

# San Diego Auto Outlook



**NEW CAR DEALERS ASSOCIATION  
SAN DIEGO COUNTY**

Comprehensive information on the San Diego County new vehicle market

## FORECAST

### New Vehicle Sales Should Remain Strong in 2018

Below is a summary of eight key trends and developments in the San Diego County new vehicle market.

#### County new retail light vehicle registrations exceeded 158,000 units in 2017

The new vehicle market declined slightly last year, but sales remained at elevated levels. 2017 marked the fourth consecutive year that new registrations exceeded 145,000 units, which is a lofty total for the San Diego County market.

#### New vehicle sales likely to soften in 2018

As mentioned in the previous release of Auto Outlook, there are several signs that are pointing to a market slowdown. But a relatively healthy economy, a steady stream of impressive new products, and strong consumer affordability should limit declines over the next several years

#### Trucks grab a larger share of county market

Light truck market share increased from 38.3% in 2012 to 54.2% in 2017.

#### Alternative powertrain market improves

County registrations of hybrid and electric cars and trucks increased 8.4% during the first 11 months of 2017, while the overall market fell 2.4%.

#### Toyota Honda, Ford, Nissan, and Chevrolet are leaders in county market

Toyota was the best selling brand last year, with a 17.7% share. Honda's county share was 12.5%, well above its 10.3% share in the U.S.

#### Infiniti, Mitsubishi, Audi, Chrysler, and Porsche gained ground during past year

New retail registrations for each of these five brands were up more than 5% from 2016 to 2017.

#### Honda Civic best-selling car in county market; Ford F-Series is light truck leader

Honda Accord and Toyota Corolla were ranked second and third behind Civic in the car market, while Toyota Tacoma and RAV4 trailed the F-Series.

#### Non Luxury SUVs account for 30% of market

Market share for Non Luxury SUVs increased to 30% during the first eleven months of last year. Non Luxury Mid Size and Large Car market share fell by more than three points.

#### Percent Change in County Light Truck and Car Registrations 2017\* vs. 2016

##### Light Trucks (Pickups, SUVs, and Vans)



**UP  
8.0%**

##### Passenger Cars

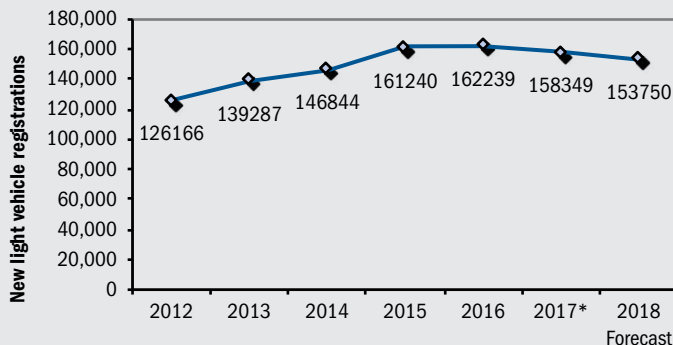


**DOWN  
12.4%**

Source: IHS Markit.

\*Dec. 17 estimated.

#### Annual Trend in County Market



Historical Data Source: IHS Markit.

The graph above shows annual new retail light vehicle registrations in the county from 2012 thru 2017 and Auto Outlook's projection for 2018. \*Figures for Dec., 2017 were estimated by Auto Outlook.

#### Market Summary

	2016 Annual	2017 Annual*	% Chg. '16 to '17	Mkt. Share 2017*
TOTAL	162,239	158,349	-2.4%	
Car	82,790	72,563	-12.4%	45.8%
Light Truck	79,449	85,786	8.0%	54.2%
Domestic	42,519	41,819	-1.6%	26.4%
European	24,094	24,358	1.1%	15.4%
Japanese	83,257	79,864	-4.1%	50.4%
Korean	12,369	12,308	-0.5%	7.8%

Source: IHS Markit.

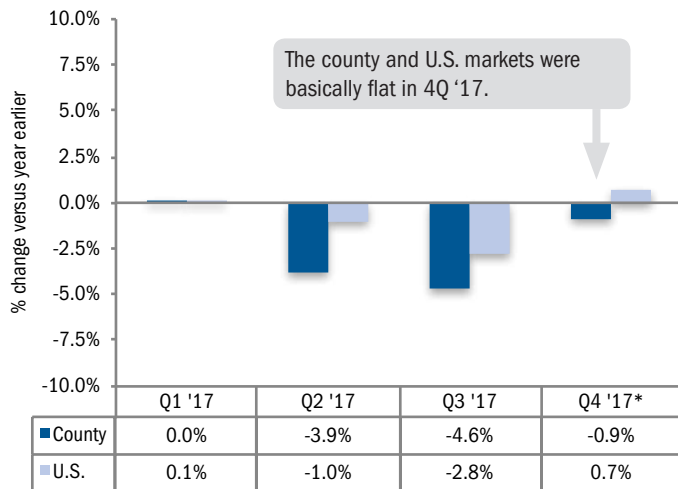
Domestics consist of vehicles sold by GM, Ford, FCA (excluding Alfa and FIAT), and Tesla. Historical figures were revised by IHS Markit and will differ slightly from those shown in previous releases. \*Figures for Dec., 2017 were estimated by Auto Outlook.

MARKET TRACKER: QUARTERLY RESULTS

# County Registrations Declined Slightly in Fourth Quarter 2017

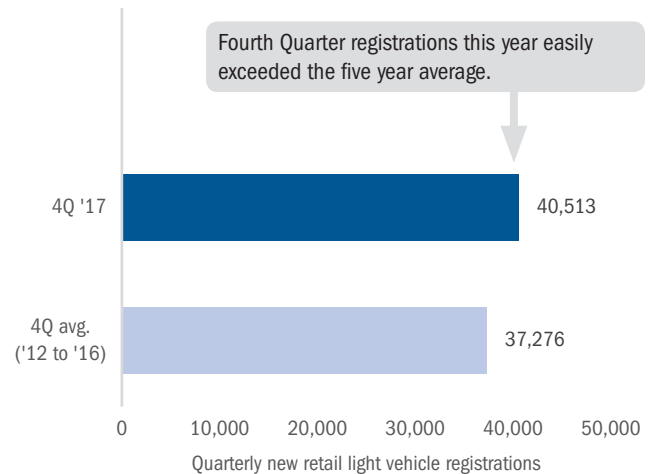
### QUARTERLY TREND

Percent Change in County and U.S. New Vehicle Market



### QUARTERLY PERSPECTIVE

4Q 2017 Registrations Versus Average for Previous Five Years



\* Figures for the Fourth Quarter of 2017 were estimated by Auto Outlook based on data for October and November. Source: IHS Markit.

