

# Chicago Auto Outlook

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## NEW VEHICLE MARKET FORECAST

### Recovery Gains Momentum; 2Q '23 Registrations Up 14.7% vs. 2Q '22

Below is a list of 10 key trends and developments in the Chicago Area new vehicle market:

- 1. Area new retail light vehicle registrations increased 6.7% in the first half of this year versus year-earlier levels. The U.S. market was up by 3.9%.
- 2. The pace of improvement should pick up steam in the second half of the year. The area market is predicted to increase 12% from July through December of 2023 versus weak results in the second half of 2022 when supply chain interruptions significantly impacted sales.
- 3. As shown on the graph below, registrations for all of this year are projected to exceed 300,000 units and improve 8.7% from 2022.
- 4. Light truck market share decreased slightly from 80.5% during the first six months of 2022 to 80.0% this year.
- 5. Registrations for Japanese brands were up 10.8% so far this year and market share reached 37.2%
- 6. Battery electric vehicles accounted for 8.0% of the market in the first half of this year, up from 4.8% last year. BEV share declined from the first to the second quarter of '23.
- 7. Brands with the largest percentage increases in registrations during the first six months of this year (among top 30 brands): Buick, Tesla, Cadillac, Audi, Infiniti, Acura, Land Rover, Mazda, Chevrolet, and Honda.

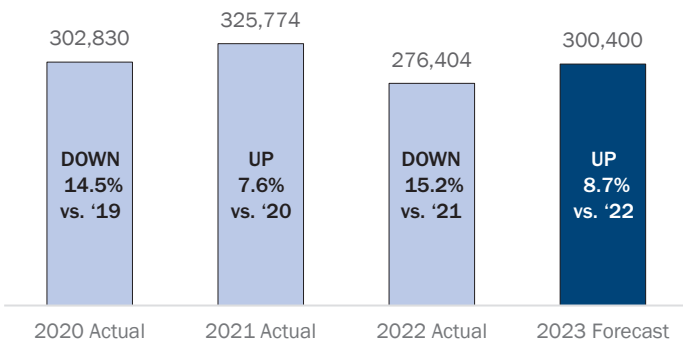
- 8. Three biggest segments in the area are Compact SUV, 3 Row Mid Size SUV, and Subcompact SUV.
- 9. Area market share leaders in the first half of 2023 were Honda, Toyota, Chevrolet, Ford, and Hyundai.
- 10. Top ten selling vehicles in area market: Tesla Model Y, Honda CR-V, Toyota RAV4, Hyundai Tucson, Ford F-Series, Chevrolet Equinox, Nissan Rogue, Chevrolet Silverado, Mazda CX-5, and Toyota Highlander.



**Outlook for next two years:  
New vehicle market predicted to improve, but sales should remain slightly below average**

A significant number of new vehicle purchases have been postponed since the onset of the pandemic in 2020. Estimated pent-up demand in the area market has reached 142,392 units, approximately 45% of average annual registrations (see page 3). It has been our contention that once vehicle production recovered, this “stored potential” would more than offset the drag on sales resulting from higher interest rates, a slowing economy, and weakening vehicle affordability. And the 14.7% year-over-year increase in 2Q registrations sends a strong signal that this is indeed the case. The market should have enough gas in the tank to move higher this year, with recovery almost certainly lasting into 2024.

### Forecast for Area New Retail Light Vehicle Registrations



### Market Summary

	YTD '22 June	YTD '23 June	% Chg. '22 to '23	Mkt. Share YTD '23
TOTAL	134,986	143,975	6.7%	
Car	26,349	28,785	9.2%	20.0%
Light Truck	108,637	115,190	6.0%	80.0%
Domestic	47,257	50,165	6.2%	34.8%
European	18,397	18,999	3.3%	13.2%
Japanese	48,345	53,558	10.8%	37.2%
Korean	20,987	21,253	1.3%	14.8%

The graph above shows annual new retail light vehicle registrations from 2020 through 2022 and Auto Outlook's projection for 2023. Historical data sourced from Experian Automotive.

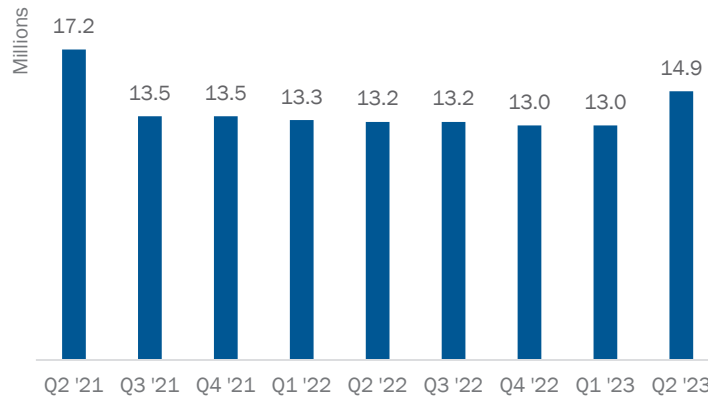
Domestics consist of vehicles sold by GM, Ford, Stellantis (excluding Alfa Romeo and FIAT), Tesla, Rivian, and Lucid. Data sourced from Experian Automotive.

# Chicago Area New Vehicle Market Dashboard



## MARKET PERFORMANCE DURING PAST TWO YEARS

**Chicago Area  
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 area 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 area market is strong, 15 million is about average, and below 13 million is weak. Equivalent SAAR levels in the area increased from 13.0 million in the First Quarter of this year to 14.9 million in the Second Quarter.

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



## AREA MARKET VS. U.S.

**% Change In  
New Retail Market  
YTD 2023 thru June  
vs.  
YTD 2022**

**Chicago Area  
UP 6.7%**

**U.S.  
UP 3.9%**

New retail light vehicle registrations in the area were up 6.7% during the first six months of this year, higher than the 3.9% increase in the Nation.

