



LOS ANGELES NEW CAR DEALERS ASSOCIATION

E-NEWSLETTER ISSUE #4 – 2019

GLANCDA Annual Member Luncheon Was A Success

GLANCDA hosted its annual dealer member luncheon on June 18, 2019 at the Universal Sheraton in Universal City. There were almost 300 dealer members and industry professionals. The program included former Enron CFO Andy Fastow, whose Keynote speaker remarks touched on lessons learned from not operating ethically.

The program also recognized former board member Fritz Hitchcock with the Lifetime Service award for his many contributions to the retail automotive world.



Complimentary Ticket Packages To Be Eliminated For 2019 Show

Please note that the Los Angeles Auto Show and Greater Los Angeles New Car Dealers Association (GLANCDA) are unable to provide dealers with complimentary tickets to the show this year. Instead, GLANCDA members will be able to purchase tickets at a discounted group* rate of \$12 each (normally \$20 at the box office).

If you are interested in purchasing LA Auto Show tickets for family, friends, clients and/or staff, please contact Lindsey Nakatani, Project Manager at lindsey@laautoshow.com or 310-444-1850.

If you would like to witness this year's vehicle debuts, please register for your AutoMobility LA (press days) pass at <http://automobilityla.com/register/>.

A kind reminder that 2019 AutoMobility LA (Nov. 18-21) and Los Angeles Auto Show (Nov. 22-Dec. 1) will both take place at the Los Angeles Convention Center.

If you would like to discuss or have additional association related matters, please contact GLANCDA Executive Director Bob Smith at (213-748-0243).

*groups of 20 or more guests

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October 23-24, 2019 | Las Vegas



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OCT 23-24, 2019 / LAS VEGAS

J.D. POWER

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Speakers listed at the bottom:
Doug Betts (J.D. POWER), Carson Grever (HYUNDAI), Sheryl Connolly (FORD), Peter Pelt (SIRIUS XM), Larry Dominique (PSA NA), Ganesh Iyer (INQ), Bernardo Rodriguez (J.D. POWER)

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Why Everyone Should Attend an Auto Show

By Charlie Gilchrist

If you want to explore the latest and greatest that the auto industry has to offer, then without a doubt your first stop should be a local auto show. Many elements of our industry are evolving due to advanced technology and ever-changing market conditions. But auto shows remain a beacon of influence because it's where consumers can still touch and feel products across all segments and brands. It's no coincidence that more than 11 million consumers are attending U.S. auto shows every year – with 68 percent of them planning a new-vehicle purchase within 12 months. Sure, I proudly sell vehicles to the greater driving public, but I am also a consumer myself. Through the eyes of a buyer and as a Texan, there is nothing that excites me more than seeing the new 2020 Ford Explorer or the Mustang Shelby GT 500 on display, often for the very first time. An auto show is an amazing one-stop destination where people like me can get the first look at the best OEM's have to offer, from redesigns of iconic models to a showcase of future offerings. Shows are also one of the few places where a brand's style is personified by the vehicles in the annual line-up—and that style becomes congruent with a customer's own lifestyle.

The greatest impact of an auto show, however, is that it exerts tremendous influence over a customer's vehicle purchase consideration and it greatly promotes brand loyalty. In fact, the data continues to demonstrate that auto show attendees are consistently twice as likely to make a new-vehicle purchase within a year of visiting a show versus the general population. Many of the customers I've spoken with have expressed that attending a show makes them feel more confident and informed about a vehicle they've been waiting to purchase. Auto shows also have the advantage of strengthening relationships with loyal brand followers while at the same time introducing the public to new brands. In fact, 21 percent of attendees have purchased from a brand they've never considered before visiting an auto show. My dealerships are located in the Dallas-Fort Worth area, and I'm proud to say that the 2019 DFW Auto Show in Dallas was a huge success. The show's

Ride & Drive program, in particular, was sold out and it received participation from 13 OEMs. The DFW Show capitalized on its ability to showcase the latest technology which continues to be a changemaker in the selection of a new vehicle. At the Fort Worth Show, we will be adding educational booths which we think will be extremely beneficial for students and attendees who are curious about today's technological advancements. I have no doubt that attendee numbers will continue to rise at my local auto show.

The reality is that there aren't many places where consumers can get behind the wheel of multiple brands under one roof, get a personal experience and a glimpse into their driving future. I am an eager supporter and attendee of auto shows, and I hope you are too! 

Charlie Gilchrist, 2019 NADA chairman, is president of Gilchrist Automotive in greater Dallas-Ft. Worth.

Auto Retailer Stocks Up Sharply in June

By Erin Kerrigan, Kerrigan Advisors | Founder and Managing Director

The Kerrigan Index™ ended June 2019 at 564.25, shooting up 10.4% for the month and up 31.2% year-to-date, both significantly outperforming the broader US equity markets. The S&P 500 Index increased 6.9% for the month and is up 17.3% year-to-date.

All seven of the component stocks were up for the month of June. Sonic Automotive posted the largest increase of +34.0%, followed by Group 1 Automotive (+16.5%), Asbury Automotive Group (+13.0%), Penske Automotive Group (+10.7%), CarMax (+10.4%), AutoNation (+6.3%) and Lithia Motors (+4.1%).

Of note in June 2019, CarMax posted an all-time high stock price and both Group 1 Automotive and Asbury Automotive Group posted 52-week highs. Additionally, Sonic Automotive's market capitalization surpassed \$1 billion for the first time since February 2017.