\* Figures for 4Q 2017 were estimated by Auto Outlook based on data for October and November. Source: IHS Markit.

MARKET TRACKER: COUNTY MARKET VERSUS U.S.

## County Car Share Stays Above 45%

	County Market		U.S. Market	
<b>Percent change in registrations 2017* vs. 2016</b>		-2.4%		-0.8%
<b>Passenger car market share 2017*</b>		45.8%		35.1%
<b>Domestic brand market share 2017*</b>		26.4%		41.2%
<b>Top 10 brands and market share 2017*</b>				
First	Toyota	17.7%	Toyota	13.4%
Second	Honda	12.5%	Ford	12.1%
Third	Ford	10.1%	Chevrolet	11.4%
Fourth	Nissan	7.2%	Honda	10.3%
Fifth	Chevrolet	6.4%	Nissan	7.1%
Sixth	Kia	4.1%	Jeep	5.2%
Seventh	Subaru	3.9%	Subaru	4.2%
Eighth	Hyundai	3.5%	Hyundai	3.7%
Ninth	Mercedes	3.4%	Kia	3.4%
Tenth	Jeep	3.4%	GMC	3.3%

\*Dec. 2017 figures estimated by Auto Outlook

Source: IHS Markit

## San Diego Auto Outlook

### Covering Fourth Quarter 2017

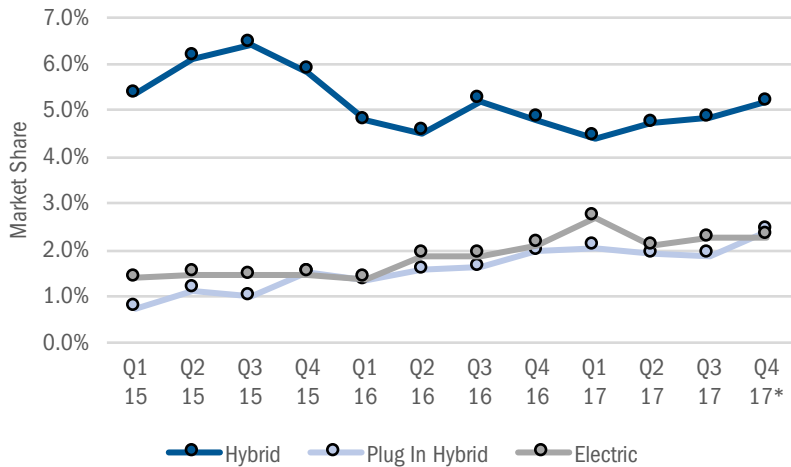
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MARKET TRACKER: HYBRID AND ELECTRIC VEHICLES

# Electric Vehicles Accounted for 2.3% of County Market in '17

Quarterly Alternative Powertrain Market Share  
(includes hybrid and electric vehicles)



Hybrid/electric vehicle market share in Q4 '17:  
**9.8%**

New Retail Hybrid and Electric Vehicle Registrations  
Top 10 Selling Models in County - YTD '17 thru November

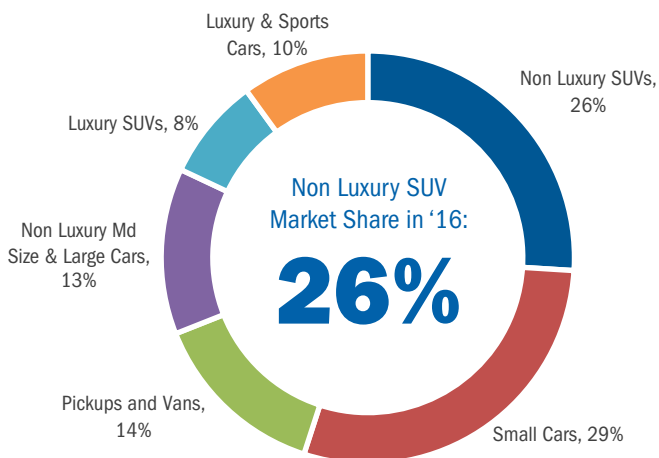
Rank	Model	Regs.
1	Toyota Prius	3010
2	Chevrolet Bolt	828
3	Tesla Model S	761
4	Kia Niro	617
5	Ford Fusion	594
6	Chevrolet Volt	581
7	Toyota RAV4	566
8	Ford C-Max	453
9	Tesla Model X	437
10	Fiat 500	386

The graph above shows hybrid powertrain and electric vehicle quarterly market share in the county. The line shows market share trend over the past 12 quarters. \*Fourth Quarter 2017 includes October and November. Source: IHS Markit.

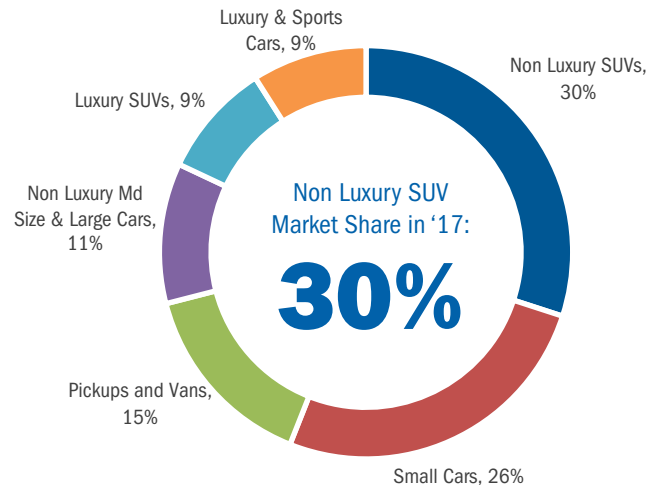
MARKET TRACKER: SEGMENT SHARES

# Non Luxury SUV Market Share Hits 30% in 2017

Segment Market Shares in County  
YTD 2016 thru November



Segment Market Shares in County  
YTD 2017 thru November



Source: IHS Markit.

