

FORECAST

Area New Vehicle Market Had Smaller Decline than Nation in 1Q '26



Key factors boosting new vehicle sales

Pent up demand. New vehicle sales since the onset of the pandemic have been below average. And the Great Recession of 2009 was called great for a reason: it took nearly seven years for sales to return to normal levels. Due to this extended period of below-average sales, the vehicle fleet is aging (see below). Vehicle purchases have been postponed, which will provide support to the market.

Consumers have incentive to upgrade. Average age of vehicles in operation has reached an all-time high. No question, modern vehicles are built better and last longer, but today's models offer many upgraded features vs. the average 12.5-year-old car. Passive and active safety technology, advanced infotainment options, and alternative powertrains are just a few examples. Many vehicle owners have a strong incentive to upgrade.

Declining interest rates? Prior to the Iran war, the prospects were good for interest rates to fall during 2026. But the war and subsequent increases in oil and gasoline prices have brought that into question. Lower finance rates are critical for improving affordability, which is the primary negative for the market.



Key factors holding back new vehicle sales

New vehicle affordability. Finance costs remain elevated due to high interest rates, vehicle transaction prices are hovering around \$50,000, and income growth is barely keeping pace with inflation. Manufacturers can alleviate price pressures by reducing content levels and offering more affordable models, but these adjustments take time.

Tariffs. Higher tariffs will negatively impact new vehicle sales in 2026. Up until now, manufacturers and dealers have largely absorbed the costs, but eventually, consumers will feel the effects. Tariffs also lead to increasing inflation in the economy, which reduces disposable household income.

Uncertainty. Forecasting auto sales is always challenging, but the past 15 months have been particularly unpredictable. Unforeseen events like fluctuating tariff rates, the phase-out of BEV tax credits, the war in Iran, and rising gasoline prices have all thrown uncertainty into the outlook. Largely as a result of this ongoing tumult, consumer confidence has plummeted to near record-low levels. Heightened uncertainty makes people reluctant to make big-ticket purchases, like automobiles.

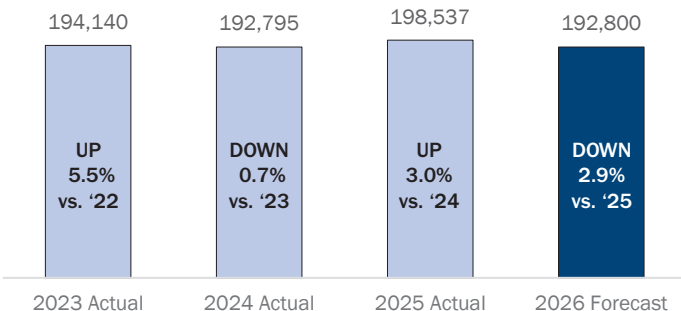
Key Trends in Area Market



- » Area new retail light vehicle registrations are predicted to decline 2.9% for all of this year versus 2025.
- » Registrations in the first quarter of 2026 slipped to 45,291 units, off by 6.1% from a year earlier and below the previous five year average (see page 2). The U.S. market declined 8.5%.
- » BEV and PHEV registrations fell by more than 42% in the first quarter of this year (see page 6). BEV market share fell to 10.2%
- » Among top 25 sellers, Toyota, Nissan, Lexus, Acura, Ram, and Jeep were the only brands to have increases in registrations so far this year (see page 5).
- » Model 3 and Nissan Sentra are relatively strong performers in the area market (see page 7).

Forecast for Area New Retail Light Vehicle Registrations

Market Summary



The graph above shows annual new retail light vehicle registrations from 2023 to 2025, and Auto Outlook's projection for 2026. Historical data sourced from Experian Automotive.

	YTD '25 thru Mar.	YTD '26 thru Mar.	% Chg. '25 to '26	Mkt. Share YTD '26
TOTAL	48,244	45,291	-6.1%	
Car	13,955	12,695	-9.0%	28.0%
Light Truck	34,289	32,596	-4.9%	72.0%
Domestic	15,690	13,515	-13.9%	29.9%
European	4,733	4,132	-12.7%	9.1%
Japanese	22,149	22,351	0.9%	49.3%
Other Asian	5,672	5,293	-6.7%	11.7%

Domestics consist of vehicles sold by GM, Ford, Stellantis (excluding Alfa Romeo and FIAT), Tesla, Rivian, and Lucid. Other Asian includes Genesis, Hyundai, Kia, and VinFast.

Data sourced from Experian Automotive.

KEY TRENDS IN INLAND EMPIRE AREA NEW VEHICLE MARKET



AREA MARKET VS. U.S.

**% Change In
New Retail Market
YTD '26 thru March
vs. YTD '25**

**Inland Empire
DOWN 6.1%**

**California
DOWN 10.6%**

**U.S.
DOWN 8.5%**

New retail light vehicle registrations in the area declined 6.1% during the first three months of this year versus year earlier. State market was off 10.6%, while U.S. was down 8.5%.

