



# HTA Market Update

**JANUARY 2021**



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# Overview: the story this month

- The overall picture for garden centre sales saw a 13% drop on December 2019 nationally, amidst tougher coronavirus restrictions across much of the UK and particularly in Wales, Scotland and Northern Ireland.
- However, garden and gardening categories continue to thrive, with the standout growth in sales of plant care products, for which sales were 45% higher than the same month in 2019. Bedding plant sales increased by 13% on December 2019 levels, and hardy plants, shrubs and trees were also up 11% from December 2019 levels.
- Unsurprisingly, catering continued to suffer and was down 64% compared to December 2019, but this does suggest some outlets may have compensated for cafe closures by offering takeaway options.
- After a strong November, Christmas categories recorded sales 19% below those in December 2019. However, Christmas sales for the year are up by 7%, implying that October and November saw Christmas sales that might normally have been in December.
- Encouragingly, average transaction values were up 33% in the garden store for December, compared with December 2019.
- December showed a promising rise in consumer confidence, possibly due to the rollout of the national vaccination programme. The Major Purchase Index also rose by 6 points. It should be noted that this data predates the announcement of the January lockdown in England.
- In this edition we have produced an updated **Business Confidence Index**, assessing members' confidence in sales and a range of areas of investment over the next 12 months. This will be reported on a quarterly basis via HTA Market Update. The HTA member business outlook in Q4 2020 shows a drop in business confidence from 0.18 in Q3, to 0.02 in Q4, on the scale where -1 is 100% negative and 1 is 100% positive.

# Garden centre sales 2020 – a summary

2020 began strongly, with garden centre sales nationally up 9% in January compared with January 2019. February sales were down 7% on February of last year, which was exceptionally warm for the time of year. In the second half of March, the lockdown measures imposed to fight the spread of coronavirus led sales 20% lower than March 2019. Whilst in April, nationally sales were 83% down on April 2019, as some retailers turned to the online channel.

On May 11<sup>th</sup>, garden centres in Wales were given the go ahead to reopen; whilst England, Northern Ireland and Scotland followed suit on May 13<sup>th</sup>, 18<sup>th</sup> and 28<sup>th</sup> respectively. Sales within garden/gardening categories performed exceptionally well, finishing May only 1% down nationally on May 2019 which comparatively featured a full month of trading.

Sales throughout June, July and August continued to recover well with particularly strong sales of garden/gardening ranges; reducing the gap between calendar year comparisons. In September, non-garden/gardening categories also showed sign of recovery.

This continued into October with overall sales up 17% compared with October 2019. Strong garden/gardening category sales were again largely responsible and non-garden/gardening ranges showed positive signs of recovery.

In November, overall sales were 11% up on the same month of last year, largely driven by strong garden/gardening sales (+60%) and increased average transaction values (+51%).

