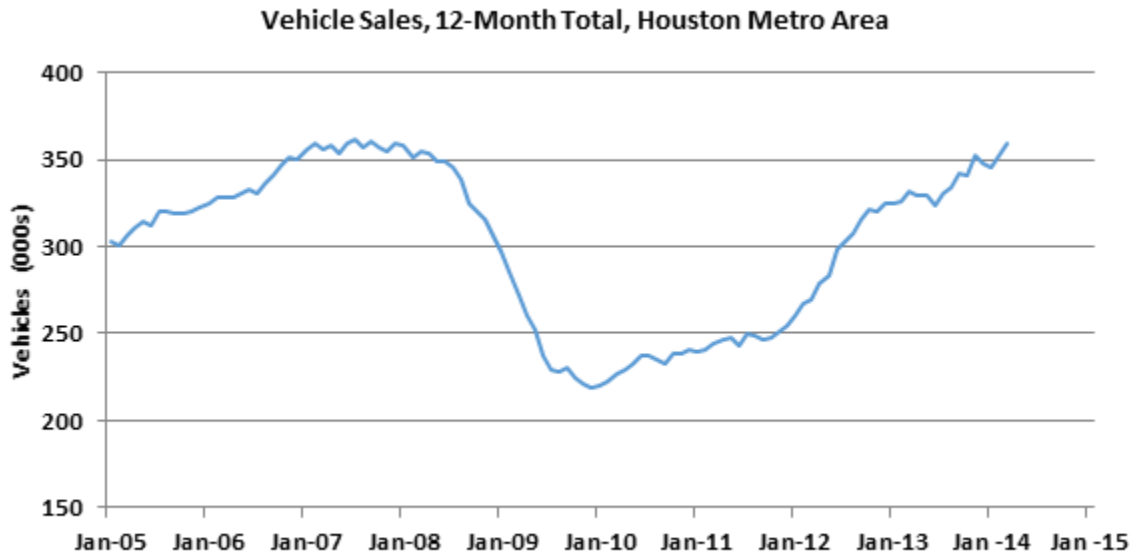




NEW CAR, TRUCK AND SUV SALES

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Houston-area auto dealers experienced a record-breaking month in March, selling 37,773 cars, trucks and SUVs, the highest for any month since August '06 and the second-highest for any month in the past 10 years. According to *TexAuto Facts*, published by InfoNation, Inc. of Sugar Land, the March sales activity was a 21.3 percent increase over the 31,096 vehicles sold in March '13.



Source: *TexAuto Facts* Report by InfoNation

For the first quarter of '14, vehicle sales totaled 95,709, an increase of 13.0 percent from 84,707 autos sold in the first quarter of '13. Sales activity in '14 has surpassed expectations for the region. InfoNation notes that three factors have continued to support strong sales: relatively low interest rates, employment growth and pent-up demand.

Average Age of Automobile (Years)			
	U.S.	Texas	Houston
2005	9.8	7.9	7.4
2010	10.6	8.7	8.3
2013	11.4	9.1	8.8

Source: InfoNation and R L Polk

The auto industry typically looks to the age of the fleet of cars and light trucks to measure pent-up demand. However, the value of fleet age as a measurement of pent-up demand has been diminished given changes in the market. Steve McDowell from InfoNation explains, "Three major changes in the market have become more

dominant than pent-up demand as an influence on aging. First, the improved quality of vehicles combined with extended manufacturer warranties have raised consumer satisfaction and resulted in the retention of vehicles for a longer period. Second, loan terms to 60 and 72 months have also been a factor. Third, lower income consumers have moved from lower priced new vehicles to the used vehicle market. These factors have caused the average age of the fleet to increase over the past decade.”

For the latest data, click [here](#).

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