

California Auto Outlook™

Comprehensive Information on the California Vehicle Market

Volume 18, Number 4

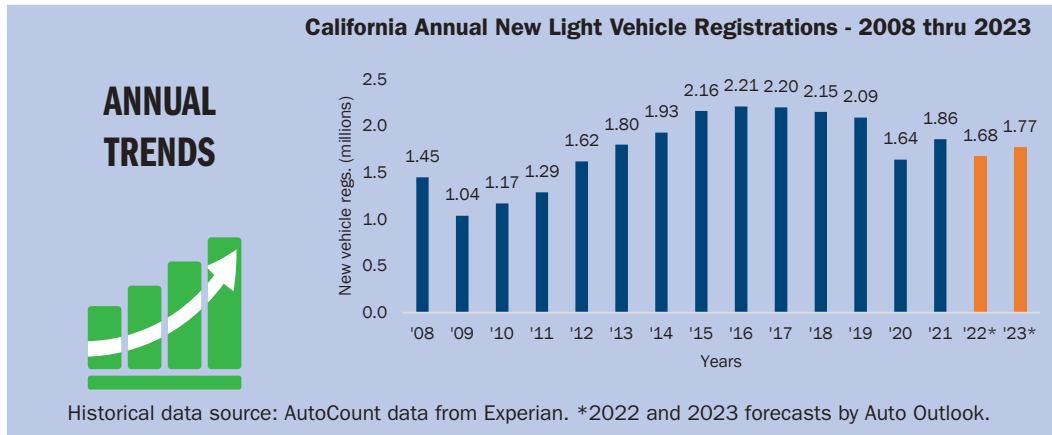
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Covering Third Quarter 2022

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California New Vehicle Registrations Predicted to Increase in 2023



KEY TRENDS IN NEW VEHICLE MARKET



Predicting the impact of supply chain issues has been difficult, to say the least. Lost production due to the microchip shortage during 2022 was significantly higher than expected at the beginning of the year. As a result, vehicle sales projections have been lowered during the year. Registrations for all of 2022 are now predicted to decline 9.7 percent from 2021.

California New Light Vehicle Registrations and U.S. New Vehicle Sales YTD '21 and YTD '22 thru September

	California			U.S.		
	YTD '21	YTD '22	Change	YTD '21	YTD '22	Change
Registrations						
TOTAL	1,484,862	1,245,748	-16.1%	11,768,255	10,236,245	-13.0%
Car	509,554	394,315	-22.6%	2,727,094	2,162,757	-20.7%
Light Truck	975,308	851,433	-12.7%	9,041,161	8,073,488	-10.7%
Domestic	454,480	448,781	-1.3%	4,736,335	4,553,339	-3.9%
European	225,279	187,294	-16.9%	1,223,286	1,075,711	-12.1%
Japanese	682,790	496,247	-27.3%	4,633,154	3,519,869	-24.0%
Korean	122,313	113,426	-7.3%	1,175,480	1,087,326	-7.5%
Market Share						
Car	34.3	31.7	-2.6	23.2	21.1	-2.1
Light Truck	65.7	68.3	2.6	76.8	78.9	2.1
Domestic	30.6	36.0	5.4	40.2	44.5	4.3
European	15.2	15.0	-0.2	10.4	10.5	0.1
Japanese	46.1	39.8	-6.3	39.4	34.4	-5.0
Korean	8.2	9.1	0.9	10.0	10.6	0.6

Demand is softening due to deteriorating economic conditions, but pent-up demand is accumulating. Assuming supply chain issues ease during the next 12 months, Auto Outlook believes that the market will increase next year. It would likely take a severe economic downturn for the market to fall, while the chances for an upside surprise are above average. Current forecast is for registrations in the state to reach 1.77 million units next year, a 5.4 percent increase from this year.

The California new vehicle market slipped 16.1 percent during the first nine months of 2022 versus 2021, as limited inventories and strong year earlier sales impacted results. U.S. market declined by 13 percent during the same period.

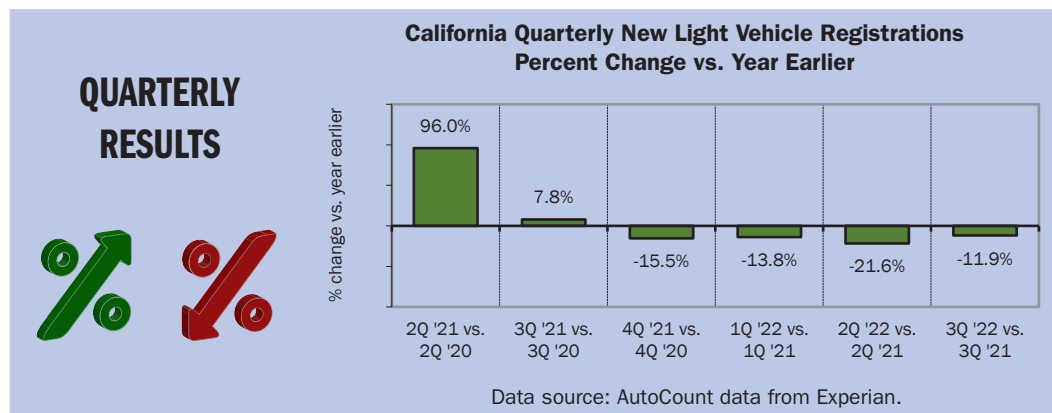
Light trucks accounted for 68.3 percent of the California new vehicle market compared to 78.9 percent in the Nation.

