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ESSENTIAL TRENDS

BID MARKET INTELLIGENCE

ISSUE 5 FEBRUARY 2011



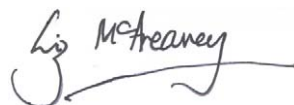
Introduction

Welcome to the fifth issue of Essential Trends. In this month's issue you will find the most recent footfall and retail sales turnover figures.

This is critical data for us as it is the barometer to assess the success of the city centre. We are still keen to gather more retail sales data as the more participants there are the more reliable and meaningful the information will be. If you are able to provide monthly percentage figures, that will be reported anonymously, please contact Dr Tom Mathar, Market Research Executive at the Economic Development Unit of the City of Edinburgh Council, on 0131 529 4962 or email: tom.mathar@edinburgh.gov.uk

We are very aware of the importance of communication – both ways - and are embarking on a communication campaign that not only informs our stakeholders of what we are doing, what is happening in the city centre and how initiatives from business, local authority and government might affect our businesses and our city centre, but we also want to hear your views. The BID area falls into three very distinct sectors: the night-time economy, retail and business. The three sectors have identified many common strands for improvement; such as accessibility, safety and cleanliness and Essential Edinburgh have been working to address and deliver initiatives to improve the environment and experience of the city centre and also visitor numbers. We will be establishing 'focus groups' for each of these sectors to capture ideas and the issues that need to be addressed. We all want to ensure that employees within and visitors to our historic city centre have a positive experience.

It is important to create the right ambiance and balance of use for the city centre and the city has been very fortunate that a world class organisation such as Gehl Architects has completed a study and made recommendations for improvement within the city centre for visitors, businesses and residents alike. This is a fantastic starting point for the city to develop a holistic and integrated approach, to developing the city centre addressing parking, transport, events, pedestrianisation and accessibility. But it is of vital importance that there is a full consultation with city centre stakeholders. Essential Edinburgh would like to begin the discussion and welcomes all feedback and comments relating to the development of the city centre and we will be looking to the sector specific groups to discuss this study and other projects. If you are interested in contributing to one of the groups please contact me by email: info@essentiledinburgh.co.uk or by calling 0131 652 5940.



Liz McAreavey
Interim Chief Executive

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Debate

Gehl's Architects suggestions for City Centre improvement

Edinburgh is a world class city with a world class reputation and a key component of maintaining this is to ensure that our iconic city centre remains somewhere where residents and visitors to the city want to spend time and enjoy all that it has to offer.

The City of Edinburgh Council commissioned Gehl Architects, the international urban design consultants, to review and refresh a study they prepared in 1998. This time their remit was to look in detail at Princes Street, George Street and Rose Street.

Using a methodology they have applied in cities such as New York, Melbourne and Copenhagen, they have studied how people use the city centre, looking at the impact of the current environment on people. From this evidence based assessment they have been able to recommend to the city that it should address the challenges of traffic dominated streets,

improve the quality of the pedestrian experience and seek to achieve a better mix of uses, concluding that every opportunity should be taken to ensure that the right balance of vehicle and pedestrian activity is achieved.

In particular, they noted that immediate steps should be taken to tackle the poor state of the pedestrian environment which would include repairing paving and removing obstacles. In the long term Gehl's recommend that these issues could be better addressed by considering a single point of contact for the management of public spaces. Creating activities within existing

streets such as Castle Street, extending the role that street trading can play are key stages in bringing activity to the place. Ideas for making the most of the pedestrian spaces on George Street, widening footways and creating some space between the parking, will increase the potential for the people to visit as a destination and stay longer, the consultants argue.



Retail Sales Turnover

In Edinburgh's city centre, like-for-like sales in December 2010 were up 2.8% on December 2009. This compares to the Scottish average of 3.4% and the British average of 1.5%.

Retailers participating in the City Centre Monitoring Project, which is co-organised between Essential Edinburgh and the City of Edinburgh Council, reported these figures for December 2010.

