

Los Angeles Auto Outlook



Comprehensive information on the LA County new vehicle market

FORECAST

County New Vehicle Market Increases Again in 2016

Market predicted to remain strong in 2017

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

County new retail light vehicle registrations approached 540,000 units in 2016

As shown on page three, the county new vehicle market has fully recovered from the low point in 2009. Registrations in 2015, 2016, and 2017 should exceed '09 levels by more than 180,000 units.

New vehicle sales likely to soften in 2017

As mentioned in the previous release of Auto Outlook, there are many uncertainties related to the forecast for this year, but the basic outlook has not changed. Registrations are likely to drift lower, but should remain strong based on historical standards.

Trucks grab a larger share of county market

Light truck market share increased from 35.5% in 2015 to 39.7% in 2016.

Alternative powertrain market declines

County registrations of hybrid and electric cars and trucks declined 25% from 2015 to 2016, while the overall market improved 3.2%.

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

Toyota was the best selling brand last year, with a 17.3% share. Honda's county share was 14.9%, well above its 8.4% share in the U.S.

Jaguar, Tesla, Volvo, Land Rover, Buick, Lincoln, Subaru, and Chevrolet gained a lot of ground during past year

New retail registrations for each of these eight brands were up more than 15% from 2015 to 2016.

Honda Civic best-selling car in county market; CR-V is light truck leader

Honda Accord and Toyota Corolla were ranked second and third behind Civic in the car market, while Toyota RAV4 and Chevrolet Silverado trailed the CR-V.

Small SUVs account for 12% of market

Combined market share for Subcompact and Compact SUVs increased to 12% in 2016, but Small Cars were still dominant in the county market. Small Car market share was 28.9%.

Percent Change in County Light Truck and Car Registrations 2016 vs. 2015

Light Trucks (Pickups, SUVs, and Vans)



UP
15.5%

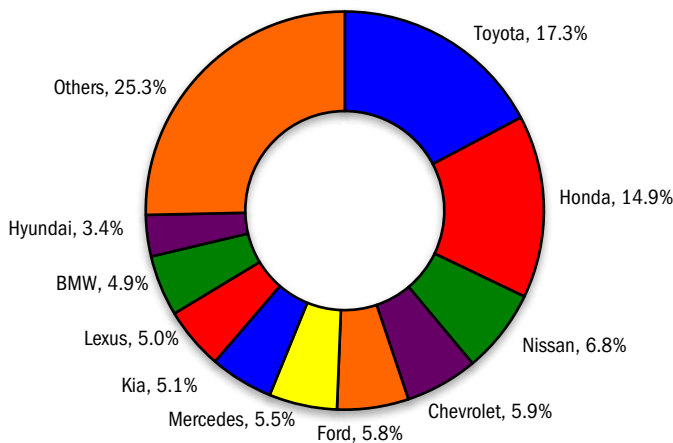
Passenger Cars



DOWN
3.6%

Source: AutoCount data from Experian Automotive..

County Brand Market Share - 2016*



The graph above shows market share leaders in 2016.

Market Summary

	2015	2016	% Chg. '15 to '16	Mkt. Share 2016
TOTAL	521,310	537,968	3.2%	
Car	336,455	324,386	-3.6%	60.3%
Light Truck	184,855	213,582	15.5%	39.7%
Domestic	98,402	105,613	7.3%	19.6%
European	108,500	110,985	2.3%	20.6%
Japanese	271,275	275,620	1.6%	51.2%
Korean	43,133	45,750	6.1%	8.5%

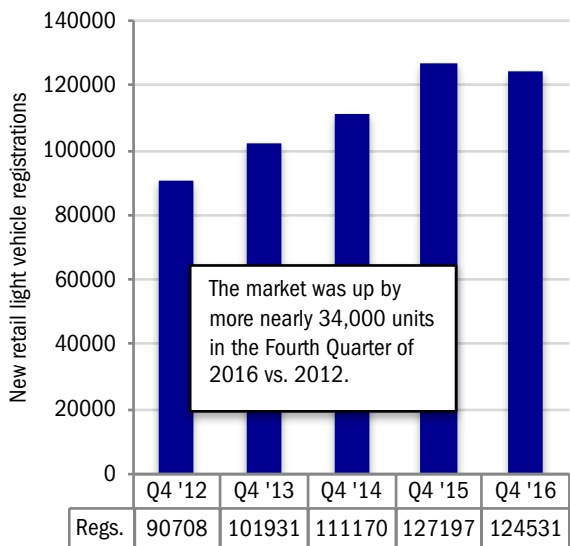
Domestic brands consist of vehicles sold by GM, Ford, Chrysler, and Tesla. Data source: AutoCount data from Experian Automotive.

