

Despite Memorial Day Sales, New-car Sales To Decrease 6 Percent In May 2016, According To Kelley Blue Book

General Motors among Largest Sales Declines on Rental Reduction Strategy; Top Compact Car Models to Report Double-Digit Sales Declines

IRVINE, Calif., May 26, 2016 /PRNewswire/ -- [New-vehicle sales](#) are expected to decrease 6 percent year-over-year to a total of 1.53 million units in May 2016, 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.

"This month's sales results are set to fall year-over-year with two fewer selling days combined with retail demand that is holding steady, but not growing," said Tim Fleming, analyst for Kelley Blue Book. "While this year may not bring the growth the industry has become accustomed to, it is important to remember that sales are still at record levels and economic factors point to continued strength in the near future."



After the highest U.S. sales total in 2015, Kelley Blue Book's 2016 forecast calls for sales in the range of 17.5 to 18 million, which could result either in a flat year or another record for the automotive industry.

Key Highlights for Estimated May 2016 Sales Forecast:

- In May 2016, new light-vehicle sales, including fleet, are expected to hit 1,530,000 units, down 6 percent from May 2015 and up 2 percent from April 2016.
- The seasonally adjusted annual rate (SAAR) for May 2016 is estimated to be 17.4 million, down from 17.6 million in May 2015 and up from 17.3 million in April 2016.
- Retail sales are expected to account for 79.1 percent of volume in May 2016, down from 80.5 percent in May 2015.

General Motors among Largest Sales Declines on Rental Reduction Strategy

"General Motors is expected to report one of the largest sales declines of all major manufacturers in May 2016," said Fleming. "GM has been outspoken about its rental reduction strategy, which accounts for much of the drop in volume and will impact sales totals on the company's high rental units like the Chevrolet Cruze, Impala and Equinox. GM is keeping the end-game in mind here; by reducing the volume of GM vehicles in rental fleets, the company will eventually see strengthened residual values."

Nissan North America could see the greatest gain in market share this month, with perhaps the biggest gain coming from the redesigned Maxima. The bold styling of the Maxima has brought some success since its introduction last year, even though the full-size car segment remains in decline. The similarly styled Murano crossover should have a good month as well, with anticipated growth of roughly 10 percent.

Manufacturer	Sales Volume ¹			Market Share ²		
	May-16	May-15	YOY %	May-16	May-15	YOY %
General Motors (Buick, Cadillac, Chevrolet, GMC)	258,000	293,097	-12.0%	16.9%	18.0%	-1.1%
Ford Motor Company (Ford, Lincoln)	233,000	250,086	-6.8%	15.2%	15.3%	-0.1%
Toyota Motor Company (Lexus, Scion, Toyota)	223,000	242,579	-8.1%	14.6%	14.9%	-0.3%
Fiat Chrysler (Chrysler, Dodge, FIAT, Jeep, RAM)	198,000	202,227	-2.1%	12.9%	12.4%	0.5%
American Honda (Acura, Honda)	153,000	154,593	-1.0%	10.0%	9.5%	0.5%
Nissan North America (Infiniti, Nissan)	135,000	134,779	0.2%	8.8%	8.3%	0.6%
Hyundai-Kia	115,000	126,043	-8.8%	7.5%	7.7%	-0.2%
Subaru of America	50,000	49,561	0.9%	3.3%	3.0%	0.2%
Volkswagen Group (Audi, Volkswagen, Porsche)	49,500	57,454	-13.8%	3.2%	3.5%	-0.3%
Total ³	1,530,000	1,631,234	-6.2%	-	-	-

¹ Historical data from OEM sales announcements

² Kelley Blue Book Automotive Insights

³ Includes brands not shown

Top Compact Car Models to Report Double-Digit Sales Declines

The [compact car segment](#) could dip by a percentage point of market share in May 2016, as consumers continue to prefer purchasing small crossovers instead. The Honda Civic is a highlight for this segment, but Kelley Blue Book expects most of the top compact car segment models to report double-digit sales declines.

[Full-size trucks](#) could rise in share in May 2016, aided by incentives on certain vehicles. However, overall incentive levels remain historically moderate, especially considering the rising transaction prices and profit margins on these units. Ford's F-Series remains at the top of the segment, while keeping incentives lower than most of its competitors.

Segment	Sales Volume ¹			Market Share		
	May-16	May-15	YOY %	May-16	May-15	YOY %
Compact SUV/Crossover	258,000	274,673	-6.1%	16.9%	16.8%	0.0%
Mid-Size Car	205,000	235,871	-13.1%	13.4%	14.5%	-1.1%
Compact Car	203,000	231,390	-12.3%	13.3%	14.2%	-0.9%
Full-Size Pickup Truck	180,000	185,269	-2.8%	11.8%	11.4%	0.4%
Mid-Size SUV/Crossover	171,000	181,457	-5.8%	11.2%	11.1%	0.1%
Total ²	1,530,000	1,631,234	-6.2%	-	-	-

¹ Kelley Blue Book Automotive Insights

² Includes segments not shown

There are 24 sales days in May 2016, compared to 26 sales days in May 2015. All percentages are based on raw volume, not daily selling rate.

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