BDO HIGH STREET SALES TRACKER

AUGUST MONTHLY REVIEW - the four weeks to 27 August 2017

08 September 2017

TOTAL (excl non-store)

+2.0%

August 2016: -1.5%

High Street has best August since 2013 off of weak base

- Total like-for-like sales were up by +2.0% in August from a base of -1.5% for the same month last year.
- At face value the positive result marked the best August since 2013. It was also the best month for the high street since September 2015. However, a key factor in August being the best month of the year-to-date was the fact that it comes off of a very poor August in the previous two years. Total LFL sales were down by -1.5% and -4.3% in 2016 and 2015 respectively.
- Total sales managed to shake off spells of unsettled weather and were up in every week of the month. In week one total LFL sales were up by +1.65% from a positive base last year (+1.74%). In week two sales were up by +1.54% from a negative base of -0.94%. The high came in week three when sales were up by +3.20% off of a marginally positive base of +0.20% the previous year. The last week of August saw sales up by +1.52% from a very weak base of -7.05% that came in the lead up to the August bank holiday last year. However, while store sales may have benefitted when the sun did shine, this may have been at the expense of non-store sales which were at their second lowest level of the year-to-date.
- Lifestyle was the star performer in August. However, fashion and homeware also posted positive results for the month. Meanwhile non-store sales had their second lowest month of growth in the year-to-date.
- Overall footfall was reportedly down in each month of August. The low came in week two when overall footfall shrank by -2.1% as compared to the equivalent week the year before. Footfall on the high street was also down in each week of August, with a low of -3.9% in week two. However, footfall at retail parks grew in the first three weeks of the month, with a high of +2.3% in week one. Retail parks experienced a marginal decline in footfall in week four, down by -0.1%. Meanwhile, footfall at shopping centres was up by +0.3% in week one, only to be down in the remaining three weeks of the month, hitting a low of -2.2% in week four.
- Despite weaker footfall than last year, spending levels were somewhat boosted by a weak pound fuelling strong tourism, and an increase in the number of staycations this summer. A recent survey by Barclays suggested that three quarters of Britons opted for, or were planning, a staycation in 2017. As a result, bars and restaurants have continued to post sales growth. For retailers, high end brands continued to perform well in August, while ongoing summer clearance sales helped to offload stock prior to the launch of new autumn lines. However, as employment levels reach highs not seen since the 1970's, wage growth is still running behind inflation, which was at 2.6% in July. Recent reports suggest that spending on credit, debit and charge card transactions are at their highest annual rate since 2008. With debt fuelling fragile spending, the question arises as to how long that can last. In the coming months it will be critical for retailers to read between the lines of sentiment and spending, to judge the mood of consumers, discount strategically and bridge the gap into the all-important fourth quarter of the year.

LIFESTYLE

+3.1%

August 2016: +0.7%

- Lifestyle LFLs were up by +3.1% in August from a base of +0.7% in the same month last year. Lifestyle has been positive in every month of the year-to-date. This was its best August since 2013. As the star performer this month, lifestyle was also a key beneficiary of tourist spending. Sales were up in every week of the month, with the first three weeks growing further from positive sales growth seen last year.

FASHION

+1.5%

August 2016: -3.3%

- Fashion LFLs were up by +1.5% this month, but off of a weak base of -3.3% in August last year. At face value, this was the best monthly result for fashion since November last year, when it also posted growth of +1.5%. Fashion sales were up in every week of August, but off of four negative weeks in a row for the same month last year. In August 2016, week four saw fashion sales down by -9.56%, a base from which sales grew by only +1.64% in week four this year.

HOMEWARES

+1.9%

August 2016: +11.3%

- Homeware LFLs were up by +1.9% in August from a strong base of +11.3% for the same month last year. The result marked the fourth positive month for homeware in succession. LFLs were up in the first three weeks of August for the sector, with the high of +6.77% coming in week one. In week four homeware sales slipped into the negative, down by -2.63%, but off of a very strong base of +9.20% for the equivalent week last year.

