

# ORANGE COUNTY AUTO OUTLOOK™

**2nd Quarter, 2021**

**Orange County New Retail Automotive Market Data - Retail Sales \*Does Not Include Fleet Sales**

## FORECAST

### Supply Issues To Hold Back Sales in '21, But Should Add To Rebound in '22

As mentioned in the previous release of Auto Outlook, if new vehicles sales in 2021 were solely a function of demand, the county market would have been off to the races. And this was evident in the first half results. Even with supply bottlenecks and inventory shortages, new retail light vehicle registrations soared 30.5% versus depressed year-earlier levels, and were up compared to historically strong results in 2019. Second Quarter registrations this year were the highest they have been since 2017. If inventories were plentiful, it's possible that county registrations could have increased by more than 25% in 2021.

Healthy sales so far this year are due to unprecedented strength in the three key pillars of demand. Consumers have an elevated **ability, want, and need** to purchase new vehicles. Individually and collectively, these three forces are at levels unseen for perhaps the past 30 years. Each is summarized below.

**Consumers have the ability to purchase new vehicles.** The combination of historically low interest rates, rising wages, accumulated sav-

ings during the pandemic, record high household net worth, and elevated trade in values have supercharged consumer affordability, putting a new vehicle purchase within reach for a significant percentage of households.

**Consumers want to purchase new vehicles.**

It's evident that the desire for personal transportation has spiked as a result of the pandemic. In addition, the bevy of new products hitting the market that offer an unprecedented array of body styles, powertrains, and safety features have undoubtedly lured many shoppers to enter the market.

**Consumers need to purchase new vehicles.**

The average age of vehicles on the road in the U.S. exceeds 12 years old. The average 12 year old vehicle is practically antiquated compared to cars and trucks on the market today. And the 18.1% decline in registrations last year has resulted in accumulated pent up demand. These postponed purchases will occur at some point in the future.

But sales volumes are determined by both demand AND supply. And perhaps more than at any point in the industry's past, supply issues and inventory shortages are clearly the controlling factor putting a ceiling on sales this year. It goes without saying that dealerships never like to turn customers away, but there is a "silver lining" that partially offsets the pain of having more buyers than cars to sell: a cooling of the market, perhaps lasting for the rest of this year, will help to smooth out, and lengthen the post-pandemic sales recovery.

### Forecast for Orange County New Vehicle Market



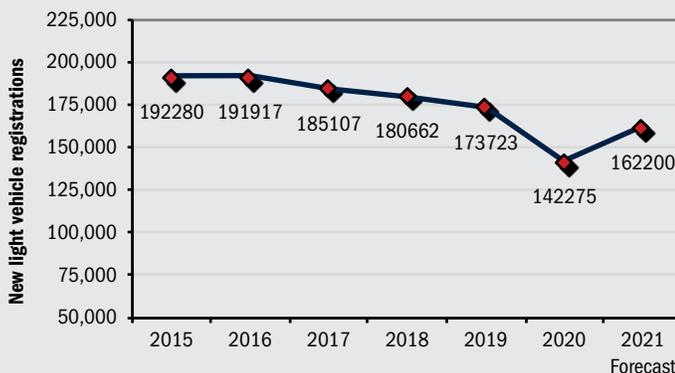
**Predicted new retail registrations  
for all of 2021:**

162,200 units, up 14% vs. 2020

**Preliminary forecast for 2022:**

175,000 units, up 8% vs. 2021

### Annual Trend in County Market



Historical Data Source: AutoCount data from Experian.

The graph above shows annual new retail light vehicle registrations from 2015 thru 2020 and Auto Outlook's projection for all of 2021.

### Market Summary

	YTD '20 thru June	YTD '21 thru June	% Chg. '20 to '21	Mkt. Share YTD '21
TOTAL	67,036	87,485	30.5%	
Car	25,887	29,666	14.6%	33.9%
Light Truck	41,149	57,819	40.5%	66.1%
Domestic	16,638	22,498	35.2%	25.7%
European	13,043	18,073	38.6%	20.7%
Japanese	31,721	39,461	24.4%	45.1%
Korean	5,634	7,453	32.3%	8.5%

Data Source: AutoCount data from Experian.

