

# San Diego Auto Outlook

Comprehensive information on the San Diego County new vehicle market



NEW CAR DEALERS ASSOCIATION  
SAN DIEGO COUNTY

## FORECAST

### Market Gets off to Good Start in 2021; 7.2% increase Predicted for Entire Year

Below is a summary of five key trends in the San Diego County new vehicle market.

#### County new retail light vehicle registrations increased 3.4% in the First Quarter of 2021

The county market improved during the first three months of this year versus a year earlier, and the increase would have been higher were it not for the typical lag in measuring registrations. The recording of registrations can occur 15 days, or more, after the date of sale. So the March 2020 total likely reflects vehicles that were sold from around the middle of February to the middle of March, when COVID was barely a factor. The full impact of the pandemic will be evident in the Second Quarter, when the market could improve by more than 50%.

#### San Diego county new vehicle market predicted to increase by 7.2% for all of 2021

Here is the scenario that was hoped for in 2021: the vaccine rollout would expand as the year progressed, COVID would abate, full re-opening would occur, economic recovery would gain steam, and new car sales would head higher. But this scenario is far from guar-

anteed and the microchip shortage, and other supply-related bottlenecks have added some uncertainty. If the outlook for 2021 was only a function of demand, vehicle sales would likely be off to the races in the second half of the year, but lean inventories will act as a speed bump that will slow the pace of the recovery.

#### Light truck market share moves above 70%

Combined SUV, pickup, and van sales continued to improve. Higher gas prices might give a temporary boost to passenger car sales, but demand for trucks and SUVs should continue to fuel increases in light truck share.

#### Alternative powertrain market improves

Hybrid and electric vehicle registrations were up 33% during the first three months of '21 versus the 3.4% increase in the overall market.

#### Toyota, Honda, Ford, Chevrolet, and Tesla are leaders in county market

Toyota was the best selling brand in the First Quarter, with a 19.5% share. Honda's county share was 10.6%, higher than its estimated 9.0% share in the U.S.

#### Key Factors Driving the County New Vehicle Market



**Low interest rates:** Interest rates should remain at historically low levels for the foreseeable future, supporting consumer affordability.

**Pent up demand:** Delayed purchases accrued due to the pandemic will give sales a boost for at least the next two years.

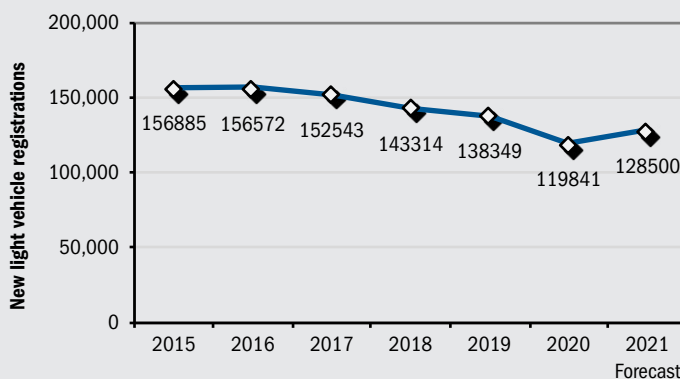
**Employment:** Hiring has accelerated and it's possible that jobs lost during the pandemic could be recovered by the middle of 2022.

**Economic stimulus:** The Federal government has continued to support the economy, which will boost growth well into next year.

**Tight inventories:** Supply-induced production cutbacks will hold back the rate of growth in new vehicles sales during 2021.

**Rising gas prices:** Higher fuel prices reduce disposable income, but will spur interest in the bevy of electric vehicles hitting the market.

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 2021.

Market Summary

	YTD '20 thru Mar.	YTD '21 thru Mar.	% Chg. '20 to '21	Mkt. Share YTD '21
TOTAL	33,370	34,510	3.4%	
Car	12,418	10,033	-19.2%	29.1%
Light Truck	20,952	24,477	16.8%	70.9%
Domestic	8,891	10,356	16.5%	30.0%
European	5,001	5,420	8.4%	15.7%
Japanese	16,439	15,939	-3.0%	46.2%
Korean	3,039	2,795	-8.0%	8.1%

Data Source: AutoCount data from Experian.

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

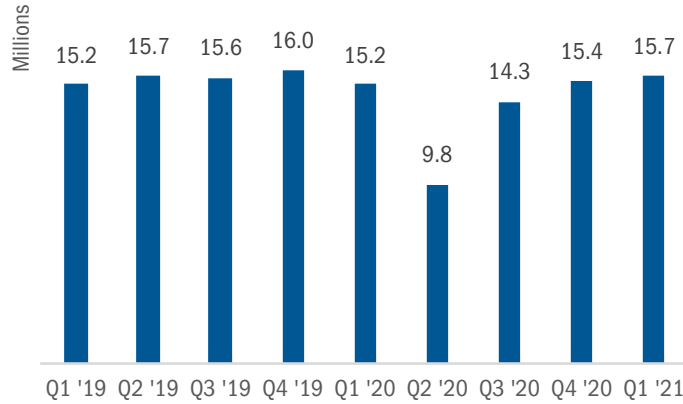


# San Diego County New Vehicle Market Dashboard



## MARKET PERFORMANCE DURING PAST TWO YEARS

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



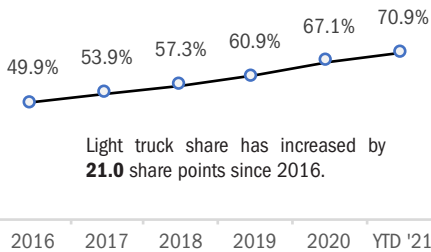
The graph on the left provides an easily recognizable way to gauge the strength of the county market. It shows quarterly registrations based on a seasonally adjusted annual rate. These figures are then indexed to SAAR sales figures for the U.S. new vehicle market. So just like in the national market, 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 recovered to a U.S. equivalent level of 15.7 million units in the First Quarter of 2021, up from the Fourth Quarter of last year.

