

# California Auto Outlook™

Comprehensive information on the California vehicle market

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Covering Fourth Quarter 2018

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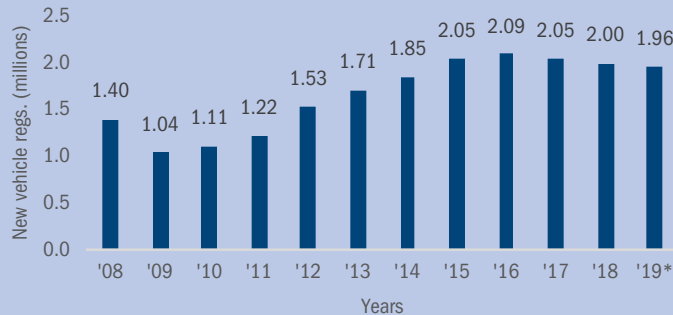


## New Vehicle Registrations Remained Above 2 million Units in 2018

### ANNUAL TRENDS



California Annual New Light Vehicle Registrations - 2008 thru 2019



Historical data source: IHS

\*2019 forecast by Auto Outlook.

New vehicle registrations in California remained above the 2 million unit mark in 2018.

The state's new vehicle market is predicted to decline 2 percent from 2018 to 2019, which would be the third consecutive annual decline.

Although the market is sliding lower, new vehicle registrations are well above average, based on historical standards.

California and U.S. Total New Light Vehicle Registrations - YTD thru September

	California			U.S.		
	2017	2018	Change	2017	2018	Change
<b>Registrations</b>						
TOTAL	2,047,809	2,001,995	-2.2%	17,147,729	17,110,889	-0.2%
Car	996,425	896,500	-10.0%	6,135,336	5,335,684	-13.0%
Light Truck	1,051,384	1,105,495	5.1%	11,012,393	11,775,205	6.9%
Domestic	576,236	619,668	7.5%	7,569,340	7,647,813	1.0%
European	317,928	309,407	-2.7%	1,576,038	1,587,841	0.7%
Japanese	1,008,937	946,125	-6.2%	6,724,131	6,619,213	-1.6%
Korean	144,708	126,795	-12.4%	1,278,220	1,256,022	-1.7%
<b>Market Share</b>						
Car	48.7	44.8	-3.9	35.8	31.2	-4.6
Light Truck	51.3	55.2	3.9	64.2	68.8	4.6
Domestic	28.1	31.0	2.9	44.1	44.7	0.6
European	15.5	15.5	0.0	9.2	9.3	0.1
Japanese	49.3	47.3	-2.0	39.2	38.7	-0.5
Korean	7.1	6.3	-0.8	7.5	7.3	-0.2

Source: IHS

California new light vehicle market declined 2.2 percent last year, while the U.S. market was off a slim 0.2 percent.

Light truck registrations in the state increased 5.1 percent, while passenger cars fell 10 percent.

Passenger car market share in California was 44.8 percent vs. 31.2 percent in the Nation.

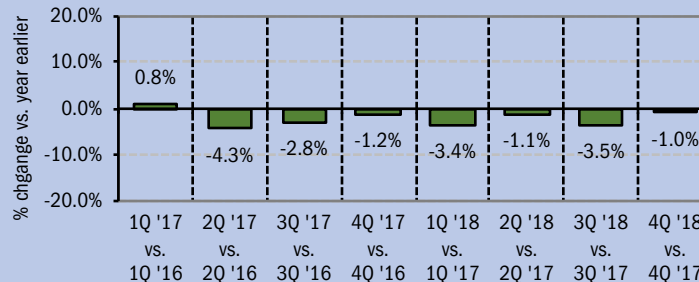
### TWO YEAR PERSPECTIVE



### QUARTERLY RESULTS



California Quarterly New Light Vehicle Registrations  
Percent Change vs. Year Earlier



Source: IHS

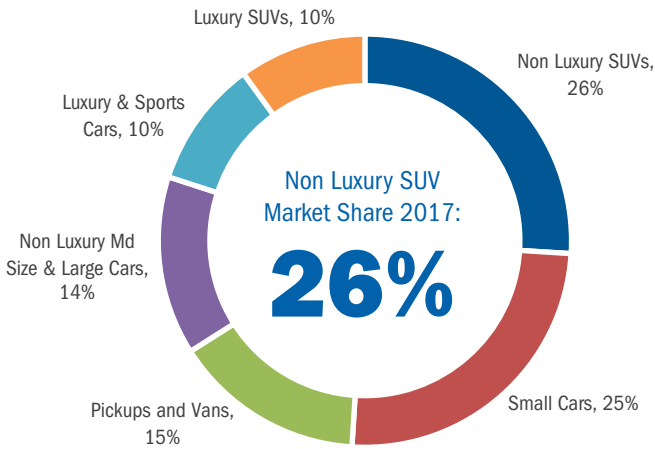
The California new vehicle market fell by a slim 1 percent in the Fourth Quarter of 2018, an improvement from the 3.5 percent drop in the Third Quarter.