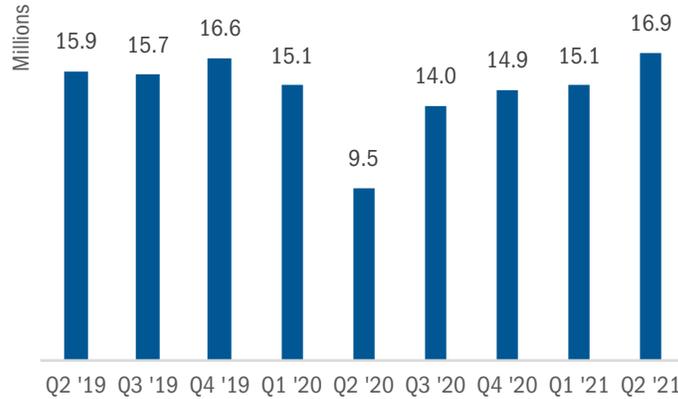
Domestics consist of vehicles sold by GM, Ford, Stellantis (excluding Alfa and FIAT), and Tesla.

# Orange County New Vehicle Market Dashboard



## MARKET PERFORMANCE DURING PAST TWO YEARS

**Orange County  
Quarterly Registrations  
Seasonally Adjusted  
Annual Rate, Converted  
to Equivalent U.S. New  
Vehicle Market SAAR  
(millions of units)**



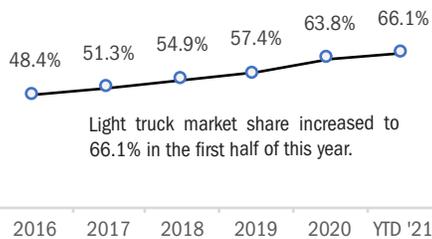
Data Source: AutoCount data from Experian.

The graph on the left provides an easily recognizable way to gauge the strength of the county market. It shows quarterly registrations based on a seasonally adjusted annual rate. These figures are then indexed to SAAR sales figures for the U.S. new vehicle market. So just like in the national market, when the quarterly SAAR is above 17 million units, the county market is strong, 15 million is about average, and below 13 million is weak. Quarterly registrations in the county reached 15.1 million units in the First Quarter of 2021 and approached 17 million in the Second Quarter.



## KEY TRENDS DURING PAST 5 YEARS

**Light Truck  
Market Share  
2016 thru 2020  
and  
YTD '21 (June)**



**Luxury Brand  
Market Share  
2016 thru 2020  
and  
YTD '21 (June)**



Data Source: AutoCount data from Experian.

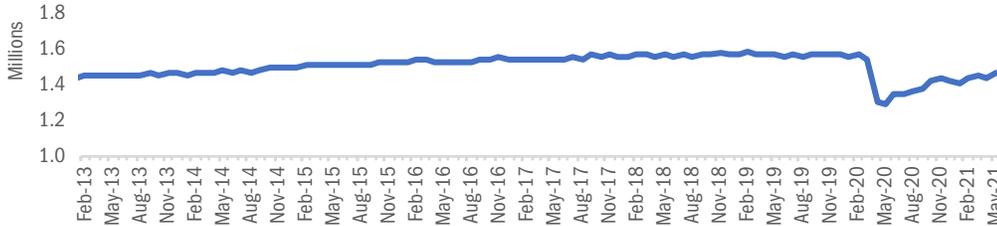
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# Orange County New Vehicle Market Dashboard



## TRACKING ECONOMIC INDICATORS

### Total Employment in Orange County



Total employment in Orange County was 1.46 million in May of this year, up from the low-point in April of 2020, but still off from pre-pandemic levels. The county unemployment rate was 5.9% in May of this year. Debt service payments as a percent of disposable personal income declined to 8.2% in the First Quarter of this year, a positive sign that household debt is under control.

### Monthly Unemployment Rates in Orange County



### Average Hourly Earnings for All Workers in County - May 2021



### University of Michigan Consumer Sentiment (U.S.)



10 year high - 101.4 (Mar. 2018)  
 12 month high - 101.0 (Feb. 2020)  
 Most recent - 82.9 (May 2021)  
 10 year low - 55.7 (Aug. 2011)

Key Values During Past 10 Years

### Debt Service Payments as a % of Disposable Personal Income (U.S.)

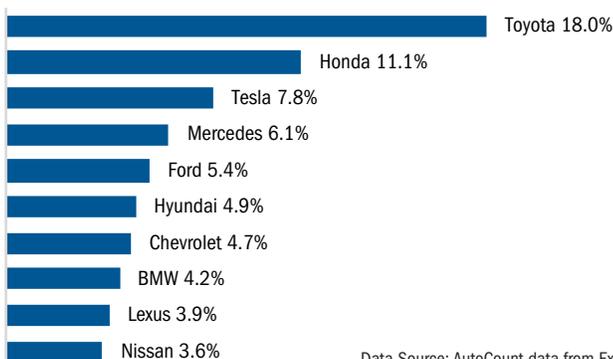


Sources: Bureau of Labor Statistics, University of Michigan, and U.S. Bureau of Econ. analysis.



