

UTAH'S ECONOMY

A monthly report produced for COMMERCE REAL ESTATE SOLUTIONS by Jim Wood, Bureau of Economic and Business Research, University of Utah



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RETAIL SALES

RECOVERY

Retail sales in Utah are slowly recovering. Sales peaked at almost \$30 billion in 2007, then plummeted over the next 24 months by \$8 billion—a 25 percent decline, *Figure 1*. The contraction was led by the collapse of auto and truck sales, which dropped from an all-time high of 115,000 vehicles in 2007 to 66,000 in 2009. Fittingly, it is auto and truck sales that

are leading the recovery. This year auto and truck sales are expected to hit 113,000 vehicles with a value of \$5.6 billion. Vehicle sales typically account for about 20 percent of all retail sales in Utah, *Table 1*. General merchandise captured nearly 25 percent of all sales in 2013.

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Retail sales in Utah are concentrated in Salt Lake County. While the county has about one-third of the population of the state, it captured nearly 45 percent of all retail sales in 2013. Total retail sales statewide were \$24.9 billion with Salt Lake County's sales at \$11.1 billion. Retail sales for each county are shown in Table 2.

In 2010 retail sales hit a low point or trough of \$21.9 billion; since then sales have recovered by \$3 billion, Table 3. Only two counties show no signs of retail recovery; Garfield and Carbon. In Salt Lake County sales have increased by 15 percent from the trough, nearly \$1.5 billion. Most impressive gains are in Duchesne and Wasatch Counties. Duchesne County's 55 percent increase over

the trough is due to the oil and gas boom in the county and Wasatch County's relatively strong performance is due to the opening in August 2011 of a Walmart Supercenter in Heber. Retail sales in Heber City jumped from \$100 million in 2010 to \$155 million in 2013.

Of Utah's 29 counties only Duchesne, Wasatch and Morgan Counties have retail sales level above their 2007 inflation adjusted peaks. In 2013 retail sales in Salt Lake County were still 16 percent below the 2007 peak level of \$13.2 billion 2007, Figure 2.

Salt Lake County's retail recovery is also led by automobile sales. Vehicle sales have improved by 41 percent in the past three years

however, the sales performance in two other major retail sectors; groceries and general merchandise have been disappointing. Sales in these two sectors have increased by only 6.2 percent and 5.2 percent respectively over the past three years.

In retrospect, it's clear from the pace of the recovery that the level of retail sales in 2007 was bloated and unsustainable; supported in part by the surge in home equity created by the run-up in home prices. Home equity lines of credit, refinances and second mortgages along with relaxed credit card standards artificially "juiced" retail sales. Those days are long gone, replaced by a slow, steady and sustainable recovery.

FIGURE 1 - TAXABLE RETAIL SALES IN UTAH

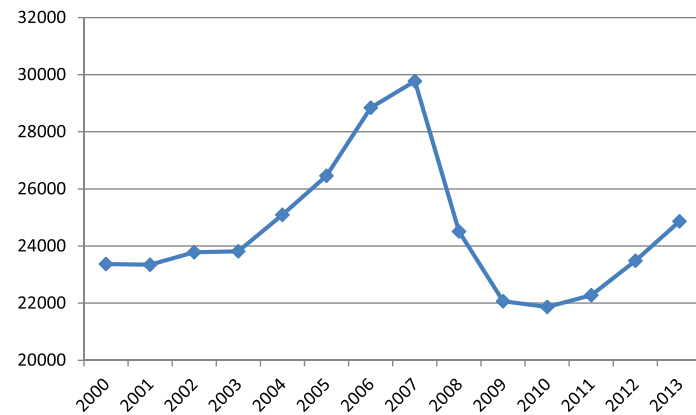


FIGURE 2 - INFLATION ADJUSTED RETAIL SALES IN SALT LAKE COUNTY (Million - 2013 dollars)

