BULLETIN

COLORADO AUTOMOBILE DEALERS ASSOCIATION

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Colorado Automobile Dealers Association

About Our Association

Representing the franchised new car dealers of Colorado
The Colorado Automobile Dealers Association (CADA) is the voice of the automotive retail industry throughout the state. As the automobile dealer trade association, CADA advocates issues of importance to the auto industry, Colorado auto dealers and Colorado's driving public.

The Denver Automobile Dealers Association started in 1914 to operate the annual Denver Auto Show which dates to back 1902. Colorado Automobile Dealers Association soon followed and both associations operated together with shared staff and a headquartered building. In 2010, after almost eight decades together, the two associations became one. The history now dates over 108 years of high level automotive and mobility impact.

Today, our dealers range from small family-owned dealerships, to nationally operated, multiple-franchise corporations. CADA represents a united front for over 300 new car, truck, motorcycle and RV dealers. From local, state and federal policymakers, to the public and the media, CADA is the voice for Colorado's auto industry.

Matthew Groves
CEO

Making CADA All-Inclusive

In 2023, I spoke at length that the top priority of reforming the Association was to change the way we communicate with dealers. At that time, I laid out three principles: 1) talk less, listen more; 2) focus on the Association, state government, and NADA (not mass media); and 3) include all members of the dealership in our sphere. This year has been very productive in realigning our publications to meet the first two principles.

Every legacy organization has developed infrastructure. And after 100+ years of serving dealers, CADA has accrued a lot of it. Some are functional, some appear functional but are not hard-wired into our systems, and some – honestly – belong in a museum.

Our first steps were to clear out the underbrush. Remarketing platforms, robo-texting applications, and mobile apps were all part of the 'first batch to go'. But, after the easy cuts came the more laborious task of culling our mailing lists.

Our address book goes back so far that some of you have three, four, or even five e-mails listed at various dealerships over the past several decades. Some dealership domains reflect rooftops that sold long before I started at CADA. The process was equal parts entertainment and educational.

However, one place we continue to struggle is including dealership employees. Trying to stay atop staff turnover meant culling through publicly available websites and our CADA e-mail accounts, trying to find old e-mail chains. The process has taken several months. Our final effort to validate data will be to reach out to one of our primary contacts in the shop to ask for data validation. Over the next month, you may receive outreach from someone on staff asking for your assistance in the effort. The message would reflect a table that looks something like the the form on the next page.

Dealership Name					
Brands	Dealer Address	Main Phone	State Rep.	State Senate	US Congress
Title	**Name**	**Email**	**Phone**	**Dealer License #**	
GM					
GSM					
Finance					
Titles					

Inclusion is our goal. CADA has a history of being a top-down organization that communicates with dealer principals and general managers, putting the additional burden of dissemination on them. Our goal is to be able to communicate position-specific data with Titles, Finance, and Service to ensure that our message is both readily available and, in a format, understandable to each silo of the organization. We cannot reach our full potential as a compliance and advocacy organization if we are only communicating with one or two people in the dealership.

Side-by-side with this update, we are pushing basic dealership information (name, address, public phone line – no Personal Identifiable Information) along to our publishers to compile our first membership directory in my time here. Our intent is to list alongside the dealership, the name of the General Manager as the day-to-day operations point of contact. This may be separate from the dealer principal. Some dealer principals prefer it that way, some wish to be also named in the entry.

If you would like to appear in the directory alongside your GM, please contact me and we will be happy to make that addition. This directory will go to all 270 dealerships, our endorsed providers, and our allied members.

Ultimately, as we finish this effort this summer, our infrastructure will be current and functional. It is one thing to be successful in the legislature and the regulatory agencies, but those victories are nominal if we are unable to communicate our successes to the dealer body. And, perhaps, more importantly, this modern infrastructure will fulfill one of the commitments that we made to you last year in moving your Association forward.

Click to watch Compliance Summaries

FTC Prohibits Non-compete Agreements: Major Changes for Employment Contracts

The Federal Trade Commission has passed a rule banning non-compete clauses in most employment contracts, effective August 2024. This landmark decision, passed by a 3-2 vote, aims to enhance employee mobility and fairness in the job market. Check out our video for more information.

New Overtime Exemption Rules by U.S. Department of Labor

The US Department of Labor has issued a final rule updating overtime exemptions under the Fair Labor Standards Act. Starting July 2024, new salary thresholds will impact who qualifies for overtime. Watch the video to here our CEO/ President Matthew Groves explain what this means for you.

Regional Meeting Schedule

6/17	Fort Collins	7/2	Grand Junction
6/18	Loveland	7/3	Glenwood Springs
6/21	Sterling	7/8	Colorado Springs
6/28	Durango	7/9	Pueblo
7/1	Steamboat		

Additional meeting dates and locations including multiple days in Denver will be added and announced shortly.

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ESTATE PLANNING ATTORNEY NETWORK ANNUITIES

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How it works

Devin Saunders
Billow Barrow Fellow for
Government Affairs

Colorado Legislative Session Recap:

The End (for Now)

With the 2024 legislative session adjourning on Wednesday, May 8, we wanted to provide an update on the bills we've been watching. Like many businesses, 80% of the work in the legislature gets done in the final 20% of the time (12 days). With this close flurry of activity, much has been passed or killed in the late-night hours after the cameras turn off and the voters go to bed.
Here's a breakdown:

Tax Policy

Charting a path on property taxes in the wake of gutting the Gallagher Amendment has been a top priority for Democrats in the legislature this session. In the final two weeks of the session, a grand bargain emerged for property tax reform:

- **Property Tax Commission** – In the absence of pliable solutions from the Commission, the Governor's Office reached a deal that reduces income taxes across the board and redirects hundreds of millions of dollars of taxpayer TABOR refunds to low-income parents and middle-class Coloradans.

Under TABOR, the State must refund unspent money to voters. The Democrats' proposal would re-direct TABOR funds to create more than $700 million in new tax credits throughout the next 3 years aimed at reducing poverty through an array of different bills.

For this tax year, the tax rate cuts would total roughly $450 million — a 0.15 percentage point reduction on the state's 4.4% income tax rate. The sales tax rate would also temporarily be reduced.

Since this year's surplus is expected to be about $2 billion, the 0.15% rate cut is expected to be triggered for the 2024 tax year, as well as the sales tax rate reduction to 2.77%, according to the Colorado Sun.

What this means for property tax is that the rates could vary, depending on how much of a surplus the state carries in the TABOR refund pool. This bargain was designed to prevent ballot initiatives on property tax, but the low tax stakeholders are already expressing dissatisfaction with the deal.

Vehicle Licensing Notifications & Lemon Law

CADA has engaged in several bills impacting automotive retail, advocating for policies that protect dealer interests:

- **SB24-189 – Motor Vehicle Lemon Law:** The Center of Auto Safety recently rated Colorado's Lemon Law among the least protective in the nation. The Attorney General requested CADA, CIADA, and the Alliance help to broaden its scope.

CADA's interest in this process has been to ensure that a lemon law dispute remains between a consumer and a manufacturer, though we understand strengthening the law means some impacts to dealers. This proposal has four main components:

- Expands scope to cover motor vehicles affected by life-threatening safety-based nonconformities after one attempt repair;
- Expands duration to the earlier of the 24,000 miles or two years after delivery;
- Prevents the statute of limitations from tolling after a consumer has presented the car for repair;
- Lowers the number of out-of-service business days from 30 to 24; and required repair attempts from four to three.

You may have heard that this bill provides consumers the choice of: 1) a pre-purchase independent inspection of a used vehicle; or 2) a free 7-day right of return. Through negotiations, we have clarified that this program is opt-in (not opt-out) and applies ONLY to rebuilt lemons – not all used vehicles, as some believed.

- **HB24-1089 – Vehicle Electronic Notifications:** Like CADA, DMVs are looking to eliminate the cost and headache of sending registration ready notices by US Mail. This bill allows vehicle owners to opt-in to an email notification program. This includes vehicle registration, renewals, lease renewals, and the issuance of license plates. CADA testified in support of this legislation during the April 9th Senate Finance Committee. This bill has passed the legislature and is awaiting the Governor's signature.

- **HB24-1151 Disclose Mandatory Fees in Advertisements:** This bill sought to reform the way advertisements work to require the disclosure of all non-mandatory fees in the advertisement. CADA has previously exempted dealers as regulated by the motor vehicle board. However, this bill died in the Senate. We may see a modified version next year.

Other Bills on Our Radar

- **SB24-195 – Protect Vulnerable Road Users:** While the original bill died in committee, the second version is aimed at using highway cameras to fine traffic offenders. The fines would then be hoarded to funds dedicated to pedestrian/bike transportation infrastructure. The bill has passed both chambers of the legislature and is awaiting the Governor's signature. However, the additional registration fees originally proposed are not a part of the legislation.
- **SB24-130 – Noneconomic Damages Cap Medical Malpractice Actions:** Existing law limits the amount recoverable for noneconomic damages in medical malpractice actions. This was a business-sponsored bill to help avoid a ballot initiative in November to remove all damage caps. The bill lost in the Senate, following a larger bargain. That bargain became HB214-1472, which raises caps from $250,000 to $1.5 million, adjusted for inflation every 2 years. Wrongful death caps go to $2.125 million.
- **HB24-1014: Deceptive Trade Practice Significant Impact Standard:** For years, the significant public impact standard has been the element that kept lawsuits from becoming class actions. As an easy gateway into court, this bill sought to significantly lower the standard to a nominal one, which would proliferate the number of consumer class actions. Fortunately, due in part to CCJL's work, this bill was killed (for a second year) in the Senate. We will almost certainly see another attempt next year.

We will speak about these initiatives in more prospective terms during our regional meetings. If you have any questions in the meantime, please contact Devin Saunders at devin.saunders@colorado.auto.

The 2024 Legislative Session

705 Bills Introduced

The 2024 Legislative Session offered over 700 bills introduced by the 100 legislators representing Colorado. The number of bills introduced this session is one of the highest in Colorado's state history.

525 Bills Passed

Out of the 705 bills introduced, 525 bills made it through the legislative process and were sent to Governor Polis' office for final approval.