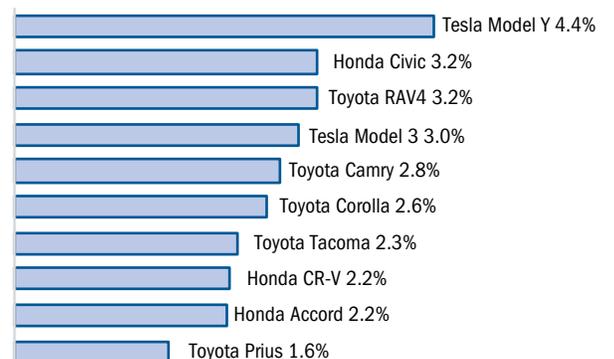
## TOP TEN RANKINGS IN COUNTY MARKET

### Market Share for Top Ten Selling Brands in County Market YTD 2021 thru June



Data Source: AutoCount data from Experian.

### Market Share for Top Ten Selling Models in County Market YTD 2021 thru June

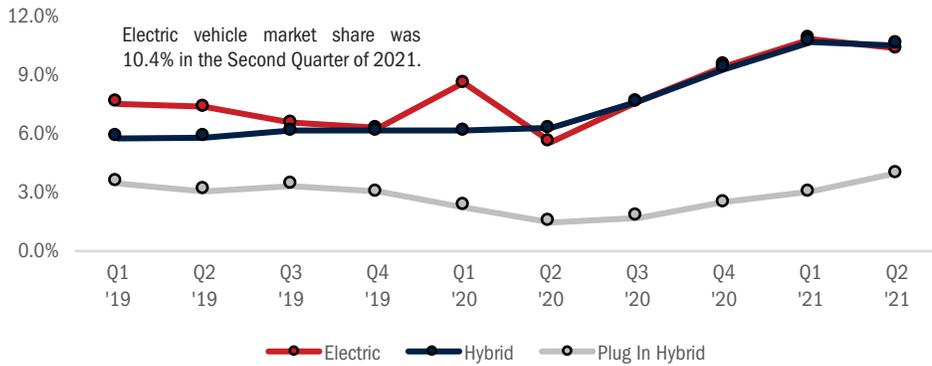


# Orange County New Vehicle Market Dashboard



## TRACKING ELECTRIC AND HYBRID VEHICLE SALES

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



**YTD Share by Engine Type (2020 and 2021, thru June)**

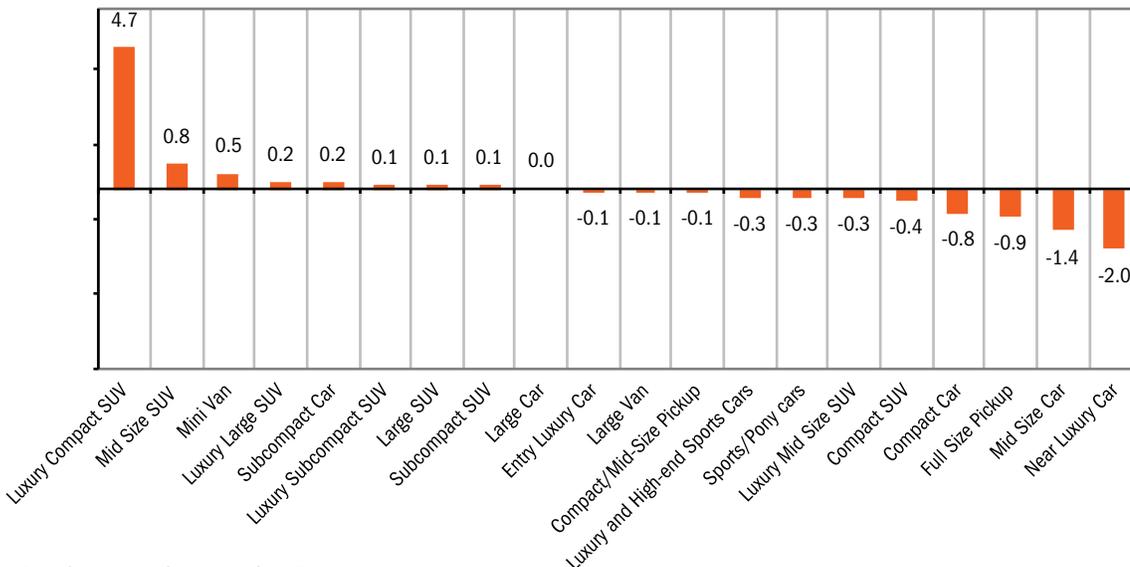
	YTD '20	YTD '21	
Hybrid	6.2%	10.6%	↑
Electric	7.4%	10.6%	↑
Plug In Hybrid	2.0%	3.6%	↑

The graph above shows estimated hybrid powertrain and electric vehicle market share. 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.



