

### November New Vehicle Retail Sales Pace to Decline for Seventh Time This Year

#### Incentives Spending on Track to Reach the Highest Level Ever

**DETROIT: 27 Nov. 2017** — For the seventh time this year, the new vehicle retail sales pace in November is expected to fall 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, down 300,000 from a year ago. Retail sales in November are anticipated to reach 1,119,600 units, a 0.1% decrease (selling days adjusted) compared with November 2016.

“The need to clear out record inventories of prior model-year vehicles continues to keep incentive spending aggressive in November,” said **Thomas King, Senior Vice President of the Data and Analytics Division at J.D. Power**. New model-year vehicles account for just 44% of month-to-date sales compared with 53% in November 2016. Average incentive spending per unit to date in November is at \$4,065, just shy of the record \$4,091 set in September.

“Savvy car shoppers took advantage of additional discounts over the Thanksgiving weekend, and that sales bump will likely push spending to a new all-time high,” King said. Last year, retail sales after Thanksgiving accounted for 32% of November sales, while spending also subsequently rose by nearly 11% over the same period.

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

	November 2017 <sup>1</sup>	October 2017	November 2016
<b>New-Vehicle Retail Sales</b>	1,119,618 units (-0.1% lower than November 2016) <sup>2</sup>	1,066,310 units	1,121,278 units
<b>Total Vehicle Sales</b>	1,374,102 units (-0.2% lower than November 2016) <sup>2</sup>	1,353,420 units	1,377,220 units
<b>Retail SAAR</b>	13.4 million units	14.1 million units	13.7 million units
<b>Total SAAR</b>	17.3 million units	18.1 million units	17.6 million units

<sup>1</sup>Figures cited for November 2017 are forecasted based on the first 16 selling days of the month.

<sup>2</sup>November 2017 has 25 selling days, while November 2016 had 25 selling days in the month.

- The average new-vehicle retail transaction price to date in November is \$32,344, a record for the month, surpassing the previous high for the month of \$31,573 set in November 2016.
- Consumers are on pace to spend \$36.2 billion on new vehicles in November, up nearly \$800 million from last year’s level.
- Average incentive spending per unit to date in November is \$4,065 per unit, surpassing the previous high for the month of \$4,024 set in November 2016. Spending on trucks and SUVs is \$3,947, up \$17 from last year. Spending on cars is \$4,286, up \$100.
- Incentives as a percentage of MSRP are at 10.8% so far in November, exceeding the 10% level for 16th time in the past 17 months.

- Trucks account for 66% of new-vehicle retail sales through Nov. 19—the highest level ever for the month of October—making it the 17th 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 74 through Nov. 19.
- Fleet sales are expected to total 254,500 units in November, down 0.6% from November 2016. Fleet volume is expected to account for 19% of total light-vehicle sales, flat from last year.

**Jeff Schuster, Senior Vice President of Forecasting at LMC Automotive**, said, “Thanks to incentive levels and some timed fleet sales, the sales rate in the second half of the year has remained ahead of expected natural demand, with the overall decline remaining primarily a downward adjustment to fleet mix. We believe risk heading into next year is balanced. However, without incentive intervention or a return to higher rental car fleet sales, demand is expected to contract for the second year in a row.”

LMC’s outlook for 2017 total light-vehicle sales rounds up to 17.2 million units, a decrease of 2.1% from 2016. The outlook for retail light-vehicle remains at 13.9 million, down 1.4% from 2016. Looking forward to 2018, total light-vehicle sales are forecasted at just under 17.0 million unit a decline of 1%. Retail light-vehicles are expected to be at 13.8 million units for 2018, a decline of 1.1%.

**U.S. Retail SAAR— November 2016 to November 2017**



(in millions of units)

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

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