As shown on the graph, the market is posting mild declines, following several years of big increases.

SEGMENT MARKET SHARE TRENDS

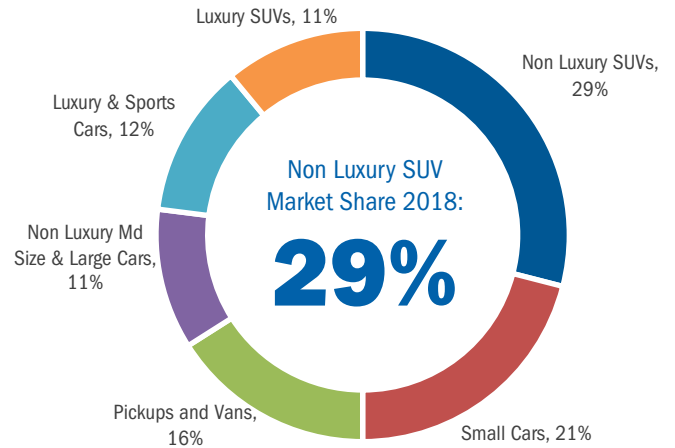
### Small Car Market Share in California Falls to 21 Percent

**Segment Market Shares in California 2017**



Source: IHS.

**Segment Market Shares in California 2018**



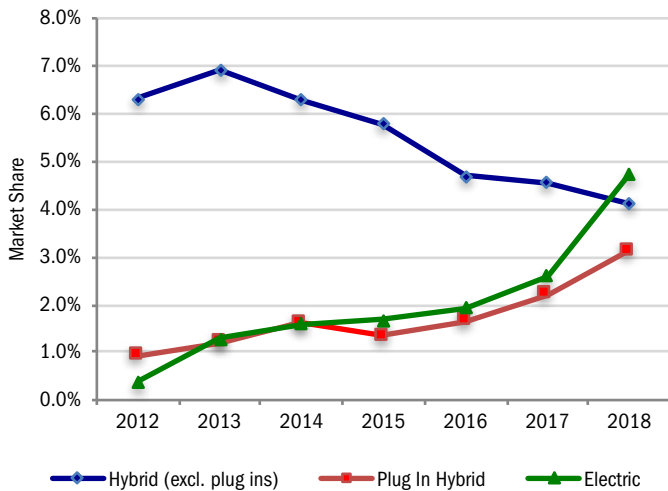
Source: IHS.

The two graphs above show market shares for primary segments during 2017 and 2018.

HYBRID AND ELECTRIC VEHICLES

### Electric Vehicle Registrations Increased Sharply in 2018

**Hybrid and Electric Vehicle Market Share**



Source: IHS



Hybrid/electric vehicle market share, 2018: **12.0 percent**

Hybrid and Electric New Vehicle Registrations and Market Share					
	2014	2015	2016	2017	2018
Hybrid regs.(excl. plug ins)	116217	118981	98083	93338	82352
Hybrid share(excl. plug ins)	6.3%	5.8%	4.7%	4.6%	4.1%
Plug in hybrid regs.	29949	27740	34727	45040	62846
Plug in hybrid share	1.6%	1.4%	1.7%	2.2%	3.1%
Electric regs.	29536	34477	40347	53500	94813
Electric share	1.6%	1.7%	1.9%	2.6%	4.7%

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MODEL RANKINGS

# Honda Civic Is Best Selling Model in California Market; Toyota Camry is Second

The table below shows the top five selling models during the 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
- Mid Size Car: Toyota Camry
- Near Luxury Car: Tesla Model 3
- Luxury Car: Mercedes E-Class
- Full Size Pickup: Ford F-Series
- Compact SUV: Toyota RAV4
- Mid Size SUV: Toyota Highlander
- Luxury Mid Size SUV: Lexus RX

