



TURO MARKET ANALYSIS

AREA: SEATTLE, WA

CONDUCTED: AUG-20-2024

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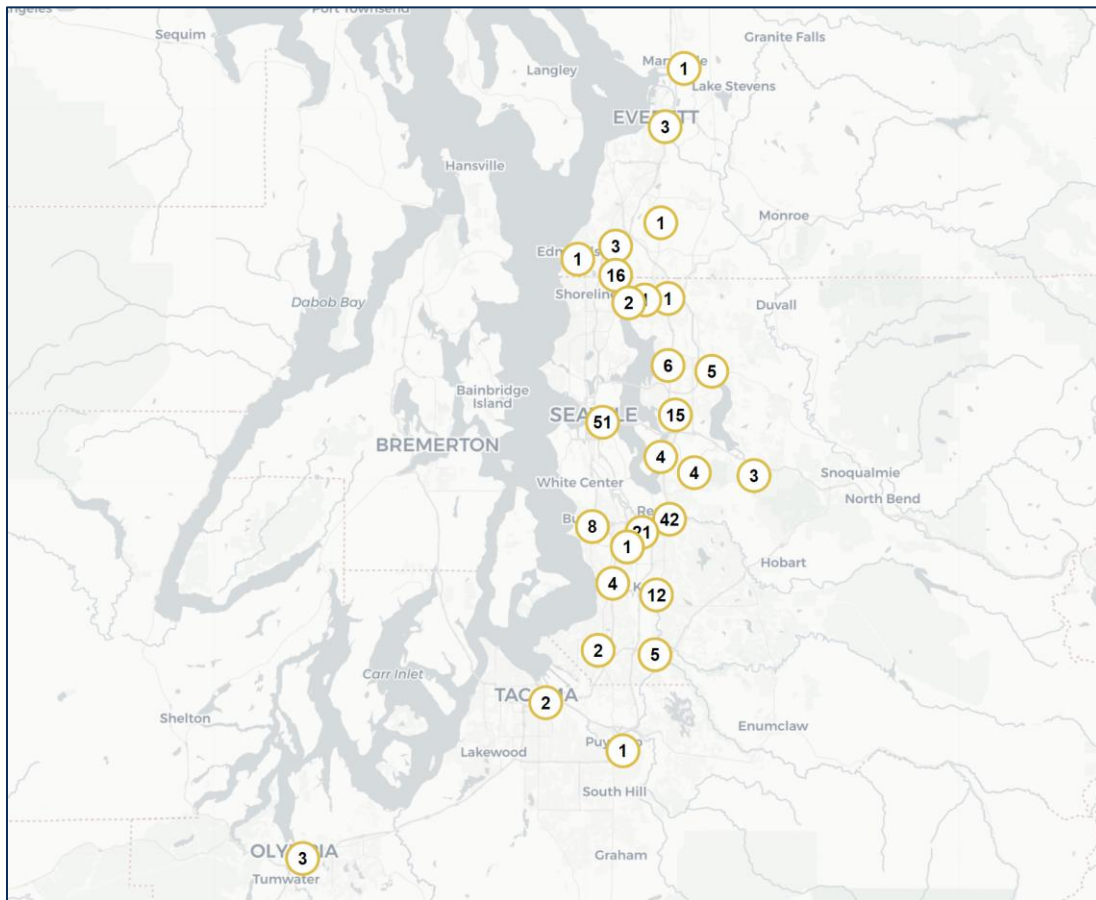
OVERVIEW

SUMMARY

An analysis of the vehicle rental market in Seattle, WA, and its surrounding areas reveals a strong preference for SUVs, with the Toyota RAV4 being the most commonly available model. The typical daily rental rate falls between \$50 and \$100. Larger SUVs, particularly those with seating capacity for seven or more passengers, are among the highest-earning and most profitable vehicles in this market. For optimal profitability, a recommended strategy would be to acquire a used 7-seater SUV or minivan in the price range of \$30,000 to \$35,000 and list it for a daily rate of \$80 to \$100.

ANALYSIS AREA

The Turo data used in this analysis was collected on May 24, 2024, from Seattle, WA, and the surrounding areas. The image below displays the distribution of vehicle counts across various cities within the Seattle metro area included in the analysis.

