

# Vermont Auto Outlook™

Comprehensive information on the Vermont new vehicle market

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## FORECAST

### Vermont New Vehicle Market Predicted to Increase 5.7% in 2024



#### Key factors boosting new vehicle sales

**Existing vehicle fleet is old.** Average age of vehicles in operation has reached an all-time high. No question, modern vehicles are built better and last longer, but today's models offer many upgraded features vs. the average 12.5 year old car. Passive and active safety technology, advanced infotainment options, and alternative powertrains are just a few examples. Many vehicle owners have a strong incentive to upgrade.

**Transaction prices are falling.** Right now, affordability is a deterrent for new vehicle sales (see right), but increased inventories and rising incentives have pushed down vehicles prices which will spur demand.

**Economy is hanging in there.** After significant interest rate increases in 2022 and 2023, fingers were crossed for a soft landing. GDP has remained positive, employment levels continue to move higher, and household incomes have largely kept pace with inflation. Interest rates are elevated and prices have risen sharply since 2021, but recession seems unlikely.



#### Key factors holding back new vehicle sales

**Heightened uncertainty.** There are always unexpected events lurking that can impact the market. The CDK outage is a recent example. In addition to these surprises, there are ongoing and upcoming events with uncertain outcomes that cloud the sales forecast. The presidential election is at the top of the list. As we have already seen, events related to the campaign are rightfully leading to heightened anxiety and uneasiness. This will last up until election day, and hopefully, for a relatively short period afterwards. Geopolitical unrest surrounding the Ukraine and Middle East conflicts are other examples. Consumer confidence takes a hit when the list of things to worry about lengthens, and this is a negative for new vehicle sales.

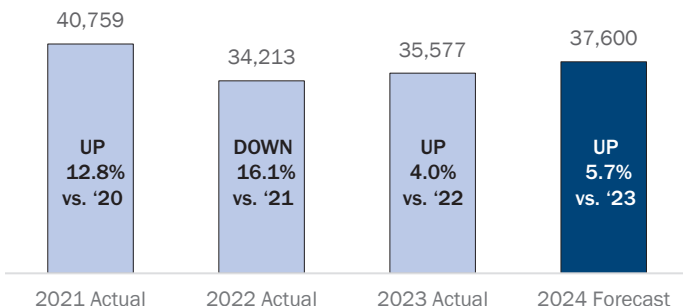
**New vehicle affordability is a drag.** Monthly finance and lease costs remain elevated due to higher interest rates. As noted on the left, vehicle transaction prices have fallen and household incomes are increasing, but inflation has eroded purchasing power. Monthly new vehicle payments as a percent of consumer income will move lower in the coming months, but are high right now and it's holding back sales.

#### Key Trends in Vermont New Vehicle Market



- » Forecast summary: replacement demand and falling transaction prices will provide some momentum for the new vehicle market for the rest of '24, while the negative factors will limit growth.
- » State new retail light vehicle registrations are predicted to increase 5.7% for all of this year versus 2023. Stronger sales in the second half of last year will make it more difficult for the market to improve from July through December of this year.
- » Registrations exceeded 9,600 units in the Second Quarter of 2024 and increased 5.2% versus 2Q '23.
- » Battery electric vehicles accounted for 7.2% of the market in the Second Quarter of this year, up slightly from 7.1% in the First Quarter, and up versus 2Q '23 (see page 6).
- » VW, Nissan, Mazda, Honda, and Mitsubishi had the largest percentage increases so far this year (see page 4).

#### Forecast for State New Retail Light Vehicle Registrations



The graph above shows annual new retail light vehicle registrations from 2021 through 2023 and Auto Outlook's projection for 2024. Historical data sourced from Experian Automotive. Some figures estimated by Auto Outlook.

#### Market Summary

	YTD '23 thru June	YTD '24 thru June	% Chg. '23 to '24	Mkt. Share YTD '24
TOTAL	17,024	18,046	6.0%	
Car	1,856	1,981	6.7%	11.0%
Light Truck	15,168	16,065	5.9%	89.0%
Domestic	7,071	6,971	-1.4%	38.6%
European	1,281	1,452	13.3%	8.0%
Japanese	7,581	8,511	12.3%	47.2%
Korean	1,091	1,112	1.9%	6.2%

Domestics consist of vehicles sold by GM, Ford, Stellantis (excluding Alfa Romeo and FIAT), Tesla, Rivian, and Lucid. Data sourced from Experian Automotive. Some figures estimated by Auto Outlook.

