



Idaho Automobile Dealers Association Inc.

# **Idaho Auto Outlook**

## **An Analysis of the Idaho New and Used Vehicle Market**

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Source for historical data: Idaho Vehicle Report Service.



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# U.S. Annual Sales Rate

November 2012 U.S. New car and light truck sales reached 1.14 million, 15% above the November 2011 level

The seasonally adjusted annual rate (SAAR) in Nov. was 15.5 million units, the highest SAAR since 2008

November was the fourth consecutive month of robust U.S. new vehicle sales

Positive factors propelling the industry forward include low interest rates, an improving housing market, improved employment levels and lower gas prices

Volkswagen, BMW, Honda and Toyota continue to gain market share based on improved inventories versus 2011 and new product introductions

In contrast, both GM and Ford have lost share; both manufacturers are hoping new product launches either in effect now or coming soon will halt these share declines



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## Driving Idaho's Economy Annual Contributions of Idaho's New-Vehicle Dealers

### Idaho's dealers maintain a multi-BILLION dollar retail industry.

- Average sales per dealership.....\$22.5 million
- Total sales of all new-vehicle dealerships in Idaho.....\$2.5 billion
- Dealership sales as % of total retail sales in the state.....14.2%
- Estimated number of new-vehicle dealerships.....109

### Dealers provide thousands of well-paying jobs in Idaho.

- Total number of new-vehicle dealership employees in Idaho.....4635
- Average number of employees per dealership.....42
- Average annual earnings of new-vehicle dealership employees.....\$43,746
- Dealership payroll as % of total state retail payroll.....10.6%
- Annual payroll of new-vehicle dealerships.....\$201 million
- Average annual payroll per new-vehicle dealership.....\$1.85 million

Dealers generate hundreds of millions of dollars of tax revenue for state and local government through:

**Sales Tax Revenue**

**Corporate Tax Revenue**

**Payroll Tax Revenue**



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## Idaho's Top Financing Sources, November 2012

Lienholder	Contracts	Total (x \$10K)
IDAHO CENTRAL CU	763	1820
WELLS FARGO AUTO FIN	587	1186
POTLATCH #1 FED CU	371	676
WESTMARK CREDIT UNIO	347	781
TOYOTA MOTOR CREDIT	288	622
JP MORGAN CHASE	287	690
FORD MOTOR CREDIT CO	269	1009
CAPITAL EDUCATORS FCU	205	360
ALLY BANK	172	472
BANK OF AMERICA NA	168	499
HONDA LEASE TRUST	102	109
ICON CREDIT UNION	102	161
TD AUTO FINANCE LLC	86	209
CAPITAL ONE AUTO FIN	82	142
US BANK NA	75	168
RELIABLE CREDIT ASSO	71	52
NUMERICA CU	70	137
BANK OF THE WEST	66	169
HYUNDAI MOTOR FINANCE	66	16
SPOKANE TEACHERS CU	62	135

### Auto Lenders Speeding Past Mortgage Woes

Auto lenders are pursuing an unlikely growth market: people who have fallen behind on their mortgages. This trend also has helped financed auto sales, which were up more than 14% from a year earlier, partly because of increased availability of credit. Lenders have become more willing to work with dealers in structuring loan terms and to listen to borrowers' stories.



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# County Scoreboard

Majority of the State's Ten Largest County Markets Move Higher

	MTD Titles NOV 2012	MTD Titles NOV 2011	MTD % Change 2011-2012	YTD Titles 2012	YTD Titles 2011	YTD % Change 2011-2012
<b>Ada</b>	2503	2174	15%	31041	27584	13%
<b>Bannock</b>	672	536	25%	8452	7397	14%
<b>Bingham</b>	102	173	-41%	1794	1779	1%
<b>Bonner</b>	63	99	-36%	1080	1002	8%
<b>Bonneville</b>	876	868	1%	11125	10577	5%
<b>Canyon</b>	1642	1504	9%	20433	18747	9%
<b>Elmore</b>	138	130	6%	1785	2180	-18%
<b>Kootenai</b>	897	846	6%	11367	11176	2%
<b>Nez Perce</b>	327	212	54%	4214	3514	20%
<b>Twin Falls</b>	477	644	-26%	7426	7095	5%



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Make	MTD sales	Current/Previous YTD sales	YTD % change, year-over-year	Current year rank	Previous year end rank	Previous year total sales
<b>FORD</b>	527	6085/5518	10	1	1	6079
<b>TOYOTA</b>	470	5072/3613	40	2	2	4024
<b>CHEVROLET</b>	294	3445/3150	9	3	3	3452
<b>DODGE</b>	257	3169/2681	18	4	4	2941
<b>HONDA</b>	207	2288/1833	25	5	5	2002
<b>SUBARU</b>	194	1870/1381	35	6	7	1511
<b>GMC</b>	119	1495/1462	2	8	6	1618
<b>NISSAN</b>	107	1530/1254	22	7	9	1386
<b>JEEP</b>	94	1167/881	32	11	11	976
<b>HYUNDAI</b>	86	1394/1351	3	10	8	1429
<b>KIA</b>	77	1414/1117	27	9	10	1243
<b>VOLKSWAGON</b>	34	542/405	34	12	12	433
<b>MAZDA</b>	31	439/388	13	14	13	416
<b>CHRYSLER</b>	30	442/290	52	13	14	308
<b>BMW</b>	25	164/120	37	19	18	134
<b>FREIGHT LINER</b>	23	212/97	119	15	20	107
<b>LEXUS</b>	20	177/129	37	16	16	147
<b>KENWORTH</b>	18	136/123	11	20	17	136
<b>MERCEDEZ</b>	17	165/97	70	18	19	110
<b>CADILLAC</b>	17	174/152	14	17	15	164



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# Why Car Sales Will Increase in 2013

**AS THE IDAHO ECONOMY CONTINUES TO IMPROVE MORE CARS AND LIGHT TRUCKS WILL BE PURCHASED IN 2013.**

- **Aging vehicles**
- **Year of the Truck**
- **Lease Returns**
- **Lowered Used Vehicle Prices**
- **Affordable credit**
- **Aggressive incentives**

A key factor that will drive new-vehicle sales in 2013 is a continued pent-up demand in the marketplace caused by more consumers shopping out of necessity to replace their aging vehicles. With the age of cars and trucks on the road today at nearly 11 years, consumers can no longer delay making a purchase of a new or newer vehicle.

Another factor that is likely to result in higher auto sales this year is the availability of affordable credit from competing lending sources for auto loans. Interest rates on new car loans will remain historically low in 2013, due in part to policy decisions by the Federal Reserve Board to keep rates low. As a result, affordable credit will be widely available in 2013 with more automaker finance companies offering low-interest and interest-free loans for up to 60 months.

A decline in gasoline prices will also result in car buyers considering a wider range of vehicles in different segments.

**Growth in the new car market will benefit the used car market next year as well. The surge of off-lease vehicles and older trade-ins will boost used car inventories in a range of model years. As a result, prices will soften up to \$200 to \$300 less per vehicle, on average. Of course, weaker used car prices is one trend that won't help new car sales, as some buyers on the fence will choose to buy used rather than new.**



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## Idaho Market Likely to Improve

### New & Used Retail Light Vehicle Titles

Year	Titles	% Change previous year
2012	150,195	13.4%
2013	162,750	8.5%





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## Idaho Market Likely to Improve

### New & Used Retail Light Vehicles Sales Tax

Year	Sales Tax	% Change
2012	\$127,660,817	13.4%
2013	\$138,511,986	8.5%