

# San Diego Auto Outlook

Comprehensive information on the San Diego County new vehicle market



NEW CAR DEALERS ASSOCIATION  
SAN DIEGO COUNTY

## FORECAST

### New Vehicle Sales Should Remain Strong in 2019

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 150,000 units in 2018

The new vehicle market declined slightly last year, but sales remained at elevated levels. 2018 marked the fifth consecutive year that new registrations exceeded 145,000 units, which is a lofty total for the county market.

#### New vehicle sales likely to soften in 2019

There are a few signs pointing to a market slowdown. GDP growth appears to be easing while there are increasing concerns about financial market stability and the prospects for global growth. But the strong labor market combined with a steady stream of impressive new products, should limit declines over the next 18 months.

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

Light truck market share increased from 38.3% in 2012 to 57.7% in 2018.

#### Alternative powertrain market improves

County registrations of hybrid and electric cars and trucks increased 30% during the first 11 months of 2018, while the overall market declined the entire year.

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

Toyota was the best selling brand last year, with a 17.6% share. Honda's county share was 12.2%, well above its 10.0% share in the U.S.

#### Tesla, Alfa Romeo, Volvo, Land Rover, and Subaru posted gains

New retail registrations for each of these five brands were up more than 5% from 2017 to 2018.

#### Honda Civic best-selling car in county market; Toyota Tacoma is light truck leader

Tesla Model 3 and Toyota Camry were ranked second and third behind Civic in the car market, while Ford F-Series and Toyota RAV4 trailed the Tacoma.

#### Non Luxury SUVs account for 32% of market

Market share for Non Luxury SUVs increased to 32% during the first eleven months of last year. Small Car market share has fallen by more than eight points during the past five years.

#### Percent Change in County Light Truck and Car Registrations 2018\* vs. 2017

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



UP  
2.0%

##### Passenger Cars

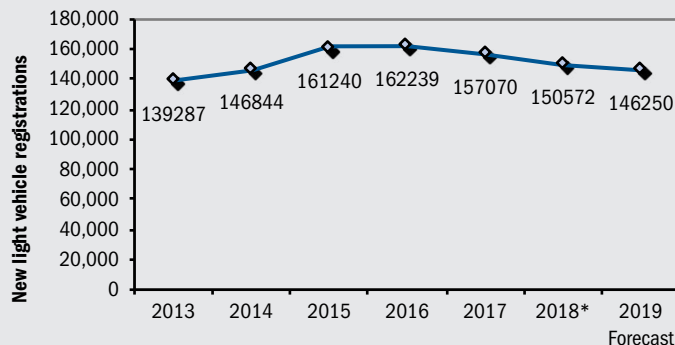


DOWN  
11.4%

Source: IHS.

\*Dec. 18 estimated.

#### Annual Trend in County Market



Historical Data Source: IHS.

The graph above shows annual new retail light vehicle registrations in the county from 2013 thru 2018 and Auto Outlook's projection for 2019.

#### Market Summary

	2017 Annual	2018* Annual	% Chg. '17 to '18	Mkt. Share 2018*
TOTAL	157,070	150,572	-4.1%	
Car	71,891	63,709	-11.4%	42.3%
Light Truck	85,179	86,863	2.0%	57.7%
Domestic	41,378	42,586	2.9%	28.3%
European	23,918	22,571	-5.6%	15.0%
Japanese	79,480	73,792	-7.2%	49.0%
Korean	12,294	11,623	-5.5%	7.7%

Source: IHS.

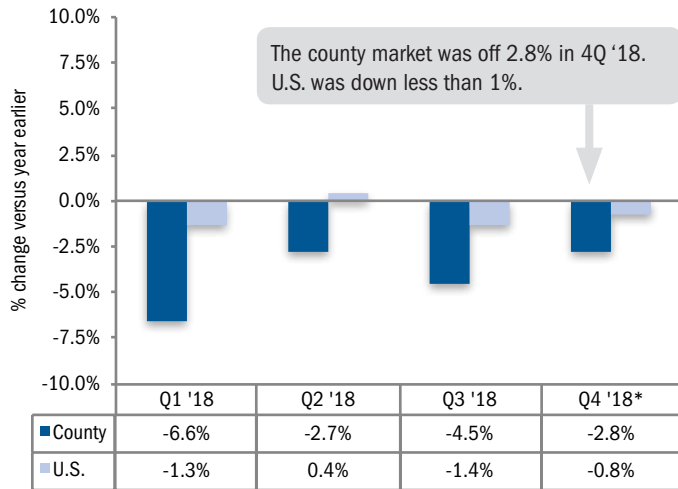
Domestics consist of vehicles sold by GM, Ford, FCA (excluding Alfa and FIAT), and Tesla. Historical figures were revised by IHS and will differ slightly from those shown in previous releases. \*Figures for Dec. '18 were estimated by Auto Outlook.

