

# San Diego Auto Outlook

Comprehensive information on the San Diego County new vehicle market



NEW CAR  
DEALERS ASSOCIATION  
SAN DIEGO COUNTY

## NEW VEHICLE MARKET FORECAST

### County Market Predicted to Increase 7.3% for Remainder of 2023

Below is a review of key trends in the San Diego County new vehicle market.

#### Results during 1Q 2023

County new light vehicle registrations increased by less than 1% during the first three months of 2023 vs. weak year-earlier levels. National retail market fell 1.0%. As shown on page 2, equivalent U.S. SAAR levels stayed below 15 million units, an indicator that county new vehicle sales remained subdued.

#### 2023 Forecast

According to the baseline forecast, registrations are expected to exceed 138,000 units this year, a 7% improvement from 2022. See sidebar to right for alternative upside and downside projections. Registrations are predicted to increase 7.3% from April thru December of this year versus the same period in 2022.

#### Key determinants for the market

During the past three years, the new vehicle market has been impacted by a series of speed bumps that have put the brakes on sales. The pandemic, supply chain issues, depleted inventories, rising interest rates, weakening consumer affordability, and concern over the banking system have pushed sales below trend levels. Despite this lengthy list, primary factors driving the

market during 2023 are fairly evident. Following three years of below average sales, pent-up demand is at elevated levels as the volume of postponed purchases continues to grow. Weakening consumer affordability will hold back the release of pent-up demand, but improving vehicle inventories should be sufficient to push sales above current levels.

#### Battery Electric Vehicle sales gains

BEV market share in the county increased to 20.5% in the First Quarter of 2023, up from 14.2% a year earlier. Franchised dealership share of the BEV market improved by 13.4 share points so far this year (see page 4).

#### Light truck sales

There are signs that the climb in light truck market share could be reaching its peak. Light trucks (consisting of SUVs, pickups, and vans) accounted for 39.8% of the market in 2012, and increased to 70.9% last year. In the First Quarter of 2023, however, light truck share was up just one point versus year earlier.

#### Brands that fared best in early 2023

Among the top 25 sellers in the county market, Chevrolet, Volvo, Hyundai, Tesla, and Land Rover had the largest percentage gains in the First Quarter of this year.

Toyota, Tesla, Honda, Ford, and Chevrolet were market leaders.

#### Top selling models in San Diego County

Tesla Model Y, Tesla Model 3, Toyota RAV4, Toyota Tacoma, Honda Civic, Ford F-Series, Honda Accord, Chevrolet Silverado, Toyota Corolla, and Toyota Camry were the top 10 sellers so far this year.

#### County economic conditions

Total employment in the county was 1.55 million, just above pre-pandemic levels. Unemployment rate was 3.7% (see page 3).

#### Outlook for San Diego County New Retail Light Vehicle Market



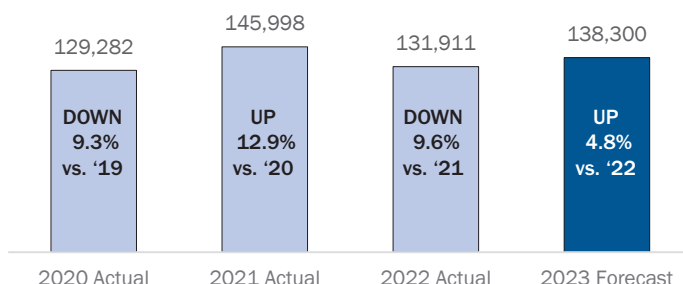
#### 2023 Annual Forecast

Baseline scenario: 138,300  
up 7.0% vs. '22

Alternative upside: 145,800  
up 10.5% vs. '22

Alternative downside: 131,800  
down 0.1% vs. '22

## Forecast for County New Retail Light Vehicle Registrations



The graph above shows annual new retail light vehicle registrations from 2020 through 2022 and Auto Outlook's baseline projection for 2023. Historical data sourced from Experian Automotive.

## Market Summary

	YTD '22 March	YTD '23 March	% Chg. '22 to '23	Mkt. Share YTD '23
TOTAL	33,813	33,984	0.5%	
Car	9,859	9,586	-2.8%	28.2%
Light Truck	23,954	24,398	1.9%	71.8%
Domestic	10,942	12,037	10.0%	35.4%
European	5,288	5,222	-1.2%	15.4%
Japanese	14,474	13,299	-8.1%	39.1%
Korean	3,109	3,426	10.2%	10.1%

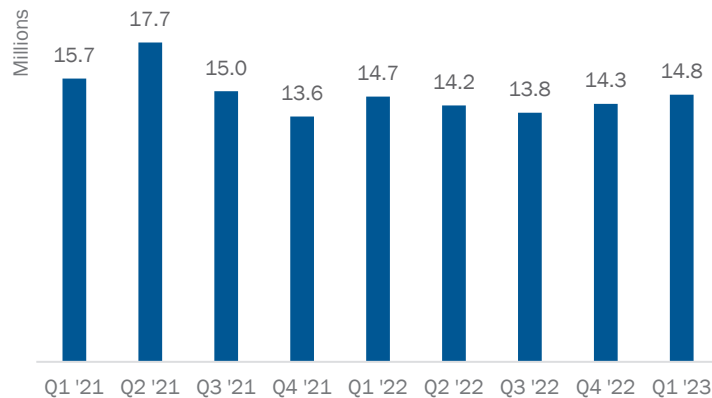
Domestics consist of vehicles sold by GM, Ford, Stellantis (excluding Alfa Romeo and FIAT), Tesla, Rivian, and Lucid.  
Data sourced from Experian Automotive.

# San Diego County New Vehicle Market Dashboard



## MARKET PERFORMANCE DURING PAST TWO YEARS

**San Diego County  
Quarterly Registrations**  
**Seasonally Adjusted  
Annual Rate, Converted  
to Equivalent U.S. New  
Vehicle Market SAAR  
(millions of units)**



The graph on the left provides an easily recognizable way to gauge the strength of the county market. It shows quarterly registrations based on a seasonally adjusted annual rate. These figures are then indexed to SAAR sales figures for the U.S. new vehicle market. So just like in the national market, when the quarterly SAAR is above 17 million units, the county market is strong, 15 million is about average, and below 13 million is weak. Equivalent SAAR levels in the county increased from 14.3 million in the Fourth Quarter of last year to 14.8 million in the First Quarter of this year.

Data sourced from Experian Automotive. SAAR estimates: Auto Outlook.



## COUNTY MARKET VS. U.S.

**% Change In  
New Retail Market  
YTD 2023 thru March  
vs.  
YTD 2022**

**San Diego County**  
**UP 0.5%**

**U.S.**  
**DOWN 1.0%**

New retail light vehicle registrations in the county increased 0.5% in the First Quarter of this year, better than the 1.0% drop in the Nation.

