

UK DIY & Gardening

Monthly report

UK Retail Sales

1.8%

Retail sales increased by 1.8% in January, year-on-year, according to Retail Economics.

Online Sales

7.4%

Total online sales rose by 7.4% in January, value and non-seasonally adjusted, according to ONS.

Shop Prices

0.7%

Shop price inflation rose by 0.7% in January, excluding fuel, according to ONS.

DIY & Gardening

-1.8%

DIY & Gardening retail sales fell by 1.8% in January, year-on-year, value and non-seasonally adjusted, according to Retail Economics.

Average Weekly Sales

£150m

Average weekly sales for DIY & Gardening were £150m in January, according to Retail Economics.

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THE LATEST DATA



What you get from our UK DIY & Gardening reports

- ✓ **A grasp of current retail trends from the latest available data**
- ✓ **Unbiased analysis of sector-specific data**
- ✓ **A holistic view of the DIY and gardening sector in the UK**
- ✓ **A competitive edge by understanding key economic factors**
- ✓ **A better understanding of the market to take the right actions**
- ✓ **Weather data to identify behavioural trends**
- ✓ **COVID-19 related commentary and insights**



COVID-19 Service

We conduct extensive research and analysis on the impact of coronavirus (COVID-19) on the UK retail and leisure industry. Our service consists of frequent, timely analysis and updates in a variety of formats so you can absorb the information quickly in a way that best suits you.

What you get

1. Impact assessment reports for UK retail and leisure

These reports provide an in-depth analysis of the COVID-19 impact on the UK retail and leisure industry including consumer panel surveys, economics analysis, forecasts and other insights.

2. COVID-19 Quick Responses

Get the latest updates from retailers and the wider industry on the impact of COVID-19 as and when it happens - delivered directly to your inbox.

3. Consumer panel research

For the critical duration, we conduct fortnightly surveys using a panel of over 2,000 households to measure: 1) Behavioural shifts 2) Confidence 3) Sentiment These extensive surveys have proved to be a very accurate indicator of future trading vulnerabilities for the industry.

4. Weekly newsletter

Every week we produce a summary of all the 'need-to-know facts and stats' related to the impact of coronavirus on the retail and leisure industry broken down by sector (e.g. clothing & footwear, food, home and more) and by channel.

5. Economic chartbook

Produced monthly, a summary of all the critical macroeconomic data and trends in an easily digestible chartbook format. Ideal for identifying trends.

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DIY & Gardening the weakest performing in January

Sector Growth Rankings	Jan-20	3 month avg.	6 month avg.	12 month avg.
Food	2.8%	1.8%	2.2%	2.3%
Footwear	2.7%	0.9%	0.6%	0.3%
Health and Beauty	2.2%	0.2%	0.5%	0.8%
Clothing	2.1%	0.7%	0.6%	0.5%
Furn & Floor	1.8%	0.7%	-0.1%	0.4%
Electricals	-0.5%	-1.5%	-1.2%	-0.9%
Homewares	-0.9%	-0.8%	-1.0%	0.1%
DIY and Gardening	-1.8%	-2.3%	-2.1%	-0.5%

Source: Retail Economics

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Sales decline

- DIY & Gardening sales fell 1.8% in January, year-on-year, against a 2.5% rise in the same month a year earlier.
- Despite being the fifth consecutive month in negative territory, growth improved on the previous month and was the strongest since August 2019. Resultantly, growth outperformed the three-month average (-2.3%), although was way off the 12-month average of -0.5%.

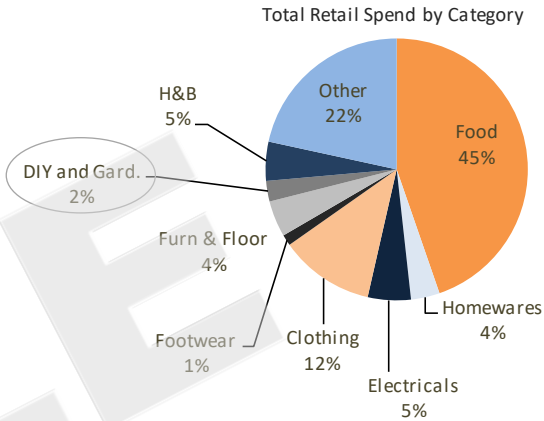
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Supportive factors

- The DIY & Gardening sector accounted for 2% of overall sales growth in January.
- Anecdotal commentary suggests that the milder weather in January, helped support sales growth, particularly in the gardening segment.
- Indeed, the Met Office suggested it was warmest January since 2007 (and the sixth-warmest January on record) allowing consumers to tend to gardens.

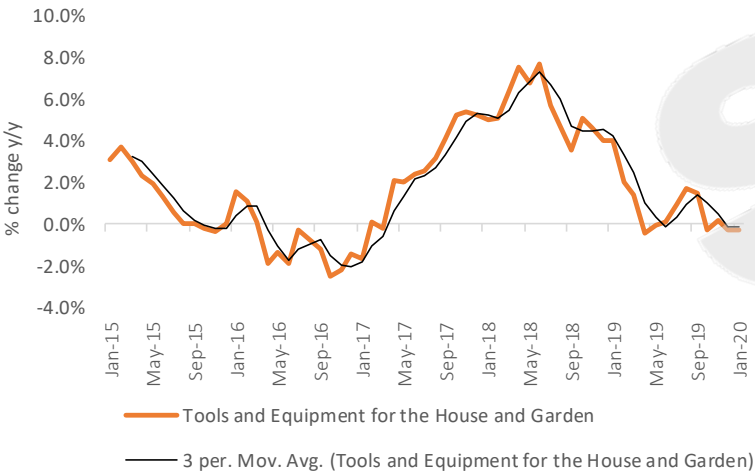
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DIY & Gardening accounts for 2% of total sales



Source: Retail Economics

DIY and Gardening inflation remains in negative territory



Source: ONS

Inflation dips

- We suspect promotional activity during the month continued to hamper top line sales growth as well as denting margins.
- Indeed, DIY inflation data remained in negative territory in January for the second consecutive month, falling 0.3%, year-on-year.
- With subdued consumer demand, retailers were likely to have used offers and discounts as a tool to drive consumers into shops.

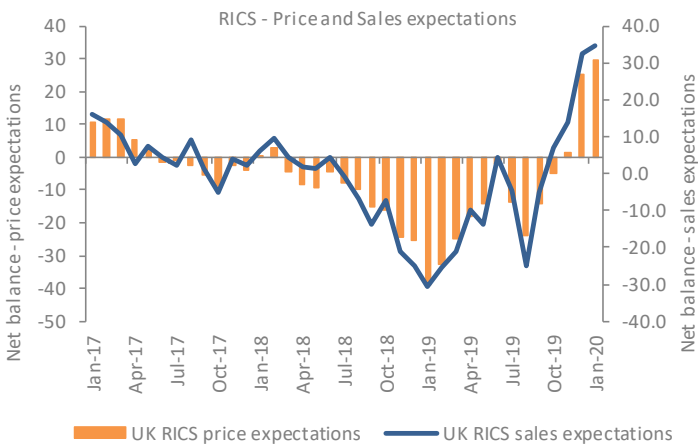
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Housing market

- The recent pick up in housing market activity could support sales growth going forward.
- In fact, housing transactions continued to rise at the beginning of the year following a strong performance in December which saw monthly transaction growth rise at its sharpest level since March 2016.
- Data from RICS supports this, reporting renewed activity amongst buyers and sellers in January.

4

Housing market activity picks up in January



Source: RICS



DIY and Gardening – January 2020

DIY & Gardening sales fell 1.8% in January, year-on-year, against a 2.5% rise in the same month a year earlier.

Despite being the fifth consecutive month in negative territory, growth improved on the previous month and was the strongest since August 2019. As a result, growth outperformed the three-month average of -2.3%, although was way off the 12-month average of -0.5%.

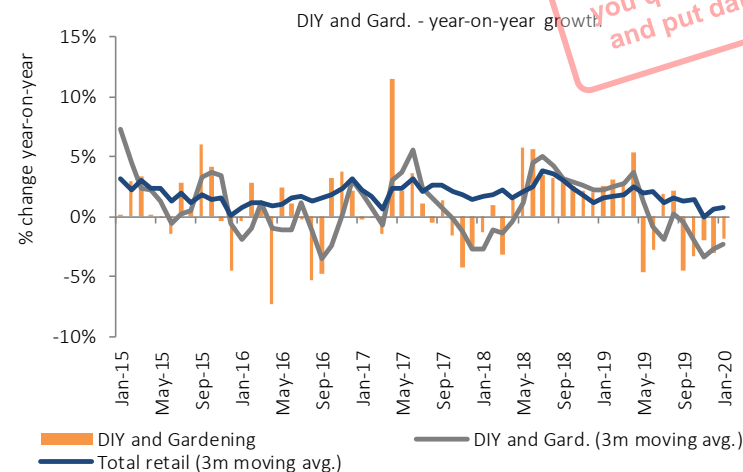
DIY & Gardening was one of three categories to fall year-on-year, with declines in Electricals (-0.5%) and Homewares (-0.9%) driving the overall Non-Food sales growth down to 1.2%, the weakest since September 2019 (excluding the Black Friday distortion in November). This was despite growth in Footwear (+2.7%), Health & Beauty (+2.2%), Clothing (+2.1%) and Furniture & Flooring (+1.8%).

