



BDO HIGH STREET SALES TRACKER

JULY MONTHLY REVIEW - the five weeks to 30 July 2017

04 August 2017

TOTAL (excl non-store)

-0.6%

July 2016: 0.0%

LIFESTYLE

+4.5%

July 2016: +1.0%

FASHION

-3.5%

July 2016: -1.0%

HOMEWARES

+5.8%

July 2016: +4.7%

NON-STORE

+23.3%

July 2016: +21.7%

Falling Fashion Sales Drag July into the Negative

- Total like-for-like sales were down by -0.6% in July from a flat base of 0.0% for the same month last year.
- Fashion dragged total sales down this month, posting its worst July since 2009. Wetter weather and an exodus for school holidays at the end of the month hit footfall. Gatwick Airport announced that “more than the population of London” would use its airport during school summer holidays this year.
- The month began well with total sales up by +1.06% off of a negative week the previous year that followed the EU referendum. Good weather in week two lifted sales by +0.40%. However, in week three the weather was more unsettled and sales were marginally down by -0.33%. In week four more persistent poor weather dragged sales down to -1.59%. July ended with a bump, down by -2.47% as more unsettled weather and the school exodus for the sun dented sales.
- Homeware was the star performer in July, followed by a positive month for lifestyle. However, a tough month for fashion dragged total in-store sales into the negative, while non-store sales held up well across all sectors.
- Overall footfall was down in four weeks in July. The low of -3.3% came in the last week of the month when weather conditions deteriorated. Footfall on the high street was up in the first two weeks of the month, but declined further in each successive week thereafter, ending the month with a decline in footfall of -5.5%, as compared to the same week a year earlier. Footfall at retail parks was up in every week of July with the high of +1.6% coming in week four. It was the opposite scenario for shopping centres, where footfall fell in every week of the month, with the low of -2.8% also coming in week one.
- While the Consumer Prices Index (CPI) surprisingly dipped to 2.6% in June 2017, down from 2.9% in May, it is still running above the government target of 2% and above wage growth. There is also no doubt that consumer disposable income is being squeezed at the same time as borrowing is in danger of overheating. As consumer confidence dwindles and shoppers tighten the purse strings, focus shifts to essentials and away from (so called) throwaway fashion and results in an increasing spend on auction websites and with charity retailers, who continue to perform well. A declining real earnings base in an environment of increasing prices is providing further challenges to retailers battling for the consumer pound.
- Lifestyle LFLs were up by +4.5% in July from a base of +1.0% for the same month last year. Positive in every week in July, the high of +7.81% came in week four. Lifestyle sales may well have benefitted from the steady counter flow of international tourists heading for the UK. The result marked the second best month for lifestyle in the year-to-date, with an improvement in sales for electrical goods retailers and a strong performance from high end gift retailers.
- Fashion LFLs were down by -3.5% in July from a base of -1.0% for the same month last year. Its worst July result for eight years, it was also its second worst result for the year-to-date. In a month associated with discounting, retailers will be concerned that LFLs were negative in every week of July. From the positive result seen for June, the deterioration of the weather hit footfall and fashion sales hard, particularly towards the end of the month.
- Homeware was the star performer this month, with LFLs up by +5.8% from a base of +4.7% in July last year. The result was its best month of the year-to-date. Homeware sales were positive in each week of the month, with the exception of week three (-1.63%), and July ended with a high of +7.70%.
- Non-store LFLs were up by a healthy +23.3% in July from a base of +21.7% for the same month last year. Non-store sales held up well as footfall on the high street succumbed to the poor weather towards the end of the month. The result marked its third best month of the year-to-date and its best July for the last three years.

