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# GUIDELINES

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## NADA Used Car Guide Industry Update

January 2016

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- **Used Depreciation Up Slightly in December**  
Wholesale prices fall by 2% vs. November's 1.9% decline
- **Used Vehicle Price Index Falls**  
Index declines 1.6% to 122.4
- **New Vehicle Sales Rise for Fourth Consecutive Month**  
Deliveries surge 9% for the month
- **Incentive Spending Increases Once Again**  
Average spending per unit reaches \$3,073, up 4.2% from December 2014

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**NEW & USED MARKET TRENDS**

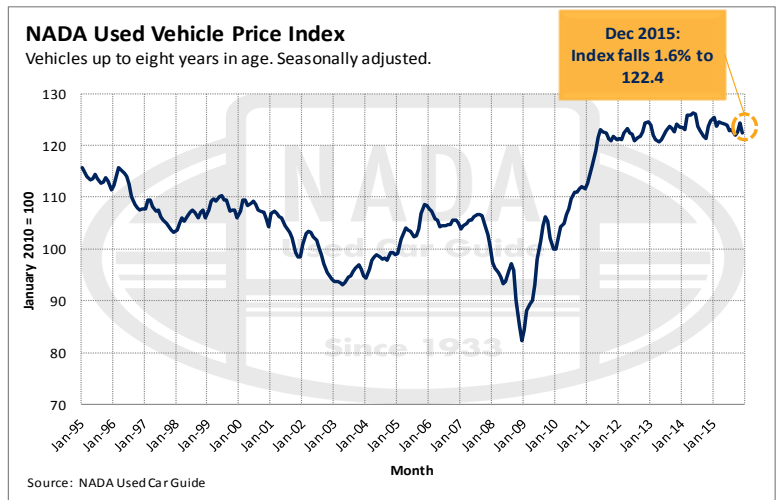
**USED MARKET UPDATE**

The wholesale market closed the year on something of a down note in December as prices of used vehicles up to eight years old fell by almost 2% over the month. The fall was much steeper than the 0.5% decline averaged for the period over the previous five years and marked the weakest result for the month since 2003. As a result, NADA Used Car Guide’s seasonally adjusted used vehicle price index fell by 1.6% from November to 122.4, and moved nearly 2% below last December’s level.

Essentially, every segment experienced losses steeper than those of the past few years. With prices down by an average of 2.2%, luxury mid-size car and compact car declines were the most in the industry, while prices for nearly a half-dozen segments — both car and truck — fell between a tight range of 1.5% to 1.8%. Mid-size utility and luxury large car losses failed to exceed 1%.

Despite December’s softness, 2015 was one of the strongest years on record from a net perspective. In index terms, used vehicle prices slipped by just 0.3% from the all-time high averaged in 2014, and while depreciation increased from 12.7% to 14%, the rate of decline remained moderate by historical standards.

That established, low gas prices and an ongoing shift in preference toward utilities exacerbated car losses and lessened those of trucks. Depreciation for every car segment



**[ NEW & USED MARKET TRENDS *CONTINUED* ]**

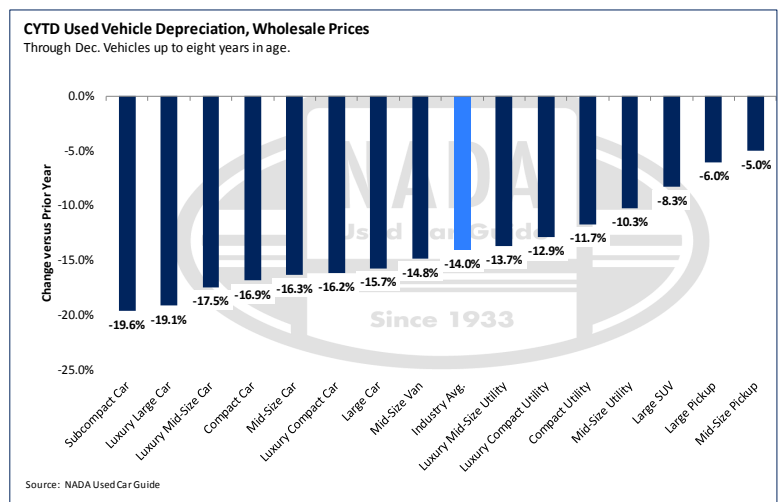
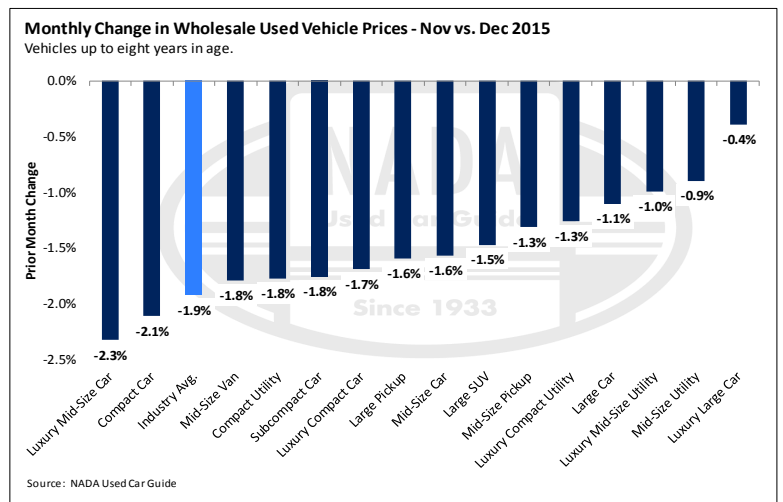
exceeded the industry average of 14%, while losses for every truck segment — save mid-size vans — failed to reach this mark.

