

Chicago Auto Outlook

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FORECAST

New Vehicle Market Predicted to Trend Higher During Next Two Years



Key factors boosting new vehicle sales

Pent-up demand is growing. New vehicle registrations since the onset of the pandemic have been well below average. And although sales recovered from the low point of the recession in 2009, it took several years for the market to rebound. The pent-up demand that accrued between 2009 and 2015 had barely been released before the pandemic and ensuing supply chain issues boosted the total again. Pent-up demand will support new vehicle sales for several years.

Employment and household incomes are strong. As mentioned on the right, recession is still a possibility and affordability has weakened, but the unemployment rate is low and wage growth is steady.

Impressive array of new products. Today's new vehicles offer significant improvements compared to the average 10 year old car. Aside from the fact that their current vehicle may be wearing out, advances in safety features, performance, alternative powertrains, and infotainment are all factors luring shoppers into dealerships.



Key factors holding back new vehicle sales

Interest rates are high. The prime interest rate has increased by more than five points during the past three years, placing significant upward pressure on vehicle loan and lease payments.

Vehicle prices are high. Average transaction prices moved higher last year due to supply chain issues, inflationary pressures, and higher vehicle content. Escalating prices and higher rates have weakened vehicle affordability, which will be an issue holding back sales.

Soft landing not guaranteed. Most economists expect growth to remain positive despite higher interest rates, but this is not a sure thing. The economy is essentially at break even right now, and it wouldn't take much to push it to recession.

Other threats. After being put on hold since the pandemic hit in March of 2020, student loan payments are restarting, gas prices are high, excess household savings have been depleted, and if the UAW strike lingers, sales could be impacted.

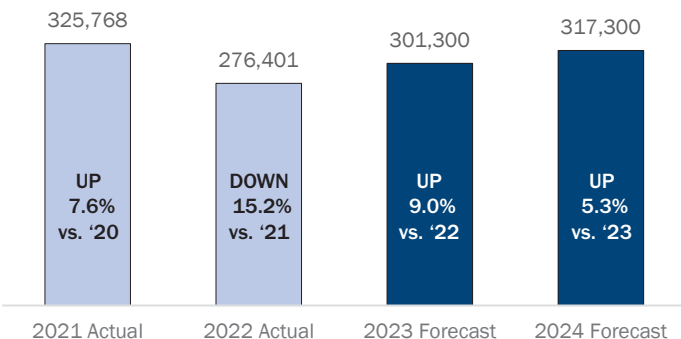
Key Trends in Chicago Area Market



- » Forecast summary: pent-up demand will provide momentum for the new vehicle market over the next 15 months, while the negative factors will place a ceiling on how high sales can go.
- » Area new retail light vehicle registrations are predicted to increase 9.0% this year and 5.3% in 2024.
- » Registrations approached 80,000 units in the Third Quarter of this year and increased 8.5% versus depressed year-earlier levels.
- » Battery electric vehicles accounted for 8.5% of the market in the first nine months of this year, up from 5.4% last year. BEV share increased from the Second to the Third Quarter of 2023 (see page 4).
- » Rivian, Buick, Tesla, Acura, and Land Rover had the largest percentage increases so far this year.

Forecast for Area New Retail Light Vehicle Registrations

Market Summary



	YTD '22 Sept.	YTD '23 Sept.	% Chg. '22 to '23	Mkt. Share YTD '23
TOTAL	208,121	223,558	7.4%	
Car	41,575	45,169	8.6%	20.2%
Light Truck	166,546	178,389	7.1%	79.8%
Domestic	73,526	78,036	6.1%	34.9%
European	28,328	29,584	4.4%	13.2%
Japanese	72,997	83,345	14.2%	37.3%
Korean	33,270	32,593	-2.0%	14.6%

The graph above shows annual new retail light vehicle registrations in 2021 and 2022 and Auto Outlook's projections for 2023 and 2024. 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



AREA MARKET VS. U.S.

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

**Chicago Area
UP 7.4%**

**U.S.
UP 7.0%**

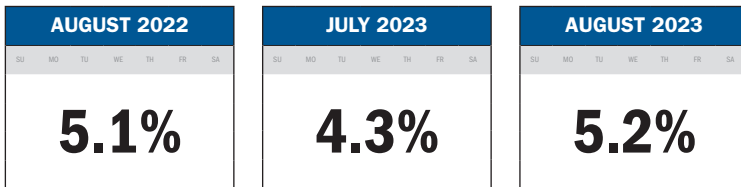
New retail light vehicle registrations in the area increased by 7.4% during the first nine months of this year, just above the 7% improvement in the Nation.

Data sourced from Experian Automotive.



TRACKING ECONOMIC INDICATORS

Monthly Unemployment Rates in Greater Chicago Area



Average Hourly Earnings for All Workers in Area - Aug. 2023



The area unemployment rate was 5.2% in August of this year. Wages were up slightly versus year earlier. Consumer sentiment remains subdued, while GDP growth has stayed positive during the past four quarters.

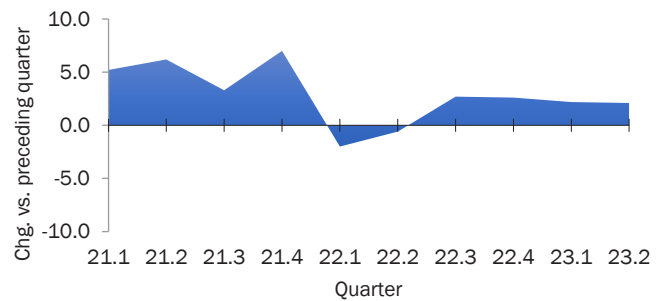
University of Michigan Consumer Sentiment (U.S.)



10 year high - 101.4 (Mar. 2018)
12 month high - 71.6 (July 2023)
Most recent - 67.7 (Sept. 2023)
10 year low - 50.0 (Jun. 2022)

Key Values During Past 10 Years

Percent Change in U.S. Gross Domestic Product
Change vs. previous quarter



Sources: Bureau of Labor Statistics, University of Michigan, and U.S. Bureau of Econ. Analysis.