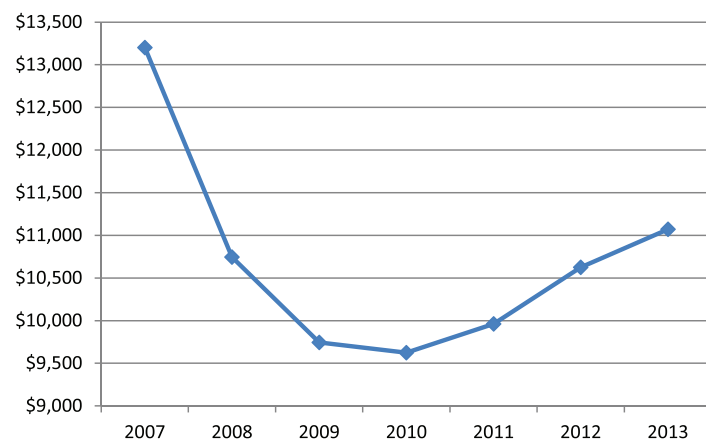


TABLE 1 - RETAIL SALES IN UTAH RANKED BY SHARE OF TOTAL SALES 2013

	Share
General Merchandise	24.1%
Vehicle and Parts Sales	20.6%
Grocery Sales	15.4%
Building Materials and Garden	9.0%
Clothing and Accessories	6.5%
Miscellaneous Retail	6.3%
Sporting Goods, Hobby, Book Stores	4.0%
Gasoline Stations	3.8%
Electronics and Appliances	3.3%
Furniture and Home Furnishings	3.1%
Nonstore Retailers	2.1%
Health and Personal Care	1.8%
Total	100.0%

TABLE 2 - RETAIL SALES BY COUNTY - 2013

	Retail Sales
Salt Lake County	\$11,070.3
Utah County	\$4,020.6
Davis County	\$2,492.2
Weber County	\$1,929.7
Washington County	\$1,423.3
Cache County	\$796.8
Summit County	\$556.1
Uintah County	\$412.0
Iron County	\$328.5
Tooele County	\$302.4
Duchesne County	\$257.2
Box Elder County	\$251.4
Carbon County	\$190.4
Wasatch County	\$182.8
Sevier County	\$159.0
Grand County	\$121.0
Sanpete County	\$113.4
Millard County	\$62.0
Emery County	\$43.9
Kane County	\$39.9
San Juan County	\$39.8
Morgan County	\$38.4
Juab County	\$36.4
Beaver County	\$31.9
Garfield County	\$16.5
Wayne County	\$15.2
Rich County	\$7.1
Daggett County	\$3.1
Piute County	\$2.6
Total	\$24,943.6

TABLE 3 - CHANGE IN RETAIL SALES BY COUNTY 2010-2013 (Inflation adjusted 2013 dollars)

County	Percent Change	Numeric Change
Duchesne County	54.6%	\$90,799,481
Wasatch County	49.2%	\$60,310,383
Daggett County	26.8%	\$657,067
Morgan County	24.3%	\$7,514,204
Grand County	20.8%	\$20,838,994
Wayne County	19.4%	\$2,466,309
Washington County	19.3%	\$229,758,953
Utah County	16.6%	\$572,386,082
Salt Lake County	15.1%	\$1,448,830,878
Uintah County	14.9%	\$53,452,187
Davis County	13.4%	\$294,768,599
Rich County	10.9%	\$693,559
San Juan County	10.4%	\$3,753,422
Weber County	9.3%	\$164,892,194
Summit County	8.4%	\$43,020,463
Sanpete County	7.6%	\$7,977,648
Juab County	7.1%	\$2,399,132
Emery County	5.9%	\$2,454,211
Millard County	5.9%	\$3,444,033
Cache County	5.2%	\$39,110,771
Box Elder County	5.0%	\$11,957,220
Sevier County	4.3%	\$6,569,831
Beaver County	4.1%	\$1,248,815
Iron County	3.7%	\$11,706,693
Piute County	3.5%	\$88,236
Tooele County	3.2%	\$9,335,185
Kane County	0.8%	\$307,924
Garfield County	-1.7%	-\$284,781
Carbon County	-6.2%	-\$12,626,497
State	14.1%	\$3,077,831,198

TABLE 4 - CHANGE IN RETAIL SALES IN SALT LAKE COUNTY (MILLIONS)

	2010	2013	% Chg.	Numeric Chg.
Vehicle Sales and Parts	\$1,763.3	\$2,489.1	41.2%	\$725.8
Nonstore Retailers	\$194.2	\$246.1	26.8%	\$52.0
Health and Personal Care	\$178.4	\$219.0	22.8%	\$40.6
Clothing and Accessories	\$695.2	\$834.7	20.1%	\$139.5
Building Materials and Garden Supplies	\$794.5	\$935.5	17.8%	\$141.0
Gasoline Stations	\$289.8	\$325.6	12.4%	\$35.8
Sporting Goods, Hobby, Book Stores, etc.	\$409.5	\$456.6	11.5%	\$47.1
Miscellaneous Retail	\$711.3	\$767.9	7.9%	\$56.6
Furniture and Home Furnishings	\$398.7	\$428.2	7.4%	\$29.5
Grocery Stores	\$1,568.4	\$1,666.4	6.2%	\$98.0
General Merchandise	\$2,123.3	\$2,234.7	5.2%	\$111.4
Electronics and Appliances	\$494.9	\$466.5	-5.7%	-\$28.4
Total	\$9,621.5	\$11,070.3	15.1%	\$1,448.8

Source for all tables: Utah State Tax Commission.



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