

# Chicago Auto Outlook™

## Used Vehicle Market Edition

Volume 3, Number 4

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### RESULTS FOR THE CHICAGO AREA RETAIL USED LIGHT VEHICLE MARKET

## Area Retail Used Vehicle Market Declines 5.1% thru October of This Year

It was only about three months ago when the world's financial and credit markets came to a virtual standstill, bringing the automotive market to its knees. New vehicle sales have fallen to rock bottom levels as the market has been rocked by a perfect storm, exceeding even the most pessimistic scenarios.

Typically, during times of enhanced economic distress (such as these), the used vehicle market represents a relative bright spot for dealers. But there is a great deal of emphasis on the word "relative." Less expensive used vehicles represent an attractive alternative for increasingly cost-conscious consumers. However, the severity of the current downturn, and the likelihood of a relatively deep and prolonged recession has resulted in a great many automotive consumers necessarily refraining from any type of vehicle purchase - new or used.

As we have repeatedly emphasized in Auto Outlook for several years, the burden of ever-increasing household debt would eventually lead to a reduction in consumer spending, and a corresponding slowdown in vehicle sales. We knew this was coming. What was not anticipated was the simultaneous collapse of financial markets and a drying up in the availability of credit which greatly intensified the slowdown.

Enough of the history! What lies ahead for the Chicago Area used vehicle market? After a likely decline of about 7% this year, a subsequent drop next year is a near-certainty, although the rate of decline is likely to ease somewhat. We will have more on the 2009 used vehicle market outlook in the next issue:

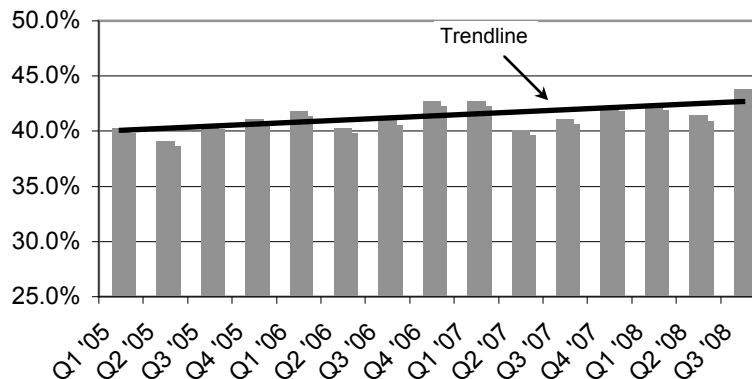
Other trends in the area used vehicle market:

- ▶ Big Three used registrations decreased 7.2% so far this year, while European brand registrations increased slightly.
- ▶ The 2005 Nissan Altima was the best-selling used car in the area market, followed by the 2005 Honda Accord. The 2004 Chevrolet TrailBlazer was the best-selling light truck.
- ▶ Light truck share of the area used vehicle market increased from the Second to the Third Quarter of this year.

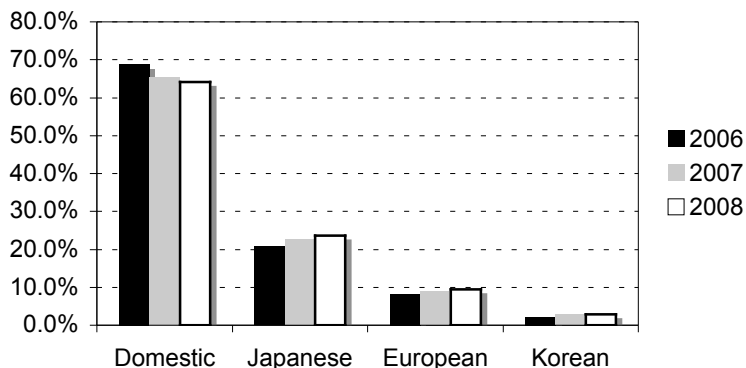
AREA RETAIL USED LIGHT VEHICLE REGISTRATIONS YTD THRU OCTOBER					
	Registrations		% Change '07 TO '08	Market Share	
	2007	2008		2007	2008
TOTAL	378,351	358,943	-5.1%		
Cars	221,749	205,428	-7.4%	58.6%	57.2%
Light Trucks	156,602	153,515	-2.0%	41.4%	42.8%
Big Three	247,902	230,003	-7.2%	65.5%	64.1%
Japanese	86,010	84,794	-1.4%	22.7%	23.6%
European	33,843	34,005	0.5%	8.9%	9.5%
Korean	10,596	10,141	-4.3%	2.8%	2.8%

Figures exclude private party transactions.

### QUARTERLY LIGHT TRUCK SHARE OF AREA USED VEHICLE MARKET



### CHICAGO AREA MARKET SHARE RESULTS YTD THRU OCTOBER (2006 THRU 2008)



**MARKET SCOREBOARD**

**Audi Used Registrations Increase Relatively Sharply**

The graph below shows the percent change in used retail light vehicle registrations during the first ten months of this year versus the same period a year earlier for the top 30 selling brands. In general, luxury brands posted the largest increases, with Audi, BMW, Volvo, Infiniti, and Cadillac each having increases of greater than 3%.

Source: Autocount data from Experian Automotive.