Consumer spending data from Barclaycard for January (23 December 2019 to 24 January 2020) also showed improvement on the previous month with spending in 'home improvements and DIY' stores rising marginally by 0.7% year-on-year, improving on the 3.8% decline last month. Much like our own data, spending was strong across a number of their retail categories; however, it was leisure and entertainment categories that were the star performers during the month. Hospitality & Leisure (+5.7%), Eating & Drinking (+8.6%), Bars, Pubs & Clubs (+10.1%) and Takeaway & Fast food (+11.4%) all outperformed the market.

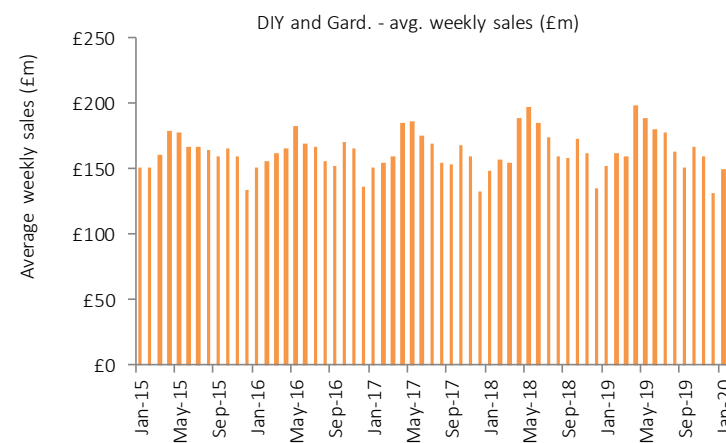
Anecdotal commentary suggests that the milder weather in January, helped support sales growth, particularly in the gardening segment. The Met Office suggested it was warmest January since 2007 (and the sixth-warmest January on record), allowing consumers to tend to gardens. Hitwise data supported this, with 'garden sheds' and 'fence panels' the most popular search terms on DIY and gardening websites in January. What's more, visits to gardening retailer Crocus rose 15.6%, year-on-year.

Overall visits to DIY and gardening retailer websites rose 9.3% year-on-year, in January from a 0.6% decline in the previous year. Strong performances were reported by Toolstation (36.8%), B&Q (21.8%) and Wickes (10.6%).

Our time series graphs help you quickly identify trends and put data into context



Source: Retail Economics: Retail Sales Series – value, non-seasonally adjusted
*Period aligned to ONS trading calendar 29 December 2019 – 01 February 2020



Source: Retail Economics: Retail Sales Series – value, non-seasonally adjusted
*Period aligned to ONS trading calendar 29 December 2019 – 01 February 2020

DIY & Gardening

-1.8%

DIY & Gardening sales fell by 1.8% in January, year-on-year.

Three-Month Basis

-2.3%

DIY & Gardening sales fell by 2.3% on a three-month rolling basis in January.

Despite being the fifth consecutive month in negative territory, growth improved on the previous month and was the strongest since August 2019.



DIY & Gardening – Retail Economics Index: January 2020

The search data also suggests that consumers were looking to utilise their loft spaces, with ‘loft ladders’ and ‘loft boards’ being popular searches.

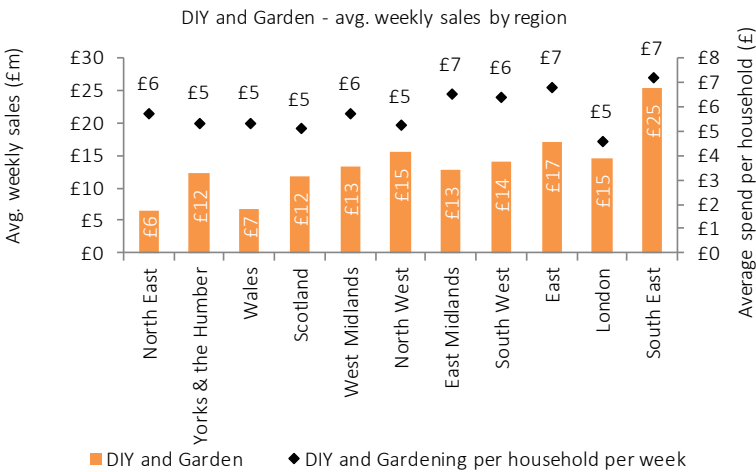
We suspect promotional activity during the month continued to hamper top line sales growth as well as denting margins. Indeed, DIY inflation data remained in negative territory in January for the second consecutive month, falling 0.3% year-on-year. With subdued consumer demand, retailers were likely to have used offers and discounts as a tool to drive consumers into shops.

Footfall data from Springboard supported the notion that store performance improved, with overall footfall growth falling 0.5%, year-on-year in January the best performance since May 2018, excluding Easter distortions. What’s more, Retail Parks (home to DIY and gardening retailers) was the strongest performing destination, reporting a 1.4% rise in footfall.

Looking ahead, we suspect that next month’s data will be more challenged, not least because of a stronger comparison a year ago when sales rose 3.1%. Furthermore, the storms that effected many parts of the UK across consecutive weekends in February would have almost certainly hampered sales within the sector, with consumers likely to have stayed away from shopping destinations.

Further out however, the recent uplift in consumer confidence could help support sales growth with latest data from GfK showing confidence rose to its highest level since September 2018. Specifically for the DIY & Gardening sector, it will be the knock-on impact on the housing market that will be a key factor in driving growth throughout 2020.

So far, signs have been promising with housing transactions rising at the beginning of the year following a strong performance in December which saw monthly transaction growth rise at its sharpest level since March 2016. Data from RICS has also turned more positive in recent months reporting renewed activity amongst buyers and sellers in January.



DIY and Gardening	Annual % growth	Avg. weekly spend (£m)
Aug-19	2.2%	£164
Sep-19	-4.5%	£151
Oct-19	-3.3%	£167
Nov-19	-1.9%	£159
Dec-19	-3.0%	£132
Jan-20	-1.8%	£150

Source: Retail Economics Analysis
*Period aligned to ONS trading calendar 29 December 2019 – 01 February 2020
*Regional figures may not sum to total due to rounding

Analysis of different industry data to give you an accurate view

South East

£25m

The average weekly spend on DIY & Gardening in the South East.

Average weekly sales

£150m

The average weekly spend on DIY & Gardening in the UK.

We suspect promotional activity during the month continued to hamper top line sales growth as well as denting margins. Indeed, DIY inflation data remained in negative territory in January for the second consecutive month, falling 0.3% year-on-year.



Macro Factors – Housing Market and Savings

Mortgage approvals rose to 67,241 in December, up from 65,514 in the previous month and above the previous six-month average of 65,918 and higher than the consensus view. This was the highest level since July 2017. On an annual basis, approvals rose 4.6%.

The number of re-mortgaging approvals also improved, rising to 49,680 in December from 48,629 in the previous month. This was above the previous six-month average of 48,865.

Rising optimism in the housing market was supported by data from RICS which reported renewed activity amongst buyers and sellers in January.

The number of homes being listed for sale increased in January, with a net balance +19% of respondents reporting a rise. This rose at its fastest rate since August 2013. But the average number of listings remains low at 43 properties per estate agent.

Building on last month's pick up, new buyer enquiries lifted to +23% of respondents reporting an increase in demand during January.

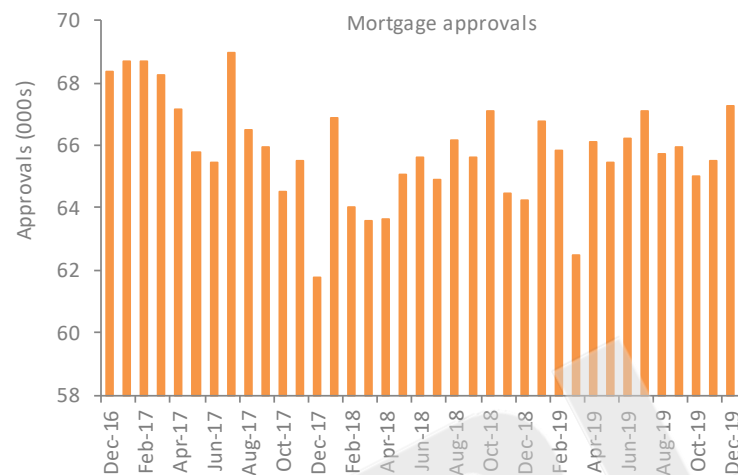
Agreed sales rose for a second month with a net balance of +21% of agents reporting an increase. Most parts of the UK were said to have seen solid growth in sales.

With activity picking up, house prices appear to be moving forward again, with RICS's headline price balance rocketing to +17% in January from -2% in December. This follows Halifax reporting last week that house prices rose by 4.1% year-on-year in January.