MARKET TRACKER: QUARTERLY RESULTS

Market Off Slightly in 4Q '16

QUARTERLY PERSPECTIVE

Five Years of Fourth Quarter Results in County Market

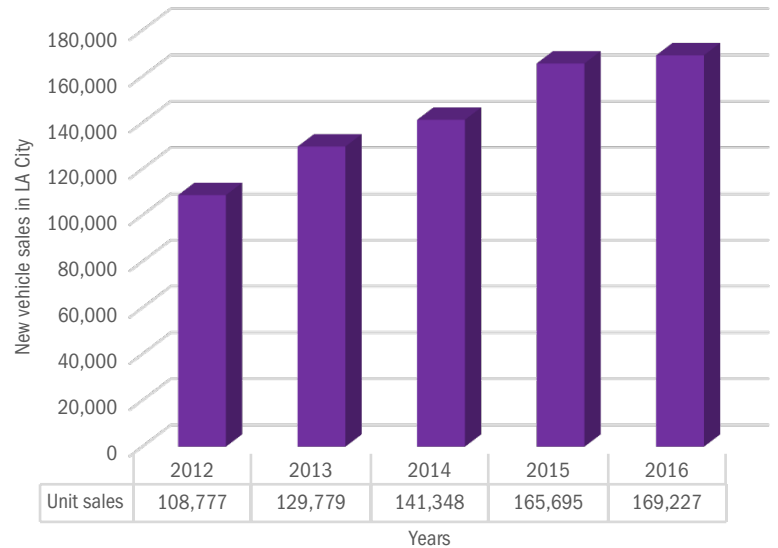


Source: AutoCount data from Experian Automotive.

ANALYSIS: NEW VEHICLE SALES IN LA CITY

Unit Sales in LA City Exceed 169,000

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 2012 through 2016. The data measures vehicles sold by dealerships located in the city of Los Angeles. Source: AutoCount data from Experian Automotive.

MARKET TRACKER: COUNTY MARKET VERSUS U.S.

County Domestic Share Trails U.S.

	County Market		U.S. Market*	
Percent change in registrations 2016 vs. 2015	3.2%		0.3%	
Passenger car market share 2016	60.3%		39.3%	
Domestic brand market share 2016	19.6%		44.8%	
Top 10 brands and market share 2016				
First	Toyota	17.3%	Ford	14.2%
Second	Honda	14.9%	Toyota	12.1%
Third	Nissan	6.8%	Chevrolet	12.0%
Fourth	Chevrolet	5.9%	Honda	8.4%
Fifth	Ford	5.8%	Nissan	8.1%
Sixth	Mercedes	5.5%	Jeep	5.3%
Seventh	Kia	5.1%	Hyundai	4.4%
Eighth	Lexus	5.0%	Kia	3.7%
Ninth	BMW	4.9%	Subaru	3.5%
Tenth	Hyundai	3.4%	Ram	3.1%

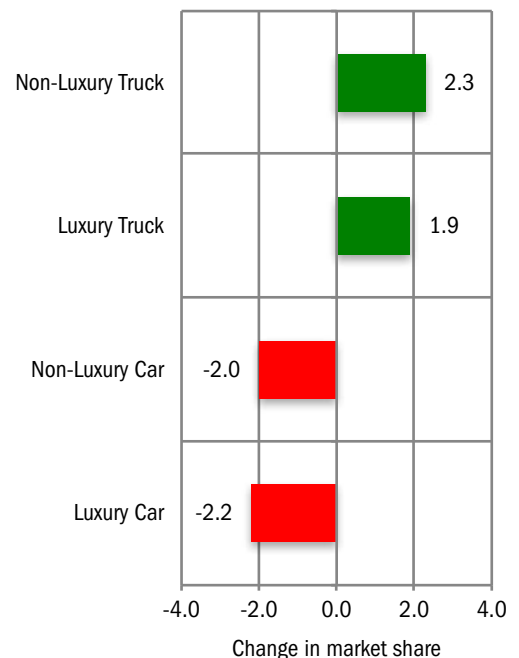
Source for LA County data: AutoCount data from Experian Automotive.

