

Strong December New-Car Sales To Cap Fantastic Year Of Auto Industry Recovery

Kelley Blue Book Expects 1.35 Million Units Sold in December; Honda to Continue Sales Gains

IRVINE, Calif., Dec. 27, 2012 /PRNewswire/ -- With annual year-end clearance events in full swing, [new-car](#) sales are expected to surpass 1.35 million units in December, pushing the industry's closely followed seasonally adjusted annual rate (SAAR) to 15.2 million units, according to Kelley Blue Book, www.kbb.com, the leading provider of new and [used car](#) information.

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"At 15.2 million SAAR, new-car sales will come in below the 15.5 million units pace set in November, when replacement demand from buyers in the Northeast region drove sales beyond seasonal expectations," said Alec Gutierrez, senior market analyst of automotive insights for Kelley Blue Book. "Our analysts believe most buyers seeking a replacement for a vehicle damaged or destroyed by Superstorm Sandy already found the new or used car they needed in November. There was some lingering replacement demand coming from New York and New Jersey through the first week of December, but as the month went on, the sales pace in these states returned to pre-storm levels."

After a strong November and December, the final sales tally for 2012 should approach 14.5 million units overall. This tally would amount to a more than 13 percent year-over-year increase and the third consecutive year of double-digit auto sales gains. While incremental sales growth will continue in 2013, Kelley Blue Book does not expect to see a fourth consecutive year of double-digit sales gains.

With employment and consumer confidence expected to improve only modestly next year, Kelley Blue Book expects sales growth will come at a slower pace from this point forward. While modest economic growth will help keep sales stable in 2013, Kelley Blue Book expects to see as many as 250,000 to 300,000 additional sales from consumers who will arrive at the end of their lease term next year. Although most signs point to additional sales growth in 2013, Kelley Blue Book will keep a close eye on the 'Fiscal Cliff' discussion, as a tax increase for middle-income households could slow sales growth through next year and beyond.

Honda Continues Sales Gain Lead in December

Similar to the past several months, Kelley Blue Book expects Honda and Volkswagen to continue to lead industry sales gains on a year-over-year basis.

"Honda has benefitted from its redesigned [CR-V](#), [Accord](#) and [Civic](#) through most of this year, and Kelley Blue Book expects Honda's impressive sales momentum to continue into 2013," said Gutierrez. "Honda has performed a remarkable turnaround in the last year after losing market share in 2011 due to the tsunami and earthquake in Japan, when its market share dipped to 9 percent."

So far this year, Honda has maintained 9.8 percent market share and has been trending positively during the past several months. In fact, Kelley Blue Book expects Honda's market share to surpass 10 percent in December, and analysts expect that the company likely will remain above 10 percent market share in 2013, thanks to the strength of its latest redesigns.

Honda and Volkswagen Lead Industry Gains

Manufacturer	Sales Volume			Market Share		
	Dec-12	Dec-11	YOY%	Dec-12	Dec-11	YOY
General Motors	235,300	234,351	0.4%	17.4%	18.8%	-1.4%
Ford Motor Company	210,100	209,447	0.3%	15.6%	16.8%	-1.3%

Toyota Motor Company	192,600	178,131	8.1%	14.3%	14.3%	-0.1%
Chrysler Group	146,200	138,019	5.9%	10.8%	11.1%	-0.3%
American Honda	137,200	105,230	30.4%	10.2%	8.5%	1.7%
Nissan North America	101,000	100,927	0.1%	7.5%	8.1%	-0.6%
Hyundai-Kia	106,300	94,155	12.9%	7.9%	7.6%	0.3%
Volkswagen	59,400	45,157	31.5%	4.4%	3.7%	0.8%
Total*	1,350,000	1,243,784	8.5%	-	-	-

*Includes brands not shown

Compacts Continue to Lead Industry Gains in December

Fuel prices are now below \$3.30 nationally, yet compact cars remain among the best-selling vehicles in the country. Last month, compact cars accounted for nearly 15 percent of all vehicles sold in the industry, and Kelley Blue Book anticipates market share to remain relatively steady in December.

"Consumers will look to the refreshed [2013 Honda Civic](#), tried-and-true Corolla and redesigned [Ford Focus](#) as they seek small cars in December," said Gutierrez. "While there are modest incentive offers available for each of these models, they pale in comparison to the significant cash rebates currently offered on full-size trucks and SUVs. Consumers looking for a full-size pickup will find thousands of dollars in rebates as General Motors, Ford and Chrysler attempt to sell down remaining inventory prior to year-end."

Compact Cars Hold Steady Despite Falling Gas Prices

Segment	Sales Volume			Market Share		
	Dec-12	Dec-11	YOY%	Dec-12	Dec-11	YOY
Mid-Size Car	203,000	187,566	8.2%	15.0%	15.1%	0.0%
Compact Car	196,300	150,878	30.1%	14.5%	12.1%	2.4%
Compact Crossover	157,400	135,382	16.3%	11.7%	10.9%	0.8%
Full-Size Pickup Truck	175,900	172,809	1.8%	13.0%	13.9%	-0.9%
Subcompact Car	47,900	46,143	3.8%	3.5%	3.7%	-0.2%
Total*	1,350,000	1,243,784	8.5%	-	-	-

*Includes segments not shown

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