

THE WANADA BULLETIN

NEWS AND INFORMATION FOR AND ABOUT FRANCHISED NEW CAR DEALERS IN THE WASHINGTON AREA

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Washington Auto Show retains popular floor plan for 2014 Space Draw yields Luxury Lane, diverse brand placement, more ride-and-drives

OEM exhibitor representatives in Washington the week before last to choose space in the 2014 Auto Show pretty much preserved the 2013 floor plan, capstoned by luxury brands grouped together on the first level in what is known as *Luxury Lane*. This luxury pavilion, featuring 11 domestic and import nameplates, bespeaks the extensive high-end consumer demographic of the Washington, DC market, while it allows manufacturers and dealers with products that complement one another to enhance the show visitor experience.

At the same time, the second level of the Auto Show, which for years was the exclusive domain of the Detroit 3, will again include Toyota and Scion which makes for a more visitor friendly floor plan.



Bob Yoffe, WAS manager, with Brent Feely of Kia USA who picks OEM exhibitor space while Bill Alexander and Matt Chaney of Hargrove, the official WAS decorators, look on.

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Auto Show Chairman Kevin Reilly, Alexandria Hyundai, (right) speaking with Patrick McGrath representing Hyundai at the Space Draw with Jan Gogerty who represented GM

As has been the case in recent years, too, indoor ride and drive are slated to supplement outdoor ride and drives that are always popular with the public. An *exotic* vehicle exhibit, showing the highest of the high end vehicles, is expected to be expanded and enhanced with a unique classic car display that will be nearby, courtesy of the newly established business relationship the WAS has forged with the Historic Vehicle Association. And in this connection, a one of a kind *exotic lifestyle event* is planned as part of the preview activities schedule.

Kevin Reilly of Alexandria Hyundai, who presided over the Space Draw, is joined on the Auto Show Committee by George Doetsch, Apple Ford; Daniel Jobe, Capital Cadillac; Charles Stringfellow, Brown

Automotive; and Mark Zetlin, Mercedes-Benz Arlington.

A preliminary floor plan of the OEM layout for the 2014 Washington Auto Show can be seen by clicking [here](#). WAS floor plan questions can be directed to John O'Donnell in the WANADA office at jod@wanada.org or 202 237-7200.

Preview days at 2014 Washington Auto Show shift with earlier NADA Convention

WAS Capitol Hill Summit, Media Day, and the preview evening move up one (1) day

The break of the 2014 industry calendar next January is such that the opening of public days for The Washington Auto Show occurs on the same weekend as the opening of the NADA Convention in New Orleans. In recognition of this WAS organizers moved show preview activities up by one (1) day, meaning the Automotive Summit conducted by the National Journal on Capitol Hill will move from Wednesday to Tuesday, January 21, and Media/Industry Day, along with evening preview events, will move from Thursday to Wednesday, January 22. In turn, this enables the show to open to the public one day earlier, Thursday, January 23, creating an 11 day Auto Show inclusive, as always, of two successive weekends.

2014 public days for The Washington Auto Show, then, are January 23-February 2, preceded by preview days of January 21-22. All OEM and additional exhibitors are being notified accordingly, as are all WANADA dealer members, industry stakeholder associations, WAS sponsors and public sector partners at all levels.

The January opening for NADA is the earliest the annual U.S. dealer convention has occurred in years, which is scheduled to be repeated the following year in 2015.

“We have an exciting challenge in 2014, that being to exceed this year’s record Auto Show attendance, which we’re now positioned to accomplish with an extra day to expand the first weekend,” said Kevin Reilly, WAS chairman.

More will be said on this as reporting and promotional materials on the 2014 Washington Auto Show come forward in the weeks and months ahead.

Automotive News: Top 100 U.S. dealerships to work for in 2013

Dealer executives and their staffs from new car retail organizations across the U.S. were surveyed again this year by *Automotive News* to determine which would be among the top 100 *best dealerships to work for*.

And the results? One hundred dealers from 27 states were chosen, five of which were WANADA member organizations: DARCARS Ford, Lanham; DARCARS Lexus, Silver Spring; DARCARS Nissan, Rockville; DARCARS Toyota, Silver Spring; and Sheehy Lexus of Annapolis.

For the second consecutive year, *AN* surveyed dealers and their staffs on this subject, wherein dealer executives completed an extensive questionnaire on work place practices and employee benefits. The dealer management questionnaire, was then supplemented by confidential employee questionnaires, all of which had to square up. Survey benchmarks for business team success were: dealership support of its professionals; mutual loyalty; collaborative strategy; and the extent of a positive workplace environment.

DARCARS and Sheehy organization dealer principals and staff will be recognized at an exclusive *AN* gala in their honor, October 17, 2013 in Chicago.