MARKET TRACKER: QUARTERLY RESULTS

# County Market Had Small Decline in Fourth Quarter '18

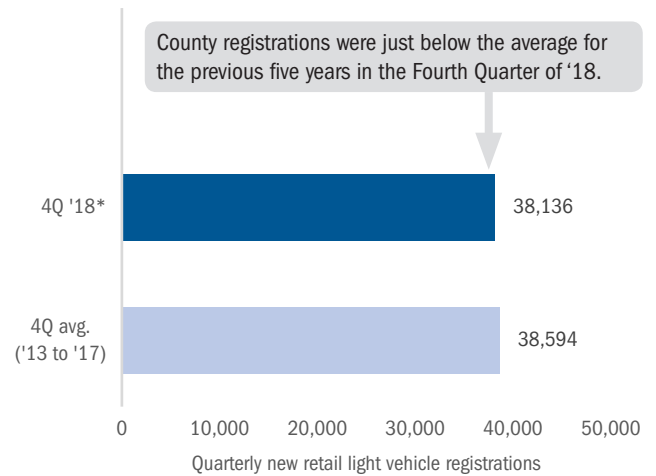
### QUARTERLY TREND

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



### QUARTERLY PERSPECTIVE

4Q 2018 Registrations Versus Average for Previous Five Years



\* Figures for December of 2018 were estimated by Auto Outlook. Source: IHS.

\* Figures for December of 2018 were estimated by Auto Outlook. Source: IHS.

MARKET TRACKER: COUNTY MARKET VERSUS U.S.

## County Car Share Higher Than U.S.

	County Market		U.S. Market	
<b>Percent change in registrations 2018* vs. 2017</b>		-4.1%		-0.8%
<b>Passenger car market share 2018*</b>		42.3%		30.8%
<b>Domestic brand market share 2018*</b>		28.3%		42.0%
<b>Top 10 brands and market share 2018*</b>				
First	Toyota	17.6%	Toyota	13.4%
Second	Honda	12.2%	Ford	11.6%
Third	Ford	9.2%	Chevrolet	11.0%
Fourth	Nissan	6.1%	Honda	10.0%
Fifth	Chevrolet	6.1%	Nissan	6.4%
Sixth	Subaru	4.4%	Jeep	6.1%
Seventh	Kia	4.2%	Subaru	4.4%
Eighth	Tesla	4.2%	Hyundai	3.7%
Ninth	Jeep	3.5%	Kia	3.4%
Tenth	Hyundai	3.4%	GMC	3.3%

\*December 2018 figures estimated by Auto Outlook

Source: IHS

## San Diego Auto Outlook

### Covering Fourth Quarter 2018

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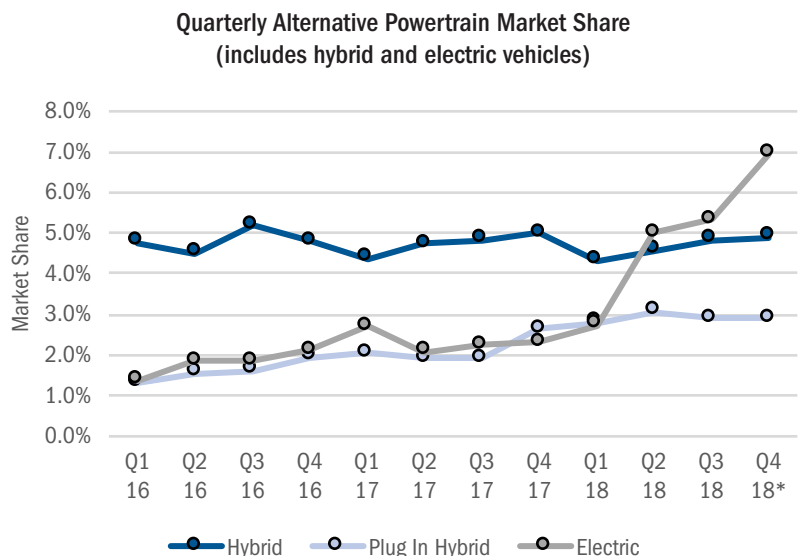
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MARKET TRACKER: HYBRID AND ELECTRIC VEHICLES

# Electric Vehicle Market Share Heads Higher in 4Q '18



Hybrid/electric vehicle market share in Q4 '18:  
**14.7%**



The graph above shows hybrid powertrain and electric vehicle quarterly market share in the county. \*Fourth Quarter 2018 includes October and November. Source: IHS.