**WHO ARE MY TOP COMPETITORS? -BY MARKET AREA?**

**WHAT NEW AND USED CARS SELL WELL IN MY MARKETS?**

**ANSWERS DRIVE RESULTS.**

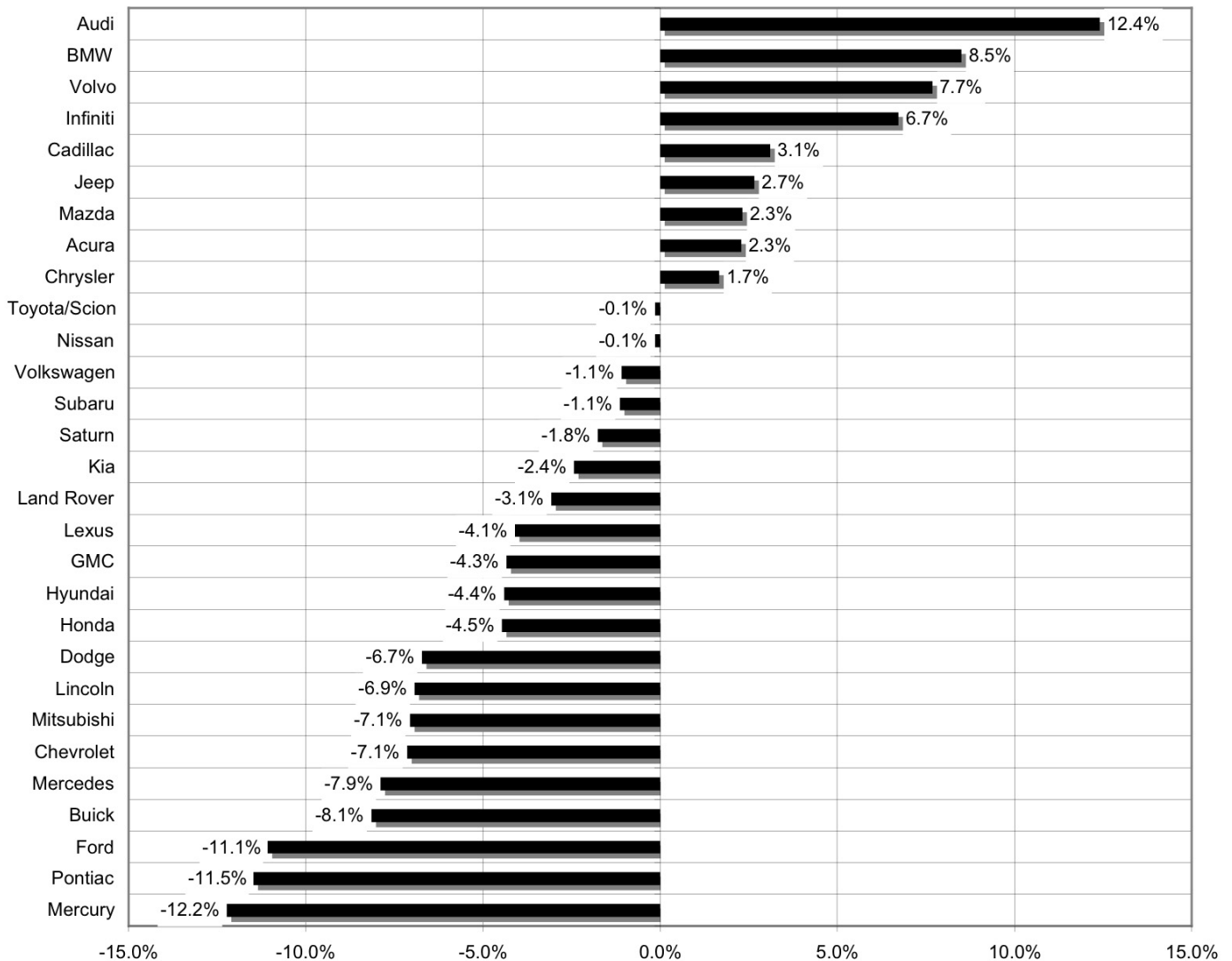
You need insights into your marketplace to make the best decisions to maximize profits. The AutoCount® Dealer Report analyzes full details on new and used competitive dealer market share, down to specific areas you define. You bring the questions. We'll bring the answers.



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AutoCount is the data provider for Auto Outlook.