As shown on the graph to the left, the state market posted its fourth consecutive double digit percentage decline in the Third Quarter of this year. That streak will almost certainly end in the Fourth Quarter of this year, however, as registrations should increase versus weak year earlier levels.

TWO YEAR PERSPECTIVE



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



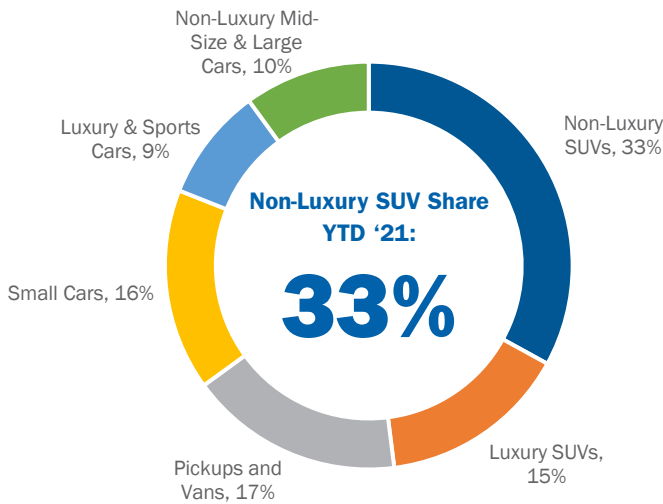
QUARTERLY RESULTS



SEGMENT MARKET SHARE TRENDS

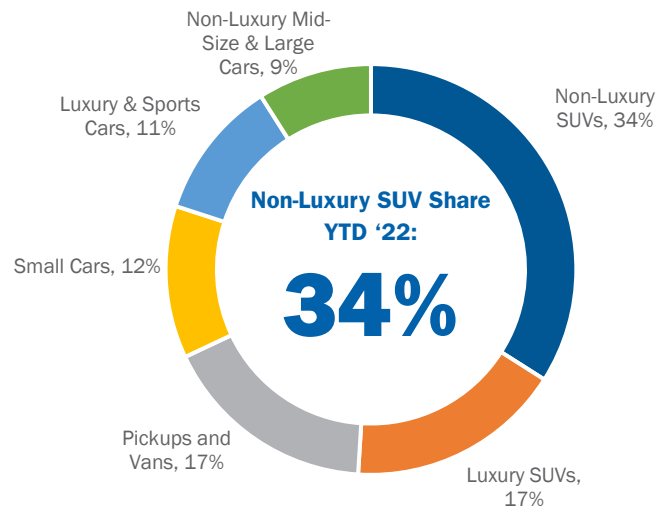
SUVs Accounted for 51 Percent of California New Vehicle Market So Far This Year

Segment Market Shares in California
YTD 2021 thru September



Data Source: AutoCount data from Experian.

Segment Market Shares in California
YTD 2022 thru September



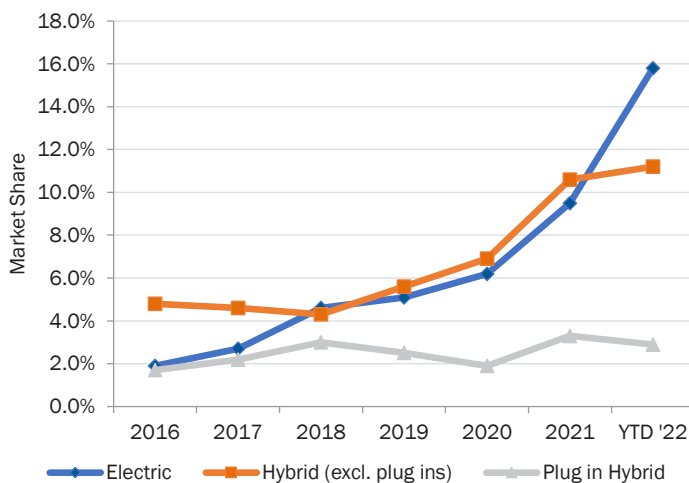
Data Source: AutoCount data from Experian.

The two graphs above show market shares for primary segments during the first nine months of 2021 and 2022.

HYBRID AND ELECTRIC VEHICLES

Estimated Electric Vehicle Market Share Approaches 16 Percent

Estimated Hybrid and Electric Vehicle Market Share



Hybrid/electric vehicle market share, YTD '22:
29.9%

Estimated Hybrid and Electric New Vehicle Registrations and Market Share					
	2018	2019	2020	2021	YTD 2022
Electric registrations	99121	106752	101628	176357	196828
Electric share	4.6%	5.1%	6.2%	9.5%	15.8%
Hybrid regs. (excl. plug ins)	92658	117218	113103	196777	139524
Hybrid share (excl. plug ins)	4.3%	5.6%	6.9%	10.6%	11.2%
Plug in hybrid regs.	64644	52329	31144	61261	36127
Plug in hybrid share	3.0%	2.5%	1.9%	3.3%	2.9%

The graph above shows the 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

Tesla Model Y Retains Top Spot in California Market

The table below shows the top five selling models during the first nine months of 2022 in 18 segments. In addition to unit registrations, it also shows each model's market share in its respective segment. Sales results so far this year were primarily determined by vehicle production and availability. New registrations of the Honda Civic and Toyota Camry, two perennial top-sellers in the state, were impacted by diminished inventories.