**Top Selling Models in Each Segment - New Light Vehicle Registrations (2018 Annual Totals)**

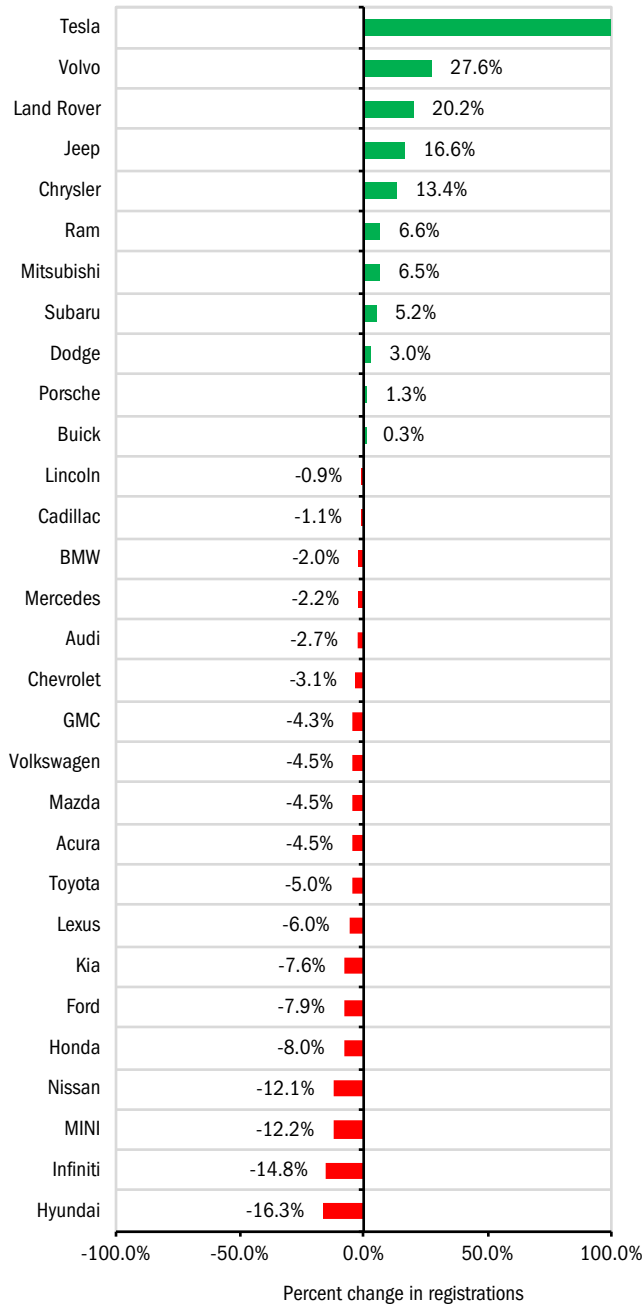
Cars											
Subcompact			Compact			Sports/Pony Cars			Mid Size		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Nissan Versa	10037	15.8	Honda Civic	80190	24.9	Ford Mustang	10238	32.5	Toyota Camry	61553	27.8
Chevrolet Bolt	9745	15.3	Toyota Corolla	48180	14.9	Dodge Challenger	8548	27.1	Honda Accord	59591	27.0
Kia Soul	9478	14.9	Toyota Prius	32781	10.2	Chevrolet Camaro	6261	19.9	Ford Fusion	20871	9.4
Honda Fit	6849	10.8	Nissan Sentra	30469	9.4	Mazda MX5	1507	4.8	Nissan Altima	18203	8.2
Toyota Yaris	5752	9.0	Hyundai Elantra	18906	5.9	Hyundai Veloster	1394	4.4	Kia Optima	15239	6.9
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	9201	33.8	Mercedes CLA-Class	6310	30.7	Tesla Model 3	51293	35.7	Mercedes E-Class	11356	17.1
Chrysler 300	5652	20.8	Audi A3	5803	28.2	Mercedes C-Class	17065	11.9	BMW 5-Series	11289	17.0
Toyota Avalon	4103	15.1	BMW I3	3988	19.4	BMW 3-Series	13026	9.1	Tesla Model S	10120	15.2
Nissan Maxima	2746	10.1	Acura ILX	2195	10.7	Lexus ES	10400	7.2	Mercedes S-Class	4106	6.2
Chevrolet Impala	2639	9.7	BMW 2-Series	2135	10.4	BMW 4-Series	7626	5.3	Porsche 911	2360	3.5
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	44334	63.5	Ford F Series	54761	34.0	Honda Odyssey	14385	32.8	Ford Transit Connect Van	14948	40.9
Chevrolet Colorado	12004	17.2	Chevrolet Silverado	41399	25.7	Toyota Sienna	13001	29.7	Mercedes Sprinter	4691	12.8
Nissan Frontier /Xe	6349	9.1	Ram Pickup	34945	21.7	Chrysler Pacifica	8773	20.0	Ram Promaster	4494	12.3
GMC Canyon	3928	5.6	Toyota Tundra	13485	8.4	Dodge Caravan	6073	13.9	Nissan NV	4320	11.8
Honda Ridgeline	2962	4.2	GMC Sierra	13460	8.4	Kia Sedona	1557	3.6	Chevrolet Express	3926	10.7
Subcompact SUV			Compact SUV			Mid Size SUV			Large SUV		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Toyota C-HR	11786	19.4	Toyota RAV4	51815	17.7	Toyota Highlander	25831	12.9	Chevrolet Tahoe	8163	31.4
Honda HR-V	10659	17.5	Honda CR-V	41309	14.1	Ford Explorer	24651	12.4	Chevrolet Suburban	3727	14.3
Kia Niro	7104	11.7	Nissan Rogue	30594	10.4	Subaru Outback	21088	10.6	GMC Yukon	3452	13.3
Jeep Renegade	5995	9.9	Mazda CX-5	22680	7.7	Honda Pilot	18594	9.3	Ford Expedition	3043	11.7
Buick Encore	4393	7.2	Jeep Wrangler	21354	7.3	Jeep Grand Cherokee	16457	8.2	Ford Flex	2680	10.3
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	6940	32.7	Lexus NX	15072	17.7	Lexus RX	21516	23.3	Land Rover Range Rover	4097	25.5
Mercedes GLA-Class	5109	24.1	Mercedes GLC-Class	14712	17.3	Tesla Model X	8925	9.6	Cadillac Escalade	3916	24.4
Audi Q3	3489	16.4	Audi Q5	11975	14.0	Mercedes GLE-Class	8830	9.5	Mercedes GLS-Class	3225	20.1
BMW X2	2454	11.6	Acura RDX	9056	10.6	BMW X5	8584	9.3	Lincoln Navigator	1619	10.1
Volvo XC40	1435	6.8	BMW X3	8890	10.4	Acura MDX	7289	7.9	Mercedes G-Class	1098	6.8

