

Silicon Valley Auto Outlook



Comprehensive information on the Santa Clara County new vehicle market

FORECAST

County New Vehicle Market Had Small Decline in 1Q '24

Below is a review of key trends in the Santa Clara County new vehicle market.

Results during 1Q 2024

County new light vehicle registrations fell by less than 1% during the first three months of 2024 vs. year-earlier levels. The decline was due to the 16% drop in Tesla registrations. Excluding Tesla, the market improved by 5.5%. National retail market was up 6.9%. As shown on page 2, equivalent U.S. SAAR levels were 14.7 million units, unchanged from the Fourth Quarter of 2023

2024 Forecast

According to Auto Outlook's forecast, registrations are expected to approach 93,000 units this year and increase 3.7% from 2023. That projection is 21% higher than the total in 2022 when the market was significantly impacted by product shortages.

Key determinants for the market

The shaded box on the right reviews the primary forecast determinants. Pent-up demand is still significant and the county labor market is strong. Vehicle affordability is still a concern, but should improve as the year progresses. As pointed out in the pre-

vious release of *Auto Outlook*, barring any unforeseen negative shocks (such as the possible escalation of conflict in the Middle East), we think the new vehicle market could be stronger than expected in 2024.

Tracking alternative powertrain sales

County BEV registrations fell by 7% in the First Quarter of this year versus a year earlier, and market share was 38.1%. Gains have levelled off during the past few quarters, however. Hybrid registrations exceeded 3,000 units in 1Q '24 and improved 63% versus year earlier. Plug in hybrid market was up 12% (see page 6).

Brands that fared best in early 2024

Among the top 25 sellers in the county market, Cadillac, Rivian, Lexus, Honda, and Mercedes had the largest percentage gains in the First Quarter of this year. Toyota took over the top spot from Tesla as the best-selling brand so far this year.

Top selling models in Santa Clara County

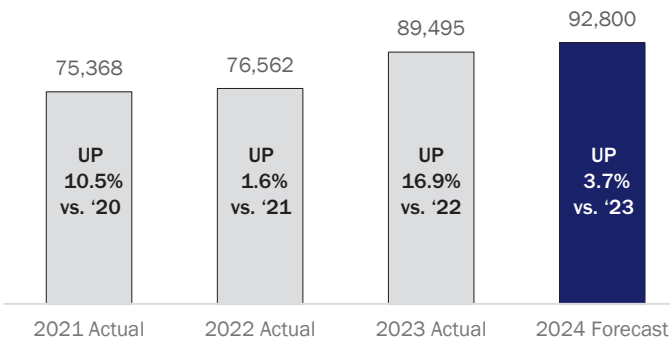
Tesla Model Y, Tesla Model 3, Toyota RAV4, Honda CR-V, Toyota Camry, Honda Civic, Toyota Corolla, Honda Accord, Tesla Model X, and Lexus RX were the top 10 sellers so far this year.



Primary Factors Driving the County New Vehicle Market

- » County unemployment rate was 4.3% in February and total employment exceeded 1 million.
- » Growth in personal income has largely kept pace with inflation. Household wealth is at record-high levels.
- » Consumer confidence has fluctuated a bit over the past few months, but is well above the lows in 2022 when inflation concerns were paramount.
- » High interest rates continue to put a squeeze on affordability, but the possibility for lower rates later this year, falling vehicle prices, and strong wage gains should lead to improvement in the second half of 2024.
- » Pent up demand is the biggest positive for the county market. Auto Outlook estimates that nearly 46,000 new vehicle purchases have been postponed since the onset of the pandemic and ensuing supply chain issues.

Forecast for County New Retail Light Vehicle Registrations



The graph above shows annual new retail light vehicle registrations from 2021 through 2023 and Auto Outlook's projection for 2024. Historical data sourced from Experian Automotive.

Market Summary

	YTD '23 thru Mar.	YTD '24 thru Mar.	% Chg. '23 to '24	Mkt. Share YTD '24
TOTAL	21,593	21,406	-0.9%	
Car	7,107	5,755	-19.0%	26.9%
Light Truck	14,486	15,651	8.0%	73.1%
Domestic	9,703	8,217	-15.3%	38.4%
European	3,239	3,478	7.4%	16.2%
Japanese	7,302	8,286	13.5%	38.7%
Korean	1,349	1,425	5.6%	6.7%

Domestics consist of vehicles sold by GM, Ford, Stellantis (excluding Alfa Romeo and FIAT), Tesla, Rivian, and Lucid. Data sourced from Experian Automotive.

KEY TRENDS IN SANTA CLARA COUNTY NEW VEHICLE MARKET



COUNTY MARKET VS. U.S.

**% Change In
New Retail Market
YTD 2024 thru March
vs.
YTD 2023**

**Santa Clara County
DOWN 0.9%**

**U.S.
UP 6.9%**

New retail light vehicle registrations in the county fell by less than 1% during the first three months of this year vs. year earlier, below the 6.9% improvement in the Nation.

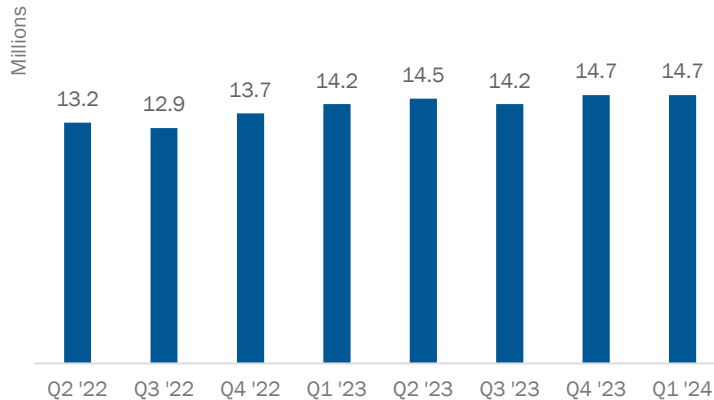
Data sourced from Experian Automotive.