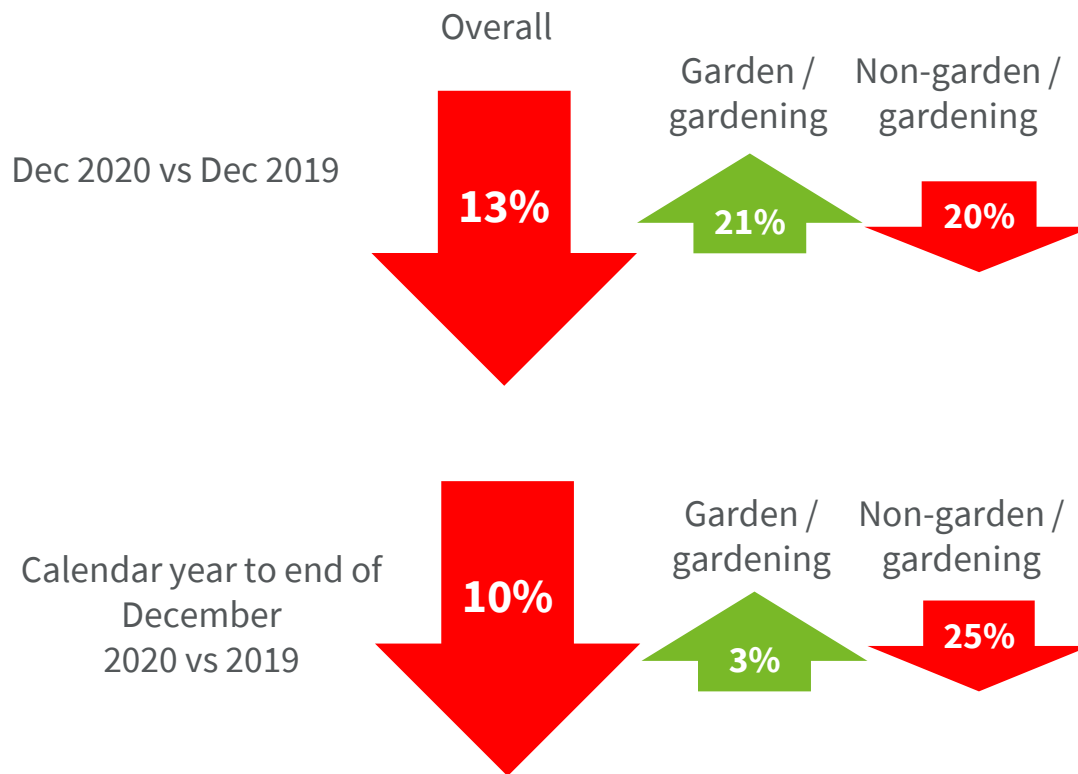
December saw variations across the UK in restrictions, and despite continued strong garden category sales, nationally sales were -13% on December 2019. Despite many fewer weeks trading time due to lockdowns, national garden centre sales finished 2020 -10% down on the 2019 calendar year.

**A full breakdown of December garden centre sales follows on the next few pages.**

2020	Vs. same month 2019	Calendar year to month vs. 2019
January	+9%	+9%
February	-7%	=
March	-20%	-10%
April	-83%	-39%
May	-22%	-35%
June	+34%	-25%
July	+17%	-20%
August	+19%	-17%
September	+25%	-13%
October	+17%	-12%
November	+11%	-10%
<b>December</b>	<b>-13%</b>	<b>-10%</b>

# Garden centre sales: December

In December, garden and gardening categories again performed strongly, whilst the continued closure of cafes/restaurants across majority of the UK impacted non-garden/gardening category figures to record December 2020 sales 13% below December 2019 nationally. Despite restricted and much fewer trading time, the calendar year 2020 finished 10% down overall on 2019. However, notably garden and gardening categories finished the year % up on 2019 as a whole.



## How are these figures calculated?

The national sales figures we report each month come from the HTA Garden Retail Monitor (GRM) system. We've now moved over to a newer GRM system where sales data from submitting garden centres is automatically uploaded to a secure server via the EPOS system. These garden centres can then login to the portal to benchmark their sales against regional and national averages for a variety of sales metrics. We're looking to sign up more garden centres to the system, allowing us to include more reliable detailed breakdowns of trends in sales in these Market Update reports.

If you're interested or for more information visit: [hta.org.uk/grm](https://hta.org.uk/grm)

Source: HTA Garden Retail Monitor

# Garden centre sales: detailed December breakdown



Category	December 2020 vs 2019	Calendar year 2020 vs 2019
Bedding plants	+13%	-11%
Hardy plants, shrubs & trees	+11%	1%
Houseplants	+6%	+9%
Seeds	+73%	+17%
Plant care products	+45%	+15%
Garden tools & equipment	+4%	+1%
Bulbs	-19%	+7%
Christmas	-19%	+7%
Food & farm shop	-3%	+10%
Wild bird care	-5%	-6%
Indoor living & homewares	=	-5%
Gifting	-5%	-15%
Pets	=	-13%
Catering	-64%	-57%

Strong sales of plants, plant care products and equipment, continued into December as tougher restrictions were placed across much of the UK and the stay at home message introduced once again.

