# Orange County Auto Outlook" 

## FORECAST

## Strong New Vehicle Sales in 2016 and Similar Forecast in 2017

## Market predicted to remain solid in 2017

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

County new retail light vehicle registrations exceeded 190,000 units in 2016
As shown on page 6, 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 94,000 units.

New vehicle sales likely to plateau 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 $37.2 \%$ in 2012 to $46.6 \%$ in 2016.

Alternative powertrain market declines
County registrations of hybrid and electric cars and trucks declined $15 \%$ in 2016, while the overall market was basically unchanged for the entire year.

Toyota, Honda, Ford, Mercedes, and Hyundai are leaders in county market
Toyota was the best selling brand last year, with a $16.7 \%$ share. Honda's county share was $14.1 \%$, well above its share in the U.S.

Jaguar, Volvo, Lincoln, FIAT, Land Rover, Chevrolet, Subaru, and Buick gained a lot of ground during past year
New retail registrations for each of these eight brands were up more than $10 \%$ from 2015 to 2016.

Honda Civic best-selling car in county market; CR-V is light truck leader
Accord and Camry were ranked second and third behind Civic in the car market, while RAV4 and F-Series trailed the CR-V.

Small SUVs account for 13\% of market
Combined market share for Subcompact and Compact SUVs increased to 13\% last year. Luxury and Sports Car market share fell by nearly two points.

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

Light Trucks (Pickups, SUVs, and Vans)


UP 11.3\%

## Passenger Cars



DOWN
8.4\%

Source: AutoCount data from Experian Automotive.

Annual Trend in Orange County New Vehicle Market


The graph above shows annual new retail light vehicle registrations in the county from 2010 thru 2016 and Auto Outlook's for projection 2017.

Market Summary

|  | 2014 <br> Annual | 2015 <br> Annual | 2016 <br> Annual | \% ch. <br> '15 to '16 |
| :--- | ---: | ---: | ---: | ---: |
| TOTAL | 176,803 | 192,263 | 191,910 | $-0.2 \%$ |
| Car | 108,265 | 111,918 | 102,490 | $-8.4 \%$ |
| Light Truck | 68,538 | 80,345 | 89,420 | $11.3 \%$ |
| Detroit Three | 36,601 | 41,595 | 43,323 | $4.2 \%$ |
| European | 33,659 | 37,036 | 36,995 | $-0.1 \%$ |
| Japanese | 89,677 | 96,288 | 94,267 | $-2.1 \%$ |
| Korean | 16,866 | 17,344 | 17,325 | $-0.1 \%$ |

Detroit Three consists of vehicles sold by GM, Ford, and Chrysler. Data Source: AutoCount data from Experian Automotive.

## MARKET TRACKER: MONTHLY MOVING AVERAGE

## New Vehicle Market Trends Slightly Lower at End of 2016

## Despite mild softening, sales remain at near record levels

The graph to the right provides a clear picture of the general trending direction of the Orange Country new retail light vehicle market. The graph shows the year-over-year percent change in the three month moving average of new retail light vehicle registrations. The three month moving average provides a clearer picture of the trending direction than individual monthly registrations, which can fluctuate due to such factors as the timing of manufacturer incentive programs, weather, and vehicle title processing delays by governmental agencies.

Following big gains during the past several years, the market cooled off a bit during 2016. The three month moving average failed to improve from yearearlier levels from September through December of last year.

Percent Change in Orange County New Retail Light Vehicle Registrations Three Month Moving Average versus Year Earlier


## MARKET TRACKER: QUARTERLY PERSPECTIVE

## 4Q '16 Total Exceeds 44,000 Units

Fourth Quarter total was up 20\% from 2012

> QUARTERLY PERSPECTIVE

Five Years of Fourth Quarter Results in Orange County Market


Fourth Quarter registrations during past five years


## ANSWERS DRIVE RESULTS.

You need insights into your marketplace to make the best decisions to maximize profits. The AutoCount ${ }^{\circledR}$ Dealer Report analyzes full details on new and used competitive dealer market share, down to specific areas you define. You bring the questions. We'll bring the answers.

