

Faraday Future: Mysterious electric car startup looking to build \$1B factory

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The luxury electric car market may be small, but it's lucrative enough to get another jolt—this time from a mysterious startup that says it wants to re-imagine how people interact with their autos.

The startup's name is Faraday Future, and it has been hunting for a place to build what it says will be a \$1 billion manufacturing plant for a new line of cars. Four states are contenders and the company says to expect an announcement within weeks.

Headquartered in a low-profile office just south of Los Angeles, Faraday is holding a lot of details close. Though it won't confirm the source of its funds, documents filed in California point to a parent company run by a Chinese billionaire who styles himself after Apple's late Steve Jobs.

Based on the few other public clues, Faraday is following the path blazed by Tesla Motors, its would-be rival hundreds of miles away in Silicon Valley.

Like Tesla, Faraday's car will be all-electric, and debut at the high end.

The startup of about 400 employees has poached executive talent from Tesla and also draws its name from a luminary scientist—Michael Faraday—who helped harness for humanity the forces of nature.

Even Faraday's public announcement that California, Georgia, Louisiana and Nevada are finalists for the factory mirrors the approach Tesla took

to build a massive battery factory. Nevada won that bidding war among several states last year by offering up to \$1.3 billion in tax breaks and other incentives.

Faraday hopes to distinguish itself by branding the car less as transportation than a tool for the connected class.

"People's lives are changed by their mobile devices, the way that we interact," Faraday spokeswoman Stacy Morris said. "The car industry hasn't caught up sufficiently. The car still feels like a place where you're disconnected."

Just what that means could hit the road as early as 2017, when Faraday has said it wants to bring a car to market.

The timeline is ambitious, given that it typically takes automakers at least three years to go from concept to production—and that's when they already have their factories up and running.

"Developing an electric vehicle platform from scratch takes many years and doing it in 18 to 24 months would be a precedent-setting event, if it could be done," said John Gartner a director at the market intelligence firm Navigant Research.

Then again, Faraday was around for more than a year before its recent public coming out. It was originally incorporated in California in May 2014 as LeTV ENV Inc., according to papers filed with the California Secretary of State. The address in Beijing is associated with Letv, a holding company founded by Chinese tech pioneer Jia Yueting.

Yueting is referred to as China's equivalent of Jobs, both for his talk of "disrupting" traditional industries as well as his jeans and T-shirt wardrobe at product launches.

Faraday spokeswoman Morris wouldn't comment on Yueting.

"We're in stealth mode where we're not revealing ownership," she said. "There's a significant investor who wants the company to stand on its own merit before being associated" with it."

Navigant projects that the luxury plug-in market will grow in the U.S. from 109,000 cars or SUVs next year to 468,000 in 2023. With a market share increase from 0.7 percent to 2.6 percent of all "light duty vehicles" (which also includes vans and pickup trucks), it's still a niche market.

And by 2023, there will be even more competition—automakers other than Tesla plan to compete for customers who want luxury electric vehicles.

"The market's only going to get more challenging," Navigant's Gartner said.

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