

Industry Insights Report

Q1 2025 Auto Market Review

March Auto Sales Soar to 6th-Highest in 50 Years as Tariff Concerns Fuel Early Demand

March 2025 is the sixth-highest March for new-car sales since 1976 — driven by pre-tariff buying activity. March sales grew 11% YoY, pushing the Q1 average up 4.8% YoY despite a softer 1% gain for January and February.

New-vehicle unit sales increased 5% YoY in Q1*, indicating strong consumer demand even as financing grew more expensive.

New-car supply rose 9% YoY in Q1, however Q1 supply was not impacted by tariffs, which went into effect in April.

Average new-car prices hold steady at ~\$49,000 for the last 18 months — nearly 30% higher than pre-pandemic levels. With tariffs looming, this plateau may be disrupted as automakers shift production and trim mixes, especially for entry-priced vehicles.

New cars are spending 20% longer on dealer lots, averaging 78 days in the first quarter of 2025, in line with pre-pandemic norms from the same time in 2019.

4.8% YoY

**Q1 New-Car
Sales**

Sales Statistics from the
U.S. Bureau of Economic Analysis

9.1% YoY

**Q1 New-Car
Supply**

Marketplace inventory

20% YoY

78 Days Average
**Q1 New-Car
Days Live**

Live on site

0% YoY

\$48,906 Average
**Q1 New-Car
Price**

List price

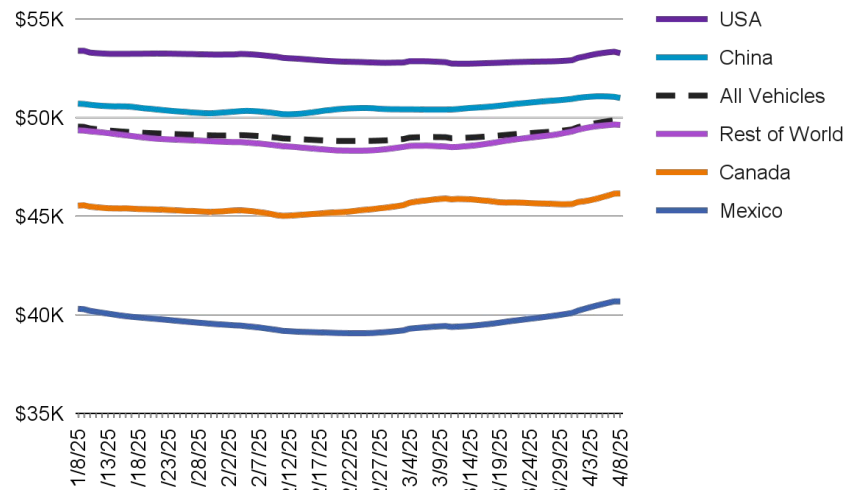
America's Most Affordable Vehicles Are Imported From Mexico and Canada

Can Americans afford to buy American? Vehicles assembled in U.S. factories carry a higher average price than imports from other major manufacturing regions.

	Week of Apr 2-8		Price vs. USA	
	Inventory Share %	Price	%	\$
USA	52.9%	\$53,267		
China	1.4%	\$50,997	-4.3%	-\$2,270
All Vehicles	100%	\$49,826	-6.5%	-\$3,441
Rest of World	23.8%	\$49,631	-6.8%	-\$3,636
Canada	4.0%	\$46,148	-13.4%	-\$7,119
Mexico	18.0%	\$40,679	-23.6%	-\$12,588