## YEAR CHANGE IN SEGMENT MARKET SHARES

**Change in Segment Market Share - YTD 2021 thru June vs. YTD 2020**



**Segments with largest increases:**

- Luxury Compact SUV
- Mid Size SUV
- Mini Van

**Segments with largest declines:**

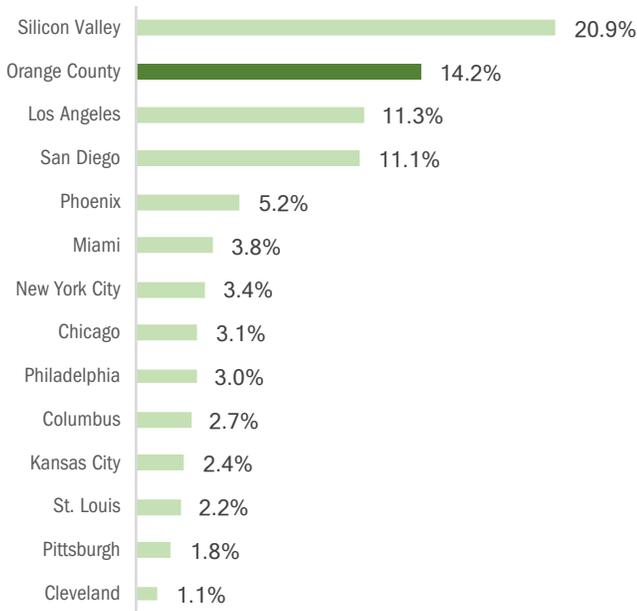
- Near Luxury Car
- Mid Size Car
- Full Size Pickup

Data Source: AutoCount data from Experian.

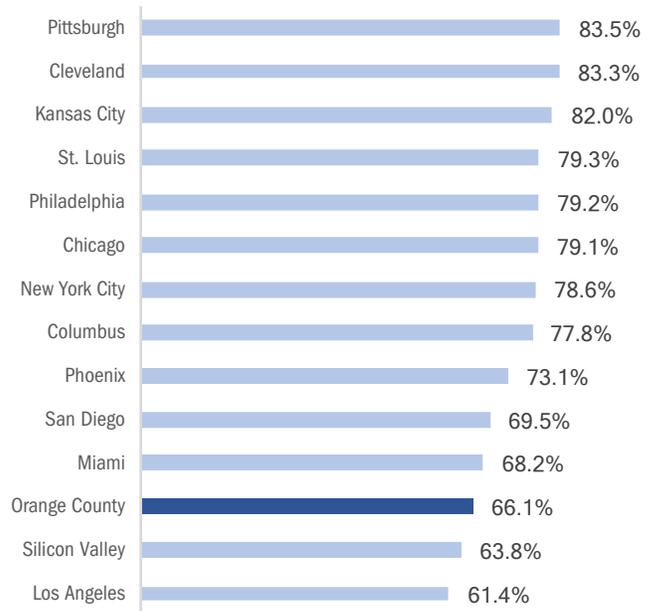
# Comparison of Selected Metro Area Markets

The graphs below compare three primary indicators for selected metro area markets: combined market share for electric and plug in hybrid models, light truck market share, and market shares for the top five selling brands in the County. Orange County was ranked second out of the 14 markets for electric/plug in hybrid market share, and 12th for light truck share.