Consistent with prior months this year, June 2019 sales declined from last year, down 2.6% for the month. However, overall volume remains strong with the seasonally adjusted annual sales rate (SAAR) at 17.29 million, topping the 17 million mark for the third time in four months and exceeding most industry analyst expectations.

Through the first six months of 2019, sales are down 2.4%. Some analysts are predicting a stronger second-half given the launch of new and redesigned light trucks, as well as a possible interest rate cut from the Federal Reserve. Strong consumer confidence, steady economic growth and employment gains, and relatively low gasoline prices continue to support new light vehicle demand, though analysts have noted that affordability is increasingly weighing on the market.

Tim Fleming of Kelley Blue Book summarized June this way: "Transaction price growth accelerated in June, climbing 3% as demand for trucks and SUVs pushed sales and prices up in those segments. Overall, SUV prices were up 4% and trucks rose

3%, while car prices were flat (and still lost market share). Luxury and mainstream midsize SUVs are showing the most strength right now, with brand new models such as the BMW X7 and Kia Telluride driving incremental sales and price growth for their brands."

And looking ahead to the second half of the year, Jeff Schuster, head of global vehicle forecasts for LMC Automotive noted, "Despite all of the external noise, the beat goes on! A much more dovish Fed is under pressure and is now expected to make a series of interest rate cuts. This will provide support for auto sales in the second half of the year and help offset rising vehicle prices and the current level of incentives."

While new car sales are down, the used car market has proven much stronger. "The decline in new sales has been disappointing, but it's important not to overlook the effect of growth in the used vehicle market," said Thomas King of JD Power. "Used sales at franchised dealers are expected to increase by nearly 9% through the first half. Most significant for retailers is the greater profit opportunity due to higher front-end gross and F&I income earned compared with new vehicles. Overall combined new and used retailer profits through the first half are on pace to reach \$23.4 billion, up 3.7% from last year. Shifting away from the traditional focus on volumes, 2019 remains on target to be one of the best years recorded."

One of The Kerrigan Index component stocks reported earnings in June. CarMax reported record first quarter results with net sales up 12% to \$5.4 billion and net income up 12% to \$267 million. Per vehicle profits were stable with used vehicle retail gross profit per unit at \$2,215. CarMax also announced the continued rollout of its omnichannel capability, which offers a seamless buying experience to consumers who shop online, in store or both. The company has plans to implement this capability into most Florida dealerships this spring and will open its second customer experience center this summer in Kansas City, Kansas. Expansion

(Continued on next page)

(Continued from page 4)

of the omnichannel efforts, where CarMax offers customers online price estimates and appraisals, vehicle delivery and expedited vehicle pickup at its stores, is expected to continue this summer in North Carolina and Virginia.

Group 1 Automotive announced its launch of AcceleRide, its online car buying platform which will be incorporated into Group 1 dealerships' websites. Through AcceleRide, customers can browse Group 1's inventory of more than 38,000 new and used vehicles, customize features, select financing and payment terms and coordinate delivery to their home, office or local dealership. It is currently available at 79 Group 1 dealerships and will be available at all 116 of its US stores by the end of summer.

Other significant industry data include:

Per JD Power, the average new vehicle retail transaction price is expected to be \$33,665, up 5% from last year.

Days to turn, the average number of days a new vehicle sits on a dealer lot before being sold to a retail customer, was 75 days through June 23rd. This is up 6 days from 2018.

Average incentive spending per unit through the first half of the year was an estimated \$3,788, down \$130 from last year. Spending on cars is down \$304 to \$3,588, while spending on trucks/SUVs is down \$65 to \$3,871.

New vehicle consumer spending is expected to total \$38.6 billion in June, down \$800 million from last year's level.

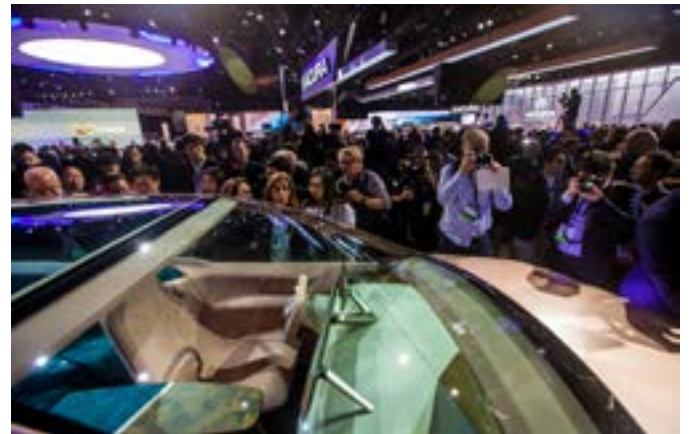
Trucks and SUVs accounted for 71.1% of new vehicle retail sales through June 23rd, the highest level ever for the month of June.

Fleet sales increased 3.9% in June and are expected to be 322,000 units for the month, representing roughly 22% of total light vehicle sales.

Kerrigan Advisors is the leading thought partner and sell-side advisor to auto dealers in the US, having sold 79 dealerships in the last five years, including five of the Top 100 Dealership Groups, more than any other firm in the industry. Kerrigan Advisors works with auto retail's leading families on their growth strategy, capital allocation, real estate and buy/sell transactions. Kerrigan Advisors is often

asked to keynote top auto retail conferences, as well as leading manufacturer events. In addition to The Kerrigan Index™, the firm publishes The Blue Sky Report®, the industry authority on blue sky multiples and buy/sell trends. To sign up to receive both firm's reports, please email your contact information to info@kerriganadvisors.com or visit our website at www.kerriganadvisors.com. □

Registration is Now Open For AutoMobility LA



AutoMobility LA invites industry and media professionals from around the world to gain insights into the future of mobility, witness vehicle debuts, discover the latest auto-tech innovations, and network over the course of four days. This year's show will continue its focus on autonomy, connectivity, electrification and sharing.