Source: IHS

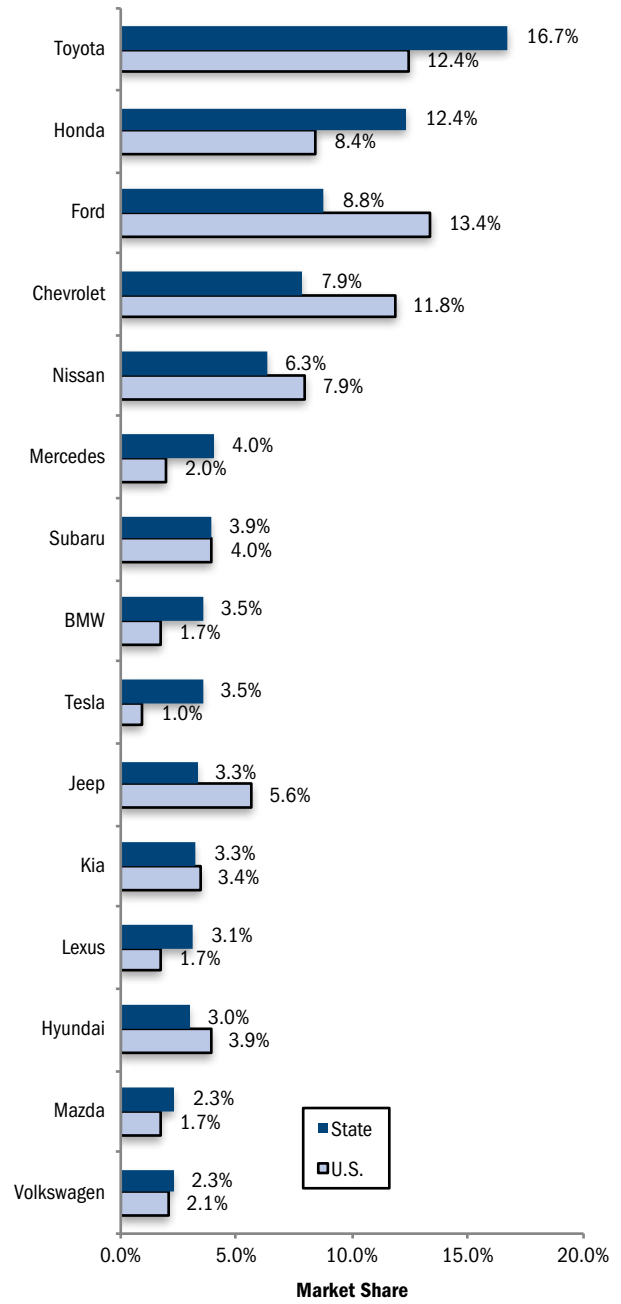
BRAND SUMMARY

# Registrations Increased for 11 Brands in 2018; Toyota is Market Leader

**Percent Change in Brand Registrations - 2018 vs. 2017  
(Top 30 selling brands in state)**



**California and U.S. Market Share - 2018  
(Top 15 selling brands in state)**



**Registrations increased by more than 13 percent for Tesla, Volvo Land Rover, Jeep, and Chrysler**

Note: Tesla registrations increased 258% in 2018.