Data sourced from Experian Automotive.

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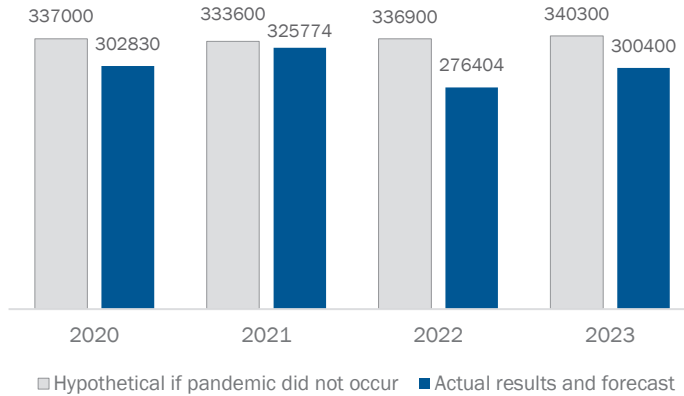
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# Chicago Area New Vehicle Market Dashboard



## PENT-UP DEMAND

Actual and forecast new retail light vehicle registrations versus hypothetical levels if pandemic and ensuing supply chain shortages had not occurred



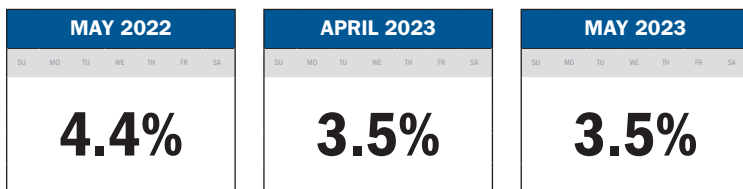
Estimated  
**142,392**  
new vehicle purchases  
will be postponed  
between 2020 & 2023  
representing  
**45%**  
of sales in  
an average year

Data sourced from Experian Automotive. Projections: Auto Outlook.



## TRACKING ECONOMIC INDICATORS

### Monthly Unemployment Rates in Chicago Area

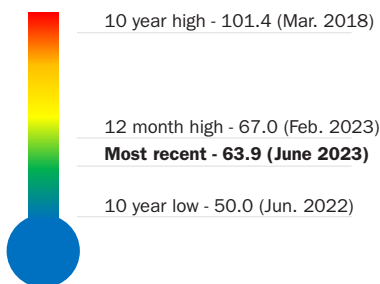


### Average Hourly Earnings for All Workers in Area - May 2023

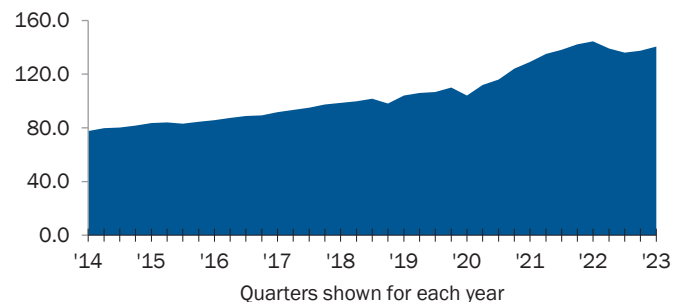


The area unemployment rate was less than 4% in May of this year. Wages were up versus year earlier. Consumer sentiment has stabilized and total household wealth increased in the First Quarter of this year.

University of Michigan Consumer Sentiment (U.S.)  
Key Values During Past 10 Years



Household Net Worth Trillions of \$ (U.S.)



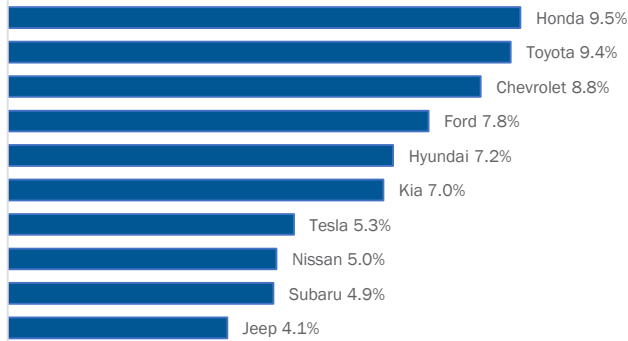
# Chicago Area New Vehicle Market Dashboard



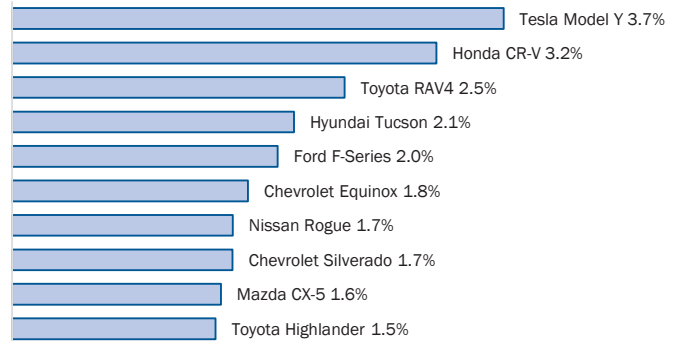
## TOP TEN RANKINGS IN AREA MARKET - YTD 2023 THRU JUNE

