

### New Vehicle Sales Pace to Decline Again Despite Higher Discounts

#### Retail SAAR to Reach Lowest Level for the Month of April Since 2012; Incentive Spending to Post Largest Increase of 2018

**DETROIT: 26 April 2018** — The new vehicle retail sales pace in April is expected to fall from a year ago, according to a forecast developed jointly by J.D. Power and LMC Automotive. The seasonally adjusted annualized rate (SAAR) for retail sales is expected to be 13.5 million units, down 500,000 from April 2017. Retail sales are projected to reach 1,046,000 units, a 1.3% decrease on a selling day adjusted basis compared with April 2017. (April 2018 has two fewer selling days than April 2017.) Without the selling day adjustment, this translates to a retail sales decline of 8.9%.

“Although April sales will be underwhelming, it’s important to note that both March and April results are affected by quirks in the industry sales calendar,” said **Thomas King, Senior Vice President of the Data and Analytics Division at J.D. Power**. “March benefited from an extra weekend this year, while April sales have been negatively affected by having one less selling weekend compared to 2017. When looking at the two months combined, retail sales will be down only modestly from last year.”

Incentive spending remains the larger concern, and month-to-date average spending is \$3,698, up \$187 vs. the same period last year. The spending increase continues to be driven by trucks and SUVs—up \$426—while spending on cars is down \$226. With the overall decline in sales this month, consumer expenditures are expected to fall by nearly \$2 billion from last year.

#### J.D. Power and LMC Automotive U.S. Sales and SAAR Comparisons

	April 2018 <sup>1</sup>	March 2018	April 2017
<b>New-Vehicle Retail Sales</b>	1,045,800 units (-1.3% lower than April 2017) <sup>2</sup>	1,283,198 units	1,147,654 units
<b>Total Vehicle Sales</b>	1,312,800 units (-0.1% lower than April 2017) <sup>2</sup>	1,652,433 units	1,424,296 units
<b>Retail SAAR</b>	13.5 million units	13.5 million units	17.0 million units
<b>Total SAAR</b>	16.6 million units	17.4 million units	14.1 million units

<sup>1</sup>Figures cited for April 2018 are forecasted based on the first 17 selling days of the month.

<sup>2</sup>April 2018 has 24 selling days, while April 2017 had 26 selling days in the month.

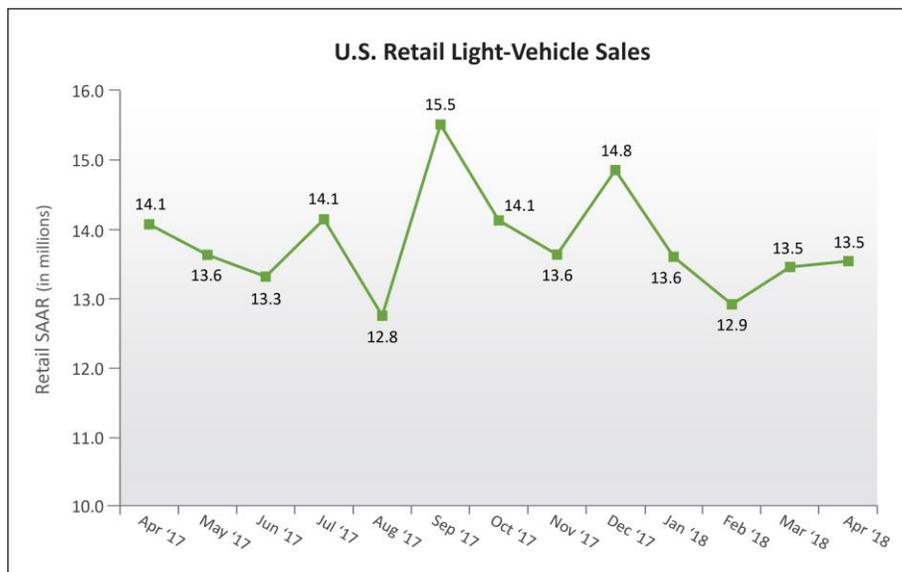
- The average new-vehicle retail transaction price to date in April is \$32,544, a record for the month, surpassing the previous high for the month of \$31,414 set in April 2017.
- Consumers are on pace to spend \$34 billion on new vehicles in April, \$2 billion less than last year’s level.
- Trucks account for 67% of new-vehicle retail sales through April 22—the highest level ever for the month of April—making it the 22nd consecutive month above 60%.
- Days to turn, the average number of days a new vehicle sits on a dealer lot before being sold to a retail customer, is 68 through April 22, down two days from last year.

- Fleet sales are expected to total 267,000 units in April, up 4.6% from April 2017. Fleet volume is expected to account for 20% of total light-vehicle sales, up from 19% last year.

**Jeff Schuster, President, Americas Operations and Global Vehicle Forecasts at LMC Automotive**, said, “Uncertainty and unfavorable factors appear to be mounting for autos, including a volatile stock market, rising interest rates, rising oil prices and potential trade roadblocks. But the auto industry is resilient and disciplined. It’s shrugged off most of the concerns to date. Going forward, it wouldn’t take much to turn delicate stability into more pronounced pullback. Keep an eye on the economy after 2018, as signals are increasing that a mild recession could be on the horizon.”

Despite the level of uncertainty, sales have been consistent. LMC’s forecast for 2018 total light-vehicle sales is holding at 17.0 million units, a decrease of 1.1% from 2017. The retail light-vehicle forecast is also consistent with last month, rounding up to 13.8 million units, a decline of 1.6% from 2017.

**U.S. Retail SAAR— April 2017 to April 2018**



(in millions of units)

Source: *Power Information Network® (PIN)* from J.D. Power

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