

# California Auto Outlook™

Comprehensive information on the California vehicle market

Volume 11, Number 2

Released May 2015

Covering First Quarter 2015



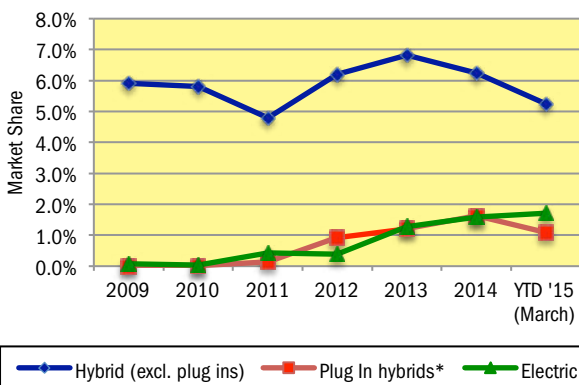
## FORECAST AND ANALYSIS OF CALIFORNIA NEW LIGHT VEHICLE MARKET

### New Light Vehicle Registrations in California Should Approach Two million units in 2015

The California new vehicle market continued to post consistently strong results in the First Quarter of 2015. New light vehicle registrations in the state increased 12.1 percent during the first three months of this year versus last year, the 18th consecutive quarterly improvement, and the fourth in a row that exceeded 8 percent. Auto Outlook predicts that new vehicle registrations for all of this year will exceed 1.9 million units, and it's possible that the total could reach 2 million in 2015 or 2016. Other key trends in the state market.

- Among the top 15 selling brands, Jeep, Subaru, Mazda, BMW, Lexus, and Kia had the biggest percentage increases during the first three months of 2015. New registrations for each of the six brands increased by more than 15 percent (see page 2).
- Japanese brand registrations increased 13.3 percent in the First Quarter and market share was up 0.6 points. Korean brand registrations improved 14.5 percent.
- Used vehicle registrations declined 4.1 percent. Three year old or newer vehicles were up 7.8 percent.

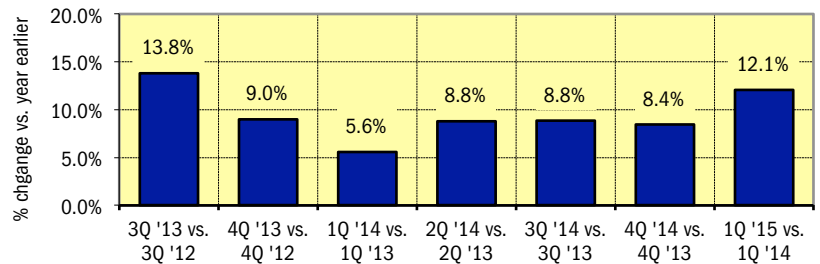
#### Hybrid and Electric Vehicle Market Share



Hybrid and Electric New Vehicle Registrations and Market Share					
	2011	2012	2013	2014	YTD 2015
Hybrid regs.(excl. plug ins)	58563	94878	116912	115543	25066
Hybrid share(excl. plug ins)	4.8%	6.2%	6.8%	6.3%	5.2%
Plug in hybrid regs.*	1662	14103	20633	29949	5189
Plug in hybrid share	0.1%	0.9%	1.2%	1.6%	1.1%
Electric regs.	5302	5990	21912	29531	8218
Electric share	0.4%	0.4%	1.3%	1.6%	1.7%

Source: IHS Automotive.