WANADA heartily congratulates DARCARS and Sheehy Auto Stores on the well-deserved recognition!

Sales per dealership rise, on track to hit record high

Average sales per U.S. dealership are expected to rise to 877 units in 2013, based on LMC Automotive's forecast of 15.6 million sales. The numbers are from Urban Science's midyear Franchise Activity Report.

This report documents a slight drop in the number for dealerships from the end of 2012. As of July 1, there were 17,780 rooftops, down from 17,851 in January. Most of the closures resulted from the end of Suzuki, which terminated 222 franchises.

"Automakers are keeping their retail networks stable even as sales continue to rise, creating a tremendous opportunity for dealerships to reap the benefits of the industry's most profitable period in two decades," said John Frith, vice president of Urban Science.

If the numbers follow their usual pattern, the increases will slow in the next year before starting a mild decline, Frith said.

July sales up 14%; retail sales gaining

The sales news seems to get better every month, as just about every franchise posted big gains in July. Industry sales rose 14 percent from a year ago, and each of the Big Six automakers saw double digit sales gains. Ford and Chrysler each saw sales rise 11 percent, and General Motors jumped 16 percent. Toyota, whose sales soared 17 percent, edged past Ford to take the



Sales of the Chevy Silverado jumped 45 percent in July.

number two spot after GM. Ford said it would have done better if it weren't constrained by production limits.

Honda had the most impressive monthly sales gain, at 20.9 percent, putting it in fourth place overall. Nissan was up 10.9 percent. Some of the smaller brands enjoyed large gains, too, with Mitsubishi up 24.7 percent, Mazda 29 percent and Subaru an astounding 42.9 percent. Mercedes was up 18.5 percent to post record monthly sales.

For dealers, some of the best news was the drop in fleet sales. About 86 percent of sales were retail, up from 83 percent a year earlier. "Retail demand is not just steady, it's improving," Kelley Blue Book senior analyst Alec Gutierrez told the *Detroit News*. Still, analysts expect fleet sales to rebound later in the year, perhaps as early as August.

Large pickups were the driving force behind July's sales surge, helped by the housing rebound and the aging truck fleet. The segment was up 23 percent from last July. Sales of Ford's F-series jumped 23 percent, and the Chevrolet Silverado, 45 percent.

Small cars also did well, as consumers eye fluctuating fuel prices and automakers prepare for more stringent fleet fuel economy standards. Ford Fiesta sales soared 89 percent.

Analysts cited as reasons for the sales gains the large number of new model offerings, longer loan terms, affordable lease deals, strong used-vehicle values and low interest rates. And consumers may be feeling more confident about the slowly recovering economy.

WANADA's Area Report on new vehicle sales through the second quarter should be out shortly.

Transportation bill dies in House and Senate, signaling total gridlock for the 113th Congress

The transportation and housing bill went nowhere in both chambers of Congress last week, just before Congress was scheduled to go on its five-week August recess. Some political analysts say this signals the current Congress remaining on track to accomplish *less than* any other Congress in U.S. history.

In the House, the Republican leadership pulled the \$44 billion bill because it didn't have enough votes. Moderates were dissatisfied with the low funding figures, according to media reports, which would cut \$4.4 billion from last year's spending.

House Appropriations Committee Chairman Harold Rogers (R-Ky.) was furious. "The bill today reflected the best possible effort, under an open process, to fund programs important to the American people – including our highway, air and rail systems, housing for our poorest families, and improvements to local communities – while also making the deep cuts necessary under the current budget cap," he said in a statement. He called the bill's chances for passage when Congress returns in September "bleak at best." The bill includes major cuts in funding for roads and bridges.



Defeat of the transportation bill was seen as a bad sign for a budget deal. Photo by Diliff.

Over in the Senate, the Republicans succeeded in defeating consideration of that chamber's version of the bill. Senate Minority Leader Mitch McConnell urged fellow Republicans to defeat the motion that would have brought the bill for a vote. The Senate bill included \$10 million more than the House bill.

The transportation bill was the first appropriations bill to be discussed by either chamber. Without funding for the fiscal year starting October 1, the government is poised to be shut down once again.

JD Power: Dealer satisfaction with lenders up

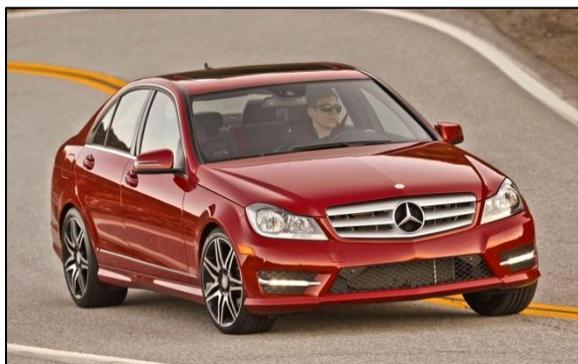
Overall dealer satisfaction with lenders has increased in the J.D. Power 2013 U.S. Dealer Financing Satisfaction Study. The study looks at prime and nonprime retail credit, retail leasing and floorplanning.