### ALL POWERTRAIN TYPES

Market Share for Top 10 Brands

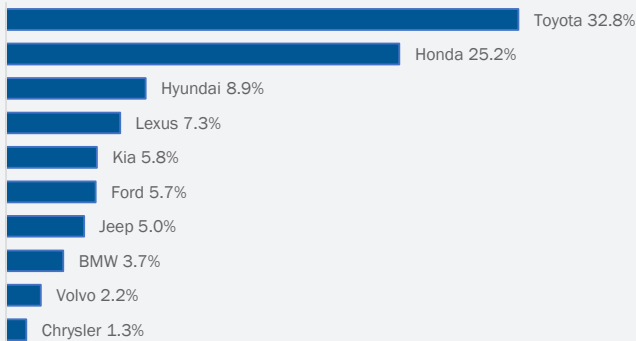


Market Share for Top 10 Models

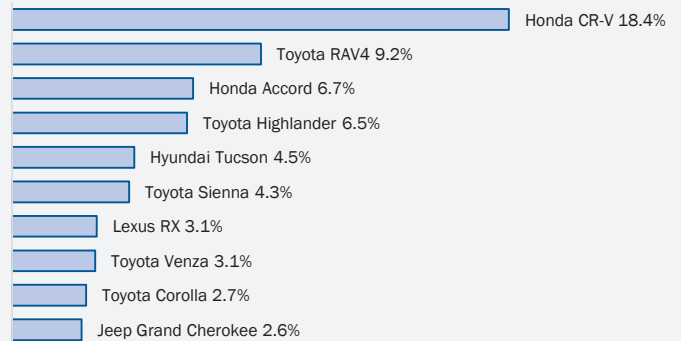


### HYBRIDS (includes plug ins, excludes mild hybrids)

Market Share for Top 10 Brands

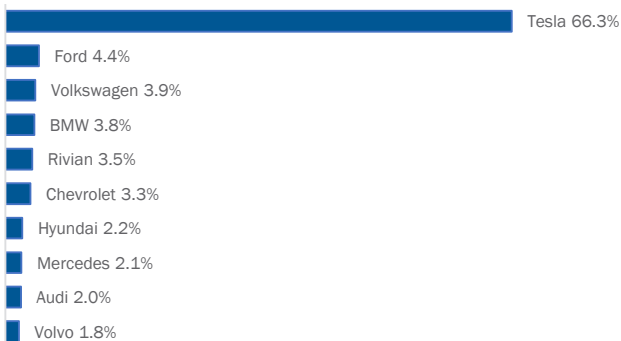


Market Share for Top 10 Models

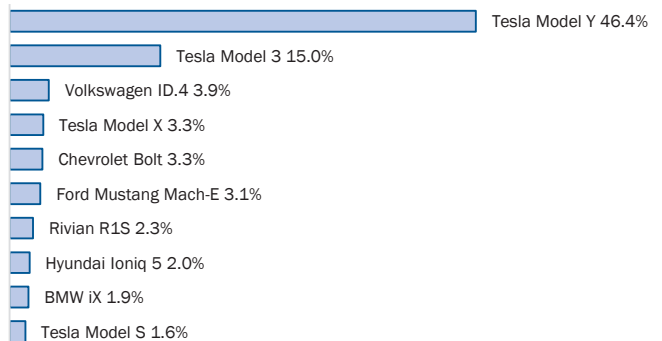


### BATTERY ELECTRIC VEHICLES

Market Share for Top 10 Brands



Market Share for Top 10 Models

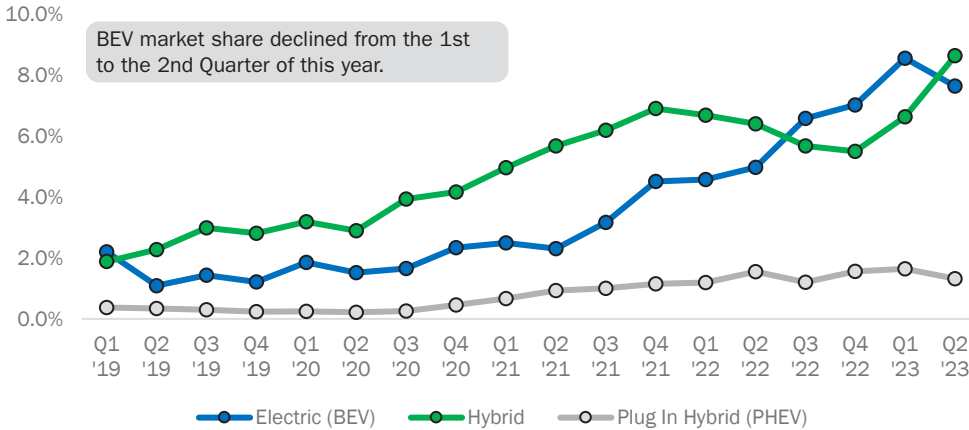


Data sourced from Experian Automotive. Hybrid vehicles exclude mild hybrids.



