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Colorado Automobile Dealers Association

# Colorado Auto Outlook™

Coverage of the Colorado new and used vehicle markets

## NEW VEHICLE MARKET FORECAST

### State Market Predicted to Increase 7.2% for Remainder of 2023

Below is a review of key trends in the Colorado new vehicle market.

#### Results during 1Q 2023

State new light vehicle registrations declined 3.4% during the first three months of 2023 vs. weak year-earlier levels. National retail market fell 1.0%. As shown on page 2, equivalent U.S. SAAR levels stayed below 14.2 million units, an indicator that state new vehicle sales remained subdued.

#### 2023 Forecast

According to the baseline forecast, registrations are expected to exceed 200,000 units this year, a 4.6% improvement from 2022. See sidebar to right for alternative upside and downside projections. Registrations are predicted to increase 7.2% from April thru December of this year versus the same period in 2022.

#### Key determinants for the market

During the past three years, the new vehicle market has been impacted by a series of speed bumps that have put the brakes on sales. The pandemic, supply chain issues, depleted inventories, rising interest rates, weakening consumer affordability, and concern over the banking system have pushed sales below trend levels. Despite this lengthy list, primary factors driving the market during 2023 are fairly evident. Fol-

lowing three years of below average sales, pent-up demand is at elevated levels as the volume of postponed purchases continues to grow. Weakening consumer affordability will hold back the release of pent-up demand, but improving vehicle inventories should be sufficient to push sales above current levels.

#### Battery Electric Vehicle sales gains

BEV market share in the state increased to 10.2% in the First Quarter of 2023, up from 7.1% a year earlier. Franchised dealership share of the BEV market improved by five share points so far this year (see page 4).

#### Light truck sales

There are signs that the climb in light truck market share could be reaching its peak. Light trucks (consisting of SUVs, pickups, and vans) accounted for 61.2% of the market in 2012, and increased to 86.9% last year. In the First Quarter of 2023, however, light truck share increased by just 1.2 points versus year earlier.

#### Brands that fared best in early 2023

Among the top 25 sellers in the state market, Buick, Kia, Mazda, Lexus, and Audi had the largest percentage gains in the First Quarter of this year. Toyota, Ford, Subaru Chevrolet, and Kia were market leaders.

#### Top selling models in Colorado State

Ford F-Series, Tesla Model Y, Toyota RAV4, Subaru Crosstrek, Ram Pickup, Toyota Tacoma, Chevrolet Silverado, GMC Sierra, Subaru Outback, and Subaru Forester were the top 10 sellers so far this year.

#### State economic conditions

Total employment in Colorado was 3.12 million, higher than pre-pandemic levels. Unemployment rate was just 2.9% (see page 3).

**Outlook for Colorado New Retail Light Vehicle Market**

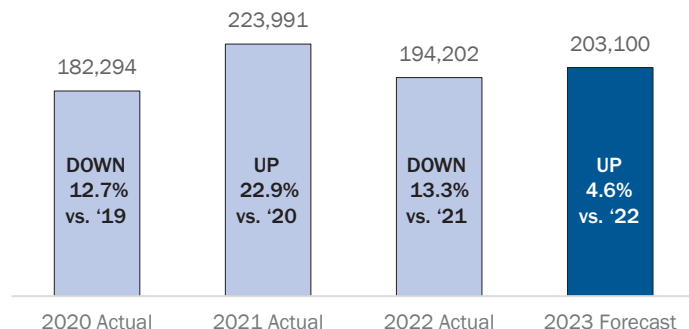
**2023 Annual Forecast**

Baseline scenario: 203,100 up 4.6% vs. '22

Alternative upside: 214,600 up 10.5% vs. '22

Alternative downside: 193,600 down 0.3% vs. '22

### Forecast for State New Retail Light Vehicle Registrations



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

### Market Summary

	YTD '22 March	YTD '23 March	% Chg. '22 to '23	Mkt. Share YTD '23
TOTAL	48,357	46,730	-3.4%	
Car	6,308	5,518	-12.5%	11.8%
Light Truck	42,049	41,212	-2.0%	88.2%
Domestic	18,437	17,955	-2.6%	38.4%
European	5,896	5,402	-8.4%	11.6%
Japanese	18,989	18,047	-5.0%	38.6%
Korean	5,035	5,326	5.8%	11.4%

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

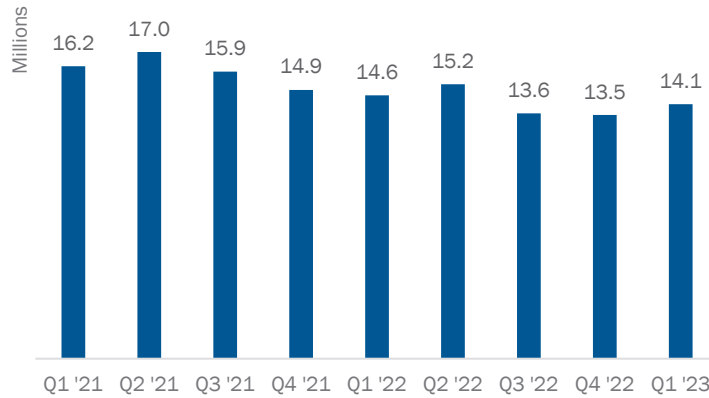


# Colorado New Vehicle Market Dashboard



## MARKET PERFORMANCE DURING PAST TWO YEARS

**Colorado 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 state 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 state market is strong, 15 million is about average, and below 13 million is weak. Equivalent SAAR levels in the state increased from 13.5 million in the Fourth Quarter of last year to 14.1 million in the First Quarter of this year.

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



## COLORADO MARKET VS. U.S.

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

**Colorado**  
**DOWN 3.4%**

**U.S.**  
**DOWN 1.0%**

New retail light vehicle registrations in the state declined 3.4% in the First Quarter of this year, slightly higher than the 1.0% drop in the Nation.

Data sourced from Experian Automotive.

### Colorado Auto Outlook

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PO Box 390, Exton, PA 19341  
Phone: 610-640-1233 EMail: jfoltz@autooutlook.com  
Editor: Jeffrey A. Foltz

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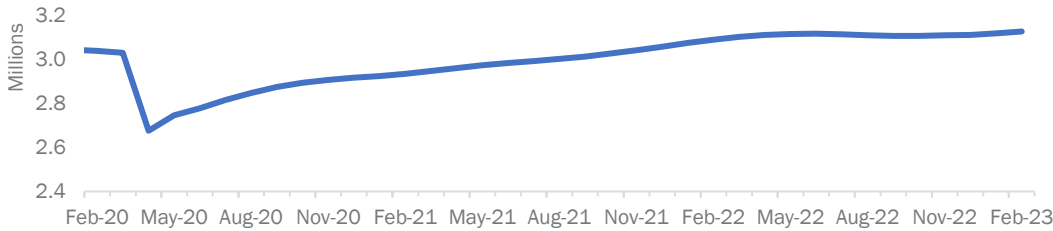
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# Colorado New Vehicle Market Dashboard



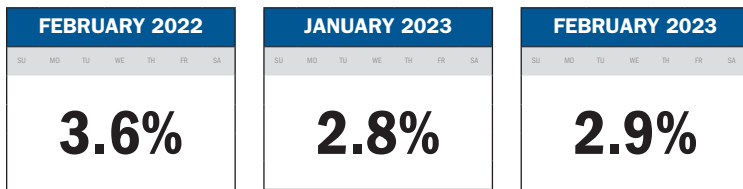
## TRACKING ECONOMIC INDICATORS

### Total Employment in Colorado



High inflation and rising interest rates have raised some concerns that the economy might be headed for recession, but at least so far, most indicators have remained relatively strong. State employment has returned to pre-pandemic levels and the unemployment rate was below 3.0% early this year. GDP growth has remained positive in each of the past two quarters and state wages are up considerably compared to year-earlier.