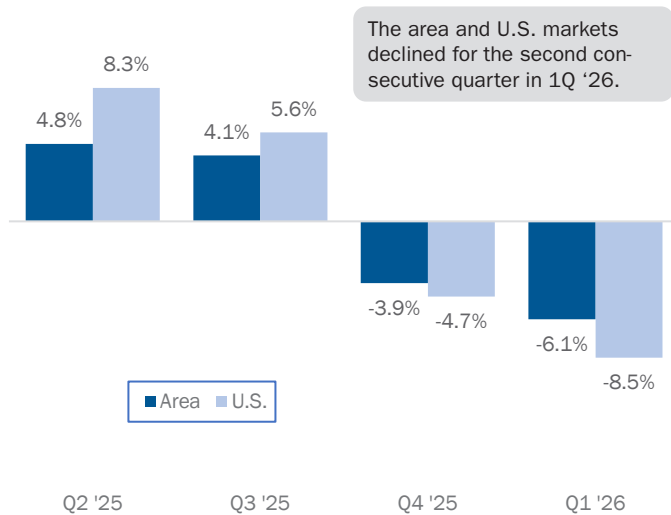
Data sourced from Experian Automotive.



QUARTERLY RESULTS

QUARTERLY TREND

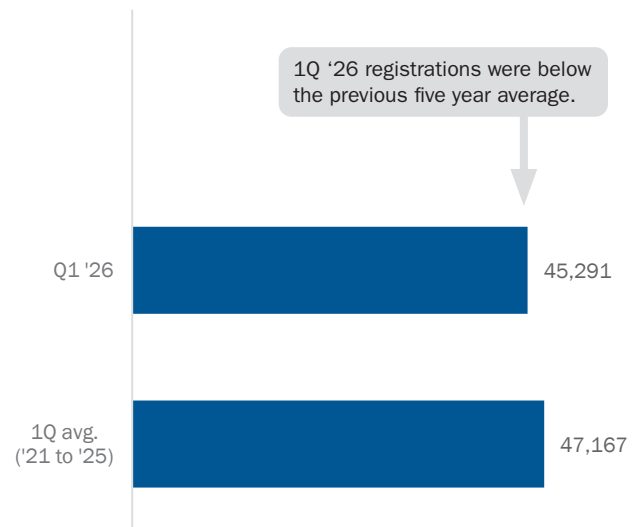
Percent Change in Registrations vs. Year Earlier



Data sourced from Experian Automotive.

QUARTERLY PERSPECTIVE

1Q '26 Registrations Versus 1Q Average for Previous Five Years



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Inland Empire Auto Outlook

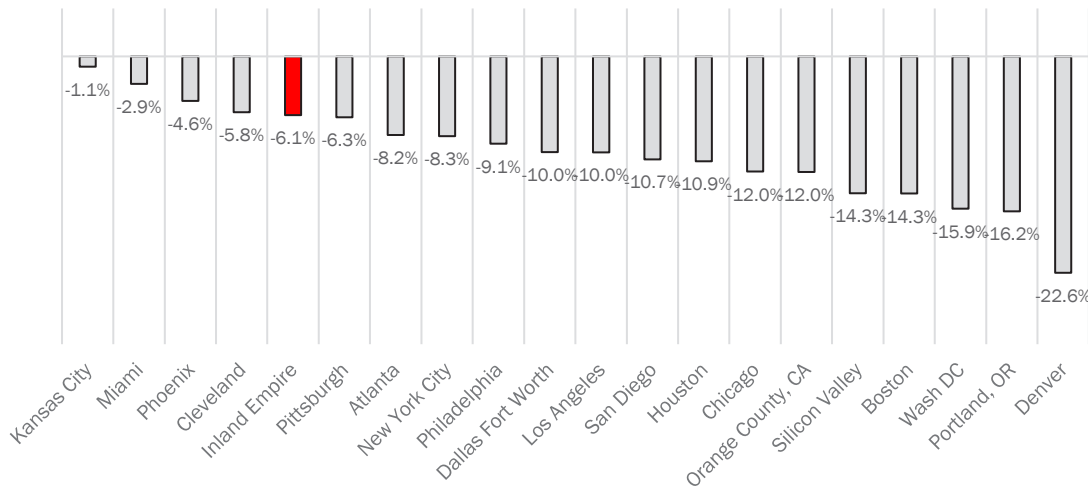
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PO Box 390, Exton, PA 19341
Phone: 610-640-1233 EMail: autooutlook@icloud.com
Editor: Jeffrey A. Foltz

COMPARISON OF METRO AREA MARKETS



INDUSTRY RESULTS IN FIRST QUARTER 2026

Percent Change in New Retail Light Vehicle Registrations - 1Q 2026 vs. 1Q 2025



The graph on the left shows the percent change in new retail light vehicle registrations during the first three months of this year versus year earlier in 20 selected metro areas. Inland Empire area registrations fell 6.1% in the first quarter of this year, above average compared to other markets. The Kansas City market had the smallest decline, off 1.1%.

