

# **Canterbury Economic Development and Tourism Study Final Report**

Canterbury City Council

October 2020

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## 1.0 Introduction

1.1 Canterbury City Council (“the Council”) commissioned Lichfields to undertake an integrated Economic Development and Tourism Study (‘EDTS’) for Canterbury District. The purpose of the EDTS is to provide the Council with up-to-date and robust evidence on employment, tourism, farming and food and drink production needs within the authority area to inform the new District Local Plan.

1.2 The EDTS complies with the revised National Planning Policy Framework (‘NPPF’)<sup>1</sup> and draws upon latest Planning Practice Guidance (‘PPG’)<sup>2</sup> to inform the methodology.

### Scope of the Study

1.3 The NPPF (para. 11) indicates that Local Planning Authorities should positively seek opportunities to meet the development needs of their area and that Local Plans should meet objectively assessed needs. The EDTS quantifies future need for the following land uses:

- **B1 Business:** offices (B1a), research and development (B1b) and light industrial (B1c)<sup>3</sup>;
- **B2 General Industrial:** typically comprising factory and manufacturing space; and
- **B8 Storage and Distribution:** warehouses, wholesale and distribution.

1.4 The EDTS also considers future needs for visitor accommodation across the District, and how the area’s farming and food and drink production sectors can be best supported.

1.5 References to ‘employment space’ refer to all B class elements noted above. In addition, the term ‘industrial space’ is used to refer to both manufacturing (B1c/B2) and warehouse and distribution (B8) uses.

1.6 It should be noted that there are a variety of factors and drivers to consider when objectively assessing the business context and needs for a local economy. The study uses a combination of quantitative and qualitative analysis to examine these issues in the context of Canterbury District and synthesises this analysis to draw overall conclusions and policy implications for long-term planning in the District.

1.7 An important consideration for any technical work of this type is that the study is inevitably a point-in-time assessment. It post-dates the outcome of the UK referendum on membership of the European Union (EU) in June 2016 but does not give specific consideration to how the UK’s future relationship with the EU (i.e. after the Brexit transition period ends) could impact national or local economic change given current uncertainty regarding these arrangements. It may, therefore, be necessary to undertake future updates to the study once greater economic certainty and clarity is available through econometric forecasts and other indicators.

1.8 Due to the timing of the study and its analysis, no specific consideration has been given to the impact of emerging planning reform, including the more immediate changes to the Use Classes Order which came into force from 1<sup>st</sup> September 2020.

1.9 The study has used the latest available data and other evidence available at the time of reporting, while the accuracy of third-party data has not been checked or verified by Lichfields.

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<sup>1</sup> UK Government, (2019); National Planning Policy Framework

<sup>2</sup> <https://www.gov.uk/government/collections/planning-practice-guidance>

<sup>3</sup> B1 use class subsumed within Class E (Commercial, business and service uses) from 1<sup>st</sup> September 2020

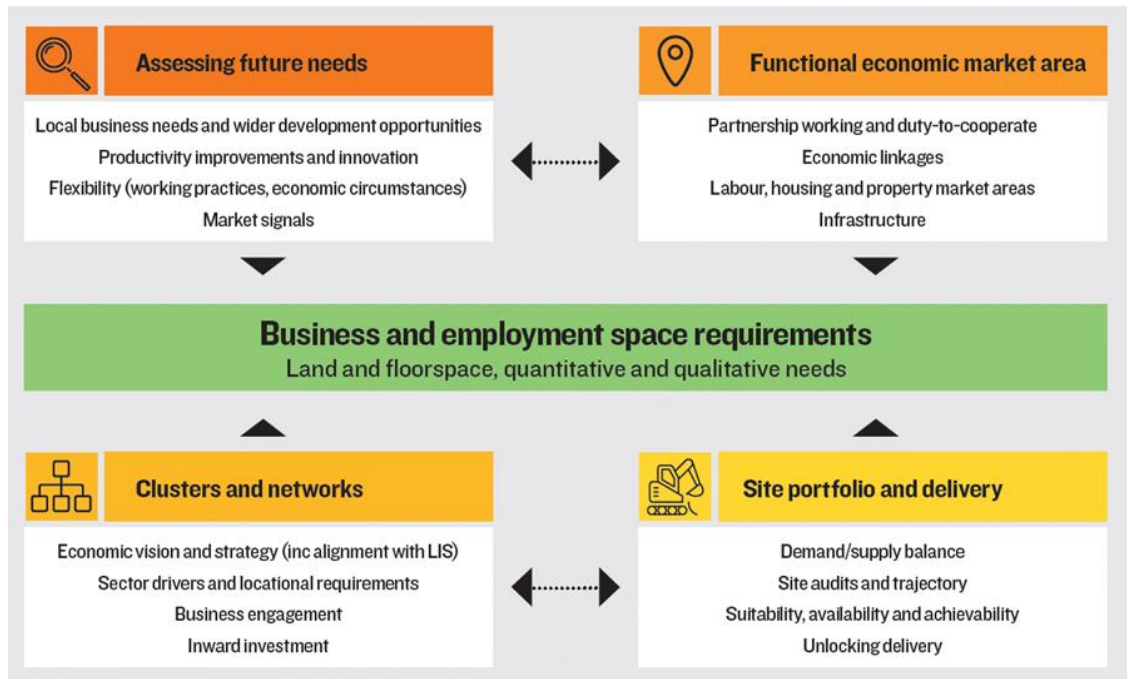
## Covid-19

- 1.10 The outbreak of Covid-19 and resulting pandemic has developed rapidly with far reaching impacts on the economy and business across the country. Lockdown measures have led to unprecedented shut downs of large parts of the economy simultaneously, with effects being transmitted rapidly across all sectors.
- 1.11 Although restrictions are now beginning to ease, it remains difficult to anticipate the full extent of the economic shock at the time of writing. With regards to planning for economic growth and employment space, it is still too early to understand how the pandemic and resulting structural changes may affect how businesses operate and the resultant demand for employment land.
- 1.12 This study has been undertaken during a period of significant economic uncertainty associated with the Covid-19 pandemic, although due to the timing of the analysis the study does not specifically reflect the outbreak of Covid-19 and associated short, medium, or longer-term implications for growth within the District. It is recommended that the Council continues to monitor local Covid-19 related impacts and review local economic growth prospects as the District Local Plan evidence base develops.

## Study Methodology

- 1.13 The methodology that has been used for the employment space and land element of the EDTS conforms to the requirements of the NPPF and PPG, drawing upon the Lichfields’ Workspace methodological framework (see Figure 1.1). The tourism, farming and food and drink production elements of the EDTS draw on best practice guidance, outlined in each respective chapter of this report.

Figure 1.1 EDTS Study Methodology – Employment Space and Land Component



Source: Lichfields



## Consultation

- 1.14 As part of the study, consultation has been undertaken with a range of commercial property agents, developers and stakeholders from specific sectors (including tourism, farming and food and drink production) to gather viewpoints and up-to-date intelligence on key topics relevant to the study. A list of consultees is provided in Appendix 1.

## Structure of Report

- 1.15 The report is structured under the following sections:
- **Functional Economic Market Area (Chapter 2.0):** establishes the functional economic market area of Canterbury District to provide an understanding of the District's economic relationships, linkages and flows;
  - **Economic Context and Trends (Chapter 3.0):** reviews the economic conditions and recent trends in and around Canterbury District, and identifies the District's key economic strengths, weaknesses, opportunities and threats;
  - **Tourism Context and Trends (Chapter 4.0):** summarises the context that the District's tourism sector operates within from an international, national and regional perspective;
  - **Tourist Accommodation Audit (Chapter 5.0):** analyses the current supply of tourism accommodation within Canterbury District by type and location together with recent and planned future changes;
  - **Commercial Property Market Signals and Intelligence (Chapter 6.0):** analyses the characteristics of the local commercial property market, including demand and supply for different types of employment space;
  - **Review of Employment Land Supply Portfolio (Chapter 7.0):** quantitatively and qualitatively reviews the existing employment land supply in the District;
  - **Future Requirements for Employment Space (Chapter 8.0):** considers future scenarios of economic growth for Canterbury District and the employment space and land requirements arising from this growth;
  - **Employment Land Supply/Demand Balance (Chapter 9.0):** a gap analysis of future employment land supply and demand;
  - **Business Needs (Chapter 10.0):** reviews the findings of a business survey undertaken as part of the study to consider requirements for employment space in the future;
  - **Tourism Needs and Requirements (Chapter 11.0):** provides a gap analysis and outline recommendations for tourist accommodation in the District;
  - **Farming, Food and Drink Production (Chapter 12.0):** analyses the profile of the existing farming, food and drink production sector in Canterbury District and how it could be best supported in the future;
  - Overall **Conclusions and Policy Implications** are presented in **Chapter 13.0.**

## 2.0 Functional Economic Market Area

2.1 This section summarises the various Functional Economic Market Areas (FEMAs) that operate across Canterbury District and the wider sub-region to provide an understanding of economic relationships, linkages and flows which characterise the sub-regional economy.

### Rationale

2.2 When planning for economic growth, the Government's Planning Practice Guidance (PPG)<sup>4</sup> states that economic needs should be assessed in relation to the most appropriate geographies and relevant FEMAs, that is, the spatial level at which local economies and markets operate in practice. In most cases, these will extend beyond existing administrative boundaries such as local authority boundaries.

2.3 The PPG recognises that no single source of data is comprehensive in identifying appropriate assessment areas and highlights several factors to be considered when assessing and defining relevant FEMAs, including travel to work areas, housing market areas, service markets for consumers and transport networks<sup>5</sup>. In order to define a FEMA for Canterbury District, a number of these key market catchment areas are considered, to allow the key drivers and dynamics that impact on the local economy to be identified and further assessed. These themes are considered in turn below.

### Labour Market Areas

2.4 The latest commuting flows data from the 2011 Census can be used to define Travel to Work Areas (TTWAs) to consider the relationship between where people live and where they work. Whilst this data is now a number of years old, it remains the most up-to-date and comprehensive source of travel to work flows information across the country.

### Commuting Flows

2.5 Commuting patterns to and from Canterbury District can be analysed using the latest Travel-to-Work flows data from the 2011 Census. Table 2.1 summarises a number of key commuting indicators for the District.

2.6 In 2011, a total of 18,290 working residents commuted outside of Canterbury District for their employment, mainly to the nearby areas of Swale, Dover, Thanet, Ashford and Medway. At the same time, 19,560 working people commuted into Canterbury District for their employment, with the greatest quantities originating from Dover, Thanet, Swale, Folkestone & Hythe and Ashford.

2.7 As a result, the District is characterised as a net importer of labour with a net in-flow of 1,270 people at the time of the 2011 Census. This equated to a self-containment rate of 71%, reflecting the proportion of working residents that also work within the area. This self-containment rate is relatively high when compared with other functional economic areas in the wider South East (by way of example Berkshire's labour self-containment rate is 47%) and is likely to reflect the presence of key economic and employment centres within Canterbury City and the coastal towns.

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<sup>4</sup> PPG Paragraph: 001 Reference ID: 61-011-20180913

<sup>5</sup> PPG: Plan-making: Paragraph: 019 Reference ID: 61-019-20190315

Table 2.1 Commuting Data for Canterbury District (2011)

Indicator	Canterbury District
Total working residents <sup>†</sup> (number of people living in the District that are in work, regardless of where they work)	66,080
Total workplace workers* (number of people working in jobs based in the District)	67,350
Live and work in authority*	47,790
Resident self-containment rate*	71.0%
Out-commuting workers <sup>‡</sup>	18,290
Top out-commuting destinations	Swale, Dover, Thanet, Ashford, Medway
In-commuting workers	19,560
Top in-commuting destinations	Dover, Thanet, Swale, Folkestone & Hythe, Ashford
Net in-flow of workers	1,270

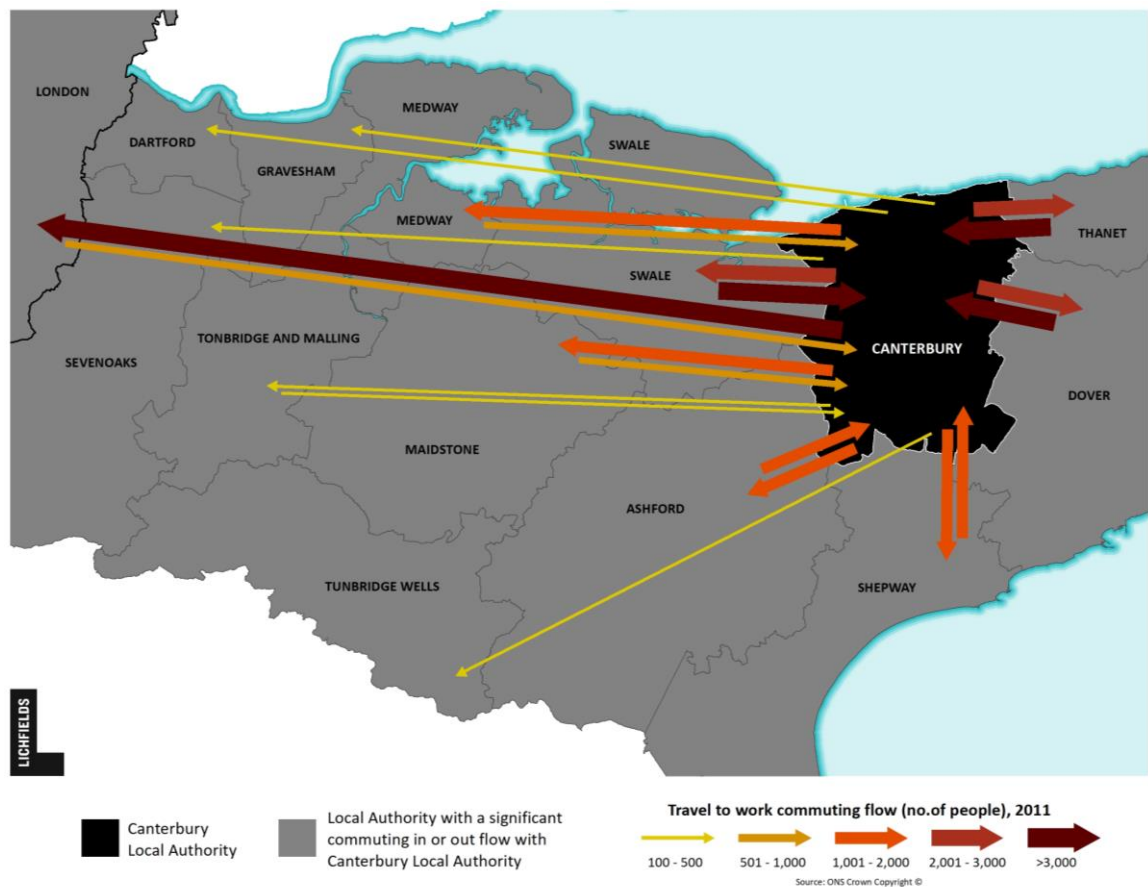
Source: ONS (2011 Census) / Lichfields analysis

<sup>†</sup> Includes those that work mainly at or from home, at an offshore installation, outside the UK, and with no fixed employment location (in line with ONS guidance on defining resident and workplace workforce).

\* Includes those Canterbury District residents that work mainly at or from home, at an offshore installation, and with no fixed employment location (in line with ONS guidance on defining resident and workplace workforce).

<sup>‡</sup> Includes those Canterbury District residents that work outside the UK (in line with ONS guidance on defining resident and workplace workforce).

Figure 2.1 Travel-To-Work Flows for Canterbury, 2011



Source: ONS (2011 Census) / Lichfields analysis

## ONS Travel to Work Areas

- 2.8 The Office for National Statistics (ONS) defines labour market areas as those areas where most of the resident population also work in the same area. Defining labour market areas requires analysis of commuting flows data to identify the Travel to Work Areas (TTWAs) of a local economy. The standard definition of a TTWA is an area from which at least 75% of an area’s resident workforce is employed, and at least 75% of the people who work in the area also reside. The area must also have a working population of at least 3,500. TTWAs represent the area from which local businesses are most likely to recruit their employees, while key strategic routes can extend these TTWAs well beyond the immediate sub-region.
- 2.9 In 2015, the ONS used 2011 Census data on home and work addresses to define 228 TTWAs that cover the whole of the UK. This analysis identified a ‘Canterbury TTWA’ that covers Canterbury District and also extends west into adjoining Swale to include Faversham (see Figure 2.2).

Figure 2.2 Canterbury Travel to Work Area, 2011



Source: ONS (2015) based on 2011 Census commuting data

- 2.10 In comparison to the surrounding TTWAs, Canterbury is larger than adjoining Margate and Ramsgate and comparable in size with the Ashford TTWA. It is however smaller than both Medway and Tunbridge Wells TTWAs. A comparison with the equivalent analysis prepared using the 2001 Census commuting data (as shown in Figure 2.3 below) shows very little change to the Canterbury TTWA during this time. A number of the surrounding TTWAs have contracted such as Dover to adjoin with Folkestone to create the Folkestone and Dover TTWA.

Figure 2.3 Canterbury Travel to Work Area, 2001

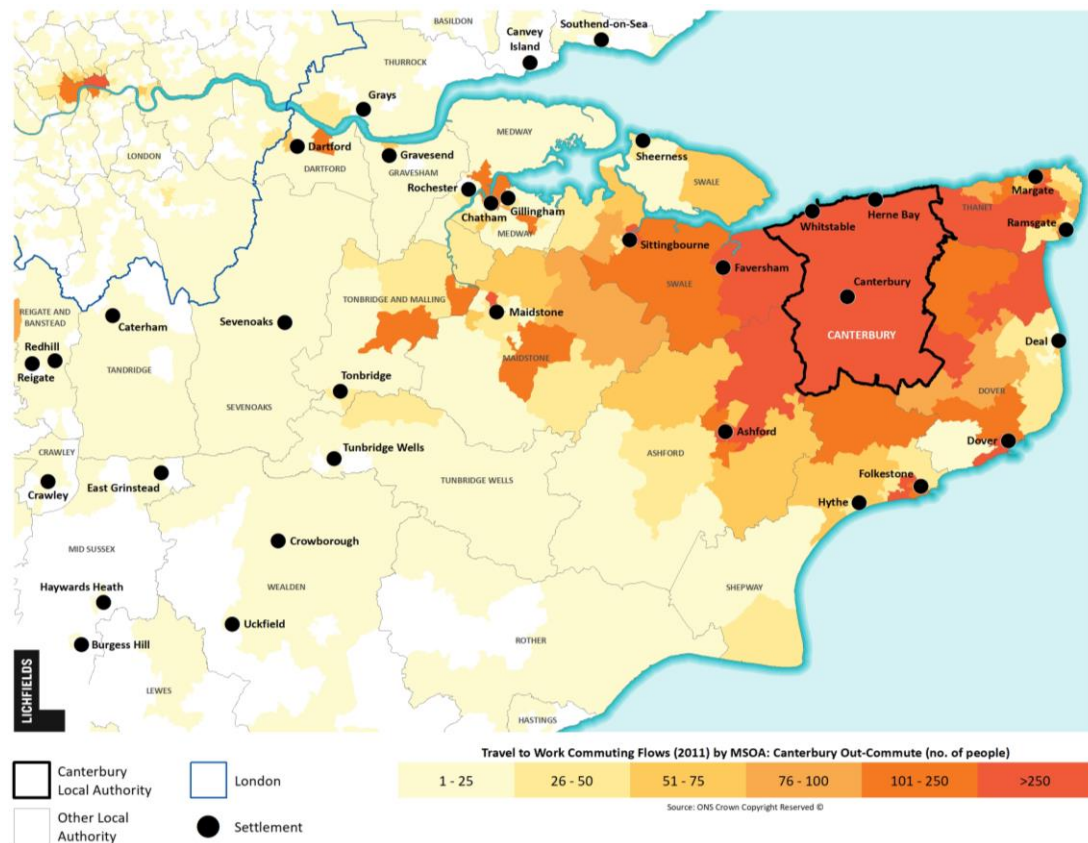


Source: ONS (2013) based on 2001 Census commuting data

### Canterbury Local Travel to Work Area

- 2.11 Commuting data from the 2011 Census also allows travel-to-work patterns to be examined at a more detailed geographic scale, with travel-to-work flows provided at the Middle Super Output Area (MSOA) level. This level of analysis provides a much more detailed understanding of the travel-to-work linkages between Canterbury District and other centres within the surrounding region.
- 2.12 The most significant destinations for out-commuting employed residents from Canterbury District at the MSOA level are the eastern parts of Swale (including Faversham town) and Ashford (including Ashford town), as well as the coastal areas to the east in Dover and Thanet (see Figure 2.4). Overall, this shows that out-commuting flows do extend quite significantly outside of Canterbury District’s boundary to the surrounding areas, across much of central and eastern Kent (and indeed beyond to London).

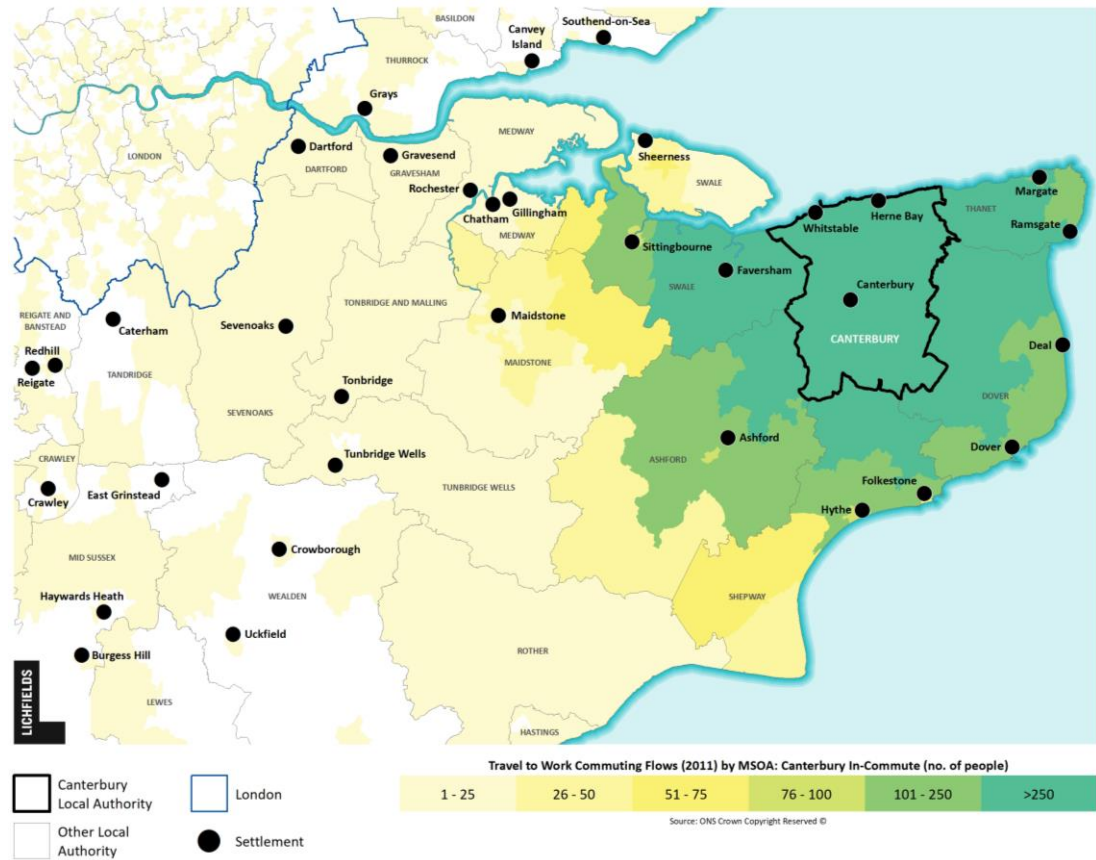
Figure 2.4 Out-Commuting Flows at MSOA Level for Canterbury District, 2011



Source: ONS (2011) / Lichfields analysis

- 2.13 In terms of in-commuting flows, the pattern is relatively similar, with strong levels of in-commuting from areas surrounding Canterbury District. However, unlike the out-commuting patterns, in-commuting flows are comparatively more localised, reflecting the nature of employment opportunities available locally (see Figure 2.5).

Figure 2.5 In-Commuting Flows at MSOA Level for Canterbury District, 2011



Source: ONS (2011) / Lichfields analysis

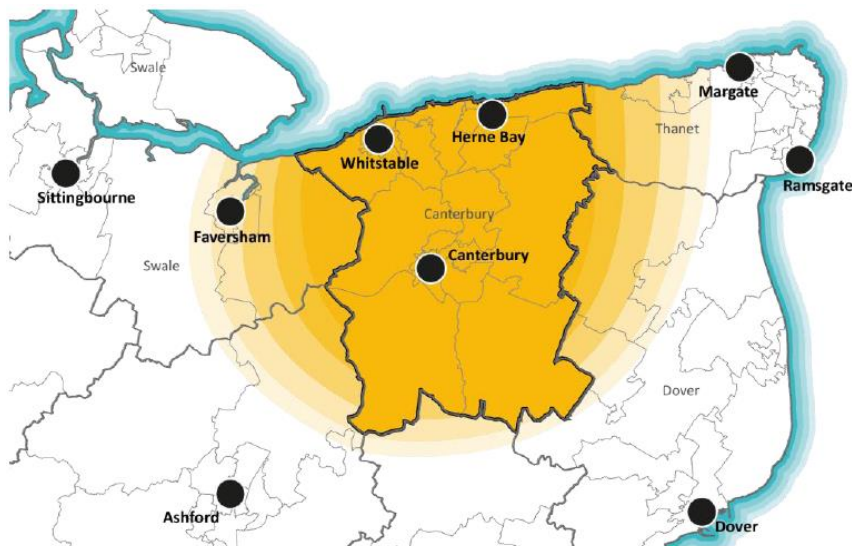
## Housing Market Areas

- 2.14 Housing market areas are a useful input to the process of considering the spatial extent of FEMAs due to the influence they have upon travel-to-work and labour market flows. Close relationships typically occur between the boundaries of sub-regional housing markets and sub-regional labour markets (generally referred to as Travel to Work Areas as explored above). Unless resident workers are taking a job in another location outside an acceptable journey time, they are likely to look for somewhere to live within the same travel to work area if they move to a new house.
- 2.15 The PPG defines a housing market area as:
- “a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work.”<sup>6</sup>*
- 2.16 The most recent evidence available on the District’s HMA is set out within the 2018 SHMA. This shows that Canterbury City lies at the centre of a local housing market area which also includes the towns of Whitstable and Herne Bay as well as a wider, more rural, hinterland. The whole of Canterbury District falls within the same single housing market area. However, the housing market area also extends beyond the boundary of Canterbury District, reflecting links with places in neighbouring Districts and Canterbury City’s role as an employment and shopping location for a wider catchment. In particular the western and more rural parts of Thanet

<sup>6</sup> PPG Paragraph: 018 Reference ID: 61-018-20190315

District, the north-western parts of Dover District, the north-eastern parts of Ashford Borough within the Kent Downs (e.g. Chilham) and the eastern parts of Swale Borough towards Faversham all form part of a Canterbury centred housing market area (Figure 2.6).

Figure 2.6 Canterbury District Housing Market Area



Source: Canterbury District Strategic Housing Market Assessment 2018

## Commercial Property Market Areas

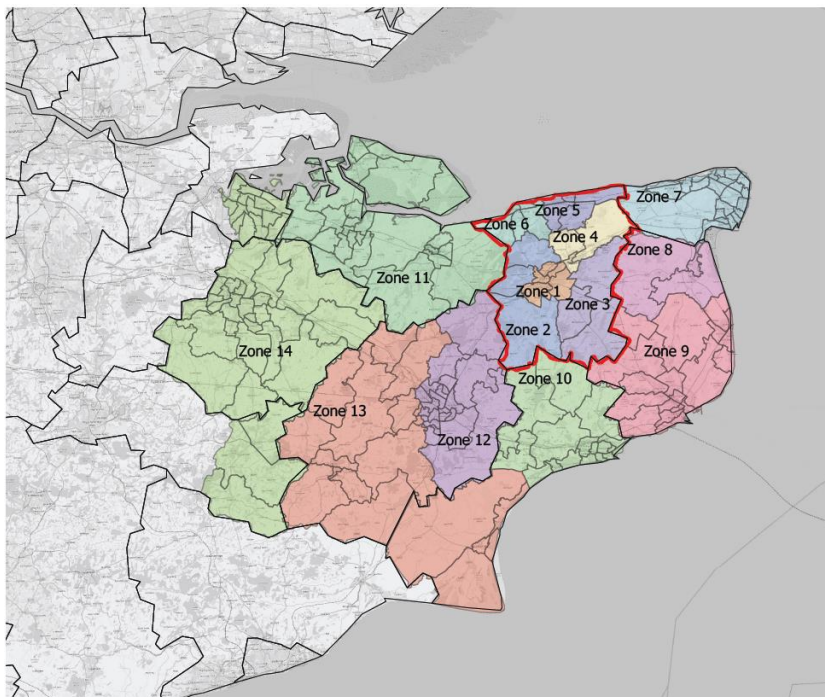
- 2.17 Commercial property market intelligence represents a key element to defining FEMAs as the geographical extent of markets can be defined by the location of customers, supply chains, competitors (including competing employment schemes) and enquiries, as well as the proximity to key transport infrastructure. Much of the activity occurring within a commercial property market represents the gradual churn of occupiers, as a company’s location can often be largely dictated by the need to be easily accessible to where most of their staff reside.
- 2.18 As described later in this report (see chapter 6.0), the District accommodates two broad property market sub-areas; one focused in and around the City of Canterbury, and one covering the coastal towns of Herne Bay and Whitstable. These tend to operate as relatively self-contained property market areas, with some – albeit limited – overlap with adjoining authority areas and economic centres (such as parts of Swale to the west and Thanet to the east) in terms of occupier movement and churn to a limited extent. As a result, Canterbury District can be considered to have a relatively self-contained commercial property market.

## Retail and Consumer Catchments

- 2.19 Within the context of identifying FEMAs, it is relevant to review existing retail and consumer market areas across the sub-region to consider the spatial area from which users of goods and services are drawn.
- 2.20 The latest retail study<sup>7</sup> for Canterbury District identifies a retail catchment area that extends to the coast to the north and to the east, to Maidstone in the west and to New Romney in the south. Figure 2.7 below shows the study survey area which covered 14 zones.

<sup>7</sup> Canterbury City Council, Retail and Leisure study 2020

Figure 2.7 Canterbury Retail Catchment Area



Source: GL Hearn (2020) Canterbury City Council Retail and Leisure study

2.21 The study area reflects the District’s role and draw as a shopping and leisure destination. Study Zones 1-6 comprise the Canterbury Council administrative area and the remaining zones comprise the fringe areas which the retail catchment is considered to reach. This geographical definition is the same as the previous Retail and Leisure Study (2015).

2.22 Aside from the sub-regional centre of Canterbury City, which serves a wider catchment area, the smaller towns of Whitstable and Herne Bay serve a more localised catchment.

### Transport and Connectivity

2.23 Transport accessibility is strongly linked with the geography of FEMAs, with the strategic transport network in particular playing a key role in shaping commercial property, labour and housing market flows.

2.24 Canterbury District is served by the A2 which runs through the middle of the District and provides access to the port of Dover as well as good access to the rest of the UK including London. The A28 connects the city of Canterbury with Ashford to the south and Thanet to the north-east and the A299 connects the seaside towns of Herne Bay and Whitstable with the M20 that provides connections into London.

2.25 The rate at which Canterbury District and the County of Kent as a whole is expanding is increasing the traffic pressure on the main connecting roads. Canterbury attracts 7 million visitor trips per year as the main centre in East Kent for shopping, cultural activities and education, resulting in nearly 160,000 vehicles per day travelling to and from Canterbury, which leads to significant travel problems especially prevalent during peak hours<sup>8</sup>.

2.26 The District is served by rail, which is provided by Southeastern with ten stations on three lines; Ashford to Ramsgate Line, North Kent Line and the Chatham Main Line. There are services that

<sup>8</sup> Canterbury City Council (2017) Canterbury District Transport Strategy 2014-31

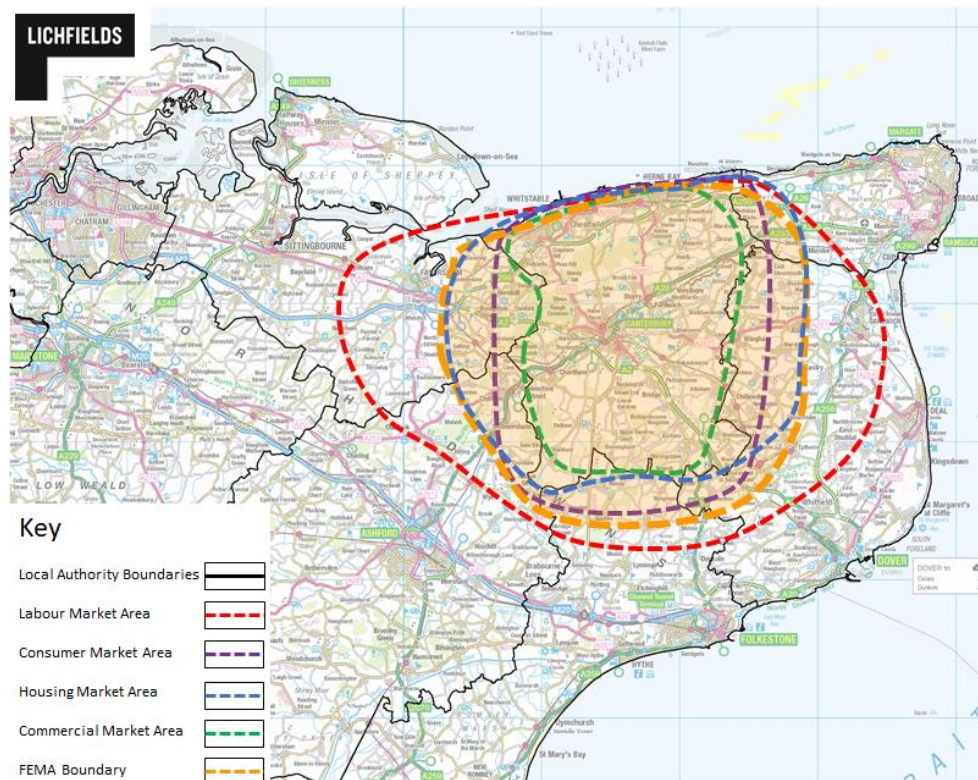


connect the District with London St Pancras, London Victoria and Ashford International (which provides daily Eurostar services to Lille, Paris and Brussels). High Speed One (HS1) serves the District via Canterbury West railway station and provides fast links into the Capital and the continent.

## Summary

- 2.27 Based on an assessment of various market areas operating in and around Canterbury District (in terms of labour markets, housing markets, commercial property markets, consumer catchments and transport and connectivity), it is possible to consider the spatial extent of the core FEMA for the authority.
- 2.28 This suggests that the District of Canterbury operates as a broad functional economic market area, with the spatial extent of its FEMA extending just outside of the District boundary (see Figure 2.8). This is particularly the case in terms of the labour market and consumer catchment areas. The analysis shows that Canterbury District shares strong economic relationships with parts of the surrounding authorities of Swale, Ashford, Folkestone & Hythe, Dover and Thanet. This relationship is strongest with the authorities of Swale, Dover and Folkestone & Hythe, especially in terms of travel-to-work flows. Economic linkages with Ashford are comparatively weaker but do still have some influence.
- 2.29 These conclusions are based on what existing data and evidence shows about the economic geographies and flows of labour, residents and businesses across Canterbury District and the wider sub-region. It does not take account of policy positions or approaches that may or may not be adopted by local planning authorities across Kent and neighbouring areas; through the Duty to Cooperate process, local planning authorities will need to determine how the conclusions from this study are taken forward in practical planning policy terms.

Figure 2.8 Canterbury Functional Economic Market Area



Source: Lichfields analysis, drawing on various sources

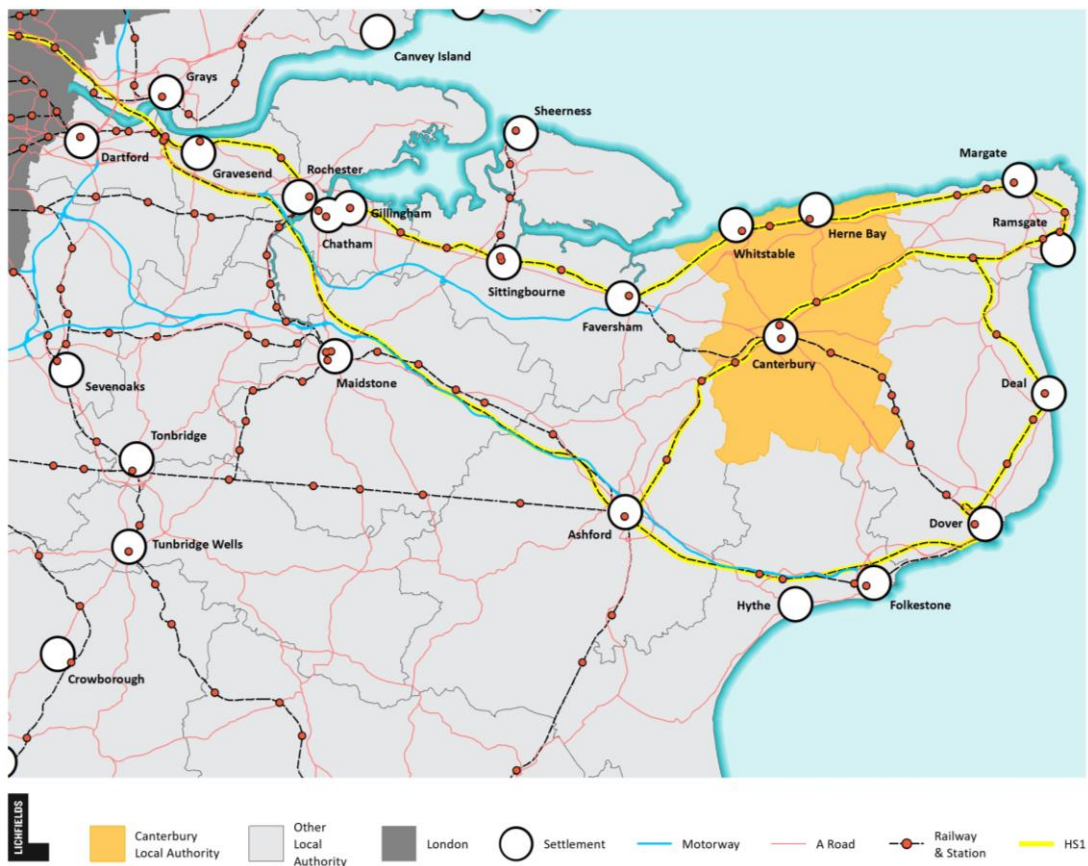
### 3.0 Economic Context and Trends

3.1 This section summarises recent economic conditions and trends in Canterbury District. The analysis identifies the key strengths and weaknesses of the District’s economy and factors that are likely to influence future demand for employment space in the District.

#### Spatial Overview

3.2 Canterbury District is located within the north eastern part of Kent in the South East of England and covers an area of 30,885 hectares. The District neighbours the authority areas of Thanet, Dover, Folkestone & Hythe, Ashford and Swale, as shown in Figure 3.1 below.

Figure 3.1 Spatial Context Map



Source: Lichfields

3.3 The strategic road network that serves Canterbury includes the M2, the A2 and the A299. Canterbury City is served by two rail stations – Canterbury East and Canterbury West, with the wider District served by considerably more. South Eastern Rail currently operates at these stations, with services to London Victoria, Ashford International, Stratford International and London St Pancras International (via High Speed One).

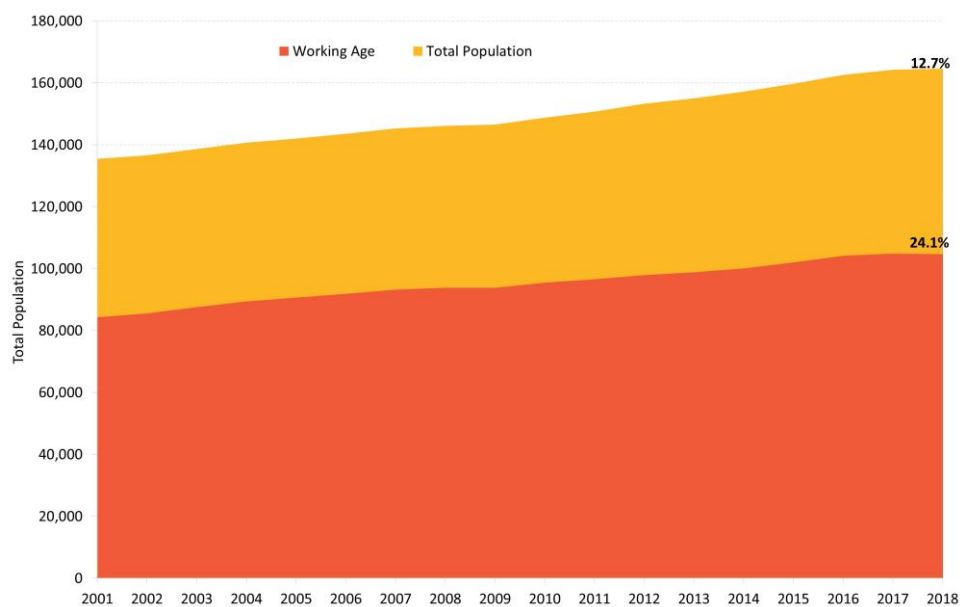
## Demographics and Employment

### Population

3.4 In 2018, the District had a resident population of 164,553, having increased by 12.7% over the previous 10 years since 2008. This population growth exceeded that recorded across the South East (8.4%) and the UK (7.5%) over the same period. Recent population growth has also outperformed the Kent-wide average which was equivalent to 10.2% over the 10 years to 2018.

3.5 Figure 3.2 below shows total and working age population in Canterbury over the time period 2001 to 2018. It shows that the proportion of the population that is of working age has increased by 24.1% over this time, outpacing overall population growth which increased by just 12.7%.

Figure 3.2 Total and Working Age Population in Canterbury District, 2001-2018



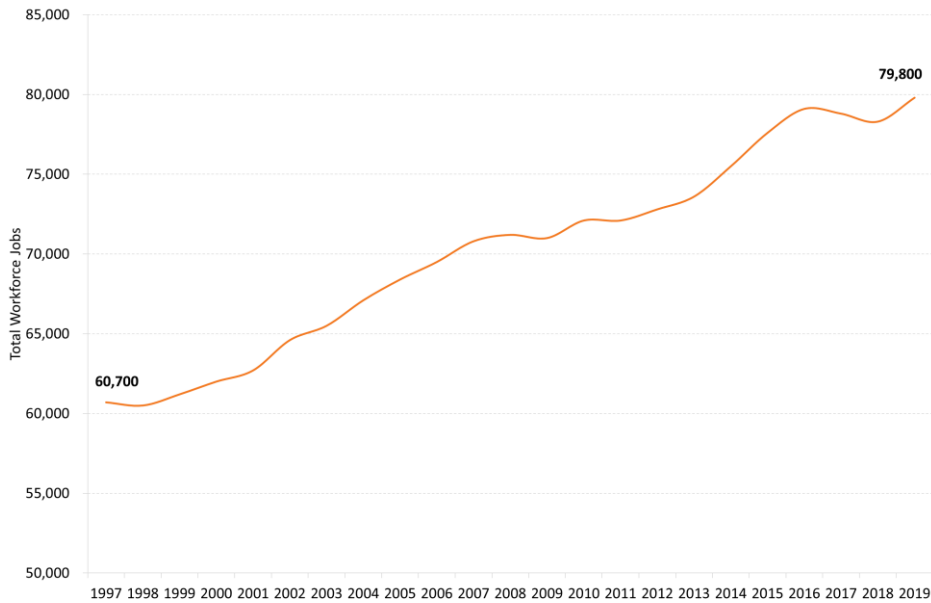
Source: ONS (2018) / Lichfields analysis

3.6 The proportion of Canterbury’s population that is of working age (i.e. 16 to 64) has increased slightly over recent years, from 62.4% in 2001 to 63.7% in 2018. This trend deviates from national trends, with the UK’s proportion of working age residents decreasing by 1.4% over the period 2001 to 2018 from 64.1% to 62.7%.

### Employment

3.7 Canterbury District accommodated 79,800 jobs in 2019. As shown in Figure 3.3, the District’s stock of jobs has increased by 19,100 since 1997, equivalent to a 31.5% increase over this time. The rate of growth has been reasonably consistent over this time and exceeded equivalent employment growth recorded across Kent and the South East (24.6% and 22.7% respectively).

Figure 3.3 Canterbury District Total Workforce Jobs (1997-2019)

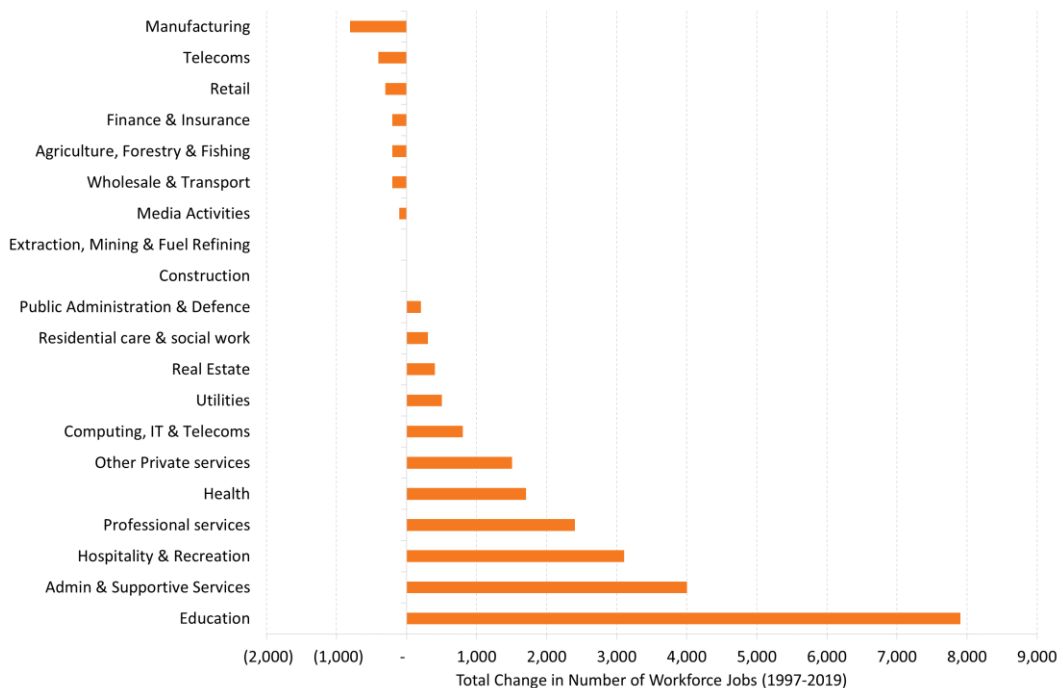


Source: Experian (2019) / Lichfields analysis

3.8

Figure 3.4 below illustrates the percentage change in jobs by sector between 1997 and 2019 in Canterbury District. This shows that some sectors have seen a large proportional increase in employment including education, admin and support services; hospitality and recreation; and professional services. Meanwhile, those sectors recording an overall decline in employment include manufacturing, telecoms; retail; finance and insurance; and agriculture, forestry and fishing. Some of these sectors such as retail have traditionally provided important sources of employment for the District.

Figure 3.4 Workforce Job Change by Sector in Canterbury District (1997-2019)



Source: Experian (2019) / Lichfields analysis

3.9 Partly as a result of this recent job growth, the education sector currently stands out as the District’s largest employer, accounting for almost twice as many jobs as the next largest sector, hospitality and recreation (Table 3.1).

Table 3.1 Top 5 Largest Employment Sectors in Canterbury District

Sector	Total Workforce Jobs (2019)
Education	16,100
Hospitality and Recreation	8,600
Retail	8,300
Health	7,100
Admin & Supportive Services	6,100

Source: Experian (2019) / Lichfields analysis

### Workforce Productivity

3.10 During 2019, the District’s economy was estimated to generate £3.56 billion of gross value added (GVA) over the course of the year. This represents an increase from £3.24 billion in 2010, equivalent to a 9.6% increase over the period.

3.11 On a per worker basis, workforce productivity in Canterbury District falls below the UK average, as shown in the table below. In 2019, each job in the District was estimated to generate £44,600 GVA on average, which is £7,100 lower than the UK average. The Kent wide average is however closer to the District figure.

Table 3.2 GVA per Worker (2019)

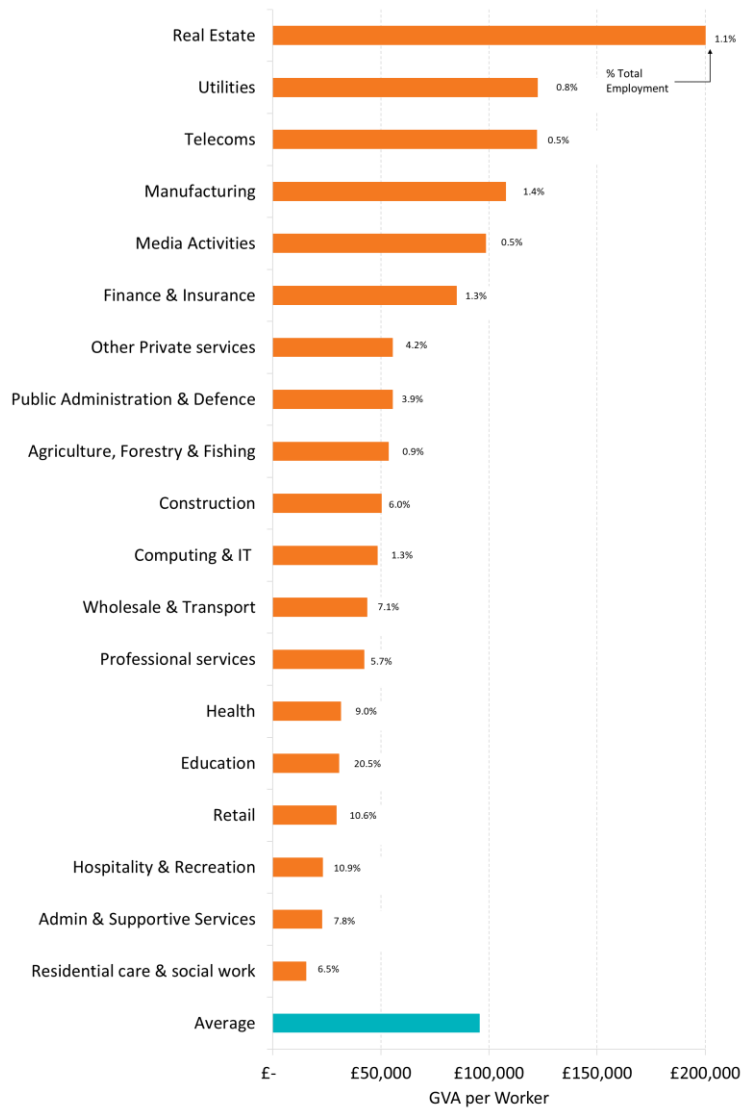
Location	GVA per Worker (p.a.)
<b>Canterbury District</b>	<b>£44,600</b>
Kent	£47,400
South East	£53,900
<b>UK</b>	<b>£51,700</b>

Source: Experian 2019 / Lichfields analysis

3.12 Workforce productivity inevitably varies by sector, with sectors such as real estate, utilities and telecoms generating the highest levels of GVA per worker (see Figure 3.5 overleaf). By comparison the added economic value supported by such sectors such as social care, admin and support services, hospitality, recreation and retail is significantly lower, reflecting the lower wages and skill levels associated with these industries.

3.13 These lower value sectors employ a significant proportion of the local workforce, helping to explain the below average overall productivity supported Canterbury’s economy.

Figure 3.5 Canterbury District Sector Productivity (2019)



Source: Experian 2019 / Lichfields analysis

Note: The percentage figures show the proportion of Canterbury District’s workforce that is employed in each sector. In addition, real estate sector productivity equates to £779,400 per worker annually. Extraction and Mining is excluded due to faulty data.

## Businesses

### Business Base

3.14

Data from the ONS shows that the size profile of the local business base in Canterbury District is similar to the regional and national average, dominated by micro firms (0 to 9 workers) and to a lesser extent small sized (10 to 49 workers) firms (Table 3.3). This also shows that the share of the working age population in Canterbury that is self-employed is higher than the regional and national average, suggesting strong levels of entrepreneurship within the District.

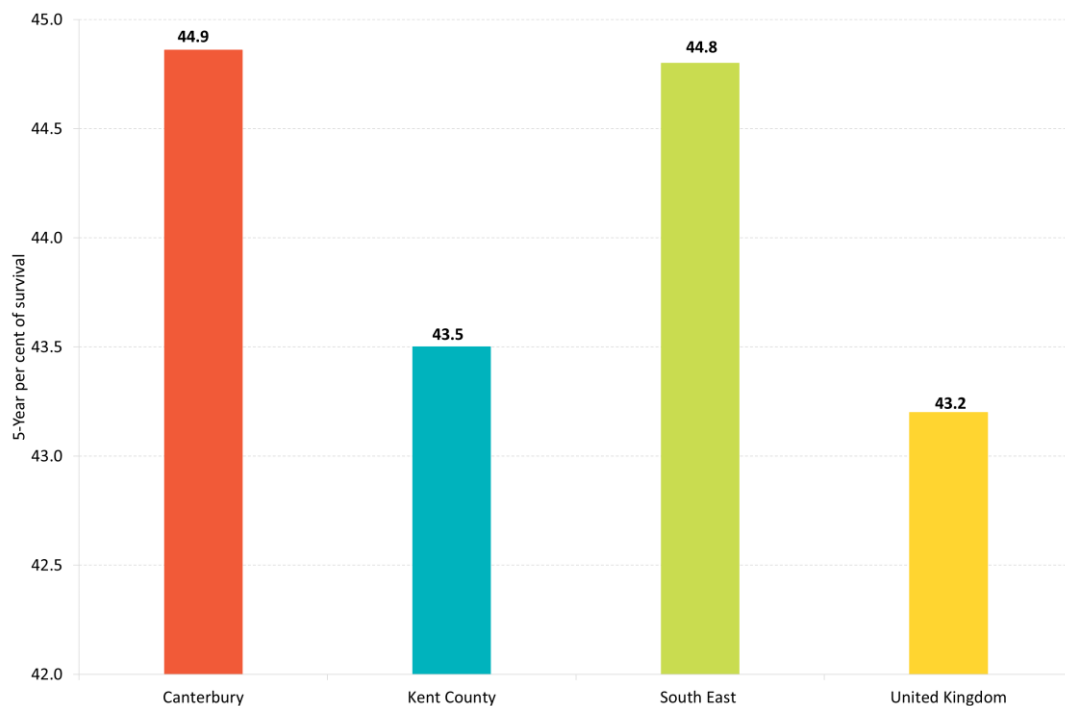
Table 3.3 Key Business Characteristics

Metric		Canterbury District	South East	UK
Business Size	Micro (0 to 9)	88.5%	89.9%	89.3%
	Small (10 to 49)	9.4%	8.2%	8.7%
	Medium (50 to 249)	1.5%	1.5%	1.6%
	Large (250 +)	0.6%	0.4%	0.4%
Self-employment		13.2%	11.8%	10.6%
Start-ups per 10,000 working age residents		102.3	92.7	91.9

Source: ONS (2018) / Lichfields analysis

- 3.15 The number of recorded enterprises in Canterbury District stood at 6,390 in 2018, having increased by 14.6% since 2010. The local business base has seen consistent growth over the last few years, especially since 2014.
- 3.16 Following start-up, businesses based in Canterbury District also experience relatively healthy levels of survival over the first few years of trading. Latest ONS data (shown in Figure 3.6) shows that 5-year business survival rates in Canterbury (44.9%) exceeds equivalents for Kent, the South East and UK as a whole.

Figure 3.6 Enterprise-5 Year Survival Rates

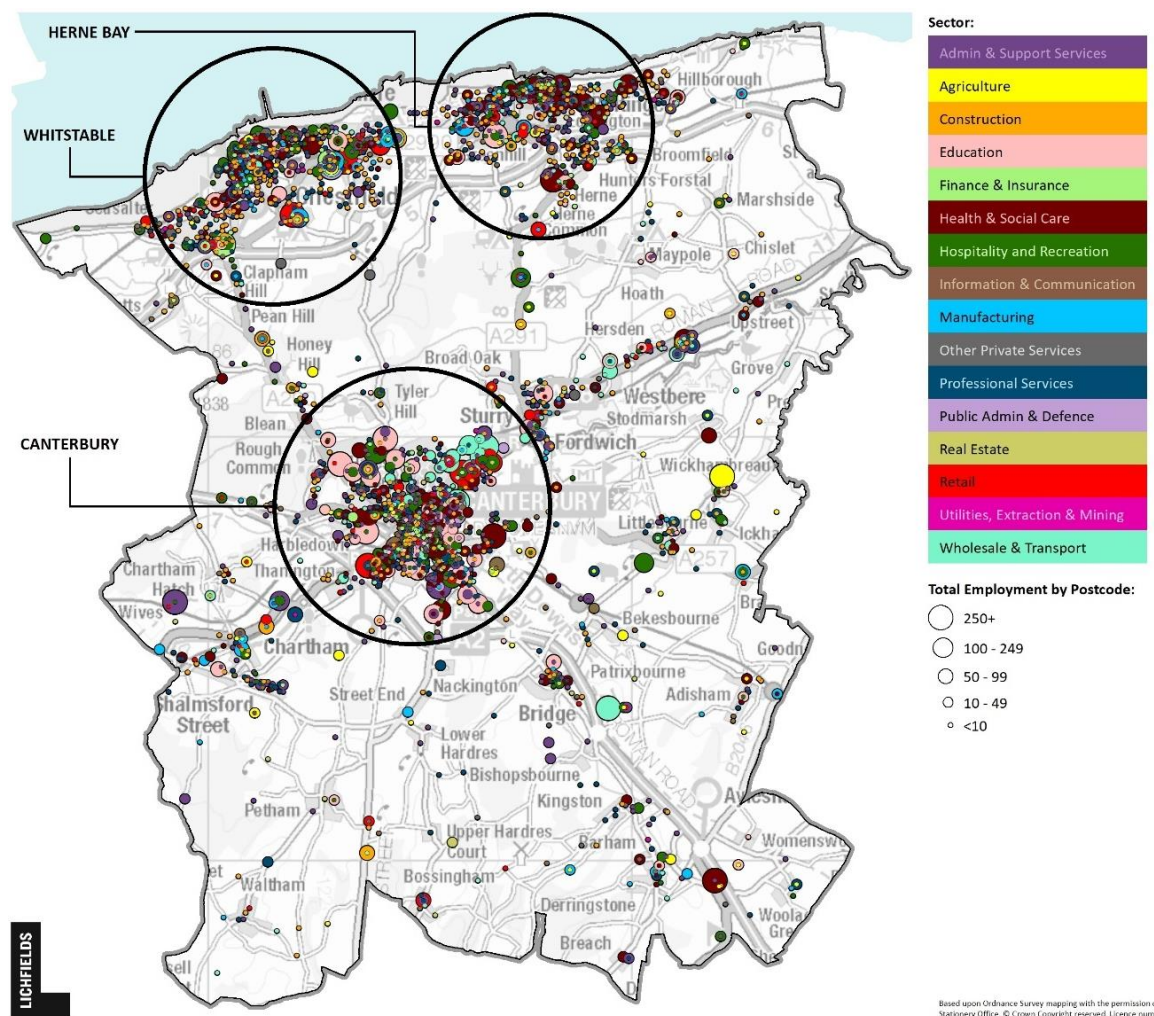


Source: ONS 2018 / Lichfields analysis

### Spatial Distribution

- 3.17 Using Inter Departmental Business Register (IDBR) data provided by ONS, it is possible to map the spatial distribution of employment and sector activity within Canterbury District.
- 3.18 Figure 3.7 shows that the largest clusters of employment are located within the City of Canterbury, and the coastal towns of Whitstable and Herne Bay. Canterbury City holds the greatest share of total employment with 58% of the District total, followed by Whitstable with 15% and Herne Bay with 11%.
- 3.19 These three main employment hubs together accommodate 83% of total employment in the District. The map in Figure 3.7 also underlines the importance of the A2 and A28 corridors in terms of influencing business location outside of these larger employment centres.

Figure 3.7 Spatial Distribution of Employment in Canterbury District

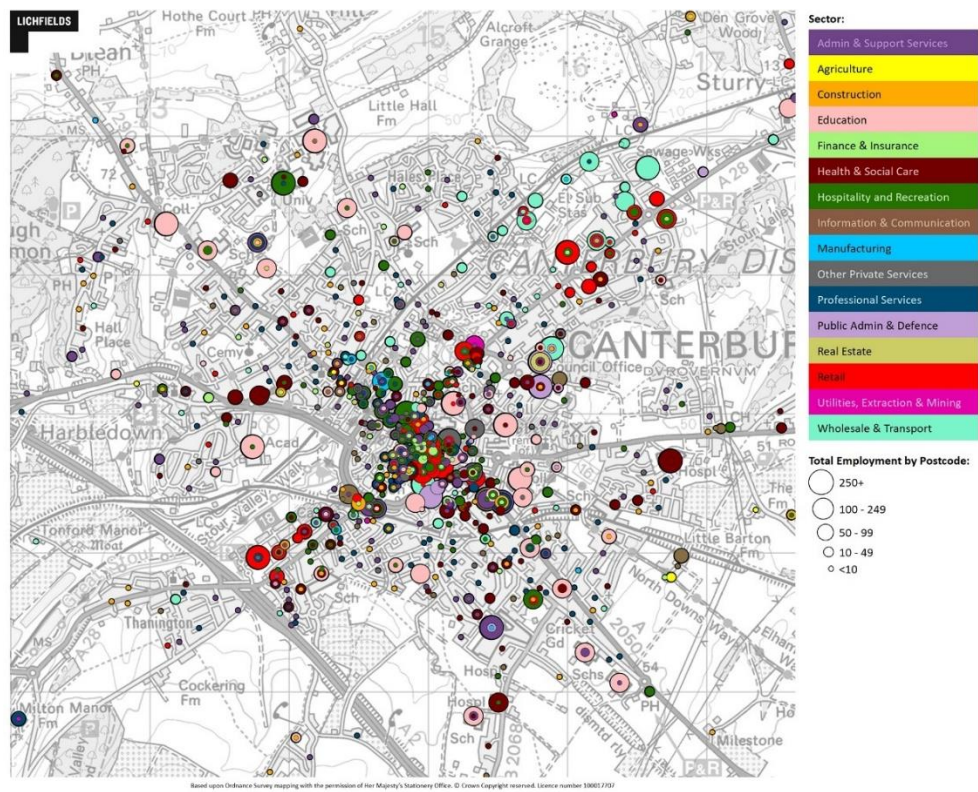


Source: ONS (IDBR) 2019 / Lichfields analysis

- 3.20 Within Canterbury City Centre, there are notable concentrations of services related employment, including hospitality, recreation and retail, as well as education and finance and insurance (Figure 3.8).
- 3.21 A mixed sector profile is shown for Whitstable, with the hospitality and recreation sector dominating pockets of employment along the coast (Figure 3.9). A number of retail and manufacturing employment clusters are also evident to the south and east of the town.

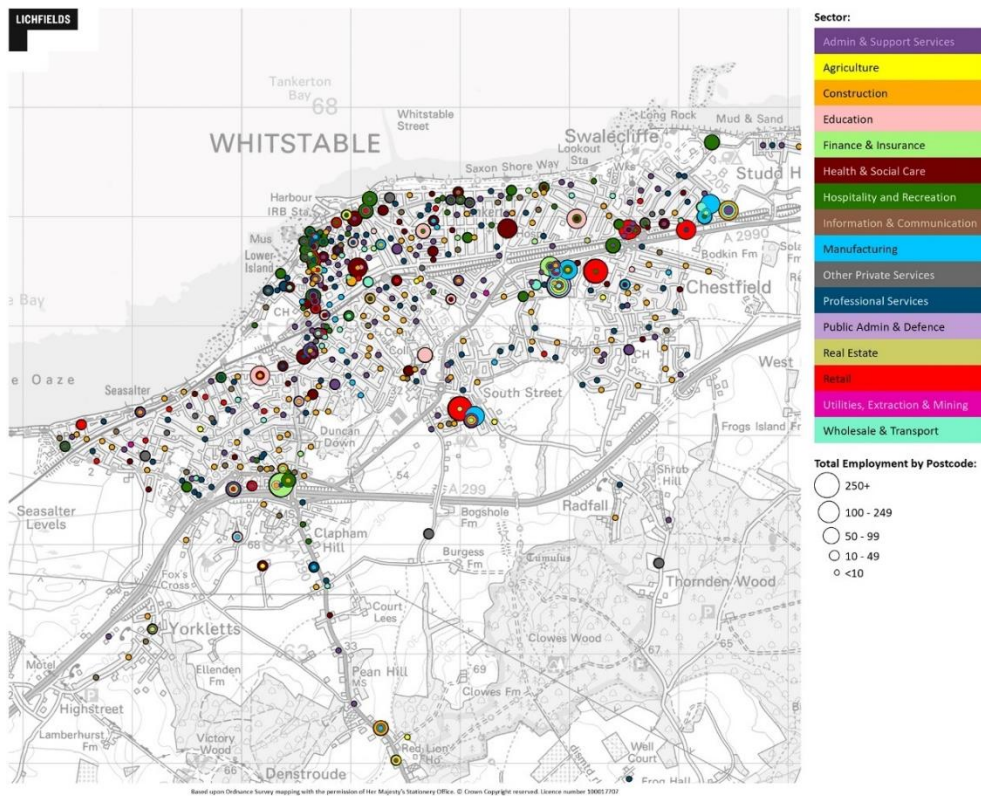


Figure 3.8 Spatial Distribution of Employment in Canterbury City



Source: ONS (IDBR) 2019 / Lichfields analysis

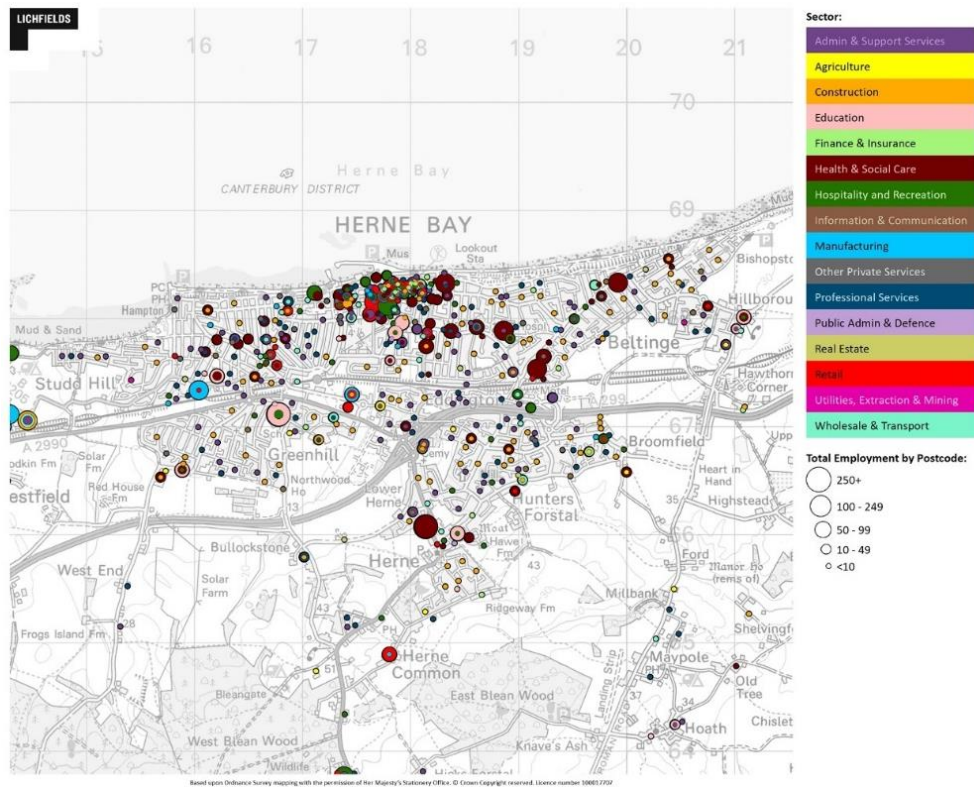
Figure 3.9 Spatial Distribution of Employment in Whitstable



Source: ONS (IDBR) 2019 / Lichfields analysis

3.22 A similar mixed picture is shown in Figure 3.10 below for Herne Bay, with some of the largest employment clusters located within the town centre and along the sea front. This employment is dominated by the hospitality and recreation, retail, and health and social care sectors.