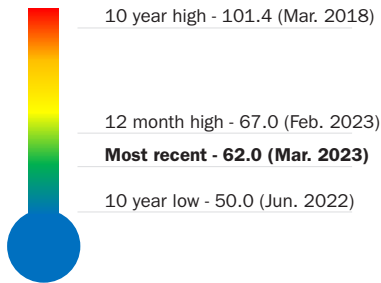
### Monthly Unemployment Rates in Colorado



### Average Hourly Earnings for All Workers in State - Feb. 2023

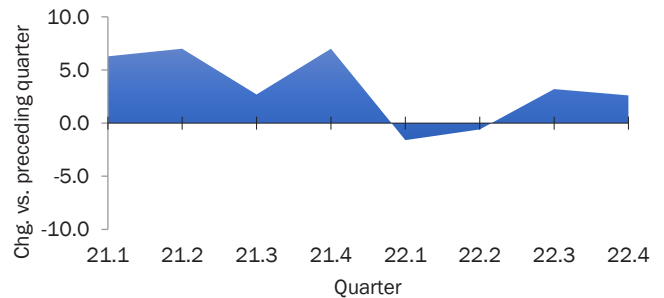


### University of Michigan Consumer Sentiment (U.S.)



Key Values During Past 10 Years

### Percent Change in U.S. Gross Domestic Product

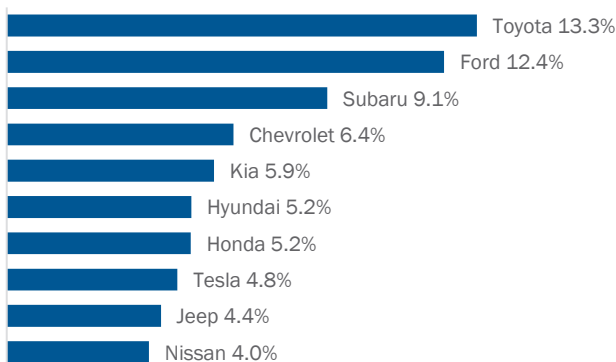


Sources: Bureau of Labor Statistics, University of Michigan, and U.S. Bureau of Econ. Analysis.

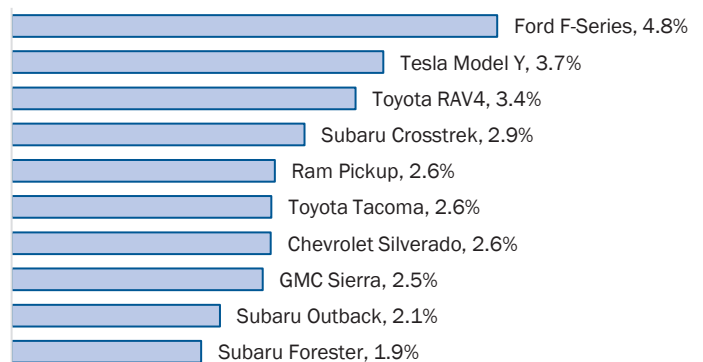


## TOP TEN RANKINGS IN STATE MARKET

### Market Share for Top Ten Selling Brands in State Market YTD 2023 thru March



### Market Share for Top Ten Selling Models in State Market YTD 2023 thru March

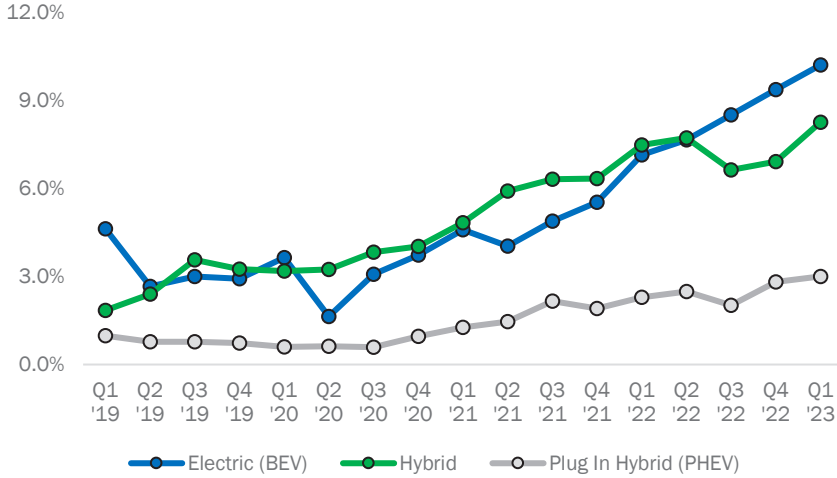


Data sourced from Experian Automotive.



# Vehicle Powertrain Dashboard

## Quarterly Alternative Powertrain Market Share in Colorado



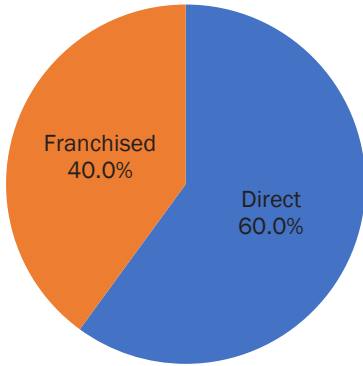
## YTD Share by Engine Type (2022 and 2023, thru March)

	Registrations		Market Share	
	YTD '22	YTD '23	YTD '22	YTD '23
Hybrid	3612	3852	7.5%	8.2%
Electric (BEV)	3448	4761	7.1%	10.2%
Plug In Hybrid (PHEV)	1106	1401	2.3%	3.0%

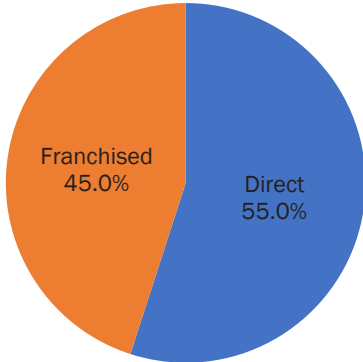
Data sourced from Experian Automotive. Hybrid vehicle market share excludes mild hybrids.

## Share of State BEV Market for Franchised Dealerships and Direct Sellers

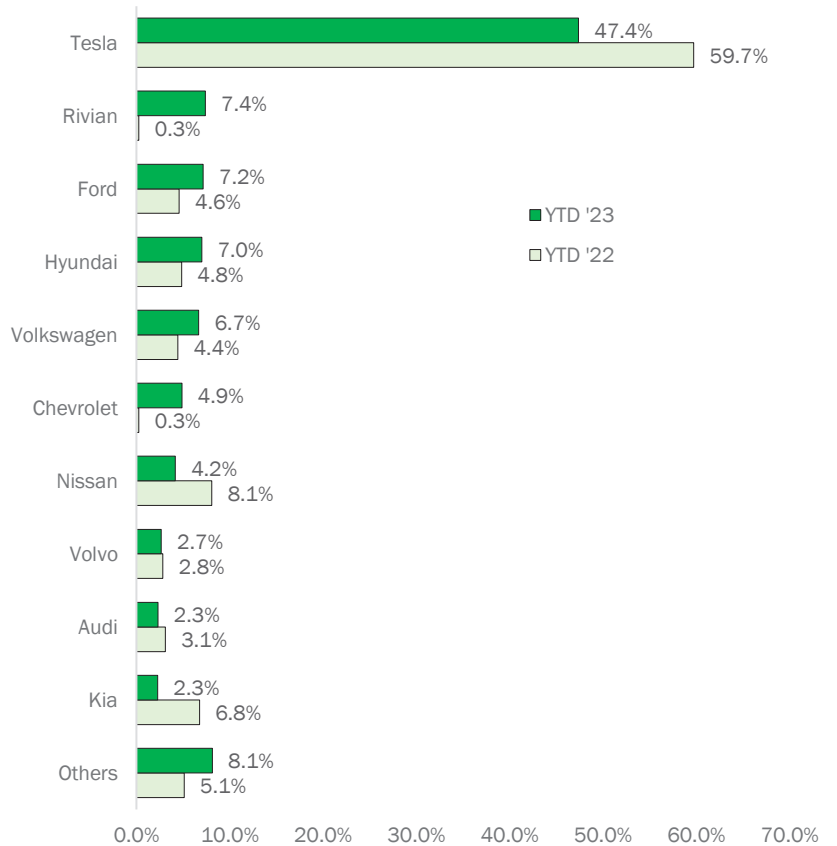
### YTD 2022 thru March



### YTD 2023 thru March



## Brand Share of Colorado BEV Market YTD 2022 and YTD 2023 thru March



**Observations:** Franchised dealership share of the Colorado BEV market increased from 40% during the first quarter of 2022 to 45% this year. Franchised dealership brand registrations were up 56% vs. the 26% increase for direct sellers. Tesla BEV market share declined 12.3 points, while registrations improved by less than 10%. Rivian was the second best-selling BEV brand so far this year. Data sourced from Experian Automotive.