**Toyota, Honda, Ford, Chevrolet, and Nissan were market share leaders in California**

BRAND REGISTRATIONS

Detailed Results for All Brands in California Market

California New Car and Light Truck Registrations											
	Fourth Quarter 2017 and 2018				Annual Totals				Annual Market Share		
	California			U.S.	California			U.S.	California		
	4Q '17	4Q '18	% chg.	% chg.	2017	2018	% chg.	% chg.	2017	2018	Chg.
TOTAL	502,470	497,686	-1.0%	-1.0%	2,047,809	2,001,995	-2.2%	-0.2%			
Acura	6,394	6,279	-1.8%	6.5%	24,333	23,231	-4.5%	1.7%	1.2	1.2	0.0
Alfa Romeo	895	1,161	29.7%	26.6%	2,171	5,024	131.4%	114.3%	0.1	0.3	0.2
Audi	12,086	10,770	-10.9%	-17.2%	43,688	42,493	-2.7%	-3.2%	2.1	2.1	0.0
BMW	21,251	20,497	-3.5%	-4.0%	72,226	70,747	-2.0%	-2.2%	3.5	3.5	0.0
Buick	2,887	2,972	2.9%	-17.3%	9,261	9,293	0.3%	-9.0%	0.5	0.5	0.0
Cadillac	3,171	3,613	13.9%	-6.3%	11,753	11,621	-1.1%	-3.6%	0.6	0.6	0.0
Chevrolet	41,891	39,787	-5.0%	-5.4%	162,150	157,160	-3.1%	-2.6%	7.9	7.9	0.0
Chrysler	2,857	3,368	17.9%	-16.6%	12,744	14,446	13.4%	-12.0%	0.6	0.7	0.1
Dodge	6,772	7,353	8.6%	15.0%	32,582	33,557	3.0%	0.3%	1.6	1.7	0.1
FIAT	1,384	646	-53.3%	-38.2%	8,174	2,792	-65.8%	-40.2%	0.4	0.1	-0.3
Ford	42,467	41,746	-1.7%	-7.1%	191,499	176,315	-7.9%	-3.7%	9.4	8.8	-0.6
Genesis	801	185	-76.9%	-63.1%	3,070	2,091	-31.9%	-35.2%	0.1	0.1	0.0
GMC	10,389	10,176	-2.1%	3.2%	36,013	34,447	-4.3%	-0.9%	1.8	1.7	-0.1
Honda	65,081	58,561	-10.0%	-5.7%	269,180	247,635	-8.0%	-2.9%	13.1	12.4	-0.7
Hyundai	15,136	13,862	-8.4%	2.1%	71,109	59,544	-16.3%	-0.9%	3.5	3.0	-0.5
Infiniti	5,542	5,041	-9.0%	6.5%	21,951	18,699	-14.8%	-3.7%	1.1	0.9	-0.2
Jaguar	1,821	1,293	-29.0%	-11.7%	7,979	5,221	-34.6%	-21.3%	0.4	0.3	-0.1
Jeep	13,128	15,225	16.0%	10.8%	56,399	65,740	16.6%	16.1%	2.8	3.3	0.5
Kia	15,912	14,652	-7.9%	0.2%	70,529	65,160	-7.6%	-1.6%	3.4	3.3	-0.1
Land Rover	3,673	4,810	31.0%	32.6%	14,760	17,748	20.2%	25.2%	0.7	0.9	0.2
Lexus	17,899	17,114	-4.4%	-2.6%	66,560	62,570	-6.0%	-3.7%	3.3	3.1	-0.2
Lincoln	1,598	1,676	4.9%	-0.3%	6,879	6,816	-0.9%	-6.8%	0.3	0.3	0.0
Maserati	862	588	-31.8%	-22.5%	3,315	2,396	-27.7%	-14.3%	0.2	0.1	-0.1
Mazda	10,986	10,949	-0.3%	-8.4%	48,889	46,683	-4.5%	2.7%	2.4	2.3	-0.1
Mercedes	23,930	22,254	-7.0%	-6.8%	82,083	80,262	-2.2%	-5.7%	4.0	4.0	0.0
MINI	2,379	2,085	-12.4%	-10.9%	10,185	8,941	-12.2%	-6.9%	0.5	0.4	-0.1
Mitsubishi	1,845	1,614	-12.5%	-2.5%	7,636	8,135	6.5%	14.3%	0.4	0.4	0.0
Nissan	30,800	26,591	-13.7%	-11.4%	143,604	126,229	-12.1%	-5.4%	7.0	6.3	-0.7
Other	941	1,052	11.8%	0.5%	3,896	3,763	-3.4%	-10.8%	0.2	0.2	0.0
Porsche	3,558	3,476	-2.3%	0.2%	13,302	13,469	1.3%	-1.0%	0.6	0.7	0.1
Ram	9,618	11,355	18.1%	32.4%	36,994	39,439	6.6%	5.4%	1.8	2.0	0.2
Subaru	18,250	19,298	5.7%	4.4%	73,943	77,799	5.2%	4.4%	3.6	3.9	0.3
Tesla	6,003	25,969	332.6%	410.9%	19,598	70,338	258.9%	256.0%	1.0	3.5	2.5
Toyota	85,047	77,231	-9.2%	-2.0%	352,567	334,915	-5.0%	-1.0%	17.2	16.7	-0.5
Volkswagen	12,040	11,607	-3.6%	1.3%	47,335	45,219	-4.5%	7.7%	2.3	2.3	0.0
Volvo	3,176	2,830	-10.9%	-7.9%	9,452	12,057	27.6%	20.0%	0.5	0.6	0.1

The table above shows new retail light vehicle (car and light truck) registrations in California. 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. Source: IHS Markit.

