall is significantly lower in large towns and cities that are a focus for workers and overseas tourists. The most extreme example is Central London, which is more reliant than anywhere else in the UK on a combination of tourists and workers, and where footfall in July remained 69.0% lower than in 2019. With current discussions bubbling over about how we get the schools back in September and expert views that in order to do this sectors of the hospitality sector may need to close, the improvement in footfall over the coming weeks is not likely to be any more than gradual. A further key factor that will inevitably constrain the ongoing recovery of retail, whether it be online or bricks and mortar, is the impending recession which we know is just around the corner.

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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 14 respondents in July 2020.

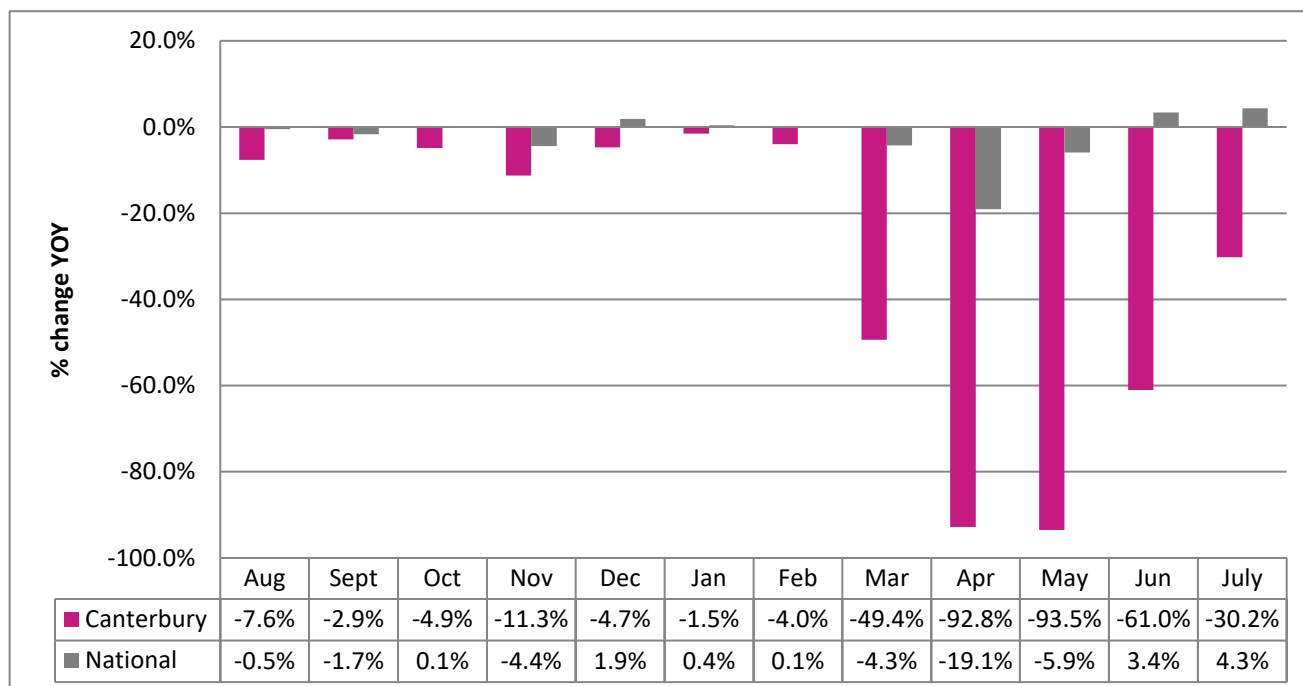
Please note: no data was available in July 2020 for Department Stores.

### Key findings:

- In July there was an overall -30.2% YOY decrease in sales performance which is a -30.3% change from July 2019 and +30.6% change from June 2020.
  - A1 retailers had a -35.2% decrease in sales performance YOY, which is a +25.8% increase from June 2020 and -34.7% decrease in comparison July last year.
  - A3 retailers (Food & Drink) saw a -18% decrease YoY.