**PERCENT CHANGE IN USED LIGHT VEHICLE REGISTRATIONS  
YTD 2008 THRU OCTOBER vs. YTD 2007**



**IDENTIFYING HOT POCKETS OF AREA USED VEHICLE MARKET**

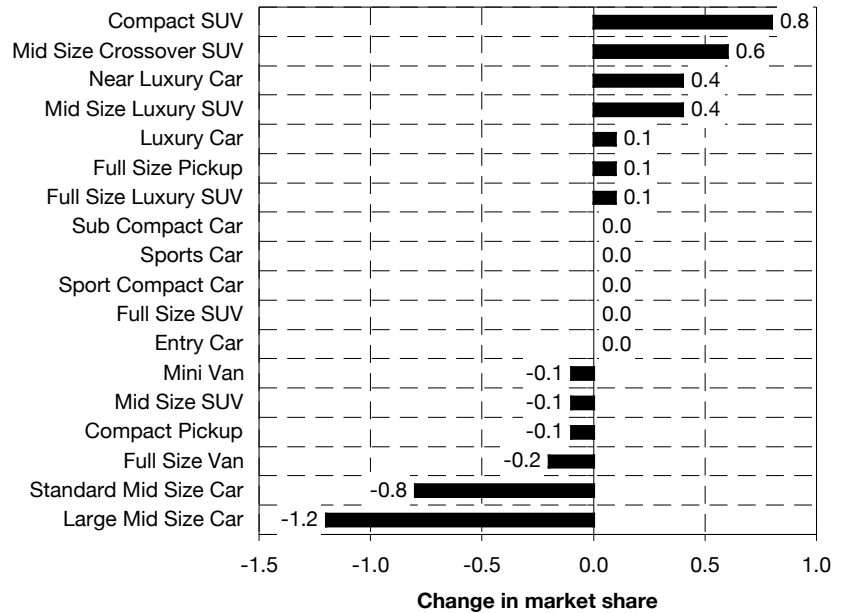
**Compact SUV Segment Market Share Increases**

The graphs on this page provide a view of the changing composition of the Chicago Area used vehicle market. The graph on the right shows the change in market share for 18 primary segments during the first ten months of this year versus the same period a year earlier. For segments at the top of the graph, used vehicle market share increased this year. The Compact SUV and Mid Size Crossover SUV segments had the largest market share increases, up 0.8 and 0.6 of a point respectively.

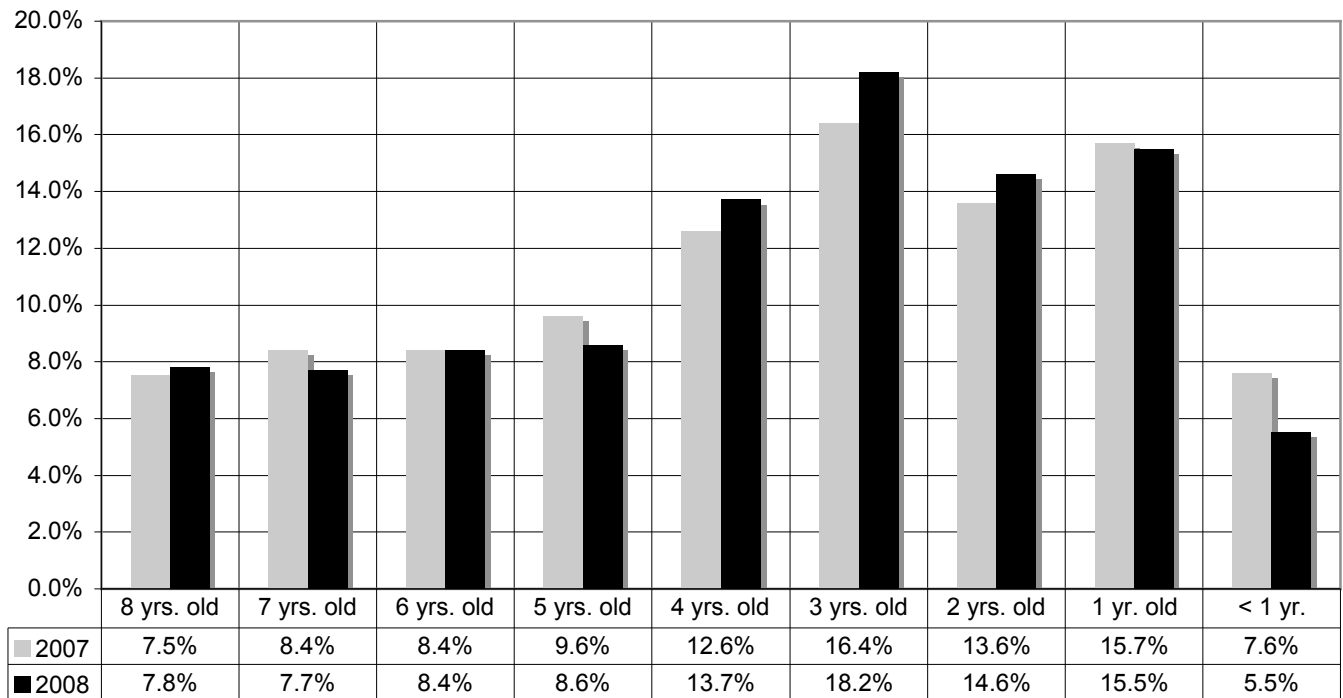
Vehicles between two and four years old accounted for a larger share of the area market, with market share increasing from 42.6% during the first ten months of last year to 46.5% this year.

Source: Autocount data from Experian Automotive.

**CHANGE IN AREA USED VEHICLE SEGMENT MARKET SHARE  
YTD 2008 THRU OCTOBER VS. YTD 2007**



**CHICAGO AREA USED VEHICLE MARKET SHARE BY AGE OF VEHICLE, YTD 2008 THRU OCTOBER VS. YTD 2007  
ONLY INCLUDES VEHICLES 8 YEARS OLD OR NEWER**



Source: AutoCount, an Experian Company. Only includes retail used vehicle sales at new vehicle franchised and independent used vehicle dealers.