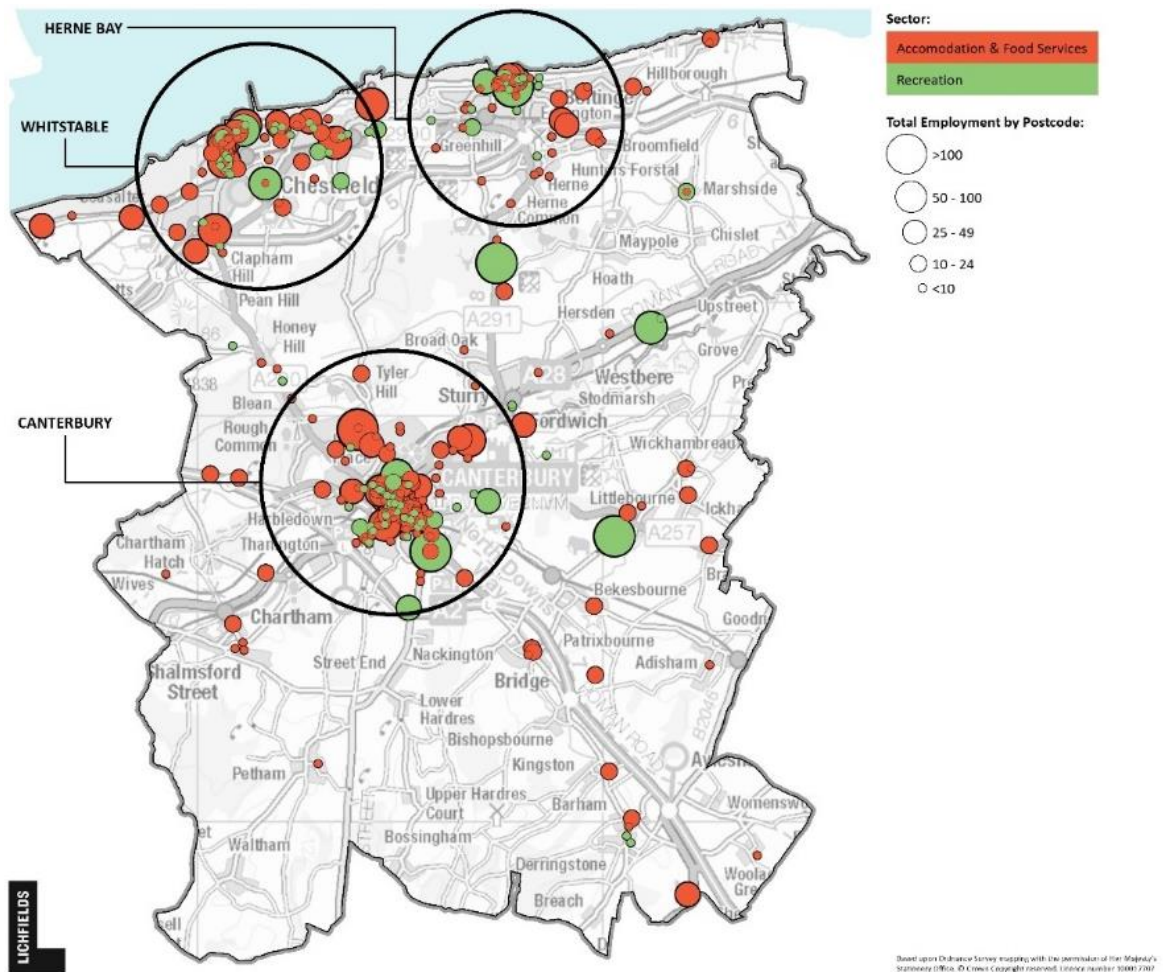
Figure 3.10 Spatial Distribution of Employment in Herne Bay



Source: ONS (IDBR) 2019 / Lichfields analysis

3.23 Focusing just on tourism related employment (i.e. accommodation and food services and recreation), the spatial distribution follows a similar pattern to total employment, with the more rural areas of the District also accommodating some key employment clusters (Figure 3.11).

Figure 3.11 Spatial distribution of hospitality related employment in Canterbury



Source: ONS (IDBR) 2019 / Lichfields analysis

## Labour Market

3.24 Table 3.4 below summarises a range of labour market metrics for Canterbury District, the South East and Great Britain. This highlights a relatively mixed picture in terms of performance, with the District recording an economic activity rate that falls below both regional and national averages, and also a relatively low proportion of residents holding higher level skills/qualifications (i.e. NVQ4+). The District supports a lower level of out-of-work benefit claimants than Great Britain but this is higher than other parts of the South East. It is likely that the District's sizeable student population skews some of these labour market indicators, particularly in relation to economic activity and resident skills.

3.25 In terms of qualification levels compared to the data used for the 2013 Employment Land Review, the District has seen levels improve. In 2011, 31.7% of residents aged 16-64 held NVQ4+ level qualifications, compared to 37.2% in 2018. Additionally, the proportion of residents aged 16-64 with no qualifications decreased from 14.1% to 6.1% over the period. However, the District has continued to have a lower proportion of residents holding NVQ4+ qualifications and higher proportion with no qualifications than the South East and Great Britain.

Table 3.4 Key Labour Market Characteristics

Metric	Canterbury District	South East	Great Britain	
Economic activity rate age 16 to 64 (2018)	71.5%	80.8%	78.5%	
Out-of-work benefits claimants as a proportion of residents aged 16-64 (2019)	2.2%	1.9%	2.8%	
Resident qualification level age 16 to 64 (2018)	NVQ4 and Above	37.2%	42.2%	39.3%
	NVQ3 and Above	64.8%	61.8%	57.8%
	NVQ2 and Above	80.4%	78.9%	74.9%
	NVQ1 and Above	86.4%	89.2%	85.4%
	Other or No Qualification	13.6%	10.8%	14.6%
Resident occupation group (2018)	SOC Major Group 1 - 3	43.3%	50.8%	46.2%
	SOC Major Group 4 - 5	26.0%	19.8%	20.1%
	SOC Major Group 6 - 7	15.8%	15.9%	16.5%
	SOC Major Group 8 - 9	12.3%	13.1%	16.7%
Median gross weekly earnings by residence (2018)	£578.4	£614.5	£571.1	
Median gross weekly earnings by workplace (2018)	£514.0	£589.2	£570.9	

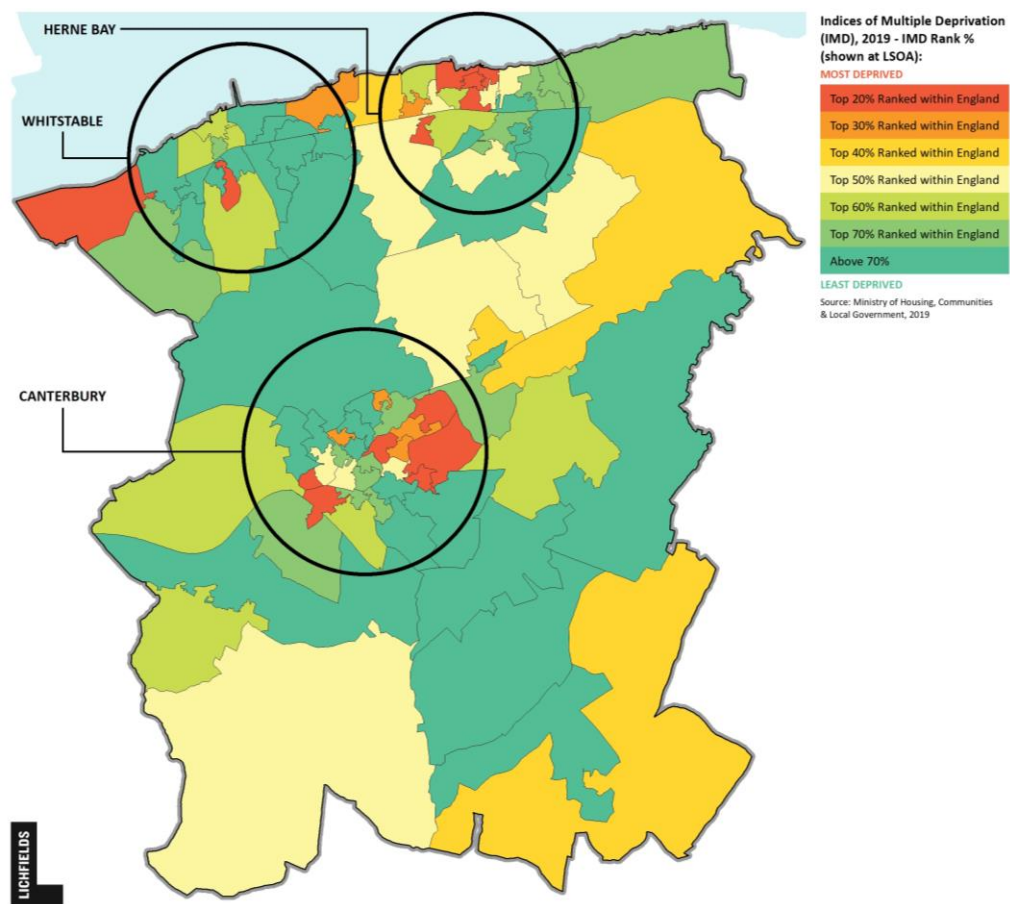
Source: ONS 2018 / Lichfields analysis

- 3.26 A lower share of Canterbury District’s resident population is employed in higher-skilled occupations represented by SOC Major Group 1-3 compared to the South East and Great Britain. Conversely, the proportion of the District’s resident base working in lower skilled occupations is also lower than the regional and national averages, underlining the important role that SOC Major Group 4-5 occupations play in supporting the District’s resident workforce (these jobs include admin and secretarial and skilled trades).
- 3.27 In comparison to the 2011, which was the year used for analysing occupations in the 2013 Employment Land Review, the proportion of residents in SOC Major Groups 1-3 increased slightly from 41.3% to 43.3% in 2018. This also occurred in the South East (48% to 50.8%) and Great Britain (43% to 46.2%) to a similar degree. The proportion of residents holding occupations in SOC Major Groups 8-9 also decreased from 14.7% in 2011 to 12.3% in 2018. This trend again occurred in the South East (13.8% to 13.1%) and Great Britain (17.5% to 16.7%). It should be noted that not all of the District’s residents work within the District (as explored further in the previous chapter).
- 3.28 Average earnings in Canterbury District are higher for residents (£578 per week) compared to workplace workers (£514 per week), which suggests some local residents are accessing higher paid jobs outside of the District, in locations such as London, as demonstrated by commuting patterns (explored in Chapter 2.0). Workplace earnings in the District fall well below regional and national averages, with resident wages marginally higher than the national average, but still behind the regional average (see Table 3.4).

## Deprivation

- 3.29 The Ministry of Housing, Communities and Local Government’s (MHCLG’s) Indices of Multiple Deprivation (IMD) (2019) scores local authorities and LSOAs in England across several domains of deprivation to produce an overall score. This allows for different parts of the country to be ranked against each other in terms of relative deprivation levels<sup>9</sup>.
- 3.30 Figure 3.12 below illustrates how this relative deprivation varies across the District and identifies pockets and concentrations of socio-economic deprivation. Overall, Canterbury District is characterised as having moderate levels of deprivation with an average ranking of 185 out of 317 local authorities in England on the Indices of Multiple Deprivation 2019, which places the District within the 50% least deprived local authorities in England. The District’s overall national ranking has improved slightly since the previous IMD data was released in 2015.

Figure 3.12 Canterbury District Deprivation by LSOA



Source: MHCLG (2019) / Lichfields analysis

- 3.31 This overall position masks some significant variation within the District with pockets of deprivation located mainly in the urban areas of Canterbury City, Herne Bay and Whitstable. All three areas have LSOAs ranked in the top 20% most deprived in England (Figure 3.12).

<sup>9</sup> MHCLG (2019); Indices of Multiple Deprivation

## Regeneration Opportunities

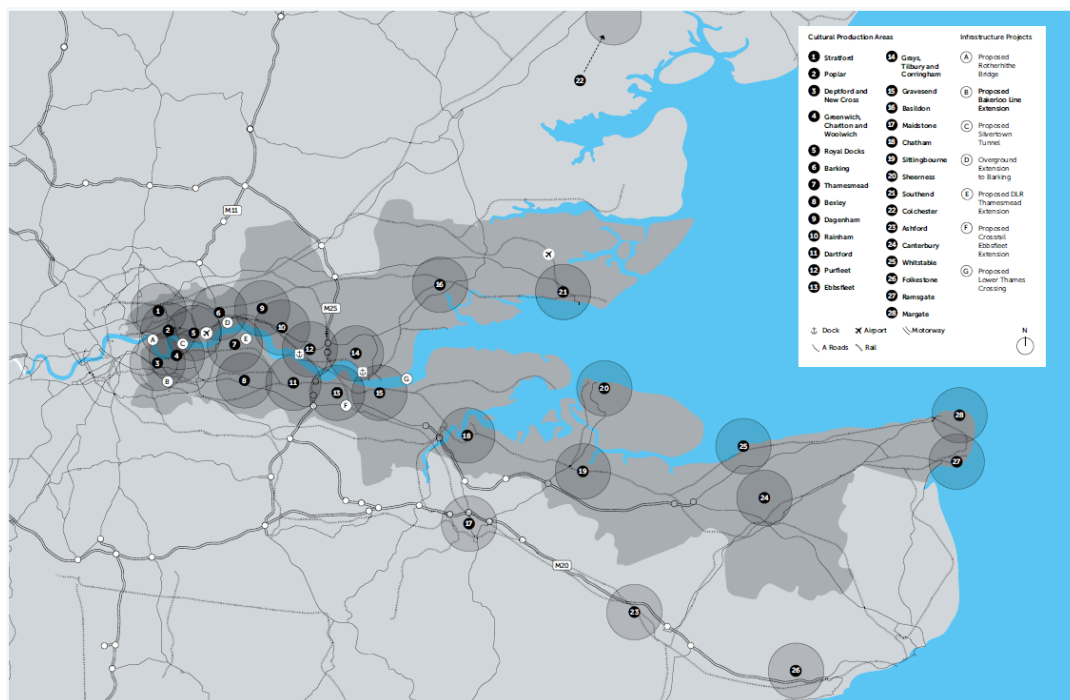
- 3.32 There are a number of economic development and regeneration schemes either already underway or planned to take place within Canterbury District over the coming months and years. Some of these schemes and developments are ambitious in terms of scale and what they are seeking to achieve, so could influence the type and scale of growth and development that comes forward across the District over the new Local Plan period. A summary of the more significant development schemes and initiatives is presented below, based on the 2019 Kent Property Market Report.
- 3.33 The City Council continues to work with partners Linkcity to progress The Riverside mixed-use scheme, further regenerating the Kingsmead area of the city. In November 2018 Councillors agreed to invest £23m in the project which will see the council retain ownership of the cinema, restaurants, car park, the public square and entertainment area. Following this investment, further deals have been signed with The Hyde Group, who will deliver 189 affordable homes across the scheme and Curzon, who will operate the five-screen cinema. Completion of the commercial component is due in summer 2021.
- 3.34 Work has also begun on the former Slatters Hotel redevelopment to deliver a high quality 131 bedroom hotel, retail units and roof-top destination restaurant in the city centre for completion in early 2021. Following interest from six hotel chains the site has been taken up by Hampton by Hilton, which is part of the Hilton Worldwide group. Alongside this, a new luxury 28 bedroom hotel and restaurant opened on the outskirts of Canterbury this spring in the village of Bridge. The Home Grown Hotels chain launched the Pig Hotel in the 16th century manor house formerly known as Bridge Place Country Club. This site was selected as part of a £30m expansion plan to add three new boutique, quintessentially British hotels to their portfolio.
- 3.35 In the seaside town of Herne Bay, the Council is progressing its £5.9m Beach Street project to transform two former council-owned car parks and a number of disused and derelict buildings into a new residential and commercial complex. The scheme was granted permission in May 2019 with work anticipated to begin in 2021. As well as providing 33 new residential properties, retail units and artists' studio spaces in the heart of the town, the project will also enable people to move more easily between the seafront and shops, cafés and other amenities in the town centre. Also in Herne Bay, the Council recently refurbished its former District Office building at Wimereux Square into a new business hub. Part financed by a grant from the Government's Coastal Communities Fund, the Neptune Co-Working Project opened in 2020 to provide co-working office, training, meeting and studio space for local start-up and existing creative businesses. The project aims to diversify the town's largely tourism-based economy.
- 3.36 Finally, Canterbury is well known as a centre of knowledge, research and education with its four universities and many other skills and training providers. This reputation will be expanded further with major new investment over the next few years by University of Kent and Canterbury Christ Church University. A particular highlight will be the Kent and Medway Medical School (KMMS) and the universities are currently preparing for the first intake of students from September 2020. With both universities incorporating new facilities into their campus masterplans KMMS students will be able to study in state-of-the-art buildings on both Canterbury campuses.

### Thames Estuary Production Corridor

3.37 The Thames Estuary Production Corridor (“TEPC”) is a significant new vision to unite East London, North Kent and South Essex to create a world-class centre for production, leading global innovation, developing talent and cultivating world changing ideas. It is a globally significant project; the first of a new generation of collaborative and transformational projects in the Thames Estuary, presenting a shared economic and social identity across 18 local authority areas.

3.38 Launched by the South East LEP and the Mayor of London in 2017, it extends from east London to Margate south of the Thames and to Southend to the north. Building on the manufacturing legacy, this bold programme will develop a series of state-of-the-art creative, digital and cultural production centres to create the UK’s densest concentration of production activity. Investment in the Thames Estuary’s creative industries has the potential to deliver 50,000 new jobs and add an extra £3.7bn to the UK economy.

Figure 3.13.3 Thames Estuary Production Corridor – Cultural Production Areas and Infrastructure Projects



Source: Kent Property Market Report 2019

3.39 This project provides a significant opportunity for the District of Canterbury to unlock and stimulate culture-led economic growth and strengthen existing economic ties with other parts of the TEPC. The vision for Canterbury and Whitstable is for economic identity to become established around art, design and crafts alongside an increasing emphasis on innovation, led by the Canterbury Christ Church University and the University of Kent.

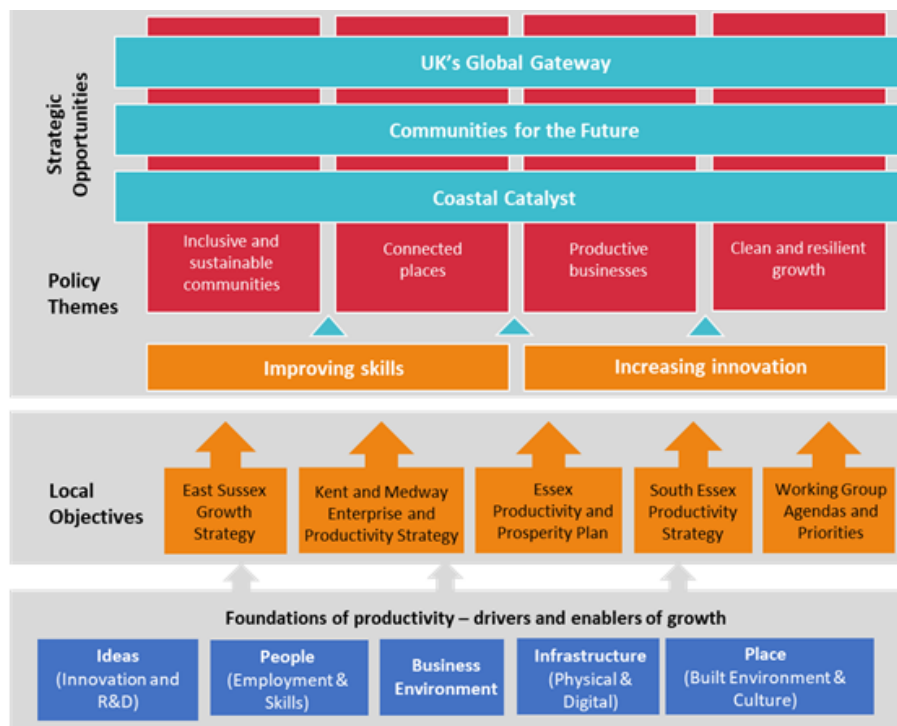
### South East Local Industrial Strategy

3.40 The most significant strategy in development to deliver economic growth across the wider area is the South East Local Industrial Strategy (LIS). A first working draft LIS was presented to the SELEP Strategic Board in January 2020 and identifies the following overall vision:

*“The South East is the UK’s global gateway; powering trade and prosperity throughout the UK, generating £90 billion a year for the economy.... We will accelerate our role as a global region to drive sustainable and innovative growth. Through targeted investment in our people and places and progressing our partnership with London, we will enhance the economic vitality of UK plc by increasing productivity across the SELEP area, delivering £28 billion additional Gross Value Added by 2030.”*

3.41 At the heart of the strategy are three distinctive strategic opportunities that the South East will harness to position the region as the UK’s global gateway, delivering investment in communities across the region to drive innovation, productivity and sustainable growth (Figure 3.4).

Figure 3.4 South East LIS Proposition



Source: South East Local Enterprise Partnership (January 2020)

3.42 This provides Canterbury District with particular opportunities to contribute towards the ‘communities for the future’ and ‘UK’s global gateway’ priorities, given the scale of development planned over the coming years (in particular within Canterbury’s strategic growth locations) and presence of two coastal communities that both offer strong potential for productivity growth.

3.43 Aligned with the LIS, the emerging Kent and Medway Enterprise and Productivity Strategy focuses on enabling three key objectives; super connecting the places of Kent and Medway; upskilling the workforce; and supporting well led business to grow and innovate. Specific ambitions linked to these objectives include being a smart international gateway to Europe, to be recognised as the ‘Clean Garden of England’ and as an international destination for investment and tourism.



## Summary

3.44

A summary SWOT analysis of the District’s key economic characteristics, strengths and weaknesses is shown in Table 3.5 below.

Table 3.5 Canterbury District Economic Characteristics SWOT

<b>Strengths</b>	<ul style="list-style-type: none"> <li>• Strong population growth in recent years, suggests Canterbury District is an attractive place to live</li> <li>• Higher proportion of working age residents than the national average</li> <li>• Relatively high levels of business start-ups and survival</li> <li>• Presence of significant knowledge assets including leading Universities and related clusters</li> </ul>
<b>Weaknesses</b>	<ul style="list-style-type: none"> <li>• Less highly qualified workforce than the South East, particularly at NVQ4+</li> <li>• Lower average earnings than the South East (workplace and resident based)</li> <li>• Lower than average level of residents employed in higher paid occupations (SOC major group 1-3)</li> <li>• Pockets of deprivation continue to persist, in and around the main urban areas</li> </ul>
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>• Higher than average levels of self-employment and business start-up presents opportunity for increased entrepreneurial activity in the District</li> <li>• Opportunity to boost local economic output/GVA through more productive business activity</li> <li>• New strategic initiatives (such as the South East LIS and Thames Estuary Production Corridor) offer opportunities for the District to draw on and deliver further economic growth</li> </ul>
<b>Threats</b>	<ul style="list-style-type: none"> <li>• Resident skills are insufficient to take advantage of potential high value jobs</li> <li>• Job losses in sectors such as manufacturing, telecoms and retail that have traditionally provided key sources of employment for the District</li> <li>• Significant regeneration and mixed-use development schemes across wider East Kent compete with Canterbury District for occupiers and investment</li> </ul>

## 4.0 Tourism Context and Trends

4.1 This section sets out the context that the District’s tourism sector operates within from an international, national and regional perspective.

4.2 Significant tourism and related accommodation trends have emerged over the last decade including the emergence of the ‘sharing economy’ and the ‘staycation’ as well as a growing interest in a more local and authentic visitor experience.

### Global Tourism Context

4.3 According to the UN World Tourism Organisation (UNWTO), travel and tourism is one of the fastest growing and most important economic sectors in the world. In 2018, and for the eighth consecutive year, the sector has seen uninterrupted growth with international tourist arrival reaching an estimated 1.4bn.

4.4 Research by Euromonitor International suggests that the global travel and tourism industry will continue to grow by 4.3% year-on-year in constant terms with international tourist arrivals forecast to reach more than 1.8bn by 2024 generating an estimated £2.3tn in economic value.

4.5 However, this pales in comparison to the sheer size of domestic tourism which is expected to reach 19bn travellers by 2024. The anticipated growth will be driven by rising incomes in emerging markets making travel more accessible to a wider range of audiences, resulting in an estimated 8% annual growth.

4.6 The average spend per arrival is expected to hold up to price pressures and is forecast to marginally increase to £854 by 2024, up from £844 in 2018, which points to a shift towards higher spending per trip as destinations transition towards a more sustainable tourism model.

4.7 It is anticipated that online sales will account for just over half of all sales with mobile sales representing a quarter of all travel bookings in value terms as the travel and tourism industry continues its digital transformation.

### Key Global Tourism Trends

4.8 Digitalisation, new technology, and the 2008 global economic crisis combined with changing behaviours and preferences among travellers have had a profound effect on the global travel and tourism industry in recent years.

4.9 The most significant trend is perhaps the ‘sharing economy’ with the emergence of new online digital platforms for short-term rentals such as Airbnb and HomeAway as well as the more recent inclusion of short-term rentals on platforms such as Booking.com. This has resulted in the market growing at an unprecedented rate and outpacing the growth of traditional tourist accommodation. With the help of new technologies, the traditional cost of doing business has decreased significantly enabling both private individuals and commercial enterprises to access the market.

4.10 Furthermore, consumers increasingly value experiences such as travel seeking out authentic, local and unique experiences as well as value for money. These trends have led to the phenomenal success of brands like Airbnb in addition to a growing interest in activity-based travel according to Euromonitor’s International Lifestyles Survey.

4.11 Recent research by the European Travel Commission went further and emphasised the importance of pursuing hobbies and interests as a driver of tourism in Europe, with gastronomy, adventure, urban experiences and ‘living like a local’ resonating with most visitors. In terms of

gastronomy tourists are keen to seek out hidden gems such as places that have long been favourites among locals and offer sought-after home-grown products. The UK's first vegan hotel has just opened in Perthshire in response to the fact that an increasing number of people are choosing to avoid meat and animal products.

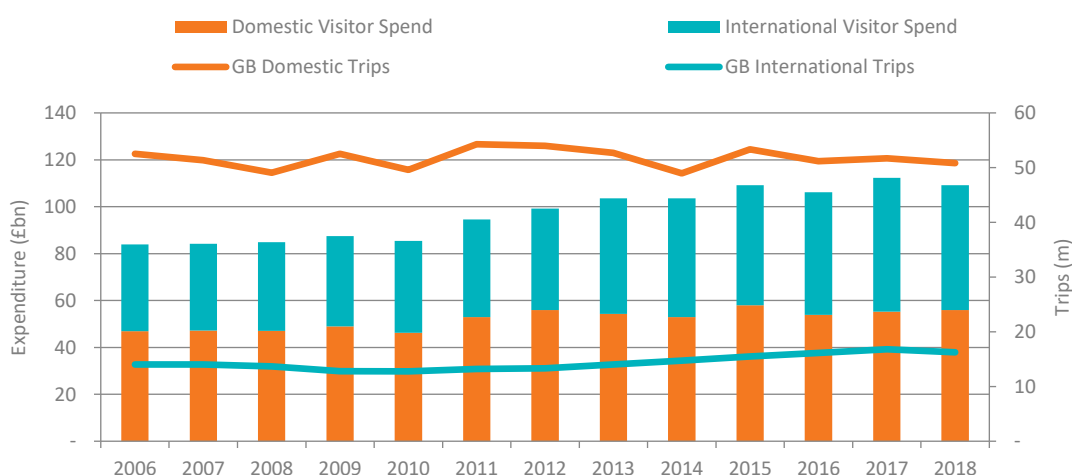
- 4.12 There is now a mass awareness of climate change and how everyone needs to take responsibility for their own carbon footprint. The 'Greta effect' means that sustainability has finally risen towards the top of the travel and tourism agenda with the sector accounting for up to 5% of global carbon emissions according to UNWTO. This is stimulating positive changes in attitudes and behaviour as well as increasing the desire to find solutions to mitigate the negative impacts of tourism on the environment.
- 4.13 Booking.com is predicting the rise of 'the second city' traveller in response to over-tourism. This means that visitors are swapping crowded hotspots in favour of lesser-known destinations in a bid to reduce over-tourism and protect the environment. This trend is predicted to take a leap forward in the coming years. As a consequence, travellers are keen to switch destinations if this may lead to less of an impact on the environment or indeed would have a positive impact on the local community.
- 4.14 Furthermore, accessible travel is growing, driven by changing consumer demographics with a fifth of the world's population having access needs. The regulation, tools and consumer attitudes are now in place to lead to a paradigm shift to deliver seamless travel experiences for all. Europe leads the way with countries such as Germany and UK at the forefront of inclusive tourism for all. Indeed, improving accessibility is a key priority in the new sector deal for tourism in the UK published earlier this year.
- 4.15 There are several ways to define accessible tourism, but the most important point is that it looks beyond the number of people with physical and intellectual disabilities, to encompass all those with mobility needs across the human lifecycle.
- 4.16 Universal design, also known as inclusive design or design for all, is recognised as the means to delivering accessible goods and services, applied to the environment, technology and communications. It is very important that universal design is considered in both the offline and digital world.

## Tourism in the UK

- 4.17 The UK is a world-class tourist destination with a rich cultural heritage, landscapes of outstanding natural beauty as well as vibrant cities and urban attractions.
- 4.18 Tourist statistics for the UK reveal that the number of international visitors to the UK in 2018 fell by 3%, from the 2017 record, to 37.9m, after several years of growth since 2010. The number of visitor nights spent in the UK fell by 7% in 2018 to 266m, with the average number of nights per visit declining to 7.0 down from 7.3 in 2017. The value of spending also decreased by 7% (compared to 2017) to £22.9bn. Nonetheless tourism remains one of the country's most important industries and the third largest service export.
- 4.19 Looking at the coming year, Visit Britain's 2019 inbound forecast predicts an increase of 3.3% in international visitors and increase in spend to £24.9bn. The forecast highlights that overall Brexit remains a key uncertainty, as currently there is a lack of clarity and the forecast assumes no major travel disruptions. The on-going value of Sterling remains a further uncertainty, currently lower than its pre-referendum value and forecasted to remain weak throughout the medium term.

- 4.20 In 2017, the UK was ranked seventh in the UNWTO international tourist arrivals league, behind France, Spain, the USA, China, Italy and Mexico. The UK accounted for 2.8% of global arrivals in 2017. In the same year the UK was ranked fifth in the international tourism earnings league (on par with 2016) behind the USA, Spain, France and Thailand. UK tourism receipts accounted for 3.7% of global expenditure in 2017.
- 4.21 In 2018, the USA, France and Germany were the top three markets in terms of number of visits to the UK accounting for almost a third of total visits. The top three markets measured in terms of visitor spend were the same markets albeit in a different order (USA, Germany and France) accounting for 27% of all overseas visitor spend in the UK. London accounts for 54% of all international visitor spend, the rest of England 33%, Scotland 10% and Wales 2%.
- 4.22 In 2018, two-in-five international visits to the UK were for a holiday (40%), whilst nearly a quarter (22%) were for business purposes. Visiting friends and relatives (VFR) accounted for 31% of visits and ‘other’ for 7%.
- 4.23 In 2018, domestic tourism in England declined by 3% with British residents taking 97.4m overnight trips in England, totalling 296m overnight stays and expenditure of £19bn, with an average trip length of three nights.
- 4.24 45.2 million holiday trips were taken in England in 2018, which was 4% lower than in 2017. At 29.7m short-breaks of between one and three nights accounted for just under two-thirds of English holidays by volume. 15.5m holiday trips lasting four nights or more were taken.
- 4.25 In 2018, the number of VFR trips declined by 3% to 35.5m while business trips were also down by 2% on 2017.
- 4.26 Domestic tourism is expected to perform well in 2019 as the low value of Sterling encourages more consumers to substitute an overseas holiday for a staycation. Domestic tourism is forecast to grow by an estimated 3% per annum until 2025 according to the Tourism Sector Deal published earlier this year.
- 4.27 The following chart illustrates the performance of the UK tourism sector from 2006 to 2018.

Figure 4.1 UK tourism sector performance



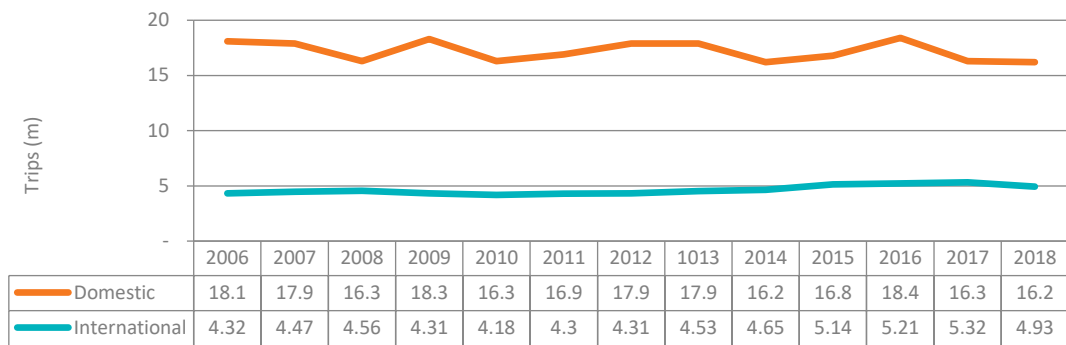
Source: Visit England and Visit Britain (2018 latest available data)

- 4.28 As shown by the above chart, the onset of the recession in late 2008 saw a significant increase in domestic trips (peaking in 2011) combined with a decline in the number of international holidays. This trend in domestic tourism has more or less continued especially due to the recent weakening of Sterling which at the same time has stimulated international visitation.
- 4.29 In the UK, the ‘staycation’ phenomenon first emerged in 2008-09 in response to the economic recession. A staycation is defined as a holiday taken in the UK by British residents and includes all holidays away from home whether that be a day trip, weekend break, a two-week holiday or a shorter retreat with more than half of all adults in the UK staycating in 2017.
- 4.30 According to research by Visit England the latest figures show that there were 59m staycations in the UK in 2017; an increase of 6% on 2016. Total spend reached £23.7bn, up 3% on 2016.
- 4.31 On the surface, it may appear that the staycation is a simple substitution, with people switching to a holiday at home rather than going abroad. However, research by Visit England suggests that it was more complex than that. The growth in domestic holidays was not purely driven by necessity, but also by a group called ‘extras’. Extras may be described as those who started taking more domestic holidays with cutting back on international travel, but at the same time driven by a growing interest in localism and authenticity.
- 4.32 Staycations typically include city breaks, cultural holidays, culinary and spa holidays which are less seasonal and therefore more likely to be taken throughout the year. Destinations which are able to create itineraries around these themes are likely to be able to stimulate visitation outside the high season.
- 4.33 According to Visit Britain, tourism has been the fastest growing sector in the UK since 2010 in employment terms. Britain is forecast to have a tourism industry worth over £257bn per annum by 2025 – accounting for just under 10% of UK GDP and supporting almost 3.8m jobs. The sector is predicted to grow at an annual rate of 3.8% per annum through to 2025 which is significantly faster than the overall UK economy and much faster than other sectors including manufacturing, construction and retail.

## Tourism in South East England

- 4.34 Canterbury District sits within the South East England region which attracted 16.2m domestic overnight visitors in 2018, down 0.6% on the previous year. Total international visitors to the region fell to 4.93m, down by 7.3% on the record-breaking 2017 and falling below the 5 million visits mark for the first time since 2014.
- 4.35 VFR and holiday were the most popular reasons to visit the South East in 2018 while summer remained the most popular time to visit. The top five international source markets were France, Germany, USA, Spain and the Netherlands. Within the South East, Canterbury was the seventh most visited town/city receiving 566,000 international visitors whilst Dover was ranked fifth with 599,000 international visitors.
- 4.36 The following chart shows the total domestic and international visitors to the South East from 2006-2018.

Figure 4.2 Total domestic and international visitors to the South East

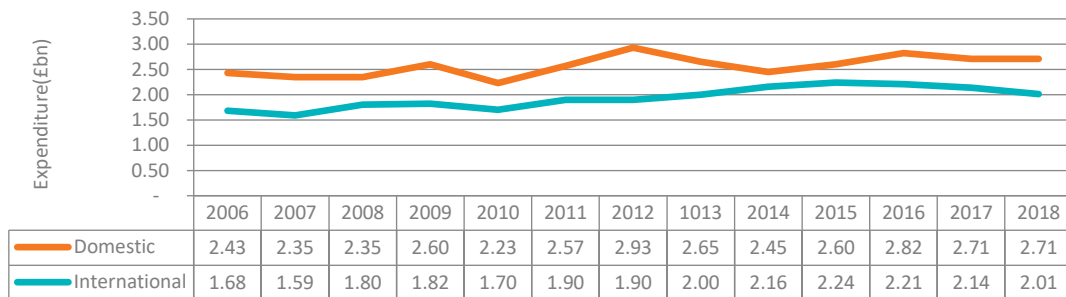


Source: Visit England and Visit Britain (2018 latest available data)

4.37

Figure 4.3 below shows that the total domestic and international visitor spend has narrowed significantly over the past decade, even though international visitors represent under a third of all visitors. Despite the fall in international visitor numbers spend remained above £2bn in 2018.

Figure 4.3 Total domestic and international visitor spend in the South East



Source: Visit England and Visit Britain (2018 latest available data)

## Kent Tourism

4.38

According to the most recent tourism economic impact study carried out by Visit Kent, the county welcomed 65m visitors in 2017 generating £3.8bn in economic value. Of these 4.9m were overnight visitors staying an estimated 17.9m nights in Kent generating an estimated £929m in economic value as well as 77,000 jobs.

4.39

In terms of the 4.9m overnight visitors, 3.8m were domestic visitors and 1.1m were international visitors staying 10.9m and 7.0m nights respectively.

4.40

Tourism in Kent has seen a £1.2bn increase in value over the past decade.

4.41

Kent is a large and diverse county offering a plethora of tourist destinations and attractions. Within this context East Kent is gaining a growing reputation as a cultural destination due to significant investment in cultural infrastructure in recent years including the Turner Contemporary and Dreamland in Margate as well as the Marlowe Theatre in Canterbury supported by a wide range of events and festivals stimulating visitation to the area. The introduction of High Speed 1 trains to and from London has made the area much easier to access for both day and overnight visitors. However, the challenge remains to convert more day visits, especially in the City of Canterbury, into overnight stays in order to maximise the economic benefit.

## Canterbury District Tourism

- 4.42 The Council’s vision for tourism and the visitor economy set out in the Canterbury District Strategy for 2030 is ‘Through focused, well planned and environmentally sustainable growth, by 2030 Canterbury District will be defined by a dynamic strong economy and distinctive cultural and visitor experience from which our communities will prosper’. The Council will build upon Canterbury’s offer and reputation as a cultural heritage destination to grow the value of the tourism offer both economically and socially across the District.
- 4.43 In 2017, Canterbury District received an estimated 7.8m visitors generating £491m in economic value and accounting for 10,115 jobs (16% of all employment in the District) making it the most visited in terms of overnight stays and employment in Kent. Thus the visitor economy is a significant contributor to the local economy as well as in Kent more generally. The majority of visitors to the District are day visitors which is not surprising given its proximity and easy access to London and Europe.
- 4.44 In 2017, a total of 647,000 visitors stayed an estimated 2.7m nights in the District with an average length of stay of 4.22 nights. Of these 461,000 were domestic visitors and 186,000 international visitors. In terms of nights spent in the District, 1.4m were domestic and 1.3m were international visitor nights indicating that international visitors’ average length of stay is much longer than the average 4.22 nights. These results are derived from the Cambridge Economic Impact Model<sup>10</sup>. It is worth noting that the City of Canterbury has experienced slower growth in international visitation than other key cultural heritage cities in the UK such as Oxford, Cambridge, Bath and York. This is partly explained by the need to engage more effectively with consumers to deliver targeted information and broadening their awareness of what is on offer according to research by VE<sup>11</sup>. The District is also constrained in terms of availability of large hotels able to accommodate groups year-round. Lack of branded also means less international market reach.
- 4.45 In 2017, 49% of visitors to the District visited for holiday purposes, 27% were VFR, 22% business and 2% for other purposes. Of these, 66% stayed in paid for accommodation and 34% with friends or relatives or in second homes.
- 4.46 The following chart shows the total nights by type of accommodation in the District in 2017.

Figure 4.4 Overnight stays in Canterbury District, 2017



Source: Canterbury Economic Impact of Tourism 2018

<sup>10</sup> <https://www.visitkentbusiness.co.uk/media/59283/1-economic-impact-of-tourism-canterbury-2017.pdf>

<sup>11</sup> <https://www.canterburybid.co.uk/wp-content/uploads/2018/10/Canterbury-Destination-Management-Plan-2018-2024-FINAL.pdf>

- 4.47 The chart illustrates that just over 40% of visitor nights spent in Canterbury District in 2017 were with friends and relatives followed by serviced accommodation at 30% while 11% were at campsites, 7% in self-catering establishments and 6% in group/campus accommodation with the remaining 6% spent in static caravans, second homes or other accommodation. It is unclear from the study how nights spent in Airbnb/HomeAway rentals are accounted for and thus the nights spent in self-catering may be underestimated.

### Canterbury District Visitor Attractions

- 4.48 Canterbury District has a rich cultural heritage, areas of outstanding natural beauty and beaches as well as a growing reputation for local produce and wine making. It is a prime visitor destination in the UK.

### City of Canterbury

- 4.49 The City of Canterbury is a UNESCO World Heritage Site, featuring a castle, five museums and the Canterbury Tales attraction. The trio of Canterbury Cathedral, St Augustine's Abbey and St Martin's Church make up the world heritage site. The Abbey was founded in 597AD, while St Martin's Church is the oldest parish church in England still in constant use.
- 4.50 The Cathedral's history goes back to 597AD when St Augustine, sent by Pope Gregory the Great as a missionary, established his seat in Canterbury. The cathedral was the scene of the murder of Thomas Beckett in 1170. As a result of this event, Canterbury, became a major pilgrimage site, and later it was the royal burial site to King Henry IV and Edward the Black Prince. Its pilgrimage site status inspired Geoffrey Chaucer to write the Canterbury Tales in 1387 and routes such as that from Southward and the Pilgrim's Way converged on it. Canterbury has been a stopping off point and destination for religious pilgrimages since the Roman times.
- 4.51 The Cathedral attracted 893,469 visitors in 2018; an increase of 2% on the previous year. This makes it the 45th most visited paid for attraction in the UK according to the Association of Leading Visitor Attractions.
- 4.52 During the 18th century Canterbury was a quiet town although it did have a flourishing leather industry and paper making industry. The first railway lines to Canterbury were also built during this time.
- 4.53 115 people were killed in Canterbury by German bombs in World War II. The worst raid was in 1942 where 48 people were killed and part of the town centre was destroyed including the cathedral.
- 4.54 Mary Tourtel, the English artist, who created Rupert Bear, was born in Canterbury and lived in Ivy Lane for much of her life, the house is still visible today. She died in 1948 and was also buried in the famous St Martin's Churchyard.
- 4.55 Furthermore, Canterbury has a range of other attractions including the Beaney House of Art and Knowledge, Roman Museum, Marlowe Theatre, Colyer Ferguson Hall, Gulbenkian Theatre, art galleries, vineyards, Howletts Animal Park as well as events such as the Canterbury Festival, Christmas Market and County Cricket.

### Coastal Towns

- 4.56 Whitstable has a rich maritime history and working harbour which is famous for its oysters. Known as the 'Pearl of Kent' Whitstable's oysters have been collected in the area since Roman times. Today, freshly caught shellfish are available throughout the year at several seafood restaurants and pubs in the town. The town has an extensive events calendar including the Whitstable Oyster Festival and the Whitstable Biennale. Nearby Seasalter is home to the award-



winning Sportsman which has held a Michelin Star since 2008 and is regularly voted one of the best restaurants in the Southeast.

- 4.57 Herne Bay, a more traditional seaside resort, was founded in the early 19th century and was a popular holiday destination for Londoners. It was during this period that a wealthy London lady gave the town its distinctive 80ft clock tower. The first pier was erected in 1832, followed by the introduction of steamboats in 1834. During World War II the bouncing bomb was tested off shore near Herne Bay. One of the prototype bombs may be seen in the town's Seaside Museum today. Herne Bay holds a number of popular annual events many of which are organised by the Bay Promo Team. Unfortunately, the usually popular airshow (attracting up to 100,000 spectators) was cancelled in 2019 due to the escalating costs of organising such a large event.

### Rural Area

- 4.58 The District offers a very attractive natural environment and classic English countryside comprising a number of picturesque villages. Bishopsbourne is a small village that lies in the Nailbourne Valley four miles from Canterbury. Its history ranges from a pub named The Mermaid which was built in 1861 to St Mary's Church with 14th century wall paintings. Author Joseph Conrad lived in the village and his house 'Oswalds still stands.
- 4.59 Fordwich is said to be the smallest town in England, with a population of around 300 people. It lies on the River Stour, northeast of Canterbury. The town grew in the Middle Ages as a port of Canterbury. The town lost its status in 1880 when it no longer had a major and corporation. However, it was given town status in 1972.
- 4.60 Chartham village is four miles west of Canterbury, located on the River Stour which once provided the power for the local paper mills. The church of St Mary the Virgin, built in approximately 1294, is located next to the village green and is remarkable for containing the oldest peal of bells in Kent.
- 4.61 Sturry is a small village on the River Stour three miles northeast of Canterbury. It lies at the old Roman junction of the road from the city to Thanet and Reculver at the point where a fort was built to protect the crossing of the river.
- 4.62 Reculver Country Park offers walks from Bishopstone to the ruins of a Roman fort and Saxon church. The park is a renowned spot for watching migrating birds and is situated on the north Kent coast three miles east of Herne Bay.
- 4.63 Stodmarsh National Nature Reserve covers 241 hectares of diverse landscape comprising reed beds, grazing marsh and lagoons. There are several bird habitats located on the reserve and numerous footpaths, including the Stour Valley Walk and the Saxon Shore walking routes.
- 4.64 Grove Ferry is an ideal spot for picnicking in the meadows, or fishing in the River Stour. Fishing rights were granted during the reign of Henry II and are still available today. It is a good base for following the Stour Valley Walk, the Saxon Shore Way and is adjacent to Stodmarsh National Reserve. During the summer months it is possible to take boat trips on the river from the Grove Ferry Inn.
- 4.65 Blean Woods have a wealth of wildlife. The 180-year old oak wood supports three species of woodpecker as well as a plethora of insects and butterflies.

### Summary

- 4.66 Canterbury District is a well-known and established tourist destination which benefits from a rich cultural heritage combined with countryside as well as an attractive coastal strip offering

visitors a wide variety of visitor experiences. As such it is a popular destination for domestic and international visitors.

- 4.67 Whitstable and the rural area are already tapping into the increasing demand for a local and authentic visitor experience and there would appear to be an opportunity to develop this further especially in view of the District’s growing reputation as a destination for local produce, food and drink.
- 4.68 As a more traditional seaside town, Herne Bay would benefit from investment in its tourism product in order to appeal to a more contemporary audience.
- 4.69 Due to the nature and characteristics of the tourism product in the District, the tourism industry is highly fragmented with a diverse range of operators with different interests based in the City of Canterbury, along the coastal strip and in the rural area. There is an opportunity to provide more itineraries and products linking the different areas and offering in order to deliver truly authentic and distinct experiences to visitors. This would help disperse visitors and stimulate demand outside the high season.
- 4.70 The District benefits from easy access from London and Europe making it easy to visit for the day as evidenced by the fact that the majority of visitors are day visitors. Thus there is an opportunity to convert more day visitors into overnight staying visitors in order to maximise the economic value of the sector.
- 4.71 The District is well positioned within the national and regional tourism context to grow its already successful tourism sector further. Growing the range and supply of the District’s tourist accommodation product across all levels will be an important element in ensuring an on-going successful tourism sector.

## Meetings, Incentives, Conferences and Exhibitions (MICE) Overview

- 4.72 The UK is a world leader in hosting international business events and home to many world-renowned venues that consistently host leading international events. In 2018 the UK was ranked third by the International Congress and Convention Association (ICCA) hosting 592 international events. In 2017, international delegates spent an estimated £4.5bn with business visitors likely to return to an area they visited for business for a holiday or a short break.
- 4.73 According to the UK Conference and Meeting Survey (UKCAMS) 2019 the industry is flourishing and robust. There was an estimated £18.3bn of direct expenditure generated by conference and meeting delegates in venues and wider destination spend in 2018, up from £16.5bn in 2017. At the same time, the overall number of conferences and meetings held in 2018 was the highest in recent years – an average of 428 conferences and meetings per venue compared with 373 in 2017 and 419 in 2016.
- 4.74 The research findings also revealed that the overall number of conferences and meetings in 2018 was estimated at 1.48m compared with the 2017 figure of 1.29m (and 1.45m in 2016). While most events (66%) comprised 50 delegates or fewer, with just 6% of events having more than 200 delegates, the average event size was 72 delegates, the same as for 2017.
- 4.75 Other key findings from the 2019 UKCAMS research include:
- 1 In 2018, there were an estimated 3m delegates accounting for approximately 152.8m delegate days.
  - 2 The average duration of conferences and meetings was 1.6 days (unchanged from previous years), although almost two-thirds of events lasted only one day or less.

- 3 Conference and training centres (640 events) and hotels (453 events) hosted higher than average numbers of events.
- 4 Just over a third (35%) of conferences and meetings were organised by a professional conference organiser or event management agency.
- 5 While the majority of UK venues are focused on the domestic meetings market, some 10% of venues are proactive in seeking to attract international conferences through trade shows and familiarisation visits.

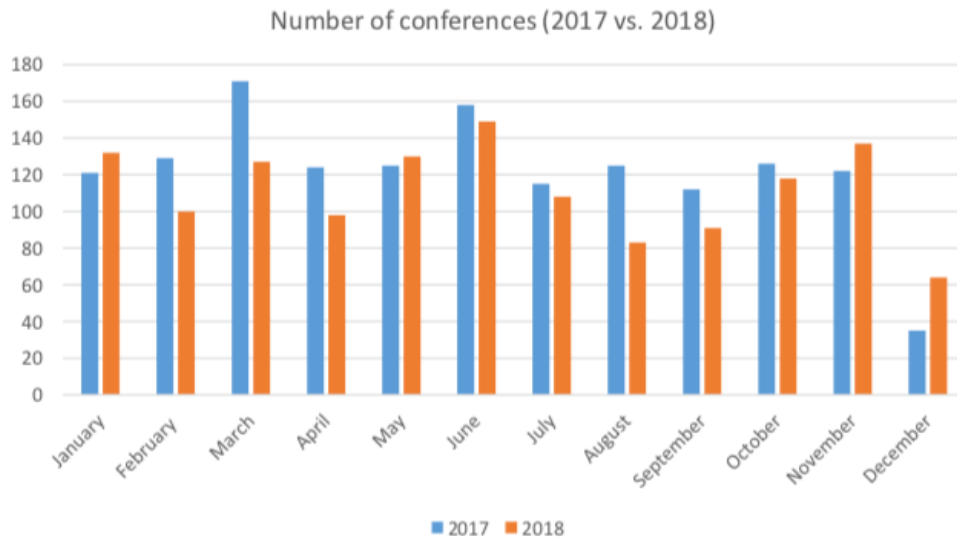
## University and Academic Conference Market Trends

- 4.76 Canterbury District is home to three universities and thus the market trends within this sector are particularly relevant. Academic venues, principally universities, have a long history of staging meetings and training events, but it is really only in the past thirty years that serious investment has taken place to provide facilities for, and the marketing of, dedicated meeting and conference spaces for hire by external organisations.
- 4.77 This type of activity has grown to become an important revenue stream for academic venues and is key to maximising the use of the extensive facilities that they have available.
- 4.78 The University and Academic Conference Market Trend report published in early 2019 is designed to complement the national UKCAMS data by providing an in-depth analysis of the academic venue sector.
- 4.79 Key findings from the research include:
- 1 Conferences and meetings held in academic venues in 2017 generated an estimated 15m delegate days and £1.9bn in-destination spend.
  - 2 The annual average number of conferences has fluctuated since 2009. Academic venues experienced an increase in 2010 and 2011 but fell back in 2013 and 2014. They have experienced growth in the last couple of years.
  - 3 This trend appears to have been driven by business from the corporate sector which has also fluctuated since 2009, but has shown an increase from 2013 onwards.
  - 4 Levels of overnight conference business have also increased from 2013 reaching a peak in 2017.

## Conference Trends in Kent

- 4.80 Visit Kent monitors business tourism performance and contrary to the national trend Kent recorded a decrease of 8.6% in the number of conferences and other events held within the county in 2018 compared with 2017. However, the number of weddings taking place within the county in 2018 showed an increase of 11.3% compared with the previous year.
- 4.81 The chart below shows the monthly number of conferences held in the county in 2017 and 2018 respectively. It shows that conferences in Kent follows the general national pattern from a seasonality perspective with demand peaking from March through to June and again from September through to the end of November.

Figure 4.5 Kent conferences by month



Source: Visit Kent Tourism Barometer 2018

4.82

In the following table, the main venues in the District are listed as identified by Visit Canterbury, Canterbury BID and the research carried out as part of this study.

Table 4.1 Event venues in Canterbury District

Venue & Location	Type of Venue	Number of Spaces	Maximum Capacity Largest Room
Canterbury Cathedral Lodge	Hotel	4	250
Best Western Abbots Barton Hotel	Hotel	4	150
Abode Canterbury	Hotel	6	150
Falstaff Hotel, Canterbury	Hotel	1	45
The Millers Arms	Inn	1	40
University of Kent, Canterbury	Academic Venue	50 main rooms multiple seminar rooms	480
Canterbury Christchurch University	Academic Venue	13 main rooms multiple seminar rooms	400
Canterbury College, Canterbury	Academic Venue	1 main hall multiple seminar/other rooms	300
Marlowe Theatre Studios	Theatre	2	1,200
Kent Cricket Club	Sports Venue	2	250
Westgate Hall	Venue	2	200
St Peter's Hall	Church Hall	1	200
The Beaney House of Art and Knowledge	Museum	3	85
Curzon Canterbury	Cinema	4	88
Tower House	Venue	3	70
Ann Robertson Centre	Conference, Education & Training Centre	4	55
Thanington Neighbourhood Research Centre	Community Venue	8	50
Spring Lane Neighbourhood Centre	Community Venue	1	50
Café du Soleil	Restaurant	1	80
The Draper's Arms	Restaurant	1	60
The Parrot	Pub	2	60
Bramleys	Bar and music venue	1	30

Venue & Location	Type of Venue	Number of Spaces	Maximum Capacity Largest Room
The Ambrette	Restaurant	1	20
Canteen	Cafe	1	16
The White Hart	Pub	1	15
Warrens Bakery	Bakery	1	12
Thomas Beckett Pub	Pub/Restaurant	1	n/a
The Foundry Brew Pub	Pub	1	n/a
Garage Roasted	Coffee Shop/Cafe	1	n/a
<b>Total Venues &amp; Maximum Capacity Canterbury District</b>		<b>29</b>	<b>1,200</b>

Source: Lichfields research

Table 4.2 Event venues in Canterbury District

Venue & Location	Type of Venue	Number of Spaces	Maximum Capacity
<b>Rural Areas</b>			
Broome Park Hotel, Barham	Hotel	5	250
Howfied Manor Hotel, Howfield	Hotel	3	100
Holiday Inn Express, Upper Harbledown	Hotel	2	36
Iffin Farmhouse	Guesthouse	3	20
Charlton Park, Bishopsbourne	Historic Venue	4	100
Littlebourne Memorial Hall, Littlebourne	Memorial Hall	4	100
Fordwich Town Hall	Historic Venue	1	35
<b>Total Venues &amp; Maximum Capacity Rural Area</b>		<b>7</b>	<b>250</b>
<b>Whitstable</b>			
The Marine Hotel, Whitstable	Hotel	3	120
Hotel Continental and East Quay Venue, Whitstable	Hotel and Venue	3	120
Crescent Turner Hotel, Whitstable	Hotel	1	80
Horsebridge Arts and Community Centre, Whitstable	Community Venue	5	150
Whitstable Castle , Whitstable	Historic Venue	7	100
Lucerne Neighbourhood Centre, Seasalter	Community Venue	1	30
Clover House, Whitstable	Business Centre	1	n/a
<b>Total Venues &amp; Maximum Capacity Whitstable &amp; Seasalter</b>		<b>7</b>	<b>150</b>
<b>Herne Bay</b>			
Kent Enterprise House, Herne Bay	Business Centre	1	20
Kings's Hall, Herne Bay	Historic Venue	4	650
<b>Total Venues &amp; Maximum Capacity Herne Bay</b>		<b>2</b>	<b>650</b>
<b>Total Venues &amp; Maximum Capacity Canterbury District</b>		<b>45</b>	<b>1,200</b>

Source: Lichfields research

- 4.83 It is evident from the table that a large number of venues are available for meetings, conferences and events within the District including some with very large capacities of high quality. However, few are purpose built and only 13 of the 45 venues identified offer overnight accommodation on site of which some is university campus accommodation that is typically not available during the peak season for meeting and conference-related demand as this coincides with university term time.
- 4.84 Unsurprisingly, Canterbury City has the largest concentration of venues within the District as well as the largest supply of overnight accommodation facilities. However, many of the venues are small without dedicated meeting and conferencing facilities thus making them more suitable for private functions, celebrations, parties and weddings.

- 4.85 Venues in the coastal and rural areas tend to be popular because they tend to offer free parking and overnight accommodation on site. In addition to business meetings and conferences these venues are also popular for weddings and private functions.

### Summary

- 4.86 The District and the City of Canterbury in particular have a wide range of venues available for conferences, meetings and events. However, the majority of larger venues are part of the universities meaning that availability is restricted during term times which coincides with the peak demand periods for conference- and meetings-related demand.
- 4.87 There is an opportunity to stimulate demand for conference- and meetings-related demand by increasing the provision of dedicated meeting and events facilities incorporating overnight accommodation that are available year-round in order to capture demand during the peak season. This will also enable the destination to attract meetings, conferences and events that are linked to the universities and their areas of expertise.

## 5.0 Tourist Accommodation Audit

- 5.1 This section sets out an analysis of the current supply of tourism accommodation within Canterbury District by type and location together with recent and planned future changes. It comprises hotels, guesthouses, B&Bs, hostel and campus accommodation as well as self-catering/holiday lets and campsites and caravan sites.
- 5.2 The analysis is based on a combination of sources including the Local Land Use Gazetteer, Visit Canterbury, Visit Kent, Mulberry Cottages, Kent & Sussex Cottages, Whitstable Holiday Homes, Whitstable Cottages, Tripadvisor, Booking.com, The AA, RAC, Visit England, AirDNA, individual properties' websites as well as visits to key destinations in the District and media articles.
- 5.3 Recent trends by type of tourist accommodation in terms of key performance indicators such as seasonality, average rate and annual occupancy are included where available.

### Total Tourist Accommodation Supply

- 5.4 The following table summarises the total supply of tourist accommodation in the District as of November 2019.

Table 5.1 Total tourist accommodation in Canterbury District, November 2019

Type of Tourist Accommodation	Canterbury City		Whitstable		Herne Bay		Rural Area		Total	
	Properties	Rooms	Properties	Rooms	Properties	Rooms	Properties	Rooms	Properties	Rooms
Hotels	18	596	4	144	1	50	5	182	28	972
Guesthouses/ B&Bs/Inns	28	168	8	33	12	43	24	79	72	323
Hostels/Campus Accommodation	5	6,950	-	-	-	-	-	-	5	6,950
Self-catering/ Holiday Lets	75	167	209	541	27	55	64	175	375	938
Campsites/ Caravan Parks	-	-	8	-	8	-	13	-	29	-
<b>Total Properties</b>	<b>126</b>	<b>7,881</b>	<b>229</b>	<b>718</b>	<b>48</b>	<b>148</b>	<b>106</b>	<b>436</b>	<b>509</b>	<b>9,183</b>

Source: Lichfields research

- 5.5 It should be noted that the self-catering and holiday lets supply shown in the table does not generally include Airbnb and HomeAway listings as these tend to fluctuate during the year. These are addressed separately when self-catering/holiday lets supply is analysed in further detail.
- 5.6 With regard to hostel and campus accommodation it should be noted that the vast majority of these rooms are university accommodation and therefore only available for part of the year, primarily during the summer months from June to September. Only three properties are available year-round with a total of 33 rooms.
- 5.7 In addition to the campsites and caravan parks shown in the table an additional six 'residential only' static caravan sites located along the Seasalter, Whitstable and Herne Bay coastal strip were identified. Generally, these do not permit subletting and thus have been excluded from the tourist accommodation supply in the District.
- 5.8 As part of the research, 19 establishments were identified that have closed recently – these are principally guesthouses and B&Bs that have ceased trading due to retirement or a change in ownership.

## Hotel Supply

- 5.9 The research carried out as part of this study identified the following current supply of hotel accommodation within the District by location and grading:

Table 5.2 Hotel accommodation supply

Hotels by Grading	Canterbury City		Whitstable		Herne Bay		Rural		Total	
	No. of Hotels	No. of Rooms	No. of Hotels	No. of Rooms	No. of Hotels	No. of Rooms	No. of Hotels	No. of Rooms	No. of Hotels	No. of Rooms
5-star	-	-	-	-	-	-	-	-	-	-
4-star	3	101	-	-	-	-	1	15	4	116
3-star	3	89	2	47	-	-	1	31	6	167
1 & 2-star	-	-	-	-	-	-	-	-	-	-
Budget	2	179	1	74	1	50	1	89	5	392
Non-graded	10	227	1	23	-	-	2	47	13	297
<b>Total</b>	<b>18</b>	<b>596</b>	<b>4</b>	<b>144</b>	<b>1</b>	<b>50</b>	<b>5</b>	<b>182</b>	<b>28</b>	<b>972</b>

Source: Lichfields research

- 5.10 It should be noted that only properties with more than ten rooms are included in the hotel category. Any smaller serviced accommodation properties are included in the inns, guesthouses and B&B supply.
- 5.11 It is evident that the majority of hotels are concentrated in the City of Canterbury while the coastal and rural areas have relatively few hotels. This may be explained by the fact that coastal resorts tend to be highly leisure driven and lacking corporate demand which tends to be a key source of demand for larger branded hotels during the midweek period. The characteristics of the largest employers within the District suggest that corporate demand is relatively weak overall.
- 5.12 There are no five-star hotels in the District and only three four-star properties which are all situated in Canterbury City. Branded budget hotel rooms represent 40% of total room supply in the area. Apart from the Travelodge Canter Chaucer Central and the Premier Inn Canterbury City Centre, all of the budget hotels are located in roadside locations i.e. adjacent to service stations or major road junctions.
- 5.13 The coastal strip has very few hotels – there are two hotels on the seafront in Whitstable and two on the outskirts. The only one hotel in the Herne Bay area is the Premier Inn which is in a roadside location.
- 5.14 The rural area has three country house style properties of varying quality as well as the Holiday Express.
- 5.15 The largest hotel in the District is the Premier Inn Canterbury City Centre which has performed extremely well since opening in December 2013. This will provide potential future investors with a certain level of confidence that a larger hotel in the city can thrive and is financially viable.
- 5.16 The majority of hotels in the District are relatively small and independent which is in line with the overall UK trend. However, this highlights the lack of larger and branded midscale and select service properties which are generally considered a pre-requisite in terms of attracting larger meetings and conference demand.
- 5.17 The following table shows hotel supply by location, grading and number of rooms:



Table 5.3 Hotel supply in Canterbury District

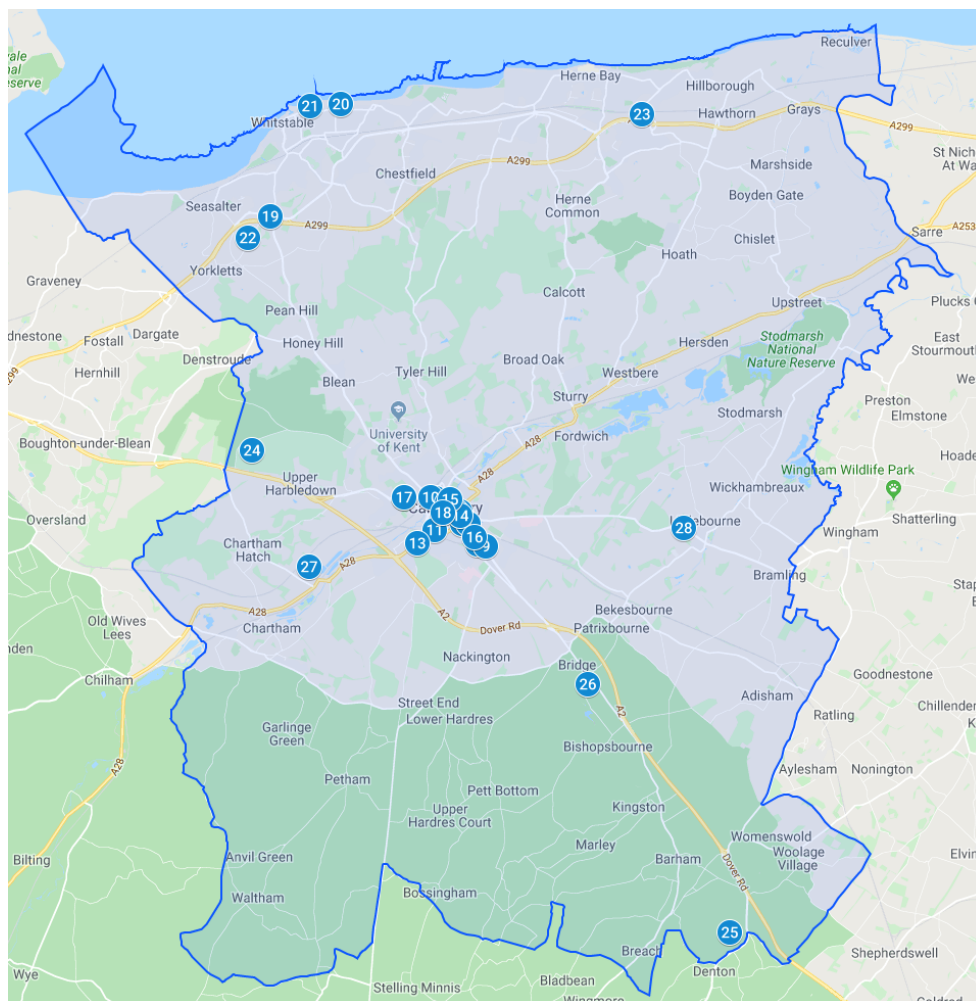
Map Key	Hotel Name	Grading	Number of Rooms
<b>Canterbury City</b>			
1.	Premier Inn Canterbury City Centre	Budget Hotel	120
2	Abode Canterbury	4-star Hotel	72
3	Travelodge Canterbury Chaucer Central	Budget Hotel	59
4	Best Western Abbots Barton Hotel	3-star Hotel	53
5	The Falstaff	n/a	49
6	Canterbury Cathedral Lodge and Burgate Building	n/a	42
7	The Victoria Hotel	n/a	33
8	Cathedral Gate Hotel	3-star Hotel	25
9	Ebury Hotel, Cottages and Apartments	n/a	25
10	House of Agnes	4-star Guest Accommodation	17
11	Castle House Hotel	n/a	15
12	Pilgrims Hotel	n/a	15
13	Canterbury Hotel	n/a	15
14	The Thomas Ingoldsby	n/a	13
15	The Millers Arms	4-star Inn	12
16	Ersham Lodge	3-star Guest Accommodation	11
17	The Gables	n/a	10
18	Greyfriars Lodge	n/a	10
<b>Total Hotels &amp; Rooms Canterbury</b>		<b>18</b>	<b>596</b>
<b>Whitstable</b>			
19	Premier Inn	Budget Hotel	74
20	The Marine Hotel	3-star Hotel	30
21	Hotel Continental	n/a	23
22	The Crescent Turner Hotel	3-star Hotel	17
<b>Total Hotels &amp; Rooms Whitstable</b>		<b>4</b>	<b>144</b>
<b>Herne Bay</b>			
23	Premier Inn Canterbury North	Budget Hotel	50
<b>Total Hotels &amp; Hotel Rooms Herne Bay</b>		<b>1</b>	<b>50</b>
<b>Rural Area</b>			
24	Holiday Inn Express Canterbury	Budget Hotel	89
25	Broome Park Hotel and Golf Resort	n/a	32
26	The Pig at Bridge Place	3-star Hotel	31
27	Howfield Manor Hotel	n/a	15
28	The Evenhill	4-star Inn	15
<b>Total Hotels &amp; Rooms Rural Area</b>		<b>4</b>	<b>182</b>
<b>Total Hotel &amp; Hotel Rooms Canterbury District</b>		<b>22</b>	<b>972</b>

Source: Lichfields research

5.18

The locations of each of the hotels identified are shown on the map in Figure 5.1.

Figure 5.1 Hotel supply in Canterbury District



Source: Lichfields research/Google Maps 2019

### Changes to Hotel Supply

- 5.19 A number of changes to hotel supply in the District have occurred since the last hotel sector studies for Canterbury and Herne Bay were completed in 2015 and 2016 respectively.
- 5.20 The most recent hotel to open is the three-star boutique hotel ‘The Pig at Bridge Place’ which opened in April 2019 following a £8m refurbishment of a 17th century manor house formerly known as the Bridge Country Club. The property has 31 rooms split across the main house, coach house, two family lodges and a rustic two-storey hideaway in the old stables. There are also seven Kentish hop pickers’ huts on stilts which sit alongside the river in the grounds and feature double bedrooms with fitted bathrooms and wood burning stoves. The hotel places strong emphasis on local produce and has its own extensive kitchen garden. The hotel was recently voted the best place to stay in the South East by the Sunday Times.
- 5.21 The Thomas Ingoldsby in Burgate, Canterbury opened at the end of May 2018 following a £2.5m makeover of the city’s Wetherspoons to create the largest pub in the area. As well as bar and dining facilities, the property provides 13 rooms on the top floor.
- 5.22 The Premier Inn at Herne Bay is currently being extended with an additional 15 rooms which are due to open in early December this year. The Whitstable Premier Inn was extended by 40

rooms four years ago. These additions to supply demonstrate the strong demand for budget hotel accommodation in the area.