Christmas category sales were down in December on December of 2019, following strong 45% growth in November on the same month of 2019. This is likely to be as a result of tougher restrictions on parts of the UK (Wales, Northern Ireland and Scotland in particular) but also suggests consumers may have started their Christmas festivities and shopping earlier than usual in 2020, to ensure preparedness or extend the feel-good time of year; as the Christmas category finished 2020 7% up on the 2019 calendar year.

Source: HTA Garden Retail Monitor



# Garden centre sales: December Average Transaction Values (ATVs)

The average garden store transaction value was up by 33% in December 2020 to £25.98, compared with December 2019.



## Garden store

£ **25.98** (EXC. VAT)  
DEC 2020

**VS DEC 2019**

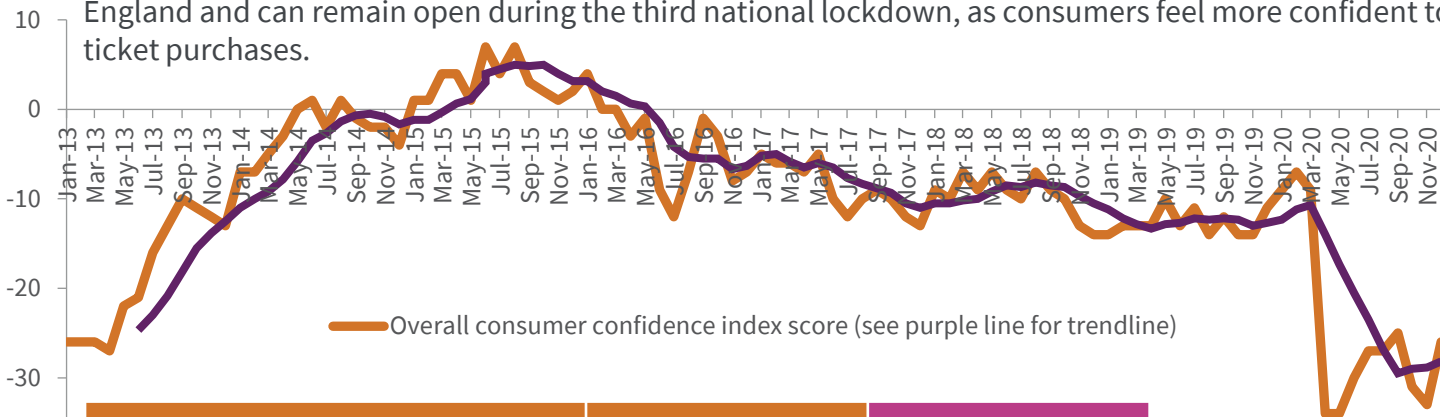
+33%

Source: HTA Garden Retail Monitor

# Consumer confidence: financial

[Click to view the full summary](#)

Consumer confidence shows a positive end to 2020 (although this data does predate the third lockdown). The national vaccination programme may have lifted spirits and inspired hope. The 15-point leap in consumer views on the future economy stands out: a change of that magnitude for that measure has not been measured since April/May 2011. The renewed expectations on personal finances looking ahead are also welcome, while the six-point uptick in the Major Purchase Index is good news for online retailers and garden centres which are deemed 'essential' in England and can remain open during the third national lockdown, as consumers feel more confident to make larger ticket purchases.