Overall dealer satisfaction with prime retail credit lenders is 890 on a 1,000-point scale, up 5 points from last year. Retail leasing satisfaction is 896, also up 5 points. Floorplanning satisfaction has increased the most, up 11 points to 924.

Greater industry adoption rates of practices such as eContracting, better dealer support and a solid product offering helped boost satisfaction, J.D. Power said. The study found that 30 percent of lenders offer dealers such options, and 39 percent of dealers who use them said they will give more business to their eContracting lender.

Three best practices of lenders, according to the dealers surveyed: sales reps who have the knowledge and tools to train dealers on finance products; fast underwriting and fast funding of retail products and floorplanning; and lender staff who are knowledgeable, friendly and customer-focused.

The top scorers were, for prime retail credit, Alpera Financial Services, followed by BMW's and Mercedes-Benz's captives; for retail leasing, BMW, followed by Mercedes-Benz and Ford Credit; and for floorplanning, Mercedes, followed by BMW and Ford Credit.



The Mercedes C Class was stolen more than any other luxury vehicle.

Luxury car theft report: Maryland, Virginia, DC rank in top 15

In a ranking where you don't want high scores, Maryland ranks 10th among states in number of luxury vehicle thefts, Virginia 13th and DC 15th according to a new report from the National Insurance Crime Bureau.

California had the most luxury vehicles stolen in the period studied (2009-2012), while South Dakota and Wyoming had one theft each.

Mercedes was the most popular brand among thieves, as three of its models were in the top 10. In order, the top 10 were: Mercedes-Benz C Class, BMW 3 Series, Infiniti G Series, Mercedes-Benz E Class, Cadillac CTS, BMW 5 Series, Lincoln MKZ, Acura TSX, Lexus IS and Mercedes-Benz S Class.

Compact luxury models had the most thefts, followed by midsized luxury and premium luxury. The study found that 16.3 percent of the stolen vehicles were not recovered.

Study shows Americans driving less

Miles driven by U.S. drivers are down about 5 percent from their peak in 2006, says a new study by the University of Michigan Transportation Research Institute.

The Institute had previously found that the number of registered vehicles reached its peak in 2006. Researcher Michael Sivak analyzed trends in distances driven by light-duty vehicles and found the 5 percent drop from 2006 to 2011, the latest year for which data is available.

Distance driven per person, per licensed driver and per household have all dropped 9 percent since 2004. The latest rate (2011) per licensed driver is 12,492 miles a year.

The rates all peaked in 2004, four years before the start of the recession, says researcher Michael Sivak. The reasons, he adds, are noneconomic: increased telecommuting, greater use of public transportation, a more urban population and an aging driver base. Because those trends are likely to continue, chances are good that the 2004 peak will be a long-term one.

AAA: Teens put off getting a driver's license

In a big departure from the behavior of their parents, *less than half* of teenagers (44 percent) get a driver's license within 12 months of the minimum age for their state, says a new report by the AAA Foundation for Traffic Safety. Just more than half (54 percent) are licensed before their 18th birthday. Twenty years ago, more than two-thirds of teens were licensed by the time they turned 18.

The top reasons: They didn't have a car, they could get around without driving, gas or driving was too expensive, or they "just didn't get around to it."

That means that many young people are getting their license without parental supervision or extensive practice. "Researchers and policymakers should examine whether existing state graduated driver's license systems – nearly all of which end once a teen turns 18 – can be modified to improve safety for these young adult novice drivers."



Fewer teen drivers are applying for a driver's license as soon as they're eligible. Photo by djuggler.

Less mandatory parking for DC and Montgomery County

Proposed revisions of the zoning codes in DC and Montgomery County, Maryland will require developers to build much less parking when they build residential, retail and restaurant developments. Considering the economics for the developers, if parking isn't required, they are unlikely to build it.

DC spent six years and Montgomery County, four to write their codes, DC for the first time since 1958. Both jurisdictions are aiming for more walkable neighborhoods served by transit, walking and bicycling. DC proposes to eliminate parking requirements entirely downtown and cut them in half for areas near transit. The director of the DC Office of Planning frequently notes that nearly 40 percent of District households don't own a car.

Both jurisdictions are working on ways that underused parking lots – church lots during the week or office lots in the evening – could be used by those needing parking during off hours. Both planning offices plan a series of public hearings on the proposed changes.

Staying ahead...

I have often wondered what the Ten Commandments would have looked like if Moses had put them through the U.S. Congress.

--Ronald Reagan

