BDO HIGH STREET SALES TRACKER

SEPTEMBER MONTHLY REVIEW - the four weeks to 24 September 2017 06 October 2017

TOTAL (excl non-store)

+2.9%

September 2016: -2.8%

Last year's pain is this year's gain in September

- Total like-for-like sales were up by +2.9% in September, but from a base of -2.8% for the same month last year.
- At face value the result was the best September seen since 2012 and the best month for sales in over three years. However, considering the poor base, the very welcome rate of growth remains fairly slow.
- As more inclement weather settled in, September began with a bump. In week one total sales fell by -1.09% from a negative base of -2.73% for the same week the previous year. However, from week two, total sales began to improve, up by +4.11% from a positive base of +0.66% recorded for the same last year. New autumn ranges, back to school spending and the first flush of Christmas shopping appeared to have a positive impact on sales. In week three, sales growth outstripped a negative base of -5.16% from the year before to post an increase of +7.73%. In week four, sales were up, but only by +0.89% from a weak base of -5.12%.
- Lifestyle was the star performer in September. Fashion and homeware were also in positive territory, but the growth for fashion was from a poor base last year. Non-store growth was strong this month, and despite coming off of a lacklustre base last year, there were indicators that early Christmas spending may have begun to boost non-store sales.
- The positive result in September came despite the fact that overall footfall was down in each week of the month. The low came in week four, with footfall down by -2.0% compared to the same week last year. Overall footfall suffered this month primarily due to a drop in footfall on the high street, which was also down in each week of September. The low for high street footfall came in week two, dropping by -4.4% as compared to the equivalent week last year. However, footfall at retail parks saw growth in the first three weeks of the month, with the high of +3.4% coming in week two, before ending the month down by -1.5% in week four. Footfall at shopping centres started the month down by -2.0%, but was up in each of the following two weeks, ending the month down by -1.7% compared to the equivalent week last year.
- September's sales growth also continues to reflect rising prices. The Office of National Statistics (ONS) reported that in August non-food stores and non-store retailing recorded their highest year-on-year price growth since March 1992, at 3.2% and 3.3% respectively. The Consumer Price Index (CPI) rose to 2.9% in August, while average wage growth lagged behind at 2.1% in the three months to July. As consumers turn their attention to Christmas shopping, the strain on personal finances is becoming more pronounced at a time when the Bank of England has issued warnings as to personal debt levels. As consumer confidence in the future of the UK economy trends down significantly, on a year-on-year basis, footfall figures for the month suggest that shoppers responded by limiting the number of purchasing visits they made in September. Retailers will need to continue to remain strategically agile in promoting and pricing quality offerings across all channels if they are to be successful in the critical final quarter of the year.

LIFESTYLE

+3.6%

September 2016: +0.9%

- Lifestyle LFLs were up by +3.6% in September from a base of +0.9% for the same month last year. Lifestyle continued its positive run for every month of the year-to-date and posted its best September since 2015. As the star performer again this month, it was positive in the first three weeks of September and recorded a flat result in week four.

FASHION

+2.7%

September 2016: -5.9%

- Fashion LFLs were up by +2.7% in September, but from a very weak base of -5.9% for the same month last year. The poor base last year meant that on the surface this was the best month for fashion since September 2015. However, in week one fashion sales sank further into the negative off of an already negative base the year before. In week two sales increased to offset a negative base, but in both week three and week four, positive sales growth was not sufficient to outstrip negative results the year before.

HOMEWARES

+0.8%

September 2016: +8.9%

- Homeware LFLs were up by +0.8% this month from a strong base of +8.9% recorded in September last year. The result marked the fifth positive month in succession for homeware. Sales dipped into the negative in the first two weeks of the month, but off of strong bases last year. Sales were in positive territory for the last two weeks of September however, with a month high of +4.83% coming in week four.

