

California Auto Outlook™

Comprehensive information on the California vehicle market

Volume 18, Number 1

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Covering Fourth Quarter 2021

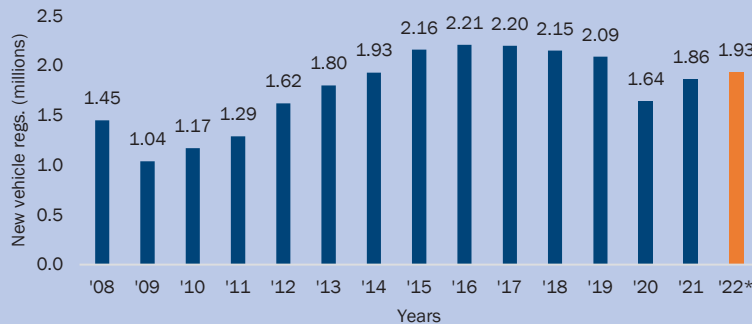
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California New Vehicle Registrations Should Approach 2 Million Units in 2022

California Annual New Light Vehicle Registrations - 2008 thru 2022

ANNUAL TRENDS



Historical data source: AutoCount data from Experian. *2022 forecast by Auto Outlook.

New vehicle registrations in California are predicted to exceed 1.9 million units this year and increase by approximately 4 percent from 2021.

Demand for new vehicles may ease in 2022 due to slower economic growth, increasing inflation, and rising interest rates, but lean inventories will continue to be the controlling factor. Softening demand might reign in some of the upward pressure on vehicle prices, but it's not likely to have an impact on sales levels.

California New Light Vehicle Registrations and U.S. New Vehicle Sales - 2020 and 2021

TWO YEAR PERSPECTIVE



	California			U.S.		
	2020	2021	Change	2020	2021	Change
Registrations						
TOTAL	1,639,166	1,856,391	13.3%	14,575,255	15,060,287	3.3%
Car	582,908	624,391	7.1%	3,463,479	3,364,513	-2.9%
Light Truck	1,056,258	1,232,000	16.6%	11,111,776	11,695,774	5.3%
Domestic	532,471	584,936	9.9%	6,557,138	6,164,521	-6.0%
European	248,196	281,524	13.4%	1,455,832	1,611,515	10.7%
Japanese	739,680	833,993	12.8%	5,337,527	5,795,133	8.6%
Korean	118,819	155,938	31.2%	1,224,758	1,489,118	21.6%
Market Share						
Car	35.6	33.6	-2.0	23.8	22.3	-1.5
Light Truck	64.4	66.4	2.0	76.2	77.7	1.5
Domestic	32.5	31.5	-1.0	45.0	40.9	-4.1
European	15.1	15.2	0.1	10.0	10.7	0.7
Japanese	45.2	44.9	-0.3	36.6	38.5	1.9
Korean	7.2	8.4	1.2	8.4	9.9	1.5

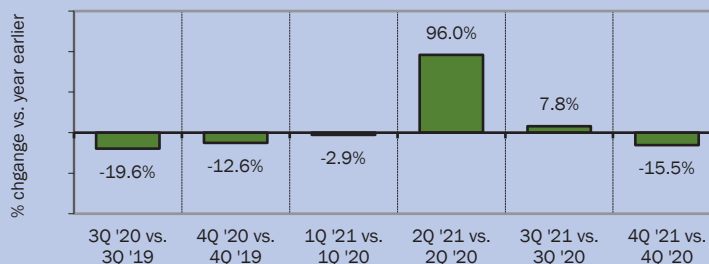
California new light vehicle registrations improved 13.3 percent last year, higher than the 3.3 percent increase in the nation.

The larger percentage increase in the state last year was primarily a result of the sharper decline that occurred in 2020. The California market was hit especially hard when the pandemic emerged two years ago. California new vehicle registrations fell by about 22 percent from 2019 to 2020 versus a 14 percent drop in the Nation. The state market experienced a steeper drop in 2020 and a stronger recovery in 2021.

Source for California new vehicle registrations: AutoCount data from Experian. Source for U.S. sales: Automotive News.

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

QUARTERLY RESULTS



Data source: AutoCount data from Experian.

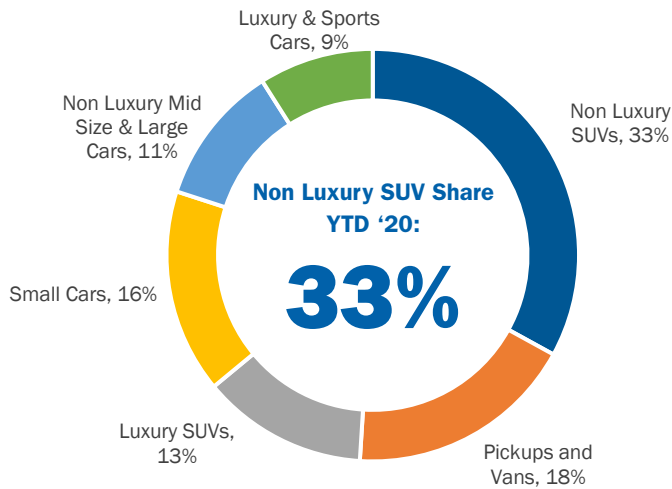
New vehicle registrations in the state fell by more than 15 percent in the Fourth Quarter of 2021 versus year earlier. The drop followed a 7.8 percent increase in the Third Quarter, and a big jump in the Second Quarter as the market recovered from weak year earlier results.