QUARTERLY RESULTS

Santa Clara 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. Equivalent SAAR levels in the county were 14.7 million in the First Quarter of this year, unchanged from the Fourth Quarter of 2023.

Data sourced from Experian Automotive. SAAR estimates: Auto Outlook.

**% Change in
registrations vs.
previous quarter
(1Q '24 vs. 4Q '23)**

**DOWN
0.3%**

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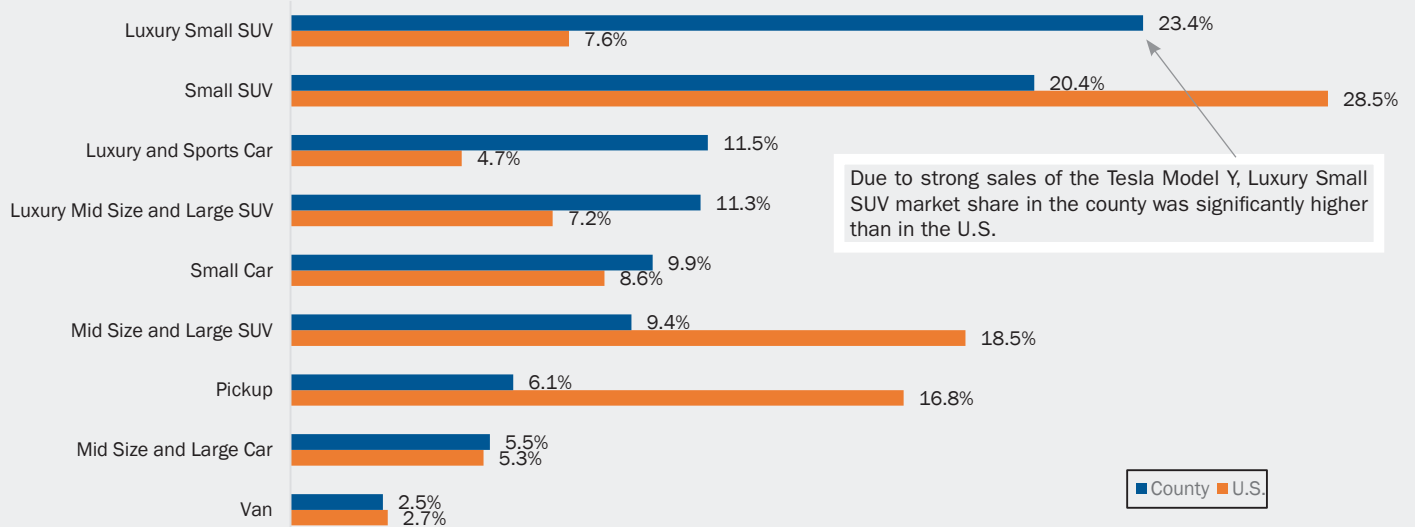
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KEY TRENDS IN SANTA CLARA COUNTY NEW VEHICLE MARKET



PRIMARY MARKET SEGMENTS - COUNTY AND U.S.

Segment Markets Shares in County and U.S. - YTD 2024 thru March



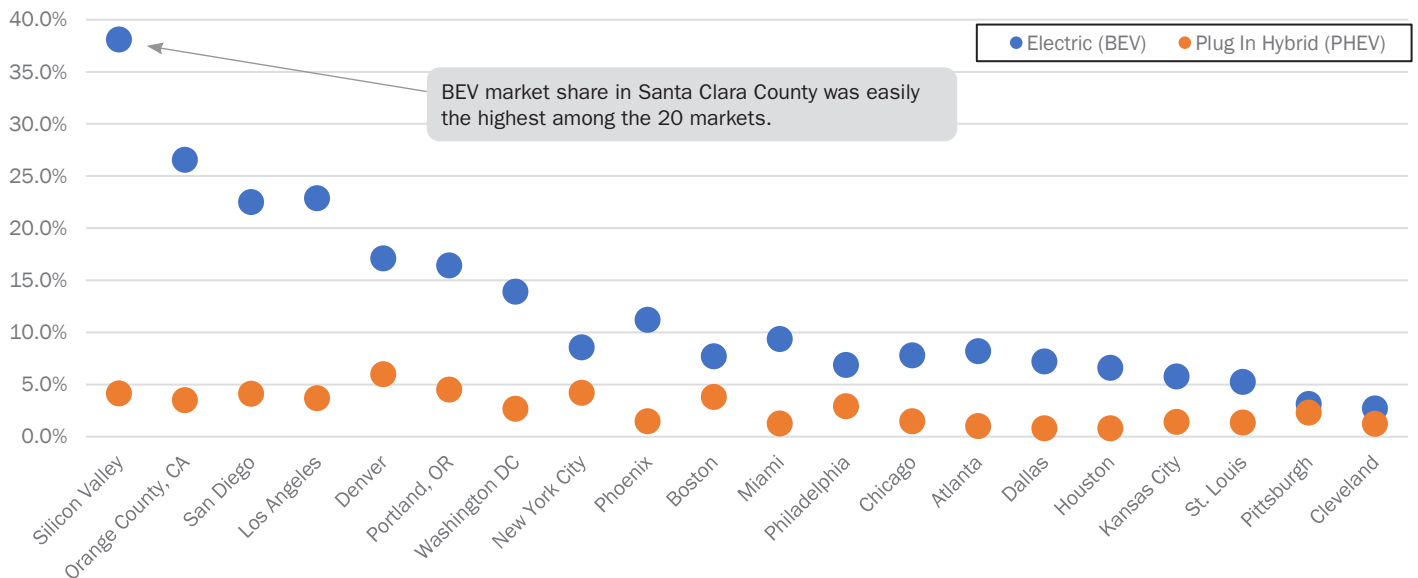
The graph above shows market shares for nine primary segments in both the county and U.S. markets. County market share is represented by the blue bars. Orange shaded bars show U.S. Data sourced from Experian Automotive.