#### California Quarterly New Light Vehicle Registrations: Percent Change vs. Year Earlier



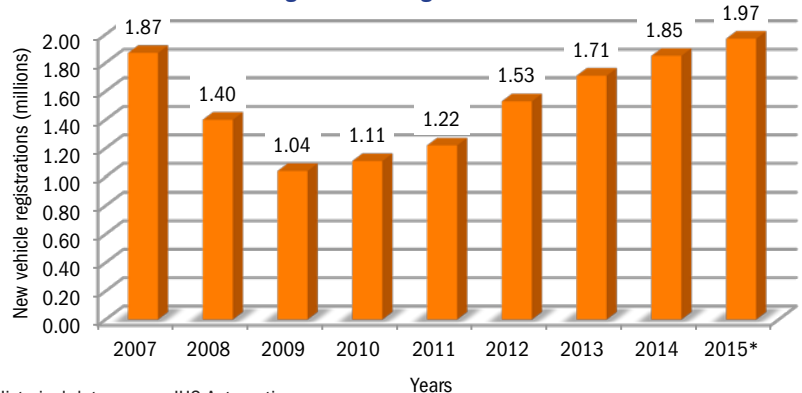
Source: IHS Automotive

#### Year-to-date Results in California and U.S. New Light Vehicle Markets

California and U.S. New Light Vehicle Registrations (includes retail and fleet transactions)						
Year-to-date 2014 and 2015, thru March						
	California			U.S.		
	YTD '14	YTD '15	Change	YTD '14	YTD '15	Change
<b>Registrations</b>						
TOTAL	426,265	477,657	12.1%	3,830,850	3,940,034	2.9%
Car	260,856	287,288	10.1%	1,862,890	1,834,832	-1.5%
Light Truck	165,409	190,369	15.1%	1,967,960	2,105,202	7.0%
Detroit Three	117,970	129,025	9.4%	1,740,039	1,759,415	1.1%
European	66,384	74,107	11.6%	341,118	347,304	1.8%
Japanese	209,612	237,545	13.3%	1,445,701	1,511,776	4.6%
Korean	32,299	36,980	14.5%	303,992	321,539	5.8%
<b>Market Share</b>						
Car	61.2	60.1	-1.1	48.6	46.6	-2.1
Light Truck	38.8	39.9	1.1	51.4	53.4	2.1
Detroit Three	27.7	27.0	-0.7	45.4	44.7	-0.8
European	15.6	15.5	-0.1	8.9	8.8	-0.1
Japanese	49.2	49.7	0.6	37.7	38.4	0.6
Korean	7.6	7.7	0.2	7.9	8.2	0.2

Source: IHS Automotive

#### California Annual Light Vehicle Registrations - 2007 thru 2015



Historical data source: IHS Automotive

\*Forecast projections by Auto Outlook

**MODEL SALES**

**Honda Civic is Best-Selling Model in California During First Quarter of 2015**

**Top Selling Models in Each Segment - New Car and Light Truck Registrations, YTD 2015 thru March**

Cars											
Entry			Sub Compact			Sporty Compact			Standard Mid Size		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Nissan Versa	5519	21.2	Honda Civic	16233	15.4	Ford Mustang	4504	41.8	Toyota Camry	15062	19.6
Honda Fit	4093	15.7	Toyota Corolla	16041	15.2	Chevrolet Camaro	3091	28.7	Honda Accord	14939	19.4
Kia Soul	3510	13.5	Toyota Prius	15044	14.3	Dodge Challenger	2067	19.2	Nissan Altima	10356	13.5
Fiat 500	3087	11.9	Nissan Sentra	10180	9.6	Hyundai Veloster	619	5.7	Ford Fusion	7235	9.4
Ford Fiesta	1896	7.3	Hyundai Elantra	7352	7.0	Subaru BRZ	360	3.3	Kia Optima	6847	8.9
Large Mid Size			Entry Luxury			Near Luxury			Luxury and Sports		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Dodge Charger	1987	27.4	Lexus Ct200H	1780	21.5	Mercedes C-Class	6016	19.2	BMW 5-Series	2707	12.8
Toyota Avalon	1411	19.4	Mercedes CLA-Class	1715	20.7	BMW 3-Series	5131	16.4	Mercedes E-Class	2605	12.3
Chrysler 300	1001	13.8	Audi A3	1594	19.2	Lexus IS	3521	11.2	Tesla Model S	2535	12.0
Chevrolet Impala	943	13.0	BMW I3	1560	18.8	Lexus ES	3244	10.3	Lexus GS	1680	7.9
Ford Taurus	687	9.5	Acura ILX	815	9.8	BMW 4-Series	3173	10.1	Mercedes S-Class	1119	5.3
Light Trucks											
Compact Pickup			Full Size Pickup			Van			Compact SUV		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Toyota Tacoma	7236	60.7	Ford F Series	9173	31.0	Toyota Sienna	4914	25.7	Honda CR-V	8394	14.9
Nissan Frontier /Xe	2395	20.1	Chevrolet Silverado	7840	26.5	Honda Odyssey	3656	19.1	Toyota RAV4	7837	13.9
Chevrolet Colorado	1534	12.9	Ram	6166	20.9	Ford Transit Connect Van	2832	14.8	Nissan Rogue	5198	9.2
GMC Canyon	570	4.8	Toyota Tundra	3604	12.2	Dodge Caravan	1254	6.5	Subaru Forester	4085	7.2
			GMC Sierra	2601	8.8	Ford E-Series	1111	5.8	Ford Escape	3986	7.1
Mid Size SUV (2 rows)			Mid Size SUVs (3 rows)			Full Size SUV			Luxury SUV		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Jeep Grand Cherokee	3326	32.0	Ford Explorer	5503	21.8	Chevrolet Tahoe	1362	25.5	Lexus RX	4361	13.5
Ford Edge	2820	27.1	Toyota Highlander	4270	16.9	Ford Flex	1061	19.9	Acura MDX	2240	6.9
Toyota 4 Runner	1736	16.7	Honda Pilot	4058	16.1	GMC Yukon	660	12.4	BMW X5	2102	6.5
Hyundai Santa Fe Sport	1511	14.5	Kia Sorento	2329	9.2	Chevrolet Suburban	636	11.9	Acura RDX	1803	5.6
Nissan Murano	784	7.5	Chevrolet Traverse	2224	8.8	GMC Yukon XL	544	10.2	Audi Q5	1699	5.3

