

Monthly Industry Insights Report

March 2024

Tax Season Turbocharges Car Market: Dealers and Buyers Gear Up for a Surge in Shopping Activity

Increased Inventory and a Decrease in Prices Could Signal It is a Good Time to Consider an EV

Key Takeaways

Anticipating Tax Returns: Dealers expanded new car inventory by nearly 9% month-over-month (MoM) in anticipation of tax return spending, while consumers are ready to spend with searches for new cars rising by almost 4% MoM.

Fastest Selling New Car Brands: Toyota (32 days) and Cadillac (44 days) are the fastest selling new car brands, well below the 65-day industry average. Toyota's increased incentives and improved inventory, paired with the desire to close out the Japanese fiscal year strong, led to positive movement for the automaker. Cadillac takes the top spot for the second month in a row, driven by the XT4, LYRIQ, and Escalade.

Thanks to a surge in availability, the Subaru Solterra was the fastest-selling new electric vehicle in March, while the Chevrolet Bolt EUV maintained its reign as the top choice among used EVs.

New Car Price Drop Continues: New car prices dropped below \$49K for the second consecutive month, decreasing by 1.5% YoY. The NCPI fell -3.1 ppt YoY thanks to increased discounting and inventory.

Inventory Improvement Continues: The inventory of new vehicles under \$30K increased by 77.5% year-over-year (YoY), now making up 15% of the total share, but still below the pre-pandemic 39% market share.

Used Car Supply Up Year-Over-Year: Used car market supply increased by almost 5% year-over-year, with average prices hitting a 32-month low of just over \$28K, a 5% decrease.

EV Market Continues to Adjust: New and used EV inventory surges (over 105% YoY for new EVs and 50% YoY for used EVs), with prices decreasing by over 4% for new EVs (average price just over \$63K) and over 20% for used EVs (average price just over \$36K).

Final Lap For V8 Challenger and Charger Spurs High Searches: The impending discontinuation of V8-powered Challenger and Charger models has fueled a surge in searches. The Charger is set to make a comeback with a twin-turbo inline 6, while the electrified Daytona is pegged as the Challenger's spiritual successor.

Time-tested icons lead the pack in used auto searches: From the venerable Ford F-Series, dating back to 1948, to the relatively younger Toyota Tundra, introduced in 1999, long-established nameplates continue to capture buyers' imaginations and dominate Top Used Car Searches on Cars.com in March.

Ford's EVs Defy Production Slowdown: Despite a recent deceleration in EV production, Ford dominates new EV searches in March on Cars.com, with the Ford F-150 Lightning and Ford Mustang Mach-E clinching the top two spots.



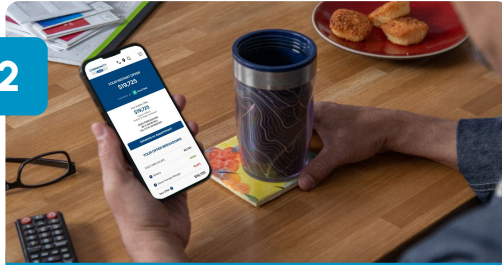
Rebecca Lindland

Sr. Director of Industry Data and Insights, Cars Commerce



1

New and Used Vehicle Inventory
Mix Aligning with Affordability



2

Lease Returns Trends and
Vehicle Trade-in Valuations



3

OEM Incentive Levels and Dealer
Confidence in Economy



4

Consumer Spending, Consumer
Confidence, and Interest Rates

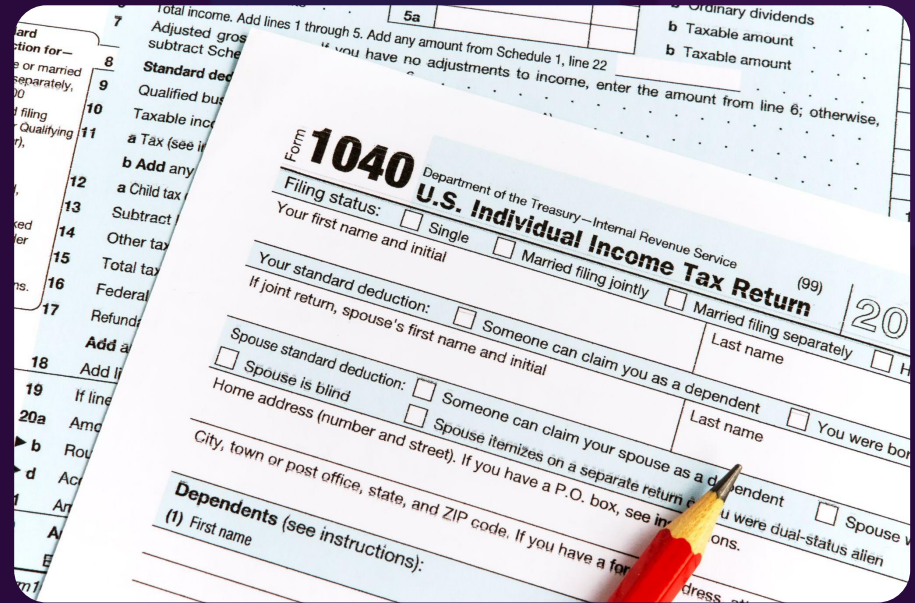


5

Evolving EV Production Plans and
Consumer Retail Trends

NEW VEHICLES

Consumers Tap Tax Returns for New Car Down Payments



Form **1040** Department of the Treasury—Internal Revenue Service
U.S. Individual Income Tax Return (99) 20

Filing status: Single Married filing jointly Married filing separately Head of household

Your first name and initial _____ Last name _____

Your standard deduction: Someone can claim you as a dependent You were born in 1981 or later

Spouse standard deduction: Someone can claim your spouse as a dependent

Spouse is blind Spouse itemizes on a separate return

Home address (number and street). If you have a P.O. box, see instructions. _____
City, town or post office, state, and ZIP code. If you have a foreign address, see instructions. _____

Dependents (see instructions):
(1) First name _____

Market Snapshot: Dealers Boost Inventory by Nearly 9% MoM in Anticipation of Tax Return Spending on New Cars, as Consumer Searches Rise by Almost 4%

-3.1 ppts YoY

131.9 NCPI

**New-Car
Price Index**

MSRP versus price + finance cost

-16.6% YoY

3.9% MoM

**New-Car
Demand**

Searches

37.2% YoY

8.7% MoM

**New-Car
Supply**

Marketplace inventory

43.0% YoY

0.0% MoM
65 Days Average

**New-Car
Days Live**

Live on site

-1.4% YoY

-0.5% MoM
\$48,709 Average

**New-Car
Price**

List price

Fastest-Selling

Luxury Brands

1. Cadillac
2. BMW
3. Lexus
4. Land Rover
5. Audi

Fastest-Selling

Mass-Market Brands

1. Toyota
2. Honda
3. Subaru
4. Kia
5. Hyundai

Slowest-Selling

Luxury Brands

1. Maserati
2. Alfa Romeo
3. Jaguar
4. INFINITI
5. Volvo

Slowest-Selling

Mass-Market Brands

1. Dodge
2. Chrysler
3. Buick
4. RAM
5. MINI

NCPI Down 3.1 ppts YoY as Prices Continue to Ease

Cars.com's New Car Price Index (NCPI) estimates the total cost to purchase and finance a new vehicle, including estimated options, taxes and fees, and interest for the full loan term.