COMPARE

COMPARISON OF METRO AREA MARKETS

BEV and PHEV Share in Selected Metro Area Markets - YTD 2024 thru March



Markets are shown from left (highest) to right (lowest) based on combined BEV and PHEV market share. Data sourced from Experian Automotive.

BRANDS AND MODELS

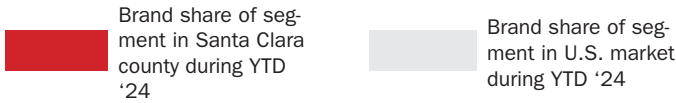


TOP SELLING BRANDS IN 7 PRIMARY SEGMENTS

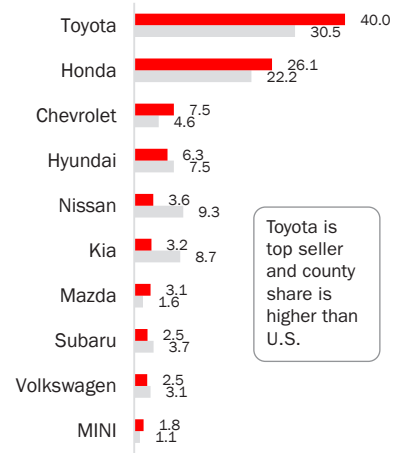
The seven graphs on this page show brand market share in seven key segments during the first three months of 2024 in both the Santa Clara County and U.S. markets. County percent share is depicted by the red bars, U.S. share is light gray. Top ten brands in each segment are ranked from top to bottom based on Santa Clara County share.

Segments were defined based on model classifications instead of overall brand positioning. For instance, Chevrolet appears on the Luxury and Sports cars graph because of the Corvette. Small SUVs consists of both Sub Compact and Compact models.