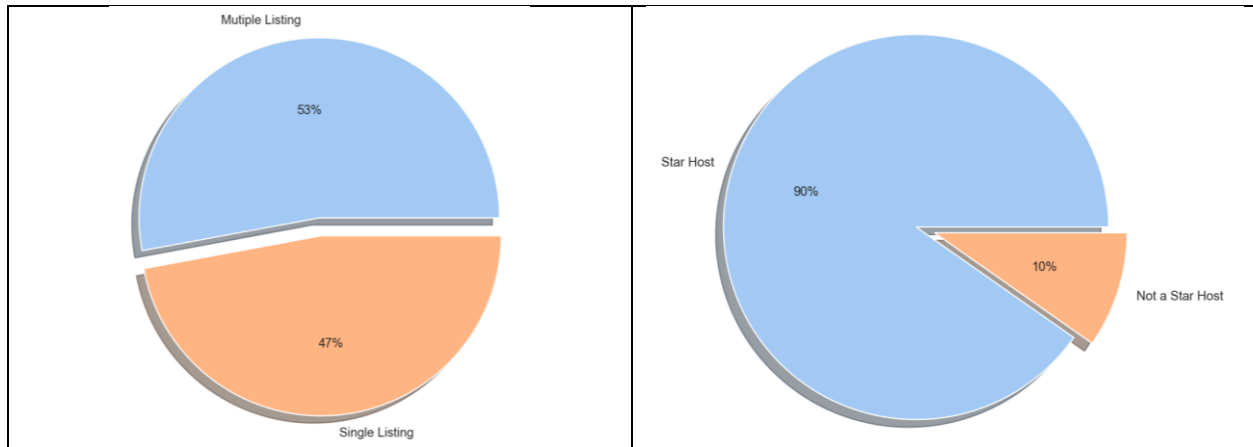


A total of 288 vehicles were initially available for analysis. However, vehicles listed for fewer than 30 days or with fewer than five completed trips were excluded from the dataset. After applying these criteria, 240 vehicles remained and are the focus of the analysis throughout this report.

LOCAL MARKETPLACE

HOSTS

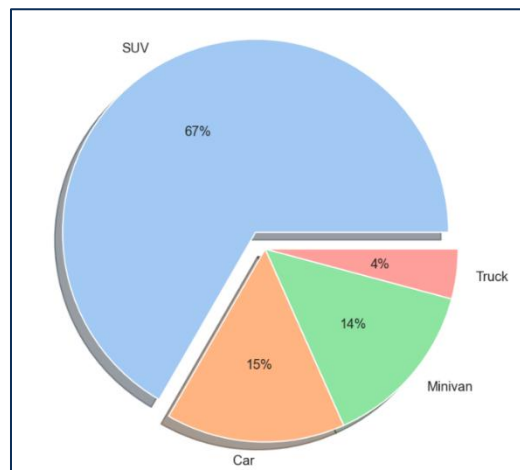
The charts below show the distribution of Turo hosts in the local market based on the number of cars they list and their star status. It highlights the split between hosts with multiple vehicle listings and those with a single listing. It also shows the "Star" status of the host providing insight into the varying levels of engagement within the car-sharing market.



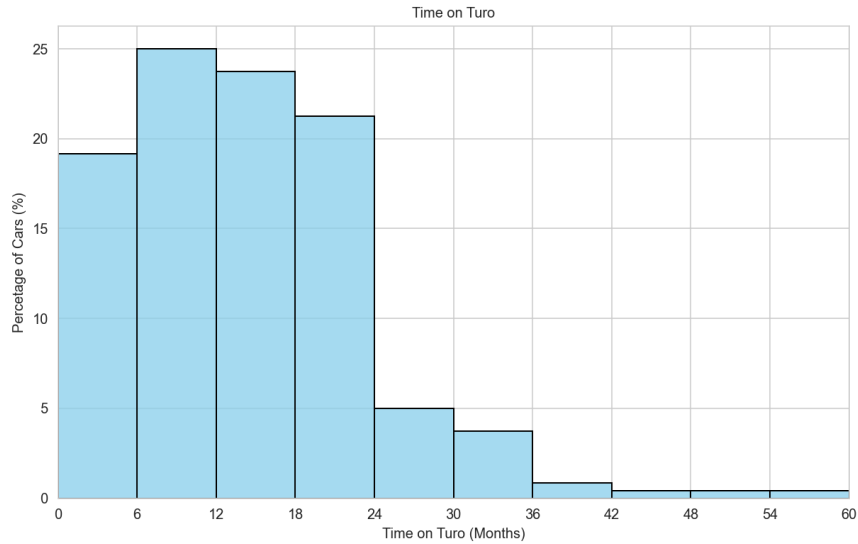
Out of 240 total cars, 113 are listed by unique hosts, with 53% having multiple listings. This suggests that about half of the hosts operate at a small business level, while the remaining 47% are individuals with single listings, representing a mix of casual and dedicated operators. Star Hosts make up 90% of the total, indicating that nearly all hosts have earned the "Star Host" status.

