

Los Angeles Auto Outlook



Comprehensive information on the LA County new vehicle market

FORECAST

County New Vehicle Registrations Predicted to Increase in 2023

Below is a review of key trends in the Los Angeles County new vehicle market.

Results during 2022

Supply chain issues persisted last year and vehicle production cutbacks were significantly higher than projected at the beginning of the year. New retail light vehicle registrations in the county declined 13.9% from 2021 to 2022. National market fell 14.9%.

2023 Forecast

According to the baseline forecast, Los Angeles County registrations are predicted to exceed 410,000 units this year, a 6.9% improvement from 2022. See sidebar to right for alternative upside and downside projections.

Key positives for the market in 2023

Pent-up demand is accumulating as new vehicles sales remain below baseline line levels. Auto Outlook estimates that approximately 242,000 new vehicle purchases will be postponed since the onset of the pandemic in 2020 through the end of this year, about 53% of sales in an average year! In addition, vehicle transaction prices are likely to drift lower as supplies become more in-line with demand. These two factors will give a boost to the market that should offset the negatives listed next.

Key negatives for the market in 2023

Supply chain issues are lingering and new vehicle affordability is weakening due to high inflation, increasing interest rates, slower economic growth, and falling trade in values. Household incomes are increasing, but not fast enough to keep pace with inflation. The stimulative impact resulting from pent up demand will be tempered due to softer economic conditions, but sales rates should still recover from current levels.

Brands that fared best in 2022

Among the top 25 sellers in the state market, Tesla, Genesis, GMC, Ford, and Subaru had the largest percentage gains (or smallest declines) in registrations from 2021 to 2022. Brand results in 2022 were almost entirely a function of vehicle inventories, not the typical determinants of new product launches and marketing.

Battery Electric Vehicle Market Share

BEV market share in the county increased from 9.7% in 2021 to 17.2% last year. Electric vehicle share has increased by 13.5 share points from 2018 to 2022.

Top selling models in Los Angeles County

Top five selling models last year were Tesla Model Y, Tesla Model 3, Toyota RAV4, Toyota Camry, and Toyota Corolla.

**Outlook for
Los Angeles County
New Retail Light Vehicle Market**

2023 Annual Forecast

Baseline scenario: 410,500
up 6.9% vs. '22

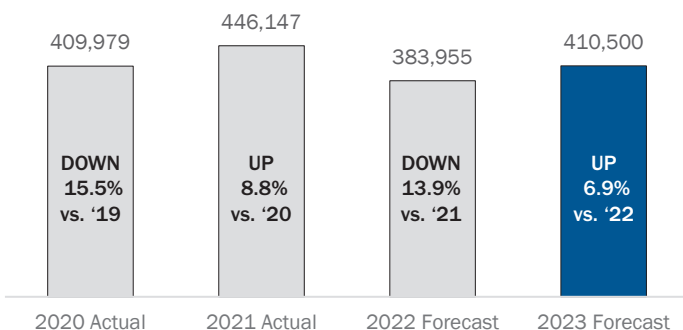
Alternative upside: 436,900
up 13.8% vs. '22

Alternative downside: 384,700
up 0.2% vs. '22

**Upgraded data presented in
Auto Outlook**

Effective with this release, new vehicle registration data presented in Auto Outlook is derived from a significantly improved reporting tool developed by Experian Automotive. Benefits of the new system are enhanced accuracy and more extensive detail for measuring model registrations. Historical figures will differ from those presented in previous releases. Have questions about the change? Contact Auto Outlook - 610-640-1233 or autooutlook@icloud.com.

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

	2021 Annual	2022 Annual	% Chg. '21 to '22	Mkt. Share YTD '22
TOTAL	446,147	383,955	-13.9%	
Car	168,926	136,685	-19.1%	35.6%
Light Truck	277,221	247,270	-10.8%	64.4%
Domestic	108,737	115,159	5.9%	30.0%
European	90,918	72,893	-19.8%	19.0%
Japanese	204,458	156,025	-23.7%	40.6%
Korean	42,034	39,878	-5.1%	10.4%