The two graphs above show market shares for primary segments during the first 11 months of 2016 and 2017.

BRAND SCOREBOARD - PART ONE

# Toyota, Honda, BMW, and Mazda Are Strong Performers in County

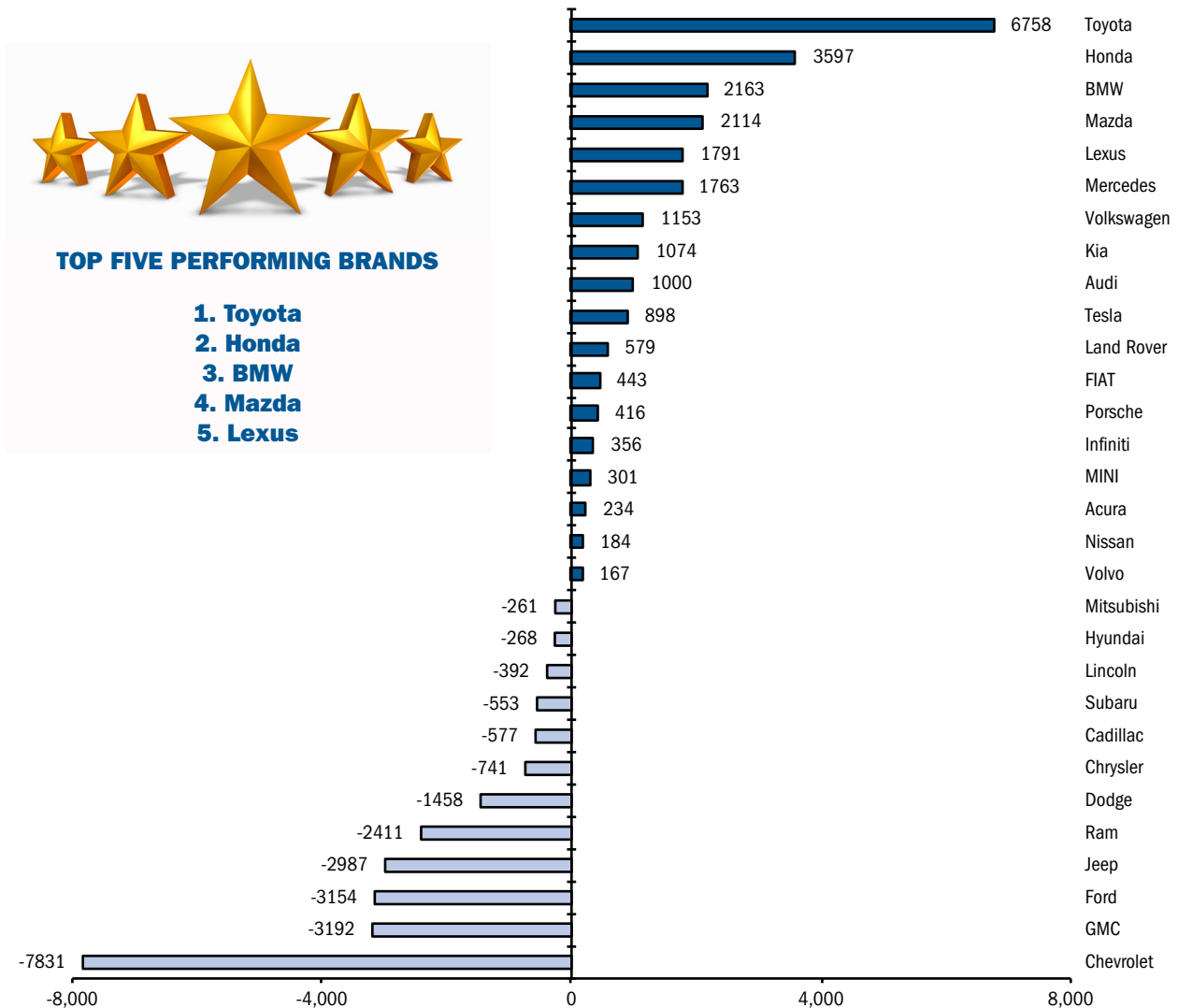
The graph below provides an indicator of brands that are popular in San Diego County (relative to the National standard), and those that are not. Here's how it works: For the top 30 selling brands, each brand's share of the U.S. market is multiplied by retail registrations in the county during 2017. This yields a "tar-

get" for the county market. Target registrations are subtracted from actual registrations to derive the measurement of sales performance.

Brands at the top of the graph (i.e., Toyota, Honda, BMW, Mazda, and Lexus) are relatively strong sellers in the county, with actual regis-

trations exceeding calculated targets by large margins. For instance, Toyota registrations exceeded the target by 6,758 units.

**San Diego County Retail Market Performance based on registrations for 2017\***  
**Actual registrations minus target (county industry registrations times U.S. market share)**



Actual registrations minus target (county industry registrations times U.S. market share)

\*Figures for December, 2017 were estimated.

Source for registration data: IHS Markit.

