

San Diego Auto Outlook



**NEW CAR DEALERS ASSOCIATION
SAN DIEGO COUNTY**

Comprehensive information on the San Diego County new vehicle market

FORECAST

New Vehicle Market Predicted to Decline Slightly in 2020

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 141,000 units in 2019

The new vehicle market fell by 5.5% last year. Despite the decline, 2019 marked the seventh consecutive year that new registrations exceeded 130,000 units, which is a very respectable total for the County market.

New vehicle sales likely to soften in 2020

The gradual market slowdown that has been ongoing for the past three years should extend into 2020. Affordability is currently the biggest drag on new vehicle sales. Vehicle prices are increasing, interest rates are likely to hold steady, and household incomes are struggling to keep pace.

Trucks grab a larger share of county market

Light truck market share increased from 38.3% in 2012 to 60.8% in 2019.

Alternative powertrain market improves

County registrations of hybrid and electric cars and trucks increased 6% during the first 11 months of 2019, while the overall market was down for the entire year.

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

Toyota was the best selling brand last year, with an 18.3% share. Honda's county share was 12.3%, well above its 10.4% share in the U.S.

Genesis, Ram, Porsche, Tesla, and Hyundai posted gains

New retail registrations for each of these five brands were up more than 2% from 2018 to 2019.

Honda Civic best-selling car in county market; Toyota RAV4 is light truck leader

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

Non Luxury SUVs account for 35% of market

Market share for Non Luxury SUVs increased to 35% during the first eleven months of last year. Small Car market share has fallen by more than ten points during the past three years.

Percent Change in County Light Truck and Car Registrations 2019* vs. 2018

Light Trucks (Pickups, SUVs, and Vans)



**DOWN
0.4%**

Passenger Cars

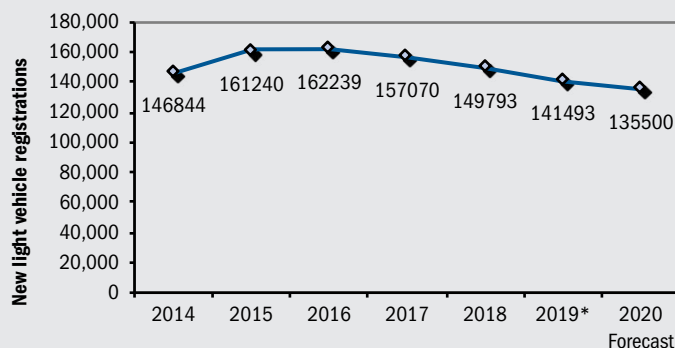


**DOWN
12.6%**

Source: IHS.

*Dec. 19 estimated.

Annual Trend in County Market



Historical Data Source: IHS.

The graph above shows annual new retail light vehicle registrations in the county from 2014 thru 2019 and Auto Outlook's projection for 2020.

Market Summary

	2018 Annual	2019* Annual	% Chg. '18 to '19	Mkt. Share 2019*
TOTAL	149,793	141,493	-5.5%	
Car	63,491	55,512	-12.6%	39.2%
Light Truck	86,302	85,981	-0.4%	60.8%
Domestic	41,874	38,196	-8.8%	27.0%
European	22,746	22,045	-3.1%	15.6%
Japanese	73,694	69,801	-5.3%	49.3%
Korean	11,479	11,451	-0.2%	8.1%

Source: IHS.

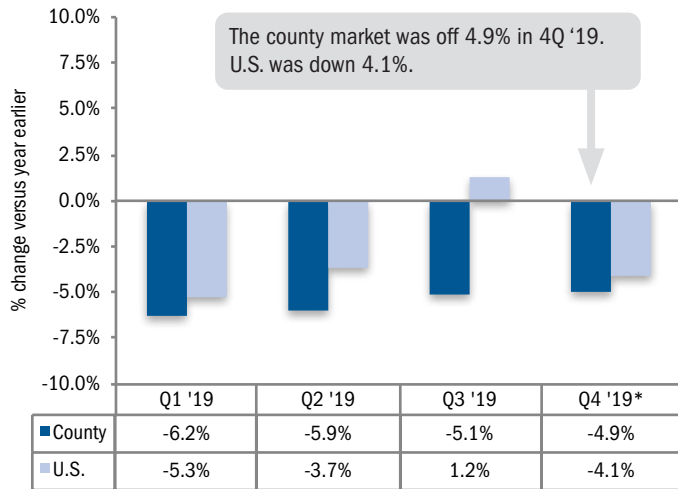
Domestics consist of vehicles sold by GM, Ford, FCA (excluding Alfa and FIAT), and Tesla. Historical figures were revised by IHS Markit and will differ slightly from those shown in previous releases. *Figures for Dec. '19 were estimated by Auto Outlook.

MARKET TRACKER: QUARTERLY RESULTS

County and U.S. Markets Post Similar Results in 4Q '19

QUARTERLY TREND

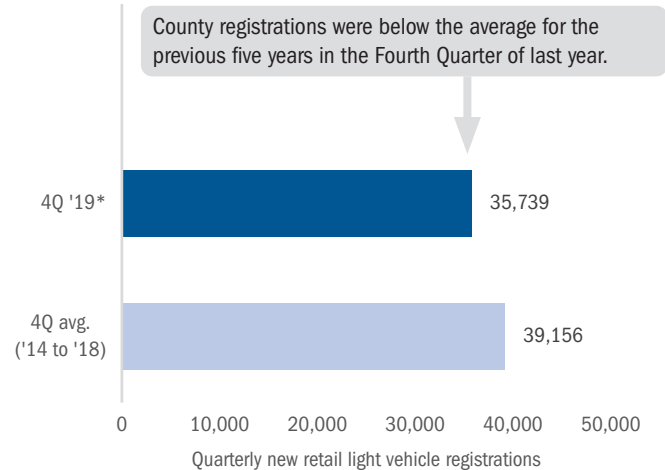
Percent Change in County and U.S. New Vehicle Market



* Figures for December of 2019 were estimated by Auto Outlook. Source: IHS.

