



BDO HIGH STREET SALES TRACKER

MAY MONTHLY REVIEW - the five weeks to 29 May 2016

10 June 2016

TOTAL (excl non-store)

-1.9%

May 2015: -0.9%

LIFESTYLE

-2.4%

May 2015: -0.4%

FASHION

-1.9%

May 2015: -1.5%

HOMEWARES

+1.0%

May 2015: +2.5%

NON-STORE

+18.5%

May 2015: +24.8%

High street remains downbeat

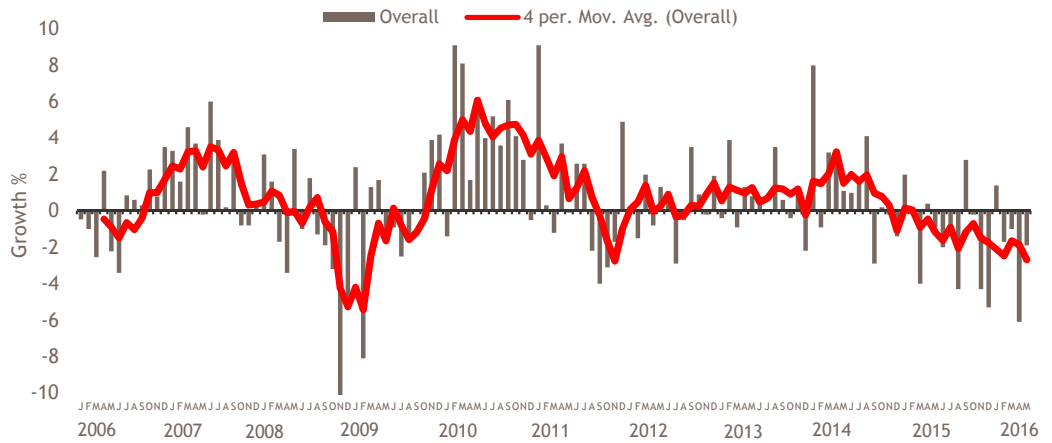
- May's like-for-like sales fell by -1.9% compared to the same month last year. The result was well up on April's dramatic low (-6.1%), but down on each of the first three months of 2016.
- Coming off the back of the April low and the high profile administrations of last month, combined with the wider climate of the EU referendum, sentiment amongst retailers was notably downbeat at the start of May. Against this backdrop, a highly price competitive market is continuing to put strain on margins, and despite starting the month positively, footfall on the high street declined in the second half of May.
- Lifestyle struggled this month and posted successively lower negative LFL sales for each week of the month. While fashion posted a negative number overall, it did break the trend of eight negative weeks in a row, posting consecutive positives in weeks 19 and 20. Homewares was once again the star performer, posting a strong game-changing result in week 22, after seeing a slow start followed by a mid-month decline.
- The relative cloud of uncertainty hanging over the high street may be set to remain for a while yet, as respondents to a recent CBI forecast for June suggested that sales figures will drop further. Of the 121 firms surveyed, 60 of whom were retailers, 21% said they expected sales volumes to increase next month, while 26% expected them to fall. While sentiment is clearly divided, the resulting balance of -5% was the lowest forecast since May 2013.
- Part of the issue appears to be linked to consumer spending habits shifting towards an experience economy, with consumers focused more upon doing things than buying things, a factor which some commentators suggest may not last.
- Another factor is that, in a climate of uncertainty, household budgets are also coming under increasing pressure. According to a survey conducted by Markit this month, households reported the worst financial strain in nearly two years in May, citing slowing pay growth, pressure on savings and rising inflation as reasons for the squeeze.
- After a positive run for the first three months of the year, sales of lifestyle goods fell for the second month running, posting its lowest monthly figure of the year-to-date (-2.4%). The category progressively fell further into the negative with each passing week of the month, dropping to -3.99% in week 21 and further to -4.81% in week 22.
- Fashion remained in the negative this month with LFL sales down by -1.9%. Despite the negative result, the figure was well up on the -9.20% seen in April, and only marginally down on May 2015 (-1.5%). A glimmer of optimism may be discerned in the fact that May saw the highest negative figure for fashion LFL sales since January 2016 (+1.9%). Fashion started and ended the month negatively, with the low coming in week 22 with LFL sales down by -8.27%, following mid-month forays into positive territory in weeks 19 (+3.87%) and 20 (+3.16%).
- Homewares had the strongest result overall for the second month in a row (+1.0%). However, this was predominantly due to a strong close to the month, posting +8.10% in week 21, and a very strong +20.90% in week 22, both well up on the low of week 19 (-5.80%). Heavy summer or mid-season sales combined with the prospect of a bank holiday helped to drive the uplift in sales.
- Remote sales continued to feel the benefit of the growth of online shopping (increasingly done on the move via a mobile device) posting a LFL figure of +18.5%. The result is the highest since January 2016 (+20.2%). However, in the wider landscape, it remained down on both the +20% benchmark and on May 2015 (+24.8%).

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.

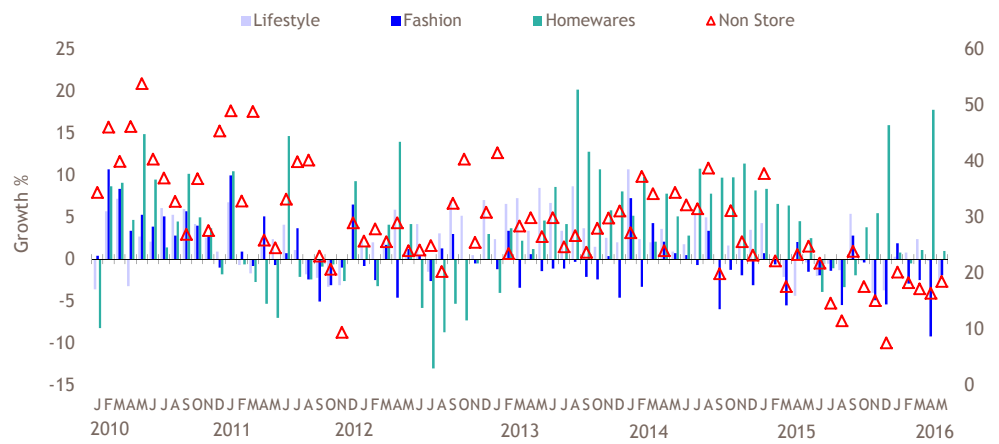
MONTHLY LIKE-FOR-LIKE RESULTS MAY 2016

LFL Growth %	Week 18 (we 1/5)	Week 19 (we 8/5)	Week 20 (we 15/5)	Week 21 (we 22/5)	Week 22 (we 29/5)	Total May
Lifestyle	-0.54	-1.44	-1.61	-3.99	-4.81	-2.4
Fashion	-6.30	3.87	3.16	-3.43	-8.27	-1.9
Homewares	0.40	-5.80	-5.15	8.10	20.90	1.0
Non-store	16.18	20.04	16.03	29.83	10.28	18.5
Total (excl non-store)	-4.34	1.94	1.69	-3.29	-6.50	-1.9

MONTHLY LIKE-FOR-LIKE RESULTS 2006-2016



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



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