



MARKET BEAT

Patrick Manzi, NADA Chief Economist

New light-vehicle sales totaled 15.46 million units in 2023, up 12.4% from 2022. December sales finished above expectations, with the month's SAAR reaching 15.8 million units, up 16% year over year and up 3.2% compared with November 2023. Both fleet and retail sales increased in 2023. According to Wards Intelligence, new light-vehicle retail sales totaled an estimated 12.95 million units and fleet sales totaled some 2.5 million—year-over-year increases of 9.5% and 32%, respectively.

Light trucks represented 80% of all new vehicles sold in 2023—an increase of 0.8 percentage points from 2022. Light trucks accounted for 82.3% of all new vehicles sold in December 2023, an all-time high for any month. Crossovers were once again the most popular segment in 2023, representing 47.9% of all new light vehicles sold and up 2.6 percentage points from 2022.

In 2023 battery electric vehicle (BEV) sales topped 1.1 million units for the first time and made up 7.2% of all new light vehicles sold. Sales of BEVs by franchised dealerships represented 40.1% of all BEVs sold in 2023. Sales of hybrids and plug-in hybrids (PHEVs) also grew in 2023. In 2023, 7.6% of new vehicle sales were hybrids and 1.9% of new vehicles sales were PHEVs, representing market share increases of 2 and 0.6 percentage points, respectively.

New-vehicle inventory rose steadily throughout 2023. New light-vehicle inventory on the ground and in transit totaled 1.7 million units at the start of the year, and by the end of December had grown to 2.3 million units. With December's strong sales and fewer production days due to the holidays, inventory at the end of December 2023 was down slightly compared to November 2023 but was up by 37.8% compared to December 2022. Inventory should continue to rise during first quarter 2024. And as inventory has increased so has OEM incentive spending. According to J.D. Power, average incentive spending per unit in December 2023 is forecast to total \$2,458, up 90.7% year over year. J.D. Power expects the average monthly payment on a new-vehicle finance contract to be \$739 in December 2023, up \$9 from December 2022.

In 2024 we expect new-vehicle inventory will continue to rise, as the industry leaves the chip shortage in the rearview mirror. High interest rates for new- and used-vehicle finance contracts will be a headwind for vehicle sales, offset somewhat by higher incentive spending by OEMs. But there is the potential for some interest rate relief later in the year if the Fed chooses to cut rates in the back half of 2024. We believe new-vehicle sales will increase slightly in 2024. Our forecast for new light-vehicle sales in 2024 is 15.9 million units.