- 5.23 The Crescent Turner Hotel in Whitstable underwent an extensive renovation programme in 2014 and was extended by five rooms at the same time.
- 5.24 The Holiday Inn Express at Upper Harbledown has undergone a complete refurbishment of its rooms over the last year.
- 5.25 Broome Place, formerly owned by Lord Kitchener, was sold in December 2017 after being marketed for £6m. It was acquired by Anson Chan from Diamond Resorts Group. Previously a timeshare operator, the new owner has returned the property to a hotel resort under the management of Countrywide Properties and is investing in the refurbishment of the facilities.
- 5.26 Construction has recently started on the Slatters' development in Margaret's Street, Canterbury representing a £10m investment in the rebuild. The 131-room hotel will be operated by Interstate Hotels under the Hampton By Hilton brand. The property will have a rooftop restaurant and bar and is likely to open in 2020/21.
- 5.27 University of Kent has revived its plans to build a 150-room hotel/residential conference centre at Chaucer Fields on its Canterbury Campus as part of its framework masterplan stating the need for facilities that encourage year-round use and contribute to the wider local economy.
- 5.28 Travelodge are interested in developing additional properties in Canterbury, Whitstable and Herne Bay which have been identified on Travelodge's target location list published in June 2019.
- 5.29 Plans to build an 80-room hotel as part of the Coplan Estate's scheme for the William Street car park in Herne Bay, are currently on hold as the hotel is not thought to be financially viable in the present economic climate according to an article in Kent Online dated 9 January 2019..
- 5.30 It is evident from the above that Canterbury District's supply of hotels, including quality hotels, is increasing and that significant investment has taken place in recent years. This is positive given that the District has been undersupplied with branded and quality hotels compared with other similar destinations in the UK, in particular cities rich in cultural attractions as well as in terms of country house hotel supply.

### **Hotel Performance Trends**

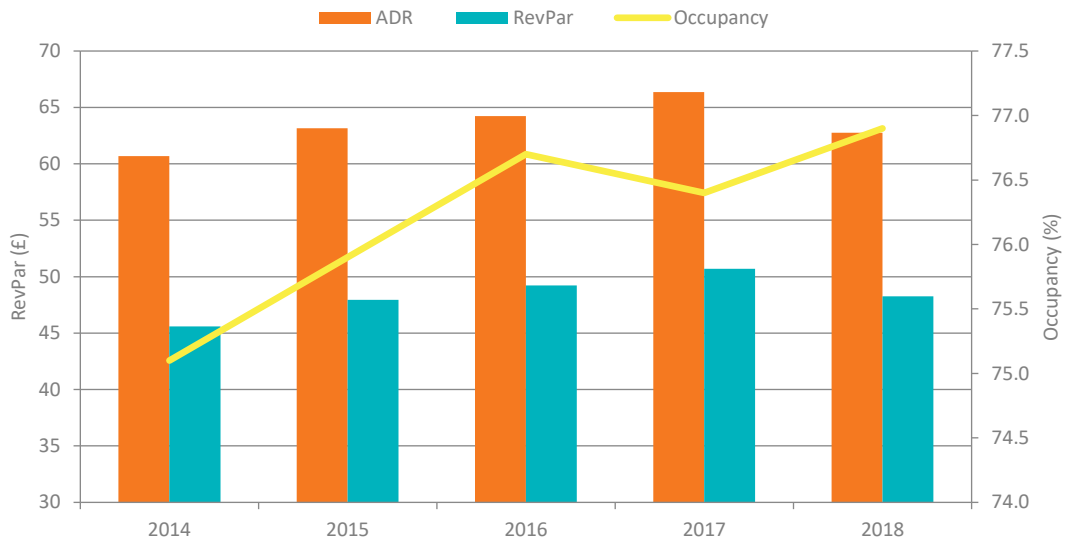
- 5.31 In this section an overview of UK hotel sector trends is presented looking at some of the key drivers of demand as well as the nature and structure of supply.
- 5.32 The UK hotel market is large, with a total of around 700,000 rooms according to PWC's latest hotel forecast. The market is highly fragmented and just under half of all rooms are operated by smaller, non-branded, independent businesses.
- 5.33 In recent years investors, developers and operators have remained active which has led to significant expansion, particularly, in the supply of branded budget hotels. Whitbread (owner of Premier Inn) has recently announced that given the size of the UK market and the level of fragmentation, the company sees potential for at least 110,000 rooms in the UK (from around 70,000 currently) while its main competitor Travelodge is looking to open 2,000 additional rooms per annum with a total requirement for a further 20,000 rooms by 2025.
- 5.34 Outside London, cities in the regions continue to see high levels of new supply, new brands and products, with oversupply an issue for some as overall room supply grew by 1.8% in 2018.

- 5.35 At national level the Tourism Sector Deal sets a target to create an extra 130,000 rooms across the UK by 2025, primarily outside London.
- 5.36 Visit Kent and Locate in Kent have recently published their interim research exploring the supply and demand for new hotel accommodation across the county. The interim findings were presented at the 2019 Annual Hotel Conference in Manchester and have received an encouraging response from the hotel investment community thus far. Key interim findings from the research include:
- 1 There are no five-star hotels in Kent.
  - 2 92 properties have more than 30 rooms, but only 30 properties have more than 100 rooms.
  - 3 77% of Kent is rural, yet only 14% of serviced beds are located in the rural areas.
  - 4 Maidstone has 17.9% of all of Kent's four-star bed capacity.
- 5.37 The study identifies Canterbury District as the lead destination in Kent for business bednights (485,0000) and holiday bednights (1.4m) in 2017. The study has identified 28 potential hotel development opportunities within the District of which two are considered to be within the top 25 hotel development sites in Kent. These are the Mountfield Park and Former Nasons sites. However, additional sites can be considered through the Local Plan Review.
- 5.38 Visit Kent has identified business travel, meetings and conferences as a growth sector that will ensure strong occupancy year round. It is recognised that there is a need to provide quality accommodation and higher capacity properties across all levels at identified growth hotspots as well as in rural locations.

### **Regional UK Hotel Performance**

- 5.39 While much has been made of the potentially disruptive impact of the Airbnb market, in reality it has had very little impact on the performance of chain hotels in the UK. However, the rapid growth of Airbnb demonstrates the growing demand for a range of flexible and affordable accommodation offering an alternative experience to that of existing tourist accommodation provision.
- 5.40 The following chart highlights the performance of UK regional hotels as per BDO's Hotel Britain Survey, which monitors the monthly performance of over 500, mainly branded, properties in the regions including in Kent.

Figure 5.2 Performance of UK regional hotels



Source: BDO Hotel Britain 2019

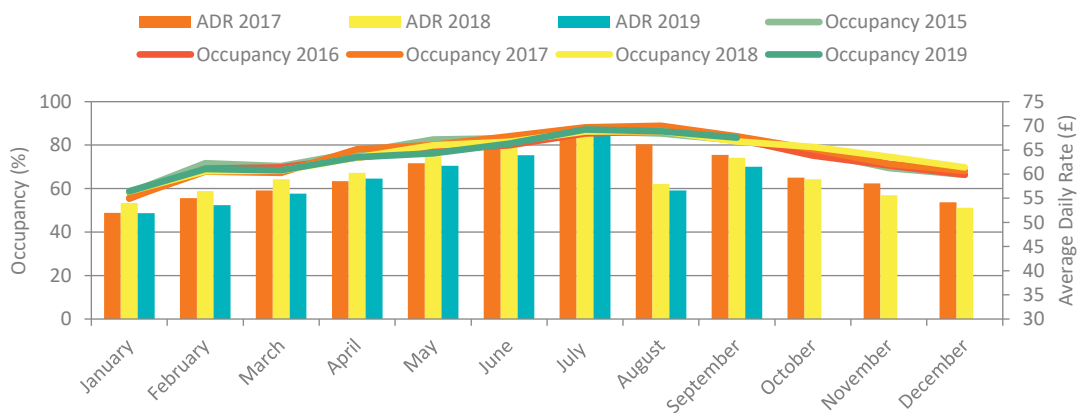
5.41 Regional hotels in the UK have experienced a strong performance over the last five years. However, in 2018, daily Revenue Per Available Room (RevPar) declined for the first time by 1.3% to £48.26 driven by a decline in the Average Daily Rate (ADR) down by 1.9% to £62.76.

5.42 Despite the overall weaker results for the regional market, regional hotels set a new record high occupancy at 76.9% demonstrating the strength of the market against the continued influx of new supply in key regional cities.

### Kent Hotel Performance Trends

5.43 The following chart illustrates the performance of hotels in Kent as reported by STR Global through Visit Kent’s Tourism Barometer. The figures include the performance statistic for 69 larger and chain hotels in the county.

Figure 5.3 Performance of Kent hotels



Source: STR Global/Visit Kent Tourism Barometer

5.44 According to STR Global, in 2018 Kent hotels achieved an annual occupancy of 76.1%, a slight increase of 0.6% on the previous year. When comparing figures with those on a national level,

Kent hotels saw a slightly lower annual occupancy. The highest increases in occupancy were observed in January and November.

5.45 In 2018, the ADR achieved by hotels reached £60.29 which represents an increase of 0.6% on the previous year resulting in RevPar of £46.26 up 1% on 2017. These figures are slightly below the UK regional average.

5.46 The performance of the hotel sample shown in the chart above follows a typical seasonality pattern with demand peaking in July when hotels are able to attract strong demand from both leisure and commercial visitors. March to May and September to November are strong months from a business perspective driven by corporate as well as meetings- and conference-related demand. December, January and February make up the low season.

5.47 There is no published data available for hotel performance within Canterbury District. However, discussions with local hotels revealed strong performance especially within the branded budget sector recording annual occupancies above the 80% mark while smaller independent properties experience lower occupancies. Weekend demand is generally strong year-round while mid-week demand follows a more seasonal pattern in line with the peaks and troughs in tourist and commercial visitation. Corporate demand is relatively weak in the District.

## Hostel and Campus Accommodation Supply

5.48 The table below shows hostel and campus accommodation supply by grading and number of rooms. These are all located within the city of Canterbury.

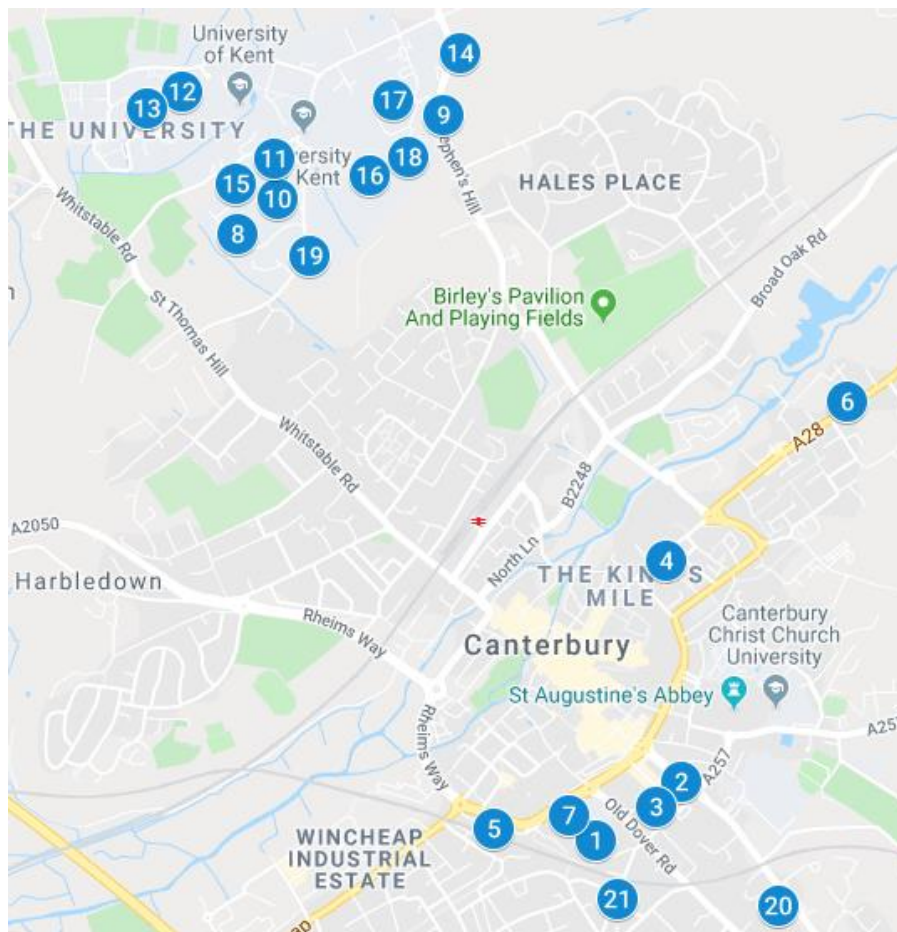
Table 5.4 Hostel and campus accommodation supply

Map Key	Hostel or Campus Accommodation Name	Grading	Number of Rooms
<b>Canterbury Christchurch University</b>			
1.	Petros Court	5-star University Accommodation	418
2	St George's Centre	n/a	200
3	Dover Street Houses	n/a	30
4	Lanfranc	n/a	212
5	Pin Hill	n/a	157
6	Parham Student Village	n/a	500
<b>Total Rooms Canterbury Christchurch University</b>		<b>1,517</b>	
<b>University of Kent (all accommodation rated 4- to 5-star university accommodation)</b>			
7	Turing Houses	n/a	282
8	Turing Flats	n/a	519
9	Tyler Court A, B, C	n/a	339
10	Keynes Flats	n/a	349
11	Keynes House	n/a	45
12	Park Wood Houses	n/a	1,418
13	Park Wood Flats	n/a	520
14	Darwin College	n/a	310
15	Keynes College Other	n/a	256
16	Becket Court	n/a	103
17	Rutherford College	n/a	149
18	Eliot College	n/a	221
	Unspecified		889
<b>Total Rooms University of Kent</b>		<b>5,400</b>	
<b>Accommodation Available Year Round</b>			
19	Beverley Farm, University of Kent	n/a	11
20	YHA Canterbury Hostel	4-star hostel	18
21	Kipps Hostel	4-star hostel	4
<b>Total Hostel &amp; Campus Rooms Canterbury District</b>		<b>6,950</b>	

Source: Lichfields research

- 5.49 Hostel and campus accommodation rooms make up almost 90% of tourist accommodation room supply in the city and around two-thirds of total room supply in the District.
- 5.50 As noted previously the vast majority of the hostel and campus accommodation rooms are university accommodation and therefore only available for part of the year, primarily during the summer months from June to September which coincides with the high season in terms of leisure visitation.
- 5.51 The universities make full commercial use of their campuses throughout the year including hosting residential conferences and tourist-related accommodation outside of term times by managing and promoting accommodation, particularly over the 13-week summer period. Campus accommodation is popular with large groups, including residential conferences, as well as language students and others seeking affordable accommodation. Unlike the other two universities, the University for the Creative Arts does actively promote its accommodation outside term times and thus their inventory is not included in the above table.
- 5.52 Only three properties are available year-round with a total of 33 rooms including the YHA and Kipps hostels.
- 5.53 The locations of each of the hostel and campus accommodation facilities identified are shown on the following map.

Figure 5.4 Hostel and campus accommodation supply



Source: Lichfields research/Google Maps 2019

- 5-54 It is evident from the map that the hostel and campus accommodation is generally clustered around the two key university sites.
- 5-55 There is no published information available on the performance of hostels and campus accommodation in England or Kent possibly due to the limited and highly seasonal availability of supply.

### Inns, Guesthouse and B&B Supply

- 5-56 The research carried out as part of this study identified the following current supply of inns, guesthouses and B&Bs within the District by location and grading:

Table 5.5 Supply of inns, guesthouses and B&Bs in Canterbury District

Accommodation by grading	Canterbury		Whitstable		Herne Bay		Rural		Total	
	No. of Properties	No. of Rooms	No. of Properties	No. of Rooms	No. of Properties	No. of Rooms	No. of Properties	No. of Rooms	No. of Properties	No. of Rooms
5-star	1	8	-	-	-	-	1	1	2	9
4-star	7	43	-	-	2	10	3	11	11	64
3-star	1	9	-	-	1	5	-	-	2	14
1 & 2-star	-	-	-	-	-	-	-	-	-	-
Budget	-	-	-	-	-	-	-	-	-	-
Non-graded	19	108	8	33	9	28	20	67	56	236
Total	28	168	8	33	12	43	24	79	72	323

Source: Lichfields research

- 5-57 Canterbury District has a good range of smaller serviced accommodation, although the supply is heavily concentrated in Canterbury and the rural area which makes up around 70% of total room supply.
- 5-58 It is evident that the coastal towns of Whitstable and Herne Bay have a relatively limited supply of serviced smaller serviced accommodation. This may be partly due to the fact that more people are choosing to stay in self-catering or Airbnb type accommodation.
- 5-59 The following table shows inns, guesthouse and B&B supply by location, grading and number of rooms.

Table 5.6 Supply of inns, guesthouses and B&Bs in Canterbury District

Map Key	Hotel Name	Grading	Number of Rooms
<b>Canterbury</b>			
1.	Black Horse Inn	n/a	9
2	Old Gate Inn (Vintage Inns)	n/a	9
3	St Stephens Guest House	3-star Gold Guest Accommodation	9
4	City of Canterbury Guesthouse	4-star Guest Accommodation	8
5	York Lodge Bed & Breakfast	5-star Guest Accommodation	8
6	Abbey Canterbury Guest Accommodation	n/a	7
7	Canterbury Lodge	4-star Guest Accommodation	7
8	Clare Ellen Guest House	n/a	7
9	Magnolia House B&B	n/a	7
10	Sun Hotel	n/a	7
11	The White House	4-star Gold Guest Accommodation	7
12	Acacia Lodge & Tanglewood B&B	n/a	6
13	Four Seasons Guest House	n/a	6
14	Harriet House Guest House	4-star Silver Guest Accommodation	6
15	Hawk's Lane Lodge (Peregrine House)	4-star Guest Accommodation	6



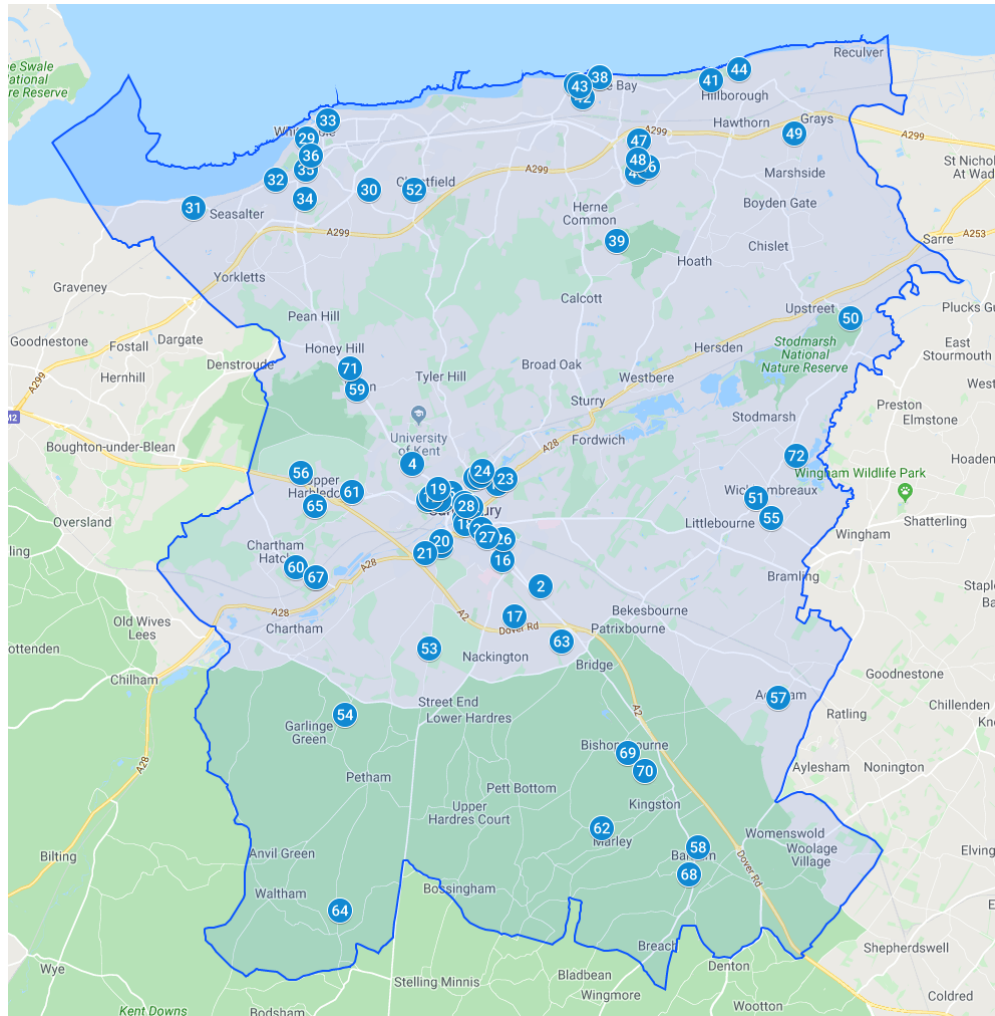
Map Key	Hotel Name	Grading	Number of Rooms
16	L'Hote Boutique Hotel Bar & Grill	n/a	6
17	Sylvan Cottage B&B and Holiday Let	n/a	6
18	The Coach House	n/a	6
19	The Retro Bed & Breakfast	n/a	6
20	Wincheap Guest House	n/a	6
21	Carena Guest House	4-star Guest Accommodation	5
22	St Alphege Guest House	n/a	4
23	Sturry House Bed & Breakfast	n/a	4
24	Swn Y Don Guest House	n/a	4
25	The Corner House	4-star Silver Restaurant with Rooms	4
26	Augustines B&B	n/a	3
27	Turi House Guest House	n/a	3
28	Bijou Abode	n/a	2
	<b>Total Properties &amp; Rooms Canterbury</b>	<b>28</b>	<b>168</b>
<b>Whitstable</b>			
29	Duke of Cumberland Hotel	n/a	8
30	Hillview Bed & Breakfast	n/a	8
31	Driftwood Beach House B&B	n/a	4
32	Whitstable Bay Bed & Breakfast	n/a	3
33	The Front Rooms	n/a	3
34	Ampersand House Bed & Breakfast	n/a	3
35	Cliftonville House B&B	n/a	3
36	Whitstable Bed & Breakfast	n/a	3
	<b>Total Properties &amp; Rooms Whitstable</b>	<b>8</b>	<b>33</b>
<b>Herne Bay</b>			
37	Aqua Bay Guest House	n/a	9
38	Evening Tide Guest House	4-star Guest Accommodation	7
39	Westgrange House Bed & Breakfast	3-star Bed & Breakfast Accommodation	5
40	Sunny/Lazy Daze Guest House	n/a	4
41	Summerhouse Bed & Breakfast	n/a	3
42	Seahaven B&B	4-star Silver Guest Accommodation	3
43	Montague House B&B	n/a	3
44	Haven House B&B	n/a	3
45	Mill View B&B	n/a	2
46	Lime Tree Cottage Bed & Breakfast	n/a	2
47	Hobbit Hole Bed & Breakfast	n/a	1
48	Mill Bed and Breakfast	n/a	1
	<b>Total Properties &amp; Hotel Rooms Herne Bay</b>	<b>12</b>	<b>43</b>
<b>Rural Area</b>			
49	Reynolds Farm Guest House	n/a	9
50	The Grove Ferry Inn	n/a	6
51	TOR Spa Retreat Bed & Breakfast	n/a	5
52	The Cherries Bed & Breakfast	4-star Gold Bed & Breakfast	4
53	Iffin Farm House	4-star Silver Bed & Breakfast	4
54	Kenfield Oast Bed & Breakfast	n/a	4
55	Duke William	n/a	4
56	Oakside Lodge Bed & Breakfast	n/a	4
57	Plum Tree Cottage B&B	n/a	3
58	Duke of Cumberland	n/a	3
59	Amadis Bed & Breakfast	n/a	3
60	Woodlands Bed & Breakfast	n/a	3
61	Willow Down Bed & Breakfast	n/a	3
62	Hornbeams Bed & Breakfast	n/a	3

Map Key	Hotel Name	Grading	Number of Rooms
63	Renville Oast B&B	4-star Gold Bed & Breakfast	3
64	Beech Bank B&B	n/a	3
65	China Farm Barn Bed & Breakfast	n/a	2
66	Matunda Bed & Breakfast	n/a	2
67	Howfield Shepherds Huts	n/a	2
68	Deringstone Manor B&B	n/a	2
69	Beechborough B&B	n/a	2
70	Court Lodge Farmhouse Bed & Breakfast	n/a	2
71	Little Springfield Bed & Breakfast	n/a	1
72	Gate Lodge Cottage B&B	5* Gold Guest Accommodation	1
	<b>Total Properties &amp; Rooms Rural Area</b>	<b>24</b>	<b>79</b>
	<b>Total Properties &amp; Hotel Rooms Canterbury District</b>	<b>72</b>	<b>341</b>

Source: Lichfields research

- 5.60 It is evident from the table that only around a third of the inns, guesthouses and B&B room supply is graded. With the advent of Tripadvisor and other consumer rating tools providing more or less instant feedback, official grading of tourist accommodation is becoming less relevant which is evident from the table below.
- 5.61 The location of each of the inns, guesthouses and B&Bs identified are shown on the following map.

Figure 5.5 Supply of inns, guesthouses and B&Bs in Canterbury District



Source: Lichfields research/Google Maps 2019

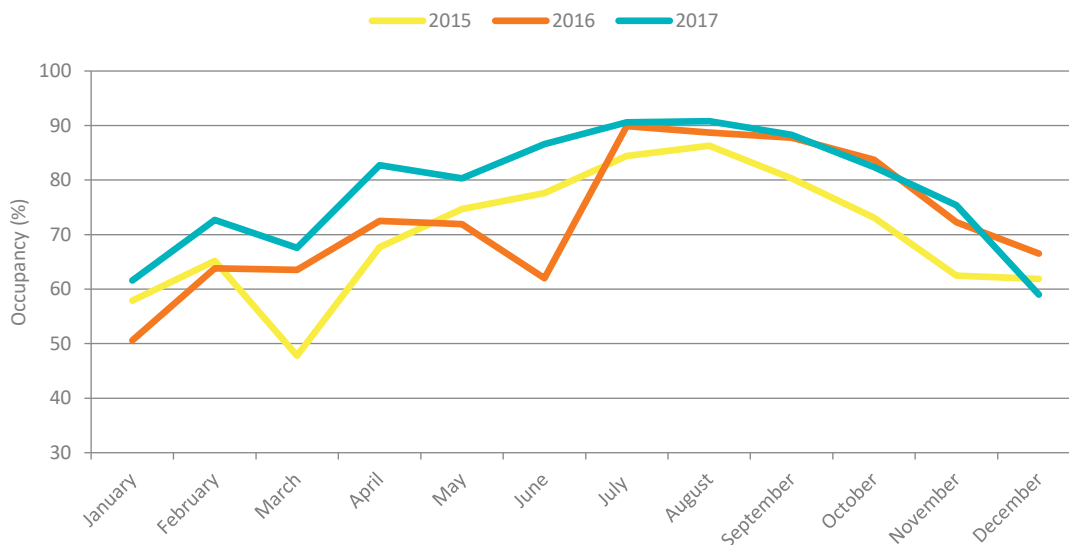
### Changes to Inns, Guesthouse and B&B Supply

- 5.62 The research identified that a total 18 properties have closed recently. This is mainly due to retirement or a change in ownership with the exception of Chaucer Lodge on New Road in Canterbury which has been demolished and replaced with student accommodation.
- 5.63 Furthermore, The Old Gate Inn has recently been refurbished.

### Inns, Guesthouse and B&B Performance Trends

- 5.64 Up till the end of 2017 Visit Kent published the monthly occupancy data for Small hotels, Guesthouses and B&Bs (i.e. properties with eight or fewer rooms) which is shown in the chart below.

Figure 5.6 Occupancy of Small hotels, Guesthouses and B&Bs



Source: Visit Kent Tourism Barometer (2017 latest available data)

5.65 The chart shows that the smaller, typically independent, properties achieve a slightly lower annual occupancy than their larger branded peers. The overall demand pattern is more seasonal with occupancy peaking from July through to September as well as April (Easter). May, June, October and November are shoulder months while December to March make up the low season. This may be explained partly by a higher dependency on leisure-driven demand.

5.66 In 2017, a record year generally for the sector in the UK, annual occupancy reached 76.6%.

5.67 There is no published data available for Inns, Guesthouse and B&B performance within Canterbury District.

### Self-catering and Holiday Lets Supply

5.68 The research carried out identified the following current supply of self-catering and holiday let properties within the District by location:

Table 5.7 Supply of self-catering and holiday let properties in Canterbury District

Accommodation by grading	Canterbury		Whitstable		Herne Bay		Rural		Total	
	No. of Properties	No. of Rooms	No. of Properties	No. of Rooms	No. of Properties	No. of Rooms	No. of Properties	No. of Rooms	No. of Properties	No. of Rooms
5-star	1	2	-	-	-	-	1	3	2	5
4-star	4	13	4	10	2	6	3	11	11	64
3-star	2	5	3	8	2	4	-	-	2	14
Non-graded	68	147	202	523	23	45	20	67	56	236
<b>Total</b>	<b>28</b>	<b>167</b>	<b>209</b>	<b>541</b>	<b>27</b>	<b>55</b>	<b>24</b>	<b>79</b>	<b>72</b>	<b>323</b>

Source: Lichfields research

5.69 It is evident from the table that only around a quarter of all self-catering and holiday let supply is graded. The quality of self-catering and holiday lets in the District is generally of a very high standard thanks to a number of successful specialist local holiday letting agents.

5.70 Around two-thirds of Self-catering and Holiday Lets are located in Whitstable demonstrating the popularity of the destination which offers a local and authentic visitor experience combined with a range of events and high quality food and drink.

5.71 In comparison Herne Bay has a fairly limited supply of self-catering and holiday let accommodation.

5.72 It should be noted that there is a certain degree of overlap when it comes to self-catering accommodation as some properties are marketed through multiple letting agencies and multiple digital channels eg agents own website, Booking.com, Tripadvisor and Airbnb.

5.73 The table below shows the main letting agencies and channels by number of properties and location.

Table 5.8 Letting agencies and channels

Agent/Booking Channel	Canterbury	Whitstable	Herne Bay	Rural	Total
Booking.com	17	41	10	3	<b>71</b>
Mulberry Cottages	29	15	1	15	<b>60</b>
Whitstable Holiday Homes	-	38	-	-	<b>38</b>
Whitstable Cottage Company	-	20	-	-	<b>20</b>
Kent & Sussex Cottages	3	5	4	6	<b>18</b>
Tripadvisor	-	16	-	-	<b>16</b>
Sykes Cottages	1	3	3	1	<b>8</b>
A Place to Stay Whitstable	-	7	-	-	<b>7</b>

Source: Lichfields research

5.74 Mulberry Cottages is a boutique self-catering lettings agency based in Canterbury founded in 2006. Today it represents over 600 properties situated mostly across Southern England with properties ranging from country houses and cottages, to beachside retreats and city centre apartments. Mulberry Cottages is known for its high standard of self-catering accommodation combined with excellent customer service and is the leading agent within the District and Kent as whole.

5.75 Mulberry Cottages were taken over by Vacation Rentals UK in October 2018 for an undisclosed sum. Following the change in ownership Mulberry Cottages are now also listed on Booking.com (although they are excluded from the Booking.com figures in the table above).

5.76 Whitstable is the leading location for Self-catering and Holiday Lets within the District which is demonstrated by the number specialist letting agencies based in the town.

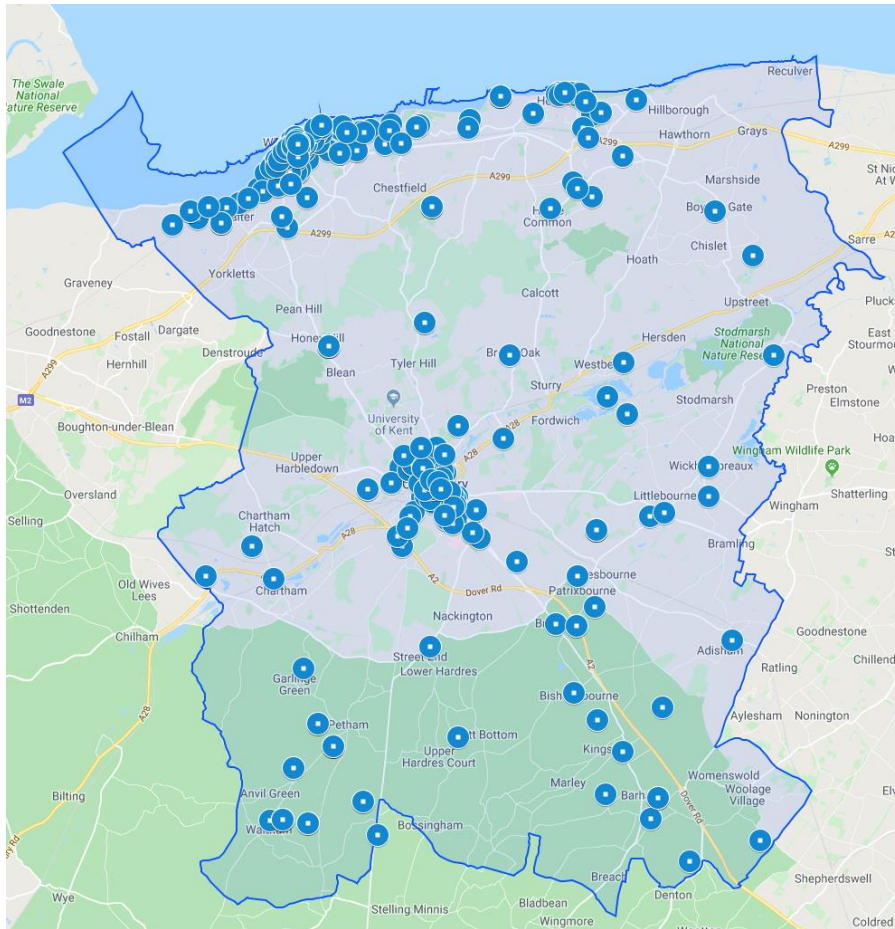
5.77 The Whitstable Cottage Company was acquired by The Travel Chapter in December 2017. As a result of the change in ownership the company is now powered by Holidaycottages.co.uk.

5.78 Kent & Sussex Cottages is one of the South East’s longest running cottage lettings agencies, covering 250+ properties in Kent & Sussex, established more than 30 years ago. Kent & Sussex Cottages are unique in that the majority of properties are quality assessed and graded.

5.79 From the table it is evident the Booking.com and Tripadvisor are now major players in the Self-catering and Holiday Lettings sector which is a relatively new development partly in response to the phenomenal growth of Airbnb.

5.80 The location of the identified self-catering and holiday-let properties are shown below.

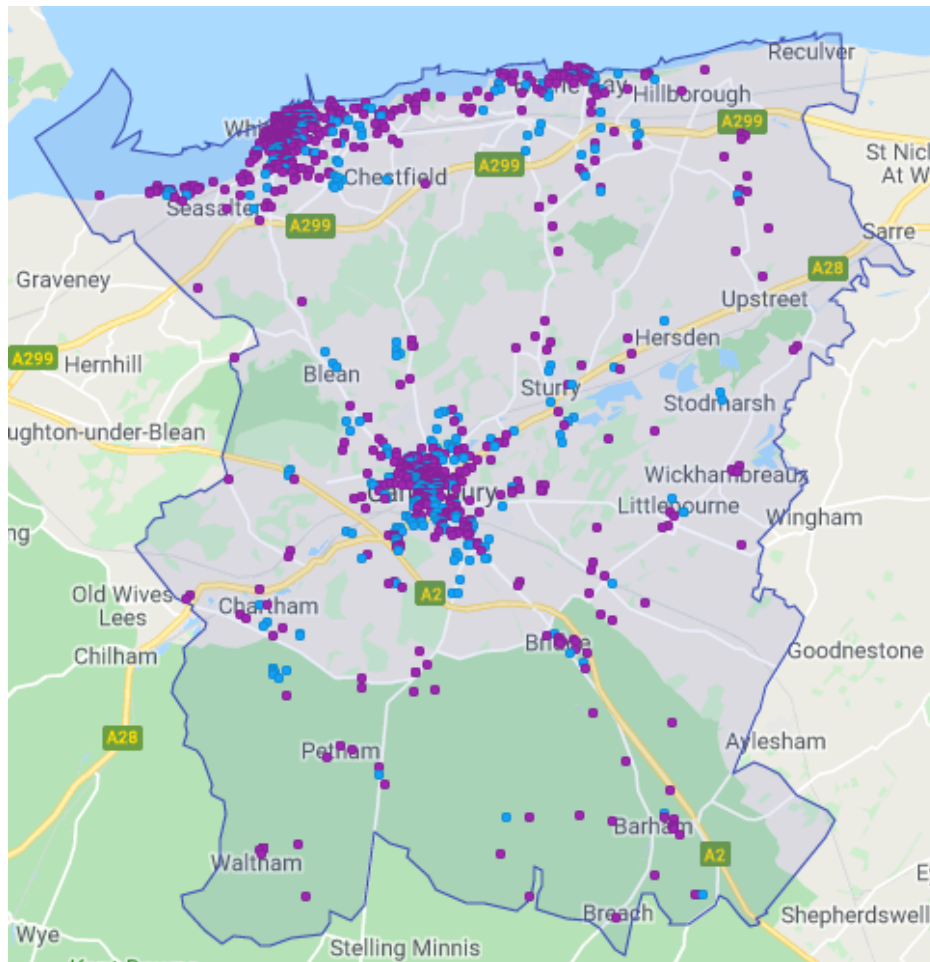
Figure 5.7 Self-catering and holiday-let properties in Canterbury District



Source: Lichfields research/Google Maps 2019

- 5.81 Airbnb and HomeAway are clearly important players in the self-catering and holiday lettings sector in the District. According to AIRDNA MarketMinder there are currently 1,146 active rentals out of a total of 1,392 rentals available in the District. The number of available rentals has increased from 471 in Q3 2016 to the current 1,392 rentals representing an increase of 295%. It should be noted that HomeAway rentals were only added in June 2017, although this did not have major impact on the overall growth trajectory.
- 5.82 The success of Airbnb and HomeAway as well as the existing large stock of high quality self-catering and holiday accommodation suggests there is growing demand for the District, in particular in Whitstable and Canterbury and therefore is filling a gap in the market.
- 5.83 The following map shows the locations of Airbnb and HomeAway listings in the District. The purple dots represent entire homes (75%) whereas the blue dots represent private rooms (25%).

Figure 5.8 Location of Airbnb and HomeAway listings in Canterbury District



Source: AIRDNA Market Minder 2019

5.84 The average size of an Airbnb or HomeAway property in the District is 2.2 bedrooms with the ability to accommodate 4.9 guests on average.

### Changes to Self-Catering and Holiday Lets Supply

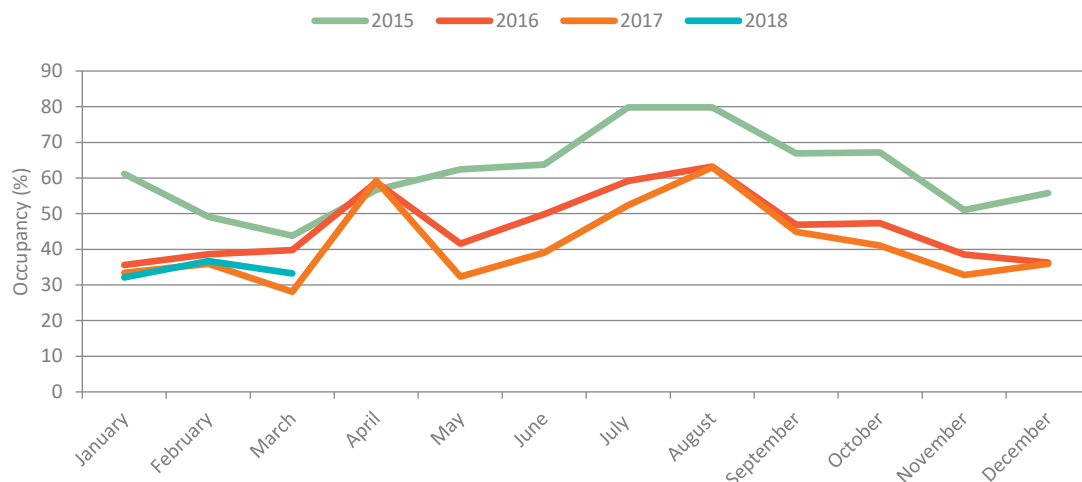
5.85 It is clear from the above that the District has seen rapid growth in the provision of self-catering, holidays and Airbnb/Homeaway properties responding to growing demand as a result of the staycation trend as well as visitors seeking affordable and unique high-quality properties.

5.86 The self-catering and holidays lets supply is generally fairly flexible and responsive to changes in demand patterns expanding and contracting accordingly.

### Self-catering and Holiday Lets Performance Trends

5.87 Up till the end of March 2018, Visit Kent published monthly occupancy data for self-catering accommodation which is shown in the following chart.

Figure 5.9 Occupancy of self-catering accommodation



Source: Visit Kent Tourism Barometer 2018 (latest available data)

- 5.88 Occupancy figures should not be directly compared year-on-year, due to a change the data collection method in 2017. As a consequence of this and changes in reporting at national level for self-catering, the data collection process is currently being reviewed in order to gain a better understanding of self-catering trends in Kent.
- 5.89 It is evident that self-catering accommodation is subject to more seasonal fluctuation in demand than the hotels in the county resulting in a lower annual occupancy than that of hotels. This is due to the fact that self-catering demand is heavily leisure driven thus peaking during school holidays as well as at Easter and during the summer months.
- 5.90 The AIRDNA statistics for the District suggest that Airbnb and HomeAway properties achieve an annual occupancy of around 63% with occupancy peaking at 86% in August and dropping to a low of 35% in January. This is similar to the occupancy levels shown in the chart above for self-catering accommodation in Kent.
- 5.91 The average monthly income per Airbnb/HomeAway rental is estimated at £1,785 reaching a high of £2,622 in August and a low of £1,026 in January. The average ADR is estimated at £120 with a low of £114 recorded in February and a high of £133 recorded in December reflecting the fact that property owners are able to charge a premium during the Christmas and New Year period. This is higher than the ADR achieved by hotels in Kent and the District which is explained by the fact that holiday rentals generally accommodate more guests than the average hotel room.
- 5.92 Mulberry Cottages reported a 9.7% increase in bookings in Kent in 2018 compared with 2017 while Kent & Sussex Cottages saw a 1% increase in booking during the same period. The majority of Kent & Sussex Cottages' guests stayed for an average 7 nights. Bookings via affiliate partners increased by 75% accounting for 22% of overall bookings up 5% on the previous year.
- 5.93 According to Sykes Cottages 2018 Staycation Index, the South Coast of England was the fastest growing region in terms of bookings in 2017. The top three most popular holiday homes in 2017 were defined as luxury, beach and coastal and dog friendly. The average gross income from a Sykes Cottage is £18,000 per annum with coastal properties making 10% more than other properties in the same region. The average gross income for a property on the South Coast of England was £15,000 for a two-bedroom property and £28,000 for a four-bedroom property in 2017. The majority of Sykes Cottages are located in rural areas and stays are increasingly



experience-led with visitors taking full advantage of countryside pursuits including birdwatching, fishing, walking as well as more adrenaline filled sports like rock climbing and mountaineering.

## Camping and Caravan Park Site Supply

5-94 The research carried out identified the following current supply of camping and caravan park sites within the District by location:

Table 5.9 S Supply of camping and caravan park sites in Canterbury District

Camping & Caravan Park Sites	Canterbury Rural	Whitstable	Herne Bay	Total
<b>Total</b>	<b>13</b>	<b>8</b>	<b>8</b>	<b>29</b>

Source: Lichfields research

5-95 The following table describes the facilities available at each of the camping and caravan park sites identified:

Table 5.10 Camping and caravan park facilities

Map Key	Camping and Caravan Park Sites	Description
<b>Canterbury Rural Area Sites</b>		
1.	Canterbury Camping & Caravanning Club Site	150 touring pitches
2	Mystole Guide Campsite	18 acres with three camping areas
3	Butter Acres	5 pitches
4	Highstead Farm (Camping & Caravanning Club Certified Site)	2 acre site for tents, caravans and motorhomes without electric hook ups
5	Womenswold School Lodge	5 caravans/motorhomes and up to 10 tents on grass pitches
6	Canterbury Reach Lodge Retreat	Luxury lodges (2017)
7	Nethergong Camping	26 acres woodland with tent pitches and glamping in Shepherds Huts and Bell Tent
8	Puddledock Woods Camping	12 pitches
9	St Mary's Church	'Champing' in the pews
10	Cobbs Meadow (Camping & Caravanning Club Certified Site)	5 pitches for touring and campervans
11	Bigbury Orchard	Tent pitches only available in August
12	Stoney Leys	5 grass pitches no electric hook ups
13	Matunda Bed & Breakfast Campsite (Camping & Caravanning Club Certified Site)	5 pitches for caravans and tents
<b>Herne Bay Area Sites</b>		
14	Hampton Bay Park	25 pitches but looking to allow another 20 campervans or glamping vehicles on adjoining land
15	Waterways Caravan Park & Site	191 plots open from March to January with static caravans for hire
16	Braggs Lane Farm	30 pitches – 10 with electric hook up
17	Blue Dolphin Park	120 owned holiday homes (static caravans and lodges)
18	Hillsborough Caravan Park	n/a
19	Westlands Caravan Park	n/a
20	Seaside Caravan Park	n/a
21	Wall May Scouting Centre and Ross Wood Scout Campsite	10 designated campsites
<b>Whitstable &amp; Seasalter Area Sites</b>		
22	Alberta Holiday Park (Park Holidays)	Privately owned holiday homes and caravans open from March to November with homes for hire
23	Seaview Holiday Park (Park Holidays)	Touring pitches, seasonal pitches and static caravans to hire open from April to November

Map Key	Camping and Caravan Park Sites	Description
24	Primrose Cottage Caravan Park	42 holiday homes available from March to November
25	West Beach Caravan Site	n/a
26	Homing Park	195 plots privately owned caravans, 43 pitches for tourers open from April to November
27	Waldens of Seasalter	106 privately owned caravans, 7 holiday chalets for hire open from March to November
28	Meadow Farm Caravan Park	Static caravans only
29	Bridgeways Caravan Park	Static caravans only

Source: Lichfields research

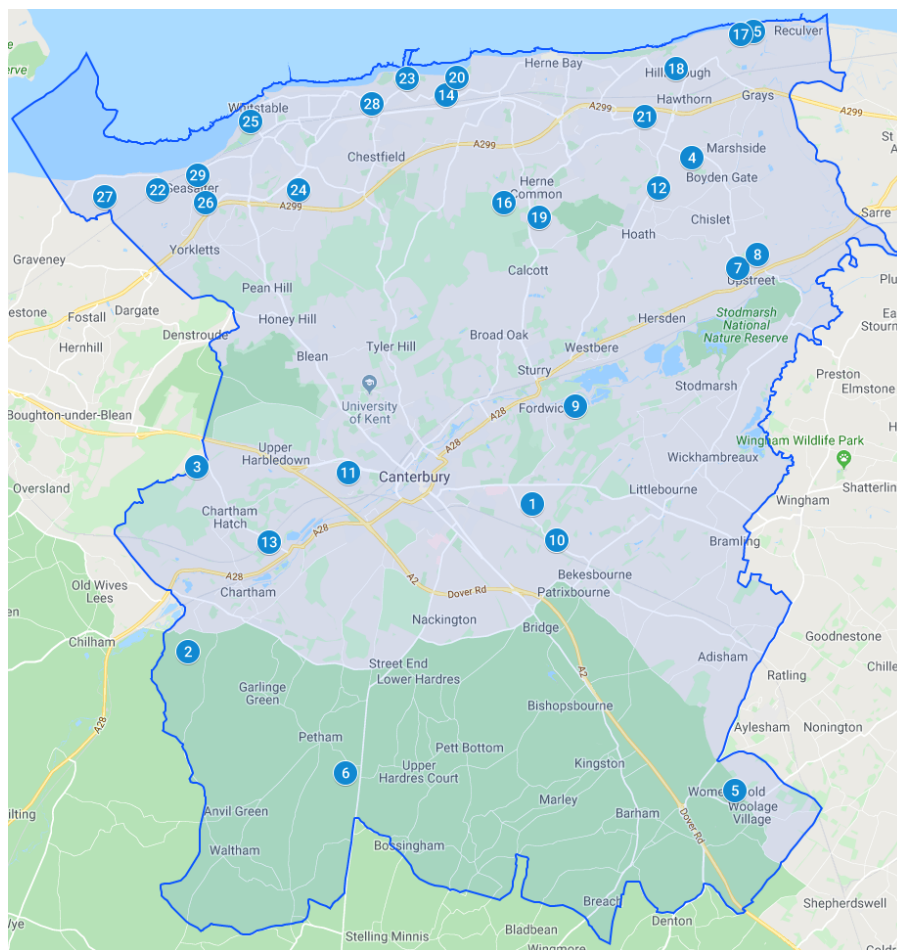
5.96 In addition to the 29 campsites and caravan parks shown in the table above, an additional six ‘residential only’ static caravan sites located along the Seasalter, Whitstable and Herne Bay coastal strip were identified. Generally, these do not permit subletting and thus have been excluded from the tourist accommodation supply in the District.

5.97 The largest concentration of campsites and caravan parks is found along the Seasalter, Whitstable and Herne Bay Coastal strip. The sites in the rural area and near Canterbury tend to be smaller campsites primarily aimed at touring visitors.

5.98 Furthermore, as may be seen from the table six sites do not provide any information regarding their facilities and it is unclear whether they are actively available for holiday lettings and in touristic use.

5.99 The following map shows the location of the camping and caravan park sites identified:

Figure 5.10 Location of camping and caravan park sites



Source: Lichfields Research/Google Maps 2019

### Changes to Camping and Caravan Sites Supply

- 5.100 Southview Camping at Whitstable is closed as of 2019 and no longer offers camping, motorhome or caravanning pitches.
- 5.101 Canterbury Reach Lodge which was formerly known as Canterbury Fields Holiday Park underwent significant investment in 2017 transforming the site into luxury lodges.

### Camping and Caravan Sites Performance Trends

- 5.102 The 2019 Economic Benefit Report for Holiday Parks and Campsites published by UK Caravan & Camping Alliance estimates that in 2018 England’s holiday park and campsite sector generated a total visitor expenditure impact of £6.81bn. This expenditure equates to a GVA impact of £3.88bn (including multipliers) and supports some 127,000 jobs in the English economy. In addition, tourers and caravan holiday home owners spend money on maintenance which adds a further £589.5m of expenditure to the economy.
- 5.103 The research found that England’s holiday parks and campsites offer a wide range of accommodation options to visitors which allows it to serve a diverse range of customer tastes and budgets. These include touring pitches for caravans, campervans, motorhomes and tents, owner-occupied holiday homes, rented holiday homes, lodges, apartments, chalets, wigwams, pods and yurts.

5.104 In addition to the diverse range of accommodation, England’s holiday parks and campsites also offer a wide range of facilities and amenities including restaurants, swimming pools, cafes and games rooms.

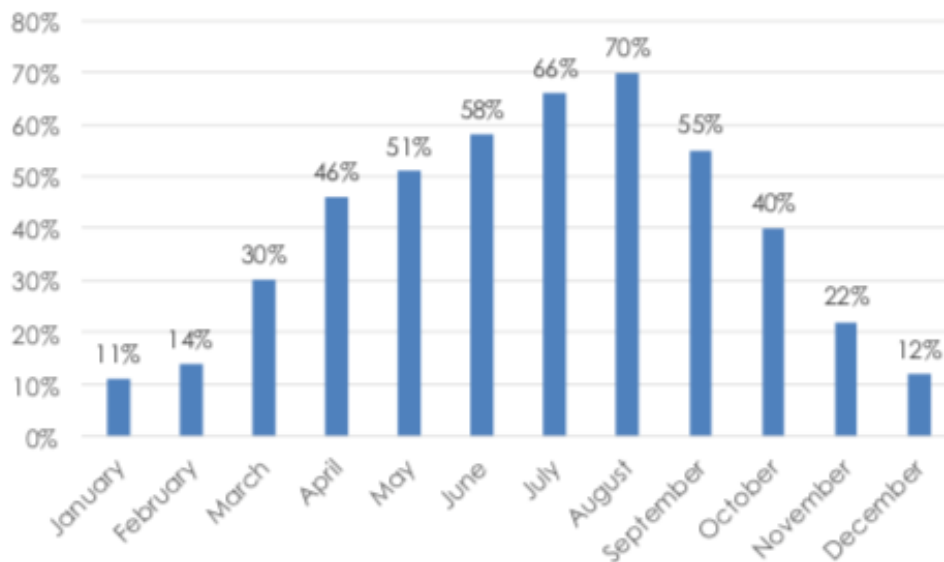
5.105 According to the research the South East of England contains both the highest number of holiday parks and campsites (993) and the highest number of pitches (37,820).

5.106 Park occupancy rates vary from an average of 70% in high season (August) to 55% in midseason (September). Low season average occupancy ranged from a low of 11% in January to a high of 30% in March. Holiday parks and campsites tend to be seasonal with vast majority open from late March to the end of October.

5.107 The proportion of visitors to the South East who live outside England was around 15% with 3% coming from Scotland, 5% from Wales and 6% from outside the UK and 1% from Northern Ireland. There is no detailed data available at the Kent or local district level.

5.108 The following chart shows the average monthly occupancy for the holiday parks and campsites that responded to the survey carried as part of the 2019 research.

Figure 5.11 Holiday parks and campsites occupancy



Source: UK Caravan & Camping Alliance 2019

5.109 There is no specific published research available on the performance of the camping and caravan site in the District or Kent. However, according to the 2018 Kent Tourism Barometer the Camping and Caravanning Club saw an 8% increase in demand at their three sites in Kent, one of which is located within the District.

## 6.0 Commercial Property Market Signals and Intelligence

6.1 This section provides an overview of the existing stock of B class employment space in Canterbury District, as well as recent trends and changes to this stock of space. Analysis draws on commercial floorspace data from the Valuation Office Agency (VOA) and monitoring data on commercial floorspace gains and losses obtained from the Council.

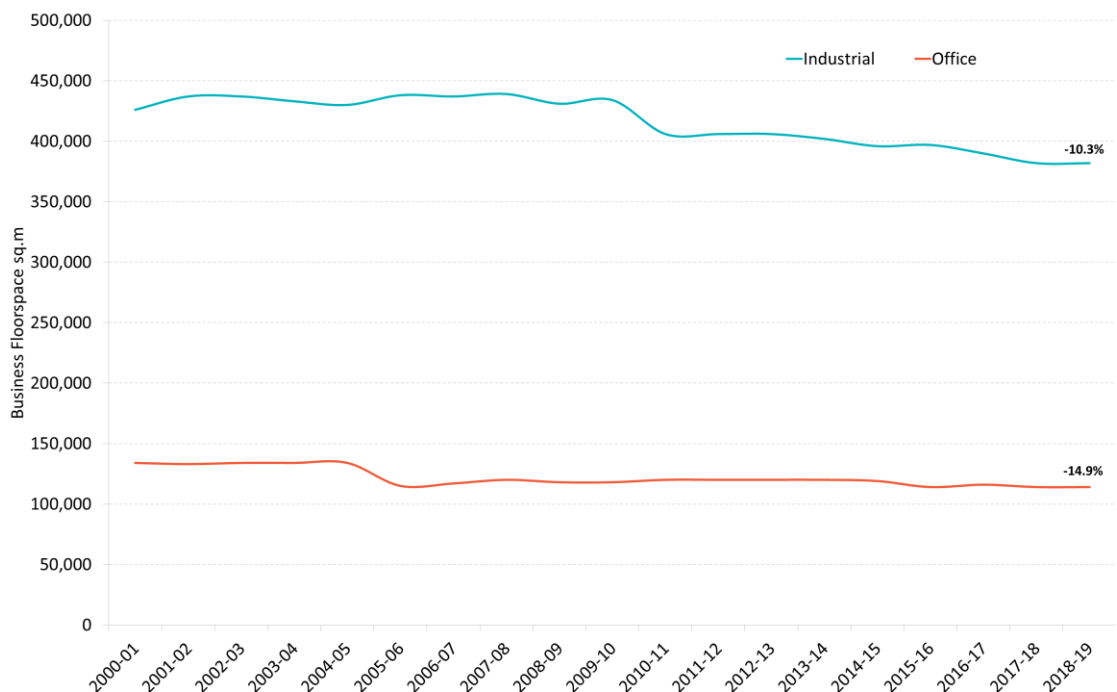
6.2 It also describes the commercial property market in and around the District of Canterbury, including recent trends in demand and supply. The findings draw upon discussions with several commercial property agents currently active within the District and wider sub-region (see Appendix 1) and where appropriate this has been supplemented with information derived from other sources including commercial property availability databases and published reports, notably the 2019 Kent Property Market Report (published in November 2019).

### Stock of Employment Space

6.3 In 2019, the District contained a total of 496,000 sqm of B class floorspace. The majority of this floorspace was industrial in nature (382,000 sqm or 77%), with offices comprising 114,000 sqm or 23% of the total.

6.4 Between 2001 and 2019, the stock of industrial and office floorspace in Canterbury District decreased by 44,000 sqm and 20,000 sqm respectively (equivalent to a reduction of -10.3% and -14.9%) (Figure 6.1).

Figure 6.1 Change in Employment Floorspace in Canterbury District (2001-2019)



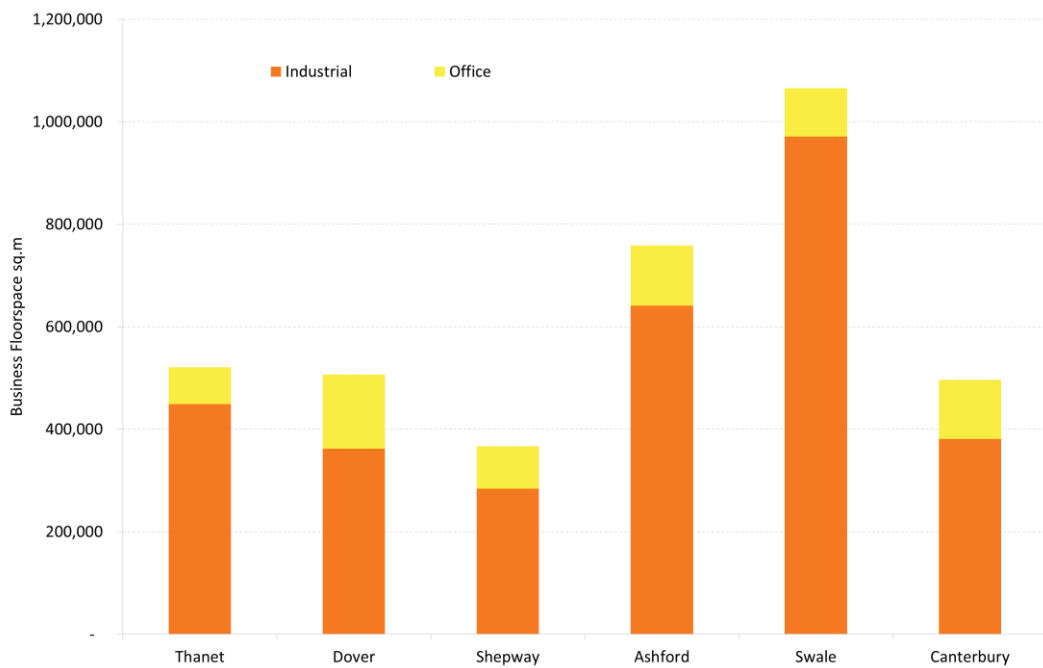
Source: VOA 2019 / Lichfields analysis

6.5 Comparatively, over the same period England saw an increase in office stock of 11.1%, while industrial stock declined by 3.9%. The South East saw a more modest increase in office

floorspace of 2.9% and experienced an increase in industrial floorspace of 1.6%. When compared with regional and national trends, this suggests that the District’s stock of employment space has been eroding at a faster pace.

6.6 Figure 6.2 below shows the stock of employment floorspace for Canterbury District and its surrounding authorities in 2019. Out of the 6 authorities shown, Canterbury District records the second lowest quantum of employment space overall, with only Shepway (now Folkestone & Hythe) recording less overall employment space. Industrial space accounts for the majority of employment space in all cases, with the stock of office space in Canterbury District comparable with adjoining areas.

Figure 6.2 Stock of Employment Floorspace by Local Authority, 2019

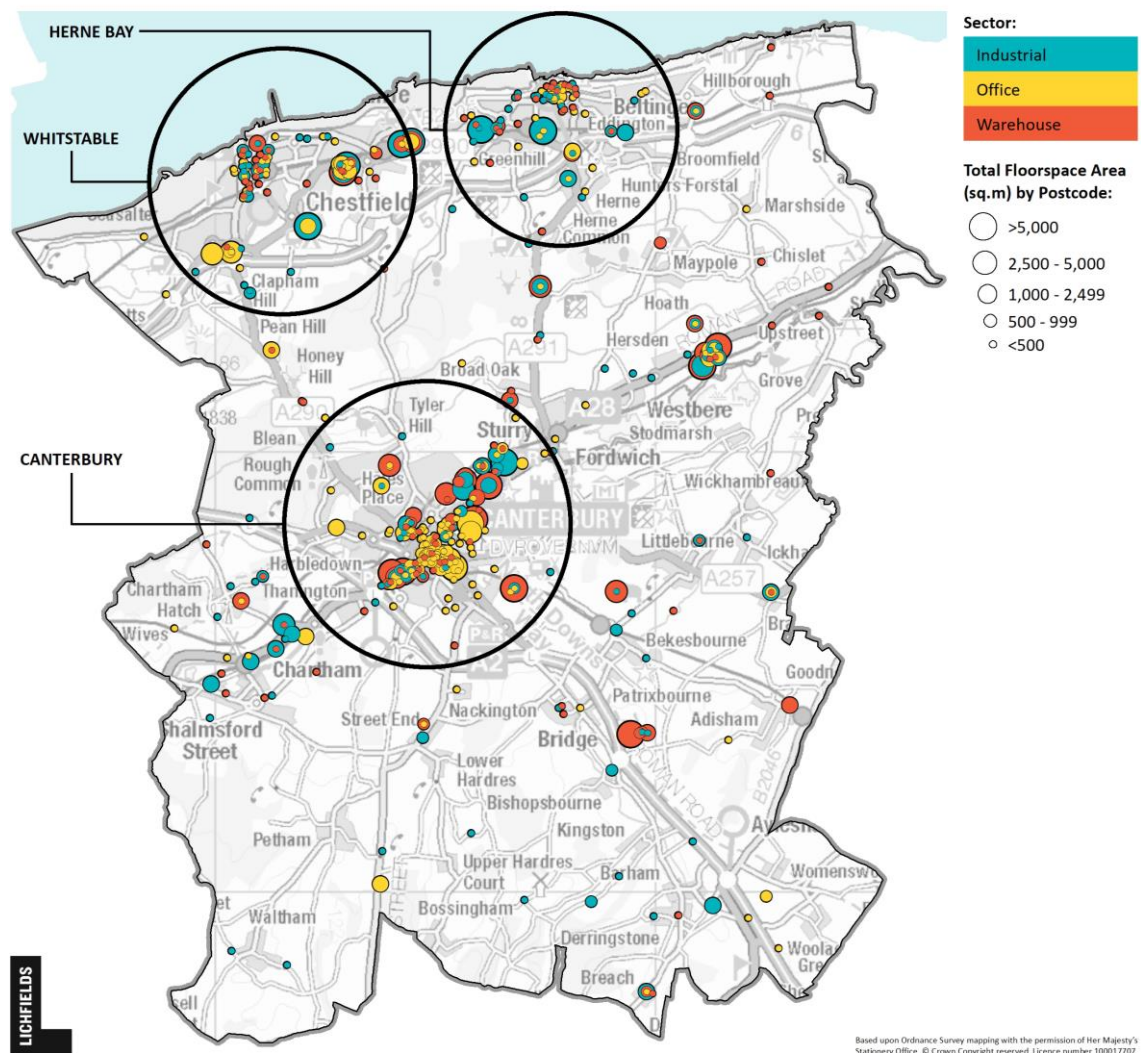


Source: VOA (2019) / Lichfields analysis

## Spatial Distribution of B Class Floorspace

- 6.7 The spatial distribution of office and industrial floorspace in Canterbury District is shown in the following maps based on the latest available data from the VOA.
- 6.8 Figure 6.3 indicates the largest clustering of B class floorspace is within and around Canterbury City with a high concentration of office space in the City centre and clusters of industrial and warehouse space on the edges and roads leading out of the City such as the A28. Other large clusters of space are located within Herne Bay and Whitstable along the A2990 and A299, with further out-of-town clusters located near to the A2 and A28 in the south and north eastern parts of the District.

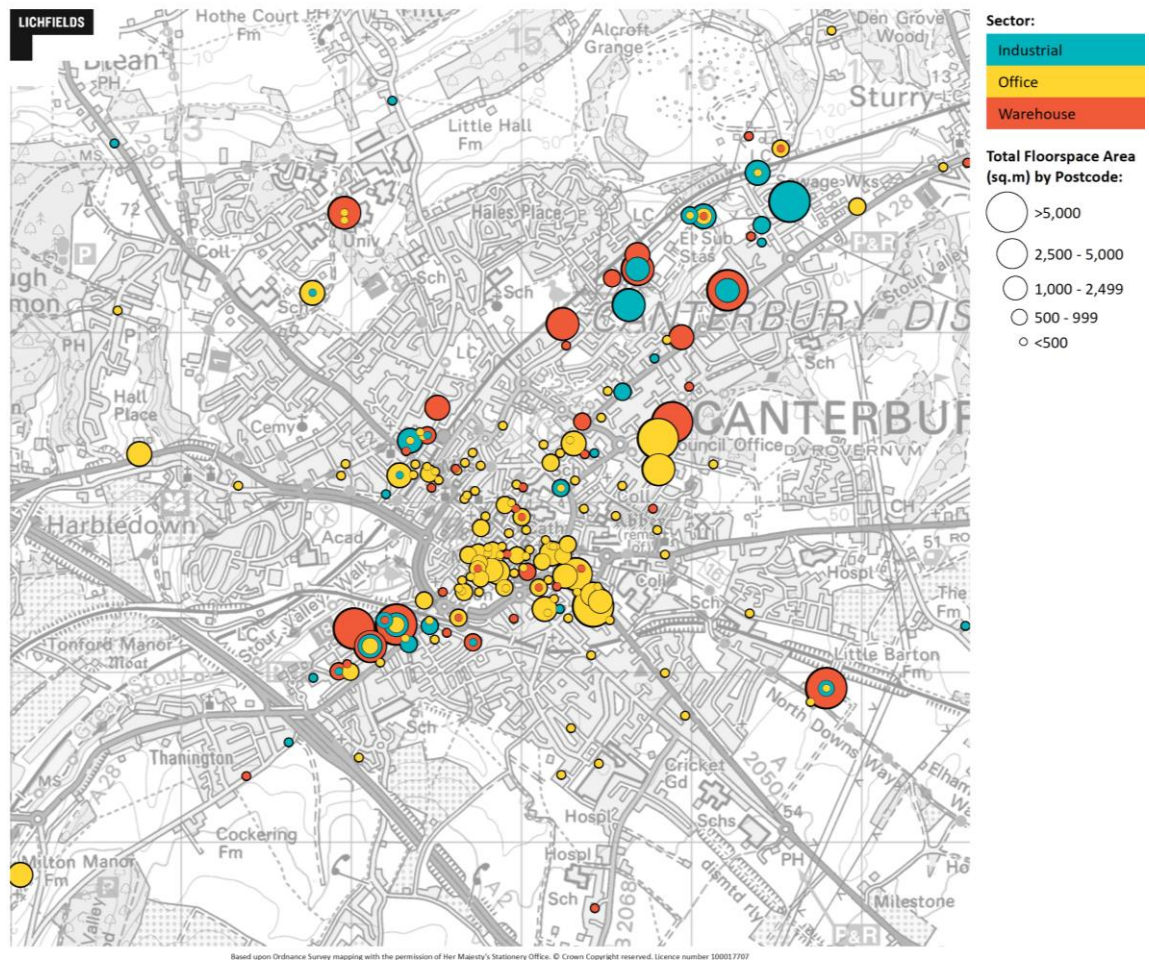
Figure 6.3 Location of B Class Employment Space in Canterbury District



Source: VOA (2020) / Lichfields analysis

6.9 In Canterbury City, the main clustering of offices is within the city centre ring road and along the A2050 New Dover Road leading out of the city centre. The office units are typically small with larger units located along the A2050 New Dover Road. The largest concentrations of industrial and warehouse units are located on the Wincheap Industrial Estate in the south-western corner of the town and along the A28 and Broad Oak Road heading out of the City to the north east.