Subcompact cars suffered most. Depreciation for the small car group reached a substantial 20% last year, 6-percentage points worse than 2014’s rate. While most subcompact models fared poorly, relative overachievers included the Dodge Dart, Honda Fit, and Scion’s xB and xD — where depreciation generally failed to exceed 15%.

Compact and mid-size car prices tumbled by an average of 16.5% last year, down 3.5-percentage points from 2014. Losses for both were most severe for 2012 and older models, although domestic — and to a lesser extent Korean — brand prices were commonly soft regardless of the vintage.

Regarding trucks, losses for any one pickup truck or utility segment failed to surpass the 12% mark for the second year in a row. In fact, excluding 2008’s historic nosedive, the last time more than one truck or utility segment lost over 14% of its value occurred back in 2006. While the vast majority turned in impressive performances, certain models stood out from the crowd. Among compact utilities, Jeep Wrangler prices dipped by just 2% to 4% versus roughly 12% for the segment as a whole, while Toyota FJ Cruiser prices actually increased in certain cases. Similarly, depreciation for Toyota’s 4Runner averaged a paltry 2%, or more than 8-percentage points better than the mid-size utility segment’s already low 10.3% figure.

With prices for the pair falling by a slim 5.5%, the mid-size and large pickup segments turned in the industry’s best performances last year. Considering the year was the



## [ NEW & USED MARKET TRENDS *CONTINUED* ]

fourth in a row where depreciation failed to exceed 6%, pickup truck owners find themselves in a fortunate equity position.

As for luxury car segments, even though depreciation was high in certain cases, all realized an improvement versus 2014's rate of decline. Luxury large car and luxury mid-size car prices fell by respective averages of 19% and 17.5% over the year, up 2- to 3-percentage points versus 2014, while the luxury compact car decline of 16% was a 1-point improvement. Luxury mid-size and luxury compact utility losses reached a comparatively mild average of 13% last year, little changed from 2014's decrease.

### AUCTION VOLUME TRENDS

Due to the Christmas holiday, auction sales volume of models up to eight years old fell by 2% over the four week period ending December 21 compared to the prior four week period, reaching 302,000 units. Volume was, however, 6% higher than over the same period last year.

On an annual basis, auction sales of models up to eight years old reached 4.17 million in 2015, up 5% versus 2014. Last year's figure was also the highest recorded since 2010 when volume reached 4.77 million units.

As far as late model volume is concerned, just over 3 million sales of vehicles up to five years old were recorded in 2015, up 12% from 2014's total of 2.67 million. At a segment level, late model volume increased most for large pickups (+40%) and subcompact cars (+35%), followed by compact cars (+21%) and luxury subcompact/compact utilities (+20%). Luxury mid-size car volume went unchanged, while luxury large utility volume fell 2%.

Even though its portion of total auction sales fell by 1.6-percentage points, the mid-size

Auction Volumes: Vehicles up to Five Years Old

| Segment                           | CY14 Vol  | CY15 Vol  | YoY % Diff | CY14 Share | CY15 Share | Share Diff (ppt) |
|-----------------------------------|-----------|-----------|------------|------------|------------|------------------|
| Compact Car                       | 396,978   | 479,668   | 21%        | 14.8%      | 16.0%      | 1.1%             |
| Large Car                         | 160,671   | 187,278   | 17%        | 6.0%       | 6.2%       | 0.2%             |
| Large Pickup                      | 184,216   | 258,093   | 40%        | 6.9%       | 8.6%       | 1.7%             |
| Large Utility                     | 45,907    | 46,954    | 2%         | 1.7%       | 1.6%       | -0.2%            |
| Luxury Large Car                  | 24,883    | 25,580    | 3%         | 0.9%       | 0.9%       | -0.1%            |
| Luxury Large Utility              | 23,861    | 23,352    | -2%        | 0.9%       | 0.8%       | -0.1%            |
| Luxury Mid-Size Car               | 64,626    | 64,681    | 0%         | 2.4%       | 2.2%       | -0.3%            |
| Luxury Mid-Size Utility           | 69,384    | 71,328    | 3%         | 2.6%       | 2.4%       | -0.2%            |
| Luxury Subcompact/Compact Car     | 157,252   | 166,583   | 6%         | 5.9%       | 5.5%       | -0.3%            |
| Luxury Subcompact/Compact Utility | 20,746    | 24,924    | 20%        | 0.8%       | 0.8%       | 0.1%             |
| Mid-Size Car                      | 568,331   | 590,850   | 4%         | 21.3%      | 19.7%      | -1.6%            |
| Mid-Size Pickup                   | 30,848    | 33,431    | 8%         | 1.2%       | 1.1%       | 0.0%             |
| Mid-Size Utility                  | 268,855   | 276,268   | 3%         | 10.1%      | 9.2%       | -0.9%            |
| Mid-Size Van                      | 110,099   | 120,276   | 9%         | 4.1%       | 4.0%       | -0.1%            |
| Other*                            | 117,866   | 133,369   | 13%        | 4.4%       | 4.4%       | 0.0%             |
| Subcompact Car                    | 124,770   | 168,637   | 35%        | 4.7%       | 5.6%       | 1.0%             |
| Subcompact/Compact Utility        | 304,834   | 331,538   | 9%         | 11.4%      | 11.0%      | -0.4%            |
| Grand Total                       | 2,674,127 | 3,002,810 | 12%        |            |            |                  |

\*Includes sports car and large van segments

## [ NEW & USED MARKET TRENDS *CONTINUED* ]

car segment's 19.7% share was still tops in the industry. The compact car (16%) and subcompact/compact utility (11%) segments recorded the second and third highest share of auction volume last year. While the large pickup segment picked up nearly 2-percentage points of share — the most of any segment — 2015's 8.6% share was still below 2009's 9.6% figure.

