

HYUNDAI HYUNDAI HYUNDAI

**TEXAS
ROAD TEST
IN THREE
NEW POCKET
ROCKETS**
BY JOE SAGE



Hyundai is clearly benefitting from a severe case of accelerated development. In roughly a decade, they have progressed in the US from who? to red hot, with a stylish and increasingly innovative lineup that we have noticed arguably seems to generate a degree of copycatting by everyone from Ford to BMW.

Hyundai started in our market with an unprecedented warranty, to ease any of those who? concerns, and it worked. Their ongoing response to the wants, needs and feedback of the US market has brought improvements in design, model mix, technology, quality, and fit and finish at a blindingly fast pace, surpassing most manufacturers' rates of just normal evolution.

And despite brisk sales and a top-notch reputation now, those generous warranties remain.

The Veloster breakthrough

When Hyundai introduced the Veloster at the Detroit and New York auto shows in 2011, we were struck by the crowds it attracted—not just during the public show days, but even from the jaded press corps during media preview days. It took a lot of patience, to get a chance to photograph the new model through the mob.

Hyundai brought us the Tiburon from 1997 through 2008, a reasonably peppy drive in a small package at a pleasing price. The Tiburon was attractive and popular, though somewhat derivative in format. The Veloster, on the other hand, stakes out new turf. To make that perfectly clear, the company provided it with three doors: one on the driver's side and two on the passenger side. (This has been done before, on some Ford pickups 15 or

20 years ago, though the third door in that case was as much an access panel as anything.) As with so many things coming from Hyundai, it's not only distinctive, but it makes sense: the driver uses the car all the time, often alone, so why suffer the smaller door of a four-door? But it does have a back seat, so why make passengers crawl in from the front? A third passenger has total convenience, and a fourth can just scoot over. Nice. The base Veloster has a 1.6-liter four-cylinder engine generating 138 horsepower and 123 lb-ft of torque and weighs about 2600-2800 pounds depending upon fitments.

Veloster Turbo

So clever and sporty is the Veloster, there was only one thing begging to be added: a little more pep. Enter the

If you have any doubt that the new Hyundai Veloster Turbo packs a lot of style and punch, look how quickly it attracted a Ferrari 458 Italia when parked in front of an Austin hotel. At \$22k for the Hyundai versus about \$240k for the Ferrari, which gives you more bang for the buck: one Ferrari, or eleven Veloster Turbos? More to the point, how does one Veloster Turbo compare with one-eleventh of a Ferrari, say a wheel and a taillight?



Veloster Turbo for 2013. The core difference is of course its 1.6-liter twin-scroll turbocharged engine, pumping out 201 horsepower. The new performance is announced by a distinctive front fascia and body kit, upstyled headlights and taillights, tuned exhaust, sport-tuned steering, 18-inch wheels and interior upgrades including heated leather sport seats with Turbo inscription. The Turbo weighs in at 2800-3000 pounds. A little weight gain, but all for the right reasons, and the Turbo works out to just 14-15 pounds per horse, compared to 19-20 on the base Veloster.