QUARTERLY PERSPECTIVE

4Q 2019 Registrations Versus Average for Previous Five Years



* Figures for December of 2019 were estimated by Auto Outlook. Source: IHS.

MARKET TRACKER: COUNTY MARKET VERSUS U.S.

Toyota County Share Is 18.3% vs. 13.4% in U.S

	County Market	U.S. Market
Percent change in registrations 2019* vs. 2018	-5.5%	-2.9%
Passenger car market share 2019*	39.2%	27.8%
Domestic brand market share 2019*	27.0%	41.2%

Top 10 brands and market share 2019*				
Rank	Brand	County Market	Brand	U.S. Market
First	Toyota	18.3%	Toyota	13.4%
Second	Honda	12.3%	Ford	11.1%
Third	Ford	8.4%	Chevrolet	10.9%
Fourth	Chevrolet	5.6%	Honda	10.4%
Fifth	Nissan	5.5%	Jeep	5.7%
Sixth	Subaru	4.8%	Nissan	5.7%
Seventh	Kia	4.2%	Subaru	4.7%
Eighth	Tesla	4.2%	Hyundai	3.9%
Ninth	Hyundai	3.8%	Kia	3.8%
Tenth	BMW	3.8%	Ram	3.7%

*December 2019 figures estimated by Auto Outlook

Source: IHS

San Diego Auto Outlook

Covering Fourth Quarter 2019

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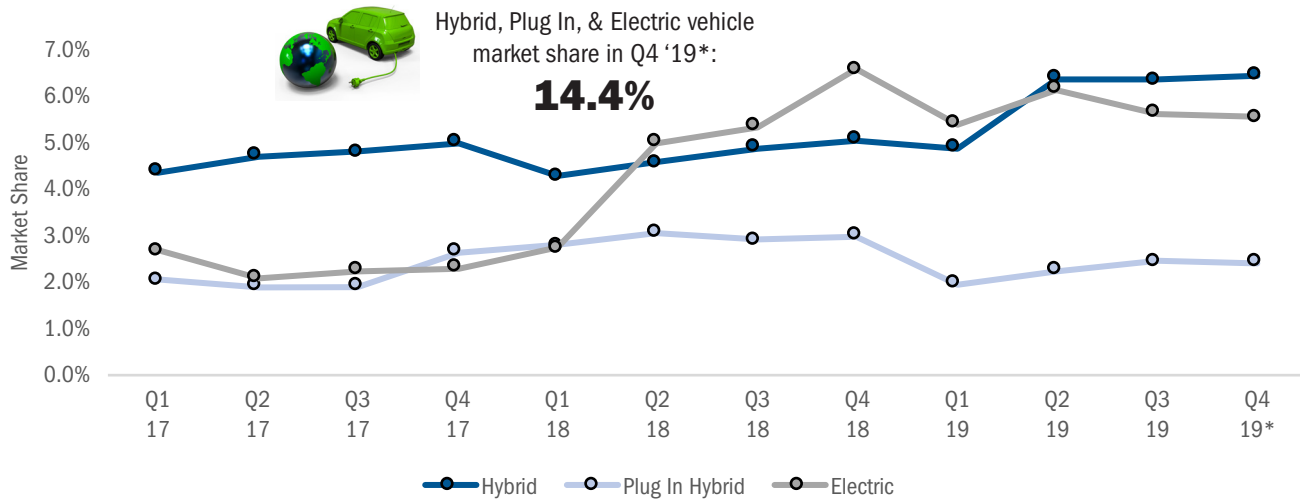
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MARKET TRACKER: HYBRID AND ELECTRIC VEHICLES

Hybrid Vehicle Share Stays Above 6.0% in Third Quarter of 2019

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

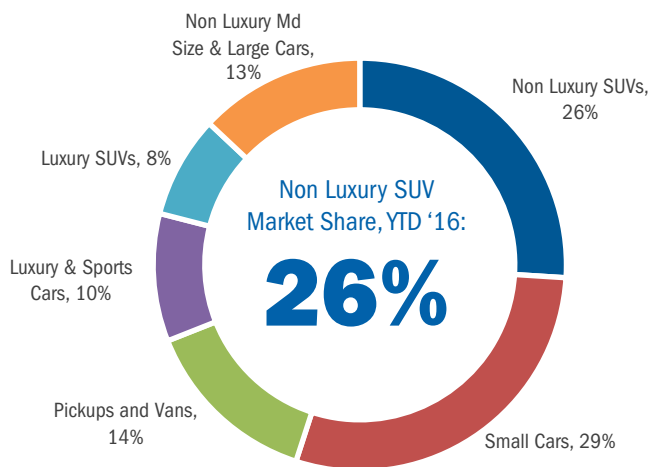


The graph above shows hybrid powertrain and electric vehicle quarterly market share in the county. *Fourth Quarter 2019 includes October and November. Figures include mild hybrid powertrains. Source: IHS.

