

Driving Habitat ReStore Business Decisions with Data

Midwest ASO



Welcome, please scan
and sign in!

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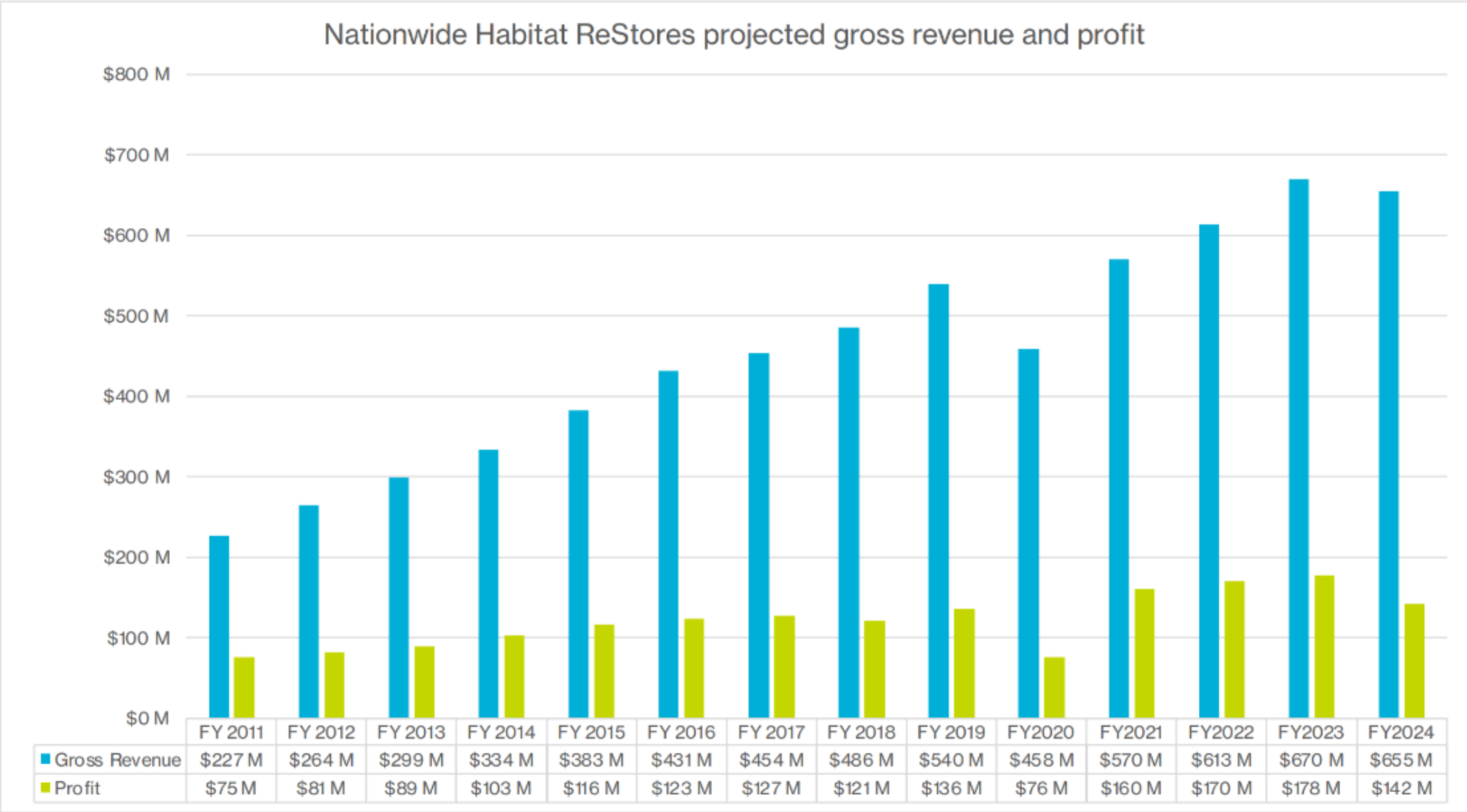
Session Learning Objective:

After examining some of the national Habitat ReStore data and thrift trends, attendees will work in break out groups to brainstorm challenges and possible solutions within our control as we continually navigate an uncertain environment.