Lean inventories led to the Fourth Quarter decline. Registrations are expected to fall in the first half of this year, and increase versus year earlier levels in the second half.

SEGMENT MARKET SHARE TRENDS

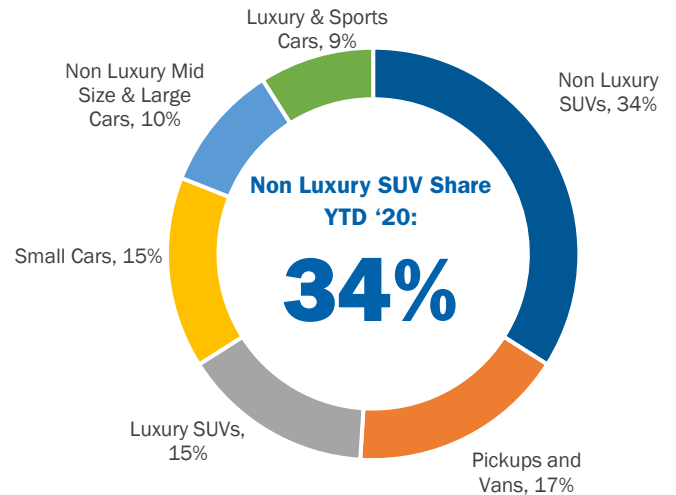
Non Luxury SUVs Accounted for 34 Percent of State Market

Segment Market Shares in California 2020



Data Source: AutoCount data from Experian.

Segment Market Shares in California 2021



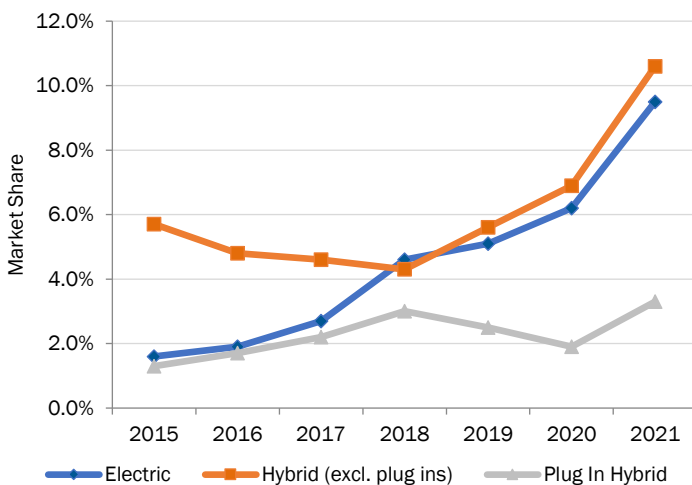
Data Source: AutoCount data from Experian.

The two graphs above show market shares for primary segments in 2020 and 2021.

HYBRID AND ELECTRIC VEHICLES

Estimated Electric Vehicle Market Share Increased to 9.5 Percent in 2021

Estimated Hybrid and Electric Vehicle Market Share



Hybrid/electric vehicle market share in 2021:
23.4 percent

Estimated Hybrid and Electric New Vehicle Registrations and Market Share

	2017	2018	2019	2020	2021
Electric registrations	59388	99121	106752	101628	176357
Electric share	2.7%	4.6%	5.1%	6.2%	9.5%
Hybrid regs. (excl. plug ins)	101180	92658	117218	113103	196777
Hybrid share (excl. plug ins)	4.6%	4.3%	5.6%	6.9%	10.6%
Plug in hybrid regs.	48391	64644	52329	31144	61261
Plug in hybrid share	2.2%	3.0%	2.5%	1.9%	3.3%

The graph above shows estimated hybrid powertrain and electric vehicle market share in the state. Registrations by powertrain for vehicles equipped with multiple engine types were estimated by Auto Outlook. The estimates are based on model registrations compiled by Experian, and engine installation rates collected from other sources.

MODEL RANKINGS

Toyota Camry Was Best Seller in California New Vehicle Market During 2021

The table below shows the top five selling models during 2021 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
- Full Size Pickup: Ford F-Series
- Mid Size Car: Toyota Camry
- Compact SUV: Toyota RAV4
- Near Luxury Car: Tesla Model 3
- Mid Size SUV: Toyota Highlander
- Luxury Car: BMW 5-Series
- Luxury Compact SUV: Tesla Model Y

Top Selling Models in Each Segment - New Light Vehicle Registrations (2021, Annual Totals)