Data Source: AutoCount data from Experian.

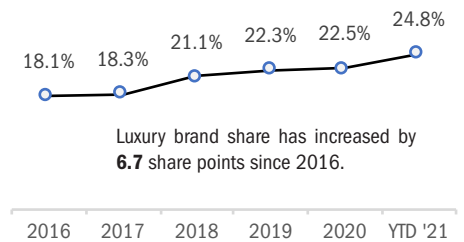


## KEY TRENDS DURING PAST 5 YEARS

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



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



Data Source: AutoCount data from Experian.

## San Diego Auto Outlook

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

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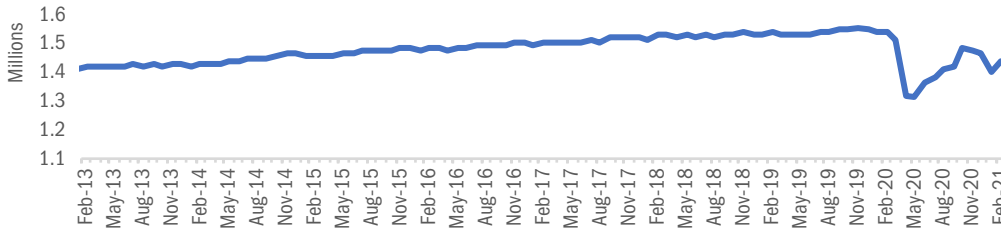
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# San Diego County New Vehicle Market Dashboard



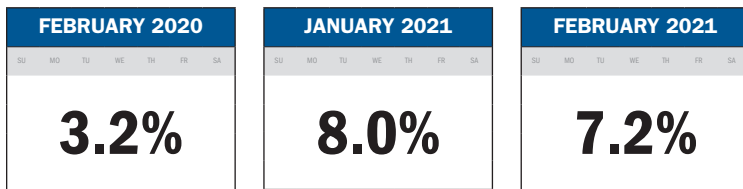
## TRACKING ECONOMIC INDICATORS

### Total Employment in San Diego County



Total employment in San Diego County was 1.44 million in February of this year, down 7% from a year earlier. Employment has drifted higher following the low-point in April of last year. The county unemployment rate was 7.2% in February of 2021, up from 3.2% a year earlier. Consumer sentiment has improved during the past several months.

### Monthly Unemployment Rates in San Diego County



### Average Hourly Earnings for All Workers in County - Feb. 2021



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

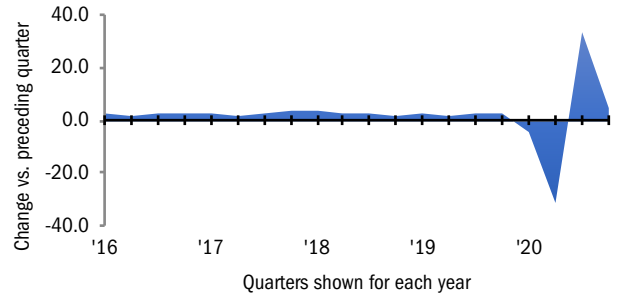


10 year high - 101.4 (Mar. 2018)  
12 month high - 101.0 (Feb. 2020)  
  
Most recent - 84.9 (Mar. 2021)  
  
10 year low - 55.7 (Aug. 2011)

Key Values During Past 10 Years

### Percent Change in U.S. Gross Domestic Product

Change vs. previous quarter

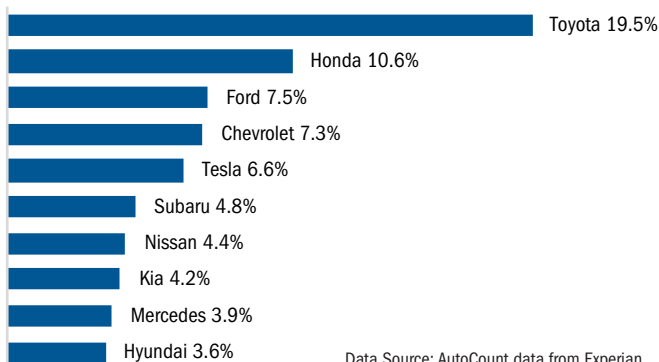


Sources: Bureau of Labor Statistics, University of Michigan, and U.S. Bureau of Econ. analysis.



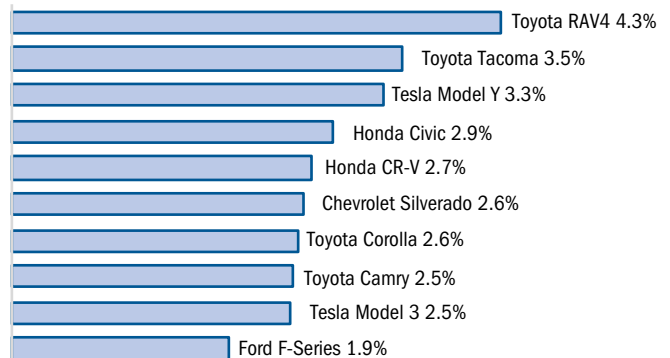
## TOP TEN RANKINGS IN COUNTY MARKET

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



Data Source: AutoCount data from Experian.