180 Bills Killed

Out of the 705 bills introduced, 180 bills did not make it through the legislative process and were "killed."

12 Bills CADA engaged

As noted before, there were less issues involving car dealers this year at the legislature, so CADA took a position on only 4 bills including Lemon Laws, Vehicle Electronic Notification, Vulnerable Road Users and Deceptive Trade Practices.

3 Bills CADA Testified

Of the 4 bills on which CADA took a position, CADA testified in committee at the Legislature on 3 bills, ensuring the dealership body in Colorado was represented.

Mark Ziegler
Director, Clear the Air Foundation

Clear the Air Foundation Update:

143 Scholarships and $522,552 Invested in Future Careers

The Clear the Air Foundation has reached a milestone. We have awarded 143 scholarships with a total value of over half a million dollars, coming in at $522,552. These scholarships are more than just money, they help students and apprentices get a head start in a very rewarding career by removing some of the financial burden of paying for school and tools. We are grateful for the partnerships with our member dealers and the VXC program which have led to this historic success. If you'd like to participate, please feel free to reach out to me at **mark.zeigler@colorado.auto.**

The following all received scholarships and elected to each receive around $5,000 of tools:

NAME	SCHOOL	EMPLOYER
Jackson Skinner	N/A	Schomp Honda
Mike Lamphere	Odyssey ECCO	Toyota of Motor City
Max Dico	Arapahoe Community College	Mile High Honda
Jonny Garcia	Lincoln Tech	AutoNation Chrysler Jeep Broadway
Josh Suarez	Pikes Peak State College	Phil Long Ford Motor City
Mica Riebel	Pickens Tech	O'Meara Ford
Cesar Valdez	Aims Community College	Loveland Ford

Save the date for the annual CADA member benefit golf tournament hosted by the Clear the Air Foundation. This very popular event will be held at Heritage Eagle Bend Golf Course in Aurora on Wednesday, October 2nd with an 8:30 am shotgun start. More details will be shared in the months to come but put this on your calendar now.

Clear the Air Foundation's April 2024 Donations Recap

DEALER DONOR	TOTAL	VXC
Celebration Chevrolet	30	30
Schomp Ford	18	6
Fowler Chevrolet	18	18
Boulder Nissan	15	15
Mountain States Toyota	14	0
Mile High Honda	14	0
Schomp MINI	12	2
Mike Maroone Chevrolet South	12	1
Foundation Hyundai	11	11
Emich Chevrolet	11	11
Dellenbach Motors	10	3
Schomp Nissan	10	5
Red Rock Hyundai	8	8
Emich Volkswagen	8	8
Pedersen Toyota	8	8
Schomp Hyundai	7	2
Schomp BMW	7	0
The Faricy Boys	6	0
Phil Long Hyundai of Motor City	6	6
Emich Kia	6	5
AutoNation Toyota Arapahoe	6	6
Emich Volkswagen of Boulder	6	5
Tynan's Nissan	5	5
AutoNation Chrysler Jeep Broadway	5	1
Bozarth Chevrolet	5	5
McDonald Hyundai	5	5
Arapahoe Hyundai	5	5
Corwin Toyota Boulder	4	4
Tynan's Volkswagen	4	4
Johnson Auto Plaza	4	0
Loveland Ford	4	4
Mountain Chevrolet	4	1
Markley Motors	4	0
Stevinson Toyota West	4	4
Red Rock Nissan	4	4
Larry H Miller Nissan 104th	3	3
Valley Nissan	3	3
AutoNation Dodge Ram Broadway	3	1
Groove Toyota	3	0
McDonald Volkswagen	3	3
Schomp Honda	2	0
Fort Collins Nissan	2	2
Pueblo Dodge Chrysler Jeep Ram	2	0
Schomp Mazda	2	2
Toyota of Colorado Springs	2	2
Greeley Nissan	2	1
Larry H Miller Ford Lakewood	2	2
Stevinson Toyota East	2	0
McDonald Volvo	2	2
Phil Long Ford of Chapel Hills	2	1
Phil Long Subaru	2	0
Phil Long Ford of Raton	2	0
Prestige Chrysler Dodge Jeep Ram	2	2

Clear the Air Foundation's April 2024 Donations Recap

The Faricy Boys Ford	2	0
Bighorn Toyota	2	2
Foundation Kia	2	2
Fort Collins Kia	2	2
Empire Lakewood Nissan	2	2
Arapahoe Kia	1	1
Crossroads Hyundai	1	1
Hellman Motor Company	1	0
Subaru of Loveland	1	0
Davidson Gebhardt Chevrolet	1	1
Berthod Motors	1	0
Spradley Chevrolet	1	0
Peak Kia	1	1
Polestar Denver	1	1
Larry H Miller Nissan Arapahoe	1	1
AutoNation Subaru West	1	0
Alpine Buick GMC South	1	0
Schomp Subaru	1	0
Valley Mitsubishi	1	1
Bob Penkhus Volkswagen	1	1
McDonald Mazda South	1	1
Stevinson Chevrolet	1	1
Freeway Ford	1	0
Groove Silverthorne	1	1
Morehart Murphy RAC	1	0
Emich Automotive	1	0
AutoNation Chrysler Jeep Arapahoe	1	1
DEALER TOTAL	**373**	**236**

NON-DEALER DONOR	TOTAL	VXC
Boulder Hybrids	10	10
Cherry Creek Automotive	2	2
Denver Botanic Gardens	3	0
Discount Motors	1	1
JFR & Associates	1	1
Jon Jorgenson Insurance, Inc.	1	0
Odyssey ECCO	4	0
Private Donation	4	0
Springs Automotive Group	2	2
SRT	10	10
Tesla Aurora	67	67
Tesla Aurora	1	1
Tesla Colorado Springs	44	44
Tesla Gypsum	9	9
Tesla Loveland	52	52
Urban Motors Blue	3	3
Urban Motors Red	1	1
NON-DEALER TOTAL	**215**	**203**

GRAND TOTAL (JAN – APRIL 2024)	**588**	**439**

CLEAR THE AIR FOUNDATION

Save THE DATE

CTAF Annual Member Golf Event

When: October 2, 2024

Time: 8:30 am Shotgun Start

Location: Heritage Eagle Bend Golf Club in Aurora

17TH CTAF Annual Member Golf Event

How Dealerships Can Avoid Losing Profit On EVs and Hybrids

Written by: Danny Russo

Key Takeaways:

- Dealerships face significant financial risks from unforeseen battery issues in EVs, necessitating advanced diagnostic tools like OBD II-based systems to assess battery health accurately.
- Innovative solutions from companies like vsNEW and Cox Automotive provide detailed VIN-specific battery health reports, enabling dealers to make informed decisions and build customer trust.
- As the automotive market increasingly shifts towards electric vehicles, dealerships that invest in technology to manage EV inventories effectively can capitalize on new market opportunities and gain a competitive edge.

According to J.D. Power, EV batteries can cost anywhere from $4,000 to well over $20,000.

Unforeseen battery issues mean dealers purchasing a BEV (Battery Electric Vehicle) or hybrids based on age or mileage are taking a big risk.

EVs, HEVs and PHEVs utilize complicated primary batteries and electric propulsion systems that are nearly impossible to inspect without the aid of advanced tools that can interface with the vehicle's battery management system (BMS). The challenge of determining battery health is magnified during the trade-in process when dealers are forced to quickly inspect a vehicle and offer an appropriate price to customers on the spot.

High Potential For Profit Loss

While dealers typically build in a monetary buffer for unforeseen issues discovered during reconditioning, the financial impact of EVs and hybrid vehicles is, proportionally, much higher due to the cost of the BEV drivetrain components.

To further complicate things, EVs with similar mileage and conditions may have drastically different battery health profiles. This can be due to everything from charging habits to driving and environmental conditions or owners who regularly push the performance of their EVs to the max.

Environmental concerns, advancements in battery technology, and expanding charging infrastructure are driving the demand for electric vehicles (EVs), which are becoming more appealing and accessible. Additionally, supportive government policies, decreasing ownership costs, and a cultural shift towards sustainability is further accelerating EV adoption worldwide.

To conquer the challenges inherent to the BEV and hybrid market, industry leaders and forward-thinking companies offer solutions that help dealers purchase high-quality EVs representing the future of mobility.

Colorado Automobile Dealers Association

Colorado Auto Outlook™

Coverage of the Colorado new and used vehicle markets

FORECAST

State New Vehicle Market Increased in 1Q '24

Below is a review of key trends in the Colorado new vehicle market.

Results during 1Q 2024
State new light vehicle registrations increased 2.8% during the first three months of 2024 vs. year-earlier levels. National retail market was up 6.9%. As shown on page 2, equivalent U.S. SAAR levels were 15 million units, unchanged from the Fourth Quarter of 2023.

2024 Forecast
According to Auto Outlook's forecast, registrations are now expected to exceed 215,000 units this year and increase 3.3% from 2023. That projection is 11% higher than the total in 2022 when the new vehicle market was significantly impacted by product shortages.

Key determinants for the market
The shaded box on the right reviews the primary forecast determinants. Pent-up demand is still significant and the state labor market is strong. Vehicle affordability is still a concern, but should improve as the year progresses. As pointed out in the previous release of *Auto Outlook,* barring any unforeseen negative shocks (such as the possible escalation of conflict in the Middle East), we think the new vehicle market could be stronger than expected in 2024.

Tracking alternative powertrain sales
State BEV registrations were up 39% in the First Quarter of this year versus a year earlier, and market share increased to 13.8%. BEV share declined from 4Q '23 to the First Quarter of this year, however. Hybrid registrations approached 5,000 units in 1Q '24 and improved 28% versus year earlier. Plug in hybrid market was up 79% (see page 6).

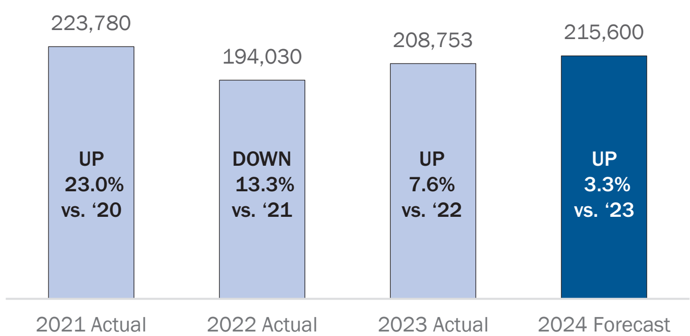
Brands that fared best in early 2024
Among the top 25 sellers in the Colorado market, Dodge, Land Rover, Lexus, Toyota, and Volkswagen had the largest percentage gains in the First Quarter of this year. Toyota, Ford, Subaru, Chevrolet, and Honda were market share leaders.