Already confirmed for AutoMobility LA 2019 are electric vehicle reveals by Karma Automotive and talks by industry thought leaders such as Stefan Krause, CEO of Canoo. In previous years, the show has hosted a broad range of visionaries from companies including Amazon Alexa Automotive, BMW Group, Electrify America, Lyft, Rivian and Waymo.

Additional announcements about AutoMobility LA, its speaker lineup and vehicle debuts will be released in the coming weeks.

REGISTER NOW AT:

<https://automobilityla.com/register/> □

GLANCDA Addresses Shortage Of Automotive Technicians

The shortage of technicians to work in new car dealerships is a nationwide issue, and GLANCDA in support of its dealer members, is addressing the issue. Hosting career fairs for area community college automotive students and instructors in late 2018, and early 2019 was a way to create working relationship opportunities for all.

The events included students from Pierce Community College, Los Angeles Trade Tech, East Los Angeles Community College, Pasadena Community College, Rio Hondo College, Citrus Community College, Compton Community College, Cerritos Community College, and El Camino College. In total, more than 500 Students and 100 instructors came to events in Glendale (October 2018) City of Industry (February 2019) and Cerritos (May 2019). These events included speakers from the industry, videos discussing the careers that new car dealerships offered, and networking time. The chance to then meet with and ask questions of dealership employees, and submit resumes' for full/part time opportunities, was beneficial to all.

GLANCDA will continue these efforts when the 2019/2020 school year begins. There may also be expansion into career/job/networking opportunities for dealership positions other than technician. □



2019
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SEPTEMBER 16-17
JW MARRIOTT | WASHINGTON, D.C.

REGISTER 

[See Legislative Priorities next page]



LEGISLATIVE PRIORITIES – June 28, 2019

OPPOSE OVERBROAD RECALL BILL THAT CREATES A CONSUMER TRADE-IN TAX (S. 1971)

Sen. Blumenthal (D-Conn.) recently introduced legislation, S. 1971, that would cripple the used-car market by halting a dealer's sale, lease, wholesale or loan of any used car under open recall. The language is overbroad because most recalls do not require the drastic step of grounding. Additionally, the bill would create a "trade-in tax" that would instantly devalue a car buyer's trade-in by grounding recalled vehicles for minor matters such as a peeling sticker. Finally, the bill would push recalled cars into the unregulated private market, making it more difficult to complete recall repairs. Similar legislation will likely be introduced in the House of Representatives. **Congress should oppose overbroad recall bills and focus on initiatives to improve consumers' response to vehicle recall notices and increase recall completion rates.**

POTENTIAL NEW AUTO TARIFFS THREATEN U.S. JOBS AND WILL HURT CONSUMERS

Automobile dealers support President Trump's goals of modernizing U.S. trade agreements and moving toward freer and fairer trade, but trade actions, such as steep new tariffs of up to 25% on imported autos and auto parts, would hurt the auto industry and consumers. On February 17, the Commerce Department submitted the results of a Section 232 national security investigation concerning autos and auto parts to the President. The report concluded that, "automobile and certain automobile parts imports threaten to impair" national security, giving the President the authority to impose new tariffs.

On May 17, the President announced he would be delaying any decision related to auto tariffs for up to 180 days, as negotiations with international partners continue. These potential new auto tariffs would impact all dealers, since no vehicle in the U.S. is 100% domestically made and the average vehicle assembled in the U.S. has an international parts content of 40%. According to a recent study by the Center for Automotive Research, Section 232 auto and auto parts tariffs would increase vehicle prices by \$2,750 on average per vehicle, cause a decline of up to 1.3 million vehicle sales and result in a loss of 367,000 American jobs. **Congress must ensure that any new trade initiatives do not unduly increase vehicle prices, stifle demand for new vehicles, or jeopardize American jobs.**

MODERNIZE THE TRUCK FLEET – SUPPORT REPEAL OF THE FEDERAL EXCISE TAX ON HEAVY-DUTY TRUCKS (H.R. 2381/S. 1839)

During consideration of an infrastructure bill, Congress should revisit the 12 percent federal excise tax (FET) imposed on most new heavy-duty trucks. On top of the nearly \$40,000 in recent federal emissions and fuel-economy mandates, this tax routinely adds as much as \$22,000 or more to the price of a new heavy-duty truck. An industry coalition, Modernize the Truck Fleet (MTF), is leading the effort to repeal the 102-year-old FET and identify viable funding alternatives. Reps. LaMalfa (R-Calif.) and Peterson (D-Minn.) introduced H.R. 2381 on April 29. The bill currently has 20 bipartisan cosponsors and was referred to the House Ways and Means Committee. Sen. Gardner (R-Colo.) introduced the Senate companion, S. 1839, on June 13. The bill was referred to the Senate Finance Committee. **Members are urged to cosponsor H.R. 2381/S. 1839 to spur new truck sales, promote the deployment of cleaner, safer trucks and modernize the truck fleet.**

