

New-Car Sales Beat Seasonal Expectations, SAAR Jumps To 14.4 Million On Fuel-Sipper Demand

Kelley Blue Book Forecasts New-Vehicle Sales Increase Nearly 19 Percent YOY; Toyota, Honda Continue Annual Gains

IRVINE, Calif., Aug. 23, 2012 [PRNewswire](#)/ -- August [new-car sales](#) will hit 1,273,000 units overall, which is an 18.7 percent increase from last year, according to Kelley Blue Book, www.kbb.com, the leading provider of new car and used car information. After adjusting for one additional selling day in August, car sales are projected to improve by a conservative 14.3 percent. Although sales remain strong from a year-over-year and seasonally adjusted annual rate (SAAR) perspective, the daily selling rate is expected to decline nearly 1,000 units per day compared to July 2012. This drop can be attributed to a seasonal decline in fleet sales taking place during the second half of this year. Retail sales volume will remain relatively flat month-over-month, outperforming seasonal expectations.

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Retail demand from consumers has remained steady, despite a sluggish economic recovery. Although the economy continues to struggle, there were a handful of noteworthy positive developments in August. Consumer sentiment improved slightly this month, thanks to a growing belief that the housing market has bottomed, and that confidence bodes well for auto sales. Unemployment remains high at 8.3 percent and will continue to limit sales in the long term.

"Although economic jitters remain top-of-mind for many, those consumers seeking replacement vehicles continue to opt for new cars with used-car values remaining high," said Alec Gutierrez, senior market analyst of automotive insights, Kelley Blue Book. "In fact, a recent survey of KBB.com shoppers conducted by Kelley Blue Book Market Intelligence found that 53 percent of respondents indicated they were considering a new vehicle rather than used due to elevated used-car values. Savvy consumers are likely opting to pay an extra \$20 or \$30 per month to buy or lease a new car than settle for a used vehicle with 20,000 miles or more."

From a segment perspective, Kelley Blue Book expects a jump in sales of compact, subcompact and [hybrid cars](#) as consumers seek respite from rising fuel prices. Gas prices have increased by \$0.30 per gallon since early July, and as a result, Kelley Blue Book has seen an increased interest in fuel-sipping small cars both in terms of KBB.com shopper activity and retail sales volume. Mid-size car sales also remain strong at 16.8 percent market share. The Toyota Camry will continue to lead segment sales; however, the 2013 Nissan Altima could sway consumers with its segment-leading 38 mpg highway.

Sales to Hit 14.4 Million SAAR as Consumers Seek Fuel Sippers

Segment	Sales Volume			Market Share		
	Aug-12	Aug-11	YOY%	Aug-12	Aug-11	YOY
<i>Mid-Size Car</i>	213,850	172,107	24.3%	16.8%	16.0%	0.7%
<i>Compact Car</i>	182,050	139,123	30.9%	14.3%	13.0%	1.3%
<i>Compact Crossover</i>	157,850	114,297	38.1%	12.4%	10.7%	1.7%
<i>Full-Size Pickup Truck</i>	140,000	131,184	6.7%	11.0%	12.2%	-1.2%
<i>Subcompact Car</i>	57,300	40,242	42.4%	4.5%	3.8%	0.7%
Total	1,273,000*	1,072,379	18.7%	-	-	-

*Includes segments not shown

Toyota and Honda Continue to Lead Annual Gains

Toyota and Honda are expected to improve 31 and 51 percent respectively year-over-year in August from each brand's soft sales one year ago due to inventory shortages stemming from the earthquake in Japan. The rebound of Toyota and Honda is due to more than improved inventory levels. These brands have benefitted from well-received redesigns that have caught the attention of consumers seeking reliability and fuel efficiency. Camry sales have improved 40 percent through the first seven months of the year, while the Prius has soared 93 percent. Honda has benefitted from strong sales of the redesigned Civic and CR-V, each of which currently sit atop their respective segments with gains of 33 and 34 percent respectively.

"The resurgence of Toyota and Honda is especially impressive when we consider that they have been able to regain market share without relying on fleet sales," said Gutierrez. "Toyota outsold General Motors three out of the seven months so far in 2012 in terms of retail sales volume. Honda, while still firmly in fourth place in terms of retail sales volume in the U.S., has only trailed Ford by 10,000 units on average through much of 2012. In August, Kelley Blue Book expects Toyota and General Motors to be neck-and-neck for the retail sales crown, while Ford will likely beat Honda by a respectable 14,000 units or more."

Toyota and Honda Continue to Lead Year-Over-Year Gains

Manufacturer	Sales Volume			Market Share		
	Aug-12	Aug-11	YOY%	Aug-12	Aug-11	YOY
General Motors	225,950	218,479	3.4%	17.7%	20.4%	-2.6%
Ford Motor Company	191,600	174,800	9.6%	15.1%	16.3%	-1.2%
Toyota Motor Company	176,950	129,482	36.7%	13.9%	12.1%	1.8%
Chrysler Group	142,600	130,119	9.6%	11.2%	12.1%	-0.9%
American Honda	129,450	82,321	57.3%	10.2%	7.7%	2.5%
Hyundai-Kia	119,662	99,693	20.0%	9.4%	9.3%	0.1%
Nissan North America	105,000	91,541	14.7%	8.2%	8.5%	-0.3%
Volkswagen	53,500	35,557	50.5%	4.2%	3.3%	0.9%
Total	1,273,000*	1,072,379	18.7%	-	-	-

*Includes brands not shown

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About Kelley Blue Book (www.kbb.com)

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