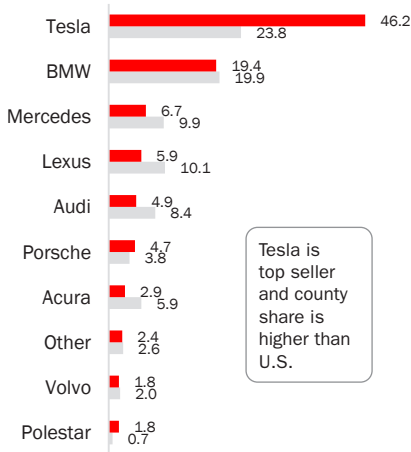
Legend for all graphs



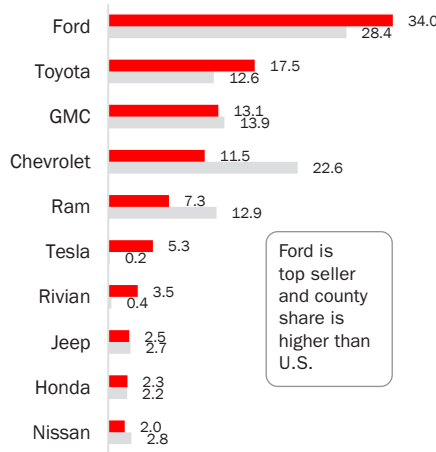
Non Luxury Cars



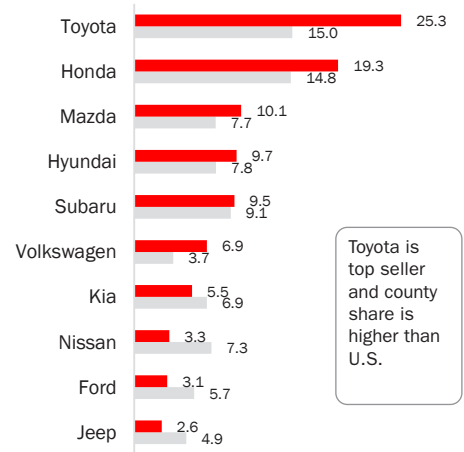
Luxury and Sports Cars



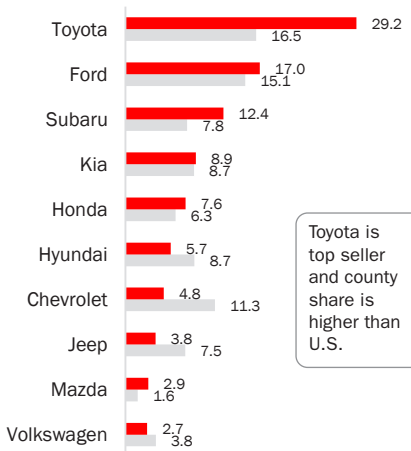
Pickups



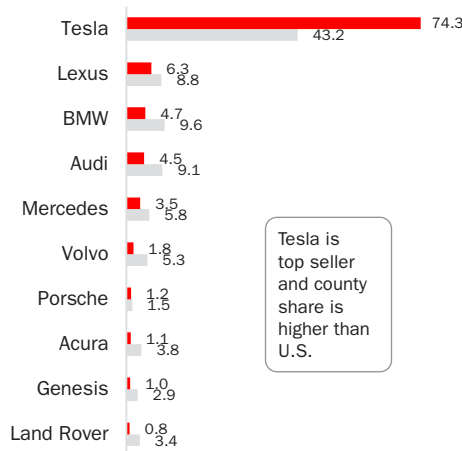
Small Non Luxury SUVs



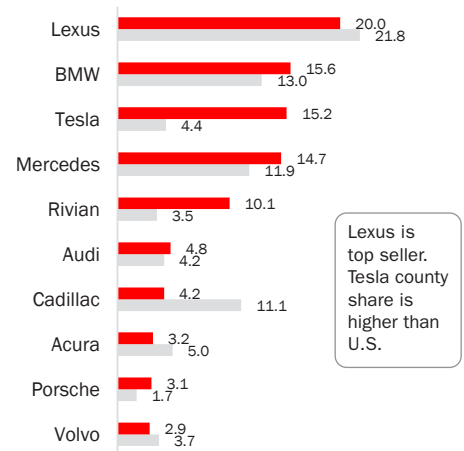
Mid and Full Size Non Luxury SUVs



Small Luxury SUVs



Mid and Full Size Luxury SUVs



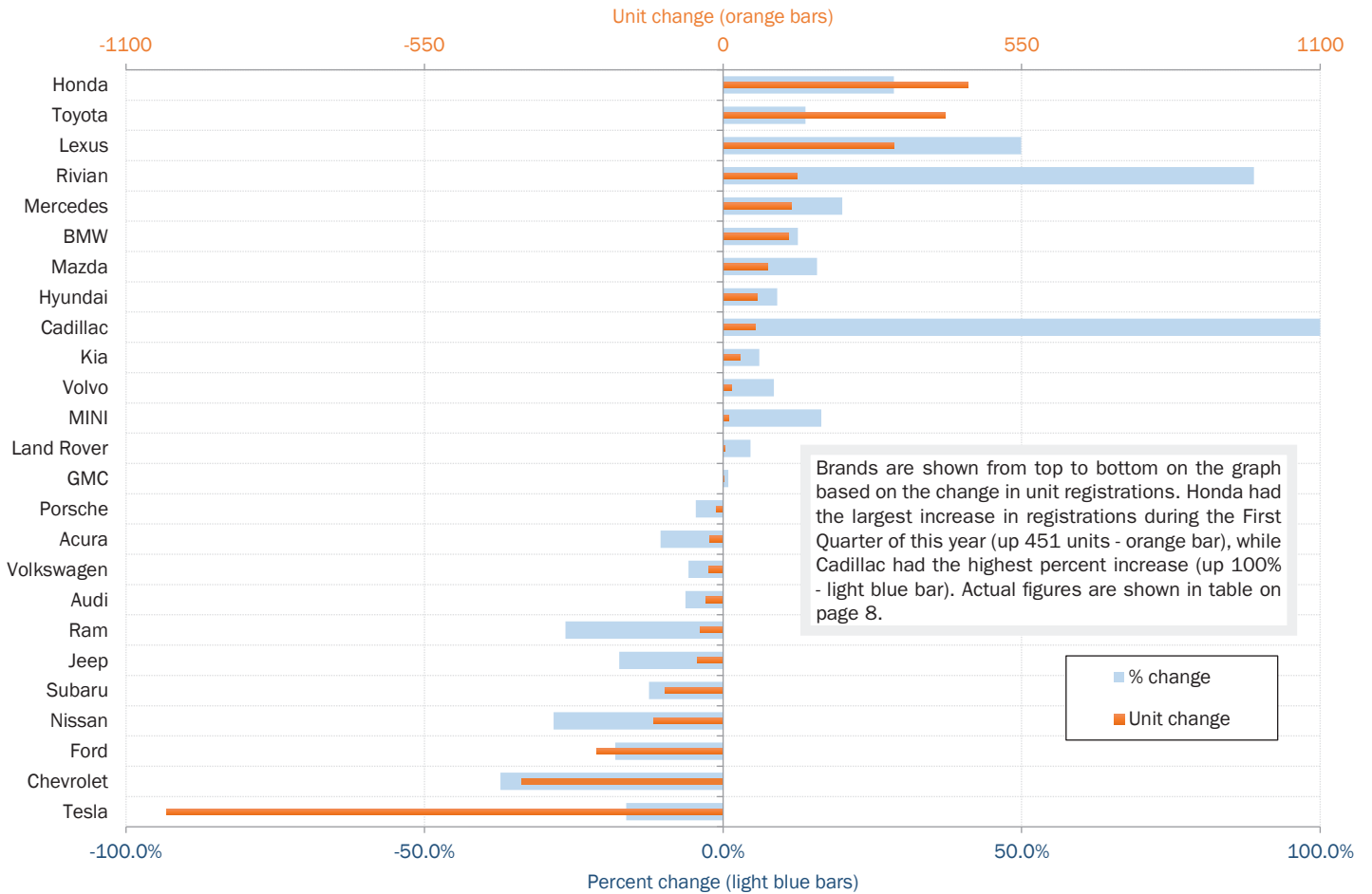
BRANDS AND MODELS



WINNERS AND LOSERS

The graph below shows both the percent and unit change in registrations during the First Quarter of this year versus year earlier. Comparing the percent change in registrations is helpful for establishing the relative change in results, but it can be misleading since it doesn't take into account the absolute level of registrations. As shown below, Cadillac posted a big percentage improvement in the First Quarter (up 100%, blue bar) but the unit increase was relatively small (up by 60 units). Honda's percentage increase was smaller than Cadillac (up 28.6%), but the unit total improved by more than 450 units.

Percent and Unit Change in New Retail Light Vehicle Registrations for Top 25 Selling Brands - YTD '24 thru Mar. vs. YTD '23



Data sourced from Experian Automotive.



TOP SELLING MODELS

Top 20 Selling Models during YTD '24 thru March - Market Share and % Change in Registrations vs. YTD '23

Rank	Model	Area Share %	% chg. '23 to '24	Rank	Model	Area Share %	% chg. '23 to '24
1	Tesla Model Y	17.4	-6.6	11	Lexus NX	1.3	56.0
2	Tesla Model 3	4.7	-49.0	12	Mazda CX-5	1.3	22.6
3	Toyota RAV4	4.4	45.0	13	Rivian R1S	1.1	376.5
4	Honda CR-V	3.0	91.2	14	Ford F-Series	1.1	-20.4
5	Toyota Camry	2.4	-2.1	15	Subaru Crosstrek	1.1	-10.9
6	Honda Civic	2.2	18.5	16	Toyota Prius	1.1	68.4
7	Toyota Corolla	2.2	8.6	17	Chevrolet Bolt	1.1	-63.1
8	Honda Accord	1.8	2.9	18	Volkswagen ID.4	1.0	-28.2
9	Tesla Model X	1.7	14.3	19	Hyundai Ioniq 5	1.0	128.7
10	Lexus RX	1.4	62.8	20	Subaru Outback	1.0	-7.1

Table on the left presents the top 20 selling models in the county during the first three months of this year. Share of industry registrations and the percent change versus the same period a year earlier is also shown. Models with the five largest percentage increase are shaded blue.

