

3rd QUARTER 2010 vs. 2009 “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. You can also use this data to calculate your store’s “share of market.”

How did your sales pace for the 3rd quarter of 2010 compare by county and category?

<i>Five Southside Cities:</i>	<u>3rd Q 2009</u>	<u>3rd Q 2010</u>	<u>CHANGE</u>
Clothing & Accessories	\$135.9	\$133.4	-1.8%
General Merchandise	\$499.8	\$502.6	0.6%
Furniture/Home Furnishings	\$61.3	\$63.7	3.8%
Electronics/Appliances	\$52.2	\$53.0	1.6%
Building Materials/Garden Stores	\$164.5	\$178.6	8.6%
Gas Stations	\$32.5	\$42.0	29.3%
Motor Vehicles and Parts Dealers	\$86.8	\$85.8	-1.2%
Sports/Hobby/Books/Music Stores	\$51.8	\$53.1	2.4%
Food & Beverage Stores	\$431.8	\$427.8	-0.9%
Restaurants	\$392.5	\$413.4	5.3%
Health and Personal Care Stores	\$43.4	\$47.1	8.5%
Hotels	\$148.0	\$163.7	10.6%
Total Taxable Sales	\$2,949.2	\$3,015.6	2.3%

<i>3rd Q 2010 (Millions)</i>	<u>Norfolk</u>	<u>Va. Beach</u>	<u>Chesapeake</u>
Clothing & Accessories	\$35.6	\$62.3	\$30.6
General Merchandise	\$127.5	\$161.0	\$150.5
Furniture/Home Furnishings	\$9.1	\$35.6	\$13.8
Electronics/Appliances	\$2.8	\$30.3	\$18.3
Building Materials/Garden Stores	\$38.6	\$53.2	\$65.5
Gas Stations	\$8.8	\$16.9	\$7.0
Motor Vehicles and Parts Dealers	\$16.4	\$32.9	\$27.3
Sports/Hobby/Books/Music Stores	\$8.5	\$33.8	\$9.5
Food & Beverage Stores	\$72.5	\$217.3	\$83.1
Restaurants	\$89.3	\$207.2	\$78.3
Health and Personal Care Stores	\$10.4	\$24.2	\$7.2
Hotels	\$27.8	\$109.7	\$17.9
Total Taxable Sales	\$652.0	\$1,335.8	\$727.7

3rd Q 2010 (Millions)	<u>Portsmouth</u>	<u>Suffolk</u>
Clothing & Accessories	\$3.3	\$1.6
General Merchandise	\$19.6	\$43.9
Furniture/Home Furnishings	\$2.8	\$2.3
Electronics/Appliances	\$1.1	\$0.5
Building Materials/Garden Stores	\$8.4	\$12.9
Gas Stations	\$3.8	\$5.5
Motor Vehicles and Parts Dealers	\$5.4	\$3.9
Sports/Hobby/Books/Music Stores	\$0.9	\$0.5
Food & Beverage Stores	\$28.7	\$26.3
Restaurants	\$19.5	\$19.1
Health and Personal Care Stores	\$3.2	\$2.1
Hotels	\$3.8	\$4.5
Total Taxable Sales	\$140.4	\$159.8

