BDO HIGH STREET SALES TRACKER

JUNE MONTHLY REVIEW - the five weeks to 26 June 2016

08 July 2016

Worst June in more than a decade

TOTAL (excl non-store)

-3.6%

June 2015: -2.0%

- June's total like-for-like sales fell by -3.6% making it the worst result for the month of June in more than a decade.
- June was also the second worst month of the year-to-date and the fifth negative month in a row. It was also the first month since August 2015 that all three sectors of lifestyle, fashion and homewares each recorded negative monthly figures.
- Homewares fell furthest this month, posting negative results for each week of June. After a positive week 23 at the beginning of June, fashion fell into the negative in week 24 and saw figures of less than -9% in weeks 25 and 26. Starting the month positively and somewhat buoyed by Father's Day, lifestyle was the star performer by virtue of only recording a negligible negative for the month.
- Poor weather and the EU Referendum contributed to shoppers increasingly deserting retail centres with each passing week of the month. Overall footfall successively declined across the board from -0.9% in the first week of June to -5.1% in the last week of June.
- A survey conducted by the CBI between 26 May and 14 June, reported that retail sales slowed in the run-up to the EU referendum backed by a number of UK retailers who saw sales fall to 4% in June from 7% in May. The report also indicated a slowdown in online sales in the year-to-June, but retailers expected to see increased store and non-store sales in July.
- A new report from the Department of Work and Pensions (DWP) suggests that consumers do have the money in their pockets with the average income before housing costs at an historic high of £473 per week. The challenge for retailers of course is to convince consumers to spend their surplus income with them, rather than directing it towards experiences, or retaining it while the UK rides out the post-Brexit storm. According to the May 2016 Verdict Retail Consumer Confidence Tracker, retail spending intentions are down -4.0% compared to last year but positively are up +1.6% on last month.

LIFESTYLE

-0.2%

June 2015: -2.0%

- Lifestyle saw its third negative monthly result in succession, down by -0.2% in June. Posting positive results in weeks 23 and 25, Father's Day only brought a negligible positive in week 25 (+0.21%) following a strong week for Father's Day last year. Lifestyle has posted negative results for eight of the last twelve months.

FASHION

-4.9%

June 2015: -1.9%

- Amid widespread and heavy discounting, fashion recorded its second lowest monthly figure so far this year, down by -4.9%. It was its fifth negative monthly result in a row and ten of the past twelve months have seen a negative total for fashion. Fashion posted a positive result in week 23 of the month (+2.89%), but fell into the negative for the remaining weeks, posting results of less than -9% in weeks 25 and 26. Clothing, footwear and accessories were all negative in the last three weeks of the month, with footwear seeing the largest declines, closely followed by clothing.

HOMEWARES

-6.0%

June 2015: -3.9%

- Homewares ended three positive months in a row to record its lowest monthly figure since October 2012, down by -6.0%. Despite some positive results for furniture retailers, homewares as a whole was in the negative for all four weeks of June. Homewares has seen negative monthly results in five of the last twelve months - a better performance than either lifestyle or fashion.

NON-STORE

+15.8%

June 2015: +21.8%

- Non-Store LFL sales were also blighted this month, up by only +15.8%, its lowest monthly figure so far this year. The month began positively, with week 23 seeing LFL sales breaking the +20% threshold (+21.43%). However, the online LFL comparison dropped off in each successive week of the month, with week 26 dropping to +6.79%. Father's Day failed to provide a much needed boost in week 25, which again dipped below the 20% mark (+16.18).

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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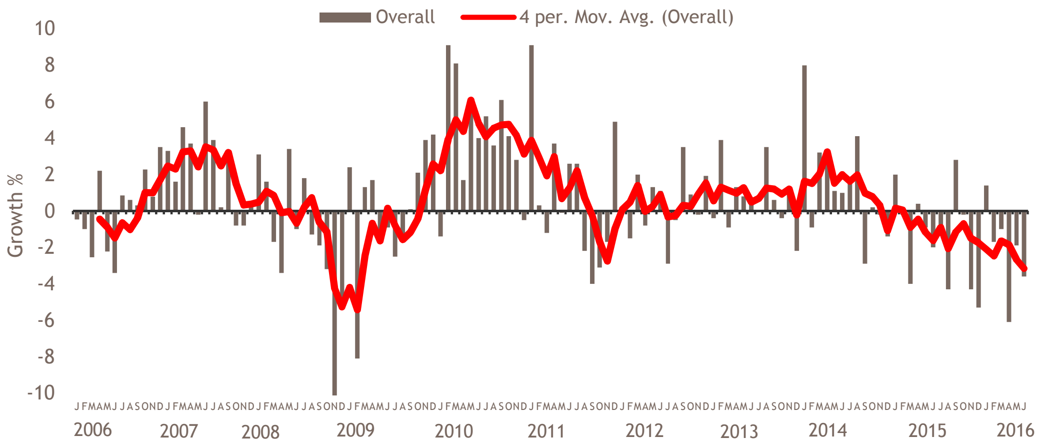
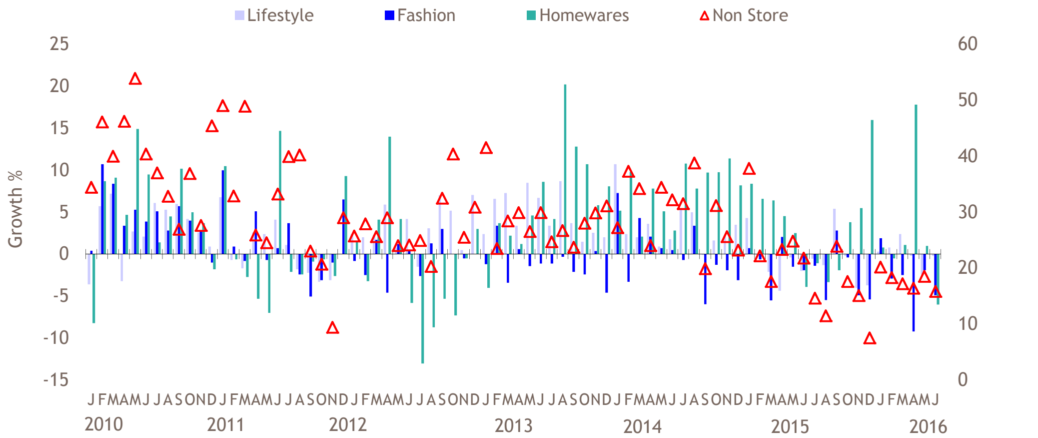
MONTHLY LIKE-FOR-LIKE RESULTS JUNE 2016

LFL Growth %	Week 23 (we 5/6)	Week 24 (we 12/6)	Week 25 (we 19/6)	Week 26 (we 26/6)	Total June
Lifestyle	6.84	-3.10	0.21	-4.50	-0.2
Fashion	2.89	-3.19	-9.97	-9.36	-4.9
Homewares	-5.50	-2.87	-0.60	-11.10	-6.0
Non-store	21.43	19.86	16.18	6.79	15.8
Total (excl non-store)	**3.84**	**-3.14**	**-6.53**	**-8.14**	**-3.6**

MONTHLY LIKE-FOR-LIKE RESULTS 2006-2016



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



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