Data sourced from Experian Automotive.

At Auto Outlook, we strive to provide sound and accurate analyses and forecasts based upon the data available to us. However, our forecasts are derived from third-party data and contain a number of assumptions made by Auto Outlook and its management, including, without limitation, the accuracy of the data compiled. As a result, Auto Outlook can make no representation or warranty with respect to the accuracy or completeness of the data we provide or the forecasts or projections that we make based upon such data. Auto Outlook expressly disclaims any such warranties, and undue reliance should not be placed on any such data, forecasts, projections, or predictions. Auto Outlook undertakes no obligation to update or revise any predictions or forecasts, whether as a result of any new data, the occurrence of future events, or otherwise.

### San Diego Auto Outlook

Published by:

Auto Outlook, Inc.

PO Box 390, Exton, PA 19341

Phone: 610-640-1233 EMail: jfoltz@autooutlook.com

Editor: Jeffrey A. Foltz

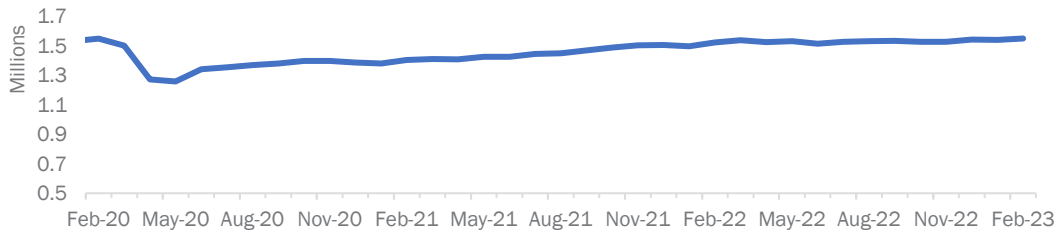
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# San Diego County New Vehicle Market Dashboard



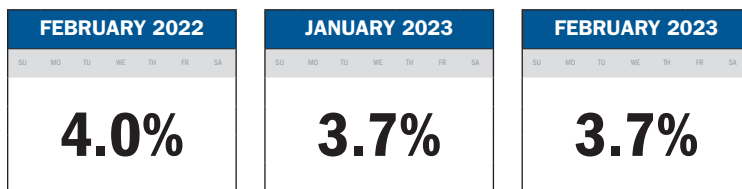
## TRACKING ECONOMIC INDICATORS

### Total Employment in San Diego County



High inflation and rising interest rates have raised some concerns that the economy might be headed for recession, but at least so far, most indicators have remained relatively strong. County employment has returned to pre-pandemic levels and the unemployment rate was below 4% early this year. GDP growth has remained positive in each of the past two quarters and county wages are up considerably compared to year-earlier.

### Monthly Unemployment Rates in San Diego County



### Average Hourly Earnings for All Workers in County - Feb. 2022



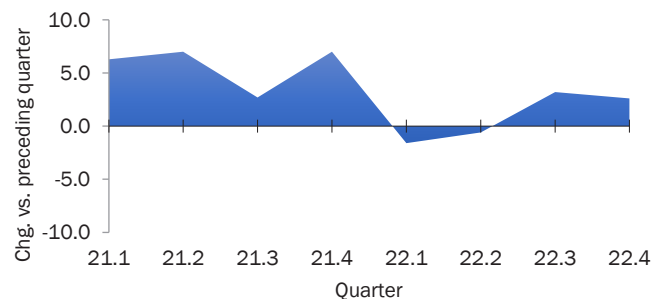
### University of Michigan Consumer Sentiment (U.S.)

Key Values During Past 10 Years



10 year high - 101.4 (Mar. 2018)  
12 month high - 67.0 (Feb. 2023)  
Most recent - 62.0 (Mar. 2023)  
10 year low - 50.0 (Jun. 2022)

### Percent Change in U.S. Gross Domestic Product

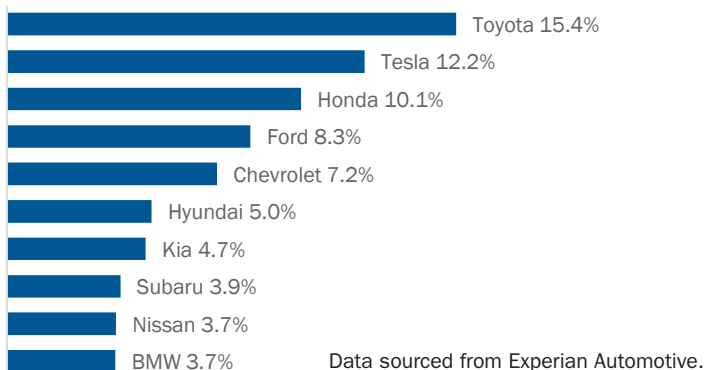


Sources: Bureau of Labor Statistics, University of Michigan, and U.S. Bureau of Econ. Analysis.

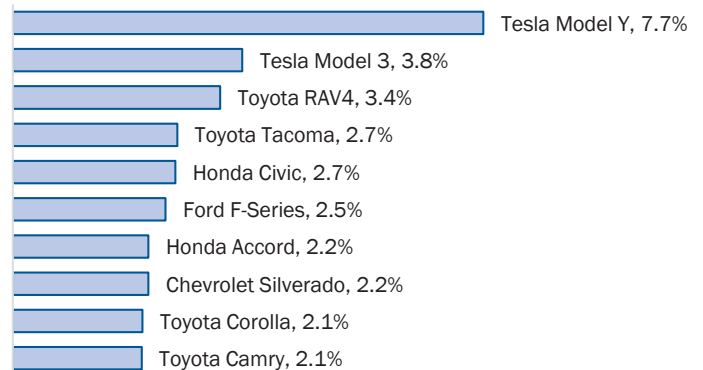


## TOP TEN RANKINGS IN SAN DIEGO COUNTY MARKET

### Market Share for Top Ten Selling Brands in County Market YTD 2023 thru March



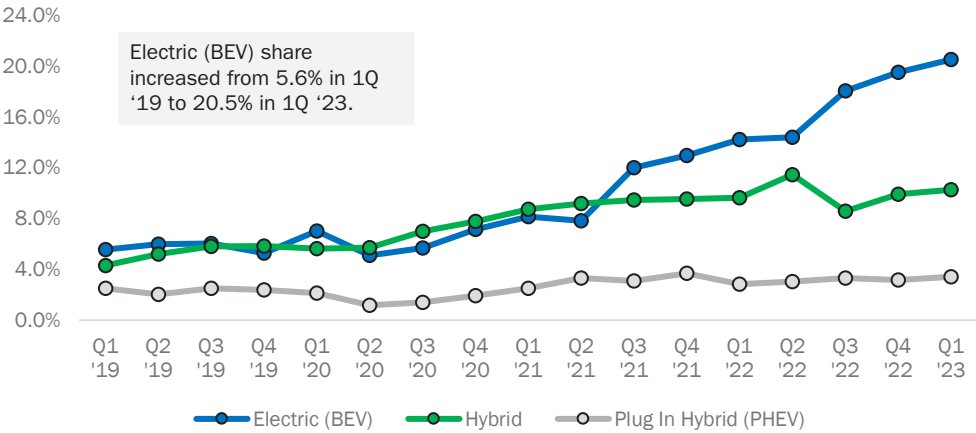
### Market Share for Top Ten Selling Models in County Market YTD 2023 thru March





