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ALG Finds Incentives Increase as August Auto Sales Dip

Average transaction prices likely to rise 0.5 percent

SANTA MONICA, Calif., Sept. 01, 2017 (GLOBE NEWSWIRE) -- [ALG](#), the industry benchmark for determining the future resale value of a vehicle, projects U.S. revenue from new vehicle sales will reach \$49 billion for the month of August, up 1.7 percent from a year ago.

ALG expects an increase of \$820 million in revenue for automakers versus August 2016. Additionally, incentive spending is projected to increase 12.7 percent.

"Automakers continue to navigate the sales plateau with incentive spending outpacing ATP gains, primarily driven by excess supply from overproduction and an overweight mix of passenger cars," said Eric Lyman, ALG's Chief Industry Analyst. "Volkswagen continues to be a bright spot, with all-new key crossover segment product driving a substantial 6.5% year-over-year increase in ATP.



"Model year changeover in the 3rd quarter creates a seasonal spike in incentive spending, and 2017 is no different. ALG still expects overall spending to decline slightly over the long term as automakers acclimate to a lower overall sales volume in the industry," continued Lyman.

ALG estimates ATP for a new light vehicle was \$32,346 in August, up 0.5 percent from a year ago. Average incentive spending per unit grew by \$429 to \$3,799. The ratio of incentive spending to ATP is expected to be 11.7 percent, up from 10.5 percent a year ago.

Average Transaction Price (ATP)

Manufacturer	Aug. 2017			Percent Change vs.	
	Forecast	Aug. 2016	July 2017	Aug. 2016	July 2017
BMW (BMW, Mini)	\$51,231	\$50,524	\$51,539	1.4%	-0.6%
Daimler (Mercedes-Benz, Smart)	\$58,512	\$57,933	\$56,640	1.0%	3.3%
FCA (Chrysler, Dodge, Jeep, Ram, Fiat)	\$33,502	\$32,877	\$33,481	1.9%	0.1%
Ford (Ford, Lincoln)	\$35,484	\$34,960	\$35,236	1.5%	0.7%
GM (Buick, Cadillac, Chevrolet, GMC)	\$36,263	\$36,227	\$37,170	0.1%	-2.4%
Honda (Acura, Honda)	\$27,272	\$27,109	\$27,463	0.6%	-0.7%
Hyundai	\$23,048	\$23,035	\$23,095	0.1%	-0.2%
Kia	\$22,312	\$22,447	\$22,357	-0.6%	-0.2%
Nissan (Nissan, Infiniti)	\$27,520	\$26,901	\$27,300	2.3%	0.8%
Subaru	\$27,776	\$27,860	\$27,610	-0.3%	0.6%
Toyota (Lexus, Scion, Toyota)	\$30,361	\$30,792	\$30,604	-1.4%	-0.8%
Volkswagen (Audi, Porsche, Volkswagen)	\$34,941	\$32,808	\$34,591	6.5%	1.0%
Industry	\$32,346	\$32,198	\$32,411	0.5%	-0.2%

Incentive per Unit Spending

Manufacturer	Aug. 2017			Percent Change vs.	
	Forecast	Aug 2016	July 2017	Aug 2016	July 2017
BMW (BMW, Mini)	\$5,103	\$6,480	\$4,831	-21.2%	5.6%
Daimler (Mercedes-Benz, Smart)	\$4,973	\$4,371	\$4,922	13.8%	1.0%

FCA (Chrysler, Dodge, Jeep, Ram, Fiat)	\$4,650	\$4,205	\$4,479	10.6%	3.8%
Ford (Ford, Lincoln)	\$4,577	\$4,153	\$4,387	10.2%	4.3%
GM (Buick, Cadillac, Chevrolet, GMC)	\$4,546	\$4,199	\$4,304	8.3%	5.6%
Honda (Acura, Honda)	\$2,226	\$1,620	\$2,046	37.4%	8.8%
Hyundai	\$3,039	\$2,420	\$2,943	25.6%	3.3%
Kia	\$4,112	\$2,765	\$3,865	48.7%	6.4%
Nissan (Nissan, Infiniti)	\$4,743	\$3,822	\$4,530	24.1%	4.7%
Subaru	\$1,170	\$977	\$1,099	19.7%	6.4%
Toyota (Lexus, Scion, Toyota)	\$2,876	\$2,412	\$2,861	19.2%	0.5%
Volkswagen (Audi, Porsche, Volkswagen)	\$3,723	\$3,936	\$3,567	-5.4%	4.4%
Industry	\$3,799	\$3,370	\$3,638	12.7%	4.4%

Incentive Spending as a Percentage of ATP

Manufacturer	Aug. 2017			Percent Change vs. August 2016	Percent Change vs. July 2017
	Forecast	Aug. 2016	July 2017		
BMW (BMW, Mini)	10.0%	12.8%	9.4%	-22.3%	6.3%
Daimler (Mercedes-Benz, Smart)	8.5%	7.5%	8.7%	12.6%	-2.2%
FCA (Chrysler, Dodge, Jeep, Ram, Fiat)	13.9%	12.8%	13.4%	8.5%	3.8%
Ford (Ford, Lincoln)	12.9%	11.9%	12.5%	8.6%	3.6%
GM (Buick, Cadillac, Chevrolet, GMC)	12.5%	11.6%	11.6%	8.1%	8.3%
Honda (Acura, Honda)	8.2%	6.0%	7.4%	36.6%	9.6%
Hyundai	13.2%	10.5%	12.7%	25.5%	3.5%
Kia	18.4%	12.3%	17.3%	49.6%	6.6%
Nissan (Nissan, Infiniti)	17.2%	14.2%	16.6%	21.3%	3.9%
Subaru	4.2%	3.5%	4.0%	20.1%	5.8%
Toyota (Lexus, Scion, Toyota)	9.5%	7.8%	9.3%	20.9%	1.3%
Volkswagen (Audi, Porsche, Volkswagen)	10.7%	12.0%	10.3%	-11.2%	3.3%
Industry	11.7%	10.5%	11.2%	12.2%	4.6%

(Note: This forecast is based solely on ALG's analysis of industry sales trends and conditions and is not a projection of the company'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 50 years and in Canada since 1981.

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