FY2024 Habitat ReStore year in review



Habitat ReStore Growth Trend





Habitat ReStores at a glance

Number of Habitat ReStores:

- U.S. 893
- Canada 105
- International 33

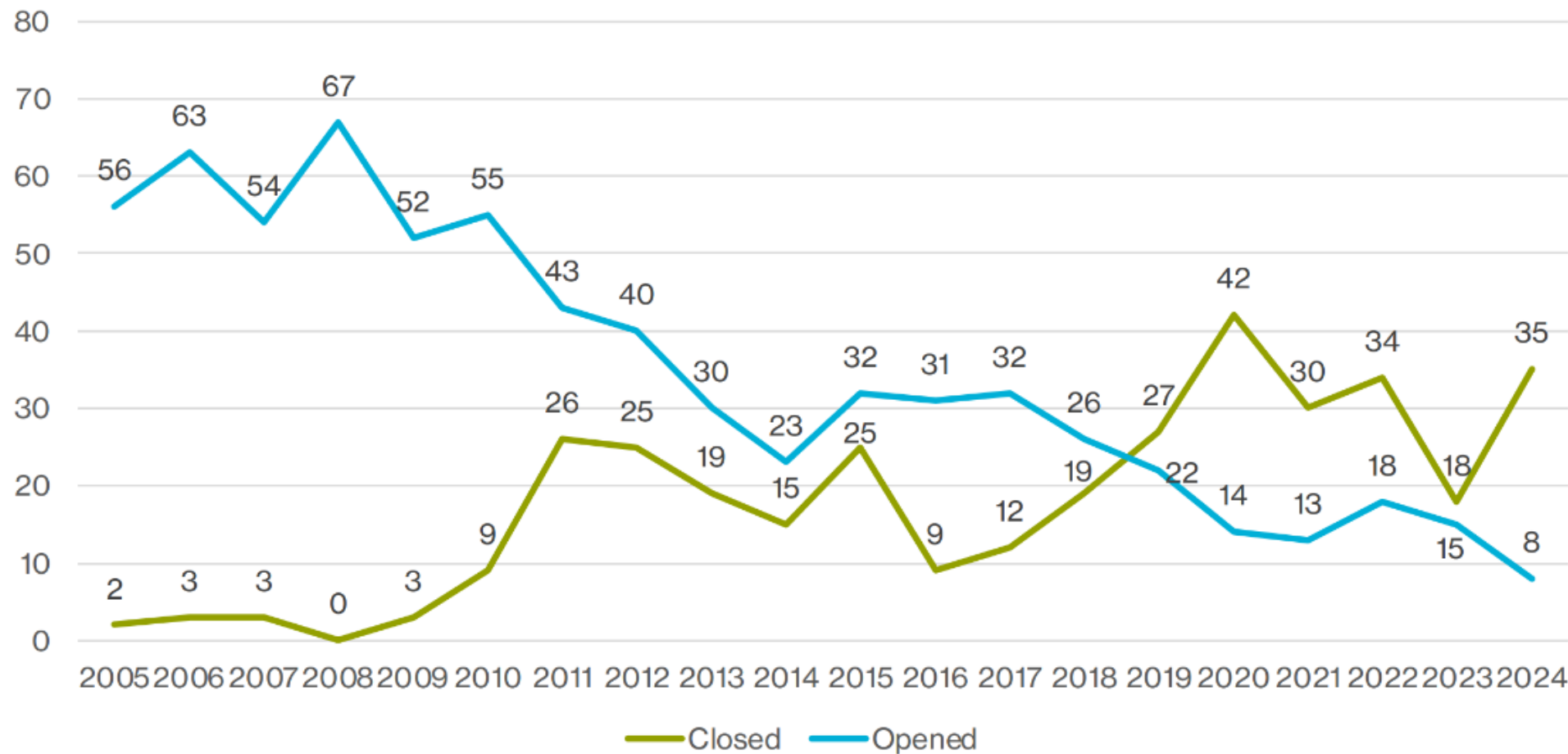
FY2024:

35 stores closed, 2 affiliates opened their first store, 7 affiliates opened an additional store, and 24 stores relocated.

FY2025 (YTD):

27 stores closed, 8 stores opened, and 4 stores relocated.

Stores opened and closed per fiscal year



35 stores closed in FY24


| | | |
|----------------------------|--|----|
| | | |
| | | |
| | | |
| Consolidated 2 stores to 1 | | 3 |
| Disaffiliated | | 5 |
| Dissolved | | 0 |
| Focus on mission | | 2 |
| Lost lease | | 5 |
| Not profitable | | 10 |
| Poor location | | 2 |
| Staff turnover | | 1 |
| Unknown | | 6 |
| | | |