**TOP SELLING MODELS IN AREA USED VEHICLE MARKET (VEHICLES NEWER THAN FIVE YEARS OLD)**

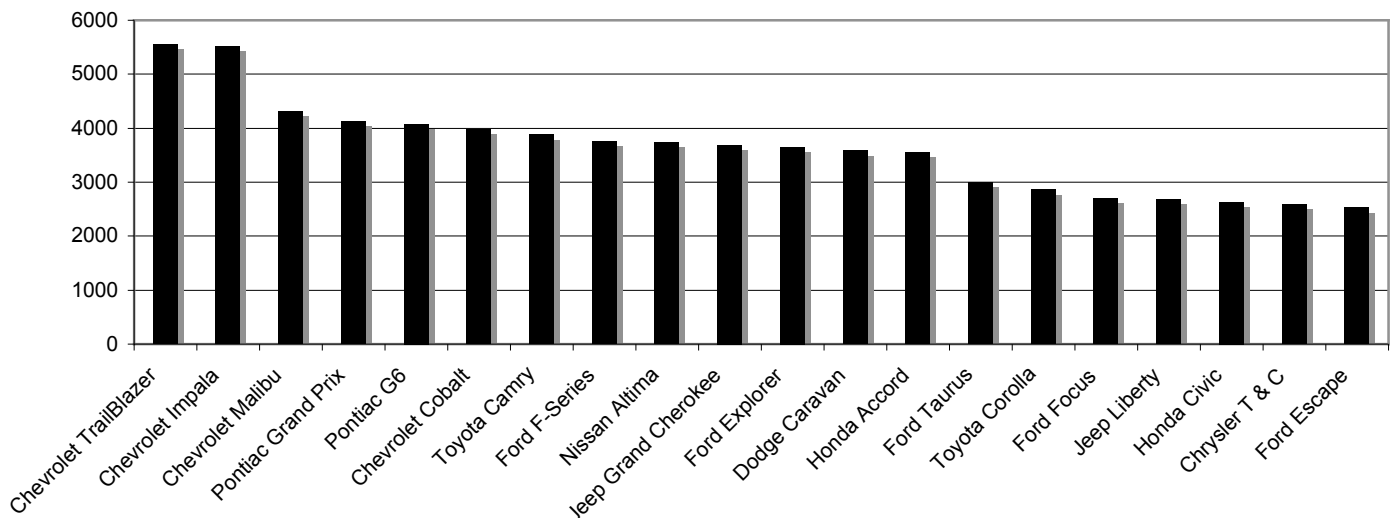
**'05 Nissan Altima Best Selling Car in Area Market; '04 Chevrolet TrailBlazer is Truck Leader**

The table below shows the top 25 selling car and light truck models (with specific model years) during the first ten months of this year. (Note: only includes vehicles newer than five years old.) For cars, the 2005 Nissan Altima was the leader, while the 2004 Chevrolet TrailBlazer was the best-selling light truck. The graph below shows the top 20 selling models newer than five years old. Chevrolet TrailBlazer was first, followed by Impala, Malibu, and Grand Prix.

Source: AutoCount, an Experian Company.

TOP 25 SELLING CARS AND LIGHT TRUCKS IN CHICAGO AREA USED RETAIL MARKET (YTD '08 THRU OCT.)					
Cars			Light Trucks		
Rank	Model and Model Year	Registrations	Rank	Model and Model Year	Registrations
1	2005 Nissan Altima	1467	1	2004 Chevrolet TrailBlazer	1383
2	2005 Honda Accord	1297	2	2005 Chevrolet TrailBlazer	1367
3	2007 Dodge Charger	1182	3	2005 Jeep Grand Cherokee	1261
4	2007 Chevrolet Impala	1142	4	2006 Chevrolet TrailBlazer	1253
5	2005 Chevrolet Malibu	1135	5	2005 Chevrolet Equinox	1138
6	2007 Toyota Camry	1129	6	2007 Dodge Caravan	1103
7	2005 Chevrolet Impala	1088	7	2006 Ford F-Series	1054
8	2007 Ford Taurus	1065	8	2006 Ford Explorer	991
9	2007 Chevrolet Cobalt	1030	9	2005 Ford F-Series	876
10	2004 Pontiac Grand Prix	1024	10	2005 Dodge Caravan	872
11	2004 Chevrolet Impala	973	11	2004 Ford F-Series	832
12	2007 Chrysler 300	960	12	2006 Jeep Grand Cherokee	810
13	2007 Toyota Corolla	947	13	2004 Ford Explorer	797
14	2006 Chevrolet Impala	940	14	2004 Jeep Grand Cherokee	794
15	2007 Ford Focus	933	15	2005 Chrysler Pacifica	791
16	2005 Chevrolet Cobalt	933	16	2006 Chrysler T & C	772
17	2007 Chrysler PT Cruiser	927	17	2005 GMC Envoy	756
18	2006 Chevrolet Cobalt	916	18	2005 Chrysler T & C	749
19	2004 Chevrolet Malibu	914	19	2006 Dodge Caravan	746
20	2008 Dodge Avenger	905	20	2005 Ford Escape	731
21	2006 Pontiac G6	905	21	2005 Honda Pilot	730
22	2007 Pontiac G6	900	22	2003 Ford Explorer	696
23	2005 Pontiac Grand Prix	871	23	2004 GMC Envoy	693
24	2005 Toyota Camry	862	24	2003 Chevrolet TrailBlazer	666
25	2008 Chevrolet Impala	855	25	2005 Ford Explorer	660