### JANUARY USED VEHICLE PRICE FORECAST

Coinciding with the steady receipt of tax refund checks, used vehicle prices gradually improve over a given first quarter before tapering off as spring progresses. While we expect a similar pattern to play out over the next few months, we believe higher supply will dampen this year's Q1 rise.

NADA Used Car Guide's forecast for the quarter has prices of vehicles up to eight years old flat-to-up a slight 0.5% in January compared to December. Prices are then expected to rise by roughly 1% per month in February and March.

While January's forecast is similar to the average change recorded for the month over the past decade, the same can't be said for February and March as the 1.5% to 2% increase in prices expected by the end of the quarter is substantially less than the 5% rise averaged from 2010 – 2015 (prices increased by 4% from December to March last year.)

At a segment level, it's expected prices of large SUVs, large pickups, mid-size vans and mid-size pickups will increase by more than 2% by the end of March. Prices of subcompact cars, compact cars and luxury large cars should remain little changed from December levels. Changes for remaining segments are scheduled to fall within this range.

### JANUARY OFFICIAL USED CAR GUIDE VALUE MOVEMENT

Trade-in values in January's edition of the NADA Official Used Car Guide® decreased by 0.05% relative to December. Car values were reduced by 0.12%, while truck values were increased by 0.07%. Falling by an average of 1.2%, luxury mid-size car values suffered most for the month. All other mainstream and luxury car segments alike were reduced, sans mid-size and large cars, which increased by 0.4% and 0.09%, respectively. On the opposite end of the spectrum, mid-size pickups performed the best. As a result, values

## [ NEW & USED MARKET TRENDS *CONTINUED* ]

were increased by 1%. Large SUV and luxury large truck values were reduced by an average of 0.3% followed by smaller drops in the mid-size van and luxury mid-size utility segment.

### NEW VEHICLE SALES RISE BY 9%, SAAR AT 17.22M UNITS

New vehicle deliveries improved in December by 9%, the fourth straight month of year-over-year gains. The 2015 calendar year saw a 5.8% increase in sales versus 2014, making it the best year ever as deliveries reached a historic 17.39 million units, which surpassed the record mark of 17.35 million sales set in 2000.

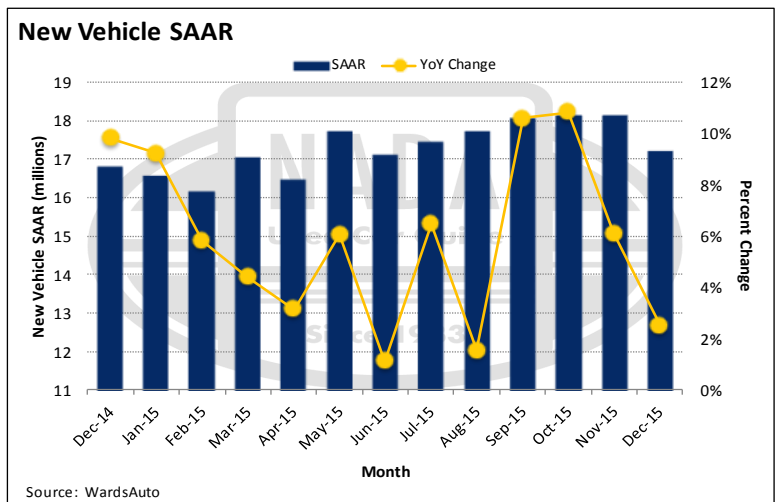
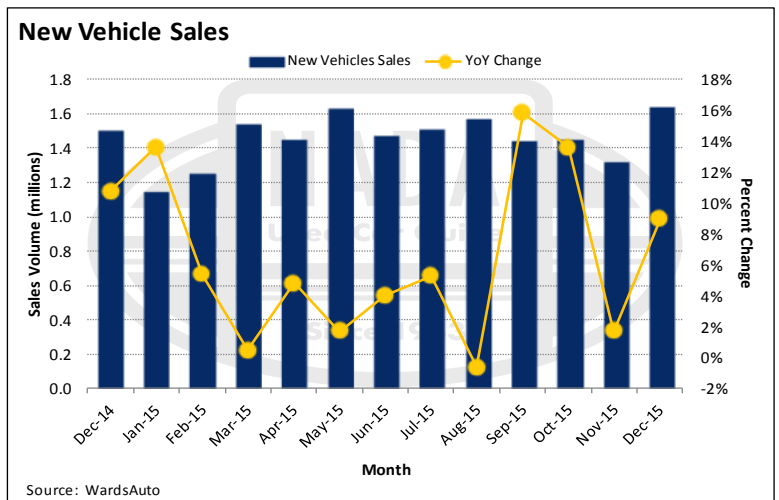
### DOMESTICS ATTAIN 8.4% SALES GROWTH

The U.S. Big Three collectively grew deliveries by 8.4% in December while their 12-month tally was up 5.8% compared to last year.