Brand Registrations Report												
Colorado New Retail Car and Light Truck Registrations												
	First Quarter						Annual Totals					
	Registrations			Market Share (%)			Registrations			Market Share (%)		
	1Q '22	1Q '23	% change	1Q '22	1Q '23	Change	2021	2022	% change	2021	2022	Change
TOTAL	48,357	46,730	-3.4				223,991	194,202	-13.3			
Cars	6,308	5,518	-12.5	13.0	11.8	-1.2	30,736	25,435	-17.2	13.7	13.1	-0.6
Light Trucks	42,049	41,212	-2.0	87.0	88.2	1.2	193,255	168,767	-12.7	86.3	86.9	0.6
Domestic Brands	18,437	17,955	-2.6	38.1	38.4	0.3	85,800	74,314	-13.4	38.3	38.3	0.0
European Brands	5,896	5,402	-8.4	12.2	11.6	-0.6	27,420	23,323	-14.9	12.2	12.0	-0.2
Japanese Brands	18,989	18,047	-5.0	39.3	38.6	-0.7	89,823	74,785	-16.7	40.1	38.5	-1.6
Korean Brands	5,035	5,326	5.8	10.4	11.4	1.0	20,948	21,780	4.0	9.4	11.2	1.8
Acura	287	305	6.3	0.6	0.7	0.1	1,781	1,061	-40.4	0.8	0.5	-0.3
Alfa Romeo	34	26	-23.5	0.1	0.1	0.0	133	109	-18.0	0.1	0.1	0.0
Audi	823	930	13.0	1.7	2.0	0.3	4,224	3,324	-21.3	1.9	1.7	-0.2
BMW	1,053	1,144	8.6	2.2	2.4	0.2	5,003	4,448	-11.1	2.2	2.3	0.1
Buick	218	413	89.4	0.5	0.9	0.4	2,070	1,042	-49.7	0.9	0.5	-0.4
Cadillac	254	281	10.6	0.5	0.6	0.1	1,391	1,109	-20.3	0.6	0.6	0.0
Chevrolet	2,743	2,996	9.2	5.7	6.4	0.7	15,203	12,507	-17.7	6.8	6.4	-0.4
Chrysler	93	86	-7.5	0.2	0.2	0.0	484	360	-25.6	0.2	0.2	0.0
Dodge	312	220	-29.5	0.6	0.5	-0.1	1,597	1,117	-30.1	0.7	0.6	-0.1
Ford	5,483	5,776	5.3	11.3	12.4	1.1	25,071	21,959	-12.4	11.2	11.3	0.1
Genesis	126	152	20.6	0.3	0.3	0.0	622	637	2.4	0.3	0.3	0.0
GMC	1,843	1,846	0.2	3.8	4.0	0.2	8,563	7,793	-9.0	3.8	4.0	0.2
Honda	2,874	2,431	-15.4	5.9	5.2	-0.7	17,313	10,594	-38.8	7.7	5.5	-2.2
Hyundai	2,910	2,437	-16.3	6.0	5.2	-0.8	11,021	10,957	-0.6	4.9	5.6	0.7
Infiniti	120	176	46.7	0.2	0.4	0.2	792	570	-28.0	0.4	0.3	-0.1
Jaguar	40	33	-17.5	0.1	0.1	0.0	254	153	-39.8	0.1	0.1	0.0
Jeep	3,012	2,037	-32.4	6.2	4.4	-1.8	12,773	10,722	-16.1	5.7	5.5	-0.2
Kia	1,999	2,737	36.9	4.1	5.9	1.8	9,305	10,186	9.5	4.2	5.2	1.0
Land Rover	245	265	8.2	0.5	0.6	0.1	1,444	865	-40.1	0.6	0.4	-0.2
Lexus	825	938	13.7	1.7	2.0	0.3	3,722	3,222	-13.4	1.7	1.7	0.0
Lincoln	209	253	21.1	0.4	0.5	0.1	1,479	941	-36.4	0.7	0.5	-0.2
Maserati	18	14	-22.2	0.0	0.0	0.0	69	78	13.0	0.0	0.0	0.0
Mazda	1,483	1,716	15.7	3.1	3.7	0.6	6,079	5,372	-11.6	2.7	2.8	0.1
Mercedes	894	759	-15.1	1.8	1.6	-0.2	4,768	3,801	-20.3	2.1	2.0	-0.1
MINI	182	129	-29.1	0.4	0.3	-0.1	570	604	6.0	0.3	0.3	0.0
Mitsubishi	159	157	-1.3	0.3	0.3	0.0	518	574	10.8	0.2	0.3	0.1
Nissan	1,826	1,879	2.9	3.8	4.0	0.2	9,517	7,188	-24.5	4.2	3.7	-0.5
Other	39	45	15.4	0.1	0.1	0.0	196	169	-13.8	0.1	0.1	0.0
Polestar	103	32	-68.9	0.2	0.1	-0.1	74	363	390.5	0.0	0.2	0.2
Porsche	196	285	45.4	0.4	0.6	0.2	1,187	1,003	-15.5	0.5	0.5	0.0
Ram	2,200	1,430	-35.0	4.5	3.1	-1.4	10,637	7,735	-27.3	4.7	4.0	-0.7
Rivian	9	351		0.0	0.8	0.8	0	785		0.0	0.4	0.4
Subaru	4,489	4,234	-5.7	9.3	9.1	-0.2	21,260	18,161	-14.6	9.5	9.4	-0.1
Tesla	2,059	2,255	9.5	4.3	4.8	0.5	6,532	8,222	25.9	2.9	4.2	1.3
Toyota	6,926	6,211	-10.3	14.3	13.3	-1.0	28,841	28,043	-2.8	12.9	14.4	1.5
Volkswagen	1,705	1,280	-24.9	3.5	2.7	-0.8	6,846	6,388	-6.7	3.1	3.3	0.2
Volvo	566	471	-16.8	1.2	1.0	-0.2	2,652	2,040	-23.1	1.2	1.1	-0.1
Ford Bronco	1,193	1,387	16.3	2.5	3.0	0.5	2,508	4,790	91.0	1.1	2.5	1.4

Data sourced from Experian Automotive. Ford Bronco total above includes Bronco Sport and Bronco registrations.