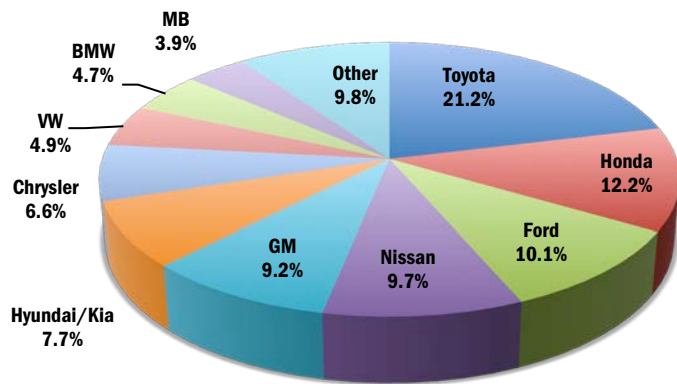
Note: Prius includes c, v, and plug in.

Source: IHS Automotive.

**BRAND RESULTS**

**Toyota Motor Market Share is 21.2 Percent; Jeep and Subaru Registrations Up Sharply**

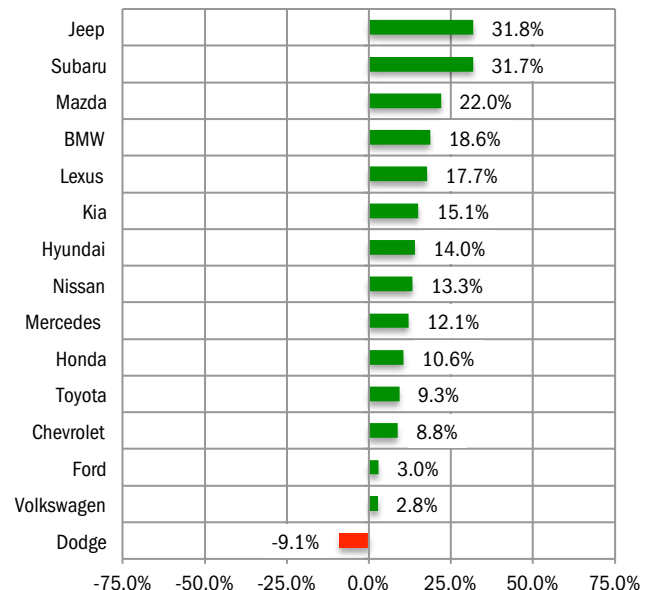
**Manufacturer Share of California New Vehicle Market  
YTD 2015 thru March**



Source: IHS Automotive

Brands included: Toyota (Toyota, Lexus, and Scion), Honda (Honda and Acura), Ford (Ford and Lincoln), GM (Buick, Cadillac, Chevrolet, and GMC), Nissan (Nissan and Infiniti), Chrysler (Chrysler, Dodge, Fiat, Jeep, and Ram), VW (Audi, Bentley, Volkswagen, and Porsche), BMW (BMW, Rolls Royce, and MINI), MB (Mercedes Benz and smart), Other (all other brands).

**Percent Change in New Light Vehicle Registrations  
YTD '15 thru March vs. YTD '14 (Top 15 selling brands)**



Source: IHS Automotive

## BRAND SCOREBOARD

## Detailed Results for All Brands in California Market

The table shows new light vehicle registrations in California, including retail and fleet transactions. Please keep in mind that monthly registration figures can occasionally be subject to fluctuations, resulting in over or under estimation of actual results. This usually occurs due to processing delays by governmental agencies. For this reason, the year-to-date figures will typically be more reflective of market results. The top 10 ranked brands in each percent change category are shaded green.