Fiat Chrysler Automobiles bested its domestic counterparts with sales jumping by 13% for the month and 7.3% for the year. Typical for much of FCA’s comeback, Jeep was the catalyst for the company’s push in December with deliveries up nearly 42%. Every Jeep model exhibited double-digit increases year-over-year while the new Renegade added roughly 9,000 sales to the bottom line.

Ford Motor Company followed suit with its 8% sales gain last month, with deliveries 5.4% higher at the end of the year than in 2014. Lincoln sales rose by 12% and were led by the MKX and MKZ, while Ford deliveries were up 7.8% as the F-Series, Explorer, and Transit performed noticeably well.

General Motors experienced 5.7% growth in December and wrapped up 2015 with sales up 5% year-over-year. Cadillac stood out with deliveries increasing by an impressive 29%



## [ NEW & USED MARKET TRENDS *CONTINUED* ]

after every one of its models improved by 20% or more, excluding the CTS. Meanwhile, GMC contributed to the bottom line by boosting its sales 13%, largely due to its popular Canyon and Savana models.

### IMPORT SALES CLIMB BY 9.3%, BUT EUROPEANS FLOUNDER

With deliveries up 9.3%, import brands outperformed domestics for the month, but were just short of U.S. automakers' yearly total with sales up 5.7%, collectively.

Korean manufacturers saw mixed results as Hyundai experienced a dip in sales last month, and Kia deliveries improved by 19%. Meanwhile, Japanese brands were the biggest winners in December with deliveries for the group rising by 13%. The Japanese Big Three — which consists of Toyota Motor Sales, American Honda Motor Co., and Nissan North America — increased deliveries by almost 13%, while smaller nameplates proved to be in high demand as well. Mitsubishi, Mazda and Subaru saw sales climb by 21%, 18% and 13%, respectively.

Nissan North America hauled in 19% more deliveries than it did a year ago and was able to finish the calendar year with a sales jump of 7.1%. Infiniti's December sales were up 26% — due to the popular QX50 crossover — while Nissan deliveries grew by 18% thanks to its Rogue and Murano models posting great results.

Toyota Motor Sales realized nearly 11% growth last month, but the company's 5.3% sales improvement year-over-year trailed the industry average. Lexus exhibited a 3.8% sales gain with much of the increase from its all-new NX crossover model. Toyota picked up a lot of slack as the volume brand improved deliveries by 12% with help from brisk sales of its RAV4 and Camry models.

| Mainstream Brand Performance (Units Sold) |         |         |         |             |          |
|---|---------|---------|---------|-------------|----------|
|   | Dec-15  | Nov-15  | Dec-14  | Change From |          |
|   |         |         |         | Month Ago   | Year Ago |
| Buick                                     | 20,708  | 15,960  | 20,357  | ● 30%       | ● 1.7%   |
| Chevrolet                                 | 188,794 | 156,907 | 184,938 | ● 20%       | ● 2.1%   |
| Chrysler                                  | 24,292  | 23,953  | 30,930  | ● 1.4%      | ● -21%   |
| Dodge                                     | 49,256  | 38,938  | 46,578  | ● 26%       | ● 5.7%   |
| Fiat                                      | 3,805   | 3,029   | 3,784   | ● 26%       | ● 0.6%   |
| Ford                                      | 220,799 | 174,421 | 204,870 | ● 27%       | ● 7.8%   |
| GMC                                       | 59,941  | 43,039  | 53,038  | ● 39%       | ● 13%    |
| Honda                                     | 134,070 | 103,197 | 119,472 | ● 30%       | ● 12%    |
| Hyundai                                   | 63,508  | 60,007  | 64,507  | ● 5.8%      | ● -1.5%  |
| Jeep                                      | 89,654  | 68,903  | 63,274  | ● 30%       | ● 42%    |
| Kia                                       | 54,241  | 45,553  | 45,587  | ● 19%       | ● 19%    |
| Mazda                                     | 29,294  | 22,732  | 24,808  | ● 29%       | ● 18%    |
| Mini                                      | 5,009   | 4,444   | 6,615   | ● 13%       | ● -24%   |
| Mitsubishi                                | 7,887   | 6,772   | 6,545   | ● 16%       | ● 21%    |
| Nissan                                    | 124,207 | 95,389  | 105,311 | ● 30%       | ● 18%    |
| Ram                                       | 48,627  | 39,322  | 46,639  | ● 24%       | ● 4.3%   |
| Scion                                     | 5,513   | 5,183   | 3,817   | ● 6.4%      | ● 44%    |
| Smart                                     | 669     | 662     | 973     | ● 1.1%      | ● -31%   |
| Subaru                                    | 56,274  | 46,070  | 49,923  | ● 22%       | ● 13%    |
| Toyota                                    | 191,457 | 154,994 | 171,361 | ● 24%       | ● 12%    |
| Volkswagen                                | 30,956  | 23,882  | 34,058  | ● 30%       | ● -9.1%  |