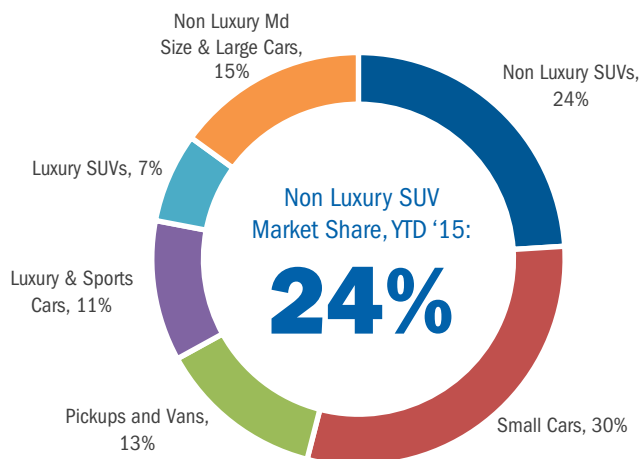
**New Retail Hybrid and Electric Vehicle Registrations**  
**Top 10 Selling Models in County - YTD '18 thru November**

Rank	Model	Regs.
1	Tesla Model 3	3855
2	Toyota Prius	2369
3	Kia Niro	881
4	Tesla Model S	651
5	Ford Fusion	622
6	Chevrolet Bolt	588
7	Chevrolet Volt	553
8	Toyota Camry	552
9	Tesla Model X	540
10	Honda Clarity	525

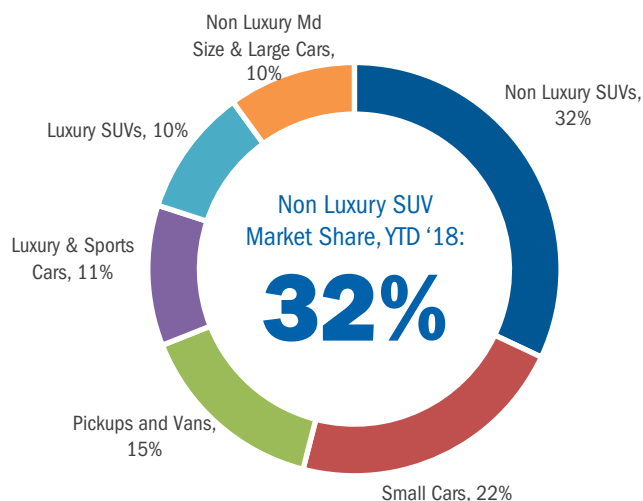
MARKET TRACKER: THREE YEAR CHANGE IN SEGMENT SHARES

# Non Luxury SUV Market Share Increases to 32%

Segment Market Shares in County YTD 2015 thru November



Segment Market Shares in County YTD 2018 thru November



The two graphs above show market shares for primary segments during the first 11 months of 2015 and 2018.

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BRAND SCOREBOARD - PART ONE

# Toyota, Tesla, and Honda Strong Performers in County Market

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 2018. 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, Tesla, Honda, BMW, Mazda, Mercedes, and Lexus) are relatively strong sellers in the county, with

actual registrations exceeding calculated targets by large margins. For instance, Toyota registrations exceeded the target by 6,307 units.

**San Diego County Retail Market Performance based on registrations for 2018\***  
**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, 2018 were estimated.

Source for registration data: IHS.

BRAND SCOREBOARD - PART TWO

# Subaru and Jeep Post Big Gains During Past 5 Years

The graphs below show new retail light vehicle registrations in 2013 and 2018 for the top 12 selling brands in the county. Viewing the 12 graphs on the same page provides a clear-cut way to identify brands that have had big gains during the past five years versus those that have been flat or lost ground.

**New Retail Light Vehicle Registrations for Top 12 Selling Brands in County - 2013 and 2018\***



\*Figures for December, 2018 were estimated.

Source: IHS.

## MODEL RANKINGS

# Honda Civic is Best Selling Model in County Market

The table below shows the top five selling models during the first 11 months of 2018 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	Full Size Pickup: Ford F-Series
Mid Size Car: Toyota Camry	Compact SUV: Toyota RAV4
Near Luxury Car: Tesla Model 3	Mid Size SUV: Toyota Highlander
Luxury Car: Tesla Model S	Luxury Mid Size SUV: Lexus RX