BEST SELLERS IN PRIMARY SEGMENTS

- Small Cars: Toyota Corolla
- Mid-Size and Large Cars: Toyota Camry
- Near Luxury Cars: Tesla Model 3
- Comp./Mid Size Pickup: Toyota Tacoma
- Full Size Pickup: Chevrolet Silverado
- Compact SUV: Toyota RAV4
- 3 Row Mid-Size SUV: Toyota Highlander
- Luxury Mid Size SUV: Lexus RX

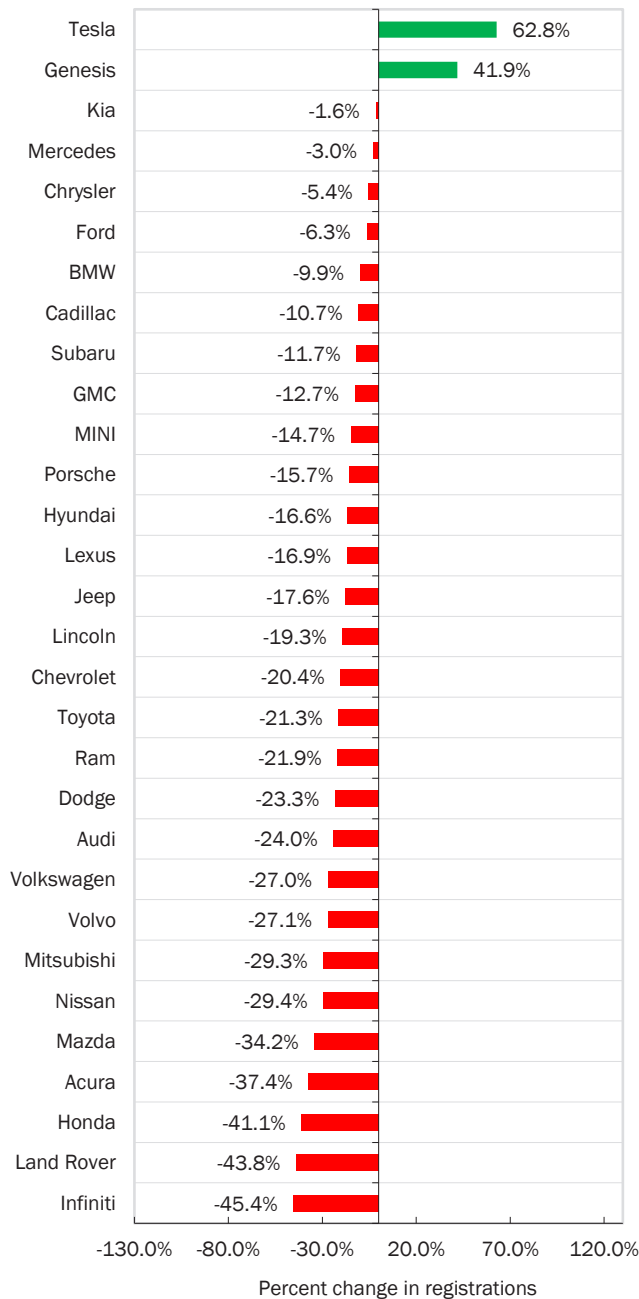
Top Selling Models in Each Segment - New Retail Light Vehicle Registrations (YTD 2022 thru September)											
Small Cars			Mid Size and Large Cars			Sports/Pony Cars			Near Luxury Cars		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Toyota Corolla	32216	25.1	Toyota Camry	40358	37.6	Ford Mustang	5644	34.3	Tesla Model 3	56851	54.3
Honda Civic	23723	18.5	Honda Accord	23933	22.3	Dodge Challenger	4386	26.6	Lexus ES	7707	7.4
Kia Forte	14553	11.3	Nissan Altima	13698	12.8	Toyota 86	2049	12.4	BMW 3-Series	5509	5.3
Nissan Sentra	8264	6.4	Dodge Charger	7994	7.4	Chevrolet Camaro	1962	11.9	BMW 4-Series	4616	4.4
Toyota Prius	8004	6.2	Chevrolet Malibu	7956	7.4	Toyota Supra	811	4.9	Mercedes C-Class	4251	4.1
Luxury and High End Sports Cars			Compact/Mid Size Pickup			Full Size Pickup			Mini Van		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Tesla Model S	7683	20.8	Toyota Tacoma	28342	45.4	Chevrolet Silverado	29543	28.0	Toyota Sienna	8277	41.5
BMW 5-Series	3785	10.2	Nissan Frontier	6233	10.0	Ford F-Series	29055	27.6	Chrysler Pacifica	6542	32.8
Mercedes E-Class	3518	9.5	Ford Maverick	5981	9.6	Ram Pickup	25698	24.4	Honda Odyssey	3229	16.2
Mercedes S-Class	3486	9.4	Chevrolet Colorado	5621	9.0	GMC Sierra	12922	12.3	Kia Carnival	1080	5.4
Chevrolet Corvette	2463	6.7	Ford Ranger	5471	8.8	Toyota Tundra	7113	6.7	Chrysler Voyager	791	4.0
Large Van			Subcompact SUV			Compact SUV			2 Row Mid Size SUV		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Ford Transit Connect	7515	33.6	Subaru Crosstrek	15430	20.2	Toyota RAV4	44738	25.0	Subaru Outback	11995	21.3
Mercedes Sprinter	6047	27.1	Honda HR-V	12380	16.2	Honda CR-V	19087	10.7	Toyota 4Runner	9479	16.8
Ram Promaster	4539	20.3	Kia Niro	5567	7.3	Jeep Wrangler	13943	7.8	Ford Mustang Mach-E	7310	13.0
Chevrolet Express	1699	7.6	Nissan Kicks	5509	7.2	Mazda CX-5	12706	7.1	Hyundai Santa Fe	6292	11.2
Ford E-Series	1676	7.5	Volkswagen Taos	5480	7.2	Subaru Forester	9066	5.1	Ford Edge	5841	10.4
3 Row Mid Size SUV			Large SUV			Luxury Subcompact SUV			Luxury Compact SUV		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Toyota Highlander	19778	22.7	Ford Bronco	8188	28.2	Audi Q3	3183	27.3	Tesla Model Y	61544	52.1
Ford Explorer	11729	13.5	Chevrolet Tahoe	5274	18.2	Lexus UX	2263	19.4	Mercedes GLC-Class	11821	10.0
Honda Pilot	8007	9.2	Jeep Grand Wagoneer	3076	10.6	Mercedes GLA-Class	1959	16.8	BMW X3	8009	6.8
Kia Sorento	6851	7.9	Chevrolet Suburban	2939	10.1	Volvo XC40	1441	12.4	Audi Q5	7136	6.0
Kia Telluride	6620	7.6	GMC Yukon	2550	8.8	BMW X1	1059	9.1	Lexus NX	6947	5.9
Luxury Mid Size SUV			Luxury Large SUV			Top Selling Passenger Cars			Top Selling Light Trucks		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Lexus RX	12871	18.8	Cadillac Escalade	3546	24.6	Tesla Model 3	56851	14.4	Tesla Model Y	61544	7.2
Mercedes GLE-Class	9121	13.3	Mercedes GLS-Class	3281	22.7	Toyota Camry	40358	10.2	Toyota RAV4	44738	5.3
BMW X5	9078	13.3	BMW X7	2833	19.6	Toyota Corolla	32216	8.2	Chevrolet Silverado	29543	3.5
Tesla Model X	7467	10.9	Mercedes G-Class	1351	9.4	Honda Accord	23933	6.1	Ford F-Series	29055	3.4
Acura MDX	3604	5.3	Land Rover Range Rover	1307	9.1	Honda Civic	23723	6.0	Toyota Tacoma	28342	3.3