## KEY TRENDS IN VERMONT NEW VEHICLE MARKET



### STATE MARKET VS. U.S.

**% Change In  
New Retail Market  
YTD 2024 thru June  
vs.  
YTD 2023**

**Vermont  
UP 6.0%**

**U.S.  
UP 3.4%**

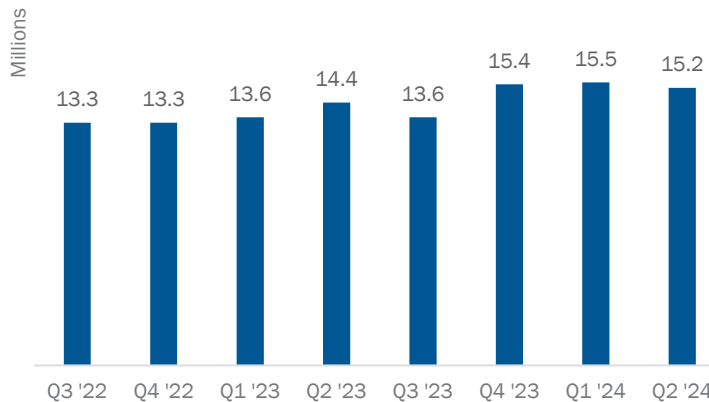
New retail light vehicle registrations in the state increased 6.0% during the first six months of this year vs. year earlier, higher than the 3.4% improvement in the Nation.

Data sourced from Experian Automotive.



### QUARTERLY RESULTS

**Vermont  
Quarterly Registrations**  
  
**Seasonally Adjusted  
Annual Rate, Converted  
to Equivalent U.S. New  
Vehicle Market SAAR  
(millions of units)**



The graph on the left provides an easily recognizable way to gauge the strength of the state market. It shows quarterly registrations based on a seasonally adjusted annual rate. These figures are then indexed to SAAR sales figures for the U.S. new vehicle market. So just like in the national market, when the quarterly SAAR is above 17 million units, the state market is strong, 15 million is about average, and below 13 million is weak. Equivalent SAAR levels in the state slipped from 15.5 million in the First Quarter of this year to 15.2 million in the Second Quarter.

Data sourced from Experian Automotive. SAAR estimates: Auto Outlook.

**% Change in quarterly  
registrations vs.  
year earlier  
(2Q '24 vs. 2Q '23)**

**UP  
5.2%**

**% Change in  
registrations vs.  
previous quarter  
(2Q '24 vs. 1Q '24)**

**UP  
14.2%**

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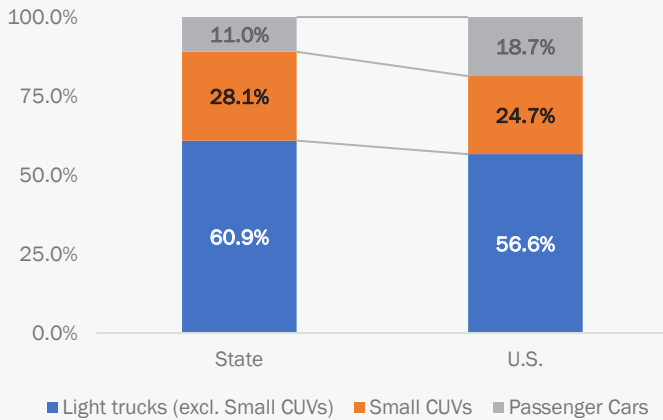
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## KEY TRENDS IN VERMONT NEW VEHICLE MARKET



### VEHICLE AND BRAND SEGMENTS - State AND U.S. (YTD '24 thru June)

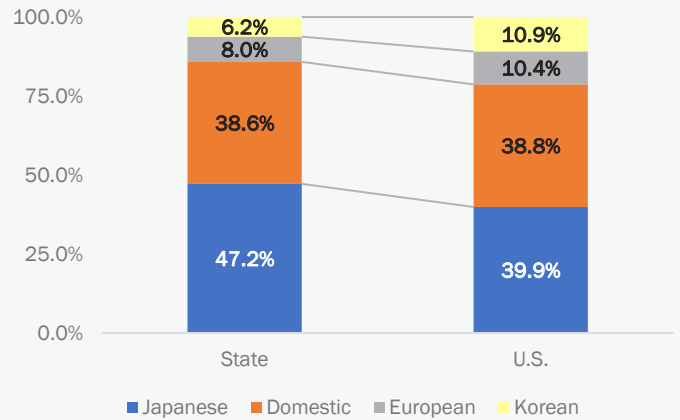
Market Share by Type of Vehicle



Combining the blue and orange sections in the graph above corresponds to the standard industry definition of light trucks. Small crossovers are broken out, however, since many are more similar to compact hatchbacks than to trucks. Light truck share (excluding small CUVs) was **60.9%** so far this year, above the **56.6%** share in the U.S.

Data sourced from Experian Automotive.

