September New-Car Sales To Rise 1 Percent Year-Over-Year; Replacement Demand In Hurricane Devastated Areas Could Continue Through November, According To Kelley Blue Book

IRVINE, Calif., Sept. 26, 2017 /PRNewswire/ -- New-vehicle sales are expected to rise 1 percent year-over-year to a total of 1.44 million units in September 2017, resulting in an estimated 17.5 million seasonally adjusted annual rate (SAAR), according to Kelley Blue Book.

"September will be another opportunity for the first sales increase of the year, as we project slight growth for the industry," said Tim Fleming, analyst for Kelley Blue Book. "While major hurricanes devastated parts of Texas and Florida in the past month, this is driving replacement demand for those drivers with vehicles destroyed. This demand has already started in some areas, but will continue into October and potentially November, as vehicle insurance payouts are received."

Most consumers are likely to shop used, but with used prices trending upward recently, some used buyers may opt to purchase new. In addition, many automakers are offering hurricane relief incentives of up to $1,000. In these areas, car segments are likely to be shopped more, as these vehicles are the most affordable and in plentiful supply. Nationally, demand is still shifting steadily toward SUVs.

Key Highlights for Estimated September 2017 Sales Forecast:

- In September, new light-vehicle sales, including fleet, are expected to hit 1,440,000 units, up 0.7 percent compared to September 2016 and down 2.6 percent from August 2017.
- The seasonally adjusted annual rate (SAAR) for September 2017 is estimated to be 17.5 million, down from 17.6 million in September 2016 and up from 16 million in August 2017.
- Retail sales are expected to account for 85.8 percent of volume in September 2017, up from 85.3 percent in September 2016.

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

Mixed Sales Month Expected, Toyota's Growth to Top All Automakers

Kelley Blue Book anticipates another month of mixed new-car sales results for manufacturers in September 2017. Toyota could have the best month of all automakers with projected growth of 9.5 percent, which would be the manufacturer's most significant year-over-year increase since December 2015. Sales of the RAV4 crossover are surging, as it has become the top-selling model outside of pickup trucks, and this month looks strong for the vehicle as well. Meanwhile, the redesigned Camry is growing in availability and could offer a nice sales lift for Toyota.

On the other hand, Hyundai-Kia could see its biggest declines, losing nearly one point of market share. The automakers' SUVs are posting sales gains, including the Hyundai Tucson, but Hyundai-Kia's lineup still leans heavily on cars, which are struggling. Some nameplates like the Kia Soul and Forte could have a good month, but Kelley Blue Book expects the brands' cars could fall by 15 percent overall. Half of these sales declines are attributed to fleet and rental reductions versus last year.

	Sales Volume [1]			Market Share [2]		
Manufacturer	**Sep-17**	**Sep-16**	**YOY %**	**Sep-17**	**Sep-16**	**YOY %**
General Motors (Buick, Cadillac, Chevrolet, GMC)	269,000	249,795	7.7%	18.7%	17.5%	1.2%
Toyota Motor Company (Lexus, Scion, Toyota)	216,000	197,260	9.5%	15.0%	13.8%	1.2%
Ford Motor Company (Ford, Lincoln)	209,000	203,444	2.7%	14.5%	14.2%	0.3%
Fiat Chrysler (Chrysler, Dodge, FIAT, Jeep, RAM)	176,000	192,883	-8.8%	12.2%	13.5%	-1.3%
American Honda (Acura, Honda)	135,000	133,655	1.0%	9.4%	9.3%	0.0%
Nissan North America (Infiniti, Nissan)	116,000	127,797	-9.2%	8.1%	8.9%	-0.9%
Hyundai-Kia	104,000	115,830	-10.2%	7.2%	8.1%	-0.9%
Subaru of America	58,000	54,918	5.6%	4.0%	3.8%	0.2%
Volkswagen Group (Audi, Volkswagen, Porsche)	49,500	46,208	7.1%	3.4%	3.2%	0.2%
Total [3]	1,440,000	1,430,272	0.7%	-	-	-

[1] Historical data from OEM sales announcements

[2] Kelley Blue Book Automotive Insights

[3] Includes brands not shown

Compact SUVs Expected to Gain Even More Market Share with Help from Redesigned Products

Compact SUVs are still the No. 1 segment and are expected to gain market share in September 2017. Aside from the Toyota RAV4, which could top 40,000 sales for the third month in a row, several redesigned products are helping drive segment growth, including the Chevrolet Equinox, Subaru Crosstrek and GMC Terrain, all of which could see sales increases upwards of 40 percent. Year-to-date, sales in this segment are up just 2 percent, but this represents significant volume given the annual sales total could reach 3 million units.

Mid-size SUVs also are on the rise, with growth headlined by the redesigned Chevrolet Traverse and the all-new Volkswagen Atlas. A 5 percent increase in sales is expected for this segment in September 2017.

	Sales Volume [1]			Market Share		
Segment	**Sep-17**	**Sep-16**	**YOY %**	**Sep-17**	**Sep-16**	**YOY %**
Compact SUV/Crossover	248,000	237,513	4.4%	17.2%	16.6%	0.6%
Full-Size Pickup Truck	197,000	191,040	3.1%	13.7%	13.4%	0.3%
Compact Car	181,000	177,846	1.8%	12.6%	12.4%	0.1%
Mid-Size SUV/Crossover	179,000	170,306	5.1%	12.4%	11.9%	0.5%
Mid-Size Car	156,000	169,225	-7.8%	10.8%	11.8%	-1.0%
Total [2]	1,440,000	1,430,272	0.7%	-	-	-

[1] Kelley Blue Book Automotive Insights

[2] Includes segments not shown

There are 26 sales days in September 2017 compared to 25 sales days in September 2016. All percentages are based on raw volume, not daily selling rate.

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