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

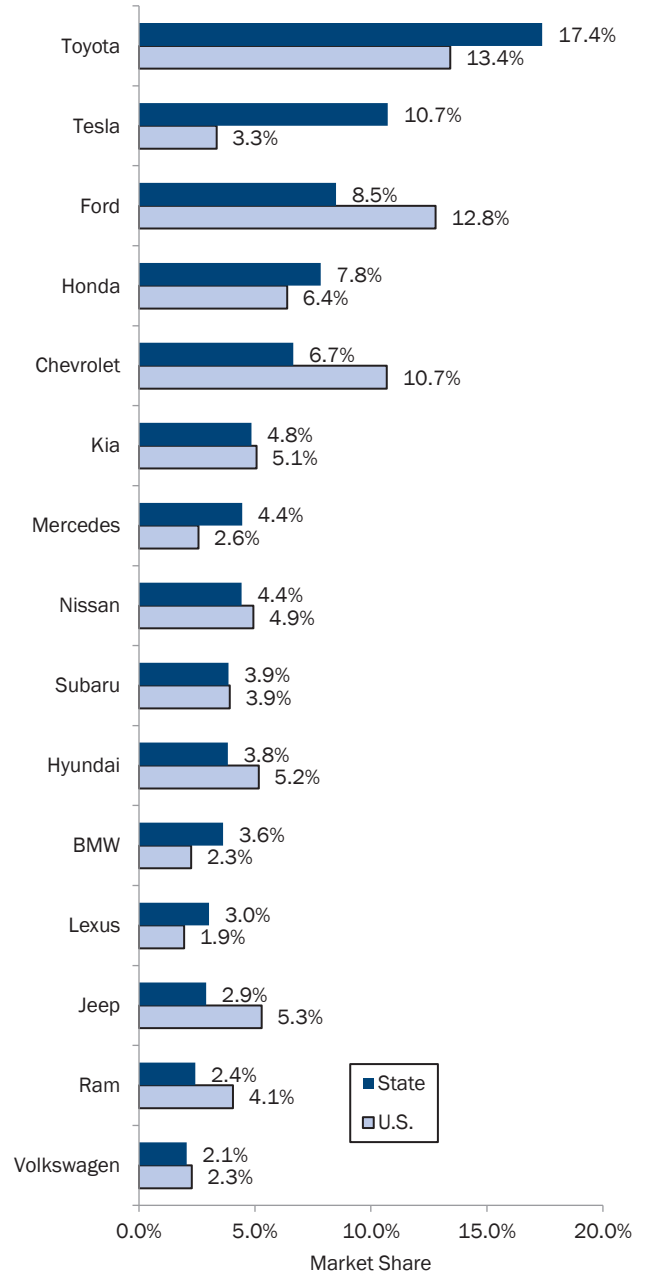
BRAND SUMMARY

Toyota Maintains Big Lead in California New Vehicle Market

**Percent Change in Brand Registrations
YTD 2022 thru September vs. YTD 2021
(Top 30 selling brands in state)**



**California and U.S. Market Share - YTD 2022 thru Sept.
(Top 15 selling brands in state)**



Registrations increased for Tesla and Genesis. Kia, Mercedes, Chrysler, Ford, and BMW had declines of less than 10 percent.