Domestic, European, Japanese, & Korean Brand Share



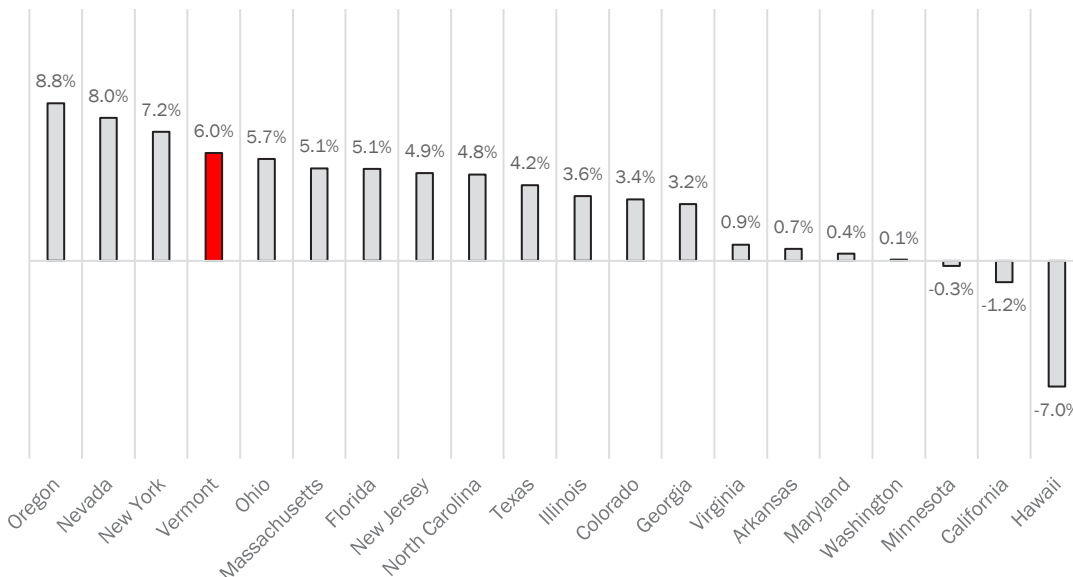
Japanese brand market share in the state was higher than U.S. levels: **47.2%** vs. **39.9%**. State Domestic brand share (which includes Tesla and Rivian) was **38.6%** in the first half of this year. Korean and European brands accounted for a lower share of the state market than in the Nation.

Data sourced from Experian Automotive.



### COMPARISON OF STATE MARKETS

Percent Change in New Retail Light Vehicle Registrations - YTD 2024 thru June vs. YTD 2023



#### Observations and Key Facts

- Vermont registrations increased **6.0%** in the first half of this year, above average vs. other markets. The Oregon market improved by **8.8%**.
- BEV market share in Vermont was **7.2%** vs. **8.5%** in the Nation. BEV penetration was highest in California- **23.1%**
- Toyota was the best-selling brand in the state during the first six months of this year and was also the leader in 12 out of the other 20 markets. Highest share for Toyota was in Oregon (**24.1%**).

Data sourced from Experian Automotive.

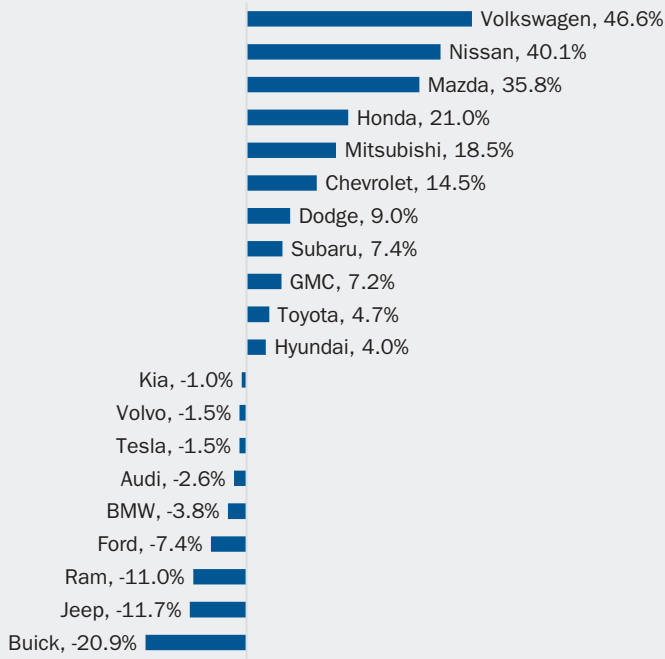
# BRANDS AND MODELS



## WINNERS AND LOSERS

The primary metric used to identify winning and losing brands is the percent change in registrations vs. year earlier, shown on the graph below. VW and Nissan were the biggest gainers in the state market in the first six months of this year among the top 20 brands. BUT this snapshot does not capture the shorter term trend in sales, and this matters! Registrations for a brand may have posted a big year-over year increase (definitely a positive), but if growth has stalled during the most recent quarter, that's significant. The tables to the right of the graph show results from the First to the Second Quarters of 2024.