GLANCD A MEMBERS 2018

Acura of Alhambra	Puente Hills Mazda	Galpin Jaguar Lincoln Volvo Aston Martin
Acura Of Glendale	Puente Hills Nissan	Galpin Motors, Inc. dba - Galpin Ford
Acura of Thousand Oaks	Puente Hills Toyota	Galpin Subaru
Advantage Ford, Inc.	Puente Hills Volkswagen	Galpin Volkswagen
Airport Marina Ford	Rally Auto Group	Gardena Nissan, Inc.
Airport Marina Honda	Reynolds Buick GMC Trucks	Glendale Dodge Chrysler Jeep
Allen Gwynn Chevrolet	Robertson Honda	Glendora Chevrolet, Inc.
Antelope Valley Chevrolet	Ross Nissan	Glendora Dodge Chrysler Jeep
Antelope Valley Ford Lincoln & Mazda	Rusnak Arcadia Mbenz	Glenn E. Thomas Dodge/Chrysler/Jeep
Antelope Valley Nissan	Rusnak/Pasadena	Honda Of Pasadena
Antelope Valley Volkswagen	Santa Monica Lincoln	Keyes Toyota
Autonation Volvo South Bay	Sunrise Ford of North Hollywood	Land Rover Encino
Bob Smith Toyota	Symes Cadillac, Inc.	Land Rover Pasadena
Bob Wondries Ford	Thomas Acura	Lexus Of Cerritos
Bozzani Motors	Thorson Motor Center	Lexus of Valencia
Browning Mazda	Timmons Subaru	Lexus Of Woodland Hills
Browning Mazda Of Alhambra	Timmons VW	Lexus Santa Monica
Cabe Brothers Toyota	Toyota of Downtown LA	Longo Lexus
Calstar Motors	Toyota Of Hollywood	Longo Toyota Scion
Camacho Mitsubishi	Toyota of Lancaster	Manhattan Beach Toyota Scion
Camino Real Chevrolet	Toyota of Marina del Rey	Mercedes-Benz Of Beverly Hills
Capistrano Toyota Scion	Toyota Of Santa Monica	Norm Reeves Ford Superstore
Culver City Honda	Valencia Acura	Norm Reeves Honda Superstore Cerritos
Dependable Dodge	Valencia BMW	Norm Reeves Hyundai Superstore
DTLA Motors - Mercedes-Benz	Volkswagen Alhambra	Northridge Toyota/Scion
Ed Butts Ford	Volkswagen of Downtown LA	Norwalk Toyota Scion
Felix Chevrolet	Volkswagen Pasadena	Pacific BMW
Ferrari Beverly Hills	Volkswagen Santa Monica, Inc.	Pacific Volkswagen
Ferrari Los Angeles	W. I. Simonson, Inc.	Penske Buick GMC of Cerritos
Ford Of Montebello	Wondries Toyota	Penske Cadillac
Ford Of Upland	Woodland Hills Buick/GMC/Cadillac	Penske Chevrolet
Honda Of Santa Monica	Woodland Hills Honda	Penske Mercedes
Honda of Thousand Oaks	Woodland Hills Porsche	Porsche of Downtown LA
Hornburg Los Angeles	Audi Beverly Hills	Scott Robinson Chrysler
Hunter Dodge Chrysler Jeep Ram Fiat	Audi Of Downtown LA	Scott Robinson Honda
Jaguar Land Rover South Bay	Audi Pacific	Sierra Autocars
Keyes Audi	Audi Valencia	Sierra Chrysler Dodge Jeep Ram
Keyes Chevrolet	Autonation Acura South Bay	South Bay Ford, Inc.
Keyes European	Autonation CDJR Valencia	South Bay Lexus
Keyes Honda	Autonation Chevrolet Valencia	South Bay Toyota
Ferrari South Bay	Autonation Ford Torrance	Star Ford Lincoln
Ferrari Westlake	Autonation Ford Valencia	Star Mazda
Fiat Of Glendale	Autonation Honda Valencia	Subaru Of Santa Monica
Keyes Hyundai	Autonation Toyota Cerritos	Subaru Pacific
Keyes Lexus	Carson Nissan	Worthington Ford
Mercedes-Benz of Long Beach	Carson Toyota Scion	
Mercedes-Benz of Oxnard	Casa De Cadillac DBA: Casa	
Mercedes-Benz Of South Bay	Automotive Group	
Metro Honda	Center BMW	
Metro Infiniti	Central Ford, Inc.	
Mini Of Valencia	Century West BMW	
Mission Hills Hyundai	Chevrolet Of Montebello	
New Century BMW	Circle Audi Long Beach	
Nick Alexander Imports	Circle Porsche	
Nissan of Downtown LA	Community Chevrolet	
Nissan Of Mission Hills	Crestview Cadillac	
Porsche South Bay	Galpin Mazda	



RENEW YOUR MEMBERSHIP TODAY!

NEW! RENEW YOUR MEMBERSHIP ONLINE AT WWW.GLANCD.A.ORG OR USE FORM BELOW

GLANCD.A membership runs until December 31, 2019.

**Greater Los Angeles New Car Dealers Association
Management Office**

2520 Venture Oaks Way, Suite 150
Sacramento, CA 95833

Contact Us:

Phone (213) 748-0243

Fax (213) 748-0245

bob@glanconda.org • www.glanconda.org

Yes, we would like to join for 2019. (*Renew or New Member*)

DUES PRICING 2019

\$200.00 dealership or main location

\$200.00

Per additional dealerships under same ownership. Please fill out information form for each additional dealership.

Total Dealerships _____

Total Due _____

Dealership/Name: _____

Dealer Address: _____

Dealer Phone: _____ Fax: _____

Dealership Principal Name/Email (*for communication only*): _____

General Manager Name/Email: _____

Office Manager/Controller Name/Email: _____

Address: _____

Dealer Phone: _____ Fax: _____

***Note: All contact information is for membership communication only.**

Payment Type Amex Visa MC Check Payable to: Greater Los Angeles New Car Dealers Association _____

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MEMBER BENEFITS

Ongoing Communication and Meetings with elected officials about legislation that is either supported or opposed that impacts our dealer members and ultimately the value of their investment in their businesses.