$:$ Experian<br>Automotive

## Details on Data

Data presented measures new vehicles registered to purchasers (or lessees) residing in Orange County. Monthly recording of registrations occurs when vehicle title is processed.

Data Source: AutoCount Data from Experian Automotive.

MARKET TRACKER: PRIMARY SEGMENTS

## Non-Luxury Cars Decline

Change in County Market Share 2016 vs. 2015


Source: AutoCount data from Experian Automotive

MARKET TRACKER: HYBRID AND ELECTRIC VEHICLES
Hybrids/Electric Share Improves

Quarterly Alternative Powertrain Market Share (includes hybrid and electric vehicles)


The graph above shows hybrid powertrain and electric vehicle quarterly market share in the county. The line shows market share trend over the past 12 quarters.

Data Source: AutoCount data from Experian Automotive

## MARKET TRACKER - SEGMENTS

## Luxury and Compact SUVs Had Big Gains in 2016

## Change in Segment Market Share 2016 <br> vs. <br> 2015

## Orange County Market

Typical models in segments:

Small Car: Hyundai Elantra Mid Size \& Large Car: Toyota Camry Luxury \& Sports Car: BMW 3-Series

Pickup: Ford F-Series
Van: Honda Odyssey
Compact SUV: Mazda CX5 Mid Size SUV: Jeep Grand Cherokee

Full Size SUV: Chevrolet Tahoe Luxury SUV: Lexus RX

Data Source: AutoCount data from Experian Automotive.


## BRAND SCOREBOARD - PART ONE

## Honda Registrations Increase by Nearly 1,900 Units

## Jaguar, Volvo, and Lincoln had the largest percentage increases

The graph below presents a comprehensive picture of brands that are gaining (or losing) ground in the county market. It shows both the unit AND percent change in registrations during 2016 versus 2015. Viewing both measures on the same graph provides a more clear-cut signal on how each brand is doing.

Here are a couple of examples: Jaguar had a sizeable percentage increase (up 94.9\%; shown by the thick blue bar on the graph), but it's not a top-selling brand. Jaguar registrations increased by just over 350 units. Honda's percentage increase was slightly above average
(up 7.3\%), but unit registrations were up by a sizeable 1,840 units.

## Change in New Retail Light Vehicle Registrations (2016 vs. 2015)



Source: AutoCount data from Experian Automotive.

## BRAND SCOREBOARD - PART TWO

## Honda is a Top Performer in Orange County

## Mercedes, Toyota, BMW, Lexus, Hyundai, and Mazda also rank high

The graph below provides an indicator of brands that are popular in Orange County (relative to the National standard), and those that are not.

Here's how it works: For the top 30 selling brands in the county, each brand's share of the U.S. market is multiplied by retail registra-
tions in the county during all of 2016. This yields a "target" for the county market. Target registrations are subtracted from actual registrations to derive the measurement of sales performance.

Brands at the top of the graph (i.e., Honda, Mercedes, Toyota, BMW, Lexus, Hyundai, and

Mazda) are relatively strong sellers in the county, with actual registrations exceeding calculated targets by large margins. For instance, Honda registrations exceeded the target by 7,695 units.

Data Source: AutoCount data from Experian Automotive

## Orange County Retail Market Performance based on registrations for 2016 Actual registrations minus target (county industry registrations times U.S. market share)



## LONG TERM TRENDS

## New Vehicle Market Has Likely Reached Cyclical Peak

## Plateau is predicted, with sales remaining at healthy levels

The two graphs below provide a long term perspective of trends in the Orange County new retail light vehicle market. The first graph shows historical registrations from 2007 thru 2016, along with Auto Outlook's forecast for 2017. The second graph shows light truck share of the overall light vehicle market.

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


## Years

County New Retail Light Truck Market Share - 2007 thru 2016


## Ķay Tendls

Between 2009 (the low point during the market downturn) and 2016, county new retail light vehicle registrations have increased by more than 96,000 units, an increase of 100\%!

The market was essentially unchanged last year versus 2015. Auto Outlook is predicting a slight decline this year.

The market has exceeded 165,000 units during each of the past four years.