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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 July 2020

### Key findings:

- Sales in July increased by +30.8% compared to June 2020 and it is +0.1 up on the twelve-month average of –30.3% for Canterbury and it is -34.5% lower than the national rate YOY.
- According to the BRC-KPMG UK Retail Sales Monitor for July 2020 (Covering the four weeks 5<sup>th</sup> July – 1<sup>st</sup> August)
  - On a total basis, sales increased by 3.2% in July, against an increase of 0.5% in July 2019\*. It is above the 3-month average growth of 0.4% and the 12m average decline of 1.9%. This is the second consecutive month of growth since the start of the pandemic.
  - In July, UK retail sales increased 4.3% on a like-for-like basis from July 2019, when they had increased 0.3% from the preceding year\*. In July, like-for-like has been measured excluding temporarily closed stores but including online sales.
  - Over the three months to July, in-store sales of non-food items declined 29.3% on a total and 11.3% on a like-for-like basis. This is worse than the 12-month total average decline of 17.7%. For July, the like-for-like excluding temporarily closed stores remained in decline.
  - Over the three months to July, food sales increased 8.2% on a like-for-like basis and 6.1% on a total basis. This is the highest since June 2009 and higher than the 12-month total average growth of 3.2%. For the month of July, food was in growth year-on-year.
  - Over the three-months to July, non-food retail sales increased by 7.9% on a like-for-like basis and declined 4.3% on a total basis. This is above the 12-month total average decline of 6.1%. For the month of July, non-food was in growth year-on-year.

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- Online non-food sales increased by 41.0% in July, against a growth of 3.7% in July 2019\*. This is below the 3-mth average of 49.7% but above the 12-mth average of 19.9%.
- Non-food online penetration rate increased from 29.7% in July 2019 to 42.0% this July.

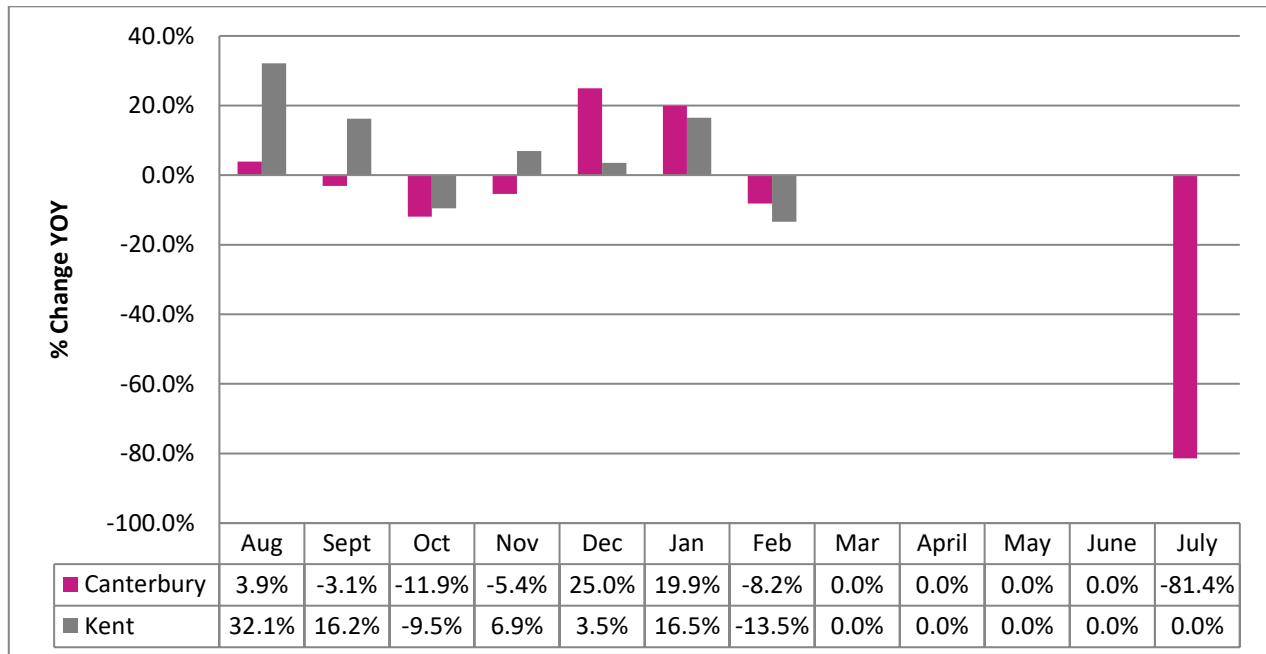
\* Note 2020 is a 53-week year in the ONS calendar: as a result of the extra week in January 2020, the comparable 2019 performances cited here may differ from those published last year, due to the one-week shift in the comparison.

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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 July there was a decrease of -87.1% YOY in visitor numbers to visitor attractions in Canterbury.
- For Kent, there was no data available for July 2020.