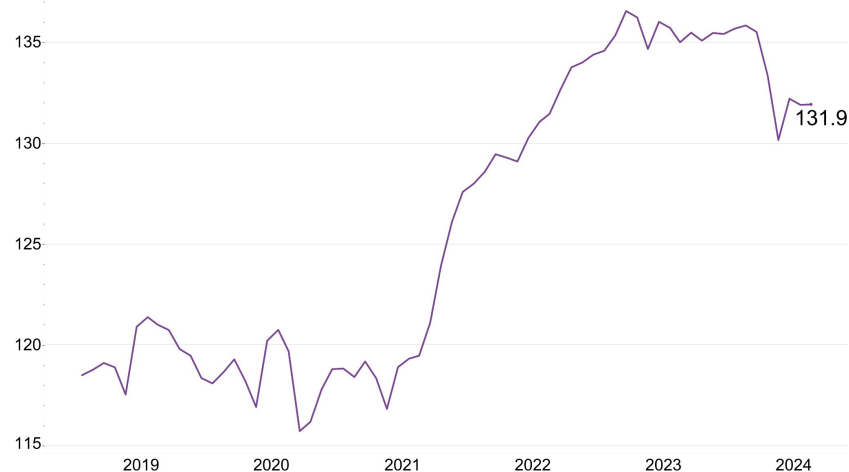
Increased discounting drove a -3.1 ppt YoY decline in NCPI, supported by a 37% increase in inventory.

NCPI was flat MoM, as increased financing costs tempered lower pricing.

NCPI **131.9**

Cars.com New Car Price Index

March 2024



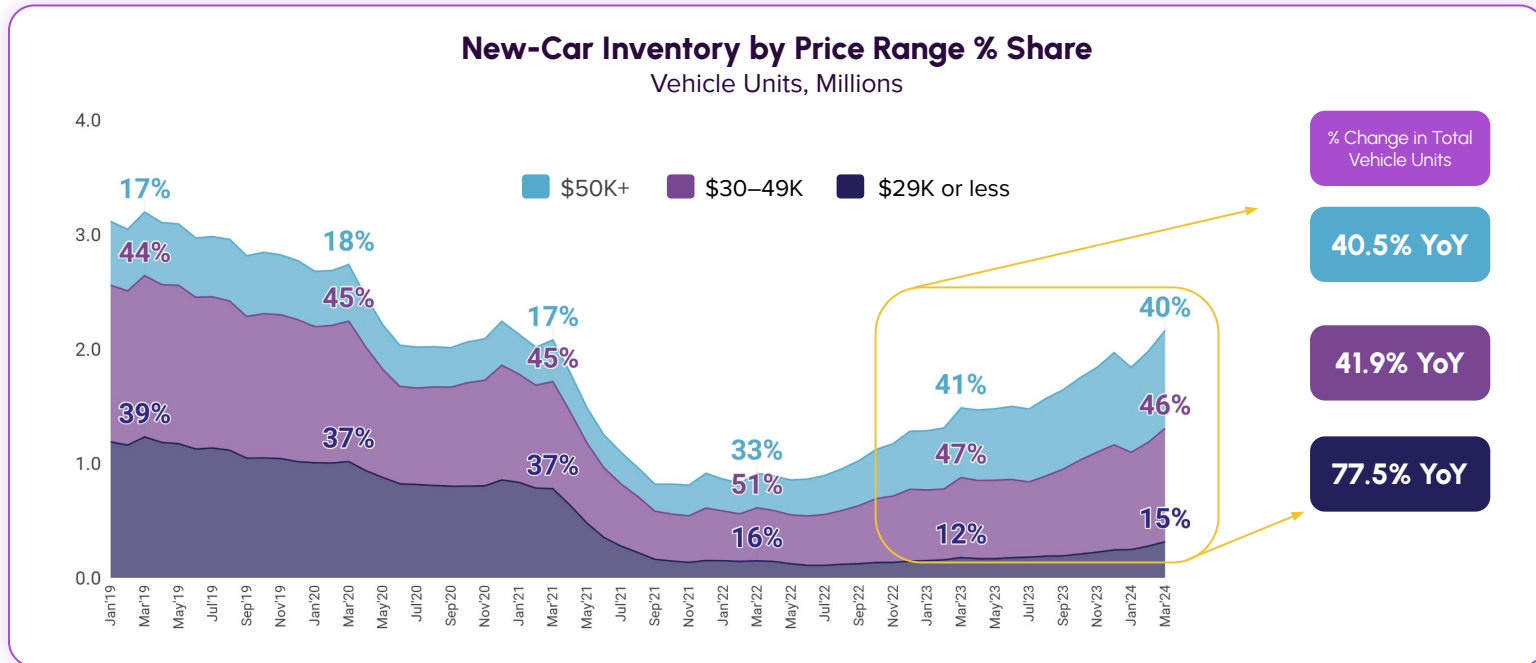
Increased Incentives Move Kia EV6 to Cars.com New Car Price Index (NCPI). The Volkswagen ID.4 Repeats As NCPI Leader.

1. Volkswagen ID.4	2. Lincoln Corsair	3. Buick Envision	4. Kia EV6	5. Ford Edge
105.5 <i>NCPI</i>	109.9 <i>NCPI</i>	113.6 <i>NCPI</i>	115.4 <i>NCPI</i>	115.9 <i>NCPI</i>
-18.2% YoY 4.4% MoM	-3.7% YoY -1.6% MoM	-9.0% YoY -0.4% MoM	-10.7% YoY -1.0% MoM	-4.2% YoY 0.1% MoM
\$46,619 Average list price on Cars.com	\$48,945 Average list price on Cars.com	\$39,007 Average list price on Cars.com	\$48,266 Average list price on Cars.com	\$42,555 Average list price on Cars.com

* Methodology for determining the list of "Top 5" vehicles is described [here](#)

Automakers Shift Vehicle Mix Towards More Affordable Options as Entry-Price New Vehicle Inventory Rises for the Third Consecutive Month

New-Vehicle Inventory Under \$30K Rises 77.5% YoY, Up 3 ppts YoY to 15% Share; Still Below the 39% Pre-Pandemic Share



New-Car Prices Recede Below \$49k for Second Sequential Month With A Modest YoY Decrease Of Almost 1.5%.