Data sourced from Experian Automotive.



MARKET SHARE BY BRAND CATEGORY

Market Share by Brand Type in 20 Selected Metro Area Markets - YTD 2026 thru March

Rank	Domestic Brands		European Brands		Japanese Brands		Other Asian Brands	
	Area	% share	Area	% share	Area	% share	Area	% share
1	Cleveland	44.5	Los Angeles	18.1	Portland, OR	52.4	Chicago	14.7
2	Dallas Fort Worth	41.3	Miami	18.1	Inland Empire, CA	49.3	Cleveland	14.7
3	Kansas City	40.8	Orange County, CA	16.9	Boston	48.8	Atlanta	14.0
4	Houston	40.5	New York City	16.7	Wash DC	48.2	Miami	14.0
5	Pittsburgh	39.8	Silicon Valley	14.3	San Diego	48.1	Phoenix	14.0
6	Phoenix	36.7	San Diego	14.0	Los Angeles	47.8	Wash DC	13.2
7	Atlanta	35.1	Wash DC	13.5	New York City	45.7	Philadelphia	13.0
8	Silicon Valley	34.3	Boston	13.4	Orange County, CA	44.5	Pittsburgh	13.0
9	Chicago	32.7	Philadelphia	13.3	Philadelphia	44.3	Kansas City	12.4
10	Denver	31.5	Denver	12.7	Denver	44.2	Inland Empire, CA	11.7
11	Inland Empire, CA	29.9	Chicago	12.0	Silicon Valley	42.4	Denver	11.6
12	Philadelphia	29.4	Phoenix	10.4	Atlanta	40.9	New York City	11.6
13	Miami	29.0	Houston	10.3	Chicago	40.6	Dallas Fort Worth	11.3
14	Boston	28.5	Atlanta	10.0	Pittsburgh	40.5	Portland, OR	10.9
15	Orange County, CA	28.2	Portland, OR	9.8	Miami	38.9	Los Angeles	10.8
16	San Diego	27.7	Dallas Fort Worth	9.7	Phoenix	38.9	Houston	10.5
17	Portland, OR	26.9	Inland Empire, CA	9.1	Houston	38.7	Orange County, CA	10.4
18	New York City	26.0	Kansas City	9.0	Kansas City	37.8	San Diego	10.2
19	Wash DC	25.1	Pittsburgh	6.7	Dallas Fort Worth	37.7	Boston	9.3
20	Los Angeles	23.3	Cleveland	6.4	Cleveland	34.4	Silicon Valley	9.0

The table above shows percent market share for Domestic, European, Japanese, and Other Asian brands in 20 selected metro area markets in the first quarter of this year. Other Asian brands include Genesis, Hyundai, Kia, and VinFast. Data sourced from Experian Automotive.

BRANDS



TOP SELLING BRANDS IN 7 PRIMARY SEGMENTS

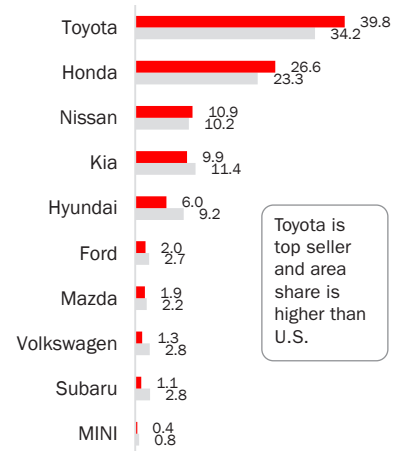
The seven graphs on this page show brand market share in seven key segments during the first three months of 2026 in both the Inland Empire Area and U.S. markets. Area percent share is depicted by the red bars, U.S. share is light gray. Top ten brands in each segment are ranked from top to bottom based on Inland Empire Area share.

Segments were defined based on model classifications instead of overall brand positioning. For instance, Chevrolet appears on the Luxury and Sports cars graph because of the Corvette. Small SUVs consists of both Sub Compact and Compact models.