Toyota, Tesla, Ford, Honda, and Chevrolet 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												
	Third Quarter						Year to date thru September					
	Registrations			Market Share (%)			Registrations			Market Share (%)		
	3Q '21	3Q '22	% Change	3Q '21	3Q '22	Change	YTD '21	YTD '22	% Change	YTD '21	YTD '22	Change
TOTAL	445,633	392,401	-11.9				1,484,862	1,245,748	-16.1			
Acura	5,036	2,350	-53.3	1.1	0.6	-0.5	14,459	9,055	-37.4	1.0	0.7	-0.3
Alfa Romeo	736	757	2.9	0.2	0.2	0.0	2,499	1,757	-29.7	0.2	0.1	-0.1
Audi	8,017	7,966	-0.6	1.8	2.0	0.2	31,442	23,891	-24.0	2.1	1.9	-0.2
BMW	16,112	15,182	-5.8	3.6	3.9	0.3	50,207	45,228	-9.9	3.4	3.6	0.2
Buick	1,401	716	-48.9	0.3	0.2	-0.1	5,543	2,442	-55.9	0.4	0.2	-0.2
Cadillac	2,247	2,658	18.3	0.5	0.7	0.2	8,528	7,612	-10.7	0.6	0.6	0.0
Chevrolet	27,142	29,702	9.4	6.1	7.6	1.5	104,123	82,928	-20.4	7.0	6.7	-0.3
Chrysler	1,223	2,364	93.3	0.3	0.6	0.3	8,543	8,081	-5.4	0.6	0.6	0.0
Dodge	5,339	5,849	9.6	1.2	1.5	0.3	19,115	14,667	-23.3	1.3	1.2	-0.1
Ford	27,362	31,748	16.0	6.1	8.1	2.0	113,066	105,894	-6.3	7.6	8.5	0.9
Genesis	1,661	2,129	28.2	0.4	0.5	0.1	3,738	5,306	41.9	0.3	0.4	0.1
GMC	7,948	7,883	-0.8	1.8	2.0	0.2	27,339	23,880	-12.7	1.8	1.9	0.1
Honda	52,066	24,649	-52.7	11.7	6.3	-5.4	165,633	97,639	-41.1	11.2	7.8	-3.4
Hyundai	17,431	16,679	-4.3	3.9	4.3	0.4	57,254	47,776	-16.6	3.9	3.8	-0.1
Infiniti	1,469	992	-32.5	0.3	0.3	0.0	6,458	3,525	-45.4	0.4	0.3	-0.1
Jaguar	605	339	-44.0	0.1	0.1	0.0	2,454	1,113	-54.6	0.2	0.1	-0.1
Jeep	14,223	11,643	-18.1	3.2	3.0	-0.2	43,710	36,007	-17.6	2.9	2.9	0.0
Kia	20,295	21,542	6.1	4.6	5.5	0.9	61,321	60,344	-1.6	4.1	4.8	0.7
Land Rover	3,410	1,937	-43.2	0.8	0.5	-0.3	13,037	7,321	-43.8	0.9	0.6	-0.3
Lexus	14,610	13,027	-10.8	3.3	3.3	0.0	45,308	37,657	-16.9	3.1	3.0	-0.1
Lincoln	771	959	24.4	0.2	0.2	0.0	3,774	3,045	-19.3	0.3	0.2	-0.1
Maserati	336	232	-31.0	0.1	0.1	0.0	988	918	-7.1	0.1	0.1	0.0
Mazda	11,846	7,248	-38.8	2.7	1.8	-0.9	38,187	25,134	-34.2	2.6	2.0	-0.6
Mercedes	16,519	19,551	18.4	3.7	5.0	1.3	57,074	55,366	-3.0	3.8	4.4	0.6
MINI	1,516	1,350	-10.9	0.3	0.3	0.0	4,381	3,735	-14.7	0.3	0.3	0.0
Mitsubishi	1,469	642	-56.3	0.3	0.2	-0.1	5,057	3,574	-29.3	0.3	0.3	0.0
Nissan	20,733	14,025	-32.4	4.7	3.6	-1.1	78,030	55,077	-29.4	5.3	4.4	-0.9
Other	854	862	0.9	0.2	0.2	0.0	2,779	2,782	0.1	0.2	0.2	0.0
Porsche	4,219	3,505	-16.9	0.9	0.9	0.0	13,595	11,461	-15.7	0.9	0.9	0.0
Ram	11,498	9,820	-14.6	2.6	2.5	-0.1	38,696	30,233	-21.9	2.6	2.4	-0.2
Subaru	16,485	15,743	-4.5	3.7	4.0	0.3	54,465	48,086	-11.7	3.7	3.9	0.2
Tesla	32,165	42,650	32.6	7.2	10.9	3.7	82,040	133,545	62.8	5.5	10.7	5.2
Toyota	83,384	63,662	-23.7	18.7	16.2	-2.5	275,193	216,500	-21.3	18.5	17.4	-1.1
Volkswagen	11,262	9,828	-12.7	2.5	2.5	0.0	35,152	25,663	-27.0	2.4	2.1	-0.3
Volvo	4,243	2,212	-47.9	1.0	0.6	-0.4	11,674	8,506	-27.1	0.8	0.7	-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 Third Quarters of 2021 and 2022, and year-to-date 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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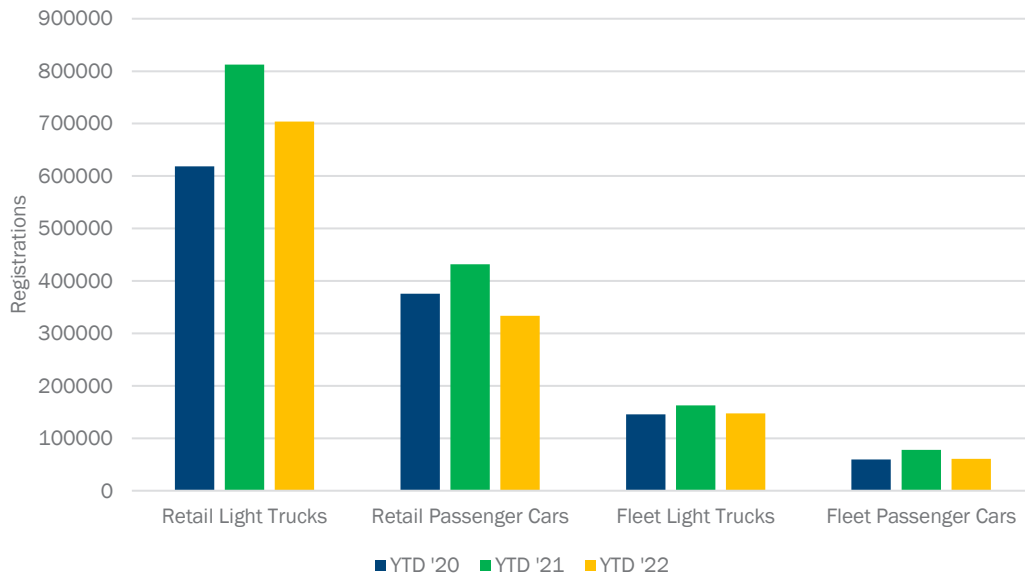
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BREAKDOWN OF RETAIL AND FLEET MARKETS