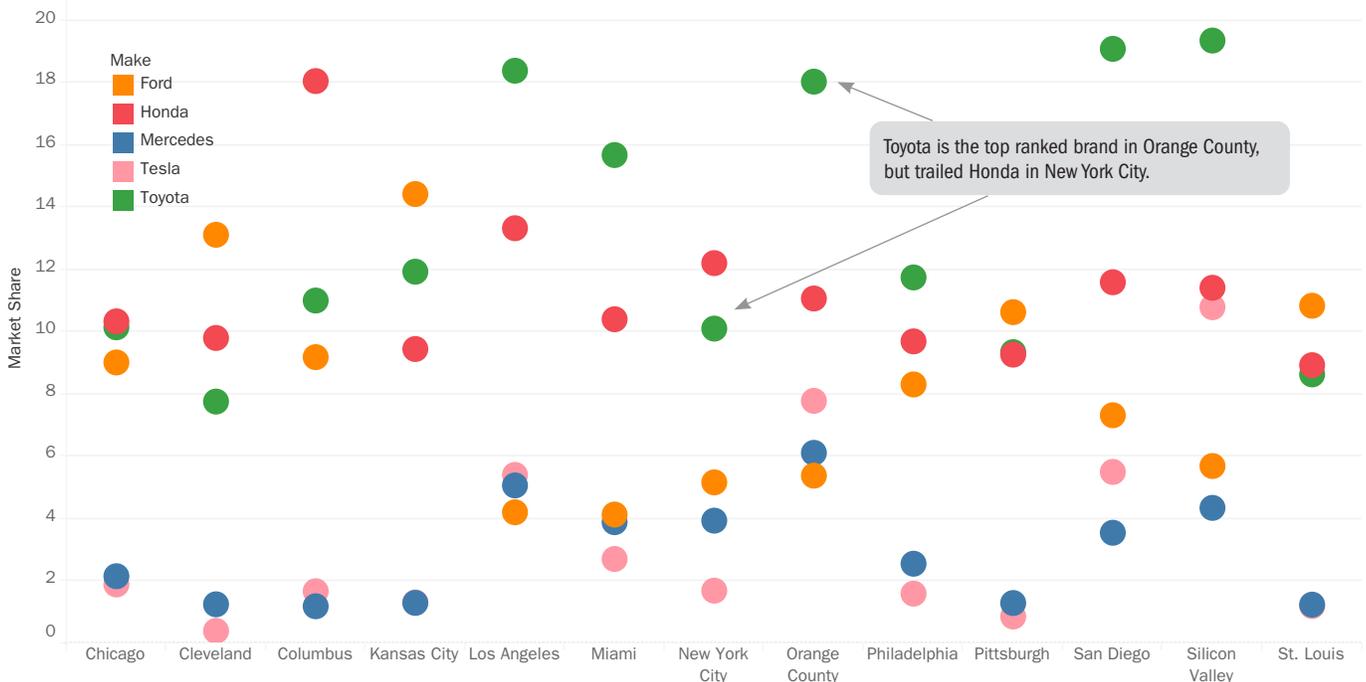
**Combined Electric and Plug In Hybrid Vehicle Market Share YTD 2021 thru June**



**Light Truck Market Share YTD 2021 thru June**



**Brand Market Share for Top Five Selling Brands in Orange County - YTD 2021 thru June**



The graph above shows market share for the top five selling brands in Orange County. Each colored circle corresponds to market share for a specific brand, as depicted in the legend at the top of the graph. Some circles overlap for brand market shares that are almost identical. Data Source: AutoCount data from Experian. Note: figures for some areas are thru May of 2021.

**BRAND SCOREBOARD**

**Registrations Increased for Almost All Brands in First Half of '21**

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 the first six months of this year versus a year earlier. Viewing both measures on the same graph provides a more clear-cut signal on how each brand is doing.