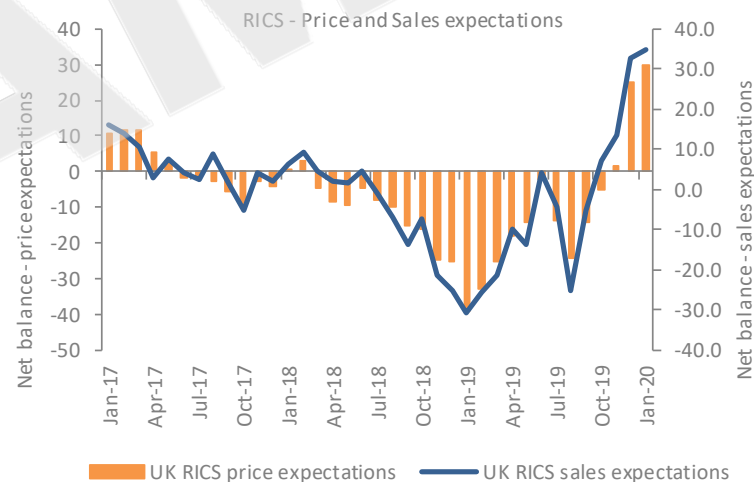
RICS noted that the growth was driven by a turnaround in London and the South East, previously facing a slowdown from the prospect of a disorderly Brexit. To this end – for the first time since February 2016 – a majority of agents said prices in London were on the up.

Looking ahead, price increases are expected across the UK. A net balance of +30% anticipate price rises over the next three months, marking the strongest expectations in price rises in three years.

Sales expectations are also positive across the UK, with a 35% net balance expecting an uplift in the near term. A net balance of +20% of respondents reported that the level of market appraisals undertaken in January was higher than a year ago – the first positive reading since its introduction in 2017.



Source: Bank of England



Source: RICS

Key call out stats for easy data intake

Mortgage Approvals

67,241

Mortgage approvals rose to 67,241 in December, up 4.6% on the previous year.

New Instructions

18.7%

New instructions being listed for sale rose 18.7% in January, year-on-year.

Rising optimism in the housing market was supported by data from RICS which reported renewed activity among buyers and sellers in January.



Macro Factors – Consumers

Consumer spending reached £331,372m in the fourth quarter of 2019, rising by 0.1% quarter-on-quarter. This marked a slowdown on the 0.4% quarterly rise in Q3.

On an annual basis, consumer spending rose by 1.3% in Q4 compared with the same quarter in 2019, unchanged from Q3.

Early indications suggest a modest 'Boris bounce' in consumer sentiment, with GfK's Consumer Confidence measure increasing by two points to -9 in January.

Four out of the five components in the measure improved in the month. Consumers feel more positive about 2020 when reflecting on 2019, on the back of strong employment, real wage growth and low inflation.

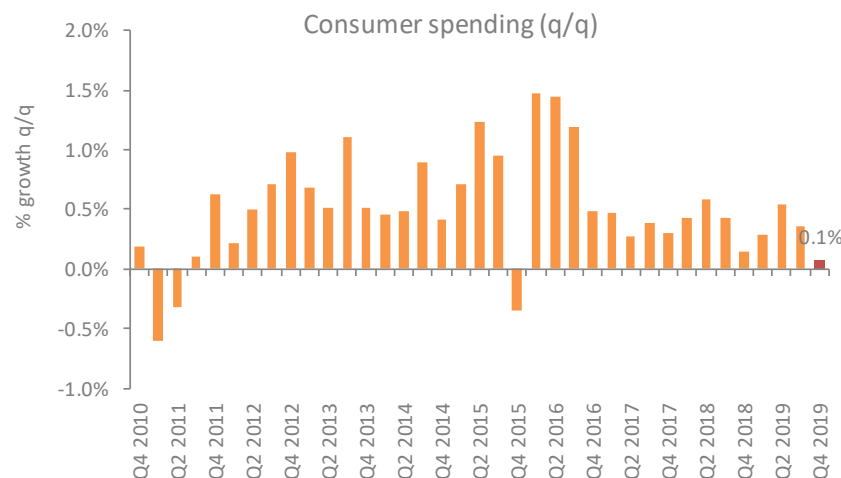
GfK's Major Purchase Index was the only measure to decline, partly indicating January blues after splashing out at Christmas. It also reflects subdued non-essential sales that retailers have been facing, against what remains a critical year ahead for Brexit as we enter the transition period. Indeed, GfK's index has been in negative territory for four years running.

Consumers' perceptions of the general economic situation over the last 12 months increased by a further three points to -28 in January – seven points ahead of last year. The forward-looking component saw a robust three-point uplift to -24, which is a staggering 15 points higher than in January 2019.

The backward-looking personal finances component increased by four points to +1 in January and is one point higher than a year ago. The forward-looking measure improved by three points to +6, which is five points higher than last year.

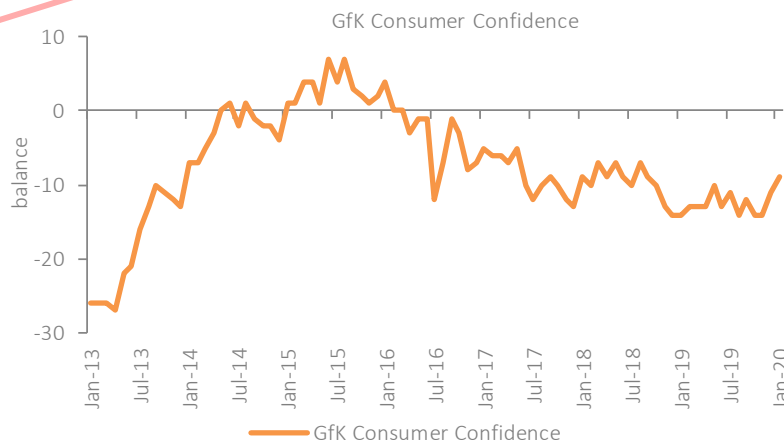
The major purchases index declined by two points to +1 in January – one point lower than a year ago.

The savings index was up by two points to +20 in January – six points ahead of last year.



Source: ONS

We focus on consumers and interpret how changes in discretionary income affects demand



Source: GfK

Spending

£331bn

Consumer spending reached £331,372m in Q4 2019.

Confidence

-9

Overall consumer confidence rose two points to -9 in January, five points higher than last year.

GfK's Major Purchase Index was the only measure to decline, partly indicating January blues after splashing out at Christmas.



Macro Factors – Ipsos Retail Performance

Latest figures from Ipsos Retail Performance (which measures footfall in over 4,000 non-food stores across the country) showed that footfall fell just 0.5% in January year-on-year. This was an improvement on the 7.2% fall in the previous month and above the three-month average rate of -5.0%.

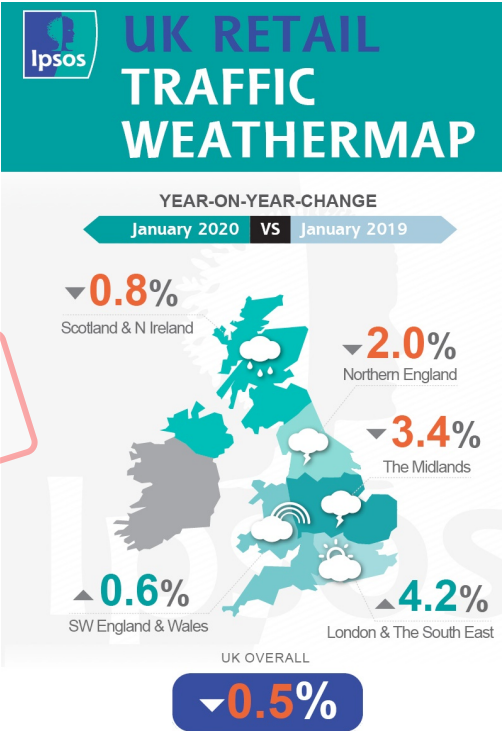
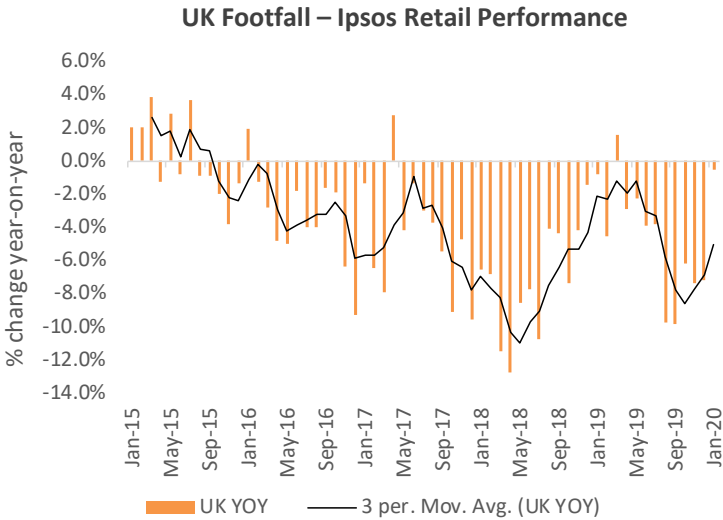
On a month-on-month basis, footfall fell 24.6%, slightly less than Ipsos' expectations of a 27.7% fall.

There was an improvement across the UK with two out of five areas reporting a rise in footfall growth. Indeed, London & The South East was the strongest performer with footfall growth increasing 3.4 percentage points to 4.2%, the best result in over eight years. Meanwhile South West England & Wales (+0.6%) reported its first rise in footfall growth since June 2016.