Figure 6.4 Location of B Class Employment Space in Canterbury City



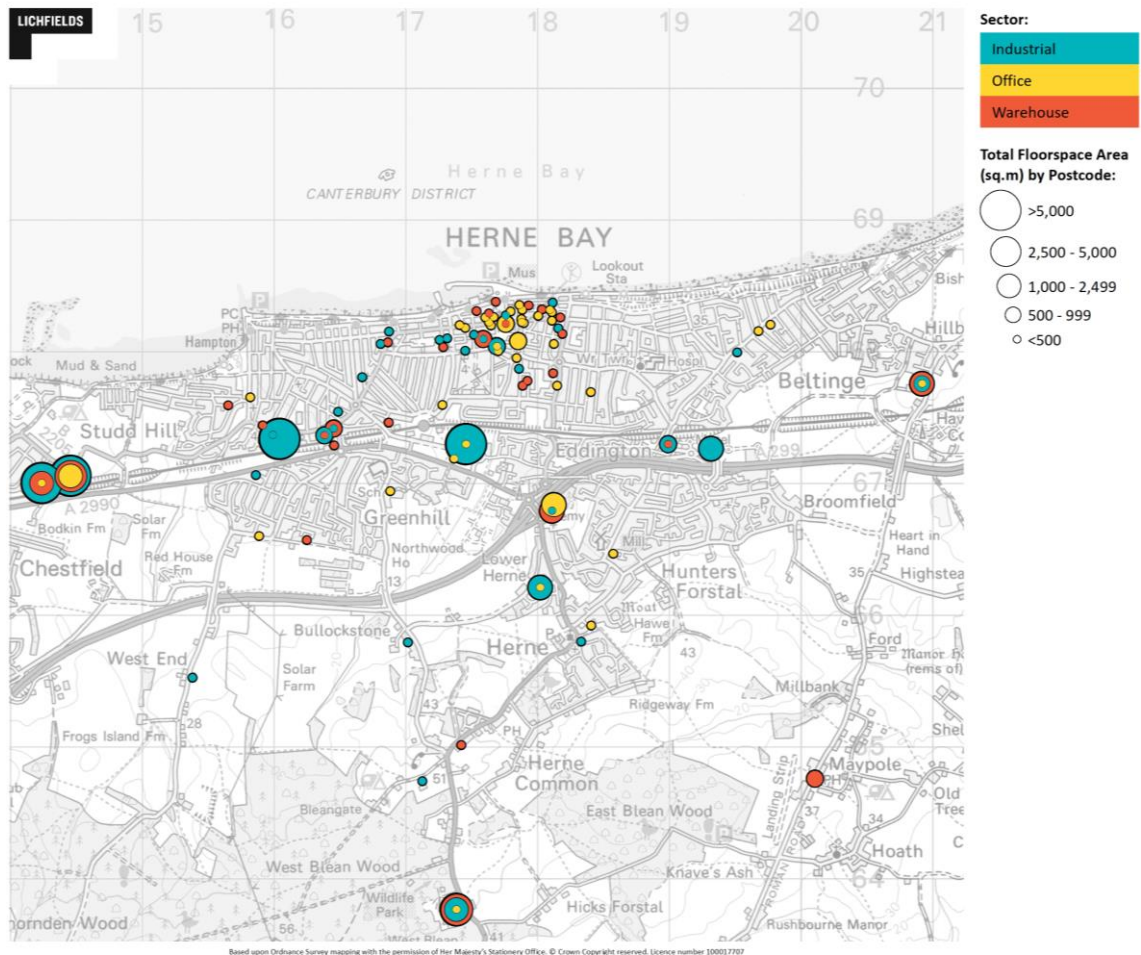
Source: VOA (2020) / Lichfields analysis



6.10

Focusing on Herne Bay, Figure 6.5 shows the largest B class units are located on either side of the Chatham Mainline, just north of Eddington Lane. The large units along the Chatham Main Line are primarily industrial, with some smaller office and warehouse premises also located in the same clusters. There are also a significant number of B class units located in Herne Bay town centre. These units are mostly offices that are below 500 sq.m in size.

Figure 6.5 Location of B Class Employment Space in Herne Bay

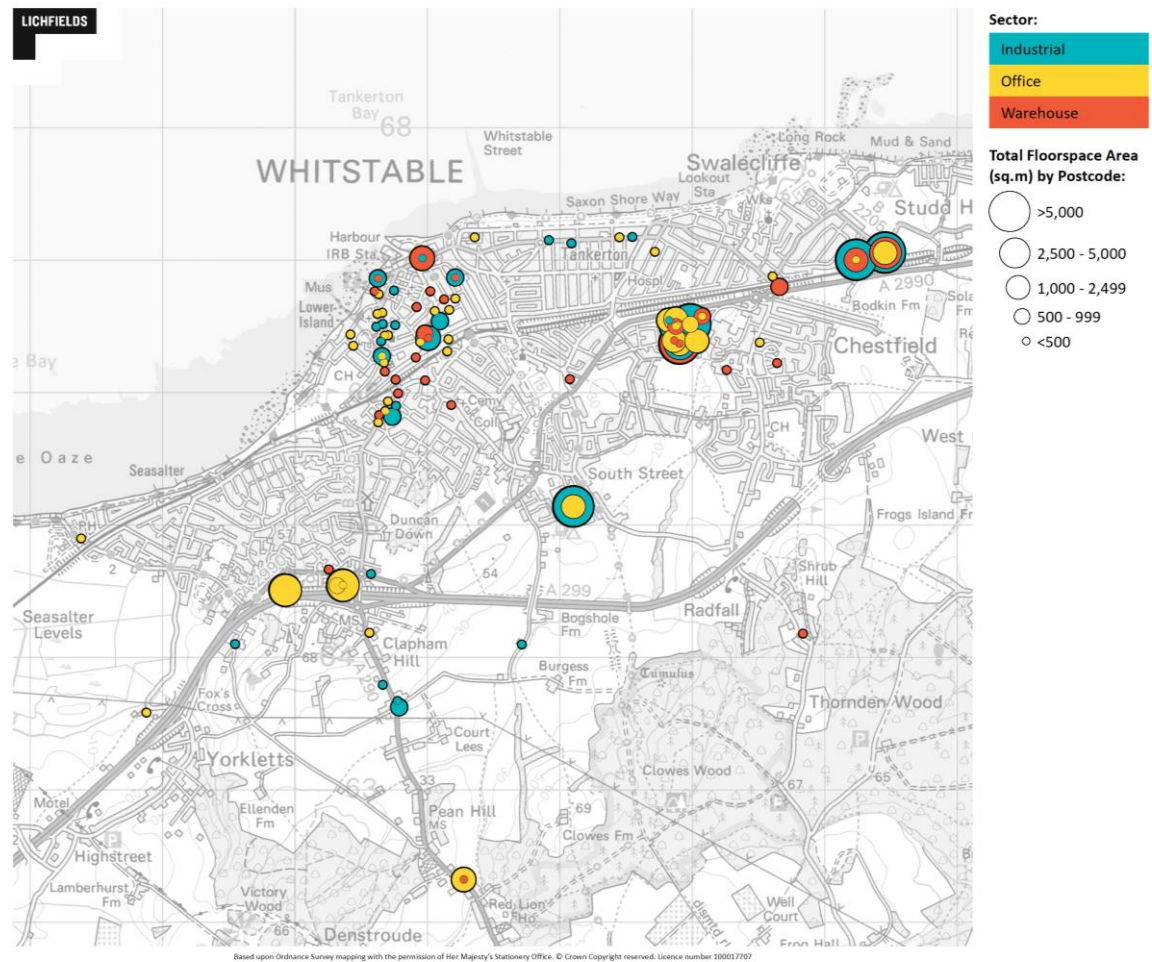


Source: VOA (2020) / Lichfields analysis

6.11

In terms of Whitstable, the largest concentrations of B class units are located on the A2990, which aligns with the locations of John Wilson Business Park and St Augustines Business Park/Tyler Way (see Figure 6.6). These parks are primarily occupied by industrial and warehouse units alongside some complementary offices. There is a cluster of larger office units just west of the junction where Clapham Hill Road intersects with the A299. In addition, there are a number of small B class units located around the centre of Whitstable which consist of a mix of industrial, office and warehouse spaces typically below 1,000 sq.m in area.

Figure 6.6 Location of B Class Employment Space in Whitstable



Source: VOA (2020) / Lichfields analysis

## Historic Development Rates

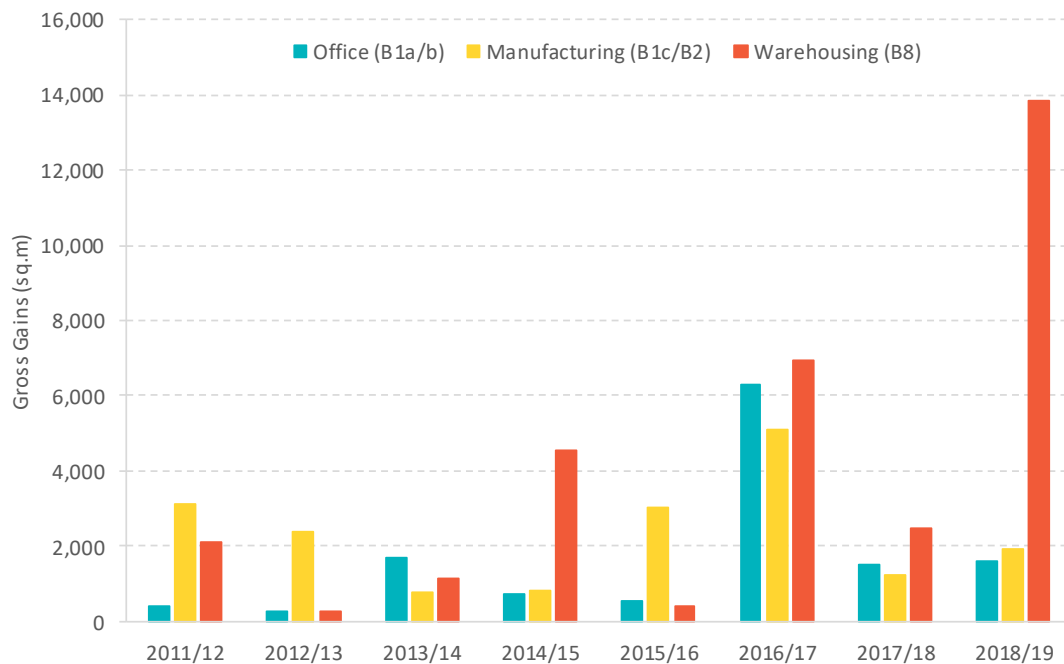
6.12 Monitoring data provided by Canterbury City Council covering the eight-year period from 2011/12 to 2018/19 can be used to provide an overview of the scale and nature of employment development that has occurred within the District in recent years.

### Gross Gains/Completions

6.13 Over the period 2011/12 to 2018/19, the gross amount of B-use class floorspace completed in Canterbury District totalled 63,180 sq.m, equating to an annual delivery rate of 7,898 sq.m. Most of this new B-use space consisted of industrial (B1c, B2 and B8) uses (equivalent to 50,070 sq.m or 79.3%)<sup>12</sup>.

6.14 Gross completions of B1c, B2 and B8 floorspace peaked in 2016/17 and 2018/19 when 18,354 sq.m and 17,345 sq.m of floorspace was completed respectively. A large proportion of this gain in floorspace is attributed to the extension of the A. Gomez and co-distribution site, in Bekesbourne, which expanded by 7,725 sq.m and the change of use at Eddington Land in Herne Bay from agriculture to B8 use, which resulted in a gross gain of 4,651 sq.m of B8 floorspace. As shown below, most of the completions in 2016/17 and 2018/19 consisted of B1c, B2 and B8 floorspace (65.6% and 90.7% respectively)

Figure 6.7 Gross B Class Employment Space Completions in Canterbury District, 2011/12 - 2018/19



Source: Canterbury City Council / Lichfields analysis

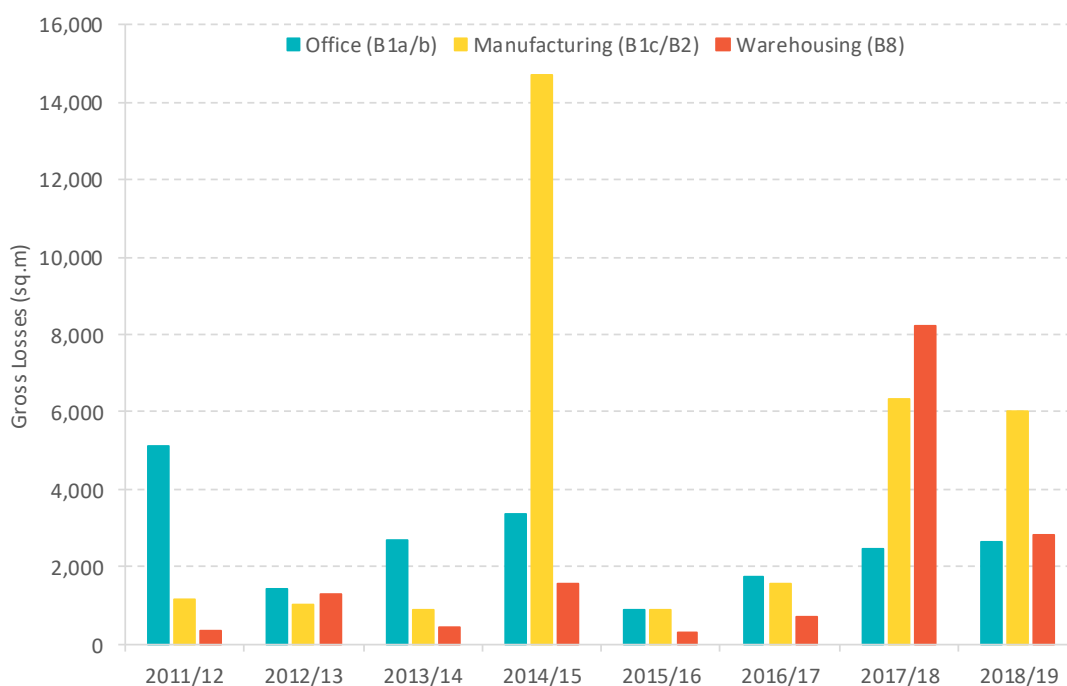
6.15 Office completions peaked in 2016/17 when 6,309 sq.m of B1a/b space was completed. A large proportion of this floorspace can be attributed to the new build development at Telephone House on Rheims Way in Canterbury which resulted in a gross addition of 1,952 sq.m B1a floorspace.

<sup>12</sup> The Council's monitoring data includes two combined B class categories, B1 mixed and B1-8 mixed. For the purposes of analysis, the B1 mixed category was split evenly between B1a, B1b and B1c uses. The B1-8 mixed floorspace was split evenly between B1a, B1b, B1c, B2 and B8 uses.

## Gross Losses

- 6.16 The monitoring data indicates that from 2011/12 to 2018/19, a total of 68,503 sq.m B use floorspace was lost in the District through developments and redevelopments, equivalent to 8,563 sq.m per year over the period. This included 20,279 sq.m of B1a/b floorspace, 32,590 sq.m of B1c/B2 floorspace and 15,635 sq.m of B8 floorspace.
- 6.17 Figure 6.8 below shows how much floorspace was lost in each year of the period. In five of the eight years, losses of B1a/b floorspace were higher than B1c/B2 floorspace. However, a large area of B1c/B2 floorspace was lost in 2014/15 following demolition of the British Telecom engineering centre on Littlebourne Road (-2,650 sq.m) and the change of use of the P and B Metal Components site on Thanet Way changing from B2 to D1 (-3,050 sq.m).
- 6.18 B8 losses between 2011/12 and 2018/19 were lower than B1a/b and B1c/B2 losses. The largest losses of B8 floorspace occurred recently in 2017/18 and 2018/19 (-8,204 sq.m and -2,814 sq.m respectively). Losses in previous years were considerably lower.

Figure 6.8 B Class Employment Space Lost in Canterbury District, 2011/12 - 2018/19

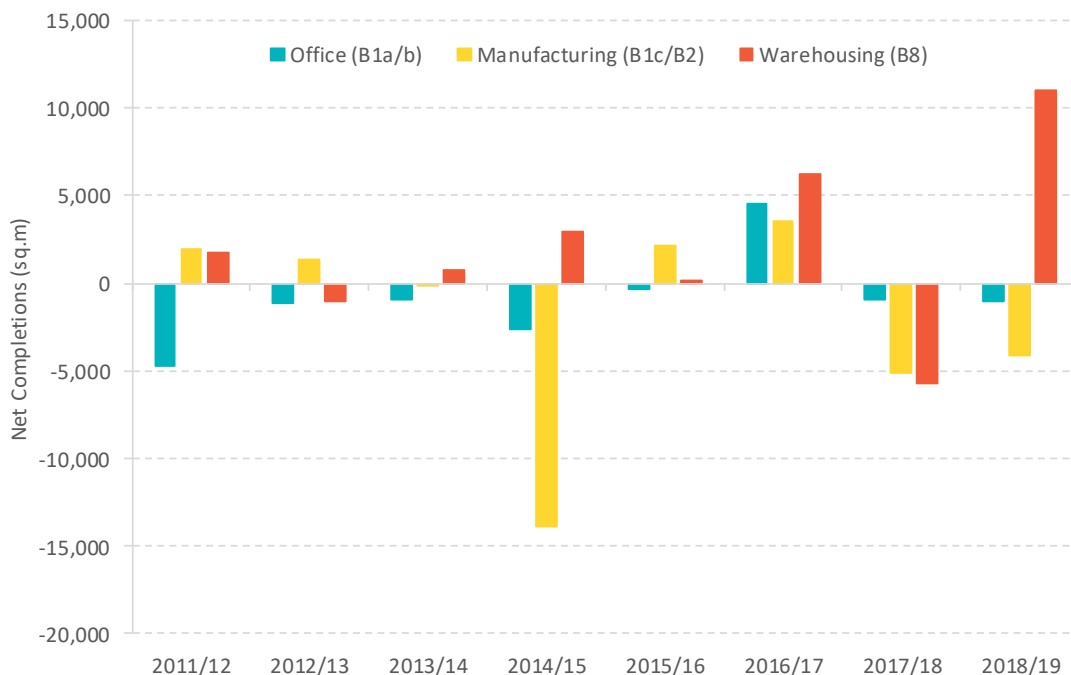


Source: Canterbury City Council / Lichfields analysis

## Net Completions

- 6.19 In overall terms, the District experienced a net decrease in B-use floorspace of 5,323 sq.m between 2011/12 and 2018/19. This means that more B class space was lost to other uses than was gained through new development, resulting in a gradually eroding stock of employment space in the District. This aligns with VOA headline floorspace trend data presented earlier in this chapter.
- 6.20 Net losses of floorspace occurred in the B1a/b and B1c/B2 groups (-7,170 sq.m and -14,250 sq.m respectively), while 16,099 sq.m of B8 floorspace was gained over the eight years.

Figure 6.9 Net B Class Floorspace Change in Canterbury District 2011/12 - 2018/19



Source: Canterbury City Council / Lichfields analysis

6.21 The monitoring data shows that the District has recorded a net loss in B-use class floorspace since the adoption of the Canterbury Local Plan in 2017. Just under 5,900 sq.m of employment floorspace has been lost from the District portfolio since 2017, with most of the decrease being driven by a large net loss of industrial (B1c/B2) floorspace (-9,197 sq.m).

### Permitted Development Rights

6.22 In 2013, the Government announced the proposed introduction of Permitted Development Rights (PDR) to allow for the change of use from B1(a) offices to C3 residential uses through the prior approval process. In October 2015, the Government confirmed that temporary PDR would be made permanent. In many locations across the country, the effect of the PDR has been to increase the rate of losses of office floorspace, often above historic trends.

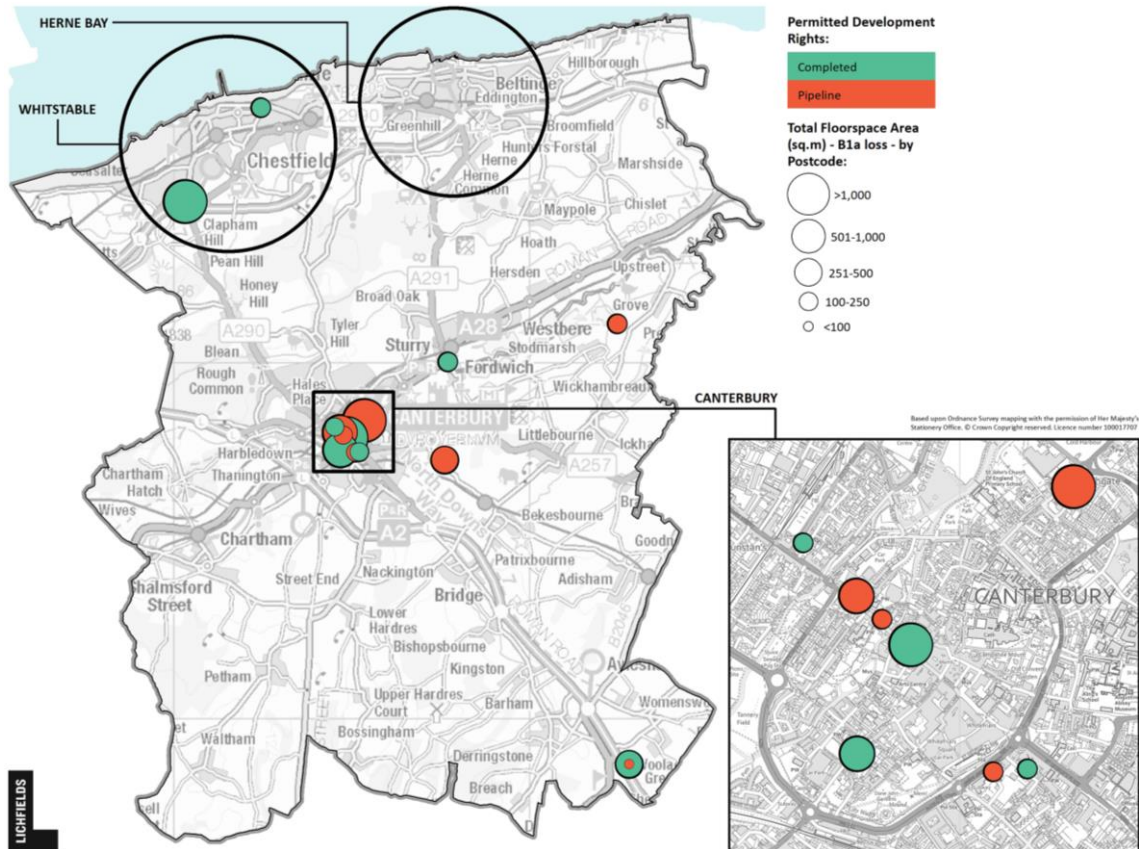
6.23 Analysis of monitoring data provided by Canterbury City Council indicates that 9 prior approval applications have been submitted and implemented since 2013 under this PDR, amounting to a total of 4,329 sq.m office floorspace. This is equivalent to 3.6% of the District’s total office supply<sup>13</sup>. A very small amount (90 sq.m) of storage and distribution floorspace was also lost over the period through PDR.

6.24 The monitoring data also shows that a further 8 office to residential prior approval applications are still live/unimplemented, and if implemented, could result in a further 3,391 sq.m of B1a floorspace lost and 146 sqm of B1c floorspace.

<sup>13</sup> Based on VOA data which suggests that the total office stock in the District equated to 120,000 sq.m in 2013

6.25 The majority of the PDR completions are located within Canterbury City Centre with four PDR conversions that resulted in a loss of 2,101 sq.m of B1a floorspace, while Whitstable also accommodated a large proportion of this loss at 1,596 sq.m. Elsewhere, the locations of Barham and Sturry accommodated the remaining 632 sq.m of office floorspace lost through PDR since 2013 (Figure 6.10).

Figure 6.10 Canterbury District Office to Residential PDR Prior Approvals Since 2013



Source: Canterbury City Council (2020) / Lichfields analysis

6.26 From a qualitative perspective, much of the office space that has been lost through PDR has been poorer quality and obsolete stock within the City centre/town centre, and generally not fit-for-purpose with regards to the type of office space in demand from District occupiers. Other office blocks in the District with PDR approval remain in a state of flux where making the conversion to residential or reinvesting to make a block more attractive to potential occupiers is not attractive to the owner at present.

6.27 With PDR now confirmed as permanent, it will be important for Canterbury City Council to carefully monitor the future loss of office space to determine whether additional provision or protection of existing stock becomes necessary to avoid the erosion of office stock in key locations.

## Property Market Overview

### National Property Market

- 6.28 The UK economic recovery, which began in 2013, slowed somewhat during 2019. While the UK economy has succeeded in withstanding a significant level of Brexit related uncertainty over recent years, recent intensification is taking its toll on activity.
- 6.29 Business investment has proved a casualty of this uncertainty, compounded by a downturn in inward investment into the UK. The resolution of Brexit will have positive implications, including business investment which typically drives expansion and relocation, driving activity in the industrial and office markets.
- 6.30 That said, domestic issues are not the only concerns for the UK economy. The global outlook is also less positive with the emergence of trade barriers in the US slowing growth in China and weak Eurozone growth. These factors are likely to impact on investor and developer confidence in the short term at least. Given the focus of the EDTS study upon longer term needs as well as short term needs, it is important that any analysis of commercial property market signals takes a longer-term view.

### Kent Property Market

- 6.31 Despite the ongoing economic uncertainties facing the UK and its property market, the outlook for Kent remains positive. It's stock of business and residential property is relatively more affordable than other parts of the South East and Kent is expected to remain a vital gateway to continental Europe, regardless of the UK's withdrawal from the EU.

### Market Geography

- 6.32 In overall terms, Kent can be characterised as having three broad property market areas which tend to share similar property market characteristics and roughly correlate with a typical occupier 'area of search'. These are as follows:
- 1 **East Kent:** comprising the eastern portion of the county and the centres of Ashford, Canterbury, Folkestone, Dover and Margate. This property market area is characterised by comparatively poorer strategic connectivity and as a result, lower commercial property values.
  - 2 **West Kent:** comprising the centres of Sevenoaks, Dartford, Tunbridge Wells and the Borough of Tonbridge & Malling, this area borders Greater London and commands the county's highest property values.
  - 3 **Mid Kent:** including Maidstone, the Medway towns and along the M20 corridor as far as Ashford.
- 6.33 This broadly correlates with cross-regional analysis undertaken by CBRE<sup>14</sup> back in 2007 that identified Canterbury District as falling within the 'Kent Coast' property market grouping or area. This combined the Channel ports of Folkestone, Dover and Ramsgate with Canterbury and characterised the area as having very small office markets, with the focus of land demand skewed toward industrial use.
- 6.34 The District is an important sub-regional employment centre in East Kent, with the City of Canterbury accommodating a strong service and education sector. In contrast, more traditional manufacturing industries tend to be located within the coastal towns across several successful

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<sup>14</sup> CBRE, South East Regional Property Market Study, March 2007

business parks at Whitstable and Hersden. This results in the presence of two broad property market sub-areas operating within the District; one focused in and around the City of Canterbury, and one covering the coastal towns of Herne Bay and Whitstable. These tend to operate as relatively self-contained property market areas, with some – albeit limited – overlap with adjoining authority areas and economic centres (such as parts of Swale to the west and Thanet to the east) in terms of occupier movement and churn to a limited extent.

- 6.35 The District’s established employment role has enabled it to remain relatively resilient to macro-economic change, although other commercial centres across Kent (including Ashford, Dartford and Medway) have grown, developed and diversified in recent years to provide a broader range of competitor locations to Canterbury District when it comes to attracting and retaining business occupiers. For now, these other centres within the wider sub-region provide very limited overlap with the District from a commercial property market point of view and tend to operate as distinct markets.
- 6.36 This means that the majority of demand for office and industrial space comes from the churn of existing firms, with comparatively few enquiries received by agents from firms located outside the immediate sub-region.

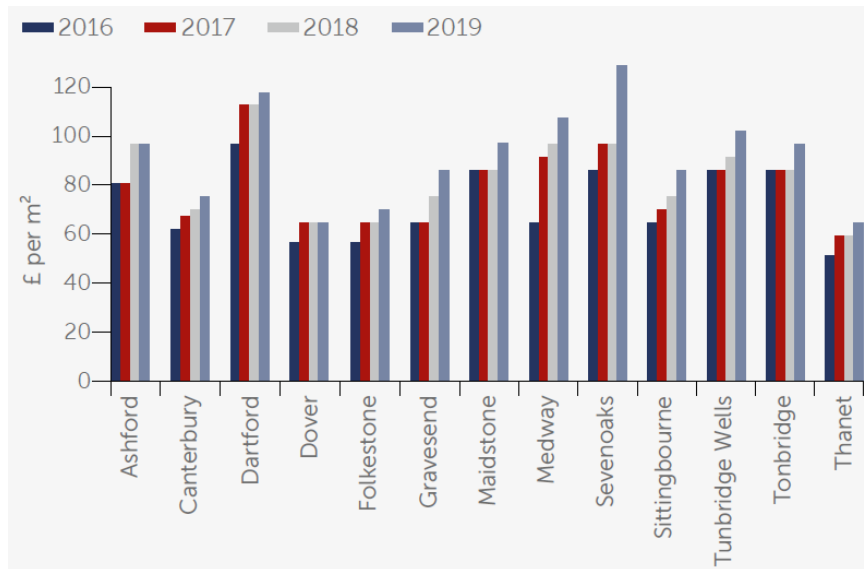
## Industrial Market Signals

### Kent

- 6.37 The weakness of sterling driven by Brexit uncertainty has assisted exporting manufacturing companies to an extent, but confidence and business investment remains weak. However, this has not been reflected in the industrial and logistics property sectors, which continue to deliver robust returns. In Kent, both the industrial market and big box logistics have seen pressure on available space. Average industrial rents in Kent rose by almost 11% over the year to June 2019, outpacing other property sectors in the county over the last 12 months. The county also outperformed national industrial rental growth since 2014. Robust take-up has driven space shortages, leaving Kent with the second lowest vacancy rate in the UK in Q2 2019.
- 6.38 Given the shortage of sites, an increase in construction activity across the county is welcomed, with both national and south east developers now represented in Kent. Within Canterbury District specifically, in May 2019 George Wilson Developments completed the construction of eight light industrial units of 92 sq.m (1,000 sq.ft) each on the Joseph Wilson Industrial Estate, Whitstable, all of which were sold off-plan. The same developer has submitted plans for a 2.2ha (5.5 acre) extension to the estate adding 7,897 sq.m (85,000 sq.ft) of industrial floorspace. Development activity in the county has been assisted by a positive funding market with M & G, Orchard Street, Standard Life and Buccleuch backing developer-led schemes. Meanwhile, there are a number of substantial industrial sites coming forward elsewhere across the county, including Aylesford Newsprint (in Tonbridge & Malling) and at Woodcut Farm (Maidstone).
- 6.39 As shown in the chart below, industrial and distribution rents have been rising within Canterbury District over recent years, although the authority area still remains one of the more affordable industrial locations in Kent. Only Dover, Folkestone and Thanet offer cheaper average industrial rents than Canterbury District.



Figure 6.11 Industrial and distribution rents in Kent



Source: Kent Property Market Report 2019, based on Caxtons data

### Canterbury District

- 6.40 The industrial market in Canterbury is focused on serving the needs of local businesses within the District. The market does not have strong ties with the industrial markets of other Kent local authorities and is relatively self-contained within the District boundary. Within the District itself there are three distinct market areas; Canterbury City; Herne Bay and Whitstable; and smaller rural locations.
- 6.41 The industrial business parks within and around Canterbury City (e.g. Wincheap Industrial Estate and Lakes View Business Park) typically serve local businesses with limited larger occupiers. The units on these business parks are not of the highest quality; however, vacancy is low with space costing around £6 per sq.ft to rent. Trade counters on the Wincheap Industrial Estate would typically pay in the range of £8.50-£9.50 per sq.ft in rent, highlighting the potential financial gain landlords could benefit from by converting industrial space over to other uses.
- 6.42 Herne Bay and Whitstable have more industrial business parks than Canterbury City, which also mainly serve local businesses. Rent for industrial space on these business parks ranges from £6-£7 per sq.ft, with trade counters paying around £9 per sq.ft; the difference in rents between B1c, B2 and B8 uses is minimal. Vacancy across the estates is generally low, and if a unit does become vacant, it is typically caused by a business moving to another unit within the District.
- 6.43 There is a small rural segment of the industrial market with businesses occupying old agricultural buildings that have been converted into B1c units. Rents on these spaces range from £2-£4 per sq.ft, making them considerably cheaper than industrial units on the District's general industrial estates. However, recent changes to building regulations have increased the upfront cost of converting agricultural buildings into B1c space, so this form of development has become less viable.
- 6.44 There is some potential for the further expansion of the general industrial business parks in Canterbury as the space is cheaper to develop than other types of commercial uses (e.g. offices and retail). It is likely any expansion would need to be tailored to meet the needs of local businesses by providing smaller units. Developments with larger scale premises (e.g. large

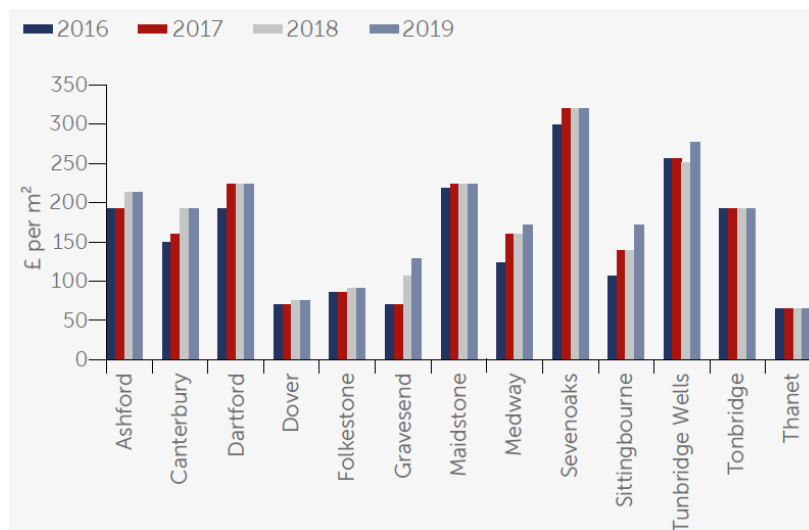
distribution warehouses) would be less viable as other areas of Kent (e.g. Maidstone and Dartford) have more attractive locational characteristics than Canterbury.

## Office Market Signals

### Kent

- 6.45 Office sector take-up across the South East has slowed over the last year with uncertainty weighing on business decision making. While Kent's town centre office market has seen a number of key lettings over the last year, it continues to struggle with a shortage of quality new space. Activity remains biased towards local business growth, and smaller floorspace lettings, driven largely by the supply available. Evidence from the wider M25 office market demonstrates burgeoning requirements from larger companies, particularly in knowledge intensive business sectors, both local and more widely. Such activity has been limited by a shortage of the prime town centre space favoured by some sectors of the knowledge industry. This shortage has contained rental growth in some locations, and those centres able to offer new accommodation such as Canterbury, Ashford and Maidstone are seeing greater activity. The potential exists to broaden the occupier base where there is the offer of quality new space, as evidenced at Connect 38 in Ashford.
- 6.46 Despite the supply shortages across Kent, there is relatively little town centre office space coming forward in the short term. Over the medium to longer term there are various proposals in the pipeline, but with more of an out-of-town focus, for instance with Quinn Estates having received planning consent in April 2019 for a mixed-use scheme at Eddington Park, Herne Bay, to include 3,793 sq.m (40,828 sq.ft) of office space.
- 6.47 In general terms, the loss of office stock to residential use through Permitted Development rights has slowed, driven by a diminishing supply of obvious conversion targets and office stock shortages in many towns raising rental expectations.
- 6.48 Despite the uncertain political and economic backdrop, the business park market in the south east has proved relatively buoyant over the last 12 months, contrasting with a more subdued previous 12 month period. The Kent market mirrors this picture with key lettings occurring across the county's office parks. Alongside professional services and other traditional occupiers, high growth, knowledge intensive businesses in the areas of life sciences, tech and creative industries are growing in their presence on Kent's business parks. This reflects the national picture, assisted by a supportive government agenda. It is translating into lettings activity and robust demand in locations that offer the crucial mix of skilled labour and quality accessible business space, such as Discovery Park in Sandwich, Kent Science Park and Kings Hill.
- 6.49 As shown in the chart below, office rents in Canterbury District have been increasing over the last few years (mirroring most locations in Kent), but currently fall behind larger office centres such as Sevenoaks, Tunbridge Wells and Ashford.

Figure 6.12 Office rents in Kent



Source: Kent Property Market Report 2019, based on Caxtons data

### Co-working space

- 6.50 Across Kent and Medway, increasingly businesses are identifying co-working spaces as integral to their ability to scale up and remain agile to their markets. It is no longer good enough for these businesses to locate themselves in oppressive office environments if they want to recruit the best talent and create a culture of productivity.
- 6.51 Locate in Kent is reported to be seeing a trend in demand for smaller office spaces, with requirements for increased quality and flexibility. With a growing desire for better work-life balance and unique work environments built for a multi-generational workforce, businesses are regularly looking to co-working space to meet this need.
- 6.52 The latest Kent Property Market Report (published 2019) notes that we are in the midst of an upsurge in development of multi-use and co-working space. More than 40 co-working spaces are up and running in the county offering everything from communal desks to fully serviced offices, with a further 10 in the pipeline. Examples in Canterbury District include the Fruitworks Coworking facility on Stour Street in Canterbury City Centre and the Council’s Neptune Coworking space in Herne Bay which features 32 workspaces.

### Canterbury District

- 6.53 Canterbury District has a self-contained office market, with internal sub-markets operating between Canterbury City, Whitstable and Herne Bay and the rural areas. The largest sub-market is Canterbury City centre which accommodates a mixed stock of historic buildings converted into offices, ageing and poor-quality office blocks and a small amount of new A-grade space in the form of blocks such as Logan House. Demand for anything less than A-grade office space is reported to be very weak, and older, poorer quality office buildings generally remain vacant for some time.
- 6.54 Rents for the best quality A-grade office stock in Canterbury City range up to around £23 per sq.ft, while B grade stock goes for around £17-£18 per sq.ft. These rents alongside other factors including the limited availability of parking, the available supply of land – linked to competition from more valuable land uses (e.g. residential) - and traffic congestion currently make the development of new office buildings challenging for the private sector. The conversion of existing blocks into local business centres (e.g. Lombard House) and offices developed by the

public sector (e.g. Canterbury Innovation Centre) has yielded positive results, with small firms quickly occupying the majority of the available suites. This suggests that good quality smaller scale managed/serviced office space is popular with local firms, although the organisations behind these schemes may not face the same viability concerns as commercial developers.

- 6.55 Offices in Whitstable and Herne Bay, like in Canterbury City, serve the local market. Offices are typically located on or near to industrial estates and vary in quality. Demand for these offices is limited, with few enquiries even for the highest quality stock on the Chaucer Industrial Park. Rents for the high-quality stock have dropped, with some of the space now on the market for £12.50 per sq.ft, which is below the previous rents tenants paid to occupy the offices.
- 6.56 The rural market is smaller than the other two sub-markets; however, it has remained stable as rural locations remain attractive to those office occupiers that require good car parking and are keen to avoid the traffic congestion associated with Canterbury City in particular.

## Summary

- 6.57 The key points from the review of commercial property market signals and intelligence are as follows:
- 1 The majority of B-class floorspace in the District is accommodated in the City of Canterbury and the band of industrial sites and business parks located along the A299 and Thanet Way in Whitstable and Herne Bay, which primarily contain B1c/B2 and B8 premises.
  - 2 The District's stock of B-class floorspace has shrunk in recent years, with VOA Business Floorspace data and the Council's own monitoring data evidencing this trend. Monitoring data indicates the District experienced a total net decrease in B-class floorspace of 5,323 sq.m between 2011/12 and 2018/19.
  - 3 The quantitative impact of office to residential PDR in the District has been limited to date. In total, 4,329 sq.m of office floorspace has been lost, which is equivalent to 3.6% of the District's total office stock. This could increase in the future as existing offices with prior approval are converted to residential use.
  - 4 Canterbury District broadly operates within the East Kent property market area, which also features Ashford, Folkstone, Dover and Margate. The commercial property market within Canterbury District is split between two main sub-areas comprised of Canterbury City and Herne Bay and Whitstable.
  - 5 In the context of Kent, industrial and warehouse rents have been rising with the County having the second-lowest vacancy rate in the country during Q2 2019. Rents for B class space have also been rising in Canterbury District, albeit, they remain lower than other parts of the County due to the locational characteristics of the District.
  - 6 The industrial and warehouse market within the District typically services local businesses. If a business within the District does decide to move it is normally to another unit in the area that better suits the needs of the business. The expansion of existing business parks and industrial estates would likely be focused on meeting the needs of these businesses; and could be beneficial considering the current low vacancy rate.
  - 7 Like the industrial and warehouse markets, the office market in the District is relatively self-contained, but in contrast to industrial, is characterised by relatively limited demand. In Canterbury City, the number of A-grade offices is small, with recently developed A-grade offices (e.g. Logan House) taking some time to be fully let. Recent growth in co-working spaces within the District and Kent more broadly emphasises good levels of demand for small scale, flexible workspace with recent developments in Canterbury District including the Fruitworks in Canterbury City Centre and Neptune Space in Herne Bay.

## 7.0 Review of Employment Supply Portfolio

7.1 This chapter summarises the findings of employment cluster and office site surveys that have been conducted as part of the EDTS. The results of the surveys are summarised together by broad location; Canterbury City, the coastal settlements of Whitstable and Herne Bay and rural areas of the District.

### 1) Existing Employment Sites

7.2 Following discussions with the Council it was agreed that 14 existing employment sites would be appraised in terms of their characteristics, quality and suitability to meet future employment development needs. The sites are located across the District including several in rural locations and feature a variety of different B class premises, including offices, industrial units and warehousing.

7.3 The appraisal exercise has taken account of a wide range of PPG-complaint appraisal criteria, as summarised below in Table 7.1.

Table 7.1 Site Assessment Criteria

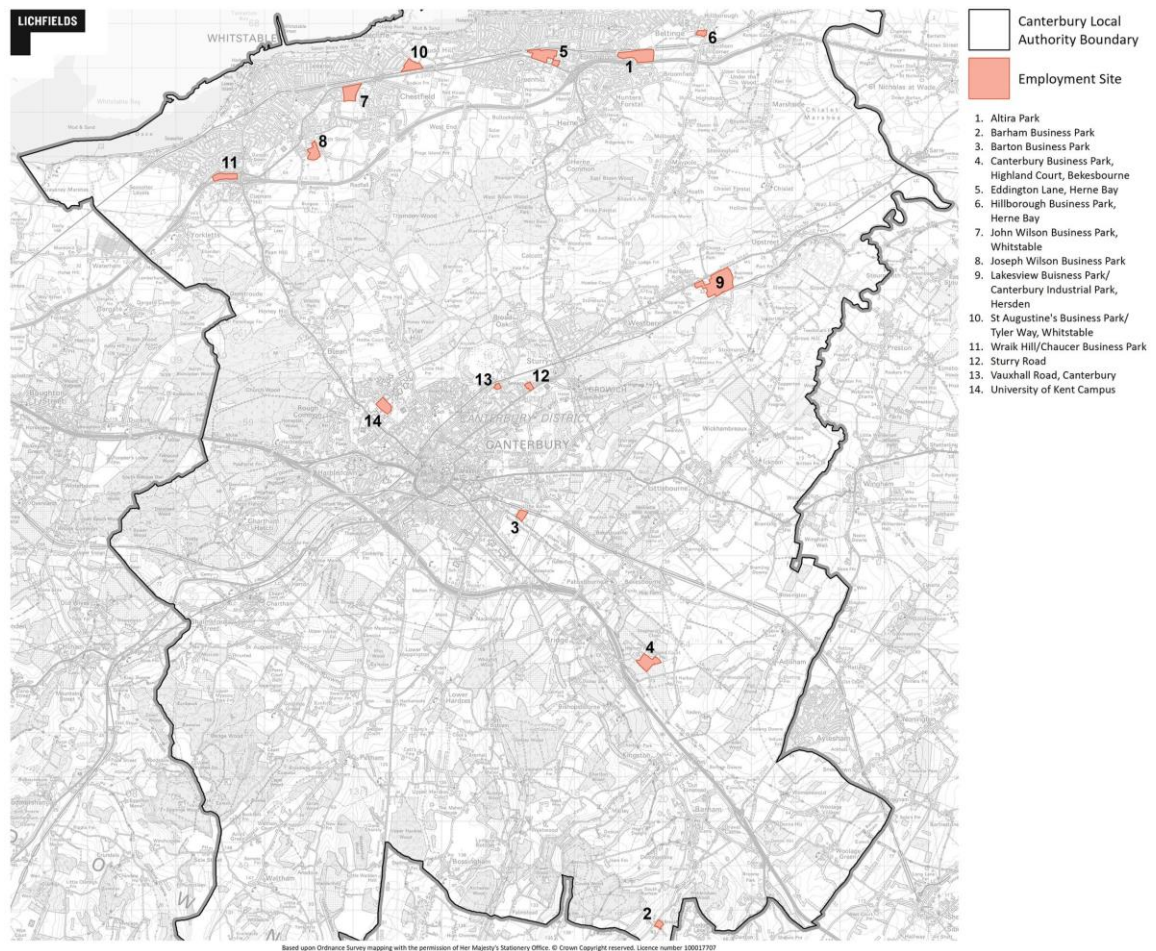
Assessment Criteria	Key Considerations
Site overview	Current site status
	Current / recent planning applications
	Recent changes on-site
	PDR conversions
Current characteristics	Condition of buildings and environment
	Occupiers
	Market attractiveness
	Accessibility
Site opportunities	Emerging proposals for development/ redevelopment
	Scope for efficiency improvements
	Future development potential
	Scope for productivity improvements
Site constraints	Adjoining uses constraints
	Environmental constraints
	Infrastructure constraints

Source: Lichfields

7.4 Each of the 14 employment sites were visited and independently appraised against the assessment criteria shown in Table 7.1, with further desktop research undertaken prior to and following the site surveys.

7.5 The location of the 14 employment sites is shown below in Figure 7.1 (and in more detail in Appendix 2) and the full results of each site appraisal are presented in Appendix 3.

Figure 7.1 Existing Employment Sites



Source: Lichfields analysis

## Canterbury City

- 7.6 Examining the urban extent of Canterbury City, Barton Business Park, Lakes View Business Park, Sturry Road, Vauxhall Road and the University of Kent Campus comprise those existing employment sites with the strongest link to Canterbury City. Excluding Lakes View Business Park, they are all located within or on the outskirts of Canterbury City. Lakes View Business Park is located a short distance from Canterbury and is easily accessed via Island Road.
- 7.7 Barton Business Park and Lakes View Business Park represent the two ‘traditional’ business parks/industrial estates out of the five sites. The sites are occupied by a mix of industrial and warehouse units that vary in size, with a small amount of accompanying office premises. Both sites have low levels of vacancy and contain a variety of occupiers including trade counters, logistics firms, garages and waste disposal facilities. The most notable occupier is Hornby Hobbies located at Lakes View Business Park. Both sites border open land which could be used to extend both sites if there was a need; the density of employment use could also be increased at Barton Business Park considering that some buildings are used for self-storage. Development has also recently begun on 33,000 sq.ft of new industrial space at Barton Business Park.
- 7.8 Sturry Road and Vauxhall Road represent locations where new employment uses could be built/or are being built. Sturry Road currently comprises open fields which are used for keeping horses, with a few agricultural buildings on the site. The site represents a development opportunity rather than an existing employment cluster. Vauxhall Road is currently being

developed into an Audi showroom and dealership, so is unlikely to be available for any further B use development in future.

- 7.9 The main employment use on the University of Kent Campus is Canterbury Innovation Centre which is located just off University Road. The Innovation Centre is a high-quality facility that offers serviced and flexible workspaces. It is currently occupied by firms such as Ancon Technologies and Becket Chambers. There is an ample amount of land around the Innovation Centre which could be used to either expand the existing building or to develop further premises – subject to planning considerations - to provide space for spin-off firms from the University and meet the needs of other local businesses.

### Whitstable and Herne Bay

- 7.10 The existing employment sites in Whitstable and Herne Bay comprise Altira Park, Eddington Lane, Hillborough Business Park, John Wilson Business Park, Joseph Wilson Business Park, St Augustines Business Park/Tyler Way and Wraik Hill (Chaucer Business Park). In comparison to the sites noted above in Canterbury City, these sites are all established employment clusters rather than specialist locations or development opportunities (e.g. the University of Kent Campus and Sturry Road).
- 7.11 Wraik Hill (Chaucer Business Park) is located within Whitstable and differs to the other employment sites in the town (John Wilson Business Park, Joseph Wilson Business Park and St Augustines Business Park/Tyler Way) as it primarily contains offices with some large out of town retail units. The offices are relatively new build and high-quality. They are mostly occupied and can easily be accessed via the A299. There is some undeveloped land on the western end of the site which could be developed; however, otherwise, potential further expansion is limited.
- 7.12 John Wilson Business Park, Joseph Wilson Business Park and St Augustines Business Park/Tyler Way primarily include industrial and warehouse units of varying sizes which are mostly occupied. There are also some small and dated offices at St Augustines Business Park. The three parks are located near to either the A299 or A2990, providing some strategic road access; however, reaching the sites may be difficult for HGVs due to obstacles on the local road network (e.g. small roundabouts). Development opportunities at each site exist through intensifying the use of existing space (e.g. the motorhome showroom at Joseph Wilson Business Park) and extending on nearby agricultural land if the market conditions were favourable and subject to other planning considerations.
- 7.13 Altira Park, Eddington Lane and Hillborough Business Park are all situated around the town of Herne Bay. Altira Park and Eddington Lane contain larger scale industrial and warehousing units, while Hillborough Business Park is occupied by a large motor home showroom and small lower-quality industrial, warehouse and workshop units which are surrounded by large areas of storage space. The quality of premises at Altira Park and Eddington Lane is higher and there are considerable areas around and within both sites that could be developed for further employment premises. Altira Park and Eddington Lane also benefit from easy access onto the A299, while Hillborough Business Park is located down a small rural road that makes the site less appropriate for HGV access currently.
- 7.14 The designated site boundary of Altira Park may need reconsidering as a large Sainsburys superstore was recently built in the south eastern corner of the site. The store takes up around 3ha of land and similar uses are excluded from being within other existing sites (e.g. Homebase at Eddington Lane and Tesco at Joseph Wilson Business Park). The site boundary of Wraik Hill/Chaucer Business Park could also be modified on the same basis as the site features a large amount of non-B use buildings that effectively divide the site into two small office parks.

## Rural Areas

- 7.15 Barham Business Park and Canterbury Business Park are located away from the main urban areas of the District. Barham Business Park is in the southern area of the District and includes a mix of older offices and new industrial and warehouse units. There are also several agricultural buildings scattered around the site. The A2 can be accessed from the site via Elham Valley Way; however, the size of the interconnecting roads could limit the potential for HGVs that could travel to the site daily. There is potential to expand the site considering it is surrounded by agricultural land and that areas could be used more intensively, but this would need to be limited to smaller units considering access constraints and other planning considerations such as being located in an Area of Outstanding Natural Beauty (AONB).
- 7.16 Canterbury Business Park is significantly larger than Barham Business Park. The site is fully occupied, with the largest occupant being Gomez which is a large fresh produce supplier. Other occupiers include Quinn Estates and the Independent Pedlar café. The site benefits from direct access to the A2, which is a 0.5km drive away down Cold Harbour Lane. The site has the potential for expansion – subject to planning considerations such as being located in an Area of Outstanding National Beauty (AONB) as is surrounded by agricultural fields, which could be developed and act as extensions to the existing site. The entrance and entry road are wide enough for HGVs, so there is the potential for developing large-scale industrial and warehouse uses.

## 2) Offices

- 7.17 Alongside the appraisal of the District’s existing employment clusters, an appraisal of existing offices within the District has been undertaken as part of the EDTS. This considers 20 office premises in the District that have a floor area of 1,000 sq.m or more and have applied the appraisal criteria set out below in Table 7.2.

Table 7.2 Office Assessment Criteria

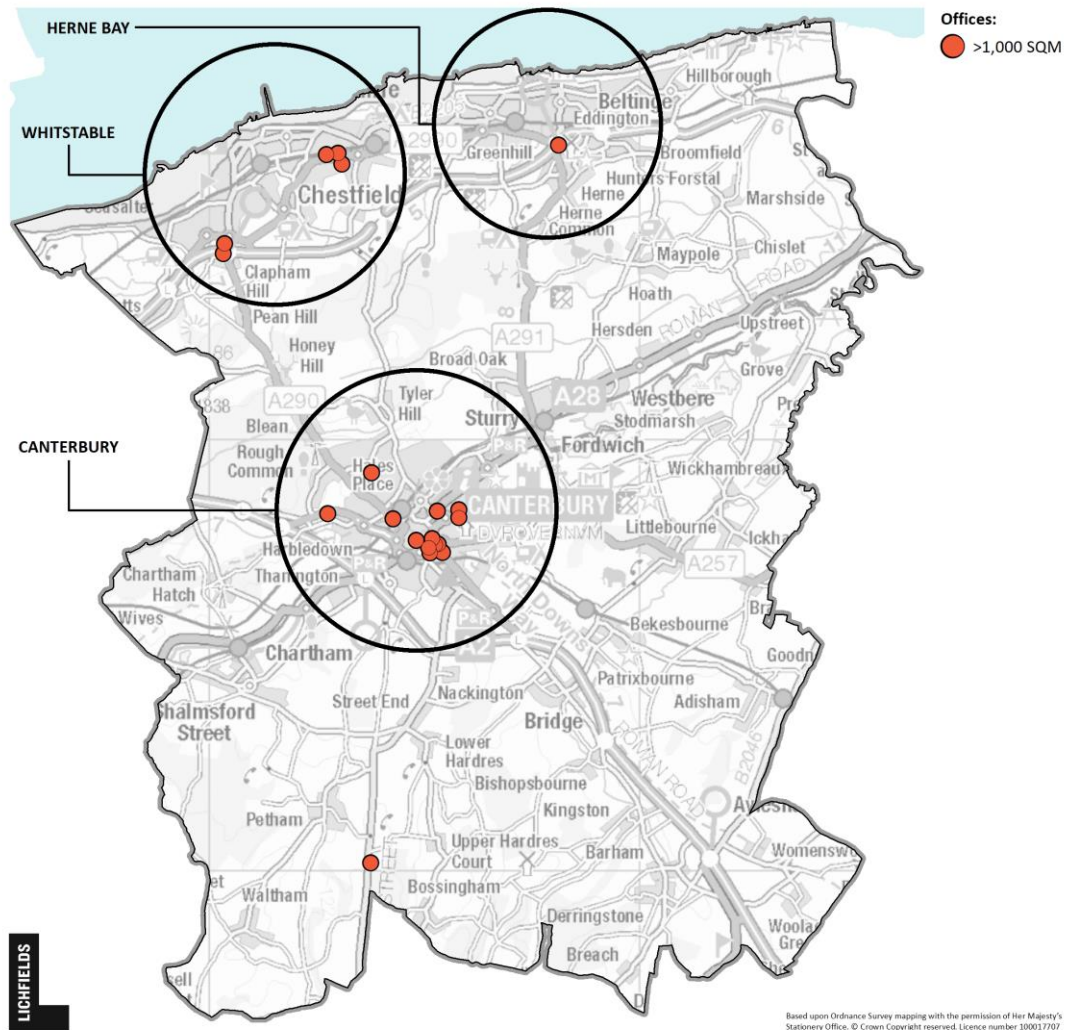
Assessment Criteria	Key Consideration
Office overview	Floorspace
	Current and recent planning applications
Office characteristics	Function
	Usage
	Occupation
	Quality
	Rental Cost
	Market Attractiveness
Office opportunities	Scope for efficiency improvements
Office constraints	Market challenges
	Site barriers

Source: Lichfields

- 7.18 Each of the 20 office premises were visited and independently appraised against the assessment criteria in Table 7.2, with further desktop research undertaken prior to and after the site surveys.
- 7.19 The location of the 20 office premises is shown below in Figure 7.2 (and in more detail in Appendix 2) and the full results of the appraisal for each office are presented in Appendix 3.



Figure 7.2 Canterbury Office Premises Appraisals



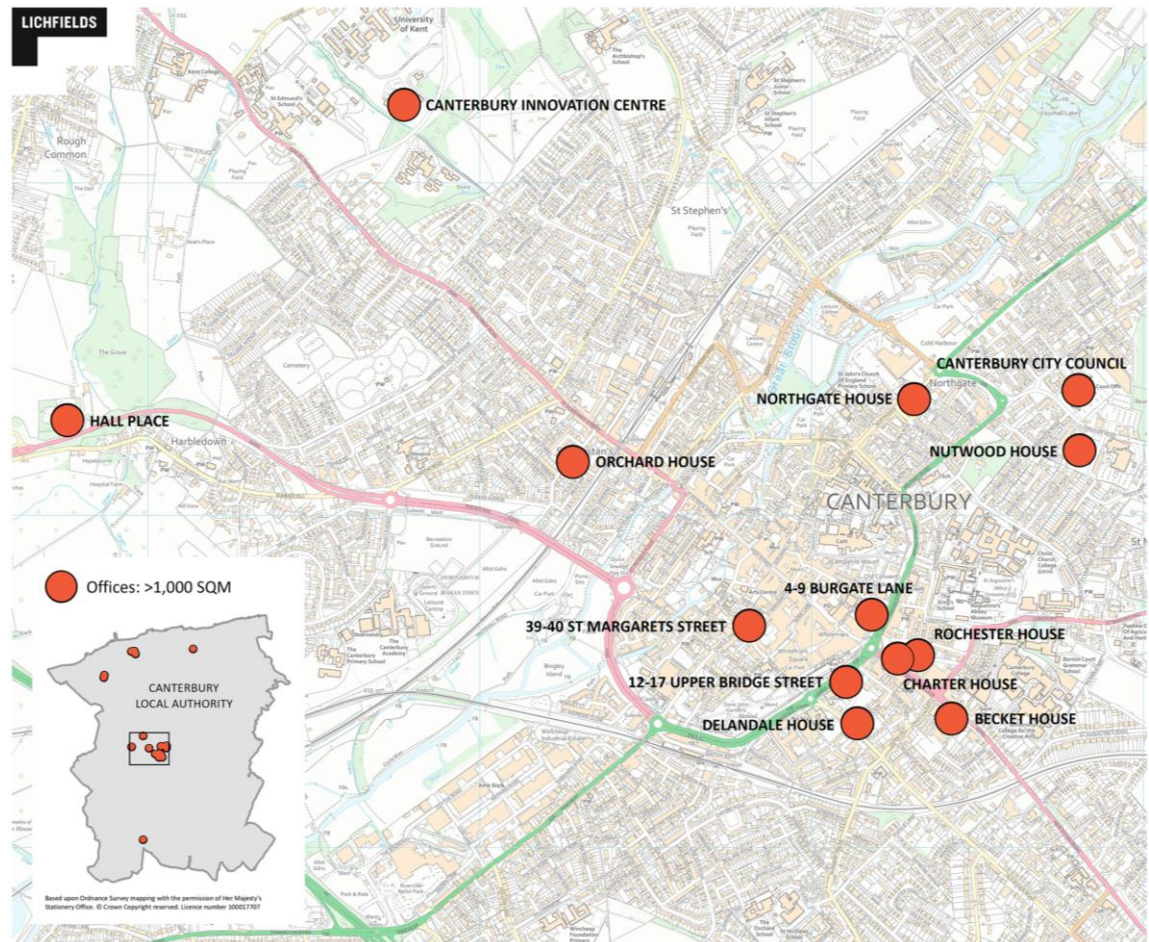
Source: Lichfields analysis

### Canterbury City

7.20

As shown in Figure 7.2, most offices in the District with a floor area of 1,000 sq.m or more are located within Canterbury city centre and the surrounding urban area. The largest of these offices is the main base of Canterbury City Council, which is also located within close proximity of Nutwood House (occupied by the Government Health Advisory Service) (see Figure 7.3). These offices both act as bases for the operation of public services within the District and are both of average quality and well maintained. The City Council is currently exploring options to relocate away from its Military Road site and the site forms part of a Housing Opportunity Area within the current Local Plan.

Figure 7.3 Canterbury City Offices



Source: Lichfields

- 7.21 Orchard House and Northgate House are both located around a kilometre from Canterbury City Centre. These two offices differ considerably in that Orchard House consists of several high-quality occupied office units up a secluded private driveway, while Northgate House is of poor-quality and looks to only be occupied by a Job Centre facility on the ground floor. Both office sites have limited potential for expansion; however, considering the lack of occupants, market attractiveness and poorer quality of Northgate House, it might be more appropriate to use the block for other purposes.
- 7.22 Becket House, Charter House and Rochester House are all located on St George's Place which leads north to Canterbury City Centre. Becket House is currently used by BT as a call centre and communications hub for engineers and Charter House has several private sector occupiers, while Rochester House is home to the Information Technology Department of Canterbury Christchurch University. Becket House and Charter House are both of adequate-quality, while Charter House is in better condition. The latter office will likely remain in its current use as a University building for the near future, while the future of the other two offices appears to be more uncertain. The potential for conversion for residential seems high considering the recent attempt to convert Becket House into 120 residential units.
- 7.23 4-9 Burgate Lane, 12-17 Upper Bridge Street and Delandale House are three offices that are located just within or close to the Old Wall of Canterbury City centre. These offices differ considerably in that 4-9 Burgate Street is a more modern office which is occupied by the London Institute of Banking and Finance; 12-17 Upper Bridge Street is a poor-quality office on the edge

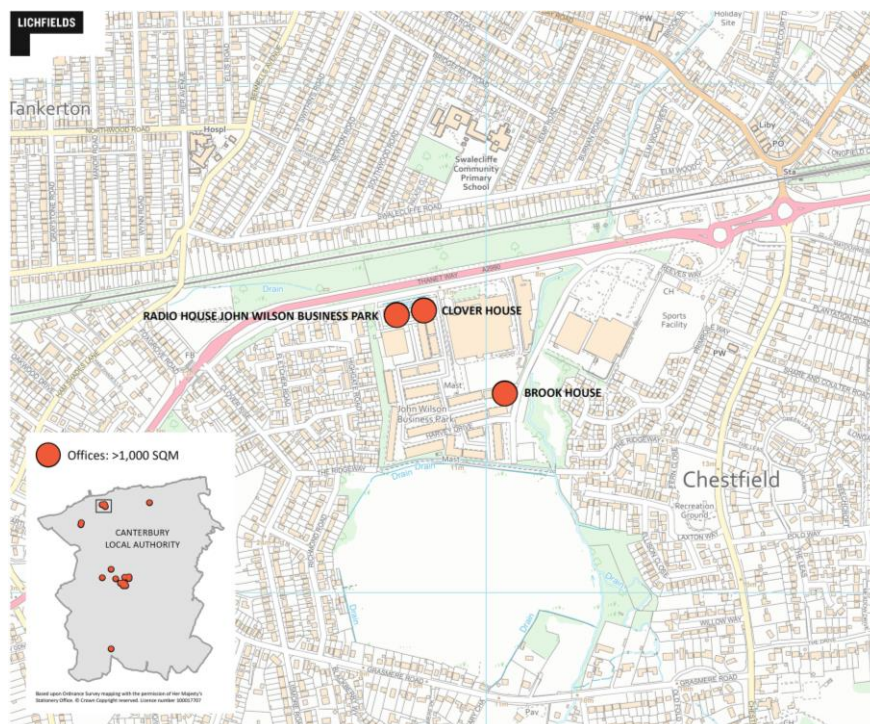
of the City Centre ring road and looks underutilised; and Delandale house is a two-part office with a small, historic front unit occupied by Wilkins Kennedy and a more modern back unit occupied by Natwest. There is potential that 12-17 Upper Bridge Street could better utilised, potentially for other purposes.

7.24 Hall Place is a good-quality block that is used by Canterbury Christchurch University. The block could be expanded, but it may not be attractive to private sector occupiers if the University were to leave due to the lack of amenities and poor public transport access. 39-40 St Margaret’s Street is an office formed of two attractive and listed buildings in the heart of Canterbury City centre. It is currently occupied by Furley Solicitors and has attractive planting that leads onto the street. It is unlikely the building could be expanded considering it is set within a terrace of buildings and has listed status.

### Whitstable and Herne Bay

7.25 Brook House, Clover House and Radio House are all located within John Wilson Business Park. Clover House and Radio House are located within a ‘sub-area’ of the wider business park and are directly adjacent (see Figure 7.4). Both offices share the same industrial-like aesthetics but appear to have good-quality space internally. Clover House is currently owned by the East Kent Spatial Development Company, which has split the offices into 28 separate units for letting to small firms. Radio House is owned by a developer who plans to refurbish the office and convert the ground floor into a dental surgery. Excluding making some aesthetic changes, both offices appear to function well for their current purposes.

Figure 7.4 John Wilson Business Park Offices, Whitstable

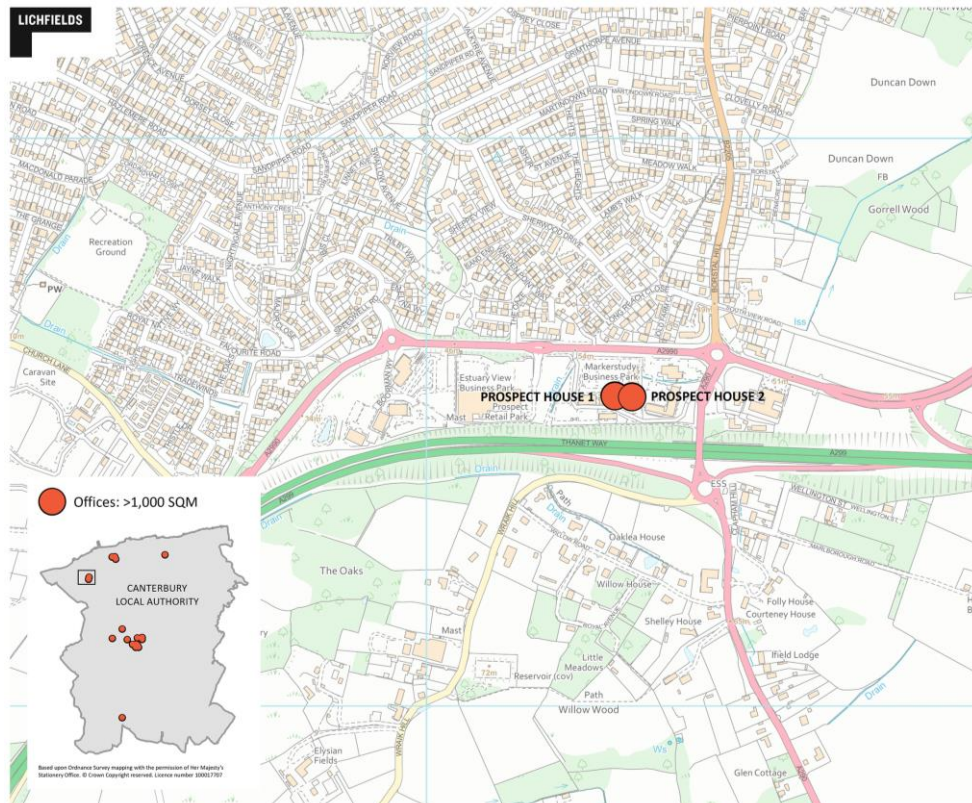


Source: Lichfields

7.26 Brook House is located on the eastern side of John Wilson Business Park and is occupied by Kent County Council’s Family and Social Care Unit. The office is in good condition, but has poor access to amenities and a small a car park, which is leading to cars parking on, and congesting, the entry road. The building functions well for its current uses and would unlikely be attractive to bring onto the private market considering its location and the cost of renovation.

7.27 Prospect House 1 and Prospect House 2 are located within close proximity of each other on Chaucer Business Park (see Figure 7.5). Both of the offices are good-quality and are occupied by the Markerstudy Group, Honeywell and Heath Farm Foster Care. The offices benefit from a large private car park and easy access onto the A299. To let signs outside of the car park entrance on to the A2990 indicates there is some vacancy in the offices, despite them being some of the best quality units in the District. Overall, the offices currently function, but could be used more effectively by reaching 100% occupancy.

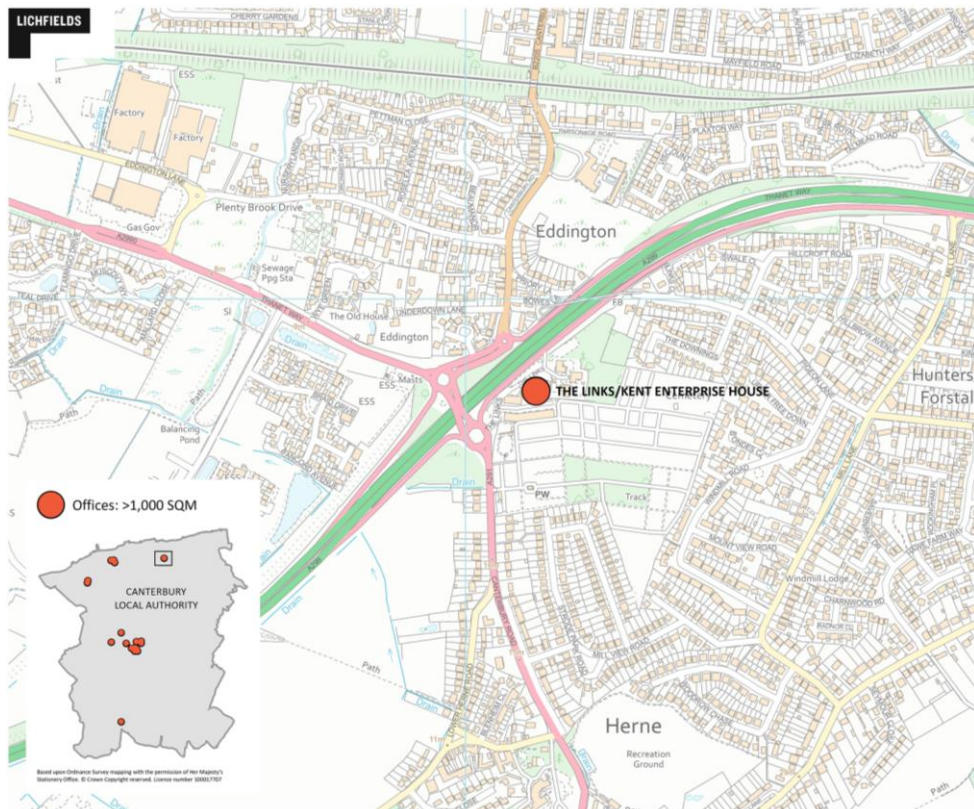
Figure 7.5 Chaucer Business Park Offices, Whitstable



Source: Lichfields

7.28 The Links/Kent Enterprise House is located on the junction between the A291 and A299 (see Figure 7.6). The office is good quality and includes a mix of co-working space, office units and hot desks; some of the space is let to a wealth management firm. Road access is good, but access to general amenities is poor. There was a recent planning application to convert one of the suites in the block into an Ambulance Community Response post (sui-generis use). Overall, the office functions well, but other uses may become more prevalent within it if more applications for non-B uses are put forward in the future.