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Chicago Auto Outlook

Published for:
Chicago Automobile Trade Association
18W200 Butterfield Road
Oakbrook Terrace, IL 60181-4810
Phone: 630-495-CATA (2282)

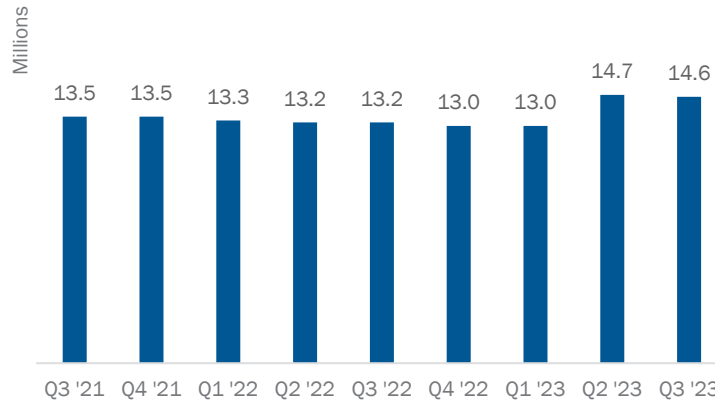
Published by:
Auto Outlook, Inc., PO Box 390, Exton, PA 19341
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Chicago Area New Vehicle Market Dashboard



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)



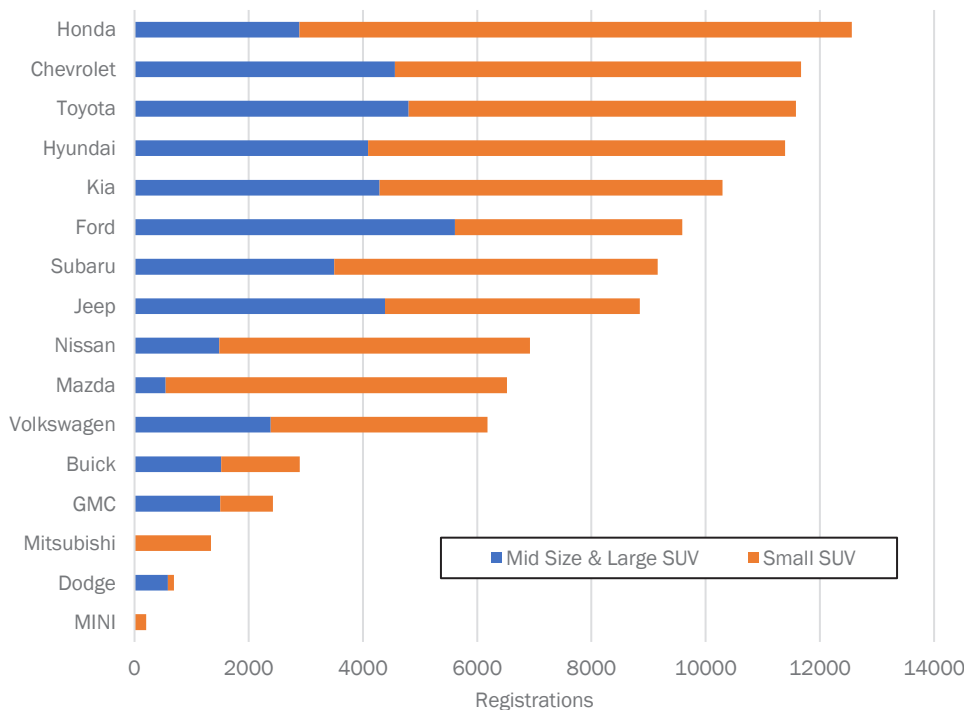
The graph on the left provides an easily recognizable way to gauge the strength of the area market. It shows quarterly registrations based on a seasonally adjusted annual rate. These figures are then indexed to SAAR sales figures for the U.S. new vehicle market. So just like in the national market, when 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 slipped from 14.7 million in the Second Quarter of this year to 14.6 million in the Third Quarter.

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



NON LUXURY BRAND SUV RANKINGS

New Registrations by Brand for Mid Size/Large and Small Non Luxury SUVs in Area Market - YTD '23 thru September



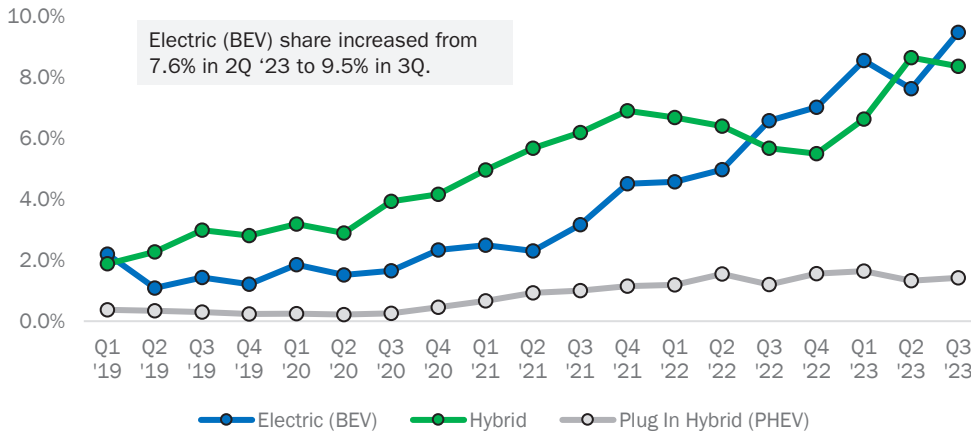
SUV Shares For Each Brand		
Brand	% Small SUV	% Mid & Large SUV
Honda	77%	23%
Chevrolet	61%	39%
Toyota	59%	41%
Hyundai	64%	36%
Kia	58%	42%
Ford	41%	59%
Subaru	62%	38%
Jeep	50%	50%
Nissan	79%	21%
Mazda	92%	8%
Volkswagen	61%	39%
Buick	48%	52%
GMC	38%	62%
Mitsubishi	100%	0%
Dodge	16%	84%
MINI	100%	0%

The graph shows registrations by brand for Mid Size/Large SUVs (blue bar) and Small SUVs (orange bar). Table shows the percentage breakdown for each brand. Honda was the best-selling non luxury SUV brand, with Small SUV registrations accounting for 77% of total. Data sourced from Experian Automotive.

