

# MONTHLY ECONOMIC REVIEW

July 2020



## Tracking trends in **June and July 2020**

Each month, **BFM MD Nick Garratt** is going to examine analysis of the economy, highlighting trends and forecasts in an ever-shifting financial climate – and the impact on the manufacture of furniture in Britain.

**Here's the first review in this new series.**



### OVERVIEW

The shift towards remote working and a trend for home improvements during lockdown has seen furniture sales rise in June.

According to analysis by financial experts KPMG, total sales in the UK were up by 3.4% on June last year as the lockdown restrictions imposed in March began to ease.

KPMG has also reported that online non-food sales increased by 48.2%, with furniture, toys and computing equipment on the rise.

Looking forward, according to Rightmove, 'a mini housing boom was gathering pace after changes to stamp duty by Rishi Sunak'. Rightmove reported the market jumped by an annual 35 per cent in the five days after Sunak's announcement on July 8.

Furniture sales typically correlate to the housing market, and as Halifax also reported a 112% rise in mortgage enquiries in June compared to last year the outlook offers potential for growth in the retail market.



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## VIEWPOINT ON FURNITURE SALES

**Paul Martin**  
*UK Head of Retail*  
*KPMG*

"June saw pent up consumer demand released, with total sales finally back in positive territory – up 3.4% on the same month last year. While the easing of social distancing restrictions is of course welcome news, the challenges and longer-term consequences for the industry have far from disappeared, and not all categories of retail are benefitting from this post-lockdown boom.

"Food and drink sales have continued to perform strongly, and June's warmer weather accentuated that further.

It also resulted in more Brits purchasing items to make their post-lockdown lives more comfortable, whether that be furniture, toys, or computing equipment."

**Helen Dickinson OBE**  
*Chief Executive*  
*British Retail Consortium*

"Despite footfall still being well below pre-coronavirus levels, average spend was up as consumers made the most of their occasional shopping trips. Computing, furniture and home improvement all continued to do well as the public invested in home comforts and remote working.

"The pandemic continues to pose huge challenges to the industry, with ongoing stores closures and job losses across the UK.

The reopening of shops is an important step on the road to recovery, but with months of rent building up, many shops will be forced to close unless action is taken before the next Quarter Rent Day."

## NICK GARRATT'S ANALYSIS

"June has seen drastically different trends in spending compared to the previous months when the UK was in complete lockdown.

"The sudden switch to remote working has driven a need for alterations in the home as workers and employers scrambled to adapt to the challenges of the pandemic.

"Increased demand for office furniture, a need to alter living accommodations and home improvement projects by employees on furlough have all been factors in the rise in total sales, which has seen furniture among the growing non-food retail items in June.

"Now, as the housing market reacts to stimulus announced by the Chancellor and the suppressed spending during lockdown is released, there is opportunity for members of the BFM to champion the values of British-made furniture as the end of the EU transition period looms."