Overall  
index  
score:  
**-26**

\*this is 15 points lower than December 2019

Measure	Relative score	vs. December 2019
<u>Personal financial situation:</u> during last 12 months <b>over next 12 months</b>	-9 <b>3</b>	6 points lower =
<u>General economic situation:</u> during last 12 months <b>over next 12 months</b>	-65 <b>-35</b>	34 points lower <b>8 points lower</b>
Major Purchase Index	-22	25 points lower
Savings Index	17	1 point lower

Consumers are asked how the financial position of their household has changed over the last year and is expected to change in the next year, as well as that of the general economy. They're also asked if they believe 'now' is a good time to make major purchases or to be saving money. The first three measures in the table make up the overall index score. Whilst the Savings Index indicates whether consumers are looking to save rather than spend their money. **Relative scores are given as a comparative to when records began in 1974.**

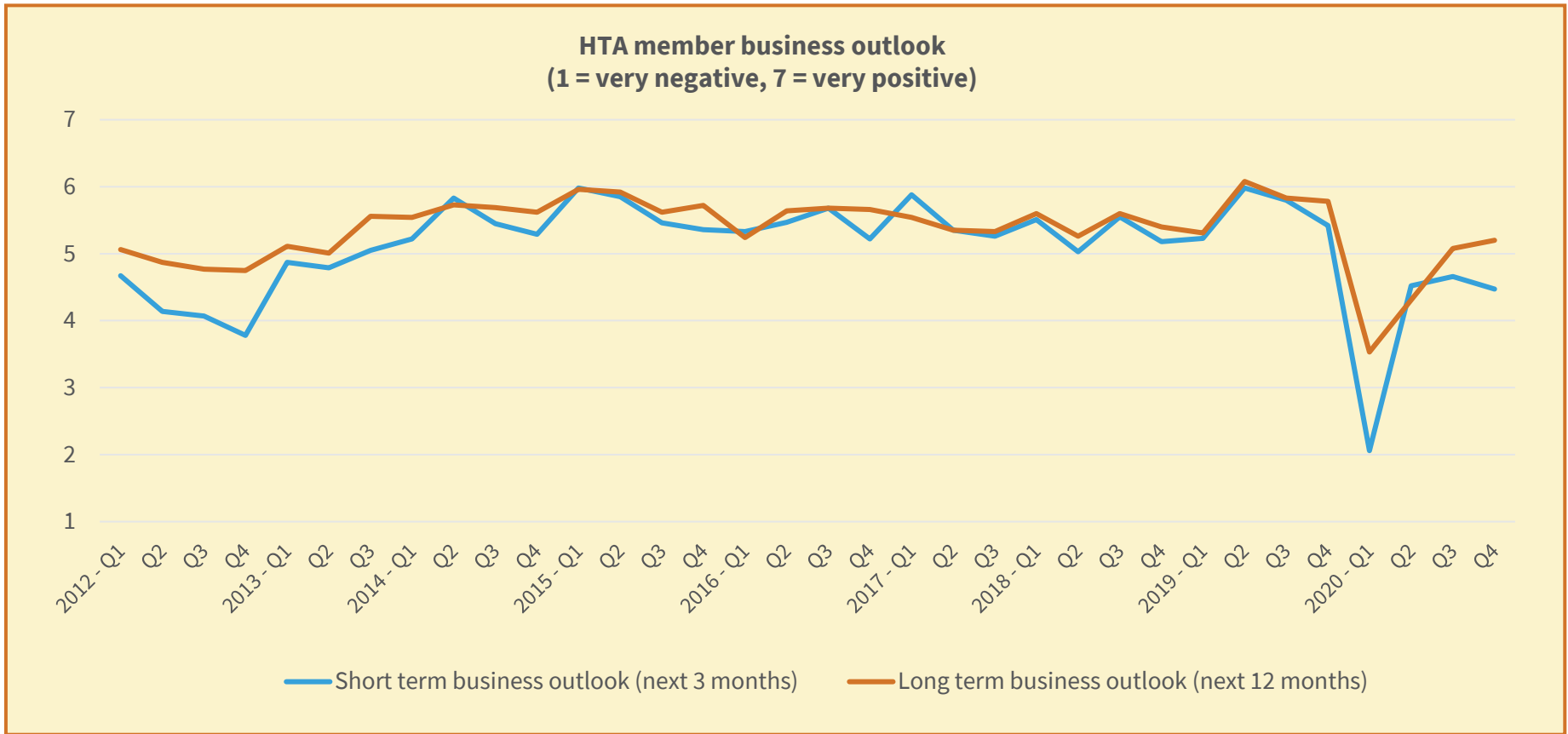
Source: GfK



# HTA Member Business Confidence – Q4 2020



Every quarter, members are asked how positive or negative they feel about the outlook for their business for the next 3 and 12 months respectively. We've tracked this since 