**TOP 20 SELLING MODELS IN AREA RETAIL USED MARKET-YTD '08 (Only includes vehicles five years old or newer)**



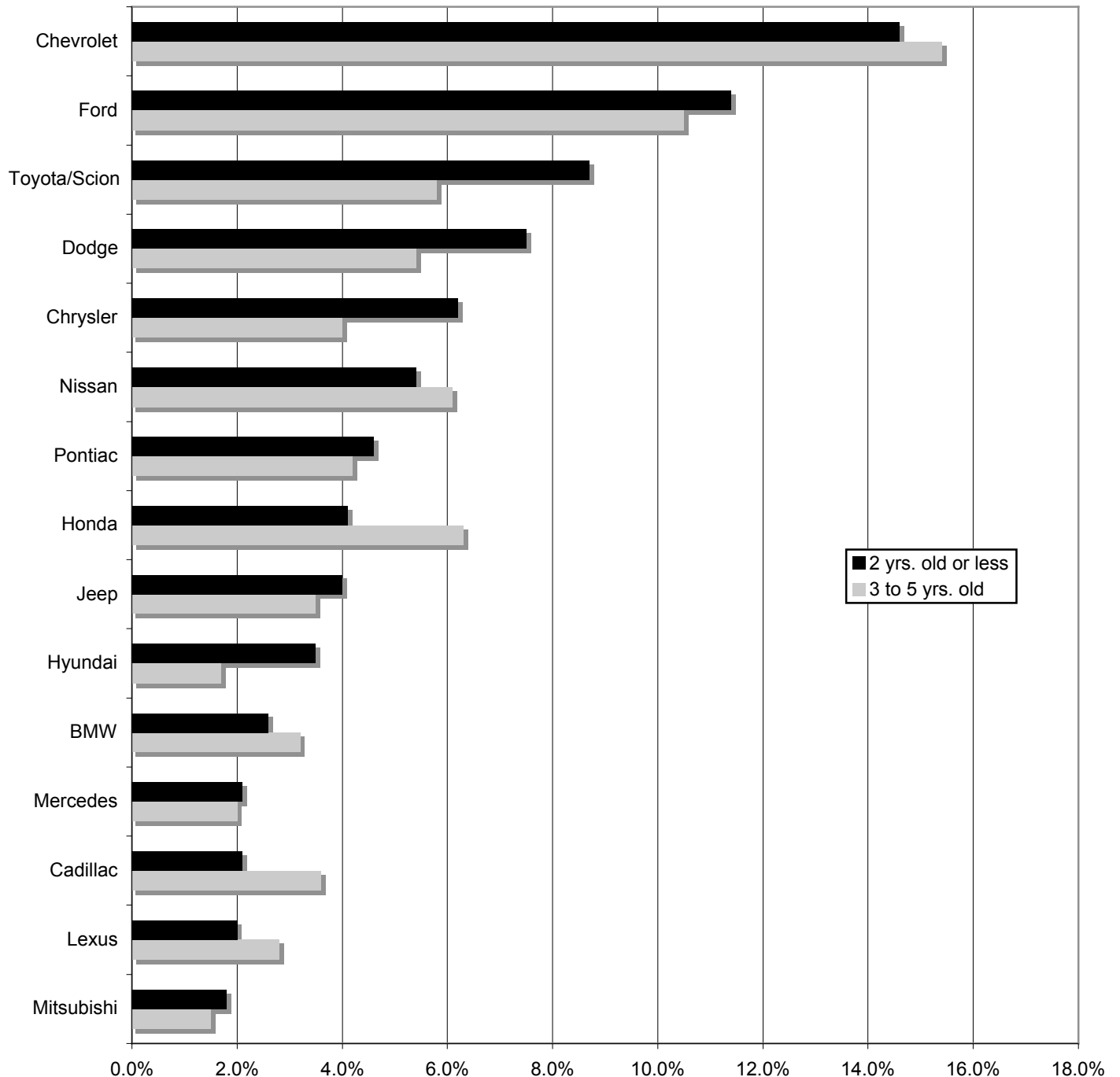
Source: AutoCount, an Experian Company. Only includes retail used vehicle sales at new vehicle franchised and independent used vehicle dealers.

**BRAND USED VEHICLE MARKET SHARE**

**Chevrolet and Ford Rank First and Second in Newer than Two Year Old Market**

The graph below shows used vehicle market share in the Chicago Area during the first ten months of this year. Two data points are presented for each brand: market share in the newer than two year old category, and market share in the three to five year old category. Brands are positioned on the graph from top to bottom based on market share in the newer than two year old class, with Chevrolet and Ford ranked first and second, respectively. Honda market share in the newer than two year old category was 4.1% versus 6.3% among three to five year old vehicles.

**CHICAGO AREA USED VEHICLE MARKET SHARE BY AGE OF VEHICLE, YTD 2008 THRU OCTOBER**



Source: AutoCount, an Experian Company. Only includes retail used vehicle sales at new vehicle franchised and independent used vehicle dealers.