Profit margin

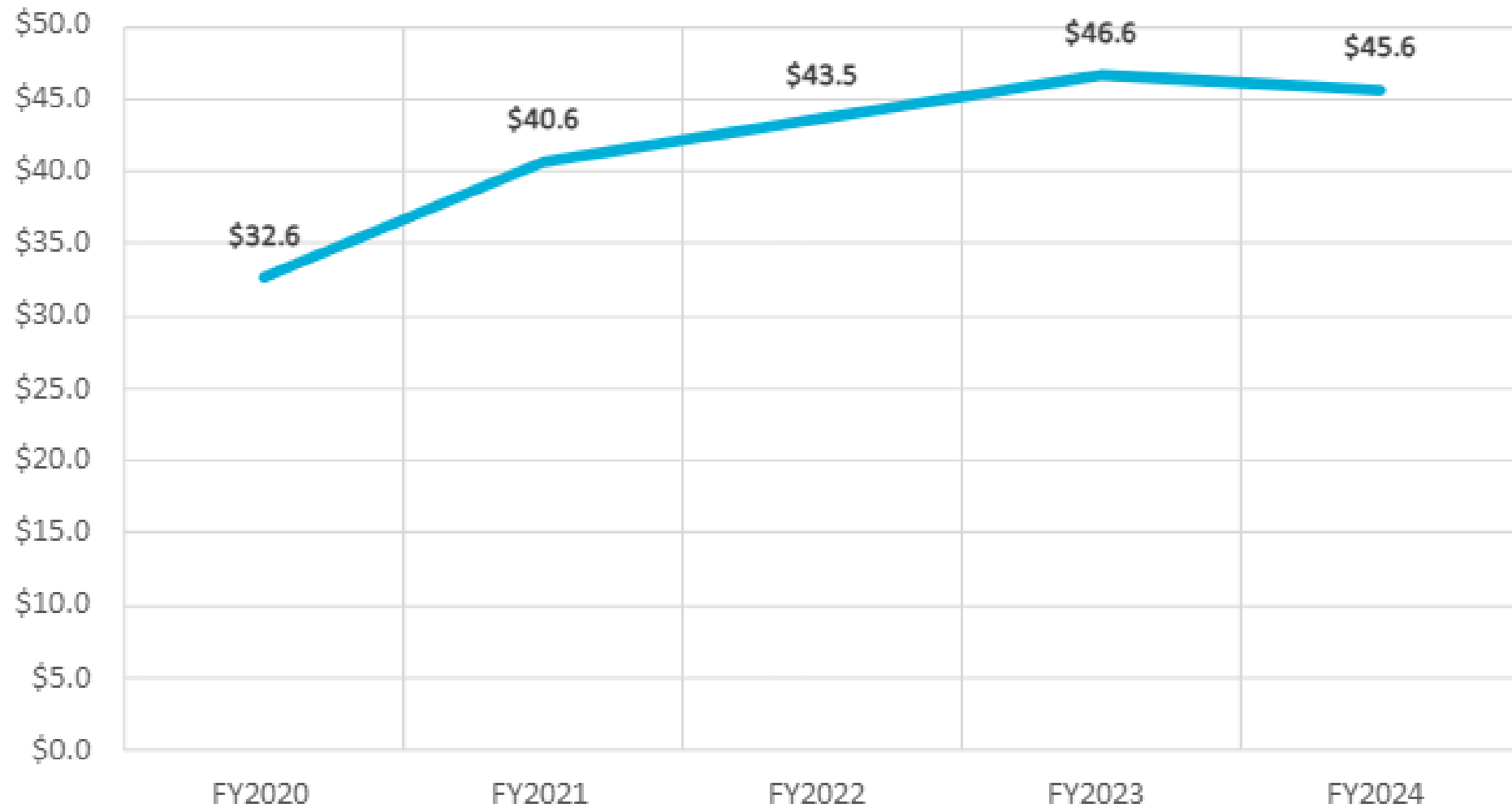
| Fiscal Year | Average | Change YOY in Average | Median | Change YOY in Median |
|-------------|---------|--------------------------|--------|-------------------------|
| FY2020 | 13% | -39% | 16% | 8% |
| FY2021 | 24% | 90% | 27% | 68% |
| FY2022 | 22% | -8% | 26% | -4% |
| FY2023 | 23% | 1% | 24% | -6% |
| FY2024 | 17% | -26% | 22% | -10% |