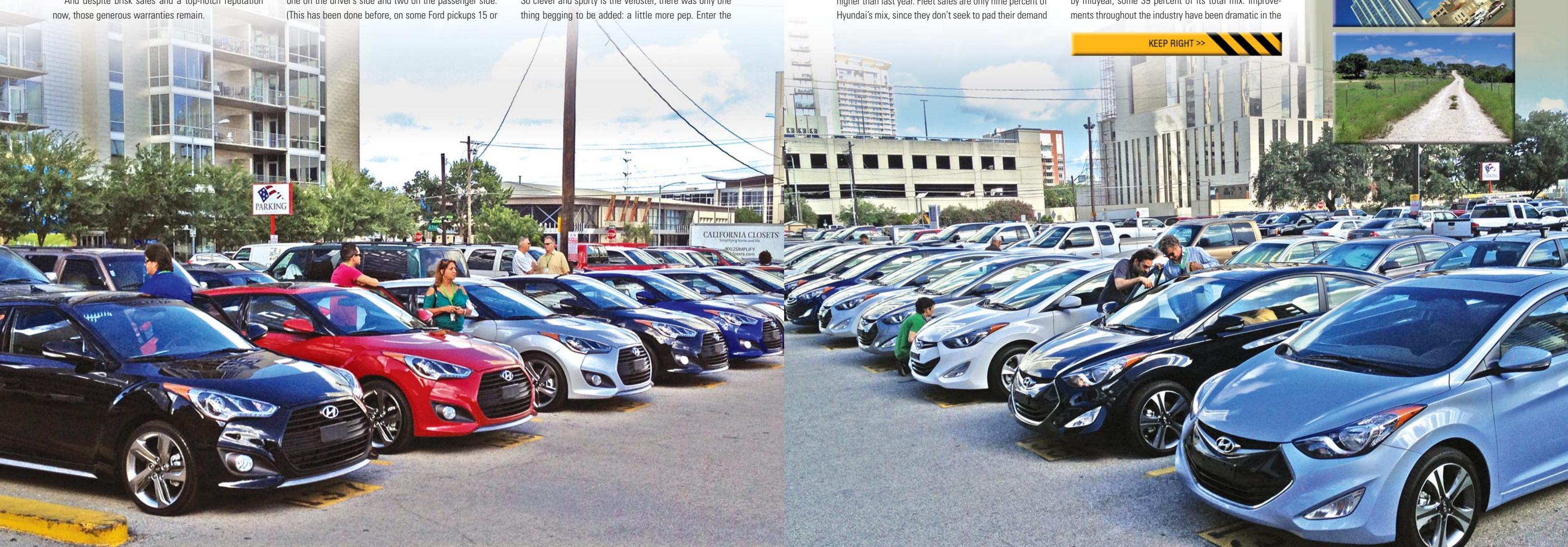
Scott Margason, Hyundai's director of product planning, met us in Austin, Texas, to discuss how things are going. The company was just coming off four months in a row of 60,000-plus units sold per month in the US, and retail sales for the first half of 2012 were 13 percent higher than last year. Fleet sales are only nine percent of Hyundai's mix, since they don't seek to pad their demand

that way. And in the world of supply and demand, Hyundai's supply of inventory was sitting at just 27 days, the lowest of any non-premium brand. Hot, hot, hot.

How do they do this in a lingering recession? Prices are more than fair and fuel economy is more than good, two things anyone is seeking as the economy continues its prolonged recovery. The government has set aggressive new CAFE fuel standards (corporate average fuel economy), with a mandate for 35.5 MPG by model year 2016. Sound impossible? By calendar year 2011, Hyundai had already hit 36.1 MPG as its average. The company has enough 40-plus MPG vehicles in its lineup that it had sold close to 140,000 40-MPG-plus vehicles by midyear, some 39 percent of its total mix. Improvements throughout the industry have been dramatic in the



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past year or two, with 30 MPG becoming commonplace, followed by 40 MPG becoming “the new 30.” And close to half of Hyundai’s vehicles, by sales, are there. Again, they demonstrate a case of accelerated development.

The beauty, not unique to Hyundai, is that this kind of fuel frugality no longer necessarily comes at the expense of style, comfort, even luxury and pride.

Speaking of supply and demand, the Veloster is one car whose sales are so hot, the supply has had trouble keeping up. From sales of about 1700 in January, volume skyrocketed to more than double that, almost 3900, by March. Sales have been over 3000 per month since then, too, but Hyundai knows they can sell more, once production increases. How? They compare the number of days it takes to sell comparable “sporty cars”—MINI, VW Beetle, Scion tC, Honda CR-Z and Fiat 500. Those range from 26 days for a MINI Clubman to 64 for the Fiat. And Veloster? Just 13 as of midyear. If you’re developing the itch for one, get your name in, pronto.

Also hot in the lineup are the Hyundai R-Spec cars. Sales of the Genesis R-Spec sedan and coupe have represented over 10 percent of those models’ totals, far more than they had anticipated. This is more evidence that sporty will sell.

Any company’s “halo cars” are known to boost

The Hyundai Veloster Turbo is available in a factory Matte Gray paint. This costs \$1000 and takes extra care, but is a stunning sight to see.



sales overall. Typically, this will be something at the pricey end that casts its magical light on the rest of the lineup, such as a Corvette or Lexus LF-A. Hyundai sees the Veloster Turbo as a “reverse halo” car, bringing its desirable attributes to the most affordable end. Competitors in the Turbo’s realm include the VW GTI, Honda Civic Si, MINI Cooper and Abarth from Fiat. (The Veloster boasts the most interior volume and cargo volume among its competitors, with the Beetle coming closest.)