Inventory continues to improve, up over 37% YoY, but still down 31% compared to pre-pandemic

National Price and Inventory | March 2024

Month	Avg. List Price on Cars.com	Avg. Price MoM	Avg. Price YoY	Inventory MoM	Inventory YoY
New	\$48,708	-0.5%	-1.4%	8.7%	37.2%

New-vehicle inventory is up 37.2% YoY and 8.7% MoM as inventory at all price points continues to recover from supply constrained lows of 2021.

New-car prices dropped again YoY and MoM, falling below \$49,000 for the second month in a row and easing 3.1% since peaking at \$50,253 in August 2023. Improving supply of sub-\$30,000 vehicles and discounting are aiding new-vehicle pricing.

The most popular new car articles on Cars.com

[Electric Cars With the Longest Range](#)

[What Are the Most Fuel-Efficient Cars?](#)

[Redesigned 2024 Chevrolet Traverse to Hit Dealers Starting at \\$38,995](#)

[Here's Which Hybrids Qualify for Federal Tax Credits](#)



The Fastest Selling Brands are Well Below the 65 Day Average with Toyota at 32 Days Live and Cadillac Sitting at 44 Days

Audi and MINI are added to the top 5 luxury and bottom 5 mainstream brands respectively, replacing Acura and Jeep

Fastest- and Slowest-Moving New-Car

Mass-Market Brands, March 2024


Days Live

	Brand	Mar. '23	Mar. '24	YoY
Fastest Moving Brands	Toyota	19	32 	67.4%
	Honda	22	36	58.9%
	Subaru	26	42	63.7%
	Kia	25	48	92.6%
	Hyundai	32	52	61.6%
Slowest Moving Brands	MINI	56	96 	70.9%
	RAM	67	96	42.4%
	Buick	57	97	70.7%
	Chrysler	52	122	134.4%
	Dodge	59	136	128.6%

Fastest- and Slowest-Moving New-Car

Luxury Brands, March 2024

Days Live

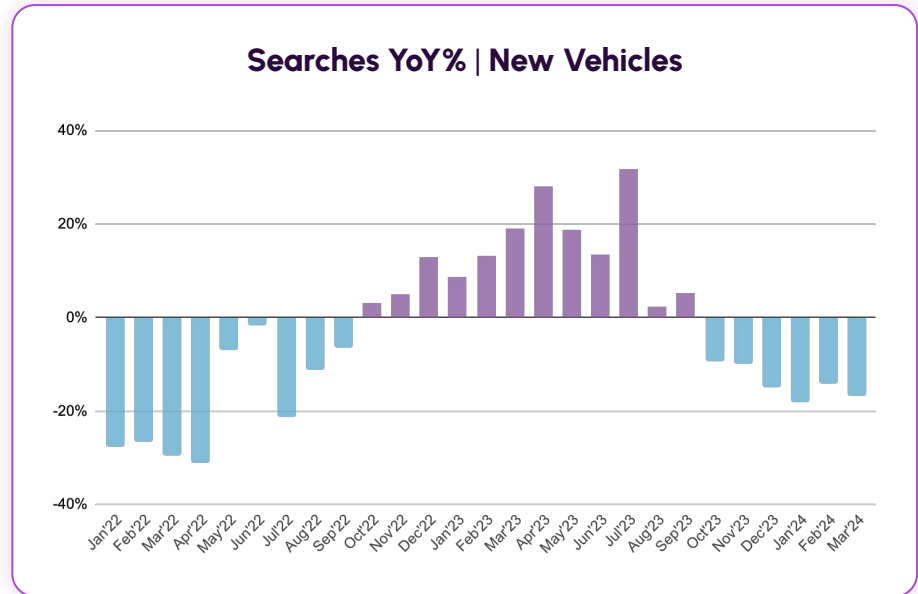
	Brand	Mar. '23	Mar. '24	YoY
Fastest Moving Brands	Cadillac	52	44 	-15.2%
	BMW	30	49	63.5%
	Lexus	27	51	92.6%
	Land Rover	43	53	25.4%
	Audi	37	63	68.2%
Slowest Moving Brands	Volvo	60	84 	39.8%
	INFINITI	62	88	41.9%
	Jaguar	82	124	50.8%
	Alfa Romeo	146	134	-8.2%
	Maserati	86	184	114.3%

Interest in Mid-Priced Autos Falls 18.9% YoY; Higher-Priced Searches Drop 11.8% Amid Rising Inventories

Searches for affordably priced new inventory under \$30K are down 22.3% YoY as inventory improves 77.5% YoY. High interest rates have a larger impact on entry shoppers.

Searches for \$30K-\$49K inventory, the largest segment by volume, dropped 18.9% YoY while prices were down 1.0%. Inventory was up 41.9% YoY with days live up 41.3% at 65 days.

Searches for new autos over \$50K are down 11.8%, with prices up 1.0% YoY. Inventory is up 40.5% YoY but is sitting longer on lots at 72 days, up 39.4%.



Final Lap For V8 Challenger and Charger Spurs High Searches

V8 muscle will soon atrophy as emission restrictions tighten

The replacement for displacement is near, as tough emissions regulations mean automakers must squeeze higher MPGs through electrification and forced induction. The Charger will take a hiatus and return with a twin turbo inline 6 while the electrified Daytona will be the spiritual successor to the Challenger.

Vehicle preferences change slowly as evidenced by the remaining vehicles on this list which are mainstays cemented in the top 10. Trucks and high displacement engines are top of mind for shoppers. SUVs are notably missing from the Top 10, despite being the most-popular bodystyle.

Top 10 New-Car Searches On Cars.com March 2024

1.	Ford F-150	\$58,963
2.	Chevrolet Silverado 1500	\$54,025
3.	RAM 1500	\$60,473
4.	GMC Sierra 1500	\$64,438
5.	Ford Mustang	\$48,976
6.	Ford Bronco	\$62,652
7.	Dodge Challenger	\$51,512
8.	Toyota Tundra	\$60,130
9.	Chevrolet Corvette	\$97,310
10.	Dodge Charger	\$43,381

Redesigned Ford Ranger Hot

Redesigned and new models are hot, generating high interest among consumers. The [redesigned Ford Ranger](#) was stifled by the UAW strike but is now available in higher volume.