Elsewhere, despite reporting the sharpest decline in footfall, the Midlands demonstrated the strongest improvement overall with footfall growth improving 8.8 percentage points to -3.4%. Scotland & Northern Ireland also reported a marked improvement, with footfall declining just 0.8%.

Looking ahead to February, Ipsos expect footfall growth to remain in negative territory, albeit at a slightly improved rate than in the previous month, forecasting a 10.5% fall.

Apply footfall data to better inform your decision making processes



Source: Ipsos Retail Performance

UK Footfall

-0.5%

According to Ipsos Retail Performance, footfall fell by 0.5% in January.

Northern England

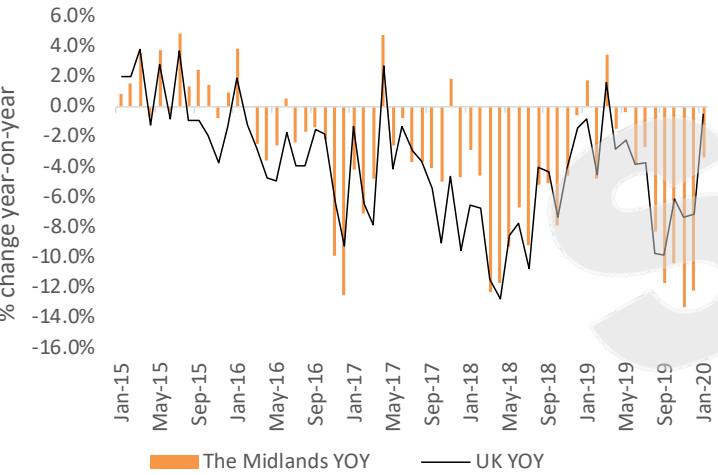
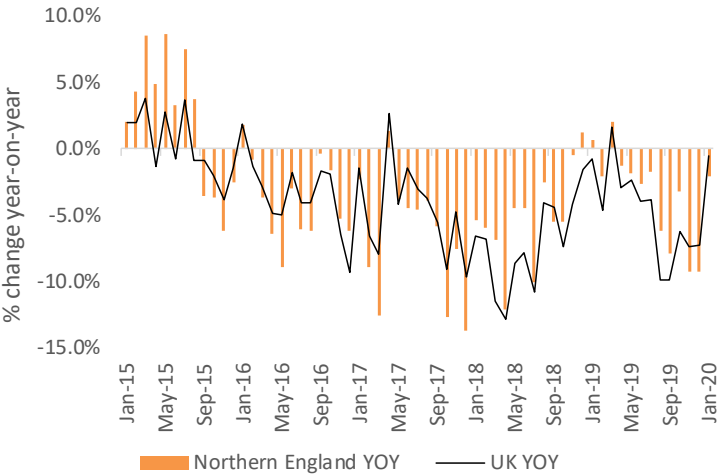
-2.0%

In Northern England, footfall fell by 2.0% compared with the previous year.

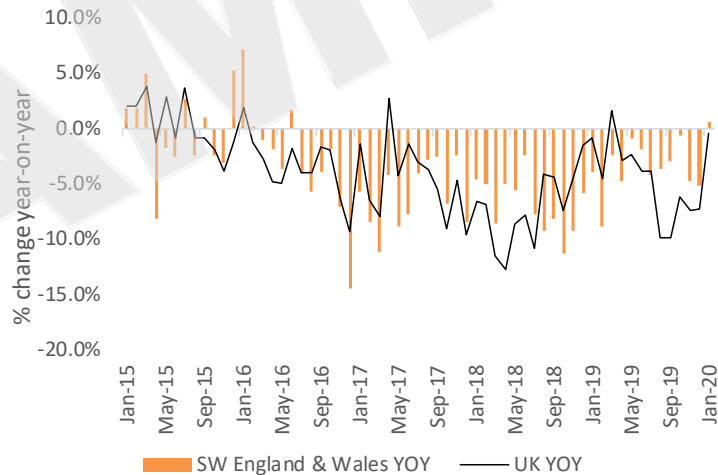
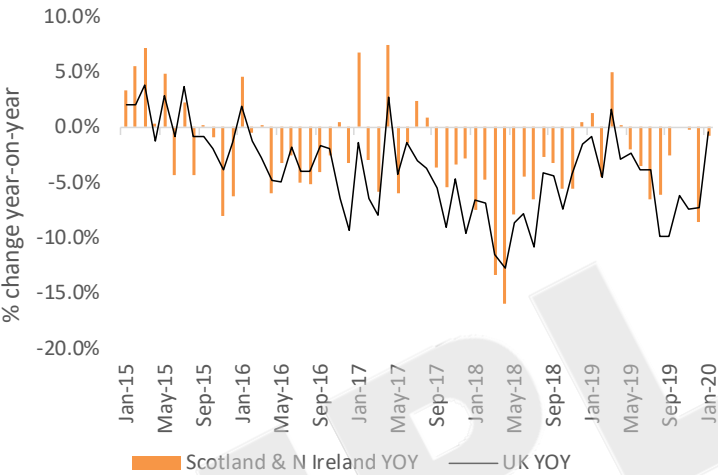
London & The South East was the strongest performer with footfall growth increasing 3.4 percentage points to 4.2%, the best result in over eight years.



Macro Factors – Ipsos Retail Performance



Source: Ipsos Retail Performance



Source: Ipsos Retail Performance

London & SE England

4.2%

According to Ipsos Retail Performance, footfall rose by 4.2% in London & SE England.

Scotland & Northern Ireland

-0.8%

Footfall growth fell 0.8% in Scotland & Northern Ireland compared with the previous year.

Footfall in South West England & Wales rose by 0.6% year-on-year in January.



Macro Factors – Labour Market

The UK labour market hit another record in the final three months of 2019, with the proportion of 16 to 64 year olds in work reaching an all-time high according to ONS data. However, earnings growth slowed to its lowest rate in over a year.

The employment rate hit a record high of 76.5% in the period, edging up by 0.4% points on the previous quarter and up 0.6% points on last year. This came as the employment rate for women hit a record high of 72.4% (while the employment rate for men edged up to 80.6%), and the number of full-time workers hit a high of 24.42 million. Overall, the number of people in employment rose to 32.93 million in the three months to December, up by 336,000 on last year.

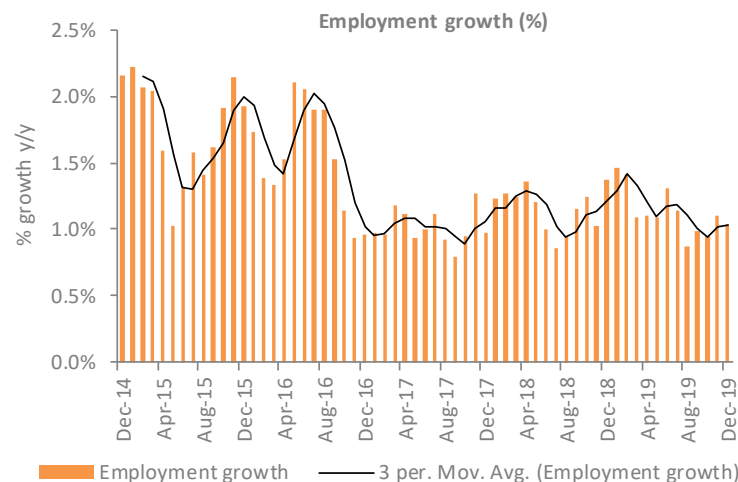
Meanwhile, the unemployment rate remained broadly unchanged in the quarter at 3.8%, but was down from 4.0% a year earlier. An estimated 1.29 million people were unemployed – 73,000 fewer than last year and 580,000 fewer than five years ago.

The number of people aged from 16 to 64 years old that are economically inactive (not working and not seeking or available to work) reached a record low of 20.5% – down 0.4% points compared to last year and down 0.3% on last quarter. This was mainly driven by record low activity among women at 24.8%.

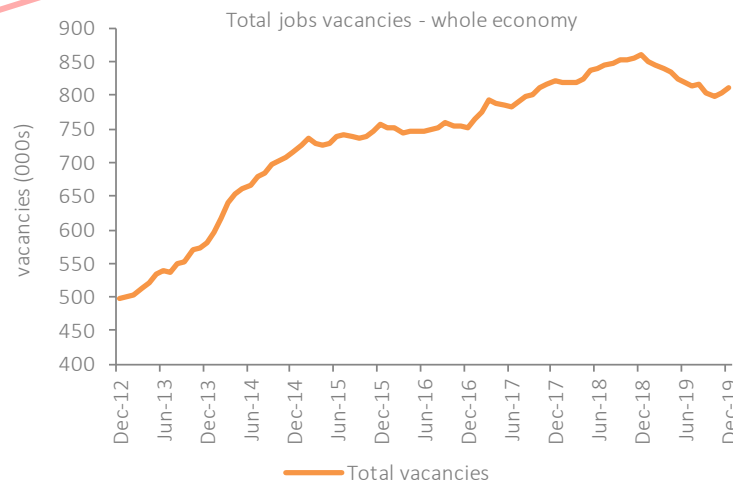
Vacancies ticked up in the latest quarter following 11 consecutive quarterly falls. There was an estimated 810,000 job vacancies between November 2019 and January 2020 – up by 7,000 on the previous quarter, but 50,000 fewer compared to the previous year. This represents 2.7 job vacancies per 100 employee jobs across the economy.