### Top Selling Models in Each Segment - New Light Vehicle Registrations (YTD '18 thru November)

Cars											
Subcompact			Compact			Sports/Pony Cars			Mid Size		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Kia Soul	881	19.5	Honda Civic	5404	23.6	Ford Mustang	716	34.3	Toyota Camry	3608	28.5
Chevrolet Bolt	588	13.0	Toyota Corolla	2953	12.9	Dodge Challenger	457	21.9	Honda Accord	3214	25.4
Honda Fit	555	12.3	Toyota Prius	2369	10.4	Chevrolet Camaro	390	18.7	Ford Fusion	1419	11.2
Ford Fiesta	471	10.4	Nissan Sentra	1975	8.6	Mazda MX5	140	6.7	Kia Optima	1091	8.6
Toyota Yaris	413	9.2	Hyundai Elantra	1386	6.1	Hyundai Veloster	129	6.2	Nissan Altima	1006	7.9
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	381	38.3	Audi A3	395	29.1	Tesla Model 3	3855	39.3	Tesla Model S	651	17.0
Toyota Avalon	277	27.9	Mercedes CLA-Class	331	24.4	BMW 3-Series	921	9.4	BMW 5-Series	636	16.6
Nissan Maxima	111	11.2	BMW I3	290	21.3	Mercedes C-Class	818	8.3	Mercedes E-Class	551	14.4
Chrysler 300	87	8.8	BMW 2-Series	179	13.2	Lexus ES	686	7.0	Mercedes S-Class	201	5.2
Chevrolet Impala	59	5.9	Acura ILX	160	11.8	Lexus IS	503	5.1	Porsche 911	160	4.2
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	4581	71.6	Ford F Series	3983	41.2	Honda Odyssey	1241	47.7	Ford Transit Connect Van	564	30.8
Chevrolet Colorado	906	14.2	Chevrolet Silverado	2043	21.1	Toyota Sienna	622	23.9	Mercedes Sprinter	449	24.5
Nissan Frontier /Xe	431	6.7	Ram Pickup	1848	19.1	Chrysler Pacifica	550	21.1	Nissan NV	234	12.8
GMC Canyon	254	4.0	Toyota Tundra	1098	11.3	Kia Sedona	130	5.0	Ram Promaster	231	12.6
Honda Ridgeline	226	3.5	GMC Sierra	517	5.3	Dodge Caravan	58	2.2	Chevrolet Express	203	11.1
Subcompact SUV			Compact SUV			Mid Size SUV			Large SUV		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Kia Niro	881	17.2	Toyota RAV4	3356	14.8	Toyota Highlander	1835	12.6	Chevrolet Tahoe	391	27.5
Toyota C-HR	861	16.8	Honda CR-V	3147	13.9	Ford Explorer	1690	11.6	Ford Expedition	203	14.3
Honda HR-V	839	16.4	Nissan Rogue	2537	11.2	Subaru Outback	1641	11.3	GMC Yukon	185	13.0
Nissan Kicks	443	8.7	Mazda CX-5	2323	10.2	Toyota 4 Runner	1531	10.6	Ford Flex	182	12.8
Hyundai Kona	417	8.2	Jeep Wrangler	1702	7.5	Jeep Grand Cherokee	1342	9.3	Chevrolet Suburban	180	12.6
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	495	38.0	Lexus NX	960	16.3	Lexus RX	1384	23.6	Land Rover Range Rover	259	28.5
Mercedes GLA-Class	251	19.2	Mercedes GLC-Class	947	16.1	BMW X5	553	9.4	Cadillac Escalade	226	24.9
Audi Q3	193	14.8	Audi Q5	761	12.9	Tesla Model X	540	9.2	Mercedes GLS-Class	158	17.4
BMW X2	130	10.0	Acura RDX	679	11.5	Acura MDX	493	8.4	Lincoln Navigator	87	9.6
Volvo XC40	121	9.3	BMW X3	608	10.3	Mercedes GLE-Class	420	7.2	Infiniti QX80	64	7.0

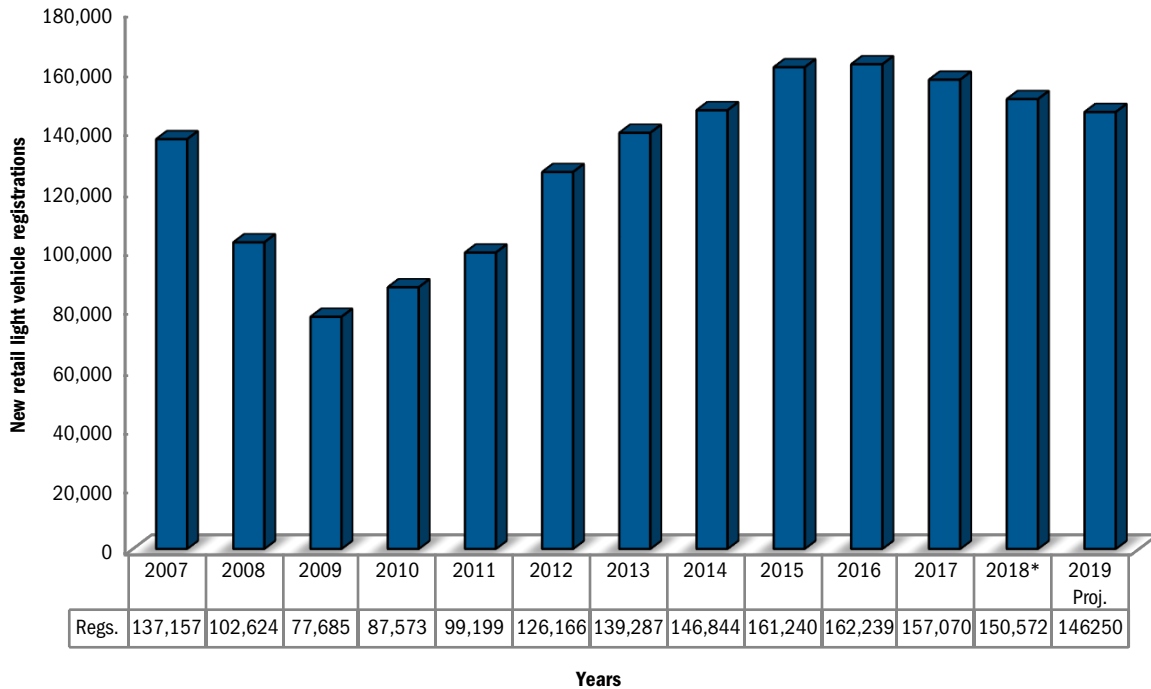
Source: IHS.