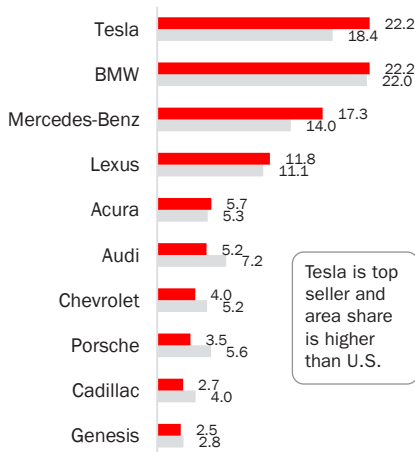
Legend for all graphs



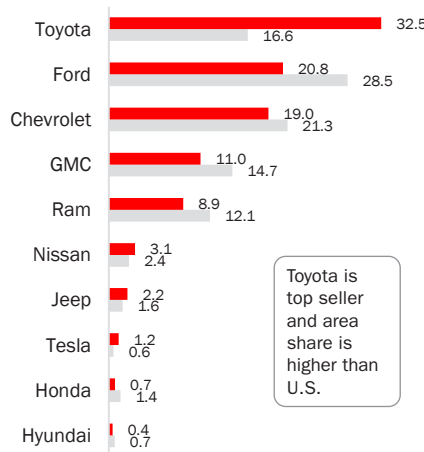
Mainstream Cars



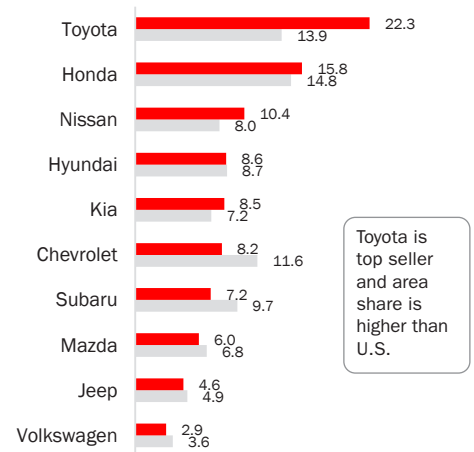
Luxury and Sports Cars



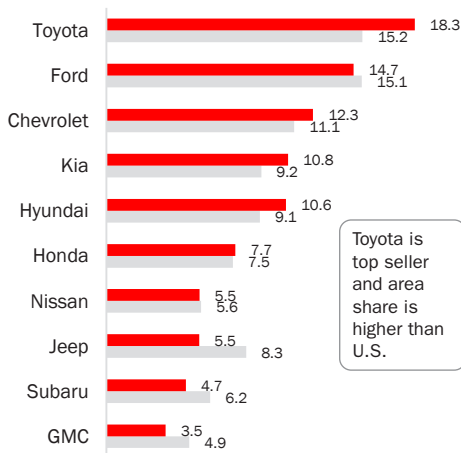
Pickups



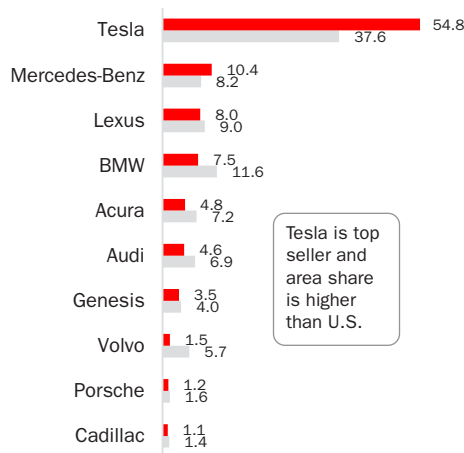
Small Mainstream SUVs



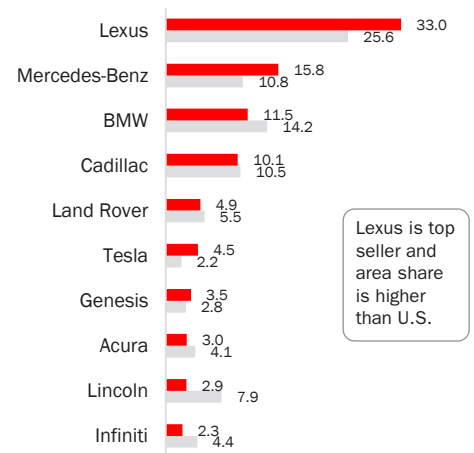
Mid and Full Size Mainstream SUVs



Small Luxury SUVs



Mid and Full Size Luxury SUVs



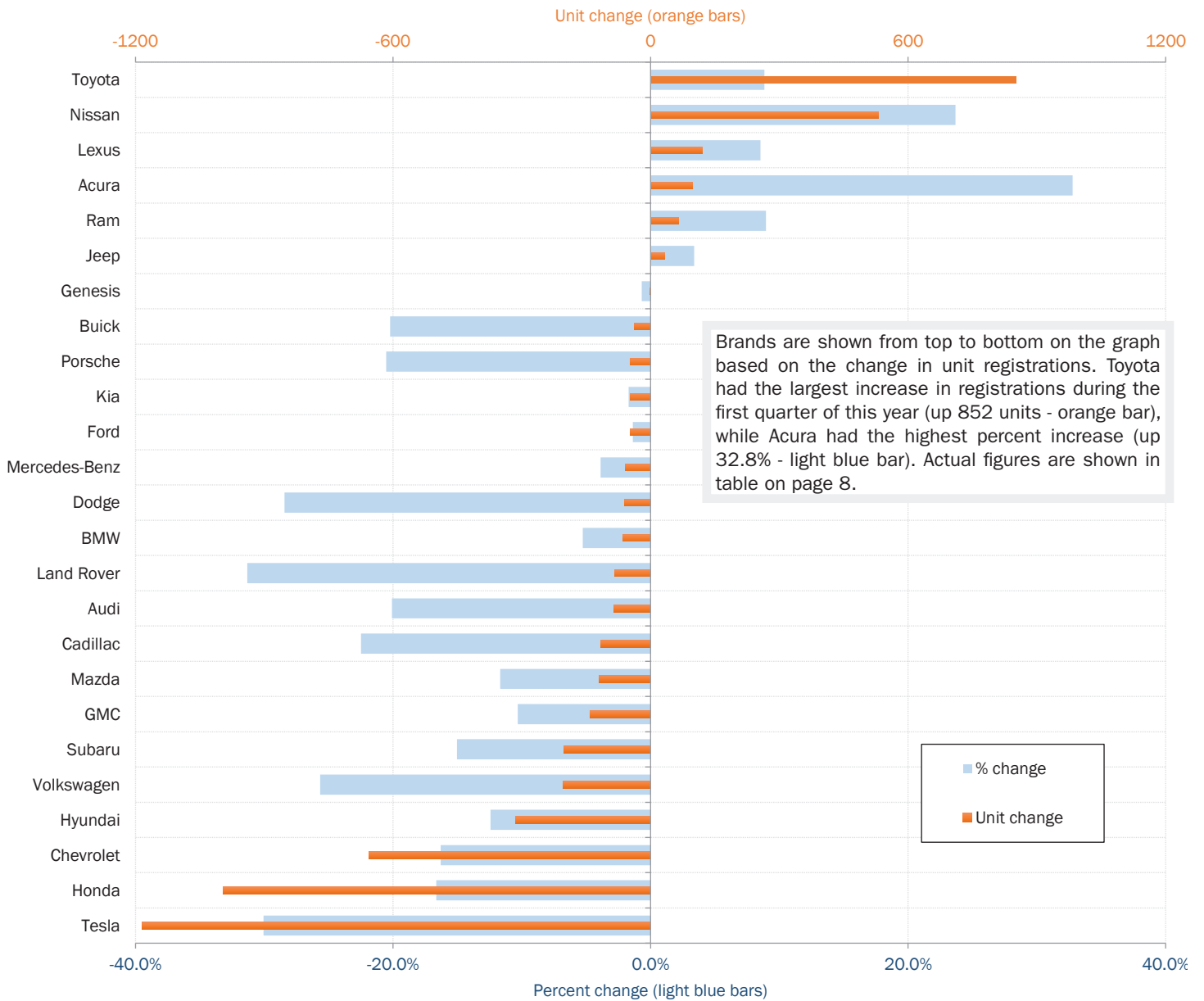
BRANDS



WINNERS AND LOSERS

The graph below shows both the percent and unit change in registrations during the first quarter of this year versus year earlier for the top 25 selling brands in the Inland Empire area market.