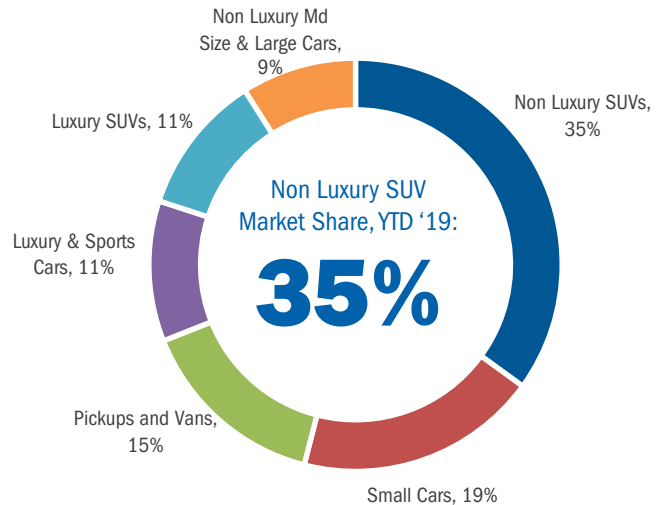
MARKET TRACKER: THREE YEAR CHANGE IN SEGMENT SHARES

Non Luxury SUV Market Share Increases to 35%

Segment Market Shares in County YTD 2016 thru November



Segment Market Shares in County YTD 2019 thru November



Source: IHS.

The two graphs above show market shares for primary segments during the first 11 months of 2016 and 2019.

BRAND SCOREBOARD - PART ONE

Toyota, Tesla, Honda, & BMW Strong Performers in County Market

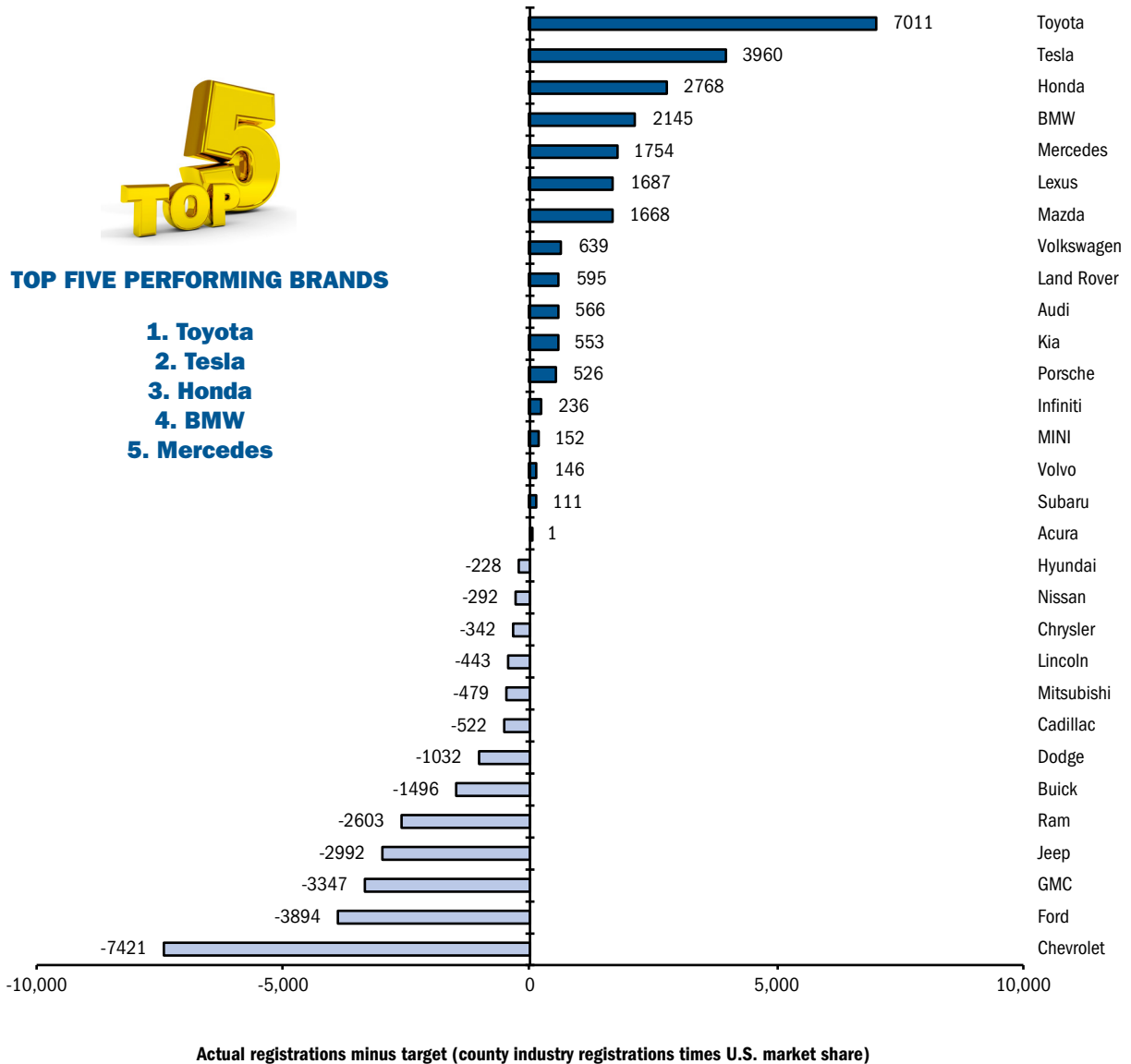
The graph below provides an indicator of brands that are popular in San Diego County (relative to the National standard), and those that are not. Here's how it works: For the top 30 selling brands, each brand's share of the U.S. market is multiplied by retail registrations in the county during 2019. This yields a "tar-

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

actual registrations exceeding calculated targets by large margins. For instance, Toyota registrations exceeded the target by 7,011 units.

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

San Diego County Retail Market Performance based on registrations for 2019*
Actual registrations minus target (county industry registrations times U.S. market share)




*Figures for December, 2019 were estimated.

Source for registration data: IHS.

