

March Auto Sales Hit 2026 High as Year-Ago Pull-Ahead Skews Annual Comparisons

The Total Sales Forecast

Total new-vehicle sales for March 2026, including retail and non-retail transactions, are projected to reach 1,372,877, a 11.4% decrease year-over-year, and a 11.9% increase from February 2026, according to a joint forecast from JD Power and GlobalData. March 2026 has 25 selling days, one fewer than March 2025. Reporting the same numbers without adjusting for the number of selling days translates to a decrease of 14.8% from March 2025.

The seasonally adjusted annualized rate (SAAR) for total new-vehicle sales is expected to be 16.0 million units, down 2.1 million units from March 2025, and up 470,306 units from February 2026.

New vehicle total sales for Q1 2026 are projected to reach 3,655,500 units, a 7.4% decrease from Q1 2025 when adjusting for the number of selling days.

The Retail Sales Forecast

New-vehicle retail sales for March 2026 are projected to reach 1,120,601, a 13.3% decrease from March 2025 and a 14.3% increase from February 2026. Comparing the same sales volume without adjusting for the number of selling days translates to a decrease of 16.6% from 2025.

The seasonally adjusted annualized rate (SAAR) for retail new-vehicle sales is expected to be 13.1 million units, down 2.1 million units from March 2025 and up 391,242 units from February 2026.

The Takeaways

Thomas King, president of OEM solutions at JD Power:

“Vehicle sales in March are on pace to deliver the best monthly results seen so far this year, with total sales expected to reach 16 million units on an annualized basis. However, comparison to March of last year presents a far less positive picture, with total sales down 11.4%, and retail sales down 13.3%. This apparent contradiction is really a technical anomaly – March 2025 sales were inflated by consumers who rushed to showrooms in anticipation of a big increase in vehicle prices due to tariffs. In fact, the rush to showrooms last March resulted in a total annualized sales pace of 18.1 million, the highest of any month in 2025 and well above the full-year sales pace of 16.3 million. Said differently, the usual focus on year-over-year sales changes is not helpful in understanding the underlying health of consumer demand for new vehicles this month.

“Putting aside last year’s results, March 2026 shows continued strong demand for new vehicles, despite concerns around fuel prices and economic uncertainty. In fact, March results would have been even stronger were it not for unusually low availability of one of the industry’s best-selling vehicles. Furthermore, the elimination of Federal Electric Vehicle credits is a headwind that the industry has had to overcome as consumers interested in an EV face higher prices.

“While demand remains strong, new vehicle affordability remains the primary barrier to higher vehicle sales. Average retail transaction prices are expected to rise 2.5% to \$45,859 from a year ago. In aggregate, manufacturers incentive spend per vehicle is on track to reach \$3,325, which is \$165 higher than a year ago. However, the changes in average discounts are heavily influenced by the decline in EV sales. Discounts on EVs are expected to average \$11,258 in March, down \$940 compared with March 2025. Meanwhile, discounts on non-EVs are projected at \$3,030, an increase of \$353 from last year. As a percentage of MSRP, discounts on non-EVs are at 6.0% in March, up 0.6 ppts from a year ago. The increased availability of discounts on non-EVs was expected, as manufacturers have greater latitude to incentivize the purchase of non-EVs due the higher profit margins they earn on those vehicles relative to EVs.”

Higher average prices are translating to higher monthly payments, with the average monthly finance payment reaching \$805, up \$38 from a year ago and the highest ever for the month of March. In response, more consumers are turning to 84-month loan terms, which are expected to account for 12.5 percent of financed sales this month compared to 10.6 percent a year ago.

Easing interest rates and strong used-vehicle values are providing some relief to buyers facing elevated monthly payments. The average interest rate for new-vehicle loans in March is 6.55 percent, a decrease of 36 basis points from a year ago.

“The average used-vehicle price is \$30,166, up \$860 from a year ago. This reflects the continued low supply of recent model-year used vehicles due to lower new-vehicle production during the pandemic. The ongoing strength of used-vehicle prices continues to assist new-vehicle buyers who have a trade-in. The average trade-in equity in March is \$6,869, down \$240 from a year ago but still high from a historical perspective. Still, the number of new-vehicle buyers with negative equity on their trade-in is expected to reach 30.5 percent—an increase of 4.2 percentage points from March 2025 as consumers who purchased during the peak of inventory shortages 4 years ago return to market.

“Regarding total consumer spending on new vehicles, the elevated transaction prices in March aren’t enough to offset the inflated sales pace a year ago. Consumers are on track to spend \$49.4 billion on new vehicles this month, 13.9 percent lower than a year ago.”

For retailers, profit per unit—which includes vehicle gross plus finance and insurance income—is expected to be \$2,452, up \$26 from March 2025 and up \$80 from February 2026. Total aggregate retailer profit from new-vehicle sales for this month is projected to be \$2.6

billion, down 15.1 percent from last year, with decline again driven by last year's inflated sales pace.

“Looking ahead, interpreting year-over-year results will remain unusually challenging for most of the year, as the industry continues to work through the aftereffects of two major pull-ahead events in 2025. The first was the tariff-driven rush to showrooms in March and April, when approximately 173,000 additional purchases were pulled forward, followed by a payback period that weighed on subsequent months. The second was the EV pull-ahead ahead of the Sept. 30 expiration of federal EV tax credits, which temporarily inflated EV demand in late summer before shifting to a payback dynamic that persisted into the fall. As a result, simple year-over-year comparisons will remain inherently noisy—reflecting the timing of these events more than underlying demand—until the industry fully laps both events. In practical terms, it will most likely be late in the year before comparisons return to a more normalized pattern and provide a clearer read on market momentum.”