Vehicle Powertrain Dashboard



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

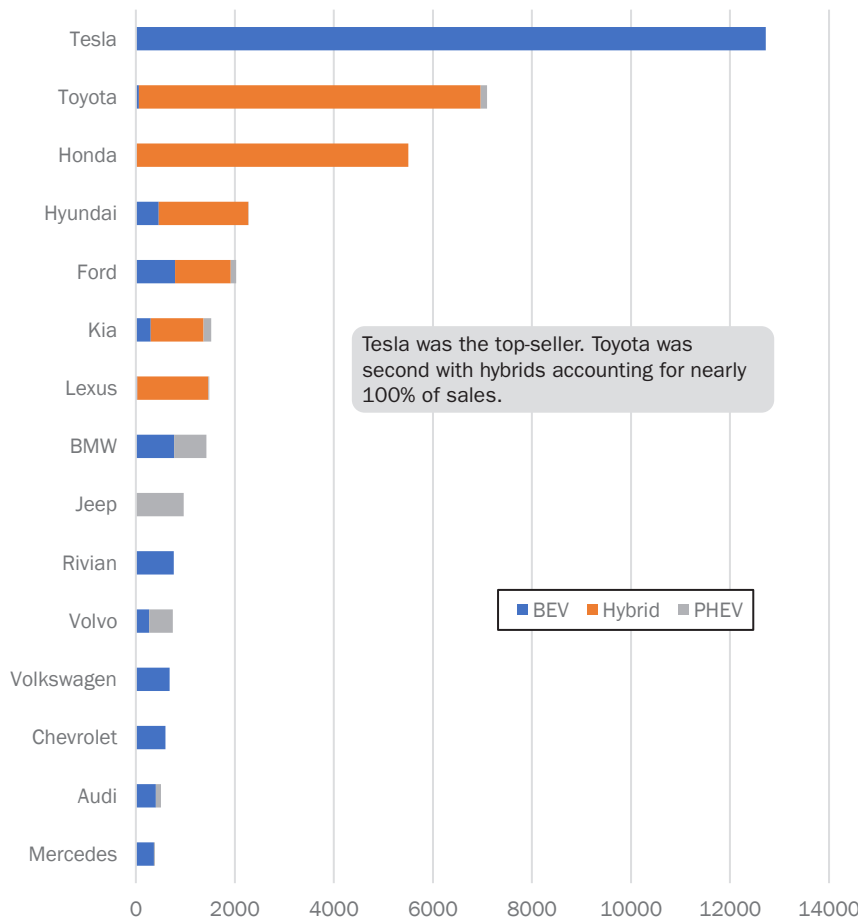


YTD Share by Engine Type (2022 and 2023, thru Sept.)

	YTD '22	YTD '23
Electric (BEV)	5.4%	8.5%
Hybrid	6.2%	8.0%
Plug In Hybrid (PHEV)	1.3%	1.4%

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

Alternative Powertrain Registrations in Chicago Area by Brand YTD 2023 thru September



Market Share for Top 25 Selling BEVs, PHEVs, and Hybrids YTD '23 thru September

Model	Type	Mkt. Share
Tesla Model Y	BEV	21.5%
Honda CR-V	Hybrid	9.8%
Tesla Model 3	BEV	7.9%
Toyota RAV4	Hybrid	5.4%
Honda Accord	Hybrid	3.9%
Toyota Highlander	Hybrid	2.6%
Toyota Sienna	Hybrid	2.5%
Hyundai Tucson	Hybrid	2.3%
Volkswagen ID.4	BEV	1.7%
Lexus RX	Hybrid	1.5%
Chevrolet Bolt	BEV	1.5%
Rivian R1S	BEV	1.5%
Tesla Model X	BEV	1.5%
Toyota Venza	Hybrid	1.4%
Ford Mustang Mach-E	BEV	1.4%
Ford Maverick	Hybrid	1.3%
Toyota Corolla	Hybrid	1.3%
Jeep Grand Cherokee	PHEV	1.2%
Jeep Wrangler	PHEV	1.2%
BMW X5	PHEV	1.1%
Kia Sportage	Hybrid	1.1%
Ford F-Series	Hybrid	1.1%
BMW iX	BEV	1.0%
Toyota Camry	Hybrid	1.0%
Kia Niro	Hybrid	1.0%