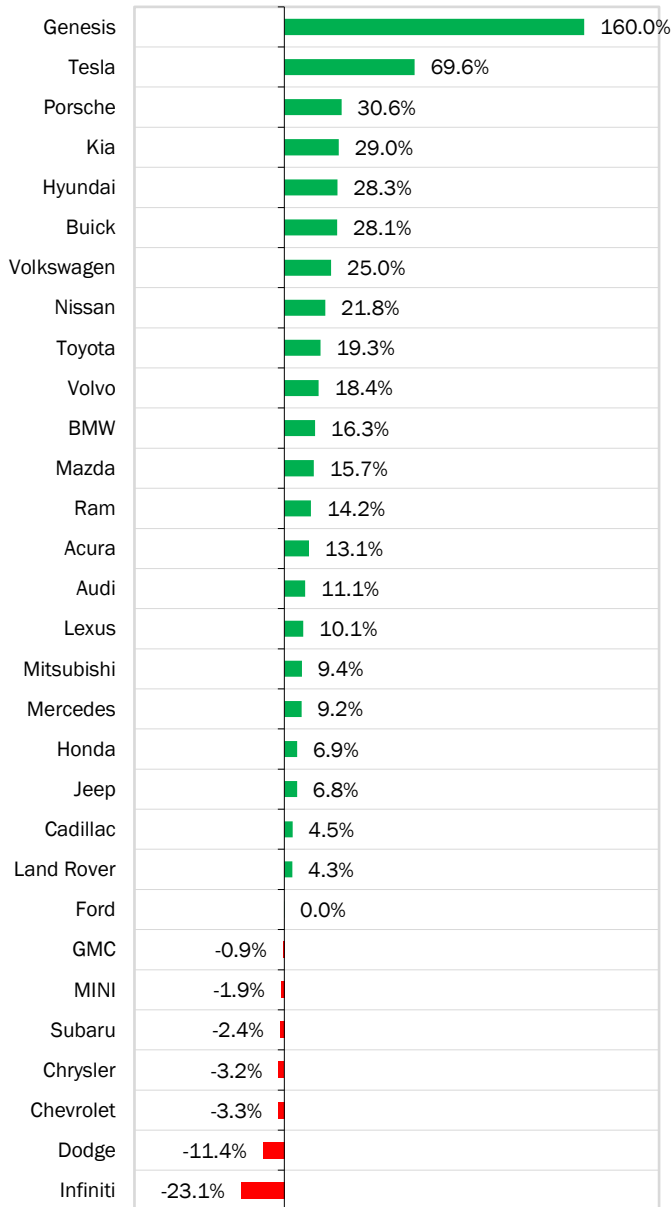
Cars											
Subcompact			Compact			Sports/Pony Cars			Mid Size		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Chevrolet Bolt	9971	31.5	Honda Civic	59818	27.1	Ford Mustang	7393	33.8	Toyota Camry	61599	39.5
Nissan Versa	8391	26.5	Toyota Corolla	48915	22.2	Dodge Challenger	7270	33.3	Honda Accord	44576	28.6
Chevrolet Spark	3107	9.8	Toyota Prius	22310	10.1	Chevrolet Camaro	2788	12.8	Kia K5/Optima	13360	8.6
Kia Rio	2352	7.4	Nissan Sentra	17093	7.7	Mazda MX5	1909	8.7	Nissan Altima	12522	8.0
Toyota Mirai	2295	7.2	Kia Forte	15491	7.0	Toyota Supra	1439	6.6	Hyundai Sonata	10051	6.4
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	10779	58.0	BMW 2-Series	3525	31.2	Tesla Model 3	53572	47.0	BMW 5-Series	6055	13.0
Toyota Avalon	2481	13.4	Mercedes A-Class	2288	20.3	BMW 3-Series	12324	10.8	Mercedes E-Class	5232	11.2
Kia Stinger	1982	10.7	Acura ILX	2072	18.3	Lexus ES	10804	9.5	Tesla Model S	4860	10.4
Chrysler 300	1672	9.0	Mercedes CLA-Class	1787	15.8	Mercedes C-Class	8634	7.6	Chevrolet Corvette	3635	7.8
Nissan Maxima	1596	8.6	BMW i3	1021	9.0	BMW 4-Series	4723	4.1	Mercedes S-Class	3469	7.4
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	44484	53.3	Ford F-Series	46817	28.7	Toyota Sienna	16793	46.7	Ford Transit Connect	14877	39.4
Ford Ranger	11933	14.3	Chevrolet Silverado	44670	27.4	Honda Odyssey	8219	22.9	Ram Promaster	8123	21.5
Jeep Gladiator	7373	8.8	Ram Pickup	41225	25.3	Chrysler Pacifica	6458	18.0	Mercedes Sprinter	6490	17.2
Chevrolet Colorado	6681	8.0	GMC Sierra	19291	11.8	Chrysler Voyager	2615	7.3	Nissan NV	4155	11.0
Nissan Frontier	6210	7.4	Toyota Tundra	8792	5.4	Kia Carnival	1535	4.3	Chevrolet Express	2751	7.3
Subcompact SUV			Compact SUV			Mid Size SUV			Large SUV		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Subaru Crosstrek	18758	15.4	Toyota RAV4	59157	23.6	Toyota Highlander	29598	13.1	Chevrolet Tahoe	7872	28.1
Honda HR-V	18056	14.8	Honda CR-V	39405	15.7	Ford Explorer	19534	8.7	Ford Expedition	4850	17.3
Nissan Kicks	10838	8.9	Mazda CX5	21404	8.5	Toyota 4Runner	16281	7.2	Chevrolet Suburban	3893	13.9
Hyundai Kona	9164	7.5	Jeep Wrangler	20651	8.2	Subaru Outback	15878	7.0	GMC Yukon	3708	13.2
Kia Niro	7494	6.1	Subaru Forester	16021	6.4	Jeep Grand Cherokee	15768	7.0	Ford Bronco	2487	8.9
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
Audi Q3	6256	21.3	Tesla Model Y	60394	43.8	Lexus RX	18563	20.8	Cadillac Escalade	4726	21.1
Mercedes GLB-Class	5877	20.0	Lexus NX	12191	8.8	Mercedes GLE-Class	12935	14.5	Mercedes GLS-Class	4311	19.3
Lexus UX	4912	16.7	Audi Q5	11792	8.6	BMW X5	10151	11.4	Land Rover Range Rover	3405	15.2
Mercedes GLA-Class	3785	12.9	BMW X3	10838	7.9	Acura MDX	6056	6.8	BMW X7	3205	14.3
BMW X1	3496	11.9	Mercedes GLC-Class	10327	7.5	Volvo XC90	5356	6.0	Mercedes G-Class	2475	11.1

