



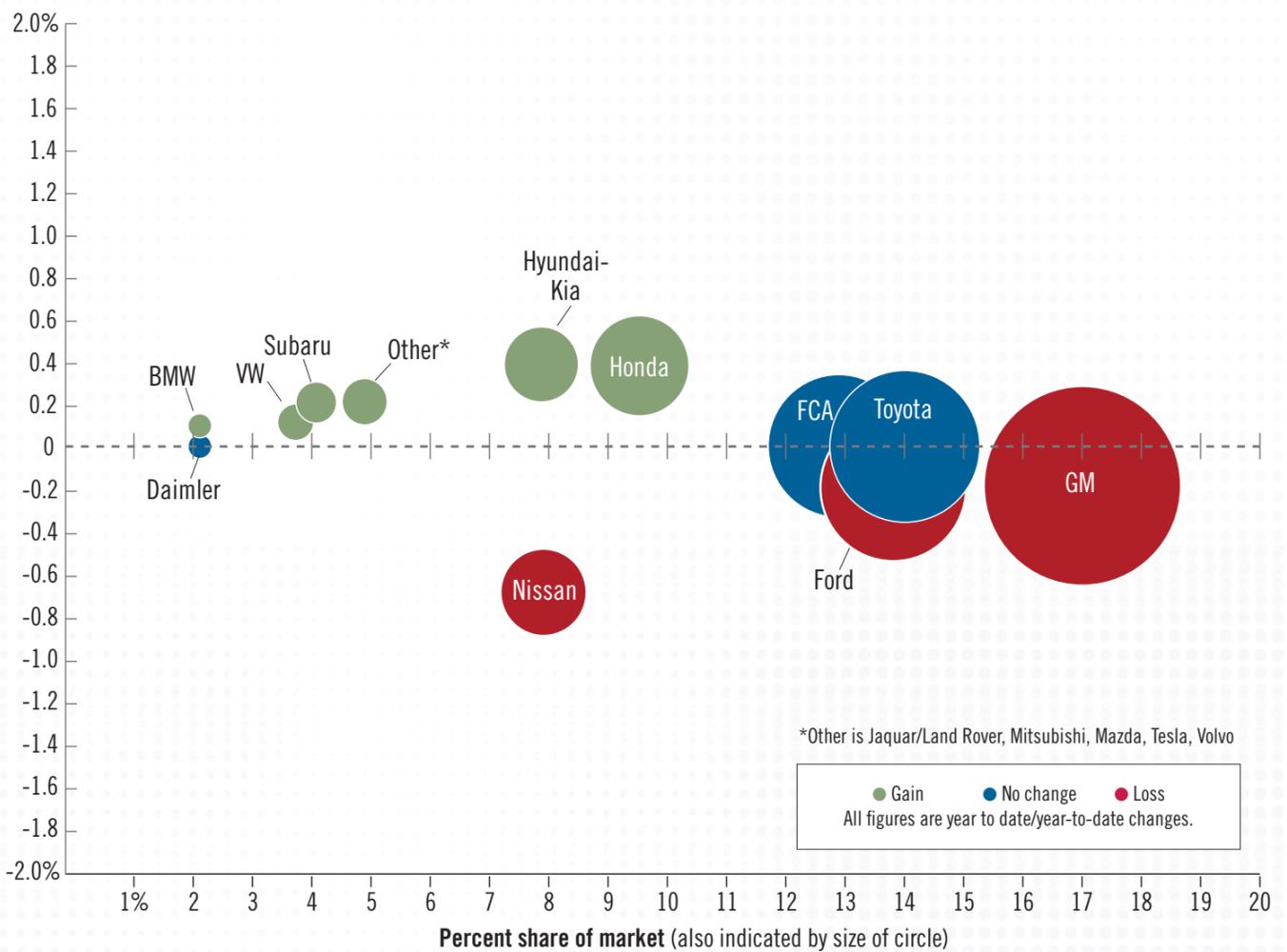
MARKET BEAT

Patrick Manzi, NADA Chief Economist

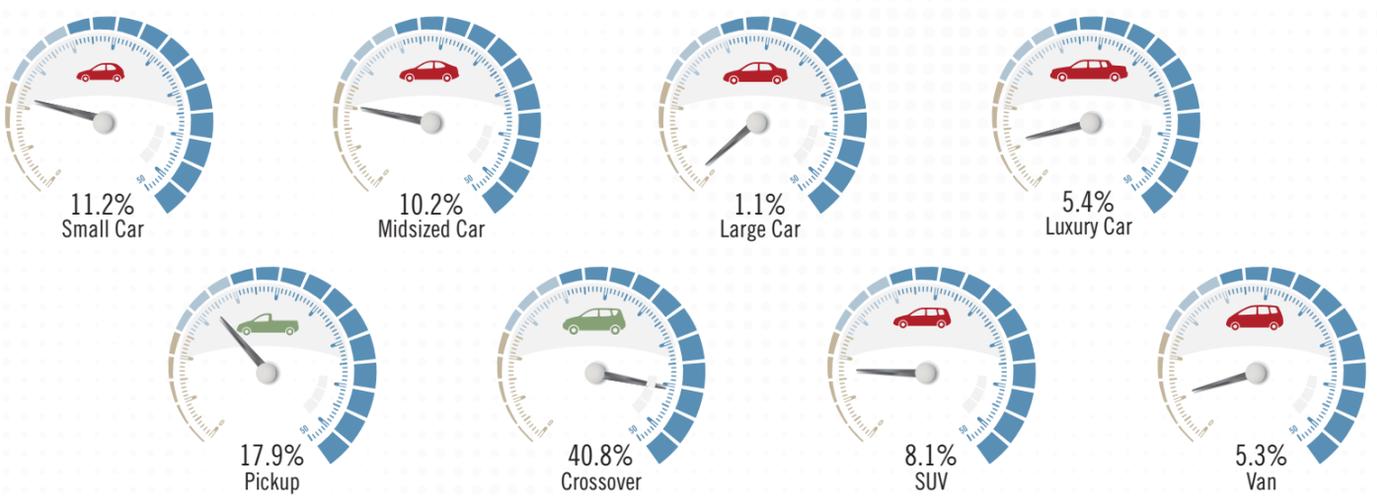
The year came to a close with new light-vehicle sales of 17.1 million, according to the Automotive News Data Center. This marks the fifth straight year of more than 17 million units sold. 2019 was another solid year for the industry, even though sales were down by 0.7% compared to 2018. Manufacturers helped bolster the sales numbers by significantly increasing incentive spending toward the end of the year. By November, the average incentive per unit topped \$4,500, besting the previous record in December 2017. Final incentive data for this December are not yet available, but a forecast from J.D. Power and LMC Automotive predicts incentive spending will again set a new record and top \$4,600, an increase of \$300 per unit compared to December 2018.

The shift to crossovers and pickups continued in 2019. Light trucks represented 72.1% of all new light-vehicle sales, an increase of 2.9 percentage points compared to 2018. We expect light-truck sales will rise further and account for nearly 75% of new light-vehicle sales by the end of 2020. We also expect other economic trends to continue, including low and stable interest rates, a robust jobs market and strong consumer spending. Despite these solid fundamentals, there are two factors that will help siphon off more buyers into the used-vehicle market: affordability issues with new vehicles and the high level of used-vehicle inventory. Our forecast is for new-vehicle sales to again fall by 1%-2% to 16.8 million units in 2020.

Market Share, by manufacturer



Market Share, by segment



Market Share, by powertrain