NON-STORE

+30.4%

September 2016: +12.6%

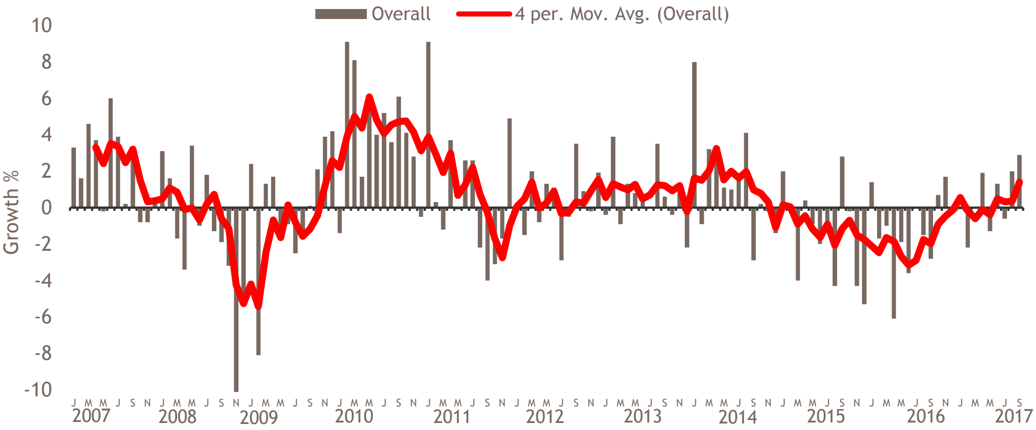
- Non-store LFLs were up by +30.4% in September. This was the best result for non-store since January 2015. While the growth was coming off of a low base of +12.6% for September last year (which was the lowest monthly result of 2016 entire), the result this month was still strong. With progressively larger growth seen in each week of September, there was an indication that early Christmas shopping may have pushed sales northwards towards the end of the month.

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.

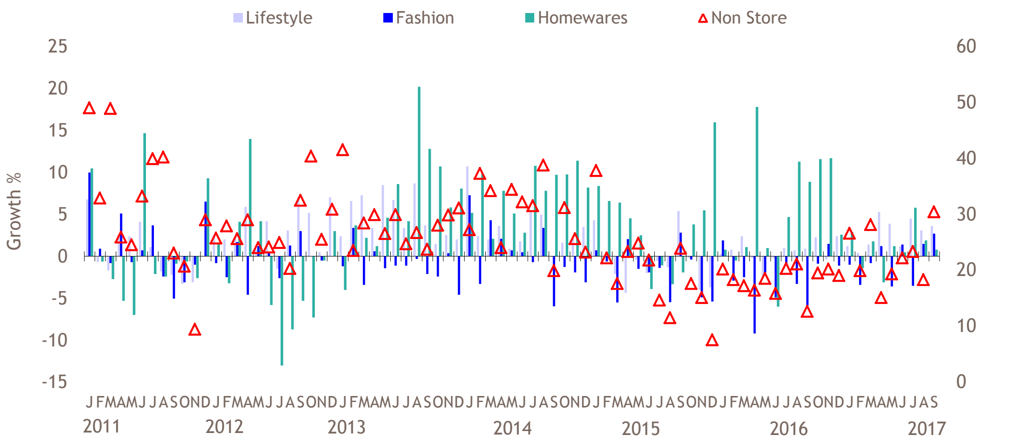
MONTHLY LIKE-FOR-LIKE RESULTS 2017

LFL Growth %	Week 1 (we 03/09)	Week 2 (we 10/09)	Week 3 (we 17/09)	Week 4 (we 24/09)	Total September
Lifestyle	0.42	5.39	8.53	0.00	3.6
Fashion	-1.52	3.93	7.79	0.91	2.7
Homewares	-2.90	-0.07	1.60	4.83	0.8
Non-store	19.13	26.29	34.63	41.56	30.4
Total (excl non-store)	**-1.09**	**4.11**	**7.73**	**0.89**	**2.9**

MONTHLY LIKE-FOR-LIKE RESULTS 2007-2017



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



Further Information: HighStreetSalesTracker@bdo.co.uk

Website: www.bdo.co.uk