Source for U.S. market data: Automotive News. U.S. figures include fleets.

MARKET TRACKER: PRIMARY SEGMENTS

Trucks Share Up Sharply

Change in County Market Share 2016 vs. 2015



Source: AutoCount data from Experian Automotive.

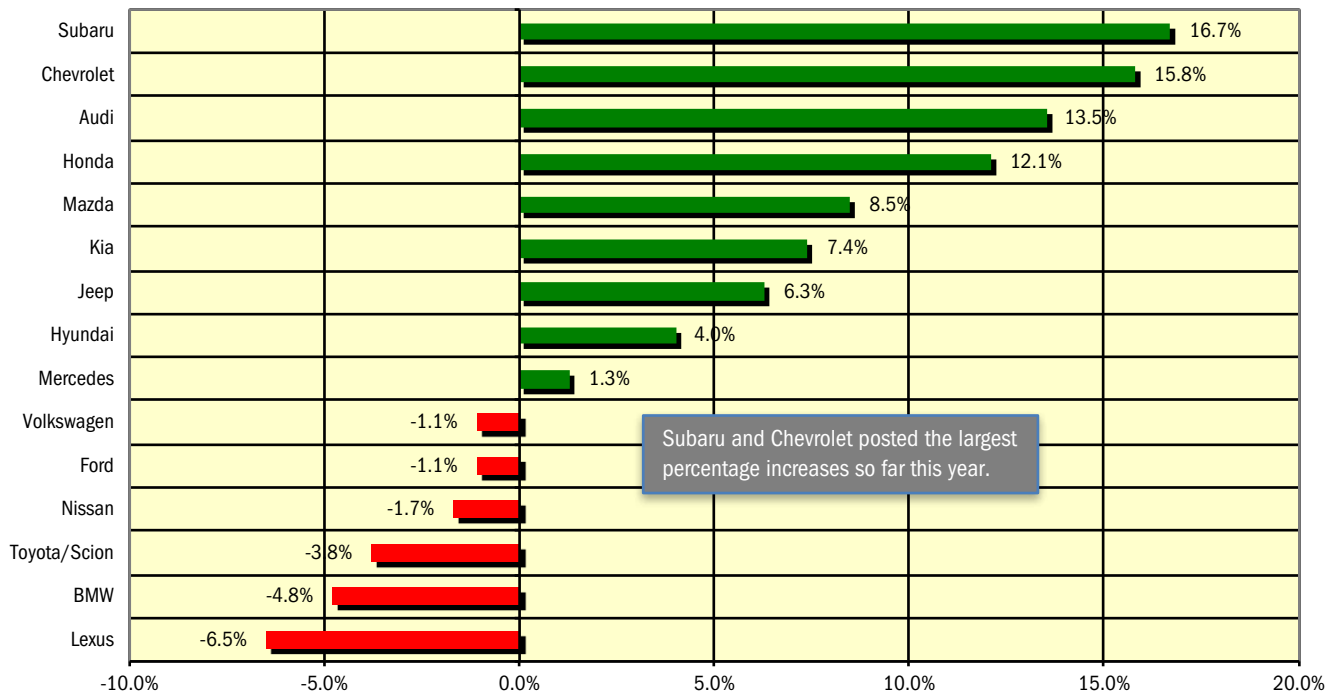
BRAND SCOREBOARD

Subaru Has Largest Percentage Gain Among Top Brands

Subaru, Chevrolet, Audi, and Honda registrations were up by more than 12% in 2016

The graph below shows the percent change in new registrations from 2015 to 2016 for the top 15 selling brands in the county. Subaru, Chevrolet, Audi, and Honda were each up by more than 12%. Source: AutoCount data from Experian Automotive.