California New Car and Light Truck Registrations												
	First Quarter 2014 and 2015				Annual Totals				Market Share			
	California			U.S.	California			U.S.	California			
	2014	2015	% chg.	% chg.	2013	2014	% chg.	% chg.	1Q '14	1Q '15	Chg.	
<b>MARKET SUMMARY</b>												
TOTAL	426,265	477,657	12.1%	2.9%	1,711,885	1,848,098	8.0%	6.2%				
Cars	260,856	287,288	10.1%	-1.5%	1,062,628	1,135,487	6.9%	2.0%	61.2	60.1	-1.1	
Light Trucks	165,409	190,369	15.1%	7.0%	649,257	712,611	9.8%	10.4%	38.8	39.9	1.1	
Domestic	117,970	129,025	9.4%	1.1%	470,111	495,707	5.4%	6.0%	27.7	27.0	-0.7	
European	66,384	74,107	11.6%	1.8%	282,714	302,861	7.1%	3.3%	15.6	15.5	-0.1	
Japanese	209,612	237,545	13.3%	4.6%	833,880	912,744	9.5%	7.3%	49.2	49.7	0.6	
Korean	32,299	36,980	14.5%	5.8%	125,180	136,786	9.3%	5.0%	7.6	7.7	0.2	
<b>BRAND REGISTRATIONS</b>												
Acura	5,815	6,584	13.2%	2.1%	24,004	24,494	2.0%	0.6%	1.4	1.4	0.0	
Audi	7,107	7,663	7.8%	8.1%	28,954	33,999	17.4%	16.7%	1.7	1.6	-0.1	
BMW	16,024	19,011	18.6%	9.3%	67,880	78,271	15.3%	11.8%	3.8	4.0	0.2	
Buick	2,151	1,969	-8.5%	-2.9%	9,029	9,259	2.5%	9.9%	0.5	0.4	-0.1	
Cadillac	3,258	2,927	-10.2%	-15.1%	13,962	13,238	-5.2%	-4.0%	0.8	0.6	-0.2	
Chevrolet	29,503	32,102	8.8%	3.3%	126,328	127,807	1.2%	3.7%	6.9	6.7	-0.2	
Chrysler	3,086	4,556	47.6%	12.2%	10,377	13,407	29.2%	4.3%	0.7	1.0	0.2	
Dodge	10,401	9,458	-9.1%	-12.8%	37,227	40,216	8.0%	-3.1%	2.4	2.0	-0.5	
FIAT	3,518	3,660	4.0%	-22.8%	8,988	13,310	48.1%	11.5%	0.8	0.8	-0.1	
Ford	45,269	46,633	3.0%	-3.1%	185,541	182,281	-1.8%	-0.9%	10.6	9.8	-0.9	
GMC	5,618	6,899	22.8%	12.2%	23,907	27,428	14.7%	10.4%	1.3	1.4	0.1	
Honda	46,782	51,728	10.6%	-0.7%	206,786	217,762	5.3%	1.3%	11.0	10.8	-0.1	
Hyundai	17,112	19,500	14.0%	4.6%	67,068	71,214	6.2%	3.1%	4.0	4.1	0.1	
Infiniti	4,523	4,759	5.2%	1.0%	15,995	16,904	5.7%	0.7%	1.1	1.0	-0.1	
Jaguar	751	684	-8.9%	-8.3%	2,792	2,879	3.1%	-4.3%	0.2	0.1	0.0	
Jeep	10,372	13,675	31.8%	13.0%	32,385	45,172	39.5%	41.8%	2.4	2.9	0.4	
Kia	15,187	17,480	15.1%	7.3%	58,112	65,572	12.8%	7.5%	3.6	3.7	0.1	
Land Rover	2,436	2,688	10.3%	17.0%	8,382	8,713	3.9%	3.2%	0.6	0.6	0.0	
Lexus	15,017	17,670	17.7%	14.4%	55,339	66,555	20.3%	14.9%	3.5	3.7	0.2	
Lincoln	1,335	1,540	15.4%	-2.6%	4,715	5,638	19.6%	15.3%	0.3	0.3	0.0	
Mazda	10,570	12,897	22.0%	0.5%	37,986	44,686	17.6%	8.1%	2.5	2.7	0.2	
Mercedes	16,512	18,507	12.1%	6.3%	72,472	76,051	4.9%	7.3%	3.9	3.9	0.0	
MINI	2,943	3,305	12.3%	4.2%	14,549	13,579	-6.7%	-6.8%	0.7	0.7	0.0	
Mitsubishi	1,891	3,244	71.5%	18.3%	6,213	6,093	-1.9%	26.0%	0.4	0.7	0.2	
Nissan	36,890	41,787	13.3%	1.7%	127,648	145,634	14.1%	11.8%	8.7	8.7	0.1	
Other	1,747	1,937	10.9%	-14.8%	6,020	9,744	61.9%	7.2%	0.4	0.4	0.0	
Porsche	2,258	3,162	40.0%	18.6%	9,482	10,168	7.2%	12.4%	0.5	0.7	0.1	
Ram	5,319	6,628	24.6%	4.2%	17,774	24,485	37.8%	27.9%	1.2	1.4	0.1	
Subaru	11,390	15,004	31.7%	15.2%	42,526	50,434	18.6%	21.0%	2.7	3.1	0.5	
Tesla	1,533	2,535	65.4%	76.1%	8,347	6,110	-26.8%	-19.9%	0.4	0.5	0.2	
Toyota	76,635	83,752	9.3%	6.6%	316,860	339,794	7.2%	5.5%	18.0	17.5	-0.4	
Volkswagen	12,165	12,501	2.8%	-10.0%	58,154	52,011	-10.6%	-10.9%	2.9	2.6	-0.2	
Volvo	1,147	1,212	5.7%	-4.6%	6,083	5,190	-14.7%	-10.2%	0.3	0.3	0.0	