Retail Sales December 2010		
Edinburgh City Centre	Scotland	UK
2.80%	3.40%	1.50%

Fiona Moriarty, Director of the Scottish Retail Consortium, said that "the heavy snow hampered people's ability to get out and shop in the first half of the month. Concern about further disruption encouraged people to use breaks in the weather for stocking up on essentials and Christmas food and drink, but gifts were less of a priority.

neighbourhood stores. There was a big rush in the last week before Christmas and lots of bargain hunting once the clearance sales started. But it wasn't enough to outweigh the damage to non-food sales from the combination of bad weather and fears about job cuts and falling incomes."

David McCorquodale, Head of Retail in Scotland (KPMG), stated that "despite snow and ice bringing the country to a

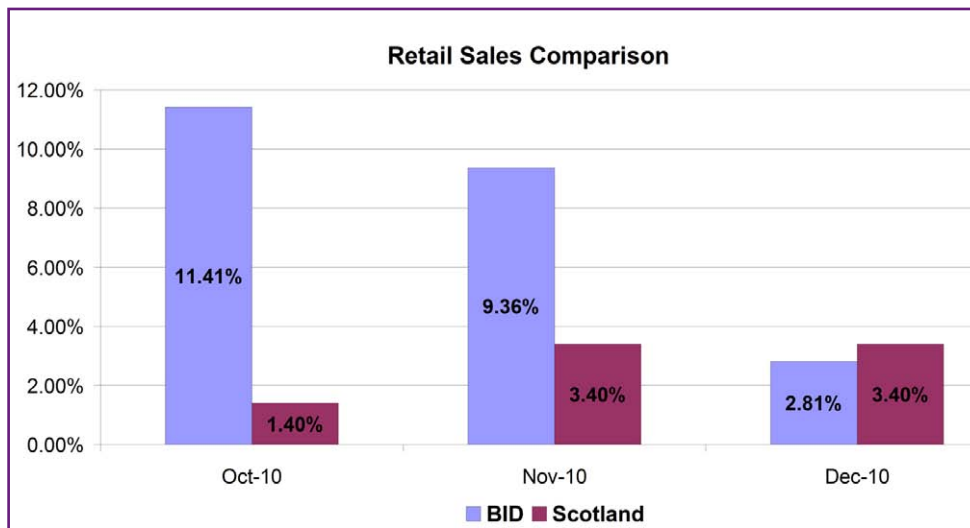
"The struggle to get around helped one-stop shopping destinations and

virtual standstill and some internet retailers refusing to take orders from mid-month, like-for-like sales in Scotland were actually up 0.7% during December when compared with the same period 12 months earlier. This is contrary to the UK as a whole which saw a drop of 0.3% for the same time period."

Liz McAreavey, Interim Chief Executive of Essential Edinburgh commented: "Comparing our figures from the City Centre Monitoring Project with figures from the Scottish and British Retail Consortium, we can see that retail sales in Edinburgh were outperforming Scotland's and the UK's like-for-like sales in the final quarter of 2010. While the severe weather in December had more of an impact on the retail sales in Edinburgh than the rest of Scotland, the trend still shows that we are trading better than the rest of the UK. However, the ongoing trend for the next quarter will be of great interest."

According to statisticians from the Scottish Government - who apply a different method of measuring retail turnover trends, retail sales increased by 0.3% in the last quarter of 2010. Sales grew by 2.4 per cent over the year to the end of 2010, according to provisional estimates released on Mon 07 Feb by Scotland's Chief Statistician. Find out more on their website: www.scotland.gov.uk/Publications/2011/02/RSI2010Q4web

How valuable is this information for informing your business? Would you like to receive these figures two to three weeks prior to publication in Essential Trends? Please contact Dr Tom Mathar, Market Research Executive at the Economic Development Unit of the City of Edinburgh Council on email: tom.mathar@edinburgh.gov.uk or 0131 5294962 to participate in the City Centre Monitoring Project.



Edinburgh Convention Bureau

Inspiring Conferences

Confirmed Conferences

Edinburgh Convention Bureau are kindly providing Essential Trends with information regarding their confirmed upcoming conferences, meetings and events.

As we reported in last month's issue business travellers spend on average 80% more per night than leisure visitors.