BRAND SCOREBOARD - PART TWO

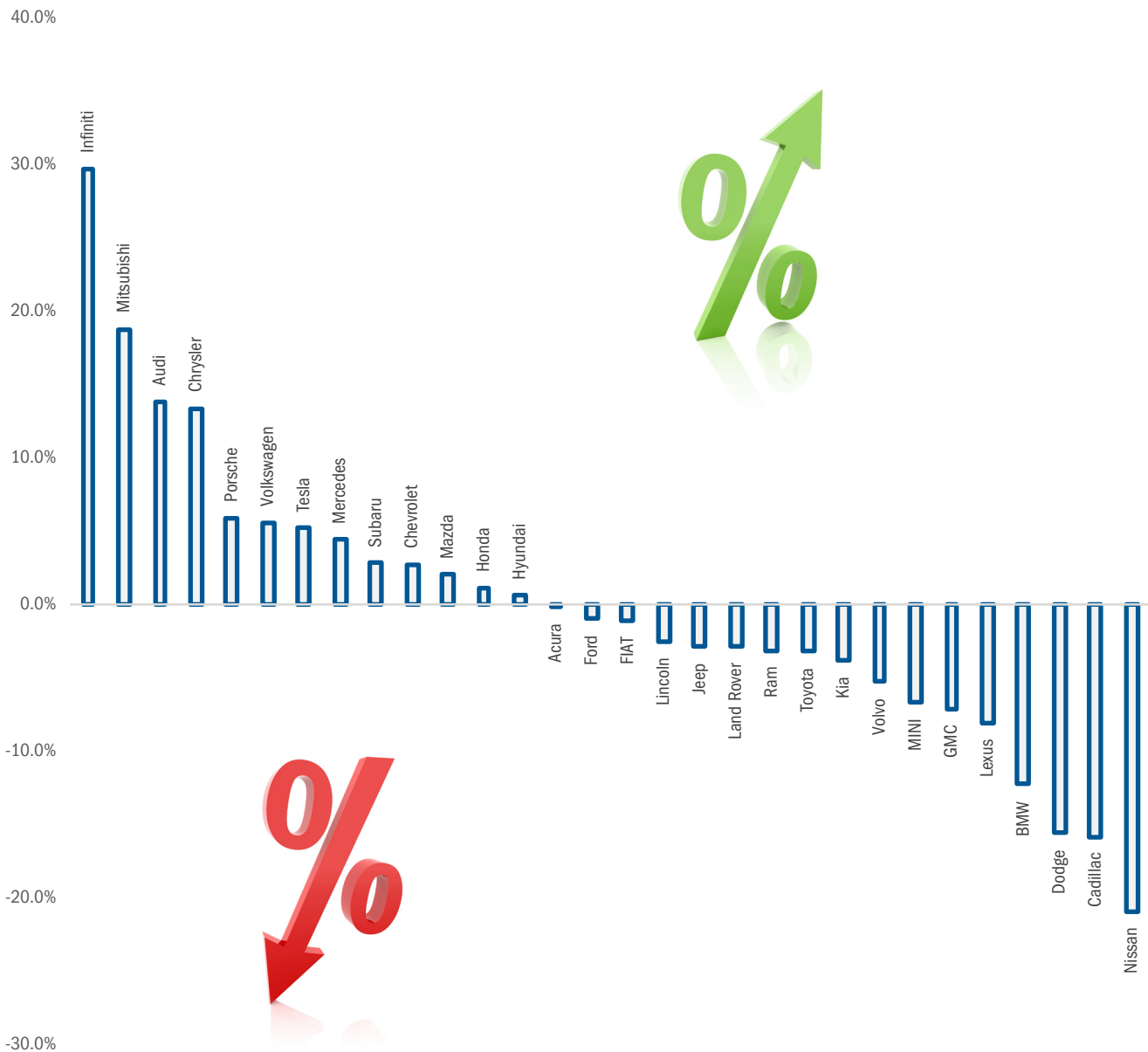
# Infiniti and Mitsubishi Had Biggest Percentage Gains in 2017

The graph below shows the change in new retail light vehicle (combined car and light truck) registrations for all of 2017 versus a year earlier. Note figures for December of 2017 were estimated by Auto Outlook. Historical data source: IHS Markit.



**13 brands had increases in 2017:**  
 Infiniti, Mitsubishi, Audi, Chrysler, Porsche, VW, Tesla, Mercedes, Subaru, Chevrolet, Mazda, Honda, and Hyundai.

**Percent Change in County New Retail Light Vehicle Registrations (Top 30 brands) - 2017\* vs. 2016**



\*Figures for December, 2017 were estimated.

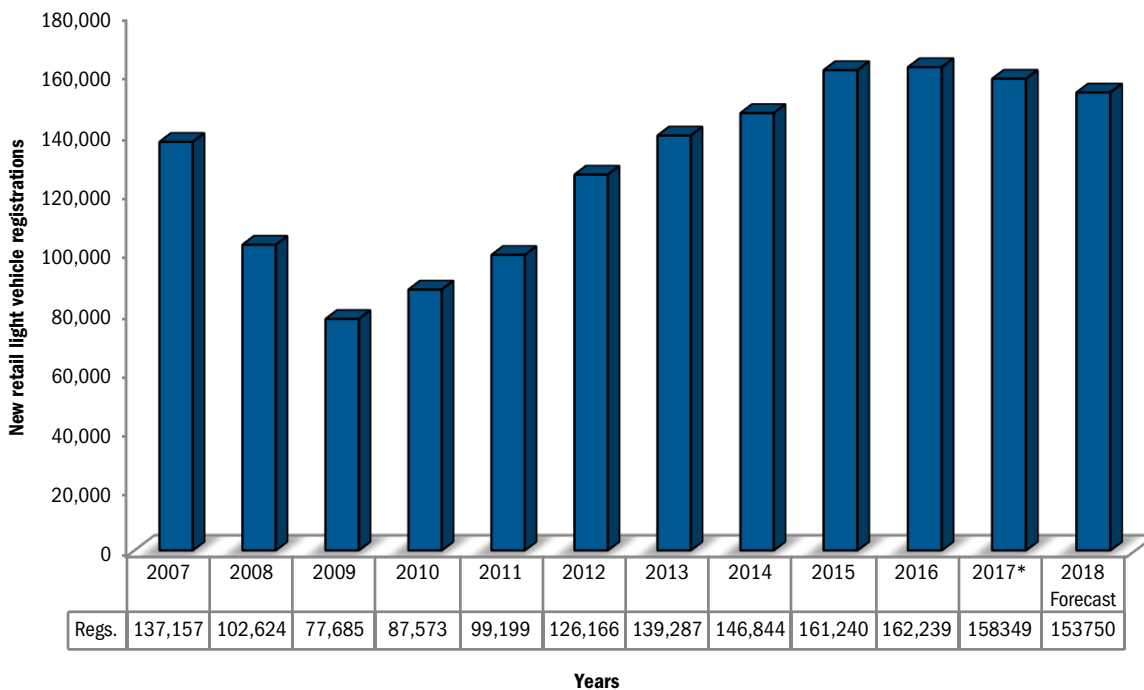
Source: IHS Markit.

