

Los Angeles Auto Outlook



Comprehensive information on the LA County new vehicle market

FORECAST

County New Vehicle Registrations Should Remain Strong in 2019

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 508,000 units in 2018

The new vehicle market declined last year, but sales remained at elevated levels. 2018 marked the fifth consecutive year that new registrations exceeded 470,000 units, which is well above average for the county market.

New vehicle sales likely to soften in 2019

There are a few signs pointing to a market slowdown. GDP growth appears to be easing while there are increasing concerns about financial market stability and the prospects for global growth. But the strong labor market combined with a steady stream of impressive new products, should limit declines over the next 18 months.

Trucks grab a larger share of County market

Light truck market share increased from 32.5% in 2012 to 50.8% in 2018.

Alternative powertrain market improves

County registrations of hybrid and electric cars and trucks increased 14% during the first 11 months of 2018, while the overall market declined 2.8% for the entire year.

Toyota, Honda, Chevrolet, Nissan, and Mercedes are leaders in County market

Toyota was the best selling brand last year, with a 17.2% share. Honda's county share was 14.1%, well above its 10.0% share in the U.S.

Tesla, Alfa Romeo, Volvo, Land Rover, Jeep, and Subaru posted gains

New retail registrations for each of these six brands were up more than 7% from 2017 to 2018.

Honda Civic best-selling car in county market; Toyota RAV4 is light truck leader

Toyota Camry and Honda Accord 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 27% of market

Market share for Non Luxury SUVs increased to 27% during the first eleven months of last year. Mid Size and Large Car market share has fallen by more than five points during the past five years.

Percent Change in County Light Truck and Car Registrations 2018* vs. 2017

Light Trucks (Pickups, SUVs, and Vans)



UP
7.1%

Passenger Cars

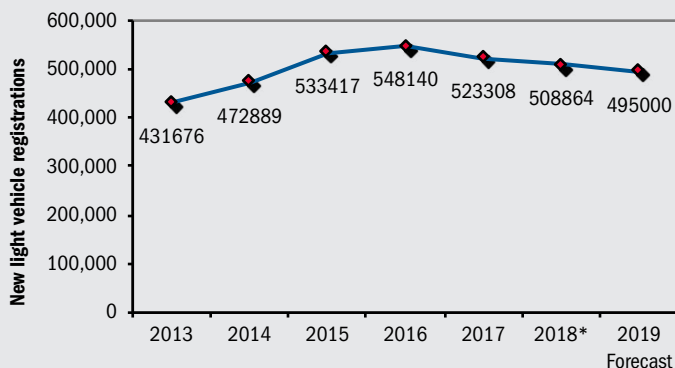


DOWN
11.2%

Source: IHS.

*Dec. 18 estimated.

Annual Trend in County Market



Historical Data Source: IHS.

Market Summary

	2017 Annual	2018* Annual	% Chg. '17 to '18	Mkt. Share 2018*
TOTAL	523,308	508,864	-2.8%	
Car	282,140	250,568	-11.2%	49.2%
Light Truck	241,168	258,296	7.1%	50.8%
Domestic	109,756	116,750	6.4%	22.9%
European	109,611	105,126	-4.1%	20.7%
Japanese	264,569	251,444	-5.0%	49.4%
Korean	39,372	35,544	-9.7%	7.0%

Source: IHS.

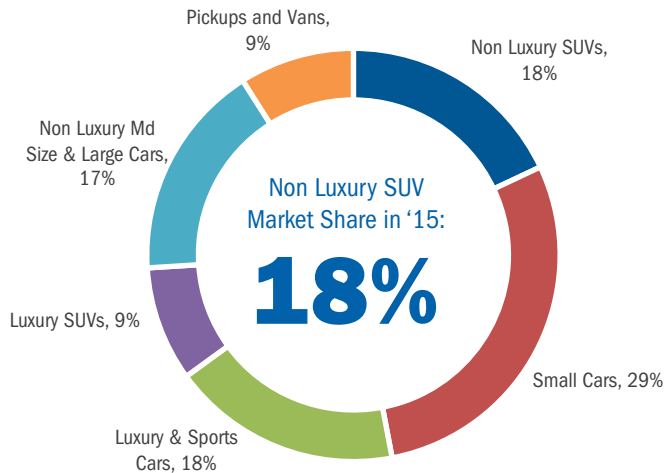
The graph above shows annual new retail light vehicle registrations in the county from 2013 thru 2018 and Auto Outlook's projection for 2019.