Source: IHS Automotive

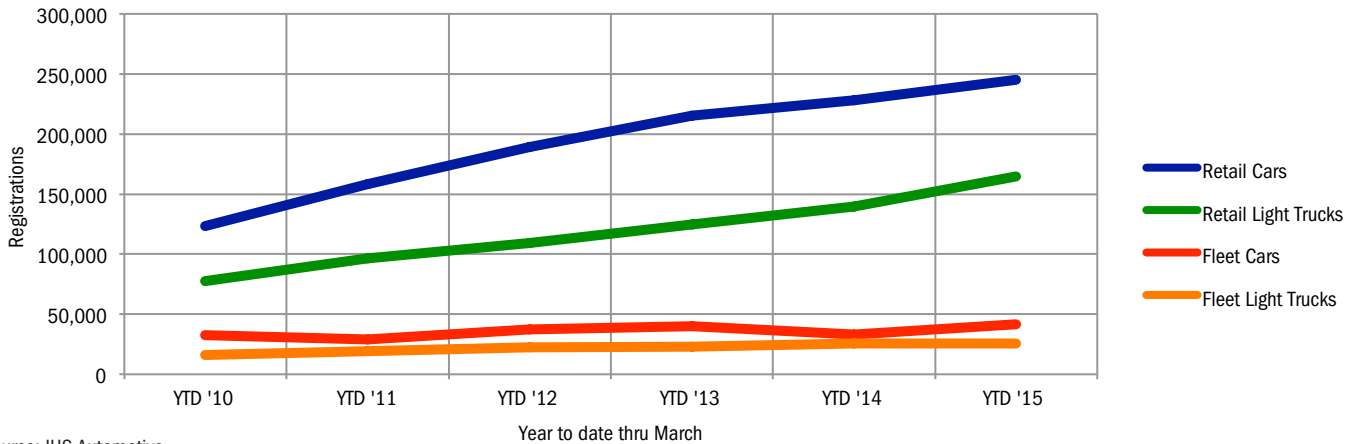
**RETAIL MARKET RECAP**

# New Retail Registrations in California Increase 11.5 Percent in First Quarter; Fleet Cars Up 27 Percent

As shown on the graph below, retail vehicle sales in California have been on a steady upward track over the past five years. New retail car and light truck registrations in California increased 104 percent during the first three months of 2015 versus 2010. New fleet car registrations increased in the First Quarter of this year.

The table below summarizes new retail light vehicle market results during the first three months of 2014 and 2015. (Note: the information presented includes retail registrations only, and excludes fleet transactions.) The Southern California retail market increased 11 percent, while Northern California was up 12.7 percent.

**California New Car and Light Truck Retail and Fleet Registrations - Year-to-date thru March, 2010 thru 2015**



Source: IHS Automotive

New Retail Light Vehicle Registrations (excluding fleets) - Year-to-date thru March							
Northern and Southern California				Selected Regional Markets			
	YTD 2014	YTD 2015	Percent Change		YTD 2014	YTD 2015	Percent Change
Statewide Total	367,828	410,246	11.5%	San Francisco Bay	71,091	79,157	11.3%
Cars	227,965	245,402	7.6%	Cars	43,996	47,305	7.5%
Light Trucks	139,863	164,844	17.9%	Light Trucks	27,095	31,852	17.6%
Northern California	121,992	137,441	12.7%	LA and Orange Counties	146,702	163,104	11.2%
Cars	71,911	77,353	7.6%	Cars	96,015	104,246	8.6%
Light Trucks	50,081	60,088	20.0%	Light Trucks	50,687	58,858	16.1%
Southern California	245,836	272,800	11.0%	San Diego County	33,590	36,863	9.7%
Cars	156,054	168,049	7.7%	Cars	19,902	21,202	6.5%
Light Trucks	89,782	104,751	16.7%	Light Trucks	13,688	15,661	14.4%

