

Headlines...

Metro Washington new auto sales spike nearly 24% in first quarter
John Bowis honored for work with the mentally ill
ADEI technician training program graduates eight from Montgomery College
Auto transaction prices hit record high
Delinquency rate on car loans near all-time low
“Getaround” car rental looks to rent personal vehicles
Staying ahead...

Metro Washington new auto sales spike nearly 24% in first quarter

Washington area new automobile dealers experienced a great start to 2011 as new vehicles sales jumped 23.6 percent across the region in the first quarter. Domestic built trucks made a particularly large gain, rising a hefty 53% from year ago levels, according to R.L. Polk reflected in the WANADA Area Report, March 31, 2011 YTD.

The increase in sales here reflected a similar rise across the country and suggests that if the pace continues, Washington area dealers can expect to sell in the range of 230,000 new vehicles in 2011.

Within the categories, domestic cars and trucks saw particularly significant increases in sales in Northern Virginia, with car sales increasing for the first quarter there to nearly 2,700, up from 2,000 in 2010 and truck sales more than doubling to 7,300 from 3,600.

In suburban Maryland, domestic car sales declined to approximately 2,100 from 2,500 for the first quarter, while truck sales rose from 3,300 to 3,700.

Across the region, import cars and trucks were 70 percent of total new vehicle sales in the first quarter. With all car and truck sales during the time period, cars out paced trucks, representing 53 percent of all new vehicle sales.

Despite a downturn in sales for the month of May across the country in the face of soaring gas prices, new vehicle sales for the U.S. are expected to reach 13.2 million units this year, the first time sales will have broached the 13 million mark since 2008.

For the complete WANADA Area Report for Mar 31, 2011 YTD, click [here](#) and for the 1st Quarter Summary click [here](#).

John Bowis honored for work with the mentally ill



John Bowis

John Bowis, Chevy Chase Cars, was honored this week by St. Luke's House of Montgomery County with its Alan F. Brenner Award for "exemplary service and vision in support of individuals who are living with mental illness."

Bowis was cited by St. Luke's CEO Cindy Ostrowski for his ongoing support and participation in the organization's program to assist the mentally ill to achieve stability and reach personal independence.

St. Luke's House has been in existence for over 40 years and was founded by parishioners from St. Luke's Episcopal Church in Bethesda, MD to address the needs of persons being released from state psychiatric hospitals who were at risk of homelessness, with no mental health services or employment. Since then, St. Luke's House has grown to 29 group homes providing housing for individuals and a crisis alternative center. Programs range from outpatient psychiatric treatment and medication management, to life skills training and employment services for adult, as well as educational services for children.

St. Luke's currently provides services to more than 2,400 adults and youngsters in Montgomery County with serious mental illness.

ADEI technician training program graduates eight from Montgomery College

Eight young adults who started in the Automobile Dealer Education Institute's Technician Training Program two years ago finished their work and graduated from Montgomery College with Certificates of Completion last week. This week, the eight forged ahead as line technicians in the WANADA dealers service departments which sponsored them as they developed into automobile industry career professionals. Indeed, these are the results, in workforce capital terms, that WANADA's *NATEF Certified Technician Training Program* is designed to achieve.



From left to right; ADEI instructor Mike Carretta, and students Juan Salguero, Lincoln Johnson, and James Boxall

The new grads are among several hundred students who have completed the two-year/ on the job/in-classroom training program, since its inception ten years ago, many of whom have gone on to become master technicians at WANADA member dealerships.

The ADEI program takes young adults who have finished high school and places them in fulltime technician assistant positions in WANADA dealer service departments where they work with technician mentors four days per week while attending classes in the basics of automotive repair at Montgomery College, Rockville and NOVA College in Alexandria and Manassas.

“We’re extremely proud of these students, both for their success in school and also as productive employees in dealerships,” said Wil Desjardins, ADEI’s services coordinator who monitors each student’s progress while regularly consulting with their service managers to ensure “everything is on track.”