	Conferences	Delegates
Mar-11	8	2,861
Apr-11	9	1,325
May-11	16	4,450
TOTAL	33	8,636

Edinburgh footfall index, January 2011

In January 2011 average footfall in some of Edinburgh's main streets was up 7.3% in comparison to January 2010. This is significantly more than the UK average at 1.8% and, thus, a positive indicator of the performance of our major streets.

In total, 1,745,905 pedestrians passed our five counters installed at different sites in the city centre. Unsurprisingly, this is down 12.9% from December 2010. However, and more importantly, current figures are notably higher than January 2010. Edinburgh's scores are also far better than the rest of the UK – as calculated by Experian Footfall. According to the provider of pedestrian counting solutions, footfall in UK High Streets in January 2011 is down 25.8% in comparison to December 2010. It is up only 1.8% in comparison to January 2010.

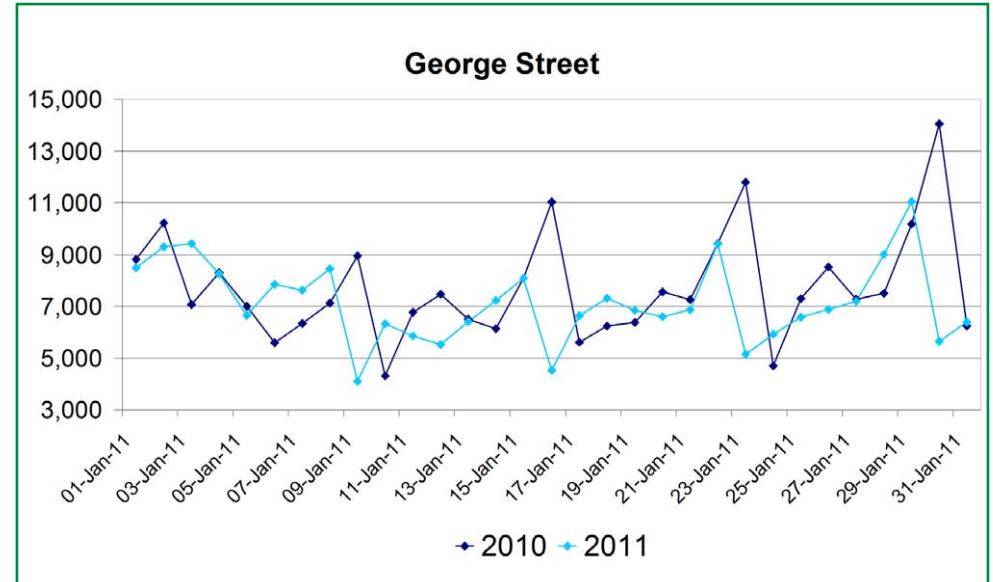
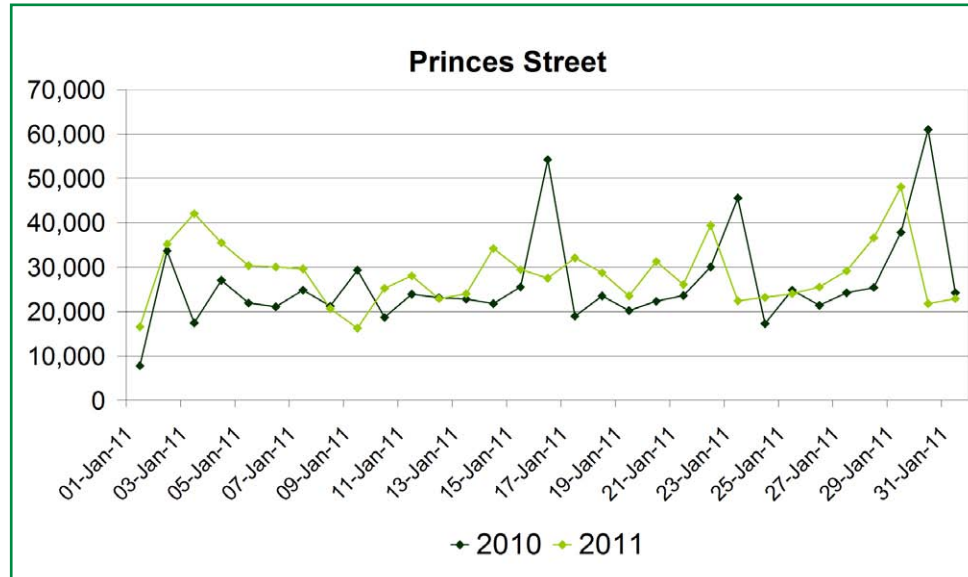
The largest share of pedestrians was counted at Princes Street (Marks & Spencer); some 882,405 people passed the counter installed at this site in January 2011. This is up 8.3% in comparison to January 2010. Conversely, footfall decreased on George Street: some

