Los Angeles Auto Outlook

Comprehensive information on the LA County new vehicle market

Greater Los Angeles New Car Dealers Association

FORECAST

New Vehicle Market Predicted to Decline Slightly in 2020

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

County new retail light vehicle registrations exceeded 480,000 units in 2019
The new vehicle market fell by 4.3% last year. Despite the decline, 2019 marked the seventh consecutive year that new registrations exceeded 400,000 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 32.5% in 2012 to 53.9% in 2019.

Alternative powertrain market improves
County registrations of hybrid and electric cars and trucks increased 7% during the first 11 months of 2019, while the overall market was down for the entire year.

Toyota, Honda, Chevrolet, BMW, and Mercedes are leaders in county market
Toyota was the best selling brand last year, with a 17.1% share. Honda's county share was 15.0%, well above its 10.4% share in the U.S.

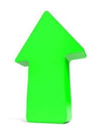
Genesis, Tesla, Porsche, Volvo, Ram, and Kia posted gains
New retail registrations for each of these six brands were up more than 4% from 2018 to 2019.

Honda Civic best-selling car in county market; Toyota RAV4 is light truck leader
Honda Accord and Toyota Camry were ranked second and third behind Civic in the car market, while Honda CR-V and Toyota Tacoma trailed the RAV4.

Non Luxury SUVs account for 29% of market
Market share for Non Luxury SUVs increased to 29% during the first eleven months of last year. Small Car market share has fallen by more than nine points during the past three years.

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

Light Trucks (Pickups, SUVs, and Vans)



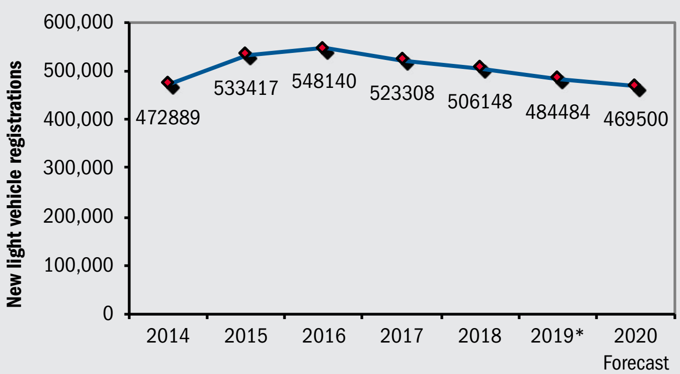
UP 1.5%

Passenger Cars

DOWN 10.3%

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	506,148	484,484	-4.3%	
Car	248,743	223,130	-10.3%	46.1%
Light Truck	257,405	261,354	1.5%	53.9%
Domestic	115,726	104,480	-9.7%	21.6%
European	105,583	104,940	-0.6%	21.7%
Japanese	249,929	239,858	-4.0%	49.5%
Korean	34,910	35,206	0.8%	7.3%

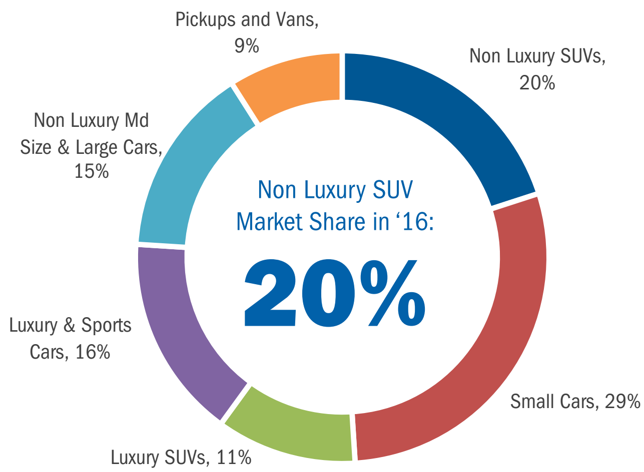
Source: IHS.

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.

