



BDO HIGH STREET SALES TRACKER

FEBRUARY MONTHLY REVIEW - the four weeks to 25 February 2018

09 March 2018

TOTAL (excl non-store)

-1.6%

February 2017: -2.2%

LIFESTYLE

-0.6%

February 2017: +0.4%

FASHION

-1.9%

February 2017: -3.4%

HOMEWARES

-4.2%

February 2017: -1.4%

NON-STORE

+15.8%

February 2017: +19.9%

High street slides in February for fifth year in a row

- Total like-for-like sales were down by -1.6% in February from an already negative base of -2.2% for the same month last year.
- Bricks-and-mortar sales have now been negative in every February since 2013. In-store sales have also not seen positive growth in four of the last five months.
- Total in-store sales were down in each week of February. LFL sales were down by -1.32% in week two, despite the fact that snowfall in the equivalent week the previous year had suppressed sales to the tune of -6.54%. The low came in week four when sales dropped by -2.42%, despite the fact that the same week the year before saw Storm Doris battering the UK and leaving sales down by -3.51%. Valentine's Day provided little warmth in week three, as sales declined by -1.07% from the equivalent week the year before that also included Valentine's Day (+2.32%).
- For the first time since October 2017, all three in-store sector indexes were in negative territory in February. Subdued consumer spending was evident across different channels this month as non-store sales posted the lowest monthly growth rate since August 2017.
- Overall footfall was down in three weeks of February. However, the positive +0.3% footfall growth seen in week two was going up against an equivalent week last year when wintry weather blighted the UK. Footfall on the high street was the location hit hardest this month, seeing no growth as compared to the equivalent weeks last year. Footfall growth was flat on the high street in week two, but the same week last year experienced snow. The low of -3.0% came in week three, which incorporated Valentine's Day, as consumers exercised restraint. Shopping centres saw footfall decline in each week of February as compared to the same weeks last year. Only retail parks saw footfall increase in February, up in every week of the month, with a high of +3.0% coming in week four.
- While the Consumer Price Index (CPI) inflationary rate remained at 3.0% in January, any decrease in shop prices in February did not positively impact the depleted appetite for consumer spending. Amid extremely challenging trading conditions, in which further high profile administrations have been announced this month, wage growth is still running behind inflation. Discretionary spend, particularly on homeware or fashion items, is continuing to be squeezed as consumers prioritise groceries, luxuries, treats, entertainment and leisure spending. Off the back of a disappointing December trading, not offset by January's slow growth, retailers are now navigating the pressure to continue to make essential investments in product, technology and experience, while in some cases managing falling sales, shrinking margins, rising rates and large estate portfolios. Under such a high pressure environment, it seems inevitable that the months ahead will see further high profile casualties.
- Lifestyle LFLs were down by -0.6% in February from a base of +0.4% for the same month last year. It was the poorest in-store monthly result for lifestyle since 2011. This was the first negative in-store result for lifestyle in the last four months and its lowest result since May 2016. However, lifestyle was the only sector to record any positive in-store weeks in February. It was the chief beneficiary of Valentine's Day in week three (+2.62%) and also maintained positive momentum into week four (+2.02%).
- Fashion LFLs were down by -1.9% in February from a base of -3.4% for the equivalent month last year. In-store fashion LFLs have now not been positive in February since 2013. Following a positive result in January (+0.5%), in-store sales have been negative for fashion in four of the last five months. Down in each week of February, the low came in week four when fashion had its poorest weekly in-store result of the year to that point (-4.44%), falling off further from a poor equivalent week last year that was hit by Storm Doris (-4.51%).
- Homeware LFLs were down by -4.2% this month from a base of -1.4% for February 2017. This was the third negative February in succession for homeware and its worst monthly result since June 2016 when the country was voting in the EU Referendum. The negative result this month ended a run of three positive months in a row. Negative in each week of February, a slowdown in sales of furniture and home furnishings saw the month end with in-store LFL sales down by -5.60% in week four.
- Non-store LFLs were up by +15.8% in February from a base of +19.9% for the same month last year. The result marked the lowest non-store growth for February on record, at least since the High Street Sales Tracker (HSST) began tracking non-store in 2010. It also marked the second month in succession where non-store sales have been below +20% and the lowest non-store monthly growth since April 2017. The high of +18.72% came in week two, the last full week prior to Valentine's Day, while week three (including Valentine's Day) saw LFL sales growth at a month low of +13.58%.