	Last 6 Month Breakdown Edinburgh City Centre*	
	Month-on-Month	Year-on-Year
Aug-10	+48.49%	+7.44%
Sep-10	-29.7%	+5.2%
Oct-10	-10.6%	+5.53%
Nov-10	-14.1%	+5.59%
Dec-10	+9.74%	-8.9%
Jan-11	-12.9%	+7.3%

*Average figure from 5 counters (see article)

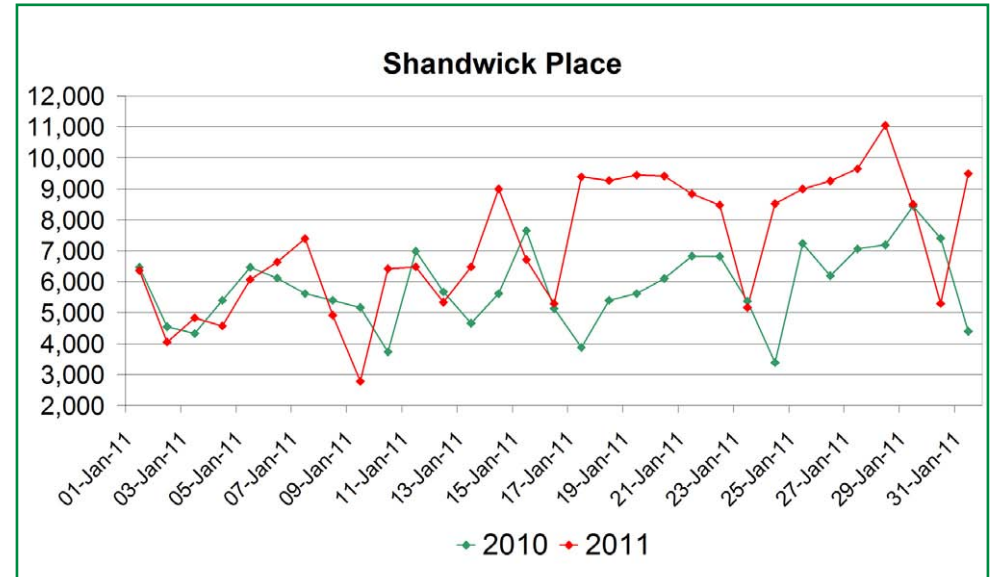
	Last 6 Month Breakdown United Kingdom*	
	Month-on-Month	Year-on-Year
Aug-10	-0.2%	+1.8%
Sep-10	-1.6%	+0.9%
Oct-10	+5.3%	-0.9%
Nov-10	+3.3%	-2.2%
Dec-10	+19%	-3.1%
Jan-11	-25.8%	+1.8%

*Experian Footfall National Index



221,637 pedestrians passed the counter installed at The Dome. This is down 7.5% in comparison to January 2010.

Footfall is also down on Leith Walk. The counter installed at Vittoria, the Italian restaurant, counted 212,464 pedestrians which is down 5.9%. A somewhat heady rise, however, could be observed on High Street in the Old Town (Bella Italia) and Shandwick Place (Specsavers). Some 205,323 pedestrians passed the former site in January 2011 (up 22.9% to January 2010); some 224,076 were counted at the latter site (up 24.3%).