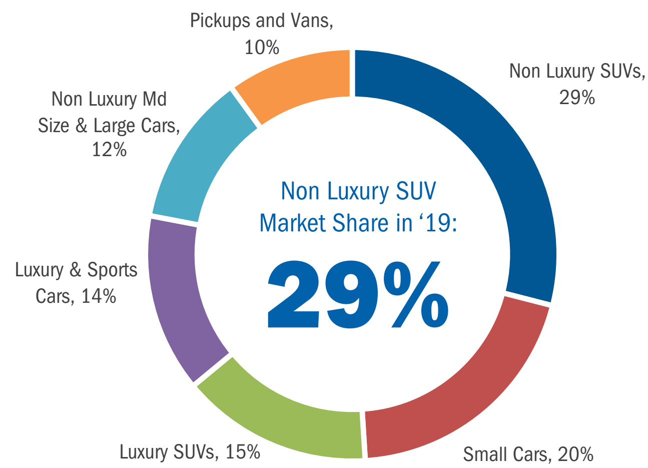
MARKET TRACKER: THREE YEAR SEGMENT SHARES

Non Luxury SUV Market Share Hits 29%

Segment Market Shares - YTD '16 thru Nov.



Segment Market Shares - YTD '19 thru Nov.



Source: IHS

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

MARKET TRACKER: COUNTY MARKET VERSUS U.S.

Toyota County Share Is 17.1% vs. 13.4% in U.S

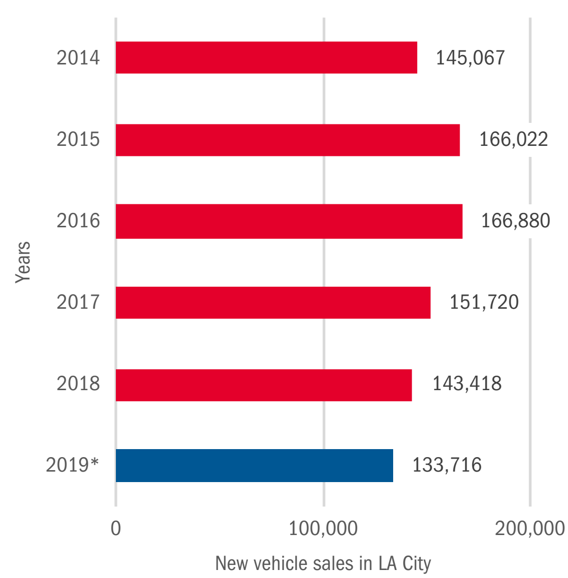
	County Market		U.S. Market	
Percent change in registrations 2019* vs. 2018	-4.3%		-2.9%	
Passenger car market share 2019*	46.1%		27.8%	
Domestic brand market share 2019*	21.6%		41.2%	
Top 10 brands and market share 2019*				
First	Toyota	17.1%	Toyota	13.4%
Second	Honda	15.0%	Ford	11.1%
Third	Chevrolet	5.6%	Chevrolet	10.9%
Fourth	BMW	5.6%	Honda	10.4%
Fifth	Mercedes	5.6%	Jeep	5.7%
Sixth	Lexus	4.9%	Nissan	5.7%
Seventh	Ford	4.8%	Subaru	4.7%
Eighth	Nissan	4.6%	Hyundai	3.9%
Ninth	Kia	4.3%	Kia	3.8%
Tenth	Tesla	3.5%	Ram	3.7%

*December 2019 figures estimated by Auto Outlook Source: IHS

ANALYSIS

New Vehicle Sales in LA City

New Vehicle Unit Sales in Los Angeles City



The graph above shows the level of new vehicle sales in the city of Los Angeles from 2014 through 2019. The data measures vehicles sold by dealerships located in the city of Los Angeles. Source: IHS. (*Dec. '19 figures estimated by Auto Outlook.)

BRAND SCOREBOARD

Tesla, Porsche, and Volvo Had Largest Percentage Gains in '19

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.