**ANALYSIS OF COUNTY USED VEHICLE MARKETS**

**Each of the Eight County Markets Decline During First Ten Months of Year**

The table and graph on this page provide detailed information on specific county retail used vehicle markets in the Chicago Area. The table below shows retail used vehicle registrations

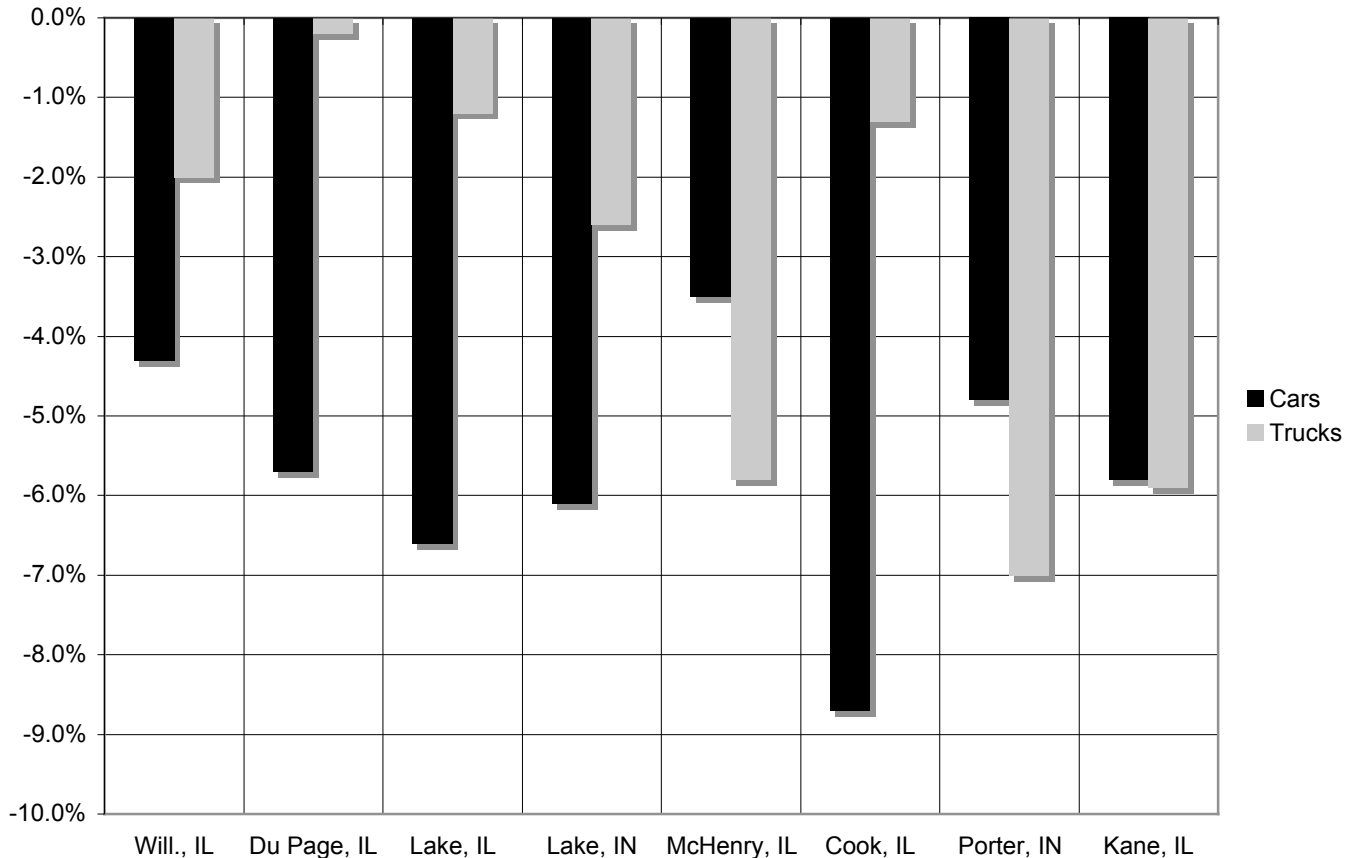
by county for all used vehicles, cars, and light trucks.

Industry used vehicle registrations declined in each of the eight county

markets during the first ten months of this year versus a year earlier. On a percentage change basis, the light truck market outperformed the car market in five of the eight markets.

Retail Used Vehicle Registrations YTD thru October (2007 and 2008)									
County	All Used Vehicles			Cars			Light Trucks		
	YTD '07	YTD '08	% change	YTD '07	YTD '08	% change	YTD '07	YTD '08	% change
Cook, IL	211,180	198,869	-5.8%	129,577	118,317	-8.7%	81,603	80,552	-1.3%
Du Page, IL	38,815	37,490	-3.4%	22,786	21,489	-5.7%	16,029	16,001	-0.2%
Kane, IL	23,150	21,794	-5.9%	12,018	11,317	-5.8%	11,132	10,477	-5.9%
Lake, IL	30,583	29,319	-4.1%	16,445	15,353	-6.6%	14,138	13,966	-1.2%
McHenry, IL	13,726	13,084	-4.7%	6,808	6,570	-3.5%	6,918	6,514	-5.8%
Will., IL	29,444	28,485	-3.3%	16,125	15,434	-4.3%	13,319	13,051	-2.0%
Lake, IN	23,913	22,803	-4.6%	14,066	13,213	-6.1%	9,847	9,590	-2.6%
Porter, IN	7,540	7,099	-5.8%	3,924	3,735	-4.8%	3,616	3,364	-7.0%
<b>TOTAL</b>	<b>378,351</b>	<b>358,943</b>	<b>-5.1%</b>	<b>221,749</b>	<b>205,428</b>	<b>-7.4%</b>	<b>156,602</b>	<b>153,515</b>	<b>-2.0%</b>