Retail Market Down 16.6 Percent Thru September; Fleet Registrations Decline 13.3 Percent

California New Car and Light Truck Retail and Fleet Registrations - YTD '20, '21, & '22 thru Sep.



Data Source: AutoCount data from Experian.

PERCENT CHANGE:
YTD '22 thru Sept. vs. YTD '21

Retail cars: DOWN 22.7%
Retail light trucks: DOWN 13.3%

Fleet cars: DOWN 21.9%
Fleet light trucks: DOWN 9.3%

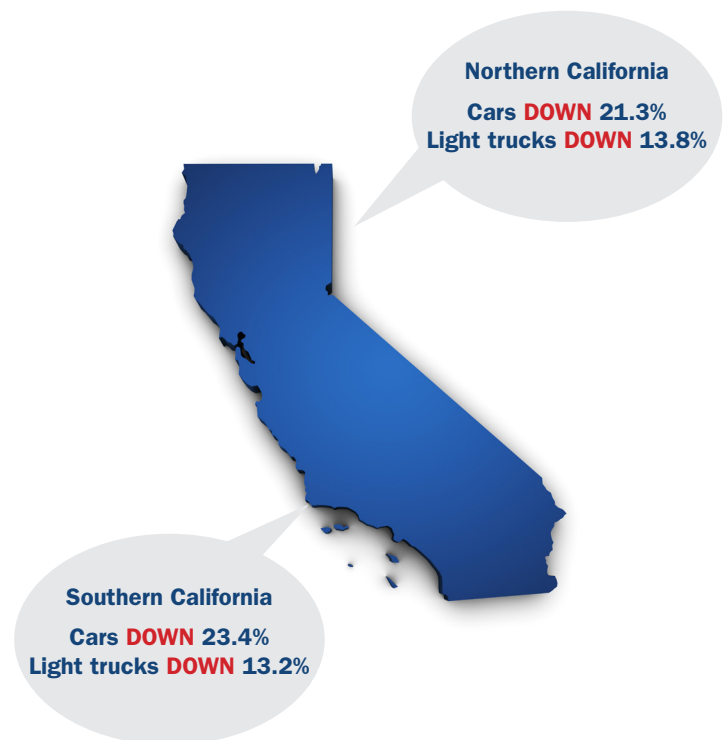
REGIONAL MARKETS IN CALIFORNIA

Northern and Southern California Markets Post Similar Results

New Retail Light Vehicle Registrations (excluding fleets) YTD thru Sep.			
North and South California	YTD '21	YTD '22	% chg.
Statewide Total	1,244,271	1,037,353	-16.6%
Cars	431,598	333,449	-22.7%
Light Trucks	812,673	703,904	-13.4%
Northern California	418,615	350,717	-16.2%
Cars	134,803	106,049	-21.3%
Light Trucks	283,812	244,668	-13.8%
Southern California	825,656	686,636	-16.8%
Cars	296,795	227,400	-23.4%
Light Trucks	528,861	459,236	-13.2%
Selected Regional Markets			
San Francisco Bay	216,907	188,019	-13.3%
Cars	72,905	60,249	-17.4%
Light Trucks	144,002	127,770	-11.3%
LA and Orange Counties	468,282	384,464	-17.9%
Cars	175,453	132,798	-24.3%
Light Trucks	292,829	251,666	-14.1%
San Diego County	110,369	94,409	-14.5%
Cars	33,928	27,727	-18.3%
Light Trucks	76,441	66,682	-12.8%

Data Source: AutoCount data from Experian.

