

MARCH SALES INSIGHTS

Strong March sales improve Q1 outlook

Key insights

Sales rebound in March

Sales in March spiked to a 17.5 million SAAR, besting analyst expectations. The strong sales were a reflection of a slight uptick in demand but also elevated fleet deliveries. Incentive spending reached its highest level of the year and could have spurred some sales, but it was still at lower levels than a year ago. Through the first quarter, sales are down 2.5%, about 102,000 units lower than in 2018. The strong close to the quarter puts the industry on pace to finish the year with sales of 16.9 million.

Lease penetration sets Q1 record

Leasing accounted for 32.4% of sales in the first quarter of 2019, the highest we have on record. Lease penetration has risen even as the cost of leasing is going up, on average \$1,600 over the life of a lease compared to three years ago. Largely the cost of financing has driven these increases, yet leasing still boasts the lowest payments for new vehicles. The record 4.3 million lease returns expected this year will continue to expand the leasing cycle even as overall sales decline.

Auto loan rates hit a 10-year high

One of the industry's largest concerns this year is new vehicle affordability. New vehicle APRs hit 6.4% in March, the highest in a decade. The increase, coupled with high price tags of truck and SUVs that have become so popular, will lead to higher payments and price some shoppers out of the new vehicle market. 2019 rates are not expected to climb higher but even at these levels will prove to be a deterrent.

Best-selling car

Civic: 33,653 units

Best-selling truck

F-Series: 86,497 units



New vehicle sales **1,615,704**

SAAR (seasonally adjusted annual rate) **17.5M**

	271,000* Market Share: 16.8% ▼ -9% YOY
	230,000* Market Share: 14.2% ▼ -5% YOY
	214,945 Market Share: 13.3% ▼ -4% YOY
	200,307 Market Share: 12.4% ▼ -7% YOY
	150,768 Market Share: 9.3% ▼ -7% YOY
	148,509 Market Share: 9.2% ▲ +4% YOY
	118,442 Market Share: 7.3% ▲ +6% YOY

*estimate

Q1 2019 vs Q1 2018 Sales

