

# Silicon Valley Auto Outlook



Comprehensive information on the Santa Clara County new vehicle market

## FORECAST

### New Vehicle Sales Should Remain Strong in 2019

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

#### County new retail light vehicle registrations exceeded 100,000 units in 2018

The new vehicle market beat expectations and improved 3.8% last year. 2018 marked the sixth consecutive year that new registrations exceeded 80,000 units, which is an above average total for the county market.

#### New vehicle sales likely to soften in 2019

There are a few signs pointing to a market slowdown. GDP growth appears to be easing while there are increasing concerns about financial market stability and the prospects for global growth. But the strong labor market combined with a steady stream of impressive new products, should limit declines over the next 18 months.

#### Trucks grab a larger share of county market

Light truck market share increased from 37.0% in 2012 to 49.9% in 2018.

#### Alternative powertrain market improves

County registrations of hybrid and electric cars and trucks increased 53% during the first 11 months of 2018, while the overall market was up 3.8 for the entire year.

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

Toyota was the best selling brand last year, with a 15.4% share. Honda's county share was 13.2%, well above its 10% share in the U.S.

#### Tesla, Mitsubishi, Alfa Romeo, Volkswagen, Chrysler, and Land Rover posted gains

New retail registrations for each of these six brands were up more than 20% from 2017 to 2018.

#### Tesla Model 3 best-selling car in county market; Toyota RAV4 is light truck leader

Honda Civic and Accord were ranked second and third behind the Model 3 in the car market, while Honda CR-V and Mazda CX-5 trailed the RAV4.

#### Non Luxury SUVs account for 6% of market

Market share for Non Luxury SUVs increased to 26% during the first eleven months of last year. Small Car market share has fallen by more than nine points during the past five years.

#### Percent Change in County Light Truck and Car Registrations 2018\* vs. 2017

##### Light Trucks (Pickups, SUVs, and Vans)



UP  
4.3%

##### Passenger Cars

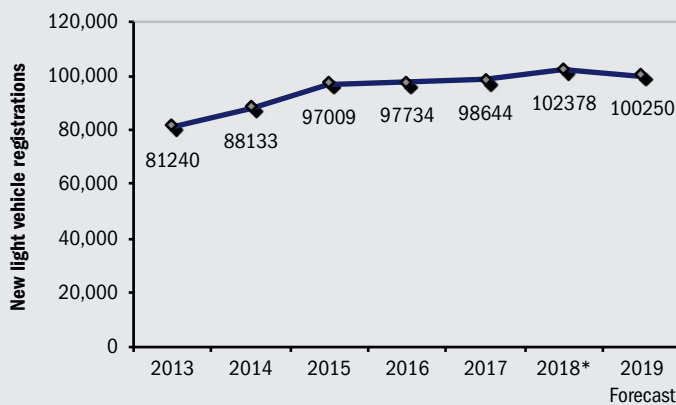


UP  
3.3%

Source: IHS.

\*Dec. 18 estimated.

#### Annual Trend in County Market



Historical Data Source: IHS.

The graph above shows annual new retail light vehicle registrations in the county from 2013 thru 2018 and Auto Outlook's projection for 2019.

#### Market Summary

	2017 Annual	2018* Annual	% Chg. '17 to '18	Mkt. Share 2018*
TOTAL	98,644	102,378	3.8%	
Car	49,712	51,329	3.3%	50.1%
Light Truck	48,932	51,049	4.3%	49.9%
Domestic	24,627	31,240	26.9%	30.5%
European	18,676	18,939	1.4%	18.5%
Japanese	51,166	48,263	-5.7%	47.1%
Korean	4,175	3,936	-5.7%	3.8%

Source: IHS.