Performance Metrics



| Store Size (Sq Ft)  | # of ReStores | Sales per Square Foot | | | |
|--|---------------|-----------------------|---------------|-----------------|----------------|
| | | Average | Minimum | Maximum | Median |
| <5K | 46 | \$57.45 | \$2.56 | \$217.99 | \$47.51 |
| 5K-10K | 160 | \$42.95 | \$2.72 | \$179.36 | \$37.29 |
| 10K-15K | 196 | \$45.46 | \$2.12 | \$160.81 | \$39.69 |
| 15K-20K | 126 | \$46.79 | \$2.98 | \$167.55 | \$43.64 |
| 20K-25K | 99 | \$47.53 | \$5.83 | \$118.84 | \$45.06 |
| 25K-30K | 50 | \$44.79 | \$12.51 | \$100.09 | \$43.43 |
| >30K | 76 | \$40.83 | \$5.83 | \$99.59 | \$36.21 |
| Overall | 753 | \$45.63 | \$2.12 | \$217.99 | \$40.50 |

Average sales per Sq. Ft. trend



National Trends YOY

Home furnishing sales heavily impacted nationally:

- RH (formerly Restoration Hardware) net revenue **-1.7%**
 - ❑ CEO Gary Friedman called “the most challenging housing market in three decades”
- Williams-Sonoma net revenue down **-5.4%**
 - ❑ Pottery Barn declined **-10.8%**
 - ❑ West Elm declined **-4.1%**

*Forbes, June 21, 2024

National Trends YOY

Home furnishing sales heavily impacted nationally:

- Ethan Allen net sales down **-21.4%**
 - “sluggish” demand in the overall industry amid elevated interest and inflation rates, according to CFO Matthew McNulty.
- Wayfair net revenue down YOY **-1.6%**
- Home Depot net sales down **-2.3%**
- Lowes net sales down **-4.4%**

*Forbes, June 21, 2024

National Trends

Housing Market's Impact on the Home Furnishings Sector

“The home furnishings industry is closely tied to the housing market. Since the onset of the pandemic, the S&P 500 Home Furnishings Index has shown an inverse relationship with 30-year mortgage rates.”

*Forbes, June 21, 2024

Housing Market's Impact on the Home Furnishings Sector

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30-Year Mortgage Rate (%)



S&P 500 Home Furnishings (Sub-Industry) Index



Chart: Hyunsoo Rim • Source: YCharts • [Get the data](#) • Created with [Detawrapper](#)



Any
Questions?

Habitat ReStore-Specific Data to Monitor

- Average donation value
- Payroll percentage and number of FTEs
- SPSF and SPSF by department
- Gross, net and profit margin
- Retail sales floor percentage
- Occupancy cost and percentage
- Marketing spend percentage

Possible Challenges

- Staffing shortages and increase in labor and operational costs
- Household discretionary spending affected by cost-of-living increases
- Interest rates affecting home purchases and remodeling
- Sluggish furniture (number one departmental sales for Habitat ReStores) and home furnishing sales
- Diminishing donation value
- Donors monetizing waste stream



Possible Solutions

- Creative staffing approaches
- Investment in staff training and onboarding
- Purchased product to offset donations
- Focused procurement efforts
- Expanding donation categories
- Marketing and community outreach



Break Out Groups!

Evaluate your current operations (additional and relocating stores)

Part of the process when [deciding to add a store or relocate](#) an existing store is to both evaluate your market presences and assess operational efficiencies and inefficiencies. When conducting operational evaluations, solicit sincere feedback from shoppers, donors, volunteers and staff members.

Consider using the following evaluation tools available on MyHabitat:



Habitat ReStore assessment and action planning guide



Habitat ReStore assessment metrics tool

Understand key metrics

Consider reviewing the following resources that explore additional key Habitat ReStore metrics:

- [Evaluating & understanding a Habitat ReStore](#): This resource will help you learn about each commonly used metric and its respective formula.
- [Sales per square foot by department](#): This document will help you understand the need and mechanism to independently track and analyze departmental (sales category) Habitat ReStore sales data.
- [Tracking donor and donation frequency](#): This document explains why tracking donor information is an important tool in understanding the overall donation capture rate of a market.

“You can’t really know where you are going until you know where you have been.” — Maya Angelou

Analyzing current operations vs. promising practices

Habitat for Humanity ReStores play an integral part in Habitat’s mission, bringing financial support for our work and offering a unique opportunity for various audiences to experience and interact with the organization. Use this section to analyze current operations and help further Habitat’s mission by creating a consistent experience.

