



ALG Forecasts Average New Vehicle Transaction Price Up 5.7% Year Over Year Fueled by 0% Interest Rates and Longer Loan Term Offers

May 1, 2020

SANTA MONICA, Calif., May 01, 2020 (GLOBE NEWSWIRE) -- [ALG, Inc.](#), a subsidiary of [TrueCar, Inc.](#) and the industry benchmark for determining the future resale value of a vehicle, projects average transaction prices (ATP) to be up 5.7% or \$1,986 from a year ago and up 2.0% or \$713 from March 2020.

"Despite our expectation that retail sales volume will be cut in half in April due to the impact from COVID-19, average transaction prices continued their upward trajectory, hitting record highs this month," said Eric Lyman, Chief Industry Analyst for ALG, a subsidiary of TrueCar. "This is primarily due to the enticing zero percent interest rates being offered by automakers offsetting any model or trim concessions car buyers would be forced to make otherwise."

"These loans have been particularly popular with domestic truck shoppers," added Lyman. "U.S. manufacturers, such as Ford and GM, and their captive finance companies were one of the first to launch zero percent interest rates on 84-month loans and those brands are seeing some of the sharpest upticks in average transaction price year-over-year. That said, Hyundai had the biggest year-over-year gain in average transaction price, with a 12.8% increase. This is mainly due to the redesigned Sonata and the widely popular, three-row, Palisade."

ALG projects that U.S. revenue from new vehicle sales will reach more than \$23.6 billion for April 2020, down 49.4% (based on a non-adjusted daily selling rate) from a year ago and down 34.3% from last month.

"Incentives are expected to be up nearly 20% year-over-year for April as automakers look to provide more support and relief for car buyers" said Nick Woolard, Director of OEM and Affinity Partner Analytics at TrueCar. "While cash incentives are up as well, we've observed a shift in incentives toward deeper finance support since mid-March when COVID-19 began to impact personal and economic activity."

April 2020 forecasts for the 12 largest manufacturers by volume: (Adjusted for same selling days as April 2019.) For additional data visit the [ALG Newsroom](#).

Average Transaction Price (ATP)

Manufacturer	Apr 2020 Forecast	Apr 2019 Actual	Mar 2020 Actual	YOY	MOM
BMW	\$59,117	\$57,537	\$59,031	2.7%	0.1%
Daimler	\$61,420	\$59,058	\$59,801	4.0%	2.7%
FCA	\$44,442	\$41,005	\$42,888	8.4%	3.6%
Ford	\$42,867	\$38,802	\$42,574	10.5%	0.7%
GM	\$41,926	\$40,306	\$40,852	4.0%	2.6%
Honda	\$29,377	\$28,858	\$29,068	1.8%	1.1%
Hyundai	\$27,353	\$24,252	\$27,671	12.8%	-1.1%
Kia	\$25,930	\$25,734	\$26,444	0.8%	-1.9%
Nissan	\$30,074	\$28,936	\$28,988	3.9%	3.7%
Subaru	\$31,211	\$29,770	\$30,432	4.8%	2.6%
Toyota	\$33,948	\$32,265	\$33,062	5.2%	2.7%
Volkswagen Group	\$37,983	\$36,835	\$37,205	3.1%	2.1%
Industry	\$37,052	\$35,066	\$36,339	5.7%	2.0%

Incentive Spending

Manufacturer	Apr 2020 Forecast	Apr 2019 Actual	Mar 2020 Actual	YOY	MOM
BMW	\$6,488	\$5,571	\$6,318	16.5%	2.7%
Daimler	\$5,621	\$5,168	\$5,722	8.8%	-1.8%
FCA	\$5,184	\$4,174	\$4,956	24.2%	4.6%
Ford	\$4,082	\$3,852	\$4,018	6.0%	1.6%
GM	\$5,444	\$4,708	\$5,306	15.6%	2.6%
Honda	\$2,535	\$1,898	\$2,715	33.6%	-6.6%
Hyundai	\$2,455	\$2,589	\$2,204	-5.2%	11.4%
Kia	\$3,956	\$3,273	\$3,863	20.9%	2.4%
Nissan	\$4,993	\$3,612	\$4,697	38.2%	6.3%
Subaru	\$1,733	\$1,461	\$1,607	18.6%	7.8%
Toyota	\$2,551	\$2,061	\$2,659	23.7%	-4.1%
Volkswagen Group	\$4,439	\$3,494	\$4,502	27.1%	-1.4%
Industry	\$4,079	\$3,406	\$4,024	19.7%	1.3%

Incentives as a Percentage of Average Transaction Price (ATP)

