BDO HIGH STREET SALES TRACKER

JUNE MONTHLY REVIEW - the four weeks to 24 June 2018 06 July 2018

TOTAL (excl non-store)

-1.7%

June 2017: +1.3%

LIFESTYLE

-0.3%

June 2017: +1.2%

FASHION

-2.3%

June 2017: +1.4%

HOMEWARES

-2.4%

June 2017: +0.5%

NON-STORE

+10.9%

June 2017: +22.2%

Brexit two-year anniversary blues for the high street in June

- Total in-store like-for-like (LFL) sales were down by -1.7% in June from a base of +1.3% for the same month last year.
- The result marked the fifth successive month of negative in-store growth and the ninth month in a row where in-store growth has failed to exceed 1%. June last year saw an increase in sales following a poor result in June 2016 (-3.6%) when the UK was gripped by the EU referendum.
- June began with in-store sales plunging by -6.47% in week one. The week incorporated half term holidays in many areas as torrential rain and localised flooding across parts of the UK hurt footfall and sales. Week two saw something of a recovery, with sales up by +2.65%. However, the increase was from a poor base the year before when consumers were distracted by the UK General Election. Week three saw the World Cup kick off and culminated in Father's Day as in-store sales increased by +1.74%. The month ended with a bump as sales slipped down by -5.38%. The significant decline was from a very strong result a year earlier that was itself comparing with the EU referendum week that occurred twelve months earlier in 2016 when sales tanked by -8.14%.
- All three sectors were in the red for in-store growth this month, with lifestyle posting only a marginal decline from a positive week last year.
- The deluges in week one left overall footfall down by -4.4% as compared to the same week a year earlier. Week two saw the only overall increase in footfall in June, up by +1.5% and increasing due to consumers being at the polls a year earlier for the General Election. Overall footfall was down in the last two weeks of the month, despite Father's Day falling in week three. Footfall on the high street was up in weeks two and four, with a month high of +3.2% coming in week two and a month low of -3.6% coming in week one as the rain set in. Retail parks saw footfall decline in weeks one and four, falling by a heavy -3.7% in week four as the sun shone and the World Cup was in full swing. Footfall at shopping centres also saw little benefit from football fever or the sunshine, declining in every week of June with a low of -5.2% hitting in week four.
- June marked the two year anniversary of the Brexit vote. Sales bounced in June last year, following the negative trading environment that surrounded the EU referendum in 2016. However, 2018 to-date has proven to be an exceptionally tough year for the high street at the half way mark. In the twenty four months that have followed the EU referendum, in-store sales have exceeded growth of 1% in just five of those months. The consumer transition to online purchasing is certainly a part of that story, but the first half of 2018 has also seen prolonged periods of supressed sales across all channels. Critically, the significant percentage of revenue that the high street still generates in-store should also ensure that retail and business rates remain at the top of the agenda for policy makers twelve months on from the last UK election. World Cup fever may have boosted pub spending and sales of televisions and food and drink in June, but the underlying conditions on the high street remain deeply challenging.