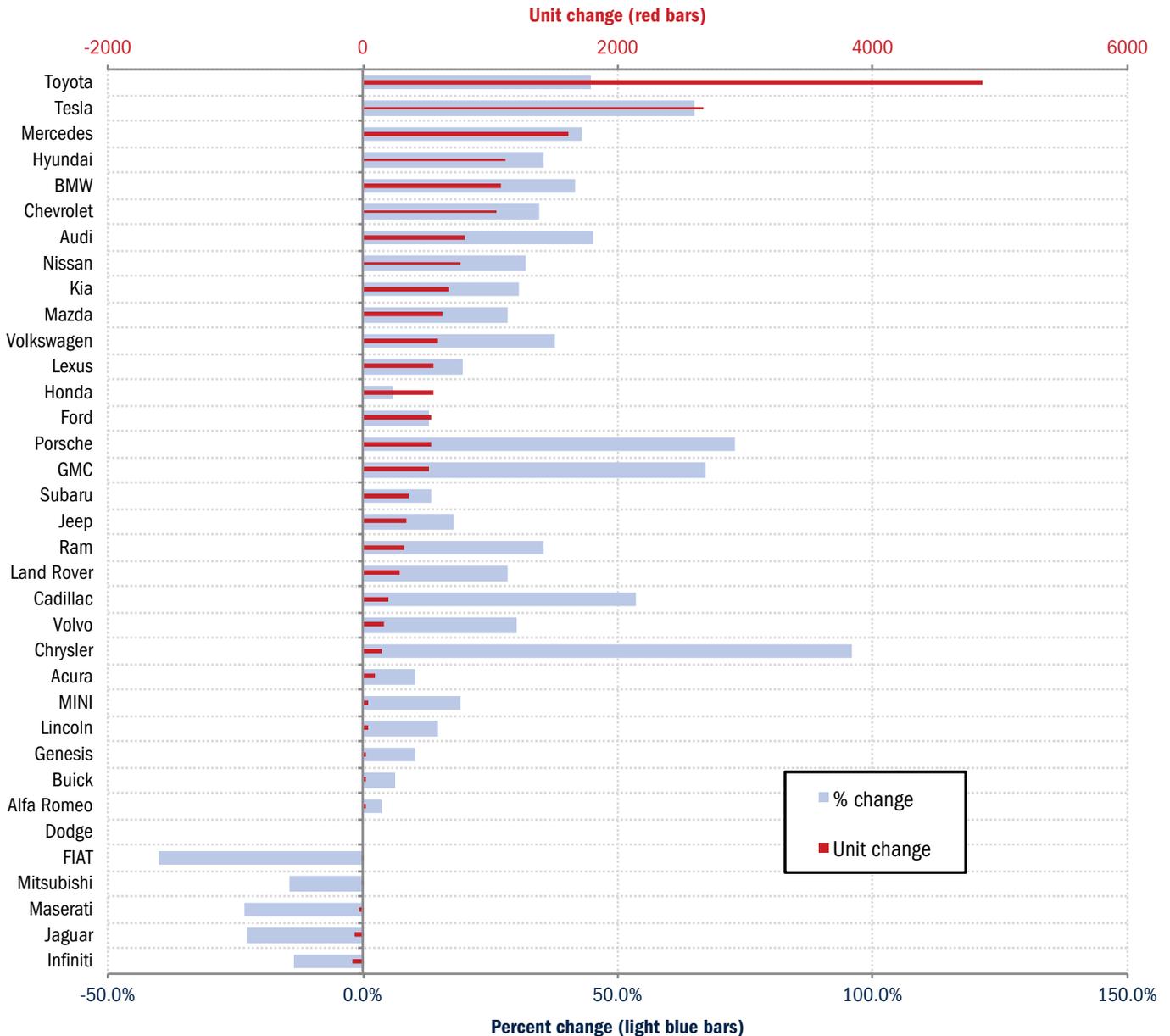
**35 percent**

12 brands had increases of greater than 35%: Chrysler, Porsche, GMC, Tesla, Cadillac, Audi, Toyota, Mercedes, BMW, Volkswagen, Hyundai, and Ram.

**600 units**

Ten brands had increases of greater than 600 units: Toyota, Tesla, Mercedes, Hyundai, BMW, Chevrolet, Audi, Nissan, Kia, and Mazda.

**Change in New Retail Light Vehicle Registrations (YTD 2021 thru June vs. YTD 2020)**



Source: AutoCount data from Experian.

COMPARISON OF ORANGE COUNTY AND U.S. MARKETS

Orange County & U.S. Markets Post Similar Results in 1st Half of '21

	Orange County Retail Market	U.S. Market
% change in registrations YTD 2021 thru June vs. YTD '2020	30.5%	29.1%
Car share of industry retail light vehicle market YTD 2021 thru June	33.9%	23.4%
Domestic brand share of industry retail light vehicle market YTD 2021 thru June	25.7%	40.8%

