

## CNW's Used-Car Sales Report – December 2014



December used-car sales came in at 3,316,042 units, up about one percent vs. a year ago and 6.6 percent vs. November, 2014.

Franchised new-car dealers sold 1.2 million used cars, down slightly from year ago's 1.3 million while independent dealers saw a near-3 percent decline year-over-year.

Private Party sales, on the other hand, rose nearly 16 percent vs. the same month of 2013 and nearly 28 percent vs. November.

Even though franchised dealers saw a slight decline in sales, the franchised transaction prices were up significantly, improving more than 3 percent vs. November.

Total value of vehicles sold by franchised dealers approached \$20 billion, up 18.6 percent vs. year ago and 3.5 percent vs. the previous month.

For independent dealers, total value of vehicles sold rose 7.5 percent to \$8.5 billion while casual value skyrocketed by 22 percent to \$7.3 billion vs. year ago.

Total value of used cars sold through all three channels in December 16.4 percent to \$35.8 billion vs. \$33.5 billion a year ago.

Much of the gain in value can be attributed to a 28.3 percent gain in sale of higher priced one to five year old models, many as Certified.

Used-car lots saw increased tire-kicking traffic with a 4.8 percent gain in the number of shoppers vs. buyers at franchised dealerships. Independents and private party shoppers were somewhat behind year ago and November '14.

SUVs continue to be the hot item on used-car lots, with a 22.4 percent increase in sales and a 21 percent increase in share of total sales to 9 percent.

A growing percentage of shoppers are searching for and buying vehicles outside of their local market. Compared to November, the numbers indicate 23 percent more buyers went to neighboring areas to make their automotive acquisition.

The power of the Internet finally knocked newspapers out of the catbird seat as a cause of dealership visits. About 55.08 percent of buyers said they were motivated to visit a

dealership based on a print newspaper advertisement. That's an 18.7 percent decline from a year ago to 4.440 million buyers.

Conversely, those who said something they saw on the Internet caused a dealer visit grew by 37.13 percent to 4.495 million buyers.

That is the first time Internet motivation exceeded print newspapers.

On the financing side of the used car business, about 7.4 percent of buyers used a pre-approved auto loan, a 2 percent gain in share, while the number of sub-prime buyers rose 115 percent to more than 1.16 million in December vs. 1.08 million a year ago.

Deep Sub-Prime — those under 550 FICO — rose 17 percent vs. year ago to 738,000 or 22.25 percent of total sales.

All the best for a prosperous New Year.

Art

Art's cell: [541-260-0847](tel:541-260-0847)

CNW PHONE NUMBER: [1-855-558-8461](tel:1-855-558-8461)