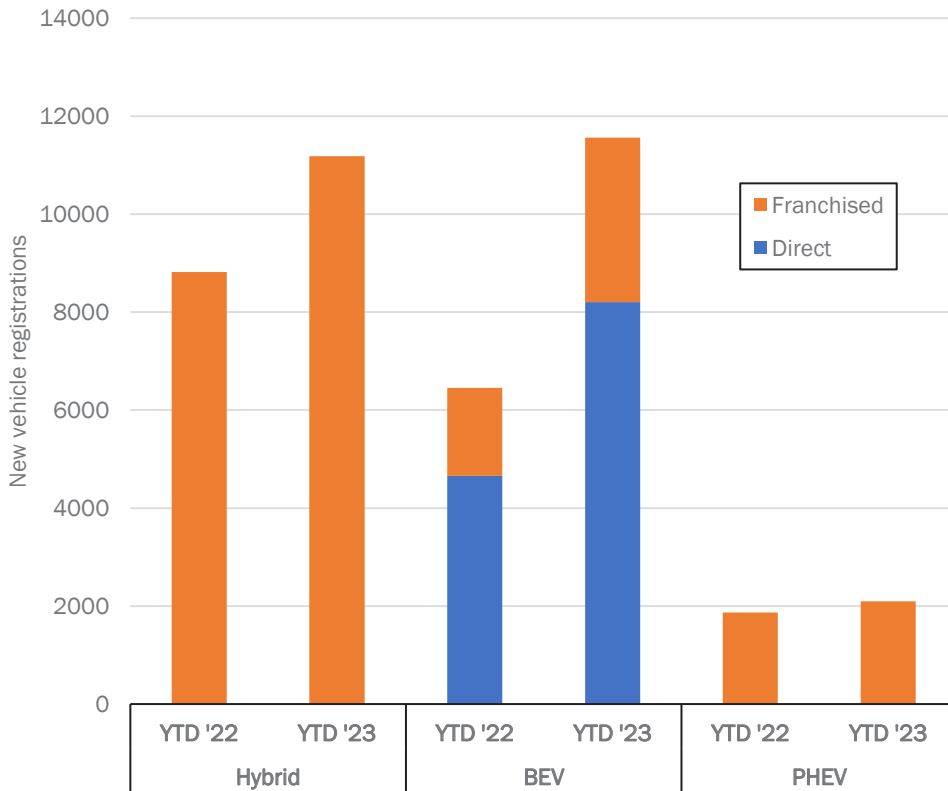
# Vehicle Powertrain Dashboard

## Quarterly Alternative Powertrain Market Share (includes hybrid and electric vehicles)



Data sourced from Experian Automotive. Hybrid vehicle market share excludes mild hybrids.

## New Hybrid, BEV, and PHEV Registrations in Chicago Area by Type of Selling Dealership - YTD 2022 and 2023 thru June



The graph above shows new vehicle registrations for hybrids, BEVs, and PHEVs during the first six months of 2022 and 2023. Orange shaded areas represent vehicles sold by franchised dealerships and blue areas for direct sellers. Data sourced from Experian Automotive.

## YTD Share by Engine Type (2022 and 2023, thru June)

	YTD '22	YTD '23
Electric (BEV)	4.8%	8.0% ↑
Hybrid	6.5%	7.8% ↑
Plug In Hybrid (PHEV)	1.4%	1.5% ↑

## KEY FACTS



- Battery electric vehicle market share increased from 4.8% in the first half of '22 to 8.0% in 2023, but declined from the First to the Second Quarter of this year.
- The industry is almost singularly focused on growth in BEV sales and market share. As a result, sales gains for hybrids have been largely ignored, which should not be the case. Hybrid vehicles provide a valuable “bridge” as the industry transitions to BEVs. They have better fuel economy than ICE vehicles, reduced emissions, and are less costly than BEVs.
- As shown above, hybrid vehicle market share in the area increased from 6.5% in the first half of last year to 7.8% this year. And 100% of hybrids were sold by franchised dealerships.
- The graph on the left shows new vehicle registrations for Hybrids, BEVs, and PHEVs broken down by type of selling dealership. Franchised dealerships accounted for more than 67% of combined sales for all three alternative powertrain types.
- Franchised dealership share of the BEV-only market increased slightly to 29.1% in the first half of this year.

Brand Registrations Report												
Chicago Area New Retail Car and Light Truck Registrations												
	Second Quarter						YTD thru June					
	Registrations			Market Share (%)			Registrations			Market Share (%)		
	2Q '22	2Q '23	% change	2Q '22	2Q '23	Change	YTD '22	YTD '23	% change	YTD '22	YTD '23	Change
TOTAL	71,592	82,087	14.7				134,986	143,975	6.7			
Cars	14,307	16,787	17.3	20.0	20.5	0.5	26,349	28,785	9.2	19.5	20.0	0.5
Light Trucks	57,285	65,300	14.0	80.0	79.5	-0.5	108,637	115,190	6.0	80.5	80.0	-0.5
Domestic Brands	25,166	28,396	12.8	35.2	34.6	-0.6	47,257	50,165	6.2	35.0	34.8	-0.2
European Brands	9,647	10,372	7.5	13.5	12.6	-0.9	18,397	18,999	3.3	13.6	13.2	-0.4
Japanese Brands	25,562	31,339	22.6	35.7	38.2	2.5	48,345	53,558	10.8	35.8	37.2	1.4
Korean Brands	11,217	11,980	6.8	15.7	14.6	-1.1	20,987	21,253	1.3	15.5	14.8	-0.7
Acura	1,186	1,755	48.0	1.7	2.1	0.4	2,219	2,839	27.9	1.6	2.0	0.4
Alfa Romeo	97	35	-63.9	0.1	0.0	-0.1	178	77	-56.7	0.1	0.1	0.0
Audi	1,091	1,486	36.2	1.5	1.8	0.3	1,993	2,613	31.1	1.5	1.8	0.3
BMW	2,311	2,359	2.1	3.2	2.9	-0.3	4,729	4,605	-2.6	3.5	3.2	-0.3
Buick	622	1,133	82.2	0.9	1.4	0.5	1,071	1,811	69.1	0.8	1.3	0.5
Cadillac	711	941	32.3	1.0	1.1	0.1	1,244	1,686	35.5	0.9	1.2	0.3
Chevrolet	5,946	7,125	19.8	8.3	8.7	0.4	10,579	12,665	19.7	7.8	8.8	1.0
Chrysler	448	494	10.3	0.6	0.6	0.0	968	788	-18.6	0.7	0.5	-0.2
Dodge	655	793	21.1	0.9	1.0	0.1	1,248	1,197	-4.1	0.9	0.8	-0.1
Ford	5,904	6,232	5.6	8.2	7.6	-0.6	11,332	11,269	-0.6	8.4	7.8	-0.6
Genesis	458	469	2.4	0.6	0.6	0.0	896	872	-2.7	0.7	0.6	-0.1
GMC	1,793	1,760	-1.8	2.5	2.1	-0.4	3,288	3,192	-2.9	2.4	2.2	-0.2
Honda	6,397	8,388	31.1	8.9	10.2	1.3	12,081	13,731	13.7	8.9	9.5	0.6
Hyundai	5,645	5,838	3.4	7.9	7.1	-0.8	11,004	10,322	-6.2	8.2	7.2	-1.0
Infiniti	301	415	37.9	0.4	0.5	0.1	559	720	28.8	0.4	0.5	0.1
Jaguar	53	61	15.1	0.1	0.1	0.0	122	122	0.0	0.1	0.1	0.0
Jeep	4,720	3,495	-26.0	6.6	4.3	-2.3	8,977	5,884	-34.5	6.7	4.1	-2.6
Kia	5,114	5,673	10.9	7.1	6.9	-0.2	9,087	10,059	10.7	6.7	7.0	0.3
Land Rover	340	407	19.7	0.5	0.5	0.0	738	929	25.9	0.5	0.6	0.1
Lexus	1,471	1,681	14.3	2.1	2.0	-0.1	2,716	2,993	10.2	2.0	2.1	0.1
Lincoln	705	725	2.8	1.0	0.9	-0.1	1,283	1,267	-1.2	1.0	0.9	-0.1
Maserati	43	44	2.3	0.1	0.1	0.0	91	84	-7.7	0.1	0.1	0.0
Mazda	2,107	2,790	32.4	2.9	3.4	0.5	3,724	4,502	20.9	2.8	3.1	0.3
Mercedes	1,670	1,588	-4.9	2.3	1.9	-0.4	2,964	2,848	-3.9	2.2	2.0	-0.2
MINI	130	182	40.0	0.2	0.2	0.0	274	353	28.8	0.2	0.2	0.0
Mitsubishi	638	570	-10.7	0.9	0.7	-0.2	1,019	997	-2.2	0.8	0.7	-0.1
Nissan	3,450	4,304	24.8	4.8	5.2	0.4	6,673	7,198	7.9	4.9	5.0	0.1
Other	120	161	34.2	0.2	0.2	0.0	212	316	49.1	0.2	0.2	0.0
Polestar	16	4	-75.0	0.0	0.0	0.0	36	19	-47.2	0.0	0.0	0.0
Porsche	657	594	-9.6	0.9	0.7	-0.2	1,103	1,112	0.8	0.8	0.8	0.0
Ram	1,214	1,250	3.0	1.7	1.5	-0.2	2,609	2,204	-15.5	1.9	1.5	-0.4
Rivian	42	243	478.6	0.1	0.3	0.2	53	407		0.0	0.3	0.3
Subaru	3,304	3,912	18.4	4.6	4.8	0.2	6,615	7,111	7.5	4.9	4.9	0.0
Tesla	2,380	4,137	73.8	3.3	5.0	1.7	4,566	7,666	67.9	3.4	5.3	1.9
Toyota	6,708	7,524	12.2	9.4	9.2	-0.2	12,739	13,467	5.7	9.4	9.4	0.0
Volkswagen	2,320	2,578	11.1	3.2	3.1	-0.1	4,462	4,431	-0.7	3.3	3.1	-0.2
Volvo	825	941	14.1	1.2	1.1	-0.1	1,534	1,619	5.5	1.1	1.1	0.0