Toyota/Lexus rounds out the list with four new/redesigned models, three of which are hybrids.

Popularity for Bronco Sport is cooling a bit as inventory reaches an all time high, contrasting the enthusiasm for the Bronco. Based on the same platform as the Escape and Maverick, consumers could be pivoting towards the electrified offerings of its platform mates.

The affordably priced Nissan Kicks starts at just over \$22k though is overdue for a redesign as it enters its 9th year. A ground up redesign is slated for 2025.

What's Hot	
Vehicle	Avg. List Price
Chevrolet Corvette	\$97,310
Toyota Sequoia	\$79,480
Ford Ranger	\$45,429
Toyota Grand Highlander Hybrid	\$55,298
Lexus TX 350	\$63,409
Land Rover Defender	\$86,390
Toyota Prius	\$35,879
GMC Yukon	\$83,470
Lexus IS 350	\$52,259
Toyota Highlander Hybrid	\$51,144

What's Not	
Vehicle	Avg. List Price
Ford Edge	\$42,186
Nissan Kicks	\$25,043
Ford Escape	\$34,057
Jeep Compass	\$33,761
Mercedes-Benz EQB 300	\$64,332
Nissan Rogue	\$33,767
Nissan Murano	\$43,793
Nissan Altima	\$30,701
Nissan Ariya	\$51,650
Ford Bronco Sport	\$35,843

USED VEHICLES

Used Car Supply Gains Momentum As Tax Returns Hit Consumers' Bank Accounts



Market Snapshot: Average Used Car Prices Reach 32-Month Low, Continuing Trend Towards Normalization

-6.8% YoY

0.8% MoM

Used-Car Demand

Searches

4.7% YoY

7.6% MoM

Used-Car Supply

Marketplace inventory

11.1% YoY

-5.8% MoM
52 Days Average

Used-Car Days Live

Live on site

-5.1% YoY

-0.1% MoM
\$28,669

Used-Car Price

List price

Popular Used-Vehicle Trade Values

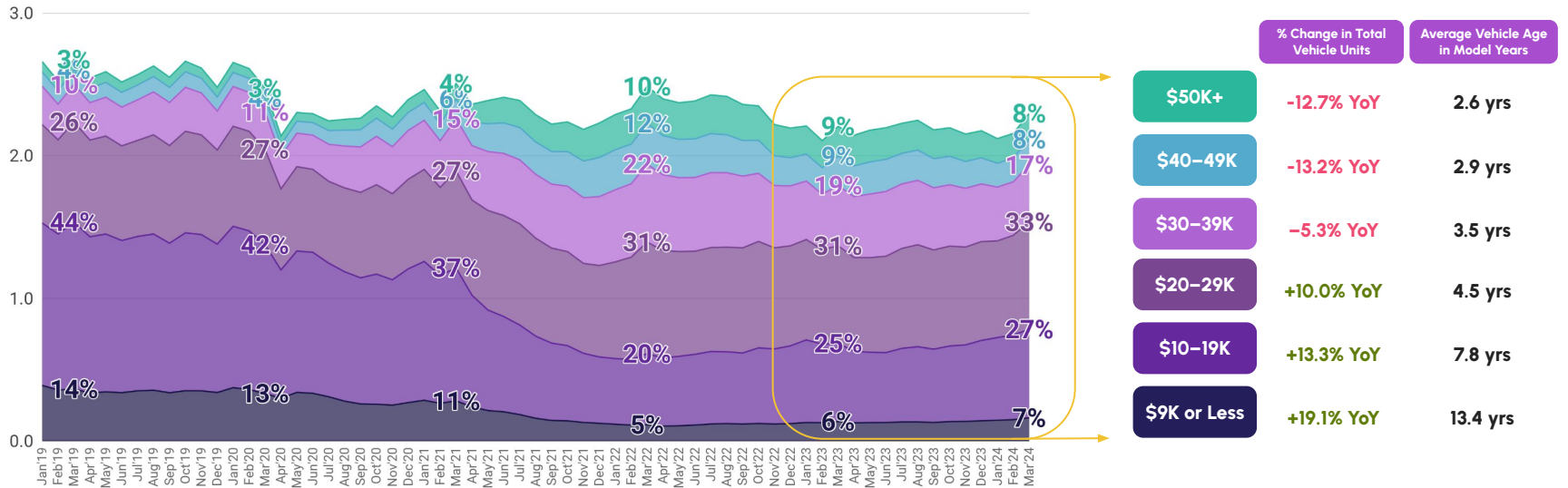
Used Cars <\$50K, 3-5 years old

Model	Trade Value	YoY	YoY %	3 Months	MoM
Toyota Camry	\$19,912	(\$4,200)	(17.4%)	\$2,744	\$879
Honda Civic	\$18,436	(\$3,754)	(16.9%)	\$2,673	\$417
Chevy Equinox	\$14,138	(\$3,908)	(21.7%)	\$850	\$0
Ford F-150	\$26,117	(\$7,429)	(22.1%)	\$4,258	\$1,114
Jeep Grand Cherokee	\$29,724	(\$7,513)	(20.2%)	\$3,351	(\$521)
Tesla Model Y	\$26,520	(\$13,580)	(33.9%)	(\$4,205)	(\$1,030)
Toyota RAV4	\$23,140	(\$5,758)	(19.9%)	\$453	\$484
Lexus RX	\$34,600	(\$6,967)	(16.8%)	\$2,814	\$433
Toyota Tacoma	\$25,292	(\$3,739)	(12.9%)	\$2,474	\$1,005
Hyundai Tucson	\$15,824	(\$4,918)	(23.7%)	\$1,289	\$547

Used Car Inventory Up Almost 5%, Driven by Increased Supply of More Affordable Under \$30K Vehicles

Used Car Supply Under \$30k Up 12.2% YoY and Carry 4.1k Fewer Miles YoY

Used-Car Inventory by Price Range % Share / Avg. Age (Last 13 Months)



Average Used Car Prices Lower YoY but Stay Above Pre-Pandemic Levels Amid a 400,000-Unit Inventory Shortfall

National Price and Inventory March 2024					
Month	Avg. List Price on Cars.com	Avg. Price MoM	Avg. Price YoY	Inventory MoM	Inventory YoY
Used	\$28,669	-0.1%	-5.1%	7.6%	4.7%