The retail sector accounted for around 10.6% of all vacancies in the UK in the three months to January.

Earnings slowed yet again in the quarter to December. Average weekly earnings for employees edged down 0.2% points to 3.2% for regular pay (excluding bonuses) compared to the previous month, while total pay (including bonuses) weakened to 2.9% from 3.2% last month. Total pay came up against a strong comparative with unusually high bonuses given in October 2018.



We assess the labour market and interpret how changes affects demand



Source: ONS

Unemployment

3.8%

The unemployment rate stood at 3.8% in December, unchanged from the previous period.

Employment levels

+180,000

Employment levels rose in the three months to December compared with the previous three month period.

The retail sector accounted for around 10.6% of all vacancies in the UK in the three months to January.



Macro Factors – Earnings

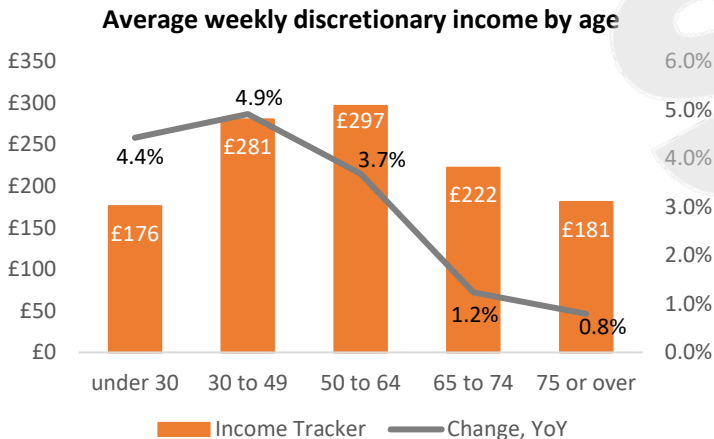
For December 2019, in nominal terms (i.e. not adjusted for price inflation):

- Average regular pay (excluding bonuses) for employees in Great Britain was £512 per week before tax and other deductions from pay, up from £496 per week for a year earlier
- Average total pay (including bonuses) for employees in Great Britain was £544 per week before tax and other deductions from pay, up from £529 per week for a year earlier

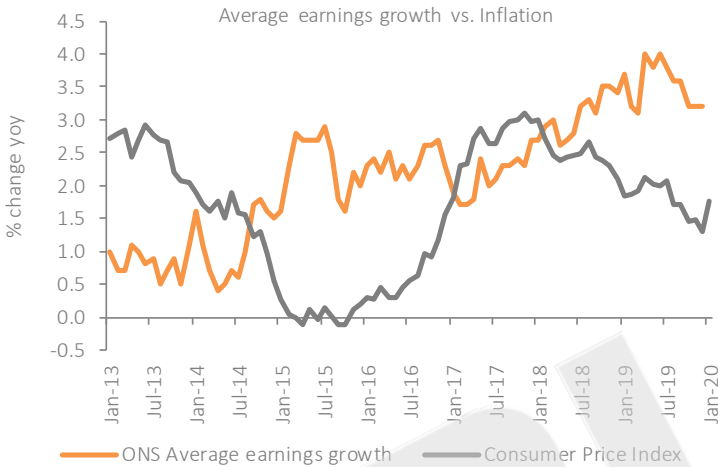
Asda Income Tracker – January 2020

The Asda Income Tracker showed households had £221 of discretionary income available each week in January. This is a 4.0% rise on the same month last year, equating to £8.52 per week more.

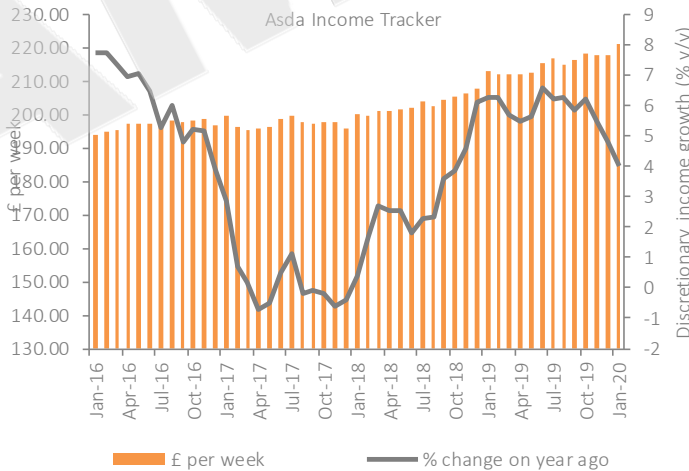
In terms age groups, it was the 30-49 year olds that saw the sharpest rise in average weekly discretionary incomes in January, rising 4.9% year-on-year. That said, this was the lowest rise for this age bracket since November 2018. Elsewhere the under 30s (+4.4%) and 50-64 years olds (+3.7%) also experienced a boost in average weekly discretionary incomes. It was those aged over 65 that experienced the lowest rise in discretionary incomes, with 65-74 year olds (+1.2%) and the over 75's (+0.8%), significantly underperforming all other age groups.



Source: Asda Income Tracker



Source: ONS



Source: Asda Income Tracker

Earnings Growth

+3.2%

Average regular pay rose by 3.2% in December, year-on-year.

Discretionary Income

£221

The average UK household had £221 per week of discretionary income in January.

The Asda Income Tracker showed households had £221 of discretionary income available each week in January. This is a 4.0% rise on the same month last year, equating to £8.52 per week more.



Macro Factors – Costs, Prices and Margins

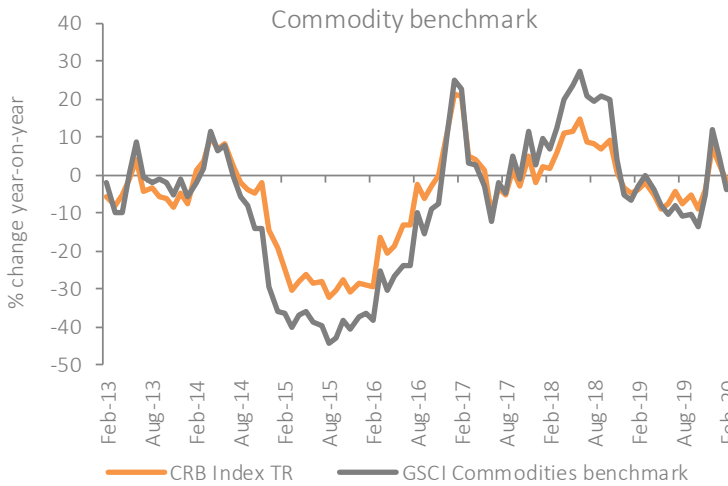
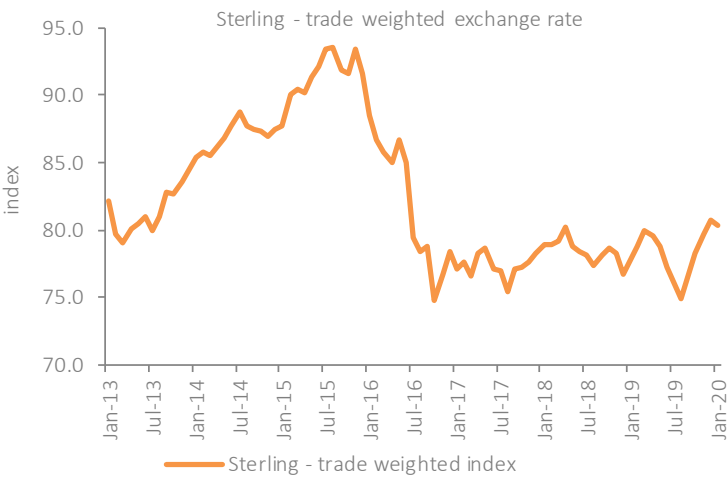
Sterling’s trade weighted index rose 3.3% year-on-year in January, but fell 0.3% on the month. The better than expected rise in inflation in January resulted in an uplift in sterling (against other currencies). That said, it remains vulnerable to ongoing EU-UK trade negotiations.

Both commodity benchmarks we follow fell back in February. Indeed, the Thomson Reuters CRB Index fell 1.8% year-on-year, compared with a 3.9% fall in the GSCI Commodities benchmark.

The Baltic Dry Index (indicative of shipping costs) continued to decline in February, down 38% on the previous month and 27% year-on-year (as of 27 February 2020). Falling rates of both capsized and panama segments exerted downward pressure on the index as demand continued to falter.

The average price of a barrel of oil stood at \$61 (as of 27 February), falling 5.9% on the month, and down 8.8% year-on-year. Concerns over the impact of the coronavirus outbreak on oil demand has weighed on prices in recent weeks.

	Nov-19	Dec-19	Jan-20	Feb-20
GSCI Commodities benchmark	-5.1	11.9	4.3	-3.9
Brent Oil (\$ per barrel)	63.0	71.6	64.4	60.6
CRB Index TR	-4.0	7.3	2.5	-1.8
Baltic Exchange Dry Index (BDI)	27.5	-16.5	-32.2	-26.8



Source: ONS, Bank of England

Sterling

3.3%

Sterling’s trade weighted index rose 3.3%, year-on-year in January.