LONG TERM TRENDS

# Registrations Likely to Exceed 145K for Fifth Straight Year in '18

The two graphs below provide a long term perspective of trends in the San Diego County new retail light vehicle market. The first graph shows historical registrations from 2007 thru 2017, along with Auto Outlook's forecast for 2018. The second graph shows light truck share of the overall light vehicle market.

**County New Retail Light Vehicle Registrations - 2007 thru 2017\*, 2018 Forecast**

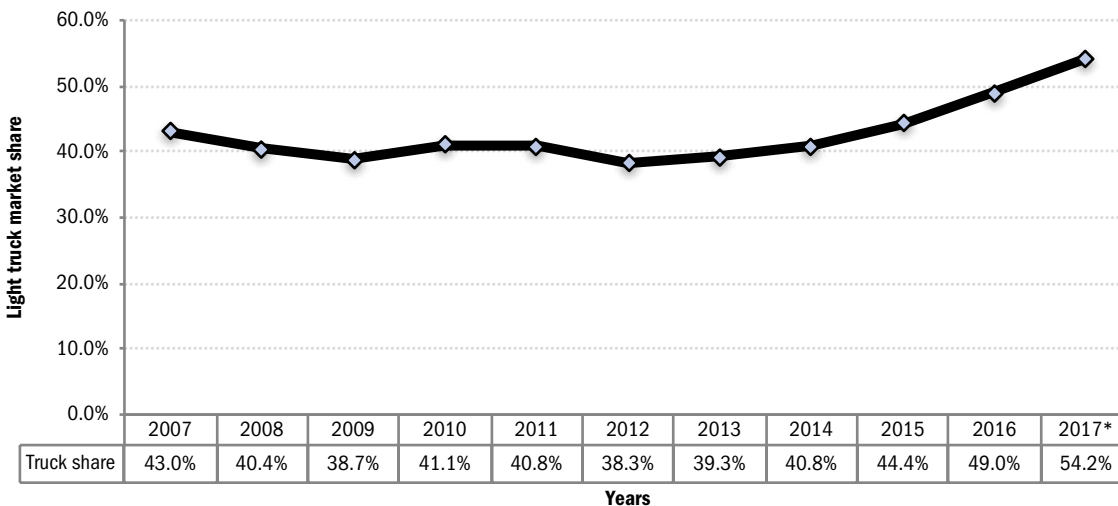


**County market improved 103% between '09 and '17. Small decline is predicted in '18, with annual total exceeding 153,000 units**

Historical Data Source: IHS Markit.

\* December 2017 figures were estimated by Auto Outlook.

**County New Retail Light Truck Market Share - 2007 thru 2017**



**Light truck market share increased steadily from 38.3% in 2012 to 54.2% last year.**

Source: IHS Markit.

\* December 2017 figures were estimated by Auto Outlook.

MODEL RANKINGS

# Honda Civic is Best Selling Model in County Market During 2017

The table below shows the top five selling models during the first 11 months of 2017 in 20 segments. In addition to unit registrations, it also shows each model's market share in its respective segment.



**BEST SELLERS IN PRIMARY SEGMENTS**

- Compact Car: Honda Civic
- Mid Size Car: Honda Accord
- Near Luxury Car: BMW 3-Series
- Luxury Car: Tesla Model S
- Full Size Pickup: Ford F-Series
- Compact SUV: Toyota RAV4
- Mid Size SUV: Toyota Highlander
- Luxury Mid Size SUV: Lexus RX

Top Selling Models in Each Segment - New Light Vehicle Registrations (YTD 2017 thru November)											
Cars											
Subcompact			Compact			Sports/Pony Cars			Mid Size		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Kia Soul	1025	16.3	Honda Civic	6334	22.0	Ford Mustang	755	30.1	Honda Accord	3662	25.5
Chevrolet Bolt	828	13.2	Toyota Corolla	3645	12.7	Dodge Challenger	547	21.8	Toyota Camry	3358	23.4
Toyota Yaris	750	11.9	Toyota Prius	3010	10.5	Chevrolet Camaro	484	19.3	Ford Fusion	1838	12.8
Honda Fit	712	11.3	Nissan Sentra	2795	9.7	Toyota 86	184	7.3	Kia Optima	1395	9.7
Fiat 500	544	8.7	Hyundai Elantra	1595	5.5	Mazda MX5	180	7.2	Nissan Altima	1290	9.0
Large			Entry Luxury			Near Luxury			Luxury and High End Sports Cars		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Dodge Charger	390	30.5	Audi A3	501	28.7	BMW 3-Series	995	15.1	Tesla Model S	761	17.4
Toyota Avalon	289	22.6	Mercedes CLA-Class	323	18.5	Mercedes C-Class	967	14.6	Mercedes E-Class	615	14.0
Nissan Maxima	235	18.4	BMW I3	291	16.7	Lexus ES	766	11.6	BMW 5-Series	596	13.6
Chrysler 300	111	8.7	Lexus Ct200H	226	13.0	BMW 4-Series	548	8.3	Chevrolet Corvette	217	4.9
Chevrolet Impala	92	7.2	BMW 2-Series	199	11.4	Lexus IS	545	8.2	Mercedes S-Class	178	4.1
Light Trucks											
Compact/Mid Size Pickup			Full Size Pickup			Mini Van			Large Van		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Toyota Tacoma	4131	66.1	Ford F Series	4224	40.9	Honda Odyssey	1084	37.8	Ford Transit Connect Van	579	29.5
Chevrolet Colorado	973	15.6	Chevrolet Silverado	2080	20.1	Toyota Sienna	1053	36.7	Mercedes Sprinter	495	25.2
Nissan Frontier /Xe	536	8.6	Ram Pickup	1859	18.0	Chrysler Pacifica	488	17.0	Ram Promaster	260	13.3
Honda Ridgeline	327	5.2	Toyota Tundra	1307	12.7	Kia Sedona	169	5.9	Nissan NV	248	12.6
GMC Canyon	269	4.3	GMC Sierra	619	6.0	Dodge Caravan	73	2.5	Chevrolet Express	225	11.5
Subcompact SUV			Compact SUV			Mid Size SUV			Large SUV		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Honda HR-V	1157	31.5	Toyota RAV4	3597	15.7	Toyota Highlander	1822	12.6	Chevrolet Tahoe	428	28.3
Kia Niro	617	16.8	Honda CR-V	3394	14.8	Ford Explorer	1791	12.4	Ford Flex	218	14.4
Jeep Renegade	584	15.9	Nissan Rogue	3062	13.4	Subaru Outback	1566	10.9	Chevrolet Suburban	214	14.1
Toyota C-HR	290	7.9	Mazda CX-5	2168	9.5	Jeep Grand Cherokee	1442	10.0	GMC Yukon	213	14.1
Chevrolet Trax	282	7.7	Ford Escape	1704	7.5	Toyota 4 Runner	1359	9.4	GMC Yukon XL	151	10.0
Luxury Subcompact SUV			Luxury Compact SUV			Luxury Mid Size SUV			Luxury Large SUV		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
BMW X1	402	36.8	Lexus NX	904	17.5	Lexus RX	1389	23.9	Land Rover Range Rover	327	28.5
Mercedes GLA-Class	301	27.6	Mercedes GLC/GLK-C	753	14.6	BMW X5	563	9.7	Mercedes GLS/GL-Class	307	26.7
Audi Q3	262	24.0	Acura RDX	608	11.8	Mercedes GLE/M-Class	503	8.7	Cadillac Escalade	274	23.8
Infiniti QX30	127	11.6	Audi Q5	594	11.5	Acura MDX	497	8.6	Infiniti QX80/QX56	90	7.8
			BMW X3	528	10.2	Audi Q7	438	7.5	Lexus LX	52	4.5

