

March New-Car Sales To Rise 3 Percent Year-Over-Year, Closing Second Highest First Quarter On Record, According To Kelley Blue Book

Automakers Should Prioritize Adjusting Production, Managing Supply as Sales Cool from Years of Robust Growth

IRVINE, Calif., March 24, 2017 /PRNewswire/ -- [New-vehicle sales](#) are expected to increase 3 percent year-over-year to a total of 1.63 million units in March 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. At 1.63 million units this month, the first quarter total comes in at 4.1 million units, up 0.3 percent year-over-year. This would be the second highest first quarter on record, surpassed only by Q1 of 2000. This also would be the highest March sales total since 2000, when sales hit 1.66 million total units.



Kelley Blue Book

"Kelley Blue Book expects manufacturers to report mostly positive sales numbers this month, capping a steady first quarter with an average SAAR of 17.4 million," said Tim Fleming, analyst for Kelley Blue Book. "Despite considerably higher discounts and incentives, first quarter sales totals will likely only finish flat versus last year, a signal of weakening consumer demand for new vehicles. As sales cool after years of robust growth, adjusting production accordingly and managing supply, especially in car segments, should be top priorities for automakers."

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, this represents a 1 to 4 percent decrease from last year.

Key Highlights for Estimated March 2017 Sales Forecast:

- In March, new light-vehicle sales, including fleet, are expected to hit 1,630,000 units, up 3 percent compared to March 2016 and up 23 percent from February 2017.
- The seasonally adjusted annual rate (SAAR) for March 2017 is estimated to be 17.4 million, up from 16.6 million in March 2016 and down from 17.5 million in February 2017.
- Retail sales are expected to account for 77.9 percent of volume in March 2017, up from 76.8 percent in March 2016.

General Motors Expected to Gain Most Market Share; Ford to Post Greatest Declines in March 2017

[General Motors](#) is expected to gain the most market share in March 2017, up nearly a full percentage point. In particular, the automaker's SUV lineup could grow sales by 25 percent, with increases led by three all-new models introduced last year, including the Chevrolet Equinox, Buick Envision and GMC Acadia. [GM trucks](#), especially the Silverado, could have a strong month as well, growing 10 percent with heavier incentives likely playing a role.

[Ford Motor Company](#) could post the greatest sales declines of all major manufacturers; although, a large drop in fleet volume is responsible, while retail sales should be flat or slightly up. As a result, Fusion and Focus could report declines of more than 20 percent in March 2017. Similarly, Transit and other Ford vans, which are popular in commercial fleets, could fall 20 percent.

Manufacturer	Sales Volume ¹			Market Share ²		
	Mar-17	Mar-16	YOY %	Mar-17	Mar-16	YOY %
General Motors (Buick, Cadillac, Chevrolet, GMC)	275,000	252,128	9.1%	16.9%	16.0%	0.9%
Ford Motor Company (Ford, Lincoln)	234,000	253,064	-7.5%	14.4%	16.0%	-1.7%

Toyota Motor Company (Lexus, Scion, Toyota)	218,000	219,842	-0.8%	13.4%	13.9%	-0.6%
Fiat Chrysler (Chrysler, Dodge, FIAT, Jeep, RAM)	205,000	199,467	2.8%	12.6%	12.6%	-0.1%
American Honda (Acura, Honda)	146,000	138,221	5.6%	9.0%	8.8%	0.2%
Nissan North America (Infiniti, Nissan)	171,000	163,559	4.5%	10.5%	10.4%	0.1%
Hyundai-Kia	130,000	133,589	-2.7%	8.0%	8.5%	-0.5%
Volkswagen Group (Audi, Volkswagen, Porsche)	55,500	49,629	11.8%	3.4%	3.1%	0.3%
Subaru of America	54,000	49,285	9.6%	3.3%	3.1%	0.2%
Total³	1,630,000	1,577,491	3.3%	-	-	-

¹ Historical data from OEM sales announcements

² Kelley Blue Book Automotive Insights

³ Includes brands not shown

Significant Shift from Cars to SUVs Shows No Sign of Slowing; Mid-Size Cars in Rapid Decline

The significant shift from [cars](#) into [SUVs](#) shows no sign of slowing, with double-digit growth projected for the popular compact and mid-size SUV/crossover segments. This month, analysts expect an overall light truck mix of 63 percent, up from 58 percent last March.

"Mid-size cars continue to suffer as a result of shifting consumer preference toward utility vehicles, and Kelley Blue Book anticipates the segment will lose nearly 3 percentage points of market share," said Fleming. "This segment, which was the top-selling category in the industry as recently as 2013, is in a rapid decline, which does not bode well for the upcoming redesigns for the Toyota Camry and Honda Accord, due later this year."

Segment	Sales Volume ¹			Market Share		
	Mar-17	Mar-16	YOY %	Mar-17	Mar-16	YOY %
Mid-Size Car	180,000	215,688	-16.5%	11.0%	13.7%	-2.6%
Compact Car	192,000	204,040	-5.9%	11.8%	12.9%	-1.2%
Compact SUV/Crossover	279,000	242,604	15.0%	17.1%	15.4%	1.7%
Full-Size Pickup Truck	216,000	198,321	8.9%	13.3%	12.6%	0.7%
Mid-Size SUV/Crossover	203,000	173,569	17.0%	12.5%	11.0%	1.5%
Total²	1,630,000	1,577,491	3.3%	-	-	-

¹ Kelley Blue Book Automotive Insights

² Includes segments not shown

There are 27 sales days in both March 2017 and March 2016. All percentages are based on raw volume, not daily selling rate.

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