Source: IHS Automotive

## California Auto Outlook

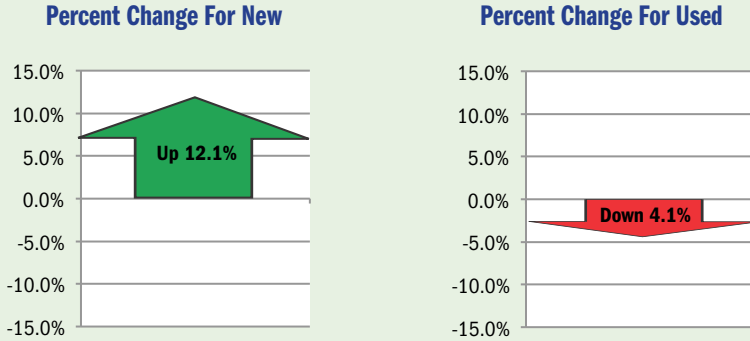
Published by:  
 Auto Outlook, Inc.  
 PO Box 390 Exton, PA 19341  
 Phone 800-206-0102 Email: jfoltz@autooutlook.com

Any material quoted must be attributed to California Auto Outlook, published by Auto Outlook, Inc. on behalf of the California New Car Dealers Association. Data source must also be shown as "Data Source: IHS Automotive." Unforeseen events may affect the forecast projections presented. Consequently, Auto Outlook, Inc. is not responsible for management decisions based on the content of Auto Outlook.

TRACKING THE CALIFORNIA USED VEHICLE MARKET

# Used Vehicle Market Gets Off to Slow Start in 2015

Comparison of California New and Used Vehicle Markets  
Percent change in registrations (YTD 2015 thru March vs. YTD 2014)

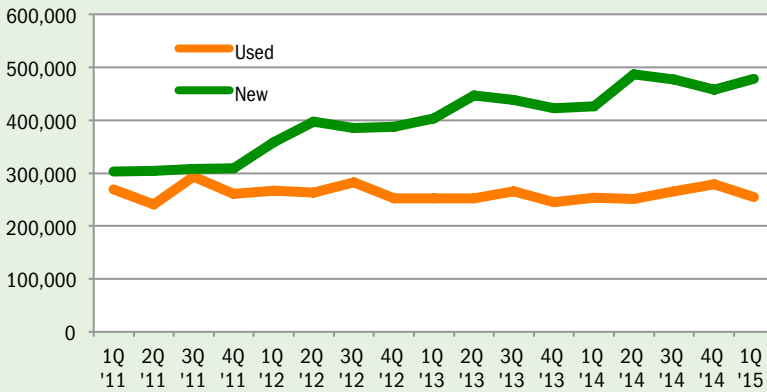


Source: IHS Automotive

Below is a list of key trends in the California used vehicle market:

- ▶ Used registrations in the state declined 4.1 percent in the First Quarter of this year versus a year earlier.
- ▶ The California new vehicle market continued to post larger percentage gains. New registrations increased 12.1 percent so far this year. As shown on the graph below left, new vehicle registrations increased from the Fourth Quarter of 2014 to the First Quarter of this year, while six year old or newer used registrations fell.
- ▶ Used car registrations were down 4.6 percent, while light trucks fell 3.4 percent. Korean brand used registrations improved 12.8 percent.
- ▶ Toyota Camry, Honda Civic, Nissan Altima, Toyota Corolla, and Honda Accord were top sellers in the state's six year old or newer used vehicle market (see page 6).