**% Change in State Registrations for Top 20 Brands- YTD '24 thru June vs. YTD '23**



### Brands Gaining Ground

**Largest % increases from 1Q '24 to 2Q '24**

Brand	Trend	% Change
Kia	Up	58.4%
Volkswagen	Up	34.7%
Nissan	Up	33.9%
Volvo	Up	30.7%
Hyundai	Up	30.2%

### Brands Losing Ground

**Largest % declines from 1Q '24 to 2Q '24**

Brand	Trend	% Change
Mitsubishi	Down	3.4%
Buick	Down	2.1%
Ram	Up	2.3%
Toyota	Up	3.8%
Chevrolet	Up	5.9%

**Largest % increases during YTD '24 vs. YTD '23:** Volkswagen, Nissan, Mazda, Honda, and Mitsubishi.

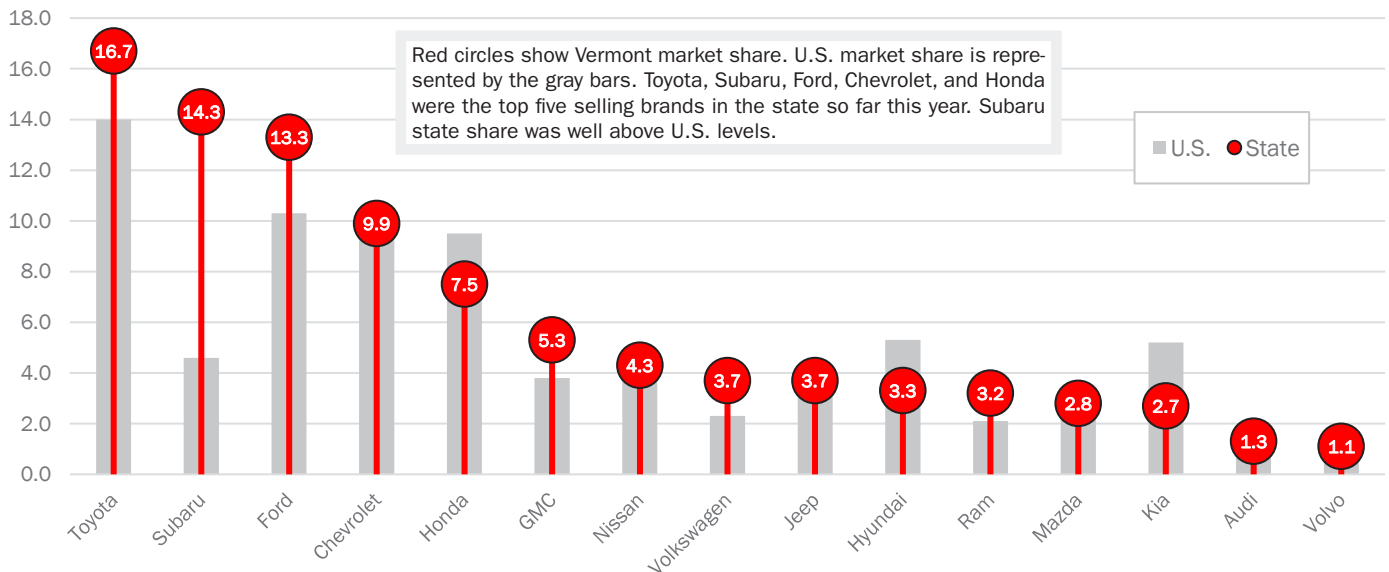
**Largest % increases in 2Q '24 vs. 1Q '24:** Kia, Volkswagen, Nissan, Volvo, and Hyundai.

Data sourced from Experian Automotive.



## TOP SELLING BRANDS

**Vermont and U.S. Market Shares for Top 15 Brands in State - YTD '24 thru June**



Data sourced from Experian Automotive.

