

## 1st QUARTER 2008 vs. 2007 “SPEED OF THE STREAM”

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As a retailer, you know the sales trend for your individual business. Your monthly, quarterly, and annual sales trends help you evaluate how well your business is performing and enable you to make future plans for inventory purchasing, staffing decisions, even decisions about opening or closing stores.

*How did your sales pace for the 1st quarter of 2008 compare by city and category?*

<i>Smith Mountain Lake District (Millions)</i>	<u>1<sup>st</sup> Q 2007</u>	<u>1<sup>st</sup> Q 2008</u>	<u>GROWTH</u>
Clothing and Accessory Stores	\$ 3.3	\$ 3.4	+4.9%
General Merchandise Stores	\$ 36.2	\$ 38.7	+6.8%
Furniture/Home Furnishings Stores	\$ 8.6	\$ 7.2	-16.0%
Electronics/Appliances Stores	\$ 0.8	\$ 0.8	+7.8%
Building Materials/Garden Stores	\$ 25.3	\$ 18.7	-26.0%
Gas Stations	\$ 9.6	\$ 7.5	-21.5%
Motor Vehicles and Parts Dealers	\$ 5.6	\$ 5.4	-4.3%
Sports/Hobby/Books/Music Stores	\$ 2.2	\$ 2.0	-11.3%
Food & Beverage Stores	\$ 34.6	\$ 37.3	+7.6%
Restaurants	\$ 15.7	\$ 15.4	-1.9%
Health and Personal Care Stores	\$ 1.4	\$ 2.3	+69.8%
Hotels	\$ 0.6	\$ 0.9	+47.4%
Total Taxable Sales	\$196.8	\$214.2	+8.8%

<i>1<sup>st</sup> Q, 2008 (Millions)</i>	<u>BEDFORD</u>	<u>FRANKLIN</u>	<u>PITTSYLVANIA</u>
Clothing and Accessory Stores	\$ 2.0	\$ 1.2	\$ 0.3
General Merchandise Stores	\$ 17.5	\$ 18.9	\$ 2.3
Furniture/Home Furnishings Stores	\$ 1.1	\$ 5.5	\$ 0.6
Electronics/Appliances Stores	\$ 0.3	\$ 0.5	\$ 0.0
Building Materials/Garden Stores	\$ 2.3	\$ 14.4	\$ 2.0
Gas Stations	\$ 2.1	\$ 3.6	\$ 1.9
Motor Vehicles and Parts Dealers	\$ 2.3	\$ 2.2	\$ 1.0
Sports/Hobby/Books/Music Stores	\$ 0.7	\$ 0.6	\$ 0.6
Food & Beverage Stores	\$ 12.6	\$ 12.8	\$ 11.9
Restaurants	\$ 4.5	\$ 7.0	\$ 3.9
Health and Personal Care Stores	\$ 1.2	\$ 1.1	n/a
Hotels	\$ 0.3	\$ 0.5	\$ 0.0
Total Taxable Sales	\$ 87.1	\$ 89.0	\$ 38.1

<i>1st Q. 2008 vs. 1<sup>st</sup> Q. 2007</i>	<u>BEDFORD</u>	<u>FRANKLIN</u>	<u>PITTSYLVANIA</u>
Clothing and Accessory Stores	+71.9%	-36.7%	+4.6%
General Merchandise Stores	+5.1%	+5.4%	+36.0%
Furniture/Home Furnishings Stores	-32.7%	-15.7%	+52.4%
Electronics/Appliances Stores	+21.7%	+4.4%	-17.3%
Building Materials/Garden Stores	-58.7%	-7.7%	-51.5%
Gas Stations	-28.9%	-13.3%	-26.3%
Motor Vehicles and Parts Dealers	+1.0%	-8.9%	-5.2%
Sports/Hobby/Books/Music Stores	-16.3%	-11.0%	-5.4%
Food & Beverage Stores	+7.5%	+13.9%	+1.5%
Restaurants	-0.3%	-2.1%	-3.4%
Health and Personal Care Stores	+45.8%	+105.5%	n/a
Hotels	-6.5%	+146.2%	-7.9%
Total Taxable Sales	+32.6%	-2.7%	-3.9%

Total taxable retail sales growth in the Smith Mountain Lake Region significantly exceeded the state's performance:

	<u>SML REGION</u>	<u>VIRGINIA</u>
1st Q 2008 vs. 1 <sup>st</sup> Q 2007	+8.8%	- 1.6%

Highlights of 1st quarter results:

- Economists are watching for impact of the housing slow-down and rapidly rising energy costs on retail sales. In the 1st quarter of 2008, total taxable retail sales grew by 8.8 in the Smith Mountain Lake Region while total taxable retail sales decreased by 1.6 percent in Virginia. This is the first time in recent memory that total taxable sales have declined in the region and across the state.
- Total taxable sales increased in Bedford County but declined in Franklin and Pittsylvania counties.
- Key consumer goods categories showed sales declines: furniture/home furnishings stores (-16.0 percent), building materials/garden stores (-26.0 percent) and sports/hobby/books/music stores (-11.3 percent). Clothing stores showed an increase (+4.9 percent) as did general merchandise stores (+6.8 percent).
- Closely monitored categories include sales of motor vehicles and parts stores and gasoline stations. Both categories registered decreases during the 1<sup>st</sup> quarter of 2008.
- During the 1<sup>st</sup> quarter of 2008, sales increased in food and beverage stores but declined in restaurants. Health and personal care stores registered a large sales increase (+69.8 percent) on a low volume of sales.
- Hotel sales increased by 47 percent across the Smith Mountain Lake Region—again on a low base of sales.