

New-Car Shoppers Return To Market In November After Superstorm Sandy Disrupts October Sales

Strongest Sales Month Expected in December; Honda, Volkswagen Rely on Redesigns to Drive Gains

IRVINE, Calif., Nov. 30, 2012 /PRNewswire/ -- New-car sales are expected to hit 14.7 million seasonally adjusted annual rate (SAAR) in November, slightly outpacing the 14.3 million unit pace achieved last month when Superstorm Sandy swept the East Coast, according to Kelley Blue Book, www.kbb.com, the leading provider of new and used car information. Although sales remained somewhat suppressed in storm-devastated parts of the northeast immediately following the storm, it looks as though the worst may be behind us.

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Sales were hard hit in New Jersey, where retail sales volume declined drastically in the days immediately following the storm. New Jersey typically accounts for 3 to 5 percent of all sales in the United States. In the week immediately following the storm, New Jersey saw its share of nationwide sales volume decline to 1 percent, its lowest share for the state this year. While New Jersey was most heavily impacted by Sandy's aftermath, vehicle sales in New York similarly fell. In both states, auto sales have steadily returned to pre-storm levels of activity.

"Kelley Blue Book anticipates buyers that were forced to delay a purchase due to the onset of the storm will continue to return to market during the next several weeks," said Alec Gutierrez, senior market analyst of automotive insights for Kelley Blue Book. "Additional demand will come from residents that unfortunately had a vehicle destroyed. These consumers will likely help make the last weekend of November a strong one for the automakers with demand for replacement vehicles continuing into December."

Considering the thousands of consumers who will need to find a replacement vehicle in the near future, Kelley Blue Book expects sales to continue to trend upward during the last days of November, setting up the market for what could be a very strong December.

Sales Gains to Continue in December

While November's sales results appear on pace to achieve par for the course, December could be the strongest month in vehicle sales in 2012. Buyers who delayed purchases or that need to replace a storm-damaged vehicle will likely hit dealerships in droves, potentially driving sales beyond a 15 million unit annual pace.

"Although the industry can assume that a significant percentage of consumers seeking replacement vehicles will shop used, many automakers are offering residents of FEMA-designated storm-damaged areas additional cash incentives to entice consumers to [shop for new cars](#)," said Gutierrez. "Nissan, Mazda, Ford and Chrysler are among the manufacturers offering incentives such as \$500 in additional bonus cash, employee pricing or special finance deals to those in the market for a replacement vehicle."

These special deals are in addition to the already generous incentives available in the marketplace today. Kelley Blue Book expects low finance rates, cheap lease offers and modest cash incentives to continue throughout 2012 and into 2013, so consumers looking for a great deal should have plenty of options. Those looking for a [truck](#) or [SUV](#) will continue to find the most generous cash incentives, while shoppers that find the remaining 2012 model-year vehicles in the marketplace also can expect to find significant savings.

Honda and Volkswagen Rely on Redesigns to Drive Year-Over-Year Gains

In November, Kelley Blue Book forecasts Honda and Volkswagen will lead industry gains once again, with each brand expected to increase by more than 20 percent on an annual basis. Honda will continue to report strong sales of the Accord, Civic and CR-V, each of which were redesigned for the 2012 model year.

"The Civic has remained the dominant-selling compact all year, despite a less-than-stellar reception by the automotive press," said Gutierrez. "Once the [2013 model](#)-year refresh arrives in early December, the industry could see Civic sales surge to new heights."

Volkswagen has seen strong sales of the Jetta, Passatt, Golf and Tiguan drive market share up. The Jetta and Passat each were redesigned for the 2012 model year, and have helped Volkswagen to increase market share by offering lower cost of entry while retaining the upmarket amenities Volkswagen is known for in high-end trims.

Honda and Volkswagen Lead Industry Gains

Manufacturer	Sales Volume			Market Share		
	Nov-12	Nov-11	YOY%	Nov-12	Nov-11	YOY
General Motors	193,100	180,402	7.0%	17.8%	18.1%	-0.3%
Ford Motor Company	167,200	166,441	0.5%	15.4%	16.7%	-1.3%
Toyota Motor Company	158,000	137,960	14.5%	14.6%	13.9%	0.7%
Chrysler Group	120,800	107,172	12.7%	11.1%	10.8%	0.4%
American Honda	108,150	83,925	28.9%	10.0%	8.4%	1.5%
Nissan North America	83,250	85,182	-2.3%	7.7%	8.6%	-0.9%
Hyundai-Kia	94,150	86,617	8.7%	8.7%	8.7%	0.0%
Volkswagen	48,150	38,112	26.3%	4.4%	3.8%	0.6%
Total	1,085,000	994,786	9.1%	-	-	-

**Includes brands not shown*

Small Cars Hold Steady Despite Cheaper Gas

Although fuel prices have dropped nearly \$0.50 per gallon since early September, demand for small cars has remained surprisingly resilient. Demand for mid-size cars will remain strong as well, thanks to attractive lease offers on most of the major players in the segment. The Honda Accord, Ford Fusion, Chevrolet Malibu, Toyota Camry and Nissan Altima all were redesigned this year and consumers looking for the latest and greatest can find lease payments of \$250 or less on any of these fantastic redesigns. While mid-size cars will continue to lead the industry in terms of market share, Kelley Blue Book expects sales of full-size pickup trucks to continue to increase as demand heats up for vehicles equipped with four-wheel drive in colder parts of the country.

Compacts Hold Steady Despite Falling Gas Prices

Segment	Sales Volume			Market Share		
	Nov-12	Nov-11	YOY%	Nov-12	Nov-11	YOY
Mid-Size Car	184,450	176,071	4.8%	17.0%	17.7%	-0.7%
Compact Car	160,580	179,059	-10.3%	14.8%	18.0%	-3.2%
Compact Crossover	119,350	115,074	3.7%	11.0%	11.6%	-0.6%
Full-Size Pickup Truck	149,750	108,391	38.2%	13.8%	10.9%	2.9%
Subcompact Car	44,500	37,302	19.3%	4.1%	3.7%	0.4%
Total	1,085,000	994,786	9.1%	-	-	-

**Includes segments not shown*

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