VEHICLE IN MARKET

There are four vehicle types represented in the local area: SUVs, cars, minivans and trucks. SUVs dominate the market with nearly two-thirds of the entire vehicle distribution likely due to their versatility, size, and popularity in the local area SUVs make up. All other vehicles types are much smaller compared to SUVs, indicating that traditional sedans have a more limited presence in this market. Trucks account for the smallest proportion reflecting a lesser need for heavy-duty vehicles. This distribution suggests that consumers represented in this data prefer larger, versatile vehicles, particularly SUVs

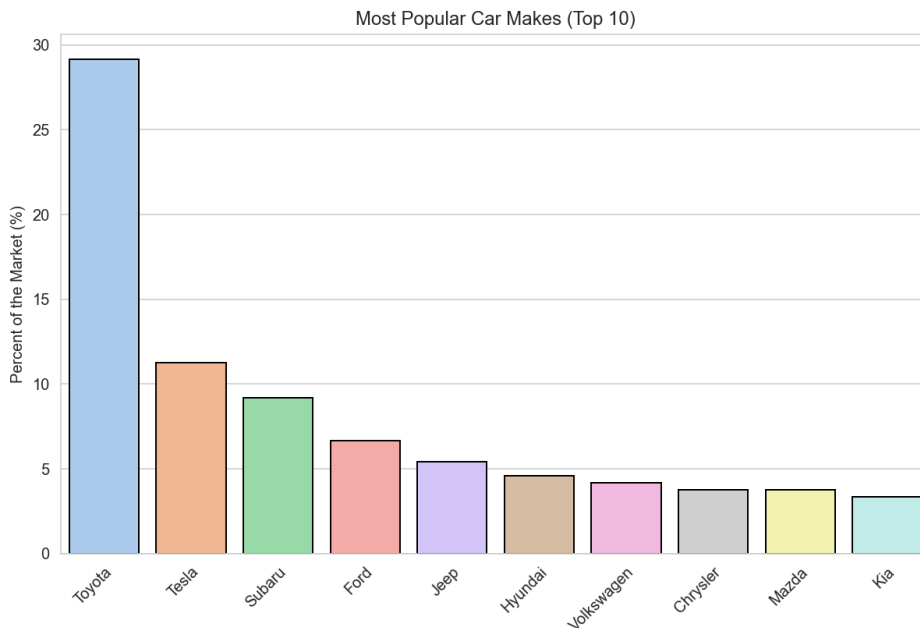


The chart below shows the duration cars have been listed on Turo. The majority have been listed between 6 and 18 months, with around 20% listed for less than 6 months. After 24 months, there is a notable decline, indicating that fewer cars remain listed for longer periods. This suggests many hosts rotate or replace their vehicles within the first 18 months.



