



BDO HIGH STREET SALES TRACKER

SEPTEMBER MONTHLY REVIEW - the four weeks to 30 September 2016

07 October 2016

TOTAL (excl non-store)

-2.8%

September 2015: +2.8%

LIFESTYLE

+0.9%

September 2015: +5.4%

FASHION

-5.9%

September 2015: +2.8%

HOMEWARES

+8.9%

September 2015: -1.9%

NON-STORE

+12.6%

September 2015: +23.9%

September fall sees online sales slow

- September's High Street Sales Tracker fell by -2.8% off of a base of +2.8% for the same month last year.
- Despite positive LFL sales growth for the homeware and lifestyle sectors, in-store sales of fashion goods performed poorly this month, dragging total sales into the negative, as warmer weather ensured discount savvy consumers continued to forgo seasonal updates of their wardrobes.
- The year-to-date has not seen positive monthly total sales growth since January 2016. While online has been looked to as the growth area, non-store growth slowed in September.
- Overall footfall was up in every week of the month except for the last (-2.4%) as autumn weather finally made an appearance. Footfall was also up on the high street for every week except week 39 (-2.4%). A moderate increase in footfall at retail parks was also evident for the first three weeks of September, dipping into the negative in week 39 (-0.5%). However, footfall across UK shopping centres saw footfall down in every week, reaching a low of -4.1% in week 39.
- The CBI's retail sales balance dropped by -8% in September, although some lines evidenced growth. Indeed, in-store purchases of homeware and lifestyle goods performed well. GfK reported that consumer confidence in September returned to pre-Brexit levels. It is fashion that continues to see the deepest sales declines. The ONS reported that retail spending in the UK grew by 4%, while sales of clothing and footwear in-store and online declined by 4%. Several trends are at work. Certainly spending on leisure is seeing continued growth. The Coffey Peach Business Tracker confirms that pub and restaurant sales saw positive growth throughout the summer. However, commentators are increasingly linking changes in consumer behaviour to a lack of gripping fashion trends coming out of the fashion industry, changing weather patterns leading to less abrupt seasonal changes (and therefore a reluctance to update wardrobes), which, if only perceptions, could still be having an impact. A defining factor, however, is that savvy post-financial crash/post-Brexit consumers are simply more reluctant to purchase fashion items outside of discounting.
- Lifestyle LFLs were up by +0.9% in September, a real achievement off of a base of +5.4% for the same month last year. Lifestyle was positive in three of the four weeks in the month, the high of +2.56% coming in week 37. Retailers of outdoor goods, such as bicycles, have continued to benefit from the Olympic effect and a change in the season, while high end gift retailers managed to carry positive results seen over the summer into autumn, and stationers got a boost from back-to-school purchasing.
- Fashion LFLs were down by -5.9% this month from a positive base of +2.8% for the same month last year. September marked the second worst month of the year for fashion, since April saw a drop of -9.2%. Fashion has also been negative in every month of the year since January. Every week of September recorded a negative result for fashion, beginning with -5.51% in week 36, and dropping to back-to-back declines of -8.36% and -8.06% in weeks 38 and 39 respectively.

■ Homeware was the star performer for the third month in succession, up by +8.9% in September. Homeware has been in positive territory in seven of the nine months of the year so far. Positive in every week of September, the high came in week 37 (+16.43%), as consumers continued to demonstrate demand for furniture and soft furnishings.

■ Non-store LFL sales were up by +12.6% in September, the worst performance in the year-to-date and the worst performance since December 2015 (+7.5%). Despite the drop in growth this month, online sales were positive in three of the four weeks of the month, breaching the 20% threshold in week 37 (+22.03%). However, in week 38 LFLs dropped into the negative (-1.04%) for the first time since the second week of December 2015 (-5.22%).

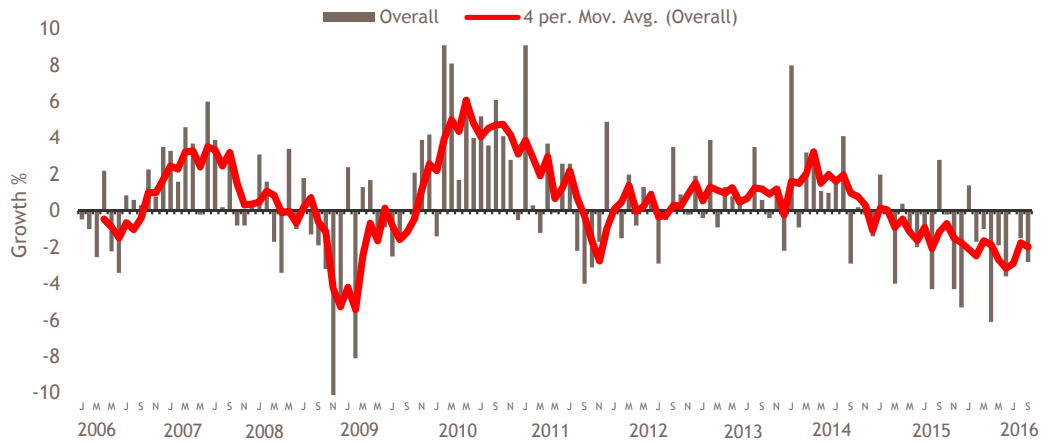
The High Street Sales Tracker outlines weekly like-for-like sales changes of c85 mid-tier retailers with c10,000 individual stores across Fashion: accessories, clothing, footwear. Lifestyle: general household goods, gifts, health and beauty, leisure goods. Homewares: cookware, furniture and floorcoverings, lighting, linen and textiles. Non-store: mail order, online and other non-store channels.