BRAND SCOREBOARD - PART TWO

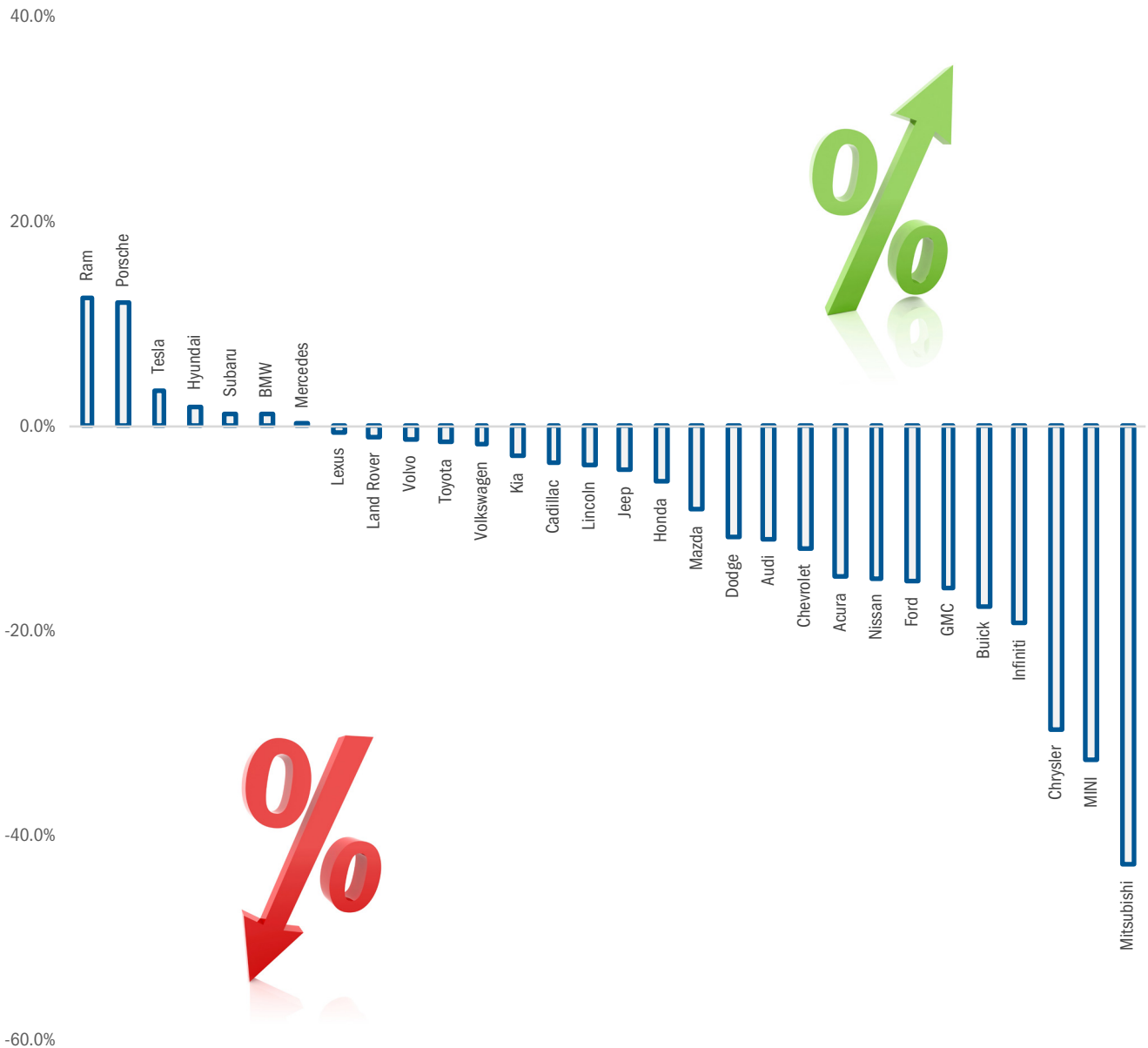
Ram and Porsche Had Largest Percent Gains in 2019

The graph below shows the change in new retail light vehicle (combined car and light truck) registrations for all of 2019 versus a year earlier. Note figures for December of 2019 were estimated by Auto Outlook.



Seven brands had increases in 2019:
 Ram, Porsche, Tesla, Hyundai, Subaru, BMW, and Mercedes.

Percent Change in County New Retail Light Vehicle Registrations (Top 30 brands) - 2019* vs. 2018



*Figures for December, 2019 were estimated.

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 2019 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

- Sub Compact Car: Kia Soul
- Compact Car: Honda Civic
- Mid Size Car: Toyota Camry
- Near Luxury Car: Tesla Model 3
- Full Size Pickup: Ford F-Series
- Compact SUV: Toyota RAV4
- Mid Size SUV: Toyota Highlander
- Luxury Compact SUV: MB GLC

Top Selling Models in Each Segment - New Retail Light Vehicle Registrations (YTD '19 thru November)