Data sourced from Experian Automotive.

ALTERNATIVE POWERTRAIN MARKET

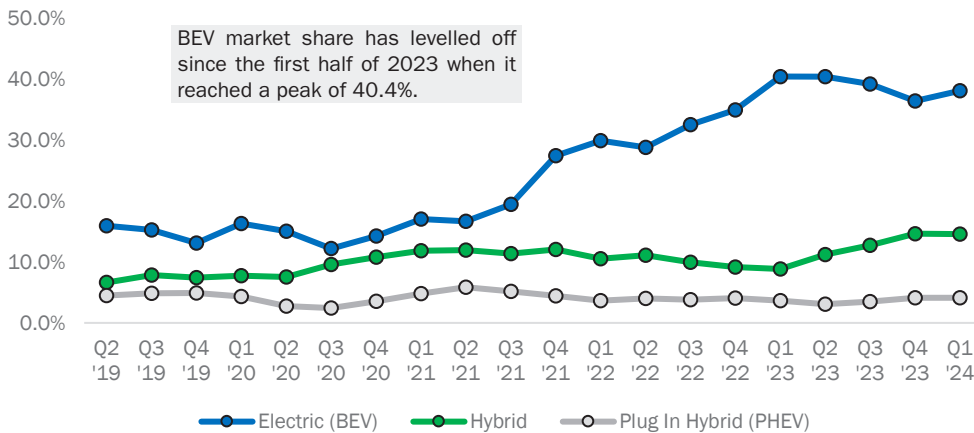
FIVE KEY TRENDS

- 1.** BEV share declined from 40.4% in 1Q '23 to 38.1% in 1Q '24.
- 2.** BEV registrations increased slightly from 4Q '23 to 1Q '24.
- 3.** Franchised dealer share of BEV market was 30.1% in 1Q '24 vs. 25.2% a year earlier.
- 4.** Hybrid registrations increased 63% so far this year. Plug ins were up 12%.
- 5.** Hybrid registrations were up more than 20% for Toyota and Honda.



BEV, PHEV, AND HYBRID MARKET SHARE

Percent Share of Industry Registrations by Powertrain Type



YTD thru March		
	YTD '23	YTD '24
Electric (BEV)	40.4%	38.1% ↑
Hybrid	8.9%	14.6% ↑
Plug In Hybrid (PHEV)	3.7%	4.1% ↑

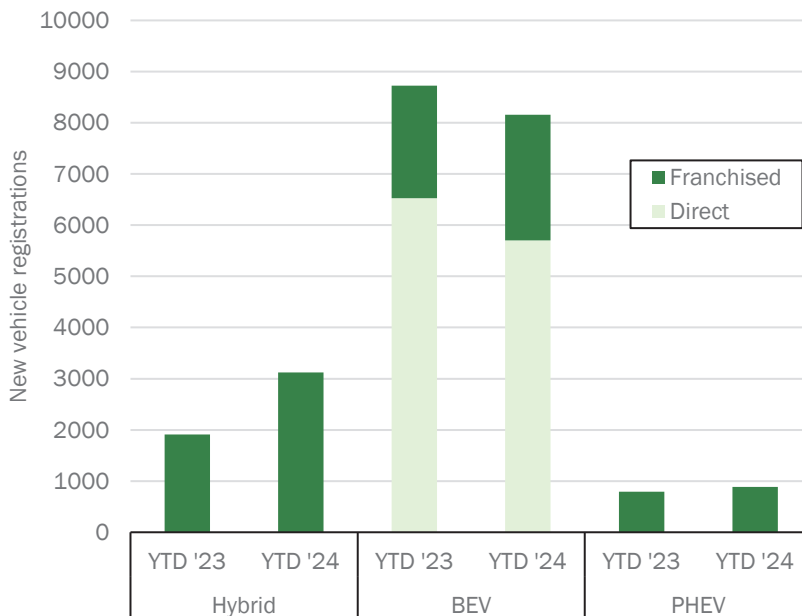
Quarterly		
	4Q '23	1Q '24
Electric (BEV)	36.4%	38.1% ↑
Hybrid	14.6%	14.6% FLAT
Plug In Hybrid (PHEV)	4.1%	4.1% FLAT

Data sourced from Experian Automotive. Hybrid registrations exclude mild hybrids.



FRANCHISED DEALERSHIPS AND DIRECT SELLERS

New Hybrid, BEV, and PHEV Registrations in Santa Clara County by Type of Selling Dealership



BEV Registrations and Market Share		
	Franchised Dealerships	Direct Sellers
YTD '23 thru Mar.	2,200	6524
YTD '24 thru Mar.	2,452	5702
% change	11.5%	-12.6%
YTD '23 mkt. share %	25.2	74.8
YTD '24 mkt. share %	30.1	69.9
change	4.9	-4.9
4Q '23 registrations	2,330	5,427
1Q '24 registrations	2,452	5,702
% change	5.2%	5.1%
4Q '23 registrations	30.0	70.0
1Q '24 registrations	30.1	69.9
change	0.1	-0.1

As illustrated on the graph, franchised dealerships accounted for 53% of the combined Hybrid, BEV, and PHEV market. Franchised dealer share of the BEV market increased from 25.2% in 1Q '23 to 30.1% in 1Q '24.

