

# THE WANADA BULLETIN

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

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## Chip Lindsay is WANADA's Time Dealer for 2014



Chip Lindsay

It is with pride that WANADA announces that Chip Lindsay of Lindsay Automotive is its next *Time Magazine Dealer of the Year*, the recognition for which is set for the 2014 NADA Convention in New Orleans next January.

As with his father and grandfather, Chip is being honored with the Time Dealer Award as principal at Lindsay Cadillac in Alexandria, the flagship store in the Lindsay organization's portfolio of dealerships and franchises that also include Lexus, Chevrolet, Ford and Volkswagen at four other locations.

Chip along with his brothers, Chris and Michael, followed their father, Terry, into the family business, with Chip coming on board in the early 1990s after service in the United States Marine Corps as an artillery officer.

Besides being an eminently successful dealer operator in the Washington market, Chip has been an industry leader heading up the Washington Auto Show in 2004 followed by service on the WANADA Board, which he chaired last year. Currently, Chip continues on WANADA's Board as immediate past chairman and also serves on the board of VADA and the Virginia Motor Vehicle Dealer Board. He has additionally served on the Cadillac National Dealer Council.



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For extraordinary support and personal involvement in things educational, philanthropically and in his business, Chip was recognized with the Northwood University Dealer Education Award in 2011. In his own career, he graduated from the United States Naval Academy before being commissioned as an officer in the Marines. Subsequently, he completed NADA's Dealer Academy on his way into the automobile business.

As noted above, Chip Lindsay is the first to follow his father and grandfather as WANADA's Time Magazine Dealer of the Year, just as he is the first third generation of Lindsays to chair the WANADA Board.

Time Dealers of the Year are nominated annually from dealer associations --like WANADA-- across the U.S. A TDY recognition ceremony is set during the first general session of the NADA Convention which early next year will be on January 25<sup>th</sup> in New Orleans.

This year's Time Dealer for MADA is Marisa Shockley, Shockley Honda in Frederick and VADA's is Larry Shelor, Shelor Motor Mile, Christianburg, VA

WANADA salutes Chip Lindsay for the well-deserved recognition!

## Market fundamentals are strong, says R.L. Polk

U.S. market fundamentals are still positive, says automotive data firm R.L. Polk. Some highlights from a recent report:

- \* GDP rose by 2.5 percent in the second quarter.
- \* Unemployment dropped slightly for the second consecutive month in August, to its lowest point since December 2008. (The September jobless report, though, was weaker; and the government shutdown will likely show an increase in unemployment for October.)
- \* Inflation remains low.
- \* Consumer confidence, though down in September, in previous months hit record levels not seen since 2008.
- \* Through August, real estate was performing strongly, with August sales at their highest levels in more than six years. Since then, the real estate market has shown signs of weakness.

The Polk report notes that "politics are threatening to destabilize the economy." Many economists believe the government shutdown will drag down this year's GDP by 0.4 percent or so. Billions of dollars were wasted on lost productivity. And though the Washington area economy is not as dependent on the federal government as it used to be, it's still a big regional employer. And the uncertainty is a problem for the local market, chief executive of staffing firm HireStrategy Paul Villella told the *Washington Post*.

"This continued uncertainty going into January [the next budget deadline] is not giving anybody any great confidence about spending money and employing people," Villella said.



The real estate market was strong through August, though more recently it has shown signs of weakness.



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## WANADA's O'Donnell concludes 3 year term as WRAP Chairman

### Sober Driving coalition marks 30 years in highway safety advocacy

WANADA Executive Vice President John O'Donnell convened his last meeting as chairman of the Washington Regional Alcohol Program (WRAP) last week before "passing the gavel" to Lieutenant Rudy Landon of the Loudoun County Sheriff's Office.

"It was an honor to have served as chairman of an organization as worthy of praise and support as WRAP," said O'Donnell, "and I'm especially pleased knowing that I helped perpetuate a nationally renowned sober driving coalition that WANADA dealers co-founded 30 years ago." WANADA CEO Gerard Murphy chaired the WRAP coalition in 1986.

For a number of years WANADA has been a corporate sponsor of the eminently successful *SoberRide* program where WRAP coordinates complimentary taxi rides to revelers who have been out and about drinking heavily on the various holiday occasions throughout the year.

Lt. Landon thanked O'Donnell for his service and presented him with the traditional chairman's gavel, engraved with his name and the years of service as chairman, 2011 to 2013.



Lt. Landon, Loudoun Co. Sheriff's Dept., takes over as WRAP Chairman from John O'Donnell.



WANADA CEO Gerard Murphy accepts WRAP's Corporate Sponsor award from O'Donnell.

## Stop by Nat's Park for a cocktail in support of the Muscular Dystrophy Cure, Tues., Nov. 12

All WANADA members last week were sent a memo from Chip Doetsch, Community Relations chairman regarding WANADA's co-sponsorship of this year's Muscular Dystrophy Association event.

The iconic "Jerry's kids" Labor Day telethon for MDA hosted for years by Jerry Lewis has gotten medical science within striking distance of curing this cruel disease which disables and shortens the lives of its victims many of whom are children.

The MDA annual event for the Washington area, with WANADA's backing at Nat's park, promises to be a fun evening with (adult) games, business community networking and interfacing with any number of sports celebrities. Click [here](#) for a detail sheet and/or contact Kristina Henry at WANADA for more information: [kh@wanada.org](mailto:kh@wanada.org) or (202) 237-7200.