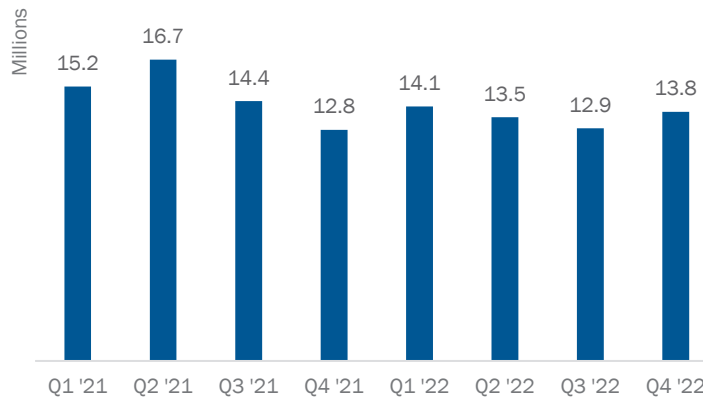
Domestics consist of vehicles sold by GM, Ford, Stellantis (excluding Alfa Romeo and FIAT), Tesla, Rivian, and Lucid. Data sourced from Experian Automotive.

Los Angeles County New Vehicle Market Dashboard



MARKET PERFORMANCE DURING PAST TWO YEARS

Los Angeles 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. Quarterly registrations remained below 15 million units in each of the past six quarters.

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



COUNTY MARKET VS. U.S.

% Change In New Retail Market 2022 vs. 2021

Los Angeles County **U.S.**
DOWN 13.9% **DOWN 14.9%**

New retail light vehicle registrations in the county declined by 13.9% from 2021 to 2022, better than the 14.9% drop in the Nation.

Data sourced from Experian Automotive.

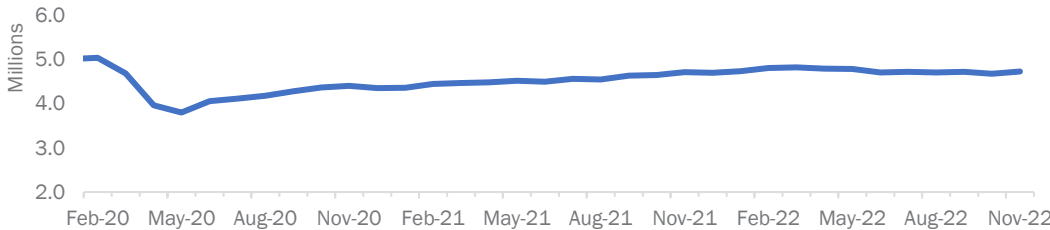
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Los Angeles County New Vehicle Market Dashboard



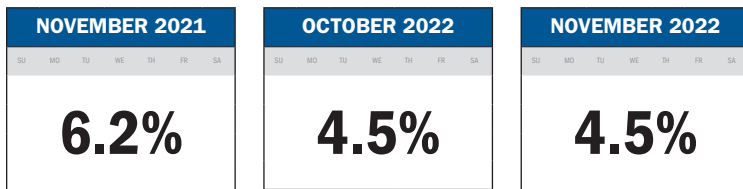
TRACKING ECONOMIC INDICATORS

Total Employment in Los Angeles County



The county labor market has generally remained strong despite higher interest rates and rising inflation. Total employment exceeded 4.7 million in November of last year, higher than a year earlier but still below pre-pandemic levels. The unemployment rate was 4.5% in November of last year, unchanged from October but down versus November of 2021. Consumer sentiment is below average, but up from the lows in June of last year. Household net worth has declined slightly during the past six months.

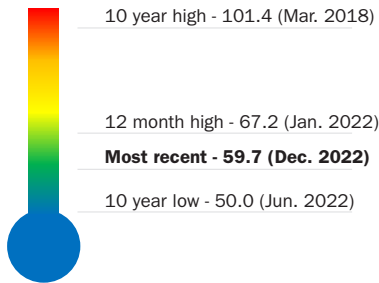
Monthly Unemployment Rates in Los Angeles County



Average Hourly Earnings for All Workers in County - Nov. 2022

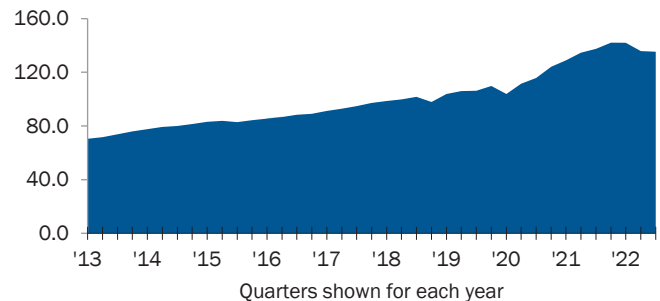


University of Michigan Consumer Sentiment (U.S.)



Key Values During Past 10 Years

Household Net Worth Trillions of \$ (U.S.)