Top selling models in Colorado
Toyota RAV4, Ford F-Series, Tesla Model Y, Subaru Crosstrek, Toyota 4Runner, Ram Pickup, Chevrolet Silverado, Honda CR-V, GMC Sierra, and Subaru Forester were the top 10 sellers so far this year.

Primary Factors Driving the State New Vehicle Market

- State unemployment rate was 3.5% in February of this year and total employment exceeded pre-pandemic levels.
- Growth in personal income has largely kept pace with inflation. Household wealth is at record-high levels.
- Consumer confidence has fluctuated a bit over the past few months, but is well above the lows in 2022 when inflation concerns were paramount.
- High interest rates continue to put a squeeze on affordability, but the prospects for lower rates later this year, falling vehicle prices, and strong wage gains should lead to improvement in the second half of 2024.
- Pent up demand is the biggest positive for the state market. Auto Outlook estimates that nearly 80,000 new vehicle purchases have been postponed since the onset of the pandemic and ensuing supply chain issues.

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.

Market Summary

	YTD '23 thru Mar.	YTD '24 thru Mar.	% Chg. '23 to '24	Mkt. Share YTD '24
TOTAL	46,735	48,042	2.8%	
Car	5,475	5,473	0.0%	11.4%
Light Truck	41,260	42,569	3.2%	88.6%
Domestic	17,982	17,754	-1.3%	37.0%
European	5,380	5,475	1.8%	11.4%
Japanese	18,030	19,822	9.9%	41.3%
Korean	5,343	4,991	-6.6%	10.4%

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

KEY TRENDS IN COLORADO NEW VEHICLE MARKET

STATE MARKET VS. U.S.

% Change In New Retail Market YTD 2024 thru March vs. YTD 2023	Colorado	U.S.
	UP 2.8%	UP 6.9%

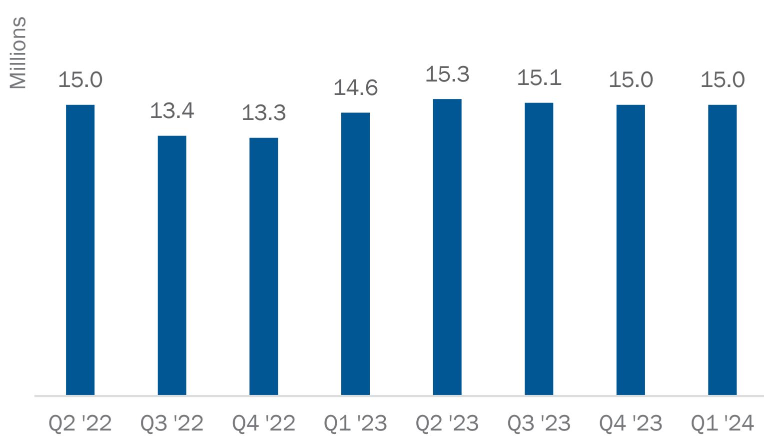
New retail light vehicle registrations in the state increased 2.8% during the first three months of this year vs. year earlier, below the 6.9% improvement in the Nation.

Data sourced from Experian Automotive.

QUARTERLY RESULTS

Colorado Quarterly Registrations

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



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

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 were at 15 million in the First Quarter of this year, unchanged from 4Q ‘23

The market declined 11.6% from the Fourth Quarter of last year to the First Quarter of this year. However, the market typically moves lower in the First Quarter.

% Change in registrations vs. previous quarter (1Q ‘24 vs. 4Q ‘23)

DOWN 11.6%

At Auto Outlook, we strive to provide sound and accurate analyses and forecasts based upon the data available to us. However, our forecasts are derived from third-party data and contain a number of assumptions made by Auto Outlook and its management, including, without limitation, the accuracy of the data compiled. As a result, Auto Outlook can make no representation or warranty with respect to the accuracy or completeness of the data we provide or the forecasts or projections that we make based upon such data. Auto Outlook expressly disclaims any such warranties, and undue reliance should not be placed on any such data, forecasts, projections, or predictions. Auto Outlook undertakes no obligation to update or revise any predictions or forecasts, whether as a result of any new data, the occurrence of future events, or otherwise.

Colorado Auto Outlook

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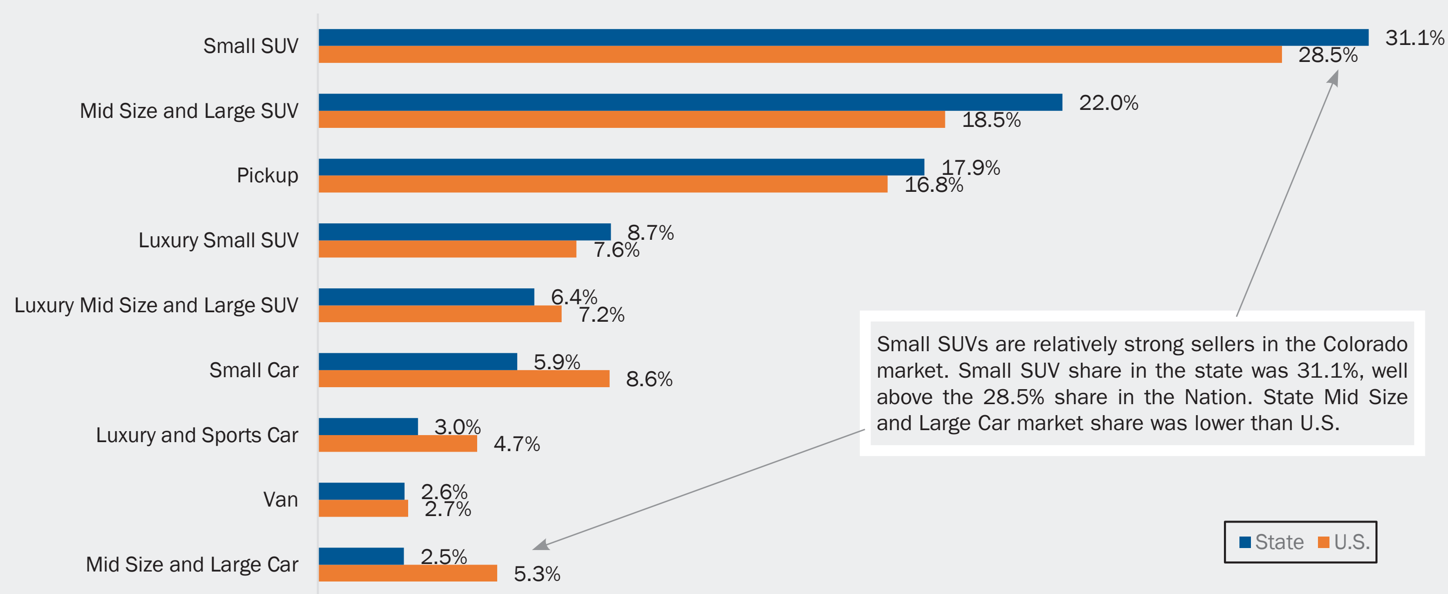
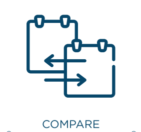
KEY TRENDS IN COLORADO NEW VEHICLE MARKET

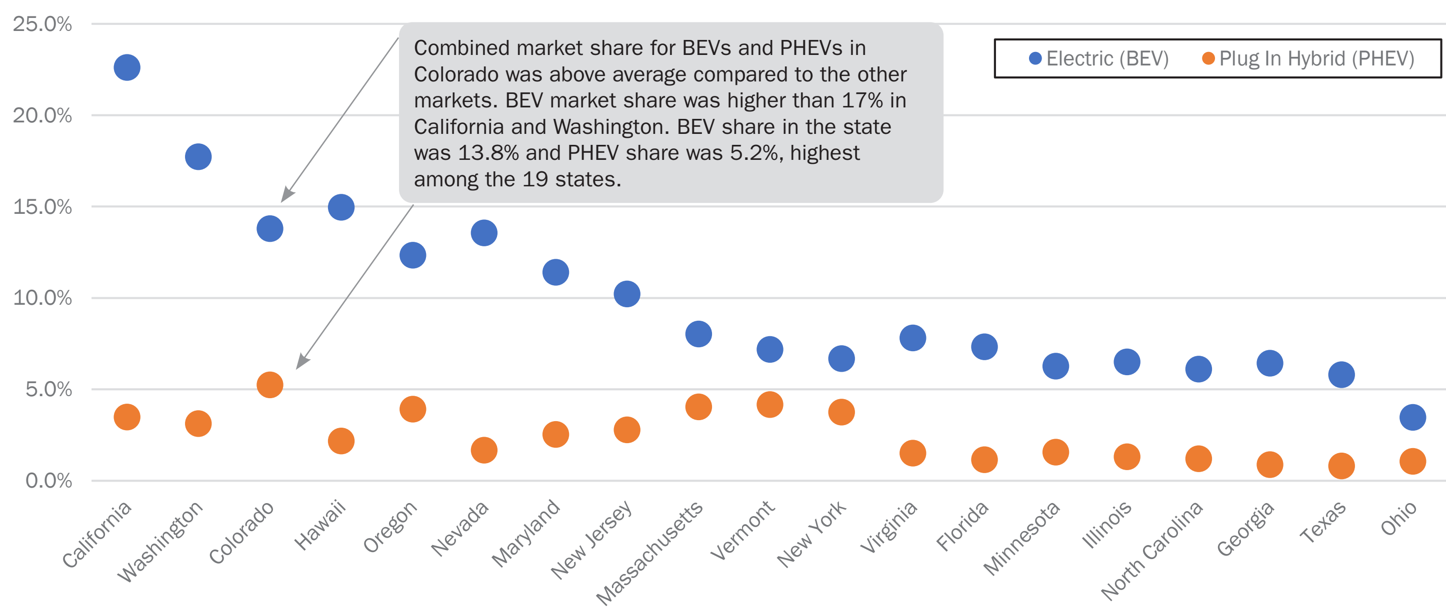
PRIMARY MARKET SEGMENTS - STATE AND U.S.