Data Source: AutoCount data from Experian. Figures for Prius include Prius Prime.

BRAND SUMMARY

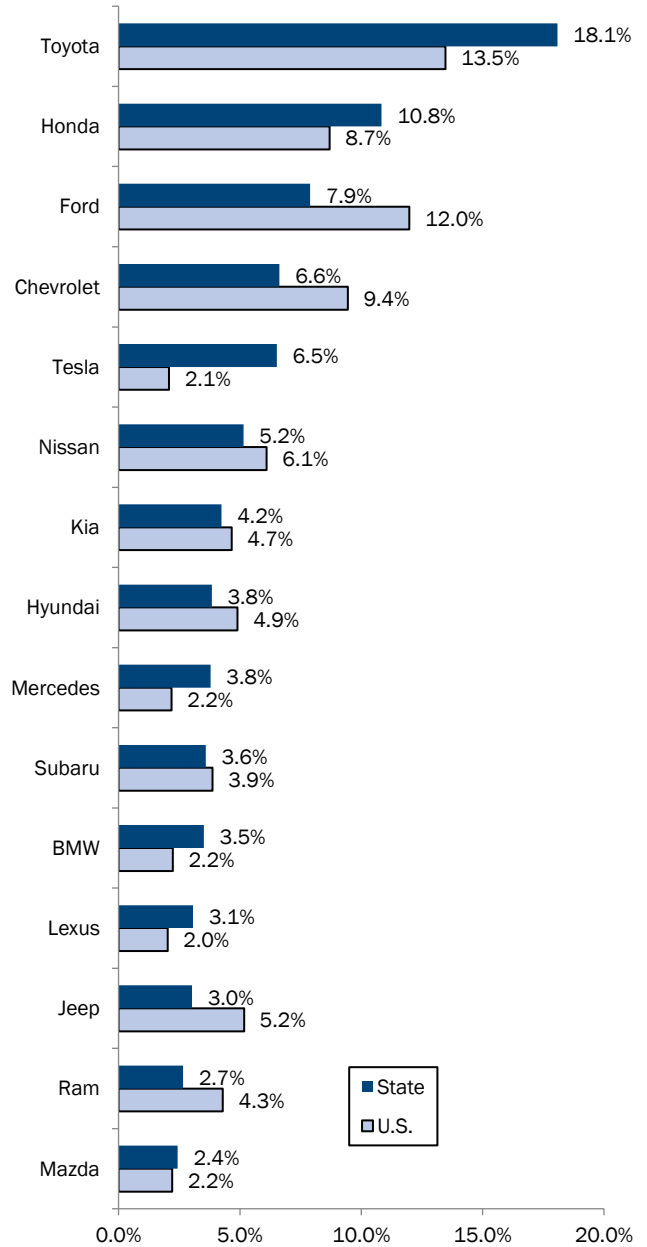
16 Brands Had Increases of Greater than 10 Percent in 2021

**Percent Change in Brand Registrations
2020 to 2021
(Top 30 selling brands in state)**



Percent change in registrations

**California and U.S. Market Share - 2021
(Top 15 selling brands in state)**



Market Share



Registrations increased by more than 20 percent for Genesis, Tesla, Porsche, Kia, Hyundai, Buick, Volkswagen, and Nissan



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

Source for California new vehicle registrations: AutoCount data from Experian. Source for U.S. market share: Automotive News.