Percent Change in New Retail Light Vehicle Registrations - 2016 vs. 2015



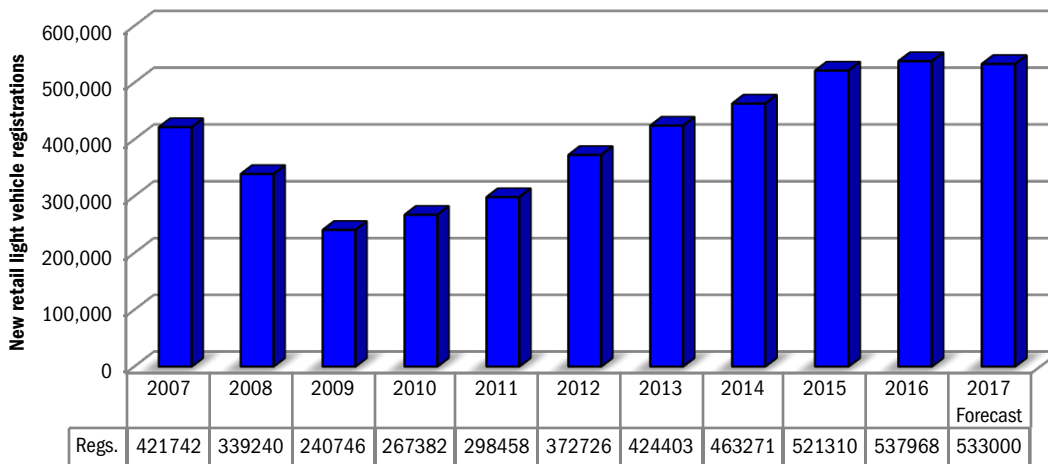
Subaru and Chevrolet posted the largest percentage increases so far this year.

LONG TERM TRENDS

New Vehicle Market Has Likely Reached Cyclical Peak

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 2016, along with Auto Outlook's forecast for 2017.

County New Retail Light Vehicle Registrations - 2007 thru 2016, 2017 Forecast



Key Trends

Between 2009 (the low point during the market downturn) and 2016, county new retail light vehicle registrations have increased by nearly 200,000 units, an increase of more than 120%.

The market has exceeded 420,000 units during each of the past four years.

Source: AutoCount data from Experian Automotive.