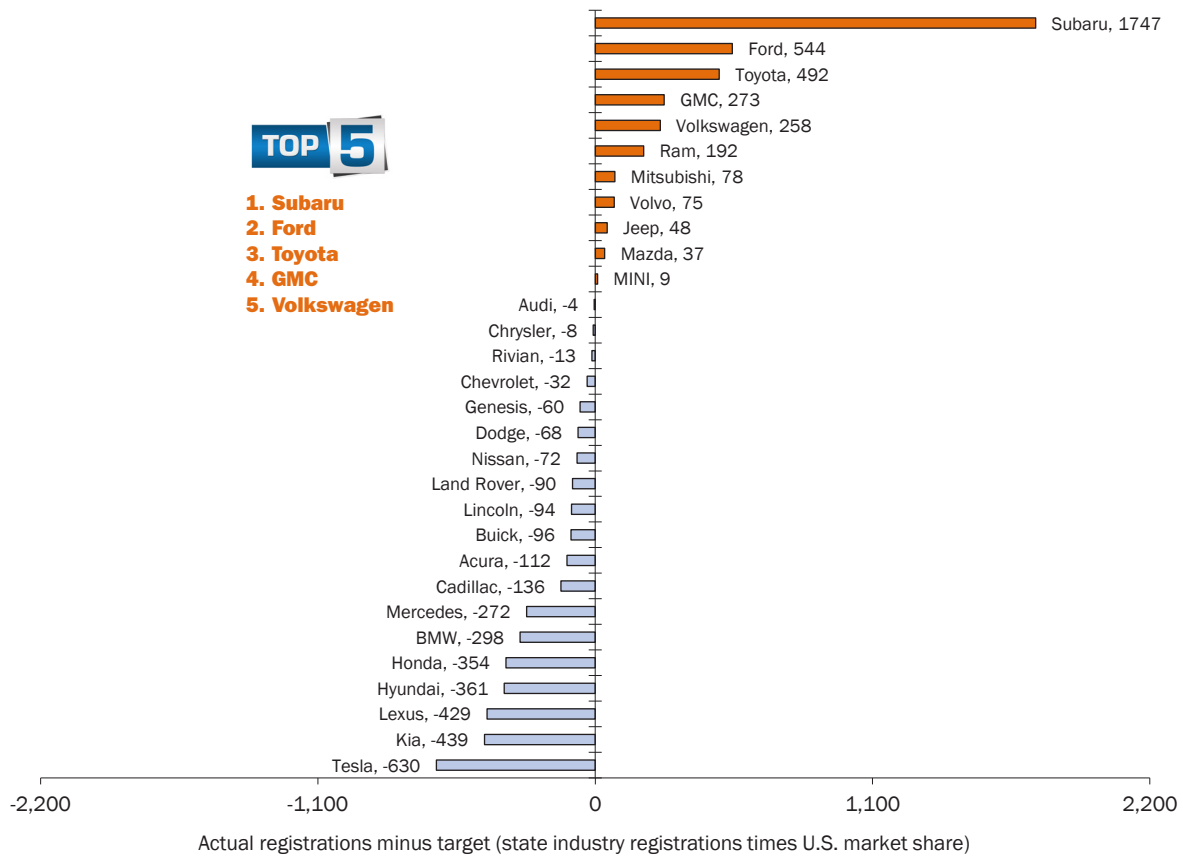
# BRANDS AND MODELS



## BRAND SALES PERFORMANCE

The graph below provides an indicator of brands that are popular in Vermont (relative to the National standard), and those that are not. Here's how it works: For the top 30 selling brands, each brand's share of the U.S. market is multiplied by industry retail registrations in the state during the first six months of 2024. This yields a "target" for the state market. Target registrations are subtracted from actual registrations to derive the measurement of sales performance. Brands at the top of the graph (i.e., Subaru, Ford, Toyota, GMC, and Volkswagen) are relatively strong sellers in the state, with actual registrations exceeding calculated targets by large margins. For instance, Subaru registrations exceeded the target by 1,747 units.

**Vermont Retail Market Performance based on registrations during YTD 24 thru June**  
**Actual registrations minus target (state industry registrations times U.S. market share)**



- TOP 5**
1. Subaru
  2. Ford
  3. Toyota
  4. GMC
  5. Volkswagen

Data sourced from Experian Automotive.



## TOP SELLING MODELS

**Top 20 Selling Models during YTD '24 thru June - Market Share and % Change in Registrations vs. YTD '23**

Rank	Model	State Share %	% chg. '23 to '24	Rank	Model	State Share %	% chg. '23 to '24
1	Toyota RAV4	5.7	21.7	11	Ford Maverick	1.4	81.0
2	Ford F-Series	5.5	-16.3	12	Honda HR-V	1.3	84.6
3	Subaru Forester	4.5	50.5	13	Toyota Tundra	1.3	0.8
4	Chevrolet Silverado	4.1	7.7	14	Toyota Corolla	1.3	52.9
5	Subaru Crosstrek	4.0	-9.9	15	Nissan Rogue	1.2	37.0
6	GMC Sierra	3.5	9.8	16	Chevrolet Trax	1.2	255.9
7	Ram Pickup	3.0	-7.0	17	Ford Escape	1.2	5.5
8	Honda CR-V	3.0	24.8	18	Toyota Corolla Cross	1.1	59.2
9	Subaru Outback	2.9	3.7	19	Jeep Wrangler	1.1	12.6
10	Toyota Tacoma	2.1	-46.1	20	Chevrolet Equinox	1.1	-0.5

Table on the left presents the top 20 selling models in the state during the first six months of this year. Share of industry registrations and the percent change versus the same period a year earlier is also shown. Models with the five largest percentage increase are shaded blue.

Data sourced from Experian Automotive.