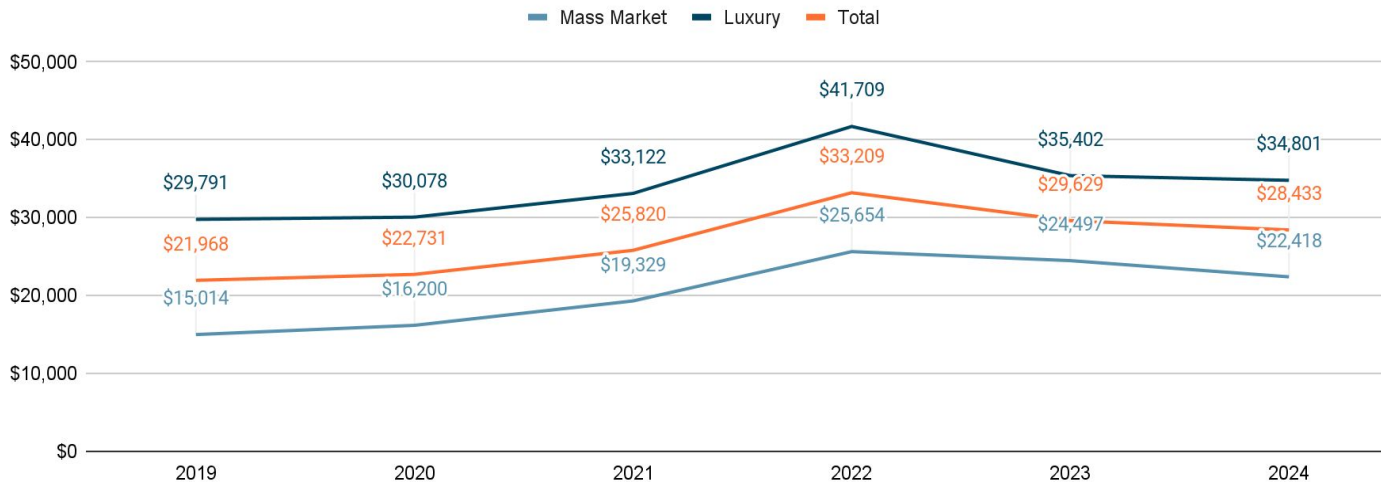
Dealers loaded up on inventory in March in preparation for seasonal sales surge as consumers' tax returns come in, adding 7.6% more vehicles to dealer lots MoM. Inventory gains are primarily for used autos priced under \$30k.

Used vehicles under \$20K have more wear and mileage versus pre-pandemic, averaging 3.0 years older (8.6 years in Mar'24) with a whopping 24.8k more odometer miles (93k miles in Mar'24) versus Mar'19.

YTD, Trade-In Values Have Dropped 15% from the 2022* Peak, But Remain Well Above Pre-Pandemic Levels Thanks to Overall Elevated MSRPs and Used Supply Constraints.

AccuTrade Used Vehicle Trade-In Value

Annual Average Value

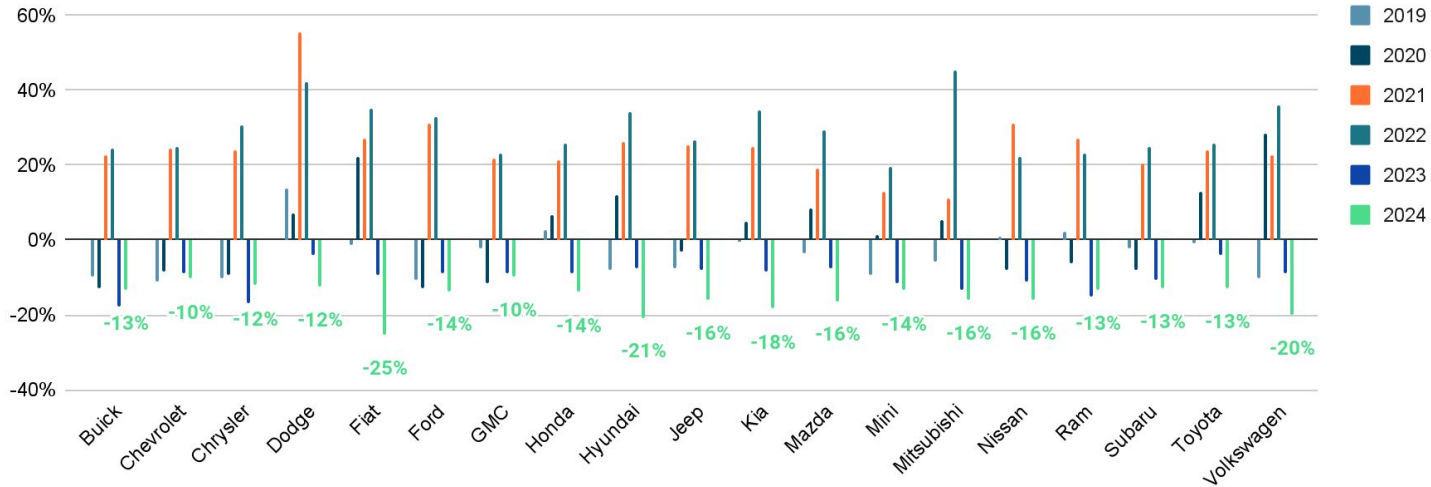


*Each year includes the prior 2-6 model years.

Every Mass Market Brand Saw Trade-In Values Increase in 2021 and 2022 Thanks To New Supply Constraints. The Used Market Moderated in 2023 and Early Results Are Down In 2024.