**PERCENT CHANGE IN RETAIL USED VEHICLE REGISTRATIONS - YTD '08 THRU OCTOBER VS. YTD '07**

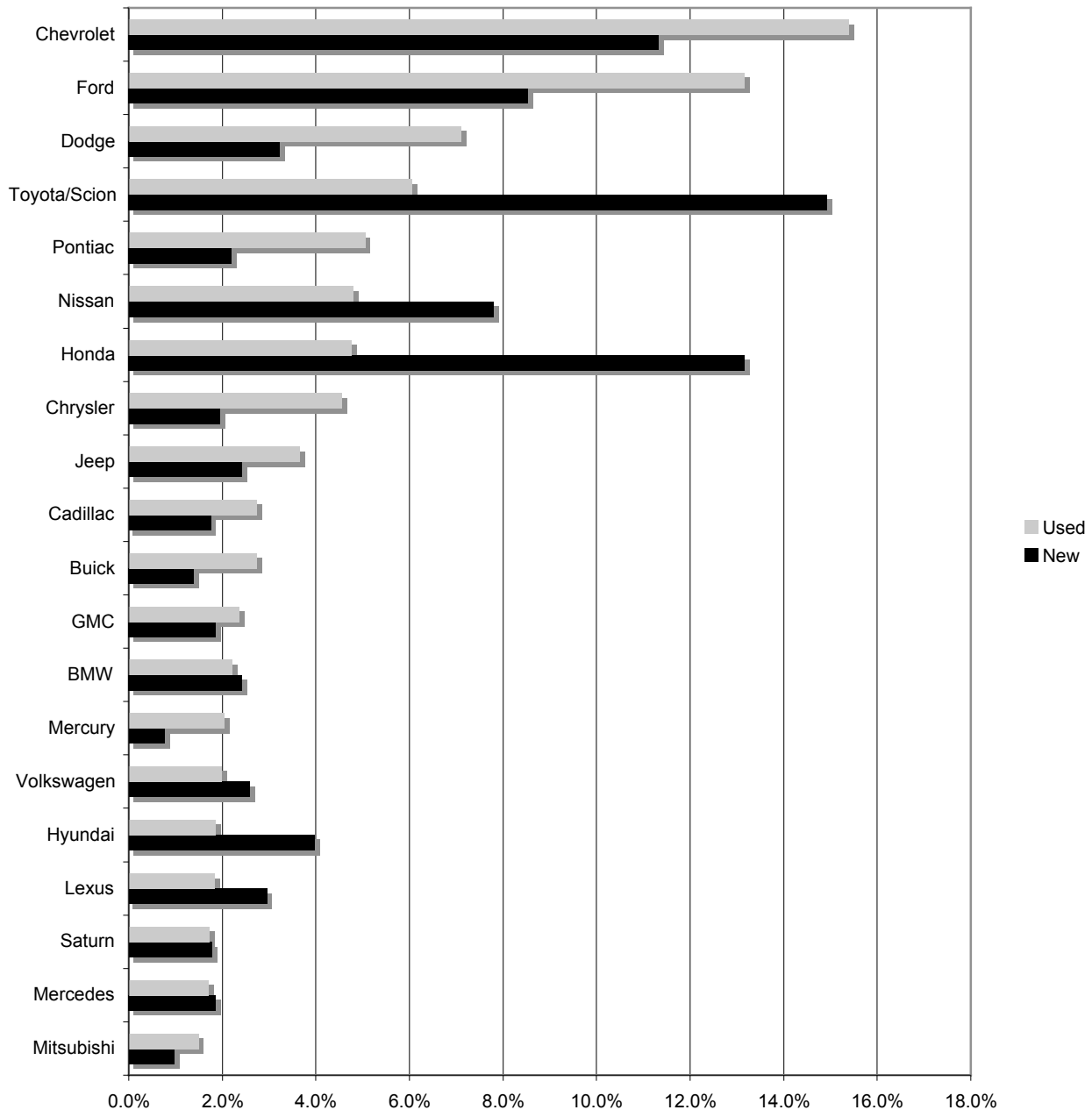


Source: AutoCount, an Experian Company. Only includes retail used vehicle sales at new vehicle franchised and independent used vehicle dealers.