## ALTERNATIVE POWERTRAIN MARKET

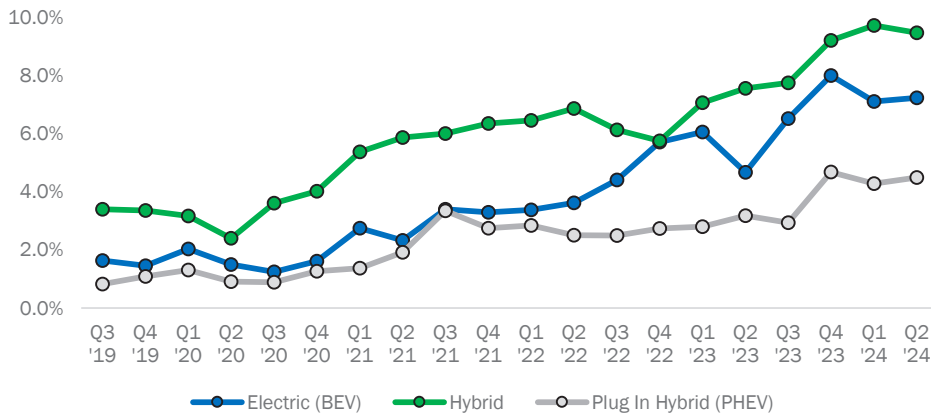
### FIVE KEY TRENDS

- 1.** BEV share increased from 5.3% in the first half of '23 to 7.2% this year.
- 2.** BEV share improved slightly from the First to the Second Quarter of '24.
- 3.** Franchised dealer share of BEV market was 80.4% in first half of '24 vs. 70.5% a year earlier.
- 4.** Hybrid share was 9.6% in the first half of this year, up from 7.3% a year earlier.
- 5.** Plug in hybrid share increased to 4.4% so far this year.



### BEV, PHEV, AND HYBRID MARKET SHARE

Percent Share of Industry Registrations by Powertrain Type



YTD thru June			
	YTD '23	YTD '24	
Hybrid	7.3%	9.6%	↑
Electric (BEV)	5.3%	7.2%	↑
Plug In Hybrid (PHEV)	3.0%	4.4%	↑

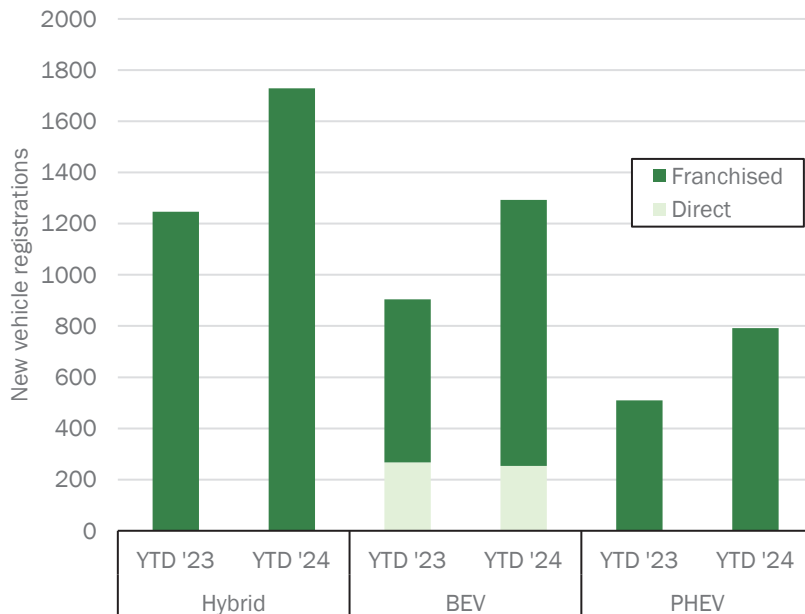
Quarterly			
	1Q '24	2Q '24	
Hybrid	9.7%	9.5%	↓
Electric (BEV)	7.1%	7.2%	↑
Plug In Hybrid (PHEV)	4.3%	4.5%	↑

Data sourced from Experian Automotive. Hybrid registrations exclude mild hybrids.



### FRANCHISED DEALERSHIPS AND DIRECT SELLERS

New Hybrid, BEV, and PHEV Registrations in Vermont by Type of Selling Dealership



BEV Registrations and Market Share		
	Franchised Dealerships	Direct Sellers
YTD '23 thru Jun. regs.	637	267
YTD '24 thru Jun. regs.	1,040	253
% change	63.3%	-5.2%
YTD '23 mkt. share %	70.5	29.5
YTD '24 mkt. share %	80.4	19.6
change	9.9	-9.9
1Q '24 regs.	477	121
2Q '24 regs.	563	132
% change	18.0%	9.1%
1Q '24 mkt. share %	79.8	20.2
2Q '24 mkt. share %	81.0	19.0
change	1.2	-1.2

The dark green areas in the graph show sales by powertrain type for franchised dealerships. Sum of the green areas is 3,561 registrations, 93% of the overall total.

