

2nd 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 2nd quarter of 2008 compare by city and category?

<i>Smith Mountain Lake District (Millions)</i>	<u>2nd Q 2007</u>	<u>2nd Q 2008</u>	<u>GROWTH</u>
Clothing and Accessory Stores	\$ 3.1	\$ 2.9	- 3.7%
General Merchandise Stores	\$ 35.3	\$ 36.8	+ 4.1%
Furniture/Home Furnishings Stores	\$ 7.9	\$ 6.9	-11.9%
Electronics/Appliances Stores	\$ 0.7	\$ 0.7	- 9.4%
Building Materials/Garden Stores	\$ 35.9	\$ 29.1	-19.1%
Gas Stations	\$ 10.9	\$ 8.1	-25.8%
Motor Vehicles and Parts Dealers	\$ 6.7	\$ 6.7	+ 0.8%
Sports/Hobby/Books/Music Stores	\$ 2.6	\$ 2.0	-23.4%
Food & Beverage Stores	\$ 35.2	\$ 37.6	+ 6.9%
Restaurants	\$ 16.8	\$ 18.0	+ 7.0%
Health and Personal Care Stores	\$ 1.9	\$ 2.1	+ 6.8%
Hotels	\$ 1.6	\$ 1.5	- 2.5%
Total Taxable Sales	\$226.8	\$251.9	+11.1%

<i>2nd Q. 2008 (Millions)</i>	<u>BEDFORD</u>	<u>FRANKLIN</u>	<u>PITTSYLVANIA</u>
Clothing and Accessory Stores	\$ 1.2	\$ 1.5	\$ 0.3
General Merchandise Stores	\$ 16.8	\$ 17.7	\$ 2.2
Furniture/Home Furnishings Stores	\$ 1.2	\$ 5.2	\$ 0.4
Electronics/Appliances Stores	\$ 0.2	\$ 0.4	\$ 0.1
Building Materials/Garden Stores	\$ 4.8	\$ 18.0	\$ 6.3
Gas Stations	\$ 2.2	\$ 3.9	\$ 2.0
Motor Vehicles and Parts Dealers	\$ 2.9	\$ 2.5	# 1.3
Sports/Hobby/Books/Music Stores	\$ 0.7	\$ 0.8	\$ 0.5
Food & Beverage Stores	\$ 13.2	\$ 12.1	\$ 12.3
Restaurants	\$ 5.6	\$ 8.3	\$ 4.1
Health and Personal Care Stores	\$ 1.0	\$ 1.1	n/a
Hotels	\$ 0.7	\$ 0.8	\$ 0.0
Total Taxable Sales	\$109.8	\$ 98.7	\$ 43.5

<i>2nd Q. 2008 vs. 1st Q. 2007</i>	<u>BEDFORD</u>	<u>FRANKLIN</u>	<u>PITTSYLVANIA</u>
Clothing and Accessory Stores	-13.3%	+6.8%	-8.7%
General Merchandise Stores	+8.4%	-0.1%	+8.9%
Furniture/Home Furnishings Stores	-9.8%	-10.9%	-26.3%
Electronics/Appliances Stores	-19.9%	-5.5%	+0.0%
Building Materials/Garden Stores	-47.2%	-12.1%	-2.0%
Gas Stations	-40.1%	-17.9%	-20.2%
Motor Vehicles and Parts Dealers	+11.2%	-14.3%	+15.8%
Sports/Hobby/Books/Music Stores	-50.8%	+15.1%	+0.2%
Food & Beverage Stores	+6.6%	+13.3%	+1.6%
Restaurants	+21.6%	+7.3%	-8.4%
Health and Personal Care Stores	+11.8%	+2.6%	n/a
Hotels	-12.0%	+9.6%	-13.6%
Total Taxable Sales	+42.7%	-2.7%	-10.3%

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

	<u>SML REGION</u>	<u>VIRGINIA</u>
2 nd Q 2008 vs. 2 nd Q 2007	+11.1%	- 0.3%

Highlights of 2nd quarter results:

- Economists are watching for impact of the housing slow-down and rapidly rising energy costs on retail sales. In the 2nd quarter of 2008, total taxable retail sales declined by 0.3 percent in Virginia. Total taxable sales in the Smith Mountain Lake Region increased by 11.1 percent.
- In the 2nd quarter, total taxable sales increased in Bedford County but declined in Franklin and Pittsylvania counties.
- Across the region, large declines occurred in discretionary consumer goods including furniture/home furnishings stores (-11.9 percent), building materials/garden supply stores (-19.1 percent), and sports/hobby/books/music stores (-23.4 percent).
- Closely monitored categories include sales of motor vehicles and parts stores and gasoline stations. Motor vehicle and parts stores experienced flat sales while gas stations recorded a decline of 25.8 percent. While gasoline consumption has decreased nationally, there has also been a shift in gas purchasing from gas stations to other retail store types (e.g. convenience stores and warehouse clubs).
- During the 2nd quarter of 2008, sales increased in food and beverage stores as well as restaurants. Health and personal care stores and general merchandise stores (including department stores and discount department stores) registered small sales increases.