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

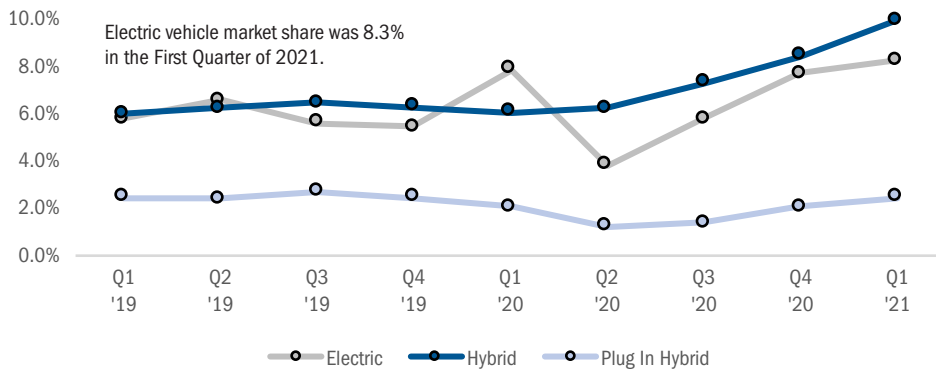


# San Diego County New Vehicle Market Dashboard



## 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 March)**

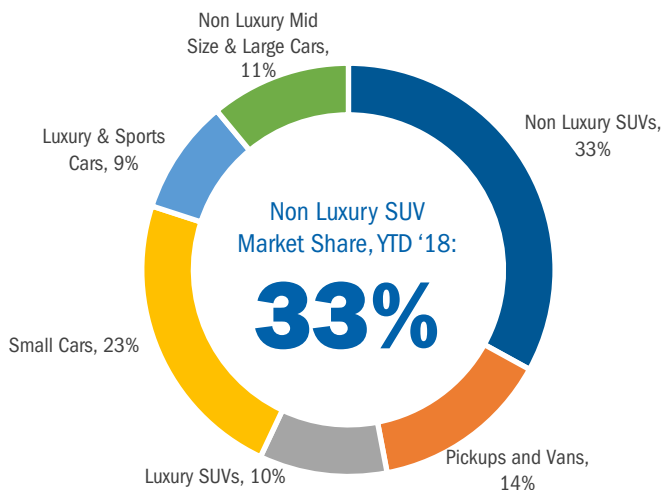
	YTD '20	YTD '21	
Hybrid	6.1%	10.0%	↑
Electric	7.9%	8.3%	↑
Plug In Hybrid	2.1%	2.4%	↑

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.



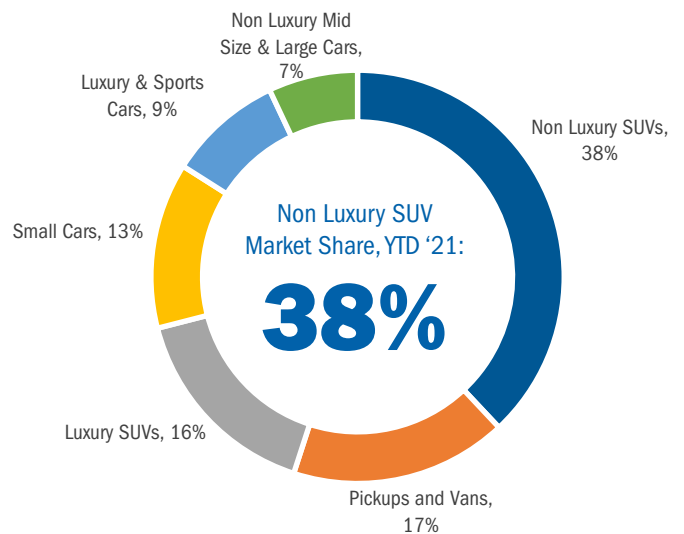
## THREE YEAR CHANGE IN SEGMENT MARKET SHARES

**Segment Market Shares in County YTD 2018 thru March**



Data Source: AutoCount data from Experian.

**Segment Market Shares in County YTD 2021 thru March**



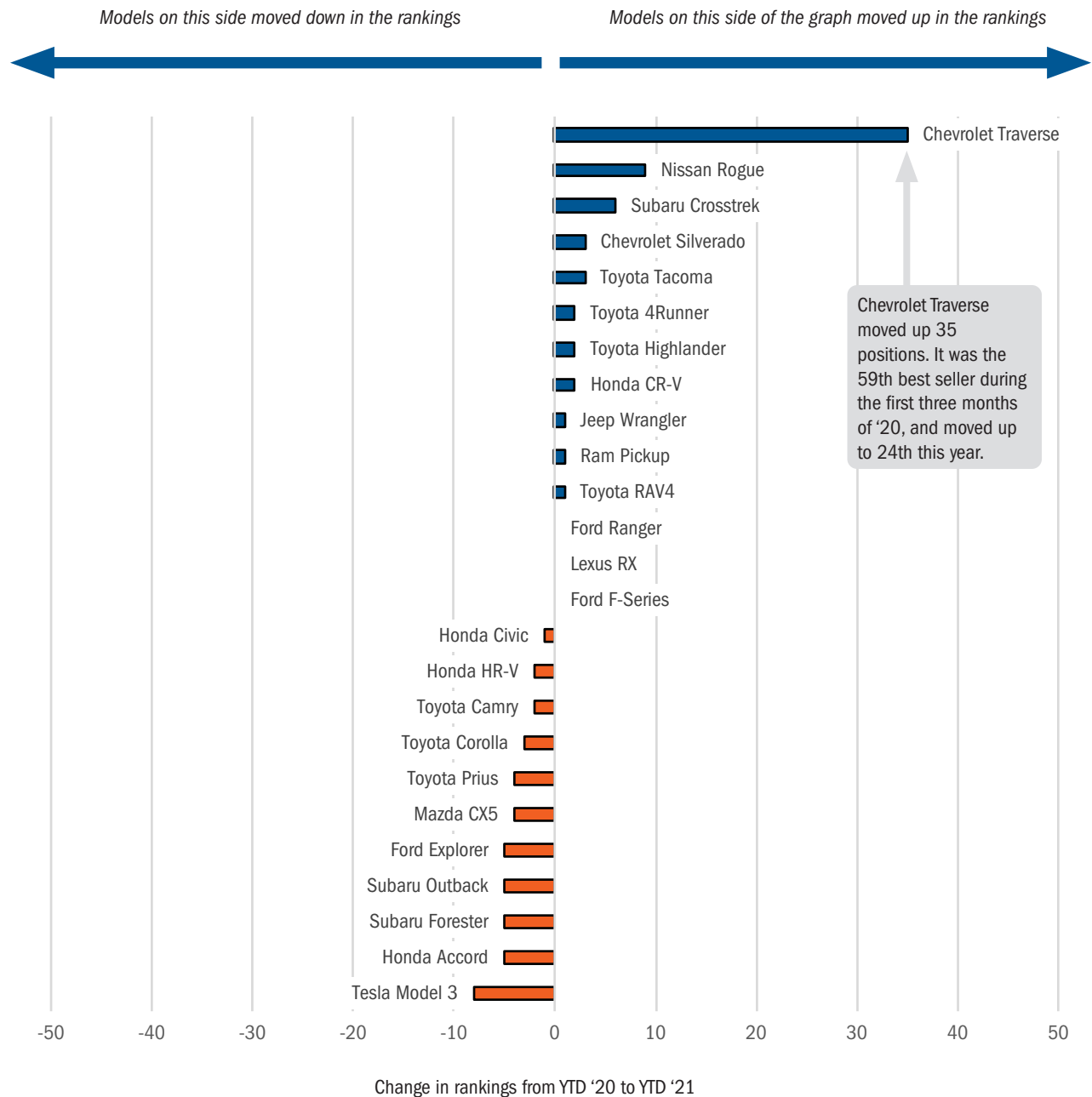
Data Source: AutoCount data from Experian.