11 brands had increases in 2019:

Tesla, Porsche, Volvo, Ram, Kia, BMW, Lexus, Honda, Land Rover, Mercedes, and Volkswagen

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

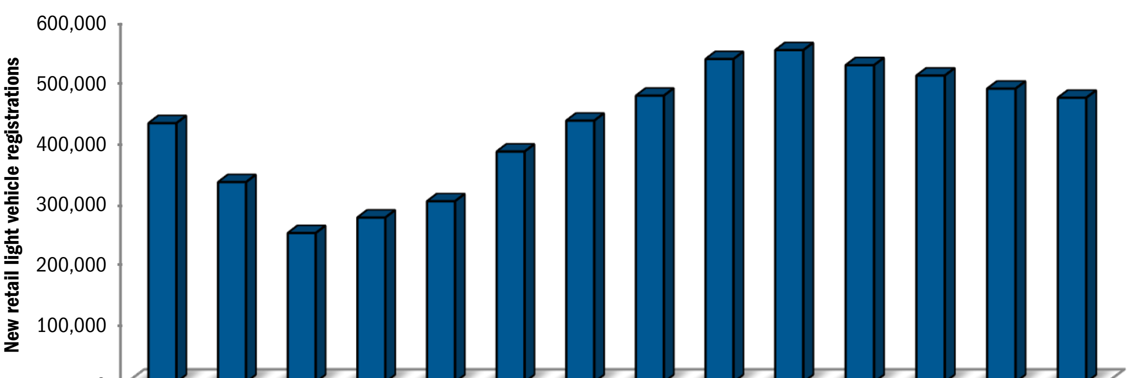
Source: IHS

LONG TERM TRENDS

Registrations Likely to Exceed 460K for 7th Straight Year in '19

The graph below provides a long term perspective of trends in the Los Angeles County new retail light vehicle market. It shows historical registrations from 2007 thru 2019, along with Auto Outlook's forecast for 2020.

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



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019*	2020 Proj.
Regs.	427556	330185	246005	271635	298547	380612	431676	472889	533417	548140	523308	506148	484484	469500

Years

Source: IHS

County market improved 122% between '09 and '16, and remained strong in the ensuing three years. Small decline is predicted in '20, with annual total approaching 470,000 units

