



# The True Monthly Cost of a Stop Sale

Senate Bill 980 has been amended to require automakers to compensate Oregon dealers at a rate of 1.75% the value of the vehicle per month in the event of a stop sale. This number accurately reflects costs incurred by dealers, and in some instances, is even conservative.

## DEPRECIATION

Depreciation rates of the top-five selling models in Minnesota according to the March edition of the NADA Used Car Guide.

2015 Models	1 <sup>st</sup> Year	2 <sup>nd</sup> Year
Chevy Silverado	11%	13%
Ford F150	11%	8%
Chevy Impala	19%	21%
Toyota Camry	12%	16%
Ford Fusion	26%	13%
<b>Average</b>	<b>16%</b>	<b>14%</b>

### Other Resources

- Cars Direct asserts the average depreciation rate for a new vehicle is 19% and 15% for used
- Edmunds.com claims a vehicle loses 15-25% each year of its first five years
- The IRS allows for straight-line depreciation of 20% per year

Assuming a 15% rate, the vehicle will depreciate at 1.25% per month.

## FINANCING

Interest paid to finance the average floorplan in the OR Market is .45% per month, according to dealers.

## OTHER CONSIDERATIONS

- Insurance: 36 cents per \$1,000 in inventory per month
- Labor: To park, move, maintain and clean is approximately \$30 per vehicle per month
- Storage: Varies by location
- Lastly, there is the opportunity cost of lost sales

**2015 Chevy Silverado**  
Clean Retail is \$23,175

Depreciation: 1.08% in 2<sup>nd</sup> year  
 Floorplan: 0.45%  
 Insurance: 0.036%  
 Labor: 0.12%  
**Total 1.686%**

Storage: Varies by location

**2015 Chevy Impala**  
Clean Retail is \$21,825

Depreciation: 1.75% in 2<sup>nd</sup> year  
 Floorplan: 0.45%  
 Insurance: 0.036%  
 Labor: 0.13%  
**Total 2.366%**

Storage: Varies by location