May New-Car Sales To Remain Flat Year-Over-Year; Up 7 Percent From April 2017, According To Kelley Blue Book

Sales Mix of Cars Reaches 38 Percent; Full-Size Pickups Gain Market Share

IRVINE, Calif., May 24, 2017 /PRNewswire/ -- New-vehicle sales are expected to remain flat year-over-year at a total of 1.53 million units in May 2017, resulting in an estimated 16.7 million seasonally adjusted annual rate (SAAR), according to Kelley Blue Book www.kbb.com.

"We could see a positive month for the industry for the first time this year in May, but Kelley Blue Book expects totals to finish about even year-over-year, despite one extra selling day in 2017," said Tim Fleming, analyst for Kelley Blue Book. "Retail numbers for May are expected to finish strong, however they continue to be supported by considerable incentives and lease subvention. In recent months, leasing appears to be reaching its peak, which is expected, given declining residual values and which is contributing to this year's slowing sales."

After a record year of sales in 2016 and seven consecutive year-over-year sales increases, Kelley Blue Book's forecast for 2017 calls for sales in the range of 16.8 million to 17.3 million units, which represents a 1 to 4 percent decrease from last year.

Key Highlights for Estimated May 2017 Sales Forecast:

- In May, new light-vehicle sales, including fleet, are expected to hit 1,525,000 units, flat compared to May 2016 and up 7 percent from April 2017.
- The seasonally adjusted annual rate (SAAR) for May 2017 is estimated to be 16.7 million, down from 17.1 million in May 2016 and down slightly from 16.8 million in April 2017.
- Retail sales are expected to account for 80.5 percent of volume in May 2017, slightly up from 78.9 percent in May 2016.

General Motors Stands to Gain Share; Hyundai-Kia Expected to See One of Largest Declines in April 2017

General Motors is poised to gain market share in May 2017 with growth driven by its SUVs, specifically the new GMC Acadia and Buick Envision. In fact, GM could see its SUV sales volume increase by more than 15 percent, which would offset any potential declines from its car and pickup truck models.

Hyundai-Kia could see one of the largest declines in May, with volume expected to drop more than 4 percent year-over-year. The company still faces challenges regarding the shifting demand toward SUVs, and compared to the other major manufacturers, Hyundai-Kia has the highest sales mix of cars at 69 percent, while the industry average sits at 37 percent.

	Sales Volume [1]			Market Share [2]		
Manufacturer	**May-17**	**May-16**	**YOY %**	**May-17**	**May-16**	**YOY %**
General Motors (Buick, Cadillac, Chevrolet, GMC)	248,000	240,450	3.1%	16.3%	15.8%	0.5%
Ford Motor Company (Ford, Lincoln)	232,000	234,748	-1.2%	15.2%	15.4%	-0.2%
Toyota Motor Company (Lexus, Scion, Toyota)	220,000	219,339	0.3%	14.4%	14.4%	0.0%
Fiat Chrysler (Chrysler, Dodge, FIAT, Jeep, RAM)	187,000	194,720	-4.0%	12.3%	12.8%	-0.5%
American Honda (Acura, Honda)	148,000	147,108	0.6%	9.7%	9.7%	0.0%
Nissan North America (Infiniti, Nissan)	135,000	133,496	1.1%	8.9%	8.8%	0.1%
Hyundai-Kia	128,000	133,932	-4.4%	8.4%	8.8%	-0.4%
Volkswagen Group (Audi, Volkswagen, Porsche)	54,000	52,085	3.7%	3.5%	3.4%	0.1%
Subaru of America	56,000	50,083	11.8%	3.7%	3.3%	0.4%
Total [3]	1,525,000	1,522,143	0.2%	-	-	-

[1] *Historical data from OEM sales announcements*

[2] *Kelley Blue Book Automotive Insights*

[3] *Includes brands not shown*

Sales Mix of Cars Down 3 Percent Year-Over-Year; Compact SUVs Gain Nearly One Point of Share

Yet again, there is a clear divide in the market between cars and light trucks, and in May, Kelley Blue book anticipates the sales mix of cars to reach 38 percent, down 3 percent year-over-year. While SUV segments continue to see the most significant gains,full-size trucks are expected to increase market share by 0.5 percent in May, though deeper discounts and incentives are partially responsible for the growth.

"Consumers are continuing to defect from the mid-size car segment at a rapid pace," said Fleming. "Most commonly, they are turning to the compact SUV/crossover segment. As such, Kelley Blue Book expects mid-size cars to lose more than one point of share in May, while compact SUVs are expected to pick up nearly one point of share."

	Sales Volume [1]			Market Share		
Segment	**May-17**	**May-16**	**YOY %**	**May-17**	**May-16**	**YOY %**
Compact SUV/Crossover	275,000	264,543	4.0%	18.0%	17.4%	0.7%
Compact Car	206,000	216,046	-4.6%	13.5%	14.2%	-0.7%
Mid-Size SUV/Crossover	189,000	172,183	9.8%	12.4%	11.3%	1.1%
Full-Size Pickup Truck	187,000	179,319	4.3%	12.3%	11.8%	0.5%
Mid-Size Car	174,000	196,573	-11.5%	11.4%	12.9%	-1.5%
Total [2]	1,525,000	1,522,143	0.2%	-	-	-

[1] *Kelley Blue Book Automotive Insights*

[2] *Includes segments not shown*

There are 25 sales days in May 2017, compared to 24 sales days in May 2016. All percentages are based on raw volume, not daily selling rate.

To discuss this topic, or any other automotive-related information, with a Kelley Blue Book analyst on-camera via the company's on-site studio, please contact a member of the Public Relations team to schedule an interview.

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