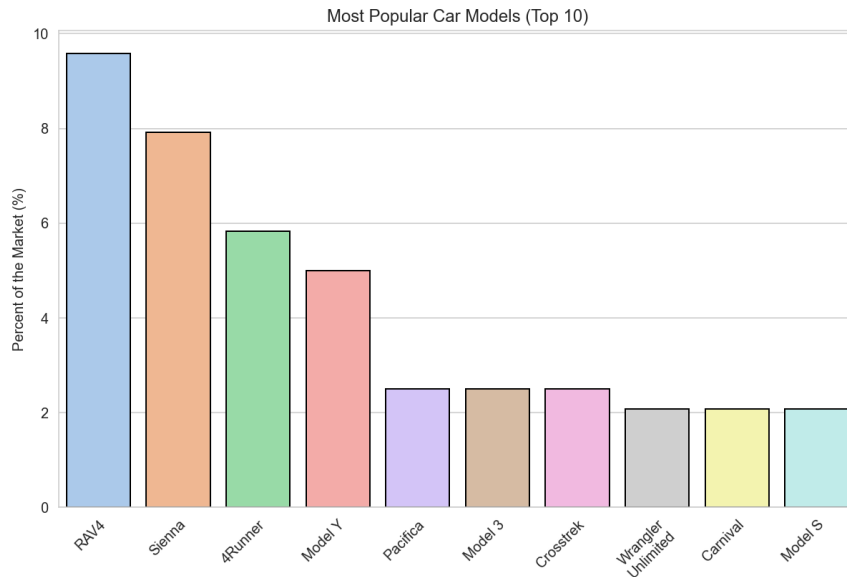
POPULAR VEHICLE MAKES

Bar chart provides a visualization of the Top 10 most popular car makes in the area, highlighting their respective market shares as a percentage of the total. The chart reveals that Toyota significantly outpaces all other car makes on Turo, with nearly one-third of the market while Tesla and Subaru follow at a distance. This indicates a strong preference for Toyota vehicles, likely due to their reputation for reliability, affordability, and broad appeal among Turo renters. Tesla's popularity on Turo could be attributed to the rising interest in electric vehicles (EVs). Subaru rounds in third, capturing around 10% of the market. Known for their all-wheel drive and outdoor-friendly image, Subaru vehicles are likely popular among renters seeking versatile, adventure-ready cars.



POPULAR VEHICLE MODELS

The bar chart above highlights the top 10 most popular car models in the market based on the number of models available. Among the listed vehicles, the Toyota RAV4 leads with nearly 10% of all the car models, making it the most prevalent option. This suggests that the RAV4 is a highly popular and potentially lucrative option for rental on platforms like Turo, but with a lot of competition. Following closely behind are Toyota Sienna, Toyota 4Runner, and Tesla Model Y, each with approximately 5%-8% of the models available.

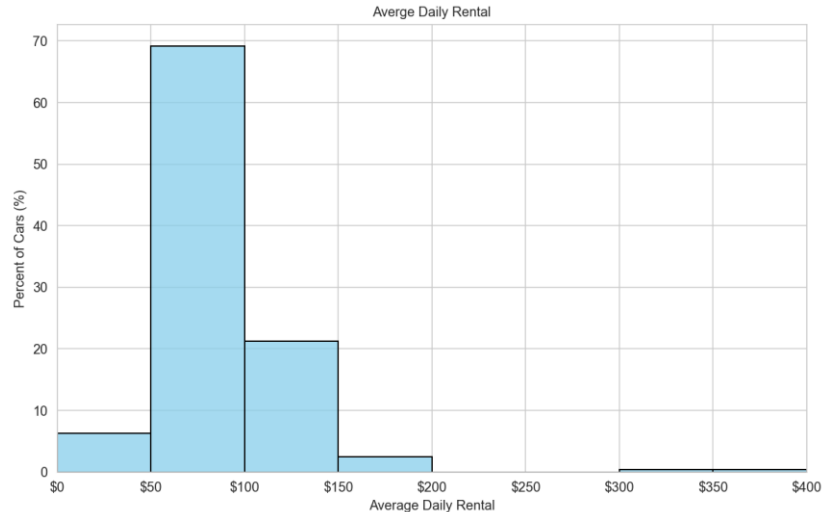


Given the widespread availability and popularity of SUVs and electric vehicles, particularly Toyota and Tesla models, these vehicles are likely to attract a large number of renters on Turo. Prioritizing the addition of these popular models to a fleet could enhance overall rental demand and profitability.

CAR COSTS

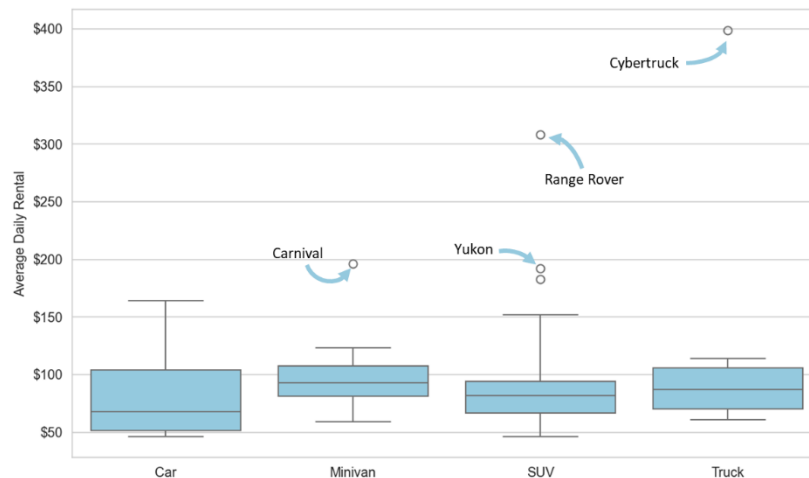
DAILY RENTAL COST DISTRIBUTION

The histogram below illustrates the distribution of daily rental rates for vehicles available on the platform in the analyzed area. The majority of rentals (70%) are priced between \$50 and \$100 per day, as indicated by the highest bar.