LONG TERM TRENDS

# Registrations Likely to Exceed 146K for 6th Straight Year in '19

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 2018, along with Auto Outlook's forecast for 2019. The second graph shows light truck share of the overall light vehicle market.

**County New Retail Light Vehicle Registrations - 2007 thru 2018\*, 2019 Forecast**

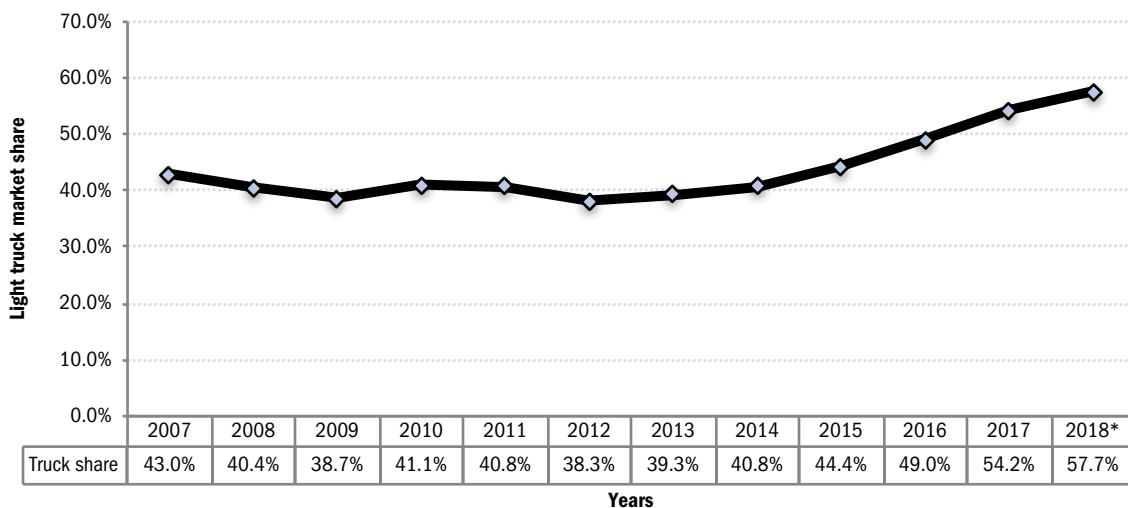


**County market improved 94% between '09 and '18. Small decline is predicted in '19, with annual total remaining above 146,000 units**

Historical Data Source: IHS.

\* December 2018 figures were estimated by Auto Outlook.

**County New Retail Light Truck Market Share - 2007 thru 2018\***



**Light truck market share increased steadily from 38.3% in 2012 to 57.7% last year.**

Source: IHS.

\* December 2018 figures were estimated by Auto Outlook.