## [̧ay Wends

Light truck share of the Orange County light vehicle market declined by nearly six market share points between 2007 and 2009.

After declining from 2011 to 2012, light truck share increased to $46.6 \%$ in 2016, and was up 9.4 points from 2012.

## COMPARISON OF ORANGE COUNTY AND U.S. MARKETS

## County Market Has Minimal Decline in ' 16

## U.S. market was essentially flat

|  | Orange County Retail Market | U.S. Market (includes fleet) |
| :--- | :---: | :---: |
| \% change in registrations <br> $\mathbf{2 0 1 6}$ vs. $\mathbf{2 0 1 5}$ | $-0.2 \%$ | $0.3 \%$ |
| Car share of industry retail light vehicle <br> $\mathbf{2 0 1 6}$ | $53.4 \%$ | $39.3 \%$ |
| Domestic brand share of industry retail light vehicle <br> registrations $\mathbf{2 0 1 6}$ | $22.6 \%$ | $44.8 \%$ |


| Brand | New Retail Registrations - 2016 Annual Totals |  |  |  | Market Share (2016) |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Orange County |  | U.S. (includes fleet) |  | Orange County | U.S. |
|  | Regs. | $\begin{array}{r} \% \\ \text { from ' } 15 \\ \hline \end{array}$ | Sales | $\begin{array}{r} \hline \% \mathrm{ch} \\ \text { from '15 } \end{array}$ |  |  |
| Acura | 2,640 | -12.2\% | 161,360 | -8.9\% | 1.4 | 0.9 |
| Audi | 4,059 | 5.5\% | 210,213 | 4.0\% | 2.1 | 1.2 |
| BMW | 8,220 | -6.2\% | 313,174 | -9.5\% | 4.3 | 1.8 |
| Buick | 825 | 10.4\% | 229,631 | 2.9\% | 0.4 | 1.3 |
| Cadillac | 1,337 | 7.5\% | 170,006 | -3.0\% | 0.7 | 1.0 |
| Chevrolet | 10,211 | 13.4\% | 2,096,510 | -1.4\% | 5.3 | 12.0 |
| Chry Dodge Jeep Ram | 9,970 | -3.2\% | 2,211,057 | 0.1\% | 5.2 | 12.6 |
| Chrysler | 617 | -39.2\% | 231,972 | -27.0\% | 0.3 | 1.3 |
| Dodge | 2,081 | -4.0\% | 506,858 | -3.9\% | 1.1 | 2.9 |
| Jeep | 5,277 | 0.0\% | 926,376 | 6.1\% | 2.7 | 5.3 |
| Ram | 1,995 | 8.0\% | 545,851 | 11.1\% | 1.0 | 3.1 |
| Fiat | 1,451 | 28.2\% | 32,742 | -23.7\% | 0.8 | 0.2 |
| Ford | 15,103 | -2.9\% | 2,487,487 | -0.6\% | 7.9 | 14.2 |
| GMC | 2,843 | 1.0\% | 546,628 | -2.2\% | 1.5 | 3.1 |
| Honda | 26,980 | 7.3\% | 1,476,582 | 4.8\% | 14.1 | 8.4 |
| Hyundai | 10,548 | 1.0\% | 775,005 | 1.7\% | 5.5 | 4.4 |
| Infiniti | 2,539 | 5.4\% | 138,293 | 3.6\% | 1.3 | 0.8 |
| Jaguar | 725 | 94.9\% | 31,243 | 116.0\% | 0.4 | 0.2 |
| Kia | 6,777 | -1.8\% | 647,598 | 3.5\% | 3.5 | 3.7 |
| Land Rover | 1,990 | 17.6\% | 73,861 | 4.6\% | 1.0 | 0.4 |
| Lexus | 8,337 | -10.7\% | 331,228 | -3.9\% | 4.3 | 1.9 |
| Lincoln | 652 | 28.6\% | 111,724 | 10.4\% | 0.3 | 0.6 |
| Maserati | 546 | -18.5\% | 12,534 | 7.2\% | 0.3 | 0.1 |
| Mazda | 6,138 | -3.7\% | 297,773 | -6.7\% | 3.2 | 1.7 |
| Mercedes | 11,721 | -0.3\% | 374,541 | 0.4\% | 6.1 | 2.1 |
| MINI | 1,135 | -21.9\% | 52,030 | -11.1\% | 0.6 | 0.3 |
| Mitsubishi | 884 | -6.7\% | 96,267 | 1.0\% | 0.5 | 0.5 |
| Nissan | 9,795 | -12.3\% | 1,426,130 | 5.5\% | 5.1 | 8.1 |
| Porsche | 1,557 | 7.8\% | 54,280 | 4.9\% | 0.8 | 0.3 |
| smart | 97 | -35.3\% | 6,211 | -17.0\% | 0.1 | 0.0 |
| Subaru | 4,889 | 11.8\% | 615,132 | 5.6\% | 2.5 | 3.5 |
| Toyota/Scion | 32,065 | -4.4\% | 2,118,402 | -1.7\% | 16.7 | 12.1 |
| Volkswagen | 4,261 | -12.9\% | 322,948 | -7.6\% | 2.2 | 1.8 |
| Volvo | 856 | 63.7\% | 82,724 | 18.1\% | 0.4 | 0.5 |
| Other | 2,759 | 57.3\% | 35,738 | 3.7\% | 1.4 | 0.2 |