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

Brand Registrations Report												
Chicago Area New Retail Car and Light Truck Registrations												
	Third Quarter						YTD thru September					
	Registrations			Market Share (%)			Registrations			Market Share (%)		
	3Q '22	3Q '23	% change	3Q '22	3Q '23	Change	YTD '22	YTD '23	% change	YTD '22	YTD '23	Change
TOTAL	73,139	79,366	8.5				208,121	223,558	7.4			
Cars	15,228	16,341	7.3	20.8	20.6	-0.2	41,575	45,169	8.6	20.0	20.2	0.2
Light Trucks	57,911	63,025	8.8	79.2	79.4	0.2	166,546	178,389	7.1	80.0	79.8	-0.2
Domestic Brands	26,271	27,807	5.8	35.9	35.0	-0.9	73,526	78,036	6.1	35.3	34.9	-0.4
European Brands	9,934	10,566	6.4	13.6	13.3	-0.3	28,328	29,584	4.4	13.6	13.2	-0.4
Japanese Brands	24,653	29,670	20.4	33.7	37.4	3.7	72,997	83,345	14.2	35.1	37.3	2.2
Korean Brands	12,281	11,323	-7.8	16.8	14.3	-2.5	33,270	32,593	-2.0	16.0	14.6	-1.4
Acura	945	1,568	65.9	1.3	2.0	0.7	3,164	4,419	39.7	1.5	2.0	0.5
Alfa Romeo	86	66	-23.3	0.1	0.1	0.0	264	143	-45.8	0.1	0.1	0.0
Audi	1,326	1,644	24.0	1.8	2.1	0.3	3,319	4,260	28.4	1.6	1.9	0.3
BMW	2,279	2,266	-0.6	3.1	2.9	-0.2	7,007	6,891	-1.7	3.4	3.1	-0.3
Buick	677	1,082	59.8	0.9	1.4	0.5	1,748	2,893	65.5	0.8	1.3	0.5
Cadillac	819	903	10.3	1.1	1.1	0.0	2,063	2,589	25.5	1.0	1.2	0.2
Chevrolet	6,356	6,661	4.8	8.7	8.4	-0.3	16,936	19,326	14.1	8.1	8.6	0.5
Chrysler	341	443	29.9	0.5	0.6	0.1	1,309	1,236	-5.6	0.6	0.6	0.0
Dodge	755	694	-8.1	1.0	0.9	-0.1	2,003	1,894	-5.4	1.0	0.8	-0.2
Ford	5,844	5,893	0.8	8.0	7.4	-0.6	17,176	17,182	0.0	8.3	7.7	-0.6
Genesis	520	481	-7.5	0.7	0.6	-0.1	1,416	1,355	-4.3	0.7	0.6	-0.1
GMC	1,825	1,657	-9.2	2.5	2.1	-0.4	5,112	4,850	-5.1	2.5	2.2	-0.3
Honda	5,643	8,160	44.6	7.7	10.3	2.6	17,723	21,902	23.6	8.5	9.8	1.3
Hyundai	6,012	5,422	-9.8	8.2	6.8	-1.4	17,018	15,755	-7.4	8.2	7.0	-1.2
Infiniti	267	362	35.6	0.4	0.5	0.1	826	1,084	31.2	0.4	0.5	0.1
Jaguar	70	69	-1.4	0.1	0.1	0.0	192	191	-0.5	0.1	0.1	0.0
Jeep	4,146	3,283	-20.8	5.7	4.1	-1.6	13,122	9,188	-30.0	6.3	4.1	-2.2
Kia	5,749	5,420	-5.7	7.9	6.8	-1.1	14,836	15,483	4.4	7.1	6.9	-0.2
Land Rover	303	491	62.0	0.4	0.6	0.2	1,041	1,420	36.4	0.5	0.6	0.1
Lexus	1,714	1,738	1.4	2.3	2.2	-0.1	4,430	4,747	7.2	2.1	2.1	0.0
Lincoln	714	630	-11.8	1.0	0.8	-0.2	1,997	1,899	-4.9	1.0	0.8	-0.2
Maserati	38	47	23.7	0.1	0.1	0.0	129	131	1.6	0.1	0.1	0.0
Mazda	1,904	2,588	35.9	2.6	3.3	0.7	5,629	7,088	25.9	2.7	3.2	0.5
Mercedes	1,624	1,608	-1.0	2.2	2.0	-0.2	4,586	4,458	-2.8	2.2	2.0	-0.2
MINI	162	185	14.2	0.2	0.2	0.0	436	538	23.4	0.2	0.2	0.0
Mitsubishi	489	518	5.9	0.7	0.7	0.0	1,508	1,517	0.6	0.7	0.7	0.0
Nissan	2,881	4,110	42.7	3.9	5.2	1.3	9,555	11,316	18.4	4.6	5.1	0.5
Other	151	150	-0.7	0.2	0.2	0.0	363	466	28.4	0.2	0.2	0.0
Polestar	12	3	-75.0	0.0	0.0	0.0	48	22	-54.2	0.0	0.0	0.0
Porsche	657	568	-13.5	0.9	0.7	-0.2	1,760	1,677	-4.7	0.8	0.8	0.0
Ram	1,375	1,098	-20.1	1.9	1.4	-0.5	3,983	3,314	-16.8	1.9	1.5	-0.4
Rivian	151	357	136.4	0.2	0.4	0.2	204	764	274.5	0.1	0.3	0.2
Subaru	3,154	3,611	14.5	4.3	4.5	0.2	9,769	10,723	9.8	4.7	4.8	0.1
Tesla	3,234	5,054	56.3	4.4	6.4	2.0	7,800	12,720	63.1	3.7	5.7	2.0
Toyota	7,656	7,015	-8.4	10.5	8.8	-1.7	20,393	20,549	0.8	9.8	9.2	-0.6
Volkswagen	2,639	2,696	2.2	3.6	3.4	-0.2	7,101	7,125	0.3	3.4	3.2	-0.2
Volvo	621	825	32.9	0.8	1.0	0.2	2,155	2,443	13.4	1.0	1.1	0.1

Data sourced from Experian Automotive.