Years

Los Angeles County New Retail Car and Light Truck Registrations												
	December						Annual Totals					
	Registrations			Market Share (%)			Registrations			Market Share (%)		
	2015	2016	% change	2015	2016	Change	2015	2016	% change	2015	2016	Change
TOTAL	44,370	41,919	-5.5				521,310	537,968	3.2			
Cars	28,128	24,105	-14.3	63.4	57.5	-5.9	336,455	324,386	-3.6	64.5	60.3	-4.2
Light Trucks	16,242	17,814	9.7	36.6	42.5	5.9	184,855	213,582	15.5	35.5	39.7	4.2
Domestic Brands	8,343	7,829	-6.2	18.8	18.7	-0.1	98,402	105,613	7.3	18.9	19.6	0.8
European Brands	9,734	9,046	-7.1	21.9	21.6	-0.4	108,500	110,985	2.3	20.8	20.6	-0.2
Japanese Brands	22,552	21,659	-4.0	50.8	51.7	0.8	271,275	275,620	1.6	52.0	51.2	-0.8
Korean Brands	3,741	3,385	-9.5	8.4	8.1	-0.4	43,133	45,750	6.1	8.3	8.5	0.2
Acura	475	418	-12.0	1.1	1.0	-0.1	6,308	5,711	-9.5	1.2	1.1	-0.1
Audi	1,376	1,297	-5.7	3.1	3.1	0.0	13,994	15,880	13.5	2.7	3.0	0.3
BMW	2,628	1,974	-24.9	5.9	4.7	-1.2	27,940	26,594	-4.8	5.4	4.9	-0.4
Buick	180	165	-8.3	0.4	0.4	0.0	1,648	2,019	22.5	0.3	0.4	0.1
Cadillac	283	246	-13.1	0.6	0.6	-0.1	2,846	3,148	10.6	0.5	0.6	0.0
Chevrolet	2,460	2,603	5.8	5.5	6.2	0.7	27,420	31,764	15.8	5.3	5.9	0.6
Chrysler	150	160	6.7	0.3	0.4	0.0	2,458	1,636	-33.4	0.5	0.3	-0.2
Dodge	528	532	0.8	1.2	1.3	0.1	7,014	7,076	0.9	1.3	1.3	0.0
Fiat	218	317	45.4	0.5	0.8	0.3	3,367	3,404	1.1	0.6	0.6	0.0
Ford	2,571	2,058	-20.0	5.8	4.9	-0.9	31,582	31,236	-1.1	6.1	5.8	-0.3
GMC	487	405	-16.8	1.1	1.0	-0.1	5,397	5,435	0.7	1.0	1.0	0.0
Honda	5,828	6,258	7.4	13.1	14.9	1.8	71,297	79,901	12.1	13.7	14.9	1.2
Hyundai	1,388	1,417	2.1	3.1	3.4	0.3	17,364	18,064	4.0	3.3	3.4	0.0
Infiniti	784	713	-9.1	1.8	1.7	-0.1	7,794	7,464	-4.2	1.5	1.4	-0.1
Jaguar	84	199	136.9	0.2	0.5	0.3	977	1,912	95.7	0.2	0.4	0.2
Jeep	929	821	-11.6	2.1	2.0	-0.1	11,220	11,922	6.3	2.2	2.2	0.1
Kia	2,353	1,968	-16.4	5.3	4.7	-0.6	25,769	27,686	7.4	4.9	5.1	0.2
Land Rover	395	378	-4.3	0.9	0.9	0.0	4,066	5,237	28.8	0.8	1.0	0.2
Lexus	2,889	2,651	-8.2	6.5	6.3	-0.2	29,029	27,144	-6.5	5.6	5.0	-0.5
Lincoln	164	170	3.7	0.4	0.4	0.0	1,828	2,184	19.5	0.4	0.4	0.1
Maserati	158	144	-8.9	0.4	0.3	0.0	1,829	1,456	-20.4	0.4	0.3	-0.1
Mazda	821	778	-5.2	1.9	1.9	0.0	10,200	11,067	8.5	2.0	2.1	0.1
Mercedes	2,837	2,501	-11.8	6.4	6.0	-0.4	29,381	29,749	1.3	5.6	5.5	-0.1
MINI	280	218	-22.1	0.6	0.5	-0.1	4,578	3,802	-17.0	0.9	0.7	-0.2
Mitsubishi	134	128	-4.5	0.3	0.3	0.0	1,669	1,786	7.0	0.3	0.3	0.0
Nissan	2,931	2,504	-14.6	6.6	6.0	-0.6	37,257	36,632	-1.7	7.1	6.8	-0.3
Porsche	375	405	8.0	0.8	1.0	0.1	4,261	4,357	2.3	0.8	0.8	0.0
Ram	326	409	25.5	0.7	1.0	0.2	4,164	4,732	13.6	0.8	0.9	0.1
smart	27	20	-25.9	0.1	0.0	0.0	413	245	-40.7	0.1	0.0	0.0
Subaru	987	1,041	5.5	2.2	2.5	0.3	11,204	13,070	16.7	2.1	2.4	0.3
Tesla	265	260	-1.9	0.6	0.6	0.0	2,825	4,448	57.5	0.5	0.8	0.3
Toyota/Scion	7,703	7,168	-6.9	17.4	17.1	-0.3	96,517	92,844	-3.8	18.5	17.3	-1.3
Volkswagen	1,101	1,328	20.6	2.5	3.2	0.7	14,982	14,812	-1.1	2.9	2.8	-0.1
Volvo	168	191	13.7	0.4	0.5	0.1	1,696	2,593	52.9	0.3	0.5	0.2
Other	87	74	-14.9	0.2	0.2	0.0	1,016	958	-5.7	0.2	0.2	0.0

Source: AutoCount data from Experian Automotive

Top ten brands are shaded green.

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