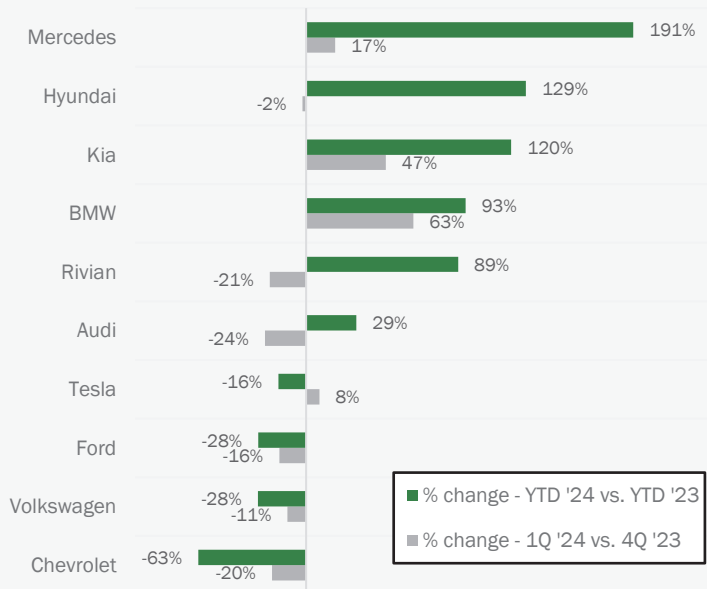
Data sourced from Experian Automotive. Hybrid registrations exclude mild hybrids.

ALTERNATIVE POWERTRAIN MARKET

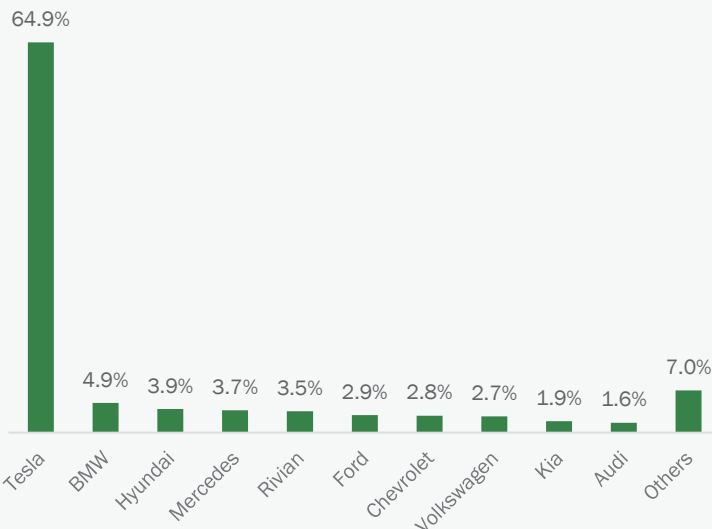


MAKES AND MODELS

**% Change in BEV Registrations for Top 10 Brands
YTD '24 thru Mar. vs. YTD '23 and 1Q '24 vs. 4Q '23**



**Brand Share of Santa Clara County BEV Market (%)
YTD '24 thru March**



Observations

- » Mercedes had the largest % increase in BEV registrations in the First Quarter of this year versus year earlier (up 191%).
- » BEV registrations declined from 4Q '23 to 1Q '24 for six of the top 10 selling brands.
- » Tesla share of the BEV market was 64.9% in 1Q '24.

Data sourced from Experian Automotive. Hybrid registrations exclude mild hybrids.

**Top Five Brands by type of Powertrain
Registrations for YTD '23 and '24 thru March**

	Rank	Brand	YTD '23 Regs.	YTD '24 Regs.	% chg.	YTD '24 Share
BEV	1	Tesla	6,319	5,294	-16.2%	64.9%
	2	BMW	208	402	93.3%	4.9%
	3	Hyundai	140	320	128.6%	3.9%
	4	Mercedes	104	303	191.3%	3.7%
	5	Rivian	153	289	88.9%	3.5%
PHEV	1	Toyota	141	245	73.8%	27.6%
	2	Lexus	29	113	289.7%	12.7%
	3	Volvo	75	113	50.7%	12.7%
	4	BMW	233	89	-61.8%	10.0%
	5	Jeep	118	88	-25.4%	9.9%
HYBRID	1	Toyota	942	1,682	78.6%	53.9%
	2	Honda	298	632	112.1%	20.2%
	3	Lexus	320	398	24.4%	12.7%
	4	Hyundai	129	164	27.1%	5.3%
	5	Ford	108	153	41.7%	4.9%

**Market Share for Top 15 Selling
BEVs, PHEVs, and Hybrids - YTD '24 thru March**

Rank	Model	Type	YTD '24 Share
1	Tesla Model Y	BEV	30.6%
2	Tesla Model 3	BEV	8.2%
3	Toyota RAV4	Hybrid	4.4%
4	Honda CR-V	Hybrid	3.2%
5	Tesla Model X	BEV	3.0%
6	Toyota Corolla	Hybrid	2.1%
7	Rivian R1S	BEV	2.0%
8	Honda Accord	Hybrid	2.0%
9	Chevrolet Bolt	BEV	1.9%
10	Volkswagen ID.4	BEV	1.8%
11	Hyundai Ioniq 5	BEV	1.8%
12	BMW i4	BEV	1.5%
13	Toyota Camry	Hybrid	1.5%
14	BMW iX	BEV	1.3%
15	Toyota RAV4	PHEV	1.3%