The graph above shows market shares for nine primary segments in both the state and U.S. markets. Colorado market share is represented by the blue bars. Orange shaded bars show U.S. Data sourced from Experian Automotive.



COMPARISON OF STATE MARKETS



Markets are shown from left (highest) to right (lowest) based on combined BEV and PHEV market share. Data sourced from Experian Automotive.

BRANDS AND MODELS

TOP SELLING BRANDS IN 7 PRIMARY SEGMENTS

The seven graphs on this page show brand market share in seven key segments during the first three months of 2024 in both the Colorado and U.S. markets. State percent share is depicted by the red bars, U.S. share is light gray. Top ten brands in each segment are ranked from top to bottom based on Colorado share.

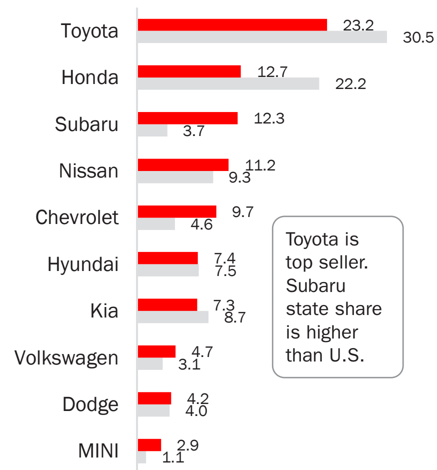
Segments were defined based on model classifications instead of overall brand positioning. For instance, Chevrolet appears on the Luxury and Sports cars graph because of the Corvette. Small SUVs consists of both Sub Compact and Compact models.

Legend for all graphs

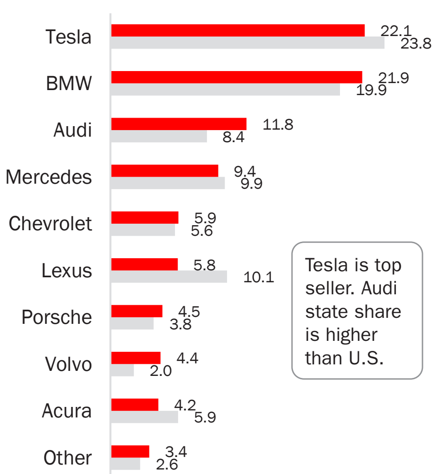
Brand share of segment in Colorado during YTD '24

Brand share of segment in U.S. market during YTD '24

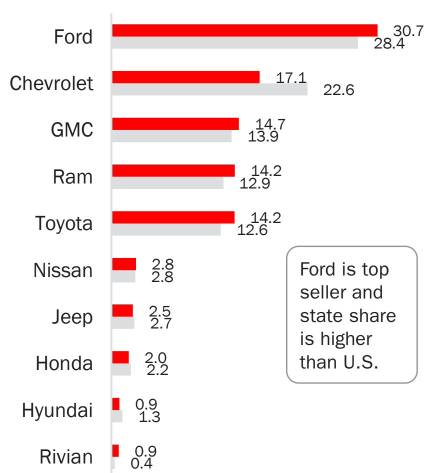
Non Luxury Cars



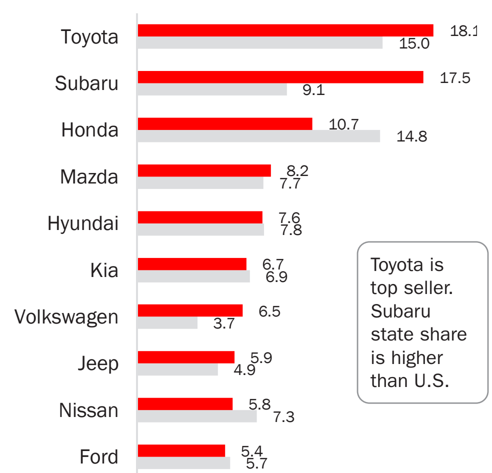
Luxury and Sports Cars



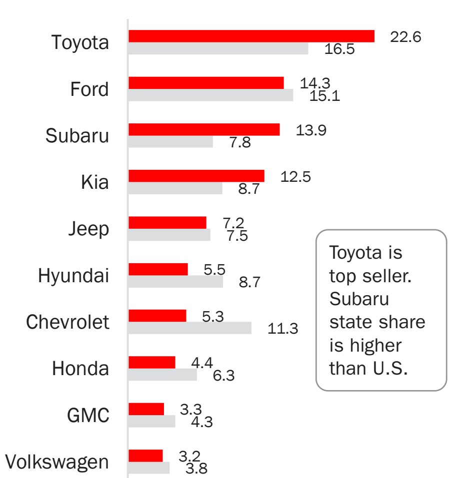
Pickups



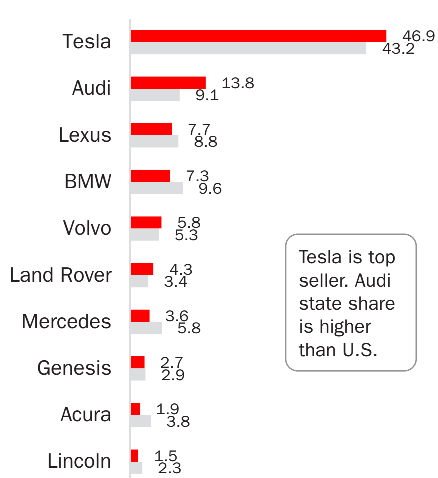
Small Non Luxury SUVs



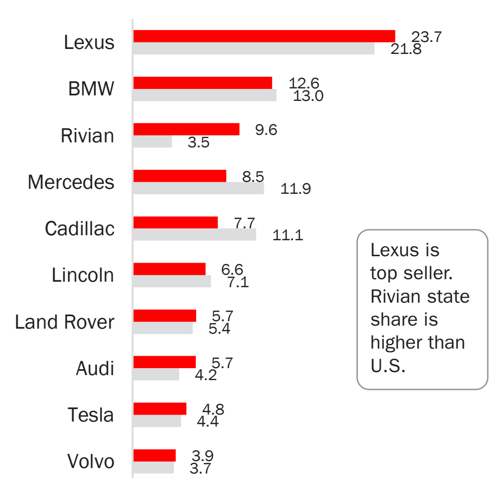
Mid and Full Size Non Luxury SUVs



Small Luxury SUVs



Mid and Full Size Luxury SUVs



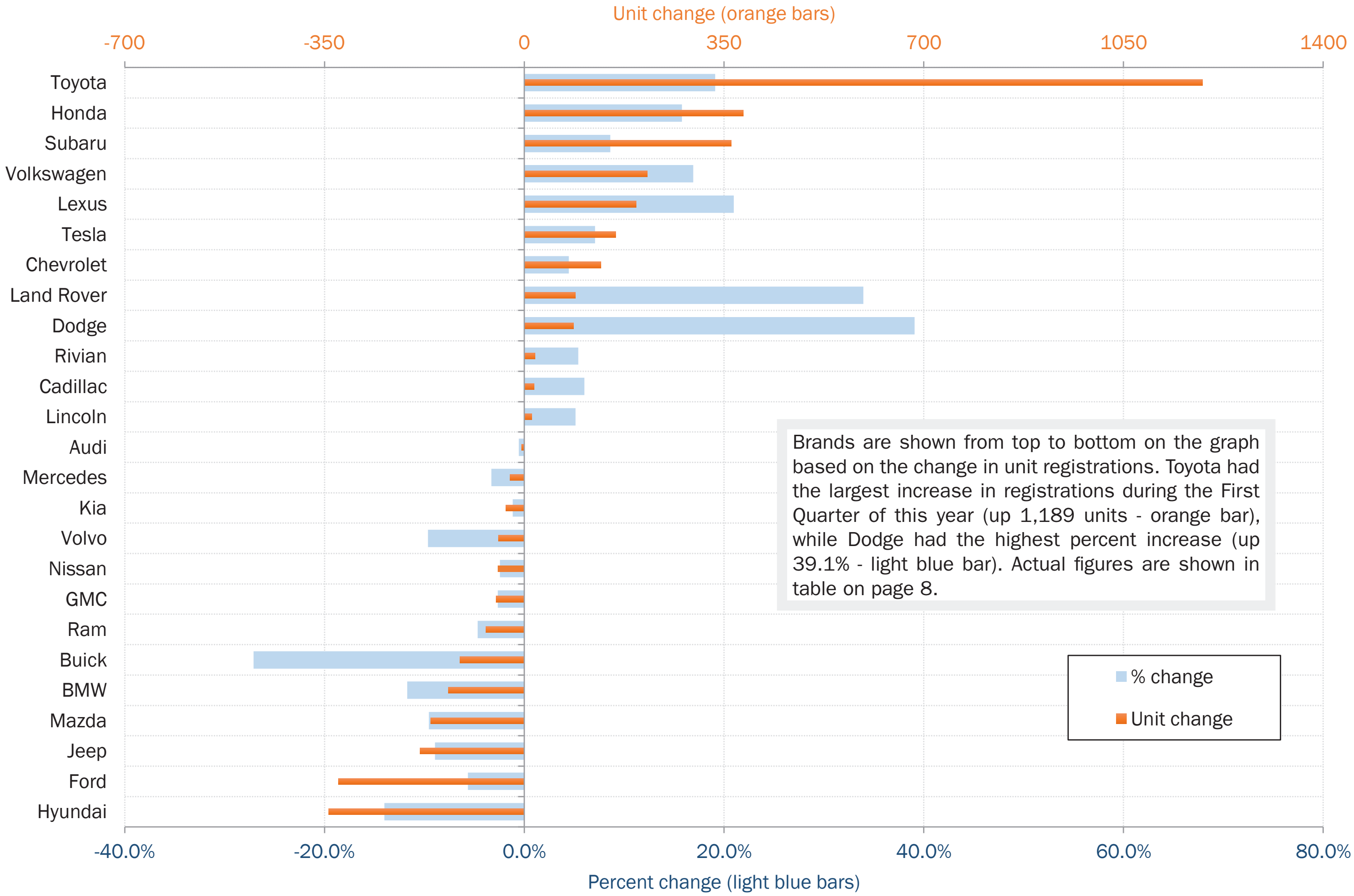
Data sourced from Experian Automotive.