CHANGE IN MODEL RANKINGS

# Chevrolet Traverse Moves Up in Rankings

The graph below shows the change in rankings during the first three months of 2020 to the same period this year for the top 25 selling models in the San Diego County market. Models are positioned on the graph from top to bottom based on the change in rankings. The biggest gainer was the Chevrolet Traverse. Other big winners were Nissan Rogue and Subaru Crosstrek.

**Change in Rankings for Top 25 Selling Models - YTD '20 thru March to YTD '21**



Source: AutoCount data from Experian.

BRAND SCOREBOARD - PART ONE

# Brand Market Share Leaders in Primary Segments



### Leading Car Brands

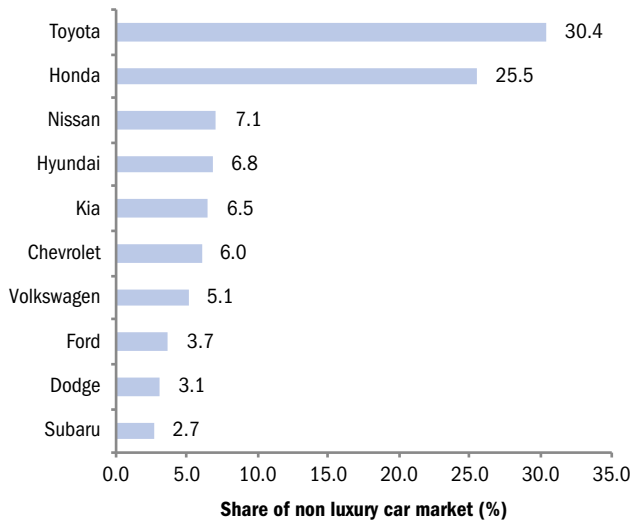
Non Luxury: Toyota, Honda, and Nissan  
 Luxury: Tesla, BMW, and Mercedes



