New-Car Sales To Decline 7 Percent Year-Over-Year, Still Resulting In Biggest Sales Month Of The Year, According To Kelley Blue Book

Cox Automotive New-Car Sales Forecast at 16.7 Million Units for 2018

IRVINE, Calif., Dec. 28, 2017 /PRNewswire/ -- New-vehicle sales are expected to decline 7 percent year-over-year to a total of 1.57 million units in December 2017, resulting in an estimated 17.6 million seasonally adjusted annual rate (SAAR), according to Kelley Blue Book.

"December should be the biggest sales month of the year, and despite our expectations for significant year-over-year declines, the projected SAAR of 17.6 million would be the third highest of the year," said Tim Fleming, analyst for Kelley Blue Book. "It's also important to remember that December 2016 was the strongest month in nearly 15 years, fueled by heavy incentives and year-end sales objectives. We're still expecting a year-end sales push from many manufacturers, which will translate into incentives and discounting, but since the sales objectives should be reduced from last year's peak, we are projecting slower sales than last December."

Key Highlights for Estimated December 2017 Sales Forecast:

- In December, new light-vehicle sales, including fleet, are expected to hit 1,570,000 units, down 7 percent compared to December 2016 and up 13 percent from November 2017.
- The seasonally adjusted annual rate (SAAR) for December 2017 is estimated to be 17.6 million, down from 18.1 million in December 2016 and up from 17.3 million in November 2017.
- Retail sales are expected to account for 82.4 percent of volume in December 2017, down from 82.8 percent in December 2016.

After a record year of sales in 2016 and seven consecutive annual increases, Kelley Blue Book expects sales for 2017 to come in at 17.1 million, which is a 2 percent decrease from last year and the fourth-largest sales total in history. For 2018, Cox Automotive, Kelley Blue Book's parent company, forecasts new-car sales at 16.7 million units for the year.

Nearly All Automakers to Report Negative Sales Growth; Ford to Gain Nearly Percentage Point of Market Share

Kelley Blue Book anticipates nearly all automakers to report negative sales growth for December 2017. Out of the major manufacturers, Ford could have one of the better months, gaining nearly a percentage point of market share. Headlined by the new Ford Expedition and Lincoln Navigator, Ford SUVs will lead the way and could grow by as much as 10 percent. A new subcompact SUV, the Ford EcoSport, will be launched early next year to bolster the lineup and compete in a growing segment.

On the other end of the spectrum, Fiat Chrysler is poised to lose the most volume year-over-year, projected at a 12 percent decline. Some of the decreases are due to the discontinuation of several model lines this year, including the Chrysler 200, Dodge Dart and Jeep Patriot, which combined for nearly 12,000 sales last December. Fiat Chrysler also has been active in lowering fleet sales this year, which are down 25 percent, and continues this month to impact the year-over-year comparisons.

	Sales Volume [1]			Market Share [2]		
Manufacturer	**Dec-17**	**Dec-16**	**YOY %**	**Dec-17**	**Dec-16**	**YOY %**
General Motors (Buick, Cadillac, Chevrolet, GMC)	294,000	319,108	-7.9%	18.7%	19.0%	-0.2%
Ford Motor Company (Ford, Lincoln)	232,000	237,785	-2.4%	14.8%	14.1%	0.7%

Toyota Motor Company (Lexus, Scion, Toyota)	220,000	243,229	-9.6%	14.0%	14.4%	-0.4%
Fiat Chrysler (Chrysler, Dodge, FIAT, Jeep, RAM)	170,000	192,519	-11.7%	10.8%	11.4%	-0.6%
American Honda (Acura, Honda)	152,000	160,477	-5.3%	9.7%	9.5%	0.1%
Nissan North America (Infiniti, Nissan)	144,000	152,743	-5.7%	9.2%	9.1%	0.1%
Hyundai-Kia	106,000	116,658	-9.1%	6.8%	6.9%	-0.2%
Subaru of America	59,000	63,177	-6.6%	3.8%	3.8%	0.0%
Volkswagen Group (Audi, Volkswagen, Porsche)	57,500	64,439	-10.8%	3.7%	3.8%	-0.2%
Total [3]	1,570,000	1,683,524	-6.7%	-	-	-

[1] *Historical data from OEM sales announcements*

[2] *Kelley Blue Book Automotive Insights*

[3] *Includes brands not shown*

Full-Size Trucks to Be Second-Largest Segment for December 2017, Climbing as High as 14 Percent in Market Share

Full-size trucks should be the second-largest segment in the industry in December 2017 and its market share should climb as high as 14 percent. The Nissan Titan looks to have the highest year-over-year growth for the category, helped by incentives near $6,000 per unit. In addition, Chevrolet's Employee Discount for Everyone program could lead to a good month for its Silverado.

As has been the case for much of 2017, mid-size cars will have another rough month and its market share could drop as much as 1.5 percentage points. Overall market share for cars could end the year under 36 percent, down from 39.2 percent in 2016. As the industry heads into 2018, there are no signs the shift away from cars will slow down.

	Sales Volume [1]			Market Share		
Segment	**Dec-17**	**Dec-16**	**YOY %**	**Dec-17**	**Dec-16**	**YOY %**
Compact SUV/Crossover	267,000	286,947	-7.0%	17.0%	17.0%	0.0%
Full-Size Pickup Truck	220,000	228,582	-3.8%	14.0%	13.6%	0.4%
Mid-Size SUV/Crossover	206,000	214,508	-4.0%	13.1%	12.7%	0.4%
Compact Car	170,000	190,034	-10.5%	10.8%	11.3%	-0.5%
Mid-Size Car	145,000	180,224	-19.5%	9.2%	10.7%	-1.5%
Total [2]	1,570,000	1,683,524	-6.7%	-	-	-

[1] *Kelley Blue Book Automotive Insights*

[2] *Includes segments not shown*

There are 26 sales days in December 2017 compared to 27 sales days December 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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