Cars											
Subcompact			Compact			Sports/Pony Cars			Mid Size		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Kia Soul	708	20.8	Honda Civic	5072	26.4	Ford Mustang	580	32.7	Toyota Camry	3444	30.7
Honda Fit	497	14.6	Toyota Corolla	3749	19.5	Dodge Challenger	410	23.1	Honda Accord	3010	26.8
Chevrolet Bolt	467	13.7	Toyota Prius	1818	9.5	Chevrolet Camaro	299	16.9	Ford Fusion	1341	11.9
Ford Fiesta	452	13.3	Nissan Sentra	1443	7.5	Hyundai Veloster	135	7.6	Nissan Altima	928	8.3
Toyota Yaris	294	8.6	Hyundai Elantra	1051	5.5	Mazda MX5	130	7.3	Kia Optima	822	7.3
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	342	42.2	Mercedes A-Class	291	24.7	Tesla Model 3	4561	47.3	BMW 5-Series	601	17.5
Toyota Avalon	232	28.6	BMW I3	221	18.8	BMW 3-Series	810	8.4	Mercedes E-Class	487	14.2
Nissan Maxima	124	15.3	Mercedes CLA-Class	195	16.6	Lexus ES	750	7.8	Tesla Model S	451	13.2
Chrysler 300	59	7.3	Acura ILX	191	16.2	Mercedes C-Class	651	6.7	Audi A6	172	5.0
Chevrolet Impala	22	2.7	Audi A3	143	12.1	BMW 4-Series	407	4.2	Porsche 911	164	4.8
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	4293	62.2	Ford F Series	3186	34.3	Honda Odyssey	974	49.7	Ford Transit Connect Van	573	33.3
Ford Ranger	952	13.8	Chevrolet Silverado	2372	25.6	Toyota Sienna	461	23.5	Mercedes Sprinter	426	24.7
Chevrolet Colorado	768	11.1	Ram Pickup	2096	22.6	Chrysler Pacifica	363	18.5	Ram Promaster	245	14.2
Nissan Frontier /Xe	320	4.6	Toyota Tundra	911	9.8	Kia Sedona	129	6.6	Nissan NV	237	13.8
Jeep Gladiator	222	3.2	GMC Sierra	593	6.4	Dodge Caravan	33	1.7	Chevrolet Express	128	7.4
Subcompact SUV			Compact SUV			Mid Size SUV			Large SUV		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Nissan Kicks	1022	14.6	Toyota RAV4	4202	19.8	Toyota Highlander	1701	12.1	Ford Expedition	292	22.2
Honda HR-V	1006	14.3	Honda CR-V	2930	13.8	Subaru Outback	1599	11.4	Chevrolet Tahoe	289	21.9
Toyota C-HR	973	13.9	Mazda CX-5	2159	10.2	Toyota 4 Runner	1371	9.7	Ford Flex	194	14.7
Hyundai Kona	943	13.4	Jeep Wrangler	1753	8.3	Jeep Grand Cherokee	1232	8.7	Chevrolet Suburban	146	11.1
Kia Niro	884	12.6	Subaru Forester	1561	7.4	Ford Explorer	1022	7.3	GMC Yukon	141	10.7
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
Lexus UX	309	21.7	Mercedes GLC-Class	920	15.9	Lexus RX	1304	22.4	Land Rover Range Rover	259	21.4
BMW X1	306	21.5	Lexus NX	889	15.3	BMW X5	525	9.0	Cadillac Escalade	219	18.1
Mercedes GLA-Class	257	18.0	BMW X3	833	14.4	Mercedes GLE-Class	489	8.4	BMW X7	183	15.1
BMW X2	193	13.5	Audi Q5	665	11.5	Tesla Model X	477	8.2	Mercedes GLS-Class	151	12.5
Volvo XC40	186	13.1	Acura RDX	545	9.4	Acura MDX	378	6.5	Audi Q8	106	8.8

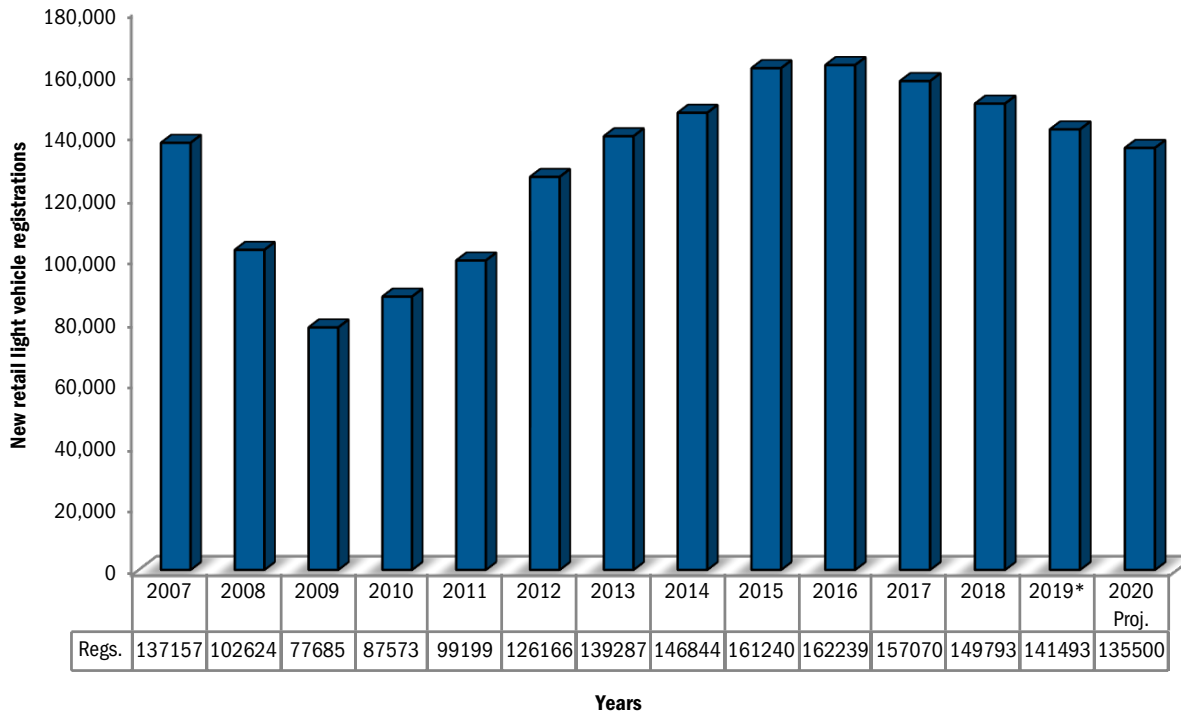
Source: IHS.