Domestics consist of vehicles sold by GM, Ford, FCA (excluding Alfa and FIAT), and Tesla. *Figures for Dec. '18 were estimated by Auto Outlook.

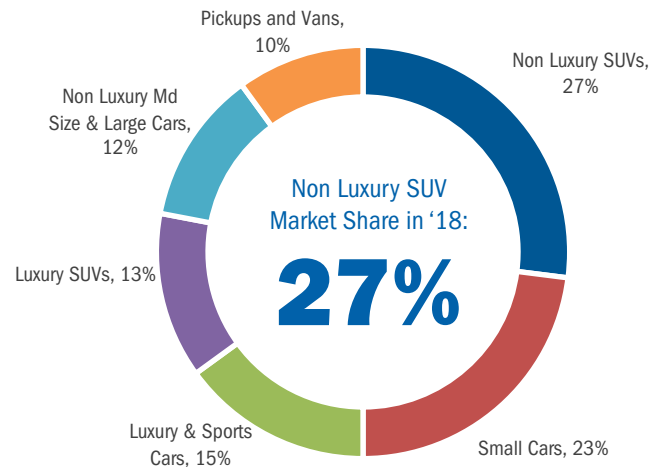
MARKET TRACKER: THREE YEAR SEGMENT SHARES

Non Luxury SUV Market Share Hits 27%

Segment Market Shares - YTD '15 thru Nov.



Segment Market Shares - YTD '18 thru Nov.



Source: IHS

The two graphs above show market shares for primary segments during the first 11 months of 2015 and 2018.

MARKET TRACKER: COUNTY MARKET VERSUS U.S.

County Market Fell a Slim 2.8% in '18

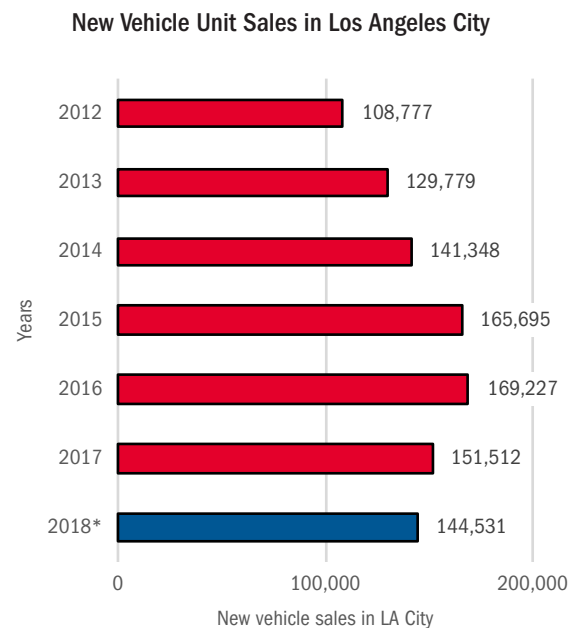
	County Market		U.S. Market	
Percent change in registrations 2018* vs. 2017	-2.8%		-0.8%	
Passenger car market share 2018*	49.2%		30.8%	
Domestic brand market share 2018*	22.9%		42.0%	
Top 10 brands and market share 2018*				
First	Toyota	17.2%	Toyota	13.4%
Second	Honda	14.1%	Ford	11.6%
Third	Chevrolet	6.5%	Chevrolet	11.0%
Fourth	Nissan	5.5%	Honda	10.0%
Fifth	Mercedes	5.3%	Nissan	6.4%
Sixth	BMW	5.2%	Jeep	6.1%
Seventh	Ford	5.1%	Subaru	4.4%
Eighth	Lexus	4.6%	Hyundai	3.7%
Ninth	Kia	4.0%	Kia	3.4%
Tenth	Subaru	3.2%	GMC	3.3%

*December 2018 figures estimated by Auto Outlook

Source: IHS

ANALYSIS

New Vehicle Sales in LA City



The graph above shows the level of new vehicle sales in the city of Los Angeles from 2012 through 2018. The data measures vehicles sold by dealerships located in the city of Los Angeles. Source: AutoCount data from Experian. (*Dec. '18 figures estimated by Auto Outlook.)