Close alignment with area schools that promote workforce development in the automotive industry, and assist in job placement for young motivated and qualified students. Additionally we help these students find scholarship funds to pursue their dream of working in a dealership. Dollar value: Priceless

Regular communication with legislators and government officials dealing with local, state, and federal issues which protects the dealer franchise system and promotes the business interests of our members.

Auto Outlook New Vehicle Sales Data sent to members via our e-newsletter, quarterly magazine, and hosted on our website, with forecast and analysis of new retail light vehicle market, analysis of forecast determinants, comparison with National market, nameplate sales performance, and coverage of vehicle sales in market segment.

Quarterly publication of LA Dealer magazine sent to members.

Special discounts to attend informative seminars with some of the industry's leading speakers.

Special partnership with T.R.A.P. (Taskforce for Regional Auto Theft Prevention) which helps members reduce dealership theft and fraud.

We are the exclusive automobile dealer association endorser of the Show, which helps boost local member sales and reinforces Greater Los Angeles as a hub of automotive design and consumer trends.

Early Warning System - We monitor the state and federal courts in Los Angeles County to alert members when a lawsuit has been filed against them.

Technology Contest for High School seniors to encourage young people to get involved and pursue careers in the auto industry.

Community Service - we are leaders in contributing to worthy community programs in Los Angeles County which promotes the image of new car dealers with the public.

Regular email newsletter to members.

Email alerts to our members when there is important information for them, or when immediate action is necessary.

Collaboration with the California New Car Dealers State Association regarding seminars and legislative and regulatory matters.

Special discounts to attend the CNCDA Annual Dealer Day in Sacramento to meet with state legislators and educate them on dealer issues.

The GLANCD A website which is at www.glanconda.org.

Annual luncheon and business meeting of members with a prominent keynote speaker.

Opportunity to serve on GLANCD A Board of Directors.

Los Angeles Auto Outlook



Comprehensive information on the LA County new vehicle market

FORECAST

New Vehicle Market Declined by 5% in First Half of '19

Below is a list of 10 key trends and developments in the Los Angeles County new vehicle market:

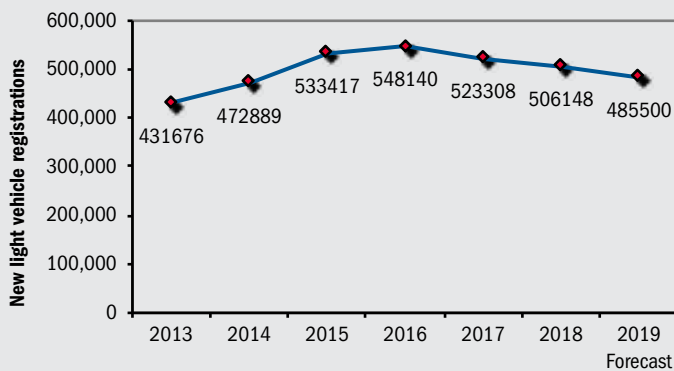
1. County new retail registrations declined 5% in the first half of this year versus a year earlier. The U.S. market was off by 4.1%. (Note: June figures were estimated).
2. As shown on the graph below, the market has levelled off during the past several years, but sales have remained at elevated levels.
3. Auto Outlook's annual forecast for 2019 new retail light vehicle registrations: 485,500 units, down 4.1% from 2018.
4. Light truck market share increased from 49.7% during the first six months of 2018 to 52.8% this year.
5. Registrations for Domestic brands (including Tesla) were down 3.2% so far this year, better than the 5% overall industry decrease.
6. Alternative powertrain (hybrid and electric vehicle) market share was 12.4% thru May of this year, up from last year.
7. Three biggest segments in the county are Compact Car, Compact SUV, and Mid Size Car.
8. Brands with the largest percentage increases in registrations during the first six months of this year (among top 30 brands): Tesla, Ram, Land Rover, Lexus, and Jaguar.
9. County market share leaders in the first half of 2019 were Toyota, Honda, Chevrolet, Mercedes, and BMW.
10. Top ten selling vehicles in county market: Honda Civic, Toyota Camry, Honda Accord, Tesla Model 3, Toyota Corolla, Toyota RAV4, Honda CR-V, Toyota Tacoma, Lexus RX, and Volkswagen Tiguan.

Outlook for next two years: New vehicle market likely to decline, but sales should remain above average



Strong economic growth, rising employment, and increasing incomes have helped keep new vehicle sales at elevated levels. However, several years of strong sales, softening used vehicle prices, and weakening consumer affordability are headwinds that are likely to push the market lower in 2019 and 2020.

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

	YTD '18 thru June	YTD '19* thru June	% Chg. '18 to '19	Mkt. Share 2019*
TOTAL	250,168	237,699	-5.0%	
Car	125,912	112,235	-10.9%	47.2%
Light Truck	124,256	125,464	1.0%	52.8%
Domestic	54,910	53,170	-3.2%	22.4%
European	52,305	49,588	-5.2%	20.9%
Japanese	124,485	117,977	-5.2%	49.6%
Korean	18,468	16,964	-8.1%	7.1%

Source: IHS.