BRANDS AND MODELS

WINNERS AND LOSERS

The graph below shows both the percent and unit change in registrations during the First Quarter of this year versus year earlier. Comparing the percent change in registrations is helpful for establishing the relative change in results, but it can be misleading since it doesn't take into the account the absolute level of registrations. As shown below, Dodge posted a big percentage improvement in the First Quarter (up 39.1%, blue bar) but the unit increase was relatively small (up by 86 units). Toyota's percentage increase was smaller than Dodge (up 19.1%), but the unit total improved by nearly 1,200 units.

Percent and Unit Change in New Retail Light Vehicle Registrations for Top 25 Selling Brands - YTD '24 thru Mar. vs. YTD '23



Data sourced from Experian Automotive.

TOP SELLING MODELS

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

Rank	Model	Area Share %	% chg. '23 to '24	Rank	Model	Area Share %	% chg. '23 to '24
1	Toyota RAV4	5.0	51.8	11	Subaru Outback	2.3	15.4
2	Ford F-Series	4.2	-5.6	12	Toyota Tundra	1.6	29.7
3	Tesla Model Y	4.1	13.4	13	Jeep Wrangler	1.5	19.2
4	Subaru Crosstrek	3.0	8.3	14	Kia Telluride	1.2	-24.4
5	Toyota 4Runner	2.7	69.3	15	Volkswagen ID.4	1.2	81.1
6	Ram Pickup	2.6	0.2	16	Ford Bronco Sport	1.2	-2.8
7	Chevrolet Silverado	2.5	-0.5	17	Jeep Grand Cherokee	1.1	-3.2
8	Honda CR-V	2.5	43.6	18	Hyundai Tucson	1.1	-22.3
9	GMC Sierra	2.4	-1.5	19	Mazda CX-5	1.1	-24.3
10	Subaru Forester	2.3	27.4	20	Kia Sorento	1.1	25.8

Table on the left presents the top 20 selling models in the state during the first three 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.

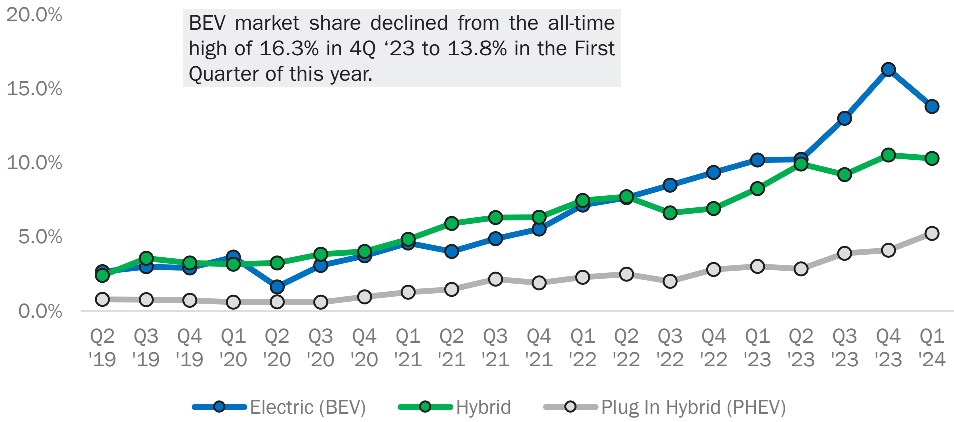
ALTERNATIVE POWERTRAIN MARKET

FIVE KEY TRENDS

1. BEV share increased from 10.2% in 1Q ‘23 to 13.8% in 1Q ‘24.
2. BEV registrations declined by 25% from 4Q ‘23 to 1Q ‘24.
3. Franchised dealer share of BEV market was 56.9% in 1Q ‘24 vs. 45% a year earlier.
4. Hybrid registrations increased 28% so far this year. Plug ins were up 79%.
5. Hybrid registrations increased for each of the top five selling brands.

BEV, PHEV, AND HYBRID MARKET SHARE

Percent Share of Industry Registrations by Powertrain Type



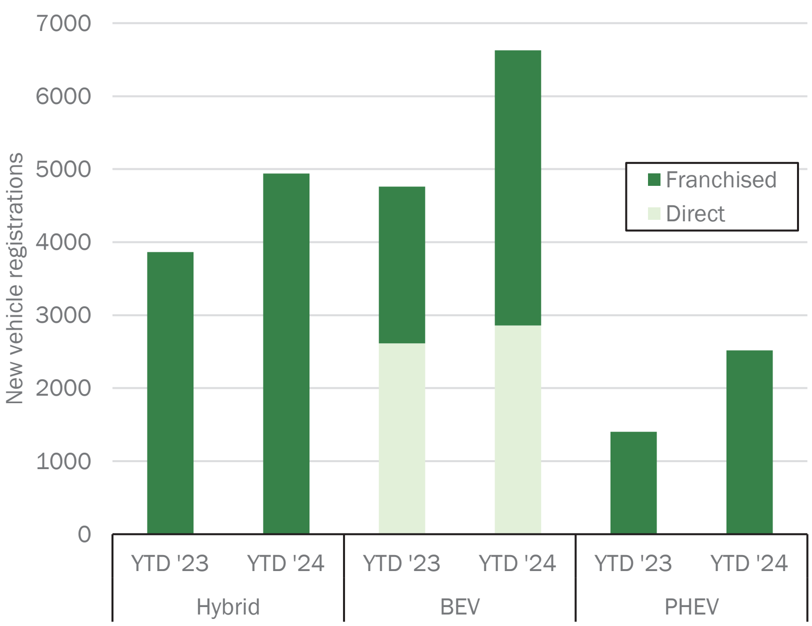
Data sourced from Experian Automotive. Hybrid registrations exclude mild hybrids.

YTD thru March	YTD '23	YTD '24	
Electric (BEV)	10.2%	13.8%	↑
Hybrid	8.3%	10.3%	↑
Plug In Hybrid (PHEV)	3.0%	5.2%	↑

Quarterly	4Q '23	1Q '24	
Electric (BEV)	16.3%	13.8%	↓
Hybrid	10.5%	10.3%	↓
Plug In Hybrid (PHEV)	4.1%	5.2%	↑

FRANCHISED DEALERSHIPS AND DIRECT SELLERS

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



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

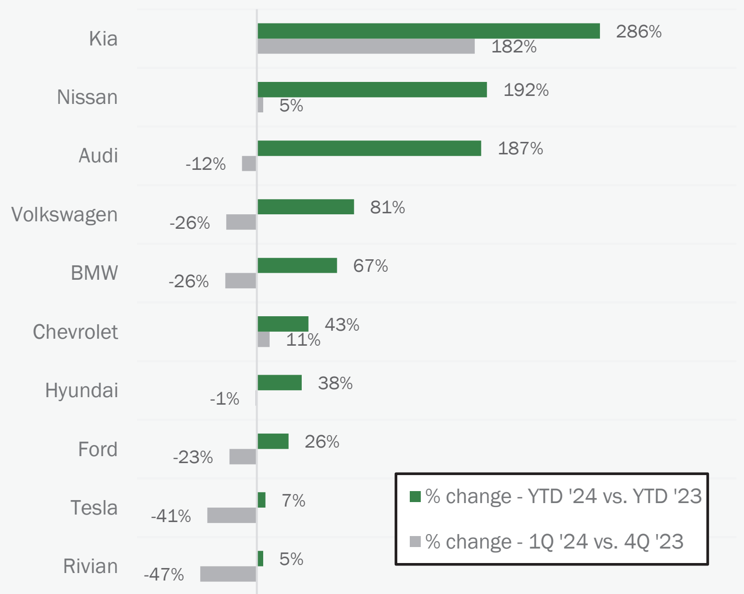
BEV Registrations and Market Share	Franchised Dealerships	Direct Sellers
YTD '23 thru Mar.	2,143	2616
YTD '24 thru Mar.	3,768	2858
% change	75.8%	9.3%
YTD '23 mkt. share %	45.0	55.0
YTD '24 mkt. share %	56.9	43.1
change	11.9	-11.9
4Q '23 registrations	4,018	4,844
1Q '24 registrations	3,768	2,858
% change	-6.2%	-41.0%
4Q '23 registrations	45.3	54.7
1Q '24 registrations	56.9	43.1
change	11.6	-11.6

As illustrated on the graph, franchised dealerships accounted for 80% of the combined Hybrid, BEV, and PHEV market. Franchised dealer share of the BEV market increased from 45.0% in 1Q ‘23 to 56.9% in 1Q ‘24.

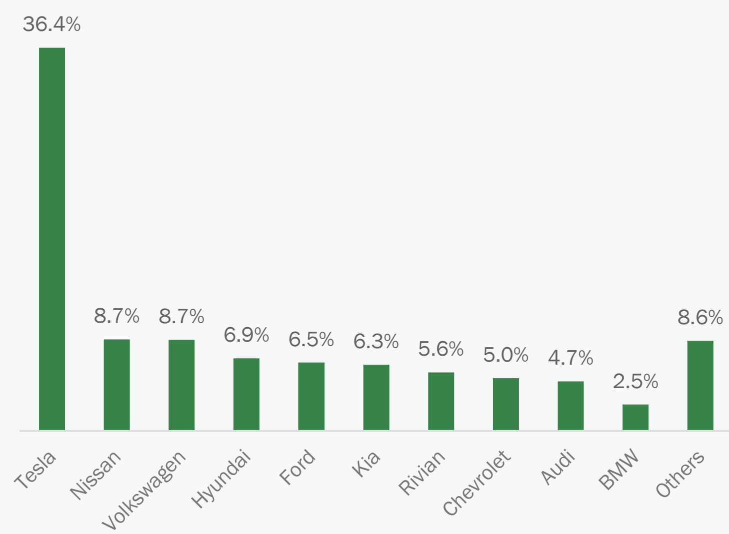
ALTERNATIVE POWERTRAIN MARKET

MAKES AND MODELS

% Change in BEV Registrations for Top 10 Brands YTD '24 thru Mar. vs. YTD '23 and 1Q '24 vs. 4Q '23



Brand Share of Colorado BEV Market (%) YTD '24 thru March



Observations

- Kia had the largest % increase in BEV registrations in the First Quarter of this year versus year earlier (up 286%).
- BEV registrations declined from 4Q '23 to 1Q '24 for seven of the top 10 selling brands.
- Tesla share of the BEV market was 36.4% in 1Q '24.