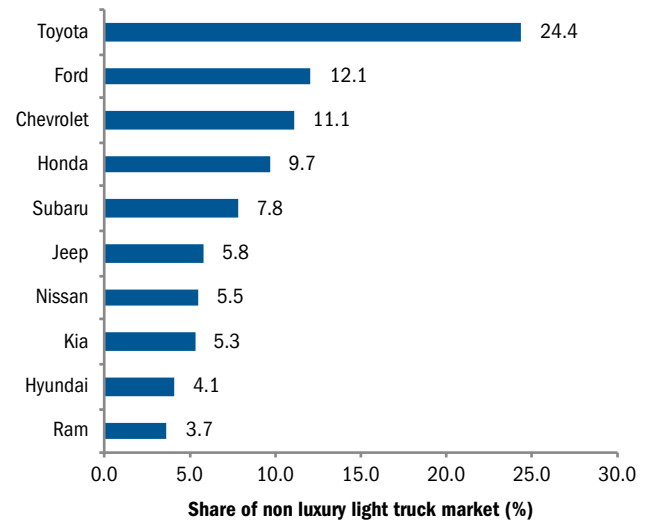
### Leading Light Truck Brands

Non Luxury: Toyota, Ford, and Chevrolet  
 Luxury: Tesla, Mercedes, and Lexus

### Top 10 Non Luxury Car Brands in County Market YTD 2021 thru March

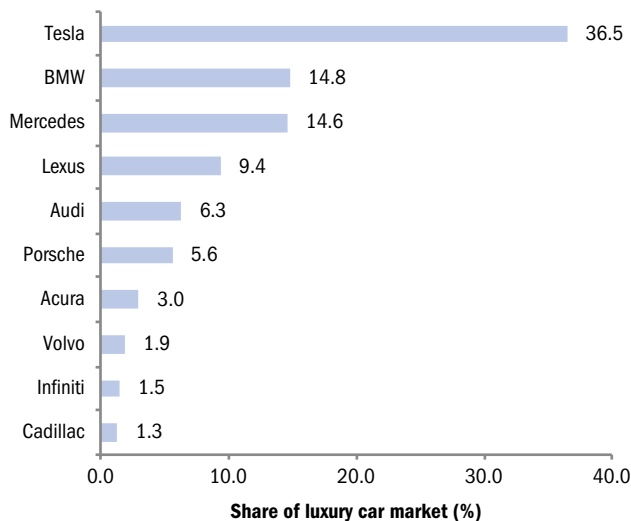


### Top 10 Non Luxury Truck Brands in County Market YTD 2021 thru March

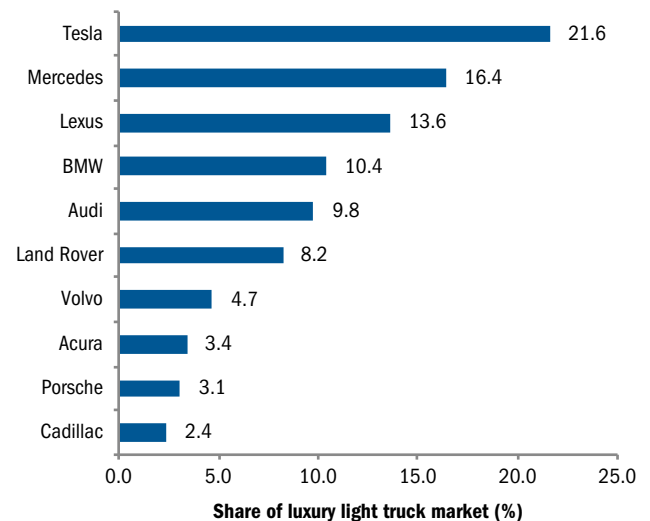


Data Source: AutoCount data from Experian.

### Top 10 Luxury Car Brands in County Market YTD 2021 thru March



### Top 10 Luxury Light Truck Brands in County Market YTD 2021 thru March



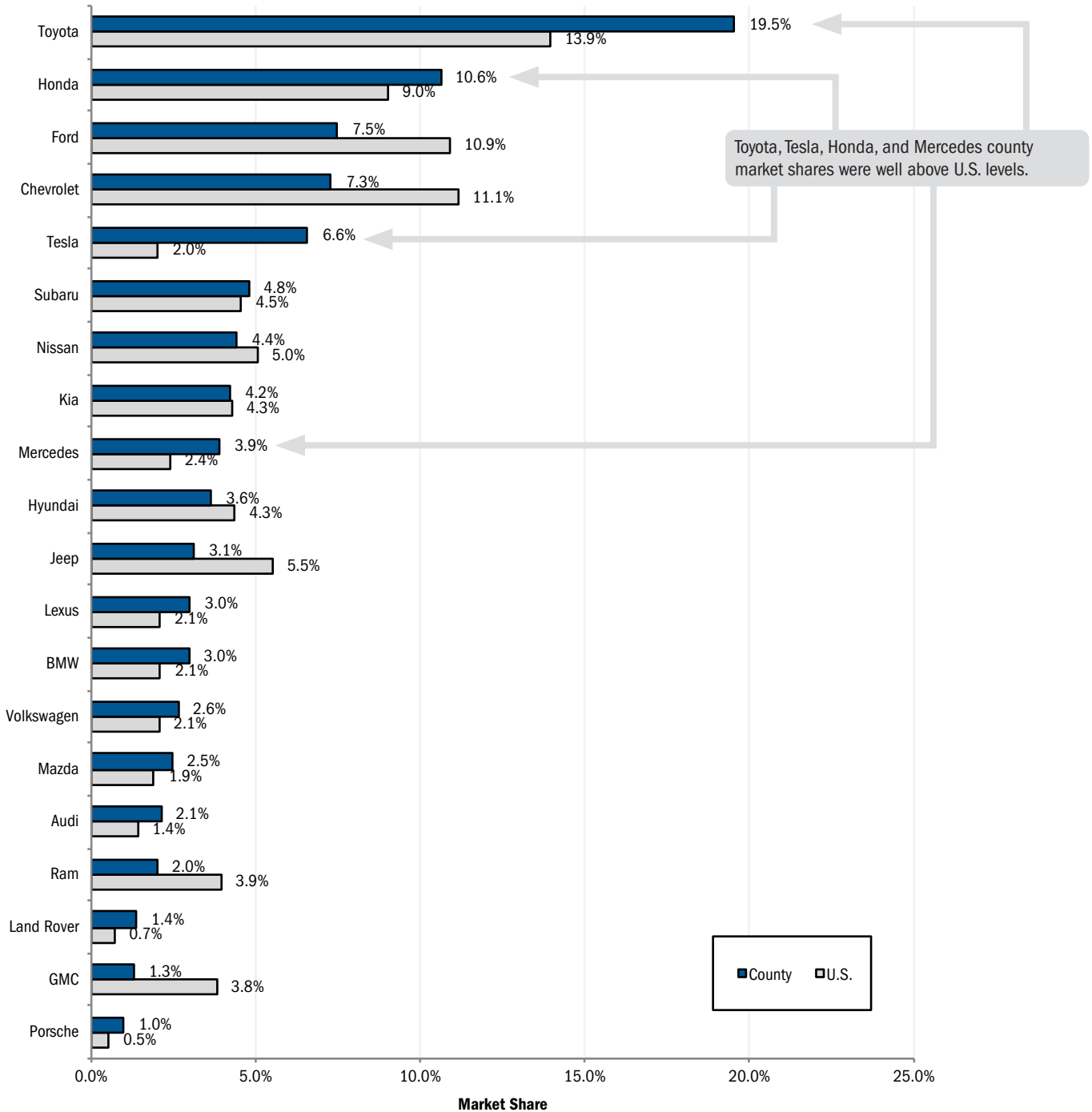
Data Source: AutoCount data from Experian.

BRAND SCOREBOARD - PART TWO

# Toyota and Tesla County Shares are Well Above U.S.

The graph below provides a comparison of San Diego County and U.S. new retail market share during the first three months of 2021 for the top 20 selling brands in the county. Brands are positioned on the graph from top to bottom based on county market share. Toyota was the county leader, accounting for 19.5% of the market, above its estimated 13.9% share in the Nation.