Commodities

-1.8%

The CRB Index fell 1.8% in February compared with the previous year.

Sterling’s trade weighted index rose 3.3% year-on-year in January, but fell 0.3% on the month.



Macro Factors – Costs, Prices and Margins

The Producer Price Index (output) rose 1.1% year-on-year in January, from the 0.9% rise in the previous month. This is the second consecutive month to report a rise.

On a monthly basis, output inflation rose 0.3% in January, the first positive monthly reading since July 2019.

Petroleum products provided the largest upward contribution of 0.37 percentage points (pp) to the annual output rate, with inflation rising 4.9% year-on-year.

Computer, electrical and optical products made the second-largest upward contribution to the change in the rate at 0.17 percentage points.

Chemicals and pharmaceuticals made the only negative contribution to the annual output PPI rate at -0.14 pp.

Meanwhile the PPI for inputs accelerated in January, rising 2.1% year-on-year from the 0.9% rise in the previous month. On a monthly basis, input PPI rose 0.9%, unchanged from the previous month.

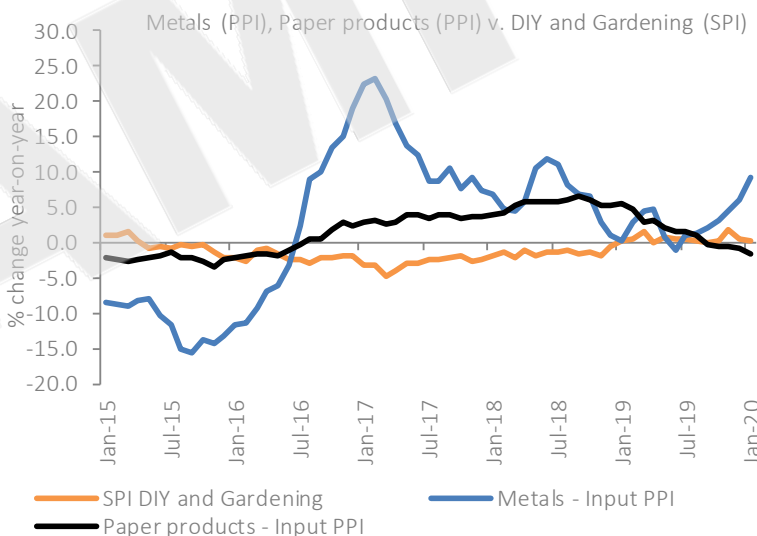
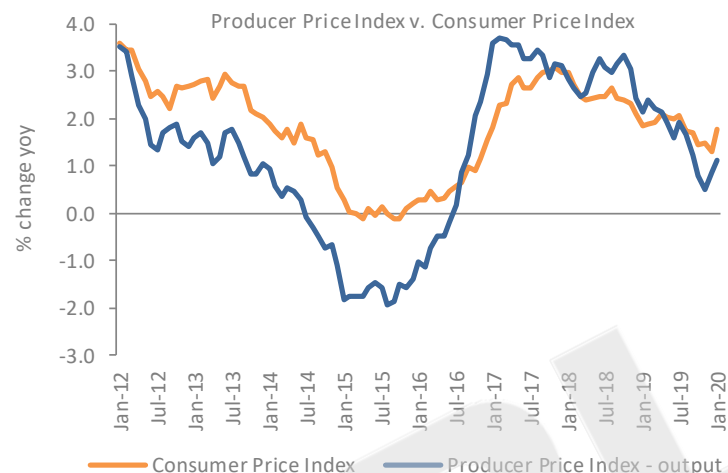
The largest upward contribution came from crude oil (+1.8 pp) with annual price growth of 11.3%.

Imported metals made the second-largest upward contribution of 1.32 pp, with annual price growth rising 15.8%. This was driven by imported precious metals (non-EU) which rose 53.6% year-on-year.

Imported chemicals provided a large downward contribution of 0.96pp and negative annual growth of -7.1%.

Inflation of imported materials and fuels (which represents around two-thirds of input prices) rose 1.9% in January, year-on-year, rising from the 0.1% fall in the previous month.

Some sourcing costs specific to DIY and Gardening remained in positive territory with Metals rising 9.3% year-on-year. Elsewhere, Paper Products fell -1.6% year-on-year.



Source: ONS

PPI Output

1.1%

The Producer Price Index (output) stood at 1.1% in January.

PPI Input

2.1%

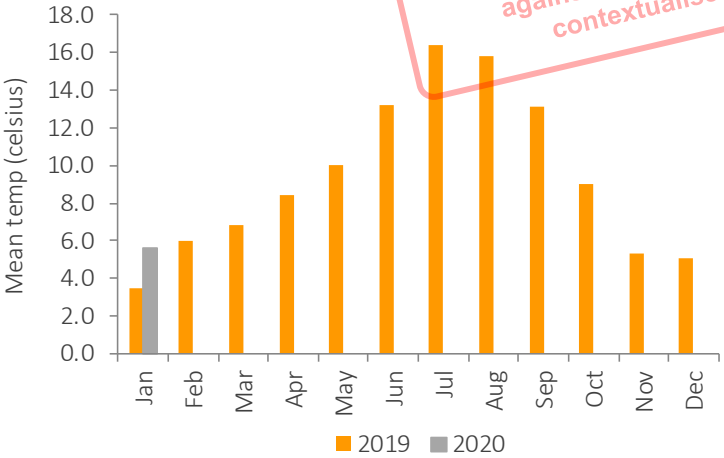
The Producer Price Index (input) stood at 2.1% in January.

Some sourcing costs specific to DIY and Gardening remained in positive territory with Metals rising 9.3% year-on-year. Elsewhere, Paper Products fell -1.6% year-on-year.



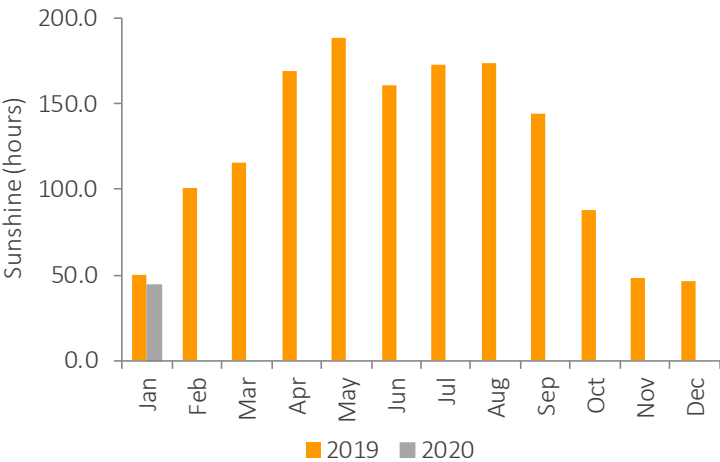
Weather Watch – Met Office

Weather can be a critical driver of short-term demand. A comparison against the previous year can help contextualise performance.



Mean Temp	2018	2019	2020
Jan	4.0	3.5	5.6
Feb	2.4	6.0	
Mar	3.8	6.8	
Apr	8.4	8.4	
May	12.1	10.0	
Jun	14.8	13.2	
Jul	17.3	16.4	
Aug	15.3	15.8	
Sep	12.4	13.1	
Oct	9.6	9.0	
Nov	7.3	5.3	
Dec	5.8	5.1	

Source: Met Office



Sunshine	2018	2019	2020
Jan	48.9	50.5	44.5
Feb	95.6	100.6	
Mar	85.0	115.6	
Apr	132.6	168.9	
May	246.0	188.5	
Jun	239.9	160.8	
Jul	237.6	173.2	
Aug	147.4	173.6	
Sep	134.1	144.0	
Oct	113.2	87.9	
Nov	63.0	48.1	
Dec	37.6	46.2	

Source: Met Office

Temperature

5.6°C

The mean temperature during January was 5.6°C, the warmest January since 2007.