Source: WardsAuto

| Luxury Brand Performance (Units Sold) |        |        |        |             |          |
|---------------------------------------|--------|--------|--------|-------------|----------|
|                                       | Dec-15 | Nov-15 | Dec-14 | Change From |          |
|                                       |        |        |        | Month Ago   | Year Ago |
| Audi                                  | 20,399 | 16,700 | 19,238 | ● 22%       | ● 6.0%   |
| BMW                                   | 34,625 | 32,003 | 41,526 | ● 8.2%      | ● -1.7%  |
| Acura                                 | 16,823 | 12,244 | 17,809 | ● 37%       | ● -5.5%  |
| Alfa Romeo                            | 57     | 44     | 67     | ● 30%       | ● -15%   |
| Cadillac                              | 20,787 | 13,390 | 16,150 | ● 55%       | ● 29%    |
| Infiniti                              | 15,093 | 11,694 | 12,007 | ● 29%       | ● 26%    |
| Jaguar                                | 1,197  | 1,065  | 1,683  | ● 12%       | ● -29%   |
| Land Rover                            | 8,441  | 6,539  | 5,754  | ● 29%       | ● 47%    |
| Lexus                                 | 41,380 | 29,340 | 39,879 | ● 41%       | ● 3.8%   |
| Lincoln                               | 10,860 | 7,918  | 9,690  | ● 37%       | ● 12%    |
| Mercedes-Benz                         | 38,249 | 32,813 | 37,297 | ● 17%       | ● 2.6%   |
| Porsche                               | 3,936  | 4,450  | 3,275  | ● -12%      | ● 20%    |
| Volvo                                 | 9,341  | 6,902  | 4,920  | ● 35%       | ● 90%    |

Source: WardsAuto



## [ NEW & USED MARKET TRENDS *CONTINUED* ]

American Honda Motor Co. December sales realized a 9.9% improvement in deliveries, which raised its yearly sales total for 2015 by 3%. Civic, Accord, and HR-V models had a lot to do with Honda’s 12% sales growth year-over-year. On the other hand, the manufacturer’s luxury brand, Acura, struggled with a 5.5% decrease in deliveries as only the ILX model managed to increase its sales versus 2014.

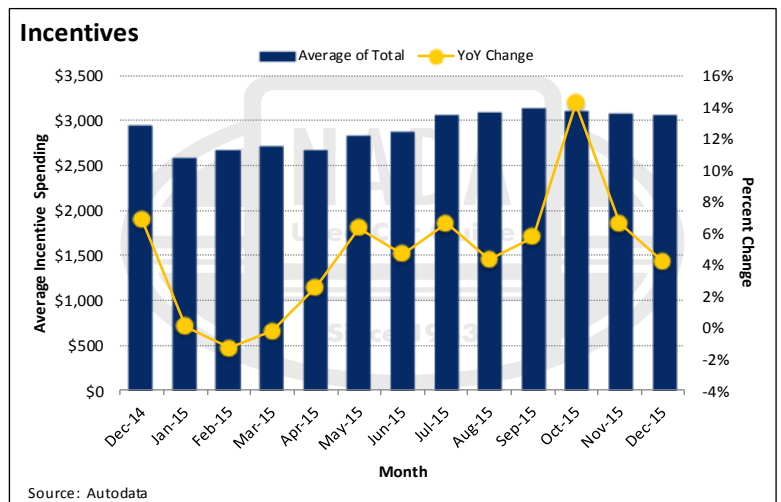
Although Jaguar Land Rover and Volvo were up 30% and 90%, respectively, European sales fell by 1.6% as German makes combined to sell 6.4% fewer vehicles than a year ago. BMW and Volkswagen proved to be the biggest laggards. Combined, the two brands saw a 14% sales decline. Audi saw 6% growth, which failed to keep up with the industry average. With sales up 20%, Porsche was truly the only bright spot in the U.S.-spec German vehicle portfolio.

### INCENTIVES UP 4.2% YEAR-OVER-YEAR

Per Autodata, average incentives were \$3,073 per unit in December, which was an increase of 4.2% versus last year. For the year, average spending rose by 4.7% to reach \$2,923 per unit.

Altogether, domestic automakers saw incentives increase by 9.5% per unit on average. Of note, Ford Motor Company’s spending was up just 1% compared to General Motors and Fiat Chrysler with 16% and 9.9% increases, respectively.

With average spending per unit up 22%, Toyota Motor Sales exhibited a much different incentives strategy from its Honda and Nissan counterparts. American Honda Motor Co. cut back by a significant 23% per unit while Nissan North America’s spending was relatively flat — down 0.4% on average for the month.



BMW’s slower December sales can be partially explained by its reduction of incentives, which were down by 19% per unit on average. Mercedes-Benz pulled back spending slightly more with a decrease of 21%, while Audi’s incentive spend was 6.5% lower, on average.