Brand	New Retail Registrations and U.S. New Vehicle Sales- YTD thru June				Market Share (YTD '21 thru June)		
	Orange County		U.S.		Orange	U.S.	Variance
	Regs.	% ch. vs. YTD '20	Sales	% ch. vs. YTD '20	County		
Acura	998	10.5%	88,384	57.9%	1.1	1.1	0.0
Alfa Romeo	175	3.6%	9,664	29.9%	0.2	0.1	0.1
Audi	2,577	45.3%	121,835	59.9%	2.9	1.5	1.4
BMW	3,718	41.6%	167,994	52.2%	4.2	2.0	2.2
Buick	152	6.3%	111,711	61.0%	0.2	1.3	-1.1
Cadillac	583	53.4%	73,427	36.9%	0.7	0.9	-0.2
Chevrolet	4,092	34.5%	853,721	12.0%	4.7	10.2	-5.5
Chry Dodge Jeep Ram	4,570	21.8%	943,593	17.4%	5.2	11.3	-6.1
Chrysler	306	96.2%	58,637	33.3%	0.3	0.7	-0.4
Dodge	737	0.0%	126,302	-4.6%	0.8	1.5	-0.7
Jeep	2,293	17.8%	407,984	13.5%	2.6	4.9	-2.3
Ram	1,234	35.3%	350,670	30.8%	1.4	4.2	-2.8
Fiat	9	-40.0%	1,706	-30.8%	0.0	0.0	0.0
Ford	4,702	13.1%	941,047	4.6%	5.4	11.3	-5.9
Genesis	325	10.2%	19,298	155.9%	0.4	0.2	0.2
GMC	1,280	67.1%	284,264	28.9%	1.5	3.4	-1.9
Honda	9,673	6.1%	745,126	38.9%	11.1	8.9	2.2
Hyundai	4,251	35.5%	407,135	49.4%	4.9	4.9	0.0
Infiniti	483	-13.6%	36,937	-11.3%	0.6	0.4	0.2
Jaguar	200	-22.8%	9,112	-10.8%	0.2	0.1	0.1
Kia	2,877	30.7%	378,511	43.7%	3.3	4.5	-1.2
Land Rover	1,312	28.4%	40,900	12.3%	1.5	0.5	1.0
Lexus	3,385	19.7%	157,712	47.7%	3.9	1.9	2.0
Lincoln	318	14.8%	48,924	4.4%	0.4	0.6	-0.2
Maserati	90	-23.1%	3,915	27.7%	0.1	0.0	0.1
Mazda	2,811	28.5%	189,167	46.8%	3.2	2.3	0.9
Mercedes	5,342	43.2%	182,358	25.3%	6.1	2.2	3.9
MINI	253	19.3%	15,625	48.5%	0.3	0.2	0.1
Mitsubishi	109	-14.2%	53,377	11.8%	0.1	0.6	-0.5
Nissan	3,177	32.2%	546,764	39.0%	3.6	6.5	-2.9
Porsche	1,260	72.8%	36,326	50.2%	1.4	0.4	1.0
Subaru	3,066	13.5%	321,250	20.3%	3.5	3.8	-0.3
Tesla	6,801	65.0%	151,700	71.2%	7.8	1.8	6.0
Toyota	15,759	44.7%	1,134,166	44.1%	18.0	13.6	4.4
Volkswagen	2,139	37.6%	211,373	45.8%	2.4	2.5	-0.1
Volvo	700	30.1%	63,754	47.4%	0.8	0.8	0.0
Other	298	0.3%	6,568	11.9%	0.3	0.1	0.2

