

Booming vehicle sales, especially trucks, result of 'perfect storm' in B.C.

BY FRANK LUBA, THE PROVINCE JANUARY 21, 2014

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Truck sales have spurred an overall rise in 2013 vehicle sales in B.C. compared to 2012.

Photograph by: Gene J. Puskar, AP

Conditions have made it a "perfect storm" for vehicle buyers, contends New Car Dealers Association of B.C. president Blair Qualey.

But that 'storm' consists of big incentives and lower interest rates that have resulted in purchasers flocking to showrooms to snap up cars and trucks.

B.C. Stats, using data from Statistics Canada that also includes the Yukon, the Northwest Territories and Nunavut, announced Monday that the number of new vehicles sold in the province in November was 12.5 per cent higher than sales in November of 2012.

The year-to-date stats through November also showed that sales were 5.3 per cent higher than the same period in 2012.

The B.C. sales rate of 12.5 per cent for new vehicles was also much higher than the rates in Ontario (7.5 per cent), Alberta (5.3 per cent) or the national increase of 5.4 per cent.

"This past year has been incredibly strong," said Qualey.

While final sales figures aren't in yet, he believes 2013 will surpass 2012's big sales.

"Manufacturers have been running some pretty strong incentive programs," said Qualey. "We've had some of the lowest prices in a generation.

"Incredibly low interest rates don't hurt the cause at all, either," he said. "It's a bit of a perfect storm we've seen in the last few years for consumers.

"Terrific product, great selection, tremendous technology and great prices and low interest rates — it's a perfect combination."

Qualey pointed to features like backup cameras becoming normal on many vehicles when such a gizmo used to be limited to luxury cars.

Truck sales were the driving force behind the jump in new sales volume for B.C. and the territories.

While sales of new passenger vehicles sold increased by 7.8 per cent, the boost in new trucks sold was a whopping 15.7 per cent.

Dick Lau, dealer principal at Cam Clark Ford Lincoln in North Vancouver, believes much of those truck sales were in the B.C. interior and in the north, places where roads are rougher and trucks are handier for jobs in the natural resource industry.

But Lau said the passenger car market is also strong.

"I think that has a lot to do with most manufacturers making it very affordable for consumers," he said.

Incentives, which can reach as much as \$10,000 on some trucks, and lower interest rates are behind that affordability.

But better-built vehicles also allow manufacturers to let consumers pay their vehicles off over longer periods — as much as 84 months.

The result is monthly payments available for as little as \$250 to \$280.

"Those are payments that are very affordable," said Lau. "Five years ago most payments would start in the \$300 range."

The number of new vehicles sold in B.C. and the territories in November 2013 was 14,249, of which 8,738 were trucks and 5,511 were passenger cars. The value of those sales was \$520,328,000.

In November 2012, there were 12,667 vehicles sold (7,553 trucks and 5,114 cars) for a total of \$452,978,000.

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