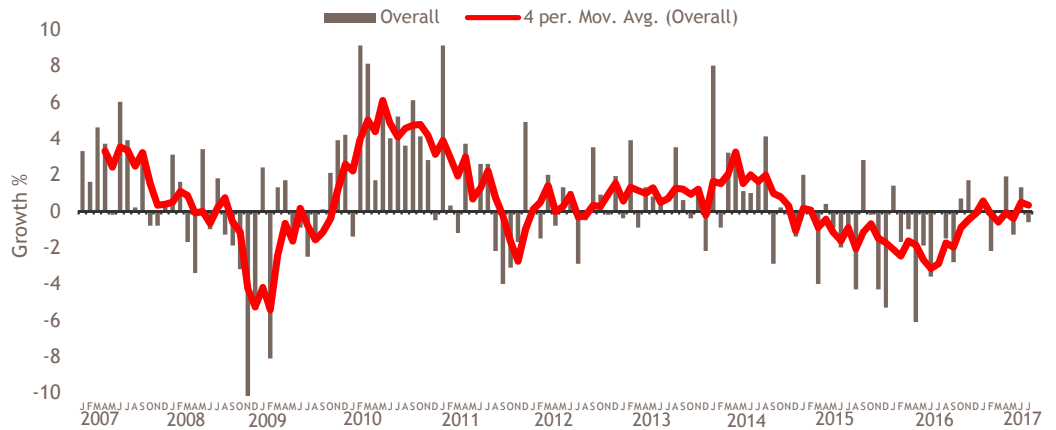
The High Street Sales Tracker outlines weekly like-for-like sales changes of c85 mid-tier retailers with c10,000 individual stores across Fashion: accessories, clothing, footwear. Lifestyle: general household goods, gifts, health and beauty, leisure goods. Homewares: cookware, furniture and floorcoverings,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



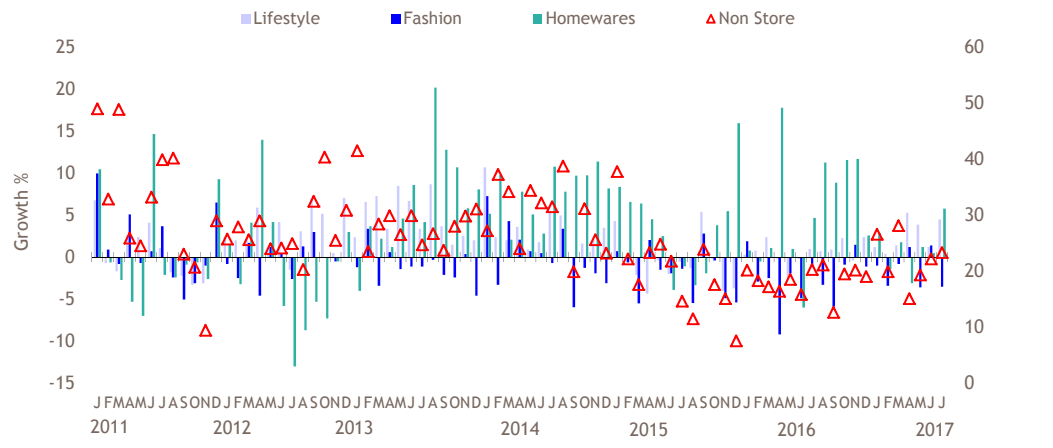
MONTHLY LIKE-FOR-LIKE RESULTS 2017

LFL Growth %	Week 1 (we 02/07)	Week 2 (we 09/07)	Week 3 (we 16/07)	Week 4 (we 23/07)	Week 5 (we 30/07)	Total July
Lifestyle	4.68	3.73	2.86	7.81	3.42	4.5
Fashion	-2.03	-1.27	-1.55	-6.78	-6.44	-3.5
Homewares	19.03	0.83	-1.63	6.80	7.70	5.8
Non-store	27.19	17.82	18.65	25.68	27.49	23.3
Total (excl non-store)	1.06	0.40	-0.33	-1.59	-2.47	-0.6

MONTHLY LIKE-FOR-LIKE RESULTS 2007-2017



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



Further Information: HighStreetSalesTracker@bdo.co.uk

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