The engine is a first-of-its-kind for Hyundai: a 1.6-liter turbo pumping out 210 horses and 195 lb-ft of torque on regular fuel. (That’s the same horsepower a first-generation Porsche Boxster had, but that required premium.) What’s more, it qualifies as an ultra-low emissions vehicle (ULEV), achieving 38 MPG highway with a 6-speed manual (or 34 with a 6-speed automatic). The base Veloster is geared with an emphasis on fuel economy, while the Veloster Turbo aims for more torque and a fun-to-drive experience—and yes, while getting 38 MPG.

The cost of the Turbo is \$1600. Beyond that, \$2350 of content is added but \$1450 is deleted (e.g. leatherette is out, leather is in), for a net addition of just \$900 more. Grand totals: \$17,450 base for a Veloster, \$21,950 base for a Veloster Turbo. Forty-five hundred bucks is forty-five hundred bucks, but we would certainly be inclined to come up with it. When you consider a few likely additions to the base model, the gap is even closer.

Elantra Coupe and Elantra GT

If you’re still learning your way through the extensive Hyundai passenger car lineup, that’s not surprising. Among compacts, they have the Accent, Elantra and Veloster. Midsize includes the Sonata and Azera (and a Sonata Hybrid). Performance and Premium models are combined in their lexicon, including the Genesis four-door sedan and two-door coupe (quite different vehicles in application and spirit), and the top-dollar Equus sedan

(\$59,250 base). Within the compact category, the Accent is clearly entry level, while the Veloster is a bit of a specialist. Hovering closer to the Veloster in price, but more conventional in form, is the \$16,695 base Elantra four-door sedan (the Accent starts at \$14,545). With the larger Sonata starting at just about \$20k, the product planners saw an opening for something in the Elantra’s size and economy range, not as mildly unconventional as the Veloster, but sportier than the four-door.

Enter not one but two new Elantra models: a two-door Elantra Coupe and a five-door Elantra GT. Competition for the Elantra Coupe includes the Honda Civic Coupe, Kia Forte Koup, plus Accord and Altima, secondarily. The Elantra GT chases after Mazda3, Ford Focus and others in the finally very popular and growing category of five-door hatches (by whatever name). Both pick up the 1.8-liter four-cylinder from the Elantra four-door, and are available with 6-speed manual or 6-speed automatic. Suspension and steering are modified and include a compact segment first: three-mode driver-selectable steering.

The new Elantra is 151 pounds lighter than the Mazda3 and 175 pounds lighter than the Focus. Three models (the GT, manual or automatic, and the Coupe, automatic) achieve 39 MPG highway. The Coupe with manual transmission hits 40.

All four are rated at 148 hp and 131 lb-ft of torque. Moving from the Veloster Turbo to the Elantra in our test cycle, we debated whether 148 hp in the Elantra felt anemic or not—and whether that matters. Hyundai is of course trying to achieve those high fuel mileage numbers and those reasonable sticker prices (the Elantra Coupe starts at \$17,445 and the Elantra GT at \$18,395). Our conclusion? In this era of quality, fit and finish—even at these prices—you can make a legitimate decision to buy in this price bracket and totally enjoy yourself. It’s just like buying popcorn at the movies, we concluded: sometimes you only want the small popcorn.

Hyundai sports economy drive time

An easy 90-minute flight took us from Phoenix to Austin, a popular vehicle launch locale with a combination of freeway, two-lane highway and country road driving, as well as great barbecue.

Stated competition includes some good machinery. Hyundai has calculated their competitive advantages—as stated, plus braking, cabin noise and more—and such test numbers tend not to lie. Also not lying are the Monroneys: all punch well above their sticker price. And all include Hyundai’s 10-year/10,000-mile coverage.

When it comes to the folds and flows of Hyundai sheetmetal, we’ve come to realize they are doing what Audi has long done: anticipating—and leading—design direction by a few years, developing styles that stand the test of time as the rest try to catch up. All three of these cars are handsome and fresh and look worth more than they cost. It’s not just style for style’s sake: these cars demonstrate a trend—benefiting from gains in lightweight strength and goals of fuel economy—toward larger cabins in smaller cars.

If you’re looking for something in the 20ish price range, with style and pep, plus daily driver comfort and utility you won’t get tired of any time soon, head to the dealer and do what we did—drive all three. ■

The Hyundai Elantra GT and Elantra Coupe are easily distinguished by their body profiles or from the back, but also have distinct front fascias.