ADEI currently has 16 prospective students available for interviews with dealers interested in participating in the Technician Training Program. Contact Jake Kelderman, ADEI director, at 202-237-7200 for more information, or visit <http://www.adei-programs.org/> for details on the program.

Auto transaction prices hit record high

Vehicle sales took a tumble in May and industry analysts say pricing may have been a reason why. Americans are now paying more than ever for new cars and trucks.

The average transaction price – what a typical customer actually pays, as opposed to sticker price or the low “come-ons” you might see advertised – rose to \$29,817 in May, according to the data tracking service TrueCar.com. That was up a full \$608, or 2.1%, from May 2010 and an increase of \$215, or 0.7% over April of this year.

Significantly, prices rose even though many consumers began shifting from larger to smaller vehicles in a bid for better mileage, analysts noted.

For May, new car “average transaction prices reached their highest levels ever recorded,” said Jesse Toprak, vice president of industry trends and insights at TrueCar.com. “Even though consumers continued to move toward smaller vehicles, they also chose highly contented vehicles that are higher priced, keeping transaction prices high.

“Ford is a good example of a manufacturer that diversified its product portfolio to include more fuel-efficient vehicles, while increasing market share and transaction prices,” said Toprak.

The second-largest domestic automaker average transaction price, or ATP, rose to \$32,885 in May, up 0.5% in just a month, and a full 5.2% from the year before, when customers paid an average \$31,257.

General Motors, at \$33,883, had the highest May 2011 ATP of all the major mainstream manufacturers. Ford followed at \$32,885, while Toyota came in at \$26,058, and Honda at \$25,759.

Analysts do not expect a decrease in transaction prices anytime soon. Indeed, with raw material costs still climbing, the industry has little choice, say industry analysts. And consumers will just have to accept that reality, suggests Deutsche Bank auto analyst Rod Lache, who sees that, over the long-term, the “risk/reward is positively skewed” in the industry’s favor.

“We believe that positive pricing (price hikes) will ultimately be more sustainable than investors expect,” Lache says, which means average transaction prices are almost certain to keep setting new records.

Delinquency rate on car loans near all-time low

The number of consumers late in paying their car loans has fallen to the lowest level since 1999, and is nearing an all-time low, according to TransUnion, the credit reporting service.

The number of car buyers behind 60 days or more in their payments has plunged to just 0.49%, or less than one in 200, nearing the lowest figure TransUnion ever recorded. In the first quarter of 2010, the figure stood at 0.66%.

Meanwhile, the number of auto loans issued during the first quarter of 2011 increased by 22%, tracking with the overall increase in U.S. new car sales this year.

The agency reported that the lowest delinquency rates were found in Washington, D.C., Montana, and Wyoming, while the highest delinquencies for the quarter were in Mississippi, Louisiana and Oklahoma.

“Getaround” car rental looks to rent personal vehicles

A new startup company called Getaround hopes to jump into the car rental business with a fleet of rentals comprised of customer-supplied personal vehicles, similar to how home owners rent out their houses to other homeowners for vacation.

Getaround co-founder Sam Zaid says that vehicles in the United States sit idle for an average of 22 hours every day. And that by signing that car up for use as a rental vehicle, the owner (and Getaround) can turn that idle situation into one that makes money.

The car sharing system works by creating a network of users who are connected via iPhone app and the Getaround website. Those wishing to rent their vehicles will receive a car kit that sits on the dash. When customers have selected a car they want to rent, they locate it on a map and use the iPhone to unlock the vehicle and access to a hidden key.

Rates vary by vehicle. For example, a Mini Cooper will cost \$5.50 per hour, a BMW Z4 \$15 and a Tesla Roadster \$50 per hour. Insurance is covered by Getaround, thanks to backing from an unnamed provider.

Rental fees are broken down so that Getaround takes in 60 percent of the profit while the car owner receives the other 40. Getaround is currently beta testing the program in San Francisco and San Diego, California.

Staying ahead...

Service to others is the rent you pay for your room here on earth.

--Muhammad Ali