Data sourced from Experian Automotive.

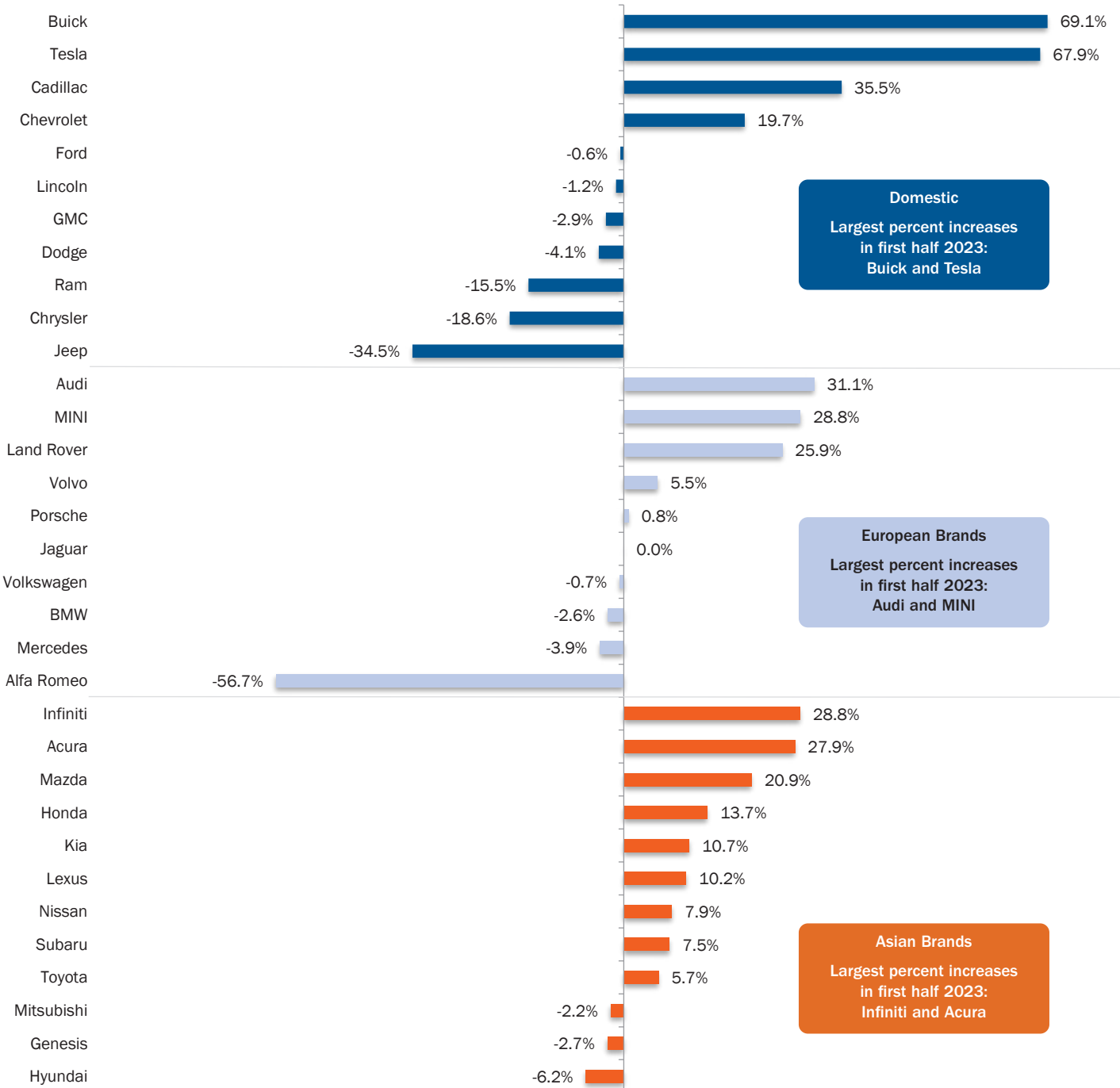
The table shows new retail light vehicle (car and light truck) registrations in the Chicago Area market. Figures are shown for the 2nd Quarters of '22 and '23, and year to date totals thru June. The top ten ranked brands in each change category are shaded yellow.