**[ NEW & USED MARKET TRENDS *CONTINUED* ]**

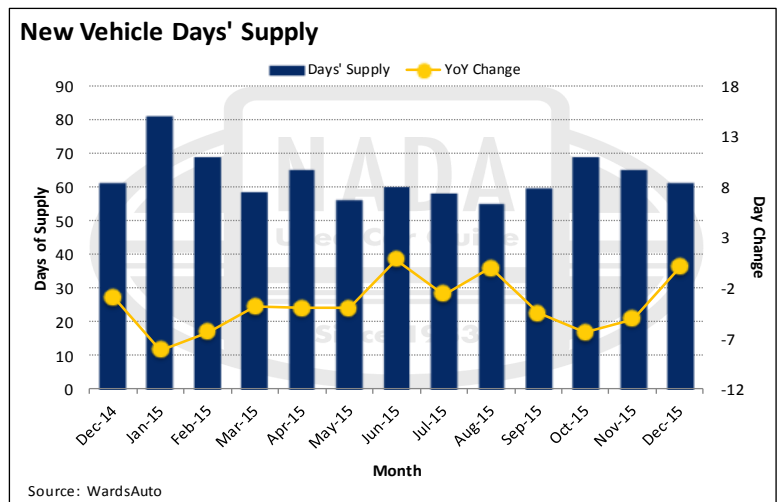
Volkswagen opened up its checkbook and ramped up its incentives by 69% in order to combat negative press and consumer sentiment in light of revelations it cheated on diesel emissions testing in the United States and other markets around the world. Meanwhile, competitors such as Subaru and Mazda enjoyed notable sales successes despite declines in spending of 26% and 8.9% per unit on average, respectively.

**DAYS' SUPPLY FALLS BY 4 DAYS**

The auto industry experienced a 4 day drop in days' supply versus November, which brought December's supply level to 61 days — which is the same level as last year.

General Motors' inventory level of 61 days' supply at the end of December was 19 days below Ford Motor Company and 21 days below Fiat Chrysler. On the other hand, the Japanese Big Three saw their supply levels at 41 days (Toyota Motor Sales), 50 days (American Honda Motor Co.) and 64 days (Nissan North America).

At just 17 days' supply, Subaru had the lowest inventory level in December, while Fiat's struggling sales resulted in an extreme surplus of vehicles, which was 173 days.



## [ ECONOMIC UPDATE ]

Despite facing challenges at the domestic level, along with a rapidly transforming global landscape, the U.S. economy grew at a fairly healthy pace in the third quarter of 2015. Strong consumer and business spending offset efforts by companies to reduce an inventory glut. The behavior underscores the economy's resilience despite a raft of headwinds.

According to the Commerce Department, GDP grew at a 2% annual pace, instead of the 2.1% rate reported in November. While that was a sharp deceleration from the brisk 3.9% pace logged in the April – June period, growth remained around the economy's long-run potential.

Consumer spending, which accounts for more than two-thirds of U.S. economic activity, grew at a 3% rate in the third quarter as previously estimated. A downward revision to spending on services was offset by a small upward adjustment to goods outlays. Spending is supported by a strengthening labor market, rising home values, and very soft gasoline prices. Savings, which are near three-year highs, and low inflation are also helping to underpin consumption.

U.S. job growth surged in December and employment for the prior two months was revised sharply higher by 50,000 jobs, suggesting a recent manufacturing-led slowdown in economic growth would be temporary. Nonfarm payrolls increased by 292,000 last month, and the unemployment rate held steady at a 7.5-year low of 5%, even as more people entered the labor force, a sign of confidence in the labor market.

Wage growth will come under scrutiny this year. Despite the drop in average hourly earnings in December, the year-on-year gain in earnings was 2.5% in December compared to 2.3% in November. That was mostly because wages were unusually weak in December 2014. Wage growth is expected to accelerate by the middle of the year as the labor market settles into full employment.

In December, the Federal Reserve raised its benchmark overnight interest rate by 25 basis points to between 0.25% – 0.50%, the first increase in nearly a decade. The rate hike was a vote of confidence in the economy, which has been buffeted by slower global demand, a strong dollar, and spending cuts in the energy sector.

## [ ECONOMIC UPDATE *continued* ]

Home prices increased slightly in November to \$220,300 according to the National Association of Realtors. This was an increase of 0.5% from October and a year-over-year increase of 6.3%. As we move into the winter months, there is likely to be some seasonal alleviation on prices; however, year-over-year gains will likely remain strong.

Homes sold at a seasonally adjusted annual rate of 4.76 million homes in November, a decrease of 10.5% from October and a 3.8% drop from the same month last year. Until December home sales are released, it will be difficult to read to what extent the drop in sales was caused by the new Truth in Lending and Real Estate Settlement Procedures form integration — a probable primary cause of the large decrease. If this is the case, sales in November were likely in the 5 million-plus range. Due to closing delays, many of the homes that would have been recorded in November as sales won't be recorded until December.

Gasoline prices ended the year averaging \$2.04 per gallon in December, a 50 cent, or 19.6%, decrease. For the year, gasoline prices averaged \$2.42 per gallon, which is 94 cents, or 28%, lower than the \$3.36 per gallon yearly average in 2014. The sizeable decrease in gasoline pricing over the last year has been a result of the ongoing global crude surplus which has forced both WTI and Brent crude pricing indices to historic lows. While consumers are not necessarily concerned about what this means for the energy market as whole, lower fuel prices have likely supported the uptick in consumer spending in recent months. Industry leaders expect pricing in 2016 to remain in the low-to mid- \$2.00 range which will continue to make consumers happy.