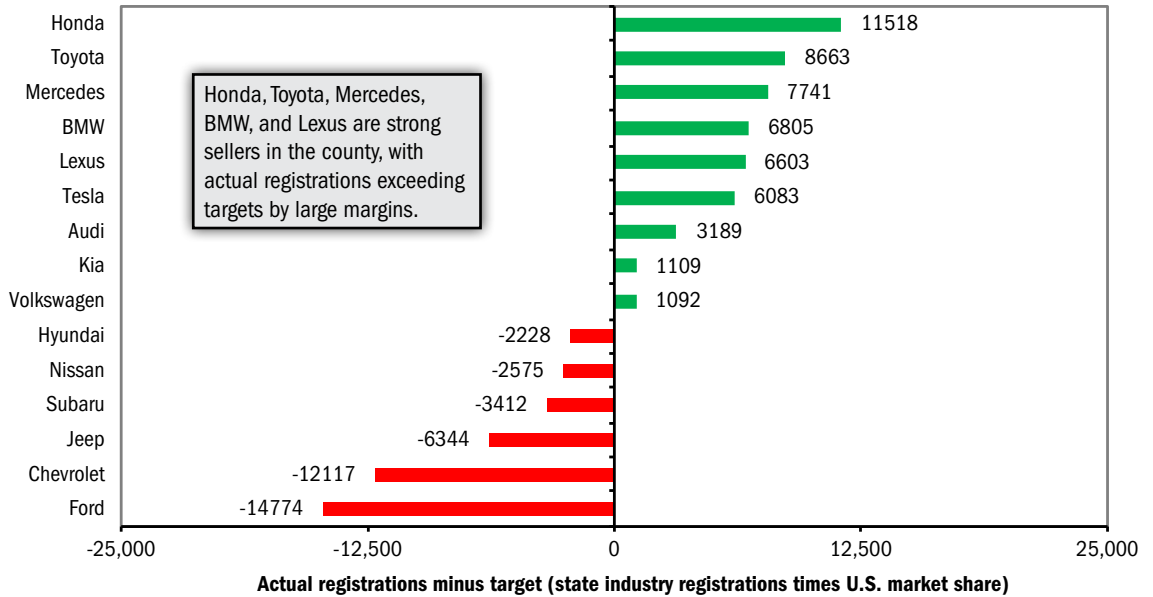
Domestics consist of vehicles sold by GM, Ford, FCA (excluding Alfa and FIAT), and Tesla. *Figures for June '19 were estimated by Auto Outlook.

BRAND SALES PERFORMANCE

Honda and Toyota Relatively Strong Performers in County

The graph provides an indicator of brands that are popular in the county. For the top 15 selling brands, each brand's share of the U.S. market is multiplied by industry registrations in the county during ytd 2019. This yields a "target" for the county market. Target registrations are subtracted from actual registrations to derive the measurement of sales performance. Brands at the top of the graph are relatively strong sellers in the county, with actual registrations exceeding targets by large margins.

LA County Retail Market Performance based on registrations for YTD '19
Actual registrations minus target (county industry registrations times U.S. market share)



Data Source: IHS..

MARKET TRACKER: COUNTY MARKET VERSUS U.S.

Toyota County Share is 16.7% vs. 13.1% in U.S.

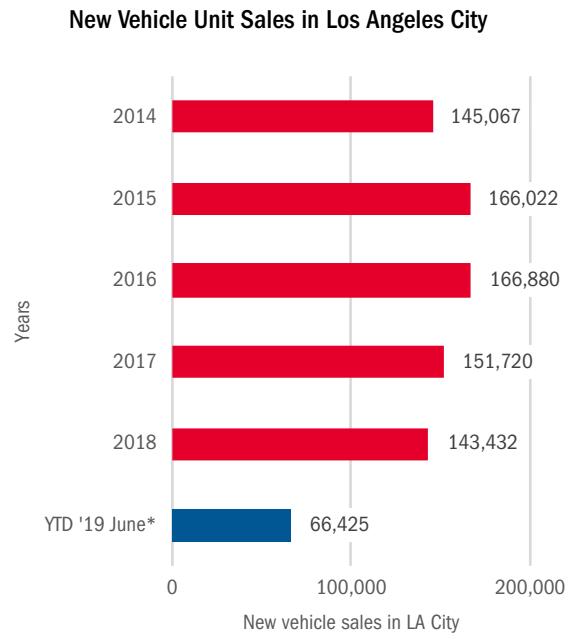
	County Market	U.S. Market
Percent change in registrations YTD '19 thru June* vs. YTD '18	-5.0%	-4.1%
Passenger car market share YTD '19 thru June*	47.2%	29.4%
Domestic brand market share YTD '19 thru June*	22.4%	41.4%
Top 10 brands and market share YTD '19 thru June*		
First	Toyota 16.7%	Toyota 13.1%
Second	Honda 15.3%	Ford 11.2%
Third	Chevrolet 5.8%	Chevrolet 10.9%
Fourth	Mercedes 5.4%	Honda 10.5%
Fifth	BMW 5.0%	Nissan 6.0%
Sixth	Ford 4.9%	Jeep 5.7%
Seventh	Nissan 4.9%	Subaru 4.8%
Eighth	Lexus 4.7%	Hyundai 3.8%
Ninth	Kia 4.2%	Kia 3.7%
Tenth	Tesla 3.9%	Ram 3.7%

*June 2019 figures estimated by Auto Outlook

Source: IHS

ANALYSIS

New Vehicle Sales in LA City



The graph above shows the level of new vehicle sales in the city of Los Angeles from 2014 through 2018, and the first 6 months of 2019. The data measures vehicles sold by dealerships located in the city of Los Angeles. Source: IHS. (*June '19 figures estimated by Auto Outlook.)