California Auto Outlook

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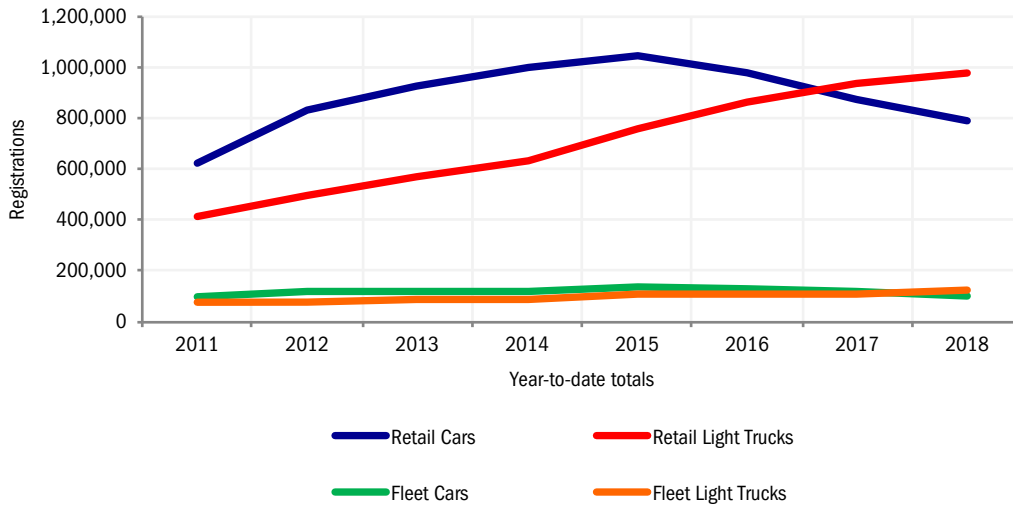
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BREAKDOWN OF RETAIL AND FLEET MARKETS

### Retail Light Truck Registrations Approached One Million Units in 2018

California New Car and Light Truck Retail and Fleet Registrations - 2011 thru 2018



Data Source: IHS .



**PERCENT CHANGE:**  
2018 vs. 2017

- Retail cars: **DOWN 9.7%**
- Retail light trucks: **UP 4.2%**
- Fleet cars: **DOWN 10.0%**
- Fleet light trucks: **UP 5.1%**

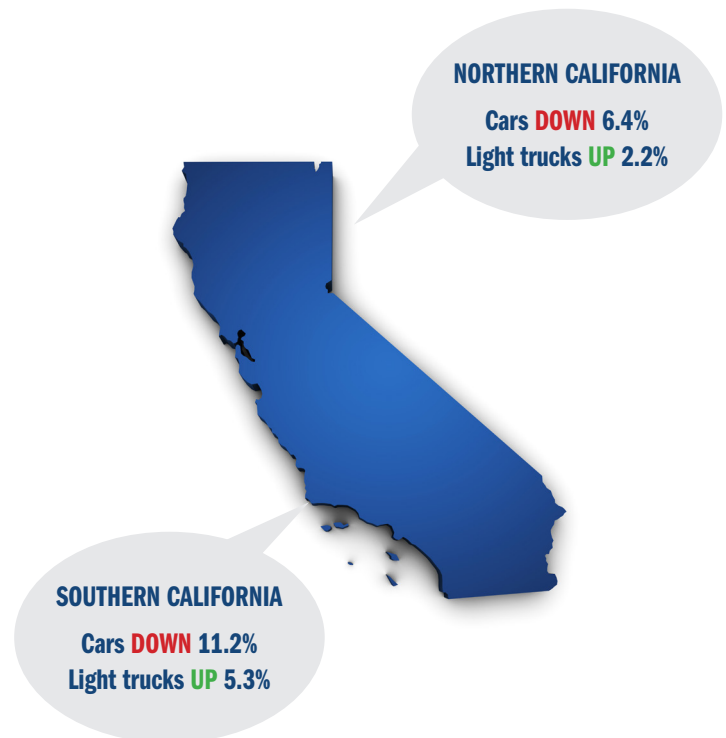
REGIONAL MARKETS IN CALIFORNIA

### San Francisco Bay Market Declined by Less Than One Percent in 2018

New Retail Light Vehicle Registrations (excluding fleets) Annual			
North and South California	2017	2018	% chg.
Statewide Total	1,818,273	1,772,680	-2.5%
Cars	878,312	793,544	-9.7%
Light Trucks	939,961	979,136	4.2%
Northern California	625,240	615,027	-1.6%
Cars	279,354	261,387	-6.4%
Light Trucks	345,886	353,640	2.2%
Southern California	1,193,033	1,157,653	-3.0%
Cars	598,958	532,157	-11.2%
Light Trucks	594,075	625,496	5.3%
Selected Regional Markets			
San Francisco Bay	355,311	352,964	-0.7%
Cars	169,330	162,825	-3.8%
Light Trucks	185,981	190,139	2.2%
LA and Orange Counties	713,056	695,116	-2.5%
Cars	373,012	332,358	-10.9%
Light Trucks	340,044	362,758	6.7%
San Diego County	157,070	150,100	-4.4%
Cars	71,891	63,555	-11.6%
Light Trucks	85,179	86,545	1.6%

Data Source: IHS .