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

Orange County New Retail Car and Light Truck Registrations												
	June			Second Quarter			YTD thru June			YTD Market Share (%)		
	2020	2021	% chg.	2Q '20	2Q '21	% chg.	YTD '20	YTD '21	% chg.	YTD '20	YTD '21	Chg.
<b>MARKET SUMMARY</b>												
TOTAL	13,356	17,035	27.5%	26,216	46,961	79.1%	67,036	87,485	30.5%			
Cars	4,488	5,857	30.5%	9,404	16,180	72.1%	25,887	29,666	14.6%	38.6	33.9	-4.7
Light Trucks	8,868	11,178	26.0%	16,812	30,781	83.1%	41,149	57,819	40.5%	61.4	66.1	4.7
Domestic	3,246	3,640	12.1%	7,009	11,259	60.6%	16,638	22,498	35.2%	24.8	25.7	0.9
European	2,907	3,858	32.7%	5,313	9,792	84.3%	13,043	18,073	38.6%	19.5	20.7	1.2
Japanese	6,192	7,840	26.6%	11,953	21,656	81.2%	31,721	39,461	24.4%	47.3	45.1	-2.2
Korean	1,011	1,697	67.9%	1,941	4,254	119.2%	5,634	7,453	32.3%	8.4	8.5	0.1
<b>BRAND REGISTRATIONS</b>												
Acura	170	275	61.8%	305	632	107.2%	903	998	10.5%	1.3	1.1	-0.2
Alfa Romeo	40	32	-20.0%	67	75	11.9%	169	175	3.6%	0.3	0.2	-0.1
Audi	388	518	33.5%	658	1,429	117.2%	1,773	2,577	45.3%	2.6	2.9	0.3
BMW	591	969	64.0%	964	2,127	120.6%	2,626	3,718	41.6%	3.9	4.2	0.3
Buick	34	28	-17.6%	63	89	41.3%	143	152	6.3%	0.2	0.2	0.0
Cadillac	82	129	57.3%	142	306	115.5%	380	583	53.4%	0.6	0.7	0.1
Chevrolet	679	628	-7.5%	1,304	2,096	60.7%	3,042	4,092	34.5%	4.5	4.7	0.2
C/D/J/R	835	961	15.1%	1,787	2,407	34.7%	3,751	4,570	21.8%	5.6	5.2	-0.4
Chrysler	32	56	75.0%	56	165	194.6%	156	306	96.2%	0.2	0.3	0.1
Dodge	127	117	-7.9%	319	368	15.4%	737	737	0.0%	1.1	0.8	-0.3
Jeep	474	543	14.6%	954	1,253	31.3%	1,946	2,293	17.8%	2.9	2.6	-0.3
Ram	202	245	21.3%	458	621	35.6%	912	1,234	35.3%	1.4	1.4	0.0
FIAT	3	0	-100.0%	7	4	-42.9%	15	9	-40.0%	0.0	0.0	0.0
Ford	1,080	774	-28.3%	1,982	2,417	21.9%	4,157	4,702	13.1%	6.2	5.4	-0.8
Genesis	25	71	184.0%	46	170	269.6%	295	325	10.2%	0.4	0.4	0.0
GMC	221	260	17.6%	390	639	63.8%	766	1,280	67.1%	1.1	1.5	0.4
Honda	1,772	1,860	5.0%	3,411	5,221	53.1%	9,117	9,673	6.1%	13.6	11.1	-2.5
Hyundai	563	947	68.2%	1,097	2,406	119.3%	3,137	4,251	35.5%	4.7	4.9	0.2
Infiniti	111	91	-18.0%	210	259	23.3%	559	483	-13.6%	0.8	0.6	-0.2
Jaguar	53	52	-1.9%	83	108	30.1%	259	200	-22.8%	0.4	0.2	-0.2
Kia	423	679	60.5%	798	1,678	110.3%	2,202	2,877	30.7%	3.3	3.3	0.0
Land Rover	213	205	-3.8%	379	584	54.1%	1,022	1,312	28.4%	1.5	1.5	0.0
Lexus	528	578	9.5%	988	1,811	83.3%	2,828	3,385	19.7%	4.2	3.9	-0.3
Lincoln	46	48	4.3%	100	158	58.0%	277	318	14.8%	0.4	0.4	0.0
Maserati	26	25	-3.8%	48	56	16.7%	117	90	-23.1%	0.2	0.1	-0.1
Mazda	529	783	48.0%	911	1,736	90.6%	2,187	2,811	28.5%	3.3	3.2	-0.1
Mercedes	921	1,042	13.1%	1,756	2,725	55.2%	3,731	5,342	43.2%	5.6	6.1	0.5
MINI	40	52	30.0%	89	145	62.9%	212	253	19.3%	0.3	0.3	0.0
Mitsubishi	21	32	52.4%	39	67	71.8%	127	109	-14.2%	0.2	0.1	-0.1
Nissan	468	722	54.3%	927	1,776	91.6%	2,404	3,177	32.2%	3.6	3.6	0.0
Porsche	157	236	50.3%	297	645	117.2%	729	1,260	72.8%	1.1	1.4	0.3
Subaru	548	474	-13.5%	1,101	1,647	49.6%	2,702	3,066	13.5%	4.0	3.5	-0.5
Tesla	269	812	201.9%	1,241	3,147	153.6%	4,122	6,801	65.0%	6.1	7.8	1.7
Toyota	2,045	3,025	47.9%	4,061	8,507	109.5%	10,894	15,759	44.7%	16.3	18.0	1.7
Volkswagen	298	482	61.7%	625	1,362	117.9%	1,555	2,139	37.6%	2.3	2.4	0.1
Volvo	130	194	49.2%	223	390	74.9%	538	700	30.1%	0.8	0.8	0.0
Other	47	51	8.5%	117	142	21.4%	297	298	0.3%	0.4	0.3	-0.1

Other includes Aston Martin, Bentley, Ferrari, Freightliner, GEM, Isuzu, Lamborghini, Lotus, McLaren, and Rolls Royce.

## 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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