Sunshine

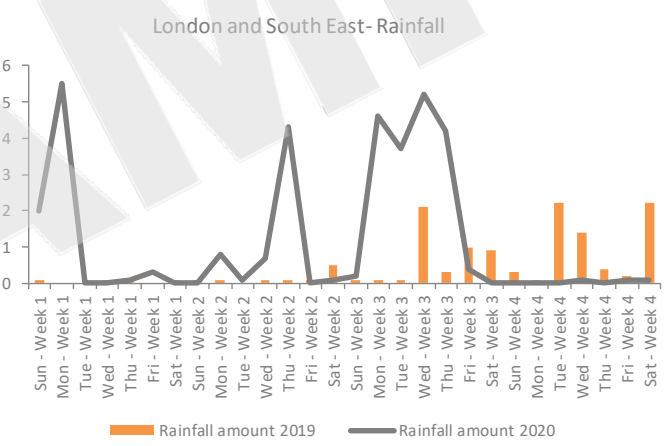
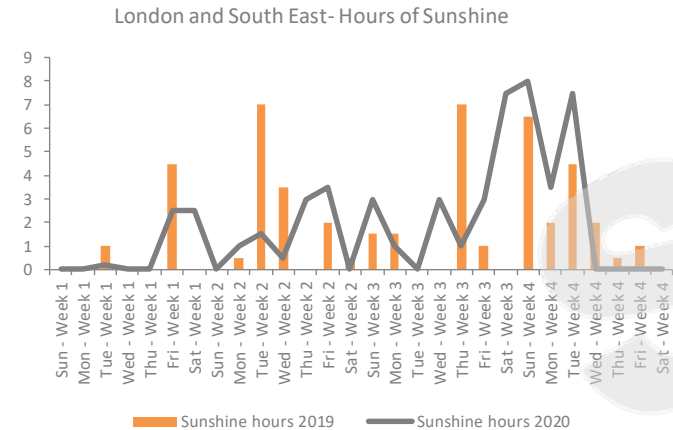
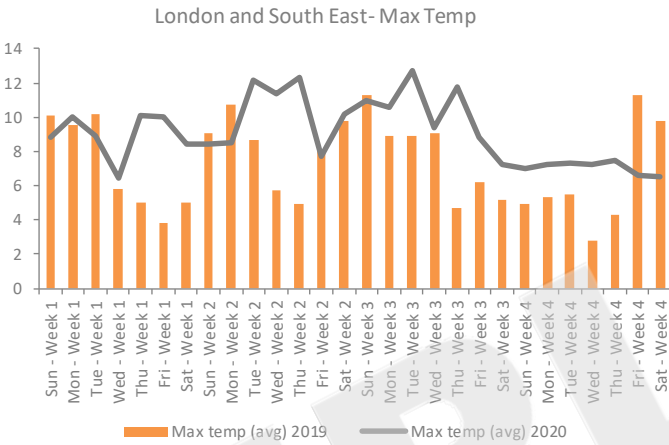
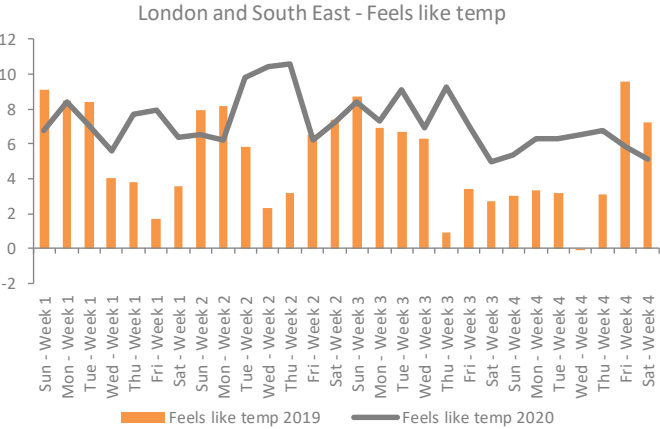
44.5

There were 44.5 hours of sunshine during January, the dullest January in four years.

It was the warmest January since 2007.



UK Weather by Region and Metric



Our monthly report, *UK Monthly Weather by Region* provides the following data for January 2020: Feels like temperature; Max temperature; Hours of sunshine; Rainfall.

For the following UK regions: East Midlands; East of England; London and the South East; North East England; North West England; Northern Ireland; Scotland; South West England; Wales; West Midlands.

Click here to download the full UK Monthly Weather by Region report for January 2020

Met Office Commercial Weather Services have been developed with retailers to support commercial, supply chain and insight teams in managing the impacts of weather on their business and offers value beyond the scope of weather data covered in this report.

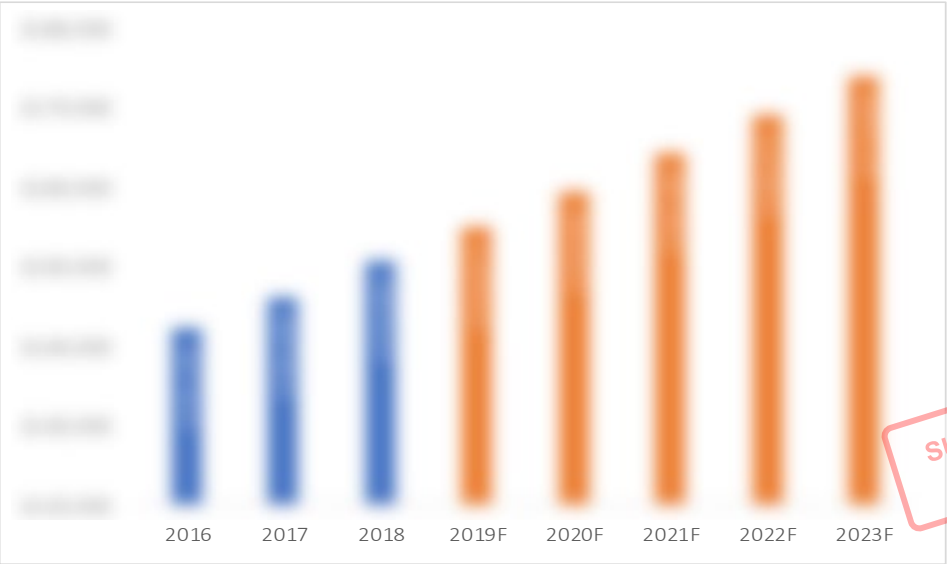
For further information, please contact retail@metoffice.gov.uk. www.metoffice.gov.uk/retail

Source: Met Office

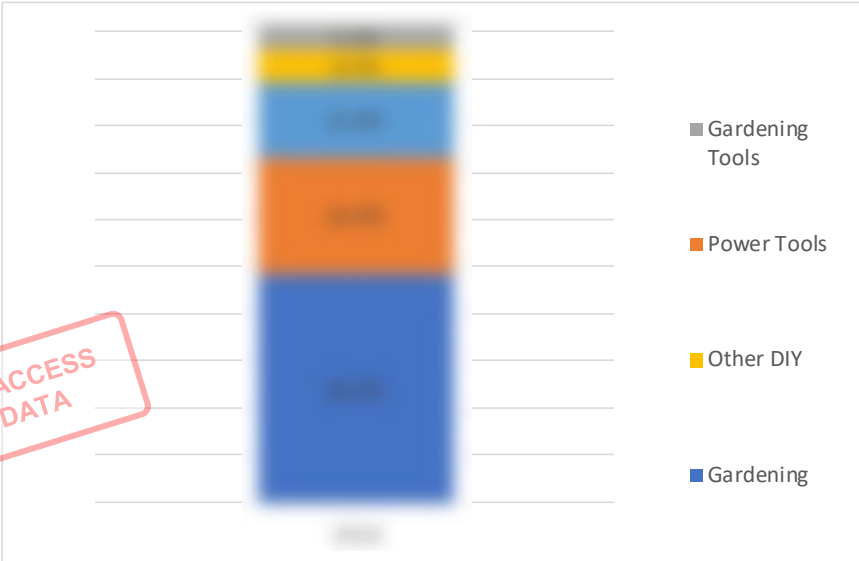
Source: Met Office



Forecasts



Market Size



Total Market

2020 Forecast

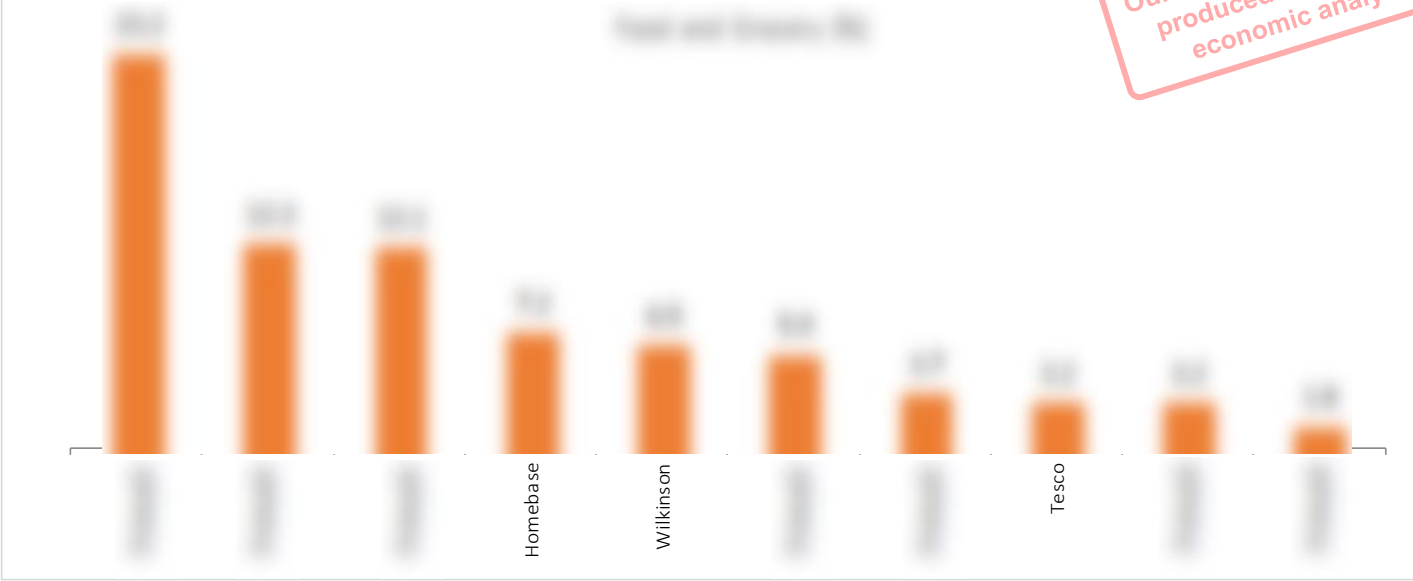
SUBSCRIBE TO ACCESS THE LATEST DATA

Our forecasts are bold and produced using robust economic analysis

Forecasts

Year	Total market (£m)	Annual growth (%)
2016		
2017		
2018		
2019F		
2020F		
2021F		
2022F		
2023F		