BRAND REGISTRATIONS

Detailed Results for All Brands in California Market

California New Car and Light Truck Registrations												
	Fourth Quarter						Annual Totals					
	Registrations			Market Share (%)			Registrations			Market Share (%)		
	4Q '20	4Q '21	% change	4Q '20	4Q '21	Change	2020	2021	% change	2020	2021	Change
TOTAL	439,720	371,529	-15.5				1,639,166	1,856,391	13.3			
Acura	4,348	3,996	-8.1	1.0	1.1	0.1	16,321	18,455	13.1	1.0	1.0	0.0
Alfa Romeo	914	660	-27.8	0.2	0.2	0.0	3,504	3,159	-9.8	0.2	0.2	0.0
Audi	9,572	6,082	-36.5	2.2	1.6	-0.6	33,790	37,524	11.1	2.1	2.0	-0.1
BMW	16,068	15,103	-6.0	3.7	4.1	0.4	56,144	65,310	16.3	3.4	3.5	0.1
Buick	1,131	1,273	12.6	0.3	0.3	0.0	5,319	6,816	28.1	0.3	0.4	0.1
Cadillac	2,845	1,767	-37.9	0.6	0.5	-0.1	9,853	10,295	4.5	0.6	0.6	0.0
Chevrolet	37,330	18,883	-49.4	8.5	5.1	-3.4	127,231	123,006	-3.3	7.8	6.6	-1.2
Chrysler	2,463	2,217	-10.0	0.6	0.6	0.0	11,113	10,760	-3.2	0.7	0.6	-0.1
Dodge	6,240	3,993	-36.0	1.4	1.1	-0.3	26,073	23,108	-11.4	1.6	1.2	-0.4
FIAT	42	12	-71.4	0.0	0.0	0.0	387	136	-64.9	0.0	0.0	0.0
Ford	37,028	33,420	-9.7	8.4	9.0	0.6	146,425	146,486	0.0	8.9	7.9	-1.0
Genesis	550	2,214	302.5	0.1	0.6	0.5	2,289	5,952	160.0	0.1	0.3	0.2
GMC	9,396	5,540	-41.0	2.1	1.5	-0.6	33,172	32,879	-0.9	2.0	1.8	-0.2
Honda	47,071	35,563	-24.4	10.7	9.6	-1.1	188,277	201,196	6.9	11.5	10.8	-0.7
Hyundai	14,646	14,017	-4.3	3.3	3.8	0.5	55,534	71,271	28.3	3.4	3.8	0.4
Infiniti	2,184	1,355	-38.0	0.5	0.4	-0.1	10,154	7,813	-23.1	0.6	0.4	-0.2
Jaguar	737	301	-59.2	0.2	0.1	-0.1	3,826	2,755	-28.0	0.2	0.1	-0.1
Jeep	12,549	12,506	-0.3	2.9	3.4	0.5	52,647	56,216	6.8	3.2	3.0	-0.2
Kia	16,517	17,394	5.3	3.8	4.7	0.9	60,996	78,715	29.0	3.7	4.2	0.5
Land Rover	4,582	3,130	-31.7	1.0	0.8	-0.2	15,506	16,167	4.3	0.9	0.9	0.0
Lexus	14,829	11,697	-21.1	3.4	3.1	-0.3	51,793	57,005	10.1	3.2	3.1	-0.1
Lincoln	1,517	1,079	-28.9	0.3	0.3	0.0	6,044	4,853	-19.7	0.4	0.3	-0.1
Maserati	179	303	69.3	0.0	0.1	0.1	1,109	1,291	16.4	0.1	0.1	0.0
Mazda	9,702	7,099	-26.8	2.2	1.9	-0.3	39,145	45,286	15.7	2.4	2.4	0.0
Mercedes	18,311	13,379	-26.9	4.2	3.6	-0.6	64,543	70,453	9.2	3.9	3.8	-0.1
MINI	1,510	913	-39.5	0.3	0.2	-0.1	5,397	5,294	-1.9	0.3	0.3	0.0
Mitsubishi	710	1,244	75.2	0.2	0.3	0.1	5,759	6,301	9.4	0.4	0.3	-0.1
Nissan	19,559	17,620	-9.9	4.4	4.7	0.3	78,507	95,650	21.8	4.8	5.2	0.4
Other	674	726	7.7	0.2	0.2	0.0	3,010	3,381	12.3	0.2	0.2	0.0
Porsche	3,711	3,535	-4.7	0.8	1.0	0.2	13,121	17,130	30.6	0.8	0.9	0.1
Ram	10,521	10,647	1.2	2.4	2.9	0.5	43,196	49,343	14.2	2.6	2.7	0.1
Subaru	18,454	12,235	-33.7	4.2	3.3	-0.9	68,333	66,700	-2.4	4.2	3.6	-0.6
Tesla	21,290	39,040	83.4	4.8	10.5	5.7	71,390	121,080	69.6	4.4	6.5	2.1
Toyota	79,378	60,394	-23.9	18.1	16.3	-1.8	281,391	335,587	19.3	17.2	18.1	0.9
Volkswagen	9,618	9,319	-3.1	2.2	2.5	0.3	35,576	44,471	25.0	2.2	2.4	0.2
Volvo	3,544	2,873	-18.9	0.8	0.8	0.0	12,291	14,547	18.4	0.7	0.8	0.1

Source: AutoCount data from Experian.

The table above shows new light vehicle (car and light truck) registrations in California. Figures are shown for the Fourth Quarters of 2020 and 2021, and annual totals. Vehicle registrations are recorded based on when the vehicle title information is processed by the state, which typically occurs after the vehicle is sold. The top ten ranked brands in each category are shaded yellow