Sales & SAAR Comparison

U.S. NEW VEHICLE	MARCH 2026 ^{1,2}	FEBRUARY 2026	MARCH 2025
Retail Sales	1,120,601 units (13.3% lower than March 2025) ²	940,844 units	1,343,555 units
Total Sales	1,372,877 units (11.4% lower than March 2025) ²	1,177,789 units	1,611,159 units
Retail SAAR	13.1 million units	12.7 million units	15.2 million units
Total SAAR	16.0 million units	15.5 million units	18.1 million units

¹ Figures cited for March 2026 are forecasted based on the first 17 selling days of the month.

² March 2026 has 25 selling days, one fewer than March 2025.

The Details

- Fleet sales are expected to total 252,276 units in March, down 2.0% from March 2025. Fleet volume is expected to account for 18.4% of total light-vehicle sales, up 1.8 percentage points from a year ago.
- Internal combustion engine (ICE) vehicles are projected to account for 75.7% of new-vehicle retail sales, an increase of 0.1 percentage points from a year ago. Hybrid electric vehicles (HEV) are expected to account for 15.5% of new-vehicle retail sales, up 2.2 percentage points. Electric vehicles (EV) are expected to account for 6.9% of sales, down 1.9 percentage points, while Plug-in hybrid vehicles (PHEV) are on pace to make up 1.4% of sales, down 1.0 percentage points from March 2025.
- U.S. final assembly vehicles are expected to make up 55.6% of sales in March, up 4.5 percentage points from a year ago.
- Retail inventory levels are currently at 2.22 million units, a 4.5% increase from March 2025.

- The industry's inventory days of supply is 69 days in March, up from 5 days from a year ago.
- The average new-vehicle retail transaction price in March is expected to reach \$45,859, up \$1,102 from March 2025. The transaction price as a percentage of MSRP was 89.2% in March, down 0.3 percentage points from a year ago. The average new-retail transaction price for ICE/Hybrid vehicles is expected to reach \$45,634, up \$1,228 from March 2025. The average new-retail transaction price for EVs is expected to reach \$45,287, up \$110 from March 2025.
- Retail buyers are on pace to spend \$49.4 billion on new vehicles, down \$8.0 billion from March 2025.
- Average incentive spending per unit in March is expected to reach \$3,325, up \$165 from March 2025. Incentive spending as a percentage of the average MSRP is expected to increase to 6.5%, up 0.2 percentage point from March 2025. Average incentive spending per unit for ICE/Hybrid vehicles is expected to reach \$3,030, up \$353 from March 2025. Average incentive spending for EVs is expected to reach \$11,258, down \$940 from March 2025.
- Leasing is expected to account for 22.9% of sales this month, down 0.5 percentage points from a year ago.
- The average time a new vehicle remains in the dealer's possession before sale is expected to be 55 days in March, down from 57 days a year ago.
- 28.7% of vehicles sold in less than 10 days in March, down 2.6 percentage points from a year ago.
- Average monthly finance payments are on pace to be \$805, up \$38 from March 2025. The average interest rate for new-vehicle loans is expected to be 6.55%, down 0.36 percentage points from a year ago.
- So far in March, average used-vehicle retail prices are \$30,166, up \$860 from a year ago.
- Trade-in equity is trending towards \$6,869 this month, which is down \$240 from a year ago.
- 30.5% of trade-ins are expected to carry negative equity this month—an increase of 4.2 percentage points from March 2025.
- Finance loans with terms greater than or equal to 84 months are expected to reach 12.5% of finance sales this month, up 1.9 percentage points from March 2025.

Electrification Outlook

Tyson Jominy, senior vice president of OEM customer success at JD Power:

“As noted above, EV share is holding in the mid-6% range, nearly two points below last year and well off the high driven by changes in U.S. policy in Q3 2025.

The pullback is concentrated in the mass market, where EV share contracted to 1.9% from 4.0% a year ago. In contrast, EVs represent over 26.4% of premium sales year to date – a figure which includes direct-to-consumer brands – and only 5 pts below last year's pace.”

Global Sales Outlook

David Oakley, manager, Americas vehicle sales forecasts at GlobalData:

“February global light-vehicle sales are estimated to have decreased 1.9% year over year to 6.6 million units. Most major markets saw declines, but a particularly notable contraction in China meant that the global industry was unlikely to match year-ago levels. The selling rate for February was estimated at 80.8 million units, down from 96.4 million units in December.

“Sales in China decreased around 13.4% year over year in February, as the effects of the government’s move to tighten access to subsidies for electrified vehicles were apparent, with some lower-cost models now ineligible for the scheme. In addition, there is now a 5% tax imposed on EVs and plug-in hybrids, likely further cooling demand. Meanwhile, European countries also saw declines in February, with the key German market impacted by rising unemployment and a sluggish economic outlook.

“March sales are expected to decrease 5.5% from March 2025. Once again, China is likely to be a major contributor to the year over year loss, with last year’s robust sales now providing a high base effect, something which could be a feature of 2026. On the other hand, India is likely to see strong growth in March, as tax reductions implemented in September 2025 continue to generate year over year gains. The global selling rate is expected to reach 89.3 million units in March, up slightly from a rate of 89.2 million units in March 2025.

“Our forecast for total global sales in 2026 stands at 93.5 million units, up 1.9% year over year. Our Chinese sales outlook has been revised down by around 300k units on the back of weaker momentum in the new year. Although China should still see some growth in 2026, developing markets such as India will also contribute significantly to the global expansion in light-vehicle sales this year, while most mature markets are expected to see a flat outcome or only modest gains.”

Media Relations Contacts

Joe LaMuraglia, JD Power; East Coast; 714-621-6224; media.relations@jdpa.com

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