- Lifestyle LFLs were down by -0.3% in June, but from a solid base of +1.2% in the same month last year. The result marked the fifth negative in-store month in a row for lifestyle. The decline for lifestyle in June was not as deep as for fashion and homeware with Father's Day helping to boost sales by +2.75% in week three, as gift retailers and stationers reaped the benefits. Retailers of electrical goods fared better in the middle of the month, presumably as television sales increased ahead of the World Cup.
- Fashion LFLs were down by -2.3% in-store this month from a base of +1.4% for June last year. While fashion saw in-store growth of +0.4% last month (May), growth of 1% or above has eluded the sector for the past nine months. With some evidence of summer discounting, LFLs were up in the middle of June, with a high of +4.55% bouncing off of a poor General Election week the year before. However, the month was topped-and-tailed by declines in excess of 7% in weeks one and four. The poor results effectively ended any hope of an overall in-store increase for fashion this month.
- Homeware LFLs were down by -2.4% in-store this month from a base of +0.5% for June last year. The result marked the fifth negative in-store month in a row for homeware, with growth failing to exceed 1% since December last year. LFL sales started poorly in week one, down by -8.71% as torrential rain led to a decline in footfall. Negative in three weeks of the month, only week three saw some respite, with sales up by a strong +9.13% amidst evidence of summer discounting for some.
- Non-store LFLs were up by a pedestrian +10.9%, the lowest increase on record since December 2015 (+7.5%), which at the time was the lowest non-store figure recorded since we began analysing this sales medium in 2010. The result this month was fractionally below the +11% seen in March when heavy snowfall inhibited spending, in part apparently due to concerns around delivery. However, non-store LFL sales this month were also comparing to a very strong +22.2% seen for June last 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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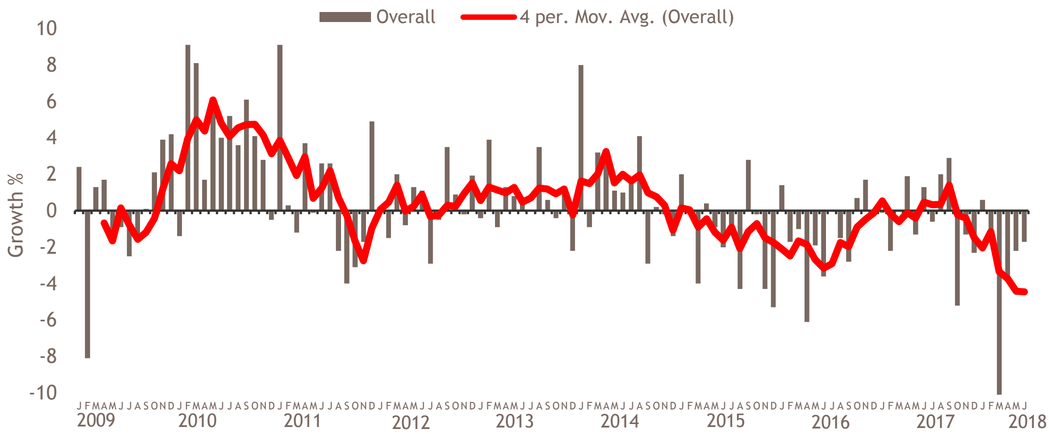
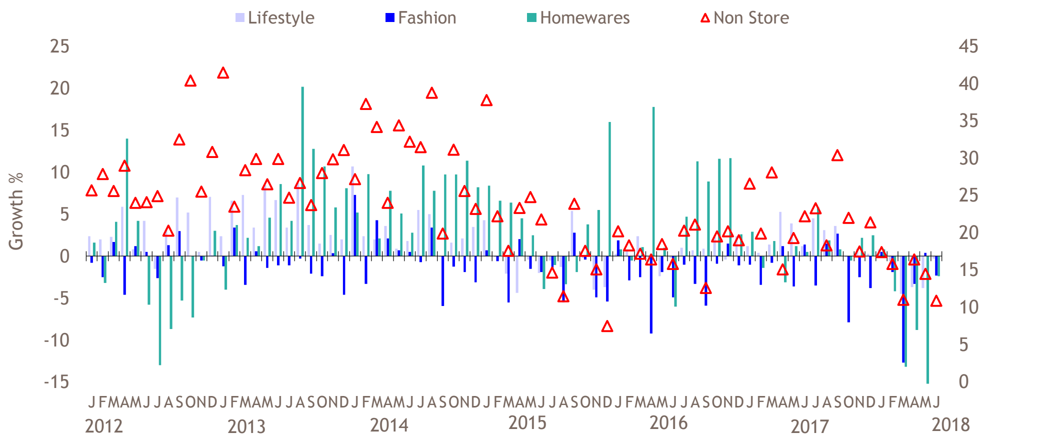
MONTHLY LIKE-FOR-LIKE RESULTS 2018

LFL Growth %	Week 1 (we 03/06)	Week 2 (we 10/06)	Week 3 (we 17/06)	Week 4 (we 24/06)	Total June
Lifestyle	-3.18	1.05	2.75	-2.14	-0.3
Fashion	-7.81	4.55	0.55	-7.80	-2.3
Homewares	-8.71	-3.36	9.13	-3.02	-2.4
Non-store	2.74	15.16	14.76	9.82	10.9
Total (excl non-store)	**-6.47**	**2.65**	**1.74**	**-5.38**	**-1.7**

MONTHLY LIKE-FOR-LIKE RESULTS 2009-2018



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



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