**BRAND SCOREBOARD**

# Registrations Increased for 18 Brands in First Half of 2023

The graph below provides a comparative evaluation of brand sales performance in the area market. It shows the percent change in registrations during the first six months of this year versus year-earlier for each brand, organized by category (i.e., Domestic, European, and Asian). Although supply chain issues are easing, results for some brands have been impacted by restricted inventories during the past 18 months.

**Percent Change in Area New Retail Light Vehicle Registrations  
YTD 2023 thru June vs. YTD 2022**



Data sourced from Experian Automotive.

**BRAND PERFORMANCE IN AREA MARKET**

**Hyundai, Kia, VW, Honda & Acura are Strong Performers in Area**

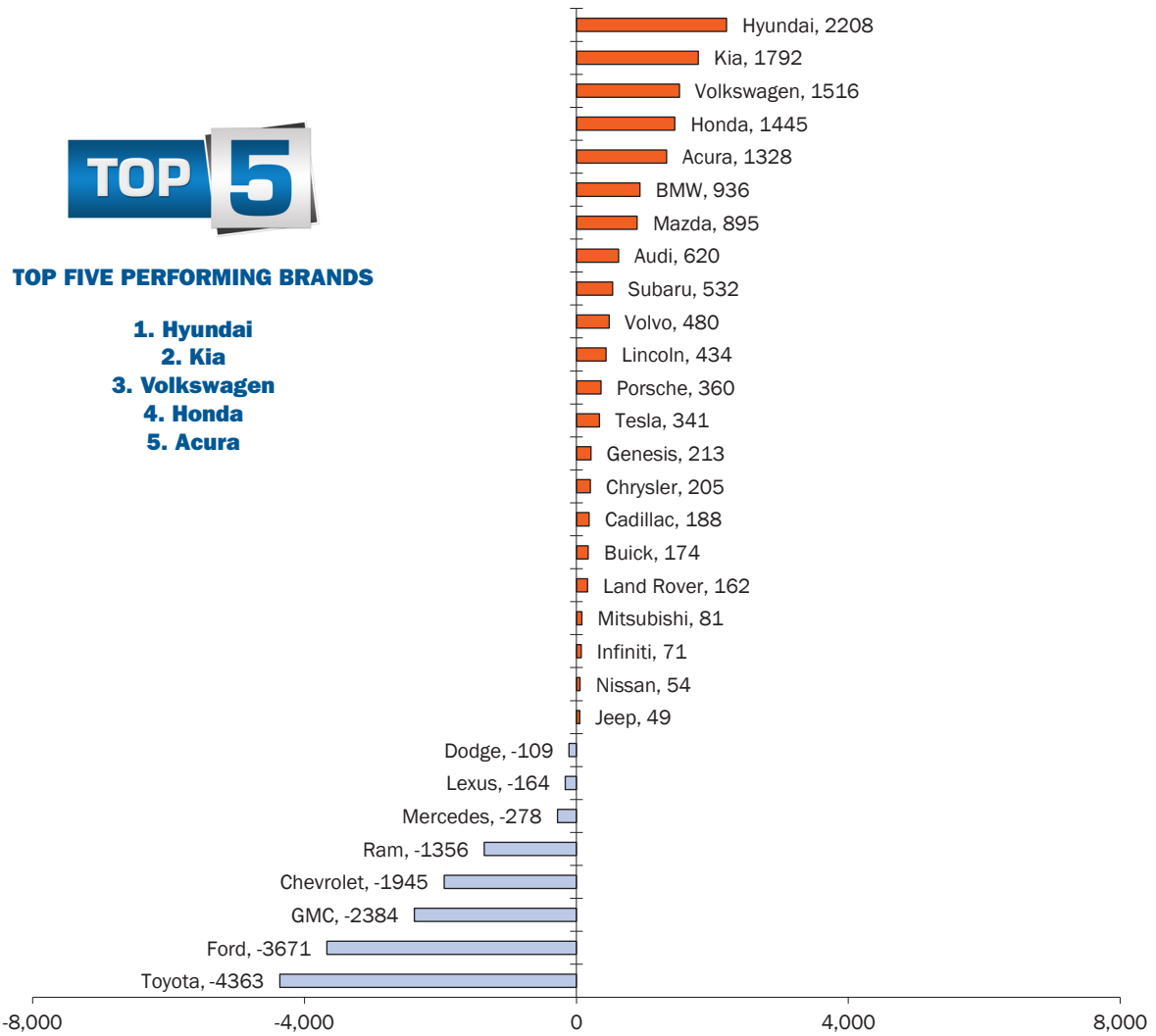
The graph below provides an indicator of brands that are popular in the Chicago Area (relative to the National standard), and those that are not. Here's how it works: For the top 30 selling brands, each brand's share of the U.S. market is multiplied by retail registrations in the area during the first six months of this year. This yields a "tar-

get" for the area market. Target registrations are subtracted from actual registrations to derive the measurement of sales performance.

