

The U.S. economy is ripe for strong vehicle sales, especially used ones. With household net worth rising and soaring consumer confidence, just a few factors threaten another good year: rising interest rates, tighter credit and volatile weather.

- 1/ 2017 was another good year for the industry. Economic conditions improved throughout the year, and with them came higher used-car sales and new-car sales only slightly below recent record levels.
- 2/ Used-car sales are expected to climb even higher in 2018 and new-car sales to experience another minor dip from their soaring heights. It should be another good period for this fast-growing and fast-changing industry.
- 3/ However, headwinds are strengthening. Market conditions are becoming more challenging, and technological advancements and consumer expectations are evolving rapidly. Staying ahead of a change curve is getting steeper every year – in the automotive industry and well beyond.

> 8 TRENDLINES IN '18

39.5

MILLION  
IN USED

Used car sales expected to grow to 39.5 million this year, up 1.8% from 2017.

10

MILLION UNITS  
IN WHOLESALE  
VOLUMES

Wholesale volumes through traditional auctions will continue at near-record levels of 10 million units in 2018, but this year the market is poised to see increases in offsite digital volumes, too.

16.7

MILLION  
IN NEW

New car sales are expected to decline this year to 16.7 million, a 2% decrease from 2017.

6%

INCREASE IN  
WHOLESALE  
PRICES

6% increase in wholesale vehicle prices in 2017 driven up by hurricane replacement demand and wholesale pickup truck prices.

3.9

MILLION  
OFF-LEASE  
VEHICLES

There will be nearly 3.9 million off-lease vehicles this year, posing a threat to the new vehicle market.

\$569

BILLION IN  
AUTO LOAN  
ORIGINATIONS

Auto loan originations in dollar volume in 2017 increased slightly to \$569 billion, breaking the previous record of \$565 billion set in 2016.

MORE

SUVS, CUVS &  
PICKUPS

More SUVs, CUVs and pickups in the market are also a threat to new car sales because they are the vehicles consumers are most interested in.

28.7%

In 2017, new lease originations dipped 3% from 2016 to 28.7% of all vehicles sold. As monthly payments for leased vehicles increased, there is less of a cost advantage to leasing over purchasing.