## Increase in leasing comes with overestimated residuals

As automakers ramp up leasing, they are overestimating residual values so much that they are on track to repeat the mistakes of the late 1990s, says CNW Research.

To make lease deals more attractive, automakers want to offer low monthly payments. To do that, they often peg the residual at a higher value – in many cases 5 to 10 percent higher than the market would warrant. CNW estimates that anything higher than 10 percent will become a financial burden for automaker lessors at the end of the lease term.

“The industry’s lease contracts have been overestimating residual values by roughly 14 percent this year, with major increases in September and October of 15 and 18 percent, respectively,” says CNW president Art Spinella.

Leasing has many advantages: the increased loyalty rate to both dealer and automaker, and the way it virtually guarantees the return of the customer to the dealership for a replacement vehicle at the end of the lease term. What’s more the lease vehicle will likely provide the dealer with a *certifiable* used vehicle.

Incentives are rising throughout the industry for both leasing and buying – up 17 percent from a year ago, says CNW. Spinella says the industry had to pay more than \$10 billion from 2000 to 2002 because of overestimated residuals and lowered money factors.

## Gas getting cheaper could be \$3.15 by year end

Gas prices are falling and could dip to \$3.15 in time for the holidays, reports *USAToday*. That would be the *lowest average price* for the holiday season since 2010.

It’s a good news/bad news scenario. The good news: The Energy Information Administration reports that domestic supplies of crude oil are higher than expected, so prices are falling. The bad news: The Organization of Petroleum Exporting Countries (OPEC) says a weakening global economy could result in weaker demand.

The average price of gas in the United States is now \$3.36 a gallon. Prices in 2012 averaged \$3.23, but were higher at year end.

## White still the most popular car color

When it comes to car colors, North Americans and drivers across the globe remain true to their longtime favorite choice – *white*. Just below *white* for North Americans are black, gray and silver, followed by red, blue, and green. That’s the news in the latest annual survey by PPG Industries, a manufacturer of transportation coatings.

But there’s white and there’s white.

“While white continues to be the most dominant choice in car color, we see growth in the variety of whites being offered to consumers,” said Jane E. Harrington, PPG manager of car styling and OEM coatings. “Car manufacturers are seeking ways to create variations of white, silver, black and gray that are specific to their brands and that complement different vehicle types.”

More findings from the study:

- Sport models are most likely to feature shades of red and blue.
- Minivans have the largest percentage of gold and beige vehicles.

- Luxury vehicles, 57 percent of which were gray in 2013, are most likely to feature finishes in black metallic and white pearl.
- Color varies most across SUVs, with fairly equal distributions finished in shades of white, black, blue, red and gray.

Drivers may see more *blue* in 2014. Blue has *doubled* in popularity over the past two years.

## Maryland is part of eight-state agreement to push EVs



Cars such as the 2014 Chevrolet Spark should have more charging stations available in the Washington area next year.

Maryland Governor Martin O'Malley signed on with seven other state governors last week in a joint agreement to put 3.3 million *zero-emission* vehicles on the road in the next 12 years.

The governors agreed to harmonize building codes to make it easier to build new electric vehicle charging stations and to consider creating favorable electricity rates for home charging systems. They said they would create incentives for EVs where appropriate. The states will create an action plan in the next six months.

"This is a critical part of our efforts to achieve Maryland's long-term 2050 goal to reduce statewide greenhouse gas emissions by 90 percent from 2006 levels," O'Malley said.

The Alliance of Automobile Manufacturers were initially positive the action by the eight states. Alliance spokesman Wade Newton said the agreement moves the industry "in the right direction" by creating a stronger market for EVs outside of California, according to the *Baltimore Sun*.

"Automakers are committed to these technologies," Newton told the *Sun*. "After all, automakers have invested billions of dollars in bringing these products to market.... We need a strong, robust market for these vehicles."

But Dan Gage, another Alliance spokesman, was more cautious noting that putting 3.3 million vehicles on the road "is not an achievable goal given what we're doing today, it's a matter of infrastructure investment which may not be adequate" he told the *Washington Post*.

Maryland now has 430 public charging stations. A state spokeswoman told the *Sun* that Maryland plans to spend \$1 million in the next year to put EV charging stations at MARC and Metro stations. Another 150 to 200 charging stations will be added with the help of private funding.

## Teens 'just can't afford to drive,' says insurance research group

A new study counters the idea that teens would rather connect online than in person through driving. An examination of insurance data and the unemployment rate for teens concluded that sheer economics are keeping teens away from the wheel, said the Highway Loss Data Institute (HLDI).

“It looks like teens just can’t afford to drive,” said HLDI vice president Matt Moore. “Paying for their own cars, gas and insurance is hard if they can’t find a job.”

HLDI looked at the differences in unemployment rates of teens and prime-age drivers. Unemployment increased 11 percentage points for teens from 2006 to 2010 and 5 points for prime-age workers. Researchers found an inverse relationship between the growing unemployment spread and the falling ratio of teen drivers to prime-age drivers.

## Trick or Treat at WANADA, Oct. 31



Costume-clad little tikes from several neighborhood daycare centers in the neighborhood dropped by WANADA’s Friendship Heights, DC office on Halloween for trick or treat. Costume-clad WANADA staff handed out candy

### Staying Ahead...

A good plan violently executed now is better than a perfect plan executed next week.

--Gen. George S. Patton