LONG TERM TRENDS

Registrations Likely to Exceed 130K for 8th Straight Year in 2020

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 2019, along with Auto Outlook's forecast for 2020. The second graph shows light truck share of the overall light vehicle market.

County New Retail Light Vehicle Registrations - 2007 thru 2019*, 2020 Forecast

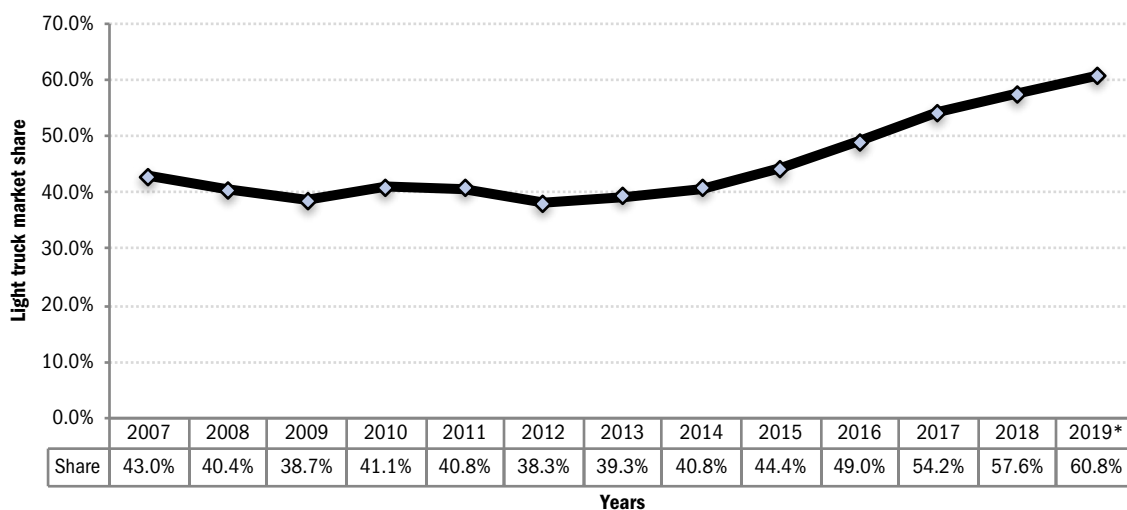


County market improved 108% between '09 and '16, and remained above average in the ensuing three years. Small decline is predicted in '20, with annual total exceeding 135,000 units

Historical Data Source: IHS.

* December 2019 figures were estimated by Auto Outlook.

County New Retail Light Truck Market Share - 2007 thru 2019*



Light truck market share increased steadily from 38.3% in 2012 to 60.8% last year.

Source: IHS.

* December 2019 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 '18	4Q '19*	% change	4Q '18	4Q '19*	Change	2018	2019*	% change	2018	2019*	Change
TOTAL	37,581	35,739	-4.9				149,793	141,493	-5.5			
Cars	15,323	13,334	-13.0	40.8	37.3	-3.5	63,491	55,512	-12.6	42.4	39.2	-3.2
Light Trucks	22,258	22,405	0.7	59.2	62.7	3.5	86,302	85,981	-0.4	57.6	60.8	3.2
Domestic Brands	10,970	8,965	-18.3	29.2	25.1	-4.1	41,874	38,196	-8.8	28.0	27.0	-1.0
European Brands	6,006	6,340	5.6	16.0	17.7	1.7	22,746	22,045	-3.1	15.2	15.6	0.4
Japanese Brands	17,992	17,641	-2.0	47.9	49.4	1.5	73,694	69,801	-5.3	49.2	49.3	0.1
Korean Brands	2,613	2,793	6.9	7.0	7.8	0.8	11,479	11,451	-0.2	7.7	8.1	0.4
Acura	515	456	-11.5	1.4	1.3	-0.1	1,818	1,550	-14.7	1.2	1.1	-0.1
Alfa Romeo	116	81	-30.2	0.3	0.2	-0.1	454	350	-22.9	0.3	0.2	-0.1
Audi	733	809	10.4	2.0	2.3	0.3	2,907	2,587	-11.0	1.9	1.8	-0.1
BMW	1,453	1,587	9.2	3.9	4.4	0.5	5,244	5,309	1.2	3.5	3.8	0.3
Buick	113	80	-29.2	0.3	0.2	-0.1	456	376	-17.5	0.3	0.3	0.0
Cadillac	220	214	-2.7	0.6	0.6	0.0	777	749	-3.6	0.5	0.5	0.0
Chevrolet	2,349	2,081	-11.4	6.3	5.8	-0.5	9,054	7,981	-11.9	6.0	5.6	-0.4
Chrysler	148	124	-16.2	0.4	0.3	-0.1	702	494	-29.6	0.5	0.3	-0.2
Dodge	327	283	-13.5	0.9	0.8	-0.1	1,328	1,183	-10.9	0.9	0.8	-0.1
FIAT	63	30	-52.4	0.2	0.1	-0.1	261	136	-47.9	0.2	0.1	-0.1
Ford	3,351	2,617	-21.9	8.9	7.3	-1.6	13,949	11,842	-15.1	9.3	8.4	-0.9
Genesis	9	49	444.4	0.0	0.1	0.1	129	178	38.0	0.1	0.1	0.0
GMC	473	373	-21.1	1.3	1.0	-0.3	1,760	1,484	-15.7	1.2	1.0	-0.2
Honda	4,401	4,424	0.5	11.7	12.4	0.7	18,441	17,448	-5.4	12.3	12.3	0.0
Hyundai	1,327	1,313	-1.1	3.5	3.7	0.2	5,227	5,330	2.0	3.5	3.8	0.3
Infiniti	407	261	-35.9	1.1	0.7	-0.4	1,403	1,133	-19.2	0.9	0.8	-0.1
Jaguar	103	98	-4.9	0.3	0.3	0.0	374	344	-8.0	0.2	0.2	0.0
Jeep	1,262	1,104	-12.5	3.4	3.1	-0.3	5,298	5,068	-4.3	3.5	3.6	0.1
Kia	1,277	1,431	12.1	3.4	4.0	0.6	6,123	5,943	-2.9	4.1	4.2	0.1
Land Rover	408	431	5.6	1.1	1.2	0.1	1,430	1,415	-1.0	1.0	1.0	0.0
Lexus	1,328	1,322	-0.5	3.5	3.7	0.2	4,571	4,548	-0.5	3.1	3.2	0.1
Lincoln	136	127	-6.6	0.4	0.4	0.0	559	538	-3.8	0.4	0.4	0.0
Maserati	53	31	-41.5	0.1	0.1	0.0	181	136	-24.9	0.1	0.1	0.0
Mazda	1,031	1,051	1.9	2.7	2.9	0.2	4,666	4,287	-8.1	3.1	3.0	-0.1
Mercedes	1,323	1,406	6.3	3.5	3.9	0.4	4,882	4,894	0.2	3.3	3.5	0.2
MINI	167	121	-27.5	0.4	0.3	-0.1	709	478	-32.6	0.5	0.3	-0.2
Mitsubishi	98	98	0.0	0.3	0.3	0.0	647	370	-42.8	0.4	0.3	-0.1
Nissan	2,228	1,766	-20.7	5.9	4.9	-1.0	9,103	7,752	-14.8	6.1	5.5	-0.6
Other	91	80	-12.1	0.2	0.2	0.0	299	351	17.4	0.2	0.2	0.0
Porsche	256	317	23.8	0.7	0.9	0.2	994	1,113	12.0	0.7	0.8	0.1
Ram	630	666	5.7	1.7	1.9	0.2	2,290	2,579	12.6	1.5	1.8	0.3
Subaru	1,691	1,578	-6.7	4.5	4.4	-0.1	6,688	6,777	1.3	4.5	4.8	0.3
Tesla	1,951	1,292	-33.8	5.2	3.6	-1.6	5,676	5,878	3.6	3.8	4.2	0.4
Toyota	6,289	6,684	6.3	16.7	18.7	2.0	26,351	25,932	-1.6	17.6	18.3	0.7
Volkswagen	989	1,042	5.4	2.6	2.9	0.3	3,923	3,854	-1.8	2.6	2.7	0.1
Volvo	265	312	17.7	0.7	0.9	0.2	1,119	1,106	-1.2	0.7	0.8	0.1

