

Quality Helps Americans Keep Old Cars Longer

Tom Krisher, AP Auto Writer

TRAVERSE CITY, Mich. (AP) — Americans are keeping their cars and trucks longer than ever, and even with new car sales increasing, the average age will continue to rise, an industry research firm says.

The average age of the 247 million cars and trucks on U.S. roads hit a record of 11.4 years in January, the latest figures available from state registration data gathered by the Polk research firm.

That's up from 11.2 years in 2012, and nearly two full years older than in 2007, before the start of the Great Recession, Polk said Tuesday.

People are keeping their cars because the quality is so much better and they are trying to avoid the monthly payments, said Mark Seng, a Polk vice president. The annual percentage of cars and trucks sent to the scrap yard has dropped 50 percent since the recession, he said.

"Cars are just lasting longer," he said.

The company doesn't see the age dropping for at least five years, even though U.S. vehicle sales are running at an annual rate of around 15.5 million, which is near pre-recession levels. And it predicts that the percentage of cars age 12 or older will actually rise in the next five years.

The change creates a big opportunity for repair shops and auto-parts stores, Seng said.

"Customers from independent and chain repair shops should be paying close attention to their business plans and making concerted efforts to retain business among the do-it-for-me audience, while retailers have a unique and growing opportunity with potential consumers wrenching on their own vehicles," he said.

U.S. sales have risen gradually from a 30-year low of 10.4 million in 2009 because of low interest rates, appealing new models and pent-up demand as people replace aging vehicles they kept through the recession. The sales rebound prompted Polk to raise its estimate of the total number of vehicles on U.S. roads by 5 percent to more than 260 million in five years.

But Seng said many people intend to keep running their older cars into the future, adding that he can't remember another time that the average age has grown as quickly.

The growth rate in the average age will slow in the coming years, but won't start falling until new-car sales rise and stay high for several years. Older vehicles would

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have to be scrapped at a higher rate, as well, he said.

"With the quality of the vehicles, that's not going to happen," Seng said.

More people also are financing cars for 72 months, meaning they'll keep their cars for at least six years and probably longer, Seng said.

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