Percent Change in New Retail Registrations - YTD '22 vs. YTD '21

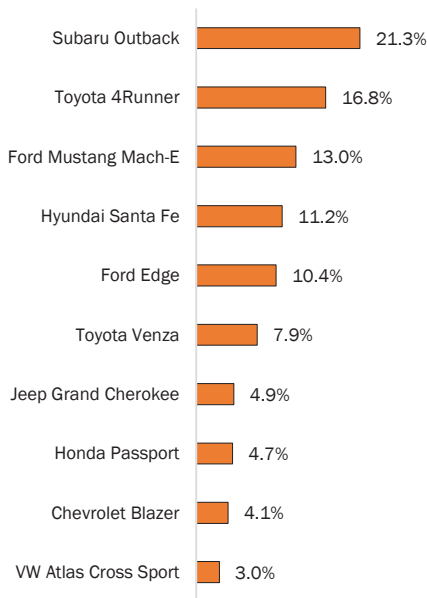


SEGMENT CLOSE-UP: MID SIZE SUVs

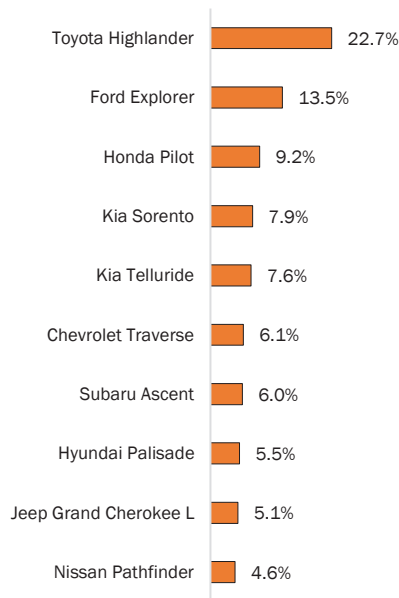
Toyota and Ford Lead State Mid Size SUV Segment

Model Sales Leaders Top 10 Selling Models in State for Two Row and Three Row Mid Size SUVs YTD '22 thru September

Market Share for Two Row Mid Size SUVs



Market Share for Three Row Mid Size SUVs



Two Key Trends

#1 Mid Size SUV segment is performing better than overall market...

% Change in New Vehicle Registrations YTD '19 thru Sept. to YTD '22

Mid Size SUVs: **DOWN 13.2%**

Industry: **DOWN 21.6%**

#2 Two row SUVs have been gaining market share in Mid Size SUV segment...

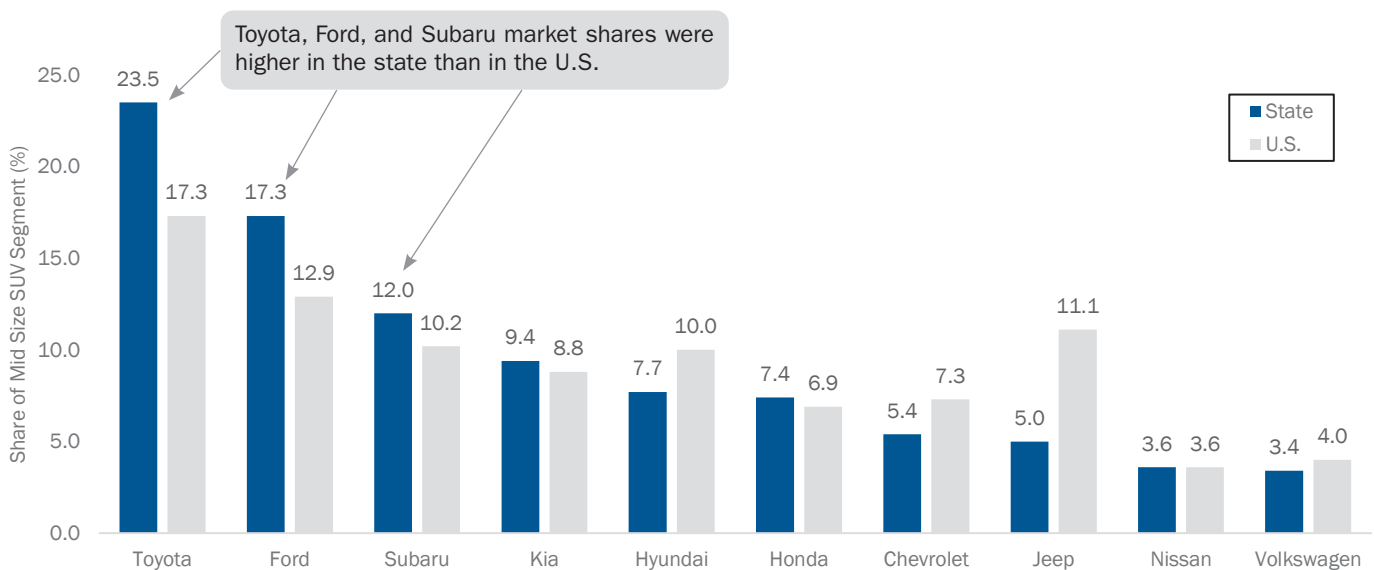
2 Row SUV Share of Mid Size SUV Segment - YTD '19 and YTD '22

YTD 2019: **36.0%**

YTD 2022: **39.3%**

Data Source: AutoCount data from Experian.