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

Top Five Brands by type of Powertrain Registrations for YTD '23 and '24 thru March

	Rank	Brand	YTD '23 Regs.	YTD '24 Regs.	% chg.	YTD '24 Share
BEV	1	Tesla	2,255	2,415	7.1%	36.4%
	2	Nissan	198	578	191.9%	8.7%
	3	Volkswagen	318	576	81.1%	8.7%
	4	Hyundai	333	458	37.5%	6.9%
	5	Ford	341	431	26.4%	6.5%
PHEV	1	Jeep	445	837	88.1%	33.2%
	2	Toyota	326	634	94.5%	25.2%
	3	Mazda	0	214		8.5%
	4	Volvo	136	181	33.1%	7.2%
	5	Kia	26	113	334.6%	4.5%
HYBRID	1	Toyota	1,644	2,775	68.8%	56.2%
	2	Honda	474	633	33.5%	12.8%
	3	Lexus	446	461	3.4%	9.3%
	4	Ford	445	457	2.7%	9.2%
	5	Kia	441	320	-27.4%	6.5%

Market Share for Top 15 Selling BEVs, PHEVs, and Hybrids - YTD '24 thru March

Rank	Model	Type	YTD '24 Share
1	Tesla Model Y	BEV	13.8%
2	Toyota RAV4	Hybrid	9.7%
3	Volkswagen ID.4	BEV	4.1%
4	Honda CR-V	Hybrid	3.9%
5	Jeep Wrangler	PHEV	3.6%
6	Toyota RAV4	PHEV	3.4%
7	Nissan Ariya	BEV	2.6%
8	Jeep Grand Cherokee	PHEV	2.4%
9	Chevrolet Bolt	BEV	2.3%
10	Rivian R1S	BEV	2.1%
11	Hyundai Ioniq 5	BEV	1.9%
12	Tesla Model 3	BEV	1.7%
13	Ford F-Series	Hybrid	1.7%
14	Toyota Tundra	Hybrid	1.6%
15	Lexus RX	Hybrid	1.6%

Brand Registrations Report
Colorado New Retail Car and Light Truck Registrations

	First Quarter						Annual Totals					
	Registrations			Market Share (%)			Registrations			Market Share (%)		
	1Q '23	1Q '24	% change	1Q '23	1Q '24	Change	2022	2023	% change	2022	2023	Change
TOTAL	46,735	48,042	2.8				194,030	208,753	7.6			
Cars	5,475	5,473	0.0	11.7	11.4	-0.3	25,386	25,471	0.3	13.1	12.2	-0.9
Light Trucks	41,260	42,569	3.2	88.3	88.6	0.3	168,644	183,282	8.7	86.9	87.8	0.9
Domestic Brands	17,982	17,754	-1.3	38.5	37.0	-1.5	74,273	79,444	7.0	38.3	38.1	-0.2
European Brands	5,380	5,475	1.8	11.5	11.4	-0.1	23,293	23,484	0.8	12.0	11.2	-0.8
Japanese Brands	18,030	19,822	9.9	38.6	41.3	2.7	74,698	82,984	11.1	38.5	39.8	1.3
Korean Brands	5,343	4,991	-6.6	11.4	10.4	-1.0	21,766	22,841	4.9	11.2	10.9	-0.3
Acura	301	233	-22.6	0.6	0.5	-0.1	1,058	1,204	13.8	0.5	0.6	0.1
Alfa Romeo	27	41	51.9	0.1	0.1	0.0	109	107	-1.8	0.1	0.1	0.0
Audi	924	919	-0.5	2.0	1.9	-0.1	3,316	4,067	22.6	1.7	1.9	0.2
BMW	1,136	1,003	-11.7	2.4	2.1	-0.3	4,442	4,676	5.3	2.3	2.2	-0.1
Buick	417	304	-27.1	0.9	0.6	-0.3	1,040	1,597	53.6	0.5	0.8	0.3
Cadillac	282	299	6.0	0.6	0.6	0.0	1,108	1,168	5.4	0.6	0.6	0.0
Chevrolet	3,006	3,140	4.5	6.4	6.5	0.1	12,502	13,193	5.5	6.4	6.3	-0.1
Chrysler	83	101	21.7	0.2	0.2	0.0	358	451	26.0	0.2	0.2	0.0
Dodge	220	306	39.1	0.5	0.6	0.1	1,116	1,001	-10.3	0.6	0.5	-0.1
Ford	5,780	5,454	-5.6	12.4	11.4	-1.0	21,931	23,082	5.2	11.3	11.1	-0.2
Genesis	154	177	14.9	0.3	0.4	0.1	636	741	16.5	0.3	0.4	0.1
GMC	1,846	1,797	-2.7	3.9	3.7	-0.2	7,785	7,807	0.3	4.0	3.7	-0.3
Honda	2,434	2,818	15.8	5.2	5.9	0.7	10,588	11,540	9.0	5.5	5.5	0.0
Hyundai	2,446	2,103	-14.0	5.2	4.4	-0.8	10,953	9,822	-10.3	5.6	4.7	-0.9
Infiniti	177	137	-22.6	0.4	0.3	-0.1	568	692	21.8	0.3	0.3	0.0
Jaguar	33	23	-30.3	0.1	0.0	-0.1	153	103	-32.7	0.1	0.0	-0.1
Jeep	2,044	1,861	-9.0	4.4	3.9	-0.5	10,709	8,675	-19.0	5.5	4.2	-1.3
Kia	2,743	2,711	-1.2	5.9	5.6	-0.3	10,177	12,278	20.6	5.2	5.9	0.7
Land Rover	265	355	34.0	0.6	0.7	0.1	864	1,181	36.7	0.4	0.6	0.2
Lexus	934	1,130	21.0	2.0	2.4	0.4	3,224	4,322	34.1	1.7	2.1	0.4
Lincoln	253	266	5.1	0.5	0.6	0.1	939	954	1.6	0.5	0.5	0.0
Maserati	14	22	57.1	0.0	0.0	0.0	78	87	11.5	0.0	0.0	0.0
Mazda	1,715	1,551	-9.6	3.7	3.2	-0.5	5,367	6,759	25.9	2.8	3.2	0.4
Mercedes	758	733	-3.3	1.6	1.5	-0.1	3,800	3,517	-7.4	2.0	1.7	-0.3
MINI	130	167	28.5	0.3	0.3	0.0	602	606	0.7	0.3	0.3	0.0
Mitsubishi	158	136	-13.9	0.3	0.3	0.0	575	637	10.8	0.3	0.3	0.0
Nissan	1,879	1,833	-2.4	4.0	3.8	-0.2	7,174	7,805	8.8	3.7	3.7	0.0
Polestar	32	21	-34.4	0.1	0.0	-0.1	362	115	-68.2	0.2	0.1	-0.1
Porsche	283	163	-42.4	0.6	0.3	-0.3	1,001	1,038	3.7	0.5	0.5	0.0
Ram	1,435	1,368	-4.7	3.1	2.8	-0.3	7,754	6,563	-15.4	4.0	3.1	-0.9
Rivian	351	370	5.4	0.8	0.8	0.0	786	1,991	153.3	0.4	1.0	0.6
Subaru	4,211	4,574	8.6	9.0	9.5	0.5	18,138	19,399	7.0	9.3	9.3	0.0
Tesla	2,255	2,415	7.1	4.8	5.0	0.2	8,223	12,863	56.4	4.2	6.2	2.0
Toyota	6,221	7,410	19.1	13.3	15.4	2.1	28,006	30,626	9.4	14.4	14.7	0.3
Volkswagen	1,277	1,493	16.9	2.7	3.1	0.4	6,381	5,835	-8.6	3.3	2.8	-0.5
Volvo	467	422	-9.6	1.0	0.9	-0.1	2,038	2,010	-1.4	1.1	1.0	-0.1
Other	44	186	322.7	0.1	0.4	0.3	169	241	42.6	0.1	0.1	0.0

Data sourced from Experian Automotive.

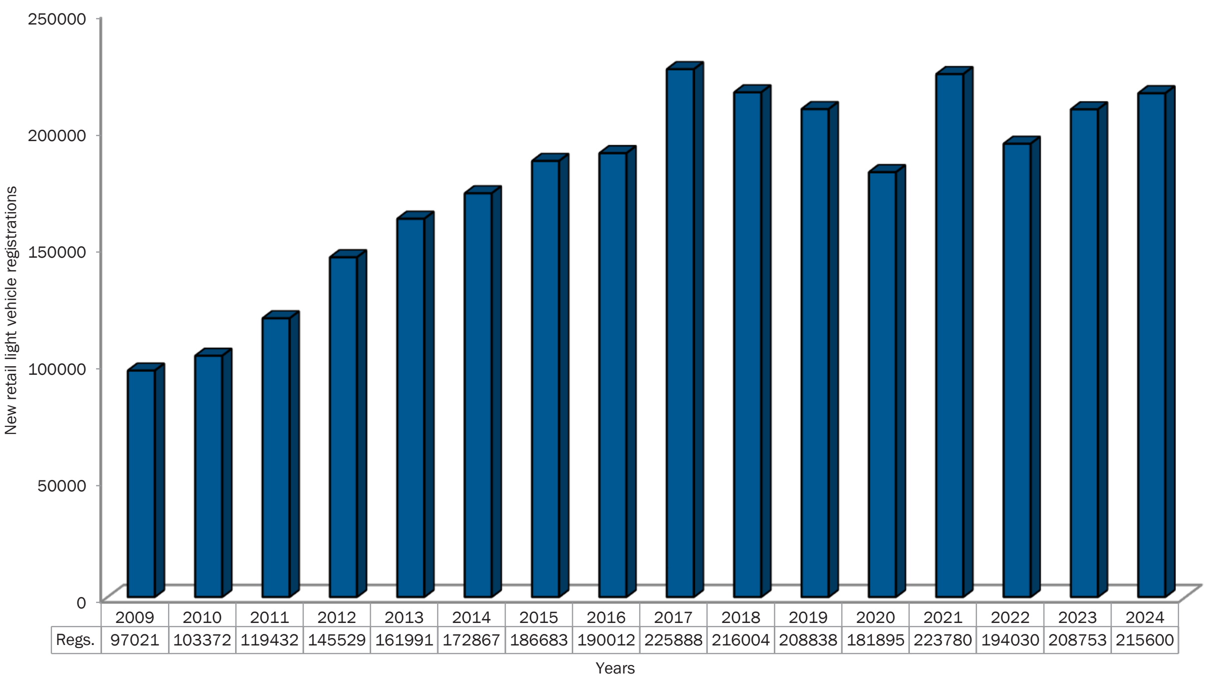
The table shows new retail light vehicle (car and light truck) registrations in the Colorado market. Figures are shown for the 1st Quarters of ‘23 and ‘24, and annual totals in 2022 and 2023. The top ten ranked brands in each change category are shaded yellow.