2012, and outlook generally remains very stable over time. As shown in the graph above, business outlook crashed in Q1 2020 when the impacts of COVID-19 began to take affect. However, both short- and longer-term business outlook have steadily increased in Q2 and Q3 2020. The long-term business outlook continued to improve in Q4 2020, though the short-term outlook experienced a slight drop on Q3 2020 levels.

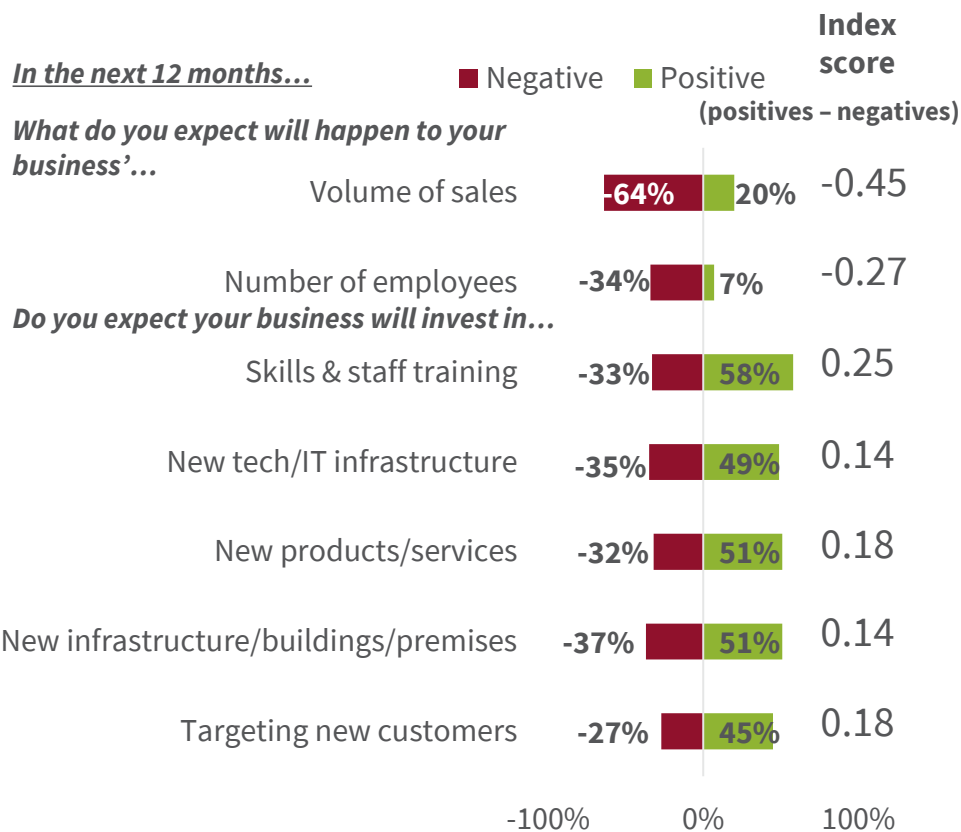


Source: HTA Member Voice Survey

# HTA Member Business Confidence – Q4 2020

## How the index score works

Each quarter, members are asked about their expectations for the next 12 months in terms of sales, staff and investments – these measures constitute the overall index score. The responses are weighted to ensure they are representative of HTA membership overall; and an index score is generated for each measure by subtracting the proportion of responses towards the negative end of the scale from the those at the positive end to produce a **score between -1 and 1**. An average of these scores is then calculated to produce an overall index score that can be tracked over time and reported on a quarterly basis. So, the closer the score is to 1, the more positive and confident HTA members are feeling.