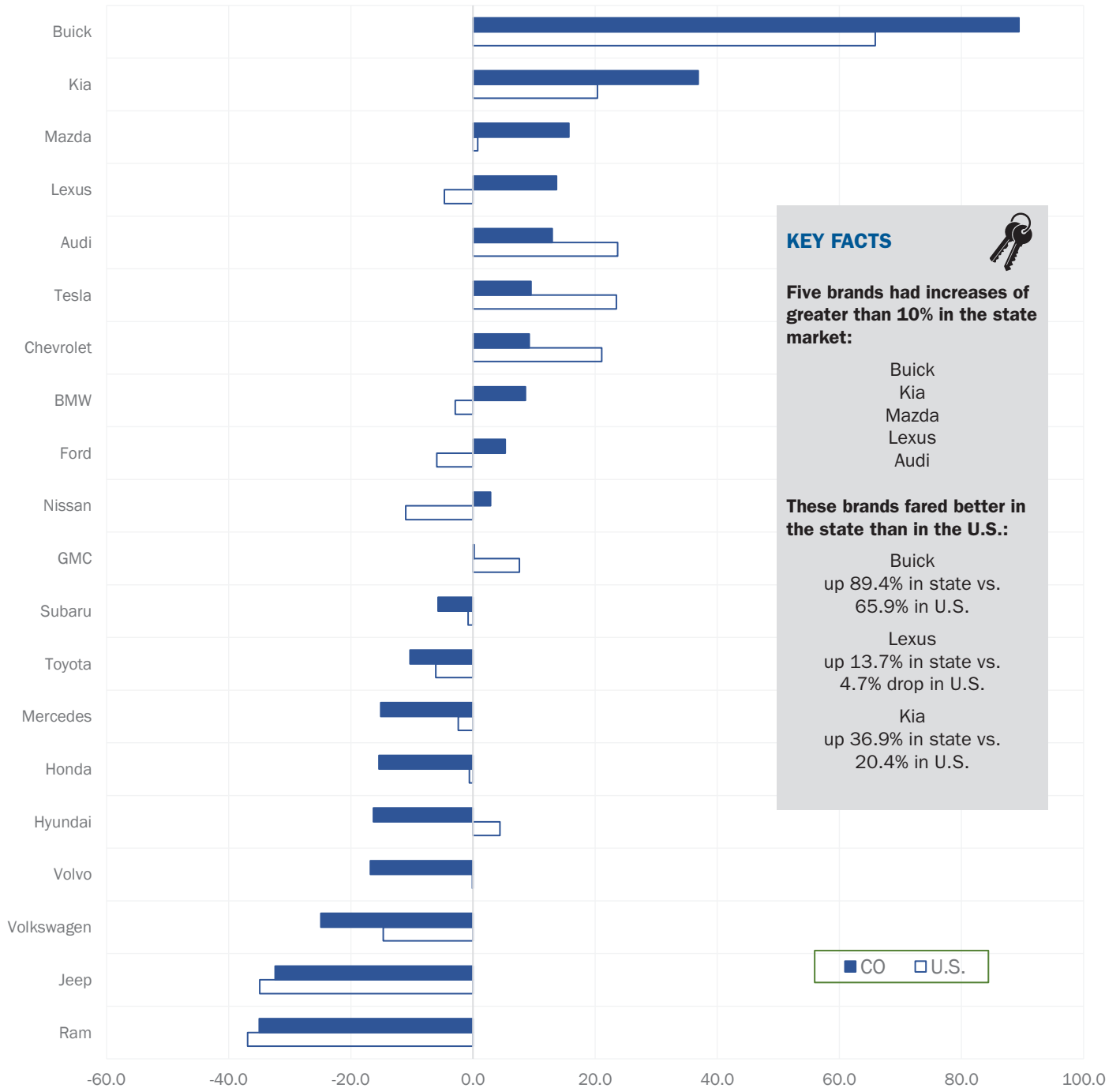
The table shows new retail light vehicle (car and light truck) registrations in the Colorado market. Figures are shown for the 1st Quarters of '22 and '23, and annual totals for 2021 and 2022. The top ten ranked brands in each change category are shaded yellow.

**BRAND SCOREBOARD**

# Buick, Kia, and Mazda Had Largest Gains in State Market

The graph below shows the percent change in new retail light vehicle registrations during the first three months of this year versus the same period a year earlier in both the state (solid blue bars) and U.S. (blue outlined bars). Brands are shown from top to bottom based on the change in state registrations. Data sourced from Experian Automotive.

**Percent Change in Colorado and U.S. New Retail Light Vehicle Registrations (Top 20 Selling Brands in State) YTD 2023 thru March vs. YTD 2022**



**KEY FACTS** 

**Five brands had increases of greater than 10% in the state market:**

- Buick
- Kia
- Mazda
- Lexus
- Audi

**These brands fared better in the state than in the U.S.:**

- Buick up 89.4% in state vs. 65.9% in U.S.
- Lexus up 13.7% in state vs. 4.7% drop in U.S.
- Kia up 36.9% in state vs. 20.4% in U.S.

■ CO □ U.S.

**BRAND SEGMENT MARKET SHARES**

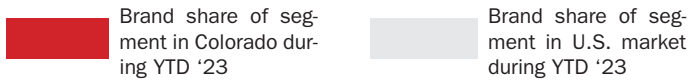
**Top Selling Brands in 7 Primary Segments**



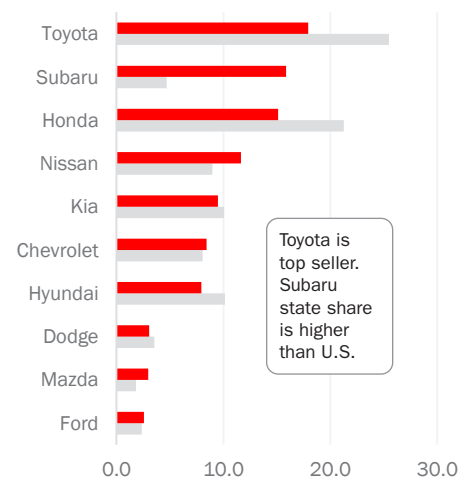
The seven graphs on this page show brand market share in seven key segments in the First Quarter 2023 in both the Colorado and U.S. markets. State percent share is depicted by the red bars, U.S. share is light gray. Top ten brands in each segment are ranked from top to bottom based on Colorado market 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.

