



BDO HIGH STREET SALES TRACKER

DECEMBER MONTHLY REVIEW - the four weeks to 25 December 2016

06 January 2017

TOTAL (excl non-store)

-0.10%

December 2015: -5.3%

LIFESTYLE

+2.4%

December 2015: -3.7%

FASHION

-1.07%

December 2015: -5.4%

HOMEWARES

+2.6%

December 2015: +16.0%

NON-STORE

+19.0%

December 2015: +7.5%

Fourth negative December in succession

- Total like-for-like sales were down by -0.10% in December from a very weak base of -5.3% in December 2015, which at the time was the worst monthly result seen since 2008.
- The negative result comes after two positive months for in-store growth seen for October and November. With total sales in the negative for the first three weeks of December, the slump in total sales could have been considerably worse were it not for a stellar performance in the week leading up to Christmas Day.
- Despite the total decline, there were some positive results with lifestyle and homeware exhibiting growth, while fashion posted its tenth negative month of 2016. The picture for online sales was altogether more positive, if just shy of the +20% growth threshold.
- Footfall was down on the high street, at retail parks and shopping centres for the first three weeks of the month, with shopping centres bearing the brunt, down by -5.2% in the second week of December. However, footfall revived in the week leading up to Christmas Day, with a +3.4% increase across all retail centres.
- The Office of National Statistics (ONS) reported that the Consumer Price Index (CPI) rose to 1.2% in the year to November, compared to a rise of 0.9% in the year to October. The rise in November was the highest seen since October 2014 (1.3%) and although fuel accounts for a percentage of the increase, clothing was also a factor. Inflationary pressures and economic uncertainty are causing consumers to save more and spend less. A report by the British Bankers' Association (BBA) has found that in the first 11 months of 2016, total personal deposits grew by £32.4bn, compared with a £19.8bn increase over the same period in 2015. While online sales are benefiting from increasing international interest, according to figures from Opus Restructuring, 43.6% of fashion retailers are still at risk of failure, a sharp deterioration since the same time last year when 37.1% were deemed financially vulnerable.
- Lifestyle LFLs were up by +2.4% in December, but off of a weak base of -3.7% in December last year. The result equalled its best month of 2016 back in March. Despite posting negative results for the first three weeks of the month, a phenomenal run up to Christmas in the last week of the month was enough to boost in-store sales into positive territory as sales of gifts, bicycles, Christmas cards and wrapping paper surged.
- Fashion LFLs were down by -1.07% this month, off of an already poor base of -5.4% for December last year. This was the worst result seen for fashion since September. Unseasonably warm weather and poor footfall dented in-store sales for the first three weeks of the month and a positive final week of +8.3% before Christmas was not enough to drag in-store sales for the month into the black.
- Homeware was the star performer in December, up by +2.6% off of an already strong base of +16.0% last year. This was its sixth positive month in succession, but its lowest level of growth seen since June. Despite some strong performances from some furniture and soft furnishing retailers, others saw negative LFLs during December, as did kitchenware retailers, such that there was a slight cooling of momentum for homeware this month.
- Non-store LFLs were up by +19.0% this month, off of a base of +7.5% last year. December got off to a slow start, with growth of just +9% in the first week of the month. However, in a phenomenal week ending with Christmas Day, the last week of the month saw LFL growth of +51.1% as last minute domestic and international shoppers hit the Internet in numbers. As well as international shoppers taking advantage of the weak pound, an increasing number of people were looking for online bargains from 25th December, a factor that also boosted sales this month.

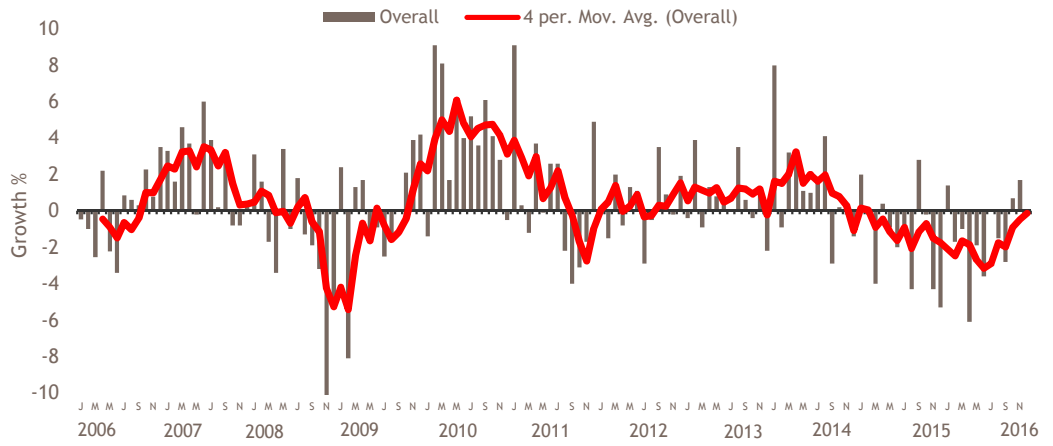
The High Street Sales Tracker outlines weekly like-for-like sales changes of c85 mid-tier retailers with c10,000 individual stores across Fashion: accessories, clothing, footwear. Lifestyle: general household goods, gifts, health and beauty, leisure goods. Homewares: cookware, furniture and floorcoverings,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



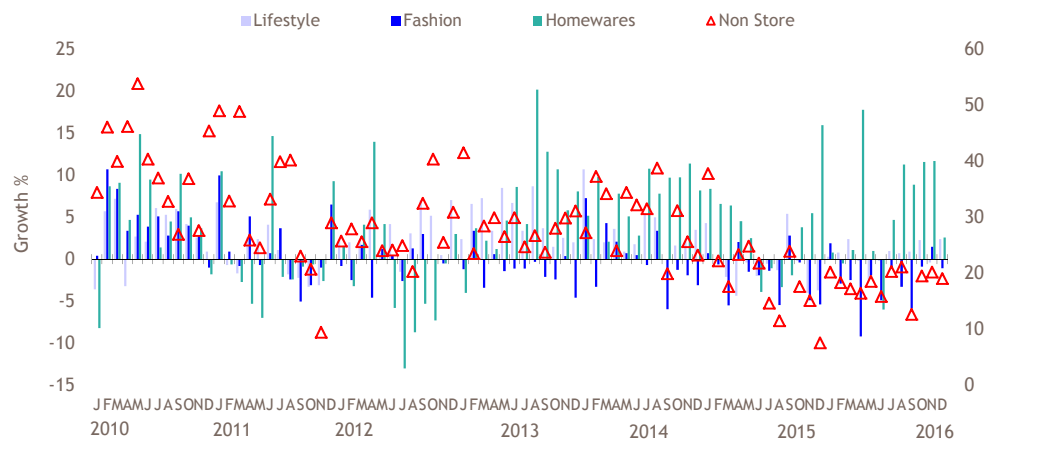
MONTHLY LIKE-FOR-LIKE RESULTS 2016

LFL Growth %	Week 49 (we 4/12)	Week 50 (we 11/12)	Week 51 (we 18/12)	Week 52 (we 25/12)	Total December
Lifestyle	-4.1	-1.37	-3.9	21.3	2.4
Fashion	-1.5	-4.40	-6.8	8.3	-1.07
Homewares	-3.2	8.07	6.5	19.0	2.6
Non-store	9.0	17.01	21.4	51.1	19.0
Total (excl non-store)	-2.3	-2.86	-5.3	11.7	-0.10

MONTHLY LIKE-FOR-LIKE RESULTS 2006-2016



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



Further Information: HighStreetSalesTracker@bdo.co.uk

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