BRAND SCOREBOARD

Alfa Romeo, Volvo, Land Rover, and Jeep Had Largest Gains in '18

The graph below shows the change in new retail light vehicle (combined car and light truck) registrations for all of 2018 versus a year earlier. Note figures for December of 2018 were estimated by Auto Outlook. (Tesla is excluded since Model 3 was introduced late in 2017.)

10 brands had increases in 2018:
 Alfa Romeo, Volvo, Land Rover, Jeep, Subaru, Ram, Volkswagen, Dodge, Acura, and Cadillac

Percent Change in County New Retail Light Vehicle Registrations (Top 30 brands) - 2018 vs. 2017



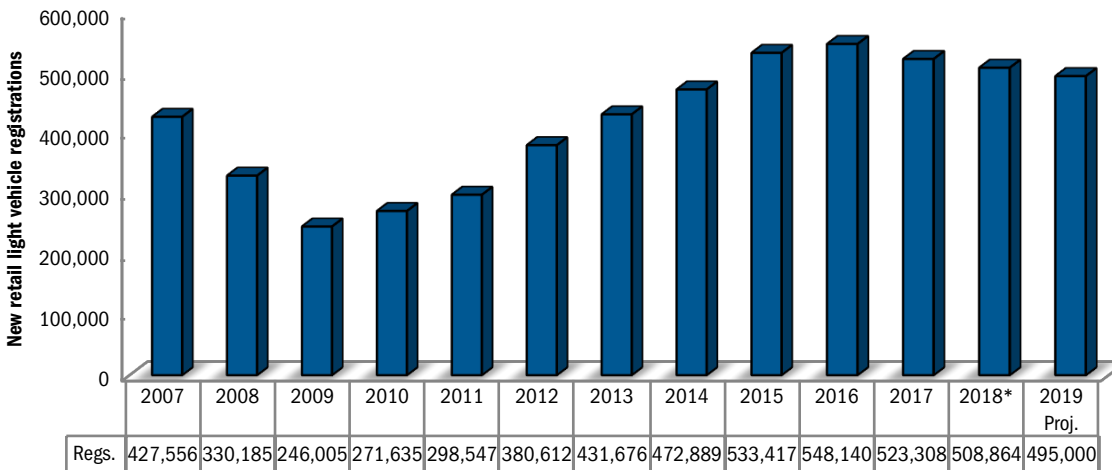
Source: IHS

LONG TERM TRENDS

Registrations Likely to Exceed 470K for 6th 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 2018, along with Auto Outlook's forecast for 2019.

County New Retail Light Vehicle Registrations - 2007 thru 2018, 2019 Forecast



County market improved 107% between '09 and '18. Small decline is predicted in '19, with annual total approaching 500,000 units