Brand Registrations Report												
Santa Clara County New Retail Car and Light Truck Registrations												
	First Quarter						Annual Totals					
	Registrations			Market Share (%)			Registrations			Market Share (%)		
	1Q '23	1Q '24	% change	1Q '23	1Q '24	Change	2022	2023	% change	2022	2023	Change
TOTAL	21,593	21,406	-0.9				76,562	89,495	16.9			
Cars	7,107	5,755	-19.0	32.9	26.9	-6.0	26,587	29,129	9.6	34.7	32.5	-2.2
Light Trucks	14,486	15,651	8.0	67.1	73.1	6.0	49,975	60,366	20.8	65.3	67.5	2.2
Domestic Brands	9,703	8,217	-15.3	44.9	38.4	-6.5	29,444	37,453	27.2	38.5	41.8	3.3
European Brands	3,239	3,478	7.4	15.0	16.2	1.2	13,340	13,401	0.5	17.4	15.0	-2.4
Japanese Brands	7,302	8,286	13.5	33.8	38.7	4.9	28,435	32,485	14.2	37.1	36.3	-0.8
Korean Brands	1,349	1,425	5.6	6.2	6.7	0.5	5,343	6,156	15.2	7.0	6.9	-0.1
Acura	229	205	-10.5	1.1	1.0	-0.1	802	967	20.6	1.0	1.1	0.1
Alfa Romeo	7	11	57.1	0.0	0.1	0.1	49	46	-6.1	0.1	0.1	0.0
Audi	493	462	-6.3	2.3	2.2	-0.1	1,680	2,102	25.1	2.2	2.3	0.1
BMW	967	1,088	12.5	4.5	5.1	0.6	4,016	4,008	-0.2	5.2	4.5	-0.7
Buick	32	24	-25.0	0.1	0.1	0.0	68	114	67.6	0.1	0.1	0.0
Cadillac	60	120	100.0	0.3	0.6	0.3	277	312	12.6	0.4	0.3	-0.1
Chevrolet	997	625	-37.3	4.6	2.9	-1.7	2,700	3,188	18.1	3.5	3.6	0.1
Chrysler	72	61	-15.3	0.3	0.3	0.0	231	283	22.5	0.3	0.3	0.0
Dodge	52	69	32.7	0.2	0.3	0.1	347	282	-18.7	0.5	0.3	-0.2
Ford	1,291	1,058	-18.0	6.0	4.9	-1.1	4,520	4,701	4.0	5.9	5.3	-0.6
Genesis	123	66	-46.3	0.6	0.3	-0.3	359	392	9.2	0.5	0.4	-0.1
GMC	224	226	0.9	1.0	1.1	0.1	758	883	16.5	1.0	1.0	0.0
Honda	1,578	2,029	28.6	7.3	9.5	2.2	5,811	7,761	33.6	7.6	8.7	1.1
Hyundai	697	760	9.0	3.2	3.6	0.4	2,782	3,325	19.5	3.6	3.7	0.1
Infiniti	46	33	-28.3	0.2	0.2	0.0	133	193	45.1	0.2	0.2	0.0
Jaguar	9	11	22.2	0.0	0.1	0.1	56	37	-33.9	0.1	0.0	-0.1
Jeep	270	223	-17.4	1.3	1.0	-0.3	1,212	1,046	-13.7	1.6	1.2	-0.4
Kia	529	561	6.0	2.4	2.6	0.2	2,202	2,402	9.1	2.9	2.7	-0.2
Land Rover	87	91	4.6	0.4	0.4	0.0	388	351	-9.5	0.5	0.4	-0.1
Lexus	629	943	49.9	2.9	4.4	1.5	2,531	3,031	19.8	3.3	3.4	0.1
Lincoln	22	30	36.4	0.1	0.1	0.0	64	114	78.1	0.1	0.1	0.0
Maserati	5	13	160.0	0.0	0.1	0.1	51	29	-43.1	0.1	0.0	-0.1
Mazda	522	604	15.7	2.4	2.8	0.4	2,059	2,313	12.3	2.7	2.6	-0.1
Mercedes	631	757	20.0	2.9	3.5	0.6	3,131	2,739	-12.5	4.1	3.1	-1.0
MINI	67	78	16.4	0.3	0.4	0.1	361	312	-13.6	0.5	0.3	-0.2
Mitsubishi	37	35	-5.4	0.2	0.2	0.0	83	129	55.4	0.1	0.1	0.0
Nissan	447	320	-28.4	2.1	1.5	-0.6	1,490	1,812	21.6	1.9	2.0	0.1
Polestar	39	45	15.4	0.2	0.2	0.0	284	125	-56.0	0.4	0.1	-0.3
Porsche	261	249	-4.6	1.2	1.2	0.0	906	971	7.2	1.2	1.1	-0.1
Ram	159	117	-26.4	0.7	0.5	-0.2	778	626	-19.5	1.0	0.7	-0.3
Rivian	153	289	88.9	0.7	1.4	0.7	336	944	181.0	0.4	1.1	0.7
Subaru	853	747	-12.4	4.0	3.5	-0.5	3,174	3,451	8.7	4.1	3.9	-0.2
Tesla	6,319	5,294	-16.2	29.3	24.7	-4.6	18,039	24,630	36.5	23.6	27.5	3.9
Toyota	2,961	3,370	13.8	13.7	15.7	2.0	12,352	12,828	3.9	16.1	14.3	-1.8
Volkswagen	465	438	-5.8	2.2	2.0	-0.2	1,503	1,774	18.0	2.0	2.0	0.0
Volvo	188	204	8.5	0.9	1.0	0.1	816	807	-1.1	1.1	0.9	-0.2
Other	72	150	108.3	0.3	0.7	0.4	213	467	119.2	0.3	0.5	0.2

Data sourced from Experian Automotive.