LONG TERM TRENDS

New Vehicle Registrations in 2024 Should Approach 2018 Levels

The graph below provides a long term perspective of new vehicle registrations in the Colorado market. The table below shows key trends.

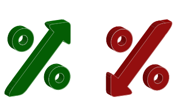
Colorado New Retail Light Vehicle Registrations - 2009 thru 2023, 2024 Forecast



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Regs.	97021	103372	119432	145529	161991	172867	186683	190012	225888	216004	208838	181895	223780	194030	208753	215600

State market improved in 2023 as supply chain issues eased. Registrations reached 208,753 units last year and increased by 7.6% from 2022. Auto Outlook is predicting a 3.3% increase this year.

Key Trends in Colorado Market - 2018 to 2023

		2018	2023	Change
	Light truck market share	77.9%	87.8%	UP 9.9 points
	Domestic brand market share	37.7%	38.1%	UP 0.4 points
	Area new retail vehicle registrations	216,004	208,753	DOWN 3.4%
	U.S. new retail vehicle registrations	13,846,381	12,364,280	DOWN 10.7%
	Battery electric vehicle market share	1.8%	12.5%	UP 10.7 points

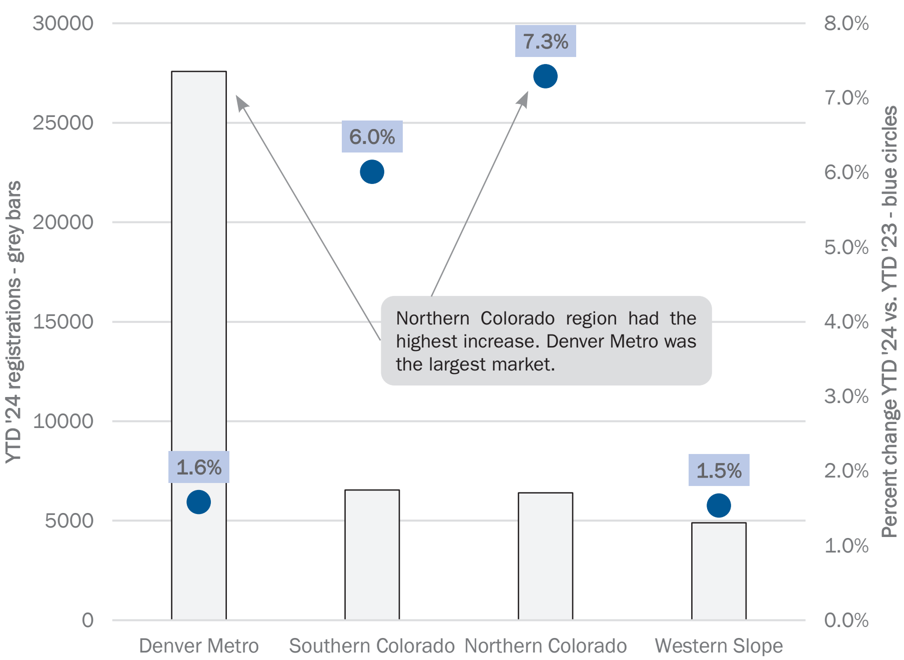
Data sourced from Experian Automotive.

REGIONAL MARKETS

Northern Colorado Region Had Largest Percentage Gain

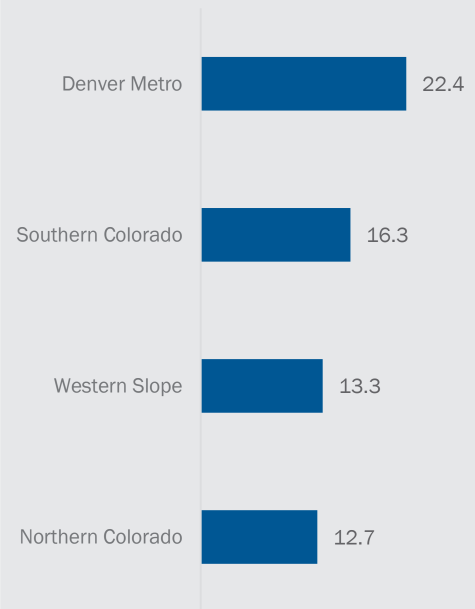
The graphs and tables on these two pages show specific data on each of the state's four regional markets. The figures represent new vehicles registered to retail customers residing in each of the regions, and includes both purchase and lease transactions.

Regional New Retail Light Vehicle Registrations YTD '24 thru March and Percent Change vs. YTD '23



The graph above shows new vehicle registrations during the first three months of this year (grey bars and left axis) and percent change vs. the same period last year (blue circles with labels and right axis). Data sourced from Experian Automotive.

Luxury Brand Market Share YTD '24 thru March



Data sourced from Experian Automotive.

REGIONAL MARKETS REVIEW									
	Industry Registrations			Battery Electric Vehicle Market Share (%)			Luxury Brand Market Share (%)		
	YTD '23 thru Mar.	YTD '24 thru Mar.	% change '24 vs. '23	YTD '23 thru Mar.	YTD '24 thru Mar.	change '24 vs. '23	YTD '23 thru Mar.	YTD '24 thru Mar.	change '24 vs. '23
Denver Metro	27,156	27,585	1.6%	12.6	17.1	4.5	22.5	22.4	-0.1
Northern Colorado	5,970	6,405	7.3%	7.7	10.8	3.1	12.5	12.7	0.2
Southern Colorado	6,175	6,546	6.0%	7.4	10.8	3.4	16.0	16.3	0.3
Western Slope	4,822	4,896	1.5%	6.6	7.9	1.3	13.0	13.3	0.3

Top Regional Markets

Biggest Market

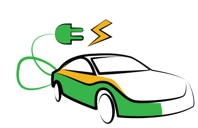
Denver Metro:
27,585 registrations

Largest % Increase

Northern Colorado:
Up 7.3%

Highest BEV Share

Denver Metro:
17.1%



Data sourced from Experian Automotive.

COUNTY MARKETS

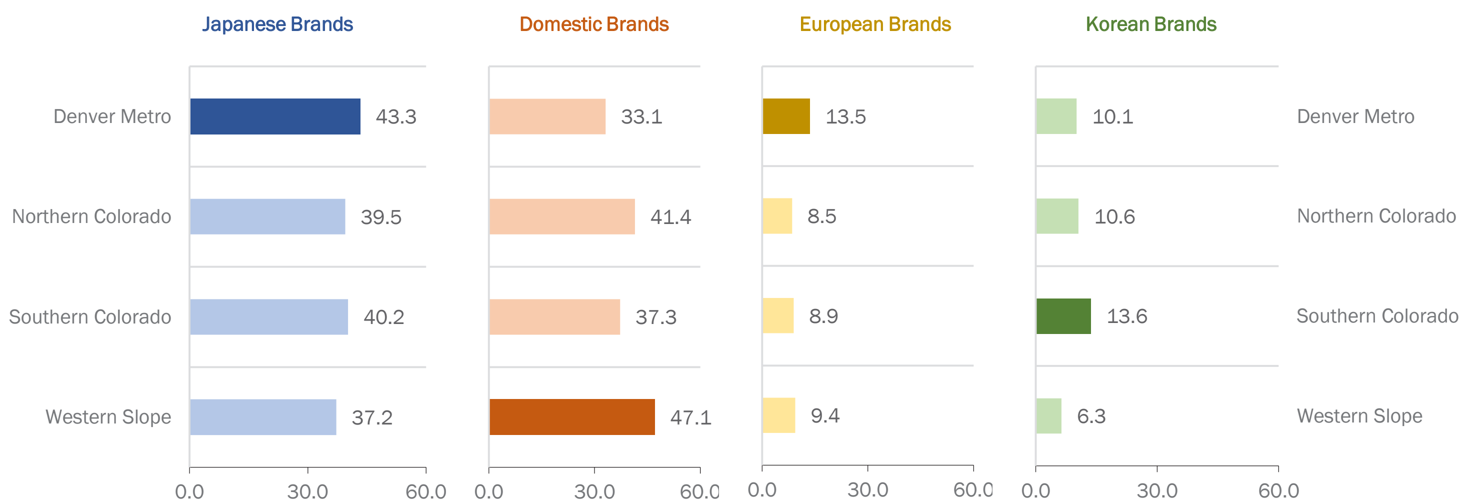
BEV Market Share Reached 17.1% in Denver Metro Region

Brand Market Share - YTD ‘24 thru March (for top 10 selling brands in Colorado market)

County	Toyota	Ford	Subaru	Chevrolet	Honda	Kia	Tesla	Hyundai	Nissan	Jeep
Denver Metro	15.1	8.8	9.8	5.4	6.1	5.7	6.3	4.3	4.0	3.7
Northern Colorado	15.3	13.8	9.5	7.1	5.3	6.8	3.2	4.3	4.7	3.8
Southern Colorado	14.8	11.4	8.5	6.4	7.7	6.1	4.8	6.8	3.4	3.9
Western Slope	18.6	17.7	10.4	9.1	4.2	3.8	2.5	2.7	2.8	4.3