Brand Market Share in Mid Size SUV Segment, California and U.S. Markets - YTD 2022 thru September

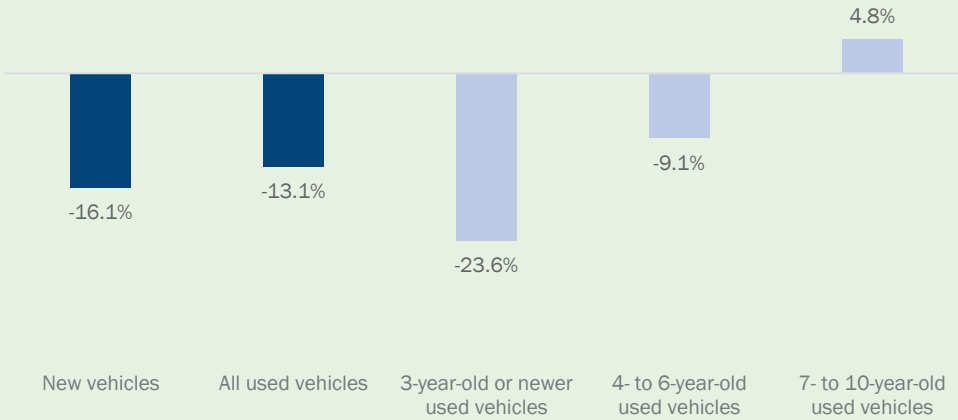


Data Source: AutoCount data from Experian. Figures in the graph above include retail transactions only. U.S. figures estimated by Auto Outlook.

CALIFORNIA USED VEHICLE MARKET

California Used Vehicle Market Declined 13.1 Percent During First Nine Months of 2022

Percent Change in New and Used Vehicle Registrations - YTD '22 thru Sept. vs. YTD '21



Data Source: AutoCount data from Experian.

TWO KEY TRENDS IN USED VEHICLE MARKET



01.

Used vehicle registrations in the state declined 13.1 percent during the first nine months of this year versus a year earlier, a smaller drop than the 16.1 percent fall in the new vehicle market.

02.

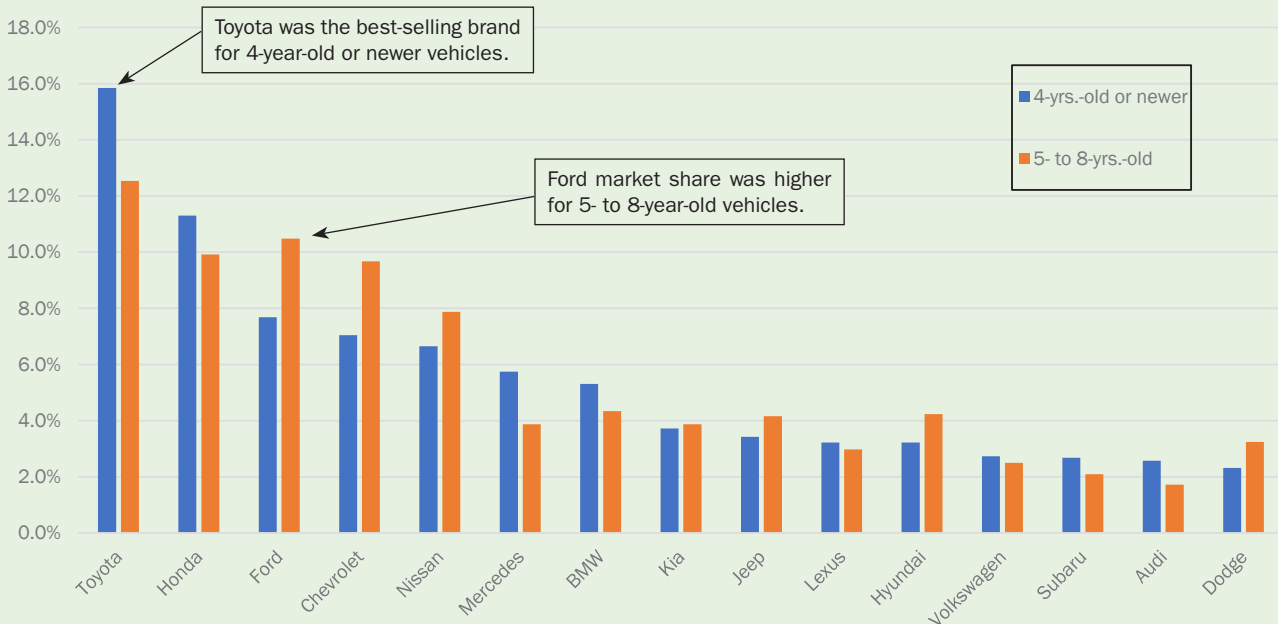
As the year has progressed, strong headwinds have emerged that have impacted used vehicle sales. All of these headwinds are related to vehicle supplies and pricing. Below average new vehicle sales during the past two years have reduced the availability of newer used cars and have resulted in fewer trade ins. In addition, escalating used vehicle prices in 2021 and the first half of this year, combined with a weakening economy have cooled demand. Used vehicle prices have softened over the past several months, however, which should provide a mild boost.

USED VEHICLE BRAND MARKET SHARE

Toyota is Top Seller in California Used Vehicle Market

The graph below shows used light vehicle registrations by brand for two age categories: vehicles newer than four years old, and vehicles five to eight years old. Brands are positioned from left to right based on market share for four year old or newer vehicles.

Brand Market Share for Top 15 Selling Brands, by Vehicle Age (YTD '22 thru September)



Data Source: AutoCount data from Experian.