

College Students are **76%** more likely to get a **GPA of 3.5** or higher

Source: 2009 WSJ Student Survey

THE WALL STREET JOURNAL

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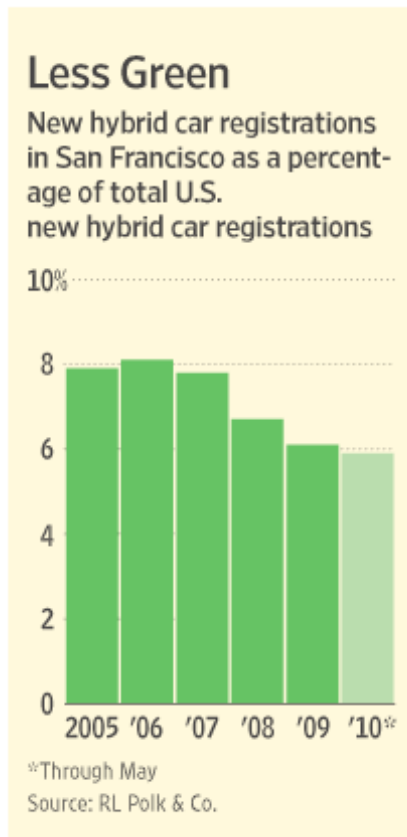
SAN FRANCISCO BAY AREA | AUGUST 19, 2010

# Hybrids Running Out of Gas

By [PUI-WING TAM](#)

Despite the region's eco-friendly image, the appetite for fuel-efficient hybrid cars in the Bay Area appears to be on the decline.

According to [R.L. Polk & Co.](#), which analyzes the auto industry, new hybrid-car registrations in the San Jose-San Francisco-Oakland area have steadily declined since peaking in 2007. That year in the region, there were new 27,292 registrations of hybrid cars, which are more fuel-efficient than cars that run only on gasoline. By 2009, that number had dropped 36%, to 17,575 registrations. This year through May, there have been 6,306 registrations of hybrid cars in the Bay Area, Polk reports.



The falloff mirrors a national trend. Hit by the recession, hybrid car registrations nationwide also peaked in 2007, at 350,701, and fell around 17% to 288,952 last year, Polk says, as auto sales overall declined in the economic downturn.

But the Bay Area's hybrid-registration falloff was steeper than the nationwide drop. And the region's share of nationwide hybrid car registrations has shrunk over the past few years, with the Bay Area making up 6.1% of the overall U.S. share last year, down from 7.8% in 2007 and 8.1% in 2006, says Polk.

Lonnie Miller, a Polk analyst, says California is still the country's biggest hybrid-car market but that demand for the vehicles ebbed as the economy weakened and the novelty of hybrids wore off. In the Bay Area, some reasons for buying a hybrid are no longer relevant. For instance, a hybrid previously entitled drivers to a sticker that allowed them to drive in the carpool lane, but the rules have changed.

A wave of new alternative-fuel vehicles also is siphoning off some hybrid buyers. Tom Gillis, a Cisco Systems Inc. executive who lives in Los Altos, earlier this year decided against a hybrid and went for a Roadster by electric-car maker [Tesla Motors Inc.](#)

"Hybrids are boring," says the 45-year-old Mr. Gillis, who paid more than \$100,000 for the Roadster. "Electric cars are so exciting. It's like taking a roller-coaster to work."

John Horton, president of San Francisco [Toyota](#), says sales of hybrid cars from his dealership, especially the Prius, remain strong. In July, the dealership sold 240 new vehicles, of which 102 were Priuses, he says. He notes that all car sales are down, post-recession, and that hybrids are no exception, adding that the rest of the country is just catching up to how popular hybrids have been in the Bay Area.

One recent hybrid buyer from Mr. Horton's dealership is Joel Fugazzotti, a 67-year-old retiree in Kentfield. A Prius owner since 2004, he says he snapped up a new, \$28,000 Prius model in May without even considering any other car.

"I just like them a lot," he says. "It's a good way to save on gas, and I figured I wasn't polluting the environment as much."

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