Brand Registrations Report												
San Diego County New Retail Car and Light Truck Registrations												
	Fourth Quarter*						Annual Totals					
	Registrations			Market Share (%)			Registrations			Market Share (%)		
	4Q '17	4Q '18	% change	4Q '17	4Q '18	Change	2017	2018*	% change	2017	2018*	Change
TOTAL	39,217	38,136	-2.8				157,070	150,572	-4.1			
Cars	17,160	15,487	-9.7	43.8	40.6	-3.2	71,891	63,709	-11.4	45.8	42.3	-3.5
Light Trucks	22,057	22,649	2.7	56.2	59.4	3.2	85,179	86,863	2.0	54.2	57.7	3.5
Domestic Brands	10,282	11,535	12.2	26.2	30.2	4.0	41,378	42,586	2.9	26.3	28.3	2.0
European Brands	6,457	5,824	-9.8	16.5	15.3	-1.2	23,918	22,571	-5.6	15.2	15.0	-0.2
Japanese Brands	19,464	18,020	-7.4	49.6	47.3	-2.3	79,480	73,792	-7.2	50.6	49.0	-1.6
Korean Brands	3,014	2,757	-8.5	7.7	7.2	-0.5	12,294	11,623	-5.5	7.8	7.7	-0.1
Acura	436	473	8.5	1.1	1.2	0.1	1,824	1,778	-2.5	1.2	1.2	0.0
Alfa Romeo	93	115	23.7	0.2	0.3	0.1	217	454	109.2	0.1	0.3	0.2
Audi	893	735	-17.7	2.3	1.9	-0.4	3,191	2,910	-8.8	2.0	1.9	-0.1
BMW	1,461	1,338	-8.4	3.7	3.5	-0.2	5,110	5,130	0.4	3.3	3.4	0.1
Buick	147	121	-17.7	0.4	0.3	-0.1	579	465	-19.7	0.4	0.3	-0.1
Cadillac	224	221	-1.3	0.6	0.6	0.0	852	780	-8.5	0.5	0.5	0.0
Chevrolet	2,732	2,447	-10.4	7.0	6.4	-0.6	10,205	9,181	-10.0	6.5	6.1	-0.4
Chrysler	225	134	-40.4	0.6	0.4	-0.2	752	688	-8.5	0.5	0.5	0.0
Dodge	348	339	-2.6	0.9	0.9	0.0	1,638	1,341	-18.1	1.0	0.9	-0.1
FIAT	100	66	-34.0	0.3	0.2	-0.1	713	264	-63.0	0.5	0.2	-0.3
Ford	3,663	3,187	-13.0	9.3	8.4	-0.9	15,640	13,879	-11.3	10.0	9.2	-0.8
Genesis	58	13	-77.6	0.1	0.0	-0.1	214	133	-37.9	0.1	0.1	0.0
GMC	610	541	-11.3	1.6	1.4	-0.2	2,091	1,837	-12.1	1.3	1.2	-0.1
Honda	4,842	4,315	-10.9	12.3	11.3	-1.0	19,668	18,363	-6.6	12.5	12.2	-0.3
Hyundai	1,303	1,291	-0.9	3.3	3.4	0.1	5,499	5,191	-5.6	3.5	3.4	-0.1
Infiniti	416	454	9.1	1.1	1.2	0.1	1,629	1,452	-10.9	1.0	1.0	0.0
Jaguar	161	113	-29.8	0.4	0.3	-0.1	559	384	-31.3	0.4	0.3	-0.1
Jeep	1,186	1,228	3.5	3.0	3.2	0.2	5,281	5,264	-0.3	3.4	3.5	0.1
Kia	1,653	1,453	-12.1	4.2	3.8	-0.4	6,581	6,299	-4.3	4.2	4.2	0.0
Land Rover	332	358	7.8	0.8	0.9	0.1	1,290	1,380	7.0	0.8	0.9	0.1
Lexus	1,387	1,294	-6.7	3.5	3.4	-0.1	5,001	4,541	-9.2	3.2	3.0	-0.2
Lincoln	140	133	-5.0	0.4	0.3	-0.1	626	557	-11.0	0.4	0.4	0.0
Maserati	44	49	11.4	0.1	0.1	0.0	222	177	-20.3	0.1	0.1	0.0
Mazda	1,211	1,017	-16.0	3.1	2.7	-0.4	5,195	4,654	-10.4	3.3	3.1	-0.2
Mercedes	1,469	1,264	-14.0	3.7	3.3	-0.4	5,248	4,824	-8.1	3.3	3.2	-0.1
MINI	175	153	-12.6	0.4	0.4	0.0	783	695	-11.2	0.5	0.5	0.0
Mitsubishi	219	142	-35.2	0.6	0.4	-0.2	744	691	-7.1	0.5	0.5	0.0
Nissan	2,497	2,346	-6.0	6.4	6.2	-0.2	11,228	9,247	-17.6	7.1	6.1	-1.0
Other	69	116	68.1	0.2	0.3	0.1	283	326	15.2	0.2	0.2	0.0
Porsche	273	230	-15.8	0.7	0.6	-0.1	997	968	-2.9	0.6	0.6	0.0
Ram	595	648	8.9	1.5	1.7	0.2	2,303	2,315	0.5	1.5	1.5	0.0
Subaru	1,545	1,603	3.8	3.9	4.2	0.3	6,252	6,603	5.6	4.0	4.4	0.4
Tesla	401	2,529	530.7	1.0	6.6	5.6	1,378	6,257	354.1	0.9	4.2	3.3
Toyota	6,910	6,372	-7.8	17.6	16.7	-0.9	27,924	26,457	-5.3	17.8	17.6	-0.2
Volkswagen	1,083	1,014	-6.4	2.8	2.7	-0.1	4,403	3,948	-10.3	2.8	2.6	-0.2
Volvo	316	284	-10.1	0.8	0.7	-0.1	950	1,139	19.9	0.6	0.8	0.2

\*December 2018 figures were estimated by Auto Outlook.

Source: IHS

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 2017 and 2018, and annual totals. The top ten ranked brands in each category are shaded yellow.



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

#### Market declines slightly in 2018

Used vehicle registrations in San Diego County slipped 1.1% during the first 11 months of 2018 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) has narrowed during the past year. Registrations for six year old or newer used vehicles increased 3% in the first 11 months of '18 versus a year earlier, while the new vehicle market declined.

#### Civic is top seller

Honda Civic was the best seller in the six year old or newer market, followed by Toyota Corolla, Toyota Camry, Nissan Sentra, and Toyota Prius.

