Average Age of Vehicles on the Road Remains Steady at 11.4 years, According to IHS Automotive

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U.S. Vehicles in Operation (VIO) Hits Record Levels at More than 252 Million; Scrappage Rate Declines Significantly

SOUTHFIELD, Mich.--(BUSINESS WIRE)--The combined average age of all light vehicles on the road in the U.S. remained steady at 11.4 years, based on a snapshot of vehicles in operation taken Jan. 1 of this year, according to IHS Automotive, which incorporated Polk into its business last year.

Total light vehicles in Operation (VIO) in the U.S. also reached a record level of more than 252,700,000 -- an increase of more than 3.7 million (1.5 percent) since last year, said the IHS Automotive analysis from July 2013. In addition, new vehicle registrations outpaced scrappage by more than 24 percent for the first time in a decade, according to the analysis.

The average age is in line with the trend shift first seen in 2013, in which the combined fleet of cars and light trucks on the road is older than ever. New analysis, however, indicates the average age of light trucks has increased in the past year to the same age as passenger cars, both at 11.4 years. This milestone marks the first time this has happened since 1995, when the data was first reported.

“In our history of tracking, we have seen a gradual increase in the average age of vehicles on the road,” said Mark Seng, director, aftermarket solutions and global aftermarket practice leader at IHS Automotive. “This year, we’re seeing somewhat of a plateau in the market, and expect it to remain over the next few years, without a major change in either direction. We attribute this to a number of factors, including the economy and the increasing quality of today’s automobiles.”

Looking ahead, IHS forecasts that average age of vehicles is likely to remain at 11.4 years through 2015, then rise to 11.5 years by 2017 and 11.7 years by 2019. This rate of growth is slowing as compared to the last five years due to the substantial increase in new vehicle sales.

Scrap Rates Decline amid VIO Growth

The number of vehicles scrapped in 2013 was significantly fewer than in previous years, with just over 11.5 million vehicles scrapped during the 12-month timeframe analyzed by IHS Automotive. In comparison, a record high of more than 14 million vehicles were scrapped in 2012. This while VIO is up 1.5 percent, a rate the auto industry hasn’t seen in the U.S. since 2004-2005.

Dynamics of Fleet Age and Mix

With the shift in ownership comes shift in the age of vehicles within segments of the overall fleet, which is important to business planners in the aftermarket and service industries so they can manage inventories of parts required and plan for sales and service activity accordingly.

Based on the growth of new vehicle registrations in the past few years as the U.S. auto industry has rebounded, IHS Automotive forecasts that the volume of vehicles 0-5 years old will increase by 32 percent over the next five years while vehicles in the 6-11 year old category will decline by 21 percent. Because of improved quality and consumers holding their cars and light trucks longer, vehicles 12-plus years old continue to grow and will increase by 15 percent by 2019.

The IHS Automotive aftermarket team is working with customers in all areas of the aftermarket to help them best identify opportunities and specific planning efforts that may help improve their business. Likewise, business planning opportunities are under way at the OEMs to help them identify additional sales opportunities as vehicles are taken out of service and newer vehicle are coming into the U.S. vehicle fleet.

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