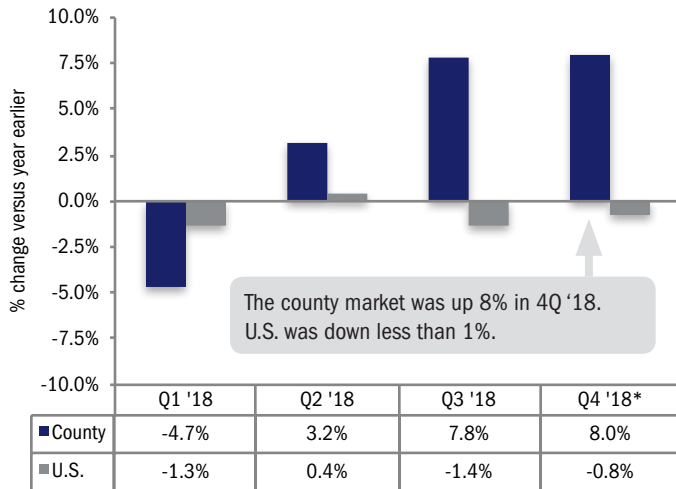
Domestics consist of vehicles sold by GM, Ford, FCA (excluding Alfa and FIAT), and Tesla. Historical figures were revised by IHS and will differ slightly from those shown in previous releases. \*Figures for Dec. '18 were estimated by Auto Outlook.

MARKET TRACKER: QUARTERLY RESULTS

# County Registrations Moved Higher in Fourth Quarter '18

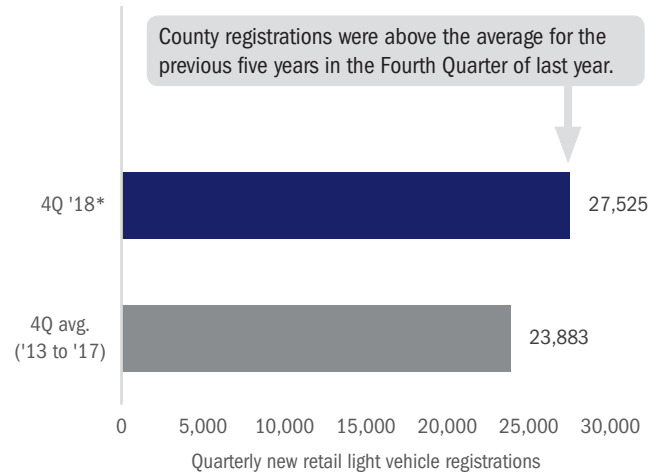
## QUARTERLY TREND

Percent Change in County and U.S. New Vehicle Market



## QUARTERLY PERSPECTIVE

4Q 2018 Registrations Versus Average for Previous Five Years



\* Figures for December of 2018 were estimated by Auto Outlook. Source: IHS.

\* Figures for December of 2018 were estimated by Auto Outlook. Source: IHS.

MARKET TRACKER: COUNTY MARKET VERSUS U.S.

## County Market Up 3.8% in 2018

	County Market		U.S. Market	
<b>Percent change in registrations 2018* vs. 2017</b>	3.8%		-0.8%	
<b>Passenger car market share 2018*</b>	50.1%		30.8%	
<b>Domestic brand market share 2018*</b>	30.5%		42.0%	
<b>Top 10 brands and market share 2018*</b>				
First	Toyota	15.4%	Toyota	13.4%
Second	Honda	13.2%	Ford	11.6%
Third	Tesla	11.0%	Chevrolet	11.0%
Fourth	Ford	6.2%	Honda	10.0%
Fifth	Chevrolet	6.2%	Nissan	6.4%
Sixth	Subaru	4.7%	Jeep	6.1%
Seventh	BMW	4.4%	Subaru	4.4%
Eighth	Mercedes	4.1%	Hyundai	3.7%
Ninth	Mazda	3.9%	Kia	3.4%
Tenth	Lexus	3.6%	GMC	3.3%

