

CARS.COM'S FIRST-EVER AFFORDABILITY REPORT PROVIDES GUIDANCE FOR VALUE-CONSCIOUS BUYERS

Kia, Chevy and Ford Offer Most Affordable New Cars for 2023; Chevy Leads for Trade-In Value

1 in 4 Shoppers Expect to Spend Less Than \$20,000 on a New Car; the Median Price of New Cars Is More Than Double That

CHICAGO, Jan. 23, 2023 /PRNewswire/ -- Affordability is top of mind for consumers as the new year starts, with less than half of Americans (46%) feeling financially confident and consumers citing a range of economic concerns including inflation, job insecurity and rising interest rates.¹ Financial concerns, however, are being met with pent-up demand for new vehicles from the inventory shortage that began in 2021 and is just now beginning to ease. The result is a robust car-buying market of cost-conscious consumers and the timely launch of car-shopping marketplace [Cars.com](https://www.cars.com)'s (NYSE: CARS) first-ever **Affordability Report**.

"The compounding effects of inventory shortages, economic uncertainty and industry challenges have made value one of the most sought-after features in a vehicle," said Jane Ulitskaya, Cars.com news editor. "Electric vehicles and new technologies will continue to dominate the media and capture our attention, but affordability is *the* trend that's propelling today's car shoppers."

The **Cars.com Affordability Report** empowers car shoppers with data-driven insights about comparative vehicle pricing, the trade-in market and financing trends, and it uncovers a potential disconnect between consumer expectations and current market conditions. More than 70 currently available vehicles were evaluated by model, trim, features, fuel efficiency or a minimum range requirement for EVs and compared against the median price for each category. The following topped the list of **best value cars for 2023**:

Cars.com's Affordability Report <i>Top Cars by Segment</i>			
Competitive Category	Median Category Price	BEST VALUE Model/Trim	Median Price
Small Car	\$25,745	2023 Kia Rio S with Technology Package	\$20,240
Small SUV	\$34,195	2023 Chevy Trailblazer LS with Driver Confidence Package	\$23,440
Small Pickup Truck	\$43,070	2023 Ford Maverick XL with Co-Pilot360 Package	\$26,660
EV/Plug-in Hybrid	\$59,670	2023 Chevy Bolt EV 1LT with Driver Confidence Package	\$28,330

A Cars.com survey of in-market shoppers indicates more than half plan to purchase a new vehicle, and 1 in 4 expects to spend less than \$20,000², a figure that might prove challenging considering the median new-car price was more than twice that at the end of 2022.³

"A growing preference for larger, costlier vehicles is driving shoppers to lean on a combination of long-term savings, flexible financing terms and the trade-in market to bridge the gap between the right car and the right price," said Ulitskaya. "Many who typically purchase new models are taking a fresh look at the used-car marketplace, which is sustaining the demand for trade-in inventory."

Trading In

The Affordability Report also provides insights that help consumers understand how they [can afford to pay for a car](#) and the value of trading in a vehicle. As used-car prices spiked amid the inventory shortage, trade-in values followed suit, hitting record highs by mid-2022 before leveling out.

Approximately 40% of in-market shoppers will trade in a current car before purchasing a new one, and of those looking to buy used, 76% are looking for a model no more than 5 years old.² As part of the Affordability Report, Cars.com experts examined trade-in values for available used vehicles from model-year 2018 and identified the best same-model upgrade values⁴ — notably they are all electric vehicles. Used EVs are trending much more affordable now than they were a year ago.

The top three 2018 models with the best trade-in value include:

Vehicles With Best Trade-in Value <i>as Percent of New Purchase Price</i>	
Chevrolet Bolt EV	62 %
Honda HR-V	59 %
Toyota Prius Prime	57 %

Saving Up and Paying Out

Two-thirds of current shoppers aim to save between three and 12 months for a vehicle, most planning to accumulate 10%-25% of the final price before purchase, and nearly half anticipate a down payment of less than \$5,000.¹ Where both new- and used-car shoppers will be the most surprised is with their interest rate.

Gone are the days of super low rates. Typically strong credit earns a better rate, however — even those with very good credit — are now routinely receiving financing offers with double-digit interest rates, and those with non prime and subprime credit profiles are seeing rates between 20%-30% with shorter financing terms. Notably, among those with a super-prime credit rating (800-plus), the average interest rate is still high at 8%.⁵

In 2022, Cars.com launched new digital financing tools and offered new ways for shoppers to sell their current car to a local dealership. The technology helps shoppers understand what they can afford, get preapproved for a loan, determine what their current car is worth and claim an [Instant Offer](#) from a local dealership.

Fuel Prices: Tanks and No Tanks

Though gas prices have since settled from the headline-grabbing highs of 2022, affordability in the form of fuel expense remains a major consideration for shoppers and a key component in the Affordability Report's analysis. Aside from the top-ranked EVs and plug-in hybrids, which all had calculated first-year fuel costs between \$600 and \$1,100, the most fuel-efficient gas-powered vehicle among the finalists is the **Hyundai Elantra**, with an estimated first-year fuel expense of \$1,350.⁶

For more information on the [2023 Cars.com Affordability Report](#), including a deeper dive into the data and methodology, visit [Cars.com](#).

¹ *Cars.com Consumer Survey; 1,027 responses; Jan. 5, 2023*

² *Cars.com Consumer Survey In-Market Shoppers; 992 responses; Jan. 5-Jan. 6, 2023*

³ *Cars.com internal data*

⁴ *Cars.com-owned Accu-Trade data*

⁵ *Cars.com-owned CreditIQ data*

⁶ *Cars.com internal calculations*

ABOUT CARS.COM

CARS is the leading automotive marketplace platform that provides a robust set of digital solutions that connect car shoppers with sellers. Launched in 1998 with the flagship marketplace [Cars.com](#) and headquartered in Chicago, the Company empowers shoppers with the data, resources and digital tools needed to make informed buying decisions and seamlessly connect with automotive retailers. In a rapidly changing market, CARS enables dealerships and OEMs with innovative technical solutions and data-driven intelligence to better reach and influence ready-to-buy shoppers, increase inventory turn and gain market share.

In addition to Cars.com™, the Company's brands include Dealer Inspire®, a technology provider building solutions to future-proof dealerships with more efficient operations and connected digital experiences; FUEL™, an advertising solution providing dealers and OEMs the benefit of leveraging targeted digital video marketing to Cars.com's audience of in-market car shoppers; DealerRater®, a leading car dealer review and reputation management technology solution; CreditIQ™, digital financing technology and Accu-Trade™, vehicle valuation and appraisal technology. The Company's portfolio of brands also includes Auto.com™, PickupTrucks.com™ and NewCars.com®.

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