% of Market Share





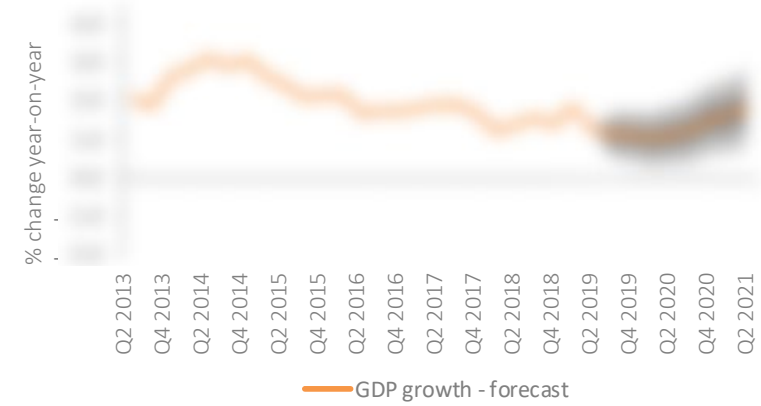
Leading DIY and Gardening Retailers

Retailer	Market Share (%)	Future trend		Summary
		Previous	Q4 2019	
		▼	▼	
		▶	▲	
		▲	▲	
Homebase		▼	▶	Homebase rescued Bathstore from administration in July, saving 44 stores and its website from collapse, and later appointed former Kingfisher group kitchens category director Ian Penny to lead the bathroom specialist. The buyout came as Homebase looks to strengthen its bathroom proposition, which will include launching Bathstore concessions in large Homebase over the next 18 months.
Wilko		▲	▶	Wilko reported a “strong start” to its 2019/20 financial year, with profit up on expectations for the 12 weeks to 27 April, supported by its gardening, decorating, paint and DIY product categories. This follows the retailer swinging back into the black in 2018/19, reporting a pre-tax profit of £34.8m following a £65m loss in the previous year. Despite revenue slipping back 2.3% to £1.6bn in 2018/19, it reduced costs and slashed its debt pile.
		▲	▲	
Argos		▶	▶	Argos chief executive John Rogers is set to leave the business at the end of October, as the group looks to make major cost savings. This includes plans to shutter a further 60-70 standalone Argos stores over the next five years, while opening some 80 shop-in-shops Sainsbury’s. To this end, the group’s decision not to replace Rogers indicates Sainsbury’s plans to accelerate the integration of Argos – with his responsibilities split between operations director Simon Roberts and commercial director Paul Mills-Hicks.
		▼	▶	
Topps Tiles		▶	▶	In a preliminary trading update, Topps Tiles said it expects its full-year like-for-like sales to be up 0.6% against flat sales last year. Despite a strong third quarter with like-for-likes up 3.8%, sales slipped back 1.9% in the final quarter. Boss Matthew Williams warned: “Our sales growth compares favourably with the overall tile market. However, political uncertainty continued to weigh on consumer confidence in the final quarter and we expect this to remain a feature until there is greater clarity.”
		▶	▶	

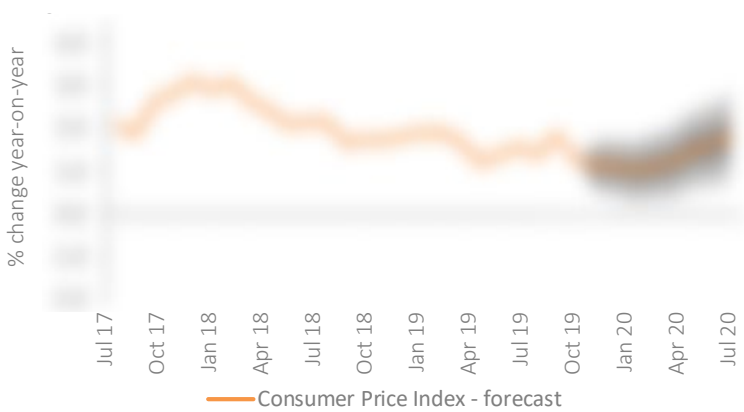
Source: Retail Economics analysis, consumer panel data, financial reports



GDP Forecast



Inflation Forecast



Inflation Forecast

XX%

Inflation forecast for Q4 2019

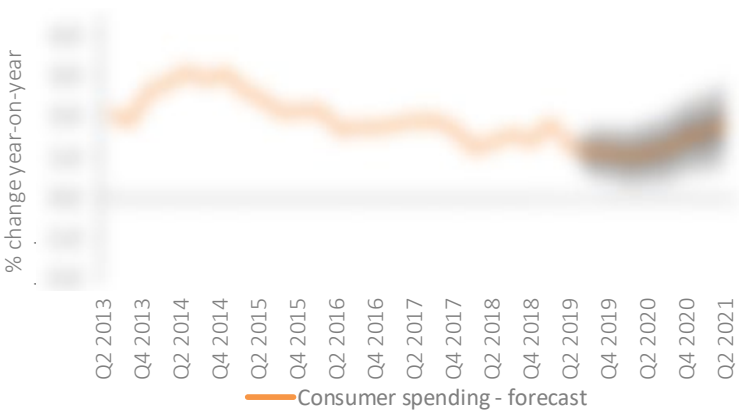
Real Wages Forecast

XX%

Real wage growth forecast for Q4 2019

SUBSCRIBE TO ACCESS THE LATEST DATA

Consumer Spending Forecast



Real Wages Forecast



Source: Retail Economics

Source: Retail Economics

Source: Retail Economics analysis, consumer panel data, financial reports

Other reports and Services

Economic Retail Reports



UK Retail Sales

Monthly: covers a range of retail sales indices and category breakdowns including online retail sales, clothing and footwear, household goods, food, DIY and gardening, consumer electricals and more. [More info >](#)



UK Online Retail

Monthly: covers a range of online retail sales indices and category breakdowns including online retail sales, online growth rates by sector, online penetration rates, forecasts and market size estimates. [More info >](#)



UK Retail Inflation

Monthly: covers a range of retail inflation indices and category breakdowns including food inflation, non-food inflation, clothing and footwear, household goods, food, DIY and gardening, consumer electricals, commodity prices, exchange rates and more. [More info >](#)



UK Consumer*

Quarterly: analyses a range of UK consumer spending indicators including housing market data, consumer confidence, consumer credit, household inflation, labour market statistics, wage growth, retail sales and more. [More info >](#)



UK Retail Economic Briefing

Monthly: analyses a range of macroeconomic indicators including GDP, consumer spending, inflation, labour market, commodity prices, exchange rates, monetary indicators, credit and lending market data, house prices, mortgage data, retail sales and more. [More info >](#)



UK Retail Industry Outlook*

Quarterly: provides a forward-looking critical retail analysis. Predictive forecasts and insightful narrative draw upon our econometric models to help you identify the key risks and future opportunities to drive your strategic planning. [More info >](#)



Executive Report

Monthly: provides a succinct one-page summary ideal for senior management and meeting notes; concise need-to-know retail data for the month which includes a mix of the major economic indicators and retail metrics. [More info >](#)

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Food & Grocery retail sales index
Bespoke sector specific economic analysis
Food online sales and penetration rates
Market share data
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Clothing & Footwear retail sales index
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Clothing online sales and penetration rates
Consumer trends for online shopping
Spend on clothing by region and more. [More info >](#)



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Homewares retail sales index
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Homewares region spending data
Analysis of key economic drivers such as house moves, personal finances etc.
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Furniture & Flooring retail sales index
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Consumer trends for online shopping
Analysis of key economic drivers such as consumer confidence, credit and lending
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DIY & Gardening

DIY & Gardening retail sales index
Bespoke sector specific economic analysis
DIY & Gardening region spending data
Analysis of key economic drivers such as weather data, 'improve not move' trends
Executive summary and more. [More info >](#)



Electricals

Electricals retail sales index
Bespoke sector specific economic analysis
Consumer trends for online shopping
Analysis of key economic drivers such as disposable income growth, product launches etc.
Electricals inflation and more. [More info >](#)



Health & Beauty

Health & Beauty retail sales index
Bespoke sector specific economic analysis
Health & Beauty shopper trends such as 'lipstick effect', own-brand cosmetics etc.
Impact of digital and social media
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Get the personal touch from senior staff members — Richard Lim (CEO) & Stephen Robertson (Chairman) being in popular demand.



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Essential for improving your financial planning strategy
Gain a deeper understanding of your operating costs in order to manage risk. Learn how macroeconomic factors might affect your supply chain. Producer Price Index (inputs and outputs) data. Understand the impact of labour costs, business rates etc.



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