

# THE WANADA BULLETIN

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

*WANADA Celebrating 100 Years of Service (1917-2017)*

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## WANADA Annual Meeting is set for Nov. 14

Everything is ready for WANADA's Annual Meeting and Luncheon this Wednesday, Nov. 14. WANADA dealers and their guests will have the chance to hear veteran Fox News reporter Ed Henry's analysis of the midterm elections and what the changes that voters approved will mean for business leaders and for the nation. Henry is Fox's chief national correspondent.

The meeting will be at the Ritz-Carlton Tysons Corner, from 11:30 a.m. to 2:00 p.m. Attendees will also hear an update on the latest in cancer research from Dr. Skip Trump, executive director of Inova Schar Cancer Institute.

### WANADA's Annual Meeting of members

The meeting will also offer a state of the industry and regional automobile business report from WANADA's chairman. Additionally, members will elect WANADA's 2018-2019 Board of Directors.

The 2018 WANADA Annual Meeting and Luncheon is generously sponsored by WANADA Kindred-line members ACV Auctions, Armatus Dealer Uplift, BG Products and Services, SunTrust, and WellNet Healthcare.



Ed Henry, Fox News

## Sales and use tax rate for leased vehicles rose Oct. 1 in DC

Effective **October 1**, the Washington, DC, Office of Tax and Revenue increased the sales and use tax rate to **10.25%** from 10.00% for leased vehicles. Please adjust your systems accordingly.

Neither WANADA nor DC DMV was notified of this change and only learned of it when finance companies began encountering difficulties processing lease paperwork for DC residents. Note that, while the *excise* tax on vehicle sales is processed through DC DMV, the *use* tax for leases is processed through the DC Office of Tax and Revenue. WANADA dealers with questions about the new arrangement in DC may contact John O'Donnell, or Joe Koch in the WANADA office (202)-237-7200), or directly by email [jod@wanada.org](mailto:jod@wanada.org) or [jk@wanada.org](mailto:jk@wanada.org).

## WANADA tech training program receives highest honor from ASE

WANADA's Technician Training Program through the Auto Dealer Education Institute has again received the highest level of program accreditation from the National Institute for Automotive Service Excellence (ASE). The high recognition is due to the hard work of WANADA's Career Training Consultant Steve Boden, who administers the program for WANADA through training programs at Montgomery County Public Schools and Montgomery College.

ASE said that the WANADA program continues to meet the requirements for Master Automobile Service Technology accreditation. ASE has a five-step accreditation process: Reviewing the program standards; having program advisory committee members perform an extensive self-evaluation; submitting a summary of the self-evaluation to the ASE Education Foundation; receiving an on-site evaluation of the program by an Evaluation Team Leader: who is an ASE Certified Master Technician; and receiving program accreditation and ongoing reviews.

The Tech Training Programs must be reviewed every two and a half years by ASE to maintain accreditation. WANADA's program is certified until Nov 1, 2023. Congratulations to Steve Boden for a job well done!

## What will election results mean for Washington area dealers?

Not just the U.S. House of Representatives, but the Washington area Congressional delegation – now solidly in Democrats' hands – will look very different starting Jan. 1, 2019. What will the changes mean for Washington area dealers?

A Democrat-led House could put a brake on the Trump administration's big push toward deregulation. And look for Congressional opposition to Commerce Secretary Wilbur Ross, who supports protectionist trade policies, such as tariffs, which would raise the price of new vehicles.

In the Washington area Congressional delegation, former auto dealer Don Beyer (D) was re-elected to his seat in Northern Virginia.

In other Congressional developments, analysts interviewed by the [Washington Post](#) said the Republican Senate and Democrat-controlled House could result in partisan gridlock, which is

never good for the Washington region. Sometimes it means government shutdowns, or at least a lot of uncertainty in the business community and the consumer base.

On the other hand, Northern Virginia Congressman Gerald Connolly (D), who will likely chair the House Oversight subcommittee on government operations, has pledged more support for federal workers. That would mean no more threats of pay freezes, and that could mean more confident Washington Area consumers willing to consider a big purchase like a new car.

## NADA midyear report shows economic importance of dealerships

The *NADA Data 2018: Midyear Report* shows the substantial economic impact of franchised dealerships. For instance, in the first half of the year, the nation's 16,794 franchised new-car dealerships employed more than 1.1 million people, up 0.8 percent from a year ago.

"In addition to direct employment, more than 1 million other jobs in local communities are dependent on dealerships," said NADA senior economist Patrick Manzi.

In 2017, the annual payroll at new-car dealerships was \$65.3 billion, up 2.2 percent from a year earlier, according to the most recent data from the Bureau of Labor Statistics.

"For the past several years, dealership employees have seen steady increases in their incomes as well as in their total compensation," Manzi said. Dealership employees' average annual earnings was \$71,916 in 2017, up 3.1 percent from a year earlier.

To download the full report, click [here](#).

## NADA Show topics: digital image, millennial pay and more

Dealers voted on which topics they want to discuss in peer-to-peer learning sessions, the Exchange, at the 2019 [NADA Show](#), Jan. 24 to Jan. 27 in San Francisco. These popular roundtable discussions feature problem-solving and idea sharing among auto industry peers.

Some of the topics for 2019:

- Align Your Digital Image with Your Dealership's Image
- Attract Talented People to the Retail Car Business
- Attracting and Hiring Technicians
- Compensation Plans for Millennials
- Digital Marketing and Web Development for a Mobile Market
- Used-car Strategies, from Acquisition to Increased Turn Rates.

## Used-car prices, monthly payments reach record high

As used-vehicle retail prices and monthly payments reach record highs, more consumers may start to consider leasing as an alternative, according to an analysis by [TheDetroitBureau.com](#).

It starts with new-vehicle prices, which now average over \$36,000, thanks to American preferences for trucks and SUVs, according to Edmunds. The average *used* vehicle is now \$20,084, the highest since 2005. Used vehicles with a retail price below \$10,000 now make up just 16 percent of the market, down from 25 percent in the third quarter of 2013.

Consumers have dealt with the problem by making bigger down payments and stretching out their used-vehicle loans. The average used-vehicle monthly payment is now \$400, an all-time record, said Edmunds.

Will the high prices of used vehicles, coupled with an expected increase in interest rates, make leasing more appealing, so the consumer can leave the lot with a new vehicle? Stay tuned.

## Washington is 46<sup>th</sup> highest in millennial auto loan debt

The auto industry appears to have finally gotten over its fear that millennials aren't buying cars. Now that more of them have started families and moved to the suburbs, they have joined the great car-buying American public.

To measure that trend, LendingTree, an online loan marketplace, studied which cities have the highest auto loan debt carried by millennials. Most of them are in the South, especially Texas. In the ranking of the 100 largest metro areas in the nation, Washington, DC, came out solidly in the middle, at No. 46.

The study found that millennials in the Washington area have an average auto loan balance of \$20,208. Just over half – 52.5 percent – of millennials in our region have a current balance.

For the complete study, click [here](#).

## WANADA to offer holiday hours signs online

As a benefit to members, WANADA will make customizable holiday hours signs available online this year for dealership owners and managers to print out and display at their stores. Members will be able to fill in the hours that their stores will be open around the holidays, making for a cleaner and more professional look.

Watch for a follow-up email and notice in the *Bulletin* when the signs are available online. Contact Kathy Teich at [kt@wanada.org](mailto:kt@wanada.org) or (202) 237-7200 with any questions.

### Staying Ahead...

Whenever you do something, act as if all the world were watching.

--Thomas Jefferson