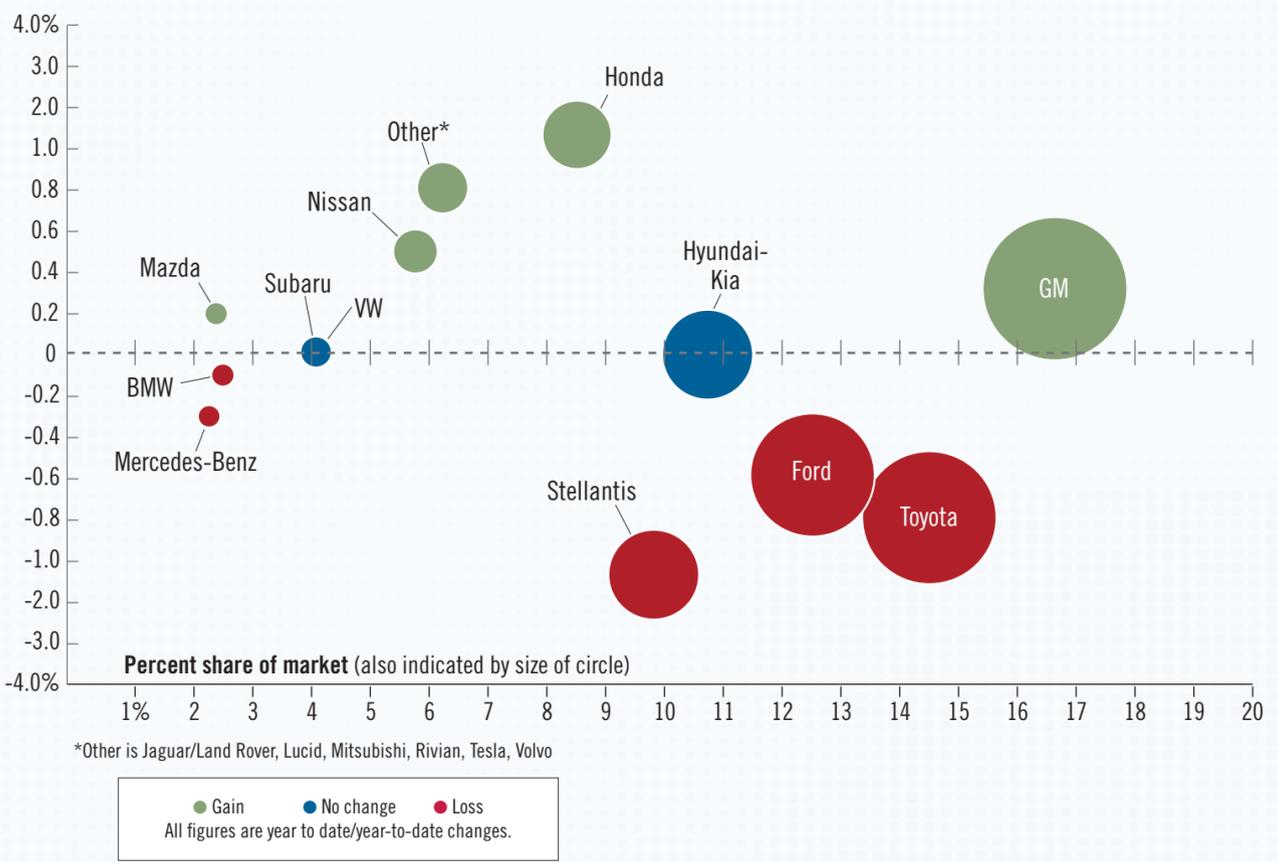
U.S. Light-Vehicle Sales

(Seasonally Adjusted at Annual Rates)

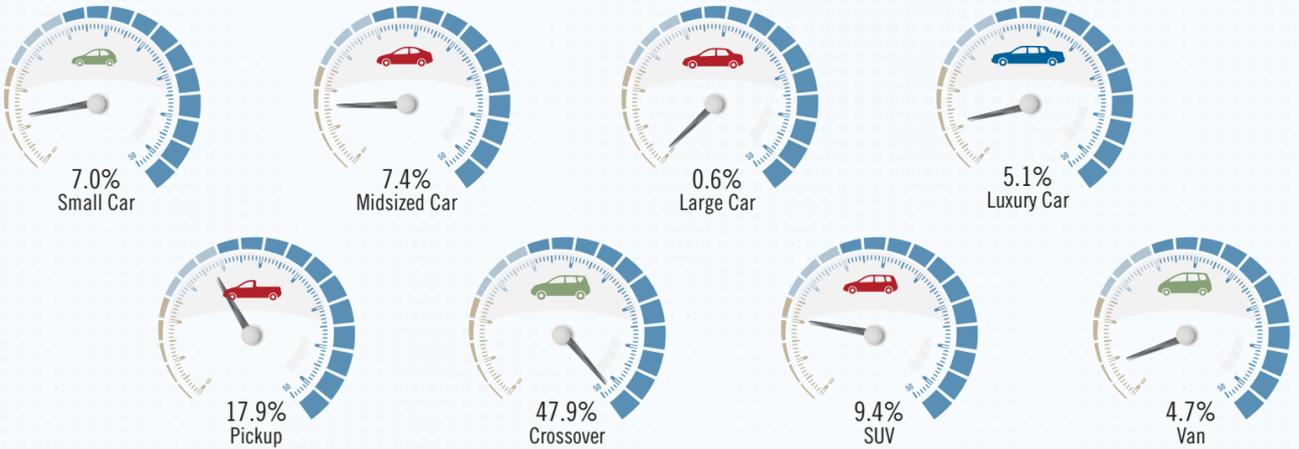


	December 2023	Y/Y %	Jan - December 2023	YTD/YTD %
Total Car	3.07	-8.5%	3.10	8.8%
Total Light Truck	12.76	19.0%	12.38	13.8%
Domestic Light Vehicle	12.34	15.9%	12.15	12.0%
Import Light Vehicle	3.49	20.3%	3.34	15.6%
Total Light Vehicle SAAR	15.83	16.8%	15.49	12.7%

Market Share, by manufacturer



Market Share, by segment



Market Share, by powertrain