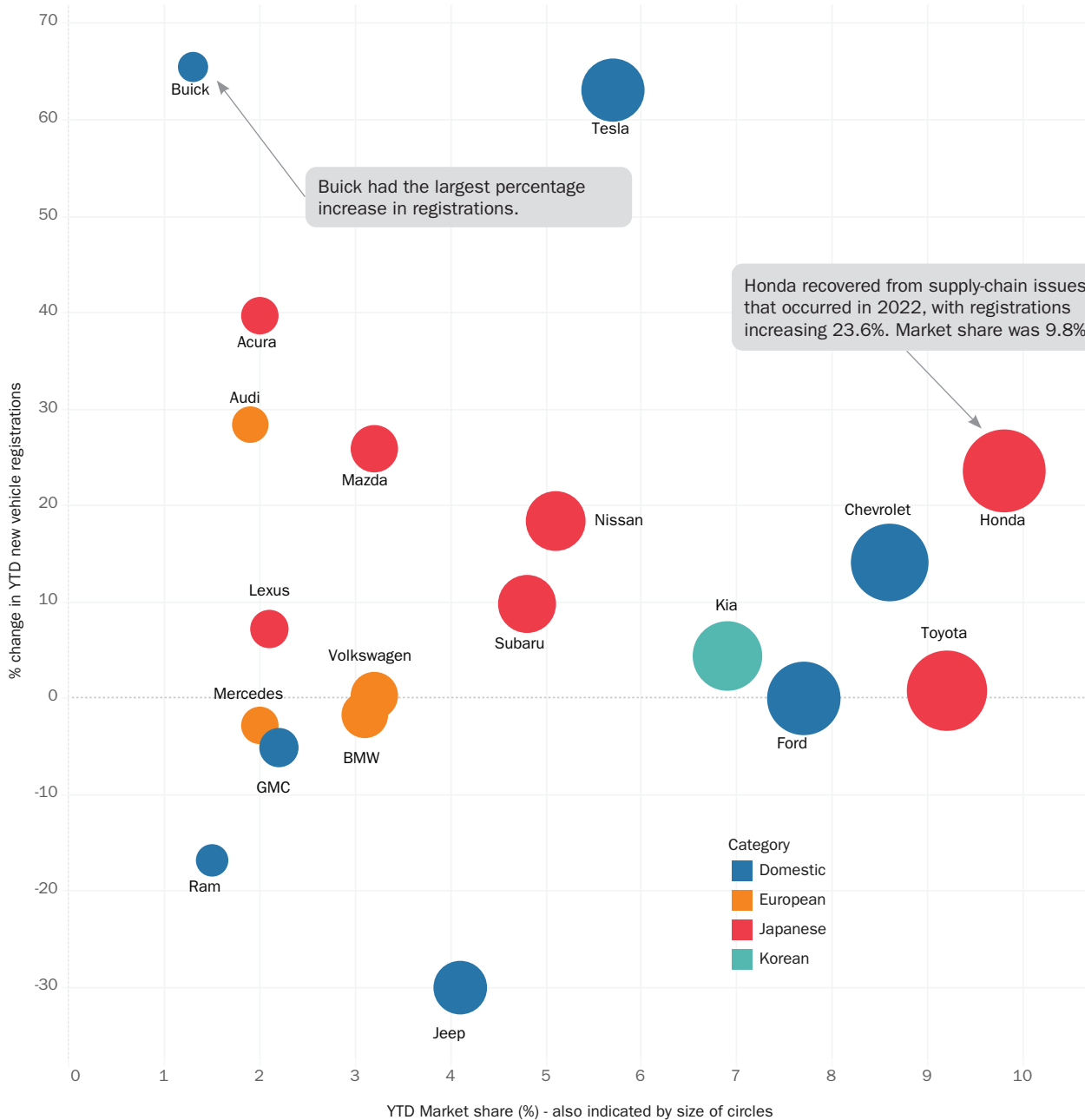
The table shows new retail light vehicle (car and light truck) registrations in the Chicago Area market. Figures are shown for the 3rd Quarters of '22 and '23, and year to date totals thru September. The top ten ranked brands in each change category are shaded yellow.

BRAND SCOREBOARD

Registrations Improved for Most Brands So Far This Year

The graph below presents a well-rounded view of brand sales results in the area market. It shows both the percentage change in registrations so far this year versus year earlier (vertical axis) and market share (horizontal axis, also denoted by relative size of the circles). Brand category (Domestic, European, Japanese, or Korean) is identified by color of the circles. Brands on the right side of the graph have higher market share, and those at the top have had larger percentage gains in registrations.

**Area Market Share (YTD '23 thru September)
and Percent Change in Registrations (YTD '23 thru Sept. vs. YTD '22)
Top 20 Selling Brands**



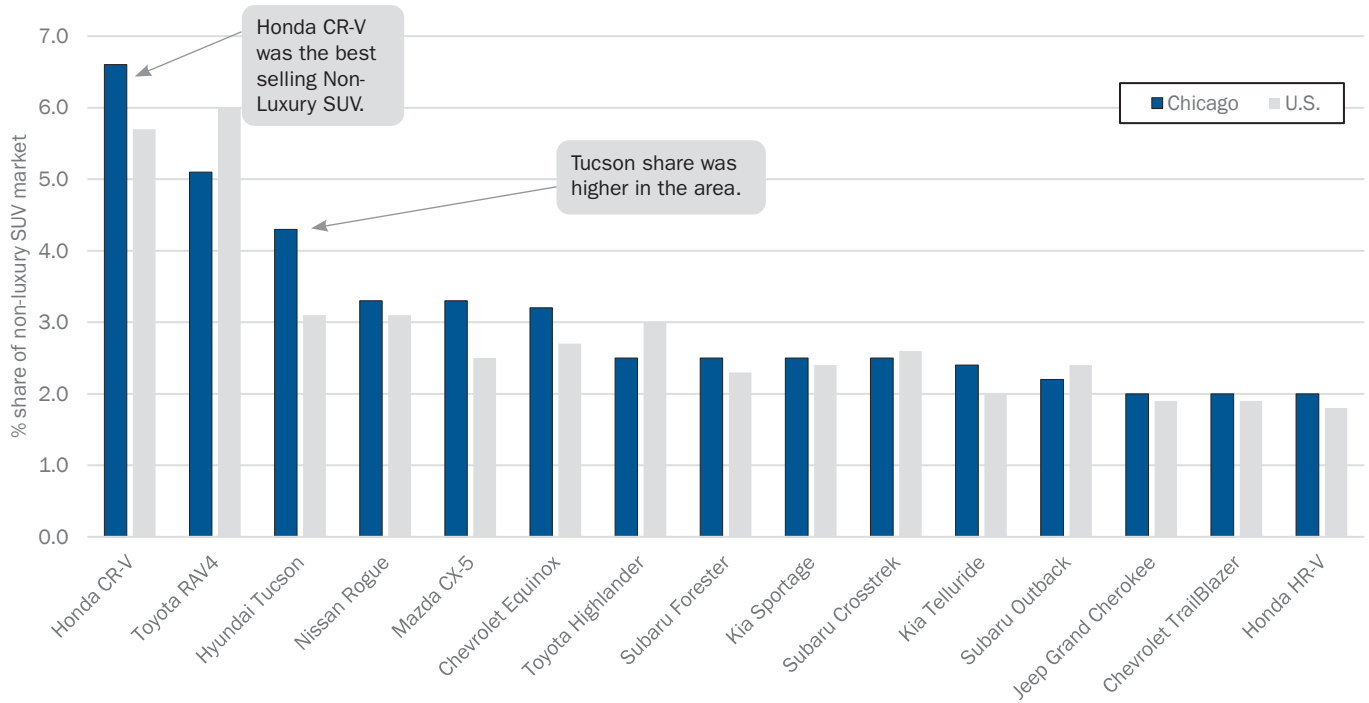
Data sourced from Experian Automotive.