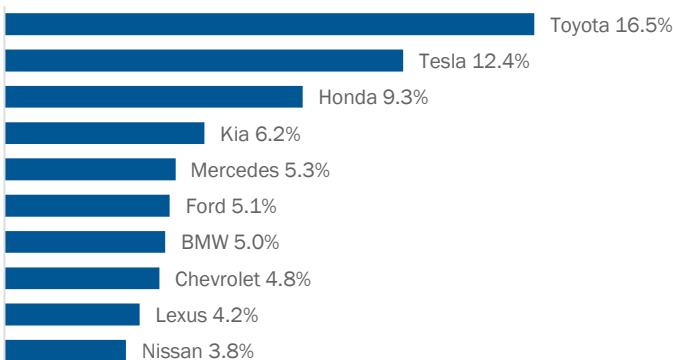


Sources: Bureau of Labor Statistics, University of Michigan, and U.S. Bureau of Econ. Analysis.



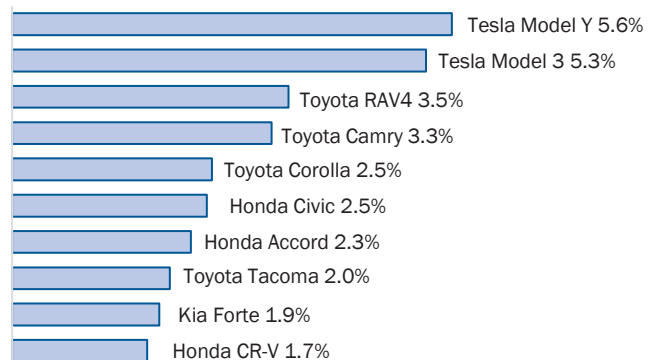
TOP TEN RANKINGS IN LOS ANGELES COUNTY MARKET

Market Share for Top Ten Selling Brands in County Market 2022 Annual



Data sourced from Experian Automotive.

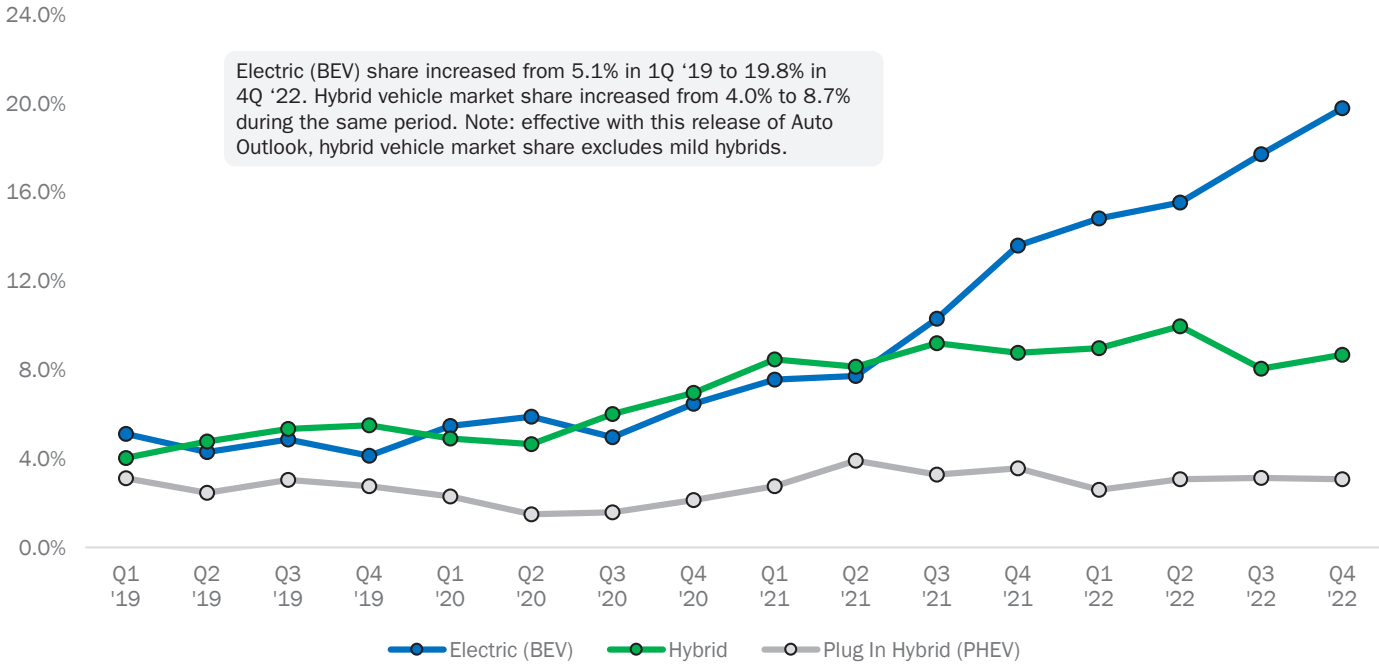
Market Share for Top Ten Selling Models in County Market 2022 Annual