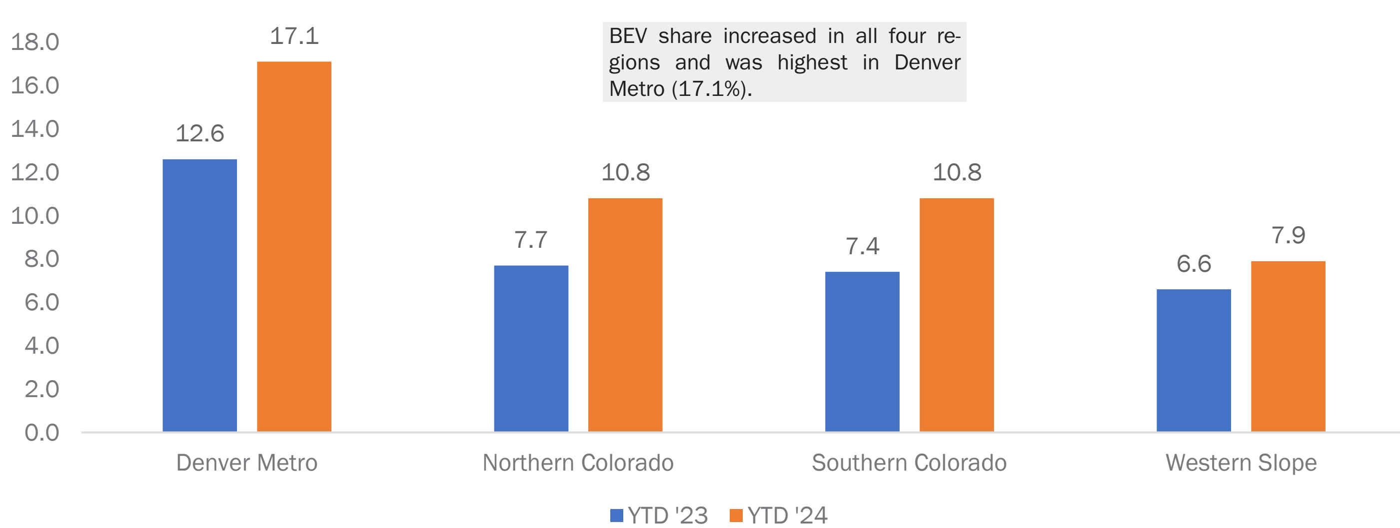
The table above shows brand market shares in each of the four regional markets. (Includes top ten selling brands in the area.) Highest market share for each brand is shaded grey. Data sourced from Experian Automotive.

Regional Market Shares for Japanese, Domestic, European, and Korean Brands - YTD ‘24 thru March



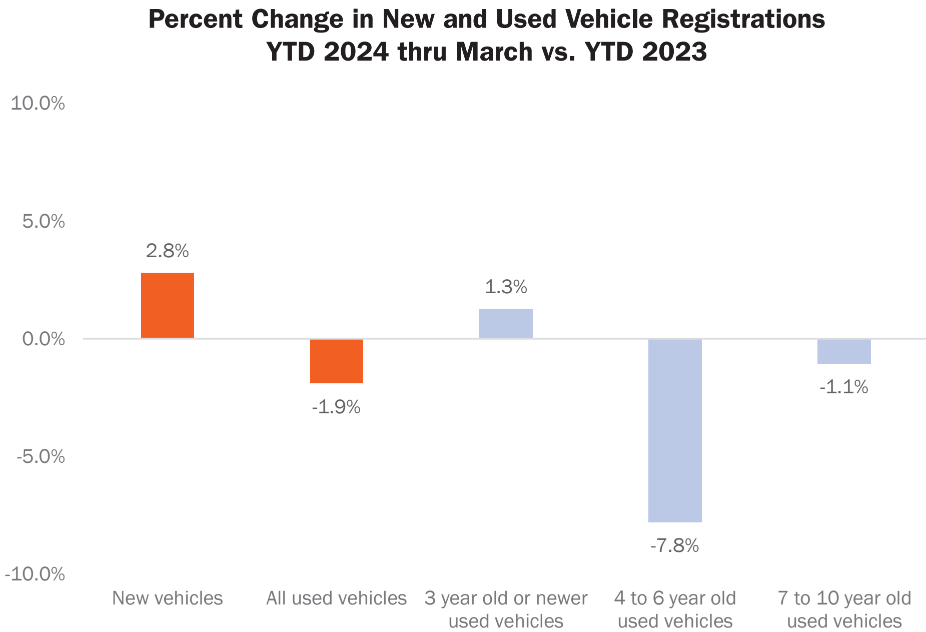
The graphs above show market shares by brand segments. Darker colors show the highest rated region for each segment.
Data sourced from Experian Automotive.

BEV Market Share in Regions - YTD 2023 and 2024, thru March



COLORADO USED VEHICLE MARKET

Used Vehicle Market Posted Small Decline in 1Q '24



Data sourced from Experian Automotive.

THREE KEY TRENDS IN USED VEHICLE MARKET

01. The state used vehicle market fell by 1.9% during the first three months of this year versus year earlier. The new vehicle market improved by 2.8% during the same period.

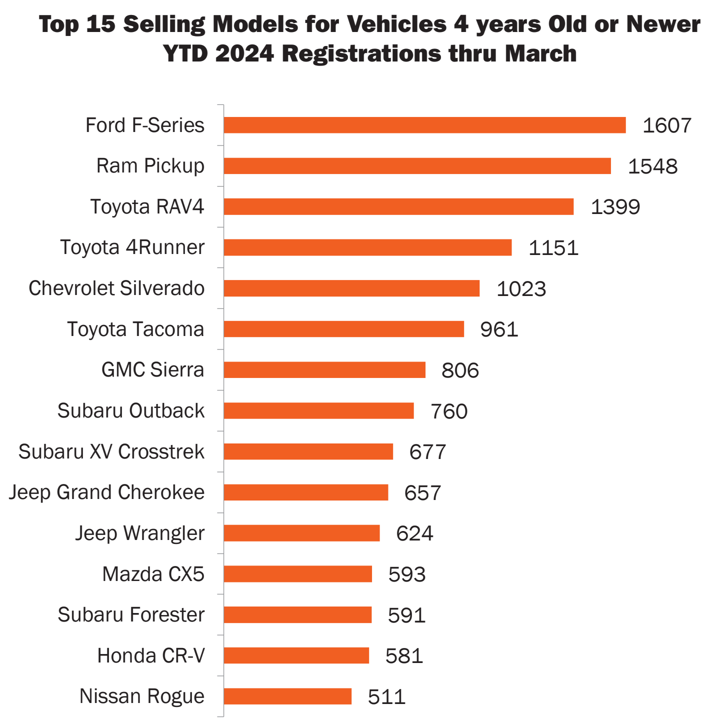
02. State used light vehicle market is expected to be flat in 2024 as tight supplies continue to hold back sales.

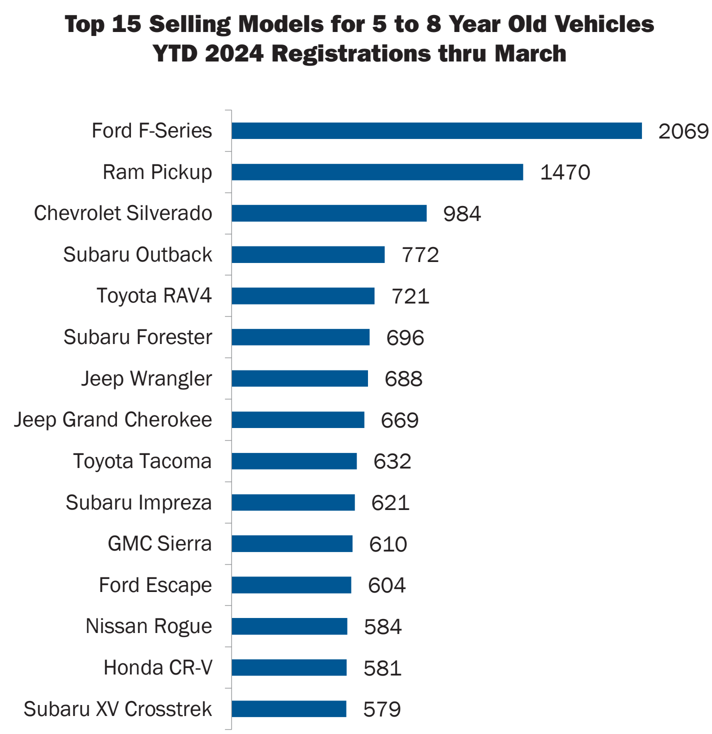
03. As shown on the graph to the left, the three year old or newer market was up so far this year, but the increase was primarily attributable to weak new vehicle sales in 2020. Three year old or newer vehicles this year consists of model years 2021 or newer. Last year, it included vehicles from the 2020 model year when new vehicle sales were held back by the pandemic.

TOP SELLING MODELS IN USED VEHICLE MARKET

F-Series and Ram Pickup Stay on Top of Used Vehicle Market

The two graphs below show the top 15 selling models in Colorado for two age classifications: vehicles four years old or newer, and 5 to 8 year old vehicles. Ford F-Series and Ram Pickup ranked first and second in each category.





Data sourced from Experian Automotive.

informally
A good ally can help keep you in the green.
Whether you need tailored F&I products, or some company while you navigate the pond by the 5th hole, our experts can help you grow your business. We're all better off with an ally.
ally.com/dealer
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The State of Colorado's Vehicle Exchange Colorado (VXC) program continues to accept automobile dealer registrations on a rolling basis.

The VXC program helps income-qualified Coloradans recycle and replace their old or high-emitting vehicles with electric vehicles (EVs) by providing approved applicants with a discount on the upfront cost of an EV purchased or leased at an authorized automobile dealer.

Please **visit the VXC website** to learn more about the program (see the "Participating Automobile Dealers" section). If you are interested in preregistering your automobile dealer for this program, you may do so at this link. Following completion of your preregistration, a VXC program representative will contact you regarding next steps.

COLORADO Energy Office | CLEAR THE AIR FOUNDATION