Average Trade-In Values by Brand | Mass Market

Year-Over-Year Percent Change

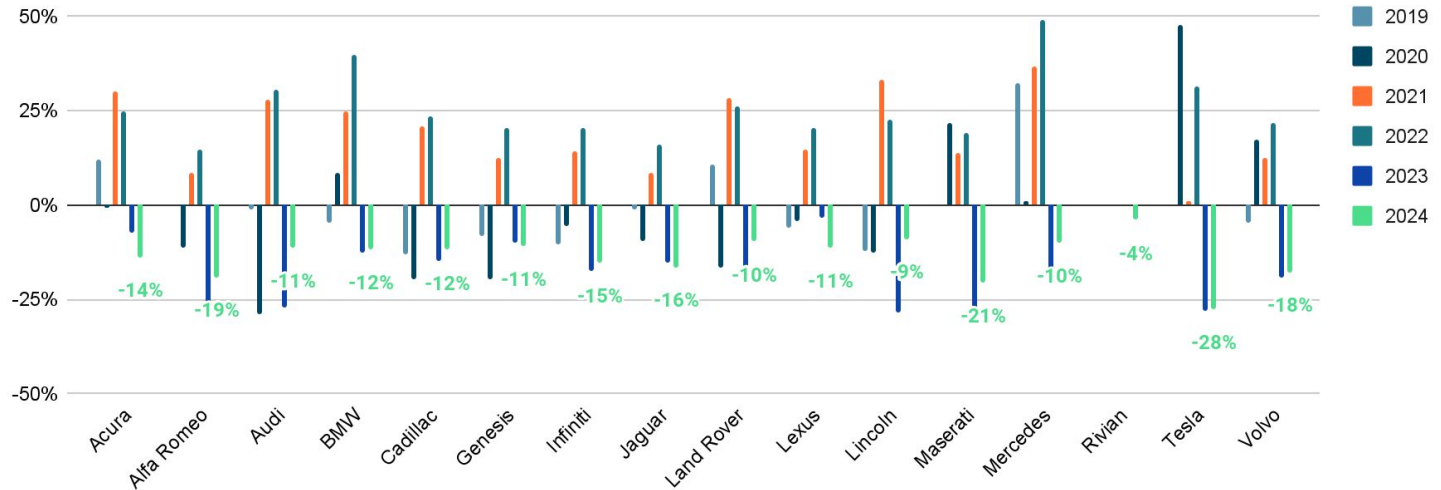


*Each year represents the last five model years.

Like Mass Market, Every Luxury Brand Saw Trade-In Value Increase in 2021 and 2022. Recent Improved New Supply and Rapidly Decreasing EV Prices Are Driving Down Valuations.

Average Trade-In Values by Brand | Luxury

Year-Over-Year Percent Change



Top-Searched Used Autos Have Been Popular For Decades

Affordable and a Reliable Reputation: Honda Accord And Toyota Camry, Both Priced Just Over \$20k, Appear on the Top 10 Used List For The First Time This Year

Heritage matters. The most-search used vehicles are all long-running nameplates that have been popular and iconic for decades. The oldest is the Ford F-Series which goes back to 1948 and the youngest is the Toyota Tundra which launched in 1999.

Affordability makes the top 10. Honda Accord and Toyota Camry, both priced just over \$20k, appear on the Top 10 Used list for the first time this year. Accord has frequently been in the Top 10, but Camry has consistently landed just outside the Top 10 over the past five years.

SUVs are notably missing. Similar to the top 10 New car list, market fragmentation keeps used SUVs from cracking the Top 10 despite being the most-popular bodystyle overall.

Top 10 Used-Car Searches on Cars.com By Searches

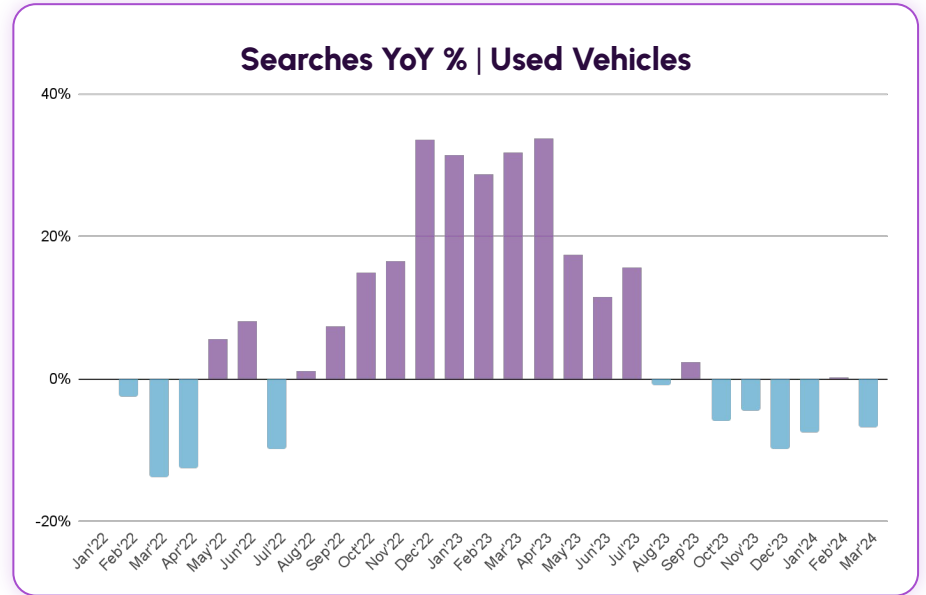
Rank	Model	Average Price	Launch Year
1.	Ford F-150	\$33,304	1948
2.	Chevrolet Silverado 1500	\$32,924	1975
3.	Chevrolet Corvette	\$60,761	1953
4.	Toyota Tacoma	\$32,261	1995
5.	Ford Mustang	\$26,886	1964.5
6.	RAM 1500	\$33,978	1981*
7.	Porsche 911	\$141,026	1964
8.	Toyota Tundra	\$36,220	1999
9.	Honda Accord	\$20,109	1976
10.	Toyota Camry	\$21,266	1983

** Initially sold as Dodge Ram and then separated from Dodge in 2010*

Used Vehicle Market Continues to Normalize as New Inventory Improves

A year ago, used car searches were highly inflated during the semiconductor chip shortage, sending many would-be new auto shoppers to the used market.

March used car searches were up 10.4% vs. the monthly average in 2019, showing solid growth compared to pre-pandemic market conditions.



ELECTRIC VEHICLES

Increased Inventory and Lower Prices Make It a Good Time to Buy an EV



Market Snapshot: Subaru Solterra is the Fastest Selling EV in March, Supported by Increased Inventory and Incentive Offers

14.9% YoY

14.7% MoM

New-EV Demand

Searches

107.7% YoY

8.8% MoM

New-EV Supply

Marketplace inventory

104.3% YoY

-2.0% MoM
91 Days Average

New-EV Days Live

Live on site

-4.3% YoY

-0.4% MoM
\$63,806

New-EV Prices

List price

**Fastest-Selling New*
EV Models**

1. **Subaru Solterra**
2. **Cadillac LYRIQ**
3. **BMW i4 Gran Coupe**
4. **Audi e-tron GT**
5. **Hyundai Kona EV**

37.6% YoY

14.5% MoM

Used-EV Demand

Searches

49.0% YoY

16.5% MoM

Used-EV Supply

Marketplace inventory

-2.4% YoY

-5.2% MoM
62 Days Average

Used-EV Days Live

Live on site

-20.5% YoY

-3.0% MoM
\$36,429

Used-EV Prices

List price

**Fastest-Selling Used
EV Models**

1. **Chevrolet Bolt EUV**
2. **Rivian R1S**
3. **Rivian R1T**
4. **Kia EV6**
5. **Tesla Model Y**

GMC HUMMER EV Breaks Into Top 5 As GM's Ultium EVs Production Expands

Top 5 New-EV Searches on Cars.com

Vehicle	Avg. List Price
Ford F-150 Lightning	\$67,446
Ford Mustang Mach-E	\$51,042
Kia EV9	\$67,504
Cadillac LYRIQ	\$68,985
GMC HUMMER EV	\$110,124

Note: New EVs include brands with dealership franchises and listing inventory on Cars.com.