Percent and Unit Change in New Retail Light Vehicle Registrations for Top 25 Selling Brands - YTD '26 thru Mar. vs. YTD '25



Data sourced from Experian Automotive.

POWERTRAINS

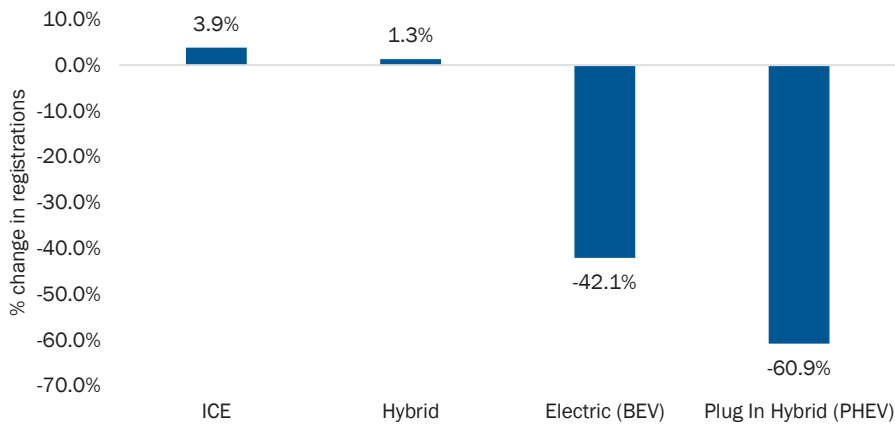
FIVE KEY TRENDS

1. BEV registrations declined 42.1% during the first three months of 2026 vs. year earlier.
2. BEV market share fell to 10.2% in 1Q '26, down from 16.6% in 1Q '25.
3. Hybrid vehicle registrations increased 1.3% so far this year vs. the 6.1% drop in the overall market.
4. Plug-in-hybrids had the largest percentage decline in 1Q '26 versus year earlier.
5. BEV/PHEV market share was highest in the Small Luxury SUV segment (see graph below).



