

Atlanta Restaurants Post Negative Sales Trend in Q1 2017

By Robert Wagner, CPA

Atlanta Q1 2017 restaurant sales volume shrank **0.7%** vs. Q1 2016. For the quarter ended March 2017 negative sales trends were reported at **59%** of the 118 independent Atlanta restaurants surveyed.



National Trends

In its survey of national restaurant sales TDn2K's Black Box Intelligence, a restaurant sales and traffic-tracking company, reported national restaurant Q1 2017 revenues declined by **1.6%**. This was the fifth consecutive quarter of negative sales results nationally. Restaurant traffic declined **3.6%** nationally in Q1.

Conclusion

Robert Wagner, NetFinancials president states that, "Established Atlanta restaurants were under significant sales volume pressure in Q1 2017. That pressure is not economic as evidenced by the fact Metro Atlanta unemployment dipped in March 2017 to an unprecedented 4.6%. Since March 2016 total Metro Atlanta jobs have grown by 103,100 according to the Georgia Department of Labor. Rather the pressure on established Atlanta restaurant sales is competitive. Carl Muth of FoodService Resource Associates LLC who tracks restaurant activity in Atlanta notes that 500+ new restaurants opened in Atlanta in 2016. Even though there has been robust growth in good paying jobs in Atlanta, there has also been substantial growth in the number of restaurants bidding for consumers' dining-out dollars.

At the moment, Atlanta has not reached an equilibrium where solid, thoughtful restaurant operators can expect to grow their sales as we typically saw before 2016. Eventually job growth and restaurant unit growth will attain equilibrium. At that point restaurant comp sales growth will return. We just do not know when that equilibrium will reappear."

	Q1 Atlanta	Q1 National
2017 Comp Sales	-0.7%	-1.6%

The Sample: The 118 non-franchise restaurants were drawn from the metro Atlanta market. Total survey sales volume was \$81 million for Q1 2017. The survey includes restaurants in Atlanta's fast-casual, casual and fine-dining segments opened at least 15 months.

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