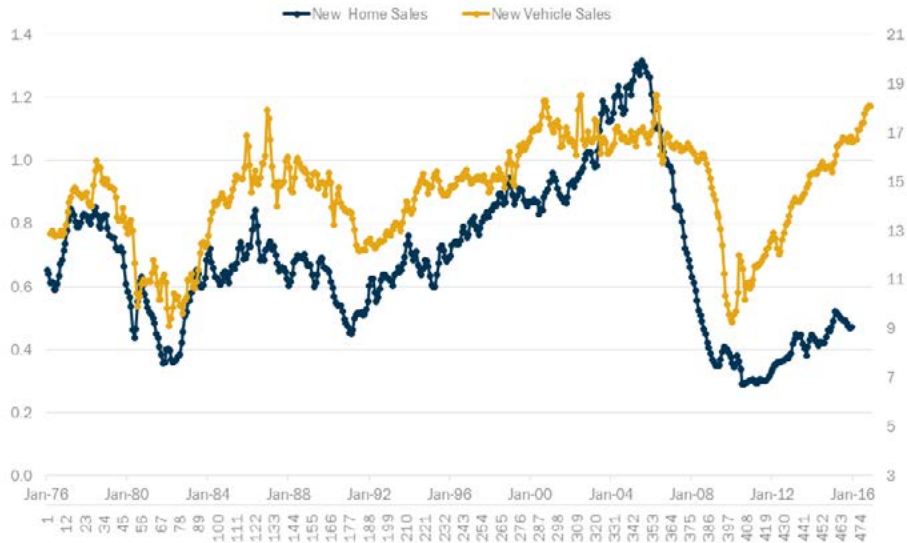


The Automotive Industry In Perspective

COMPARING HOME SALES TO NEW CAR SALES



Source: U.S. Census Bureau

THEN

Dating back to the late 1970s, new car and new home sales tracked extremely closely; as sales of one rose, so did the other, and vice versa.

NOW

That all changed from 2009-2011, as new home sales stagnated while new car sales steadily increased. New home sales rebounded the last several years, increasing by 20% in 2012, 17% in 2013, 2% in 2014; and 14% in 2015.

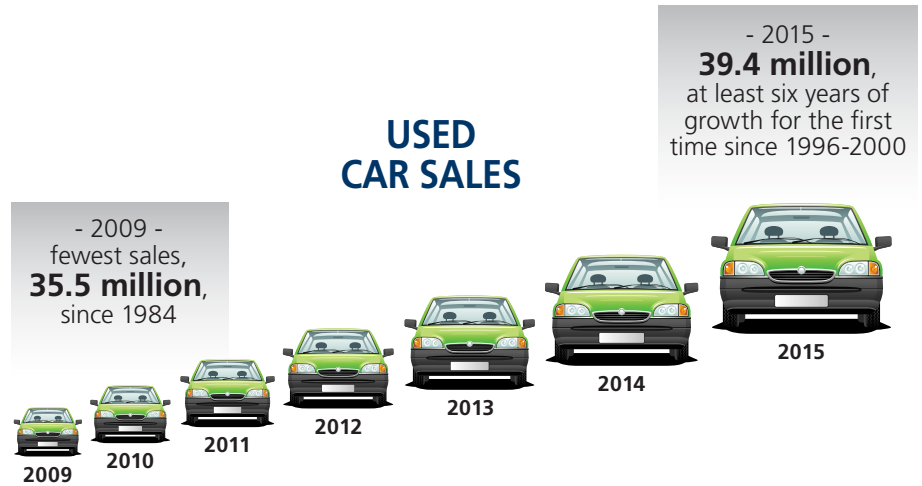
LOOKING AHEAD

In 2015, new vehicle sales rose for an unprecedented sixth consecutive year. The first three years of the upswing were all double-digit gains, and the increases in 2013 and 2014 were 8% and 6%, respectively. As a result, the total rise from 2009's trough of 10.4 million to last year's 17.5 million was 68%.

Compare that to the paltry gains made in housing—an industry that used to move in lockstep with autos. Differences in the financing environment between the two have been the primary cause for the difference in performance. Auto lending has returned to pre-recession standards. Mortgage lending has not—and hopefully won't, since that is where the excesses lay.

NEW AND USED VEHICLE SALES ON THE UPSWING

USED CAR SALES



NEW CAR SALES