ICE, BEV, PHEV, AND HYBRID MARKET SHARE

% Change in Registrations by Powertrain Type YTD '26 thru Mar. vs YTD '25



% Share of Industry Registrations by Powertrain Type

	YTD thru March		
	YTD '25	YTD '26	
Hybrid	19.1%	20.6%	↑
Electric (BEV)	16.6%	10.2%	↓
Plug In Hybrid (PHEV)	2.9%	1.2%	↓

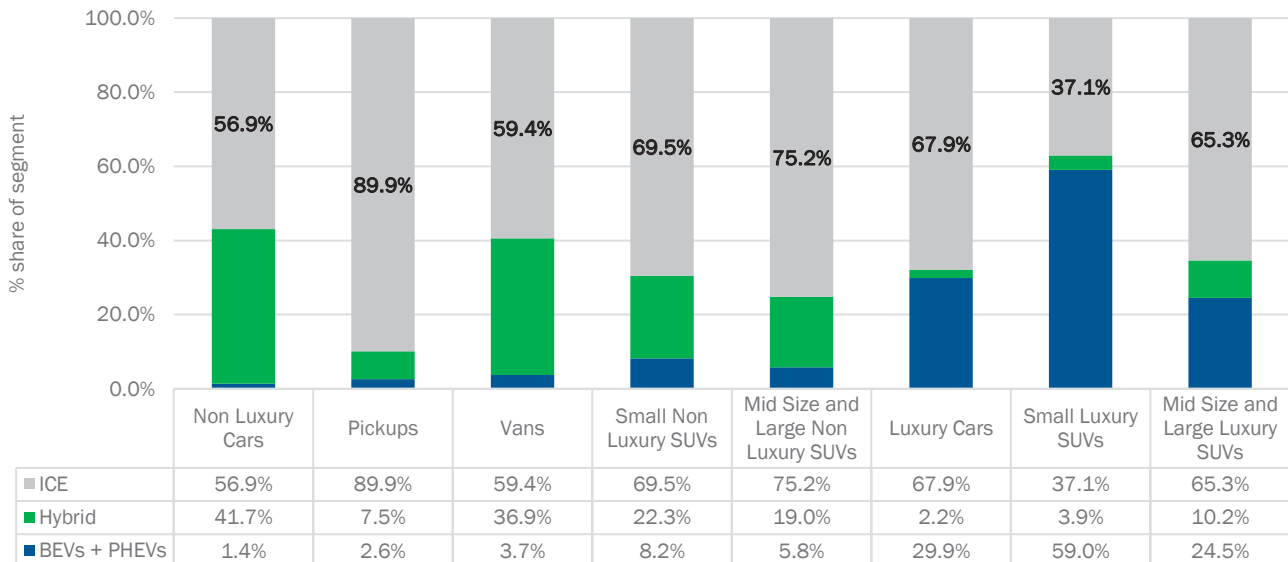
	Quarterly		
	4Q '25	1Q '26	
Hybrid	20.9%	20.6%	↓
Electric (BEV)	14.8%	10.2%	↓
Plug In Hybrid (PHEV)	1.9%	1.2%	↓

Data sourced from Experian Automotive. Hybrid registrations exclude mild hybrids.



POWERTRAIN SHARES FOR VEHICLE SEGMENTS

Percent Share of Segment Registrations by Powertrain Type - YTD 2026 thru March



The graph above shows market share by powertrain type for eight vehicle segments. Gray bars show ICE market share, green is hybrids, and blue is combined share for BEVs and PHEVs. Luxury segments are shown on the right side of the graph. BEV/PHEV share exceeded 29% for Luxury Cars and Small Luxury SUVs. Hybrids accounted for 41.7% of the Non Luxury Car segment. Data sourced from Experian Automotive.

MODELS



COMPARISON OF TOP-SELLING MODELS IN AREA AND U.S. MARKETS

The table below shows rankings in the area and U.S. market for the top 30 sellers in the area. Models are shown from top to bottom based on area registrations. The bars on the right of the table show the difference between area and U.S. rankings. Toyota Camry was the best-selling model in the Inland Empire Area and ninth in the Nation. Nissan Sentra was a relatively strong performer in the area, with area ranking exceeding U.S. by 30 positions.

Inland Empire Area and U.S. Rankings for Top 30 Selling Models in Area - YTD 2026 thru March

Model	Area Rank	U.S. Rank	Difference in area and U.S. rankings Positive # = higher rank in area. Negative # = lower rank in area
Toyota Camry	1	9	8
Tesla Model Y	2	6	4
Toyota Tacoma	3	8	5
Honda Civic	4	11	7
Toyota Corolla	5	12	7
Toyota RAV4	6	4	-2
Chevrolet Silverado	7	2	-5
Honda CR-V	8	3	-5
Ford F-Series	9	1	-8
Honda Accord	10	22	12
Nissan Sentra	11	41	30
Toyota Tundra	12	19	7
Ram Pickup	13	7	-6
GMC Sierra	14	5	-9
Kia K4	15	35	20
Nissan Kicks	16	42	26
Kia Sportage	17	17	0
Toyota Corolla Cross	18	38	20
Tesla Model 3	19	52	33
Hyundai Tucson	20	13	-7
Lexus RX	21	32	11
Hyundai Elantra	22	40	18
Nissan Rogue	23	14	-9
Chevrolet Traverse	24	21	-3
Ford Bronco	25	23	-2
Toyota Grand Highlander	26	24	-2
Chevrolet Equinox	27	10	-17
Jeep Wrangler	28	31	3
Toyota 4Runner	29	26	-3
Honda HR-V	30	28	-2

COMPARISON OF INLAND EMPIRE AREA, ORANGE COUNTY, LA COUNTY, CALIFORNIA, AND U.S. RETAIL MARKETS

Domestic Brand Share of Area Market Was 29.8% vs 38.5% in U.S.

