

### New Vehicle Sales Pace in March to Post Gains for First Time in 2018

#### Additional Selling Weekend in 2018 Helps Boost Sales; Incentive Spending Up from Last Year

**DETROIT: 28 March 2018** — The new vehicle retail sales pace in March is expected to rise from year-ago levels, 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 13.4 million units, up 200,000 from a year ago. Retail sales are projected to reach 1,275,000 units, a 0.2% increase on a selling day adjusted basis compared with March 2017.

“Despite the disruption from inclement weather on the East Coast, the industry is expected to post year-over-year retail sales gains for the first time in 2018,” said **Thomas King, Senior Vice President of the Data and Analytics Division at J.D. Power**. “While this breaks a streak of three consecutive months of decline, the industry is boosted by a quirk in the calendar due to an additional selling weekend.” On a national basis, retail sales through the first three weeks of March are up 0.5% from last year, but in the Northeast, sales are down 0.5% over the same period.

Average incentive spending, however, continues to rise and month-to-date is \$3,849, up \$74 vs. the same period last year. Spending on trucks and SUVs (+\$160) is driving the increase while spending on cars is down \$54.

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

	March 2018 <sup>1</sup>	February 2018	March 2017
<b>New-Vehicle Retail Sales</b>	1,274,600 units (+0.2% higher than March 2017) <sup>2</sup>	969,451 units	1,266,608 units
<b>Total Vehicle Sales</b>	1,610,000 units (-0.1% lower than March 2017) <sup>2</sup>	1,299,520 units	1,553,936 units
<b>Retail SAAR</b>	13.4 million units	12.9 million units	13.2 million units
<b>Total SAAR</b>	16.9 million units	17.0 million units	16.8 million units

<sup>1</sup>Figures cited for March 2018 are forecasted based on the first 15 selling days of the month.

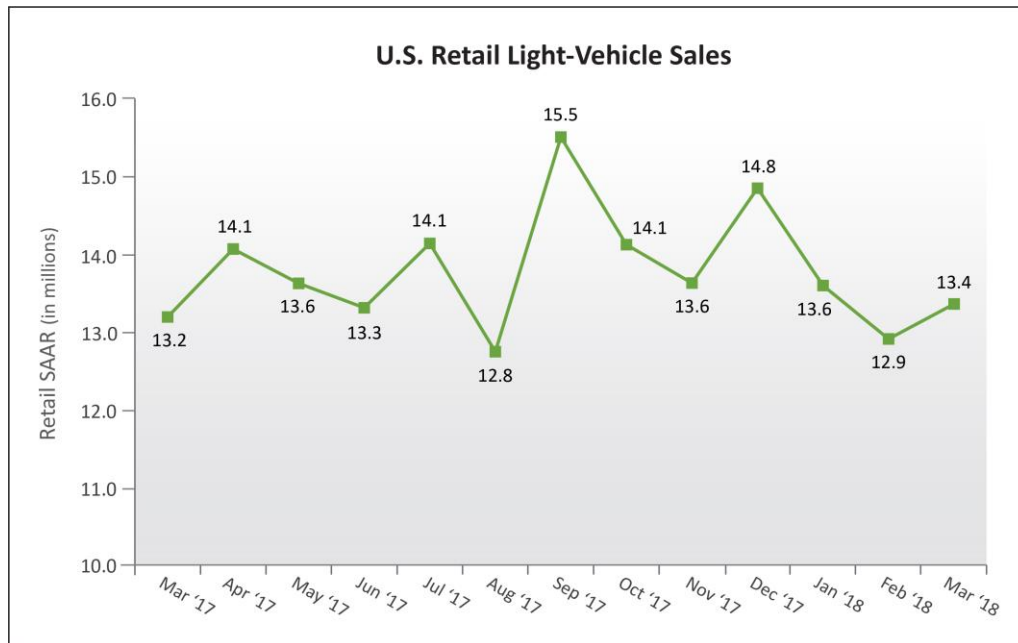
<sup>2</sup>March 2018 has 28 selling days, while March 2017 had 27 selling days in the month.

- The average new-vehicle retail transaction price month-to-date is \$32,129, a record for March, surpassing the previous high of \$31,391 set in March 2017.
- Consumers are on pace to spend \$41 billion on new vehicles in March, more than \$2 billion greater than last year’s level.
- Incentives as a percentage of MSRP are at 10.3% so far in March, exceeding the 10% level for 20th time in the past 21 months.
- Trucks account for 66% of new-vehicle retail sales through March 18—the highest level ever for the month of March—making it the 21st 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 70 through March 18, which is flat vs. last year.
- Fleet sales are expected to total 335,300 units in March, down 1.2% from March 2017. Fleet volume is expected to account for 21% of total light-vehicle sales, flat vs. last year.

**Jeff Schuster, Senior Vice President of Forecasting at LMC Automotive**, said, “Auto sales remain on track for the expected marginal decrease on the retail side of demand for the year. The shift from cars to SUVs is expected to be more pronounced as we forecast SUVs to pick up 2.5 percentage points of share to 45%. Risk remains concentrated on NAFTA negotiations and tariffs, though optimism of a NAFTA deal is growing. Interest rates are rising as expected and we are looking for a total of four rate hikes in 2018, a headwind making borrowing more expensive and raising monthly payments.”

LMC’s forecast for 2018 total light-vehicle sales is just under 17.0 million units, a decrease of 1.3% from 2017. The retail light-vehicle forecast remains at 13.8 million units, a decline of 1.6% from 2017.

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



(in millions of units)

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

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