\*December 2018 figures estimated by Auto Outlook

Source: IHS Markit

## Silicon Valley Auto Outlook

### Covering Fourth Quarter 2018

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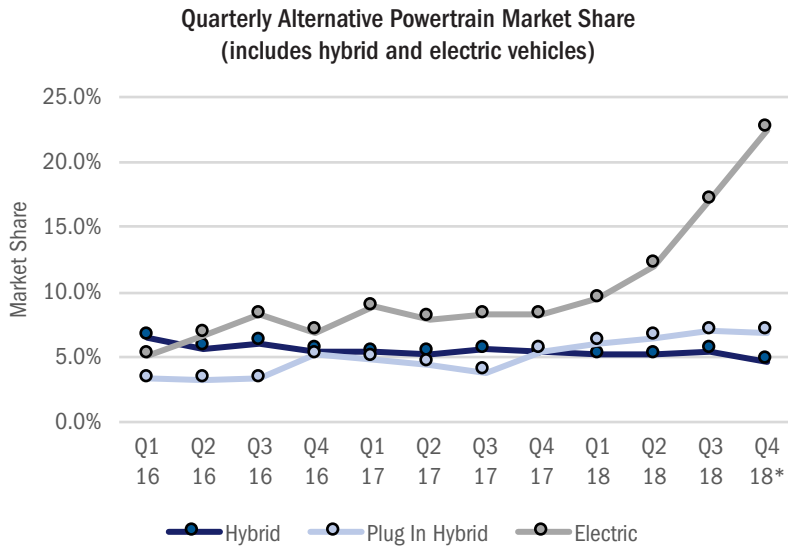
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MARKET TRACKER: HYBRID AND ELECTRIC VEHICLES

# Electric Vehicle Market Share Moved Higher in 4Q '18



Hybrid/electric vehicle market share in Q4 '18: **33.9%**



The graph above shows hybrid powertrain and electric vehicle quarterly market share in the county. \*Fourth Quarter 2018 includes October and November. Source: IHS.

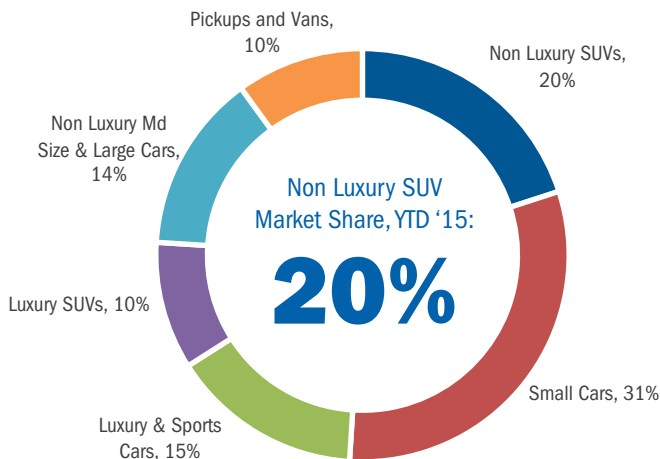
**New Retail Hybrid and Electric Vehicle Registrations**  
**Top 10 Selling Models in County - YTD '18 thru November**

Rank	Model	Regs.
1	Tesla Model 3	8027
2	Toyota Prius	1933
3	Chevrolet Volt	1801
4	Chevrolet Bolt	1408
5	Tesla Model S	1340
6	Tesla Model X	1117
7	Nissan Leaf	1032
8	Honda Clarity	714
9	Toyota RAV4	711
10	Ford Fusion	580

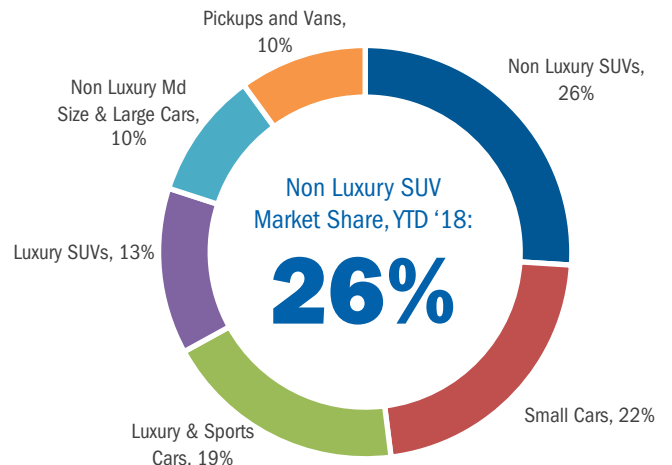
MARKET TRACKER: THREE YEAR CHANGE IN SEGMENT SHARES

# Non Luxury SUV Market Share Increases to 26%

Segment Market Shares in County YTD 2015 thru November



Segment Market Shares in County YTD 2018 thru November



The two graphs above show market shares for primary segments during the first 11 months of 2015 and 2018.

