



aftermarket MATTERS

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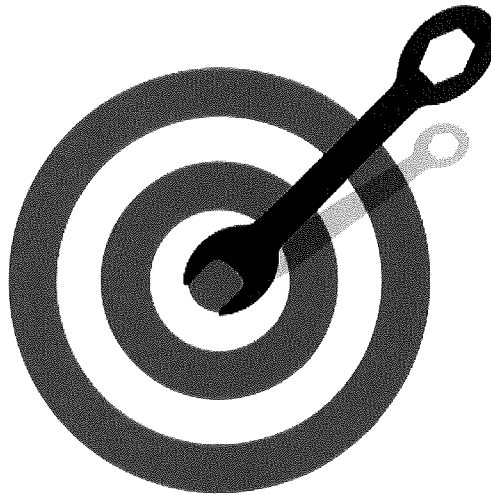
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Sunny outlook for 2024 repair age sweet-spot

BY STAFF/WIRE REPORTS ON DECEMBER 6, 2023

Record-high share of foreign nameplates and light trucks 6 to 10 years old will hit service bays next year to drive aftermarket product growth

Fort Wayne, Ind.—The repair-age sweet-spot — cars and light trucks 6 to 10 years old — contains vehicles averaging the highest annual replacement rates for many automotive products. Many more vehicles will be in the repair-age sweet-spot during 2024 than five years earlier, and it will contain a different mix of nameplates and types of vehicles, according to the latest Lang Aftermarket iReport.

These changes will increase 2024 aftermarket product volume, especially internal combustion engine (ICE) vehicles. The following are highlights from the report.

Record-High Vehicle Sales Impact 2024 Sweet-Spot

The five vehicle years, 2014 through 2018, that will represent the 2024 repair-age sweet-spot, set a record-high string of annual car and light truck sales.

Light vehicle sales in the U.S. reached 16.3 million during 2014, up considerably from just a year earlier. Sales continued strong, reaching 17.5 million in 2015 and 17.6 million by 2016. During 2017 and 2018, annual car and light truck sales topped 17 million for the fourth and fifth consecutive years, an unprecedented yearly sales string.

Accordingly, approximately 85 million cars and light trucks 6 to 10 years old will be on U.S. roads in 2024. This will be a 20 million increase compared to 2019, according to Lang Marketing. These record-high annual sales mean that ICE vehicles will account for virtually all cars and light trucks in the repair age sweet-spot next year and will generate almost all of their product growth.

2024 Sweet-Spot VIO Increase vs. 2019

In 2019, vehicles 6 to 10 years old were the product of car and light truck annual sales from 2009 through 2013, which were “rock-bottom years” for the new vehicle market following the 2008 Great Recession.

The increase in the number of cars and light trucks in the repair age sweet-spot during 2024 compared to 2019 will be an estimated gain of nearly one-third.

Foreign and Domestic Nameplate Mix

The foreign and domestic nameplate mix in 2024 repair age sweet-spot will also differ from five years earlier. Foreign nameplates climbed from approximately 45% of new car and light truck vehicle sales between 2009 and 2013 to over 54% during the five years comprising the 2024 repair age sweet-spot.

As a result, foreign nameplates will increase their sweet-spot share by one-fifth between 2019 and 2024. Since foreign nameplates average higher aftermarket product sales than domestic nameplates of the same age, this will increase 2024 product volume.

Cars vs. Light Trucks

A third difference in the 2024 repair age sweet-spot compared to five years earlier will be the larger share of light trucks. Lang Marketing estimates that light trucks will represent over 68% of the 2024 repair age sweet-spot, up by nearly one-sixth from five years earlier.

This will increase aftermarket product volume because light trucks generate greater annual sales per vehicle than passenger cars of the same age.

Aftermarket Impact of 2024 Sweet-Spot

The larger VIO size of the 2024 repair age sweet-spot, compared to 2019, along with its different mix of nameplates and larger share of light trucks, will fuel aftermarket product growth during 2024 as it continues to rebound from the 2020 impact of COVID-19.

Beyond 2024

Developments within the repair age sweet-spot will remain favorable for aftermarket product growth through 2024, as vehicles 6 to 10 years old will grow in number and share of the total VIO.

The share of foreign nameplates and light trucks within the repair age sweet-spot (both types of vehicles have above-average rates of aftermarket product use) will be positive for aftermarket product growth through the next several years.