Rental costs between \$100 and \$150 per day represent the next largest portion of the market, making up around 20% of the total distribution. Notably, there is a small percentage of rentals priced at the higher end of the spectrum, around \$300 per day, indicating the presence of premium or luxury vehicles in the market, though these are rare. This distribution suggests that renters in the analyzed area typically favor mid-range daily rental costs, with the sweet spot being between \$50 and \$150.

The box plot provides an overview of the price range for different vehicle types available on the platform. Each box illustrates the interquartile range (IQR), where the bottom of the box represents the 25th percentile, the middle line represents the median rental rate, and the top represents the 75th percentile. The dots indicate outliers, or vehicles priced significantly above the typical range.

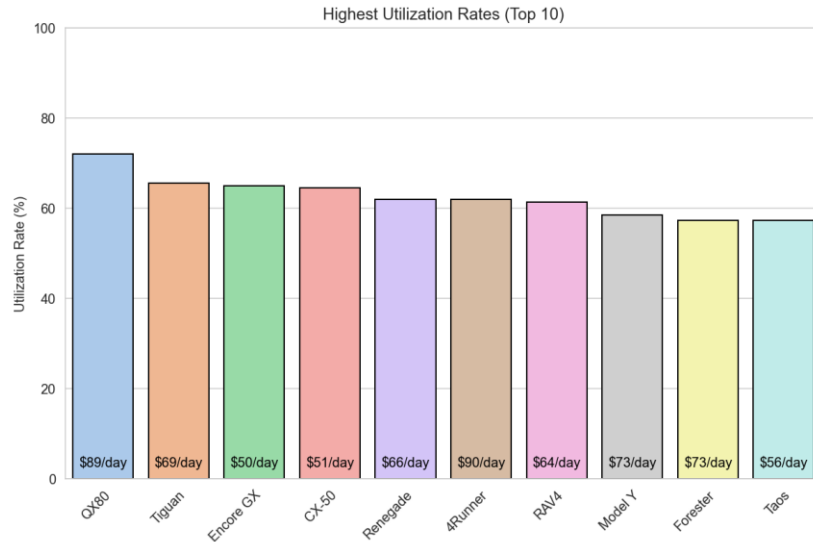


Most SUVs display a range from \$75 to \$100, with outliers such as the Yukon and Range Rover, priced significantly higher. Truck Prices for trucks range from \$100 to \$200, with a fairly consistent distribution however there is a prominent outlier, the Cybertruck, which is priced at around \$400.

VALUE PROPOSITION

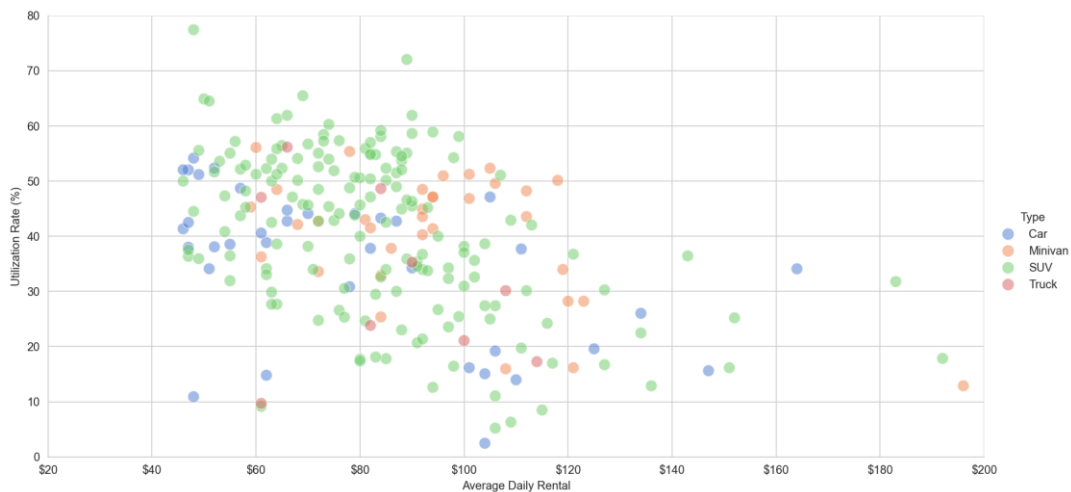
UTILIZATION RATE

The utilization rate analysis of various cars on Turo highlights key trends in customer preferences. The utilization rate refers to how often a car is rented out compared to its availability. It is expressed as a percentage, representing the proportion of time the vehicle is booked out of the total time it's available for rent.