	Inland Empire Area	Orange County	LA County	California	U.S.
% change in registrations					
YTD '26 thru March vs. YTD '25	-6.1%	-12.0%	-10.0%	-10.6%	-8.5%
Car share of industry retail light vehicle market					
YTD '26 thru March	28.0%	23.6%	27.9%	25.0%	13.5%
Domestic brand market share					
YTD '26 thru March	29.8%	28.2%	23.3%	28.6%	38.5%

Brand	New Retail Registrations - YTD 2026 thru March				Market Share (YTD '26)		
	Inland Empire Area		U.S.		Inland Empire	U.S.	Variance
	Regs.	% ch. vs. YTD '25	Regs.	% ch. vs. YTD '25			
Acura	397	32.8%	27,821	-0.9%	0.9	1.0	-0.1
Alfa Romeo	8	700.0%	756	-47.7%	0.0	0.0	0.0
Audi	338	-20.1%	26,228	-29.1%	0.7	0.9	-0.2
BMW	1,149	-5.3%	75,049	-4.8%	2.5	2.6	-0.1
Buick	146	-20.2%	28,714	-33.7%	0.3	1.0	-0.7
Cadillac	400	-22.5%	29,335	-26.6%	0.9	1.0	-0.1
Chevrolet	3,368	-16.3%	292,385	-13.0%	7.4	10.0	-2.6
Chry Dodge Jeep Ram	1,983	1.3%	192,821	-7.4%	4.4	6.6	-2.2
Chrysler	34	-27.7%	8,119	-11.8%	0.1	0.3	-0.2
Dodge	151	-28.4%	10,449	-30.8%	0.3	0.4	-0.1
Jeep	1,008	3.4%	98,130	-7.6%	2.2	3.4	-1.2
Ram	790	9.0%	76,123	-2.2%	1.7	2.6	-0.9
Ford	3,418	-1.4%	321,802	-3.7%	7.5	11.0	-3.5
Genesis	290	-0.7%	16,353	-0.3%	0.6	0.6	0.0
GMC	1,226	-10.3%	130,395	-4.7%	2.7	4.5	-1.8
Honda	4,984	-16.6%	266,982	-11.9%	11.0	9.2	1.8
Hyundai	2,219	-12.4%	159,929	-4.1%	4.9	5.5	-0.6
Ineos	10	-58.3%	1,075	-16.2%	0.0	0.0	0.0
Infiniti	75	-29.2%	10,255	-15.6%	0.2	0.4	-0.2
Kia	2,782	-1.7%	165,533	-5.5%	6.1	5.7	0.4
Land Rover	182	-31.3%	16,888	-27.6%	0.4	0.6	-0.2
Lexus	1,540	8.5%	83,116	1.5%	3.4	2.8	0.6
Lincoln	103	6.2%	22,407	-3.5%	0.2	0.8	-0.6
Lucid	50	47.1%	3,259	48.9%	0.1	0.1	0.0
Mazda	900	-11.7%	71,534	-11.3%	2.0	2.5	-0.5
Mercedes-Benz	1,433	-3.9%	59,387	-13.6%	3.2	2.0	1.2
MINI	55	5.8%	4,700	-17.7%	0.1	0.2	-0.1
Mitsubishi	51	-50.5%	9,823	-35.4%	0.1	0.3	-0.2
Nissan	2,769	23.7%	147,045	8.4%	6.1	5.0	1.1
Porsche	182	-20.5%	12,931	-20.0%	0.4	0.4	0.0
Rivian	65	-36.9%	5,371	-28.2%	0.1	0.2	-0.1
Subaru	1,142	-15.0%	124,296	-16.6%	2.5	4.3	-1.8
Tesla	2,755	-30.1%	97,204	-29.9%	6.1	3.3	2.8
Toyota	10,493	8.8%	434,737	3.8%	23.2	14.9	8.3
Volkswagen	588	-25.7%	54,186	-24.0%	1.3	1.9	-0.6
Volvo	106	-30.3%	18,705	-20.3%	0.2	0.6	-0.4
Other	76	-26.2%	4,809	-29.1%	0.2	0.2	0.0