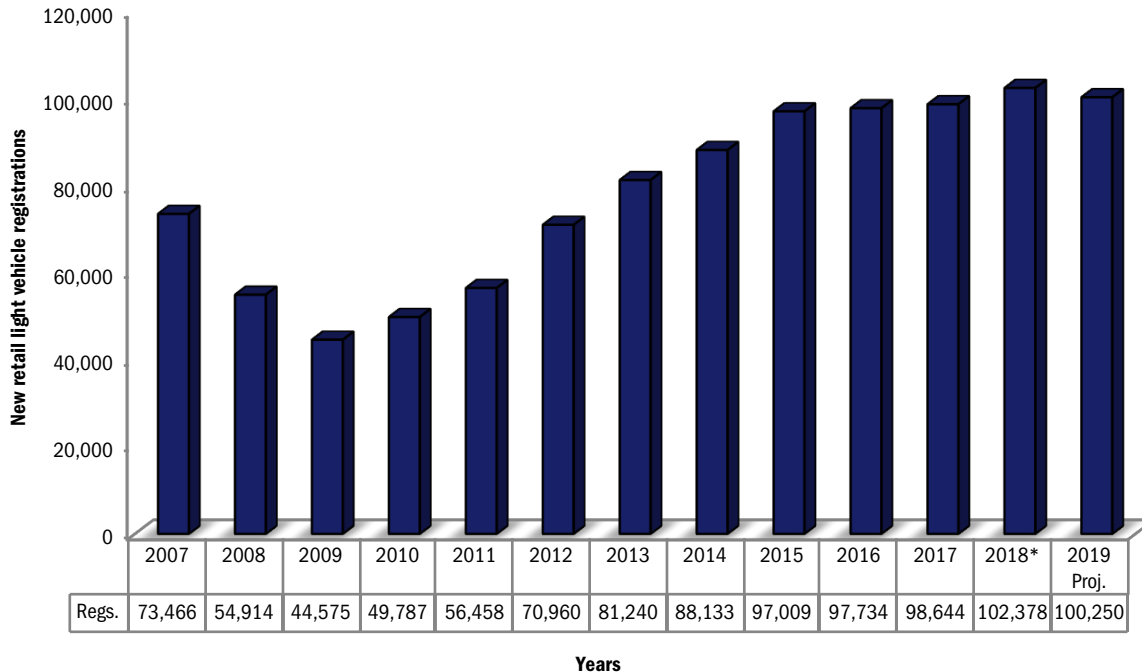
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LONG TERM TRENDS

# Registrations Likely to Exceed 80K for 7th Straight Year in '19

The two graphs below provide a long term perspective of trends in the Santa Clara County new retail light vehicle market. The first graph shows historical registrations from 2007 thru 2018, along with Auto Outlook's forecast for 2019. The second graph shows light truck share of the overall light vehicle market.