California Auto Outlook

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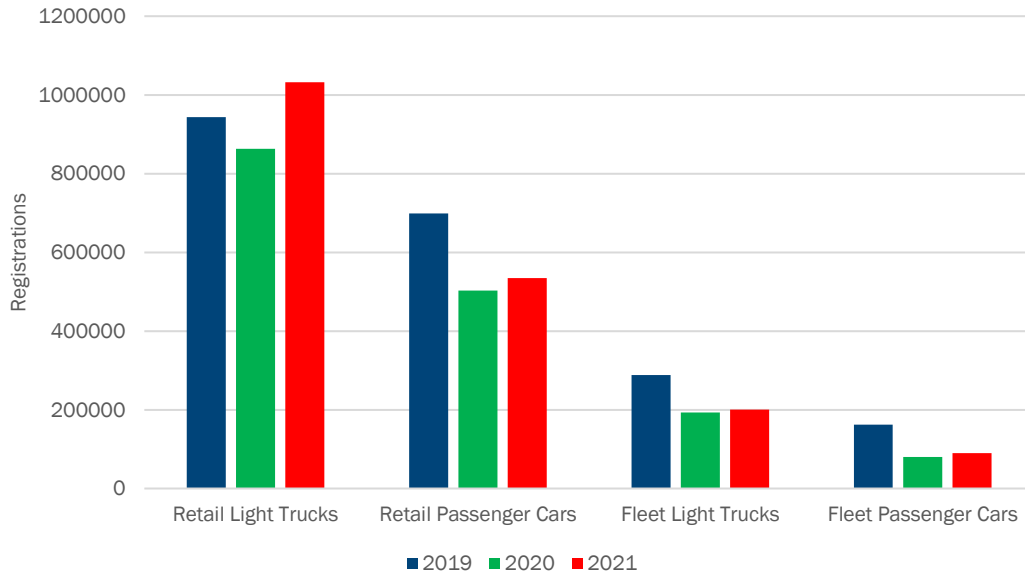
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BREAKDOWN OF RETAIL AND FLEET MARKETS

Retail Transactions Increased at Faster Pace Than Fleets in 2021

California New Car and Light Truck Retail and Fleet Registrations - 2019 thru 2021



Data Source: AutoCount data from Experian.

**PERCENT CHANGE:
2021 vs. 2020**

Retail cars: UP 6.2%

Retail light trucks: UP 19.5%

Fleet cars: UP 3.7%

Fleet light trucks: UP 12.7%

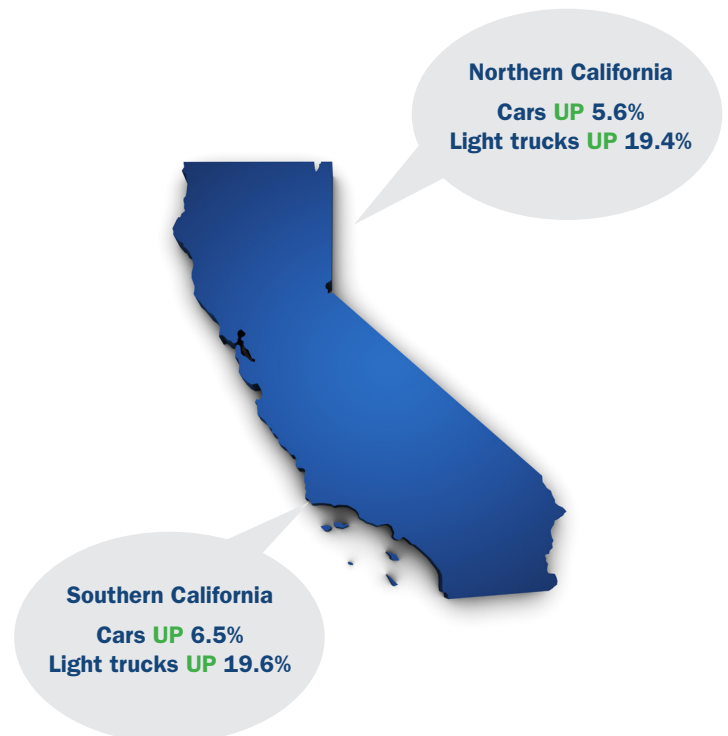
REGIONAL MARKETS IN CALIFORNIA

Northern and Southern California Markets Posted Similar Results in 2021

New Retail Light Vehicle Registrations (excluding fleets) 2021			
North and South California	2020	2021	% chg.
Statewide Total	1,366,382	1,566,396	14.6%
Cars	503,152	534,475	6.2%
Light Trucks	863,230	1,031,921	19.5%
Northern California	460,915	528,383	14.6%
Cars	158,524	167,383	5.6%
Light Trucks	302,391	361,000	19.4%
Southern California	905,467	1,038,013	14.6%
Cars	344,628	367,092	6.5%
Light Trucks	560,839	670,921	19.6%
Selected Regional Markets			
San Francisco Bay	243,075	275,321	13.3%
Cars	89,554	91,347	2.0%
Light Trucks	153,521	183,974	19.8%
LA and Orange Counties	521,972	588,042	12.7%
Cars	207,954	216,933	4.3%
Light Trucks	314,018	371,109	18.2%
San Diego County	119,841	139,335	16.3%
Cars	39,426	42,313	7.3%
Light Trucks	80,415	97,022	20.7%

Data Source: AutoCount data from Experian.

Percent Change in New Retail Registrations - 2021 vs. 2020



MARKET SEGMENTS

“True Truck” Share of State Retail Market is Below 40%

In 2021, light trucks accounted for 66.4 percent of the state market, up sharply during the past several years. But due to the sometimes fuzzy standards the industry has used to classify vehicles, these frequently cited light truck market share figures can send a misleading signal regarding an apparent shift to bigger vehicles.