New-Car Price by Country of Final Assembly

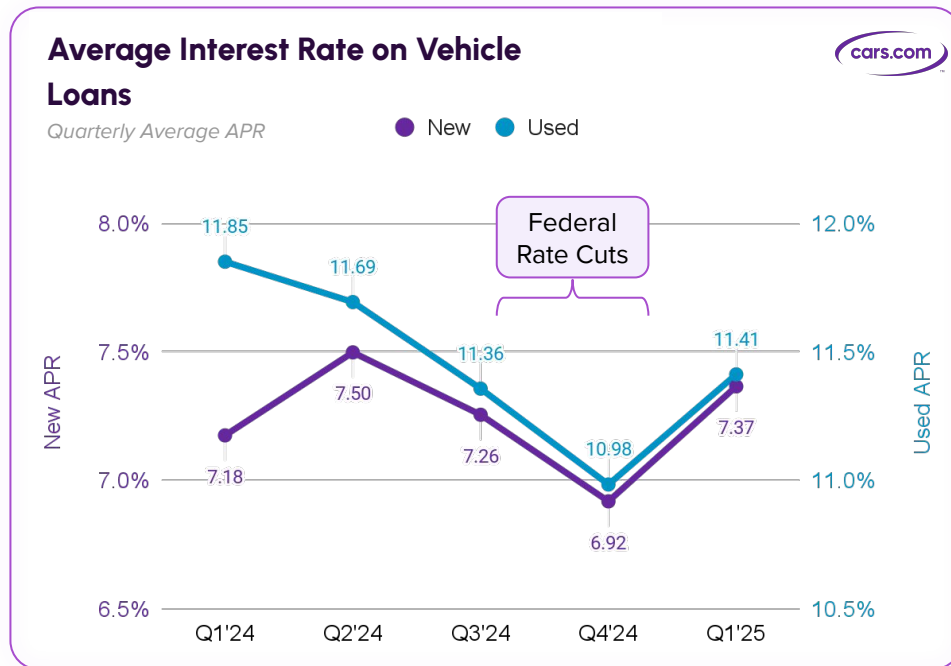
Moving 7 Day Average



Interest Rate Cuts Offered Little Relief for Car Buyers

Auto-loan APRs climbed 19 basis points YoY in Q1 2025 — even though the Fed lowered rates by 100 basis points in late 2024.

Lenders hiked rates in Q1 based on changing market conditions.



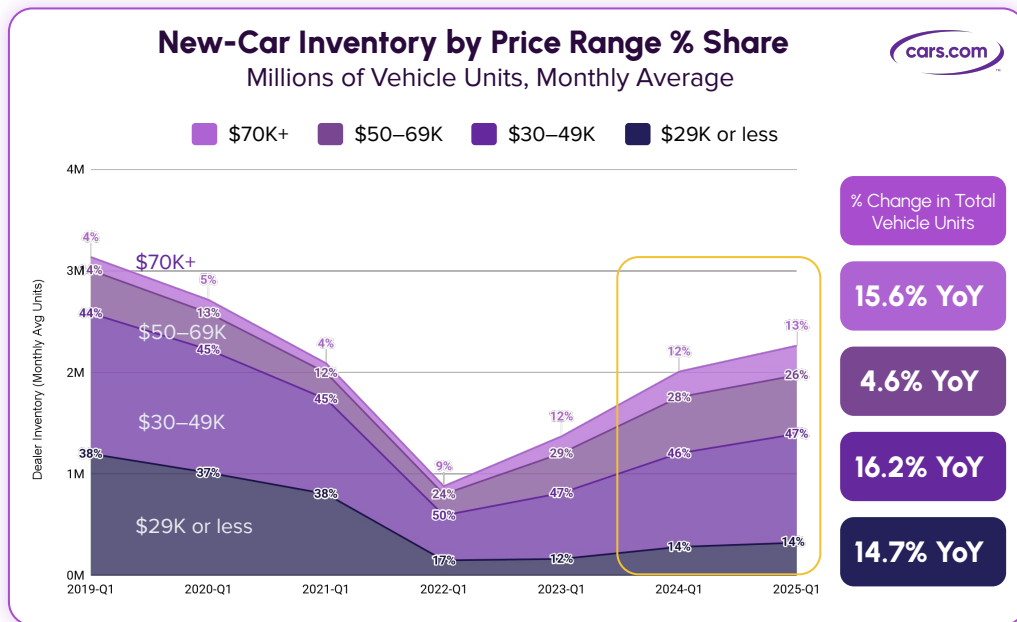
Middle Market Rises: \$30-\$49K Cars Now Fastest Growing Segment as Tariffs Threaten Sub-\$30K Inventory

Affordability is under threat:

- **Sub-\$30K vehicles account for only 14%** of inventory, well below the 38% share seen in 2019-21.
- **89% of sub-\$30K vehicles are produced outside the U.S.**, making them especially vulnerable to tariff-driven cost increases and potential production cutbacks.
- **Lower profit margins and overseas production** may lead automakers to deprioritize affordable trims — mirroring the strategy seen during the chip shortage.
- **Only three sub-\$30K models are built in the U.S.:** Honda Civic (Greensburg, Ind.), Toyota Corolla (Blue Springs, Miss.) and soon-to-be discontinued Chevrolet Malibu (Kansas City, Kan.).