**San Diego County and U.S. Market Share - YTD thru 2021, thru March**



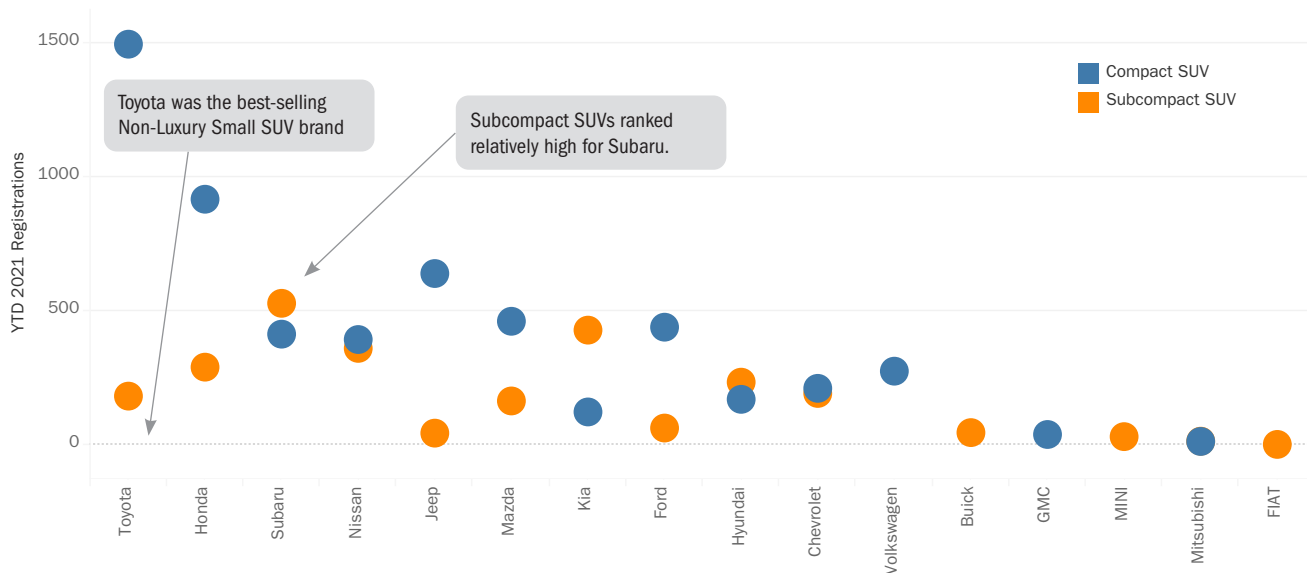
Data Source: AutoCount data from Experian. U.S. figures estimated by Auto Outlook.

SMALL SUV CLOSE UP

# Toyota is Top Selling Non-Luxury Small SUV Brand

The graph below shows new retail light vehicle registrations for Small Non-Luxury SUV brands. Brands are positioned from left to right based on the combined total for Subcompact and Compact models. Each circle corresponds to brand registrations for Subcompact SUVs (orange circle) and Compact SUVs (blue circle).

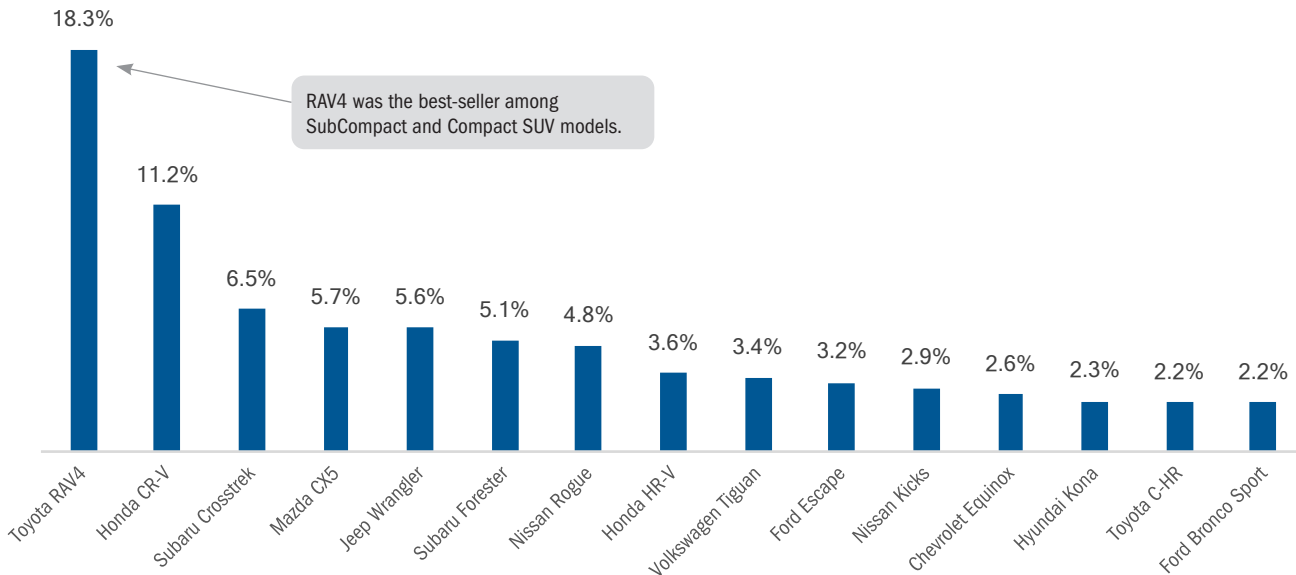
**New Retail Light Vehicle Registrations in Non-Luxury Small SUV Segments - YTD 2021 thru March**



Data Source: AutoCount data from Experian.