# Vehicle Powertrain Dashboard

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

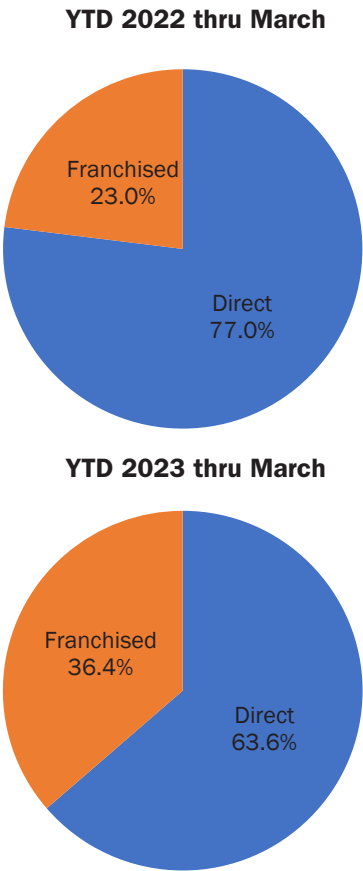


YTD Share by Engine Type (2022 and 2023, thru March)

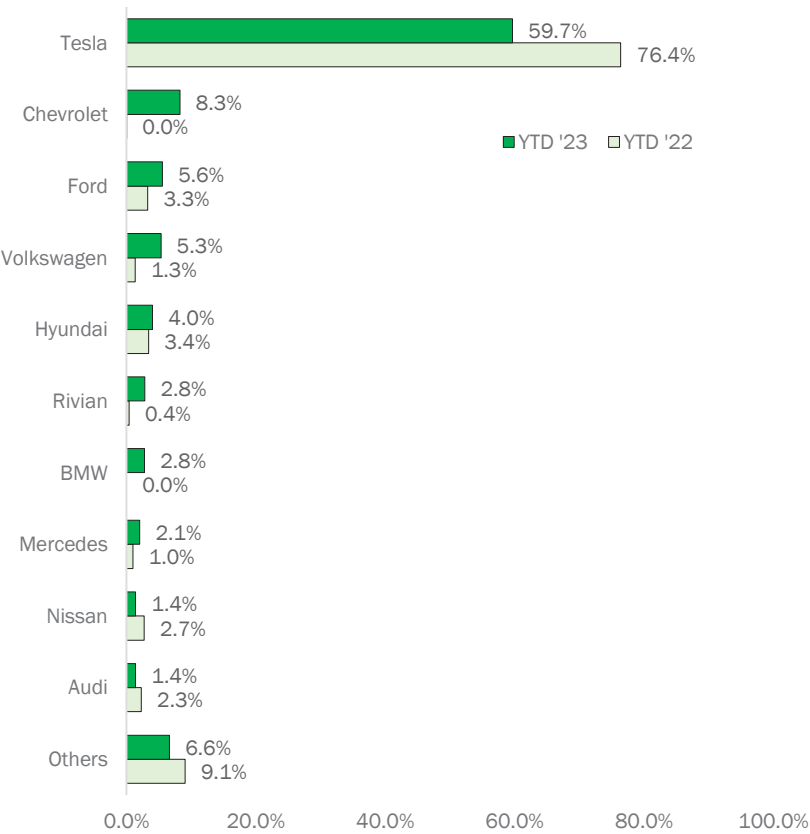
	YTD '22	YTD '23
Electric (BEV)	14.2%	20.5% ↑
Hybrid	9.6%	10.3% ↑
Plug In Hybrid (PHEV)	2.8%	3.4% ↑

Data sourced from Experian Automotive. Hybrid vehicle market share excludes mild hybrids.

Share of County BEV Market for Franchised Dealerships and Direct Sellers



Brand Share of County BEV Market YTD 2022 and YTD 2023 thru March



**Observations:** Franchised dealership share of the county BEV market increased from 23.0% during the First Quarter of 2022 to 36.4% this year. Franchised dealership brand registrations were up 128% vs. the 20% increase for direct sellers. Tesla BEV market share declined 16.7 points, while registrations improved by 13%. Chevrolet was the second best-selling BEV brand so far this year. Data sourced from Experian Automotive.

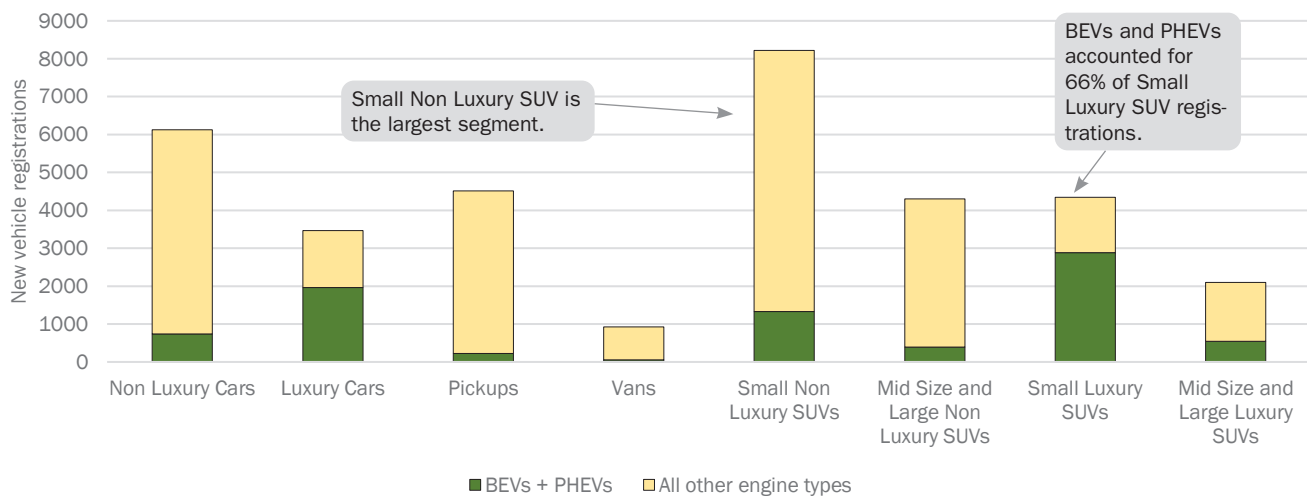
## LARGEST SEGMENTS

## Breakdown of Brand Registrations by Vehicle Type



The graph below shows new vehicle registrations in the county for each primary market segment. The green shaded section in each bar represents BEV (battery electric vehicle) and PHEV (plug-in hybrid electric vehicle) registrations. Yellow shading consists of all other powertrain types (gasoline, diesel, hybrid, mild hybrid, and alternative fuels). Data sourced from Experian Automotive.