Source: IHS Markit.

Brand Registrations Report												
San Diego County New Retail Car and Light Truck Registrations												
	Fourth Quarter*						Annual Totals					
	Registrations			Market Share (%)			Registrations			Market Share (%)		
	4Q '16	4Q '17*	% change	4Q '16	4Q '17*	Change	2016	2017*	% change	2016	2017*	Change
TOTAL	40,888	40,513	-0.9				162,239	158,349	-2.4			
Cars	19,637	17,874	-9.0	48.0	44.1	-3.9	82,790	72,563	-12.4	51.0	45.8	-5.2
Light Trucks	21,251	22,639	6.5	52.0	55.9	3.9	79,449	85,786	8.0	49.0	54.2	5.2
Domestic Brands	10,404	10,688	2.7	25.4	26.4	1.0	42,519	41,819	-1.6	26.2	26.4	0.2
European Brands	6,625	6,953	5.0	16.2	17.2	1.0	24,094	24,358	1.1	14.9	15.4	0.5
Japanese Brands	20,709	19,841	-4.2	50.6	49.0	-1.6	83,257	79,864	-4.1	51.3	50.4	-0.9
Korean Brands	3,150	3,031	-3.8	7.7	7.5	-0.2	12,369	12,308	-0.5	7.6	7.8	0.2
Acura	498	482	-3.2	1.2	1.2	0.0	1,874	1,870	-0.2	1.2	1.2	0.0
Alfa Romeo	1	94	9300.0	0.0	0.2	0.2	8	218	2625.0	0.0	0.1	0.1
Audi	810	993	22.6	2.0	2.5	0.5	2,897	3,296	13.8	1.8	2.1	0.3
BMW	1,604	1,624	1.2	3.9	4.0	0.1	5,981	5,243	-12.3	3.7	3.3	-0.4
Buick	201	160	-20.4	0.5	0.4	-0.1	684	592	-13.5	0.4	0.4	0.0
Cadillac	290	215	-25.9	0.7	0.5	-0.2	1,001	843	-15.8	0.6	0.5	-0.1
Chevrolet	2,611	2,713	3.9	6.4	6.7	0.3	9,935	10,205	2.7	6.1	6.4	0.3
Chrysler	125	194	55.2	0.3	0.5	0.2	636	721	13.4	0.4	0.5	0.1
Dodge	415	349	-15.9	1.0	0.9	-0.1	1,943	1,639	-15.6	1.2	1.0	-0.2
FIAT	214	113	-47.2	0.5	0.3	-0.2	734	726	-1.1	0.5	0.5	0.0
Ford	3,707	4,025	8.6	9.1	9.9	0.8	16,172	16,018	-1.0	10.0	10.1	0.1
Genesis	25	49	96.0	0.1	0.1	0.0	40	202	405.0	0.0	0.1	0.1
GMC	661	625	-5.4	1.6	1.5	-0.1	2,267	2,105	-7.1	1.4	1.3	-0.1
Honda	5,006	5,019	0.3	12.2	12.4	0.2	19,635	19,845	1.1	12.1	12.5	0.4
Hyundai	1,416	1,391	-1.8	3.5	3.4	-0.1	5,551	5,587	0.6	3.4	3.5	0.1
Infiniti	513	482	-6.0	1.3	1.2	-0.1	1,307	1,695	29.7	0.8	1.1	0.3
Jaguar	151	153	1.3	0.4	0.4	0.0	432	551	27.5	0.3	0.3	0.0
Jeep	1,291	1,213	-6.0	3.2	3.0	-0.2	5,465	5,309	-2.9	3.4	3.4	0.0
Kia	1,709	1,591	-6.9	4.2	3.9	-0.3	6,778	6,519	-3.8	4.2	4.1	-0.1
Land Rover	353	357	1.1	0.9	0.9	0.0	1,351	1,312	-2.9	0.8	0.8	0.0
Lexus	1,529	1,414	-7.5	3.7	3.5	-0.2	5,474	5,028	-8.1	3.4	3.2	-0.2
Lincoln	169	164	-3.0	0.4	0.4	0.0	667	650	-2.5	0.4	0.4	0.0
Maserati	56	47	-16.1	0.1	0.1	0.0	186	225	21.0	0.1	0.1	0.0
Mazda	1,104	1,136	2.9	2.7	2.8	0.1	5,018	5,120	2.0	3.1	3.2	0.1
Mercedes	1,404	1,625	15.7	3.4	4.0	0.6	5,156	5,381	4.4	3.2	3.4	0.2
MINI	207	190	-8.2	0.5	0.5	0.0	853	796	-6.7	0.5	0.5	0.0
Mitsubishi	141	202	43.3	0.3	0.5	0.2	612	727	18.8	0.4	0.5	0.1
Nissan	3,336	2,711	-18.7	8.2	6.7	-1.5	14,458	11,442	-20.9	8.9	7.2	-1.7
Other	100	51	-49.0	0.2	0.1	-0.1	398	265	-33.4	0.2	0.2	0.0
Porsche	233	279	19.7	0.6	0.7	0.1	945	1,001	5.9	0.6	0.6	0.0
Ram	563	594	5.5	1.4	1.5	0.1	2,375	2,302	-3.1	1.5	1.5	0.0
Subaru	1,538	1,404	-8.7	3.8	3.5	-0.3	5,942	6,111	2.8	3.7	3.9	0.2
Tesla	364	431	18.4	0.9	1.1	0.2	1,338	1,408	5.2	0.8	0.9	0.1
Toyota	7,040	6,990	-0.7	17.2	17.3	0.1	28,926	28,011	-3.2	17.8	17.7	-0.1
Volkswagen	1,232	1,152	-6.5	3.0	2.8	-0.2	4,235	4,472	5.6	2.6	2.8	0.2
Volvo	271	281	3.7	0.7	0.7	0.0	965	914	-5.3	0.6	0.6	0.0