#### Three Year old Toyotas dominate market

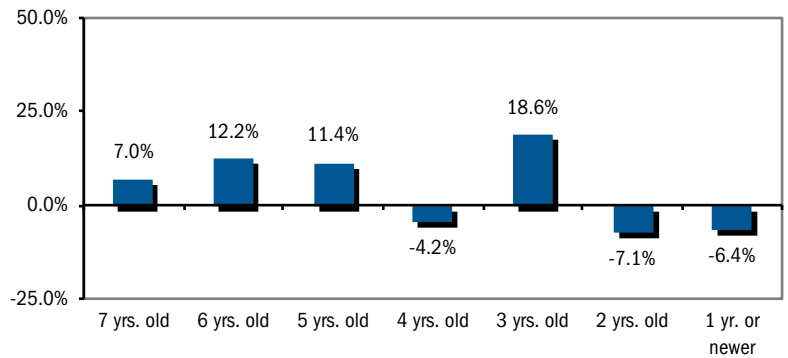
Used registrations of 2015 model year Toyotas exceeded 5,500 units during the first 11 months of '18 (see page 10).

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

	Registrations		% Change '17 TO '18	Market Share	
	YTD '17	YTD '18		YTD '17	YTD '18
TOTAL	296,113	292,797	-1.1%		
Cars	173,041	168,477	-2.6%	58.4%	57.5%
Light Trucks	123,072	124,320	1.0%	41.6%	42.5%
Detroit Three	100,907	95,839	-5.0%	34.1%	32.7%
European	46,009	47,325	2.9%	15.5%	16.2%
Japanese	132,606	132,645	0.0%	44.8%	45.3%
Korean	16,591	16,988	2.4%	5.6%	5.8%

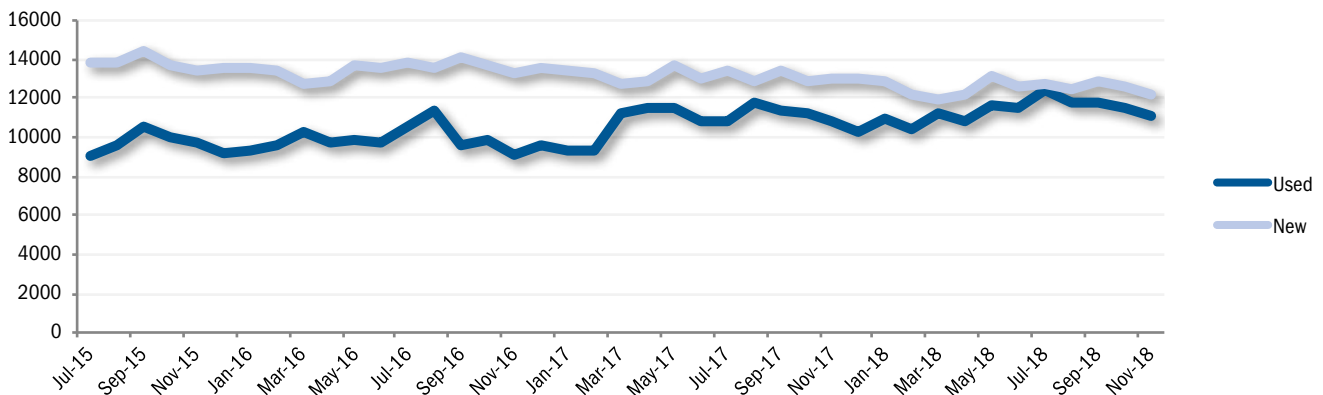
Source: IHS .

**Percent Change in County Retail Used Registrations by Vehicle Age, YTD '18 thru November vs. YTD '17**



Source: IHS .

