

Used Car Report for October 2014



Used-car sales in October came in at 3,162,085, up a meager 0.29 percent vs. a year ago and a typical October swoon vs. September, down 16.9 percent.

- Franchised dealers: Up 2.2 percent to 1,213,741.
- Independent dealers: fell more than 10 percent to 1,036,317.
- Private Party (Casual) sales rose 12.5 percent to 885,372.

Transaction Prices rose more than 16 percent at franchised dealership to \$15,678 thanks to a growing inventory of late-model off-lease vehicles. Total value of Franchised sales (based on core transaction prices) rose to \$19.45 billion, up by 18.7 percent compared to a year ago.

Total industry value came in at \$33.27 billion on an average transaction price \$10,523 across all channels.

The number of used-car shoppers (including those who were considering either a new or used vehicle) slipped more than 6.8 percent vs. a year ago, but rose by a similar amount vs. September. The latter is interesting because total number of sales were down on a higher number of shoppers. Indication: Expect a strong January-March used-sales market because shoppers typically are two to three months away from actually making a purchase.

Because of lower fuel prices, it isn't surprising that the passenger car share of used sales slipped slightly by 1.8 percent. Less fuel efficient SUVs rose nearly 10 percent.

Print newspapers continue to see massive erosion — 13.8 percent vs. a year ago. A year ago, 65 percent of used-car shoppers said their primary source of information was print newspaper. This October, the figure fell to 56.8 percent.

At the other end of the motivation spectrum, the Internet as the cause for shopping for a used vehicle rose to 52.3 percent from 39.2 percent a year ago.

Spot TV also rose from 6.7 percent to 7.1 percent.

The number of buyers who used a pre-approved auto loan rose a modest 0.17 percent vs. year ago.

The duration of the search for a used vehicle fell by more than 16 percent to 3.1 weeks.

Sub-Prime buyers rose by 7.8 percent to a 32.6 percent share of all sales and of those, 61 percent were Super Sub-Prime (under 550 FICO). Of total sales, these SSP buyers hit nearly 61 percent.