\*December 2017 figures were estimated by Auto Outlook.

Source: IHS Markit.

The table above shows new retail light vehicle (car and light truck) registrations in San Diego County. Figures are shown for the Fourth Quarters of 2016 and 2017, and annual totals for 2016 and 2017. The top ten ranked brands in each category are shaded yellow.



### Key Trends in San Diego County Used Vehicle Market

#### Market increases slightly in 2017

Used vehicle registrations in San Diego County improved 0.7% during the first eleven months of 2017 versus year earlier.

#### Used vehicle market out-performs new

As shown on the graph below, the gap between the size of the new and used vehicle markets (vehicles six year old or newer) narrowed during 2017. Registrations for six year old or newer used vehicles increased by 14% in the first 11 months of '17 versus a year earlier, while the new vehicle market declined.

#### Civic and Camry are top sellers

Civic and Camry were the best sellers in the six year old or newer market, while Ram Pickup, Kia Optima, and Nissan Rogue had large percentage increases.

#### Kia and Jeep post gains

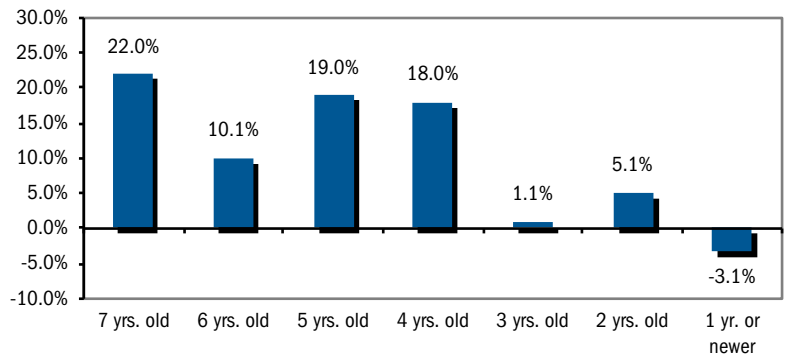
Used registrations (vehicles 6 years old or newer) were up by more than 7% in 2017 for Kia and Jeep.

### San Diego County Retail Used Light Vehicle Registrations YTD thru November

	Registrations		% Change '16 TO '17	Market Share	
	YTD '16	YTD '17		YTD '16	YTD '17
TOTAL	293,983	296,113	0.7%		
Cars	175,912	173,041	-1.6%	59.8%	58.4%
Light Trucks	118,071	123,072	4.2%	40.2%	41.6%
Detroit Three	101,456	100,907	-0.5%	34.5%	34.1%
European	46,408	46,009	-0.9%	15.8%	15.5%
Japanese	130,604	132,606	1.5%	44.4%	44.8%
Korean	15,515	16,591	6.9%	5.3%	5.6%

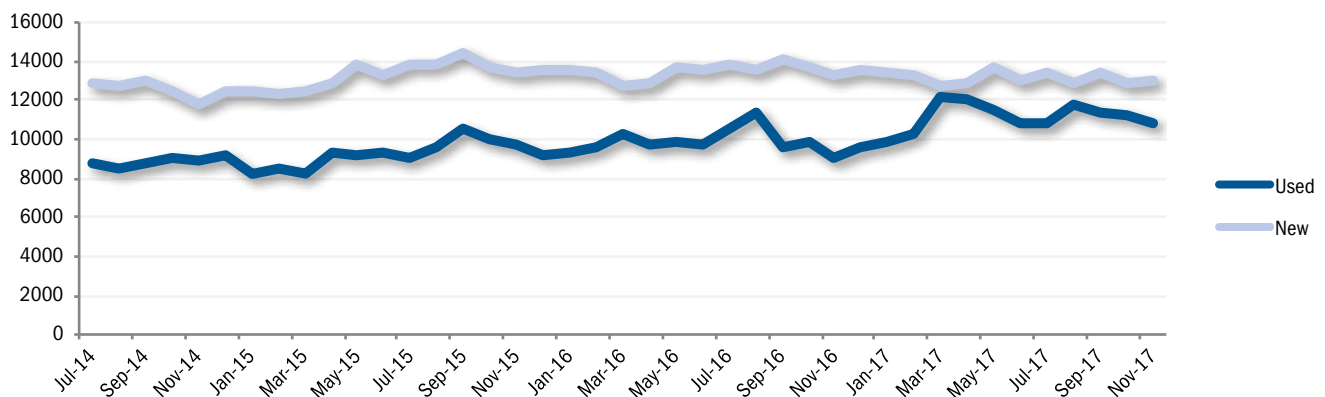
Source: IHS Markit.

### Percent Change in County Retail Used Registrations by Vehicle Age, YTD '17 thru November vs. YTD '16



Source: IHS Markit.