*December 2019 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 2018 and 2019, and annual totals. The top ten ranked brands in each category are shaded yellow.

Key Trends in San Diego County Used Vehicle Market

Market up slightly in 2019

Used vehicle registrations in San Diego County increased a slim 0.3% during the first 11 months of 2019 versus year earlier.

Used vehicle market out-performs new

As shown on the graph below, the six year old or newer used vehicle markets has trended about even with the new vehicle market during the past several months. Registrations for six year old or newer used vehicles increased by 3.1% thru November of 2019 versus a year earlier, while the new vehicle market fell 5.6%.

Civic is top seller

Honda Civic was the best seller in the six year old or newer market, followed by Toyota Corolla. RAV4 had a large increase.

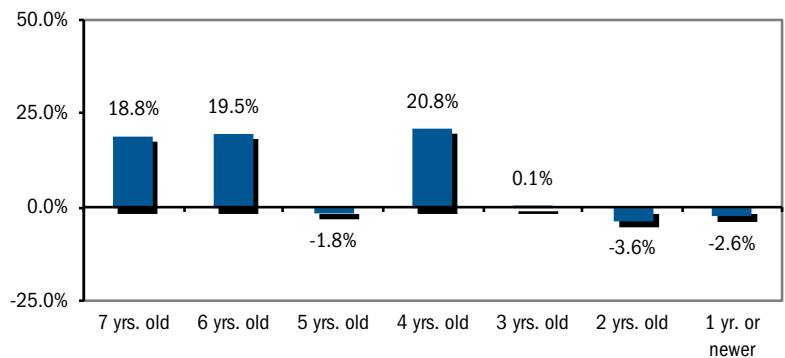
Subaru, Honda, Chevrolet, Lexus, and BMW post gains

Used registrations were up by more than 5% for each of the five brands (only includes vehicles 6 years old or newer).

San Diego County Retail Used Light Vehicle Registrations					
YTD thru November					
	Registrations		% Change '18 TO '19	Market Share	
	YTD '18	YTD '19		YTD '18	YTD '19
TOTAL	292,797	293,792	0.3%		
Cars	168,477	164,098	-2.6%	57.5%	55.9%
Light Trucks	124,320	129,694	4.3%	42.5%	44.1%
Detroit Three	95,839	95,220	-0.6%	32.7%	32.4%
European	47,325	48,570	2.6%	16.2%	16.5%
Japanese	132,645	133,107	0.3%	45.3%	45.3%
Korean	16,988	16,895	-0.5%	5.8%	5.8%