Figure 7.6 The Links / Kent Enterprise House, Herne Bay



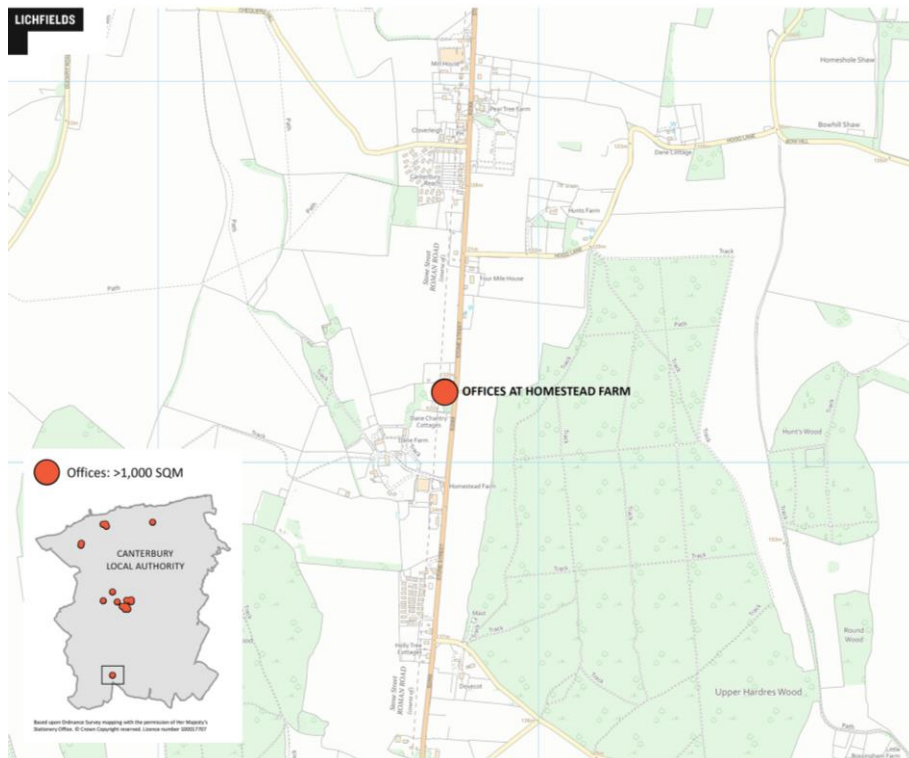
Source: Lichfields

## Rural

7.29

The offices at Homestead Farm are the only office premises over 1,000 sq.m in size outside of Canterbury City and the Herne Bay and Whitstable urban area (see Figure 7.7). The offices are occupied by Halsion, a building services engineering company. The premises appear to be of good-quality and sit within an attractive countryside setting. This represents a single occupier site, and whilst the office space appears to function well for its current use, if it became available there may be limited demand from potential occupiers given the relatively isolated rural location.

Figure 7.7 Offices at Homestead Farm



Source: Lichfields

## Summary

- 7.30 The number and scale of existing B class employment sites around Canterbury City is limited. Of the five sites surveyed around the City, Lake View Business Park and Barton Business Park represent the largest and longest operating clusters. Other sites represent either development opportunities (i.e. Sturry Road and Vauxhall Road) or specialist facilities that cater to a niche section of the B class occupier market (i.e. Canterbury Innovation Centre). The clear economic drivers of Canterbury City are the universities, the City's retail offer and tourists attracted by heritage and religious assets.
- 7.31 By comparison, Whitstable and Herne Bay offer a larger and more varied portfolio of B class employment sites than Canterbury City. Many of these feature a mix of B1c, B2 and B8 premises with some office space. The sites are typically good quality, have good road access and low levels of vacancy. There is also room for expansion at some of the sites (such as Altira Park).
- 7.32 The more rural employment sites elsewhere in the District typically accommodate occupiers operating within agricultural based sectors (such as Gomez at Canterbury Business Park) and have considerable room for expansion.
- 7.33 The majority of offices with a floor area of 1,000 sq.m or more are located within Canterbury City. These offices vary in quality, with some good quality examples (e.g. Delandale House and Orchard House) and others that suffer from poor quality and/or could be better utilised (e.g. Becket House and Northgate House). A number of the offices are also used by public sector organisations and the City's two universities, suggesting that larger office space plays less of a role in servicing the private sector.
- 7.34 Outside of Canterbury City, office premises tend to be smaller, with few examples of premises over 1,000 sq.m in size. The larger premises tend to be located either on the John Wilson

Business Park or within the Chaucer Business Park. The offices on these parks are good quality. Occupancy is high in the three offices on the John Wilson business park; however, to-let signs on the entrance to Prospect House 1 and Prospect House 2 indicates there may be some vacant space in two of the District’s highest quality offices.

7.35 In addition to those office buildings over 1,000 sq.m, there are a number of properties, which though slightly smaller and not identified in Figures 7.3 - 7.7 are well-maintained, mostly modern offices that also have an important commercial function in the District. These include Exchange House (Lakesview Business Park) currently occupied by the NHS, Brook House (John Wilson Business Park) occupied by Kent County Council, 37 St Margarets Street (Canterbury) occupied by the prominent accountancy firm Kreston Reeves and Estuary House and Gazette House (Estuary View Business Park/Wraik Hill).

### Role of Existing Employment Sites

7.36 Table 7.3 summarises key findings from the appraisal of the District’s existing employment sites to consider both the existing and potential future economic role that each could play in accommodating the District’s business needs. This is particularly relevant in the context of paragraphs 120 and 121 of the NPPF (2019) which require local planning authorities to regularly review site allocations to ensure they reflect changes in the demand for land.

Table 7.3 Role and Function of Existing Employment Sites

Site Name	Analysis
Altira Park	Altira Park is a small business parks and supports a limited number of employers which are not of a combined scale that can be considered particularly significant in a local context of the size of the wider economy. However, it is one of few existing employment sites that offers space for expansion so could increase its contribution through accommodating new development and occupier activity.
Barham Business Park	Barham Business Park provides employment space for a number of small businesses, supporting the rural economy of Canterbury. It does not serve a more significant role in the wider context of the District and FEMA.
Barton Business Park	Barton Business Park appears to act as a location for local businesses in Canterbury City. Existing buildings could be better utilised by supporting more efficient employment uses (e.g. by excluding self-storage space); however, the development of new industrial space indicates the site has strong potential to continue supporting local businesses in the future.
Canterbury Business Park	Canterbury Business Park is the largest site in the rural areas of the District, and therefore acts as a key rural employment hub. The site accommodates a range of businesses linked to the agricultural, food and drink sectors (e.g. Gomez, Defined Wines and Hutchinsons), making it a specialist location and significant in the context of supporting these sectors in the District and wider FEMA.
Eddington Lane	Eddington Lane is significant at the local level as it supports a number of larger-scale employers including Crown Products. The location of Crown Products (a large, unique manufacturer) at the site raises the significance and profile of the site within the District and FEMA wide context. The site also has land for expansion and this is likely to play a key role in accommodating future employment uses within the District.
Hillborough Business Park	The site primarily supports local businesses and its B class role has been partly eroded through development of a large motorhome showroom. The site does not support any large-scale employers or have significant

	space to expand, making it less significant at the District and FEMA scale; however, it does play a key role in supporting the local business base of Herne Bay.
John Wilson Business Park	The site is locally significant as it provides a large number of units for small to medium-size businesses seeking a local base.
Joseph Wilson Business Park	Like other sites in Herne Bay and Whitstable, the site is significant in the local context as it contains a high number of small to medium size businesses that support the local economy.
Lakesview Business Park	Lakesview Business Park is significant at the local level (i.e. Canterbury City) as it provides a large number of high-quality units for small to medium-size businesses to occupy. The site is also significant from a wider District and FEMA perspective as it accommodates a large-scale specialist manufacturing facility (Hornby Hobbies).
St Augustines Business Park/Tyler Way	The site is significant in the local context as it provides space for a high number of small to medium size businesses. However, the site suffers from poorer road access than other sites in Whitstable and Herne Bay and a lack of room for expansion.
Wraik Hill/Chaucer Business Park	Wraik Hill/Chaucer Business Park provides some of the highest quality offices in the Whitstable and Herne Bay area, making the site important at the local level. However, the B class role of the site has been eroded through encroachment by other land uses.
Sturry Road	Sturry Road features no existing businesses and is a potential development site for new employment uses. The site if developed could incorporate a number of small to medium size B-class units, supporting local businesses.
Vauxhall Road	The site is currently being developed for non-B uses, so is unlikely to play any meaningful B class employment role in future.
University of Kent Campus	The Canterbury Innovation Centre located on the University of Kent Campus is smaller than facilities located at other sites. However, it represents a unique facility in the context of the District and there is space for further expansion and development of high quality employment accommodation.

Source: Lichfields analysis



## 8.0 Future Requirements for Employment Space

8.1 This section considers future economic growth needs in Canterbury District by drawing on several methodologies that are guided by the PPG. These scenarios are used to inform an assessment of future employment space needs for office, industrial and warehouse floorspace between 2020 and 2040 to cover the new Local Plan period.

### Methodology

8.2 The NPPF requires local authorities to “*set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration*” (para 81.a).

8.3 Within this context, a number of potential future economic scenarios have been developed in this study to provide a framework for considering future economic growth needs and B class employment space requirements in Canterbury District up to 2040. In line with the PPG, these future scenarios draw upon:

- 1 Projections of employment growth in the main B class sectors (**labour demand**) derived from economic forecasts produced by Experian (dated September 2019);
- 2 Estimates of future growth of local **labour supply** based on demographic assumptions applied as part of the new standard methodology for assessing local housing need; and
- 3 Consideration of **past trends in completions of employment space** based on monitoring data collected by Canterbury City Council, and how these trends might change in the future.

8.4 All approaches have limitations and consideration needs to be given as to how appropriate each is to the circumstances in Canterbury District. Further, to be robust, the economic growth potential and likely demand for employment space in the District needs to be assessed under a variety of future scenarios, to reflect both lower and higher growth conditions that could arise in the future.

8.5 It should also be noted that the ultimate judgement as to the level of need that the local authority should plan for is not purely quantitative, and that there will be a number of qualitative factors to consider (discussed in other sections of the report). These factors will influence the employment space requirements that will need to be planned for and should be considered alongside the following modelled scenarios.

### Scenario A: Baseline Labour Demand

8.6 Employment forecasts for Canterbury District were obtained from the September 2019 release of Experian’s UK Local Market Forecasts which take account of recent regional and national macroeconomic assumptions. The latest year covered by the employment forecasts is 2039, so to reach 2040 the forecast has been extrapolated by Lichfields from 2039 to 2040 to analyse employment land need over the emerging Local Plan period.

8.7 With employment forecasts it is important to note that there are inherent limitations, particularly within the context of recent economic and political changes. National macroeconomic assumptions are taken as the starting point and then modelled down to the regional and local levels by reference to the existing economic profile and sectoral composition

of an area. Local level data is less comprehensive and reliable than at national and regional levels, which can affect how the modelling is calibrated. Similarly, top-down forecasts do not take account of specific local factors that might influence employment growth. Nevertheless, forecasts are seen as a valuable input to indicate the broad scale and direction of future economic growth within different sectors, which helps assess the future space requirements of a local area.

- 8.8 Population projections are just one of several inputs used to produce economic forecasts both in terms of future changes in working-age population (i.e. which directly impacts on the demand for jobs) and total population (i.e. which create demand for consumption activities). It is important to note that population projections are frequently revised, as are assumptions around future working-age populations, economic activity rates and national changes to the pension age.
- 8.9 Forecasts of job growth by sector reflect recent trends and are based on projections at the regional level and how sectors within Canterbury District have fared relative to historic growth in the region. Experian forecasts are based on observed past trends. For example, where particular sectors have performed well compared with the regional average (i.e. South East England) the forecasts generally assume that these sectors will continue to drive growth within the District in the future. Experian’s projections reflect the current (albeit pre Covid-19) economic climate and assume a slowdown in economic activity due to Brexit-related uncertainties. Further details and assumptions are provided in Appendix 4.
- 8.10 The Experian forecasts indicate that workforce jobs will increase by 13,800 between 2020 and 2040 in Canterbury District, equating to a 17.4% increase from 2020 (see Table 8.2).
- 8.11 Table 8.1 shows the fastest growing sectors (in absolute terms) in this scenario alongside those sectors that are forecast to see the most significant decrease in jobs over the study period.

Table 8.1 Fastest Growing and Declining Sectors in Canterbury District (2020-2040)

Experian Sector	Use Class	Employment Change (2020-2040)	
		Number of Jobs	%
Education	RED	+3,000	+18.6%
Residential Care & Social Work	RED	+2,100	+40.1%
Health	RED	+1,800	+24.8%
Professional Services	ORANGE	+1,700	+37.1%
Accommodation & Food Services	RED	+1,200	+20.3%
Finance	GREEN	-200	-21.9%
Retail	RED	-200	-2.6%
Public Administration & Defence	ORANGE	-300	-10.7%

Source: Experian (2019) / Lichfields analysis

Key: GREEN = B Class sector

ORANGE = Part B class sector

RED = Non B class sector

- 8.12 The education, residential care and social work, health and professional services sectors are forecast to be the main drivers of employment growth, with additional workforce jobs generated between 2020 and 2040 in these sectors totalling 8,700. Just one of these sectors – professional services – is a typical user of B class space.
- 8.13 The only three sectors forecast to see a decline in the number of jobs are finance, retail and public administration and defence, which are forecast to experience a combined loss of 800 jobs.

8.14 Broad economic sectors are translated to B use class sectors by applying typical land use assumptions for different sectors. Table 8.2 shows that the majority of jobs are forecast to be created in sectors that do not typically occupy B use premises, with B use jobs representing just over a quarter (26.4%) of the projected increase in total workforce jobs by 2040.

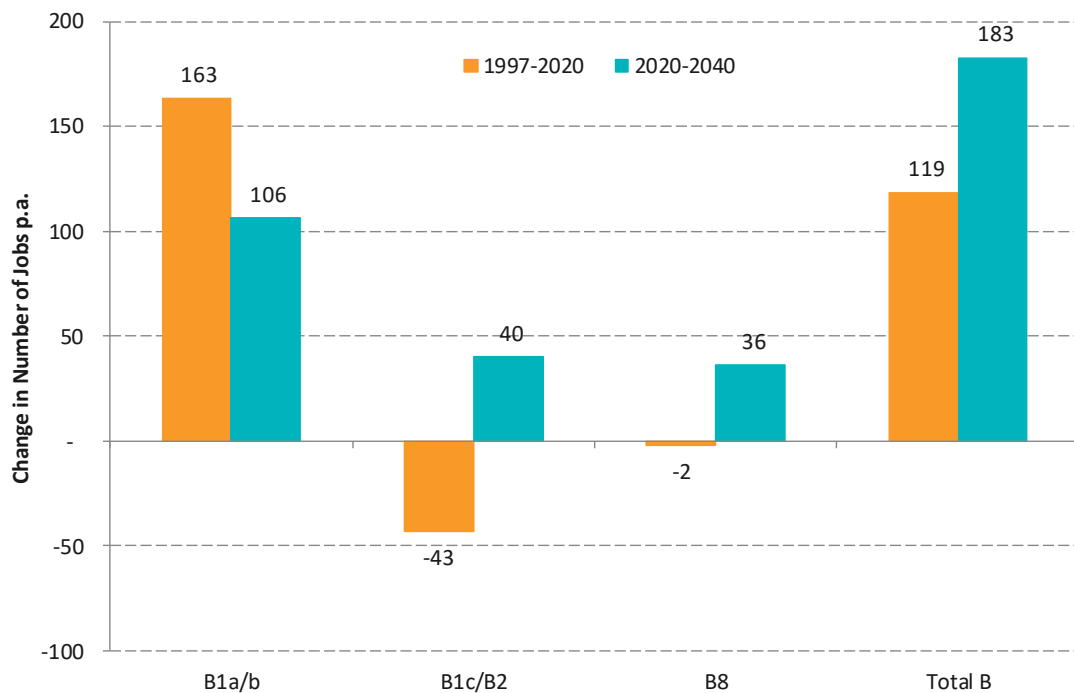
Table 8.2 Forecast Employment Change in Canterbury District (2020-2040)

Use Class	Workforce Jobs		Change (2020-2040)	% Change (2020-2040)
	2020	2040		
B1a/b	9,800	11,900	+2,100	+21.7%
B1c/B2	4,600	5,400	+800	+17.6%
B8	4,200	5,000	+700	+17.1%
<b>Total B</b>	<b>18,600</b>	<b>22,200</b>	<b>+3,700</b>	<b>+19.7%</b>
<b>Total Workforce Jobs</b>	<b>79,400</b>	<b>93,200</b>	<b>+13,800</b>	<b>+17.4%</b>

Source: Experian (2019) / Lichfields analysis  
 Note: Numbers may not sum due to rounding

8.16 Among the B use jobs, the highest proportion are expected to be created in sectors that occupy B1a/b premises (58.1%) followed by B1c/B2 and B8 uses (22% and 19.9% respectively). Office-based jobs are forecast to increase at a slower pace from 2020-2040 than they did between 1997 and 2020, while the historic recorded decline in B1c/B2 and B8 jobs between 1997 and 2020 is expected to reverse to positive growth within the forecast period to 2040 (see Figure 8.1).

Figure 8.1 Annual Employment Change



Source: Experian (2019) / Lichfields analysis  
 Note: Numbers may not sum due to rounding

## Floorspace Requirements

- 8.17 The B class part of these employment growth forecasts have been converted to future employment space requirements by applying the latest published density figures for employment space, which take account of recent trends in occupancy for the different B class uses. To estimate space requirements, the following average ratios have been applied:
- **Offices:** 1 workforce job per 12.5 sqm for general office space;
  - **Industrial:** 1 workforce job per 45 sqm as an average across B1c and B2 uses; and
  - **Warehousing:** 1 workforce job per 65 sqm for general, smaller scale warehousing (assumed to account for 70% of warehousing stock in the District) and 1 workforce job per 80 sqm for large scale, lower density units (assumed to account for 30% of total stock).
- 8.18 These assumptions are based on latest Homes & Communities Agency (HCA) guidance on job density ratios produced in 2015<sup>15</sup> and converted by Lichfields to Gross External Area (GEA) equivalent ratios for consistency across all uses. The guidance takes account of recent trends in terms of changing utilisation of employment space, with the key change being the more efficient use of office floorspace due to the higher frequency of flexible working and ‘hot-desking’. This has resulted in a reduction in the amount of floorspace per office worker assumed compared to earlier guidance.
- 8.19 An allowance of 10% is added to all positive floorspace requirements to reflect normal levels of market vacancy in employment space within a healthy, well-functioning market. This results in net floorspace requirements outlined below in Table 8.3.

Table 8.3 Baseline Job Growth Net Employment Floorspace Requirement (2020-2040)

Use Class	Floorspace Requirement (sq.m GEA)
B1a/b	29,200
B1c/B2	39,600
B8	55,500
<b>Total B</b>	<b>124,300</b>

Source: Experian (2019) / Lichfields analysis

Note: Numbers may not sum due to rounding

- 8.20 As shown above, the resulting net B class floorspace requirement is positive, driven by increases across all types of B use class floorspace.

## Scenario B: Baseline Labour Supply

- 8.21 It is also important to take into account how many jobs, and hence how much employment space, would be necessary to broadly match forecast growth of the resident workforce in Canterbury District. In contrast to the labour demand approach, this approach focuses on the future supply of labour rather than the demand for labour. It then estimates the amount of new jobs needed to match the future supply of working-age population, and how much employment space would be needed to accommodate the B class component of future job growth.
- 8.22 A labour supply scenario has been considered using the ONS 2014-based Sub-National Population Projections (SNPP)<sup>16</sup>, which will be used to inform a forthcoming Strategic Housing Market Assessment (SHMA) for the District. This projects a population increase of 25,400

<sup>15</sup> Homes and Communities Agency, Employment Density Guide 3rd Edition, November 2015. Average job density ratios are presented inconsistently within the HCA Guide, in terms of Net Internal Area (NIA), Gross Internal Area (GIA) and Gross External Area (GEA) depending on the use class.

<sup>16</sup> ONS (2016) 2014-Based Sub-National Population Projections

between 2020 and 2040<sup>17</sup> and implies that the working-age population is expected to decline from 62.4% to 58.4% of total population between 2020 and 2040 (reflecting an ageing population). The current working-age economic activity rate (71.5%)<sup>18</sup> for the District is assumed to remain unchanged, and also that in and out-commuting patterns (based on Census Origin and Destination data<sup>19</sup>) do not change over the study period.

8.23 Table 8.4 below outlines the additional jobs that might be supported by this projected population growth and demographic need in the District. The proportion of jobs within B class sectors assumes the same shares as the Experian baseline forecast analysis (as presented in Scenario A).

Table 8.4 Baseline Labour Supply and Job Requirements (2020-2040)

Indicator	Total Change (2020-2040)
Workplace Labour Supply (Total Jobs)	6,000
B1a/b Jobs	1,100
B1c/B2 Jobs	350
B8 Jobs	310
<b>Total B Class Jobs</b>	<b>1,760</b>

Source: ONS / Lichfields analysis

Note: Numbers may not sum due to rounding

8.24 This shows that the supply of labour could support a further 6,000 jobs, with 1,760 being in sectors associated with B class floorspace. Under this scenario, most of the B class jobs would come forward in B1a/b associated sectors, with smaller increases in B1/B2 and B8 associated jobs.

8.25 These jobs can be translated into estimated requirements for B class employment space by applying the same employment densities as used in Scenario A and adding a 10% vacancy allowance to positive floorspace (Table 8.5).

Table 8.5 Baseline Labour Supply Net Employment Floorspace Requirements (2020-2040)

Use Class	Floorspace Requirement (sq.m GEA)
B1a/b	15,100
B1c/B2	17,200
B8	23,500
<b>Total B</b>	<b>55,900</b>

Source: Lichfields analysis

Note: Numbers may not sum due to rounding

<sup>17</sup> Note that the ONS 2014-Based Sub-National Population Projections extend only to 2039. Therefore, the projections have been projected forward one year to 2040 by Lichfields using the compound aggregate growth rate for the previous five years

<sup>18</sup> ONS (2019) Annual Population Survey: Year to December 2018

<sup>19</sup> ONS (2011) Census: Origin and Destination

## Scenario C: Past Take-up

- 8.26 Past development rates reflect market demand and actual development patterns, so can provide a reasonable basis for informing future space needs. Completions over a period of ten years or more should even out demand fluctuations over a business cycle, and normally provide a reasonable basis for estimating future needs provided land supply has not been unduly constrained. Whereas job forecasts show growth in net terms, past trend-based assessments take into account development that offsets the redevelopment of employment sites, and from the recycling of sites.
- 8.27 Monitoring data on past completions of B class space between 2011/12 and 2018/19 was provided by the Council. During this period, average annual net completions for B class uses in Canterbury District amounted to -666 sq.m (see Table 8.6). The overall loss of B use floorspace was primarily driven by losses of B1c/B2 floorspace (-4,047 sq.m per annum) which comfortably exceeded B1c/B2 gains over this period (+2,292 sq.m per annum)<sup>20</sup>.

Table 8.6 Annual B Use Completion Rates (2011/12-2018/19)

Use Class	Gross Annual Completions (sq.m GEA)	Gross Annual Losses (sq.m GEA)	Net Annual Completions (sq.m GEA)
B1a/b	1,639	2,535	-896
B1c/B2	2,292	4,074	-1,781
B8	3,966	1,954	2,012
<b>Total B</b>	<b>7,897</b>	<b>8,563</b>	<b>-666</b>

Source: Canterbury City Council (2019) / Lichfields analysis

Note: Numbers may not sum due to rounding

- 8.28 One view of future growth in Canterbury District could simply assume that these past development trends carry on in the future at the long-term average. Over the 20 year Plan period 2020-2040, this would equate to an overall reduction of 13,300 sqm of employment space, driven to a large extent by ongoing office (B1a/b) and industrial (B1c/B2) floorspace losses.
- 8.29 These employment requirements, by virtue of producing a negative overall requirement, are significantly lower than that estimated by the baseline labour demand and supply scenarios.

Table 8.7 Past Take-Up Net Employment Floorspace Requirement (2020-2040)

Use Class	Assumed Net Annual Floorspace Change (sq.m GEA)	Floorspace Requirement 2020-2040 (sq.m GEA)
B1a/b	-896	-17,900
B1c/B2	-1,781	-35,600
B8	2,012	40,200
<b>Total B</b>	<b>-666</b>	<b>-13,300</b>

Source: Canterbury City Council (2019) / Lichfields analysis

Note: Numbers may not sum due to rounding

<sup>20</sup> The Council's monitoring data includes two combined B class categories, B1 mixed and B1-8 mixed. For the purposes of analysis, the B1 mixed category has been split evenly between B1a, B1b and B1c uses, and the B1-8 mixed floorspace category split evenly between B1a, B1b, B1c, B2 and B8 uses

## Summary of Net Employment Floorspace Requirements

- 8.30 Drawing together the results from each of the future growth scenarios for the District, the net B class employment floorspace requirements reflect a range of potential scenarios, as summarised in the Table below.

Table 8.8 Net Employment Floorspace Requirements by Scenario (2020-2040)

Use Class	Net Floorspace Requirement (sq.m GEA)		
	Scenario A: Labour Demand	Scenario B: Labour Supply	Scenario C: Past Take-up
B1a/b	29,200	15,100	-17,900
B1c/B2	39,600	17,200	-35,600
B8	55,500	23,500	40,200
<b>Total B</b>	<b>124,300</b>	<b>55,900</b>	<b>-13,300</b>

Source: Lichfields analysis

Note: Numbers may not sum due to rounding

## Planning Requirement

- 8.31 While the net employment space requirements presented above represent the minimum recommended quantum of employment space to plan for in Canterbury District over the new Local Plan period, the Council will need to take a view on the extent to which additional space should be planned for over and above the net requirements, in order to allow for such factors as delays in development sites coming forward, an allowance for replacement of ongoing losses of employment space during the Local Plan period, and other relevant factors in the local market.
- 8.32 Whilst no specific guidance or recommendations are provided by the current PPG, the former South East England Partnership Board (SEEPB) guidance on employment land assessments recommended an allowance that is equivalent to the average time for a site to gain planning permission and be developed, typically up to about two years. This is equivalent to 10% of the study period for the EDTS, and is applied to all positive net floorspace requirements, as summarised in Table 8.9 below.

Table 8.9 Planning Requirement by Scenario (2020-2040)

Use Class	Planning Requirement (sq.m GEA)		
	Scenario A: Labour Demand	Scenario B: Labour Supply	Scenario C: Past Take-up
B1a/b	32,100	16,600	-17,900
B1c/B2	43,600	18,900	-35,600
B8	61,000	25,900	44,300
<b>Total B</b>	<b>136,700</b>	<b>61,500</b>	<b>-9,200</b>

Source: Lichfields analysis

Note: Numbers may not sum due to rounding

## Land Requirement

- 8.33 The final step, for all scenarios, is to translate floorspace into land requirements for both office (B1a/B1b) and industrial (B1c/B2/B8) uses. This translation takes account of the total land/site area typically needed to accommodate industrial and office uses, once both premises and associated car parking, space for lorry turning, landscaping etc have all been factored in.

8.34 This has been calculated by applying appropriate plot ratio assumptions to the floorspace estimates presented above using the following assumptions and local adjustment factors to reflect the pattern of development in Canterbury District:

- **Industrial (B1c/B2/B8):** a plot ratio of 0.4 is applied so that a 1.0 ha site would be needed to accommodate a footprint of 4,000 sq.m of employment floorspace; and
- **Offices (B1a/B1b):** assumed that 30% of new floorspace would be in lower density developments with a plot ratio of 0.4, with 70% in higher-density urban/town centre locations at a plot ratio of 2.0.

8.35 The table below provides an illustration of indicative ‘gross’ employment land requirements or ‘planning requirements’ by scenario.

Table 8.10 Employment Land Requirement by Scenario (2020-2040)

Use Class	Land Requirement (ha)		
	Scenario A: Labour Demand	Scenario B: Labour Supply	Scenario C: Past Take-up
B1a/b	3.5	1.8	-2.0
B1c/B2	10.9	4.7	-8.9
B8	15.3	6.5	11.1
<b>Total B</b>	<b>29.7</b>	<b>13.0</b>	<b>0.2</b>

Source: Lichfields analysis

Note: Numbers may not sum due to rounding

## Summary

8.36 In interpreting the outputs of this section, regard should be had to PPG guidance which states that local planning authorities should develop an idea of future economic needs based on a range of data and forecasts of quantitative and qualitative need. It is also important to recognise that there are inevitable uncertainties and limitations associated with modelling assumptions under the future growth scenarios considered. For example, there are some inherent limitations to the use of local-level economic forecasts, particularly in the context of significant recent changes and uncertainty in the economy. Economic forecasts are regularly updated and the resulting employment outputs will change over the plan period.

8.37 Three different scenarios of future employment space requirements have been considered based on a range of lower and higher growth conditions that could arise in the future. The three scenarios differ considerably regarding the amount of land the District is forecast to need to accommodate growth within each of the different B class land uses.

8.38 The **baseline job growth approach** (scenario A) is based on 2019 Experian employment projections and generates the highest overall space and land requirement. It suggests that the District will require additional land for each of the B use class groupings included in the forecast. Office-based sectors are expected to generate more jobs than industrial sectors, but in space/land terms the requirement is higher for industrial (i.e. B1c/B2 and B8) uses due to the lower job densities and plot ratios when compared to office activity. The Experian projections suggest that the pace of B class job growth in Canterbury District will increase over the 20 year Local Plan period when compared with recent job growth trends; this is driven by positive industrial job growth (a reversal from recent industrial job decline in the District) but a slow down in office job growth compared with the last few years (see Figure 8.1).

8.39 The **baseline labour supply scenario** (scenario B) considers how much employment land could be required to accommodate additional workers supported by projected working age population growth in Canterbury District over the period to 2040, as implied by the



government's 2014-based SNPP (consistent with other aspects of the Council's new Local Plan evidence base). Under this scenario, the District is estimated to need additional B1a/b, B1c/B2 and B8 floorspace and land between 2020-2040, although the quantum is significantly lower than under Scenario A. This indicates that population growth is unlikely to be the most significant driver of economic growth within the District over the coming years, in part because of an ageing population. This scenario also assumes that existing commuting patterns to/from the District remain the same in future, so any changes to this could potentially increase or decrease the available supply of labour within the District.

- 8.40 The **past take-up scenario** (scenario C) assumes that past take-up rates of B class space in Canterbury District continue unchanged in future. Because these have seen the gradual decline of B class stock in the District (with losses of space outpacing development of new space), this results in a negative overall B class floorspace requirement and a negligible requirement in land terms. As a result, it is not considered to provide a robust scenario for positively planning for future employment space needs over the new Local Plan period.
- 8.41 Within the context of the NPPF requirement to plan positively for growth, it is recommended that the Council consider planning to accommodate the employment space requirements associated with the baseline job growth scenario (scenario A), equivalent to 136,700 sq.m or 29.7 ha over the 20 year Plan period to 2040, to ensure that business growth potential is not constrained by lack of spatial capacity in future.

## 9.0 Employment Land Demand/Supply Balance

9.1 This section draws together forecasts of future employment space needs from Section 8.0 with estimates of pipeline employment land supply to identify any need for more provision of employment space, or surpluses of it, in both quantitative and qualitative terms.

### Quantitative Balance

9.2 Section 8.0 identifies a need for between -9,200 sq.m and +136,700 sq.m of B class floorspace in Canterbury District from 2020 to 2040 in gross terms, reflecting a wide variation in the level of growth that could be supported by the local economy over the plan period.

9.3 The split of this spatial requirement between the different B classes differs across the scenarios. For example, Scenario A and Scenario B imply that new office, industrial and warehouse space will be required, while Scenario C indicates the need for new warehousing space only.

### Pipeline Supply

9.4 The supply of employment space in the development pipeline comes from sites that have been allocated for either employment uses or mixed-use development through the Canterbury District Local Plan as well as extant/unimplemented planning permissions for B class development.

9.5 The Council's latest monitoring data (as at June 2020) provides information on planning permissions and land availability within each of these categories. In consultation with the Council, a number of assumptions have been made to identify a realistic and up-to-date supply position for each site, taking into account known developer intentions, recent planning activity and likely site-specific deliverability risks and barriers.

9.6 Based on this information, the space available to help meet future needs in Canterbury District is estimated to comprise 187,600 sq.m of B class space in net terms, as shown in Table 9.1.

Table 9.1 Pipeline Supply of B Class Employment Floorspace

B Class	Net Allocated (sq.m)	Net Committed (sq.m) (planning permissions)	Net Total Supply (sq.m)
B1a	700	-1,800	-1,100
B1b	-	400	400
B1c	-	2,300	2,300
Mixed B1	70,600	13,400	84,000
B2	-	2,100	2,100
B8	-	1,400	1,400
Mixed B1- B8	98,500	-	98,500
<b>Total</b>	<b>169,800</b>	<b>17,800</b>	<b>187,600</b>

Source: Canterbury City Council 2020 / Lichfields analysis

## Demand/Supply Balance

- 9.7 A broad comparison between estimated demand for B class space against the currently identified supply is outlined below in Table 9.2. This indicates that the District would have enough employment space in quantitative terms to accommodate all three scenarios considered. There would be a surplus of employment space across all three scenarios, ranging from 50,900 sq.m to 196,800 sq.m.

Table 9.2 Demand/Supply Balance to 2040

	Scenario A: Labour Demand	Scenario B: Labour Supply	Scenario C: Past Take-up
Requirement for B Class Space (sq.m)	136,700	61,500	-9,200
Available B Class Space (sq.m)	187,600		
<b>Surplus (sq.m)</b>	<b>+50,900</b>	<b>+126,100</b>	<b>+196,800</b>

Source: Lichfields analysis

## Delivery Risks

- 9.8 This demand/supply position is highly sensitive to the inclusion of a small number of large strategic employment land allocations to be delivered as part of mixed-use development schemes, and their ability to deliver the quantum and type of B class employment floorspace identified for each site within the existing Canterbury District Local Plan. Whilst the pipeline supply position summarised above in Table 9.1 reflects the Council’s latest working assumptions, there are a number of notable deliverability risks to this supply coming forward in full to accommodate business needs over the new Local Plan period, and these are summarised in Table 9.3 below.
- 9.9 Current uncertainty regarding the future employment delivery prospects for many of these sites make it difficult to quantify exactly how much of the 187,600 sq.m pipeline supply of B class space could be ‘at risk’ of non-delivery, although it is likely that the surplus of employment space identified in Table 9.2 above over the Local Plan period could be reduced or eliminated, particularly in respect of Scenario A (baseline labour demand); the recommended scenario to plan for. The Council’s ability to accommodate future business needs will therefore heavily depend upon the progress of these key strategic sites and the form/type of development that comes forward, given that the majority of supply is ‘mixed B’ and therefore flexible in nature.

Table 9.3 Strategic Employment Land Allocations – Key Deliverability Risks

Site	Local Plan Policy	Assumed Net Total Supply (sq.m)	Identified Deliverability Risks
South Canterbury (Mountfield Park)	SP3 - Site 1	70,000	Large scale, long term urban extension scheme. S.106 agreement reserves over 40% of employment allocation for health/medical related uses (related to Kent and Canterbury Hospital). Majority of B class allocation relies on completion of A2 link road/ junction. Need for clear strategy for employment land delivery and/or disposal. Quantum of land set aside for employment has been reduced which will impact ability to deliver full B class quantum
Land at Sturry/Broad Oak, Canterbury	SP3 - Site 2	593	Need for clear long-term strategy for employment land delivery and/or disposal. Viability concerns relating to provision of relief road which may adversely impact employment provision
Hillborough Site, Herne Bay	SP3 - Site 3	27,000	Extension to existing Altira Park. Need for clear long-term strategy for employment land delivery and/or disposal. Developer has reduced overall land budget set aside for employment and seeks to decrease employment land/space provision down to a maximum 20,000m sq.m
Strode Farm, Herne Bay	SP3 - Site 5	1,000	Developer not proposing to provide any land for B class provision due to viability constraints
Land North of Hersden, Canterbury	SP3 - Site 8	3,500	Currently unclear whether developer will make any provision for B class uses. Employment allocation may be needed for provision of a new school
Land South of Ridgeway (John Wilson Business Park), Whitstable	SP3 - Site 12	3,500	Uncertainty of site coming forward for employment uses alongside wider mixed-use development
Eddington Lane, Herne Bay	EMP1	27,650	Supply not available to general occupier market; owner of undeveloped plot (Crown Products) seeks to retain land for own business needs. Unlikely to be deliverable at least in the short term
Altira Park, Herne Bay	EMP1	24,500	Supply has been available/promoted to the market for a number of years, although B class provision to date has been limited or confined to s.106 requirement enabled by Sainsburys development, despite reported interest/demand. Encroachment from A1 use may now encourage other out of town retail uses. Developer seeking large scale B class occupiers and retail uses only, unlikely to provide smaller B class units due to reported viability constraints

Source: Lichfields analysis, drawing on latest assumptions from Canterbury City Council

## Sub-District Balance

- 9.10 Whilst a key aim of this EDTS is to estimate employment land requirements for the District overall, it is also important to ensure the appropriate distribution of allocated sites across Canterbury District to meet future requirements, and to accord with market demand. As such, this section provides an overview of market views on demand for different uses, locations of stronger/weaker demand across the District and seeks to identify where any gaps or mismatches in future provision may occur.
- 9.11 A summary of the anticipated demand/supply situation over the plan period for the District’s main sub-areas/settlements is presented in Table 9.4 below. This analysis has been undertaken within the context of an identified oversupply of employment space to meet objectively assessed requirements for the new Local Plan period 2020-2040; although as noted above, there is a strong risk that a number of strategic employment allocations do not come forward in full for development, whereby reducing or potentially eliminating this surplus of space.
- 9.12 As noted previously, it is recommended that the Council consider planning to accommodate at least the employment space requirement associated with the baseline Experian job growth scenario, which is equivalent to 136,700 sq.m over the plan period.

Table 9.4 Comparison of Employment Floorspace Supply and Demand to 2040 by Sub Area

Sub Area	Available Employment Floorspace Supply (sq.m)	Reported Level of Market Demand		Demand / Supply Balance to 2040
		Office	Industrial	
Canterbury City	78,100	Low	Low/Moderate	↑
Herne Bay	82,400	Low	Moderate/High	↔
Whitstable	10,800	Low	Moderate/High	↓
Rural areas / rest of District	16,300	Low/Moderate	Low/Moderate	↔
<b>District Total</b>	<b>187,600</b>	<b>Low/Moderate</b>	<b>Moderate</b>	<b>↑</b>

KEY      ↔ = adequate supply      ↑ = over-supply      ↓ = under-supply

### Canterbury City

- 9.13 Canterbury City accommodates a total of 78,100 sq.m of B class employment floorspace supply, equivalent to 42% of the District total. This is in the context of relatively low demand for office space currently and low/moderate demand for industrial space. The City benefits from the presence of established industrial estates on the urban fringe and an attractive City centre office location, but also suffers from congestion and accessibility constraints, particularly for business occupiers located furthest from the A2 and central rail stations. The vast majority of pipeline supply is concentrated within the South Canterbury (Mountfield Park) strategic allocation which is allocated for a flexible mix of B1 floorspace (B1a/B1b/B1c). As noted above, the site currently lacks a clear employment delivery strategy and its scale and long-term nature inevitably means that B class provision is unlikely to be available over the earlier years of the Local Plan period. The more limited supply beyond this allocation is unlikely to be sufficient in quantitative terms to accommodate business needs over the short to medium term, suggesting a need for some

small-scale additional capacity to provide for more immediate – predominately industrial - market needs.

### **Herne Bay**

- 9.14 Herne Bay accommodates the largest quantum of the District’s pipeline employment supply at 82,400 sq.m or 44% of the District total. This mainly consists of the Hillborough site, Eddington Lane and Altira Park strategic allocations which have a combined allocated area of 79,150 sq.m of mixed B1-B8 space. The town represents an attractive business location and is characterised by relatively strong demand for industrial space given its good accessibility and critical mass of business space. It also accommodates some of the District’s largest office occupiers although demand for office space is not particularly strong (echoing the position across the wider area). Whilst ‘on paper’ the Hillborough, Eddington Lane and Altira Park allocations would appear to be sufficient to accommodate future employment requirements in the town, the analysis above identifies a number of deliverability risks and factors for each site; combined this suggests a more limited supply position which will need to be carefully monitored by the Council.

### **Whitstable**

- 9.15 The town of Whitstable shares similar characteristics to adjoining Herne Bay in terms of market demand, business occupier profile and strong accessibility, yet accommodates just 10,800 sq.m employment pipeline supply, equivalent to 6% of the District total. This mainly consists of an extension to the successful Joseph Wilson Business Park for new flexible B1-B8 space which is currently being developed by local developer George Wilson and is reported to be already 75% pre-let or pre-sold. Once this supply is exhausted during the early years of the Local Plan period the options for additional development land are currently very limited. This is likely to constrain economic and business activity within Whitstable over much of the Plan period unless additional capacity can be identified.

### **Rural District**

- 9.16 Beyond the City and two towns, the District’s more rural areas accommodate a total of 16,300 sq.m pipeline employment supply or 9% of the total. Most of this consists of extant planning commitments; there is only one allocated site (Highland Court) which has capacity for around 2,625 sq.m of mixed B1-B8 floorspace. The planning commitments consist of 3,011 sq.m B1c, 9,702 flexible B1 and 1,672 sq.m B8 floorspace and would allow for the rural and other parts of the District to absorb a range of flexible office and industrial need. This would appear to be sufficient to accommodate the reasonably strong levels of reported demand for B class premises outside of the District’s main urban areas.

## 10.0 Business Needs

10.1 A business survey was undertaken in October 2019 as part of the EDTS study to gain a better understanding of the needs of local businesses operating in the District, and the main factors that support and inhibit their growth. This involved a sample of 20 businesses operating across a range of sectors and locations in Canterbury District. A summary of the key findings is set out below with a copy of the survey questionnaire included in Appendix 6.

10.2 The survey findings are intended to provide a flavour of the issues affecting businesses in Canterbury District rather than representing a comprehensive overview of business needs. Analysis presented in this section is based on the number of responses received to individual survey questions.

### Business Profile

10.3 The greatest proportion of respondents (45%) were from micro businesses (those with 0-9 employees) or small businesses (10-49 employees). Respondents had been located within the District for differing amounts of time, with 55% of respondents having been based in the District less than 20 years, 30% for 20-50 years and 15% having been located in the District for over 50 years.

### Current Business Premises

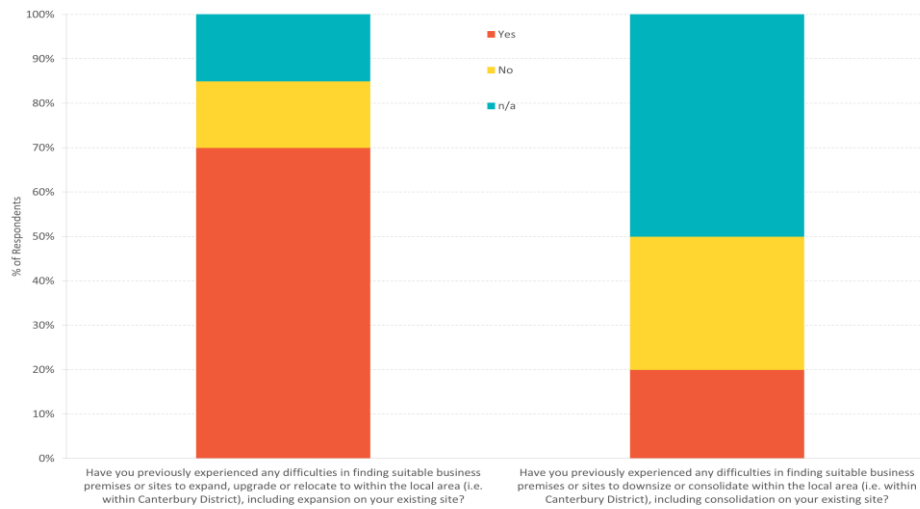
10.4 The most common type of employment site that respondents currently occupy is office (45%), followed by factory / workshop sites (30%) and home offices and warehousing accommodation (both equating to 5% of responses). The majority of the respondents' sites were leasehold (45%), with 35% being freehold, 10% managed workspace, 5% rented and 5% other. When asked why they were located on their existing sites, respondents identified the most important factors as affordability of premises, availability of skilled labour and road accessibility. The least important (in terms of options provided) were accessibility to training providers, proximity to customers and proximity to other businesses.

10.5 The majority (90%) of respondents were 'very satisfied' or 'quite satisfied' with their current premises. When asked whether their current premises meet the space needs of their business, 50% said the amount of space they had was 'about right', while 40% do not have enough space and 10% have room to grow.

10.6 Although almost all business respondents were satisfied with their current premises, 70% said that they have previously experienced difficulties in finding suitable premises to expand, upgrade or relocate to (Figure 10.1). A fifth of business respondents stated that they had previously had trouble in finding suitable premises to downsize or consolidate to.

10.7 Of the businesses that had experienced barriers finding suitable premises, common location cited where they have particularly struggled were Canterbury City Centre and Whitstable, while increasing business rates and overpriced/expensive premises were the main barriers faced when trying to access the right premises for their business. Respondents stated that the best ways to overcome these barriers in the future were to provide more affordable premises near to city/town centres that are more modern with better accessibility and access to services.

Figure 10.1 Business Survey Responses

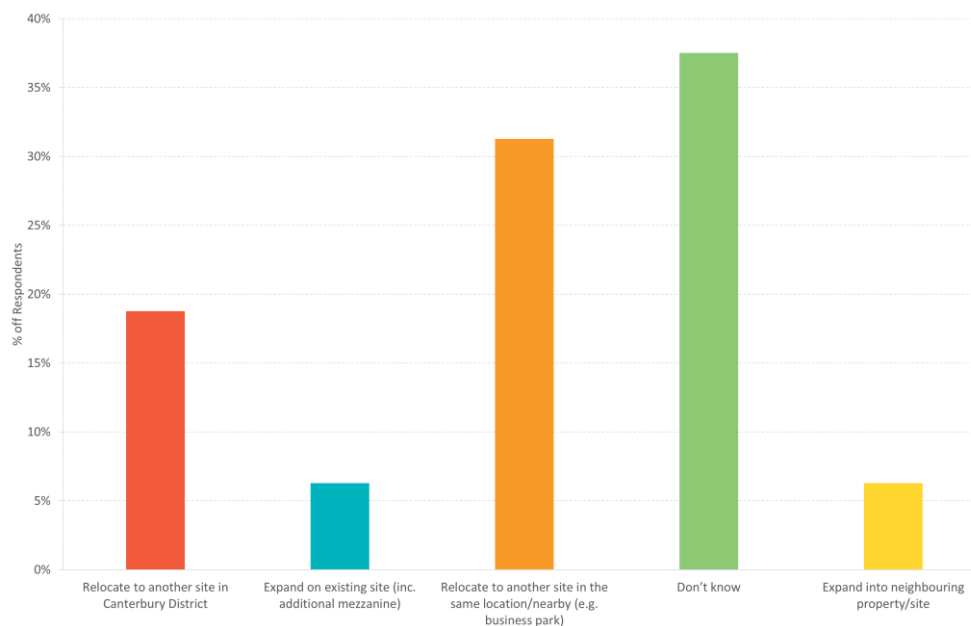


Source: Lichfields analysis

## Future Growth Plans

- 10.8 When asked whether their business had aspirations to expand or relocate their premises in the next 5 years, just under half (45%) of respondents declared that they did. A further 35% of respondents reported that they would ‘possibly’ expect to expand or relocate within the next 5 years, with 20% stating that they had no aspiration to expand/relocate.
- 10.9 Of those that expect to relocate / expand or possibly relocate / expand, 31% of businesses plan to relocate to another site in the same location / nearby, 19% expect to relocate to another site in Canterbury District and just 6% expect to expand on their existing site (Figure 10.2). No respondents specifically stated that they would relocate outside of Canterbury District, however 38% of respondents stated that they did not know where they would expand or relocate to.

Figure 10.2 If expecting to expand or relocate, what are you most likely to do?

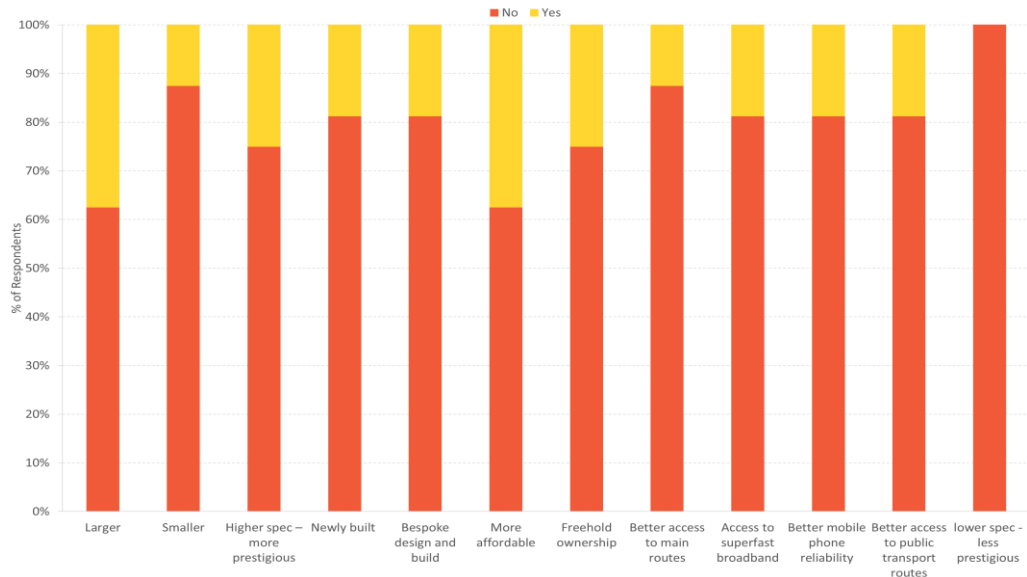


Source: Lichfields analysis



10.10 Figure 10.3 summarises the most important reasons or drivers for businesses seeking to relocate or expand, which include; securing larger premises (38%), securing more affordable premises (38%), attaining freehold ownership (25%) and moving to a higher spec / more prestigious premises (25%). Very few businesses stated that they would be looking for smaller premises (13%).

Figure 10.3 What would you be looking for from new premises?



Source: Lichfields analysis

10.11 When asked whether there are any factors that could prevent their business from staying in the area, the most common answers were around traffic congestion in Canterbury City, a lack of affordable premises options, poor mobile phone connectivity and a desire for bigger premises. Some respondents also referred to the current commuting options in Canterbury District, stating that when there is traffic congestion in the city centre there is a lack of alternative options for staff to avoid driving to work.

## Summary

10.12 The key points to summarise from the business survey feedback are presented below;

- 1 The majority of business respondents (90%) are very satisfied or quite satisfied with their current premises. Half of businesses said they had the right amount of space for the time being, with 40% currently lacking the space they need.
- 2 70% of businesses have experienced issues when trying to upgrade or expand their premises in the past, and a further 20% have previously had trouble in finding suitable premises to downsize or consolidate within the District. This suggests that upgrading or expanding premises appears to be more of an issue amongst local businesses than downsizing.
- 3 Just over three quarters of businesses expect to or possibly will, expand or relocate during the next 5 years, with many businesses looking to relocate to a site nearby or within Canterbury District.
- 4 In terms of wider business environment factors, respondents cited a recurring issue of traffic congestion within Canterbury District, but especially within Canterbury City Centre throughout the survey.

## 11.0 Tourism Needs and Requirements

- 11.1 This section sets out the current tourism positioning of Canterbury District as well as a gap analysis and outline recommendations for tourist accommodation in the District based on the foregoing research, analysis and consultations with tourism industry stakeholders.

### Tourism Positioning

- 11.2 Canterbury District is a well-known and established successful tourist destination in the UK and the leading destination in Kent. The District benefits from a rich cultural heritage combined with countryside as well as an attractive coastal strip offering visitors a wide variety of visitor experiences. As such it is a popular destination for both domestic and international visitors.
- 11.3 The District benefits from good connectivity from London and Europe making it easy to visit for the day as evidenced by the fact that the majority of visitors are day visitors. The City of Canterbury in particular is highly dependent on day visitors and is underperforming in this regard when compared to its peers of other leading cultural heritage and education cities in the UK. The Canterbury BID's destination management plan sets out how to convert more day visits into overnight stays through broadening awareness of what the city has to offer in terms of cultural heritage, events and other attractions.
- 11.4 The District is well positioned within the national and regional tourism context to grow its already successful tourism sector further in line with the growth forecasts for the UK tourism industry.
- 11.5 In order to ensure the ongoing success of the District's tourism industry there is a need to focus on enhancing the visitor experience in order to increase the proportion of overnight stays and in turn maximise the economic value of the tourism sector. For example, there is potential to offer different itineraries and products linking the different parts of the District and encouraging visitors to experience different aspects of the destination outside the high season.
- 11.6 The District benefits from an appealing rural and natural environment offering attractive countryside experiences with the added benefit of a growing reputation for the quality of its local produce, food and wine which at the same time offers visitors an authentic experience.
- 11.7 Additional growth in the number of overnight stays will require increasing the range and supply of the District's tourist accommodation product across all quality levels. It is evident from our review of recent performance that there is insufficient capacity to accommodate large meetings and conferences during the peak MICE season for example.
- 11.8 Achieving such growth ambitions will require organising the tourism industry for success including better business collaboration across the District. This may take the form of thematic groups working on a particular aspect of the tourism sector in the area, for example the development of accommodation suitable for pilgrims or enhancing accessibility and sustainability amongst tourism businesses across the district.
- 11.9 Sustainability and access should be at the heart of any future tourism-related development in the District in order to future proof the destination and ensure its on-going success and competitiveness of the District's tourism industry.

## Tourist Accommodation Gap Analysis and Recommendations

- 11.10 It is evident from the analysis and audit of the current supply and performance of tourist accommodation that the District has a good range of accommodation appealing to a diverse range of visitors.
- 11.11 The tourism sector deal and Visit Kent and Locate in Kent's recent research into hotel investment in the area suggest that the time is opportune to pro-actively pursue further development of tourist accommodation, underlined most recently by the Kent Accommodation Study<sup>21</sup>.
- 11.12 The District has seen recent additions to hotel supply combined with strong performance in recent years suggesting that new supply is being easily absorbed. However, there is still a lack of boutique, larger and branded hotels which would enable the District to attract more diverse market segments, especially groups and conference-related demand.
- 11.13 There is potential for further growth particularly at the branded select service and midscale end of the market as well as for more destination boutique-style affordable properties feeding off the Airbnb, local and authentic trend. The countryside also offers untapped potential especially for a more active product focussed on wellness and golf for example. The latter two types of provision could potentially become destinations in their own right. Broome Park does offer golf but only has a small number of bedrooms with the remainder of accommodation made up of lodges which are not always suitable for the MICE market and groups.
- 11.14 In order to stimulate business tourism, meetings and conference-related demand there is a need for larger branded hotel provision with dedicated meetings and conference facilities which can accommodate larger groups. There is a lack of this type of provision not only within the District, but in Kent as a whole. Such a facility would most likely need to be in the City of Canterbury due to its proximity to the High Speed rail network as well as links with the universities, medical sciences and the city's rich cultural heritage. The benefit of more branded properties include enhanced international market reach as well as recognised brand quality and standards that tourists and professional buyers are familiar with.
- 11.15 There is potential to develop tourist accommodation as part of a mixed-use regeneration scheme. This would be particularly beneficial in Herne Bay where previous initiatives have shown that it is difficult to make a hotel financially viable in its own right.
- 11.16 The District has a substantial supply of high-quality hostel and campus accommodation which is available to visitors outside term time, principally during the summer break which coincides with the peak tourist season. However, this supply is concentrated in the City of Canterbury. The increasing popularity of cycling, walking holidays and following the pilgrim trails in the District means there is potential for further affordable hostel type accommodation particularly in the rural areas catering to the specific needs of cyclists and walkers.
- 11.17 There has been a number of closures among the smaller independent properties mainly due to retirement and properties being sold. Some smaller establishments of this type may also have switched to Airbnb due to their marketing reach and attractive fee structure for smaller operators. There is scope for additional smaller properties such as inns and restaurants with rooms which respond to the growing interest in local produce, food and drink particularly in the rural and coastal area.

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<sup>21</sup> Visit Kent, Kent Accommodation Study, October 2020 (<https://www.visitkentbusiness.co.uk/insights-and-resources/kent-accommodation-study/>)

- 11.18 Self-catering, holiday lets and Airbnb have expanded significantly in the District filling a gap in the market for high-quality visitor accommodation without having any real impact on the performance of hotels. This is particularly true in the case of Whitstable which appears to have a particularly thriving tourism industry supported by a large supply of high-quality self-catering accommodation. Self-catering, holiday lets and Airbnb type properties tend to be relatively responsive to changes in demand patterns and as such these will develop or contract naturally.
- 11.19 With regard to campsites and caravan parks the District has large range of caravan parks. However, there are relatively few smaller sites appealing to those seeking a more niche glamping and natural experience. Development of additional smaller sites would respond to the growing trend for spending active time in nature in the pursuit of health and wellness.
- 11.20 These high-level conclusions are based on the tourist accommodation audit, review of recent performance and trends as well as discussions with a selection of stakeholders carried out in autumn 2019. Thus, they do not take into account the likely impact of the coronavirus pandemic on the tourism sector and visitor accommodation in general and in the District specifically.
- 11.21 It is evident that the Covid-19 pandemic will have a profound impact on the travel and tourism sector, although, how severe is not yet known. As at April 2020, the World Travel & Tourism Council is predicting that up one million jobs in the UK's travel and tourism sector may be lost. At the same time the tourism sector has the potential to kick-start the UK's economy once the Covid-19 pandemic has been successfully combatted. The outlook for international tourism remains positive in the long term as the historic growth of the sector has demonstrated. Travel and tourism are aspirational activities and people will continue to travel as and when they can. In the short term this likely to benefit domestic tourism and stimulate staycations, in particular, self-catering which is practical in terms of social distancing and family isolation. Localism, accessibility, health, wellness and sustainability are likely to be the key drivers of future tourism demand.

12.0

## Farming, Food & Drink Production

12.1

This section reviews the existing farming, food and drink production baseline conditions in the District, considering employment, business base and quality of land in agricultural use. It then considers how the sector is forecast to perform in the future in the context of economic forecasts, literature and feedback from stakeholders to develop a set of recommendations to inform how the Council can support the sector going forward.

### Economic Contribution

#### Employment

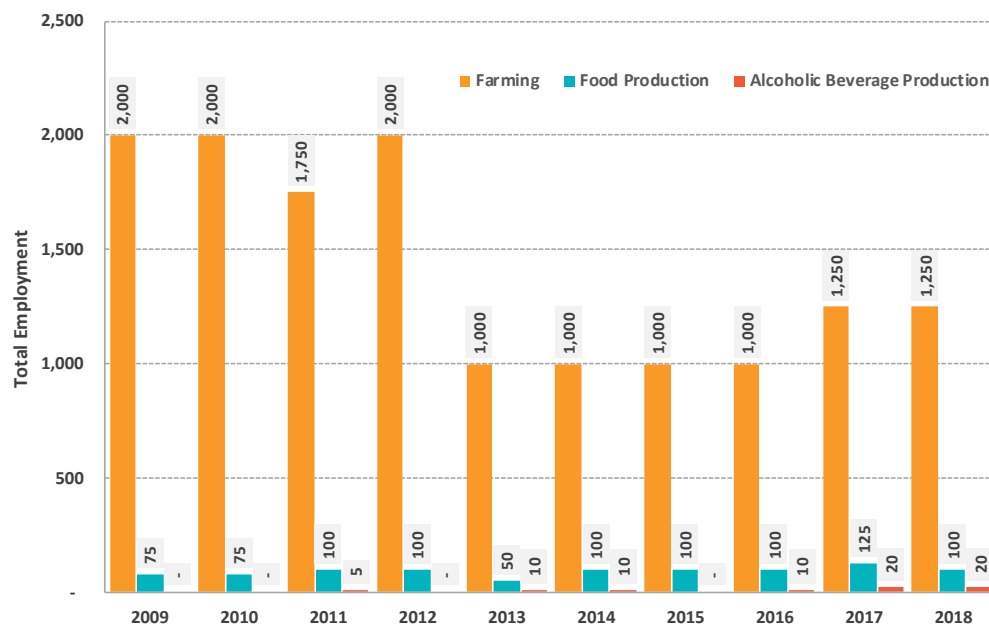
12.2

To analyse employment trends within farming, food and beverage production, four sub-sectors have been selected which include farming; food production; alcoholic beverage production; and non-alcoholic beverage production<sup>22</sup>. The purpose of splitting beverage production into separate alcoholic and non-alcoholic categories is to help identify whether activities that have potential to drive growth in beverage production such as winemaking and craft beer brewing are active within the District and other geographies.

12.3

In 2018, 1,370 jobs were supported in the District’s farming, food production and alcoholic beverage production sub-sectors (1,250, 100 and 20 respectively)<sup>23</sup>. Employment levels in food production and alcoholic beverage production remained relatively stable between 2009 and 2018 (see Figure 12.1), while farming employment fell considerably between 2012 and 2013.

Figure 12.1 Canterbury Farming, Food Production and Alcoholic Beverage Production Employment



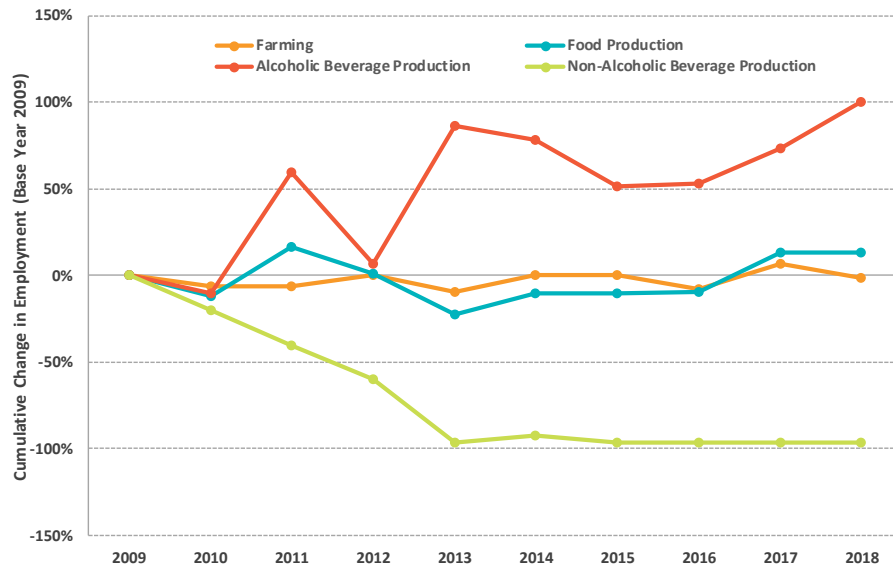
Source: ONS 2019 / Lichfields analysis

<sup>22</sup> The following SIC categories have been used to define the four sub-sectors: Farming – 1; Food Production – 10; Alcoholic Beverage Production – 1101, 1102, 1103, 1104, 1105, 1106; Non-Alcoholic Beverage Production – 1107.

<sup>23</sup> ONS, (2019); Business Register and Employment Survey

12.4 In Kent, the number of people employed in the food production sector remained similar from 2009-2018, like Canterbury (see Figure 12.2). Farming employment, on the other hand, remained stable and employment in alcoholic beverage production doubled in size over the period to 600 jobs. The growth in Kent was primarily driven by an increase in employment in brewing beer (+150 jobs) and the manufacture of cider and other fruit wines excluding grapes (+75 jobs).

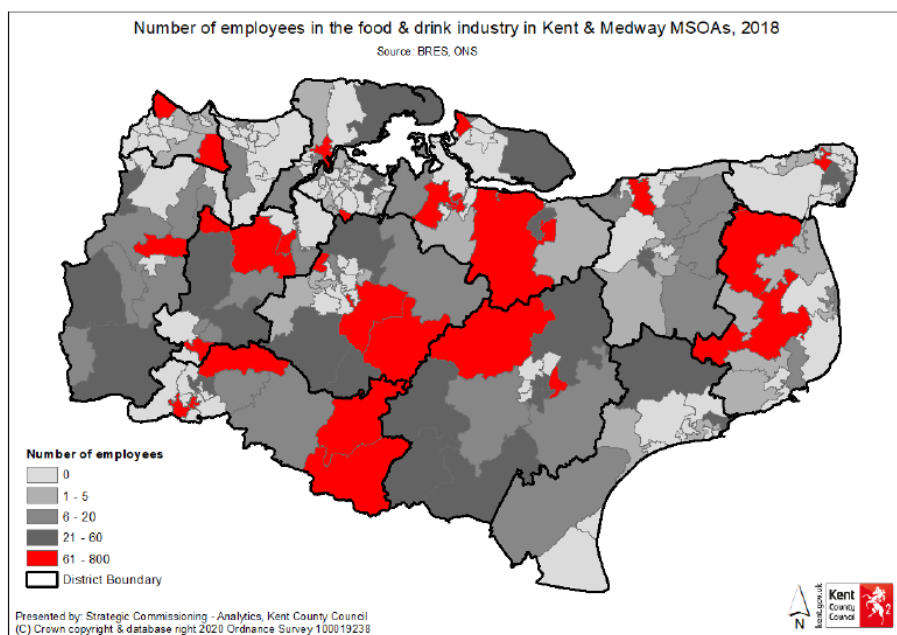
Figure 12.2 Kent and Medway Farming, Food Production, Alcoholic Beverage Production and Non-Alcoholic Beverage Production Cumulative Employment Change



Source: ONS 2019 / Lichfields analysis

12.5 Recent analysis by Kent County Council maps the location of food and drink production jobs across Kent (Figure 12.3) and shows that Swale and Maidstone accommodate the highest concentrations of food and drink production employment.

Figure 12.3 Workers in the food and drink production in Kent & Medway



Source: Kent County Council, Strategic Commissioning Statistical Bulletin: Food & Drink Production Industries in Kent (2020)

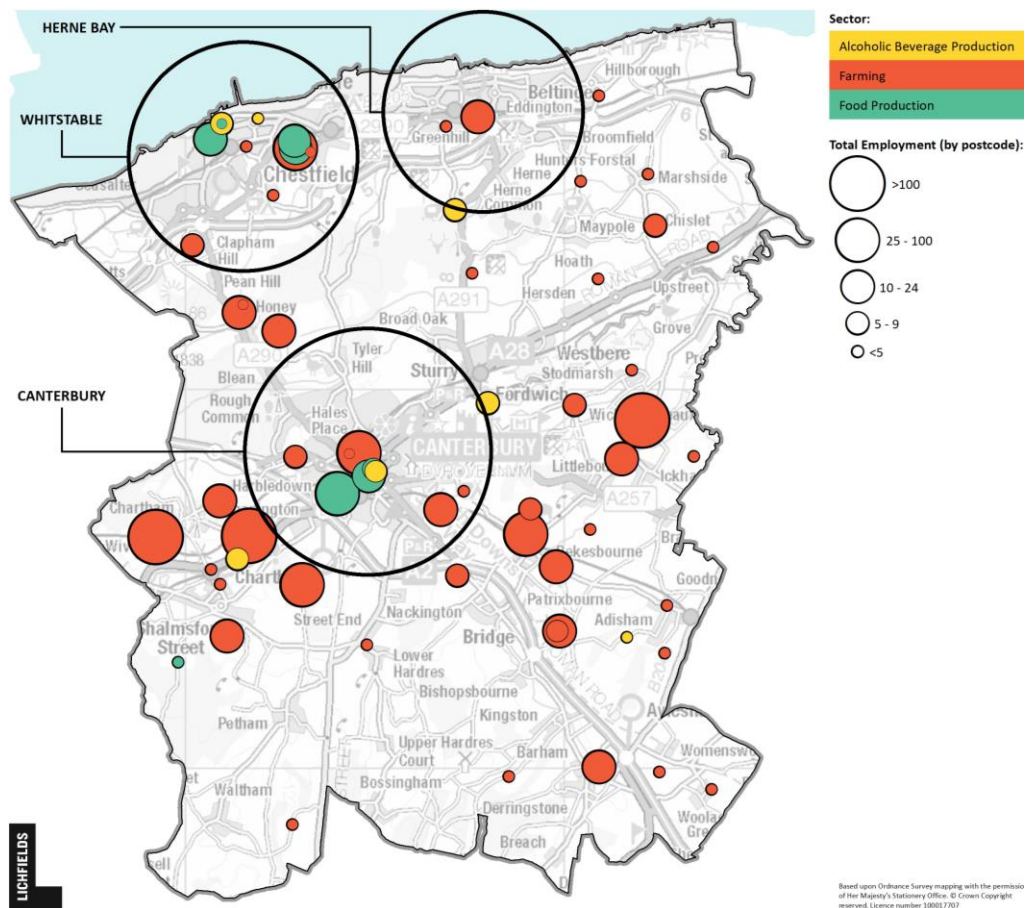
12.6 The analysis shows that around 1.5% of jobs within Canterbury District are accommodated within food and drink production; whilst this falls behind the Kent-wide average of 2.5%, its share of total jobs has been growing over the last few years in contrast to no real change across Kent as a whole.

12.7 The majority of food and drink production jobs in Kent (61.3%) are within crop and animal production, hunting and related service activities. This is considerably higher than is seen nationally where crop and animal production account for a far smaller proportion of jobs (30.2%). Within Canterbury District, this proportion is even higher at 85%, reflecting the importance of the agricultural industry to food and drink production at a local level.

**Businesses**

12.8 Latest IDBR data has been used to map farming, food production and alcoholic beverage production employers within the District; see Figure 12.4<sup>24</sup>. As indicated in the employment analysis, there are a limited number of alcoholic beverage production employers in the District with no notable clusters. There are two small clusters of food production employers in Whitstable and Canterbury City, with farming businesses spread throughout the District outside of the urban areas.