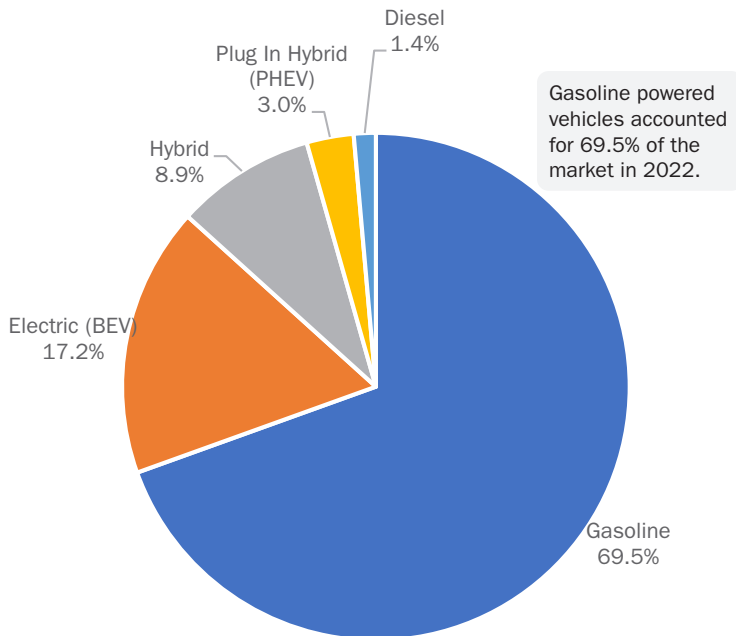
Vehicle Powertrain Dashboard



Quarterly Alternative Powertrain Market Share in Los Angeles County (includes hybrid and electric vehicles)



County Market Share by Powertrain Type 2022 Annual



Top 10 Selling Brands in County for Hybrid, Electric (BEV), and Plug In Hybrid (PHEV) Vehicles - 2022

Rank	Brand	Share
1	Tesla	43.0%
2	Toyota	17.3%
3	Lexus	5.4%
4	Kia	5.2%
5	Honda	4.9%
6	Ford	3.9%
7	Hyundai	3.8%
8	BMW	2.8%
9	Jeep	2.3%
10	Chevrolet	2.0%

Tesla accounted for 43% of county alternative powertrain registrations. Toyota was second with a 17.3% share.