## [ NADA OFFICIAL USED CAR GUIDE® TRENDS ]

### Monthly Change in NADA Used Car Guide Value: December 2015 vs. January 2016

| NADA Segment             | 2009MY  | 2010MY  | 2011MY  | 2012MY  | 2013MY  | 2014MY  | 2015MY* |
|--------------------------|---------|---------|---------|---------|---------|---------|---------|
| Compact Car              | ↘ -0.7% | ↘ -0.3% | ↘ -0.7% | ↘ -0.7% | ↘ -0.2% | ↗ 1.3%  | ↘ 0.3%  |
| Compact Utility          | ↘ 0.0%  | ↘ -0.5% | ↘ 0.0%  | ↘ -0.4% | ↘ -0.2% | ↗ 0.5%  | ↘ 0.1%  |
| Large Pickup             | ↘ -0.2% | ↘ -0.6% | ↘ -0.1% | ↘ -0.2% | ↘ -0.1% | ↗ 0.6%  | ↘ -0.2% |
| Large SUV                | ↘ -0.2% | ↘ 0.0%  | ↘ -0.5% | ↘ 0.4%  | ↘ 0.2%  | ↘ -1.2% | ↘ -1.4% |
| Luxury Compact Car       | ↘ -0.9% | ↘ -0.9% | ↘ 0.0%  | ↘ -0.4% | ↘ 0.0%  | ↘ 0.2%  | ↗ 4.0%  |
| Luxury Compact Utility   | ↗ 2.2%  | ↘ 0.1%  | ↘ -0.1% | ↘ -0.4% | ↘ -0.3% | ↘ 0.5%  | ↗ 1.4%  |
| Luxury Mid-Size Car      | ↘ -1.2% | ↘ -0.5% | ↘ -0.5% | ↘ 0.0%  | ↘ -1.4% | ↘ -2.1% | ↘ -0.8% |
| Luxury Mid-Size Utility  | ↘ -0.2% | ↘ -0.7% | ↘ 0.0%  | ↘ -0.2% | ↘ 0.2%  | ↘ -0.8% | ↗ 1.2%  |
| Mid-Size Car             | ↘ -0.7% | ↘ -0.6% | ↘ -0.8% | ↗ 0.6%  | ↗ 0.7%  | ↗ 1.5%  | ↗ 0.7%  |
| Mid-Size Utility         | ↘ -0.4% | ↘ -0.5% | ↘ -1.1% | ↘ -0.1% | ↗ 1.1%  | ↗ 0.6%  | ↗ 0.9%  |
| Mid-Size Van             | ↘ 0.0%  | ↘ -2.0% | ↘ -0.5% | ↘ -0.8% | ↗ 1.1%  | ↘ 0.4%  | ↘ 0.2%  |
| Premium Luxury Large Car | ↘ -0.2% | ↗ 0.7%  | ↗ 0.6%  | ↗ 0.7%  | ↗ 0.5%  | ↘ -1.4% | ↗ 16.5% |
| Subcompact Car           | ↘ -0.4% | ↘ -1.7% | ↘ -0.5% | ↘ -1.9% | ↘ -0.5% | ↗ 0.7%  | ↘ -0.3% |

\*Value movement can be influenced by newly valued vehicles.

### Annual Change in NADA Used Car Guide Value: January, 2015 vs. 2016

| NADA Segment*            | 7YR    | 6YR    | 5YR    | 4YR    | 3YR   | 2YR   | 1YR   |
|--------------------------|--------|--------|--------|--------|-------|-------|-------|
| Compact Car              | -8.3%  | -2.2%  | -4.2%  | -2.3%  | -1.2% | -2.2% | 5.1%  |
| Compact Utility          | -1.7%  | 6.6%   | 2.9%   | -0.1%  | 0.7%  | 0.6%  | 8.1%  |
| Large Pickup             | 5.6%   | 4.5%   | 7.1%   | 4.8%   | -1.5% | 9.0%  | 19.3% |
| Large SUV                | 9.0%   | 6.1%   | 10.4%  | 6.5%   | 12.2% | 9.6%  | 33.6% |
| Luxury Compact Car       | -1.3%  | -3.1%  | -4.6%  | -5.8%  | 2.1%  | -0.9% | -9.5% |
| Luxury Compact Utility   | 11.6%  | 6.8%   | -0.5%  | 0.3%   | -1.8% | 2.8%  | -3.2% |
| Luxury Mid-Size Car      | -3.5%  | 6.4%   | 1.9%   | 0.1%   | 4.1%  | 2.7%  | -6.9% |
| Luxury Mid-Size Utility  | 2.1%   | -0.9%  | 1.4%   | 1.6%   | -3.2% | -1.3% | -3.6% |
| Mid-Size Car             | -4.4%  | -6.6%  | -2.5%  | -2.4%  | 3.4%  | 3.6%  | 2.7%  |
| Mid-Size Utility         | -4.4%  | 6.6%   | 9.9%   | 2.0%   | 5.1%  | 2.1%  | -0.8% |
| Mid-Size Van             | 1.8%   | 1.8%   | 18.3%  | -5.7%  | 6.4%  | 4.9%  | 8.3%  |
| Premium Luxury Large Car | 8.8%   | 3.3%   | -8.3%  | -0.9%  | 2.8%  | 13.0% | 1.4%  |
| Subcompact Car           | -14.8% | -10.2% | -17.1% | -14.7% | -3.0% | -1.7% | -0.6% |

\*Value differences can be the result of changes in segment mix (i.e. models entering/leaving), model redesigns, and overall market performance.