Los Angeles 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	126,433	122,565	-3.1				506,148	484,484	-4.3			
Cars	59,626	54,219	-9.1	47.2	44.2	-3.0	248,743	223,130	-10.3	49.1	46.1	-3.0
Light Trucks	66,807	68,346	2.3	52.8	55.8	3.0	257,405	261,354	1.5	50.9	53.9	3.0
Domestic Brands	30,121	24,460	-18.8	23.8	20.0	-3.8	115,726	104,480	-9.7	22.9	21.6	-1.3
European Brands	28,592	30,339	6.1	22.6	24.8	2.2	105,583	104,940	-0.6	20.9	21.7	0.8
Japanese Brands	59,912	59,129	-1.3	47.4	48.2	0.8	249,929	239,858	-4.0	49.4	49.5	0.1
Korean Brands	7,808	8,637	10.6	6.2	7.0	0.8	34,910	35,206	0.8	6.9	7.3	0.4
Acura	1,400	1,374	-1.9	1.1	1.1	0.0	5,132	4,906	-4.4	1.0	1.0	0.0
Alfa Romeo	559	510	-8.8	0.4	0.4	0.0	2,389	1,949	-18.4	0.5	0.4	-0.1
Audi	3,634	4,113	13.2	2.9	3.4	0.5	14,182	13,507	-4.8	2.8	2.8	0.0
BMW	7,665	8,405	9.7	6.1	6.9	0.8	26,328	27,106	3.0	5.2	5.6	0.4
Buick	472	334	-29.2	0.4	0.3	-0.1	1,738	1,330	-23.5	0.3	0.3	0.0
Cadillac	954	889	-6.8	0.8	0.7	-0.1	3,480	2,989	-14.1	0.7	0.6	-0.1
Chevrolet	8,559	7,220	-15.6	6.8	5.9	-0.9	33,101	27,300	-17.5	6.5	5.6	-0.9
Chrysler	427	260	-39.1	0.3	0.2	-0.1	1,898	1,115	-41.3	0.4	0.2	-0.2
Dodge	1,637	1,517	-7.3	1.3	1.2	-0.1	7,345	6,469	-11.9	1.5	1.3	-0.2
FIAT	214	96	-55.1	0.2	0.1	-0.1	948	503	-46.9	0.2	0.1	-0.1
Ford	6,067	4,993	-17.7	4.8	4.1	-0.7	25,784	23,044	-10.6	5.1	4.8	-0.3
Genesis	47	147	212.8	0.0	0.1	0.1	487	534	9.7	0.1	0.1	0.0
GMC	1,154	1,031	-10.7	0.9	0.8	-0.1	4,651	3,720	-20.0	0.9	0.8	-0.1
Honda	16,795	17,357	3.3	13.3	14.2	0.9	71,578	72,479	1.3	14.1	15.0	0.9
Hyundai	3,203	3,370	5.2	2.5	2.7	0.2	14,702	14,047	-4.5	2.9	2.9	0.0
Infiniti	2,171	1,608	-25.9	1.7	1.3	-0.4	7,087	5,740	-19.0	1.4	1.2	-0.2
Jaguar	416	376	-9.6	0.3	0.3	0.0	1,610	1,542	-4.2	0.3	0.3	0.0
Jeep	3,675	3,212	-12.6	2.9	2.6	-0.3	15,184	14,471	-4.7	3.0	3.0	0.0
Kia	4,558	5,120	12.3	3.6	4.2	0.6	19,721	20,625	4.6	3.9	4.3	0.4
Land Rover	1,823	1,741	-4.5	1.4	1.4	0.0	6,433	6,518	1.3	1.3	1.3	0.0
Lexus	6,441	6,563	1.9	5.1	5.4	0.3	23,341	23,698	1.5	4.6	4.9	0.3
Lincoln	464	502	8.2	0.4	0.4	0.0	2,006	1,830	-8.8	0.4	0.4	0.0
Maserati	226	166	-26.5	0.2	0.1	-0.1	917	585	-36.2	0.2	0.1	-0.1
Mazda	2,520	2,635	4.6	2.0	2.1	0.1	11,077	10,508	-5.1	2.2	2.2	0.0
Mercedes	7,496	7,988	6.6	5.9	6.5	0.6	26,899	27,088	0.7	5.3	5.6	0.3
MINI	729	640	-12.2	0.6	0.5	-0.1	3,295	2,646	-19.7	0.7	0.5	-0.2
Mitsubishi	319	272	-14.7	0.3	0.2	-0.1	1,522	1,239	-18.6	0.3	0.3	0.0
Nissan	6,422	5,048	-21.4	5.1	4.1	-1.0	27,540	22,120	-19.7	5.4	4.6	-0.8
Other	351	422	20.2	0.3	0.3	0.0	1,203	1,433	19.1	0.2	0.3	0.1
Porsche	1,190	1,344	12.9	0.9	1.1	0.2	4,466	4,828	8.1	0.9	1.0	0.1
Ram	1,424	1,356	-4.8	1.1	1.1	0.0	5,181	5,425	4.7	1.0	1.1	0.1
Subaru	4,185	3,832	-8.4	3.3	3.1	-0.2	16,491	16,357	-0.8	3.3	3.4	0.1
Tesla	5,266	3,140	-40.4	4.2	2.6	-1.6	15,302	16,734	9.4	3.0	3.5	0.5
Toyota	19,655	20,439	4.0	15.5	16.7	1.2	86,138	82,793	-3.9	17.0	17.1	0.1
Volkswagen	3,427	3,429	0.1	2.7	2.8	0.1	13,169	13,198	0.2	2.6	2.7	0.1
Volvo	888	1,116	25.7	0.7	0.9	0.2	3,823	4,108	7.5	0.8	0.8	0.0

*December 2019 figures were estimated by Auto Outlook. Source:IHS.

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