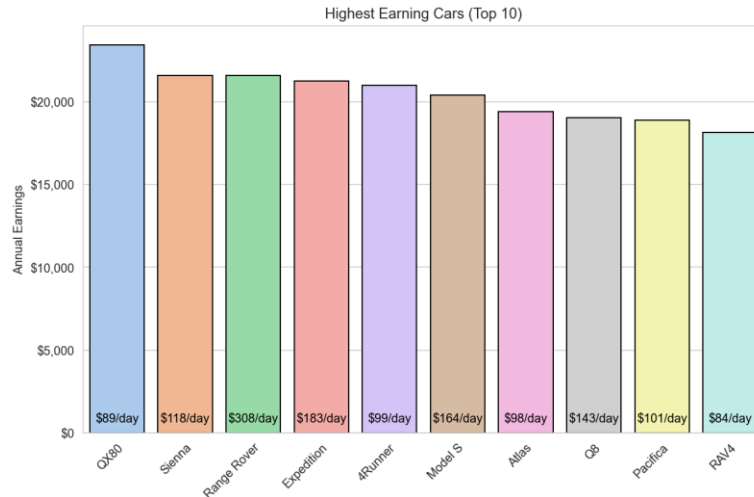
The Infiniti QX80 emerged as the most utilized vehicle, likely due to its competitive pricing and 8-seat capacity, making it a popular choice for larger groups or families. This suggests that customers are willing to pay a premium for vehicles that cater to outdoor adventures, particularly for camping or trips to the mountains surrounding the Seattle area.

Figure below shows daily rental cost and the utilization rate. As expected, the higher the daily rental cost, the lower the utilization rate. In order to obtain about a 50% utilization rate in this market, rental cost up to \$80 per day can be demanded.



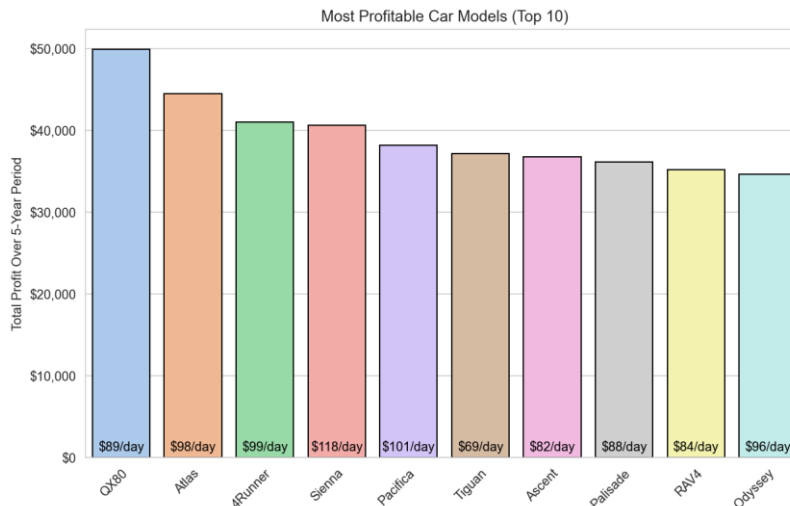
HIGHEST EARNING VEHICLES

The highest-earning vehicles in the market are those that combine a high daily rental rate with consistent demand and utilization. Notably, the Infiniti QX80 stands out as the top performer, thanks to its relatively higher rental fee and frequent bookings.



MOST PROFITABLE VEHICLE

The chart displays the most profitable vehicles over a 5-year span, taking into account key financial factors involved in a Turo rental business. It assumes the purchase of a used car at its current market value, with the car rented out on Turo for five years, and subsequently sold for 40% of the original purchase price. To provide a realistic profit estimate, earnings are reduced by 25%, reflecting the Turo "75 plan" fee structure, which leaves hosts with 75% of the rental revenue and another 15% reduction accounts for unknown costs.



The chart highlights a clear preference for larger vehicles among consumers. Large SUVs like the Infiniti QX80 (8-seater) and Volkswagen Atlas (7-seater) top the list in profitability over a five-year period. These are followed by the Toyota 4Runner, a popular model in the area, and the Toyota Sienna, an 8-seater minivan. This trend suggests that customers are primarily looking for spacious 7- to 8-seater vehicles, indicating a strong demand for options that can comfortably accommodate larger families or groups.