**County New Retail Light Vehicle Registrations - 2007 thru 2018\*, 2019 Forecast**

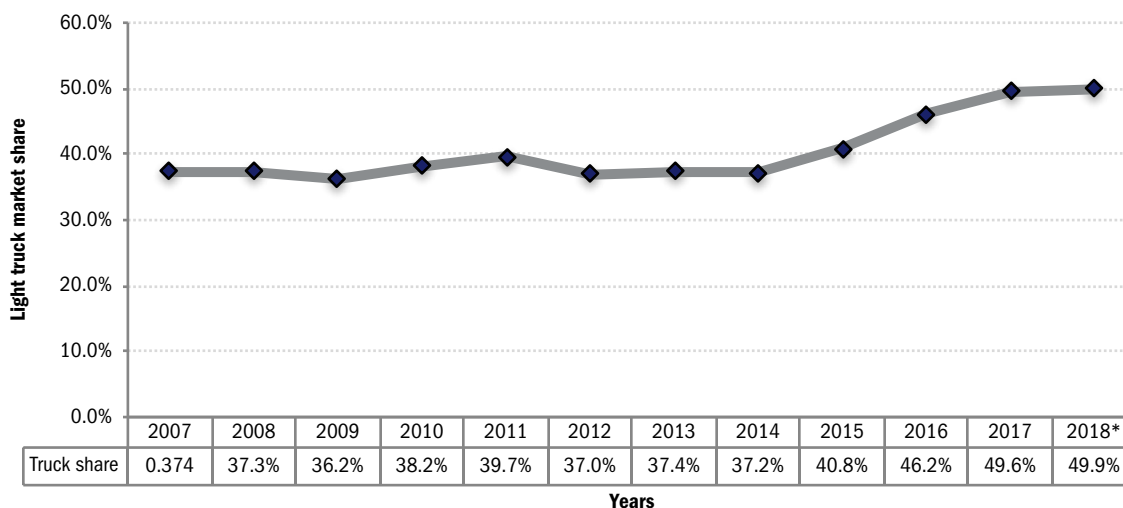


**County market improved 130% between '09 and '18. Small decline is predicted in '19, with annual total remaining above 100,000 units**

Historical Data Source: IHS.

\* December 2018 figures were estimated by Auto Outlook.

**County New Retail Light Truck Market Share - 2007 thru 2018\***



**Light truck market share increased steadily from 37.2% in 2014 to 49.9% last year.**

Source: IHS.

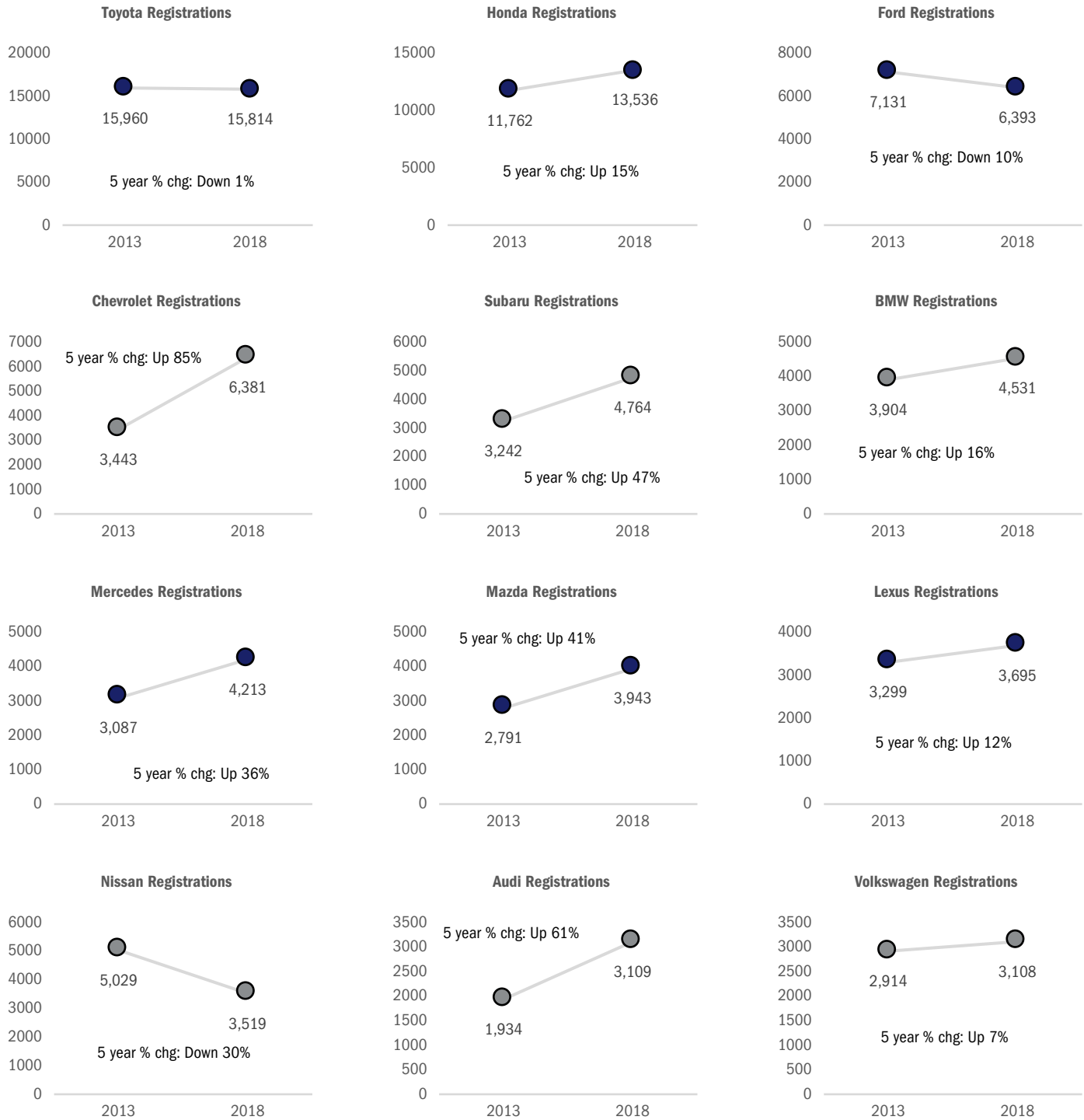
\* December 2018 figures were estimated by Auto Outlook.