Manufacturer	Apr 2020 Forecast	Apr 2019 Actual	Mar 2020 Actual	YOY	MOM
BMW	11.0%	9.7%	10.7%	13.4%	2.5%
Daimler	9.2%	8.8%	9.6%	4.6%	-4.4%
FCA	11.7%	10.2%	11.6%	14.6%	0.9%
Ford	9.5%	9.9%	9.4%	-4.1%	0.9%
GM	13.0%	11.7%	13.0%	11.2%	0.0%
Honda	8.6%	6.6%	9.3%	31.2%	-7.6%
Hyundai	9.0%	10.7%	8.0%	-15.9%	12.7%
Kia	15.3%	12.7%	14.6%	20.0%	4.4%
Nissan	16.6%	12.5%	16.2%	33.0%	2.4%
Subaru	5.6%	4.9%	5.3%	13.1%	5.1%
Toyota	7.5%	6.4%	8.0%	17.6%	-6.6%
Volkswagen Group	11.7%	9.5%	12.1%	23.2%	-3.4%
Industry	11.0%	9.7%	11.1%	13.3%	-0.6%

Retail Health Index

RHI measures the changes in retail market share relative to changes in incentive spending and transaction price to gauge whether OEMs are "buying" retail share through increased incentives, or whether share increases are largely demand-driven. An OEM with a positive RHI score is demonstrating a healthy balance of incentive spend relative to market share, either by holding incentive spending flat and increasing share or by increasing incentives with a higher positive increase in retail share.

RHI, Top 12 Manufacturers

Apr 2020 Forecast	YOY Change	MOM Change
BMW	-3.5%	-2.7%
Daimler	-1.3%	1.1%
FCA	-0.6%	2.6%
Ford	3.8%	-2.2%
GM	0.6%	2.4%
Honda	-4.4%	-0.4%
Hyundai	1.7%	-0.5%
Kia	-1.9%	-0.8%
Nissan	-6.8%	-2.4%
Subaru	-1.9%	-0.5%
Toyota	-2.6%	-1.2%
Volkswagen	-1.3%	0.8%

Mainstream

Apr 2020 Forecast	YOY Change	MOM Change
Buick	-2.3%	-0.8%
Chevrolet	1.2%	3.2%
Chrysler	-0.8%	-2.7%
Dodge	-1.4%	-1.6%
Ford	3.9%	-2.2%
GMC	-0.3%	1.1%
Honda	-4.5%	-0.6%
Hyundai	1.7%	-0.5%
Jeep	-1.2%	1.3%
Kia	-1.9%	-0.8%
Mazda	-2.1%	-0.6%
Mitsubishi	-2.4%	0.9%
Nissan	-7.1%	-2.5%
Ram	0.0%	4.9%
Subaru	-1.9%	-0.5%
Toyota	-2.6%	-1.2%
Volkswagen	-0.8%	0.1%

Luxury

Apr 2020 Forecast	YOY Change	MOM Change
Acura	-3.6%	2.0%
Audi	-2.9%	2.9%
BMW	-4.1%	-3.3%
Cadillac	0.2%	0.4%
INFINITI	-3.7%	-1.1%
Land Rover	-2.1%	-0.3%
Lexus	-2.2%	-1.0%
Lincoln	0.9%	-0.2%
Mercedes-Benz	-1.3%	1.1%
Porsche	0.4%	1.4%
Volvo	-3.1%	-1.5%

(Note: This forecast is based solely on ALG's analysis of industry sales trends and conditions and is not a projection of TrueCar, Inc.'s operations.)

About ALG

Founded in 1964 and headquartered in Santa Monica, California, ALG is an industry authority on automotive residual value projections in both the United States and Canada. By analyzing nearly 2,500 vehicle trims each year to assess residual value, ALG provides auto industry and financial services clients with market industry insights, residual value forecasts, consulting and vehicle portfolio management and risk services. ALG is a wholly-owned subsidiary of TrueCar, Inc., a digital automotive marketplace that provides comprehensive pricing transparency about what other people paid for their cars. ALG has been publishing residual values for all cars, trucks and SUVs in the U.S. for over 55 years and in Canada since 1981.

About TrueCar

TrueCar is a leading automotive digital marketplace that enables car buyers to connect to our nationwide network of Certified Dealers. We are building the industry's most personalized and efficient car buying experience as we seek to bring more of the purchasing process online. Consumers who visit our marketplace will find a suite of vehicle discovery tools, price ratings and market context on new and used cars -- all with a clear view of what's a great deal. When they are ready, TrueCar will enable them to connect with a local Certified Dealer who shares in our belief that truth, transparency and fairness are the foundation of a great car buying experience. As part of our marketplace, TrueCar powers car-buying programs for over 250 leading brands, including AARP, Sam's Club, and American Express. Nearly half of all new-car buyers engage with TrueCar powered sites, where they buy smarter and drive happier. TrueCar is headquartered in Santa Monica, California, with offices in Austin, Texas and Boston, Massachusetts.

For more information, please visit www.truecar.com, and follow us on [Facebook](#) or [Twitter](#). TrueCar media line: +1-844-469-8442 (US toll-free)

Email: pr@truecar.com

TrueCar and ALG PR Contact:

Shadee Malekafzali

shadee@truecar.com

424.258.8694



Source: TrueCar, Inc.