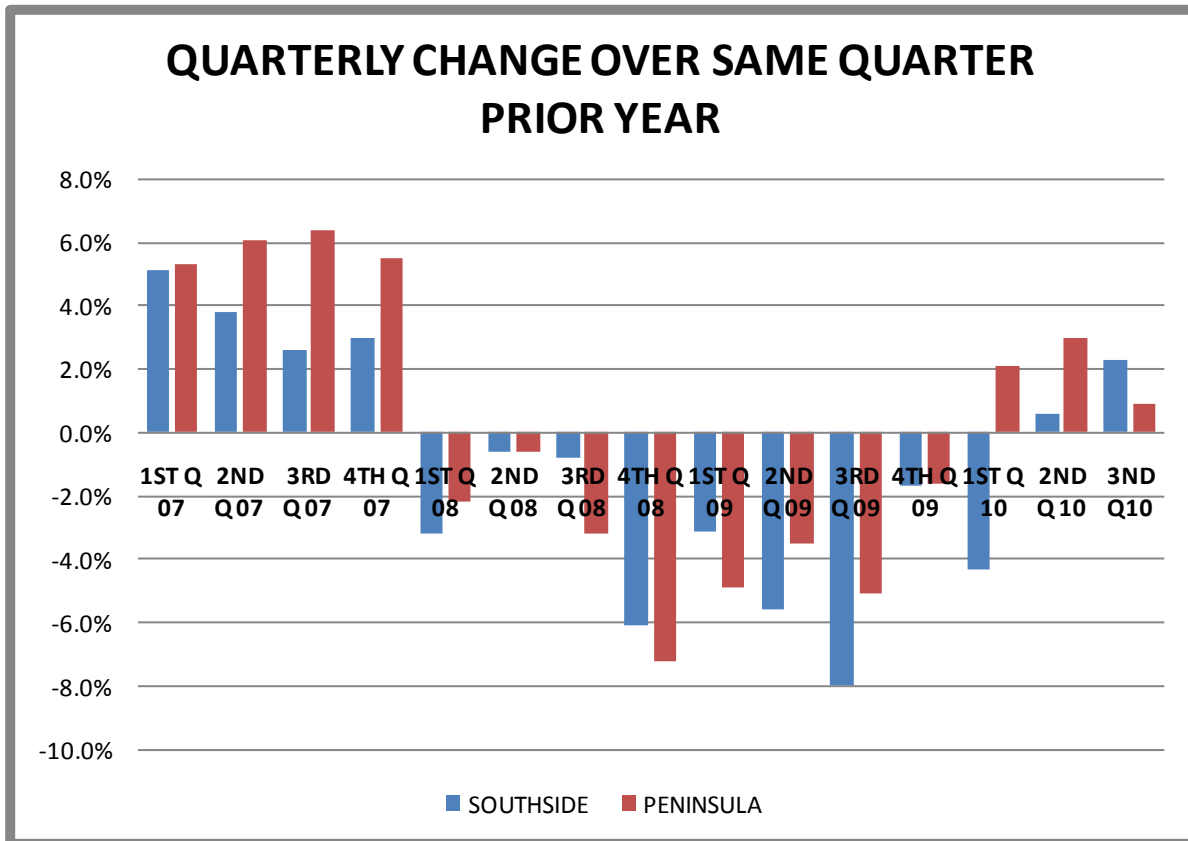
CHANGE	<u>Norfolk</u>	<u>Va. Beach</u>	<u>Chesapeake</u>
Clothing & Accessories	-3.3%	-1.2%	-0.3%
General Merchandise	-0.2%	0.8%	0.5%
Furniture/Home Furnishings	-7.8%	5.8%	5.7%
Electronics/Appliances	-14.8%	19.8%	-16.4%
Building Materials/Garden Stores	10.3%	2.0%	16.0%
Gas Stations	21.0%	55.5%	26.1%
Motor Vehicles and Parts Dealers	-16.0%	-7.2%	23.7%
Sports/Hobby/Books/Music Stores	-9.9%	5.6%	-0.7%
Food & Beverage Stores	-2.5%	0.8%	-1.2%
Restaurants	3.3%	5.9%	8.7%
Health and Personal Care Stores	3.3%	8.7%	15.8%
Hotels	3.0%	11.8%	13.5%
Total Taxable Sales	0.0%	3.9%	2.3%

CHANGE	<u>Portsmouth</u>	<u>Suffolk</u>
Clothing & Accessories	-9.3%	-1.1%
General Merchandise	1.1%	1.7%
Furniture/Home Furnishings	18.4%	-2.1%
Electronics/Appliances	-4.8%	-5.9%
Building Materials/Garden Stores	-0.9%	3.9%
Gas Stations	12.9%	1.4%
Motor Vehicles and Parts Dealers	7.7%	-19.9%
Sports/Hobby/Books/Music Stores	136.4%	-12.4%
Food & Beverage Stores	-3.6%	-6.3%
Restaurants	-2.8%	5.1%
Health and Personal Care Stores	6.3%	13.7%
Hotels	-8.9%	51.3%
Total Taxable Sales	-0.6%	0.5%

The 3rd quarter **increase** of 2.3 percent in total taxable retail sales on the Southside of Hampton Roads was equal to the state's sales increase of 2.3 percent. This quarter marks the

Southside's second positive growth in quarter-over-quarter comparisons since the 4th quarter of 2007. For the first time since the 1st quarter of 2007, the rate of change was more positive on the Southside than on the Peninsula portion of the MSA.

	SOUTHSIDE	VIRGINIA
3rd Q 2010 vs. 3rd Q 2009	+ 2.3%	+ 2.3%



Highlights of 3rd quarter results:

- In the 3rd quarter, total taxable sales increased by 2.3 percent on the Southside. Norfolk's total taxable sales were flat while Portsmouth's total taxable sales declined by 0.6 percent. Virginia Beach's total taxable sales grew by 3.9 while Chesapeake's total taxable sales increased by 2.3 percent. Suffolk's sales pace was atypically low at +0.5 percent.
- Building materials/garden stores registered sales growth of 8.6 percent. Sales by other retailers of consumer non-durables remained weak. Clothing/accessory stores had a sales decline of 1.8 percent while general merchandise retailers reported a sales increase of 0.6 percent. Electronics/appliances store sales increased by 1.6 percent following a dismal 2nd quarter. Norfolk and Chesapeake again experienced significant declines in electronics/appliance store sales in this quarter in conjunction with the closing of Circuit City stores. Virginia Beach lagged the market in sales by building materials/garden stores with an increase of 2.0 percent compared to the Southside's increase of 8.6 percent in this category.

- Closely monitored categories include sales of motor vehicles and parts stores and gasoline stations. Sales by motor vehicle and parts stores decreased by a modest 1.2 percent while gas station sales increased by 29.3 percent compared to the 3rd quarter of 2009. Motor vehicle and part stores in Chesapeake recorded strong growth (+23.7 percent).
- During the 3rd quarter of 2010, sales in food and beverage stores were almost flat (-0.9 percent) percent while health and personal care stores experienced a sales increase of 8.5 percent.
- Restaurant sales increased by 5.3 percent and hotel sales increased by 10.6 percent. The strongest restaurant increase occurred in Chesapeake (+10.3 percent). Chesapeake and Virginia Beach each enjoyed strong growth in the hotel category.