California Quarterly New and Used Retail Registrations  
(used only includes vehicles 6 years old or newer)



Source: IHS Automotive

California Used Light Vehicle Registrations - YTD thru March

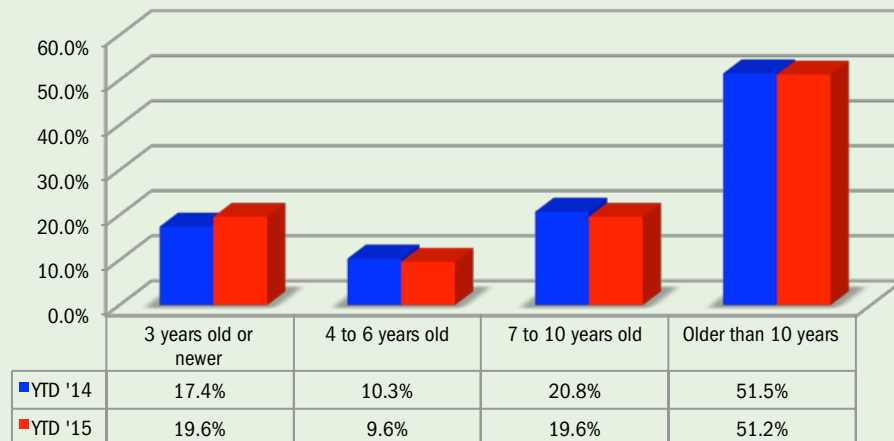
	Registrations		% Change '14 TO '15	Market Share	
	YTD '14	YTD '15		YTD '14	YTD '15
TOTAL	910,868	873,426	-4.1%		
Cars	552,009	526,754	-4.6%	60.6%	60.3%
Light Trucks	358,859	346,672	-3.4%	39.4%	39.7%
Detroit Three	359,237	340,528	-5.2%	39.4%	39.0%
European	122,228	119,913	-1.9%	13.4%	13.7%
Japanese	401,039	380,990	-5.0%	44.0%	43.6%
Korean	28,364	31,995	12.8%	3.1%	3.7%

Source: IHS Automotive

ANALYSIS OF USED VEHICLE REGISTRATIONS BY VEHICLE AGE

## Registrations for Vehicles Three Years Old or Newer Increased 7.8 Percent in First Quarter

Used Vehicle Market Share by Age of Vehicle - YTD 2014 and 2015 thru March



Source: IHS Automotive

Registrations by Vehicle Age  
YTD thru March

	YTD	YTD	% ch.
	2014	2015	
INDUSTRY TOTAL	910,868	873,426	-4.1%
3 years old or less	158,869	171,193	7.8%
4 to 6 years old	94,187	83,829	-11.0%
7 to 10 years old	189,040	171,194	-9.4%
Older than 10 years	468,772	447,210	-4.6%