**New Vehicle Registrations by Segment and Powertrain Type - YTD 2023 thru March**

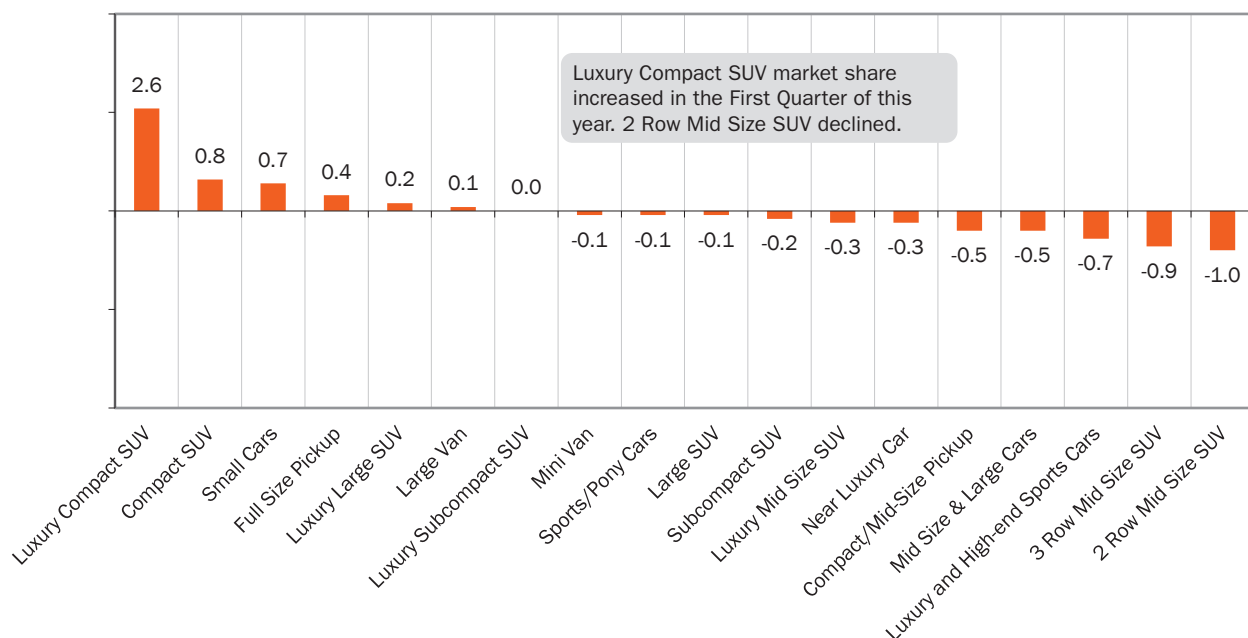


Data sourced from Experian Automotive.

## CHANGE IN SEGMENT MARKET SHARE

## Luxury Compact SUV Segment Had Largest Gain in 1Q 2023

**Change in Segment Market Share - YTD 2023 thru March vs. YTD 2022**



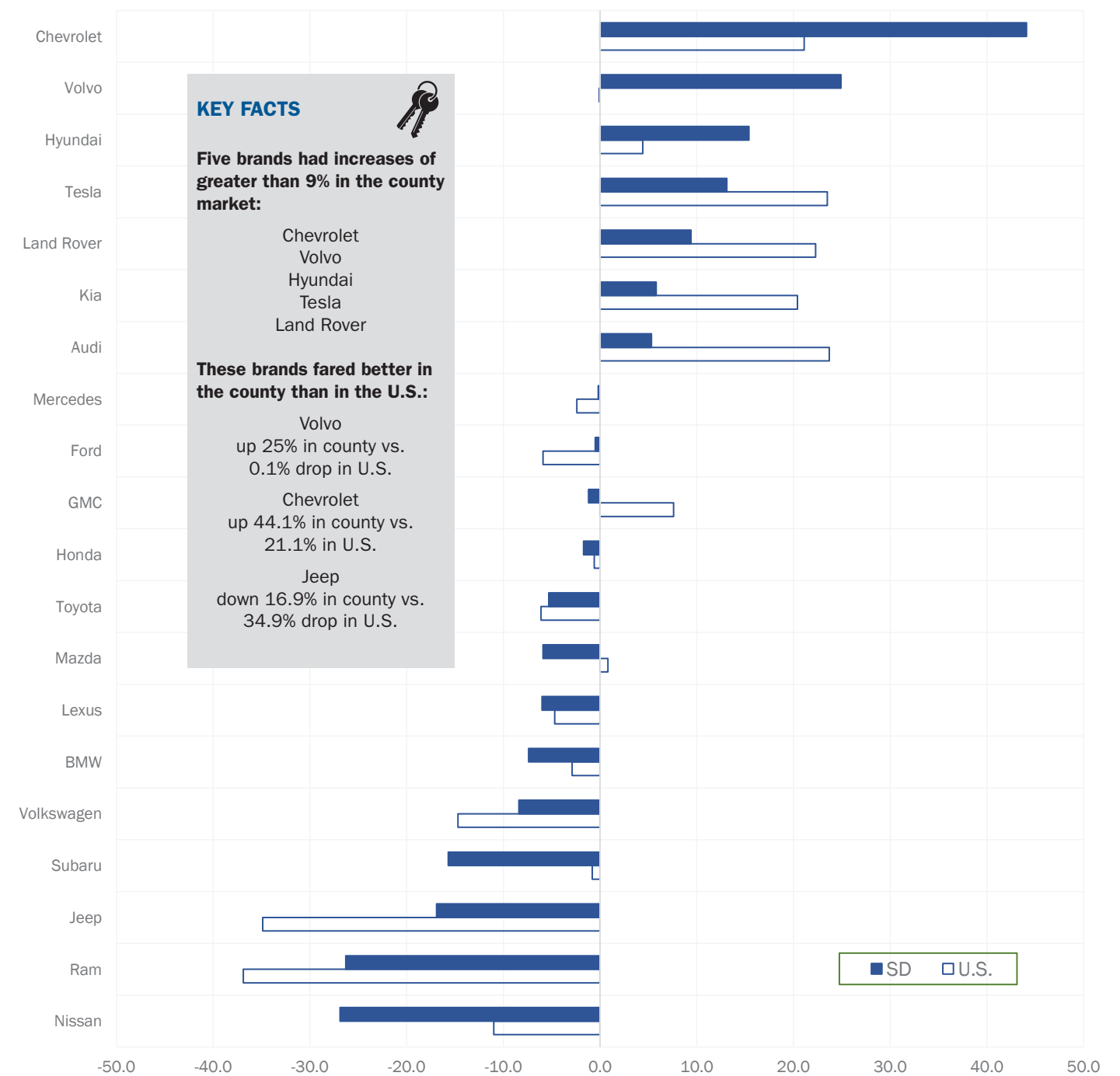
Data sourced from Experian Automotive.