Top 5 Used-EV Searches on Cars.com

Vehicle	Avg. List Price
Tesla Model 3	\$27,160
Tesla Model S	\$35,718
Tesla Model Y	\$35,085
Tesla Model X	\$46,985
Porsche Taycan	\$92,619

Note: New EVs include brands with dealership franchises and listing inventory on Cars.com.

Total EV Searches Climbed, Driven by a Growing Interest in New and Used EVs

33.2% YoY

14.6% MoM

Total EV Searches

14.9% YoY

14.7% MoM

New-EV Searches

37.6% YoY

14.5% MoM

Used-EV Searches

0.93 ppts YoY

0.35 ppts MoM
3.0% share

Total EV Search Share

1.08 ppts YoY

0.34 ppts MoM
4.1% share

New-EV Search Share

0.92 ppts YoY

0.34 ppts MoM
2.9% share

Used-EV Search Share

New-EV searches are up 14.9% YoY, outperforming the 16.6% YoY decline for all new autos. Increased discounting is likely driving renewed interest in EVs.

Falling used prices boost demand, with the average list price of a used EV down 20.5% YoY and searches up 37.6% YoY.

DEALER SENTIMENT

Strong Sales, Financially Confident and Focused on Trade-Ins



Optimistic Dealers Satisfied with Inventory Levels, Report More Automaker Incentives and a Heavy Reliance on Trade-Ins

- 66% of dealers report strong sales, and 82% feel financially confident for 2024.
- 71% of dealers use their service lane to acquire trade-ins.
 - 13% indicate it's their primary acquisition method.
- Dealers say 32% of their shoppers are most concerned about trade-in values

44%

of dealers are most worried about U.S. economy

57%

of dealers report more automaker incentives

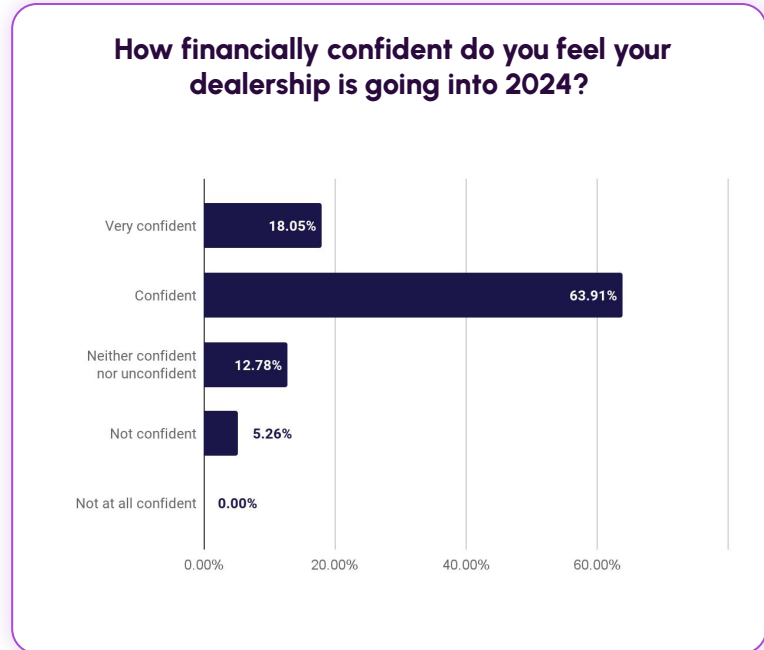
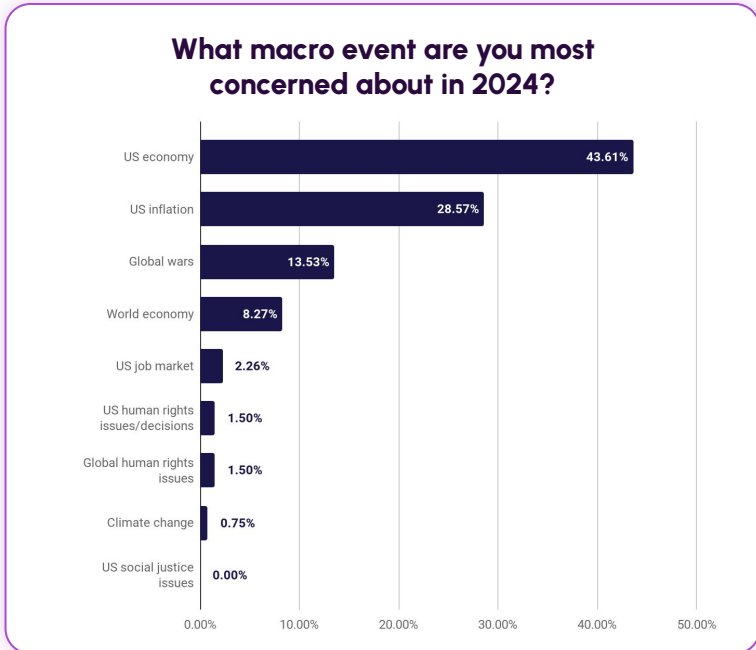
67%

of dealers say inventory levels are "just right"

71%

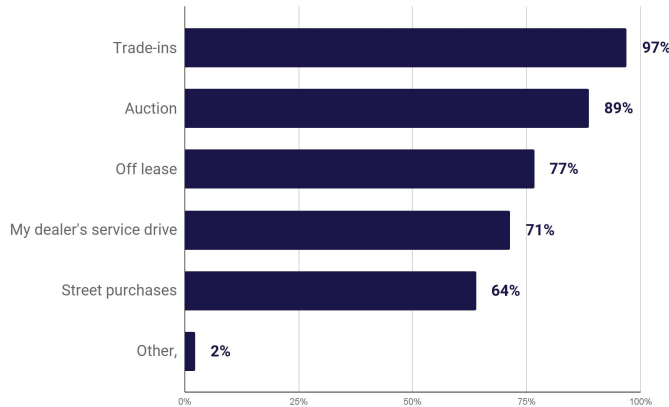
use the service lane to acquire trades

Going into 2024, Almost Half of Dealers Say That They are Most Worried About the US Economy; 82% Report Being Financially Confident Or Very Confident