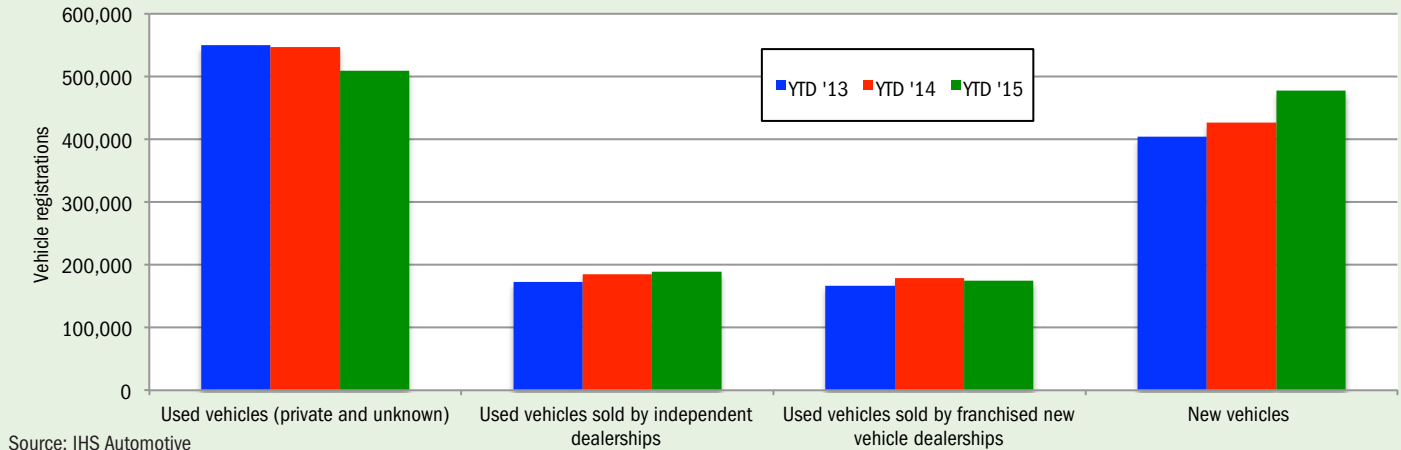
Source: IHS Automotive

**TRACKING THE CALIFORNIA USED VEHICLE MARKET**

**Franchised Dealership Share of State Used Vehicle Market is 20% in First Quarter of 2015**

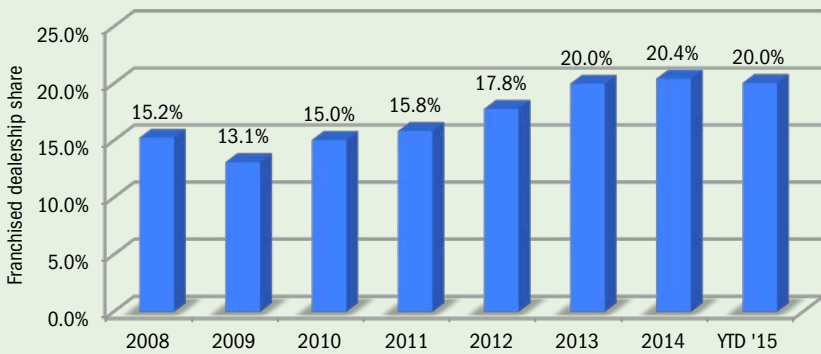
The first graph below shows vehicle registrations in the state during the first three months of '13, '14, and '15 for four categories: 1. Used vehicles involving private party transactions (or unknown selling dealership); 2. Used vehicles sold by independent dealerships; 3. Used vehicles sold by franchised new vehicle dealerships; and 4. New vehicles.

**Used and New Vehicle Registrations in California - YTD 2013, 2014, and 2015 (thru March)**



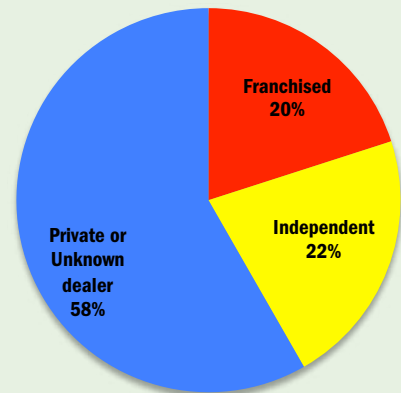
Source: IHS Automotive

**Franchised New Vehicle Dealership Share of California Used Vehicle Market**



Source: IHS Automotive

**Share of State Used Vehicle Market (YTD '15 thru March)**



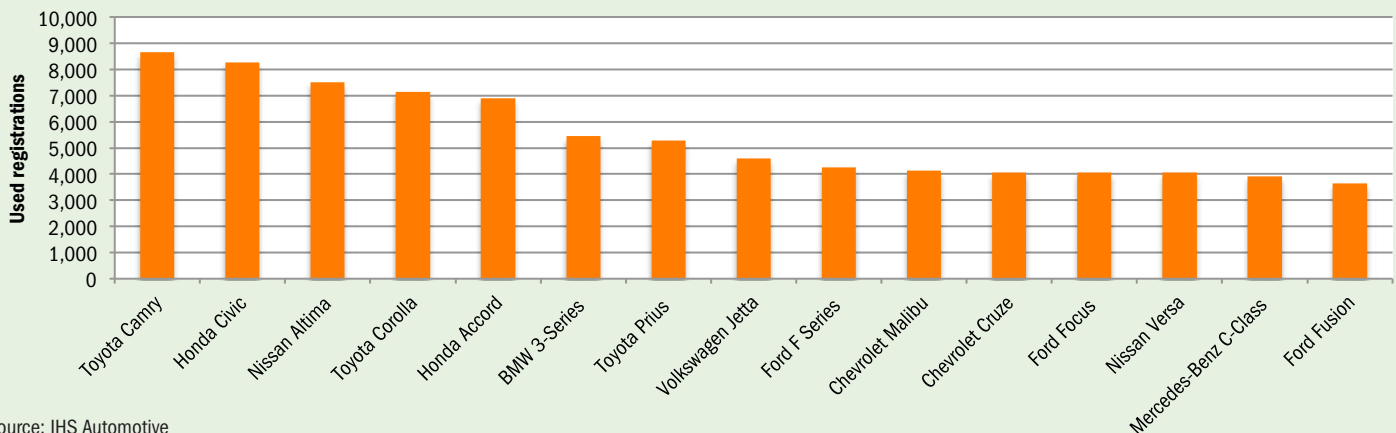
Source: IHS Automotive

**BEST SELLING USED VEHICLES IN THE STATE**

**Camry, Civic, Altima, Corolla, and Accord are Top Sellers in State Used Vehicle Market**

The graph below shows used vehicle registrations for the top 15 selling models in the state for vehicles six years old or newer.

**Top 15 Selling Used Vehicles By All Sources in California (vehicles six years old or newer) - YTD 2015 thru March**



Source: IHS Automotive