February New-Car Sales To Fall 3 Percent Year-Over-Year; Sales Pace For Industry Is Healthy, Sustainable, According To Kelley Blue Book

Subaru Headed Toward Another Record Month; Fiat Chrysler Could See Biggest Sales Declines for February 2017

IRVINE, Calif., Feb. 24, 2017 /PRNewswire/ -- New-vehicle sales are expected to decrease 3 percent year-over-year to a total of 1.3 million units in February 2017, resulting in an estimated 17.1 million seasonally adjusted annual rate (SAAR), according to Kelley Blue Book www.kbb.com, the vehicle valuation and information source trusted and relied upon by both consumers and the automotive industry.

"Retail growth for manufacturers will be tough to achieve in February, as consumer demand remains relatively flat despite increased incentives," said Tim Fleming, analyst for Kelley Blue Book. "Regardless of the expected dip in overall volume, at a SAAR of more than 17 million, the sales pace for the industry is healthy, and more importantly, looks to be sustainable as we head into the high volume selling months ahead."

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 February 2017 Sales Forecast:

- In February, new light-vehicle sales, including fleet, are expected to hit 1,300,000 units, down 3 percent compared to February 2016 and up 14 percent from January 2017.
- The seasonally adjusted annual rate (SAAR) for February 2017 is estimated to be 17.1 million, down from 17.6 million in February 2016 and down from 17.5 million in January 2017.
- Retail sales are expected to account for 73.9 percent of volume in February 2017, down from 75.6 percent in February 2016.

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"Subaru of America sales will be lifted by its crossover utility vehicles like the Outback and Forester, as it heads toward another record month," said Fleming. "In addition, the all-new Impreza, which is now on sale, will provide a short-term boost to the automaker, but longer-term prospects for the small car segment remain bleak. Subaru has aggressive growth targets for 2017, but they currently stand in a great position as the brand with the lowest incentive spending and fastest-selling inventory in the industry."

Fiat Chrysler could see one of the biggest sales declines for the month, with volume dropping most on its car models. Car volume is down largely due to the wind down of the Chrysler 200 and Dodge Dart. Also, after many years of steep growth, the Jeep brand is running into headwinds, although the Renegade small SUV is drawing positive attention. Jeep also will soon benefit from the upcoming second generation Compass, which will replace the aging Compass and Patriot.

	Sales Volume [1]			Market Share [2]		
Manufacturer	**Feb-17**	**Feb-16**	**YOY %**	**Feb-17**	**Feb-16**	**YOY %**
General Motors (Buick, Cadillac, Chevrolet, GMC)	223,000	227,825	-2.1%	17.2%	16.9%	0.2%
Ford Motor Company (Ford, Lincoln)	204,000	216,045	-5.6%	15.7%	16.1%	-0.4%
Toyota Motor Company (Lexus, Scion, Toyota)	175,000	187,954	-6.9%	13.5%	14.0%	-0.5%
Fiat Chrysler (Chrysler, Dodge, FIAT, Jeep, RAM)	173,000	187,318	-7.6%	13.3%	13.9%	-0.6%
Nissan North America (Infiniti, Nissan)	128,000	130,911	-2.2%	9.8%	9.7%	0.1%
American Honda (Acura, Honda)	118,000	118,986	-0.8%	9.1%	8.8%	0.2%
Hyundai-Kia	97,000	102,746	-5.6%	7.5%	7.6%	-0.2%
Subaru of America	44,000	42,011	4.7%	3.4%	3.1%	0.3%
Volkswagen Group (Audi, Volkswagen, Porsche)	43,000	37,600	14.4%	3.3%	2.8%	0.5%
Total [3]	1,300,000	1,344,968	-3.3%	-	-	-

[1] Historical data from OEM sales announcements

[2] Kelley Blue Book Automotive Insights

[3] Includes brands not shown

Utility Segments Top Industry Again; Compact and Mid-Size Cars Expected to Fall by Double Digits

Utility segments should top the industry again, with projected growth for the compact and mid-size SUV segments in the 2 to 5 percent range. The market for SUVs is as strong as ever, and light trucks as a whole are expected to make up 63 percent of sales in February 2017, up from 59 percent just one year ago.

Compact and mid-size cars, on the other hand, are expected to fall by double digits. Kelley Blue Book's overall outlook for compact cars, while not positive, is slightly better than mid-size cars, as they face less competition from SUV segments, which tend to have much higher transaction prices.

Segment	Sales Volume [1] Feb-17	Feb-16	YOY %	Market Share Feb-17	Feb-16	YOY %
Compact SUV/Crossover	223,000	218,182	2.2%	17.2%	16.2%	0.9%
Mid-Size SUV/Crossover	166,000	157,850	5.2%	12.8%	11.7%	1.0%
Full-Size Pickup Truck	165,000	165,483	-0.3%	12.7%	12.3%	0.4%
Compact Car	163,000	182,923	-10.9%	12.5%	13.6%	-1.1%
Mid-Size Car	142,000	179,437	-20.9%	10.9%	13.3%	-2.4%
Total [2]	1,300,000	1,344,968	-3.3%	-	-	-

[1] Kelley Blue Book Automotive Insights

[2] Includes segments not shown

There are 24 sales days in February 2017, compared to 25 sales days in February 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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