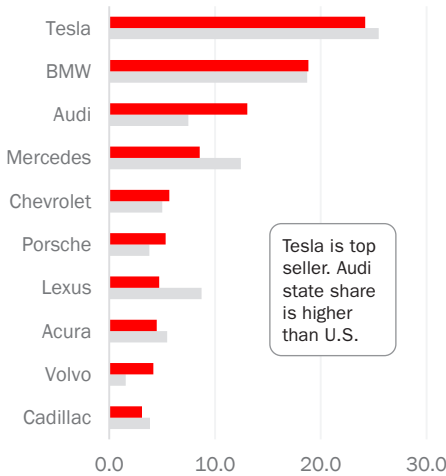
**Legend for all graphs**



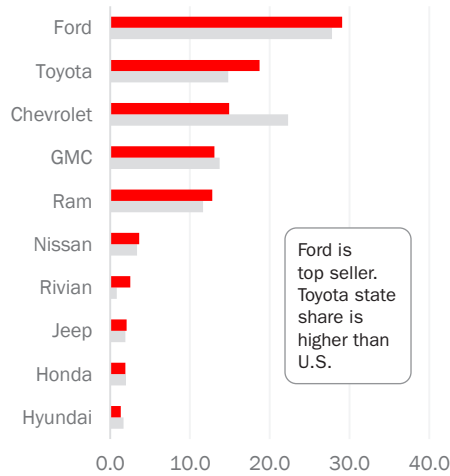
**Non Luxury Cars**



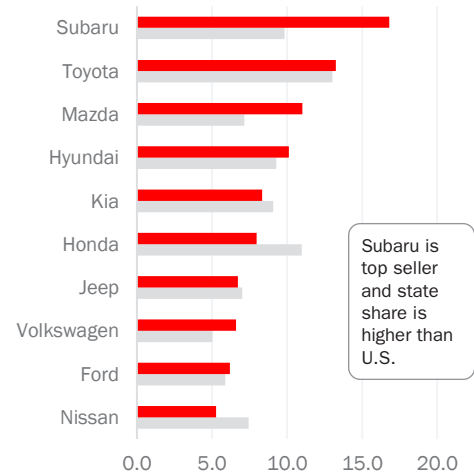
**Luxury and Sports Cars**



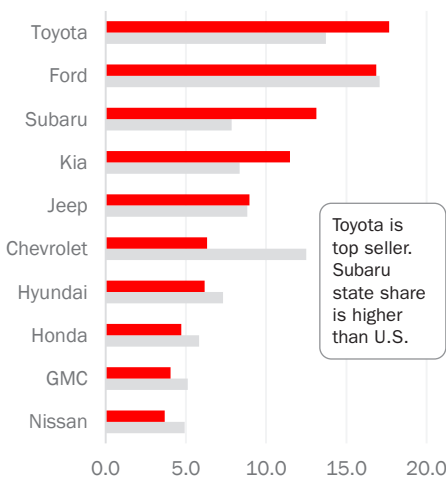
**Pickups**



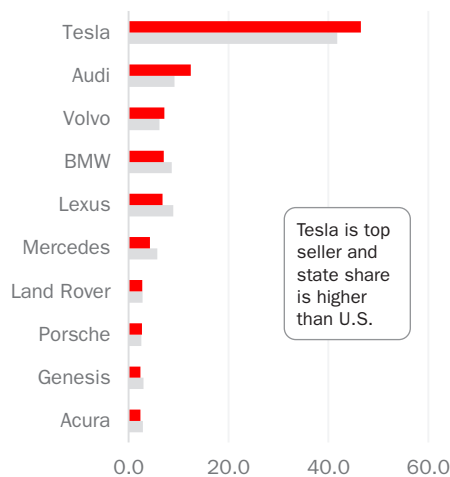
**Small Non Luxury SUVs**



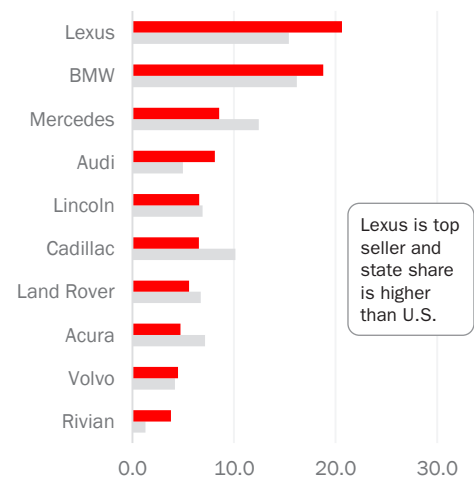
**Mid and Full Size Non Luxury SUVs**



**Small Luxury SUVs**



**Mid and Full Size Luxury SUVs**



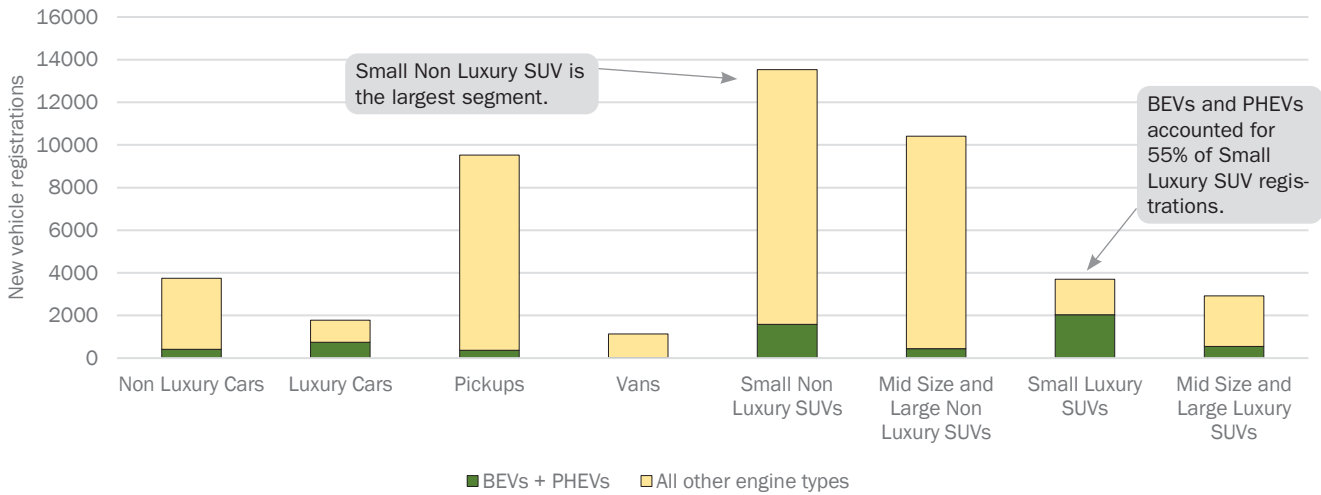
LARGEST SEGMENTS

# Breakdown of Brand Registrations by Vehicle Type



The graph below shows new vehicle registrations in Colorado for each primary market segment. The green shaded section in each bar represents BEV (battery electric vehicle) and PHEV (plug-in hybrid electric vehicle) registrations. Yellow shading consists of all other powertrain types (gasoline, diesel, hybrid, mild hybrid, and alternative fuels). Data sourced from Experian Automotive.

**New Vehicle Registrations by Segment and Powertrain Type - YTD 2023 thru March**

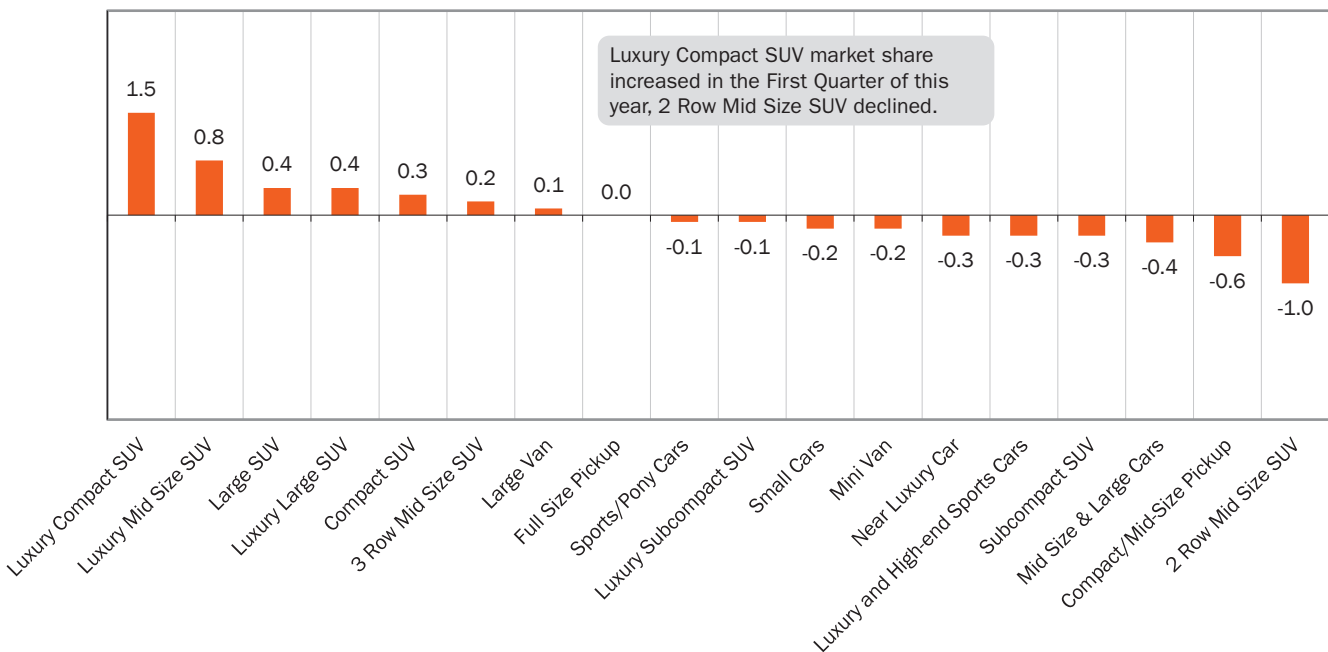


Data sourced from Experian Automotive.