**Top 15 Selling Small SUVs in San Diego County  
YTD 2021 thru March  
(Includes Subcompact and Compact Models)**



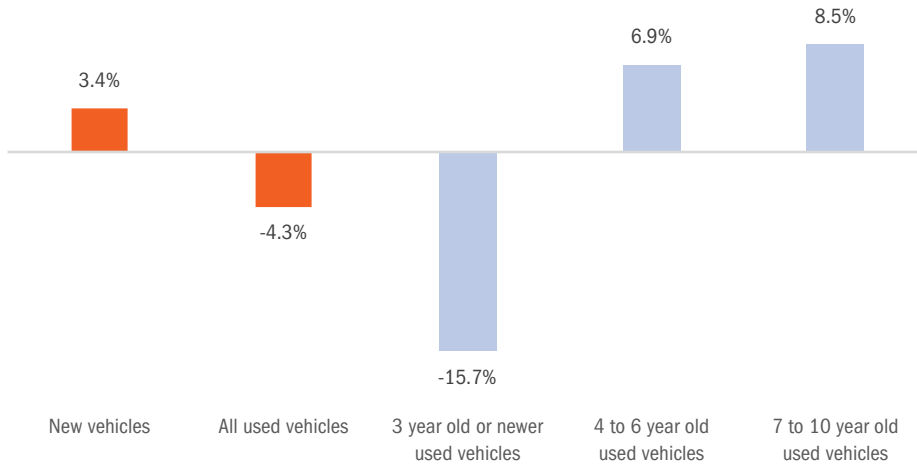
Data Source: AutoCount data from Experian.



SAN DIEGO COUNTY USED VEHICLE MARKET

# County Used Vehicle Market Posts Small Decline in 1Q '21

**Percent Change in New and Used Vehicle Registrations  
YTD 2021 thru March vs. YTD 2020**



Data Source: AutoCount data from Experian.

### 3 KEY TRENDS IN USED VEHICLE MARKET



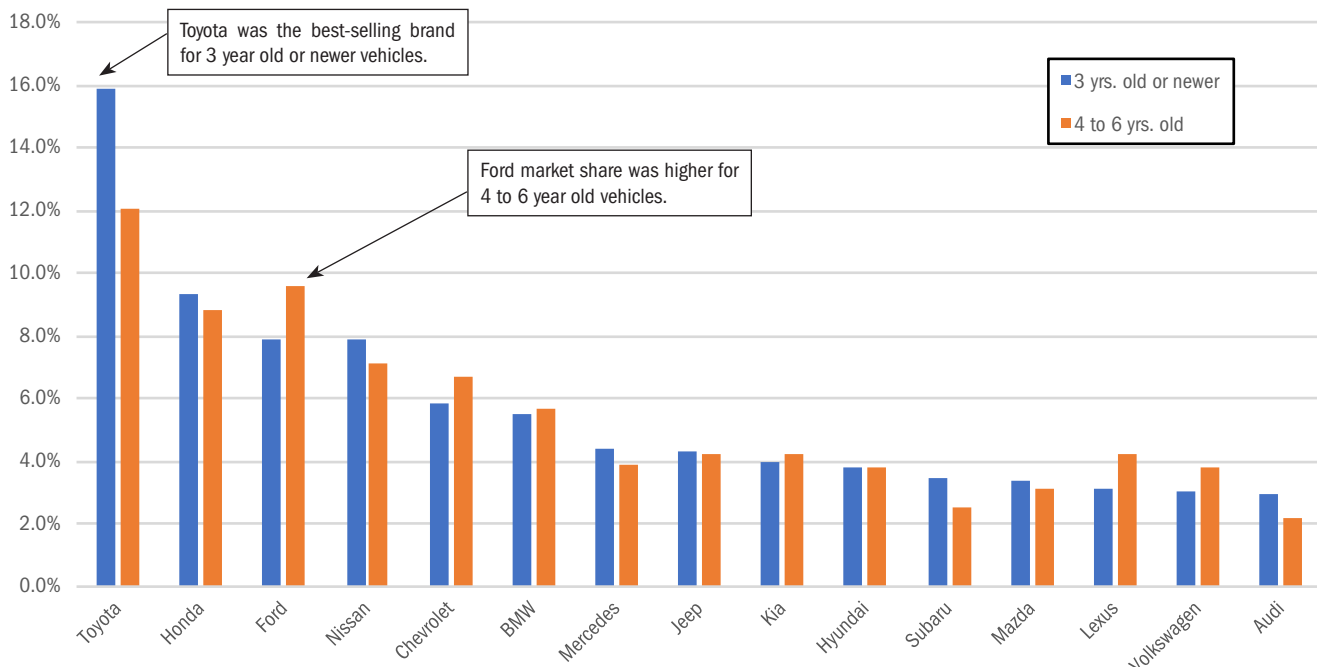
- 01.** Used vehicle registrations in San Diego County declined 4.3% during the first three months of 2021 versus the same period a year earlier.
- 02.** The nearly new used vehicle market (3 years old or newer) declined at a faster pace than older vehicles.
- 03.** Used vehicle market has been given a boost by sparse new vehicle inventories and cost conscious consumers. Used vehicle market should remain relatively strong during 2021.

### USED VEHICLE BRAND MARKET SHARE

## Toyota is Top Seller in County Used Vehicle Market

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

**Brand Market Share for Top 15 Selling Brands, by Vehicle Age (YTD '21 thru March)**



Data Source: AutoCount data from Experian.

