

Cover Story



2013 Industry Market Report

The Leedom and Associates Industry Market Report is the most comprehensive collection of market and performance data collected exclusively from independent BHPH dealers. In conjunction with *Dealer Business Journal*, Leedom and Associates collects and compiles industry data through numerous outlets including Leedom's industry renowned Independent Dealer Twenty Group program.

This compilation represents our commitment to developing industry data specific to the independent dealer community. For more than 19 years we have collected extensive data about the used vehicle market. Countless hours of collection, input and analysis has resulted in a complete set of industry guidelines that are invaluable to the independent buy here-pay here dealer.

This year the data includes over 450,000 transactions for used vehicles sold during 2012-13. This sampling represents about 3 percent of the vehicle sales by independent BHPH dealers.

Profile of Typical BHPH Dealer	Month	Year
Retail Units Sold	58	504
Total Sales *	\$641,016	\$7,692,192
Total Operating Gross	\$448,148	\$5,377,776
Total Expense w/Bad Debt	\$129,237	\$1,550,844
Total Net Profit (Pre-tax)	\$170,213	\$2,042,556
Net Profit (% of Gross)	38 %	38%
Net Profit (% of Sales)	25%	25%

BHPH Sales Data	
Average Weekly Payment	\$93
Average Contract Term	165 Weeks
Average Down Payment	\$770
Average Pickup Payment	\$356
Average Cost of Unit Sold	\$5,595

Inventory Data - Buy Here-Pay Here Dealer	
Average Used Vehicle Inventory	\$304,766
Days Supply Based on Dollars	47
Days Supply Based on Units	52
Days to Turn Inventory	46
Number of Turns Per Year	7.69

Miscellaneous Data -BHPH Dealer	
Avg. Retail Price of Vehicle Sold	\$11,052
Avg. Wholesale Cost (Purchase Price)	\$4,947
12-month Rolling Charge-Off Rate (\$)	19.68%
12-month Rolling Charge-Off Rate (#)	26.88%

2013

BENCHMARKS

10 Year Trends

YEAR	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Trend
SALES BENCHMARKS											
Avg. Retail Sales Per Month(Lot)	32	30	36	35	36	39	45	46	42	58	▲
Avg. Selling Price	\$7,346	\$7,228	\$7,517	\$ 7,997	\$ 8,778	\$ 9,253	\$ 9,736	\$10,015	\$10,845	\$11,052	▲
Gross Profit Margin	52.8%	52.7%	52.1%	50.22%	50.26%	50.62%	49.90%	49.30%	48.40%	49.40%	▲
Avg. Cost of Goods	\$3,413	\$3,422	\$3,603	\$ 3,981	\$ 4,366	\$ 4,569	\$ 4,876	\$5,076	\$5,204	\$5,595	▲
Avg. Reconditioning	\$388	\$372	\$457	\$ 473	\$ 510	\$ 536	\$ 551	\$584	\$662	\$699	▲
Avg. Down Payment(@ delivery)	\$784	\$714	\$704	\$ 732	\$ 762	\$ 777	\$ 845	\$894	\$895	\$770	▼
Down as Pct. Of Price	10.67%	9.88%	9.37%	9.15%	8.68%	8.40%	8.67%	8.93%	8.25%	6.97%	▼
Avg. Cash In Deal	\$2,979	\$3,058	\$3,249	\$ 3,677	\$ 4,131	\$ 4,347	\$ 4,805	\$4,661	\$4,979	\$4,877	▼
Avg. Term In Weeks	116	116	121	127	134	138	142	149	159	165	▲
Avg. Weekly Payment	\$75	\$76	\$77	\$79	\$83	\$88	\$86	\$88	\$92	\$93	▲
PROFIT BENCHMARKS											
Avg. Net to Gross Ratio	45.6%	41.7%	39.1%	40.4%	40.2%	39.2%	38.9%	35.8%	38.5%	38.0%	▼
Avg. Interest to C/O Ratio	1.38	1.12	1.07	1.06	1.04	0.96	0.94	0.98	1.01	0.85	▼
Avg. Gross Profit	\$3,833	\$3,806	\$3,914	\$ 4,016	\$ 4,412	\$ 4,684	\$ 4,860	\$4,939	\$5,641	\$5,457	▼
INVENTORY BENCHMARKS											
Avg. Days Supply Inventory (\$'s)	50	44	45	46	45	41	45	47	46	47	▲
Avg. Days Supply Inventory (#)	46	45	45	47	46	46	48	46	49	52	▲
Avg. Annual Inventory Turn	7.30	8.30	8.11	7.93	8.12	8.90	8.04	7.74	7.88	7.69	▼
COLECTIONS BENCHMARKS											
Avg. 1-Day:1-Dollar Delinquency	22.74%	23.09%	21.91%	20.82%	24.12%	24.35%	23.12%	21.83%	18.60%	17.79%	▼
Avg. 30+ Day Delinquency	4.63%	4.50%	4.40%	4.74%	5.01%	6.49%	5.66%	6.03%	3.85%	4.20%	▲
Avg. <30 Days Recency	92.36%	95.05%	95.60%	95.20%	94.43%	93.82%	94.80%	95.10%	95.32%	95.18%	▼
Avg. Net Mo. Charge-Off	1.54%	1.33%	1.33%	1.52%	1.45%	1.42%	1.58%	1.48%	1.42%	1.64%	▲
Avg. # of Mo. Charge-Offs	2.54%	2.36%	2.23%	2.28%	2.31%	2.33%	2.22%	2.25%	2.18%	2.24%	▲
Avg. No. of Accounts/Collector	307	282	345	344	352	367	405	408	435	387	▼
EXPENSE BENCHMARKS											
Selling Expense % of OGP	11.6%	11.3%	11.6%	10.5%	10.4%	9.3%	8.8%	9.10%	8.40%	8.60%	▲
Personnel Expense % of OGP	18.3%	16.2%	16.1%	16.0%	15.4%	15.5%	13.7%	13.0%	12.4%	11.2%	▼
Semi-Fixed Expense % of OGP	11.5%	8.5%	11.0%	11.3%	10.8%	9.8%	8.3%	8.1%	7.9%	7.4%	▼
Fixed Expense % of OGP	4.0%	4.1%	4.4%	4.8%	4.6%	4.1%	3.9%	3.5%	3.1%	3.6%	▲
Bad Debt Expense % of OGP	20.3%	20.4%	19.9%	22.1%	21.7%	22.1%	28.1%	31.1%	29.4%	31.3%	▲
Overhead Per Car Sold	\$1,660	\$1,973	\$2,208	\$ 2,191	\$ 2,286	\$ 2,303	\$ 2,230	\$2,406	\$2,671	\$2,373	▼



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Negative Trend



Positive Trend



No Significance