Vehicles \$30K-\$49K are the largest and fastest growing inventory segment, with share up 1 ppt YoY and holding steady between 44%-47% since 2019.

The \$50-\$69K segment is lowering share (down 2 pts YoY), as consumers increasingly downsized to more affordable options amid ongoing financial pressures.



Used-Car Market Slows in Q1 2025 Amid Inventory Pressures

Used-car supply tightened slightly, down 0.6% from 2024, especially for vehicles priced \$20K-\$49K, which carry an average age of 3.8 years, a hangover effect from the inventory shortage from 2021-22.

Prices cooled a bit, down 0.9% driven by a growing mix of less expensive, higher-mileage vehicles and fewer late-model-year offerings. Still, used prices could climb again if tariffs continue to push new-car prices higher.

Cars are sitting on lots longer, up 4% YoY, with vehicles under \$40K taking the longest to sell, suggesting buyers are pausing to reassess value, as vehicles priced \$10K-\$19K now carry 82K miles with an average age of 7.6 years while vehicles priced \$20K-\$29K are \$10K more expensive compared to a vehicle three to four years ago in similar condition.

-0.6% YoY

**Used-Car
Supply**

Marketplace inventory

3.8% YoY

57 Days Average

**Used-Car
Days Live**

Live on site

-0.9% YoY

\$28,497 Average

**Used-Car
Price**

List price

Trade-In Values Set to Increase as New-Car Prices — and Tariffs — Push Upward

After a sluggish start to the year, trade-in values are expected to rise in the coming months — fueled by anticipated increases in new-car prices driven by tariffs.

Trade-in values increased 1.9% YoY in March 2025, marking the first annual growth for March since 2022, when inflation peaked.

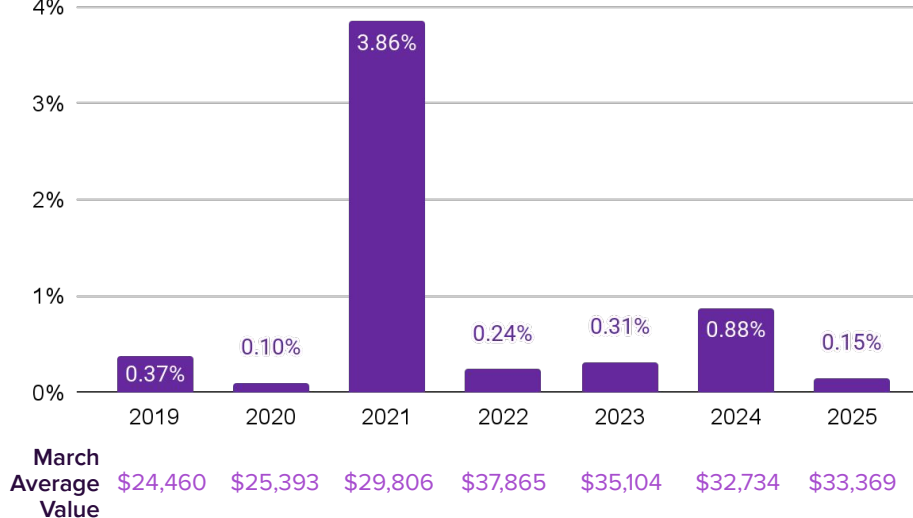
Monthly growth was soft, up just 0.15% MoM — the slowest March increase since 2020, when the pandemic disrupted typical seasonal trends. Typically, used car values increase from February to March driven by tax returns and elevated consumer demand.

The weak gains were likely due to uncertainty in March ahead of key trade and economic policy announcements.

AccuTrade Used-Vehicle Trade-In Value



March vs Feb Percent Change, 1-5 Year Old Vehicles



New-EV Momentum Builds as More Models Hit the Market

Traditional automakers give consumers a wider range of new products and are outpacing electric-vehicle startups in bringing volume and variety to consumers.

There are now 69 new EV models to choose from, up from 49 models a year ago — a 41% increase.

Inventory grew 17% YoY, supported by strong gains like GM and Honda's shared EV platform, which saw inventory rise 258% YoY after early production issues were resolved.

EVs are spending less time on dealer lots, averaging 82 days in Q1 2025 — down from 90 days a year ago — bolstered by a still-available EV tax credit, generous automaker incentives and growing consumer urgency ahead of potential tariff-driven price hikes.

Average prices rose 3% YoY, driven by new entries in the higher-end segments such as the Cadillac Escalade IQ, Chevy Silverado EV, and GMC Hummer EV and Sierra EV.