BRAND SCOREBOARD

# Chevy, Audi, Subaru, and Mazda Post Big Gains During Past 5 Years

The graphs below show new retail light vehicle registrations in 2013 and 2018 for the top 12 selling brands in the county. Viewing the 12 graphs on the same page provides a clear-cut way to identify brands that have had big gains during the past five years versus those that have been flat or lost ground. Note: Tesla was excluded since registrations were minimal in 2013.

## New Retail Light Vehicle Registrations for Top 12 Selling Brands in County - 2013 and 2018\*



\*Figures for December, 2018 were estimated.

Source: IHS.

Santa Clara County New Retail Car and Light Truck Registrations												
	Fourth Quarter*						Annual Totals					
	Registrations			Market Share (%)			Registrations			Market Share (%)		
	4Q '17	4Q '18	% change	4Q '17	4Q '18	Change	2017	2018*	% change	2017	2018*	Change
TOTAL	25,497	27,525	8.0				98,644	102,378	3.8			
Cars	11,982	13,641	13.8	47.0	49.6	2.6	49,712	51,329	3.3	50.4	50.1	-0.3
Light Trucks	13,515	13,884	2.7	53.0	50.4	-2.6	48,932	51,049	4.3	49.6	49.9	0.3
Domestic Brands	6,463	9,145	41.5	25.3	33.2	7.9	24,627	31,240	26.9	25.0	30.5	5.5
European Brands	5,347	5,183	-3.1	21.0	18.8	-2.2	18,676	18,939	1.4	18.9	18.5	-0.4
Japanese Brands	12,725	12,155	-4.5	49.9	44.2	-5.7	51,166	48,263	-5.7	51.9	47.1	-4.8
Korean Brands	962	1,042	8.3	3.8	3.8	0.0	4,175	3,936	-5.7	4.2	3.8	-0.4
Acura	582	573	-1.5	2.3	2.1	-0.2	2,119	1,988	-6.2	2.1	1.9	-0.2
Alfa Romeo	30	39	30.0	0.1	0.1	0.0	92	220	139.1	0.1	0.2	0.1
Audi	859	819	-4.7	3.4	3.0	-0.4	3,034	3,109	2.5	3.1	3.0	-0.1
BMW	1,427	1,338	-6.2	5.6	4.9	-0.7	4,431	4,531	2.3	4.5	4.4	-0.1
Buick	132	107	-18.9	0.5	0.4	-0.1	433	394	-9.0	0.4	0.4	0.0
Cadillac	107	95	-11.2	0.4	0.3	-0.1	361	276	-23.5	0.4	0.3	-0.1
Chevrolet	1,822	1,759	-3.5	7.1	6.4	-0.7	7,247	6,381	-11.9	7.3	6.2	-1.1
Chrysler	191	171	-10.5	0.7	0.6	-0.1	604	798	32.1	0.6	0.8	0.2
Dodge	201	179	-10.9	0.8	0.7	-0.1	992	885	-10.8	1.0	0.9	-0.1