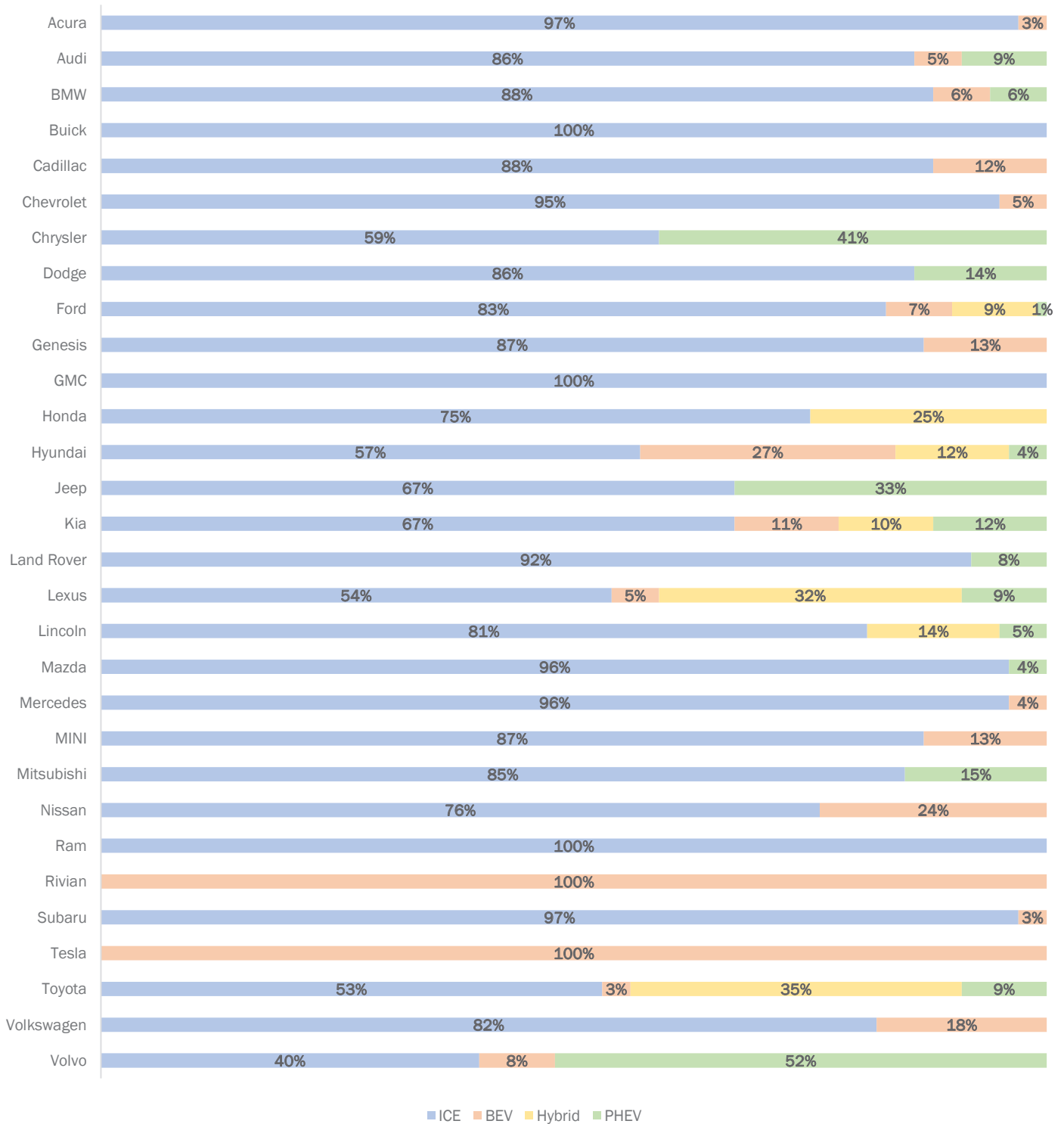
Data sourced from Experian Automotive. Hybrid registrations exclude mild hybrids.

# ALTERNATIVE POWERTRAIN MARKET



MAKES

Share of Brand Registrations in Vermont by Type of Powertrain - Second Quarter, 2024 (top 30 brands)



The graph above shows the breakdown of new vehicle registrations by powertrain type for each of the top 30 selling brands in the state during the Second Quarter of 2024. Data sourced from Experian Automotive.