CHANGE IN SEGMENT MARKET SHARE

## Luxury Compact SUV Segment Had Largest Gain in 1Q 2023

**Change in Segment Market Share - YTD 2023 thru March vs. YTD 2022**



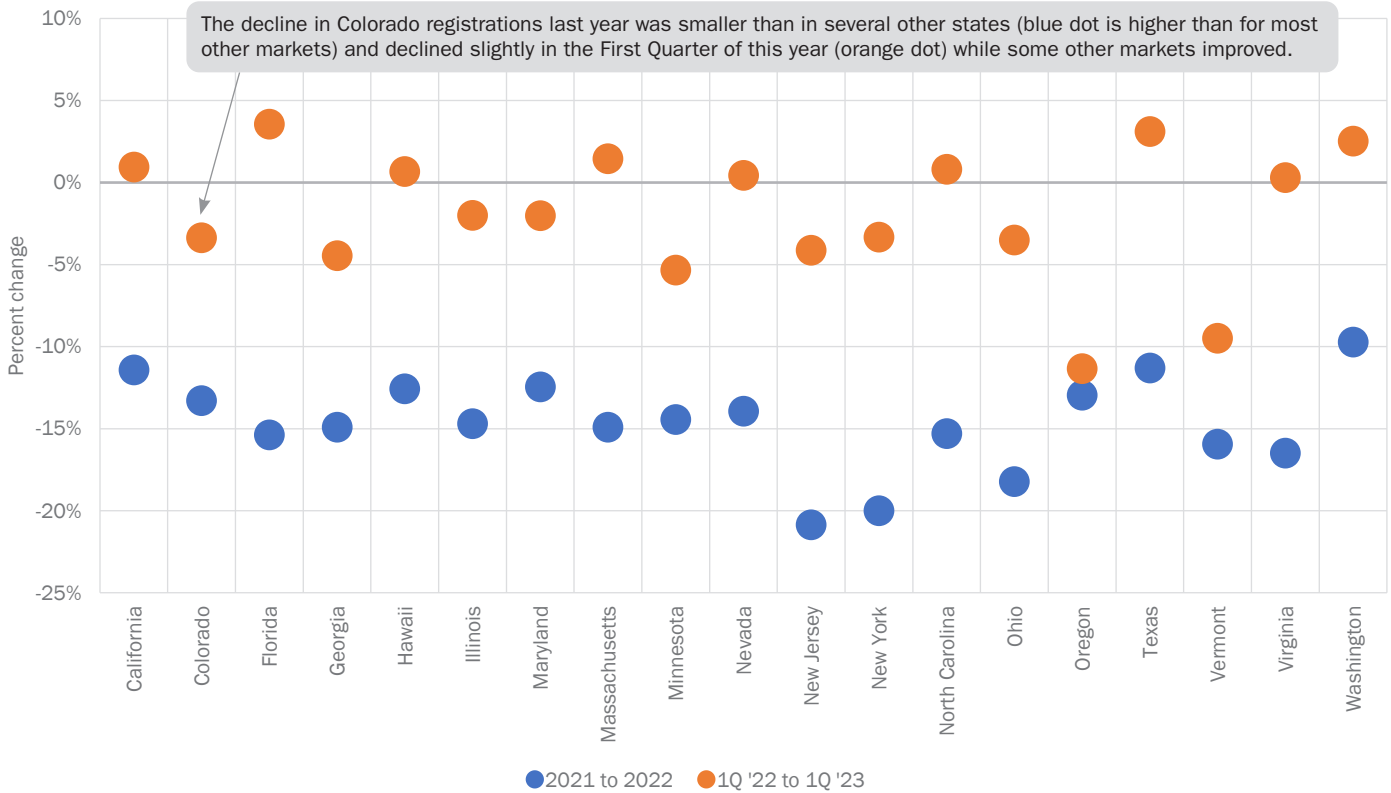
Data sourced from Experian Automotive.



# Comparison of Selected State Markets



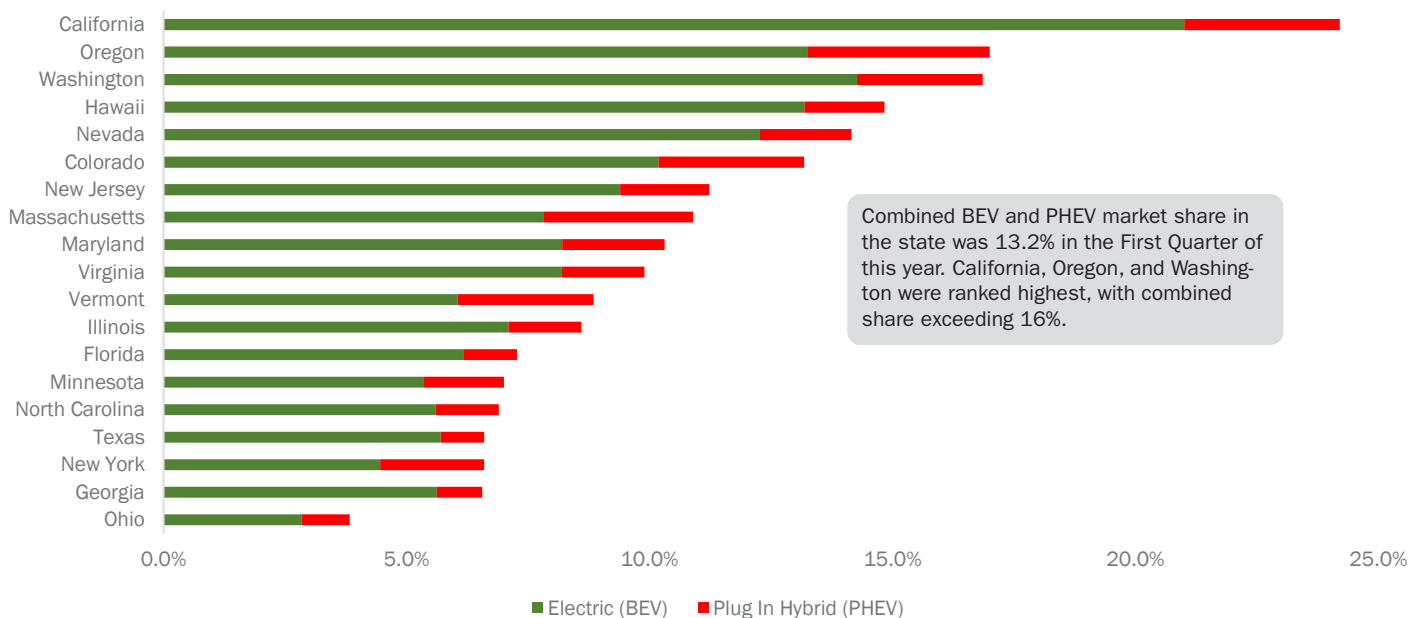
Percent Change in New Vehicle Registrations from 2021 to 2022, and from 1Q 2022 to 1Q 2023



The graph above provides a comparison of how state new vehicle markets performed last year and in the First Quarter of this year. The blue dots on the graph represent the percent change in new vehicle registrations from 2021 to 2022, and the orange dots show the change from the First Quarter of 2022 to the First Quarter of this year. Orange dots are higher for all markets, reflecting relative improvement in sales early this year compared to results last year. Data sourced from Experian Automotive.



Electric (BEV) and Plug in Hybrid (PHEV) Market Share During 1Q '23



Data sourced from Experian Automotive.