SEGMENT CLOSE-UP: SMALL SUVs

Toyota is Leader in Small SUV Segment



Brand Results - Three Year Perspective

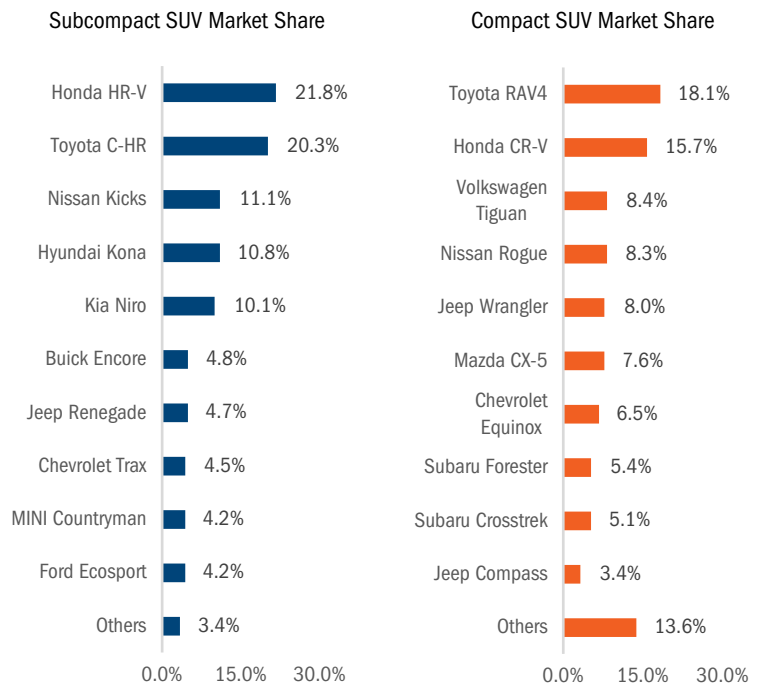
% change in county new retail Small SUV registrations
YTD '19 thru May vs, YTD '16 (sorted by YTD '19)

Brand	New registrations YTD '16 thru May	New registrations YTD '19 thru May	% change YTD '19 vs. YTD '16
Toyota	4447	7015	58%
Honda	5171	6439	25%
Jeep	3838	4576	19%
Nissan	2831	3361	19%
Subaru	2550	3088	21%
Volkswagen	1163	2475	113%
Mazda	1695	2404	42%
Chevrolet	1098	2288	108%
Hyundai	815	1690	107%
Kia	793	1604	102%
Ford	1159	1334	15%
Buick	450	401	-11%
Mitsubishi	412	382	-7%
MINI	379	352	-7%
GMC	623	349	-44%
FIAT	394	40	-90%

Source: IHS.

Model Sales Leaders

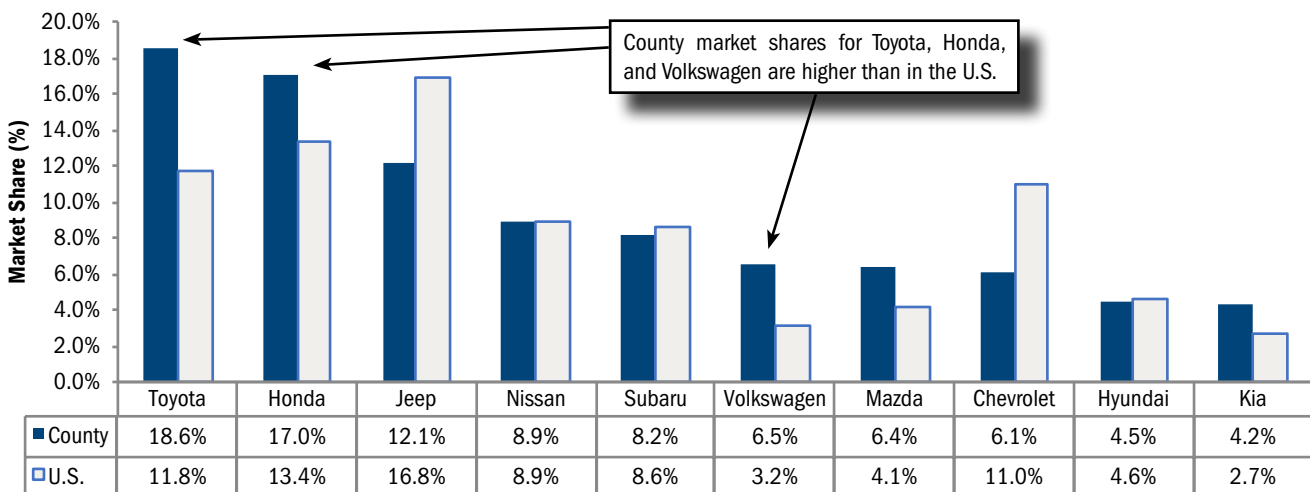
Top 10 selling models in county Subcompact and Compact SUV Segments
YTD 2019 thru May



Source: IHS.

Brand Sales Performance - County market vs. U.S.

Brand market share in Los Angeles County and U.S.
YTD 2019 thru May (shown from left to right based on county share)



Source: IHS.

All figures above include combined totals for Subcompact and Compact SUVs.