The two tables above provide a comparison of the Orange County and U.S. new light vehicle markets.
Data Source for Orange County: AutoCount data from Experian Automotive. Source for U.S. figures: Automotive News.

| Orange County New Retail Car and Light Truck Registrations |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | December |  |  | Annual Total |  |  | Annual market share (\%) |  |  |
|  | Orange County |  |  | Orange County |  |  | Orange County |  |  |
|  | 2015 | 2016 | \% chg. | 2015 | 2016 | \% chg. | 2015 | 2016 | Chg. |
| MARKET SUMMARY |  |  |  |  |  |  |  |  |  |
| TOTAL | 16,203 | 15,322 | -5.4\% | 192,263 | 191,910 | -0.2\% | 0.0 | 0.0 | 0.0 |
| Cars | 9,238 | 7,984 | -13.6\% | 111,918 | 102,490 | -8.4\% | 58.2 | 53.4 | -4.8 |
| Light Trucks | 6,965 | 7,338 | 5.4\% | 80,345 | 89,420 | 11.3\% | 41.8 | 46.6 | 4.8 |
| Domestic | 3,482 | 3,246 | -6.8\% | 41,595 | 43,323 | 4.2\% | 21.6 | 22.6 | 0.9 |
| European | 3,238 | 3,026 | -6.5\% | 37,036 | 36,995 | -0.1\% | 19.3 | 19.3 | 0.0 |
| Japanese | 8,069 | 7,508 | -7.0\% | 96,288 | 94,267 | -2.1\% | 50.1 | 49.1 | -1.0 |
| Korean | 1,414 | 1,542 | 9.1\% | 17,344 | 17,325 | -0.1\% | 9.0 | 9.0 | 0.0 |
| BRAND REGISTRATIONS |  |  |  |  |  |  |  |  |  |
| Acura | 221 | 227 | 2.7\% | 3,008 | 2,640 | -12.2\% | 1.6 | 1.4 | -0.2 |
| Audi | 357 | 357 | 0.0\% | 3,846 | 4,059 | 5.5\% | 2.0 | 2.1 | 0.1 |
| BMW | 827 | 595 | -28.1\% | 8,767 | 8,220 | -6.2\% | 4.6 | 4.3 | -0.3 |
| Buick | 68 | 66 | -2.9\% | 747 | 825 | 10.4\% | 0.4 | 0.4 | 0.0 |
| Cadillac | 137 | 124 | -9.5\% | 1,244 | 1,337 | 7.5\% | 0.6 | 0.7 | 0.1 |
| Chevrolet | 854 | 766 | -10.3\% | 9,005 | 10,211 | 13.4\% | 4.7 | 5.3 | 0.6 |
| C/D/J/R | 733 | 797 | 8.7\% | 10,304 | 9,970 | -3.2\% | 5.4 | 5.2 | -0.2 |
| Chrysler | 59 | 72 | 22.0\% | 1,014 | 617 | -39.2\% | 0.5 | 0.3 | -0.2 |
| Dodge | 165 | 145 | -12.1\% | 2,167 | 2,081 | -4.0\% | 1.1 | 1.1 | 0.0 |
| Jeep | 366 | 433 | 18.3\% | 5,276 | 5,277 | 0.0\% | 2.7 | 2.7 | 0.0 |
| Ram | 143 | 147 | 2.8\% | 1,847 | 1,995 | 8.0\% | 1.0 | 1.0 | 0.0 |