Brand Registrations Report												
Vermont New Retail Car and Light Truck Registrations												
	Second Quarter						Year to date thru June					
	Registrations			Market Share (%)			Registrations			Market Share (%)		
	2Q '23	2Q '24	% change	2Q '23	2Q '24	Change	YTD '23	YTD '24	% change	YTD '23	YTD '24	Change
TOTAL	9,146	9,625	5.2				17,024	18,046	6.0			
Cars	997	1,038	4.1	10.9	10.8	-0.1	1,856	1,981	6.7	10.9	11.0	0.1
Light Trucks	8,149	8,587	5.4	89.1	89.2	0.1	15,168	16,065	5.9	89.1	89.0	-0.1
Domestic Brands	3,855	3,648	-5.4	42.1	37.9	-4.2	7,071	6,971	-1.4	41.5	38.6	-2.9
European Brands	681	819	20.3	7.4	8.5	1.1	1,281	1,452	13.3	7.5	8.0	0.5
Japanese Brands	4,008	4,501	12.3	43.8	46.8	3.0	7,581	8,511	12.3	44.5	47.2	2.7
Korean Brands	602	657	9.1	6.6	6.8	0.2	1,091	1,112	1.9	6.4	6.2	-0.2
Acura	33	30	-9.1	0.4	0.3	-0.1	59	55	-6.8	0.3	0.3	0.0
Alfa Romeo	2	2	0.0	0.0	0.0	0.0	2	4	100.0	0.0	0.0	0.0
Audi	115	128	11.3	1.3	1.3	0.0	234	228	-2.6	1.4	1.3	-0.1
BMW	77	78	1.3	0.8	0.8	0.0	156	150	-3.8	0.9	0.8	-0.1
Buick	78	62	-20.5	0.9	0.6	-0.3	153	121	-20.9	0.9	0.7	-0.2
Cadillac	37	25	-32.4	0.4	0.3	-0.1	60	56	-6.7	0.4	0.3	-0.1
Chevrolet	844	925	9.6	9.2	9.6	0.4	1,559	1,785	14.5	9.2	9.9	0.7
Chrysler	30	22	-26.7	0.3	0.2	-0.1	51	46	-9.8	0.3	0.3	0.0
Dodge	60	51	-15.0	0.7	0.5	-0.2	89	97	9.0	0.5	0.5	0.0
Ford	1,333	1,255	-5.9	14.6	13.0	-1.6	2,584	2,394	-7.4	15.2	13.3	-1.9
Genesis	2	15	650.0	0.0	0.2	0.2	15	18	20.0	0.1	0.1	0.0
GMC	508	497	-2.2	5.6	5.2	-0.4	886	950	7.2	5.2	5.3	0.1
Honda	698	720	3.2	7.6	7.5	-0.1	1,124	1,360	21.0	6.6	7.5	0.9
Hyundai	324	341	5.2	3.5	3.5	0.0	580	603	4.0	3.4	3.3	-0.1
Infiniti	6	1	-83.3	0.1	0.0	-0.1	8	4	-50.0	0.0	0.0	0.0
Jaguar	1	4	300.0	0.0	0.0	0.0	3	6	100.0	0.0	0.0	0.0
Jeep	434	363	-16.4	4.7	3.8	-0.9	751	663	-11.7	4.4	3.7	-0.7
Kia	276	301	9.1	3.0	3.1	0.1	496	491	-1.0	2.9	2.7	-0.2
Land Rover	21	12	-42.9	0.2	0.1	-0.1	37	23	-37.8	0.2	0.1	-0.1
Lexus	23	22	-4.3	0.3	0.2	-0.1	42	49	16.7	0.2	0.3	0.1
Lincoln	15	22	46.7	0.2	0.2	0.0	27	33	22.2	0.2	0.2	0.0
Mazda	237	267	12.7	2.6	2.8	0.2	369	501	35.8	2.2	2.8	0.6
Mercedes	62	52	-16.1	0.7	0.5	-0.2	111	80	-27.9	0.7	0.4	-0.3
MINI	28	16	-42.9	0.3	0.2	-0.1	54	46	-14.8	0.3	0.3	0.0
Mitsubishi	74	85	14.9	0.8	0.9	0.1	146	173	18.5	0.9	1.0	0.1
Nissan	311	446	43.4	3.4	4.6	1.2	556	779	40.1	3.3	4.3	1.0
Polestar	1	5	400.0	0.0	0.1	0.1	2	8	300.0	0.0	0.0	0.0
Porsche	7	12	71.4	0.1	0.1	0.0	15	17	13.3	0.1	0.1	0.0
Ram	377	294	-22.0	4.1	3.1	-1.0	644	573	-11.0	3.8	3.2	-0.6
Rivian	25	21	-16.0	0.3	0.2	-0.1	61	45	-26.2	0.4	0.2	-0.2
Subaru	1,213	1,383	14.0	13.3	14.4	1.1	2,398	2,576	7.4	14.1	14.3	0.2
Tesla	114	110	-3.5	1.2	1.1	-0.1	205	202	-1.5	1.2	1.1	-0.1
Toyota	1,413	1,547	9.5	15.4	16.1	0.7	2,879	3,014	4.7	16.9	16.7	-0.2
Volkswagen	249	388	55.8	2.7	4.0	1.3	461	676	46.6	2.7	3.7	1.0
Volvo	118	115	-2.5	1.3	1.2	-0.1	206	203	-1.5	1.2	1.1	-0.1
Other	0	8		0.0	0.1	0.1	1	17	1600.0	0.0	0.1	0.1

Source: AutoCount data from Experian.

The table shows new retail light vehicle (car and light truck) registrations in the Vermont market. Figures are shown for the Second Quarters of '23 and '24, and year to date totals. The top ten ranked brands in each change category are shaded yellow.