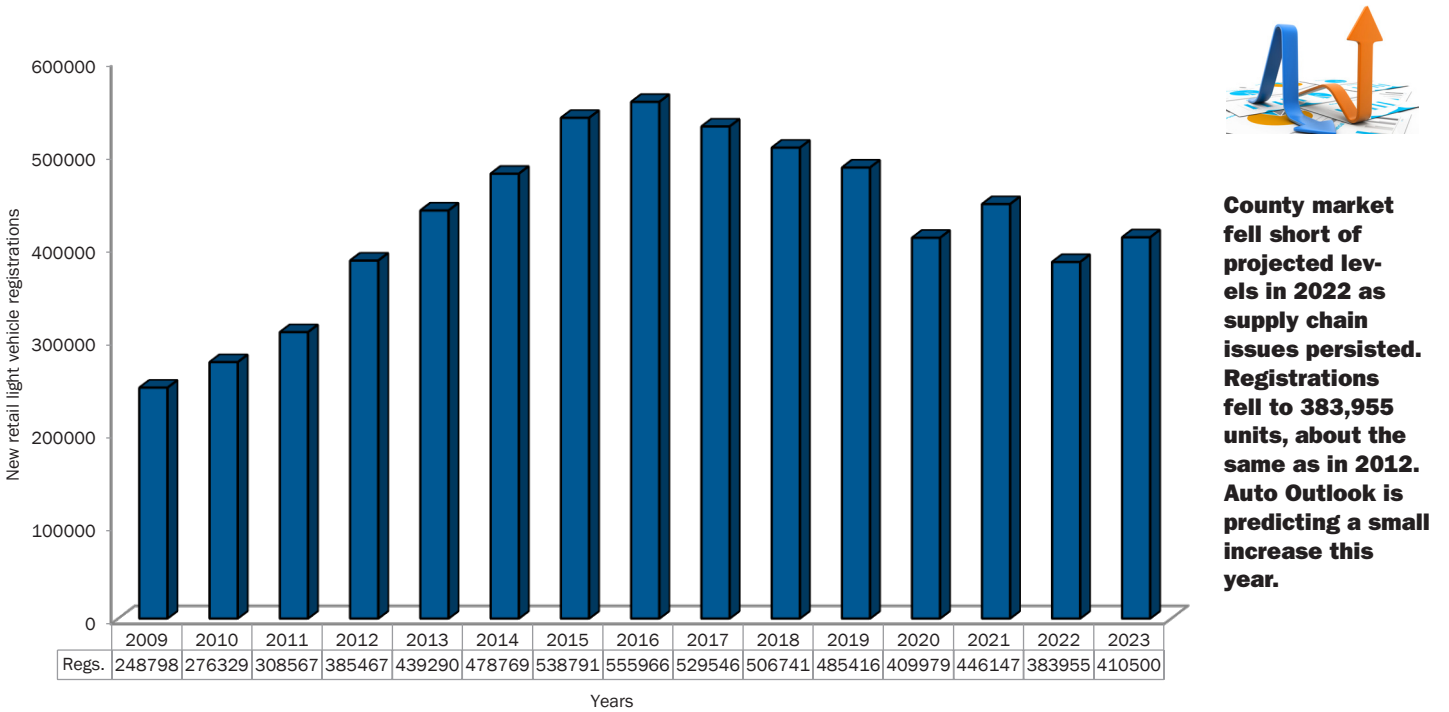
Data sourced from Experian Automotive. Excludes mild hybrids.

LONG TERM TRENDS

New Vehicle Registrations in 2022 About the Same as in 2012

The graph below provides a long term perspective of new vehicle registrations in the Los Angeles County market. The table below shows key trends.

County New Retail Light Vehicle Registrations - 2009 thru 2022, 2023 Forecast



Key Trends in Los Angeles County Market - 2018 to 2022

	2018	2022	Change
Light truck market share	50.8%	64.4%	UP 13.6 points
Domestic brand market share	22.8%	30.0%	UP 7.2 points
Area new retail vehicle registrations	506,741	383,955	DOWN 24.2%
U.S. new retail vehicle registrations	13,846,381	11,450,979	DOWN 17.3%
Battery electric vehicle market share	3.7%	17.2%	UP 13.5 points

Data sourced from Experian Automotive.