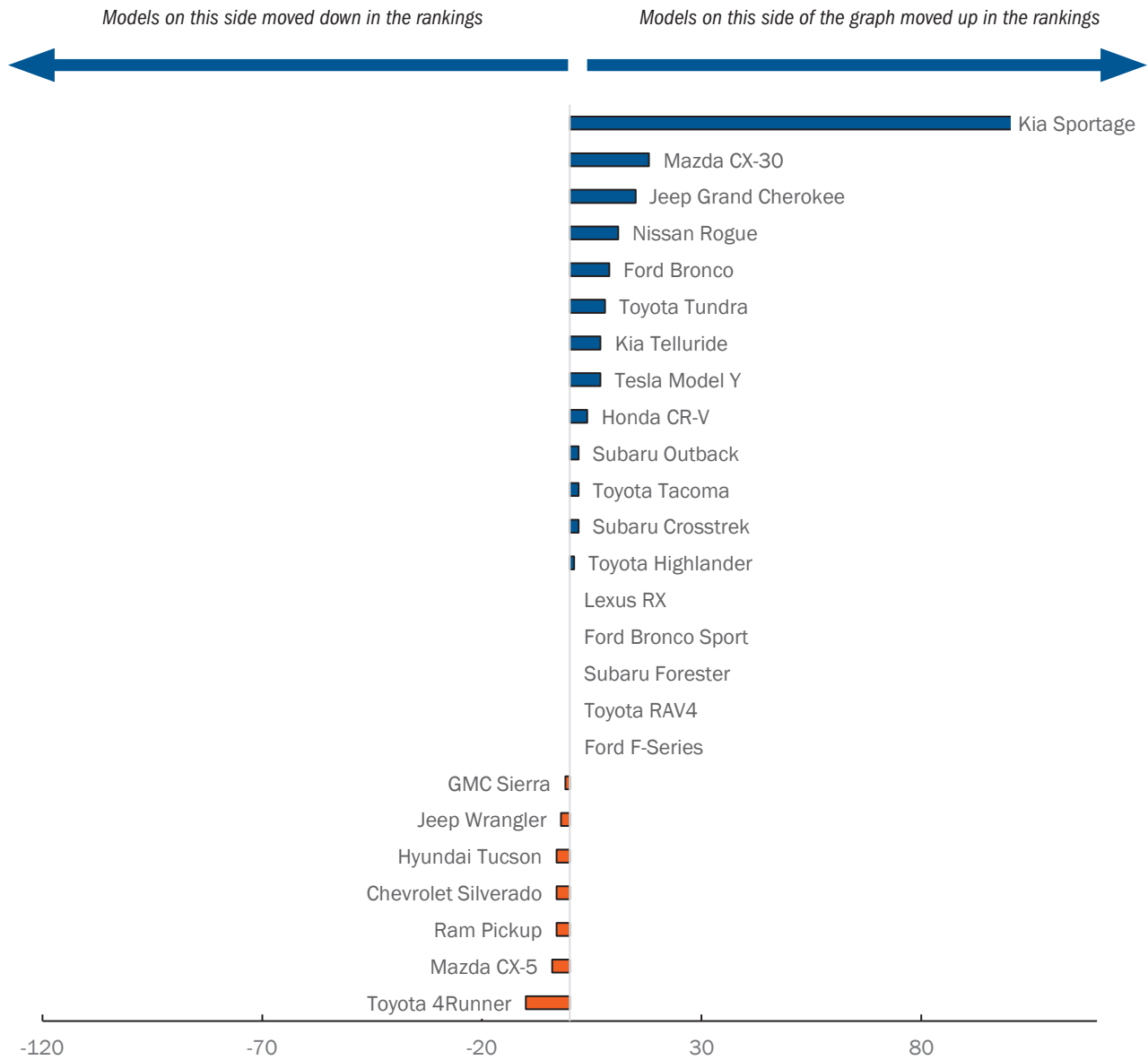
CHANGE IN MODEL RANKINGS



# Kia Sportage Moved Up in Rankings

The graph below shows the change in rankings during the first three months of 2022 to the same period this year for the top 25 selling models in the Colorado market. Models are positioned on the graph from top to bottom based on the change in rankings. The biggest gainers were the Kia Sportage, Mazda CX-30, and Jeep Grand Cherokee. Models moving up in the rankings most likely had some improvement in inventories so far this year versus year earlier.

### Change in Rankings for Top 25 Selling Models - YTD '22 thru March to YTD '23



Change in rankings from YTD '22 to YTD '23

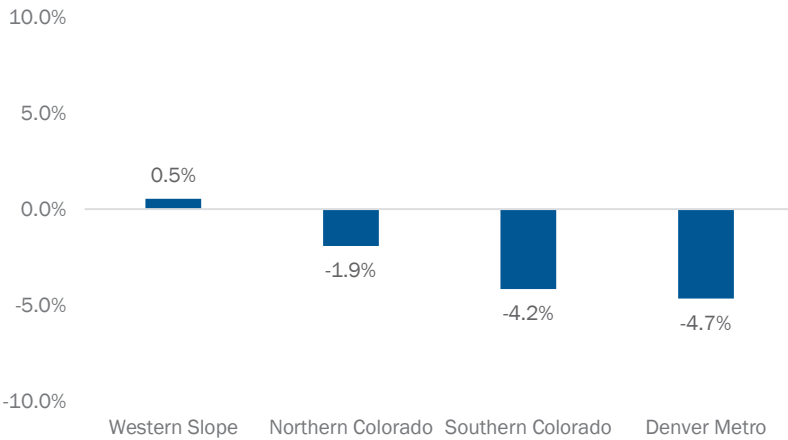
Data sourced from Experian Automotive.

# Review of Regional New Vehicle Markets in Colorado

New Retail Light Vehicle Registrations in Regional Markets											
	Year to date thru March			Light truck market share (%)			Market share for top 5 selling brands in state				
	YTD '22	YTD '23	% change	YTD '22	YTD '23	change	Toyota	Ford	Subaru	Chevrolet	Kia
Denver Metro	28,488	27,163	-4.7%	86.4	87.8	1.3	13.3	10.2	9.1	5.3	5.9
Northern Colorado	6,092	5,975	-1.9%	87.5	88.8	1.3	12.6	14.3	8.8	6.8	7.3
Southern Colorado	6,446	6,178	-4.2%	84.3	84.8	0.5	11.5	12.6	9.1	6.0	6.9
Western Slope	4,793	4,819	0.5%	91.2	92.1	0.9	16.4	18.0	10.5	9.2	3.2

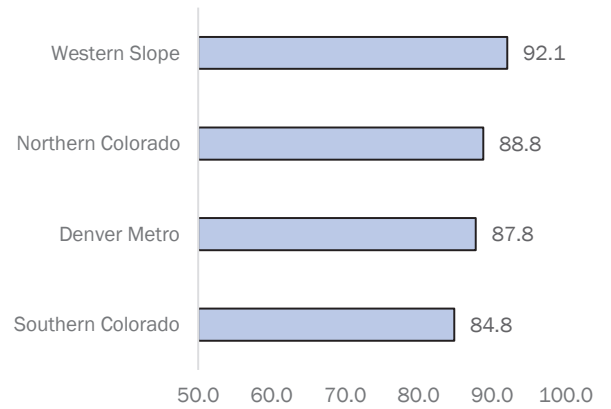
Data sourced from Experian Automotive.