### San Diego County New and Used Retail Registrations - Three Month Moving Average (used only includes vehicles 6 years old or newer)

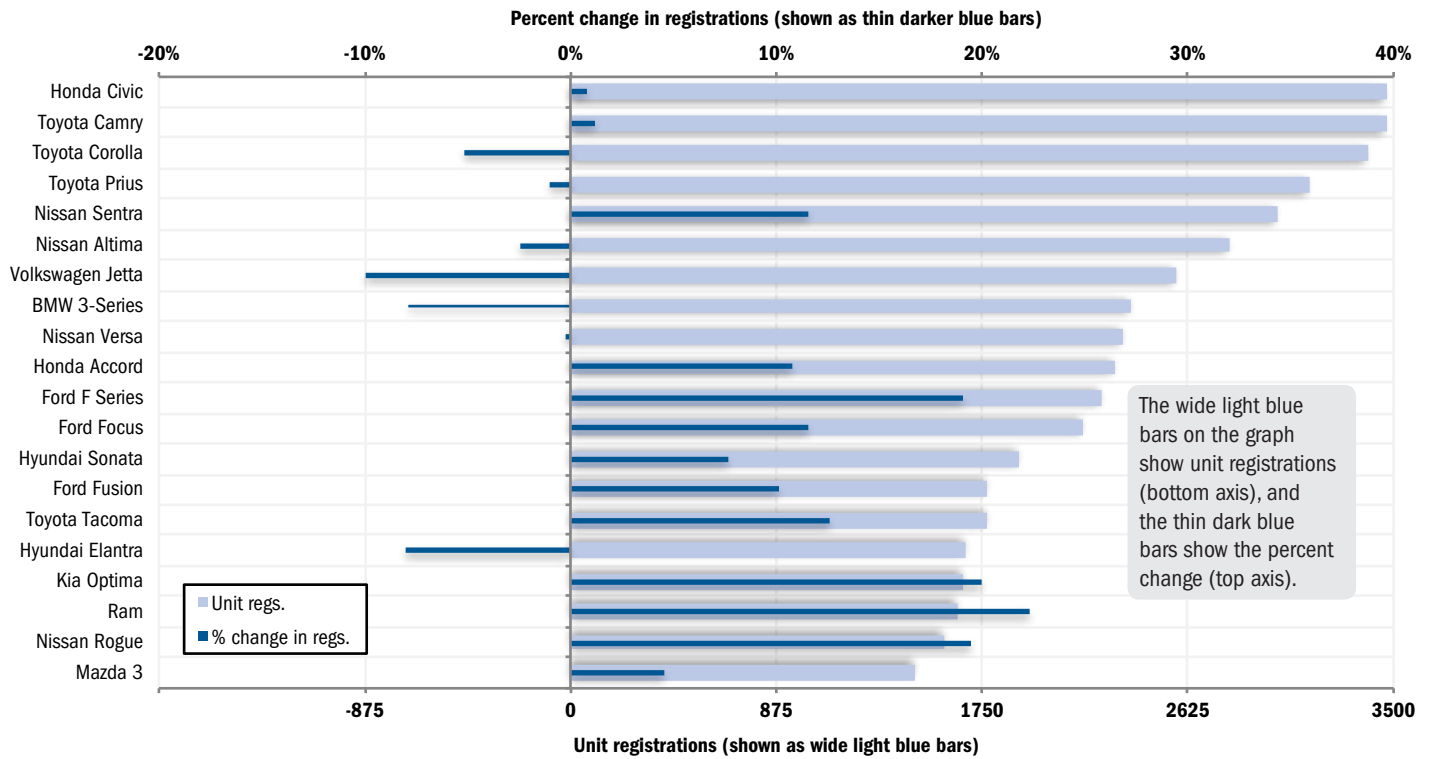


Source: IHS Markit.

TOP SELLING MODELS

# Civic and Camry are Top Sellers in Used Market

**Registrations (YTD '17 thru November) and Percent Change (YTD '17 thru November vs. year earlier)  
Top 20 Selling Models (6 years old or newer)**

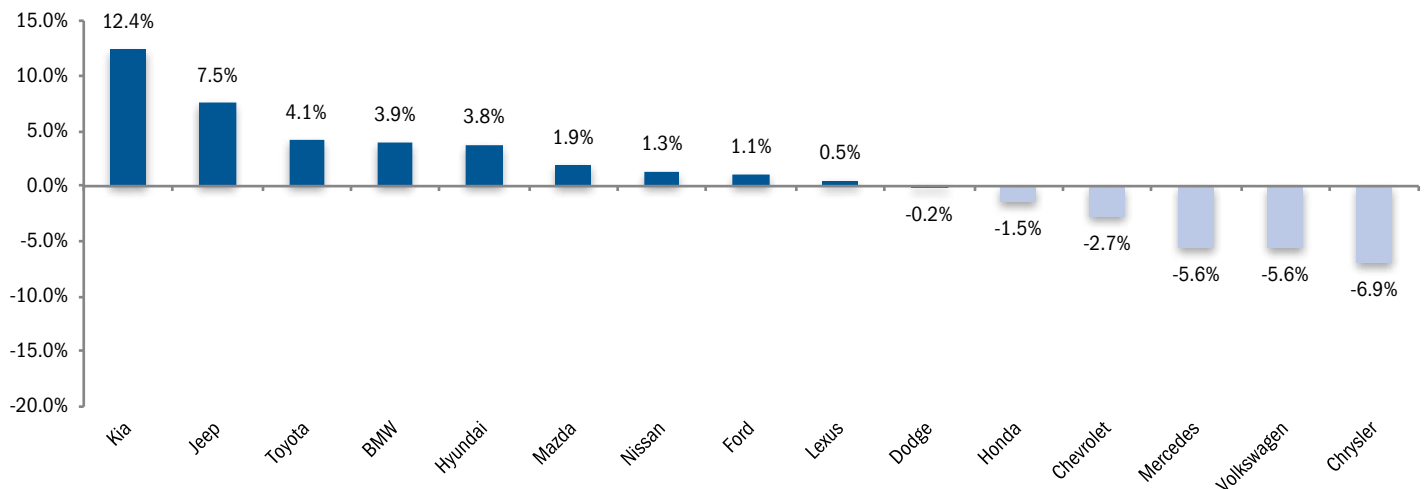


Source: IHS Markit.

USED VEHICLE BRAND SCOREBOARD

# Kia Posts Largest Increase in Used Registrations

**% Change in Used Registrations (top 15 brands, vehicles six years old or newer) - YTD '17 thru Nov. vs. YTD '16**



Source: IHS Markit.