## MARKET SHARE SCOREBOARD

**Ford and Chevrolet Rank First and Second in Used Vehicle Market; Toyota New Vehicle Leader**

The graph below presents a comparison of brand sales performance in the Chicago Area retail new and used vehicle markets for the top 20 selling used vehicle brands. For each brand, the graph presents retail used and new vehicle market share during the first ten months of 2008. Brands are ranked from top to bottom based on used vehicle market share. For many brands the variance in market share is significant, and is highly reflective of past and present market results. Ford's used vehicle market share, for instance, was 13.2%, compared to 8.5% for new vehicles. Largely as a result of recent gains in the new vehicle market, Toyota/Scion, Nissan, and Honda new vehicle market shares are well above their respective levels in the used vehicle market. Toyota/Scion's used vehicle market share, for instance, was 6% versus 14.9% on the new vehicle side.

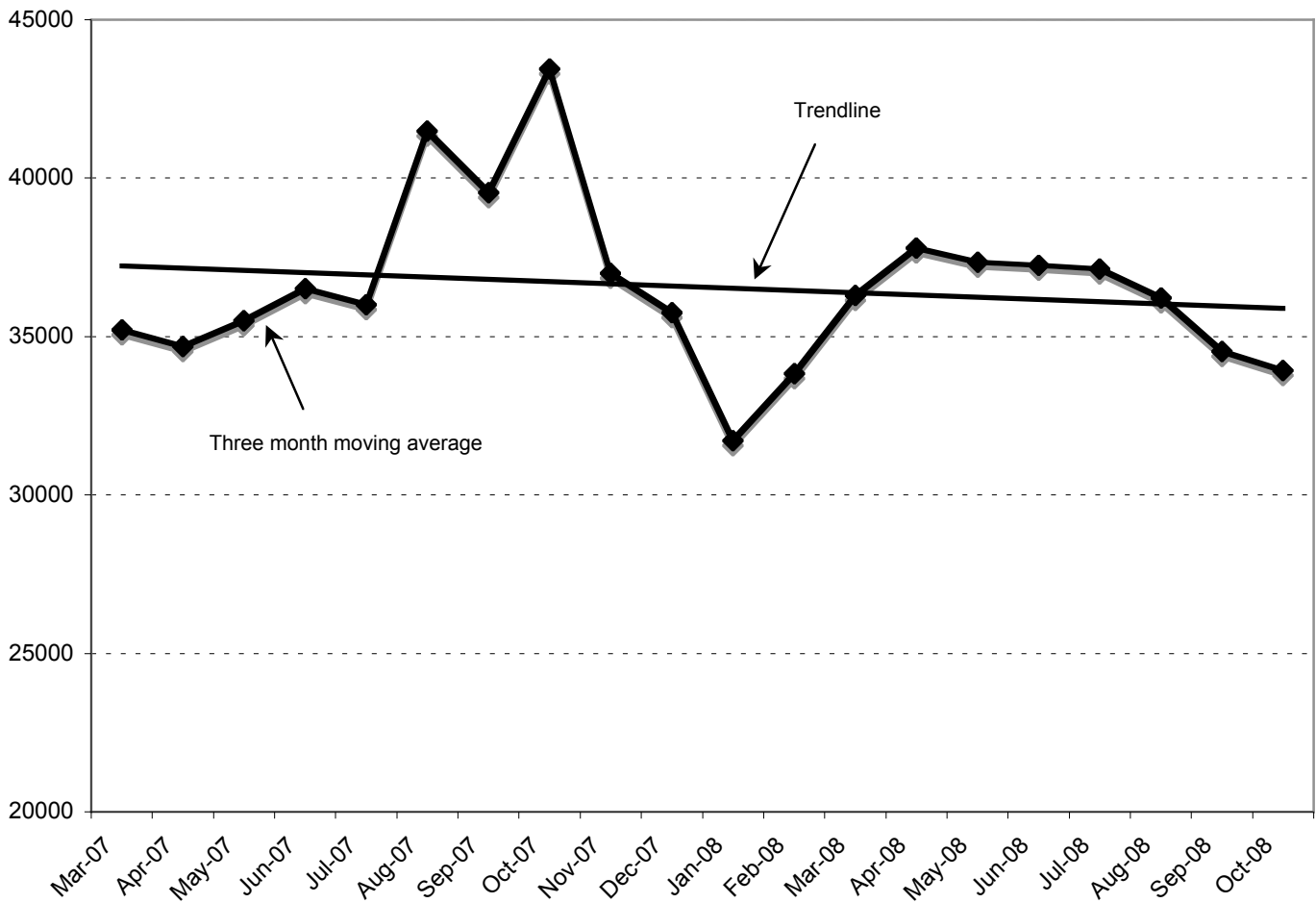
**AREA USED AND NEW VEHICLE MARKET SHARE-YTD '08 THRU OCTOBER**

**MARKET TRENDING**

**Area Used Vehicle Market Following Gradual Downward Trend**

The graph below provides an illustration of the general trending direction of the Chicago Area retail used light vehicle market. The graph shows the three month moving average of registrations from March of 2007 thru October of this year. After reaching a peak of over 43,000 units in October of last year, the market declined sharply into early this year, before moving higher and reaching a total of nearly 38,000 units in April. This general movement is a typical seasonal occurrence. The market remained relatively flat from April thru July of this year, and trended lower from July thru October.

**CHICAGO AREA RETAIL USED LIGHT VEHICLE REGISTRATIONS  
THREE MONTH MOVING AVERAGE  
MARCH 2007 THRU OCTOBER 2008**



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