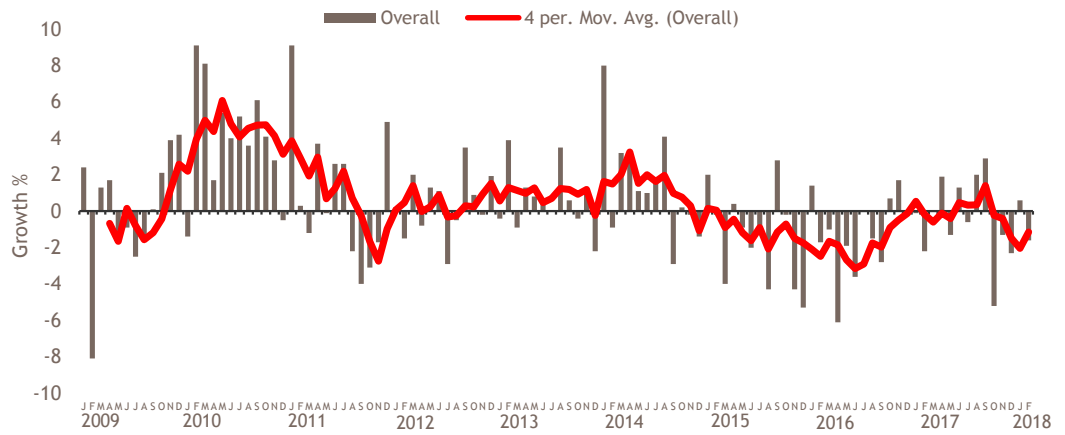
The High Street Sales Tracker outlines weekly like-for-like sales changes of c85 mid-tier retailers with c10,000 individual stores across Fashion: accessories, clothing, footwear. Lifestyle: general household goods, gifts, health and beauty, leisure goods. Homewares: cookware, furniture and floorcoverings,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



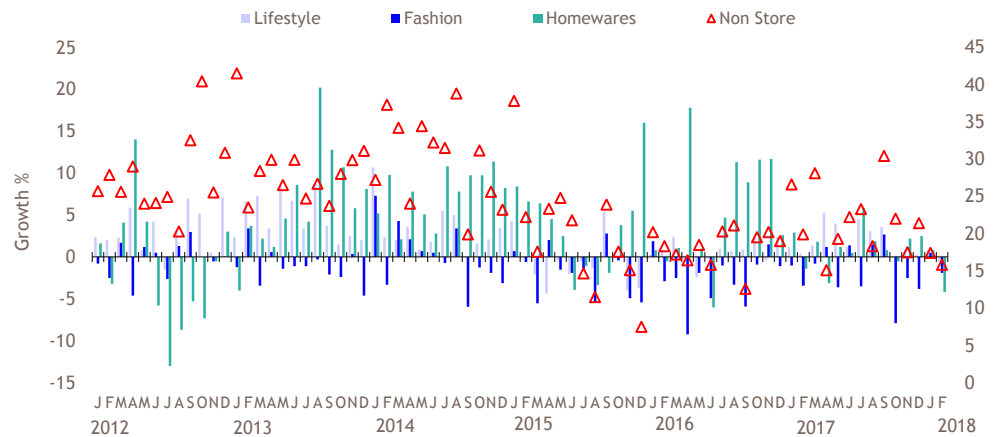
MONTHLY LIKE-FOR-LIKE RESULTS 2018

LFL Growth %	Week 1 (we 04/01)	Week 2 (we 11/01)	Week 3 (we 18/01)	Week 4 (we 25/01)	Total February
Lifestyle	-3.72	-2.92	2.62	2.02	-0.6
Fashion	-0.55	-0.39	-2.47	-4.44	-1.9
Homewares	-2.10	-4.25	-4.80	-5.60	-4.2
Non-store	15.35	18.72	13.58	15.37	15.8
Total (excl non-store)	-1.59	-1.32	-1.07	-2.42	-1.6

MONTHLY LIKE-FOR-LIKE RESULTS 2009-2018



MONTHLY LIKE-FOR-LIKE RESULTS BY SECTOR 2012-2018



Further Information: HighStreetSalesTracker@bdo.co.uk

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