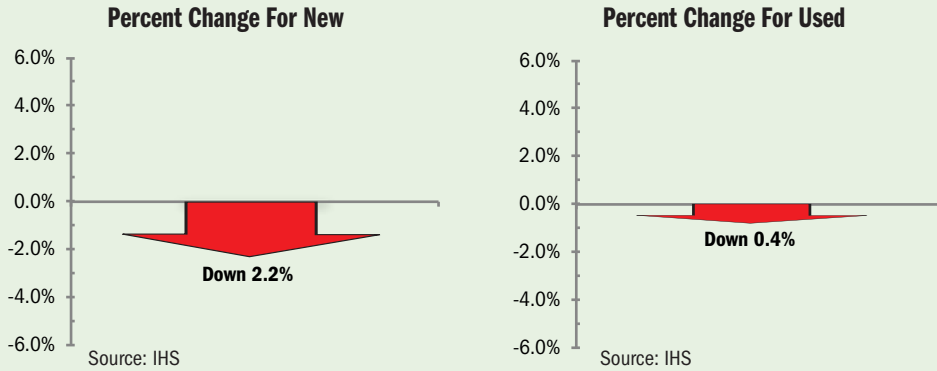
### Percent Change in New Retail Registrations - 2018 vs. 2017



TRACKING THE CALIFORNIA USED VEHICLE MARKET

# Used Vehicle Market Holds Steady in 2018

Comparison of California New and Used Vehicle Markets - Percent change in registrations (2018 vs. 2017)



California Used Light Vehicle Registrations - Annual Totals					
	Registrations		% Change '17 TO '18	Market Share	
	2017	2018		2017	2018
TOTAL	3,735,975	3,722,856	-0.4%		
Cars	2,208,534	2,171,504	-1.7%	59.1%	58.3%
Light Trucks	1,527,441	1,551,352	1.6%	40.9%	41.7%
Domestic	1,360,323	1,310,959	-3.6%	36.4%	35.2%
European	504,431	524,990	4.1%	13.5%	14.1%
Japanese	1,704,789	1,712,407	0.4%	45.6%	46.0%
Korean	166,432	174,500	4.8%	4.5%	4.7%

Source: IHS

## 5 KEY TRENDS IN USED MARKET

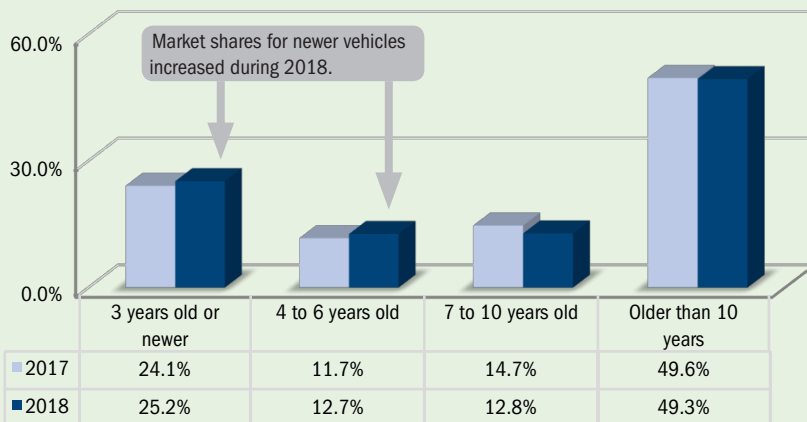


01. Used light vehicle registrations in the state fell by 0.4 percent from 2017 to 2018.
02. Used light truck registrations were up 1.6 percent. Cars declined by 1.7 percent.
03. Registrations for 6 year old or newer vehicles were up 5.5 in 2018 vs. 2017
04. Honda Civic had a big lead over Toyota Camry in the six year old or newer market.
05. Toyota was the brand leader in the six year old or newer market. Ford was second.