MODEL SCOREBOARD

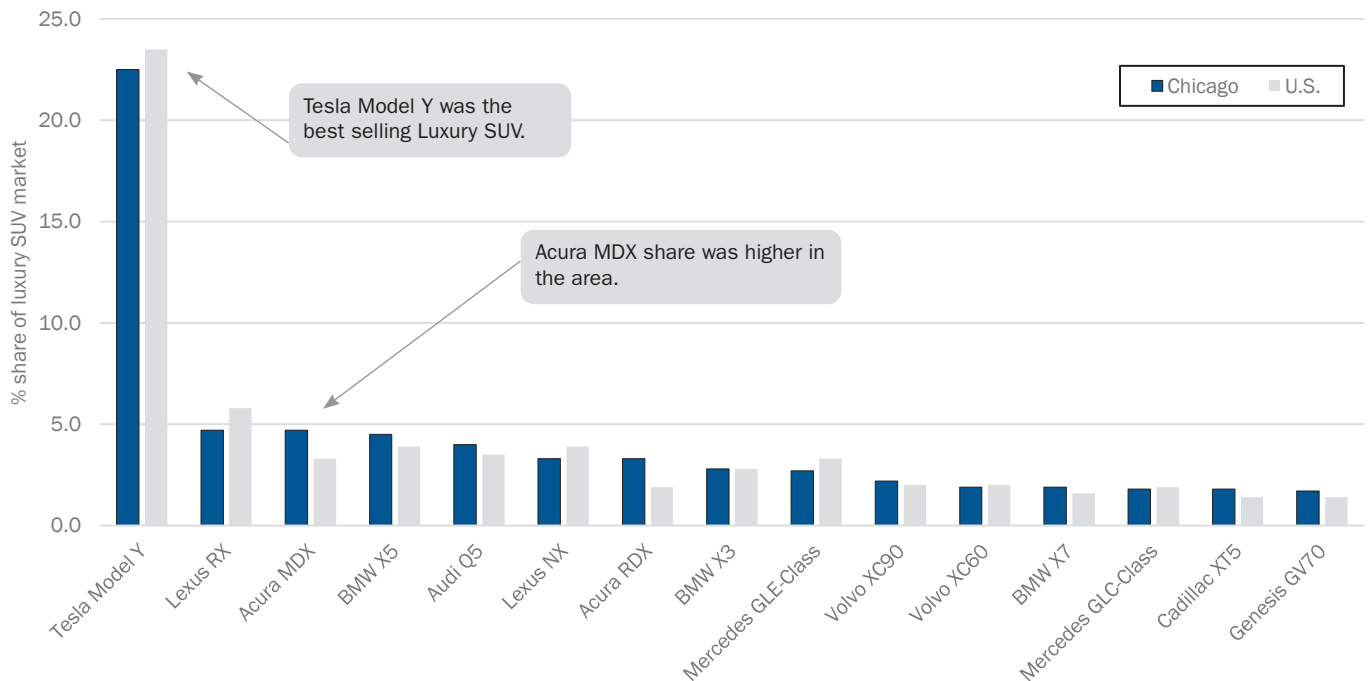
CR-V is On Top for Non-Luxury SUVs; Model Y Has Big Lead in Luxury Segment

The two graphs below show market shares in the Greater Chicago Area and National Non-Luxury and Luxury SUV segments during the first nine months of this year. Includes the top 15 selling models in the area market.

Market Share for Top 15 Selling Non-Luxury SUVs - Area and U.S. Market, YTD 2023 thru September

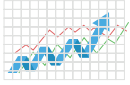


Market Share for Top 15 Selling Luxury SUVs - Area and U.S. Market, YTD 2023 thru September



Data sourced from Experian Automotive.

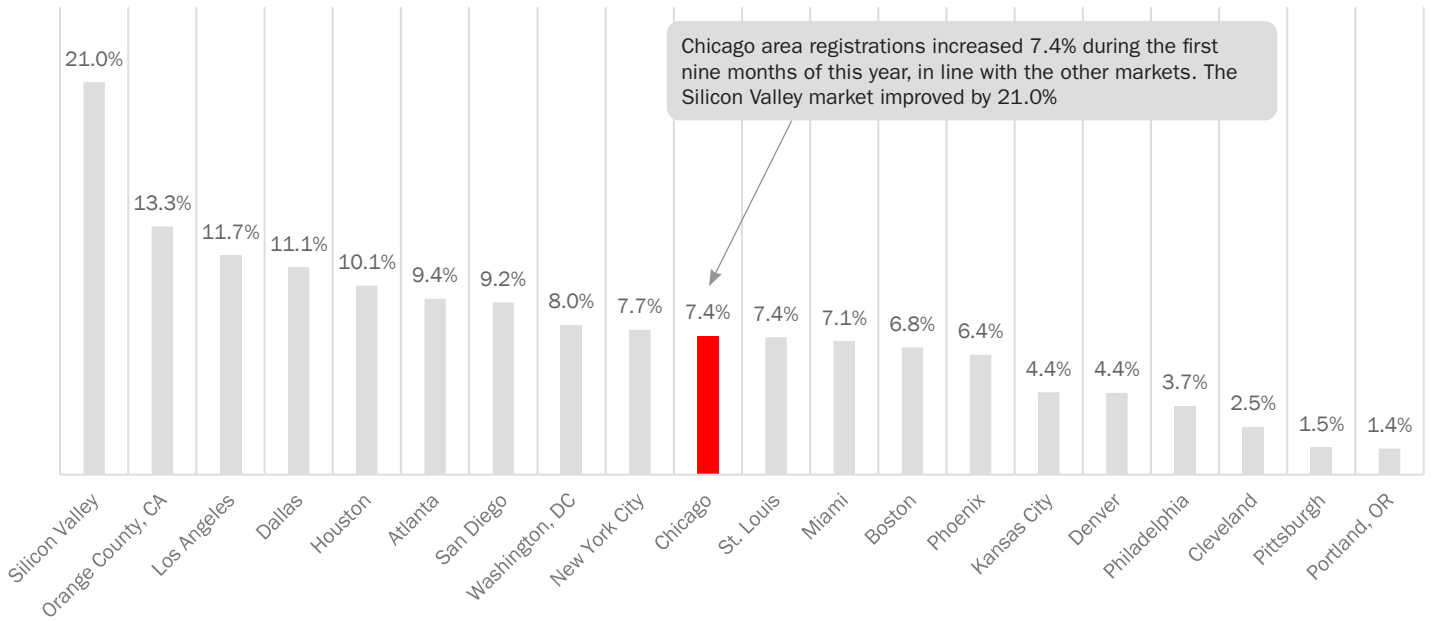
Comparison of Selected Metro Area Markets