Brands at the top of the graph (i.e., Hyundai, Kia, Volkswagen, Honda, and Acura) are relatively strong sellers in the

area, with actual registrations exceeding calculated targets by large margins. For instance, Hyundai registrations exceeded the target by 2,208 units.

**Chicago Area Retail Market Performance based on registrations during YTD 2023 thru June**  
**Actual registrations minus target (area industry registrations times U.S. market share)**



Actual registrations minus target (area industry registrations times U.S. market share)

Data sourced from Experian Automotive.



COUNTY SCOREBOARD

### McHenry County Market Increased by 12.6% in First Half of This Year

The tables below show specific data on each of the area's eight county markets. The figures represent new vehicles registered to retail customers residing in each of the counties, and includes both pur-

chase and lease transactions. Part 1 below shows total registrations and light truck market share during the first six months of 2022 and 2023. Part 2 presents market shares for Domestic brands, and the top

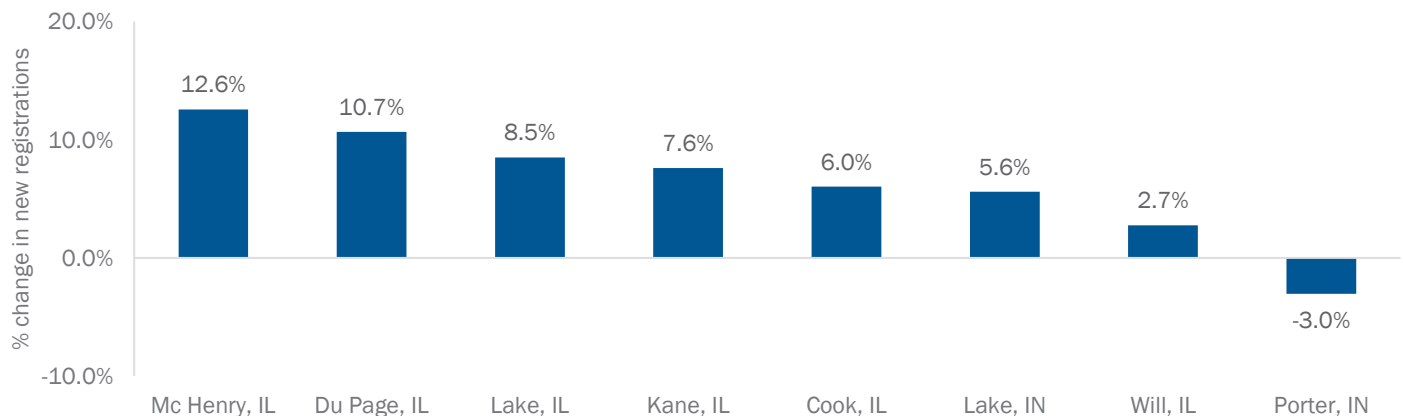
10 selling car and light truck brands in the Chicago Area. The top three ranked counties in each category are shaded.

Data sourced from Experian Automotive.

COUNTY MARKETS - PART 1							
	Year to date thru June		Percent Change	Unit Change	Light Truck Market Share (%)		
	YTD '22	YTD '23	YTD '22 to YTD '23	YTD '22 to YTD '23	YTD '22	YTD '23	Change
Cook, IL	64,331	68,211	6.0%	3880	80.2	79.6	-0.6
Du Page, IL	18,021	19,944	10.7%	1923	79.9	80.1	0.3
Kane, IL	8,826	9,498	7.6%	672	81.1	80.1	-1.0
Lake, IL	13,716	14,882	8.5%	1166	79.2	79.6	0.4
Mc Henry, IL	5,199	5,853	12.6%	654	83.4	81.9	-1.5
Will, IL	14,382	14,777	2.7%	395	79.8	80.4	0.5
Lake, IN	7,164	7,565	5.6%	401	82.8	80.8	-2.1
Porter, IN	3,347	3,245	-3.0%	-102	85.7	82.2	-3.4

COUNTY MARKETS - PART 2													
Market Share Summary - YTD thru June													
	Domestic Brands			Top Ten Selling Brands in Area-YTD '23									
	YTD '22	YTD '23	Change '22 to '23	Honda	Toyota	Chevy	Ford	Hyundai	Kia	Tesla	Nissan	Subaru	Jeep
Cook, IL	31.5	32.0	0.4	9.1	10.2	8.1	6.8	7.3	6.5	5.4	5.5	4.9	4.1
Du Page, IL	32.5	33.6	1.0	10.3	9.1	6.5	7.6	7.0	6.6	7.3	4.2	4.6	3.4
Kane, IL	36.7	35.5	-1.1	11.1	8.3	9.2	8.1	8.6	7.7	3.9	5.3	5.8	4.6
Lake, IL	33.6	33.2	-0.5	9.7	9.9	7.8	6.6	5.9	6.9	7.0	4.8	5.0	4.1
Mc Henry, IL	44.2	40.2	-4.0	11.5	7.4	10.3	10.4	8.1	6.8	3.4	5.5	5.5	5.5
Will, IL	40.4	40.5	0.1	8.5	7.9	10.9	8.9	8.2	9.1	5.3	4.0	4.3	3.9
Lake, IN	48.8	46.0	-2.8	10.0	7.5	15.4	12.6	5.7	7.6	1.3	4.3	4.8	4.4
Porter, IN	49.3	47.5	-1.7	8.0	7.5	14.1	15.0	3.8	7.9	1.4	5.2	7.5	5.6