### YTD Change in NADA Used Car Guide Value: January — December 2015

| NADA Segment             | 2008MY | 2009MY | 2010MY | 2011MY | 2012MY | 2013MY | 2014MY* |
|--------------------------|--------|--------|--------|--------|--------|--------|---------|
| Compact Car              | -22.7% | -22.9% | -23.0% | -18.1% | -12.4% | -15.2% | -11.4%  |
| Compact Utility          | -17.9% | -16.5% | -12.8% | -12.3% | -9.2%  | -8.4%  | -6.6%   |
| Large Pickup             | -8.5%  | -6.2%  | -7.6%  | -8.5%  | -7.5%  | 2.3%   | -6.7%   |
| Large SUV                | -8.3%  | -10.3% | -7.1%  | -9.3%  | 0.4%   | 6.3%   | -4.3%   |
| Luxury Compact Car       | -21.2% | -20.3% | -16.0% | -16.0% | -11.1% | -18.6% | -22.5%  |
| Luxury Compact Utility   | -21.5% | -17.4% | -17.2% | -17.6% | -11.7% | -11.0% | -14.1%  |
| Luxury Mid-Size Car      | -21.3% | -19.9% | -16.9% | -15.7% | -12.2% | -16.1% | -21.9%  |
| Luxury Mid-Size Utility  | -19.8% | -17.4% | -16.3% | -12.3% | -17.4% | -14.5% | -16.3%  |
| Mid-Size Car             | -21.6% | -21.2% | -18.9% | -19.4% | -9.9%  | -14.5% | -13.0%  |
| Mid-Size Utility         | -16.4% | -16.1% | -14.3% | -13.0% | -6.0%  | -10.7% | -10.9%  |
| Mid-Size Van             | -17.7% | -14.8% | -17.4% | -19.4% | -1.6%  | -8.3%  | -8.5%   |
| Premium Luxury Large Car | -21.2% | -17.6% | -15.2% | -16.5% | -18.8% | -18.6% | -20.8%  |
| Subcompact Car           | -24.1% | -24.2% | -23.3% | -23.0% | -18.4% | -18.5% | -12.9%  |

\*Value movement can be influenced by newly valued vehicles.

# AT NADA USED CAR GUIDE

## What's New

Get Ahead with NADA Lender Advantage. Getting ahead in tomorrow's marketplace is going to get harder, but NADA Lender Advantage is here to help. Our team of experts offers a full suite of vehicle analysis services — backed by Used Car Guide's vast data and extensive industry experience — that puts you in the fast lane for success. Services include:

- Vehicle risk analysis
- Remarketing planning
- Portfolio analysis
- Stress testing

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**See how we can help your business >> Go to [nada.com/advantage](http://nada.com/advantage).**

## On the Road

Ryan Morris will attend the 2016 Chicago Auto Show in Chicago, Feb. 11 – 12.

Mike Stanton, Jonathan Banks, and NADA Used Car Guide staff will attend the 2016 Automotive Forum in New York City on March 22.

Mike Stanton, Jonathan Banks, Dan Ruddy, and members of the NADA Used Car Guide staff will attend the 2016 NADA Convention in Las Vegas, March 31 – April 3.

## About NADA Used Car Guide, a division of J.D. Power and Associates

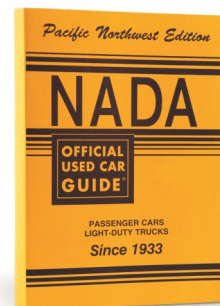
Since 1933, NADA Used Car Guide has earned its reputation as the leading provider of vehicle valuation products, services and information to businesses throughout the United States and worldwide. NADA Used Car Guide's team collects and analyzes over one million combined automotive and truck wholesale and retail transactions per month. Its guidebooks, auction data, analysis and data solutions offer automotive/truck, finance, insurance and government professionals, the timely information and reliable solutions they need to make better business decisions. Visit [nada.com/b2b](http://nada.com/b2b) to learn more about solutions for your business and [nada.com/usedcar](http://nada.com/usedcar) to stay abreast of the latest used and new vehicle market trends.

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## NADA USED CAR GUIDE CONSULTING SERVICES

NADA Used Car Guide's market intelligence team leverages a database of nearly 200 million automotive transactions and more than 100 economic and automotive market-related series to describe the factors driving current trends to help industry stakeholders make more informed decisions. Analyzing data at both wholesale and retail levels, the team continuously provides content that is both useful and usable to the automotive industry, financial institutions, businesses and consumers.

Complemented by NADA Used Car Guide's analytics team, which maintains and advances its internal forecasting models and develops customized forecasting solutions for automotive clients, the market intelligence team is responsible for publishing white papers, special reports and the Used Car & Truck Blog. Throughout every piece of content, the team strives to go beyond what is happening in the automotive industry to confidently answer why it is happening and how it will impact the market in the future.

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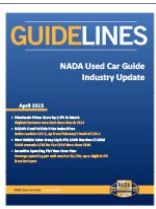
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## ADDITIONAL RESOURCES



### Guidelines

Updated monthly with a robust data set from various industry sources and NADA Used Car Guide's proprietary analysis, *Guidelines* provides the insight needed to make decisions in today's market.



### White Papers

NADA Used Car Guide's white papers and special reports aim to inform industry stakeholders on current and expected used vehicle price movement to better maximize today's opportunities and manage tomorrow's risk.



### Perspective

Leveraging data from various industry sources and NADA Used Car Guide's analysts, *Perspective* takes a deep dive into a range of industry trends to determine why they are happening and what to expect in the future.



### Used Car & Truck Blog

Written and managed by the Market Intelligence team, the Used Car & Truck Blog analyzes market data, lends insight into industry trends and highlights relevant events.

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