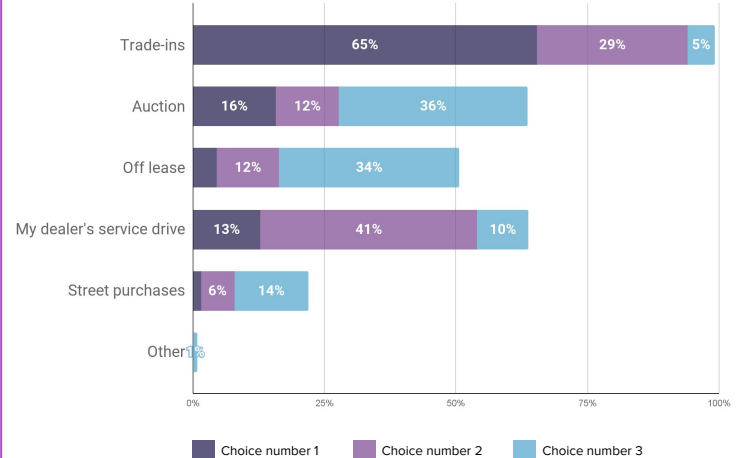


Trade-ins are the Most Common Way Dealers Acquire Used Inventory

Which of the following methods does your dealership utilize to acquire used vehicle inventory?

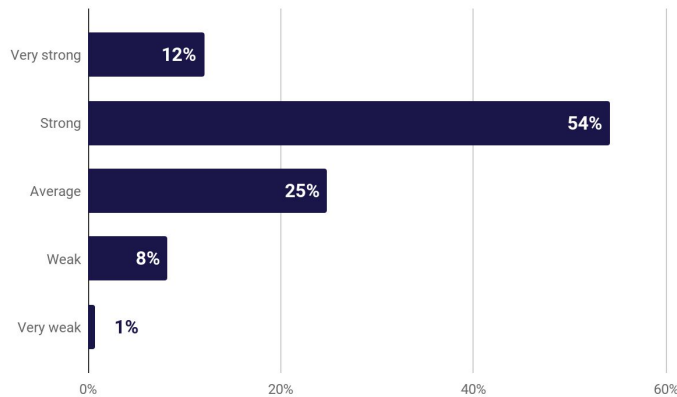


Please rank the methods you use to acquire used inventory in terms of utilization, with 1 being the method your dealership uses the most often.

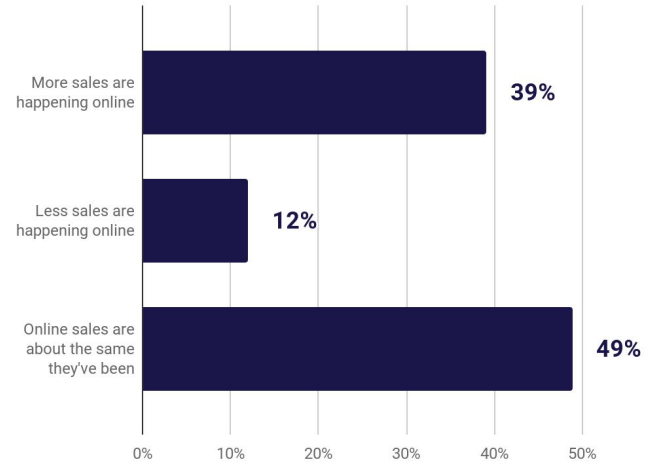


Over Half of Dealers Report Strong Sales This Year; Nearly 40% See an Uptick in Sales Happening Online

How strong have sales been at your dealership so far this year?

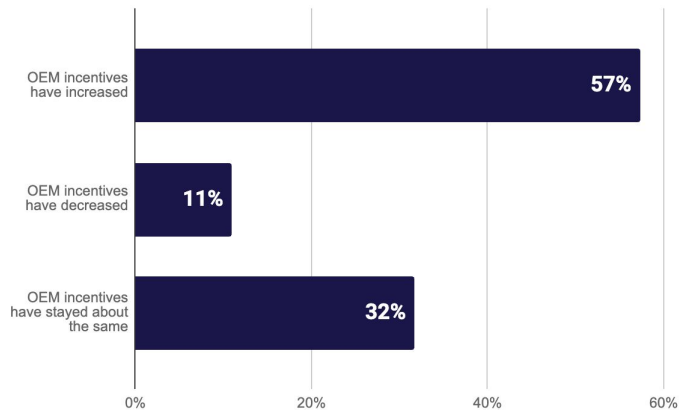


How would you describe online traffic for your dealership so far this year?

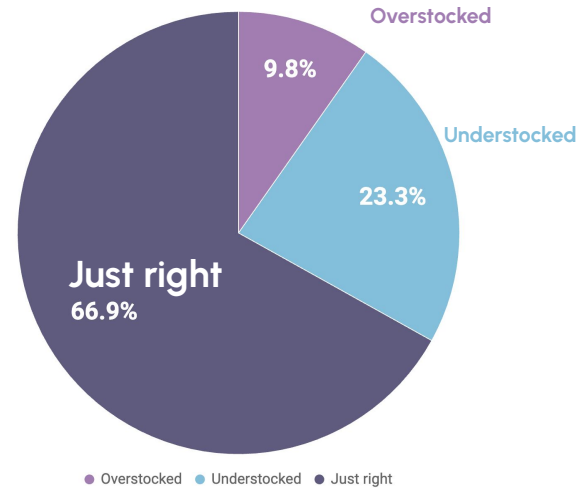


Nearly 60% of Dealers Report Increased OEM Incentives; Almost 70% Feel Inventory Levels are Just Right

Have you seen OEM incentives for new vehicles change so far this year?



How would you describe the amount of inventory on your dealer lot?



Thank you!

Methodology and Terminology

Methodology: New Car Price Index, Top Five

- New Car Price Index estimates the total cost to purchase and finance a new vehicle, including estimated options, taxes and fees, and interest for the full loan term.
- Top five vehicles must have average list price under \$50K and a minimum of 2,000 available listings on Cars.com nationally

Methodology: What's Hot, What's Not

- Calculated by taking the ratio of VDP views and listings for a model in a given month
- The ratio represents models that have more or less consumer interest than there are listings available for sale.

Methodology: Dealer Survey

- Cars Commerce Dealer Survey, March 20-26th, 2024 and received 133 responses

Terminology

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