| Fiat | 93 | 163 | 75.3\% | 1,132 | 1,451 | 28.2\% | 0.6 | 0.8 | 0.2 |
| Ford | 1,243 | 1,105 | -11.1\% | 15,558 | 15,103 | -2.9\% | 8.1 | 7.9 | -0.2 |
| GMC | 229 | 199 | -13.1\% | 2,816 | 2,843 | 1.0\% | 1.5 | 1.5 | 0.0 |
| Honda | 2,011 | 2,126 | 5.7\% | 25,139 | 26,980 | 7.3\% | 13.1 | 14.1 | 1.0 |
| Hyundai | 920 | 1,050 | 14.1\% | 10,443 | 10,548 | 1.0\% | 5.4 | 5.5 | 0.1 |
| Infiniti | 243 | 247 | 1.6\% | 2,410 | 2,539 | 5.4\% | 1.3 | 1.3 | 0.0 |
| Jaguar | 42 | 88 | 109.5\% | 372 | 725 | 94.9\% | 0.2 | 0.4 | 0.2 |
| Kia | 494 | 492 | -0.4\% | 6,901 | 6,777 | -1.8\% | 3.6 | 3.5 | -0.1 |
| Land Rover | 181 | 154 | -14.9\% | 1,692 | 1,990 | 17.6\% | 0.9 | 1.0 | 0.1 |
| Lexus | 889 | 770 | -13.4\% | 9,336 | 8,337 | -10.7\% | 4.9 | 4.3 | -0.6 |
| Lincoln | 61 | 53 | -13.1\% | 507 | 652 | 28.6\% | 0.3 | 0.3 | 0.0 |
| Maserati | 72 | 67 | -6.9\% | 670 | 546 | -18.5\% | 0.3 | 0.3 | 0.0 |
| Mazda | 609 | 411 | -32.5\% | 6,372 | 6,138 | -3.7\% | 3.3 | 3.2 | -0.1 |
| Mercedes | 960 | 951 | -0.9\% | 11,755 | 11,721 | -0.3\% | 6.1 | 6.1 | 0.0 |
| MINI | 113 | 66 | -41.6\% | 1,454 | 1,135 | -21.9\% | 0.8 | 0.6 | -0.2 |
| Mitsubishi | 78 | 55 | -29.5\% | 947 | 884 | -6.7\% | 0.5 | 0.5 | 0.0 |
| Nissan | 805 | 745 | -7.5\% | 11,173 | 9,795 | -12.3\% | 5.8 | 5.1 | -0.7 |
| Porsche | 122 | 121 | -0.8\% | 1,445 | 1,557 | 7.8\% | 0.8 | 0.8 | 0.0 |
| smart | 14 | 7 | -50.0\% | 150 | 97 | -35.3\% | 0.1 | 0.1 | 0.0 |
| Subaru | 401 | 374 | -6.7\% | 4,372 | 4,889 | 11.8\% | 2.3 | 2.5 | 0.2 |
| Toyota/Scion | 2,812 | 2,553 | -9.2\% | 33,528 | 32,065 | -4.4\% | 17.4 | 16.7 | -0.7 |
| Volkswagen | 364 | 371 | 1.9\% | 4,893 | 4,261 | -12.9\% | 2.5 | 2.2 | -0.3 |
| Volvo | 63 | 65 | 3.2\% | 523 | 856 | 63.7\% | 0.3 | 0.4 | 0.1 |
| Other | 187 | 157 | -16.0\% | 1,754 | 2,759 | 57.3\% | 0.9 | 1.4 | 0.5 |

## Orange County Auto Outlook

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## Explanation of Data

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

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