

AUTOMOTIVE

December new car sales decrease, automotive still sees record sales

December 29, 2021



Despite supply chain restrictions, the automotive industry saw record sales in 2021 overall. Image credit: BMW

By LUXURY DAILY NEWS SERVICE

New vehicle sales for December 2021 are expected to rank lower than December 2020 sales, according to a new joint forecast from J.D. Power and LMC Automotive.

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Supply chain issues are restricting December 2021 new vehicle sales, yet prices and sales numbers continue to climb. 2021 sales for new vehicles are expected to reach 13,074,500 units, reflecting a 6.5 percent increase from 2020 when adjusted for selling days.

"Despite inventory shortages constraining December sales volumes, there are several good news stories for the industry," said Thomas King, president of the data and analytics division at **J.D. Power**, in a statement.

"Retail inventory is showing some improvement, tracking at just more than one million units for the first time since July and transaction prices and retailer profits are at record highs."

A full forecast

December 2021 sales for new vehicles are expected to reach 1,105,800 units, reflecting a 17.4 percent decrease compared with December 2020 when adjusted for selling days.

Sales for new vehicles in Q4 2021 are estimated to reach 2,923,600 units, reflecting a 17.7 percent decrease from Q4 2020 when adjusted for selling days.



2021 sales for new vehicles are expected to reach 13 million units. Image credit: Audi

However, new vehicle sales for the entire year of 2021 are expected to surpass new vehicle sales from 2020 by 6.5 percent.

New-vehicle total sales in Q4 2021 are projected to reach 3,302,700 units, a 19.9 percent decrease from Q4 2020 when adjusted for selling days.

Sales for new vehicles for 2021 are projected to reach 14,958,900 units, a 4.2 percent increase from 2020 when adjusted for selling days.

"Full year 2021 will still show a solid sales increase from 2020," Mr. King said. "The year-over-year sales declines experienced every month in the second half of 2021 were not enough to wash the record sales pace in the first half of the year.

"Looking forward to 2022, retail sales will continue to be dictated by the number of vehicles shipped from plants and ports to dealerships," he said. "Indications are that shipments will rise incrementally as the year goes on, allowing sales to rise from 2021 levels.

"However, pent-up consumer demand will keep inventory levels near historical lows. 2022 is likely to be another year of record-setting pricing and profitability."

Luxury automakers and buyers continue to face widespread market challenges, including limited inventory and high prices.

Although the market is still hindered by limited new-vehicle supply and rising prices, consumers are still buying luxury vehicles, with some marques reporting record sales. Many car brands have faced supply shortages and challenges, but pent-up demand persists, with new-vehicle sales increasing across the board ([see story](#)).

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