BRAND SCOREBOARD

Chevrolet, Volvo, and Hyundai Had Largest Gains in County

The graph below shows the percent change in new retail light vehicle registrations during the first three months of this year versus the same period a year earlier in both the San Diego County (solid blue bars) and U.S. (blue outlined bars). Brands are shown from top to bottom based on the change in county registrations Data sourced from Experian Automotive.

Percent Change in County and U.S. New Retail Light Vehicle Registrations (Top 20 Selling Brands in County)  
YTD 2023 thru March vs. YTD 2022



## BRAND SEGMENT MARKET SHARES

## Top Selling Brands in 7 Primary Segments



The seven graphs on this page show brand market share in seven key segments in the First Quarter 2023 in both the San Diego County and U.S. markets. County percent share is depicted by the red bars, U.S. share is light gray. Top ten brands in each segment are ranked from top to bottom based on San Diego County market share.

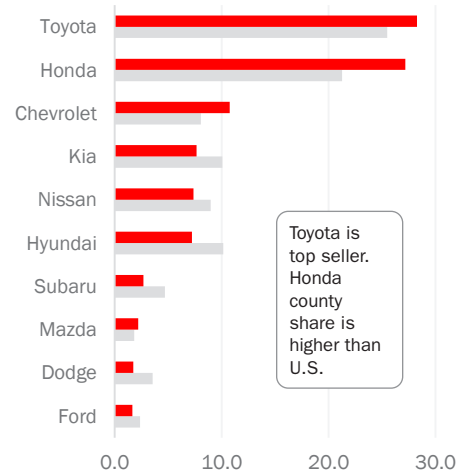
Segments were defined based on model classifications instead of overall brand positioning. For instance, Chevrolet appears on the Luxury and Sports cars graph because of the Corvette. Small SUVs consists of both Sub Compact and Compact models.

## Legend for all graphs

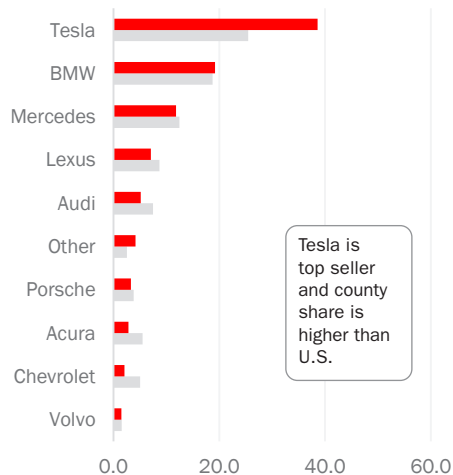
Brand share of segment in San Diego County during YTD '23