Inland Empire Area New Retail Car and Light Truck Registrations									
	First Quarter			Annual Totals			Annual Market Share (%)		
	1Q '25	1Q '26	% chg.	2024	2025	% chg.	2024	2025	Chg.
MARKET SUMMARY									
TOTAL	48,244	45,291	-6.1%	192,795	198,537	3.0%			
Cars	13,955	12,695	-9.0%	58,546	57,096	-2.5%	30.4	28.8	-1.6
Light Trucks	34,289	32,596	-4.9%	134,249	141,441	5.4%	69.6	71.2	1.6
Domestic	15,690	13,515	-13.9%	65,965	65,048	-1.4%	34.2	32.8	-1.5
European	4,733	4,132	-12.7%	18,214	17,418	-4.4%	9.4	8.8	-0.7
Japanese	22,149	22,351	0.9%	85,696	92,935	8.4%	44.4	46.8	2.4
Other Asian	5,672	5,293	-6.7%	22,920	23,136	0.9%	11.9	11.7	-0.2
BRAND REGISTRATIONS									
Acura	299	397	32.8%	1,256	1,310	4.3%	0.7	0.7	0.0
Alfa Romeo	1	8	700.0%	42	19	-54.8%	0.0	0.0	0.0
Audi	423	338	-20.1%	2,005	1,651	-17.7%	1.0	0.8	-0.2
BMW	1,213	1,149	-5.3%	4,707	4,535	-3.7%	2.4	2.3	-0.1
Buick	183	146	-20.2%	664	725	9.2%	0.3	0.4	0.1
Cadillac	516	400	-22.5%	1,600	2,012	25.8%	0.8	1.0	0.2
Chevrolet	4,024	3,368	-16.3%	15,703	16,030	2.1%	8.1	8.1	0.0
C/D/J/R	1,958	1,983	1.3%	8,908	8,213	-7.8%	4.6	4.1	-0.5
Chrysler	47	34	-27.7%	304	200	-34.2%	0.2	0.1	-0.1
Dodge	211	151	-28.4%	1,872	882	-52.9%	1.0	0.4	-0.6
Jeep	975	1,008	3.4%	4,105	4,088	-0.4%	2.1	2.1	0.0
Ram	725	790	9.0%	2,627	3,043	15.8%	1.4	1.5	0.1
Ford	3,466	3,418	-1.4%	13,307	14,800	11.2%	6.9	7.5	0.6
Genesis	292	290	-0.7%	919	1,022	11.2%	0.5	0.5	0.0
GMC	1,367	1,226	-10.3%	5,148	5,287	2.7%	2.7	2.7	0.0
Honda	5,979	4,984	-16.6%	23,442	23,412	-0.1%	12.2	11.8	-0.4
Hyundai	2,534	2,219	-12.4%	10,115	10,435	3.2%	5.2	5.3	0.1
Ineos	24	10	-58.3%	54	59	9.3%	0.0	0.0	0.0
Infiniti	106	75	-29.2%	429	345	-19.6%	0.2	0.2	0.0
Kia	2,830	2,782	-1.7%	11,725	11,644	-0.7%	6.1	5.9	-0.2
Land Rover	265	182	-31.3%	873	868	-0.6%	0.5	0.4	-0.1
Lexus	1,419	1,540	8.5%	5,800	6,195	6.8%	3.0	3.1	0.1
Lincoln	97	103	6.2%	379	366	-3.4%	0.2	0.2	0.0
Lucid	34	50	47.1%	126	170	34.9%	0.1	0.1	0.0
Mazda	1,019	900	-11.7%	3,753	3,981	6.1%	1.9	2.0	0.1
Mercedes-Benz	1,491	1,433	-3.9%	5,535	5,757	4.0%	2.9	2.9	0.0
MINI	52	55	5.8%	250	231	-7.6%	0.1	0.1	0.0
Mitsubishi	103	51	-50.5%	424	303	-28.5%	0.2	0.2	0.0
Nissan	2,239	2,769	23.7%	9,164	9,756	6.5%	4.8	4.9	0.1
Polestar	8	8	0.0%	71	27	-62.0%	0.0	0.0	0.0
Porsche	229	182	-20.5%	795	788	-0.9%	0.4	0.4	0.0
Rivian	103	65	-36.9%	531	496	-6.6%	0.3	0.2	-0.1
Subaru	1,344	1,142	-15.0%	5,364	4,718	-12.0%	2.8	2.4	-0.4
Tesla	3,939	2,755	-30.1%	19,526	16,933	-13.3%	10.1	8.5	-1.6
Toyota	9,641	10,493	8.8%	36,064	42,915	19.0%	18.7	21.6	2.9
Volkswagen	791	588	-25.7%	3,051	2,642	-13.4%	1.6	1.3	-0.3
Volvo	152	106	-30.3%	431	551	27.8%	0.2	0.3	0.1
Other	103	76	-26.2%	634	341	-46.2%	0.3	0.2	-0.1

Other Asian includes Genesis, Hyundai, Kia, and VinFast. Data sourced from Experian Automotive.

Inland Empire Auto Outlook

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Phone: 610-640-1233 Email: autooutlook@icloud.com

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Explanation of Data

Data presented in Auto Outlook measures new vehicle registrations in the area. Monthly recording of registrations occurs when vehicle title information is processed.

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