Years

Source: IHS

Los Angeles County New Retail Car and Light Truck Registrations												
	Fourth Quarter*						Annual Totals					
	Registrations			Market Share (%)			Registrations			Market Share (%)		
	4Q '17	4Q '18	% change	4Q '17	4Q '18	Change	2017	2018*	% change	2017	2018*	Change
TOTAL	129,628	128,655	-0.8				523,308	508,864	-2.8			
Cars	67,308	61,337	-8.9	51.9	47.7	-4.2	282,140	250,568	-11.2	53.9	49.2	-4.7
Light Trucks	62,320	67,318	8.0	48.1	52.3	4.2	241,168	258,296	7.1	46.1	50.8	4.7
Domestic Brands	26,446	30,746	16.3	20.4	23.9	3.5	109,756	116,750	6.4	21.0	22.9	1.9
European Brands	30,323	28,176	-7.1	23.4	21.9	-1.5	109,611	105,126	-4.1	20.9	20.7	-0.2
Japanese Brands	63,359	61,293	-3.3	48.9	47.6	-1.3	264,569	251,444	-5.0	50.6	49.4	-1.2
Korean Brands	9,500	8,440	-11.2	7.3	6.6	-0.7	39,372	35,544	-9.7	7.5	7.0	-0.5
Acura	1,371	1,471	7.3	1.1	1.1	0.0	5,114	5,204	1.8	1.0	1.0	0.0
Alfa Romeo	392	531	35.5	0.3	0.4	0.1	960	2,361	145.9	0.2	0.5	0.3
Audi	4,047	3,490	-13.8	3.1	2.7	-0.4	15,249	14,042	-7.9	2.9	2.8	-0.1
BMW	8,203	7,607	-7.3	6.3	5.9	-0.4	27,277	26,245	-3.8	5.2	5.2	0.0
Buick	452	459	1.5	0.3	0.4	0.1	1,896	1,726	-9.0	0.4	0.3	-0.1
Cadillac	924	942	1.9	0.7	0.7	0.0	3,420	3,472	1.5	0.7	0.7	0.0
Chevrolet	8,864	8,569	-3.3	6.8	6.7	-0.1	36,391	33,282	-8.5	7.0	6.5	-0.5
Chrysler	508	423	-16.7	0.4	0.3	-0.1	2,026	1,895	-6.5	0.4	0.4	0.0
Dodge	1,660	1,729	4.2	1.3	1.3	0.0	7,262	7,443	2.5	1.4	1.5	0.1
FIAT	455	215	-52.7	0.4	0.2	-0.2	2,900	949	-67.3	0.6	0.2	-0.4
Ford	6,336	6,076	-4.1	4.9	4.7	-0.2	28,352	25,966	-8.4	5.4	5.1	-0.3
Genesis	261	66	-74.7	0.2	0.1	-0.1	943	506	-46.3	0.2	0.1	-0.1
GMC	1,543	1,264	-18.1	1.2	1.0	-0.2	5,656	4,771	-15.6	1.1	0.9	-0.2
Honda	18,141	17,011	-6.2	14.0	13.2	-0.8	78,910	71,808	-9.0	15.1	14.1	-1.0
Hyundai	3,889	3,434	-11.7	3.0	2.7	-0.3	16,246	14,933	-8.1	3.1	2.9	-0.2
Infiniti	1,912	2,245	17.4	1.5	1.7	0.2	7,286	7,162	-1.7	1.4	1.4	0.0
Jaguar	725	475	-34.5	0.6	0.4	-0.2	2,852	1,668	-41.5	0.5	0.3	-0.2
Jeep	3,148	3,539	12.4	2.4	2.8	0.4	12,922	15,056	16.5	2.5	3.0	0.5
Kia	5,350	4,940	-7.7	4.1	3.8	-0.3	22,183	20,105	-9.4	4.2	4.0	-0.2
Land Rover	1,307	1,761	34.7	1.0	1.4	0.4	5,294	6,374	20.4	1.0	1.3	0.3
Lexus	6,559	6,314	-3.7	5.1	4.9	-0.2	24,887	23,231	-6.7	4.8	4.6	-0.2
Lincoln	462	436	-5.6	0.4	0.3	-0.1	2,044	1,981	-3.1	0.4	0.4	0.0
Maserati	325	248	-23.7	0.3	0.2	-0.1	1,367	939	-31.3	0.3	0.2	-0.1
Mazda	2,689	2,426	-9.8	2.1	1.9	-0.2	11,303	10,985	-2.8	2.2	2.2	0.0
Mercedes	8,288	7,372	-11.1	6.4	5.7	-0.7	28,495	26,776	-6.0	5.4	5.3	-0.1
MINI	868	705	-18.8	0.7	0.5	-0.2	3,589	3,271	-8.9	0.7	0.6	-0.1
Mitsubishi	407	380	-6.6	0.3	0.3	0.0	1,620	1,583	-2.3	0.3	0.3	0.0
Nissan	6,423	6,706	4.4	5.0	5.2	0.2	29,237	27,854	-4.7	5.6	5.5	-0.1
Other	308	356	15.6	0.2	0.3	0.1	1,267	1,214	-4.2	0.2	0.2	0.0
Porsche	1,231	1,079	-12.3	0.9	0.8	-0.1	4,731	4,322	-8.6	0.9	0.8	-0.1
Ram	1,209	1,426	17.9	0.9	1.1	0.2	4,991	5,195	4.1	1.0	1.0	0.0
Subaru	3,632	3,891	7.1	2.8	3.0	0.2	15,113	16,206	7.2	2.9	3.2	0.3
Tesla	1,329	5,868	341.5	1.0	4.6	3.6	4,749	15,910	235.0	0.9	3.1	2.2
Toyota	22,216	20,847	-6.2	17.1	16.2	-0.9	91,072	87,390	-4.0	17.4	17.2	-0.2
Volkswagen	3,240	3,433	6.0	2.5	2.7	0.2	12,803	13,176	2.9	2.4	2.6	0.2
Volvo	954	921	-3.5	0.7	0.7	0.0	2,901	3,863	33.2	0.6	0.8	0.2

*December 2018 figures were estimated by Auto Outlook.

Source:IHS.

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