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

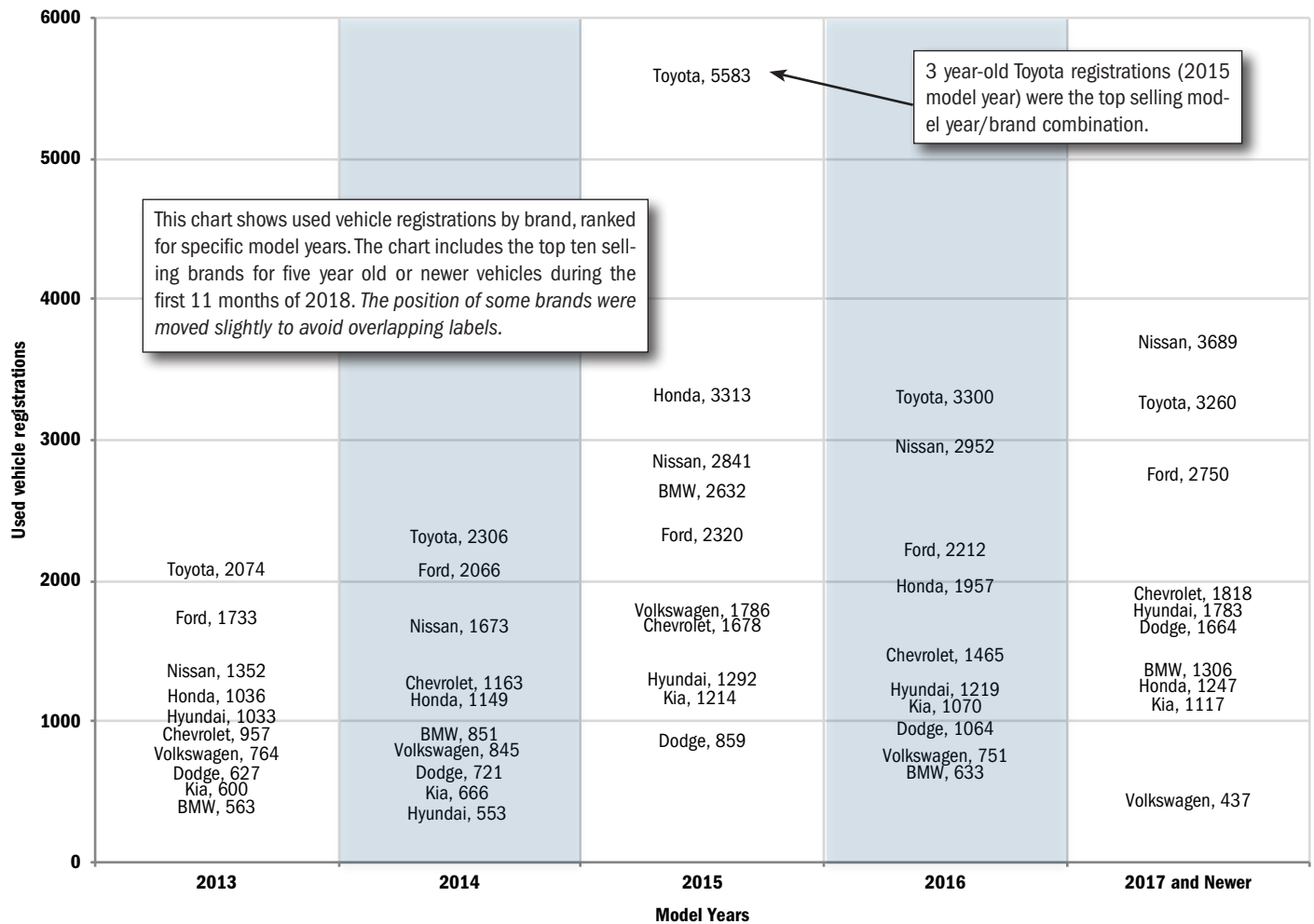


Source: IHS .

BRAND REGISTRATIONS

# 2015 Model Year Toyota Registrations Lead Used Vehicle Market

Brand Used Registrations by Model Year - YTD 2018 thru November

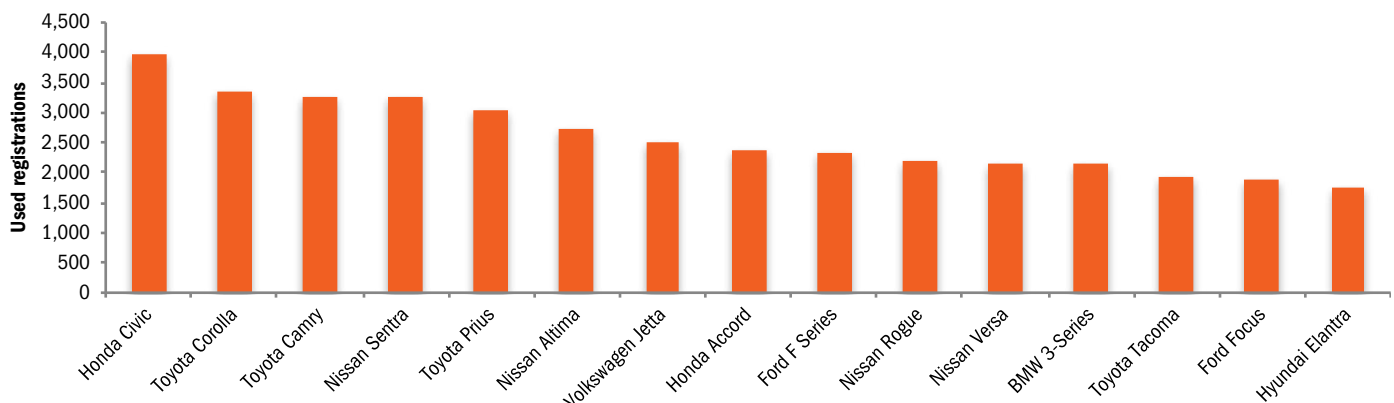


Source: IHS.

TOP SELLING USED VEHICLES

# Honda Civic is the Best Seller in San Diego County Used Market

Top 15 Selling Models in County Used Vehicle Market (vehicles 6 years old or newer), YTD '18 thru November



Source: IHS.