FIAT	54	31	-42.6	0.2	0.1	-0.1	233	108	-53.6	0.2	0.1	-0.1
Ford	1,794	1,551	-13.5	7.0	5.6	-1.4	7,254	6,393	-11.9	7.4	6.2	-1.2
Genesis	27	10	-63.0	0.1	0.0	-0.1	100	77	-23.0	0.1	0.1	0.0
GMC	446	361	-19.1	1.7	1.3	-0.4	1,614	1,300	-19.5	1.6	1.3	-0.3
Honda	3,643	3,338	-8.4	14.3	12.1	-2.2	14,060	13,536	-3.7	14.3	13.2	-1.1
Hyundai	618	644	4.2	2.4	2.3	-0.1	2,748	2,349	-14.5	2.8	2.3	-0.5
Infiniti	291	254	-12.7	1.1	0.9	-0.2	993	824	-17.0	1.0	0.8	-0.2
Jaguar	89	78	-12.4	0.3	0.3	0.0	359	262	-27.0	0.4	0.3	-0.1
Jeep	476	500	5.0	1.9	1.8	-0.1	2,046	2,318	13.3	2.1	2.3	0.2
Kia	317	388	22.4	1.2	1.4	0.2	1,327	1,510	13.8	1.3	1.5	0.2
Land Rover	147	192	30.6	0.6	0.7	0.1	605	735	21.5	0.6	0.7	0.1
Lexus	1,030	997	-3.2	4.0	3.6	-0.4	3,829	3,695	-3.5	3.9	3.6	-0.3
Lincoln	41	36	-12.2	0.2	0.1	-0.1	193	138	-28.5	0.2	0.1	-0.1
Maserati	42	35	-16.7	0.2	0.1	-0.1	151	103	-31.8	0.2	0.1	-0.1
Mazda	960	964	0.4	3.8	3.5	-0.3	4,175	3,943	-5.6	4.2	3.9	-0.3
Mercedes	1,209	1,196	-1.1	4.7	4.3	-0.4	4,005	4,213	5.2	4.1	4.1	0.0
MINI	130	123	-5.4	0.5	0.4	-0.1	547	518	-5.3	0.6	0.5	-0.1
Mitsubishi	13	36	176.9	0.1	0.1	0.0	62	168	171.0	0.1	0.2	0.1
Nissan	745	834	11.9	2.9	3.0	0.1	4,123	3,519	-14.6	4.2	3.4	-0.8
Other	52	47	-9.6	0.2	0.2	0.0	191	176	-7.9	0.2	0.2	0.0
Porsche	253	231	-8.7	1.0	0.8	-0.2	960	918	-4.4	1.0	0.9	-0.1
Ram	266	307	15.4	1.0	1.1	0.1	941	1,046	11.2	1.0	1.0	0.0
Subaru	1,240	1,154	-6.9	4.9	4.2	-0.7	5,046	4,764	-5.6	5.1	4.7	-0.4
Tesla	983	4,073	314.3	3.9	14.8	10.9	2,933	11,298	285.2	3.0	11.0	8.0
Toyota	4,214	4,000	-5.1	16.5	14.5	-2.0	16,739	15,814	-5.5	17.0	15.4	-1.6
Volkswagen	846	817	-3.4	3.3	3.0	-0.3	3,478	3,108	-10.6	3.5	3.0	-0.5
Volvo	220	248	12.7	0.9	0.9	0.0	619	963	55.6	0.6	0.9	0.3

\*December 2018 figures were estimated by Auto Outlook.

Source: IHS Markit

The table above shows new retail light vehicle (car and light truck) registrations in Santa Clara County. Figures are shown for the Fourth Quarters of 2017 and 2018, and annual totals. The top ten ranked brands in each category are shaded yellow.