For example, many sub compact and compact SUVs (i.e., Buick Encore and Honda CR-V) are essentially passenger cars with a hatchback, a higher center of gravity,

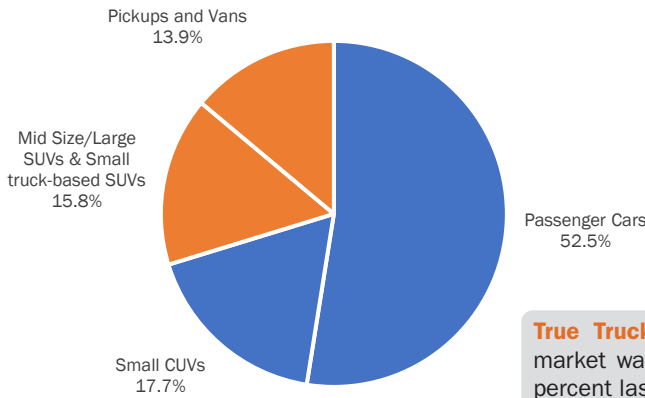
and more ground clearance. But these vehicles are traditionally classified as light trucks and are included in the same broad segment category as full size pickups and large SUVs. In many ways, small CUVs are more similar to compact cars than to 6,000 pound trucks.

The analysis below presents an alternative picture of truck market share in California by re-mapping these traditional breakdowns. The two orange shaded circles comprise what we are calling True Trucks - mid size

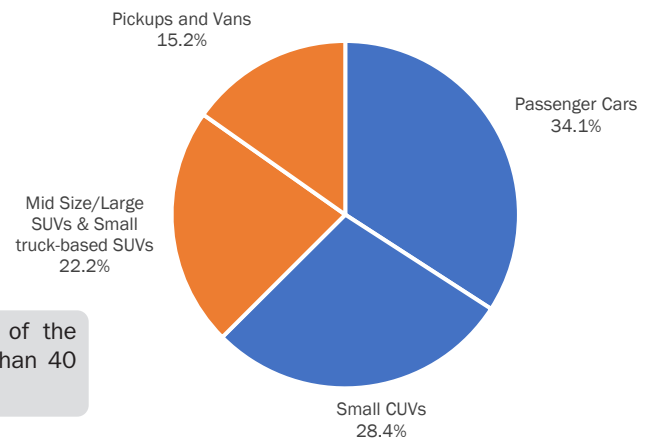
and full size SUVs, truck-based small SUVs, pickups, and vans. The two blue circles consist of passenger cars and small crossover SUVs.

By removing small CUVs from light trucks, true truck market share in the state during 2021 was well below half of the market - 37.4 percent. It's increasing, up by 7.7 points from 2016, but the combined total for passenger cars and small CUVs accounts for the dominant share of the market.

Segment Shares in State New Retail Market - 2016



Segment Shares in State New Retail Market - 2021



True Truck share of the market was less than 40 percent last year.

Data Source: AutoCount data from Experian.

BEST SELLERS IN MID SIZE SUV SEGMENT

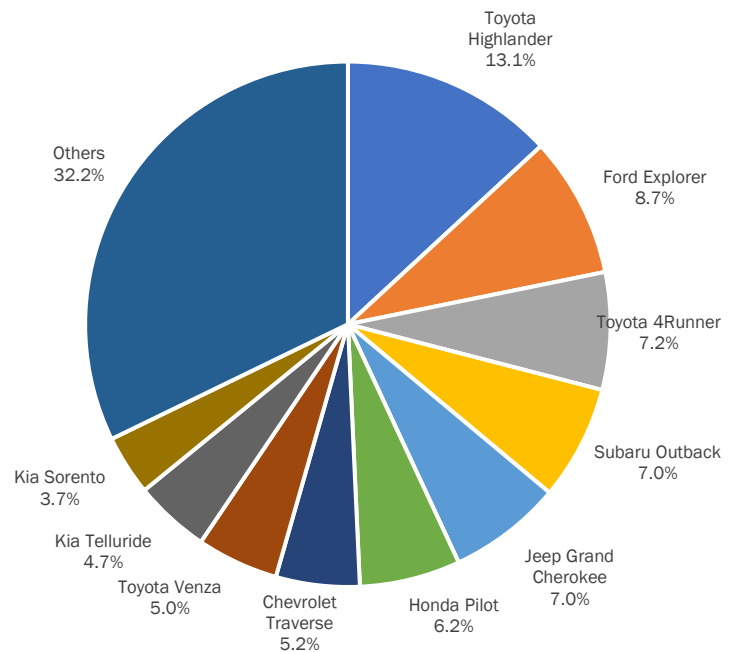
Toyota Highlander and Ford Explorer Are Top Sellers in Mid Size SUV Segment



TOP SELLING MID SIZE SUVs

- Toyota Highlander
- Ford Explorer
- Toyota 4Runner
- Subaru Outback
- Jeep Grand Cherokee

