



Idaho Automobile Dealers Association Inc.

# **Idaho Auto Outlook**

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

**Con Paulos**

**Con Paulos Chevrolet – Jerome, ID  
President, Idaho Auto Dealers Association**

Source for historical data: Dealer Intelligence



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# U.S. Annual Sales Rate

November 2013 U.S. New car and light truck sales reached 1.2 million, 8.6% above the November 2012 level and a 3.1% increase from October 2013

November 2013 YTD figures bring total light-vehicle sales to 14.2 million up 8.3 percent from a year ago. The November 2013 Seasonally Adjusted Annual Rate (SAAR\*) for light-vehicle sales is 16.3 million. This is the highest recorded SAAR value for 2013 YTD

**The last time that a SAAR value reached 16.3 million was in May 2007**

In November 2013 YTD figures, U.S. car sales held a market share of 49.2 percent with sales up 5.5 percent from a year ago while corresponding figures for light trucks put the light-truck share at 50.8 percent with sales up 11.2 percent from a year ago

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



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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.....\$2.8 billion
- Dealership sales as % of total retail sales in the state.....14.6%
- Estimated number of new-Car & Truck dealerships.....112

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

- Total number of new-vehicle dealership employees in Idaho.....4,766
- Average number of employees per dealership.....43
- Average annual earnings of new-vehicle dealership employees.....\$47,043
- Dealership payroll as % of total state retail payroll.....10.6%
- Annual payroll of new-vehicle dealerships.....\$226.5 million
- Average annual payroll per new-vehicle dealership.....\$2.02 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, New & Used 2013

<u>Lenders By Contract Totals</u>	2013 YE	2012 YE	%Change
IDAHO CENTRAL CREDIT UNION	10,824	8,990	20%
WELLS FARGO DEALER SERVICES	5,934	6,976	-15%
TOYOTA MOTOR CREDIT	3,741	3,487	7%
FORD MOTOR CREDIT	3,627	3,309	10%
JP MORGAN CHASE	3,271	3,256	0%
WESTMARK CREDIT UNION	3,052	2,693	13%
POTLATCH #1 FED CR UN	2,947	1,987	48%
AMERICAN HONDA FINANCIAL	1,977	1,365	45%
ALLY BANK	1,753	1,965	-11%
BANK OF AMERICA	1,678	1,784	-6%
CAPITAL EDUCATORS FED CR UN	1,652	1,469	12%
RELIABLE CREDIT ASSOCIATION	1,235	1,341	-8%
NISSAN MOTOR ACCEPTANCE CORP	1,158	726	60%
ICON CREDIT UNION	1,092	946	15%
CAPITAL ONE AUTO FINANCE	1,052	582	81%
HYUNDAI MOTOR FINANCE	902	852	6%
CHRYSLER CAPITAL	864	0	100%
TD AUTO FINANCE	724	1,068	-32%
GOODWILL FINANCE	712	491	45%
PIONEER FEDERAL CREDIT UNION	687	456	51%
<b>Total</b>	<b>48,882</b>	<b>43,743</b>	<b>12%</b>



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# County Scoreboard

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

County Market Summary	YTD Titles 2012	YTD Titles 2013	YTD % Change 2012-2013
<b>ADA</b>	37,678	41,297	9.61%
<b>BANNOCK</b>	3,764	3,217	-14.53%
<b>BINGHAM</b>	8,229	8,797	6.90%
<b>BONNER</b>	1,169	1,153	-1.37%
<b>BONNEVILLE</b>	12,713	13,042	2.59%
<b>CANYON</b>	24,850	26,683	7.38%
<b>ELMORE</b>	2,044	2,138	4.6%
<b>KOOTENAI</b>	12,966	13,972	7.76%
<b>NEZ PERCE</b>	4,602	4,814	4.61%
<b>TWIN FALLS</b>	8,291	8,975	8.25%



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# Car Sales Will Increase in 2014

**AS THE IDAHO ECONOMY CONTINUES TO IMPROVE MORE CARS AND LIGHT TRUCKS WILL BE PURCHASED IN 2014.**

- **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 2014 is a continued pent-up demand in the marketplace caused by consumers shopping out of necessity to replace their aging vehicles. With the age of cars and trucks on the road today nearing 12 years, many 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 in 2014 is the increased availability of credit from competing lending sources for consumer loans. Interest rates on new car loans will remain historically low in 2014, due in part to policy decisions by the Federal Reserve Board to continue keeping rates low. As a result, affordable credit will be widely available in 2014 with more captive finance companies offering low-interest and interest-free loans.

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
2013	150,317	7.3%
2014	161,741	7.6%



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## Idaho Market Likely to Improve

### New & Used Retail Light Vehicles Sales Tax

Year	Sales Tax
2013	\$131,526,297
2014	\$135,852,117