

Atlanta Restaurants Post Positive Sales in Q3 2017

By Robert Wagner, CPA

Atlanta Q3 2017 restaurant sales volume increased **1.0%** vs. Q3 2016. For the quarter ended September 2017 positive sales trends were reported at **57%** of the 96 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 Q3 2017 revenues declined by **1.9%**. This was the seventh consecutive quarter of negative sales results nationally. Restaurant traffic declined **4%** nationally in Q3.

Conclusion

Robert Wagner, NetFinancials president states that, "Q3 2017 was the best comp sales quarter for established Atlanta restaurants in the last twelve months. Both comp sales and the percentage of restaurants reporting positive sales results improved in Q3. It is extremely encouraging that **57%** of the stores in our survey reported positive sales in Q3. That number has not exceeded 50% of surveyed restaurants since September 2016. It is noteworthy that Q3 sales were positive even though torrential rains from Hurricane Irma dampened sales on September 11 and 12.

Atlanta restaurant operators have been waiting over a year for economic expansion to absorb new restaurant capacity and for established stores to return to positive sales momentum. It is too early to declare victory but the clear change in sales momentum is reassuring. The hope is that Q3 2017 is a harbinger of positive sales results to follow.

The positive Q3 comp sales means that year-to-date 2017 sales are no longer negative; but not positive either. Year-to-date 2017 sales through September are identical to sales through September 2016.

The Atlanta economy continues its expansion. Metro Atlanta unemployment dipped in September 2017 to 4.1% from 5.0% in September 2016. In addition the number of new restaurants has moderated only slightly. Carl Muth of FoodService Resource Associates LLC who tracks restaurant activity in Georgia estimates that 590 new restaurants opened in Atlanta between October 1, 2016 and September 30, 2017."

	Q3 Atlanta	Q3 National	YTD Atlanta
2017 Comp Sales	1.0%	-1.9%	0.0%

The Sample: The 96 non-franchise restaurants were drawn from the metro Atlanta market. Total survey sales volume was \$223 million for YTD 2017. The survey includes restaurants in Atlanta's fast-casual, casual and fine-dining segments opened at least 21 months.

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