Brand share of segment in U.S. market during YTD '23

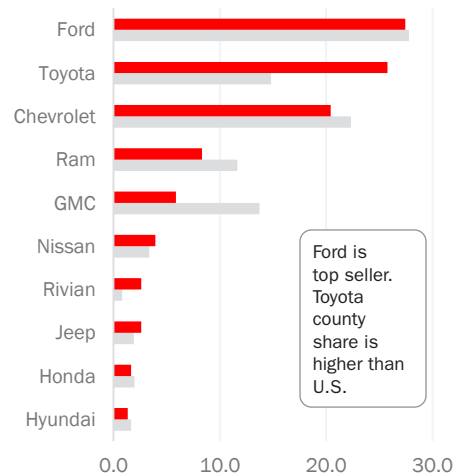
## Non Luxury Cars



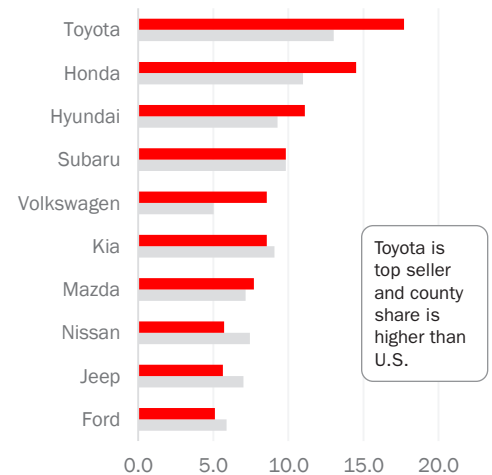
## Luxury and Sports Cars



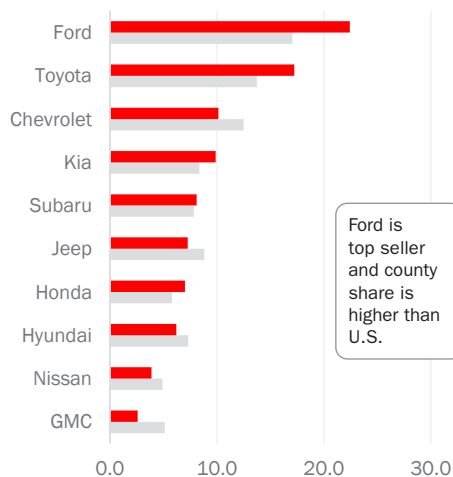
## Pickups



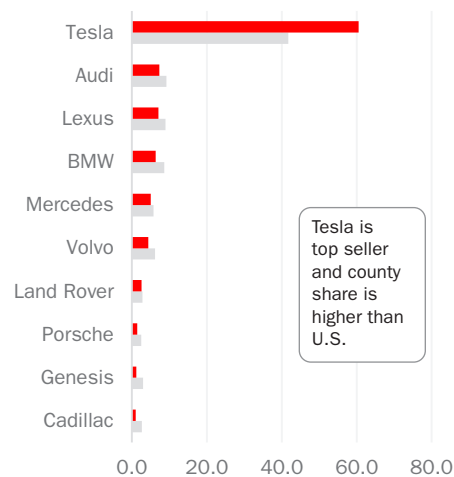
## Small Non Luxury SUVs



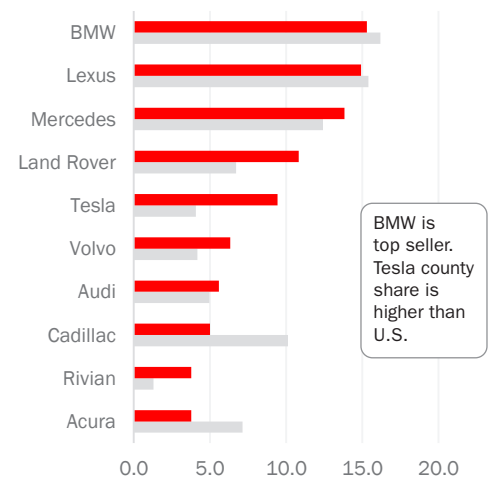
## Mid and Full Size Non Luxury SUVs



## Small Luxury SUVs



## Mid and Full Size Luxury SUVs

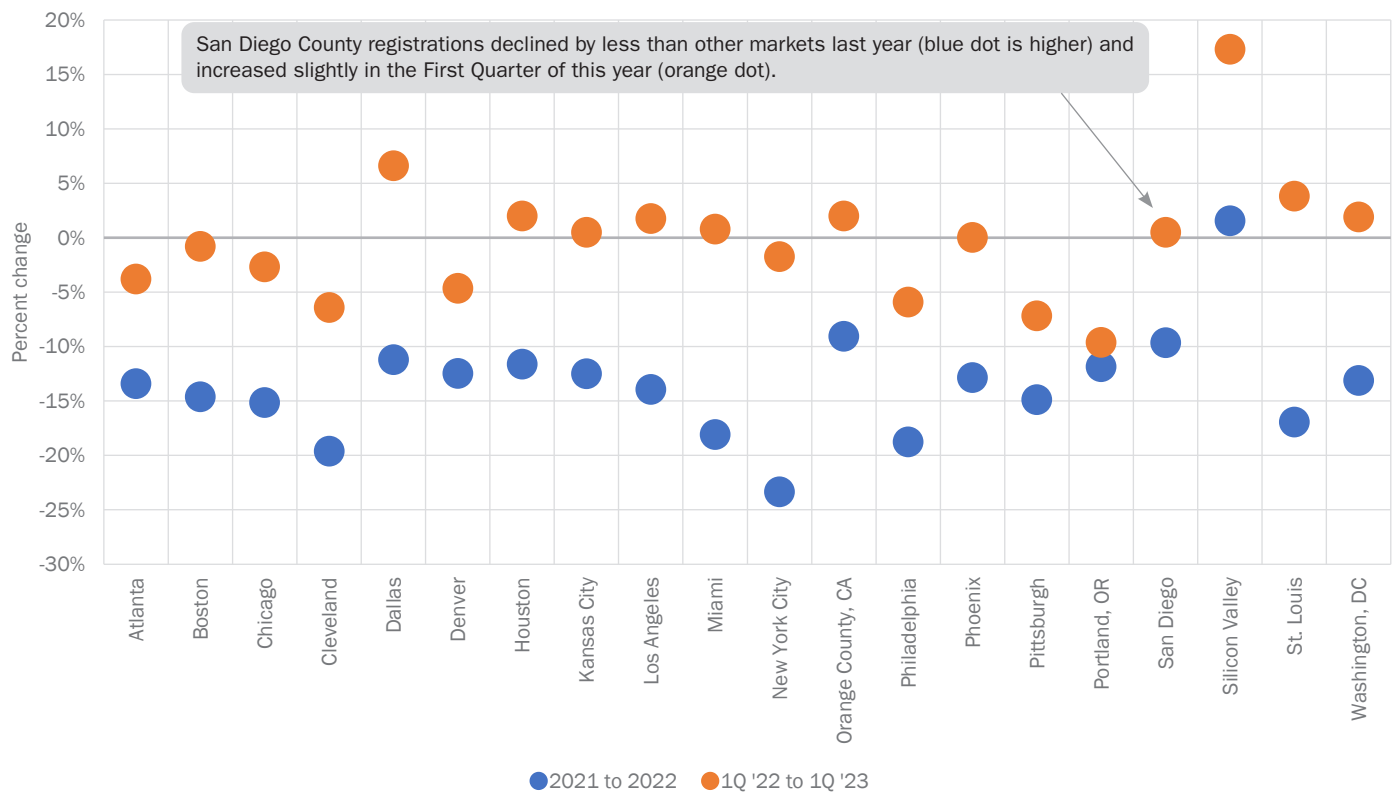


Data Source: AutoCount data from Experian.

## Comparison of Selected Metro Area Markets



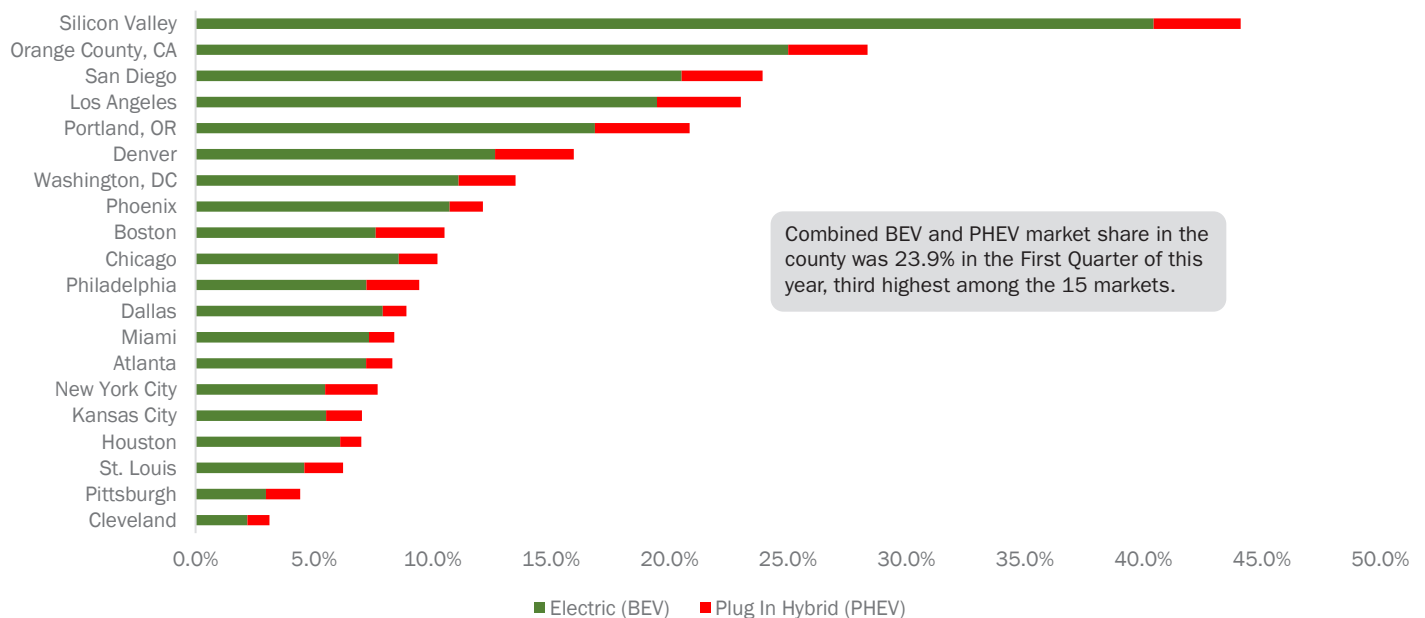
Percent Change in New Vehicle Registrations from 2021 to 2022, and from 1Q 2022 to 1Q 2023