Overall index score:  
**0.02**

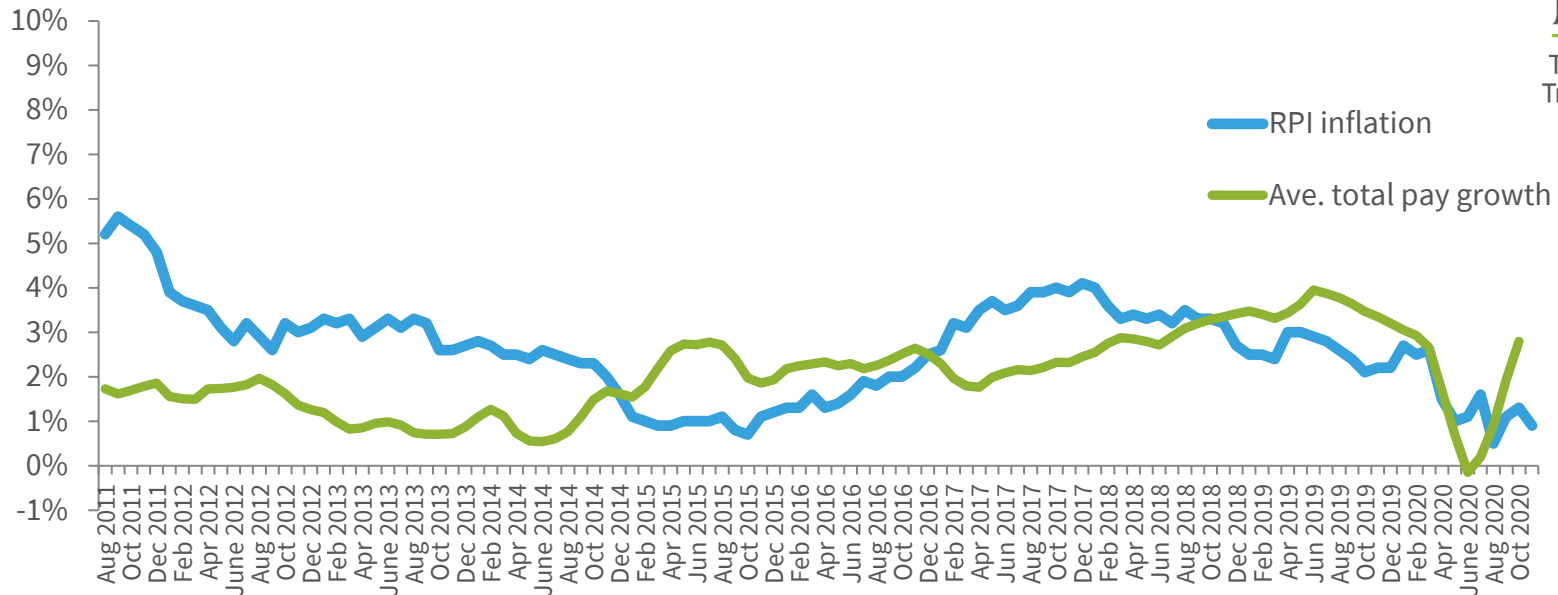
\*This is 0.16 lower than Q3 2020

Each measure used in the index score uses a 5-point scale allowing clear positive and negative ends of the spectrum to be identified (as shown on the graph to the left). These scales are:  
(Expected sales/staff): **Decrease a lot, decrease a little**, stay the same, **increase a little, increase a lot**  
(Expected investments): **No, probably not**, unsure, **probably yes, definitely**

The main change from the previous quarter is in expectations of future sales volumes, which, in Q3, 1 in 2 members thought would increase. However, in Q4 this figure drops to just 1 in 5, and 64% indicate will decrease. The percentage of members expecting that the number of employees in the next 12 months would increase also dropped from 28% in Q3 to 7% in Q4. Two measures that have become more positive are those believing they will invest in skills and staff training (from 48% to 58%), and in new infrastructure, buildings and premises (46% to 51%).