Read more: [Which Electric Cars Are Still Eligible for \\$7,500 Federal Tax Credit](#)

17.1% YoY

**New-EV
Supply**

Marketplace inventory

-9.3% YoY

82 Days Average

**New-EV
Days Live**

Live on site

2.9% YoY

\$65,696 Average

**New-EV
Prices**

List price

Used-EV Demand Growth Strong in 2024

Alternate EV Brands Outpaced Tesla Growth

Popularity of Tesla and other EVs narrows as selection expands

- **There are now 78 used EV models** offered by other automakers, up from 58 a year ago, an increase of 34%.
- **Tesla's lineup is getting stale**, averaging 7.2 years since launching with no full redesigns since then, across Tesla's five core models (excluding Roadster). EVs from traditional automakers entered the market more recently and have fresher product offerings with an average product age of 3.6 years.

Tesla and other EVs become increasingly competitive

- **Other EVs improved to 68 days live**, selling three days faster than a year ago. Meanwhile, at 62 days, used Tesla vehicles sat on dealer lots five days longer YoY.
- **Prices for used Teslas fell 8% YoY**, but down only 3% for other EVs. This is partially attributed to greater market competition and Tesla's slower moving sales YoY, but another factor is more Tesla units returning to market with higher mileage and vehicle age simply because Tesla has been selling EVs longer than many other nameplates have existed. In Q1 '25, used Teslas averaged 4.3 years of age with 44K miles on the odometer, compared to other EVs being much younger at 2.8 years and 21K miles.

27.1% YoY

**Used-EV
Supply**

Marketplace inventory

0.5% YoY

66 Days Average

**Used-EV
Days Live**

Live on site

-4.5% YoY

\$35,809 Average

**Used-EV
Prices**

List price

Search Intensity Trending Toward Parity Between Brands

Search intensity, a measure of popularity, is near parity between Tesla and non-Tesla EVs models in the last two months of Q1 2025. Search intensity for used EVs declined 4% YoY, driven by Tesla, which holds a majority share of inventory at 40%.

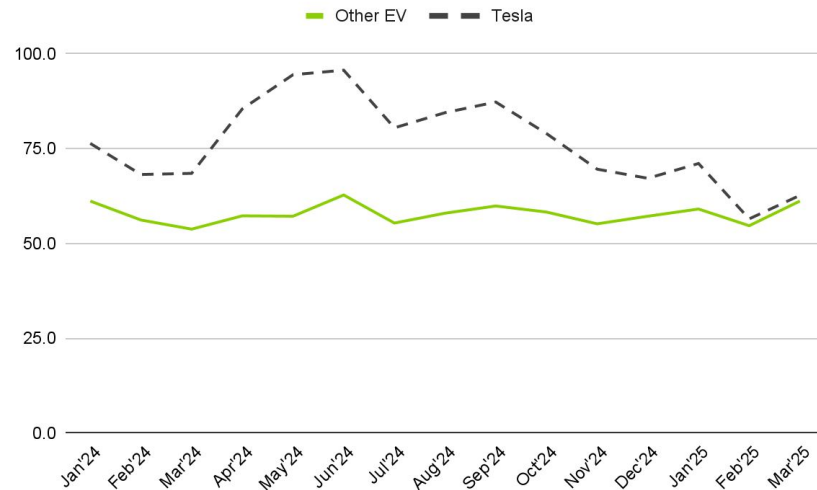
Non-Tesla EVs

- **Search intensity is up 3% YoY**, as expanding model selection and maturing offerings are fueling consideration of other brands. Fresh products generate strong interest with consumers.

Tesla

- **Search intensity fell 11% YoY**, driven by a 50% increase in monthly average Model Y inventory while searches grew only 11%. The Model 3 contributed to the drop as searches declined 10% while monthly average inventory grew 8%.
- **Cybertruck generated very strong interest** when it began showing up in the used market in large quantities around May '24. It is the most intensely searched Tesla model currently in production, though it has subsided in the last two months.

Search Intensity: Searches Per Vehicle Listing



Contact, Social Media and Follow-Up

For Media Comments, Please Contact:

- Allison Phelps, Sr. Communications Manager, aphelps@carscommerce.inc

Terminology

- Searches = VDP views
- New-car inventory = Cars.com dealer listings
- Days live = Number of days that vehicles were observed for sale at dealerships
- Search intensity = searches per vehicle listing

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