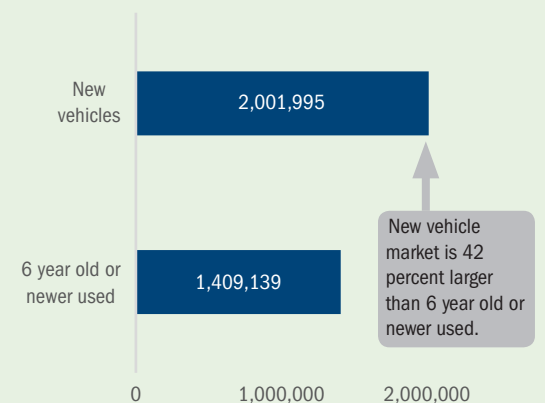
ANALYSIS OF USED VEHICLE REGISTRATIONS BY VEHICLE AGE

# Three Year Old or Newer Vehicles Accounted for 25.2 Percent of Used Vehicle Market in 2018

Used Vehicle Market Share by Age of Vehicle 2017 and 2018



6 Year Old or Newer Used and New Vehicle Registrations 2018

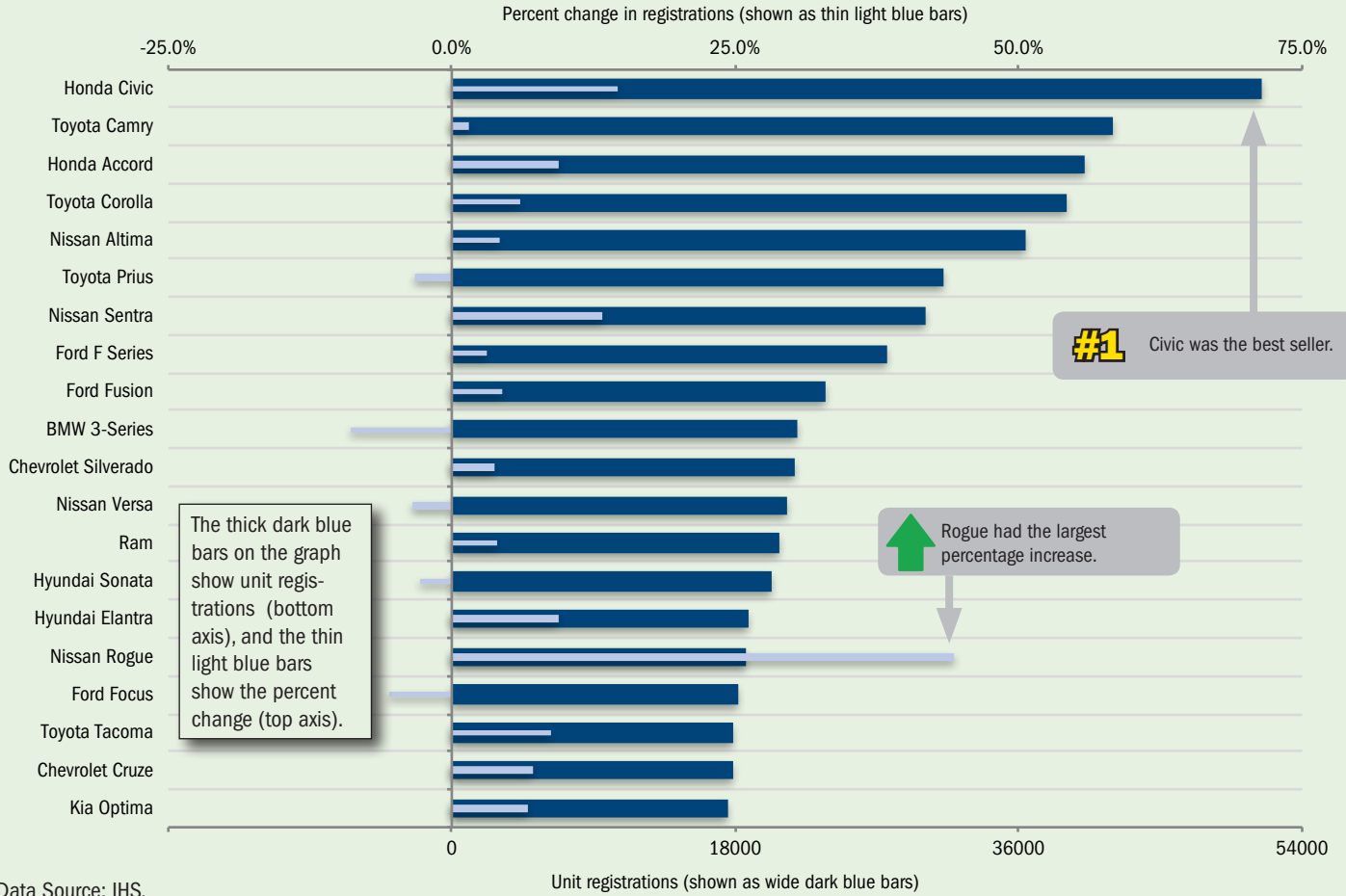


Data Source: IHS .

TOP SELLING USED VEHICLES

**Civic is Best-Seller in State Used Vehicle Market; Rogue Had Largest Percentage Gain in 2018**

Registrations (2018) and Percent Change in registrations (2018 vs. 2017)  
Top 20 Selling Models (6 years old or newer)



TOP SELLING BRANDS

**Toyota and Ford Used Vehicle Market Shares Exceed 10 Percent**

Top 15 Selling Brands in California Used Vehicle Market (vehicles 6 years old or newer)  
2018