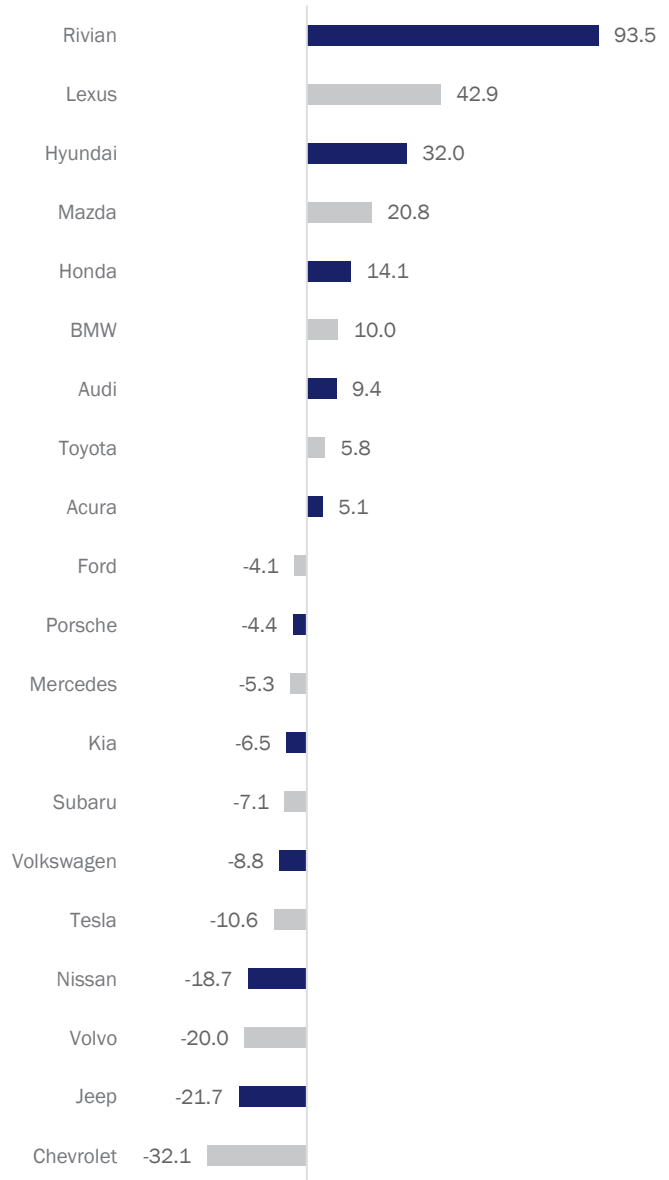
The table shows new retail light vehicle (car and light truck) registrations in Santa Clara County market. Figures are shown for the 1st Quarters of '23 and '24, and annual totals during 2022 and 2023. The top ten ranked brands in each change category are shaded yellow.

Summary of San Mateo County New Retail Light Vehicle Market

New Vehicle Registrations In San Mateo County-YTD thru March						
	New Retail Registrations			Market Share (%)		
	YTD '23	YTD '24	% chg.	YTD '23	YTD '24	Change
TOTAL	8,147	8,209	0.8			
Acura	78	82	5.1	1.0	1.0	0.0
Alfa Romeo	2	6		0.0	0.1	0.0
Audi	244	267	9.4	3.0	3.3	0.3
BMW	411	452	10.0	5.0	5.5	0.5
Buick	7	10	42.9	0.1	0.1	0.0
Cadillac	36	62	72.2	0.4	0.8	0.3
Chevrolet	368	250	-32.1	4.5	3.0	-1.5
Chrysler	20	26	30.0	0.2	0.3	0.1
Dodge	24	27	12.5	0.3	0.3	0.0
Ford	419	402	-4.1	5.1	4.9	-0.2
Genesis	49	40	-18.4	0.6	0.5	-0.1
GMC	77	79	2.6	0.9	1.0	0.0
Honda	760	867	14.1	9.3	10.6	1.2
Hyundai	203	268	32.0	2.5	3.3	0.8
Infiniti	13	10	-23.1	0.2	0.1	0.0
Jaguar	3	2	-33.3	0.0	0.0	0.0
Jeep	129	101	-21.7	1.6	1.2	-0.4
Kia	230	215	-6.5	2.8	2.6	-0.2
Land Rover	68	61	-10.3	0.8	0.7	-0.1
Lexus	247	353	42.9	3.0	4.3	1.3
Lincoln	8	6	-25.0	0.1	0.1	0.0
Maserati	3	6	100.0	0.0	0.1	0.0
Mazda	178	215	20.8	2.2	2.6	0.4
Mercedes	357	338	-5.3	4.4	4.1	-0.3
MINI	30	30	0.0	0.4	0.4	0.0
Mitsubishi	22	17	-22.7	0.3	0.2	-0.1
Nissan	150	122	-18.7	1.8	1.5	-0.4
Other	42	50	19.0	0.5	0.6	0.1
Polestar	19	19	0.0	0.2	0.2	0.0
Porsche	135	129	-4.4	1.7	1.6	-0.1
Ram	55	41	-25.5	0.7	0.5	-0.2
Rivian	77	149	93.5	0.9	1.8	0.9
Subaru	353	328	-7.1	4.3	4.0	-0.3
Tesla	1,728	1,545	-10.6	21.2	18.8	-2.4
Toyota	1,271	1,345	5.8	15.6	16.4	0.8
Volkswagen	216	197	-8.8	2.7	2.4	-0.3
Volvo	115	92	-20.0	1.4	1.1	-0.3

Top ten brands are shaded yellow. Includes cars and light trucks.

Percent Change in New Retail Registrations YTD '24 thru March vs. YTD '23 (Top 20 brands)



Data sourced from Experian Automotive.

Top 20 Selling Models in County: YTD '24

- | | | | |
|------------------|-----------------|---------------------|--------------------|
| 1 Tesla Model Y | 6 Honda Civic | 11 Rivian R1S | 16 Volkswagen ID.4 |
| 2 Toyota RAV4 | 7 Toyota Camry | 12 Lexus NX | 17 Chevrolet Bolt |
| 3 Tesla Model 3 | 8 Tesla Model X | 13 Subaru Crosstrek | 18 Ford F-Series |
| 4 Honda CR-V | 9 Honda Accord | 14 Lexus RX | 19 Toyota Prius |
| 5 Toyota Corolla | 10 Honda HR-V | 15 Hyundai Ioniq 5 | 20 Honda Pilot |

Data sourced from Experian Automotive.