Brand Registrations Report												
Los Angeles County New Retail Car and Light Truck Registrations												
	Fourth Quarter						Annual Totals					
	Registrations			Market Share (%)			Registrations			Market Share (%)		
	4Q '21	4Q '22	% change	4Q '21	4Q '22	Change	2021	2022	% change	2021	2022	Change
TOTAL	90,514	96,571	6.7				446,147	383,955	-13.9			
Cars	32,511	34,741	6.9	35.9	36.0	0.1	168,926	136,685	-19.1	37.9	35.6	-2.3
Light Trucks	58,003	61,830	6.6	64.1	64.0	-0.1	277,221	247,270	-10.8	62.1	64.4	2.3
Domestic Brands	25,216	30,429	20.7	27.9	31.5	3.6	108,737	115,159	5.9	24.4	30.0	5.6
European Brands	17,871	17,662	-1.2	19.7	18.3	-1.4	90,918	72,893	-19.8	20.4	19.0	-1.4
Japanese Brands	37,991	38,642	1.7	42.0	40.0	-2.0	204,458	156,025	-23.7	45.8	40.6	-5.2
Korean Brands	9,436	9,838	4.3	10.4	10.2	-0.2	42,034	39,878	-5.1	9.4	10.4	1.0
Acura	817	622	-23.9	0.9	0.6	-0.3	4,240	2,663	-37.2	1.0	0.7	-0.3
Alfa Romeo	309	230	-25.6	0.3	0.2	-0.1	1,824	1,024	-43.9	0.4	0.3	-0.1
Audi	2,037	2,166	6.3	2.3	2.2	-0.1	11,703	8,738	-25.3	2.6	2.3	-0.3
BMW	5,271	4,666	-11.5	5.8	4.8	-1.0	24,290	19,199	-21.0	5.4	5.0	-0.4
Buick	118	122	3.4	0.1	0.1	0.0	835	497	-40.5	0.2	0.1	-0.1
Cadillac	467	624	33.6	0.5	0.6	0.1	2,903	2,555	-12.0	0.7	0.7	0.0
Chevrolet	3,415	5,004	46.5	3.8	5.2	1.4	22,009	18,484	-16.0	4.9	4.8	-0.1
Chrysler	101	208	105.9	0.1	0.2	0.1	876	604	-31.1	0.2	0.2	0.0
Dodge	1,032	836	-19.0	1.1	0.9	-0.2	5,822	3,622	-37.8	1.3	0.9	-0.4
Ford	4,715	4,503	-4.5	5.2	4.7	-0.5	19,616	19,730	0.6	4.4	5.1	0.7
Genesis	552	523	-5.3	0.6	0.5	-0.1	1,489	1,957	31.4	0.3	0.5	0.2
GMC	674	1,088	61.4	0.7	1.1	0.4	4,185	4,257	1.7	0.9	1.1	0.2
Honda	10,706	9,257	-13.5	11.8	9.6	-2.2	56,438	35,591	-36.9	12.7	9.3	-3.4
Hyundai	3,376	3,244	-3.9	3.7	3.4	-0.3	16,072	14,059	-12.5	3.6	3.7	0.1
Infiniti	505	305	-39.6	0.6	0.3	-0.3	2,726	1,537	-43.6	0.6	0.4	-0.2
Jaguar	107	67	-37.4	0.1	0.1	0.0	694	319	-54.0	0.2	0.1	-0.1
Jeep	2,815	2,267	-19.5	3.1	2.3	-0.8	12,902	11,091	-14.0	2.9	2.9	0.0
Kia	5,508	6,071	10.2	6.1	6.3	0.2	24,473	23,862	-2.5	5.5	6.2	0.7
Land Rover	1,048	980	-6.5	1.2	1.0	-0.2	5,743	3,423	-40.4	1.3	0.9	-0.4
Lexus	4,115	3,671	-10.8	4.5	3.8	-0.7	21,697	16,132	-25.6	4.9	4.2	-0.7
Lincoln	237	208	-12.2	0.3	0.2	-0.1	1,263	900	-28.7	0.3	0.2	-0.1
Maserati	112	72	-35.7	0.1	0.1	0.0	474	409	-13.7	0.1	0.1	0.0
Mazda	1,808	1,866	3.2	2.0	1.9	-0.1	10,473	7,816	-25.4	2.3	2.0	-0.3
Mercedes	3,807	5,036	32.3	4.2	5.2	1.0	21,416	20,436	-4.6	4.8	5.3	0.5
MINI	272	418	53.7	0.3	0.4	0.1	1,848	1,683	-8.9	0.4	0.4	0.0
Mitsubishi	276	211	-23.6	0.3	0.2	-0.1	1,090	1,056	-3.1	0.2	0.3	0.1
Nissan	3,913	3,477	-11.1	4.3	3.6	-0.7	17,568	14,500	-17.5	3.9	3.8	-0.1
Other	223	282	26.5	0.2	0.3	0.1	1,263	1,247	-1.3	0.3	0.3	0.0
Polestar	138	154	11.6	0.2	0.2	0.0	285	729	155.8	0.1	0.2	0.1
Porsche	1,082	898	-17.0	1.2	0.9	-0.3	5,359	4,458	-16.8	1.2	1.2	0.0
Ram	1,397	1,059	-24.2	1.5	1.1	-0.4	6,558	4,947	-24.6	1.5	1.3	-0.2
Rivian	24	244	916.7	0.0	0.3	0.3	24	677	2725.0	0.0	0.2	0.2
Subaru	2,462	3,266	32.7	2.7	3.4	0.7	13,554	13,463	-0.7	3.0	3.5	0.5
Tesla	10,218	14,188	38.9	11.3	14.7	3.4	31,733	47,598	50.0	7.1	12.4	5.3
Toyota	13,389	15,967	19.3	14.8	16.5	1.7	76,672	63,267	-17.5	17.2	16.5	-0.7
Volkswagen	2,598	2,063	-20.6	2.9	2.1	-0.8	11,651	8,432	-27.6	2.6	2.2	-0.4
Volvo	870	708	-18.6	1.0	0.7	-0.3	4,379	2,993	-31.7	1.0	0.8	-0.2

Data sourced from Experian Automotive.

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