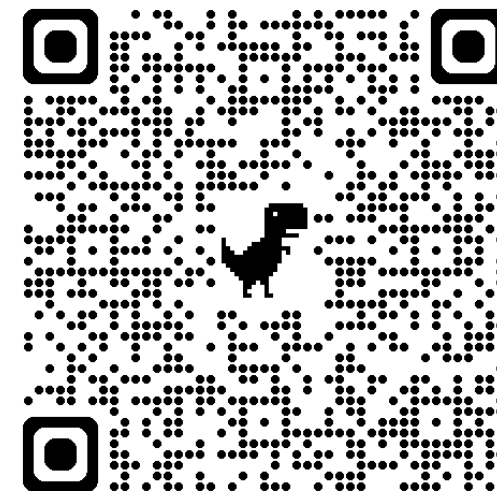
How to use this section

This analysis tool is separated into five main sections: donations, staffing, merchandising and sales, facilities, and marketing. Fill in each section with current and relevant information — not desired goals. The information gathered in this section will help you complete [Step 3: Goal Setting and Action Planning](#).

Each of the five sections is broken down into two subsections: metrics and evaluations.

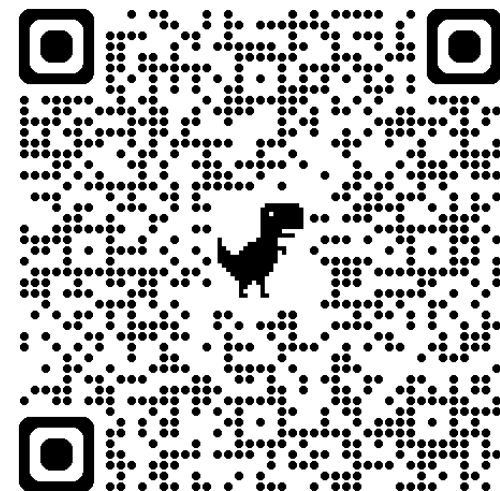
Metrics

The metrics sections are the culmination of years of research and data, compiling promising practices and industry benchmarks to help each affiliate run an efficient and effective Habitat ReStore. The metric explanations will likely be significantly different from those listed during periods of substantial growth and during the first few years of operation as a store ramps up. They represent a healthy, stabilized store.

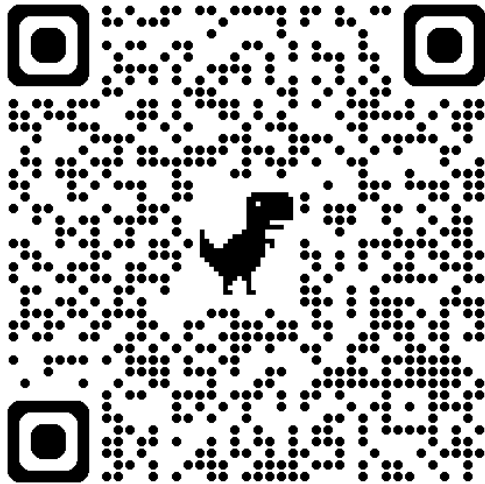


Habitat ReStore Metrics Worksheet

| ReStore Metrics | Last Year | Forecast for this year | Formula | Next Year Budget | Benchmarks |
|--------------------------------|-----------|------------------------|-------------------------|------------------|---------------------------|
| Total Gross Sales | | | | | |
| Gross Income (\$) | \$0 | \$0 | Total Revenue | \$0 | Variable |
| Sales per Square Foot | | | | | |
| | \$0 | \$0 | Gross / Square Ft | \$0 | Minimum Goal \$40.00 |
| Facility Square Footage | | | | | |
| Total Square Footage | 0 | 0 | | 0 | Variable |
| Occupancy Cost | | | | | |
| Occupancy Percentage (%) | 0% | 0% | | 0% | 14%-20% total OC |
| Occupancy Costs (\$) | \$0 | \$0 | | \$0 | See Occupancy % |
| # of Donations | | | | | |
| Avg Donation Value (\$) | \$0 | \$0 | Gross / # of donations | \$0 | Not a benchmark |
| Donations per Week (#) | 0 | 0 | Gross / 50 wks. /Avg \$ | 0 | Not a benchmark |
| Marketing | | | | | |
| Marketing Expense (%) | 0% | 0% | | 4% | 4%-7% of gross sales |
| Total Marketing Expense (\$) | \$0 | \$0 | Gross X .04 (4%) | \$0 | See marketing % |
| Staffing Level | | | | | |
| Full Time Equivalent (FTE) | 0.0 | 0.00 | Gross / 100,000 | 0.00 | 1 per \$85- 100K in sales |



Additional Habitat ReStore Evaluation and Assessment Resources



The Habitat ReStore Annual Reports discuss nationwide statistics, benchmarks, and presents analysis on various metrics. Previous reports are organized by fiscal year below and the data sets that informed the reports.

RESTORE

Habitat ReStore Annual Reports

Eric Allen

Sr Spec, ReStore Expertise Hub

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**Any
Questions?**



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