

January New-Car Sales Down 3 Percent Year-Over-Year Following Record 2016 Finish, According To Kelley Blue Book

Looking to Put the Diesel Scandal in the Past, Volkswagen Group Expected to Report Large Year-Over-Year Increases; Consumers Help Push Mid-Size Utilities to Second Highest Volume Segment; Compact Utilities Expected to Decline

IRVINE, Calif., Jan. 25, 2017 /PRNewswire/ -- [New-vehicle sales](#) are expected to decrease 3 percent year-over-year to a total of 1.13 million units in January 2017, resulting in an estimated 17.4 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.



"After a record December capped a new record year of vehicles sales in 2016, January figures appear to be enduring a hangover effect, potentially falling more than half a million units from the previous month," said Alec Gutierrez, senior analyst for Kelley Blue Book. "However, January is typically the weakest month of the year for sales, as winter weather sets in and consumers recover from big spending over the holiday season. In addition, many potential sales were likely pulled ahead into December as consumers opted to take advantage of the ample inventory and incentives available industry-wide."

Incentive spending is a concern as it continues to rise across the industry, and another record in 2017 would likely require undisciplined sales tactics driven by incentives, leasing and longer loan terms. Kelley Blue Book's 2017 forecast calls for sales in the range of 16.8 to 17.3 million units, which would represent a 1 to 4 percent decrease from 2016.

Key Highlights for Estimated January 2017 Sales Forecast:

- In January, new light-vehicle sales, including fleet, are expected to hit 1,130,000 units, down 3 percent to January 2016 and down 33 percent from December 2016.
- The seasonally adjusted annual rate (SAAR) for January 2017 is estimated to be 17.4 million, down from 17.8 million in January 2016 and down from 18.3 million in December 2016.
- Retail sales are expected to account for 79.2 percent of volume in January 2017, down from 79.9 percent in January 2016.

Looking to Put the Diesel Scandal in the Past, Volkswagen Group Expected to Report Large Year-Over-Year Increases

"With multiple new products on the market and looking to put the diesel scandal in the past, Volkswagen Group should report large year-over-year increases, and start to gain back market share," said Gutierrez. "While new cars like the Volkswagen Golf Alltrack and redesigned Audi A4 are contributing to the automaker's growth this month, SUVs like the Tiguan and upcoming Atlas will have to become bigger players to help Volkswagen transition its sales mix toward the growing consumer preference for utilities."

American Honda also should do well in January 2017 with expected growth nearing 5 percent. The manufacturer's lineup of SUVs will be primarily responsible for the gains. In fact, sales of American Honda SUVs could increase 20 percent, highlighted by the redesigned CR-V and smaller HR-V.

	Sales Volume ¹	Market Share ²
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Manufacturer	Jan-17	Jan-16	YOY %	Jan-17	Jan-16	YOY %
General Motors (Buick, Cadillac, Chevrolet, GMC)	195,000	203,745	-4.3%	17.3%	17.5%	-0.3%
Ford Motor Company (Ford, Lincoln)	169,000	172,478	-2.0%	15.0%	14.9%	0.1%
Toyota Motor Company (Lexus, Scion, Toyota)	160,000	161,283	-0.8%	14.2%	13.9%	0.3%
Fiat Chrysler (Chrysler, Dodge, FIAT, Jeep, RAM)	147,000	171,352	-14.2%	13.0%	14.8%	-1.7%
American Honda (Acura, Honda)	105,000	100,497	4.5%	9.3%	8.7%	0.6%
Nissan North America (Infiniti, Nissan)	101,000	105,734	-4.5%	8.9%	9.1%	-0.2%
Hyundai-Kia	83,500	83,316	0.2%	7.4%	7.2%	0.2%
Subaru of America	43,500	41,101	5.8%	3.8%	3.5%	0.3%
Volkswagen Group (Audi, Volkswagen, Porsche)	42,500	36,283	17.1%	3.8%	3.1%	0.6%
Total ³	1,130,000	1,161,289	-2.7%	-	-	-

¹ Historical data from OEM sales announcements

² Kelley Blue Book Automotive Insights

³ Includes brands not shown

Consumers Help Push Mid-Size Utilities to Second Highest Volume Segment; Compact Utilities Expected to Decline

Quietly growing in the second half of 2016, mid-size SUVs/crossovers look to be the second highest volume segment in January 2017, buoyed largely by strong demand for utilities. Consumers who may have previously considered a large sedan or minivan are instead buying mid-size utilities for roughly the same price.

Compact SUV/crossover, the top segment in the industry, is expected to decline slightly in January, but still grow its share of overall sales. In 2017, the Toyota RAV4 and Honda CR-V could unseat the Toyota Camry and Honda Civic to be the highest-selling vehicles in the industry, pickups excluded, which would be appropriately representative of the general trend of consumers shifting from cars to SUVs.

Segment	Sales Volume ¹			Market Share		
	Jan-17	Jan-16	YOY %	Jan-17	Jan-16	YOY %
Compact SUV/Crossover	196,000	199,165	-1.6%	17.3%	17.2%	0.2%
Mid-Size SUV/Crossover	147,000	137,563	6.9%	13.0%	11.8%	1.2%
Full-Size Pickup Truck	143,000	144,517	-1.0%	12.7%	12.4%	0.2%
Compact Car	141,000	147,277	-4.3%	12.5%	12.7%	-0.2%
Mid-Size Car	136,000	143,718	-5.4%	12.0%	12.4%	-0.3%
Total ²	1,130,000	1,161,289	-2.7%	-	-	-

¹ Kelley Blue Book Automotive Insights

² Includes segments not shown

There are 24 sales days in both January 2017 and January 2016. All percentages are based on raw volume, not daily selling rate.

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