Results in Area New Vehicle Markets

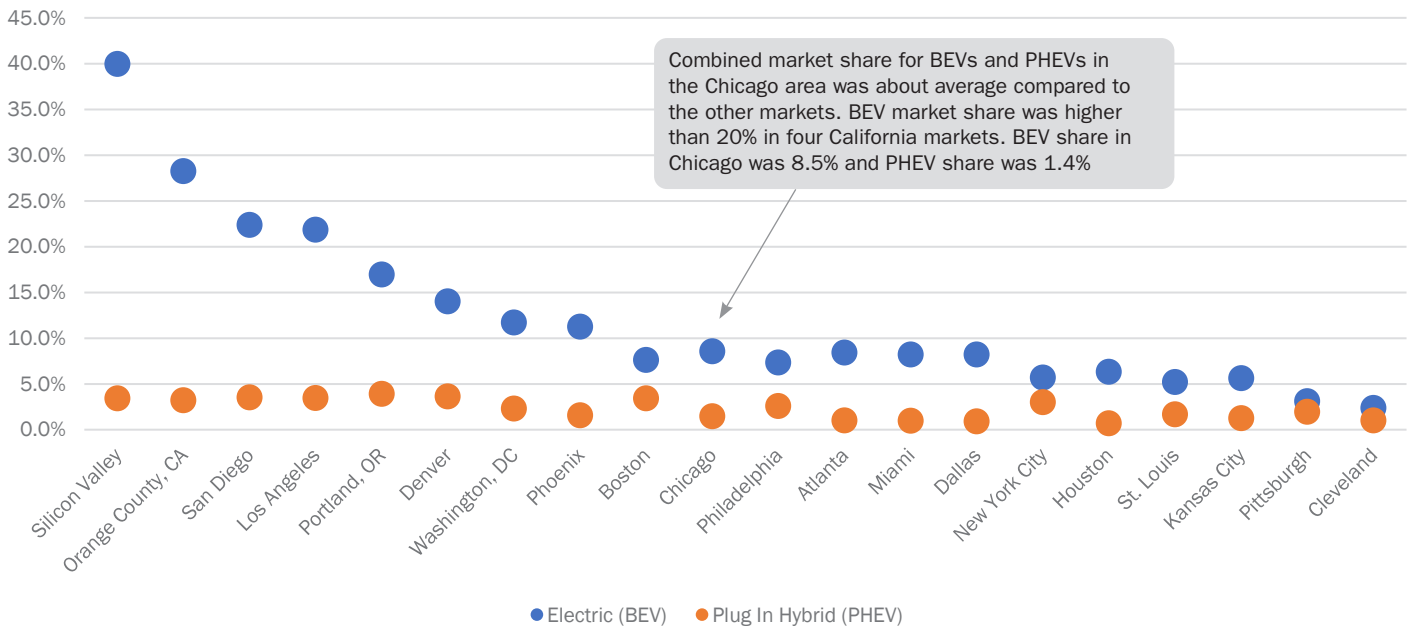
The graph below provides a comparison of how metro area new vehicle markets have performed so far this year. It shows the percent change in new retail light vehicle registrations during the first nine months of this year versus the same period a year earlier.

Percent Change in New Retail Light Vehicle Registrations - YTD 2023 vs. YTD 2022 (thru September)



Comparison of BEV and PHEV Market Share

Electric (BEV) and Plug in Hybrid (PHEV) Market Share - YTD 2023 thru September



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

COUNTY SCOREBOARD

Most County Markets Increased During First Nine Months of 2023

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 nine months of 2022 and 2023. Part 2 presents market shares for Domestic brands, and the top

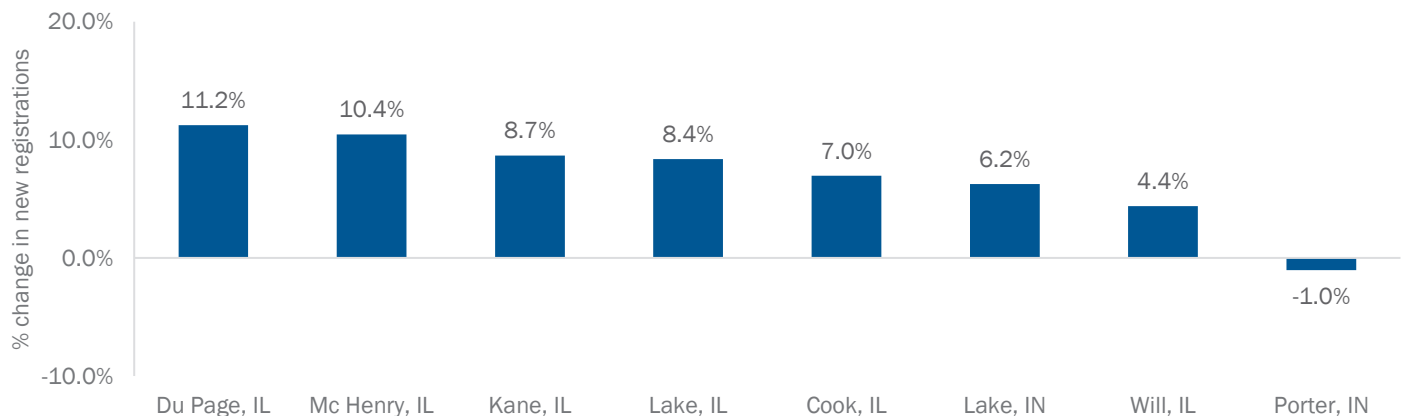
10 selling car and light truck brands in the Chicago Area. The top three ranked counties in each category are shaded.

Data sourced from Experian Automotive.