**Percent Change In New Vehicle Registrations YTD 2023 thru March v. YTD 2022**



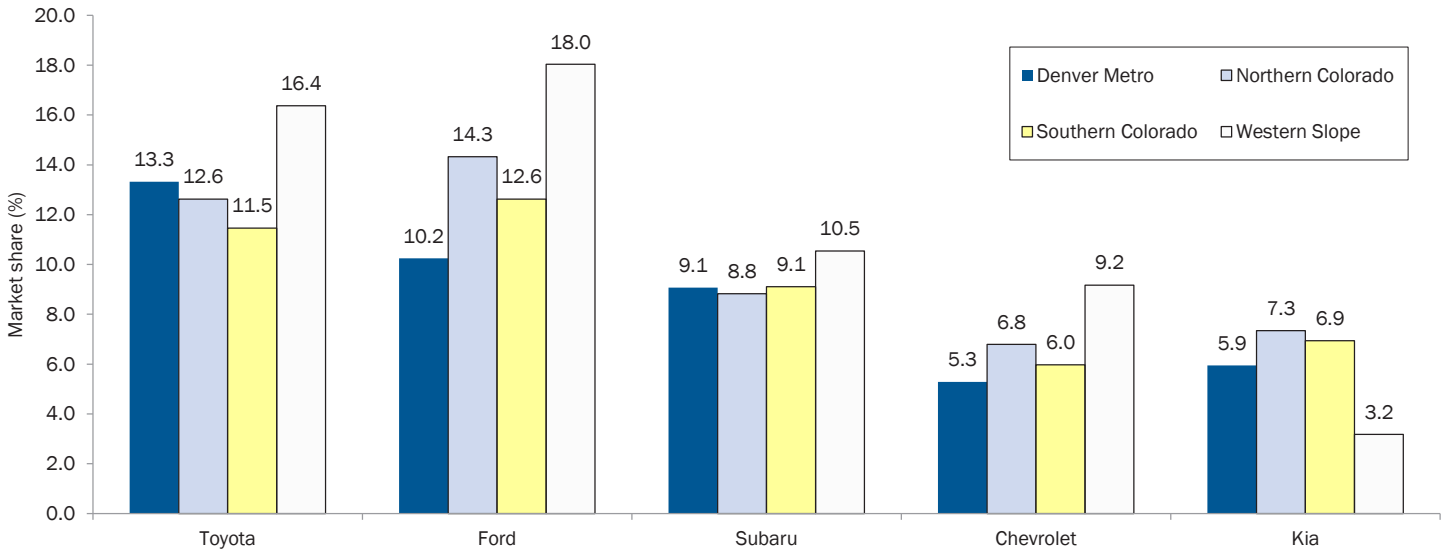
Data sourced from Experian Automotive.

**Light Truck Share in Regional Markets YTD 2023 thru March**



Data sourced from Experian Automotive.

**Regional Market Share for Top 5 Selling Brands in State - YTD 2023 thru March**

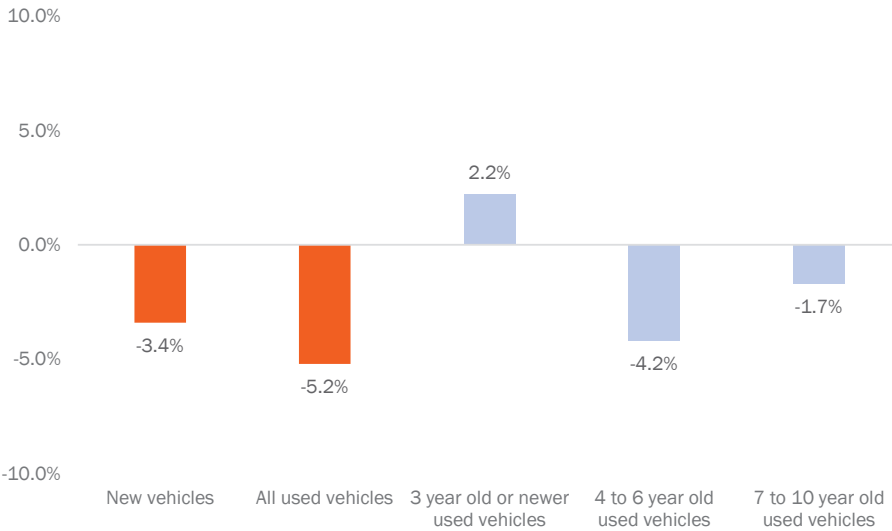


Data sourced from Experian Automotive.

COLORADO USED VEHICLE MARKET

Colorado Used Vehicle Market Declined by 5.2% in 1Q '23

Percent Change in New and Used Vehicle Registrations  
YTD 2023 thru March V. YTD 2022



FOUR KEY TRENDS IN USED VEHICLE MARKET



01. The Colorado used vehicle market declined by 5.2% in the First Quarter of this year versus a year earlier, steeper than the 3.4% drop in the new vehicle market.
02. Used vehicle market should continue to under-perform the new vehicle market for the remainder of the year.
03. As shown on the graph to the left, the three year old or newer market held up relatively well early this year. Used registrations of three year old or newer vehicles increased 2.2% while registrations for older vehicles moved lower.
04. Ford F-Series and Ram Pickup are top sellers in the state used vehicle market (see graphs below). Toyota RAV4 and 4Runner rank third and fourth for 4 year old or newer vehicles.

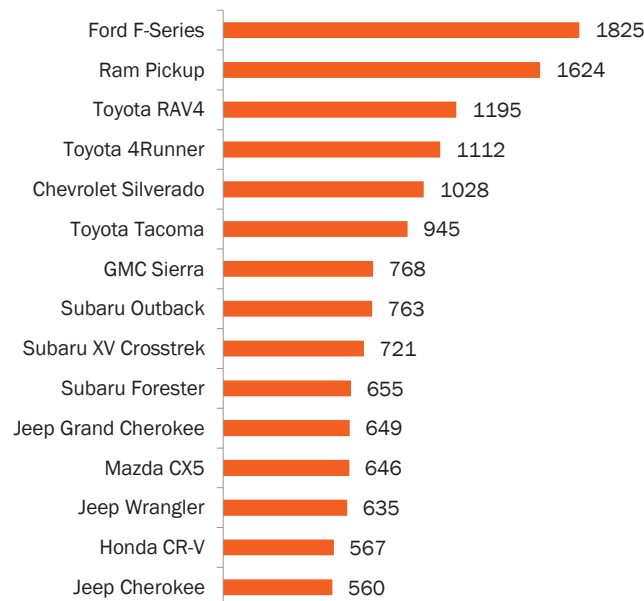
Data sourced from Experian Automotive.

TOP SELLING MODELS IN USED VEHICLE MARKET

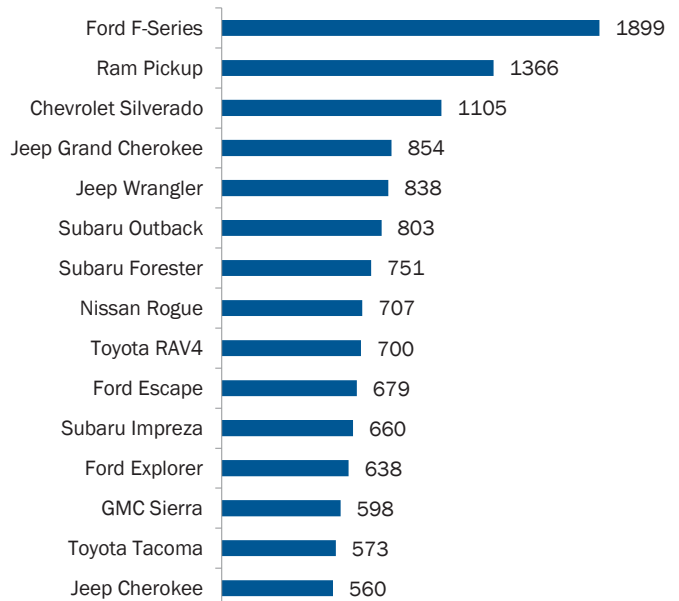
F-Series and Ram Pickup are Top Sellers in Used Vehicle Market

The two graphs below show the top 15 selling models in Colorado for two age classifications: vehicles four years old or newer, and 5 to 8 year old vehicles. Ford F-Series and Ram Pickup ranked first and second in each category.

Top 15 Selling Models for Vehicles 4 years Old or Newer  
YTD 2023 Registrations thru March



Top 15 Selling Models for 5 to 8 Year Old Vehicles  
YTD 2023 Registrations thru March



Data sourced from Experian Automotive.