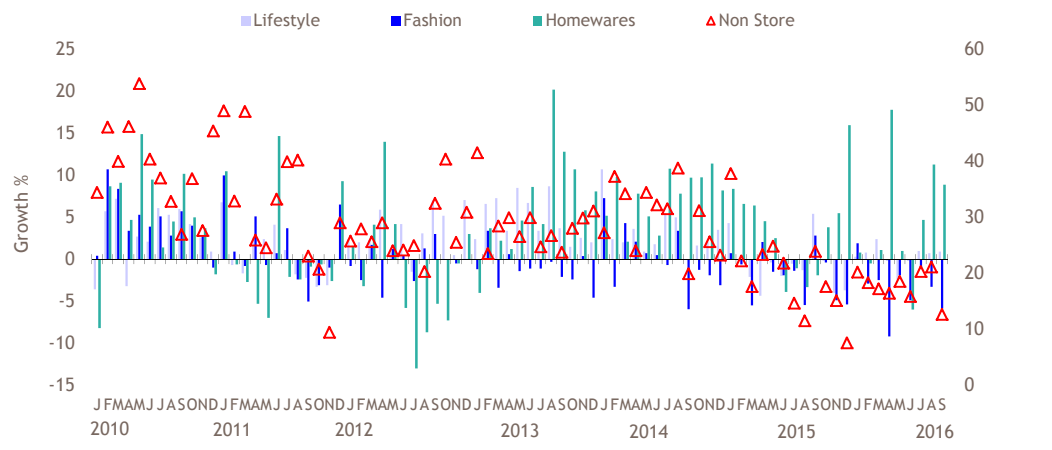
MONTHLY LIKE-FOR-LIKE RESULTS 2016

LFL Growth %	Week 36 (we 4/9)	Week 37 (we 11/9)	Week 38 (we 18/9)	Week 39 (we 25/9)	Total September
Lifestyle	1.83	2.56	-1.19	0.64	0.9
Fashion	-5.51	-1.40	-8.36	-8.06	-5.9
Homewares	5.60	16.43	12.23	1.40	8.9
Non-store	16.99	22.03	-1.04	13.37	12.6
Total (excl non-store)	-2.73	0.66	-5.16	-5.12	-2.8

MONTHLY LIKE-FOR-LIKE RESULTS 2006-2016



MONTHLY LIKE-FOR-LIKE RESULTS BY SECTOR 2010-2016



Further Information: HighStreetSalesTracker@bdo.co.uk

This publication has been carefully prepared, but should be seen as general guidance only. You should not act upon the information contained in this publication without obtaining specific professional advice. Please contact BDO LLP to discuss these matters in the context of your particular circumstances. BDO accepts no responsibility for any loss incurred as a result of acting on information in this publication.

BDO LLP operates across the UK with some 3,000 partners and staff. BDO LLP is a UK limited liability partnership and a UK Member Firm of BDO International. BDO - Belfast, a separate partnership, operates under a licence agreement. BDO International is a world-wide network of public accounting firms, called BDO Member Firms. Each BDO Member Firm is an independent legal entity world-wide and no BDO Member Firm is responsible for the acts and omissions of another member. The network is coordinated by BDO Global Coordination B.V., incorporated in the Netherlands with its statutory seat in Eindhoven (trade register registration number 33205251) and with an office at Boulevard de la Woluwe 60, 1200 Brussels, Belgium, where the International Executive Office is located.

BDO LLP and BDO - Belfast are both separately authorised and regulated by the Financial Conduct Authority to conduct investment business.

BDO is the brand name for the BDO International network and for each of the BDO Member Firms.

BDO LLP and BDO - Belfast are the Data Controllers for any personal data that they hold about you. We may disclose your information, under a confidentiality agreement, to a Data Processor (Shamrock Marketing Ltd). To correct your personal details or if you do not wish us to provide you with information that we believe may be of interest to you, please telephone (Great Britain - 0870 567 5678 or Belfast - 028 9043 9009).

Copyright © October 16 BDO LLP. All rights reserved.

Website: www.bdo.co.uk