Brand Registrations Report												
San Diego County New Retail Car and Light Truck Registrations												
	First Quarter						Annual Totals					
	Registrations			Market Share (%)			Registrations			Market Share (%)		
	1Q '20	1Q '21	% change	1Q '20	1Q '21	Change	2019	2020	% change	2019	2020	Change
TOTAL	33,370	34,510	3.4				138,349	119,841	-13.4			
Cars	12,418	10,033	-19.2	37.2	29.1	-8.1	54,108	39,426	-27.1	39.1	32.9	-6.2
Light Trucks	20,952	24,477	16.8	62.8	70.9	8.1	84,241	80,415	-4.5	60.9	67.1	6.2
Domestic Brands	8,891	10,356	16.5	26.6	30.0	3.4	36,070	33,700	-6.6	26.1	28.1	2.0
European Brands	5,001	5,420	8.4	15.0	15.7	0.7	20,799	17,915	-13.9	15.0	14.9	-0.1
Japanese Brands	16,439	15,939	-3.0	49.3	46.2	-3.1	69,974	57,933	-17.2	50.6	48.3	-2.3
Korean Brands	3,039	2,795	-8.0	9.1	8.1	-1.0	11,506	10,293	-10.5	8.3	8.6	0.3
Acura	387	279	-27.9	1.2	0.8	-0.4	1,499	1,206	-19.5	1.1	1.0	-0.1
Alfa Romeo	76	49	-35.5	0.2	0.1	-0.1	359	203	-43.5	0.3	0.2	-0.1
Audi	665	730	9.8	2.0	2.1	0.1	2,477	2,202	-11.1	1.8	1.8	0.0
BMW	1,096	1,025	-6.5	3.3	3.0	-0.3	4,421	3,558	-19.5	3.2	3.0	-0.2
Buick	102	69	-32.4	0.3	0.2	-0.1	352	300	-14.8	0.3	0.3	0.0
Cadillac	105	171	62.9	0.3	0.5	0.2	584	439	-24.8	0.4	0.4	0.0
Chevrolet	1,738	2,516	44.8	5.2	7.3	2.1	7,231	7,517	4.0	5.2	6.3	1.1
Chrysler	99	114	15.2	0.3	0.3	0.0	498	326	-34.5	0.4	0.3	-0.1
Dodge	298	289	-3.0	0.9	0.8	-0.1	1,178	1,068	-9.3	0.9	0.9	0.0
FIAT	18	2	-88.9	0.1	0.0	-0.1	147	33	-77.6	0.1	0.0	-0.1
Ford	2,424	2,581	6.5	7.3	7.5	0.2	11,026	9,465	-14.2	8.0	7.9	-0.1
Genesis	59	77	30.5	0.2	0.2	0.0	187	157	-16.0	0.1	0.1	0.0
GMC	318	447	40.6	1.0	1.3	0.3	1,370	1,399	2.1	1.0	1.2	0.2
Honda	4,084	3,660	-10.4	12.2	10.6	-1.6	17,618	14,094	-20.0	12.7	11.8	-0.9
Hyundai	1,353	1,259	-6.9	4.1	3.6	-0.5	5,330	4,706	-11.7	3.9	3.9	0.0
Infiniti	239	152	-36.4	0.7	0.4	-0.3	1,198	732	-38.9	0.9	0.6	-0.3
Jaguar	91	62	-31.9	0.3	0.2	-0.1	345	261	-24.3	0.2	0.2	0.0
Jeep	1,037	1,079	4.1	3.1	3.1	0.0	5,020	4,262	-15.1	3.6	3.6	0.0
Kia	1,627	1,459	-10.3	4.9	4.2	-0.7	5,989	5,430	-9.3	4.3	4.5	0.2
Land Rover	359	474	32.0	1.1	1.4	0.3	1,413	1,266	-10.4	1.0	1.1	0.1
Lexus	1,059	1,036	-2.2	3.2	3.0	-0.2	4,640	3,715	-19.9	3.4	3.1	-0.3
Lincoln	141	128	-9.2	0.4	0.4	0.0	544	439	-19.3	0.4	0.4	0.0
Maserati	38	18	-52.6	0.1	0.1	0.0	144	95	-34.0	0.1	0.1	0.0
Mazda	1,051	848	-19.3	3.1	2.5	-0.6	4,203	3,585	-14.7	3.0	3.0	0.0
Mercedes	1,005	1,348	34.1	3.0	3.9	0.9	4,802	4,210	-12.3	3.5	3.5	0.0
MINI	112	72	-35.7	0.3	0.2	-0.1	406	462	13.8	0.3	0.4	0.1
Mitsubishi	79	39	-50.6	0.2	0.1	-0.1	372	197	-47.0	0.3	0.2	-0.1
Nissan	1,553	1,529	-1.5	4.7	4.4	-0.3	7,660	5,591	-27.0	5.5	4.7	-0.8
Other	68	73	7.4	0.2	0.2	0.0	323	213	-34.1	0.2	0.2	0.0
Porsche	227	340	49.8	0.7	1.0	0.3	1,013	932	-8.0	0.7	0.8	0.1
Ram	552	692	25.4	1.7	2.0	0.3	2,400	2,295	-4.4	1.7	1.9	0.2
Subaru	1,708	1,651	-3.3	5.1	4.8	-0.3	6,884	6,341	-7.9	5.0	5.3	0.3
Tesla	2,077	2,270	9.3	6.2	6.6	0.4	5,867	6,190	5.5	4.2	5.2	1.0
Toyota	6,279	6,745	7.4	18.8	19.5	0.7	25,900	22,472	-13.2	18.7	18.8	0.1
Volkswagen	948	909	-4.1	2.8	2.6	-0.2	3,891	3,354	-13.8	2.8	2.8	0.0
Volvo	298	318	6.7	0.9	0.9	0.0	1,058	1,126	6.4	0.8	0.9	0.1

Source: AutoCount data from Experian.

The table above shows new retail light vehicle (car and light truck) registrations in San Diego County. Figures are shown for the First Quarters of 2020 and 2021, and annual totals for 2019 and 2020. The top ten ranked brands in each category are shaded yellow.