Los Angeles County New Retail Car and Light Truck Registrations												
	Second Quarter*						YTD thru June*					
	Registrations			Market Share (%)			Registrations			Market Share (%)		
	2Q '18	2Q '19	% change	2Q '18	2Q '19	Change	YTD '18	YTD '19	% change	YTD '18	YTD '19	Change
TOTAL	129,232	122,312	-5.4				250,168	237,699	-5.0			
Cars	64,906	57,479	-11.4	50.2	47.0	-3.2	125,912	112,235	-10.9	50.3	47.2	-3.1
Light Trucks	64,326	64,833	0.8	49.8	53.0	3.2	124,256	125,464	1.0	49.7	52.8	3.1
Domestic Brands	29,027	27,657	-4.7	22.5	22.6	0.1	54,910	53,170	-3.2	21.9	22.4	0.5
European Brands	27,073	25,947	-4.2	20.9	21.2	0.3	52,305	49,588	-5.2	20.9	20.9	0.0
Japanese Brands	63,755	59,894	-6.1	49.3	49.0	-0.3	124,485	117,977	-5.2	49.8	49.6	-0.2
Korean Brands	9,377	8,814	-6.0	7.3	7.2	-0.1	18,468	16,964	-8.1	7.4	7.1	-0.3
Acura	1,233	1,152	-6.6	1.0	0.9	-0.1	2,385	2,407	0.9	1.0	1.0	0.0
Alfa Romeo	692	376	-45.7	0.5	0.3	-0.2	1,220	850	-30.3	0.5	0.4	-0.1
Audi	3,555	3,412	-4.0	2.8	2.8	0.0	6,715	6,440	-4.1	2.7	2.7	0.0
BMW	6,754	6,671	-1.2	5.2	5.5	0.3	12,913	11,957	-7.4	5.2	5.0	-0.2
Buick	367	321	-12.5	0.3	0.3	0.0	836	689	-17.6	0.3	0.3	0.0
Cadillac	795	848	6.7	0.6	0.7	0.1	1,631	1,461	-10.4	0.7	0.6	-0.1
Chevrolet	8,399	7,225	-14.0	6.5	5.9	-0.6	16,383	13,693	-16.4	6.5	5.8	-0.7
Chrysler	484	322	-33.5	0.4	0.3	-0.1	951	631	-33.6	0.4	0.3	-0.1
Dodge	2,029	1,575	-22.4	1.6	1.3	-0.3	3,909	2,991	-23.5	1.6	1.3	-0.3
FIAT	150	128	-14.7	0.1	0.1	0.0	418	259	-38.0	0.2	0.1	-0.1
Ford	6,592	6,169	-6.4	5.1	5.0	-0.1	12,964	11,748	-9.4	5.2	4.9	-0.3
Genesis	146	190	30.1	0.1	0.2	0.1	354	230	-35.0	0.1	0.1	0.0
GMC	1,064	992	-6.8	0.8	0.8	0.0	2,356	1,814	-23.0	0.9	0.8	-0.1
Honda	19,300	18,144	-6.0	14.9	14.8	-0.1	36,671	36,475	-0.5	14.7	15.3	0.6
Hyundai	3,929	3,684	-6.2	3.0	3.0	0.0	7,501	6,845	-8.7	3.0	2.9	-0.1
Infiniti	1,552	1,332	-14.2	1.2	1.1	-0.1	3,286	2,728	-17.0	1.3	1.1	-0.2
Jaguar	395	389	-1.5	0.3	0.3	0.0	854	889	4.1	0.3	0.4	0.1
Jeep	3,961	3,808	-3.9	3.1	3.1	0.0	7,334	7,292	-0.6	2.9	3.1	0.2
Kia	5,302	4,940	-6.8	4.1	4.0	-0.1	10,613	9,889	-6.8	4.2	4.2	0.0
Land Rover	1,568	1,589	1.3	1.2	1.3	0.1	3,036	3,363	10.8	1.2	1.4	0.2
Lexus	5,458	5,635	3.2	4.2	4.6	0.4	10,797	11,261	4.3	4.3	4.7	0.4
Lincoln	549	432	-21.3	0.4	0.4	0.0	972	868	-10.7	0.4	0.4	0.0
Maserati	224	141	-37.1	0.2	0.1	-0.1	470	325	-30.9	0.2	0.1	-0.1
Mazda	2,811	2,509	-10.7	2.2	2.1	-0.1	5,562	5,096	-8.4	2.2	2.1	-0.1
Mercedes	7,073	6,740	-4.7	5.5	5.5	0.0	13,480	12,744	-5.5	5.4	5.4	0.0
MINI	875	708	-19.1	0.7	0.6	-0.1	1,814	1,356	-25.2	0.7	0.6	-0.1
Mitsubishi	405	342	-15.6	0.3	0.3	0.0	795	617	-22.4	0.3	0.3	0.0
Nissan	7,075	5,770	-18.4	5.5	4.7	-0.8	13,921	11,610	-16.6	5.6	4.9	-0.7
Other	299	334	11.7	0.2	0.3	0.1	593	695	17.2	0.2	0.3	0.1
Porsche	1,121	1,015	-9.5	0.9	0.8	-0.1	2,292	2,246	-2.0	0.9	0.9	0.0
Ram	1,261	1,496	18.6	1.0	1.2	0.2	2,287	2,738	19.7	0.9	1.2	0.3
Subaru	4,026	4,146	3.0	3.1	3.4	0.3	7,881	8,048	2.1	3.2	3.4	0.2
Tesla	3,517	4,462	26.9	2.7	3.6	0.9	5,269	9,223	75.0	2.1	3.9	1.8
Toyota	21,889	20,859	-4.7	16.9	17.1	0.2	43,176	39,723	-8.0	17.3	16.7	-0.6
Volkswagen	3,317	3,396	2.4	2.6	2.8	0.2	6,584	6,563	-0.3	2.6	2.8	0.2
Volvo	1,065	1,060	-0.5	0.8	0.9	0.1	1,945	1,935	-0.5	0.8	0.8	0.0

*June 2019 figures were estimated by Auto Outlook.

Source:IHS.

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