Share of California Non Luxury Mid Size SUV Segment - 2021

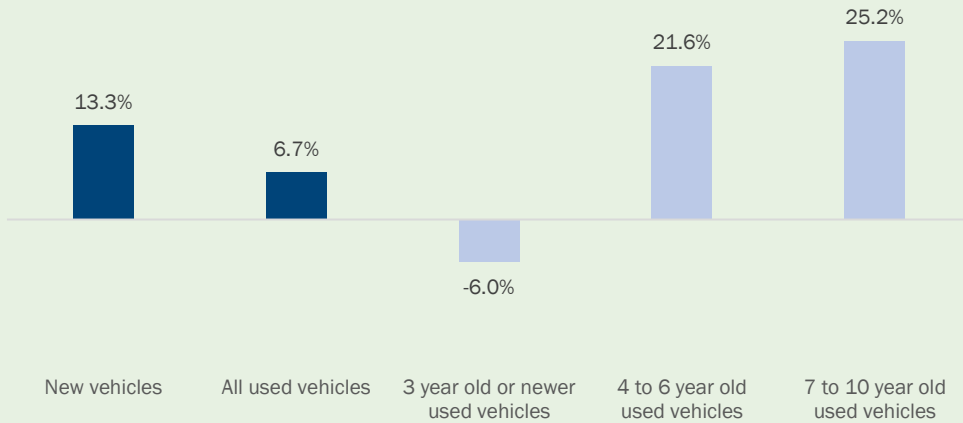


Data Source: AutoCount data from Experian.

CALIFORNIA USED VEHICLE MARKET

California Used Vehicle Market Increased 6.7 Percent in 2021; Small Improvement Expected in 2022

Percent Change in New and Used Vehicle Registrations - 2021 vs. 2020



Data Source: AutoCount data from Experian.

THREE KEY TRENDS IN USED VEHICLE MARKET



01.

Used vehicle registrations in California were up 6.7 percent last year, below the 13.3 percent increase in the new vehicle market.

02.

Registrations of 4 to 6 year old vehicles increased 21.6 percent in 2021. The 7 to 10 year old market was up 25.2 percent. Tight supplies impacted registrations of 3 year old or newer vehicles, which fell 6 percent vs. 2020.

03.

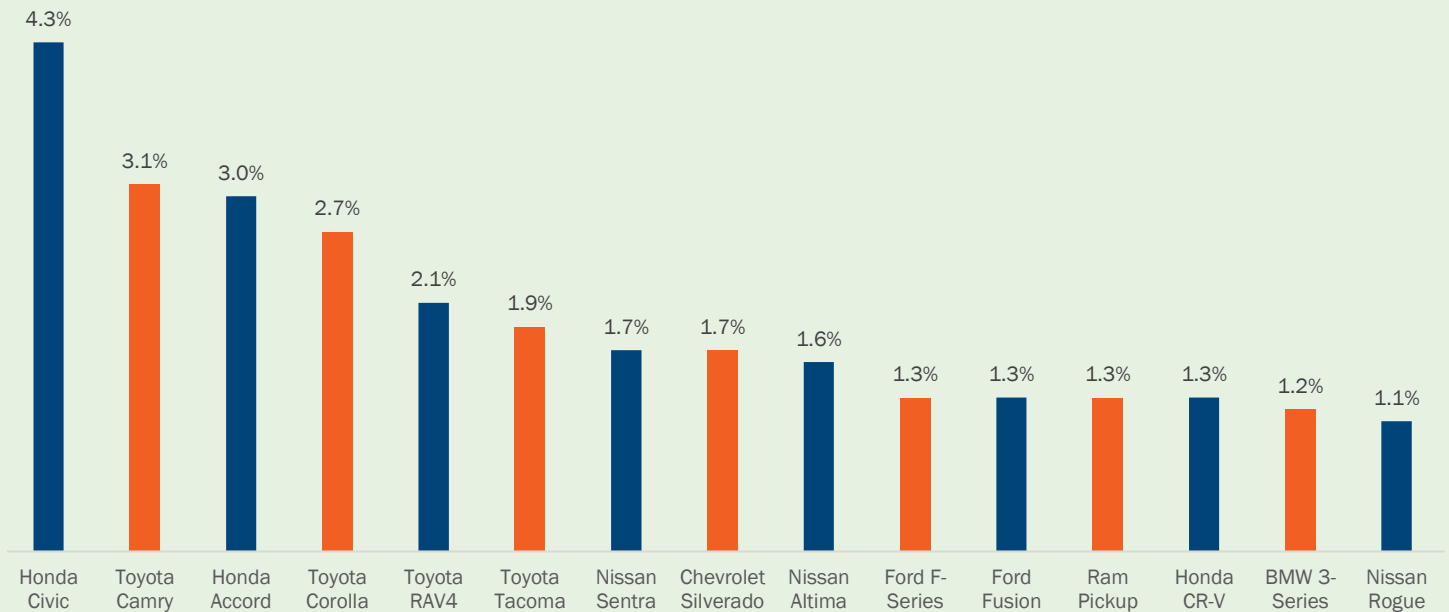
Restricted inventories and record-high prices will likely limit gains in used vehicle sales over the next 12 months. Used vehicle registrations in 2022 should be close to 2021 levels.

BEST SELLERS IN CALIFORNIA USED VEHICLE MARKET

Honda Civic is Top Seller in California Used Vehicle Market

The graph below shows market shares for the top 15 selling models in the California used vehicle market (only includes vehicles 6 years old or newer).

Market Share for Top 15 Selling Models in California Used Vehicle Market (only includes vehicles 6 yrs. old or newer) - 2021



Data Source: AutoCount data from Experian.