

ATCM-Springboard High Street Index

May 2008 Commentary



At last a bright spot on what has been a fairly dark horizon for the UK's high streets during 2008. For the first month this year the annual decline in footfall during May was less than 1% (just -0.1% compared with May 2007). This result is highly favourable compared with the annual change of -7% in May 2007 when there was exceptionally poor weather.

The improvement in activity in our high streets in May reflects better sales performance amongst the UK's retailers, as reported by the British Retail Consortium. The BRC reported an annual increase in sales of 1.9% in May which compares positively with year on year declines in both March and April, the worst since 2005.

The more favourable weather during May this year undoubtedly helped the high street, particularly with the occurrence of two bank holidays at the beginning and end of the month. The good weather over the May Day bank meant that footfall was up from 2007 on each day as reported in our April commentary and, whilst poor weather on Sunday and Monday of the Whitsun bank holiday suppressed high street activity on those days, footfall was up by 12.3% on bank holiday Saturday. In 2007, not only was the weather far poorer, but the oddities of the month end meant that Whitsun bank holiday occurred in June.

Despite the more positive outlook in May, caution needs to be taken in reporting that it is the beginning of a change in our fortunes. The BRC reports that consumer confidence is at a new low due to the increasing demand on household budgets and the weakness of the housing market making consumers very price-conscious. This required caution is reinforced by the fact that weekly performance of the high street deteriorated as May progressed, with footfall in the last week of the month being 9% lower than in the same week in 2007.

All Towns and Cities		Regional Cities	
Annual Change:		Annual Change:	
May 07 to May 08	-0.1%	May 07 to May 08	-4.4%
Apr 07 to Apr 08	-11.4%	Apr 07 to Apr 08	-9.5%
Mar 07 to Mar 08	-8.2%	Mar 07 to Mar 08	-7.8%
Month on month change:		Month on month change:	
Apr to May 08	4.7%	Apr to May 08	0.5%
Apr to May 07	-6.6%	Apr to May 07	-3.0%
Mar to Apr 08	5.6%	Mar to Apr 08	1.0%
Mar to Apr 07	9.9%	Mar to Apr 07	8.8%
Feb to Mar 08	-4.0%	Feb to Mar 08	-4.9%
Feb to Mar 07	4.9%	Feb to Mar 07	1.1%