Source: HTA Member Voice Survey

# The UK Economy



RPI  
inflation:  
**0.9%**

We take a look at some key indicators of the position of the UK economy to gauge the situation for consumers as well as member businesses. Both inflation and average pay growth (excl. bonuses) are measured as a percentage change over a 12 month period.

In November, the rate of inflation dropped to 0.9%, whilst average pay growth in October increased to 2.8%. The data on pay growth continues to be affected by the distorting impacts of the Covid-19 crisis on the UK employment market. Much of the apparent pay growth to October 2020 when compared with a year ago is influenced by the fact that large numbers of lower-paid jobs across the economy have been lost or furloughed when compared with the same time in 2019; other factors such as a fall in employees entering the job market have also inflated the pay growth measure. More detailed context on interpreting this measure is available on <http://bit.ly/2XuMcBX>

Average  
pay  
growth:  
**2.8%\***

\*Note: this is  
October's figure –  
the latest release

Source: ONS



**HTA**

The Horticultural  
Trades Association

# Vehicle fuel prices

Pence per litre (ppl)



[Click to view the full summary report and regional breakdowns](#)

Petrol (ppl):

**114**

We also monitor vehicle fuel prices to gauge the situation for consumers and businesses alike. Figures reported are national averages, measured in price per litre. For regional breakdowns [click or tap here](#) to view the AA's fuel reports.

In November, fuel prices remained stable, despite dropping during the first national lockdown in March. Since the announcement of a third national lockdown, delivery services are likely to be busy once again.

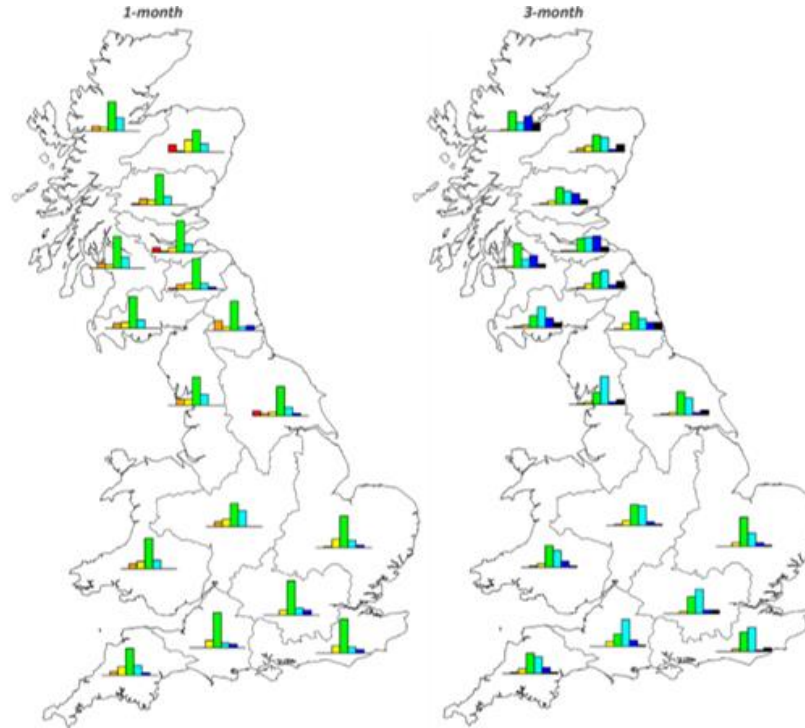
Diesel (ppl):

**117**

Source: AA

# Water – River flows

The charts show the expected probabilities of above or below average river flow levels in the coming months. Essentially, the more yellow, orange or red that appears in a chart, the greater the probability of below normal levels in the area and an increased probability of water shortages. The HTA will continue to monitor and update you on the water situation via the website [hta.org.uk](https://hta.org.uk).