COUNTY MARKETS - PART 1							
	Year to date thru Sept.		Percent Change YTD '22 to YTD '23	Unit Change YTD '22 to YTD '23	Light Truck Market Share (%)		
	YTD '22	YTD '23			YTD '22	YTD '23	Change
Cook, IL	99,082	105,976	7.0%	6894	79.7	79.5	-0.2
Du Page, IL	28,028	31,178	11.2%	3150	79.7	79.6	-0.1
Kane, IL	13,478	14,647	8.7%	1169	80.3	79.5	-0.8
Lake, IL	21,205	22,979	8.4%	1774	79.1	79.4	0.3
Mc Henry, IL	8,074	8,917	10.4%	843	82.4	81.2	-1.2
Will, IL	22,138	23,108	4.4%	970	79.3	80.1	0.7
Lake, IN	11,030	11,719	6.2%	689	82.5	81.2	-1.3
Porter, IN	5,086	5,034	-1.0%	-52	84.7	82.9	-1.7

COUNTY MARKETS - PART 2														
Market Share Summary - YTD thru September														
	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	32.0	32.1	0.2	9.5	10.1	7.9	6.7	7.1	6.3	5.8	5.6	4.8	4.0	
Du Page, IL	33.1	33.5	0.4	10.7	8.9	6.2	7.5	6.9	6.5	7.8	4.3	4.5	3.4	
Kane, IL	36.9	35.4	-1.5	11.4	8.2	9.0	8.1	8.6	7.7	4.0	5.2	5.4	4.6	
Lake, IL	34.4	33.2	-1.2	9.7	9.4	7.9	6.3	5.8	7.0	6.9	4.8	4.9	4.1	
Mc Henry, IL	44.4	40.3	-4.1	11.4	7.8	10.4	10.4	7.9	6.9	3.4	5.5	5.1	5.4	
Will, IL	40.3	40.7	0.4	8.8	7.7	10.7	8.7	8.2	8.9	5.8	4.1	4.1	4.0	
Lake, IN	48.3	46.0	-2.3	9.6	7.6	15.4	12.3	5.9	8.1	1.7	4.3	4.6	4.5	
Porter, IN	48.9	47.3	-1.6	7.9	7.7	13.7	14.0	3.7	8.4	2.0	5.4	7.4	6.2	

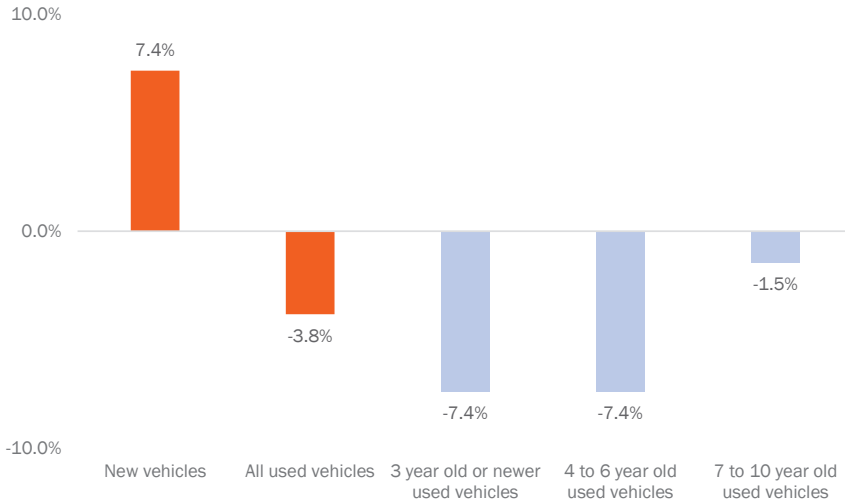
Percent Change in New Retail Registrations - YTD 2023 thru September vs. YTD 2022



CHICAGO AREA USED VEHICLE MARKET

Area Used Vehicle Market Declined 3.8%

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



THREE KEY TRENDS IN USED VEHICLE MARKET



- 01. The Chicago Area used vehicle market declined 3.8% during the first nine months of this year versus a year earlier, compared to the 7.4% increase in new vehicle registrations.
- 02. Elevated vehicle prices, tight supplies, and improving new vehicle inventories will likely prevent any near-term rebound in used vehicle sales.
- 03. As shown on the graph to the left, sales of older used vehicles held up relatively well so far this year. Used registrations of 7 to 10 year old vehicles decreased 1.5%. The 6 year old or newer market fell by 7.4%

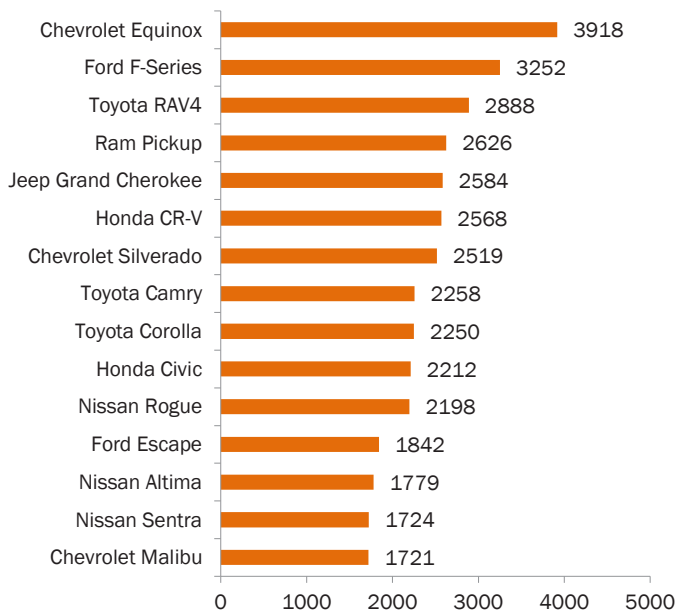
Data sourced from Experian Automotive.

TOP SELLING MODELS IN USED VEHICLE MARKET

Equinox and F-Series are Top Sellers in Area Used Vehicle Market

The two graphs below show the top 15 selling models in the Chicago Area for two age classifications: vehicles 4 years old or newer, and 5 to 8 year old vehicles. Data sourced from Experian Automotive.

Top 15 Selling Models for Vehicles 4 years Old or Newer
YTD 2023 thru Sept.



Top 15 Selling Models for 5 to 8 Year Old Vehicles
YTD 2023 thru Sept.