Figure 12.4 Farming, Food and Beverage Production Businesses in Canterbury District



Source: ONS (IDBR) 2019 / Lichfields analysis

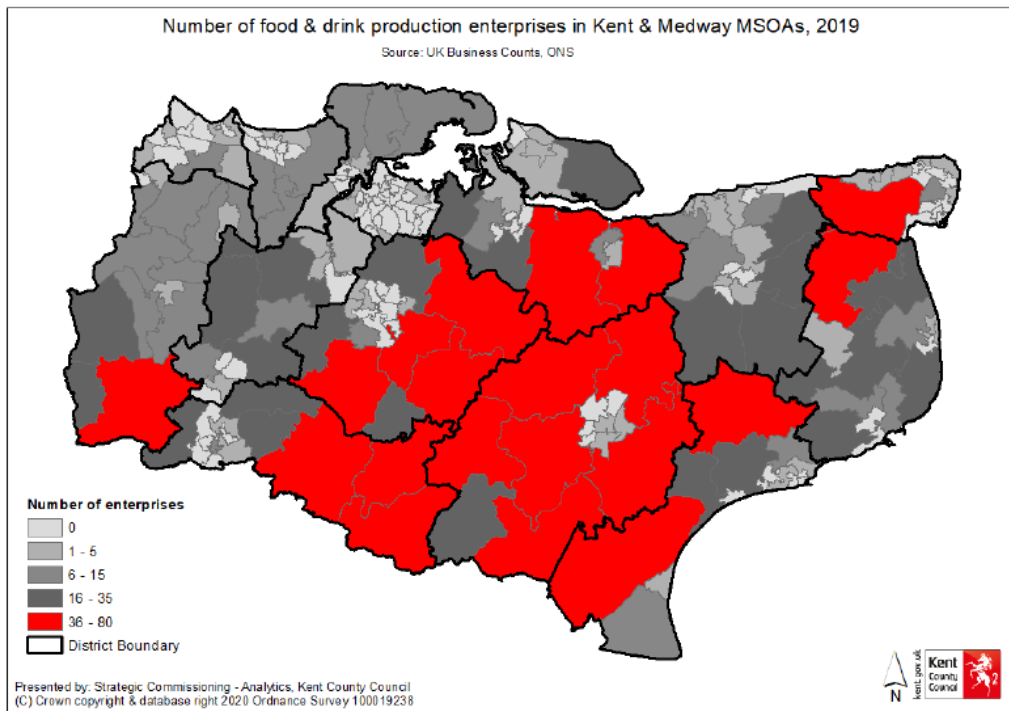
Note: The location of each employer represents where the business is registered. It does not always show where employers may have other facilities within a local authority area.

<sup>24</sup> ONS, (2019); Inter Departmental Business Register





Figure 12.6 Food & Drink Production enterprises in Kent & Medway

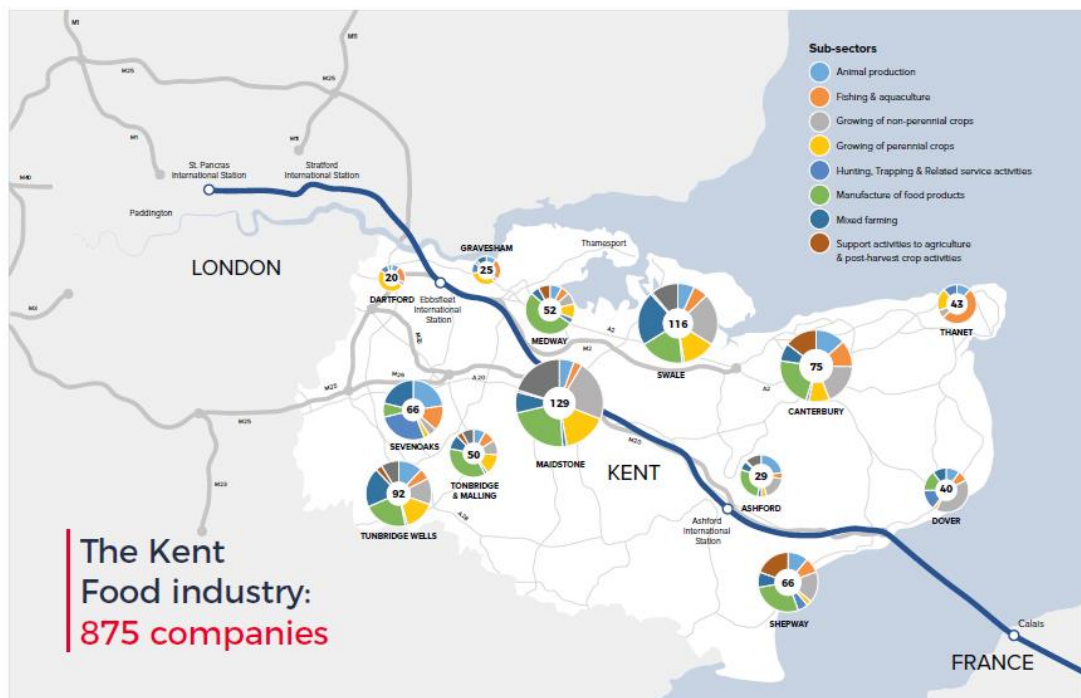


Source: Kent County Council, Strategic Commissioning Statistical Bulletin: Food & Drink Production Industries in Kent (2020)

12.11

Food production within Canterbury District supports a number of key sub-sectors, including growing of perennial and non-perennial crops and manufacture of food products (see Figure 12.7).

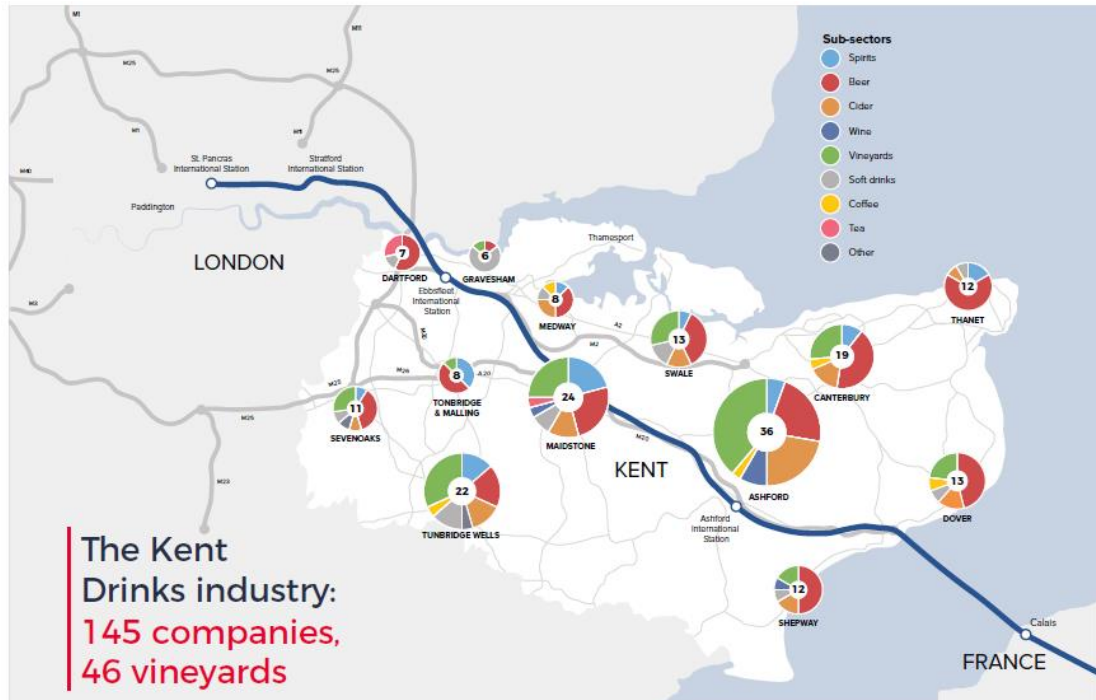
Figure 12.7 Kent Food Industry



Source: Locate in Kent, Food and Drink: The UK's largest manufacturing sector, thriving in Kent (February 2018)

12.12 From a drinks industry perspective, the District also supports a variety of sub-sectors, but with a particular focus on beer making and vineyards (Figure 12.8).

Figure 12.8 Kent Drinks Industry



Source: Locate in Kent, Food and Drink: The UK's largest manufacturing sector, thriving in Kent (February 2018)

### Growing Conditions

12.13 The quality of land has significant implications for the type of crop that can be successfully grown in different places. Natural England classifies the quality of land for agriculture using a grading system with Grade 1 as the best quality and Grade 5 as the worst quality. Table 12.1 provides an overview of the different grades and what crops are suitable for land categorised within each grade<sup>25</sup>.

<sup>25</sup> ONS, (2)

Table 12.1 Agricultural Land Crop Suitability

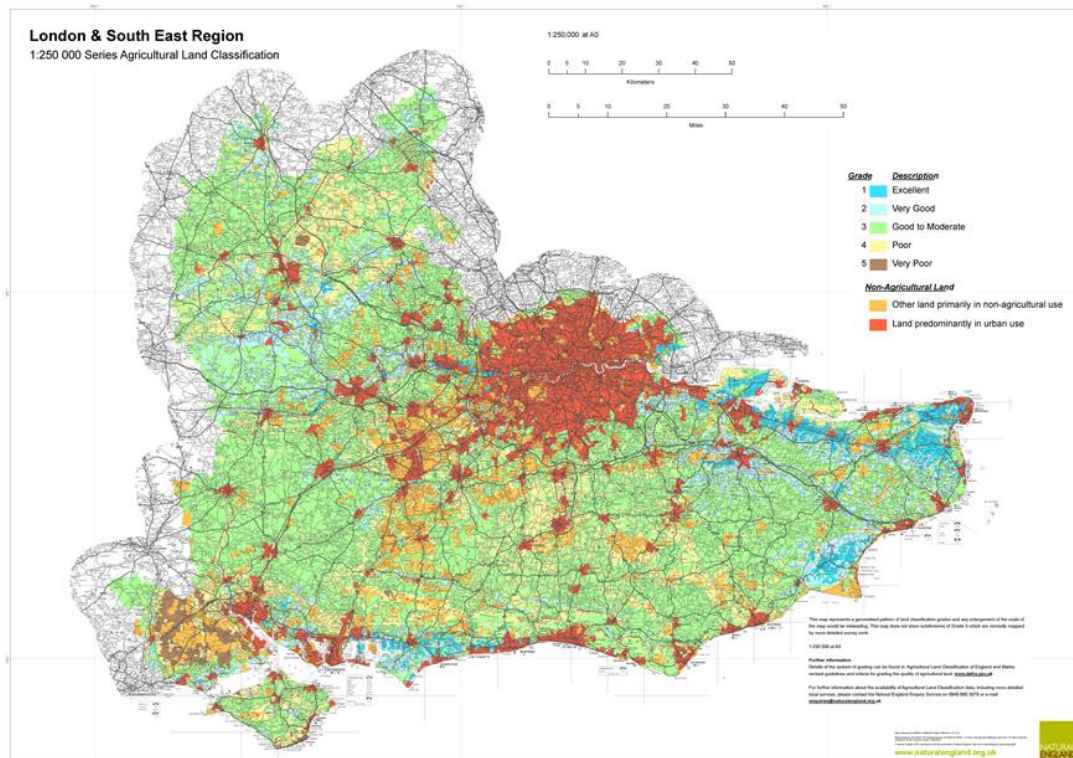
Agricultural Land Classification	Suitability
Grade 1 – Excellent	Land with no or very minor limitations. A very wide range of agricultural and horticultural crops can be grown and commonly include; top fruit; soft fruit; salad crops; and winter harvested vegetables. Yields are high and less variable than on land of lower quality.
Grade 2 – Very Good	Land with minor limitations which affect crop yield, cultivations or harvesting. A wide range of agricultural and horticultural crops can usually be grown. On some land, in the grade, there may be reduced flexibility due to difficulties with the production of the more demanding crops, such as winter harvested vegetables and arable root crops. The level of yield is generally high but may be lower or more variable than grade 1.
Grade 3a – Good	Land capable of consistently producing moderate to high yields of a narrow range of arable crops, especially cereals, or moderate yields of crops including; cereals; grass; oilseed rape; potatoes; sugar beet; and less demanding agricultural crops.
Grade 3b – Moderate	Land capable of producing moderate yields of a narrow range of crops, principally; cereals and grass; lower yields of a wider range of crops; and high yields of grass which can be grazed or harvested over most of the year.
Grade 4 – Poor	Land with severe limitations which significantly restrict the range of crops and/or level of yields. It is mainly suited to grass with occasional arable crops (for example cereals and forage crops) the yields of which are variable. In moist climates, yields of grass may be moderate to high but there may be difficulties using the land.
Grade 5 – Very Poor	Land with very severe limitations which restrict use to permanent pasture or rough grazing, except for occasional pioneer forage crops.

Source: Natural England 2018

12.14

Kent is known for having some of the highest quality land in England as evidenced by Figure 12.9 which shows how areas of land are graded across London and the South East. In Kent, there is a corridor of Grade 1 to Grade 2 land that stretches along the northern coastline from Dartford to Thanet via Canterbury, as well as a large area in Folkestone and Hythe District.

Figure 12.9 London and South East Agricultural Land Classification



Source: Natural England

12.15 Within the boundary of Canterbury District, around 9.3% of the total authority area is Grade 1, with a further 22.1% being Grade 2 (see Table 12.2). Thereby, indicating there are significant areas of the District where more specialist crops (e.g. soft fruits such as grapes) can be grown successfully. Overall, 71.6% of land in the District is Graded Moderate to Excellent quality, with the remaining 28.4% either occupied by urban areas or used for non-agricultural purposes.

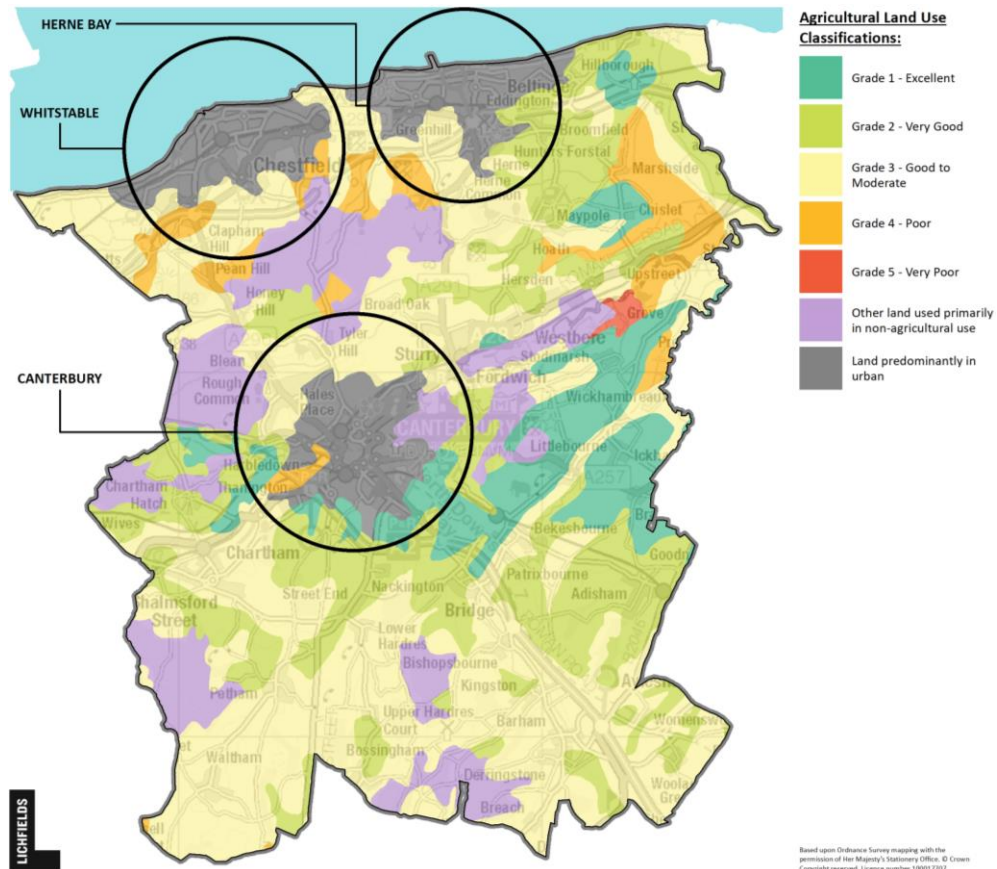
Table 12.2 Area of Canterbury District by Land Type

Land Type	Land (ha)	% Total Authority Area
Grade 1 – Excellent	2,902	9.3%
Grade 2 – Very Good	6,884	22.1%
Grade 3 – Good to Moderate	12,460	40.1%
Grade 4 – Poor	1,669	5.4%
Grade 5 – Very Poor	90	0.3%
Other land used for primarily non-agricultural purposes	4,013	12.9%
Predominantly urban land	3,062	9.9%
<b>Total</b>	<b>31,080</b>	-

Source: Natural England 2020 / Lichfields analysis

12.16 Figure 12.10 illustrates that land classed as Grade 1 tends to be located within the centre of the District, while Grade 2 land is scattered around predominately eastern areas of the District. The limited areas of Grade 4 and Grade 5 land are located in the northern parts of the District, with the largest area of Grade 4 land situated south-east of Herne Bay.

Figure 12.10 Agricultural Land Use Classification, Canterbury District



Source: Natural England 2020 / Lichfields analysis

## Viticulture

- 12.17 With south facing slopes, fertile soils and a benign climate, the county provides excellent growing conditions similar to that of the Champagne region in France which is why so many local vineyards are delivering on a national scale. Kent plays home to 46 vineyards, including some of the UK’s leading winemakers - Chapel Down, Gusbourne and Hush Heath, and prestigious French brand, Taittinger. Historically known as the ‘Garden of England’, Kent vineyards are gaining wide recognition across national and international markets.
- 12.18 The District of Canterbury makes a key contribution to Kent’s growing viticulture industry, and is home to a number of vineyards including Simpsons Wine Estate (founded in 2014) and Chartham Vineyard (founded in 2013).

### Case Study: Simpsons Wine Estate

The team behind Simpsons Wine Estate began learning the craft of winemaking in 2002 on the French Riviera. The team subsequently decided to set up a new winemaking business in the UK, planting the first of two vineyards on the outskirts of Barham in 2014, with the second established in 2016. The custom winery that the business operates from was opened in 2016 by writer and wine connoisseur Oz Clarke. The business today makes a variety of award-winning sparkling and still wines and offers experiences such as vineyard and winery tours and food and wine tasting.



Image Credit: Simpsons Wine Estate Ltd

### A Growing Industry

- 12.19 Recent insight published by Savills<sup>26</sup> notes that in the last 20 years, UK wine has been recognised as a serious business and now offers a flexible way for landowners to diversify. Growing grapes in Europe is no longer restricted to the Mediterranean; it is one of the fastest growing areas of the UK economy and an opportunity for landowners to diversify. Viticulture can begin as a small project, needing only around three hectares potentially to turn a profit. This small commitment could appeal to those with smaller holdings or those who want a new enterprise without adversely affecting existing rotations. The research also found that demand for UK wine is currently ahead of supply. Almost all of the area under vine is dedicated to high quality grape varieties and that area is growing fast, having tripled since 2000.
- 12.20 Wines of Great Britain (WineGB), the national association for the English and Welsh wine industry, identifies strong growth potential for the industry<sup>27</sup>. Assuming growth in our domestic market might follow a similar trend to other New World regions, they suggest that the UK’s industry could easily be selling 40m bottles of wine by 2040 (up from 5.9m in 2017) with a retail value of £1bn or more. This in turn could support 24,000 jobs across the country by 2040, up from 2,100 today. Viticulture clusters in Canterbury District and Kent more widely would need to play an important role in supporting and enabling this growth.

<sup>26</sup> Savills Research, Viticulture in the UK, May 2019

<sup>27</sup> WineGB, Looking to the future: The Wine GB Trade Survey Results 2018

12.21 This extends to areas such as skills provision, to ensure that training and skills development opportunities keep pace with this rapidly expanding industry. Nearby Plumpton College in East Sussex is the only dedicated agricultural college in the country to provide an extensive range of viticulture and winemaking courses, and it is essential that more colleges around the country begin to offer the type of courses provided at Plumpton. The current structure of the apprenticeship scheme has certain limitations for the agricultural sector, and WineGB are working with DfE and DEFRA to consider options for ensuring that school leavers are encouraged to become part of this British success story.

### Wine Tourism

12.22 Insight from WineGB also points to a wealth of evidence-based research from around the world that highlights the economic importance of ‘wine tourism’ for the wineries as well as identifying how this additional footfall materially increases income for the local coffee shops, pubs, restaurants, hotels and petrol stations. A recent study from New Zealand highlighted that the domestic wine tourist spends 32% more than the average tourist, and that international wine tourist spends nearly 80% more than the average tourist. Using 2015 Australian data as a projection for the UK in 2040, then the total domestic and international tourism expenditure would equate to £658m, or 7.8m visitor nights. The consequences for the growth and investment in new wineries, new hotels and other associated tourism facilities across England and Wales would be considerable.

12.23 Consultation with industry stakeholders as part of the EDTS has indicated that winemaking in Kent should be considered as an industry within the County rather than at a local authority level given the current scale of the sector and promotion activities of the winemakers and associated organisations. One of the initiatives for developing the industry is the Wine Garden of England group<sup>28</sup>, which promotes touring and experiencing seven of the largest vineyards in Kent (including Simpsons) with additional recommendations about the best local hotels and restaurants. The overarching aim is to use vineyard experiences as a central pillar from which other businesses in tourism and leisure can benefit, creating a self-supporting economic ecosystem as well as strengthening the position of Kent as a major tourist destination in the UK.

12.24 The role of Canterbury District in developing this economic ecosystem is to act as a brand which vineyards can associate with. The City of Canterbury in particular with its significant heritage assets (such as Canterbury Cathedral) provides a strong historical brand ‘hook’ to leverage. The City also has a range of quality accommodation where travellers on the wine trail can stay, further strengthening the area’s visitor economy.

12.25 This feedback strongly aligns with recommendations made by WineGB that public and private sector organisations, at both national and local level, take a more proactive approach to coordinating wine tourism activities to ensure that national and regional tourism programmes dovetail into more local projects such as the Wine Trails that are being developed in Kent, as well as planning to see how clusters of vineyards can work effectively together in other high volume tourist areas.

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<sup>28</sup> <https://www.winegardenofengland.co.uk/>

## Summary and Recommendations

12.27

Following the review of baseline conditions and future growth potential within food, farming and drink production, we provide some broad recommendations below to help guide the Council's response to supporting the sector through the new Local Plan:

- 1 Continue to protect areas of the highest quality agricultural land (e.g. Grade 1 and Grade 2) through planning policy to avoid the loss of this finite resource where there is not a significant need to use the land for other purposes. Conflicts are likely to occur around settlements (e.g. Canterbury City) that lack sufficient brownfield land to deliver housing growth, and where large areas of high-quality agricultural land border urban areas. In these cases, mitigation measures may be needed to minimise the potential effect on the total stock of high-quality agricultural land in the District.
- 2 Coordinate efforts with other Kent local authorities and relevant sector umbrella organisations to help promote and support the growth of key sub-sectors with particular growth potential (e.g. winemaking). There are recognised benefits from undertaking this sector development activity at a 'larger-than-local-level', particularly when it comes to supply chain development and building on the already strong 'Wine Garden of England' brand to maximise the economic value and contribution of wine tourism to the area.
- 3 The current Canterbury District Local Plan recognises the area's emerging reputation for its food and drink based economic offer and includes a number of policies intended to support rural economic growth and diversification (such as Policies TV7, TV8, EMP12, EMP13 and EMP14). We suggest there is scope for the new Local Plan to place more explicit emphasis through these policies upon growing key sub sectors, and those that offer particular development opportunities over the period of the Plan such as viticulture, to ensure that any specific requirements and growth needs are reflected and supported as far as possible. Whilst this EDTS provides a starting point for consideration, we recommend that this policy development is informed by a more detailed analysis of growth and development needs associated with the District's farming, food and drink production industries, in consultation with the area's many sector support, development and promotion organisations.

## 13.0 Conclusions and Policy Implications

13.1 This section draws together overall conclusions and considers potential policy approaches in relation to employment space and tourism development for the new District Local Plan as well as other measures which may be required to support Canterbury District's economic growth objectives.

### Economic Performance

13.2 Canterbury District is characterised by its own set of economic strengths and challenges which will influence future economic growth and change. Analysis undertaken as part of this EDTS identifies a mixed picture in terms of the District's economic performance over recent years, with strong rates of population and job growth exceeding equivalent growth rates recorded across Kent and the wider South East. Higher than average levels of self-employment and business start-ups locally present important opportunities for increased entrepreneurial activity in the District over the coming years, supported by the strong quality of life factors that will continue to make Canterbury District an attractive place to live and work.

13.3 At the same time, the District's economy has been lagging behind other parts of Kent and the wider region in terms of workforce productivity, in part reflecting the area's reliance upon lower value employment sectors such as hospitality and recreation, retail and education. The District's resident workforce is less highly qualified than the regional average, particularly at higher level (NVQ4+). The District is also characterised by pockets of deprivation that continue to persist, in particular around the main urban areas of Canterbury City, Herne Bay and Whitstable.

13.4 Looking ahead, the District is well placed to benefit from a range of growth and regeneration opportunities coming forward across the wider sub-region, including the Thames Estuary Production Corridor which provides a significant opportunity for the District to unlock and stimulate culture-led economic growth and strengthen existing economic ties with other parts of the TEPC. The emerging South East Local Industrial Strategy also provides the District with particular opportunities to contribute towards the 'communities for the future' and 'UK's global gateway' priorities, given the scale of development planned over the coming years (in particular within Canterbury's strategic growth locations) and presence of two coastal communities that both offer strong potential for productivity growth.

### Commercial Property Market Signals

13.5 The majority of the District's B-class floorspace is accommodated in the City of Canterbury and the corridor of industrial sites and business parks located along the A299 and Thanet Way in Whitstable and Herne Bay; these effectively forms two distinct sub-market areas that account for the majority of local activity and development. Whilst the District operates within a wider East Kent property market area (which also features Ashford, Folkstone, Dover and Margate) the local market is relatively self-contained, generally serving local business churn and expansion.

13.6 The main driver of the local commercial property market is industrial activity, facilitated by the presence of the A2 and A299 and links with the strategic road network that this provides. There is a perception that occupier activity is being constrained by a lack of industrial supply, and that latent, unsatisfied demand exists in the local market. Rental values are high enough to justify speculative industrial development with several current schemes underway in the District and wider area, generally for smaller scale industrial premises to serve local businesses.



- 13.7 The office market in Canterbury District is weaker than the industrial market, and what limited demand exists is exclusively for good quality, modern office space in many cases on flexible terms. Canterbury City Centre remains a popular office location, alongside rural options that offer the added advantage of car parking and in many cases easier access than the City Centre. The key challenge in the current market is a reported lack of good quality office accommodation (particularly within Canterbury City) coupled with a lack of recent office development. Viability remains a key barrier to new office development, with achievable rents currently lagging behind those required to enable new development. Recent growth in co-working spaces within the District emphasises good levels of demand for small scale, flexible workspace, although viability challenges have necessitated public funding to bring most of these forward.
- 13.8 The overall pattern of development in the District in recent years reflects a gradual erosion of B class space, with losses of industrial and office floorspace all exceeding gains through new development. The introduction of office to residential PDR has so far had a limited quantitative impact on Canterbury District's office supply, and office space that has been lost has generally comprised poorer quality, obsolete stock that is no longer fit-for-purpose.
- 13.9 An assessment of the District's existing employment sites undertaken as part of this EDTS shows that these are generally well used and occupied by a range of businesses and appear to be serving a local business need, with very few candidates for release to other non B class uses. Some sites, particularly those accommodating older, secondary stock, offer scope for more intensive use in the event that redevelopment was to occur, and some offer extension opportunities to accommodate new development and growth in future.
- 13.10 Canterbury City's portfolio of employment sites is limited considering the size and constraints of the settlement and the role it plays as the key economic driver for the District. By comparison, Whitstable and Herne Bay offer a larger and more varied portfolio of B class employment sites, many of which feature a mix of B1c, B2 and B8 premises with some office space. These sites are typically good quality, have good road access and low levels of vacancy. The more rural employment sites elsewhere in the District typically accommodate occupiers operating within agricultural-based sectors and are also popular.

## Future Growth Scenarios

- 13.11 The future growth scenarios considered in this study indicate the broad scale and type of growth associated with different approaches to modelling employment space requirements for Canterbury District over the new Local Plan period. To varying degrees, these scenarios reflect both the indigenous growth needs in the District as well as a degree of footloose demand that operates within a wider sub-regional market. In the context of the NPPF and PPG, the policy approach adopted by the Council should aim to positively plan to support the employment needs of the District so that the local economy is not unduly constrained over the plan period, but also recognises the issues around land supply and competing pressures on available development sites.
- 13.12 In order to ensure a flexible and responsive policy framework for the District, it will be necessary to not just concentrate on meeting the forecast quantitative requirements for office and industrial space in Canterbury District, which will fluctuate over time, but to reflect on the opportunities and risks that flow from particular policy approaches. This could include how the delivery of B class employment land can be prioritised in particular areas and for particular uses, or how scope can be created to deliver inward investment or other growth opportunities for the District. For example, this could include the University of Kent Campus and associated Canterbury Innovation Centre which provides the District with a strategic growth opportunity to retain talent developed through the University and grow innovative high technology firms within the District.

- 13.13 It is recommended that the Council consider planning to accommodate the labour demand (job growth) based requirement (Scenario A) to ensure that business growth potential is not constrained by lack of spatial capacity in future. This is equivalent to 136,700 sq.m of employment floorspace or 29.7ha of employment land over the 20-year Local Plan period to 2040.

### Accommodating Growth

- 13.14 A comparison with the Council's latest supply monitoring information suggests that in quantitative terms, there would be more than sufficient employment space supply to accommodate additional requirements arising under all three future growth scenarios considered, including the recommended baseline job growth scenario.
- 13.15 However, this demand/supply position is highly sensitive to the inclusion of a number of strategic employment land allocations (some of which are to be delivered as part of mixed-use development schemes) and their ability to deliver the quantum and type of B class employment floorspace identified within the existing Canterbury District Local Plan.
- 13.16 We understand that there are a number of notable deliverability risks to this supply coming forward in full to accommodate business needs over the new Local Plan period, mainly relating to viability challenges, landowner intentions and pressure from other competing uses. Current uncertainty regarding the future employment delivery prospects for many of these sites make it difficult to quantify exactly how much of the identified pipeline supply of B class space could be 'at risk' of non-delivery, although it is likely that supply could reduce to the extent that there would be insufficient capacity to accommodate the recommended Scenario A (labour demand) over the Plan period.
- 13.17 The Council's ability to accommodate future business needs will therefore heavily depend upon the progress of these key strategic sites and the form/type of development that comes forward, given that the majority of supply is for 'mixed B' uses and therefore flexible in nature.

### Site Delivery

- 13.18 Delivery of employment space within the District has proved challenging during recent years, as a function of relatively low levels of new development coming forward and ongoing losses of floorspace to the extent that, on balance, B class space has been gradually declining. The District has benefited from a fairly broad portfolio of employment land supply 'on paper' which includes a number of relatively large strategic sites that have formed allocations for some time. Yet very few have accommodated the employment development originally intended. Those that have come forward for development have tended to form small scale extensions to successful existing industrial estates in the coastal towns of Whitstable and Herne Bay, while larger scale employment allocations that typically form part of wider mixed-use developments have to date largely been stymied either through other uses coming forward in their place, or as a function of landowner intentions and other reported barriers to employment development such as viability, infrastructure constraints etc. Some of the most significant employment development opportunities in the District form part of large-scale schemes such as the South Canterbury urban extension which will inevitably take time to realise and therefore represents a longer term rather than immediate opportunity.
- 13.19 This has resulted in an employment land pipeline characterised by challenging site development opportunities that appear to offer limited prospects for delivery (at least in the short term), and within the context of updated future requirements for employment space prepared as part of this EDTS, a potential surplus of land that could prove difficult to justify retaining in full.

- 13.20 Within this context, we suggest that the Council actively re-positions the District’s existing employment land allocations and sites to consolidate these into a more streamlined and fit-for-purpose portfolio that better meets the needs of the local market and one that offers greater prospects for delivery over the new District Local Plan period. This should look to re-allocate sites that offer no reasonable prospect of coming forward for employment development, retain those sites that offer greatest deliverability prospects, and if required, identify new options for accommodating business needs either through new alternative site allocations or through a more efficient and proactive approach to redeveloping and intensifying existing sites where opportunities exist. This exercise should have regard to the need to balance the spatial distribution of opportunities across the District (see below), and to establish a clearer strategy for each site that defines the specific role and contribution it will make towards meeting the District’s economic growth needs (including by broad type and timescale).
- 13.21 Without this re-positioning, there is a strong risk that past trends of under delivery will continue over the new Local Plan period, or that piecemeal forms of employment development come forward across a relatively disparate mix of sites. This is likely to prove sub-optimal from a market perspective and would fail to deliver the critical mass that the District’s more successful employment locations tend to provide. Additional flexibilities associated with the forthcoming changes to the Use Class Order (to combine the B1 use class with other commercial uses into a new ‘Class E’) will add a further challenge to employment delivery in the District, reinforcing the need for a more precise and streamlined approach to maintaining employment land supply.
- 13.22 Through this more proactive approach to consolidating and managing site development opportunities, there is also scope for the Council (potentially via public funding from other partners) to intervene more directly in site identification and delivery. For instance, by introducing more focused mechanisms to support employment delivery particularly where viability barriers are preventing market activity/interest, or to accelerate development opportunities to address short to medium term business needs. Figure 13.1 below summarises some potential approaches that could be considered by the Council and tailored to individual site and market demand circumstances.

Figure 13.1 Potential site delivery mechanisms

Approach	Deliver New Sites		Deliver New Employment Space		Renew / upgrade employment space	
	Low	High	Low	High	Low	High
Local Growth Funding						
Growing Places Fund						
Community Infrastructure Levy						
Tax Increment Funding						
Joint Venture						
Enabling Development						
LDO						
BID						
Rent Guarantees						
Business Improvement Grants						

limited potential   
 some potential   
 good potential

Source: Lichfields analysis

### Spatial Distribution

- 13.23 Notwithstanding the recommendation above to rationalise the District’s existing employment land supply portfolio, a comparison of current supply with future growth requirements undertaken as part of this EDTS identifies a demand/supply balance ‘mismatch’ at the sub-District level, with a relative over-supply of land to accommodate growth needs in Canterbury City and insufficient capacity to accommodate future business needs in Whitstable. Once a more realistic supply position is taken into account that discounts those employment site allocations that offer limited or no prospect of delivery, the balance could become tighter for Canterbury City, and the shortfall even more acute in Whitstable.
  
- 13.24 The City of Canterbury is the largest economic centre in the District and has traditionally represented a popular business location for both office and industrial occupiers. However, the City and its edge of centre industrial estates are not optimal from a market perspective given the City’s accessibility constraints and strategic location, and the City’s core industrial role has been ‘hollowed out’ over recent years through gradual encroachment from non-B uses onto its prime industrial sites. These locations could be made to work more efficiently as a means of accommodating future B class (industrial) growth and expansion in future, in absence of any other industrial development sites within the City of any scale.
  
- 13.25 The City’s main future employment development opportunity is the South Canterbury urban extension which could provide up to 70,000 sq.m of mixed B1 space, although in absence of a clear employment strategy for the site this capacity could realistically reduce, and the long-term nature of the site means that new employment development is unlikely to come forward in the short term (and is unlikely to meet industrial needs beyond B1c). This reinforces the case for intensifying and making more efficient use of existing industrial sites as noted above.

- 13.26 From an office market perspective, Canterbury City represents the prime office location in the District with the City Centre in particular offering occupiers excellent access to services and amenities. However, the District's office market has been characterised by relatively low demand in recent years, very limited levels of new development and a gradually eroding stock of office space. Following this period of decline and as older office stock has been removed from supply (accelerated by office to residential PDR), the Council should look to stabilise the District's office market and support the provision of a contemporary office product to meet the needs of local occupiers. Recent flexible co-working style office schemes have been a success and reflect the wider shift towards more agile and collaborative ways of working, and should provide the focus for new office development in the City alongside more traditional small scale, good quality accommodation that appeals to the local professional services occupier base. There may be scope for some new office provision within out of centre mixed use schemes such as South Canterbury, although this is unlikely to be brought forward by the market in the short term, so the immediate focus should be on the City Centre which already benefits from an established critical mass of office activity and occupiers.
- 13.27 The University of Kent campus, which houses the Canterbury Innovation Centre (providing over 2500 sq.m of modern office, studio and workshop space), provides another driver of demand for small scale business space within the District and an important opportunity to grow higher value sectors of the local economy through both retention of highly skilled graduates and the attraction of high technology companies from other areas to bring their expertise to Canterbury. Aside from the Canterbury Innovation Centre, various encroachments from non-B class uses into the site over recent years have reduced available land capacity for further complementary innovation business space on site. As part of wider aspirations to diversify the District's economy and boost productivity in line with regional and national averages, the District would benefit from a clearer strategy for how 'spin out' activity and opportunities associated with the University are more effectively integrated into the local economy.
- 13.28 The coastal towns of Whitstable and Herne Bay have been successful in attracting B class development and investment over recent years, benefiting from lower land values and less competition from higher value uses compared with Canterbury City. The commercial property market within both towns is reported to be buoyant, particularly from an industrial perspective, and latent demand exists for good quality small scale light industrial and distribution space within the successful industrial estates and business parks that adjoin the A299. Looking ahead, the employment land supply pipeline is unlikely to be sufficient to accommodate future B class development needs of this sub-market area, and a number of the strategic employment allocations within the two towns have some deliverability risks. Depending on progress with these key sites and their ability to deliver new employment space over the new Local Plan period, there may be a need to identify additional site capacity and/or more proactively encourage the more efficient use of existing employment sites as (re)development opportunities occur.
- 13.29 Outside of the main urban areas, the District has a reasonably strong rural employment market, with a number of rural locations having absorbed local employment needs to some extent over recent years. Subject to the usual sustainability criteria, these rural employment locations should be supported to grow and diversify in future. The latest Council monitoring data suggests a sufficient quantitative supply of employment land to accommodate rural business needs over the new Local Plan period, and the Council should be supportive to new proposals that come forward that can demonstrate they meet a clear market/business need, particularly with respect to growth sectors such as food and drink production that require a more rural setting (such as viticulture).

## Constructing a Delivery Trajectory for Employment Sites

- 13.30 As noted above, while the District’s emerging pipeline supply of employment land would appear to be sufficient to accommodate demand over the plan period in quantitative terms, the positive demand/supply balance is heavily reliant upon a number of employment allocations coming forward for development, despite a number of identified risk factors. In particular, larger strategic sites often face greater initial barriers to delivery (such as infrastructure and servicing costs) and longer lead-in times, so there is a need to ensure that there is a supply of other readily-available sites to meet more immediate business expansion needs in Canterbury District, including over the first few years of the plan period.
- 13.31 Accordingly, it is recommended that the Council should evidence how its portfolio of allocations and other development opportunities will support delivery of new space over the short, medium and long-term (structured broadly in five-year periods). Where any gaps are identified, the Council will want to consider options for how this can be addressed. Therefore, it is helpful for sites to be assessed on a consistent basis in order to determine at broadly what point in the Plan period they may become available, and how important any individual site is for meeting either office or industrial needs within any rolling five-year period. In determining the likely timing and availability of land, this delivery trajectory should have regard to:
- a the planning status of sites (extant planning permission, allocation, development brief etc);
  - b development constraints/costs and known requirements for infrastructure;
  - c current developer/landowner aspirations; and
  - d market delivery and viability factors.
- 13.32 The assessment provides the opportunity to identify and map out the Local Plan’s ‘when’, ‘whom’ and ‘how’ employment space delivery actions for each site. In turn, it will also offer a basis to continually assess the potential role of a site in meeting employment land and other Local Plan objectives (and, inter alia, the policy benefits that would accrue if earlier delivery of the site was encouraged). The trajectory should be linked to the annual monitoring process and periodically updated to ensure the rolling supply of employment land during the Plan period.

## Tourism Market and Accommodation

- 13.33 Canterbury District is a well-known and established successful tourist destination in the UK and the leading destination in Kent. It benefits from a rich cultural heritage combined with countryside as well as an attractive coastal strip offering visitors a wide variety of visitor experiences. As such it is a popular destination for both domestic and international visitors.
- 13.34 The District is well positioned within the national and regional tourism context to grow its already successful tourism sector further in line with the growth forecasts for the UK tourism industry. In order to ensure the on-going success of the District’s tourism industry there is a need to focus on enhancing the visitor experience in order to increase the proportion of overnight stays in order to maximise the economic value of the tourism sector. For example, there is potential to offer different itineraries and products linking the different parts of the District and encouraging visitors to experience different aspects of the destination outside the high season.
- 13.35 Additionally, growing the number overnight stays will require increasing the range and supply of the District’s tourist accommodation product across all quality levels. Achieving such ambitions will require organising the tourism industry for success including better business collaboration across the District. This may take the form of thematic groups working a particular

aspect of the tourism sector in the area for example the development of accommodation suitable for pilgrims or enhancing accessibility and sustainability amongst tourism businesses across the district. There are also particular growth opportunities associated with the area's burgeoning viticulture industry to incorporate wine tourism into the District's overall visitor and hospitality offer, and as a means of growing the sector's economic contribution.





## Appendix 1 Study Consultees

### Commercial Agents

Nick Rooke, Finn's  
William Hinckley, BTF Partnership

### Property Developers

George Wilson, GW Developments  
Tom George, Space 2

### District Tourism Stakeholders

Visit Kent  
Locate in Kent  
Canterbury BID  
Marlowe Theatre  
Canterbury Cathedral  
Canterbury Cricket Ground  
Shepherd Neame  
Mulberry Cottages  
Kent & Sussex Cottages

### Canterbury City Tourism Stakeholders

Premier Inn Canterbury City Centre  
YHA Canterbury Hostel  
Pig at Bridge Place  
Broome Park  
Howfield Manor  
Travelodge Canterbury Chaucer  
Holiday Inn Express, Canterbury  
The Thomas Ingoldsby  
The Fallstaff

### Whitstable Tourism Stakeholders

Hotel Continental  
Crescent Turner Hotel  
Premier Inn Whitstable

### Herne Bay Tourism Stakeholders

Premier Inn Canterbury North

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### **Canterbury City Council Liaison Groups**

Canterbury City Council Liaison Group: Whitstable

Canterbury City Council Liaison Group: Herne Bay

Canterbury City Council Liaison Group: Rural area

### **Farming and Food and Drink Production Stakeholders**



Deidre Wells OBE, Visit Kent

Simon Ryan, Locate in Kent

## Appendix 2 Site Maps



**Key**

-  Canterbury Local Authority Boundary
-  Employment Site

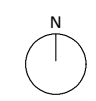
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- 2 Barham Business Park
- 3 Barton Business Park
- 4 Canterbury Business Park, Highland Court, Bekesbourne
- 5 Eddington Lane, Herne Bay
- 6 Hillborough Business Park, Herne Bay
- 7 John Wilson Business Park, Whitstable
- 8 Joseph Wilson Business Park
- 9 Lakesview Business Park/Canterbury Industrial Park, Hersden
- 10 St Augustine's Business Park/Tyler Way, Whitstable
- 11 Wraik Hill/Chaucer Business Park
- 12 Sturry Road
- 13 Vauxhall Road, Canterbury
- 14 University of Kent Campus

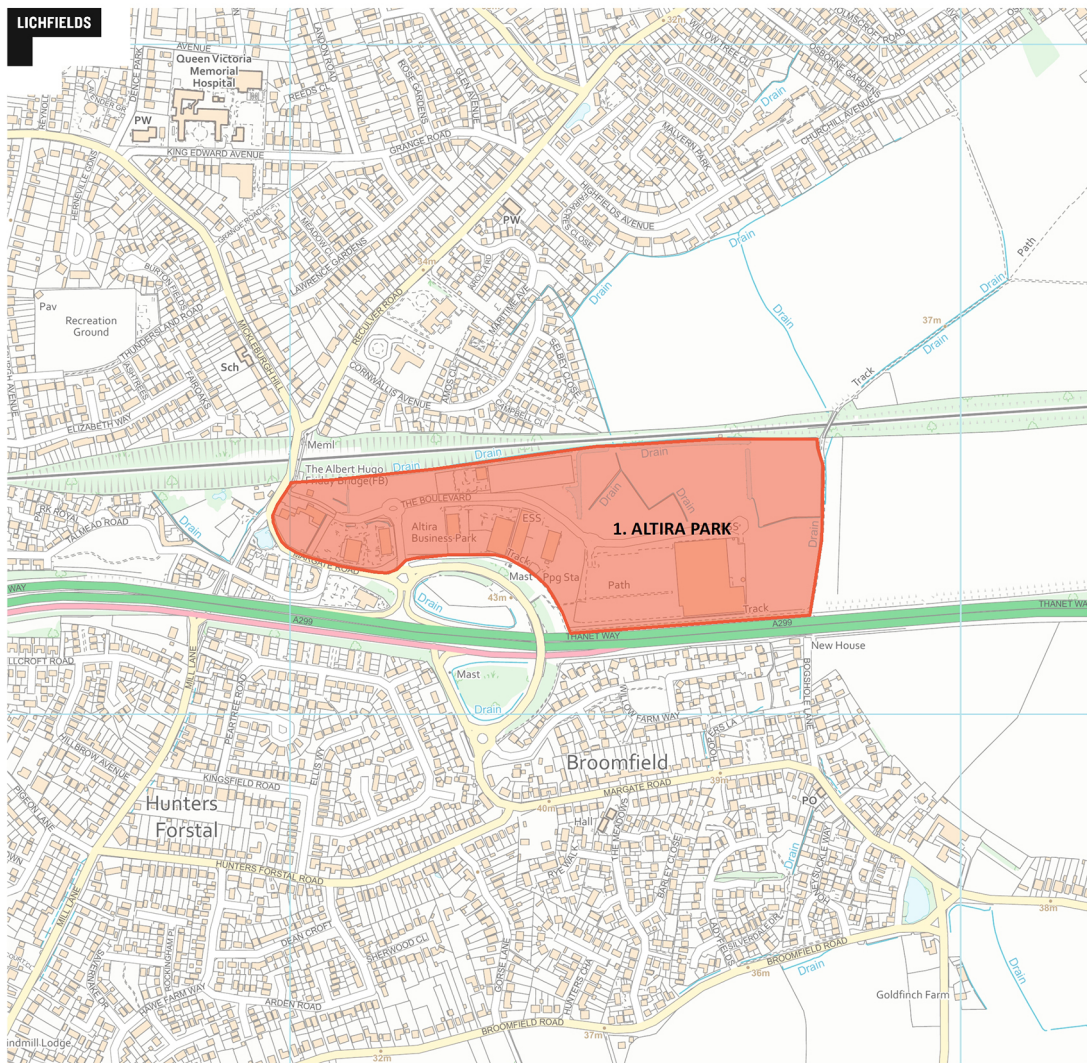
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 Based upon Ordnance Survey mapping with the permission of Her Majesty's Stationery Office. © Crown Copyright reserved. Licence number 100017707

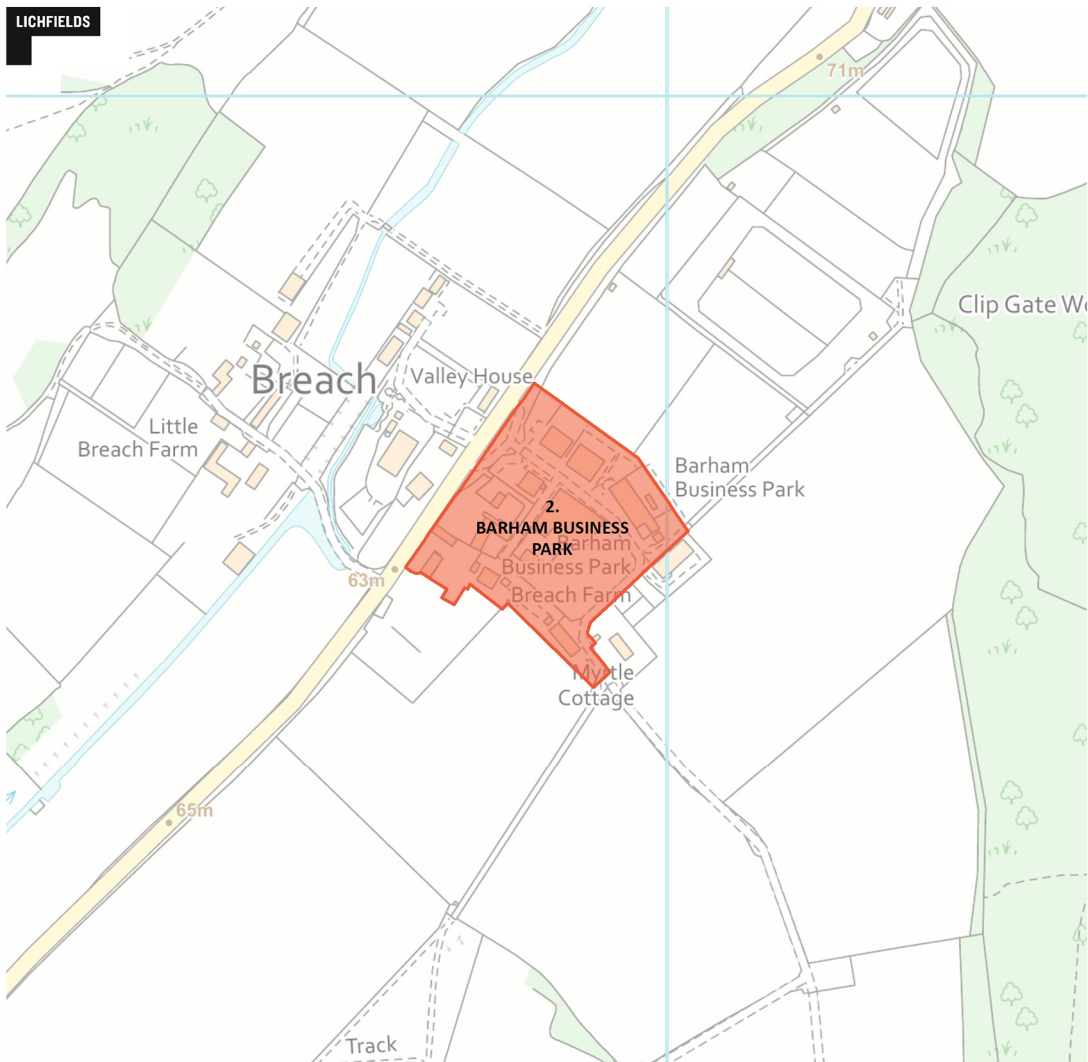


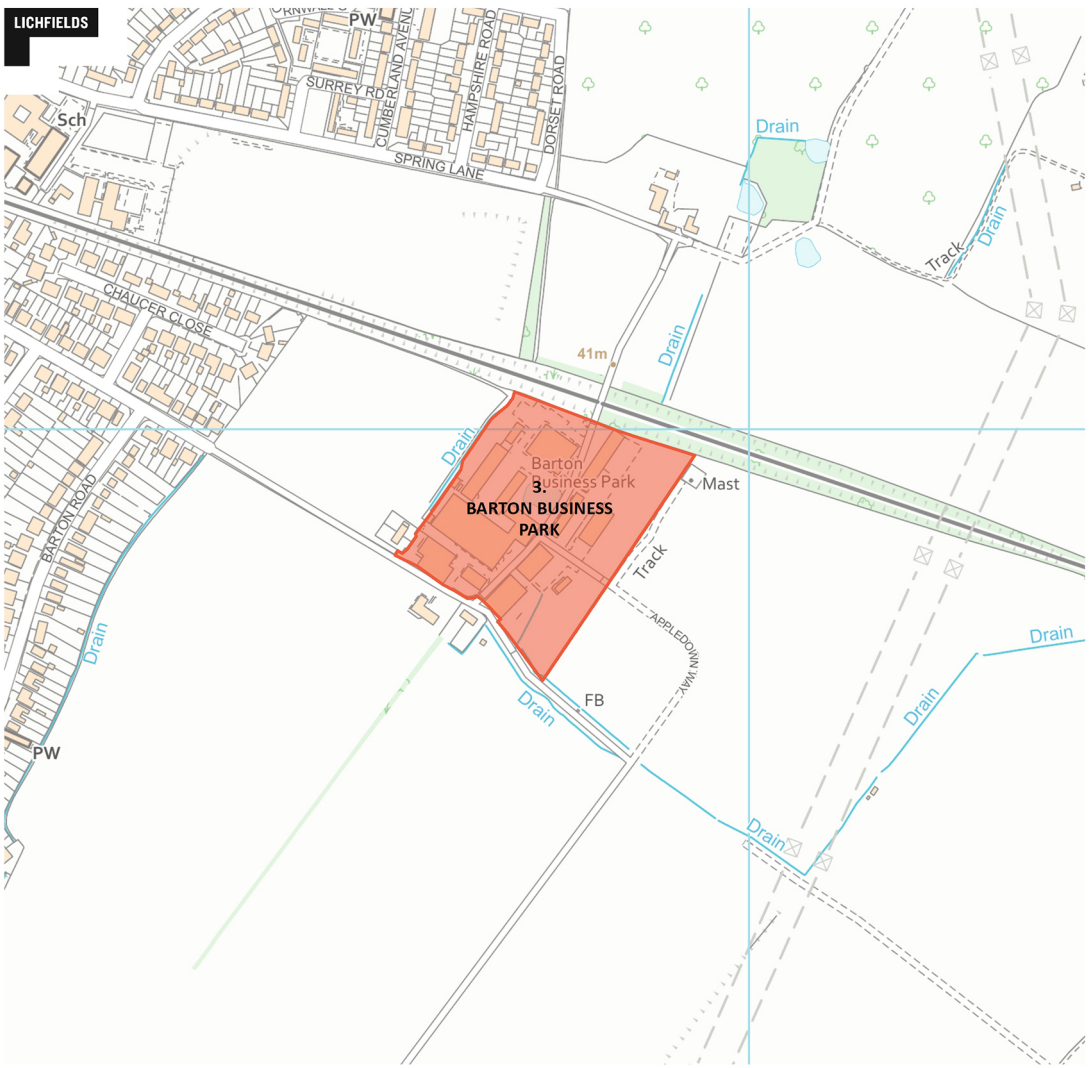
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Title	Employment Sites
Client	Canterbury City Council
Date	11.10.2019
Scale	1 : 75,000 @ A3
Drawn by	MAR
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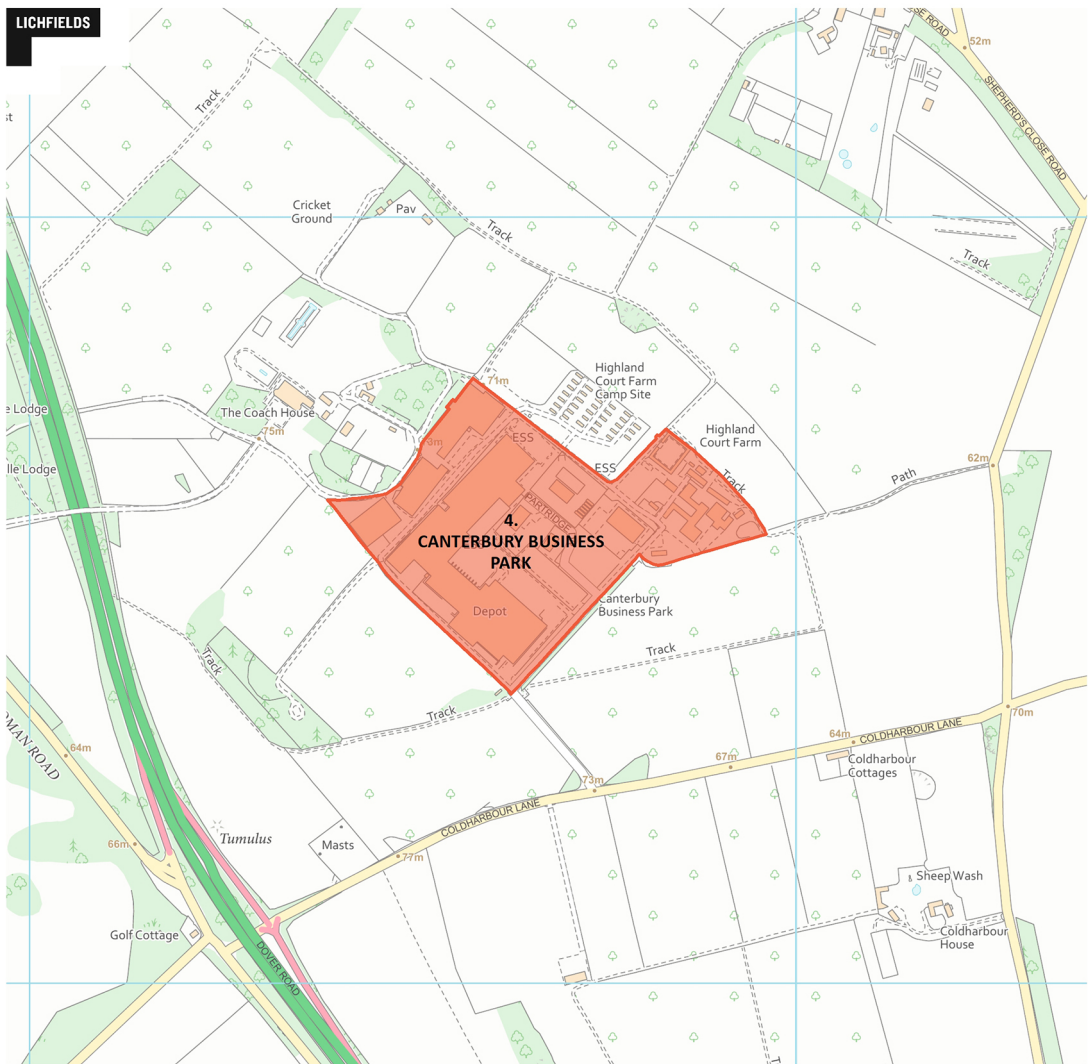
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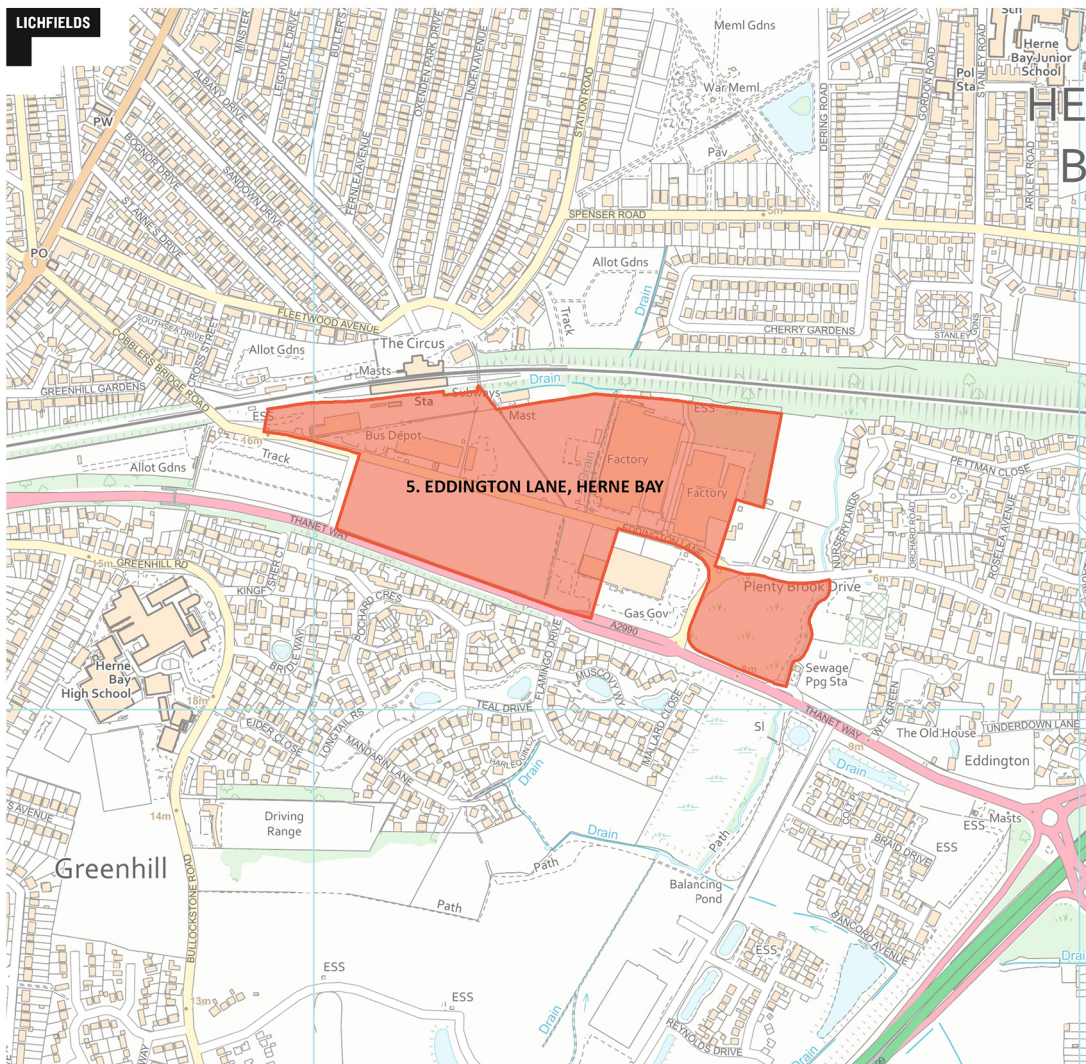




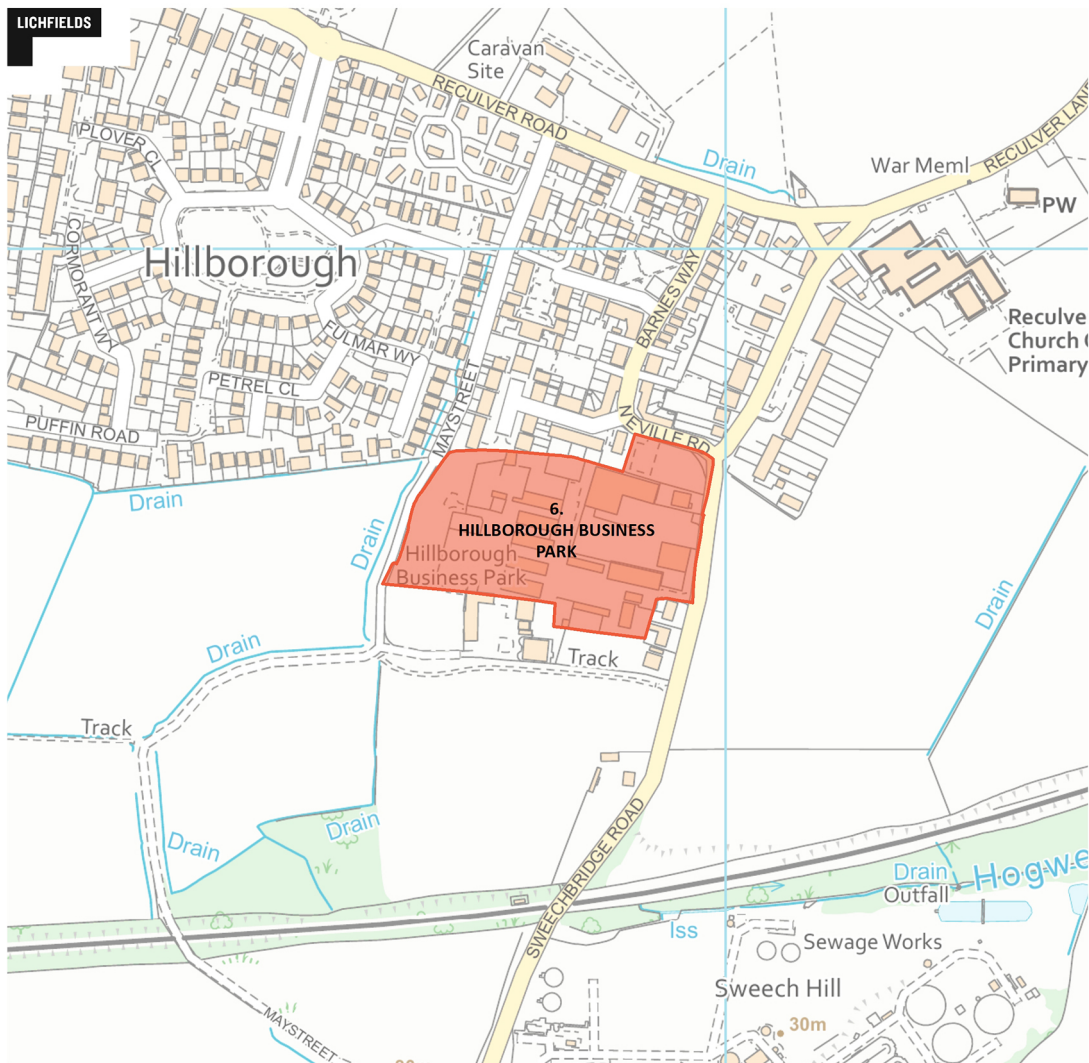


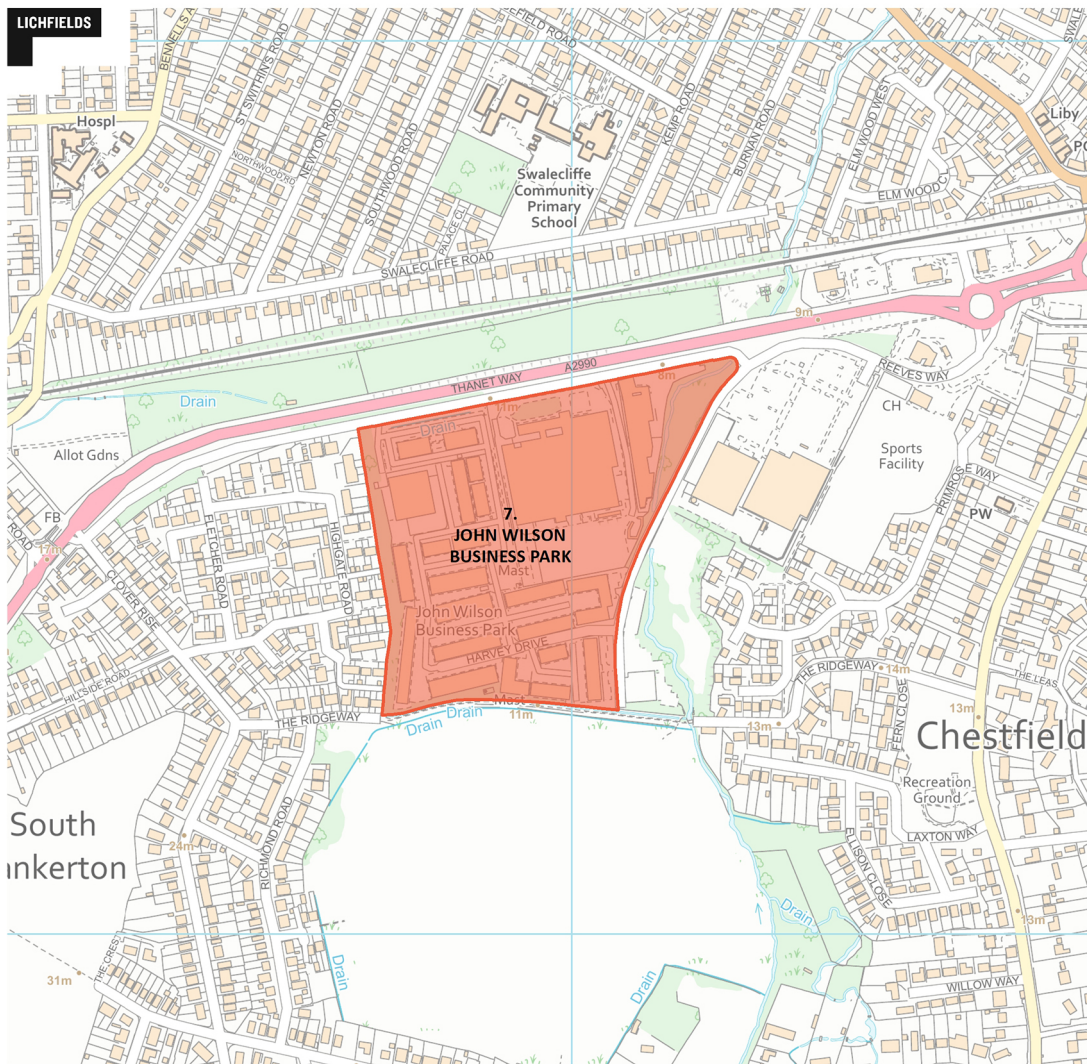






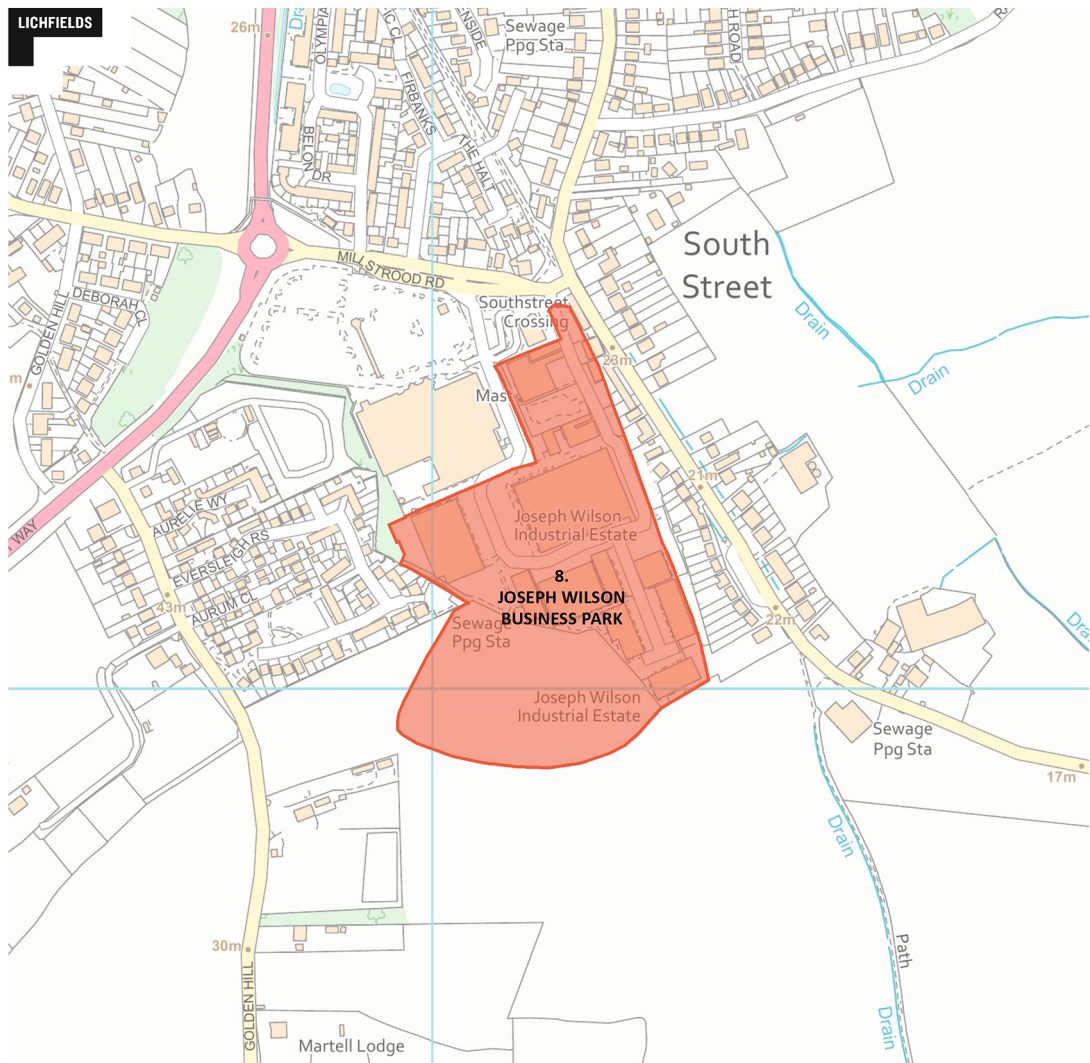
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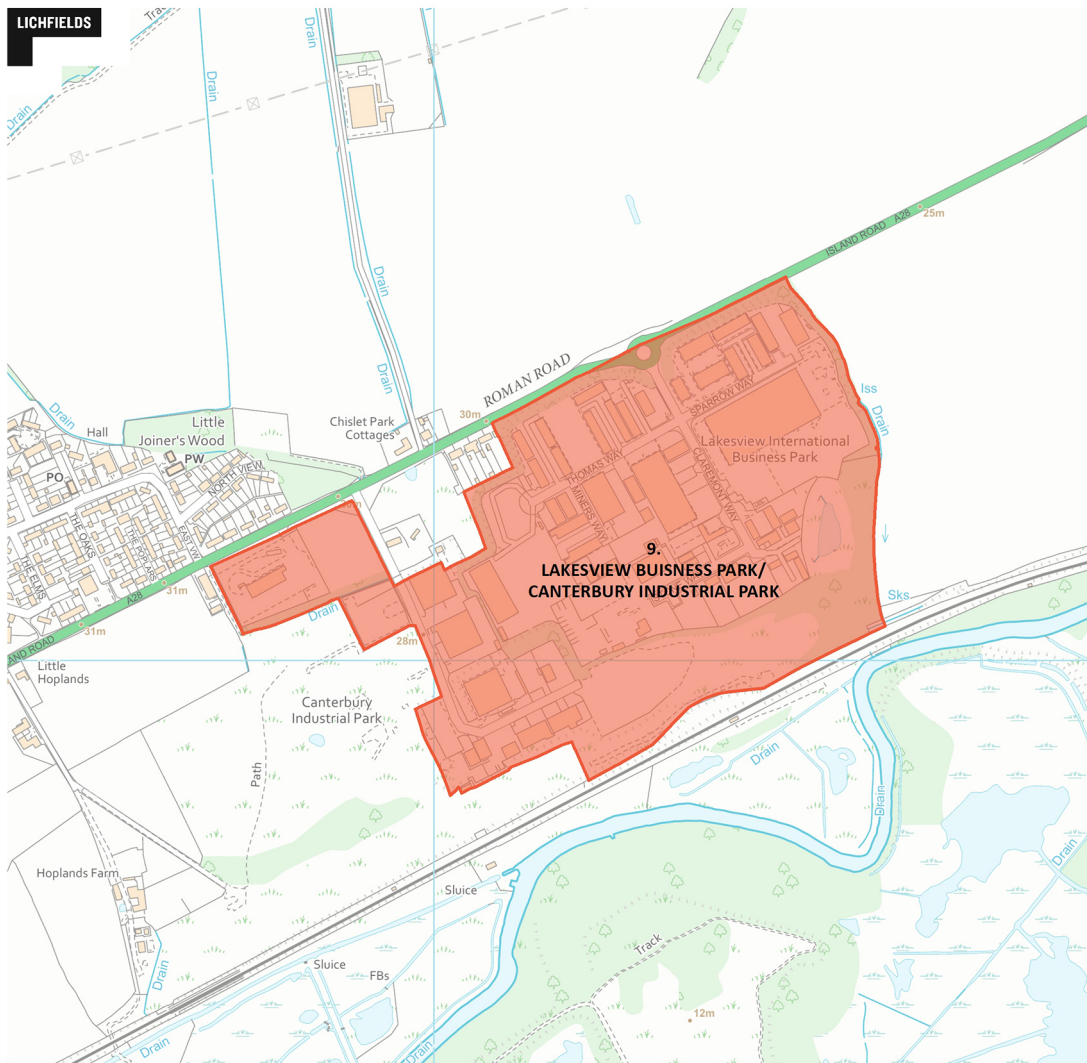