NON-STORE

+18.3%

August 2016: +21.1%

- Non-store LFLs were up by +18.3% this month, below the +20% threshold, from a base of +21.1% seen last year. LFL sales were very strong in week one, up by +31.53, but were well below the +20% mark for the last three weeks of August. The low of +12.88% came in week four, coming off of a base of only +12.52% last year, as the week leading up to the bank holiday saw non-store sales slow again this year.

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.

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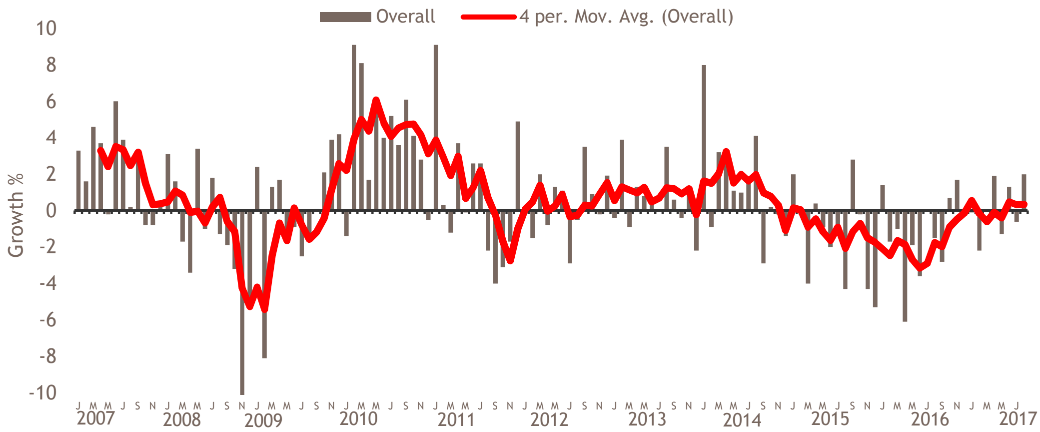
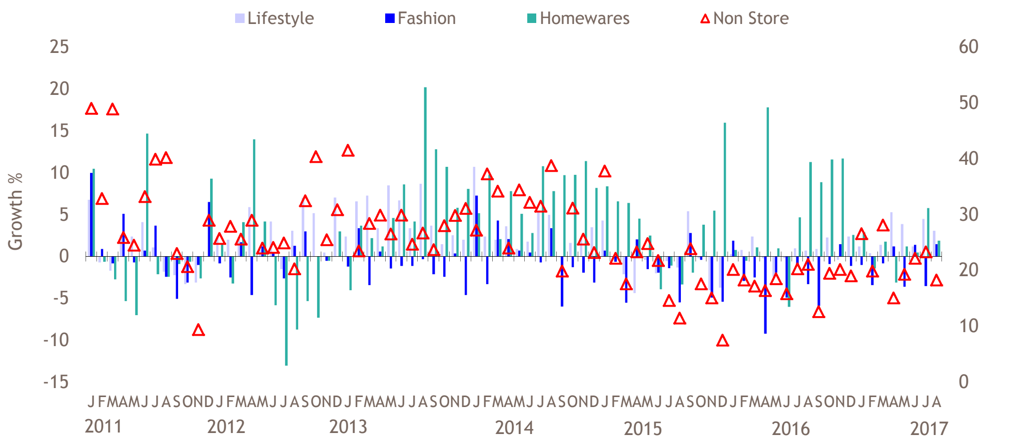
MONTHLY LIKE-FOR-LIKE RESULTS 2017

LFL Growth %	Week 1 (we 06/08)	Week 2 (we 13/08)	Week 3 (we 20/08)	Week 4 (we 27/08)	Total August
Lifestyle	1.23	2.89	5.46	2.46	3.1
Fashion	1.33	0.95	2.17	1.64	1.5
Homewares	6.77	1.85	3.13	-2.63	1.9
Non-store	31.53	13.57	16.13	12.88	18.3
Total (excl non-store)	**1.65**	**1.58**	**3.20**	**1.52**	**2.0**

MONTHLY LIKE-FOR-LIKE RESULTS 2007-2017



MONTHLY LIKE-FOR-LIKE RESULTS BY SECTOR 2011-2017



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