The graph above provides a comparison of how metro area new vehicle markets performed last year and in the First Quarter of this year. The blue dots on the graph represent the percent change in new vehicle registrations from 2021 to 2022, and the orange dots show the change from the First Quarter of 2022 to the First Quarter of this year. Orange dots are higher for all markets, reflecting relative improvement in sales early this year compared to results last year. Data sourced from Experian Automotive.



Electric (BEV) and Plug in Hybrid (PHEV) Market Share During 1Q '23

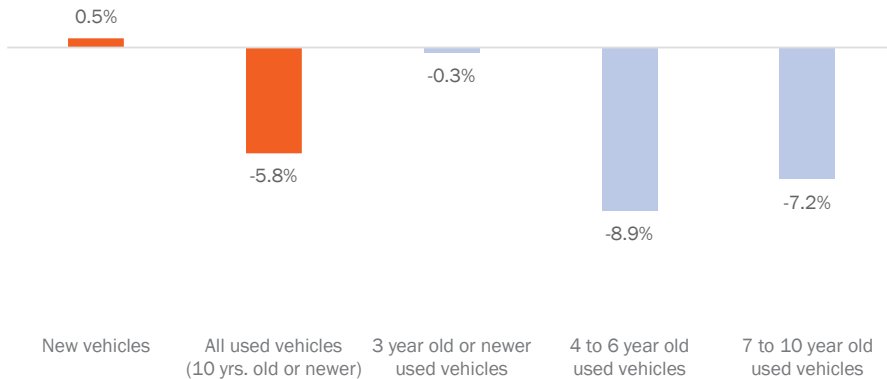


Data sourced from Experian Automotive.



## SAN DIEGO COUNTY USED VEHICLE MARKET

## County Used Vehicle Market Declined 5.8% in 1Q 2023

Percent Change in New and Used Vehicle Registrations  
YTD 2023 thru March vs. YTD 2022

Data sourced from Experian Automotive.

FOUR KEY TRENDS IN  
USED VEHICLE MARKET

01.

The county used vehicle market declined by 5.8% in the First Quarter of this year versus a year earlier, while the new vehicle market improved slightly.

02.

Used vehicle market should continue to under-perform the new vehicle market for the remainder of the year.

03.

As shown on the graph to the left, the three year old or newer market held up relatively well early this year. Used registrations of three year old or newer vehicles decreased by less than 1% while registrations for older vehicles moved lower.

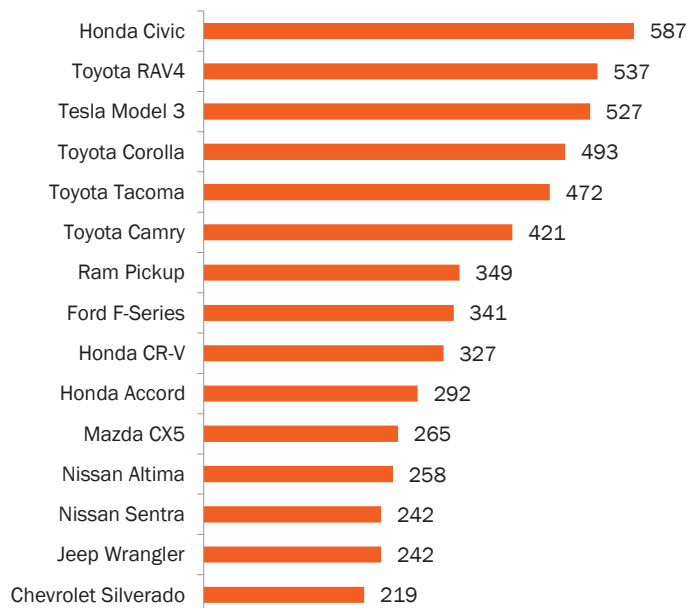
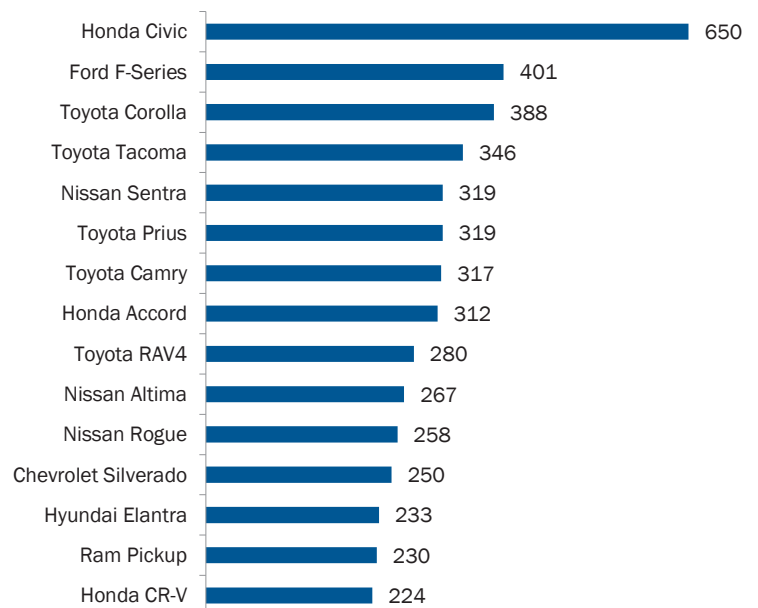
04.

Honda Civic is the top seller in the San Diego County used vehicle market (see graphs below). Toyota RAV4 was second for four year old or newer vehicles while Ford F-Series trailed the Civic for 5 to 8 year old vehicles.