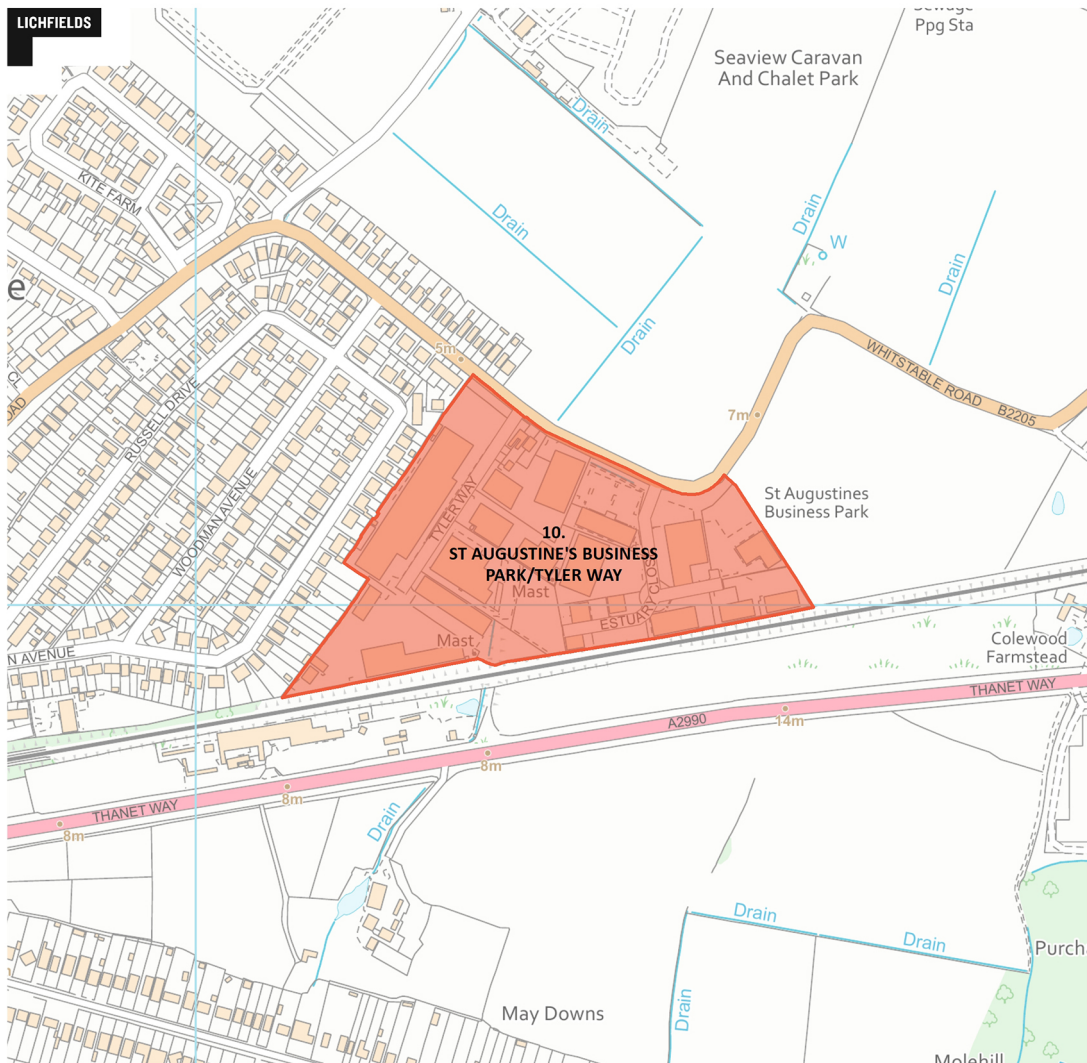
South  
Inkerton

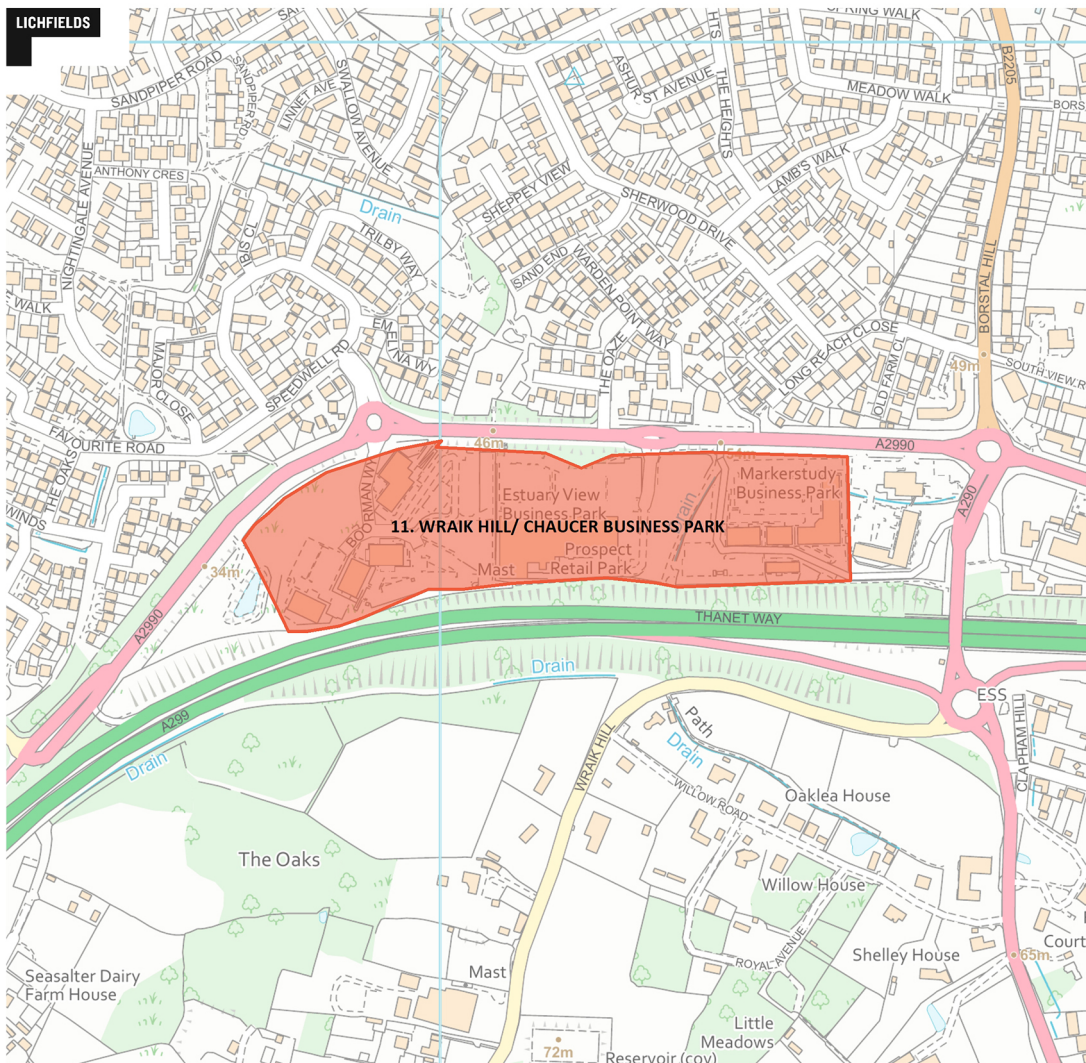
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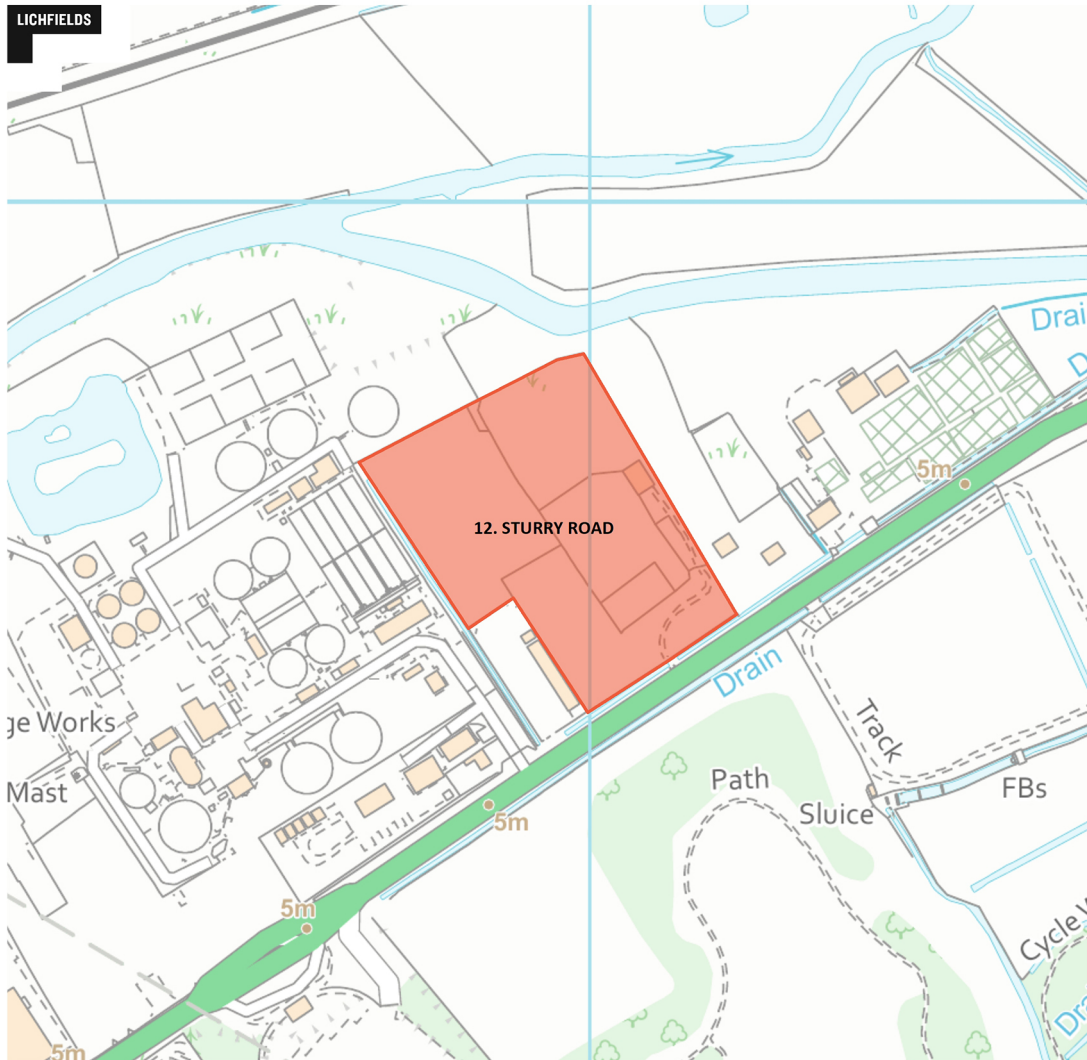




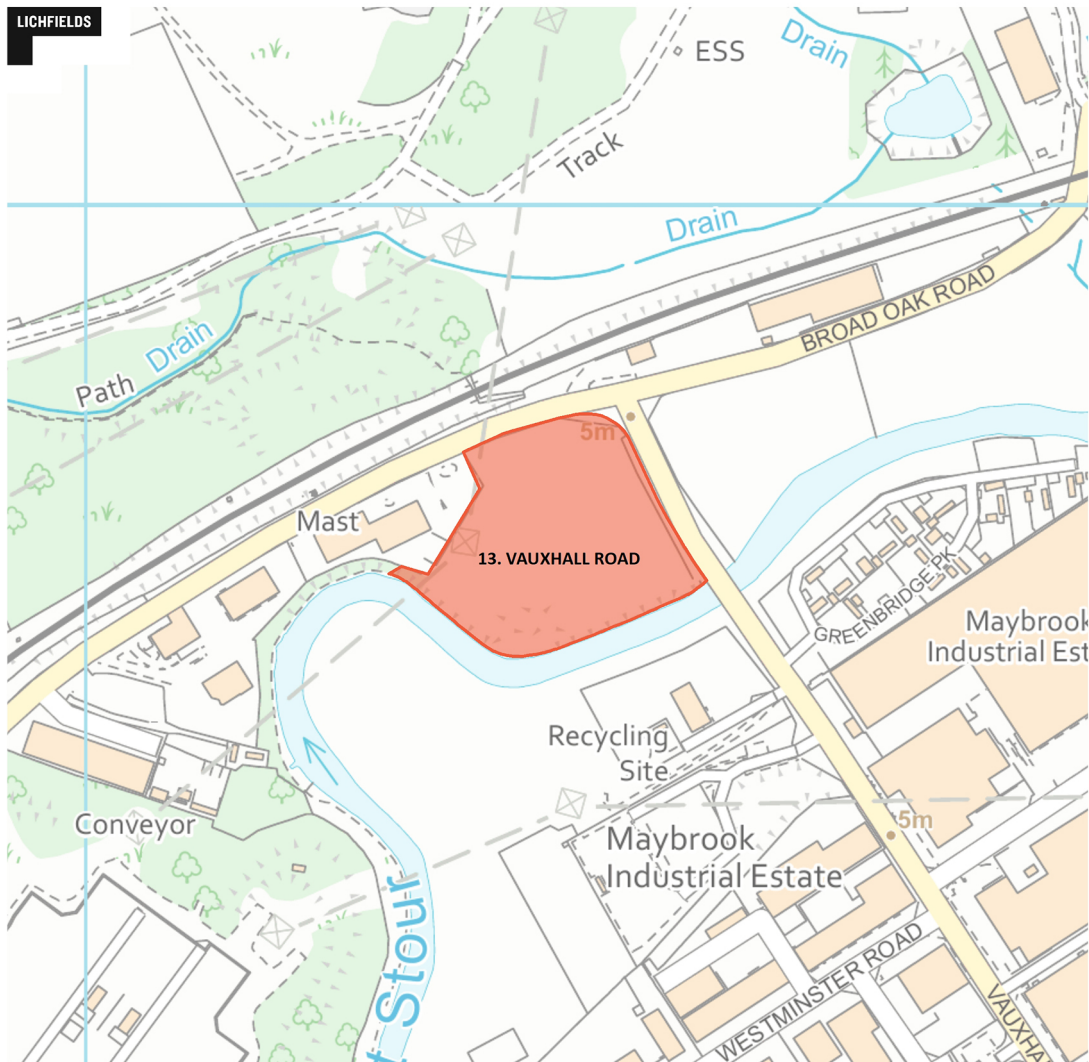
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**LAKESVIEW BUSINESS PARK/  
CANTERBURY INDUSTRIAL PARK**

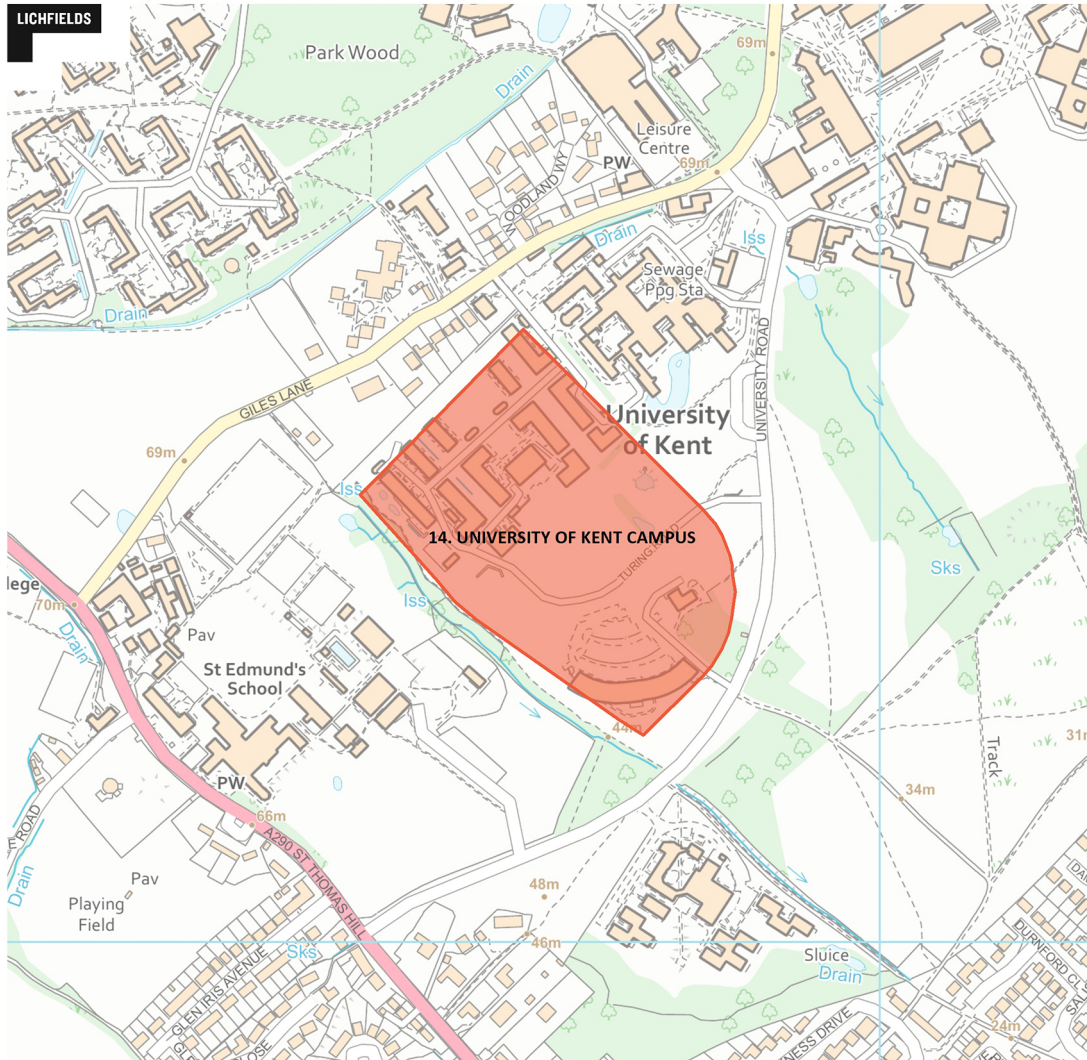


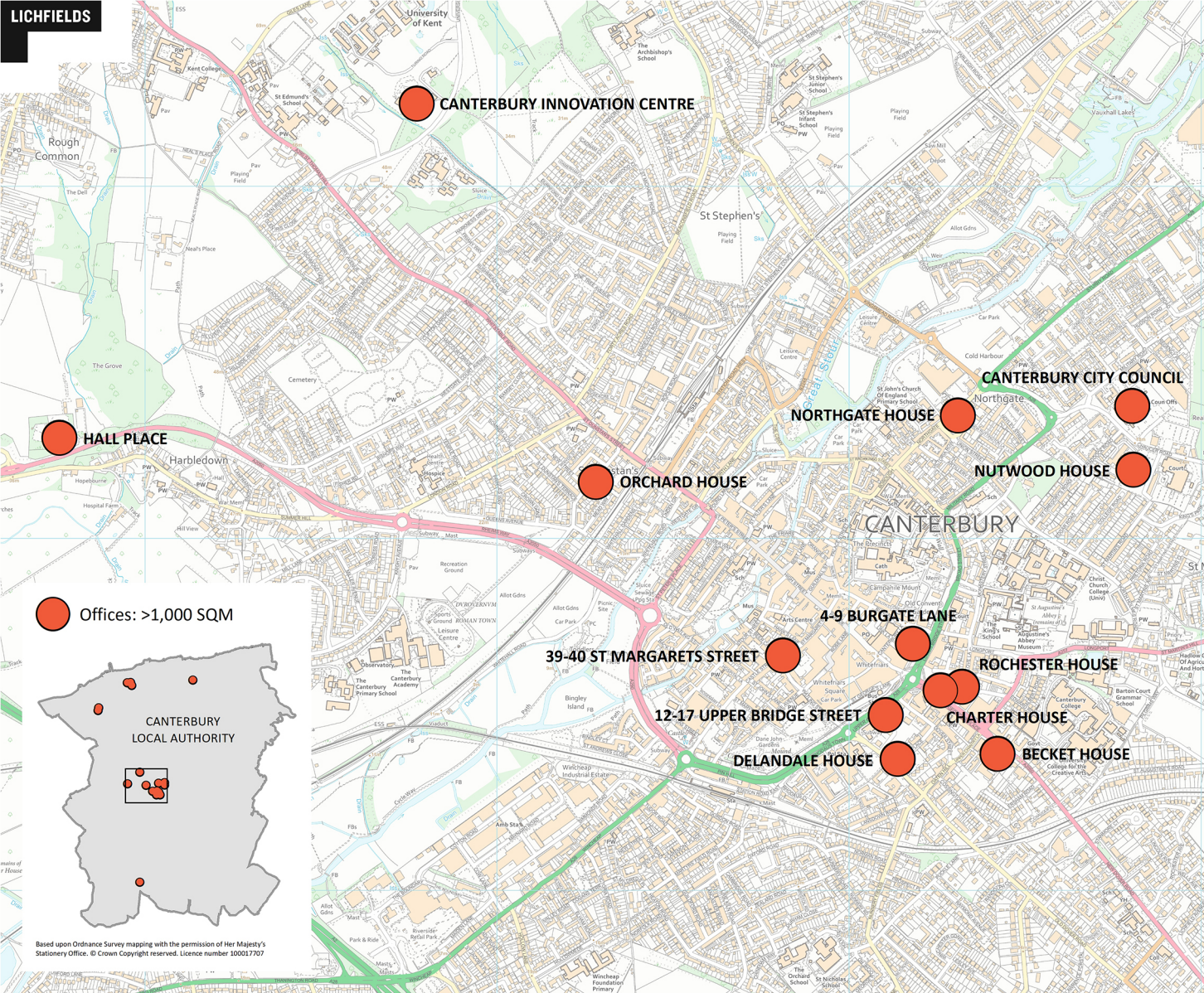












**CANTERBURY INNOVATION CENTRE**

**HALL PLACE**

**ORCHARD HOUSE**

**NORTHGATE HOUSE**

**CANTERBURY CITY COUNCIL**

**NUTWOOD HOUSE**

**CANTERBURY**

**4-9 BURGATE LANE**

**39-40 ST MARGARETS STREET**


**ROCHESTER HOUSE**

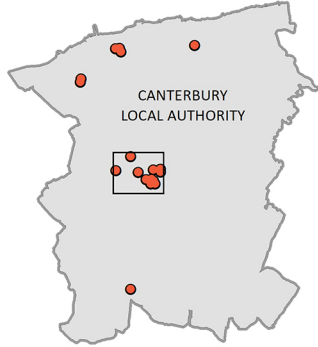
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**CHARTER HOUSE**

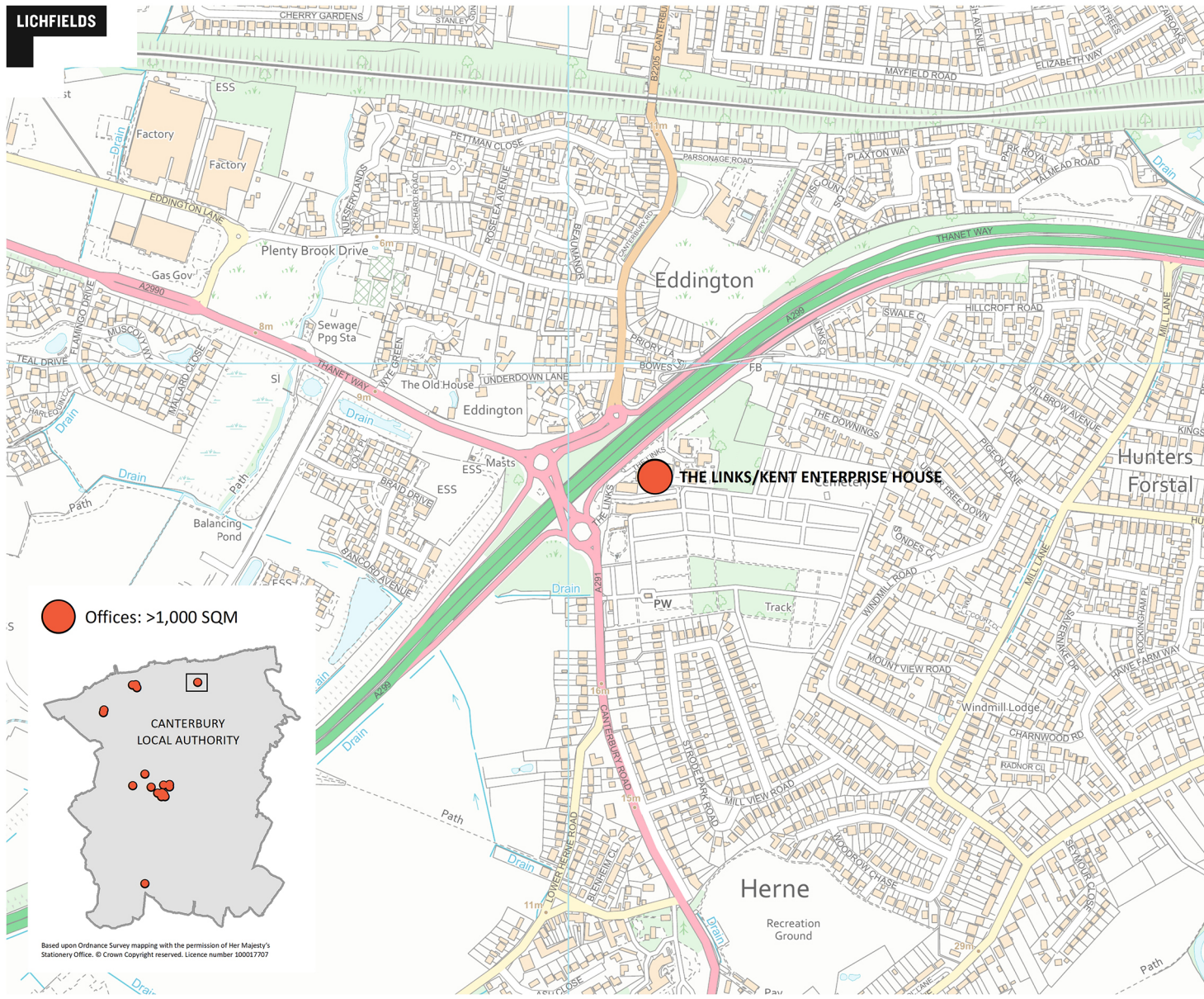
**DELANDALE HOUSE**


**BECKET HOUSE**

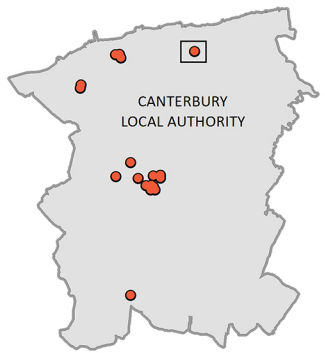
 **Offices: >1,000 SQM**



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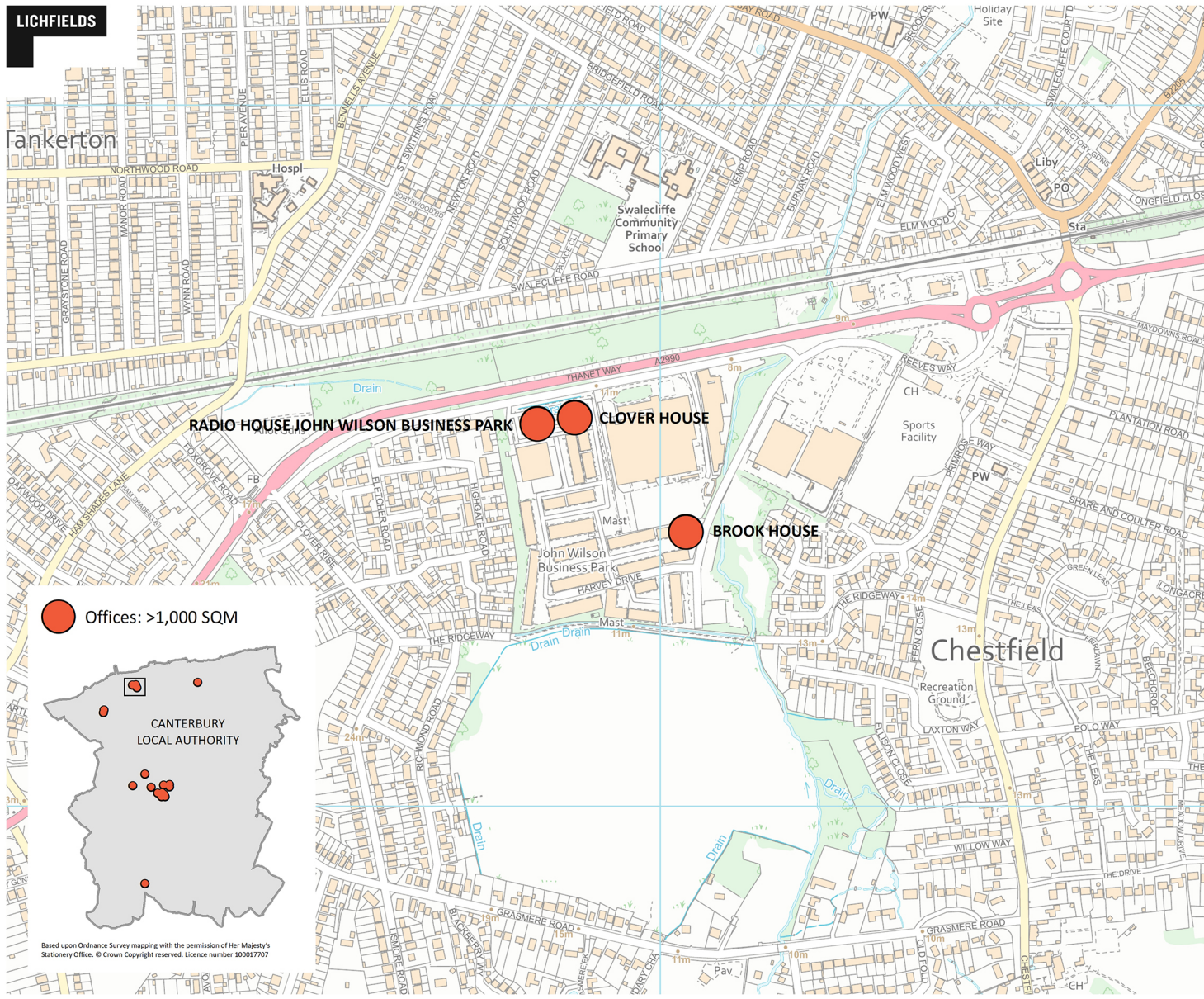


 Offices: >1,000 SQM



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Frankerton

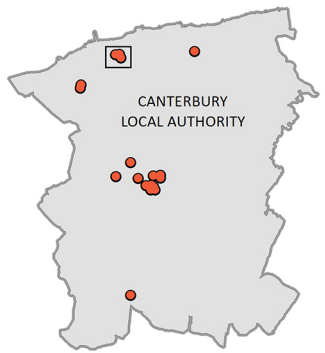


**RADIO HOUSE**, **JOHN WILSON BUSINESS PARK**, **CLOVER HOUSE**

**BROOK HOUSE**

Chestfield

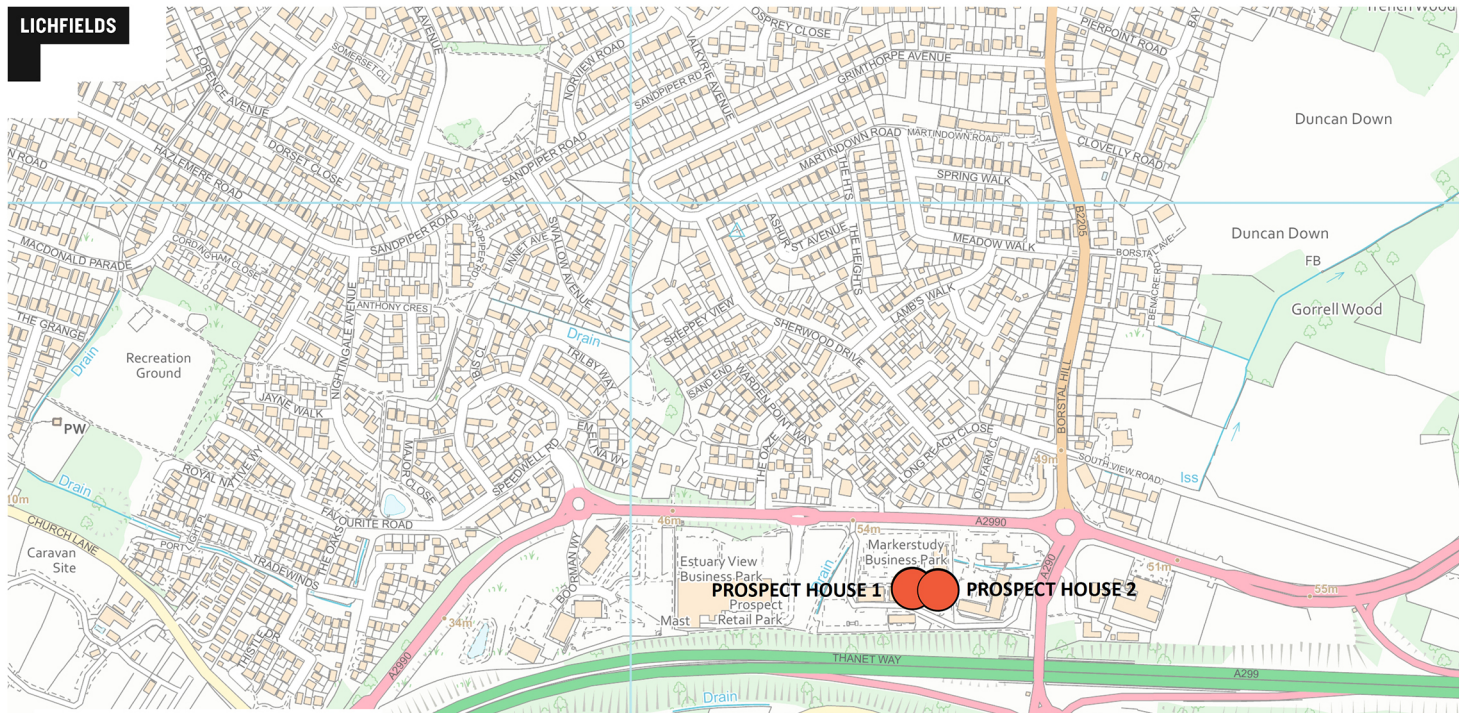
 Offices: >1,000 SQM




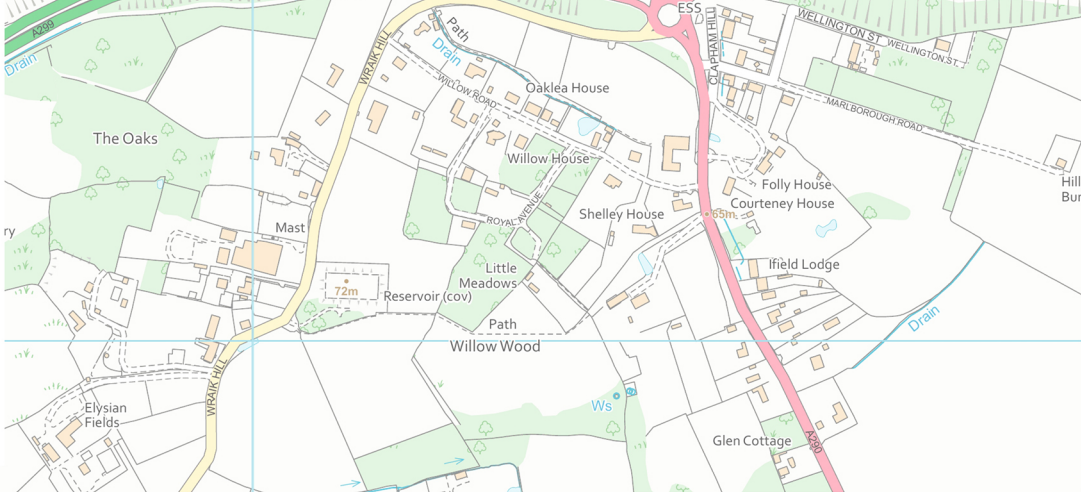
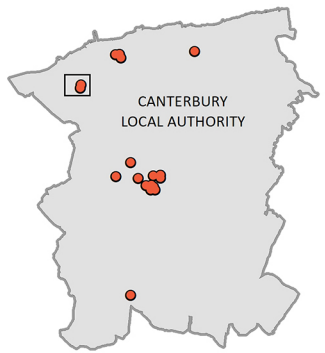
CANTERBURY LOCAL AUTHORITY

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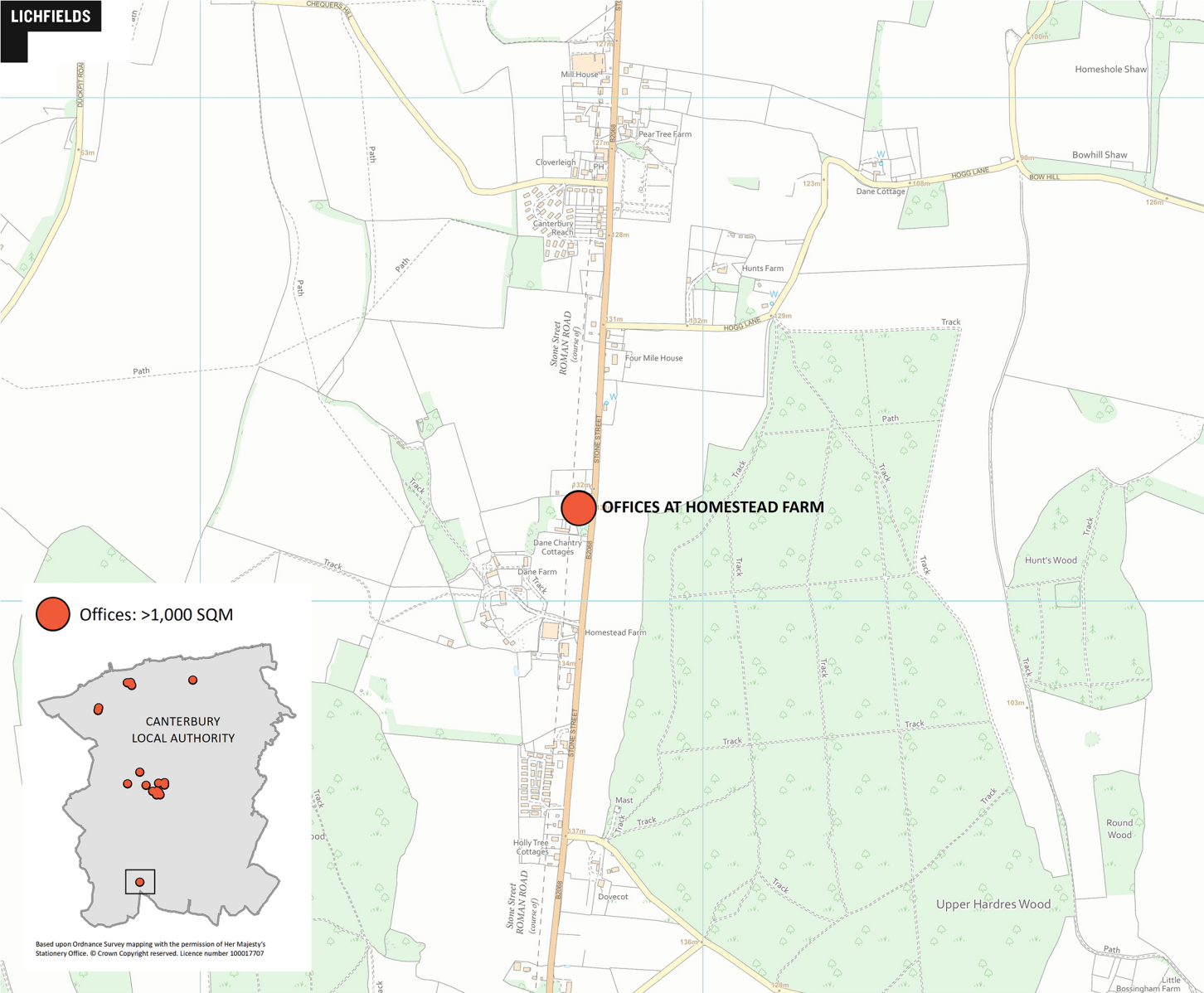
# LICHFIELDS




 Offices: >1,000 SQM

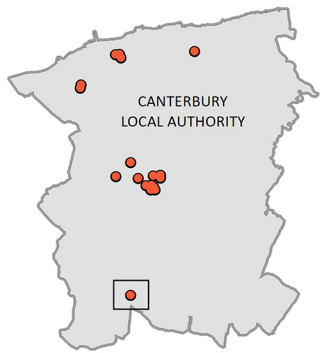


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**OFFICES AT HOMESTEAD FARM**

 Offices: >1,000 SQM



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## **Appendix 3 Site Appraisals**



Existing Site Appraisals

Site Details		Site Overview				Site Characteristics						Site Opportunities			Site Constraints		
Site No	Site Name	Site Size (ha)	Site Status	Current/recent Applications	Recent Changes	PDR Conversions	Existing Buildings on-site and condition	Occupiers	General Market Attractiveness	Accessibility	Rental Cost (£ per sq.m)	Scope to use site more efficiently	Future development potential	Options to improve site productivity	Adjoining uses	Environmental constraints	Infrastructure constraints
1	Altira Park	16.3	EMP1 and EMP4 Allocation	CA//19/01680   Details submitted pursuant to condition 03 (archaeology - partial approval) of planning permission. CA//19/00991   Proposed 2 no. single-storey commercial units. CA//12/02097/FUL for the (erection of a food store (use class A1) including a cafe, industrial/commercial units (Use Class B1, B2 and/or B8), petrol filling station. CA//18/01715   Proposed two-storey building for use as a research and development facility.	N/A	N/A	The site mainly contains new buildings. There is a large Sainsburys supermarket at the eastern part of the site with a large associated car park out front. The north eastern part of the site is occupied by a vacant field, which is adjacent to a DVSA Driving Test Centre. In the centre of the site is a growing business park which consists of new build warehouse, industrial and office buildings.	Around 90% occupancy of the existing buildings are developed. There are some to let signs up advertising potential availability in existing buildings and for future developments.	The premises that have been built are of high quality and appear to be well managed. The site is highly visible from the A299. There are plans to develop the site into the main business park in the area of Herne Bay, thus increasing its profile further.	The site benefits from great accessibility being situated on the A299. The internal road network has largely been resurfaced with new tarmac and there are several bus stops located nearby.	Industrial - £59 Warehousing - £48-£64	A large amount of the site is undeveloped and could be developed for employment use. The driving centre test track could also be used more intensively if the other vacant land was first developed.	This site has significant future development potential.	The lane behind Sainsbury's could be developed into a road that provides an additional entrance to the site.	The site currently has minimal constraints due to excess open space; however, a large mixed-use development could come forward in an adjacent field in the future.	N/A	There are minimal existing infrastructure constraints at the site.
2	Barham Business Park	2.3	EMP4 Allocation	CA//09/00184 – Erection of seven light industrial units (682 m2 gross)	N/A	N/A	The existing buildings in the cluster comprise a mix of old offices and newer industrial and warehousing units. There are also a small number of agricultural buildings on the site.	85% of the site is developed. The premises are occupied by a mix of consultants, storage and engineering firms. Some of the units are available for sale online and there some self-storage opportunities are being advertised.	Although the site is located out of town in a rural location, its proximity to Elham Valley Road provides quick access to the A2. The site could also be attractive for future development considering its unconstrained location.	The site has good road access. It has a wide entrance that connects Elham Valley Road, which leads on to the A2. Public transport access is poor, there is a bus stop but services are limited.	Industrial - £45	There is scope to expand the site into the surrounding fields, or by more effectively using the space currently used for construction equipment and shipping container storage.	There is scope to expand on the current site or to redevelop what is already there.	The access road could be resurfaced and made wider to accommodate larger vehicles.	There are surrounding fields that are used for agriculture. There is also an old farming shed, some houses and storage units bordering flanks of the site.	N/A	N/A
3	Barton Business Park	3.7	EMP4 Allocation	CA//19/01678   Proposed detached two-storey building for business use (B1c and B8) with associated parking. CA//19/01679   Proposed 2 no. detached industrial units for business use (B1c and B8). CA//17/00049   Proposed storage warehouse with associated access and car parking. CA//16/00600   Planning application for the proposed South Canterbury urban extension, for up to 4,000 dwellings comprising.	N/A	N/A	The site is predominantly made up of small new industrial and warehouse units, with some larger units also located on the site that is used for self-storage. There are some older units which require renovation.	90% of the units are occupied, with only a small number of unoccupied warehouses/units. Occupants include publishers, logistics firms, window selling companies, coffee suppliers and a gym.	The recent planning permission granted for four new buildings at the front of the site indicates there may be demand for floorspace at the site. Additionally, the site is relatively well connected on the outskirts of the city while also being a quiet location, with lots of grasslands and a pond on site.	The site is located near to the A2 on the edge of Canterbury City. HGVs may struggle to reach the site due to the nature of the local road network and some tight points within the internal site road network. Public transport access is reasonable with a number of bus stops located nearby.	Offices - £60-£83 Industrial - £60 Warehousing - £37-£60	The density of the buildings on-site could be increased; self-storage facilities take up a significant amount of the space.	Recent planning approvals indicate there is scope to extend outside of the current boundaries into the empty adjacent fields.	Better services could increase productivity while also opening up space on-site that is currently used for car and truck services/parking.	The site is surrounded by open fields.	N/A	There is a train track that runs down the back of the site.

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4	Canterbury Business Park	10.5	EMP4 Allocation	CA/19/01646   Proposed single-storey industrial unit. CA//15/01232   New warehouse with office, yard and parking.	N/A	N/A	The site is split into two main areas. The first includes industrial uses and the second features a wider variety of premises including offices, agricultural buildings and a cafe.	The site is 100% occupied. Occupants include Gomez (a fresh produce supplier), Quinn Estates and the Independent Pedlar cafe.	The site is well maintained and has some facilities including a cafe which could be attractive to office occupiers. It is also well connected via the A2 and is around a five-mile drive from Canterbury City.	The site is easily accessed by motor vehicle and is close to the A2. There is a bus stop close to the site; however, there is no pavement leading to it.	Offices - £117 Industrial - £35-£75 Warehousing - £38-£75	The site is well occupied and use efficiently. The surrounding agricultural land could be developed to extend the site.	The surrounding fields offer the potential for expansion of the site. Several new buildings on the site indicate the potential for further development.	The access road could be resurfaced and made wider to accommodate larger vehicles.	The site is mainly surrounded by farmland, and associated buildings. With a small farm caravan park on the north eastern corner.	N/A	N/A
5	Eddington Lane	14	EMP4 Allocation	CA/87/01593/HBA for the erection of light industrial, retail warehouse and business park.	CA//13/02264   Change of use from the former Royal Mail sorting office (B1) to children's soft play centre (D2) and food outlet (A3).	N/A	The site is mainly occupied by older industrial and warehouse units. There are a large Homebase and a child's play centre the front of the site, adjacent to the main road. There is also a relatively new office building next to the train.	The majority of the buildings on site are occupied. There are areas of vacant and underutilised land.	The current site is poorly maintained; litter and graffiti are common.	The site reasonable access to the A299. The site benefits from being closely located to Herne Bay train station, which can be directly accessed via a public footpath. There are also bus stops located nearby.	Offices - £75 Industrial - £28 Warehousing	Large areas of the site are vacant and could be used for employment uses. Large areas used for car parking and storage also offer opportunities for further development.	There is a high level of development potential with large amounts of open undeveloped land still present and good accessibility.	Additionally, public transport services could be enhanced to reduce personal vehicle traffic along the access road.	There is a degree of limitation as the site is near to Herne Bay town centre and residential areas.	There are some overgrown fields which require landscaping for development to occur.	There is a train track and station with associated uses along the back of the site while there is the main road along the front.
6	Hillborough Business Park	2.5	EMP4 Allocation	N/A	N/A	N/A	The site predominantly includes poor quality industrial, offices and workshop unit. There is also a mobile home showroom at the front of the site.	The site has a low level of vacancy. The occupiers are made up of small local businesses (e.g. trade counters).	The site is run down and low profile due to the rural location. The site would be attractive to firms that have less locational requirements and are looking for lower rents.	The A299 can be accessed by travelling along Sweechbridge Road. However, the road network around the site is highly congested and the internal road network is also bad. A bus stop is located near to the site.	Offices - £79-£110 Industrial - £45-£65 Warehousing - £50-£84	The areas of the site used for storing motorhomes, construction materials and associated workspace storage could be more intensively used.	There is limited potential to expand the boundaries of the site with residential dwellings surrounding it.	The access road is wide enough for large vehicles towards the A2. Access to the A2 could be made easier for large vehicles. Public transport provision could also be improved and better signage would be beneficial.	There is a residential area to the north of the site.	N/A	The access roads are not suitable for significant further development.
7	John Wilson Business Park	10.7	EMP4 Allocation	CA//17/02052   Proposed two-storey building comprising of eight office units and parking.	CA//16/00738   Change of use of building from offices (Use Class B1) to church (Use Class D1). CA//16/00853   Change of use from offices (Use Class B1a) and light industry (Use Class B1c) to storage and distribution (Use Class B8). CA//15/01180   Change of use from B1 (Light industrial) to B2 (General industrial).	N/A	The site includes a mix of office, industrial, warehouse and storage units, which vary in size. The condition of the buildings is generally is good.	The site has a high occupancy rate of around 90%. The site is primarily occupied by small local businesses occupying the warehousing units. Additionally, there is a large amount of the new offices occupied by Kent County Council (family and social care).	The site is a high profile site which is attractive for local businesses ranging in sizes. The site is located near to Whitstable and has good access links by car. Additionally the high occupancy rates and business of the site confirm that it is a desirable destination.	The A2990 is easily accessible from the site. The internal road network is tight with overflowing car parks. Chesterfield and Swalecliffe railway station is located around 0.5km away from the site.	Offices - £64-£120 Industrial - £29-£75 Warehousing - £40-£90	The site includes some low-density employment uses such as garages with parts storage areas which could be used more intensively.	There is potential for development as the empty field to the south of the site has been allocated for residential uses.	Better signage would improve the prominence of the site.	The site is constricted in terms of extra free land that is not already allocated for future development. However, development on that land could increase the size of the site.	N/A	The main roads towards the north of the site constrict potential in that direction.
8	Joseph Wilson Business Park	7.3	EMP4 Allocation	CA//18/02408   Proposed 40 units to provide 7619 sq. metres of floor space for light industrial, general industrial, storage/distribution, builder's merchants and including a replacement retail unit.	CA//19/01581   Change of use from light industrial (B1c) to gym (D2). CA//18/00700   Change of use from private health club to workshop.	N/A	The site primarily includes workshops, industrial units and trade counters. The units range from small to large in size and there is a significant amount of parking in the middle of the site. The site is mainly good quality and well used.	The site is busy and almost entirely occupied. The largest occupier is Swegon Air Management who have a large workshop at the front. Additionally, there is a large car garage and MOT centre, with smaller local businesses occupying the remainder of the units.	The site is a well-established business park and is well managed. It serves a definite local purpose providing a large amount of employment floorspace in a coastal town.	The site has good access to the A2990. The business site benefits from the bus services that run regularly to the large nearby Tesco. However, the Tesco and site share the same entrance, which does create some congestion.	Offices - £59-£181 Industrial - £32-£80 Warehousing - £32-£80	Low-density businesses on the site including garden showrooms and car garages could be redeveloped into for higher density employment uses.	There is an open field to the south of the site which could be used for future development.	Increase the width of the entrance to the site.	The site is adjoined by non-employment uses on three sides. However, there is open land to the south.	N/A	N/A

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9	Lakesview Business Park	29.4	EMP4 Allocation	CA//19/00489   Proposed three buildings comprising 20 no. units for light industrial use. CA//18/00963   Proposed 1 no. part single-storey and part two-storey building, 1 no. two-storey building and 1 no. single-storey building comprising 14 no. units for light industrial and office use. CA//18/00168   Proposed 4 no. single-storey storage and distribution units with associated parking. CA//15/02408   Proposed new workshop building. CA//15/01201   Erection of 9 light industrial units with associated parking.	There is currently a plot of land under construction with Smedley Homes signage. CA//19/00427   Details submitted pursuant to condition 08 (archaeology - partial approval) of planning permission. CA//16/02007   Proposed installation of underground fuel tank with concrete apron and dispensing pumps (30.aug.16)	N/A	The site has a range of buildings including offices, a number of large industrial and warehouse units, trade counters, car workshops and a waste disposal centre. The newest units consist of small B1 premises.	The site has an occupancy rate of around 95%. Occupiers include Hornby Hobbies, mattress suppliers, a catering company, waste disposal specialists, car body shop and MOT centre.	The site is a high-profile employment location in Kent and it serves its current occupants well.	The site is located on the A28 and is well connected to Canterbury City Centre; however, the local road network is busy and make access hard for larger vehicles. There are some bus stops nearby that provide a number of services.	Offices - £75-£118 Industrial - £35-£85 Warehousing - £35-£85	The site is used relatively effectively for its current employment uses with little potential for increasing employment density.	The land around the site could be utilised for expanding the cluster.	Freeing up some of the road space from parked cars/storage would improve internal traffic circulation.	There is a large amount of new residential development down the road, but the site is mainly surrounded by open fields.	N/A	N/A
10	St Augustines Business Park/Tyler Way	7.3	EMP4 Allocation	CA//19/01978   Proposed two-storey side extension and single-storey rear extension along with replacement windows to side and rear elevations and single-storey double garage following demolition of existing garages (8.oct.19-registered). CA//19/01911   Proposed single-storey outbuilding (30.sep.19). CA//18/02468   Proposed single-storey rear extension with roof lantern following demolition of existing single-storey rear extensions (6.dec.18). CA//15/01017   Proposed two-storey rear extension (6.may.15)	CA//16/00940   Use of field as football pitches, the erection of a club house and fencing, and the laying of a car park for 84 no. spaces (27.apr.16)	N/A	The site is occupied by small dated offices, industrial units that range in size and small to large warehouses.	The site is split into three main parts. The section includes small offices that are occupied by local scale business. The second section is occupied by P&B Metal Components. The third section is mainly occupied by engineering, automotive and construction companies. The occupancy rate is around 85% overall.	The site provides a range of different unit options, with large amounts of additional storage space available. Some areas of the site are rundown. There is an evident uptake of industrial and warehouse units, with less demand for offices.	The site is located near to the A2990; larger vehicles may have more trouble reaching the site due to a small roundabout. There is a bus stop down the road towards Swalecliffe, with a train station also situated in the town a short walk away from the site.	Offices - £63-£81 Industrial - £40-£75 Warehousing - £55-£90	There are large areas used for storage that could be used for more intensive employment uses.	There are fields adjacent to the site that could be used for expanding the cluster.	Introducing measures to lower congestion caused by the site sharing an entrance road with Tesco.	The site is situated on the edge of Swalecliffe and is bordered by residential properties and a railway line.	N/A	There is a train track that runs along the back of the site.
11	Wraik Hill (Chaucer Business Park)	6.9	EMP4 Allocation	CA//03/00894   The erection of two three-storey office buildings (27.jun.2003). CA//17/02462   Proposed 2 no. two-storey retail units together with parking, landscaping and access (22.jan.18)	CA//10/01195   Revision in respect of permission reference CA//10/0155/FUL for a change of use from offices (Class B1 Use) to a children's nursery (Class D1 Use) for a period of two years; alterations in respect of alternative pedestrian routes	CA//17/02647   Application for prior notification for change of use from office to residential accommodation (15 dwellings). CA//13/01945   Prior notification received on 16/10/13 and expiring on 11/12/13 to convert existing	The site is subdivided into a number of separate business parks including Prospect Retail Park; Markerstudy Business Park; Estuary View Business Park; and Chaucer Business Park. The sites include a mix of uses including new build offices and retail	The site is 100% occupied. Occupiers include Halfords, Marks and Spencer and Oystergate.	The site is well maintained and has high-quality buildings. The site benefits from good road connections.	The site has direct access to the A299. It is easily accessible by foot and there are bus stops nearby on Thanet Way.	Offices - £109-£180	The site is fulfilling its potential as a retail and business park, with community aspects.	There is a vacant site across the road that could be redeveloped into an employment use. Additionally, there are a number of medium-sized open spaces on the site that could be built upon.	The site is already used productively and potential for improvement is limited.	There is a Premier Inn hotel at the eastern corner of the site, on top of this the site is enclosed within the road network with limited further scope to extend the boundary.	N/A	The surrounding road network acts as a barrier to future growth.

					(21.jul.10). There is currently building work going on in the middle of the site.	offices into residential.	units. There are also some flats within the cluster.										
12	Sturry Road	2.2	EMP1 Allocation	CA//17/02462   Proposed 2 no. two-storey retail units together with parking, landscaping and access.	N/A	N/A	The site primarily consists of open land used for keeping horses. There are a couple of buildings including a house and some small agricultural units.	N/A	N/A	The site is accessible from the A28 (Sturry Road). This offers good access for motor vehicles, however, the local road network and entry road are congested. Bus services that stop near the site are troubled by this congestion.	Offices - £64	The site could be developed and integrated with surrounding employment uses.	The site has potential; however, is part of a designated 'green gap' between the periphery of Canterbury and the town of Sturry.	Lowering traffic on the entry road could increase productivity.	Although the site is currently vacant, it is situated in the middle of two adjoining uses, with a greenhouse nursery to the east and Mercedes garage and southern water treatment works to the west.	N/A	N/A
13	Vauxhall Road	1.4	EMP1 Allocation	N/A	There is currently work underway on the site to construct an Audi showroom that opens in early summer 2020	N/A	This site is currently being redeveloped into a new car showroom.	The site once development of the showroom is complete will be occupied 100% by an Audi dealership.	N/A	The site has good road access via Broad Oak Road and A28. A bus stop is located a short walk away from the site on the A28.	-	N/A	N/A	The site already functions well.	The site is constrained to its current parameters, however due to the site being located in a wider employment area there should be limited restrictions on the development.	For development to occur there would need to be some site remediation and mitigation to reduce flood risk and environmental impacts from the adjacent river Stour habitat.	N/A
14	University Of Kent Campus	7.1	EMP1 Allocation	N/A	N/A	N/A	The main employment use on-site is an innovation centre. There are also some guesthouses, student accommodation and open fields.	The innovation centre site is owned by the East Kent Spatial Development Company and is fully occupied.	The site is attractive to the firms that benefit from an innovation environment. Market attractiveness to other businesses will be limited.	Car access to the site is via the local road network. Businesses do not require HGVs, so the level of road accessibility is acceptable. Public transport is available via bus stops on University Road.	Offices - £160-£225	There is ample space around the current innovation centre to develop further offices and research space.	There is considerable potential for further development considering the location of the site next to the University and area of space available.	N/A	The site is not bordered by any buildings directly and the main office unit could be expanded onto the surrounding grounds.	N/A	N/A

Source: Lichfields analysis

## Existing Offices Appraisals

Office Name	Floorspace (sq.m)	Current/recent Planning Applications	Functions	Occupation	Quality	Rental Cost	Market Attractiveness	Scope to Use More Efficiently	Market Challenges	Site Barriers
Canterbury City Council	6,948	CA//13/02344   Change of use of two offices (B1) at Canterbury City Council offices to Sui Generis Class of Use 'Ambulance Community Response Post. CA//13/01257   Change of use of part of ground-floor from B1 (office) to D1 (non-residential institution). Single-storey extension to the computer centre.	The site is currently occupied by Canterbury City Council.	The office is 100% occupied by the Council and other public services.	The office is of good quality and well maintained.	£655,000 / £74 per sq.m	The market attractiveness is low considering the distance of the site from the two mainline train stations and the potential complexities of converting the office with its multiple public sector functions to be appropriate for private sector use.	The existing car park could be converted into a low-rise double-decker car park to free up space for expanding the existing offices.	There would likely be significant complexities in converting the site from a public sector office that contains multiple functions to one suitable for private sector occupiers. The office is also located a considerable distance away from the transport options and amenities of Canterbury City centre which other offices already benefit from.	The office is located within a quiet residential area.
Becket House	5,031	CA//15/02342   Demolition of the existing buildings and construction of 120 dwellings including a 5-storey apartment block with revised highway access and landscaping.	The block is used as an office.	The office is occupied by BT who use it as a call centre and central hub for communications engineers.	The block looks to be in poor condition with graffiti on the front wall.	£490,000 / £74 per sq.m	The office is in a good location. There have been several developments recently in the local area highlighting there may be some demand for offices nearby. The quality of the office could deter some occupiers from letting space.	The rear car park could be used more intensively to provide space for the main office block to be expanded.	The office may be removed from the market if it is converted into residential units.	The office is tightly surrounded by residential areas to the south, east and west and New Dover Road to the north.
Canterbury Innovation Centre	3,870	N/A	The office is owned by the East Kent Spatial Development Company and occupied by several small firms.	The office is 100% occupied.	The office is high-quality, clean and well maintained.	£5,000 per unit / £160 per sq.m	The office is in an attractive location and is near the University of Kent. It acts as a "local provision enabling access to more specialist facilities" and would be attractive to smaller firms looking for high-quality office space in Canterbury.	There looks to be some scope for expanding the existing office onto the surrounding land which is currently vacant.	The office only contains small units, so is likely not suitable for larger occupiers. The office is also 100% occupied so is unable to take on further tenants.	The office is surrounded by two roads which would not limit expanding the block onto the surrounding land.
Prospect House 1	3,427	N/A	The block is used as an office and is occupied by the Marker study Group.	The office is 100% occupied.	The office is of good quality and well maintained.	£390,000 / £109 per sq.m	The office has good road access via the A299, a large private car park and a bus stop nearby. However, "To Let" signs outside of the nearby car park entrance for other offices in the same area may indicate issues with the potential market attractiveness of the block in the future.	The office has limited scope to be used more efficiently unless the car park was redeveloped into a multi-storey car park.	The "To Let" signs outside of the main car park entrance indicate that demand for this type of office in its location may be limited.	The office is located within a wider business park (Chaucer Business Park) which has recently undergone and is currently still going through a large-scale redevelopment. The site is surrounded so the potential for expansion is limited.

Prospect House 2	3,427	N/A	The block is used as an office.	Existing occupiers are Heath Farm Foster Care and Honeywell. There is also some vacant space in the block.	The office is of good quality and well maintained.	1st floor- £38,500 / £115 per sq.m & 2nd floor £37,750/ £155 per sq.m	The office has good road access via the A299, a large private car park and a bus stop nearby. However, "To Let" signs outside of the nearby car park entrance for other offices may indicate issues with the potential market attractiveness of the block in the future.	The office has limited scope to be used more efficiently unless the car park was redeveloped into a multi-storey version.	The "To Let" signs outside of the main car park entrance indicate that demand for this type of office in its location may be limited.	The office is located within a wider business park (Chaucer Business Park) which has recently undergone and currently still going through a large-scale redevelopment. The site is surrounded so the potential for expansion is limited.
Nutwood House	2,673	N/A	The office is currently acting as a government facility for the Health Assessment Advisory Service.	The office is 100% occupied.	The office is of good quality and well maintained.	£410,000 / £118 per sq.m	The market attractiveness is low considering the distance of the office from the two mainline train stations and the potential complexities of converting the office to be suitable for private sector occupiers.	The office appears to be operating effectively for its current uses and there is limited scope to use it more efficiently.	There would likely be significant complexities in converting the site from a public sector office that contains multiple functions to one suitable for private sector occupiers. The office is also located a considerable distance away from the transport options and amenities of Canterbury City centre which other offices already benefit from.	The area that the office is in is built up and the spaces available for expansion are well-used car parks.
Rochester House	2,611	N/A	The office is currently used by the information technology department and communication facilities and services of Canterbury Christchurch University.	The site is 100% occupied, with a car park taking up most of the ground floor.	The office is of good quality and fits in well with the surrounding area. It is also well maintained with attractive planting outside.	£282,500 / £95 per sq.m	The office sits on a prominent corner of St Georges place, with many amenities closeby. However, it would require significant renovations to convert it from its current use as a University department to be suitable for private-sector office tenants.	The office is already used intensively and has little scope to be used more efficiently.	Converting the office from its current use as a University department to being suitable for private-sector office tenants could be prohibitively expensive.	The office is surrounded by two roads, residential properties and commercial properties. The potential for outward expansion is limited.
The Links/ Kent Enterprise House	2,255	CA//15/01596   Change of use of the Eddington Suite at Kent Enterprise House for use as an Ambulance Community Response Post - Sui Generis.	The Kent Enterprise House is used as a training and conference centre with meeting rooms, office space, co-working spaces and hot desk services.	The office is owned by Kent Enterprise Trust and some of the office space is let to a wealth management firm.	The office is of good quality and well maintained.	£26,250 / £115 per sq.m *there are a number of small suites with around £1,000-£4,000 rental rates	The office is in a prominent location just off the A299, with easy access from the site onto the road. Access to amenities is poor and would likely require tenants to drive to other locations in their lunch breaks.	The site where the office is located is already used efficiently and there is little scope for further efficiency gains.	The application to change part of the office into an Ambulance Response post indicates there is limited demand for office space in this location.	The office is tightly surrounded by other buildings and a cemetery.

