

# **Measuring the Retail Health of Guelph's Downtown**

**February 17, 2017**

# Vitality and Viability

- **Vitality:** How busy a town is at different times & locations, “liveliness”.
- **Viability:** Capacity of town centre to attract continuing investment, “attractiveness”.
- Two key factors to health of urban centres, should be **tackled together** not individually.

# Measuring Vitality and Viability in the UK

- Cornerstone of town centre health management in the UK under PPG6.
- Often done quantitatively using an appraisal sheet.
- 42 factors grouped by 9 “indicators”.

# Town Centre Health Appraisal

- Each factor within the 9 indicators is scored using a **5-point scale**: 1 = very poor, 2 = poor, 3 = fair, 4 = good, 5 = very good.
- Mean of factors taken to get indicator score, mean of indicators taken to get viability and vitality score.

# Indicator 1: Diversity of uses

- Number and range of shops
- Financial and professional services
- Business and office premises
- Cafes and restaurants
- Pubs and clubs
- Cultural attractions/community facilities
- Sports & leisure facilities

# Indicator 2: Retailer Representation

- Number of multiple retailers
- Variety of specialty/independent shops
- Existence and quality of market
- Availability of food shopping
- Availability of enclosed shopping
- Opening hours
- Evidence of recent investment
- Demand
- Presence of charity shops
- Presence of low quality discount shops

## **Indicator 3: Vacant Properties**

- Vacancy rate
- Vacant floor space
- Effect of vacant premises on the centre

## **Indicator 4: Commercial Performance**

- Rental values
- Shopping centre yield

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- The four remaining indicators are:
  - **Pedestrian flow** (volume)
  - **Accessibility** (includes parking, quality of public transport, etc.)
  - **Customer views and behaviour** (satisfaction, leakage of trade to other centres)
  - **Safety and security**
  - **Environmental quality** (cleanliness, physical appearance of buildings, etc.)

# Obtaining scores

- Surveys can be used for diversity of uses, retailer representation, vacant properties.
- Pedestrian flows, accessibility, safety and security, environmental quality scores obtained via observation.
- Commercial performance requires data on rental values and shopping centre yields.
- Scoring of factors not always applicable or available.

# Other Indicator Systems

- National Trust for Historic Preservation (USA) collects info on 16 indicators at national level.
- At local level, Health Perception Index (HPI) - USA.
  - Used for revitalization efforts.
  - Based on 16 **small towns** since they are especially subject to external forces, downtowns relatively quickly affected by competition.
  - Survey and exploratory interviews with merchants and city officials.
  - Survey included: Comparison of health of downtown with other downtowns of similar size, change over time, optimistic or pessimistic about future health of downtown, evaluate downtown in terms of 20 given characteristics.

# HPI Indicators

\*\* highly correlated with success

- Good mix of stores and businesses \*
- Active merchants association \*
- Overall retail sales \*
- Occupancy of storefronts
- Nice-looking streetscape
- Cooperation of banks
- Parking
- Low crime rate
- Population growth in area
- Identifiable landmarks
- Cooperation & activity of city government \*
- Browsing shopping opportunities \*
- Historical character to buildings
- Occupancy of upper floors
- Quick-stop shopping opportunities
- Number of tourists in downtown
- Favourable local job situation
- Cultural centre
- Local political situation

# HPI continued

- Two categories of characteristics: functional and physical.
- Functional factors: business mix, retail strategies, cooperation levels.
- Physical factors: streetscape improvement, conditions of buildings.
- Functional factors found to be more central to success of revitalization.
- Physical factors more a reflection of good health, rather than cause of it.

# City of Kitchener

- Four major areas of interest in downtown: housing, visitors, business, physical environment and community development.
- Housing important to Kitchener, representing heightened purchasing power, sense of community, and personal ownership within the downtown core.

New housing development

Vacancy and residential development

Hotel occupancy rates

Downtown construction values

Business activity

Number of employees in downtown core

Value of façade/interior loan property improvements

Population

Attendance at events

Short-term parking revenues

Street-front retail vacancy

Vacancy and commercial redevelopment

Monthly parking revenues

Community development initiatives

# ATCM Key Performance Indicators - UK

- British Association of Town Centre Management determined 24 factors of core importance which were then broken into four categories:
  1. **Regional health:** consists mainly of socioeconomic and demographic factors.
  2. **City-centre progress:** traffic, crime and safety, transportation, etc.
  3. **City-centre health:** Retail vacancy, performance, and sales.
  4. **City-specific indicators (optional):** Tourism, evening economy.

# Are all indicators created equal?

- PPG6 framework suffers from lack of weighting.
  - Indicators with greater number of factors end up receiving more weight in viability and vitality score as it is just a mean.
  - Places less weight on pedestrian flow and commercial performance which are known to be strong indicators of health.
- HPI pilot study use correlation analysis to see which indicators had strongest relationship with health.
  - Retail diversity, cooperation of local government and business association, retail sales, and browsing shopping opportunities.
  - Suggests these factors should carry more weight.

# Are all indicators created equal?

- Economic and Social Research Council (UK) ranked 201 factors based on influence and hierarchy using survey of stakeholders.
  - Influence: effect of factor on downtown
  - Hierarchy: effect of downtown on factor
- Using these two metrics, placed top ranking factors into areas of priority which including activity hours, appearance, retailers, vision & strategy, experience, and management.
- Metrics used as weights in determination of this list.

# Are all indicators created equal?

- Car park usage: 90%
- Town-centre footfall figures: 87%
- Vacancy property rate: 84%
- Town-centre theft: 79%
- Shoplifting: 74%
- Town-centre user surveys: 71%
- Retail sales: 70%

Actual usage of indicators by towns in the UK

# Developing an indicator

- Four step methodology recommended for use in indicator projects (Mitchell, 1996):
  1. Identify the problem and define variables and principles.
  2. Isolate and select issues.
  3. Construct indicators.
  4. Evaluate the data.
- On developing indicators (Vincent, 2001):
  1. Identify and cater to each stakeholder.
  2. Keep them simple and involve others in providing information.
  3. Start with baseline data.

# Criteria for indicator variable creation (Kotval, 2001)

- **Relevance and impact:** is the indicator associated with issues that people care about/have *meaningful policy impact*?
- **Validity and availability:** are the measures *objective, statistically defensible and credible*? Are the data *verifiable, and easily and affordably reproducible*?
- **Ability to aggregate information or comprehensiveness:** does the measure contribute to the understanding of the importance of broader issues expressed by the indicator?
- **Ability to reflect trends:** can the indicator *reflect trends over time*? Is time series data available?

# Criteria for indicator variable creation (Hollander, 2002)

- **Consistency and reliability:** data can be researched reliably over time.
- **Measurability:** data can be obtained for the community.
- **Cost-effectiveness:** data collection and analysis are not prohibitively expensive.
- **Comparability:** general enough so that the community may be compared to others.

# First Steps of Developing Guelph Index

- Must collaborate with downtown stakeholders to select factors and group them into effective indicators that make sense for Guelph.
  - Can be done easily and effectively through distribution of survey through right channels.
- Must think about long-term manageability.
  - UK does health checks every 1-3 years.
  - How do we construct our index to make this possible? What data is needed to make this attainable?
- Need to focus on the questions that we really want answered – will make our model that much more powerful.

# Some Cautionary Advice

- Ensure more quantitative, harder to measure indicators are not left out of model.
- Choose number of indicators and factors appropriate for your city.
- Collaborate! Often asymmetric information problem.
- Be flexible. No widely accepted model for downtown health – use this as opportunity to shape our model to Guelph.