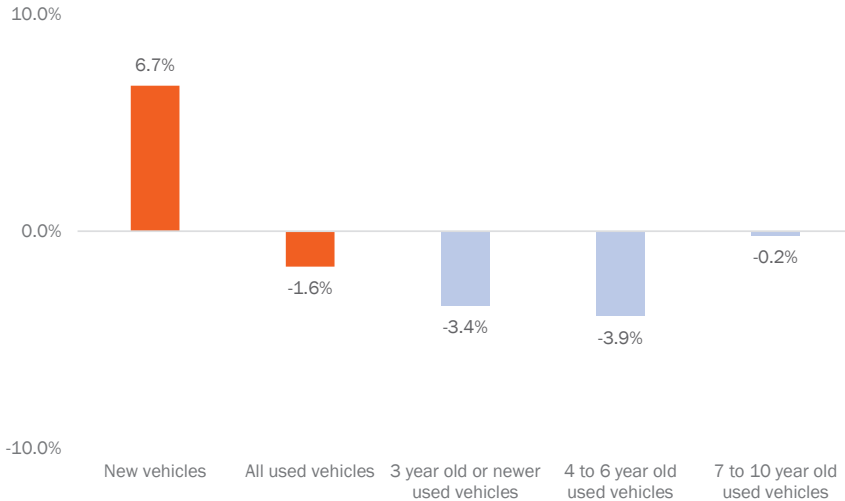
Percent Change in New Retail Registrations - YTD 2023 thru June vs. YTD 2022



CHICAGO AREA USED VEHICLE MARKET

# Area Used Vehicle Market Declined During First Six Months of 2023

Percent Change in New and Used Vehicle Registrations  
YTD 2023 thru June vs. YTD 2022



## THREE KEY TRENDS IN USED VEHICLE MARKET



01.

The Chicago Area used vehicle market declined 1.6% during the first six months of this year versus a year earlier, compared to the 6.7% increase in new vehicle registrations.

02.

As shown on the graph to the left, the 7 to 10 year old or market held up relatively well in the first half of this year. Used registrations of 7 to 10 year old vehicles declined by 0.2%. The 4 to 6 year old market declined 3.9% and the 3 year old or newer market fell 3.4%.

03.

Top five selling brands in the area used vehicle market during the first six months of 2023 were Chevrolet, Ford, Toyota, Nissan, and Honda. Chevrolet Equinox, Ford F-Series, Jeep Grand Cherokee, Chevrolet Silverado, and Toyota RAV4 were the top five selling models. Rankings are for 8 year old or newer vehicles only.

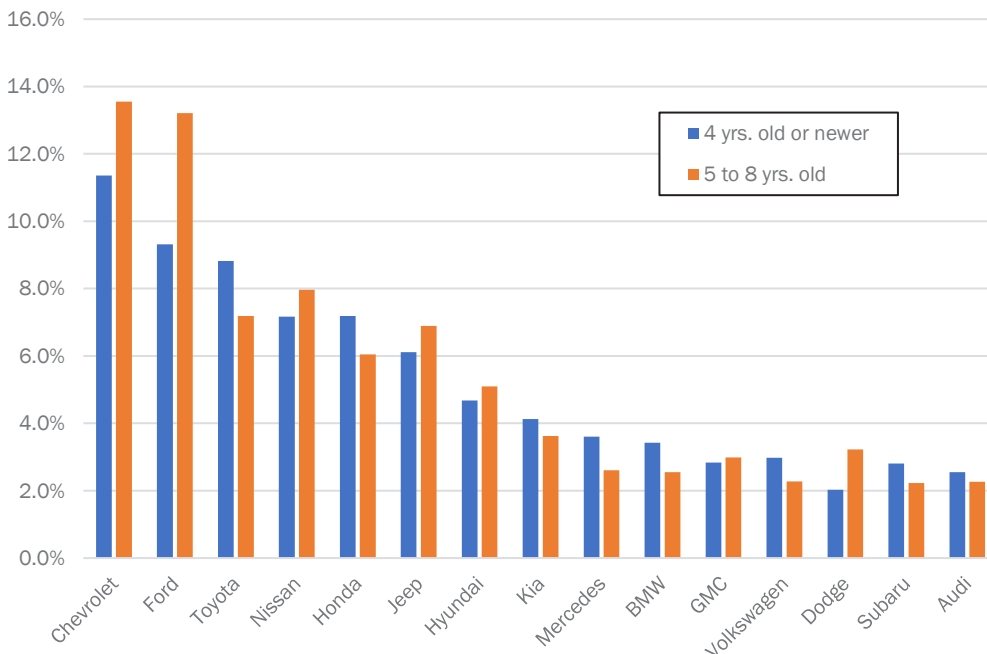
Data sourced from Experian Automotive.

## USED VEHICLE BRAND REGISTRATIONS

# Chevrolet and Ford Are Top Sellers in Area Used Vehicle Market

The graph below shows used light vehicle registrations by brand for two age categories: vehicles newer than four years old, and vehicles five to eight years old. Brands are positioned from left to right based on total market share. The table below shows the percent change in used registrations during the first half of '23 vs. year earlier for the top 15 selling brands. Data sourced from Experian Automotive.

Brand Market Share for Top 15 Selling Brands, by Vehicle Age (YTD '23 thru June)



% Change in Registrations  
YTD '23 thru June v. YTD '22  
8 yr. old or newer vehicles

Brand	% change
Subaru	11.4%
Audi	9.0%
Hyundai	4.2%
Kia	0.8%
GMC	-0.3%
Honda	-0.9%
Toyota	-2.1%
Nissan	-4.0%
Mercedes	-4.2%
BMW	-4.9%
Chevrolet	-6.6%
Jeep	-10.9%
Ford	-11.6%
Volkswagen	-12.6%
Dodge	-21.5%