The full reports contain a much more comprehensive picture of the forecast water situation, including rainfall required to overcome below normal conditions.

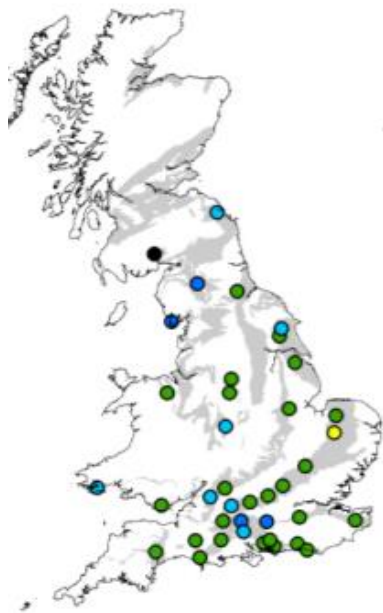
**For the full reports  
click here**

River flows were normal in December, and although over the next 3 months river flows across England and Wales are most likely to be in the Normal range to Above normal, flows across Scotland and the North East are likely to be Above normal or higher.

# Water – Groundwater levels

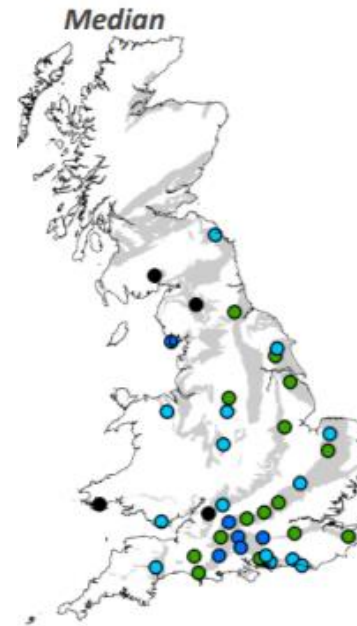
The charts show the expected probabilities of above or below average groundwater levels in the coming months. Essentially, the more yellow, orange or red that appears in a chart, the greater the probability of below normal levels in the area and an increased probability of water shortages. The HTA will continue to monitor and update you on the water situation via the website [hta.org.uk](http://hta.org.uk).

## 1 month outlook



Key	Percentile range of historic observed values for relevant month
Exceptionally high levels	> 95
Notably high levels	87-95
Above normal	72-87
Normal	28-72
Below normal	13-28
Notably low levels	5-13
Exceptionally low levels	< 5

## 3 month outlook



The full reports contain a much more comprehensive picture of the forecast water situation, including rainfall required to overcome below normal conditions.

For the full reports  
click here

The short term outlook predicts largely normal groundwater levels across the UK, with some areas of the North and South experiencing above normal levels. Over the next three months, normal to notably high groundwater levels are predicted.




# Weather

December 2020 was both the wettest month in 5 years, and had the highest number of rainy days!

	Dec 2020	Dec 2019
 Hours of sunshine	<b>38</b>	<b>48</b>

	Dec 2020	Dec 2019
 Rainfall (mm)	<b>162</b>	<b>119</b>

	Dec 2020	Dec 2019
 No. of rain days	<b>21</b>	<b>17</b>

	Dec 2020	Dec 2019
 Mean temperature (Celsius)	<b>4</b>	<b>5</b>

The figures reported are national averages for the UK. To view the figures on a regional basis: [click or tap here](#) to visit the MET Office website and view the year ordered stats by month.

Source: MET Office

# Closing comments

We hope you enjoyed the format and content of this Market Update.

If you have any questions or would like to see something else included, please don't hesitate to contact [marketinfo@hta.org.uk](mailto:marketinfo@hta.org.uk)