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Gas-hog owners can't sell them

Sales of gas-guzzlers by dealerships shrinking, along with trade-in offers

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Tammy Fontanilla loves her red 2004 Dodge Ram pickup truck, but when gas prices began to soar last year, she felt she had no choice but to put it up for sale.

Problem is, there's little demand for a vehicle that gets 13 miles per gallon and costs nearly \$100 to fill up.

"Nobody is buying gas-guzzlers," said Fontanilla, a Salt Lake resident.

"I can't even trade it in for what I owe because dealers are telling me that it would be on the lot for a long time."

Once the symbol of middle-class comfort, sales of used sport utility vehicles and full-sized trucks in Hawai'i are tanking as gasoline prices have risen above \$4.20 a gallon, local car dealers said.

Despite a flood of attractive manufacturer incentives — such as zero-percent-down plans or low interest-rate loans — light truck sales are expected to drop by about 11.7 percent this year to about 29,000 vehicles, according to the Hawaii Automobile Dealers Association.

At the same time, used truck and SUV models are selling \$3,000 to \$5,000 below their blue-book value, local car dealers said.

For larger trucks, the discount is steeper. A Ford F-150 that sold for \$17,000 last year might fetch \$9,000 today, said Frank Caliri, owner of Franktheusedcarguy in Kailua.

The glut can be confirmed by looking at the classified sections in local newspapers and on the Internet, where there's no shortage of ads for Dodge Rams, Toyota Tundras, GMC Sierras and Ford F-series trucks.

"I've been in this business for 22 years and I've never seen anything like this. ... They have dropped like rocks," Caliri said.

"Three years ago, people who didn't even need a truck were buying trucks. Now they're getting rid of them."

For truck owners like Fontanilla, it's not easy to get rid of something that can weigh three tons or more. She said she's listed her Dodge truck for \$19,000 on the Internet for nine months but hasn't gotten a serious nibble.

Dealers are offering \$8,000 on a trade-in but Fontanilla still owes \$18,000 on the truck, which she bought four years ago for \$30,000.

"Not only are we getting screwed by gas prices but car dealers are also screwing us," she said.

Luxury driving is dying

To be sure, local truck and SUV dealers are also feeling the pain.

Mike McKenna, owner of Mike McKenna Windward Ford, said he used to sell anywhere from 35 to 40 new trucks a month at his Kailua lot. Last month, he sold seven.

Given the low trade-in value, many truck owners are parking their rigs in their garages and doing most of their driving with a smaller sedan, McKenna said.

Buyers, meanwhile, can't get enough of more fuel-efficient cars and hybrids. McKenna said sales of Ford Focus and the smaller Ford Explorer SUV have done well at his dealership in recent months.

"I wouldn't say there's a mass exodus (from trucks and SUVs) but there has been a significant decline in value," added Greg Lelesch, special projects manager at Aloha Auto Auction in Mapunapuna. "People want fuel economy."

Sales of large commercial trucks also are hurting.

Conrad Feltro, manager of Trucks, Cars and Equipment in Mapunapuna, said sales of large flat-bed trucks, box trucks and other commercial vehicles were down about 30 percent last month because of soaring fuel prices and worries about the local economy among contractors and other large business customers.

"The guys who carry big trucks are hurting now," said Aaron Campbell, owner of E Cars Hawaii, who operates a used-car lot in 'Aiea and sells cars on consignment through the Internet.

Luxury trucks and SUVs, such as the Hummer, are probably the biggest victims of that shift.

Sales of Hummers, once a symbol of conspicuous consumption, are off more than 18 percent so far this year, according to figures compiled by the Hawaii Automobile Dealers Association.

Nationally, the decline is steeper, and General Motors Corp. earlier this month said it is reviewing its Hummer brand for possible sale or revamping.

One Kailua resident said she's been trying to sell her 3-year-old Hummer H2 for several months but hasn't gotten any offers. The owner, who declined to give her name, said she bought the vehicle new but can't afford the gasoline bills for a ride that gets only 10 to 12 miles per gallon.

"I can't even give it away," she said.

Tipping point at pump

Peter Flachsbart, a University of Hawai'i professor, believes that consumer spending patterns hit a major turning point when gasoline prices rose above \$4 a gallon.

Flachsbart, a professor in the Department of Urban and Regional Planning, said local and national polls seem to indicate that consumers are more willing to trade in, sell or downsize their gas-guzzling automobiles in recent months.

"There's a sense that this is a permanent shift," Flachsbart said.

Darin Asuncion said soaring fuel prices have prompted him to downsize. The Kapolei resident sold

his 2005 Nissan Titan truck three weeks ago for \$18,500 and bought a Toyota 4Runner SUV, which gets much better gas mileage. Asuncion said he could no longer afford the \$85-a-week gas bill on his Nissan truck.

"It was a really good deal but I guess someone else can afford the gasoline bill," he said.

Ka'a'awa resident Dennis Hollier said he's also looking to downsize.

Hollier, a freelance writer, recently placed an ad on the Internet seeking to trade his 1998 Jeep Wrangler Sahara for a better-mileage SUV such as a Toyota RAV4 or Honda CRV.

Hollier said his Jeep, which gets about 15 miles per gallon, can go through more than \$40 a day in fuel costs.

"This definitely cuts into your earnings," he said.