Brook House	2,200	N/A	The office is used by Kent County Council for running its Family and Social Care Unit.	The office looks to be 100% occupied, the on-site parking spaces are not enough to cope with the overflowing cars.	The office is in good condition.	£214,000 / £86 per sq.m	The office is located on a high-profile employment site, but most of the other employment floorspace is industrial/warehousing. Road access is reasonable while public transport access is poor. The location of the office and the cost of renovating it for the private sector would likely be unattractive to the market.	There is limited to no scope to use the site more efficiently.	The cost of renovation and location of the office would likely be unattractive to private sector occupiers.	The wider employment site has been earmarked for an extension to the south of mixed-use development, which could increase scrutiny on whether the employment space is needed.
Charter House	2,106	N/A	The building is used as an office block. HMRC occupy the ground and 1st floor and SciVisum Limited Allied Healthcare occupy the 2nd floor.	The office is 75% occupied. The third floor is empty and there are "To Let" signs on the exterior of the office.	The office appears old and tired and poorly maintained. However, the external appearance fits with neighbouring buildings.	Ground and 1st floor: £113,000 / £86 per sq.m Office 1 2nd floor: £31,000 / £86 per sq.m Office 2 2nd floor: £25,000 / £86 per sq.m 3rd floor: £28,500 / £101 per sq.m	The site is in an attractive location just outside of the city centre, with a pedestrian underpass that gives quick and easy access to the centre. The site is located on the corner of a very busy roundabout which makes access by car more difficult, while the car park behind is small. Public transport access is good with several bus stops nearby and amenities immediately outside.	There is little to no scope to use the existing office more efficiently. A complete redevelopment would be required.	Other offices of a similar age around Charter House also appear to have some level of vacancy, which suggests there could be limitations to demand for this form of office.	The office is tightly surrounded by roads and a Travelodge.
39-40 St Margaret's Street	1,714	N/A	No. 39 and No. 40 are used as offices.	The office is occupied 100% by Furley Solicitors.	The office is high-quality and well maintained, with attractive plant pots on the front façade.	£124,000 / £97 per sq.m	The office is in Canterbury City centre with access to high-quality amenities and public transport links. Road access is less than optimum. The office is one of the best-quality in the City centre.	There is no scope to use the office more efficiently.	The office benefits from the amenities of Canterbury City centre and nearby small offices appear to be occupied. Therefore, if the office were to become vacant, it may be occupied again by a private sector tenant.	No. 40 is a listed building which could present challenges if attempting to renovate the offices. The office is also part of a terraced block so the potential for expansion is highly limited.
Clover House	1,700	N/A	The building is owned by East Kent Spatial Development Company and has been refurbished to provide 28 office spaces of varying size.	The site looks to be fully occupied, with a mostly full car park.	The external appearance fits in with the surrounding industrial estate and looks tired; however, the office has been internally refurbished to provide modern, good-quality offices.	The offices on the site range from £3,150 / £90 per sq.m to £7,200 / £75 per sq.m for the reception and break out area	The office is part of a wider employment area (John Wilson Business Park) which mainly includes industrial and warehousing units. However, it sits at the northern border of the site with its own private entrance and has good road access.	Access to the office could be made more efficient with greater signposting to prevent visitors from entering the main employment site searching for the office block. The office itself and surrounding car park have little scope for further efficiency gains.	The neighbouring office is fully occupied, suggesting demand may exist locally.	There is limited room for further development of the office block.
Hall Place	1,672	N/A	The office is	The office is fully	The office looks	£141,000 / £91	The office is located within a	The nearby fields could be	The office is out of town and	The office is in the

			currently used by Canterbury Christchurch University.	occupied by the University.	to be of good quality and well maintained by the University.	per sq.m	rural area around 1.8km from the City of Canterbury. The site has good access with the A2050 road. However, driving up the road, the site is not prominent and is easy to miss. Also, the site is lacking in nearby services and public transport.	utilised to increase the size of the office.	only easily accessible by car and has limited access to public transport and amenities. It is unlikely the office would enter the open market unless the University were to vacate the premises.	Harbledown Conservation Area and Area of High Landscape Value. Further development at the office and the site next door raises concerns regarding potential impacts on ecology, landscape and the value of land as a green space separating the settlement of Harbledown from Canterbury.
Radio House John Wilson Business Park	1,614	CA/20/00272   Partial change of use of ground floor from offices to dentist surgery.	The site was previously used as a radio station by Heart FM and is now used as an office.	The office is occupied by Capita.	The external appearance fits in with the surrounding industrial estate and looks tired; however, the office has been internally refurbished to provide modern, good-quality offices.	Capita Hartshead Radio House: £87,000 / £69.56 per sq.m Invicta FM Radio House: £43,000 / £75 per sq.m	The office is part of a wider employment area (John Wilson Business Park) which mainly includes industrial and warehousing units. However, it sits at the northern border of the site with its own private entrance and has good road access.	Access to the office could be made more efficient with greater signposting to prevent visitors from entering the main employment site searching for the office block. The office itself and surrounding car park have little scope for further efficiency gains.	The office is fully let and the neighbouring unit has recently been renovated, so some demand for offices may exist in this location.	The limited room for further development of the office block would be the main site barrier.
Northgate House	1,421	N/A	The office is currently occupied by Job Centre.	The site looks to be operating at around 50% occupancy.	The site is of poor-quality and looks tired from the outside.	£126,000 / £86 per sq.m	The office is in a residential area outside of Canterbury City centre. Amenities are available with a Sainsburys located just across the road; however, the office is poor-quality and would likely be unattractive for occupiers looking for reasonable quality office space.	The office does not appear to be fully occupied, so has considerable potential for better use.	Large amounts of new residential development and recent conversions of other commercial premises to residential uses suggests demand may be low for this type of premises in this location.	The office is one of the largest blocks in the area, however, potential for expansion is limited because of the adjacent carriageway and buildings.
Offices at Homestead Farm	1,381	CA//18/01330   Proposed extension to existing office building.	The office is linked to some storage space.	The office is occupied by Halsion, an electrical engineering firm.	The office is good quality and well maintained.	£83,500 / £91 per sq.m	The office is good quality; however, the rural location make it only suitable for tenants specifically looking for a rural office.	The office could be made more visible as it is difficult to find from surrounding roads.	The main challenges facing the site are that it is rural and could face difficulty in attracting future occupiers, however, presently the site is being used effectively.	There is a small amount of residential housing adjacent to the site, however, there is enough vacant room to allow for some further development.
4-9 Burgate Lane	1,273	N/A	The office is used as an	It is 100% occupied by the	The office is good quality,	£117,000 / £97 per sq.m	The office is in an attractive location at the edge of	There is limited scope to use the site more efficiently unless	The office is one of the higher-quality blocks in the City centre.	There is little room for further expansion



			education facility.	London Institute of Banking and Finance.	with newly refurbished windows. Additionally, it looks better quality than the surrounding buildings.		Canterbury City centre inside of the Old Wall. It is situated on a quiet road just off the locally important Lower Bridge Street. It benefits from the services of the City centre as well as public transport nodes. However, there appears to be no private parking.	there was a change of use from education to commercial.	However, it is already busy and operating well and is unlikely to be made available for occupation by private sector tenants.	due to its location. Additionally, it is very close to the Cathedral and the Old Wall so there may be barriers associated with these heritage assets.
Delandale House	1,252	N/A	The site is formed of a small office block around the front, with a larger modern facility behind.	The small office block is 100% occupied by Wilkins Kennedy and the larger building is occupied by NatWest.	The offices at the back are modern and good quality. The small street-facing offices also appear good quality and well maintained.	Delandale House: £23,250 / £107 per sq.m	The site is in an attractive location just outside of the City centre and Old Wall, thereby, benefitting from high-quality amenities. It also benefits from good road access being near to the A28 and has a private gated car park.	There is limited to no scope to use the site more efficiently.	The access roads are narrow and heavily congested.	There is limited room for future growth due to the tightly packed adjacent buildings.
12-17 Upper Bridge Street	1,120	N/A	The block currently contains a mixed-use retail space and a wellbeing centre on the ground floor and offices in the floors above.	The office space and business centre are not fully occupied, operating at around 60% occupancy at most.	The building looks tired and of poor-quality.	The offices on the site range from: £1,225 / £175 per sq.m to £7,800 / £86 per sq.m	The site is in an attractive location that is just outside of the City centre and the Old Wall. There is a large shared car park behind that offers off-street parking while the site enjoys the services associated with the City centre and the public transport as well.	The site could be redeveloped in order to achieve closer to 100% occupancy rates.	The change of use on the ground floor from offices to another and the low occupancy rate of the remaining floors suggest that the office might be better used for another purpose.	The site is situated adjacent to Canterbury Fire Station and is also located opposite the Old Wall; therefore, there may be restrictions as to the level of development that may be able to occur on the site.
Orchard House	1,083	N/A	The site is currently used as a private office and employment park.	The site is operating at 83% capacity with one of the six units currently unoccupied. The existing units are occupied by Porchlight, Pilgrims English Language Courses, Road Scholar, Shearwater Systems Ltd and Diffusion Recruitment Ltd.	The site looks of good quality with security gates and a drive that leads onto Orchard Street.	The six different suites: Suite 1A £13,500 / £115 per sq.m Suite 1C £16,500 / £105 per sq.m Suite 3 £27,750 / £98 per sq.m Suite 4 £27,000 / £98.4 per sq.m Suite 2 £32,500 / £98 per sq.m Suite 2a £15,000 / £105 per sq.m	The site is located just outside of the Canterbury Old Wall and is within a walking distance of the high-quality amenities and public transport options of Canterbury City centre. Parking is also plentiful, and the offices are also some of the limited number of high-quality units in the City centre.	There is limited to no scope to use the site more efficiently when fully occupied.	The site is in a residential area; however, it offers offices with private parking outside of the town centre while remaining close enough to access the businesses and amenities that are located there.	The site would have very limited room for expansion as it is surrounded by residential dwellings to the north, east and west while to the south the train track encloses the site fully.

Source: Lichfields analysis



## **Appendix 4 Experian Data Guide**

# Data Guide

UK Regional Planning Service  
September 2019



Our main subscription website:

<https://analyticsondemand.experian.co.uk/>



# Executive summary

This document outlines the current variable coverage in the September 2019 version of the UK Regional Planning Service, and the methodology behind the history and forecast.

[Appendix A](#) includes a glossary of terms.

[Appendix B](#) includes our definitions of the sectors.

[Appendix C](#) has the geography definitions.

[Appendix D](#) contains the most common Frequently Asked Questions

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# 1 Variable Coverage

To avoid implying spurious accuracy, we now round all county and local series to the nearest tenth of a unit. This means that people or job counts are now to the nearest 100 people or jobs and money counts are to the nearest £100,000, and rates are now to the nearest 0.1 percentage points. Forecasts for series with very small levels may appear to be very volatile when growth rates are considered. We, therefore, recommend viewing series with small values in levels not growth rates or considering growth rates over longer intervals than annually. Very small levels have been set to zero as they are essentially statistical artefacts.

**Figure 1.1: Variable coverage in the RPS**

- ✓ indicates that the variable is available in both the search query tool and the xls files.
- Xls indicates that the variable is available in the xls but not the search query tool.
- UK monthly forecast indicates that the variable is not produced as part of the RPS but can be found in the monthly UK macro forecast on our website.

Variable	UK	Region	County & Local Authority
<b>PRODUCTION</b>			
GDP	UK monthly forecast		
GDP by component of demand	UK monthly forecast		
Gross Value Added	✓	✓	✓
GVA by sectors	✓	✓	✓
<b>LABOUR MARKET</b>			
Employees by sector	✓	✓	✓
Self-employed by sector	✓	✓	✓
Government Trainees by sector	xls	xls	Upon request
Her Majesties Forces Total	xls	xls	Upon request
FTE Employment by sector	✓	✓	✓
Total ILO Employment – Residence based & Workplace based	✓	✓	✓
ILO Unemployment	✓	✓	✓
Unemployment rate	✓	✓	✓
Labour Force	xls	xls	Upon request
Activity Rate	xls	xls	Upon request
Inactivity Rate	xls	xls	Upon request
<b>DEMOGRAPHICS</b>			
Population: Total, Adult (16+)	✓	✓	✓
Age bands: 0-15, State Working age, State retirement 16-64, 65+	✓	✓	✓
Population by single or 5 year age band	Upon request	Upon request	Upon request
<b>HOUSEHOLDS</b>			
Nominal disposable Income	✓	✓	✓
Real disposable income	✓	✓	✓
Nominal income by component	xls	xls	Upon request
Nominal consumer spending	✓	✓	✓
Real consumer spending	✓	✓	✓
Consumer spending by COICOP category	Upon request	Upon request	
Cost of Living Index	✓	✓	
House price Index	✓	✓	Upon request
Hours worked	Upon request	Upon request	Upon request

Please note we are no longer publishing Claimant Count for Regional and Local Areas. This is due to the fact that complete data are no longer available due to the shift to Universal Credit.

## 2 Historical End-points

**Figure 1.2: Last historic data point**

Variable	UK*	Region	County & Local Authority
Gross Value Added	2019q2	2017q4	2017q4
GVA by sectors	2019q2	2017q4	2017q4
Labour market variables	2019q1	2019q1	2018q3
Income	2019q1	2017q4	2016q4
Consumer spending	2019q2	2018q4	2016q4

The historical end-point represents the last period in time for which we apply our processes to collect, calculate or derive data, details of which can be found in chapter 3: Methodology. All time-periods that are in the past but follow the historical end-point are Experian Economics' estimates.

We have not used any regional data published after July 2019 in producing this update of the RPS. It is possible that between this date and the release of the RPS some new history may have been released and/or revised.

### **Population**

The population data provided are the Office for National Statistics (ONS) 2016 mid-year estimates for 1997-2016. For England, Scotland and Wales, the 2016-based national population projections are used while 2016-based sub-national population projections for England and Scotland have been used for the first time. Sub-national projections for Wales remain 2014-based. Further information on population changes is available in [section 4](#).

### **UK forecast**

This forecast is consistent with an Experian Economics' August 2019 macroeconomic forecast which includes GVA for 2019q2 We explore this further in [section 4](#).

### **Geographic boundaries**

As communicated in previous data guides, we publish data on post-2009 local authority boundaries.

With the ONS gradually phasing out the publication of data on the pre-2009 local authority boundaries, it had become increasingly less credible for Experian to publish up-to-date historical data on these definitions. The table below shows those local authorities which no longer exist as individual entities (2<sup>nd</sup> column) and the name of the new local authority that has been created by their merger.

<b>Region</b>	<b>Disbanded local authorities</b>	<b>Merged to form:</b>
<i>North East</i>	Chester-le-Street, Derwentside, Durham, Easington, Sedgefield, Teesdale, Wear Valley	County Durham
	Alnwick, Berwick-upon-Tweed, Blyth Valley, Castle Morpeth, Tynedale, Wansbeck	Northumberland
<i>North West</i>	Congleton, Crewe & Nantwich, Macclesfield	Cheshire East
	Chester, Ellesmere Port & Neston, Vale Royal	Cheshire West & Chester
<i>West Midlands</i>	Bridgnorth, North Shropshire, Oswestry, Shrewsbury & Atcham, South Shropshire	Shropshire
<i>East of England:</i>	Mid Bedfordshire, South Bedfordshire	Central Bedfordshire
<i>South West</i>	Caradon, Carrick, Kerrier North Cornwall, Penwith, Restormel	Cornwall
	Kennet, North Wiltshire, Salisbury, West Wiltshire	Wiltshire



# 3 Methodology

## 3.1 UK Methodology

The approach for the regional planning service takes the UK variables as exogenous, imposed from the monthly UK forecast.

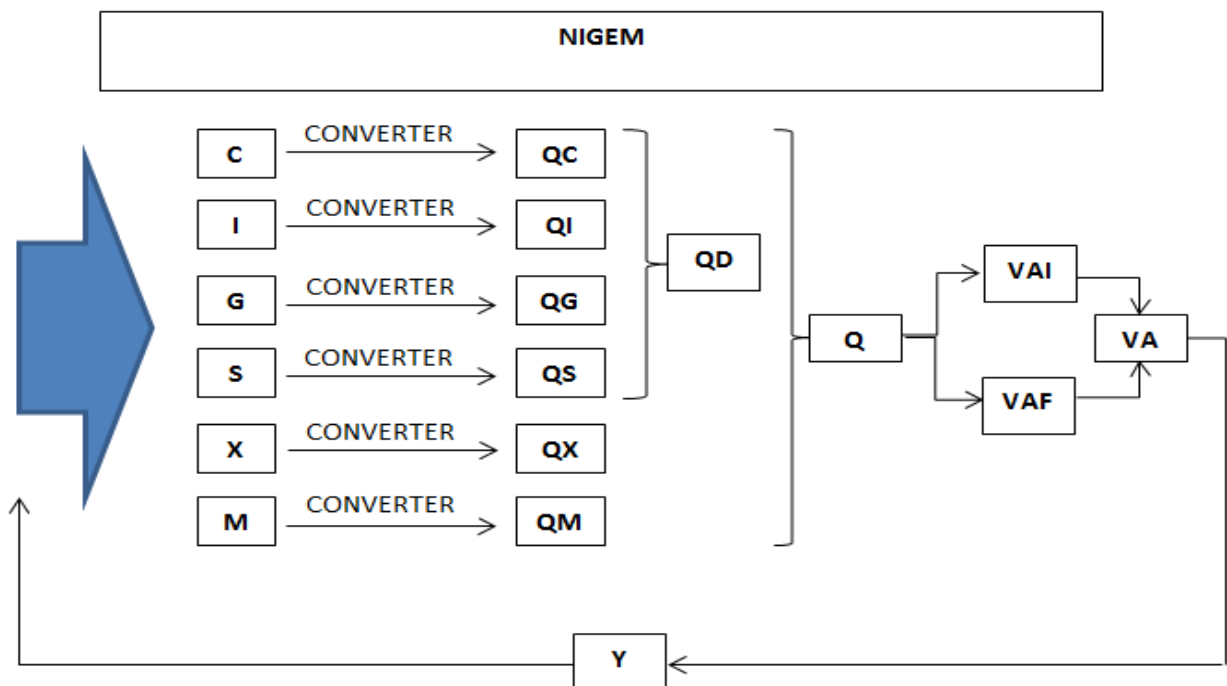
To produce the UK forecast we use a heavily customised version of the National Institute of Social & Economic Research's (NISER) model called NIGEM to provide our core macroeconomic forecast.

NIGEM is a general equilibrium model of the UK and World economy which forecasts, amongst other variables, aggregate GVA, expenditure, income and employment based on the UK National Accounts published by the Office of National Statistics.

To split this core forecast out into industries and sub-sectors we have a Sectoral Model which expands on the forecasts from the core NIGEM model.

We disaggregate total consumption (C), investment (I), government spending (G), stocks (S), exports (X) and imports (M) from NIGEM to a finer level of detail. This provides a highly detailed model of demand (Q) for industry GVA in the UK economy. Using converters derived from the ONS Supply and Use Tables, we convert demand into intermediate (VAI) and final (VAF) value added for each sector. This provides a comprehensive view of how value added is distributed across sectors. The growth rate of total value added (VA) for each industry determines its GVA (Y) growth rate. GVA is constrained in order to forecast total GVA from NIGEM. This Input-Output based model is iterative and captures intra-industry demand.

The industry GVA forecast is used together with wage forecasts to forecast employment by sector (E).



## 3.2 Regional methodology

### 3.2.1 History

All economic history used in the RPS is derived from official statistics published by the UK's Office for National Statistics (ONS). Our approach is to use existing statistics in the form they are published to the greatest extent possible. However, this is subject to the following exceptions:

- where there is a lag between an update of aggregate data and the corresponding disaggregation, the disaggregate data is constrained to match the latest aggregates;
- where ONS data is not published at quarterly frequency (for instance it is only annual data), we use a consistent methodology (described below) to construct quarterly data;
- where ONS data is not published at the geography required or in the detail required, we use a consistent methodology to add the necessary data, ensuring that it constrains to published data at a higher level of geography or detail;
- on occasion, where ONS data is internally inconsistent we apply techniques to remove these inconsistencies.

The most timely and reliable data at the regional level is the workforce jobs series, published on a quarterly frequency by the ONS. There have been revisions to estimates of Workforce Jobs going back several years caused by benchmarking to the latest estimates from the annual Business Register and Employment Survey (BRES), updating seasonal factors and taking on board late information.

Employee jobs, self-employed jobs and government trainees are published at the level of the SIC 2007 Section providing us with 22 sectors.<sup>1</sup> In order to disaggregate this Section-level data to 2-digit sectors from which we can construct the Experian 38 sectors we use official survey data:

- In the case of employee jobs, we use the Annual Business Inquiry (ABI) and Business Register & Employment Survey (BRES). These are annual surveys which are not updated after being published – further the methodology has changed over the lifetime of these surveys. We apply a principled set of rules to derive consistent employee job shares within the Sections from the surveys.
- The March 2019 RPS saw the inclusion of the 2017 BRES, which provides data up to 2017. Pre-2010 we have made a working-owners adjustment, based on an overlapping year published by NOMIS in February 2013, in line with their recommended techniques for dealing with discontinuities.
- In the case of self-employed jobs, we use data from the Labour Force Survey (LFS).

Workforce jobs is the sum of employee jobs, self-employed jobs, government trainees and Her Majesty's Forces (who are assigned at the sector level to Public Administration and Defence).

To estimate full-time equivalent employment (FTE), we use data on hours worked in each sector and region derived from the Annual Survey of Hours and Earnings (ASHE). ASHE is also used to derive wage data for each region and sector.<sup>2</sup> We also use, for this purpose, compensation of employee data from the regional accounts.

GVA measured on the income basis is published in the regional accounts at an annual frequency in current prices. Total GVA and GVA by industry lag the latest complete year by 12 months. With the

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<sup>1</sup> The ONS has ceased publishing official 2-digit employee jobs data for the regions. The approach we have taken is consistent with the approach recommended by the ONS to derive 2-digit estimates.

<sup>2</sup> We do not routinely publish sector level wage forecasts; however, it is available on request.

exception of manufacturing, the industry detail is only at the section level. Beginning with the December 2013 Regional Accounts (which were first incorporated in the March 2014 RPS), manufacturing GVA is available at the sub-section level. To construct the Chain Volume Measure data we follow these steps:

- the data is disaggregated and made quarterly using workforce jobs data;
- the data is deflated at the industry level using the UK deflators for the industries;
- the data is aggregated to produce a regional total – this implicitly creates a regional deflator by taking into account the different weightings of industries within a region.

Income is published in the regional accounts on an annual basis with a full breakdown of income sources and deductions. Previously official sources included income from Non-Profit Institutions Serving Households (NPISH) in the household income data due to lack of credible information to split these. But more recently, the ONS has improved their data accuracy by providing income data that is 'households' only, which we have used, thereby excluding NPISH from our income estimates, in the March 2019 vintage.

Income sources are:

- compensation of employees: wages and salaries *plus* employers' social contributions
- self-employment income
- Net Property Income: made up of property income received *less* income paid
- transfers from the State (i.e. benefits and pensions)
- other Transfers

Income deductions are:

- taxes
- social contributions
- transfers to others

The sum of income sources *less* income deductions constitutes disposable income. To convert this annual data to quarterly jobs we use (depending on the component) employee jobs, self-employee jobs or the UK quarterly pattern. We constrain these quarterly series to the official UK published data. Real disposable income is obtained by deflating disposable income by the consumer price deflator.

Household spending is derived by sharing out UK nominal expenditure using regional shares of expenditure reported in the Living Costs and Food Survey by type of expenditure. Nominal regional spending is deflated by published UK deflators and then aggregated to produce a regional total. This again implicitly creates a regional cost of living measure which we also publish.

Sub-national population projections are obtained from the ONS, based on the 2016 sub-national projections for England and Scotland while Wales remains 2014-based. These are spliced onto the 2016 mid-year estimates and constrained to the latest national 2016-based projections.

Our working-age definition incorporates all announced future changes in the state pension age:

- The state pension age for women is rising from 60 to 65, equal with males. Both will then rise, in step, to 67 in our current forecast period.
- Female state retirement age began to increase from 60 in April 2012, reaching 65 by 2018q4.
- From April 2019, both men and women will see their state retirement age rise from 65 to 66, with men reaching 66 by April 2020, and women a few months later in October 2020.
- The move from 66 to 67 is scheduled from April 2026 until April 2028 for both men and women.

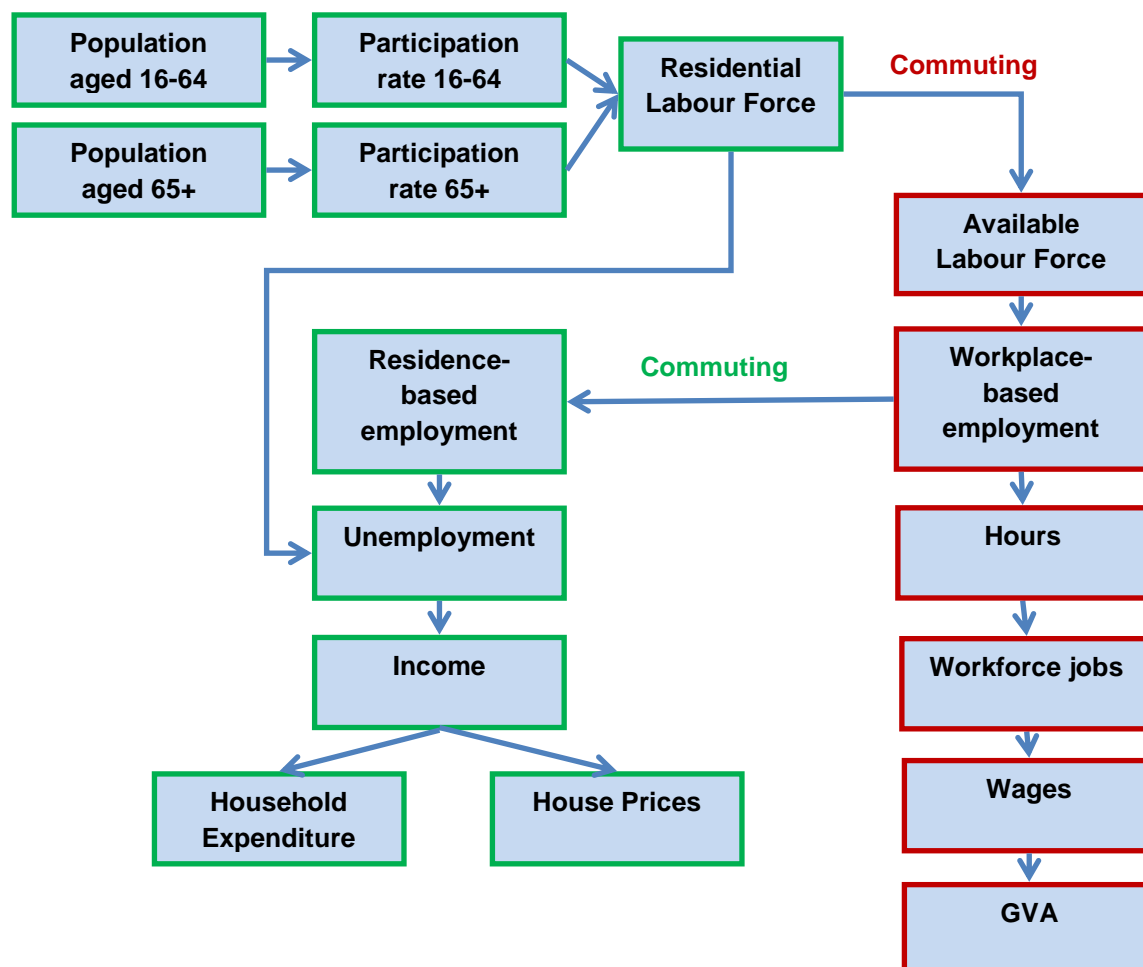
The 2013 Autumn Statement stated that the rise in state pension age to 68 would be moved forward from 2046 to the mid-2030's. However, with no firm date, we have not yet incorporated this into our working age and state retirement age definitions.

Under the current law, the State Pension age is due to increase to 68 between 2044 and 2046. Following a recent review, however, the government announced plans to bring this timetable forward. The State Pension age is now set to increase to 68 between 2037 and 2039. The policy change was announced as of July 2017

We publish the following breakdown of population: school age (ages 0-15), state working age, state retirement age, adult population (16 and over) and total. Beginning in the March 2015 RPS, we also publish both the population aged 16-64 and 65 and over. Although their respective participation rates are not published, they can be derived. Our overall participation rate is based on a ratio of the total labour force to the entire adult population (not only the working age population).

### 3.2.2 Forecast

The regional model is sequential. Each variable is dependent only on variables earlier in the sequence and not variables later in the sequence. Variables are either workplace-based (red outlined boxes) or residence-based (green-outlined boxes.) Workplace-based and residence-based variables are linked by commuting relationships derived from the 2011 Census.



The population – split into two age ranges – is taken from the National and Sub-National Population Projections. We forecast participation rates for these age bands separately as they are subject to different trends. The total residential labour force is the sum of the labour force aged 16-64 and 65-plus. The aggregate participation rate is determined by two factors:

- The participation rate of the two age bands; and
- The share of each of the two age bands in the adult population.

The participation rate for those aged 16-64 is expected to remain relatively stable throughout the forecasting period. However, the rate for those aged 65 and over will grow strongly due to factors such as increasing life expectancy and rising state pension ages.

At the UK level, the share of the adult population aged 65 and over is projected to rise sharply over the next twenty years. There is, however, considerable variation at the regional level. Greater London – the youngest region in the UK – is projected to have a stable share.

These factors combine to produce substantial variation in the labour force forecasts for different regions.

Commuting flows are used to derive the available labour force for a region. This is:

**Workers Resident in the Region – Workers Commuting Out + Workers Commuting In**

In the case of Greater London, the South East and the East of England, these flows lead to a substantial difference between the residential labour force and the available labour force. The effect is still present but less pronounced in other regions.

The available labour force is one of the drivers in forecasting workplace-based employment. The other drivers include the industry mix and the performance of industries at the UK level. If industries with a high share in the region are performing well at the UK level, this will benefit the region.

The workplace-based employment is converted back into residence-based employment. This is:

**Workplace-based Employment – Workers Living Elsewhere + Residents Working Elsewhere**

From this point, residence and workplace-based variables are solved in parallel with residence-based variables dependent on residence-based employment and workplace-based variables dependent on workplace-based employment.

The residential labour force and residence-based employment are used to calculate unemployment. Residential income is driven by employment; and itself drives house price and household expenditure forecasts.

Workplace-based employment drives aggregate hours worked, wages and GVA. These aggregate variables feed into the detailed part of the model, which produces forecasts for each industry:



In each case, we forecast shares of the region within the UK industry. We then share out the UK industry data subject to the constraint of the total that has already been determined and the UK total.

### 3.3 Local methodology

#### 3.3.1 History

As at the regional level, all local economic history used in the RPS is derived from official statistics published by the ONS. Our approach to using this data is identical to that given above at 3.2.1. However, data at the local level is more likely to be incomplete<sup>1</sup> or inconsistent<sup>2</sup> than is the case at the regional level. For this reason, there is greater call for the application of techniques to construct missing data and to remove inconsistencies than is the case at the regional level.

In all cases, local area data in a particular region is constrained to match the regional total for the same variable. This has two particular advantages:

- Local data is made consistent with regional data of the same vintage.
- Where local data has been estimated or constructed, the regional data ensure that the estimates together are consistent with more reliable data.

The ONS do not publish a workforce jobs series at the local level. Accordingly, we construct workforce jobs series for each local area using BRES/ABI in the same way that BRES is used at the regional level to disaggregate section estimates. The BRES share for a particular industry of a local area in its parent region is used to disaggregate the regional workforce jobs series for that industry. As BRES is a survey, the figures over time for a particular local area industry combination can be volatile<sup>3</sup>. Further, certain years' results may be withheld to prevent disclosure of confidential data. Accordingly, to obtain sensible data it is necessary for us to smooth out this volatility and to interpolate over the gaps.

At the local level, the most timely and comprehensive data are Annual Population Survey (APS) for residence and workplace-based employment and unemployment data<sup>4</sup>. These data are obtained directly from NOMIS and then constrained to the national numbers.

In September 2015, we re-visited the relationship between local workforce jobs and workplace-based employment. The local workforce jobs (which make use of BRES shares) was benchmarked to the ILO

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<sup>1</sup> For some local areas, publication of certain data by the ONS is restricted because to do so would effectively disclose individual responses to ONS data-collection surveys (e.g. if there are only one or two firms in a certain industry in a particular locality.)

<sup>2</sup> In some cases, sample sizes in ONS data-collection surveys at the local level are very small. This leads to data of comparatively poor quality and relatively high volatility.

<sup>3</sup> The volatility represents sampling variability rather than actual volatility in the population data.

<sup>4</sup> In line with ONS guidelines, we use the official model-based estimates of local unemployment that are more accurate than survey data which suffers from volatility.

workplace-based employment which itself has first been benchmarked to the Census 2011 point with the pattern in years either side preserved.

Regional accounts data is provided at sub-regional level for both GVA and income as it is at the regional level. The same methods are used at the local level as at the regional level to process these data. However, sub-regional data is only published for NUTS2 and NUTS3. Since not all local authorities constitute a NUTS3, it is necessary to disaggregate these data to local level. Further, the data provided at NUTS3 are less comprehensive than those provided at NUTS2<sup>1</sup>. We make use of this NUTS2 data by constraining our disaggregated NUTS3 estimates to their parent NUTS2. We then disaggregate these constrained NUTS3 data to local data<sup>3</sup>.

In the case of GVA, the data provided at NUTS2 is at the section level with sub-sectional data for manufacturing. For NUTS3, several sections are aggregated. In particular, there is less detail in the service sectors. Disaggregation (of industrial data and from NUTS3 to local data) takes place using workforce jobs data at the industry level. Please note that in the latest December 2018 release of regional accounts, the boundary definitions were revised for Scotland, at NUTS2 level for GVA, which also led to changes in the NUTS3 groupings that add to NUTS2. This re-grouping in the official statistics led to revisions in the GVA estimates for the local authorities in Scotland in the March 2019 vintage.

In the case of Income (which is now households only<sup>2</sup>), the data provided at NUTS2 has the same level of detail as at the regional level. For NUTS3, the ONS has previously only released data at the primary and secondary level. They have now produced the full breakdown of income, which we have included since our September 2015 RPS. Disaggregation from NUTS3 to local level takes place using employee jobs, self-employed jobs, unemployment or population.

No estimates of household spending are provided at the local level. Household spending is, therefore, derived by using the share of local disposable income in regional disposable income.

Since June 2016, we have applied a moving average procedure to smooth the Annual Population Survey data which has resulted in revisions to our historical data.

We have not used any local data published after June 2019 in producing this update of the RPS. It is possible that between this date and the release of the RPS some new history may have been released and/or revised.

### 3.3.2 Forecast

The local authority model is run separately for the local authorities in each region and takes the regional forecast as given. Accordingly, as with local history, local forecasts are constrained to the regional forecasts of the parent region.

Our local model is based on the resolution of demand and supply for labour and it takes into account commuting between local areas within a region and across the regional boundary. The properties of the model are these:

- When unemployment is low, labour supply growth is the key determinant of growth.
- When unemployment is high, growth in demand for labour is the key determinant of growth.
- As unemployment decreases,

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<sup>1</sup> NUTS2 is provided at the same level of detail as NUTS1 (i.e. regional) level.

<sup>2</sup> i.e. excludes NPISH in the March 2019 vintage as ONS now provides more accurate income data by 'households' only at regional and local level

- Labour supply growth becomes relatively more important
  - Growth in demand for labour becomes relatively less important
- An area's workplace employment growth depends on labour supply not only in the area but also
  - Labour supply growth in other local areas in the region from which it has historically drawn inward commuters.
  - Its historic share of incoming workers across the regional boundary.
- An area's residence based employment growth depends on demand for labour not only in the area but also
  - Growth in demand for labour in other local areas in the region to which it has historically supplied commuters.
  - Its historic share of outgoing workers commuting across the regional boundary.
- Workplace based employment drives GVA growth.
- Residence based employment drives Income and, accordingly, spending growth.

The starting point is an estimate of the growth in the participation rate of those aged 16-64 and 65-plus in a local area. These are used to derive labour force growth.

In parallel, demand for labour is estimated. This is done at the industry level by linking job growth<sup>1</sup> in a local area to growth in the same industry at the regional level and then constraining demand for jobs by industry to demand for jobs for the same industry at the regional level. The effect of this is:

- Demand for jobs at the local level is fastest in those industries which are performing best at the regional level.
- Total demand for jobs at the local level depends on its industrial structure. Those local areas which have a more than proportionate share of the best performing industries will perform best overall.

The supply and demand for labour is then resolved in the following way:

- Total demand<sup>2</sup> for jobs for each local area is converted into demand for workers according to the historic ratio between jobs and workers into that local area.
- The inflow and outflow of workers across the regional boundary is shared out between local areas according to their historic commuting patterns leading to an adjustment in
  - The remaining demand for labour for a local area (*inflow*)
  - The remaining available labour for a local area (*outflow*)
- Workplace demands for workers are converted into residence-based demands according to historic commuting patterns.
  - If unemployment is sufficiently high, these demands are satisfied out of the growth in the labour supply and the pool of available (unemployed) workers.
  - If unemployment is sufficiently low, these demands can only be satisfied out of the growth in the labour supply.
  - If unemployment is above its lower bound but not too high, a proportion of demands are satisfied out of the pool of available workers and the rest are satisfied out of the growth in the labour supply.
  - The model makes short-term adjustments in the labour supply in response to demand conditions to reflect the economic reality that
    - When demand is high, the participation rate rises as potential workers are drawn into the labour force by the relatively buoyant conditions;
    - When demand is low, the participation rate declines as disillusioned workers leave the labour force because of the poor job market conditions;

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<sup>1</sup> Separately for employee jobs, self-employee jobs, government trainee jobs and Her Majesty's Forces.

<sup>2</sup> i.e. all industries and job types aggregated.



- The unemployment rate, accordingly, behaves as expected.
- The satisfied residence supply for labour is converted back into workplace demands and workplace-based employment is calculated for each local area. This is then converted back into jobs and used to produce final workforce jobs estimates for each local area.

The consequence of this is that:

- Local areas with high demand may not see all of that demand satisfied if there is insufficient available labour supply to meet those needs. Jobs growth will, accordingly, be slower.
- Local areas with high labour supply may not see higher growth in residence employment if there is insufficient demand for labour to use it up.

GVA growth is then forecast based on growth in workplace-based employment according to equations, which link GVA growth to workplace-based employment. Income is forecast by component based on residence-based employment (in the case of compensation for employees or self-employment), unemployment (in the case of benefits) and population in any other case. Spending depends on income by component.

## 4 Key changes since June 2019 RPS

### 4.1 UK forecast

The September RPS forecast is consistent with the August 2019 UK macro forecast.

The initial Brexit departure date of March 29 came and went, and the UK remains in the EU. The EU has granted the UK an extension to the deadline, out to October 31. The prevailing balance of sentiment in Parliament had diminished the chances of a no-deal Brexit, but no-deal is now firmly back on the table. Prime minister Johnson has explicitly committed himself to a no-deal Brexit should a deal not be ready by Halloween. In the meantime, deteriorating business investment, and negative consumer confidence are stifling output growth.

Our central case sees GDP grow by 1.1% this year, a slight downgrade compared to the June RPS forecast. Economic activity slowed more than expected in the second quarter, declining by 0.2% (q-on-q). The biggest drag on overall growth came from declining output in the production sector, which fell by 1.4%. This was driven by a sharp contraction in manufacturing output, signalling continued volatility throughout the first half of this year. In contrast, private consumption and government consumption both continued to contribute positively to GDP growth, adding 0.3% and 0.1% respectively. Strengthening consumer spending coincides with a recovery in real incomes, though the outlook remains challenging. Inflation has dropped markedly over the past year, but rose slightly in July to 2.1%. Furthermore, consumer credit growth continues to slow and the scope to erode savings further is minimal.

Brexit related uncertainty is hurting the UK economy, with output growth anticipated to average 1.5% per year in the 2019-2022 period. Weaker growth is attributable both to a deterioration in business investment, and consumer confidence. If the UK crashes out of the EU with a no-deal, the slowdown is anticipated to be much more marked. A renewed depreciation in sterling, rising inflation and uptick in the unemployment rate would likely act as a substantial drag on output growth.

**September 2019 RPS forecast. Previous forecast (May 2019 macro = June 2019 RPS) in brackets.**

UK	2017	2018	2019	2020	2020-2026	2027-2038
GDP growth	1.8% (1.8%)	1.4% (1.4%)	1.1% (1.5%)	1.2% (1.4%)	1.8% (1.7%)	1.7% (1.7%)
Workforce growth	1.0% (1%)	0.6% (0.6%)	1.3% (1%)	0.5% (0.6%)	0.6% (0.6%)	0.5% (0.5%)
Jobs						
Unemployment rate	4.4% (4.4%)	4.1% (4.1%)	3.9% (3.9%)	4.0% (4.1%)	3.8% (3.9%)	3.9% (4%)
Real Income growth	0.5% (0.5%)	2.2% (2.2%)	1.9% (1.6%)	0.6% (0.7%)	1.6% (1.6%)	1.9% (1.9%)
Spending Volumes growth	2.1% (2.1%)	1.7% (1.7%)	1.7% (1.6%)	1.4% (1.5%)	1.8% (1.8%)	1.8% (1.8%)
House price growth	4.6% (4.6%)	3.5% (3.5%)	2.2% (2.2%)	3.0% (3%)	3.8% (3.8%)	4.0% (4%)

## UK Outlook

The following was the outlook in August, consistent with the regional forecast. Our UK macro view is updated monthly and can be found on our website:

<https://analyticsondemand.experian.co.uk/discover/economics/uk-economic-forecasts/>

The latest figures released by the Office for National Statistics (ONS) showed that UK GDP declined by an estimated 0.2% (q on q) in the second quarter of 2019, having grown by 0.5% in the first quarter of the year. When compared with the same quarter a year ago, UK GDP increased by 1.2% in Quarter 2 2019; down from 1.8% in 2019Q1.

The dominant services sector output provided the only positive contribution to GDP growth, albeit with expansion slowing to 0.1% in 2019Q2. This largely stemmed from information and communication activity (contributing 0.14%), with a marked slowdown in wholesale and retail trade (contributing 0.03%) compared with the previous quarter. Business investment component posted its first rise in four quarters, at a revised 0.4%.

Consumer spending growth accelerated to 0.3%, up from 0.7% in 2019q1, with retail sales volumes increasing by 0.5 %, underpinned by stronger than expected online sales.

Job creation in the UK picked up notably in the three months to June 2019. The employment rate was estimated at 76.1%, higher than a year earlier but fractionally down on the preceding quarter. The unemployment rate edged back up, following six consecutive periods of contraction. Although declining for a sixth consecutive period, job vacancies remain high compared to their historic average, at 820,000. Comparing April 2019 June 2019 with a year earlier, pay for employees in Great Britain increased by 3.7% including bonuses and 3.9% excluding bonuses.

The latest release for retail sales by the Office for National Statistics (ONS) showed that volumes for July increased by 0.2% month on month, following a 1% rise in June. Bolstered by favourable labour market conditions, consumer confidence continues to show some resilience in the face of mounting uncertainty, albeit at a notably slowing rate.

## Key risks

EU and global trade expansion has faltered in recent months. If the outlook weakens the UK will be unable to capitalise fully on what remains an historically weak exchange rate. Renewed tensions in the trade war between China and the USA are particularly concerning. Chinese annual output growth eased to 6.2% in 2019Q2, the slowest pace since records began, in 1992, prompting fears of a global economic slowdown.

Real household incomes have recovered markedly over the past year. However, the favourable movements in inflation and pay growth have flattened out in recent months. If the most recent move downwards in income growth persists, consumer confidence and spending will suffer, renewing the strain on output gains in the consumer facing services industries.

A renewed depreciation of sterling, and an associated rise in import costs represents a key downside risk to real income growth, particularly given the impact of Brexit uncertainty on the exchange rate.

In the mid to long term, the UK's economic fortunes will largely be shaped by the final terms of the Brexit deal. The impact on external trade, foreign direct investment and migration flows are of particular importance as these influence the UK's long-term economic growth potential via labour supply and

productivity. There will be a trade-off between market access and control over EU migration, so there is a real risk that the UK will have to accept significantly less favourable terms of access, which could undermine prospects for trade and investment. No adjustments have been made to the underlying population projections in our base case, but downside risks clearly exist on this front from a potential slowdown in EU migration.

## 4.2 Regional Forecast

We have not used any regional data published after July 16<sup>th</sup>, 2019 in producing this update of the RPS. It is possible that between this date and the release of the RPS, some new history may have been released and/or revised. In addition to changes to the UK history to which our regional data is constrained, changes to the regional history can be traced back to the following new quarterly data (June 2019 RPS endpoint in brackets):

- Regional Workforce Jobs 2019q1 (previously 2018q3)
- ILO data for 2019q1 (previously 2018q3)

*September 2019 RPS forecast. Previous forecast (June 2019 RPS) in brackets.*

Regional forecast 2019-39 ave. growth	SW	SE	GL	ET	EM	WM	NW	NE	YH	SC	WA	NI
GVA growth	1.6% (1.6%)	1.9% (1.8%)	2.1% (2%)	1.8% (1.7%)	1.5% (1.5%)	1.4% (1.4%)	1.4% (1.4%)	1.2% (1.2%)	1.4% (1.4%)	1.3% (1.3%)	1.3% (1.3%)	1.2% (1.2%)
Workforce Jobs growth	0.6% (0.6%)	0.7% (0.7%)	0.8% (0.8%)	0.6% (0.6%)	0.5% (0.4%)	0.4% (0.4%)	0.5% (0.4%)	0.1% (0.2%)	0.4% (0.4%)	0.2% (0.2%)	0.3% (0.3%)	0.3% (0.2%)
Unemployment rate	3.2% (3.3%)	2.8% (2.9%)	5.0% (5.1%)	3.4% (3.5%)	3.9% (4%)	4.7% (5.1%)	4.1% (3.7%)	4.9% (5%)	4.2% (4.2%)	3.6% (3.7%)	3.8% (4%)	3.6% (3.6%)
Real income growth	1.7% (1.8%)	2.0% (2%)	1.9% (1.9%)	1.9% (1.9%)	1.7% (1.7%)	1.5% (1.5%)	1.6% (1.6%)	1.4% (1.4%)	1.6% (1.6%)	1.4% (1.4%)	1.4% (1.4%)	1.5% (1.6%)
Spending volumes growth	1.7% (1.7%)	2.0% (2%)	2.3% (2.3%)	1.8% (1.8%)	1.6% (1.6%)	1.6% (1.6%)	1.6% (1.6%)	1.4% (1.4%)	1.6% (1.6%)	1.4% (1.4%)	1.4% (1.3%)	1.6% (1.6%)
House price growth	3.7% (3.7%)	4.1% (4.1%)	4.0% (4%)	3.8% (3.8%)	3.6% (3.6%)	3.7% (3.7%)	3.8% (3.8%)	3.3% (3.3%)	3.0% (3%)	3.6% (3.6%)	3.4% (3.4%)	3.4% (3.4%)

## 4.3 Local Forecast

Changes to the local history are due to revisions at the regional level to which our local data is ultimately constrained.

For more information about how the history is constructed refer to [section 3.2.1](#) for regions and [section 3.3.1](#) for local authorities.

## 4.4 Population

There have been historical revisions for areas within England and Wales for mid-2012 to mid-2016 due to “improved methods for international emigration at the local authority, previously unavailable data for

international immigration at the local authority level and improvements to accounting of the dependents of foreign armed forces personnel”.

We also include the 2016-based sub-national population projections for England and Scotland and as of the March 2019 RPS, we have accounted for revisions to the population projections. The key points highlighted in the release are:

- The populations of all regions in England are projected to grow by mid-2026; regions in the north of England are projected to grow at a slower rate than those in the south.
- London is projected to be the fastest growing region; the North East is projected to have the slowest rate of growth.
- Nearly all local authorities are projected to grow by mid-2026; the populations of just 15 local authorities are projected to fall.
- Tower Hamlets is projected to be the fastest growing local authority in England; its population is projected to grow by 17.8% between mid-2016 and mid-2026.
- The number of people in older age groups is projected to grow faster than those in younger age groups in all but five local authorities; by mid-2026, a total of 97 local authorities are projected to have a population where at least one-quarter of the population is aged 65 and over.
- Over the 10 years to mid-2026, London is the region with the fastest increase in population of those aged 65 and over; however, it remains the region with the lowest old age dependency ratio.

## 5 A note from the ONS on volatility

A change in methodology behind Office for National Statistics (ONS) employment surveys has produced widespread volatility in the historical data, particularly from 2010.

The following is an explanation directly from the ONS, please see [section 3](#) for more information on how we deal with volatility in the official data:

“A fundamental redevelopment of Workforce Jobs sources, classifications, methods and systems was recently undertaken and is explained clearly in the article ‘Revisions to Workforce Jobs’ (Barford 2010). One of the key changes highlighted in this article was the replacement of a matched-pairs estimator with a point-in-time ratio estimator, ONS’s standard method. This change was aimed at removing the bias caused by the matched-pairs method. A matched-pairs method tends to underestimate change over time, as it excludes the births and deaths of businesses in the sample. In essence, only those businesses sampled in two consecutive periods are used to produce estimates of change. This bias used to cause large revisions when the short-term employment surveys series were benchmarked retrospectively to Business Register Employment Survey (BRES) estimates. BRES is an annual survey which selects a larger sample and also uses a point-in-time ratio estimator. The point-in-time estimator includes all sampled businesses in each and every period, which reduces the bias over-time. The trade-off is an increase in volatility caused by the inclusion of the rotated part of the sample for small and medium sized businesses. Sample rotation spreads the administrative burden; ensuring businesses are selected for a limited number of periods.

Unfortunately, the volatility of regional estimates at an industry level has been far greater than anyone anticipated and in general has been met unfavourably by users, particularly those that are interested in regional data. There are a number of instances, for example,

whereby businesses have been ‘rotated in’ to a particular region and served to distort the level of jobs for a particular industry, usually for a period of 5 quarters, which is the time a rotated business remains in the sample of the STES.”

Regional employment is the most timely and only source of quarterly data at this level of geography and is used to derive the quarterly profile of other variables in our regional models. Therefore this volatility is reflected in output as well as employment. Please see [section 3](#) for more information on how we deal with volatility in the official data.

# Appendix A....Glossary of terms

## Glossary of terms

**Gross Domestic Product (GDP)** Total work done in an economy in a period measured in one of three ways:

- Output Measure: Output of all goods and services less inputs
- Income Measure: Income earned by all parts of the economy
- Demand Measure: Demand for goods and services comprised of
  - Expenditure by Households, NPISH and Government
  - Investment (Gross Fixed Capital Formation) by business and Government
  - Changes in Inventories and Acquisitions less disposals of valuables
  - Exports less imports

GDP is measured in market prices: this means that the prices used to convert output of goods and services into money include taxes and subsidies by the government. Distributors' margins are credited to the industry producing the goods and services not to the distribution industry.

**Gross Value Added (GVA)** GVA is identical to GDP except that it is measured in basic prices. These prices do not include taxes and subsidies imposed by the government. Distributors' margins are credited to the distribution industry. GVA for an industry is described by either of the following identities:

- GVA is identical to output of the industry less inputs of the industry
- GVA is identical to the sum of
  - Compensation of Employees in the industry
  - Gross Operating Surplus (i.e. profit) earned by capital in the industry

When looking at GVA for an industry, it is important to realise that it only includes the output of that industry (i.e. the value added by that industry.) For example retailing GVA only includes the value added by retailers (e.g. customer service etc).

GVA in the RPS is measured by the place where the work is done (workplace based) and not where the worker resides.

**Current Price / Chain Volume Measure (CVM)** Data where the unit of measurement is money are available either in Current Price (or Nominal) terms or CVM (or Real) terms. The distinction is important because the buying power of money changes over time. For current price data, no adjustment is made for this fact. CVM data adjusts all figures in a time series to be consistent with the buying power of money in a given year (the reference year). Current Price data, thus, measures values while CVM data measures volumes. For example, Current Price GDP is the money value of production in a given period while CVM GDP is the amount of production. For years before the reference year, CVM data is not additive (thus the sum of GVA for all sectors will not equal total GVA.) In all other years, CVM data is additive.

**Productivity** A measure of efficiency calculated by estimating output per unit of input

**Workforce Jobs** A count of the total number of jobs in the UK, a region or industry. It is comprised of

- Employee Jobs: The number of jobs where the occupant is an employee.
- Self-employee Jobs: The number of jobs where the occupant is self-employed
- Government-Sponsored Trainees: The number of jobs where the occupant is on a government training scheme.
- Her Majesty's Forces: The number of jobs in the armed forces (part of Public Administration & Defence).

Workforce jobs and all its components count jobs and not people. This means that where a person has two or more jobs they are counted once for each job that they have. This can be contrasted with the ILO employment measures. Another consequence of counting jobs is that Workforce Jobs is based on the place of work not the residence of the worker

**Full Time Equivalent Employment:** Our definition is based on total hours worked and is as follows:

FTE = (HOURS) divided by (37.8\*13)

Here a constant yard-stick of full-time employment for all industries, regions and industry-region based on thirteen working weeks in a quarter at 37.8 hours a week. 37.8 hours is the average hours worked by a full-time worker in the UK between 1990 and 2009.

**ILO Employment** The International Labour Organisation (ILO) provides an international standard method of measuring employment. In the UK this is implemented by means of a survey known as the Labour Force Survey (LFS) or Annual Population Survey (APS). It is a people count based on the main job that a person has. Employment comprises:

- Employees: People whose main job is as an employee.
- Self-employed: People whose main job is as a self-employed person.
- Government-Sponsored Trainees: People whose main job is on a government training scheme.
- Unpaid Family Workers: People whose main job is as an unpaid worker in a business owned by their own family.

There are two measures:

- Residence based, which depends on the place of residence of the worker (irrespective of where they work.)
- Workplace based, which depends on the place of work of the worker (irrespective of where they reside.)

The ILO Employment reported is based on the entire population in work ages 16+.

**ILO Unemployment** The International Labour Organisation (ILO) definition of unemployment covers people who are: out of work, want a job, have actively sought work in the previous four weeks and are available to start work within the next fortnight; or out of work and have accepted a job that they are waiting to start in the next fortnight.

ILO unemployment is only available on a place of residence basis and is based on the entire unemployed population ages 16+.

**Labour Force / Economically Active** The sum of ILO Unemployment and ILO Employment. That is all people who are in work or who are looking for a work. A person who is in the labour force is said to be Economically Active.

The Labour Force includes the entire Economically Active population ages 16+.

**Economically Inactive** A person who is not economically active. The principle categories are retirees, students, children, long-term sick or disabled, homemakers and carers. This does not include school-aged people.

**Claimant Count Unemployment** Measures the number of people who are claiming Jobseekers' Allowance (JSA). This is always less than ILO Unemployment because not everyone who is ILO unemployed is eligible to claim JSA and not all who are eligible claim. Particular important cases are:

- People whose partners work more than 16 hours a week – they cannot claim JSA but may be ILO unemployed.
- People who are past state retirement age – they cannot claim JSA but may be ILO unemployed.

**Extra Regio** In addition to the 9 English regions and the nations of Scotland, Wales and Northern Ireland, the UK's economic boundary includes the continental shelf and UK government operations abroad (i.e. embassies and HMF abroad). The ONS does not assign income or GVA attributable to these sources to any region or nation. Therefore, the sum of regional Income or GVA does not equal the UK. This also impacts on two industries Extraction & Mining and Public Administration & Defence.

**School Age Population** Population aged 0-15.



**Working Age Population** Population above the age of 15 but below the current state retirement age for their gender.

**Retirement Age Population** The population above state retirement age. The precise retirement date depends on date of birth and, for those born before 6<sup>th</sup> November 1953, on gender. At present, there is a phased equalisation in progress. After 6<sup>th</sup> November 2018, both men and women will retire at 65. This will rise to 66 between 6<sup>th</sup> March 2019 and 6<sup>th</sup> September 2020 and 67 between 6<sup>th</sup> April 2026 and 6<sup>th</sup> March 2027. Our forecasts take account of these changes to retirement legislation.

**Adult (16+) Population** Number of all people aged 16 and above.

**Household Consumer Spending** The accounts relate to consumption expenditure by UK resident households, either in the UK or the rest of the world. Spending by non-residents in the UK is excluded from the total

Household consumption includes goods and services received by households as income in kind, in lieu of cash, imputed rent for the provision of owner-occupied housing services and consumption of own production

For national accounting purposes, households are individuals or groups of people sharing living accommodation

**Household Disposable Income** Household disposable income is the total payment to households (from wages, interest, property income and dividends) less taxes, social security, council payments and interest

**Cost of living index** Regional consumer spending deflator. Gives an indication of how the value of consumer spending has grown in comparison to the volume.

**NUTS (Nomenclature des Unités Territoriales Statistiques – Nomenclature of Territorial Units for Statistics)** A European Union standard for classifying the subdivisions of member states. In the case of the UK, the English regions and the three nations are classified as NUTS1. The next level – NUTS2 – typically consists of aggregations of local authorities in the same region. The level below that, NUTS3 consists either of single local authorities or a small aggregation of local authorities in the same NUTS2. In Scotland, some local authorities are divided between NUTS3. NUTS4 and NUTS5 also exist but are not used in the RPS.

# Appendix B...Sector definitions

## Sector definitions

Experian 38-sector	SIC-2007 division	Falls within Experian 12-sector
Agriculture, Forestry & Fishing	01 Crop and animal production, hunting and related service activities	Agriculture, Forestry & Fishing
	02 Forestry and logging	
	03 Fishing and aquaculture	
Extraction & Mining	06 Extraction of crude petroleum and natural gas	Extraction & Mining
	05 Mining of coal and lignite	
	07 Mining of metal ores	
	08 Other mining and quarrying	
	09 Mining support service activities	
Food, Drink & Tobacco	10 Manufacture of food products	Manufacturing
	11 Manufacture of beverages	
	12 Manufacture of tobacco products	
Textiles & Clothing	13 Manufacture of textiles	
	14 Manufacture of wearing apparel	
	15 Manufacture of leather and related products	
Wood & Paper	16 Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	
	17 Manufacture of paper and paper products	
Printing and Reproduction of Recorded Media	18 Printing and reproduction of recorded media	
Fuel Refining	19 Manufacture of coke and refined petroleum products	
Chemicals	20 Manufacture of chemicals and chemical products	
Pharmaceuticals	21 Manufacture of basic pharmaceutical products and pharmaceutical preparations	
Rubber, Plastic and Other Non-Metallic Mineral Products	22 Manufacture of rubber and plastic products	
	23 Manufacture of other non-metallic mineral products	
Metal Products	24 Manufacture of basic metals	
	25 Manufacture of fabricated metal products, except machinery and equipment	
Computer & Electronic Products	26 Manufacture of computer, electronic and optical products	

	27 Manufacture of electrical equipment	
Machinery & Equipment	28 Manufacture of machinery and equipment n.e.c.	
Machinery & Equipment	29 Manufacture of motor vehicles, trailers and semi-trailers	
	30 Manufacture of other transport equipment	
Other Manufacturing	31 Manufacture of furniture	
	32 Other manufacturing	
	33 Repair and installation of machinery and equipment	
Utilities	35 Electricity, gas, steam and air conditioning supply	Utilities
	36 Water collection, treatment and supply	
	37 Sewerage	
	38 Waste collection, treatment and disposal activities; materials recovery	
	39 Remediation activities and other waste management services. This division includes the provision of remediation services, i.e. the cleanup of contaminated buildings and sites, soil, surface or ground water.	
Construction of Buildings	41 Construction of buildings	Construction
Civil Engineering	42 Civil engineering	
Specialised Construction Activities	43 Specialised construction activities	
Wholesale	45 Wholesale and retail trade and repair of motor vehicles and motorcycles	Wholesale & Retail
	46 Wholesale trade, except of motor vehicles and motorcycles	
Retail	47 Retail trade, except of motor vehicles and motorcycles	
Land Transport, Storage & Post	49 Land transport and transport via pipelines	Transport & Storage
	52 Warehousing and support activities for transportation	
	53 Postal and courier activities	
Air & Water Transport	50 Water transport	
	51 Air transport	
Accommodation & Food Services	55 Accommodation	Accommodation, Food Services & Recreation
	56 Food and beverage service activities	
Recreation	90 Creative, arts and entertainment activities	
	91 Libraries, archives, museums and other cultural activities	
	92 Gambling and betting activities	
	93 Sports activities and amusement and	

	recreation activities	
Media Activities	58 Publishing activities	Information & communication
	59 Motion picture, video and television programme production, sound recording and music publishing activities	
	60 Programming and broadcasting activities	
Telecoms	61 Telecommunications	
Computing & Information Services	62 Computer programming, consultancy and related activities	
	63 Information service activities	
Finance	64 Financial service activities, except insurance and pension funding	Finance & Insurance
	66 Activities auxiliary to financial services and insurance activities	
Insurance & Pensions	65 Insurance, reinsurance and pension funding, except compulsory social security	
Real Estate	68 Real estate activities	Professional & Other Private Services
Professional Services	69 Legal and accounting activities	
	70 Activities of head offices; management consultancy activities	
	71 Architectural and engineering activities; technical testing and analysis	
	72 Scientific research and development	
	73 Advertising and market research	
	74 Other professional, scientific and technical activities	
	75 Veterinary activities	
Administrative & Supportive Activities	77 Rental and leasing activities	
	78 Employment activities	
	79 Travel agency, tour operator and other reservation service and related activities	
	80 Security and investigation activities	
	81 Services to buildings and landscape activities	
	82 Office administrative, office support and other business support activities	
Other Private Services	94 Activities of membership organisations	
	95 Repair of computers and personal and household goods	
	96 Other personal service activities	
	97 Activities of households as employers of domestic personnel	
	98 Undifferentiated goods- and services-producing activities of private households for	

	own use
Public Administration & Defence	84 Public administration and defence; compulsory social security
	99 Activities of extraterritorial organisations and bodies
Education	85 Education
Health	86 Human health activities
Residential Care & Social Work	87 Residential care activities
	88 Social work activities without accommodation

# Appendix E...About us



## Our economic forecasting expertise

Experian's team of 18 economists is a leading provider of global, national, regional and local economic forecasts and analysis to the commercial and public sectors. Our foresight helps organisations predict the future of their markets, identify new business opportunities, quantify risk and make informed decisions.

Experian's economics team is part of a 140-strong analytics division, which provides an understanding of consumers, markets and economies in the UK and around the world, past, present and future. As part of the Experian group, the analytics division has access to a wealth of research data and innovative software solutions. Its statisticians, econometricians, sociologists, geographers, market researchers and economists carry out extensive research into the underlying drivers of social, economic and market change.

For more information, visit [www.experian.co.uk/economics](http://www.experian.co.uk/economics)

## Experian

Experian is a global leader in providing information, analytical and marketing services to organisations and consumers to help manage the risk and reward of commercial and financial decisions.

Combining its unique information tools and deep understanding of individuals, markets and economies, Experian partners with organisations around the world to establish and strengthen customer relationships and provide their businesses with competitive advantage.

For consumers, Experian delivers critical information that enables them to make financial and purchasing decisions with greater control and confidence.

Clients include organisations from financial services, retail and catalogue, telecommunications, utilities, media, insurance, automotive, leisure, e-commerce, manufacturing, property and government sectors.

Experian Group Limited is listed on the London Stock Exchange (EXPN) and is a constituent of the FTSE 100 index. It has corporate headquarters in Dublin, Ireland, and operational headquarters in Costa Mesa, California and Nottingham, UK. Experian employs around 15,500 people in 36 countries worldwide, supporting clients in more than 65 countries. Annual sales are in excess of \$3.8 billion (£1.9 billion/€2.8 billion).

For more information, visit the Group's website on [www.experiangroup.com](http://www.experiangroup.com)

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## Appendix 5 Experian Employment Forecast

Experian Sector	Total Workforce Jobs	
	2020	2040
Accommodation & Food Services	6,100	7,300
Administrative & Supportive Services	6,100	7,200
Agriculture, Forestry & Fishing	700	800
Air & Water Transport	-	-
Chemicals (manufacture of)	-	-
Civil Engineering	400	400
Computer & Electronic Products (manufacture of)	400	400
Computing & Information Services	1,000	1,100
Construction of Buildings	1,700	2,100
Education	16,400	19,400
Extraction & Mining	-	-
Finance	1,000	800
Food, Drink & Tobacco (manufacture of)	-	-
Fuel Refining	-	-
Health	7,200	9,000
Insurance & Pensions	-	-
Land Transport, Storage & Post	1,600	2,000
Machinery & Equipment (manufacture of)	400	400
Media Activities	400	500
Metal Products (manufacture of)	-	-
Non-Metallic Products (manufacture of)	-	-
Other Manufacturing	300	300
Other Private Services	3,300	3,400
Pharmaceuticals (manufacture of)	-	-
Printing and Recorded Media (manufacture of)	-	-
Professional Services	4,600	6,300
Public Administration & Defence	3,000	2,700
Real Estate	900	1,200
Recreation	2,600	3,200
Residential Care & Social Work	5,200	7,300
Retail	8,300	8,100
Specialised Construction Activities	2,700	3,300
Telecoms	400	400
Textiles & Clothing (manufacture of)	-	-
Transport Equipment (manufacture of)	-	-
Utilities	600	800
Wholesale	4,100	4,700
Wood & Paper (manufacture of)	-	-

Source: Experian (September 2019)

Note figures may not sum due to rounding.

## Appendix 6 Business Survey Questionnaire

**1 Please fill in the following details about your company:**

- Company name
- Type of company
- Current location
- Postcode
- Approximate number of employees
- Length of time trading in the District of Canterbury

**2 What types of premises do you currently occupy? Please select all that apply:**

- Office
- Factory/workshop
- Warehouse
- Shop unit
- Home office
- Other -> linked to description text box.

**3 Is your premises/site?**

- Freehold
- Leasehold
- Managed workspace
- Other -> linked to description text box.

**4 Please indicate how important each of the following factors is for locating your business in this area:**

- Availability of skilled labour – (Very important/ Quite important/ Not important/ n/a)
- Affordability of premises – (Very important/ Quite important/ Not important/ n/a)
- Road accessibility – (Very important/ Quite important/ Not important/ n/a)
- Public transport accessibility/links – (Very important/ Quite important/ Not important/ n/a)
- Proximity to customers – (Very important/ Quite important/ Not important/ n/a)
- Proximity to supply chain – (Very important/ Quite important/ Not important/ n/a)
- Proximity to other businesses – (Very important/ Quite important/ Not important/ n/a)
- Accessibility to training providers – (Very important/ Quite important/ Not important/ n/a)
- Other -> linked to description text box.

**5 How satisfied are you with your current business premises?**

- Very satisfied
-



- Quite satisfied
  - Not satisfied
- Explanation text box

**6 How well do your current premises meet the space needs of your business?**

- Not enough space
- About right
- Room to grow

**7 Have you previously experienced any difficulties in finding suitable business premises or sites to expand, upgrade or relocate to within the local area (i.e. within Canterbury District), including expansion on your existing site?**

- Yes
- No
- n/a

If yes, please explain

Which location(s) specifically did you struggle to find what you need?

**8 Have you previously experienced any difficulties in finding suitable business premises or sites to downsize or consolidate within the local area (i.e. within Canterbury District), including consolidation on your existing site?**

- Yes
- No
- n/a

If yes, please explain

Which location(s) specifically did you struggle to find what you need?

**9 If answered 'yes' to either Question 7 or Question 8, please explain whether there is anything that you think could be done to help businesses like yours to overcome these barriers in the future?**

- Text box

**10 Have you experienced any financial challenges associated with accessing the right premises for your business (e.g. meeting market rents/values, raising finance etc)?**

If so, please explain

**11 Do you expect to expand or relocate your premises within the next 5 years (if 'no' please go to question 14)?**

- Yes
- No
- Possibly

**12 If yes or possibly, are you most likely to (please select one only):**

- Expand on existing site (inc. additional mezzanine)
  - Expand into neighbouring property/site
  - Relocate to another site in the same location/nearby (e.g. business park)
-

- Relocate to another site in Canterbury District
- Relocate outside of the District
- Other
- Don't know

Explanation text box

**13 What would you be looking for from new premises? Please select all that apply:**

- Larger
- Smaller
- Higher spec – more prestigious
- Lower spec – less prestigious
- Newly built
- Bespoke design and build
- More affordable
- Freehold ownership
- Better access to main routes (e.g. A2/A28/M2)
- Access to superfast broadband
- Better mobile phone reliability
- Better access to public transport routes
- Other -> linked to description text box.

**14 Are there any factors that could prevent your business from staying in the area, or make you consider relocating? Please explain:**

Explanation text box

**15 Any other comments?**

Text box

Thank you for taking the time to complete the survey.

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