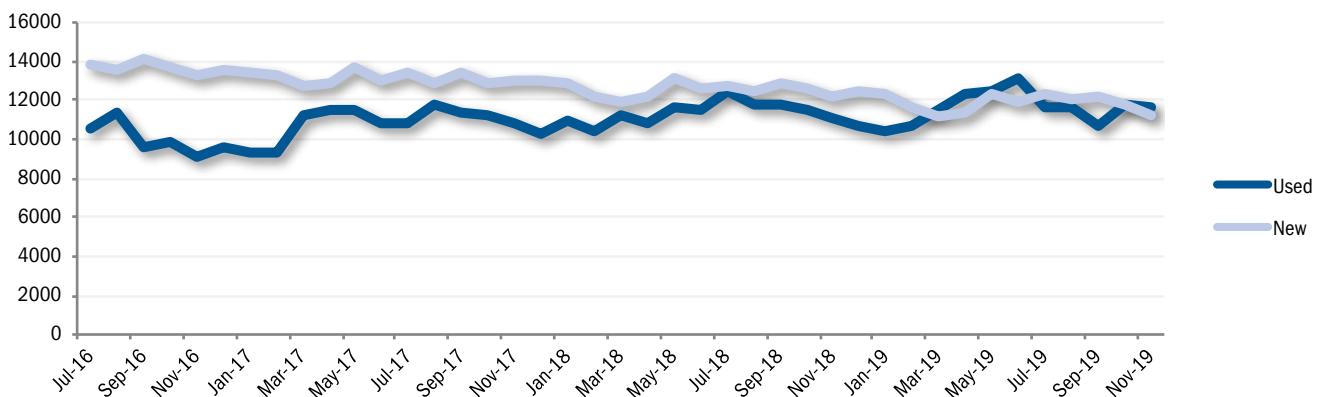
Source: IHS .

Percent Change in County Retail Used Registrations by Vehicle Age, YTD '19 thru November vs. YTD '18



Source: IHS .

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

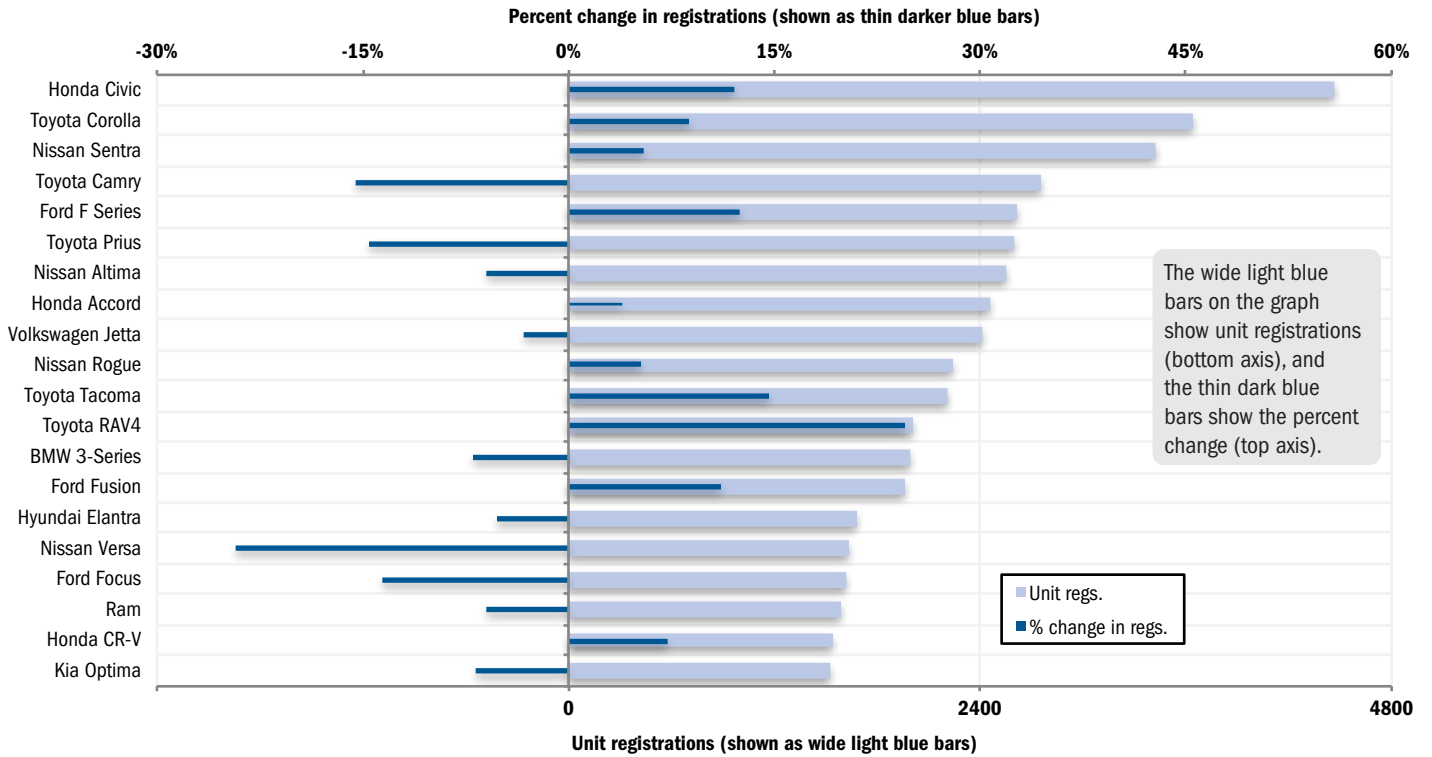


Source: IHS .

TOP SELLING MODELS

Civic Stays On Top of County Used Vehicle Market

**Registrations (YTD '19 thru November) and Percent Change (YTD '19 thru November vs. year earlier)
Top 20 Selling Models (6 years old or newer)**



USED VEHICLE BRAND SCOREBOARD

Subaru and Honda Post Largest Increases in Used Registrations

% Change in Used Registrations (top 15 brands, vehicles six years old or newer) - YTD '19 thru Nov. vs. YTD '18