## TOP SELLING MODELS IN USED VEHICLE MARKET

## Honda Civic is Top Seller in County Used Vehicle Market

The two graphs below show the top 15 selling models in San Diego County for two age classifications: vehicles 4 years old or newer, and 5 to 8 year old vehicles. Honda Civic ranked first in each category.

Top 15 Selling Models for Vehicles 4 years Old or Newer  
YTD 2023 thru MarchTop 15 Selling Models for 5 to 8 Year Old Vehicles  
YTD 2023 thru March

Data sourced from Experian Automotive.

Brand Registrations Report												
San Diego County New Retail Car and Light Truck Registrations												
	First Quarter						Annual Totals					
	Registrations			Market Share (%)			Registrations			Market Share (%)		
	1Q '22	1Q '23	% change	1Q '22	1Q '23	Change	2021	2022	% change	2021	2022	Change
TOTAL	33,813	33,984	0.5				145,998	131,911	-9.6			
Cars	9,859	9,586	-2.8	29.2	28.2	-1.0	43,512	38,378	-11.8	29.8	29.1	-0.7
Light Trucks	23,954	24,398	1.9	70.8	71.8	1.0	102,486	93,533	-8.7	70.2	70.9	0.7
Domestic Brands	10,942	12,037	10.0	32.4	35.4	3.0	43,109	43,893	1.8	29.5	33.3	3.8
European Brands	5,288	5,222	-1.2	15.6	15.4	-0.2	22,929	20,418	-11.0	15.7	15.5	-0.2
Japanese Brands	14,474	13,299	-8.1	42.8	39.1	-3.7	66,105	53,438	-19.2	45.3	40.5	-4.8
Korean Brands	3,109	3,426	10.2	9.2	10.1	0.9	13,855	14,162	2.2	9.5	10.7	1.2
Acura	227	218	-4.0	0.7	0.6	-0.1	1,352	894	-33.9	0.9	0.7	-0.2
Alfa Romeo	25	22	-12.0	0.1	0.1	0.0	190	93	-51.1	0.1	0.1	0.0
Audi	584	615	5.3	1.7	1.8	0.1	2,695	2,267	-15.9	1.8	1.7	-0.1
BMW	1,361	1,260	-7.4	4.0	3.7	-0.3	5,077	4,935	-2.8	3.5	3.7	0.2
Buick	34	51	50.0	0.1	0.2	0.1	309	162	-47.6	0.2	0.1	-0.1
Cadillac	177	193	9.0	0.5	0.6	0.1	685	642	-6.3	0.5	0.5	0.0
Chevrolet	1,696	2,444	44.1	5.0	7.2	2.2	9,732	8,455	-13.1	6.7	6.4	-0.3
Chrysler	79	77	-2.5	0.2	0.2	0.0	367	338	-7.9	0.3	0.3	0.0
Dodge	190	146	-23.2	0.6	0.4	-0.2	1,037	675	-34.9	0.7	0.5	-0.2
Ford	2,847	2,833	-0.5	8.4	8.3	-0.1	10,611	10,745	1.3	7.3	8.1	0.8
Genesis	124	129	4.0	0.4	0.4	0.0	427	519	21.5	0.3	0.4	0.1
GMC	414	409	-1.2	1.2	1.2	0.0	1,689	1,643	-2.7	1.2	1.2	0.0
Honda	3,479	3,421	-1.7	10.3	10.1	-0.2	16,147	11,459	-29.0	11.1	8.7	-2.4
Hyundai	1,459	1,683	15.4	4.3	5.0	0.7	6,668	6,819	2.3	4.6	5.2	0.6
Infiniti	94	80	-14.9	0.3	0.2	-0.1	511	354	-30.7	0.4	0.3	-0.1
Jaguar	37	41	10.8	0.1	0.1	0.0	207	129	-37.7	0.1	0.1	0.0
Jeep	1,077	895	-16.9	3.2	2.6	-0.6	4,807	4,138	-13.9	3.3	3.1	-0.2
Kia	1,526	1,614	5.8	4.5	4.7	0.2	6,760	6,824	0.9	4.6	5.2	0.6
Land Rover	310	339	9.4	0.9	1.0	0.1	1,498	1,010	-32.6	1.0	0.8	-0.2
Lexus	919	864	-6.0	2.7	2.5	-0.2	4,329	3,705	-14.4	3.0	2.8	-0.2
Lincoln	75	74	-1.3	0.2	0.2	0.0	406	301	-25.9	0.3	0.2	-0.1
Maserati	31	14	-54.8	0.1	0.0	-0.1	147	110	-25.2	0.1	0.1	0.0
Mazda	881	829	-5.9	2.6	2.4	-0.2	3,991	3,193	-20.0	2.7	2.4	-0.3
Mercedes	1,174	1,172	-0.2	3.5	3.4	-0.1	5,016	4,815	-4.0	3.4	3.7	0.3
MINI	139	128	-7.9	0.4	0.4	0.0	433	523	20.8	0.3	0.4	0.1
Mitsubishi	58	74	27.6	0.2	0.2	0.0	223	229	2.7	0.2	0.2	0.0
Nissan	1,734	1,267	-26.9	5.1	3.7	-1.4	6,860	6,012	-12.4	4.7	4.6	-0.1
Other	58	165	184.5	0.2	0.5	0.3	282	355	25.9	0.2	0.3	0.1
Polestar	44	27	-38.6	0.1	0.1	0.0	43	175	307.0	0.0	0.1	0.1
Porsche	252	247	-2.0	0.7	0.7	0.0	1,256	1,053	-16.2	0.9	0.8	-0.1
Ram	650	479	-26.3	1.9	1.4	-0.5	2,898	2,118	-26.9	2.0	1.6	-0.4
Rivian	20	197		0.1	0.6	0.5	7	445		0.0	0.3	0.3
Subaru	1,565	1,320	-15.7	4.6	3.9	-0.7	6,288	5,513	-12.3	4.3	4.2	-0.1
Tesla	3,677	4,159	13.1	10.9	12.2	1.3	10,559	14,133	33.8	7.2	10.7	3.5
Toyota	5,517	5,226	-5.3	16.3	15.4	-0.9	26,404	22,079	-16.4	18.1	16.7	-1.4
Volkswagen	978	896	-8.4	2.9	2.6	-0.3	4,546	3,881	-14.6	3.1	2.9	-0.2
Volvo	301	376	24.9	0.9	1.1	0.2	1,541	1,170	-24.1	1.1	0.9	-0.2
Data sourced from Experian Automotive.												

The table shows new retail light vehicle (car and light truck) registrations in the San Diego County market. Figures are shown for the 1st Quarters of '22 and '23, and annual totals for 2021 and 2022. The top ten ranked brands in each change category are shaded yellow.