CACI Report: Edinburgh's City Centre

The CACI map reveals that there is a very high density of employees and self employed people in Edinburgh's city centre.

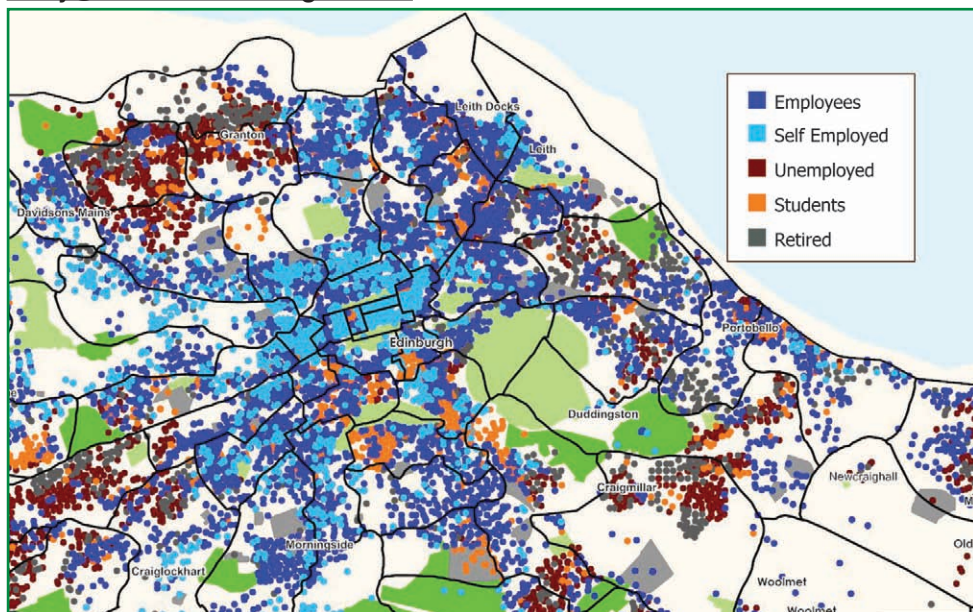
Unsurprisingly, more students can be found in the Old Town and around the Tollcross crossroads. The unemployed and retired are more likely to be found in the South and East of Edinburgh, in Granton/Muirhouse and in Sighthill.

Edinburgh is very well known for its highly qualified workforce with 44.2% of the working age population achieving qualification to NVQ level 4 or above. The Capital's workforce is also more productive than any other city in the UK after London, with Gross Value Added per head of £34,562 – according to the latest figures from the Office of National Statistics. The official number crunchers also found that this is well ahead of the UK average of £21,103 and outstripping that of similar sized cities such as Leeds (£22,904), Birmingham (£19,801) and Sheffield (£17,904). It is also above levels of Glasgow (£28,906) and the Scottish average (£20,031).

The CACI map indicates that a huge proportion of Edinburgh's workforce is centrally located. It is the New Town in particular that benefits from these neighbourhoods since they have a significant spending power and, indeed, like to spend their money on clothing and technology (see Essential Trends 2 for further information).

The CACI InSite Modeller helps retailers and other businesses to find their target customers and target locations. Essential Edinburgh can help you to make similar analyses using the InSite Modeller, which could aid you with promoting your business more effectively (see also previous issues of Essential Trends for what kind of information can be delivered). If you are interested in accessing this and other free information on patterns of expenditure in Edinburgh please contact Emily Johnston, Marketing and Communications Co-ordinator, by e-mail:

emily@essentialedinburgh.co.uk or call on 0131 652 5940 or for further details.



ESSENTIAL EDINBURGH.

Central Business Improvement District



To contact Essential Edinburgh:

1 New Parliament House,
5 Regent Road, Edinburgh EH7 5BL
t: +44 (0) 131 652 5940
e: info@essentialedinburgh.co.uk
www.essentialedinburgh.co.uk

© Essential Edinburgh Ltd.

To contact the City of Edinburgh Council

t: +44 (0) 131 200 2000
e: economicstrategy@edinburgh.gov.uk
www.edinburgh.gov.uk/citycentremonitoring

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