

Affordability is on the Rise as New-Car Prices Dip Below \$49K for the First Time in a Year, According to Cars Commerce February Industry Insights Report

New-Car Supply Increases Offer Relief for Budget-Conscious Consumers; Used-Car Shoppers Struggle to Find Quality Vehicles Amid Aging, High-Mileage Inventory

CHICAGO (March 14, 2024) — Cars.com Inc. (NYSE: CARS) (d/b/a “Cars Commerce Inc.”), an audience-driven technology company empowering the automotive industry, today launched its February Industry Insights Report. Crafted by an expert team of Cars Commerce data analysts, the report provides macro and micro automotive market insights by analyzing supply, demand, pricing and consumer behavior data from across the company’s platform, including its flagship marketplace and leading reputation site Cars.com®, digital solutions and website provider Dealer Inspire, and trade-in and appraisal technology provider AccuTrade.

"The good news for car shoppers is that overall, new-car inventory is improving across price segments, with the most growth in the sub-\$30,000 segment, which has been stagnant for months. It's nowhere near pre-pandemic levels but still represents a release on the pressure valve for anyone wanting a new vehicle without breaking the bank," said Rebecca Lindland, senior director of industry data and insights at Cars Commerce. "Meanwhile, those in the market for used cars face ongoing challenges, grappling with older inventory with higher mileage."

Key February Market Highlights

February's data show that with new-car inventory up and prices down, shoppers will have an easier time finding their ideal vehicle. Meanwhile, used trade-in values are increasing due to the high demand for newer, low-mileage vehicles. Used-EV demand continues to increase as prices drop. To download the full report, visit www.CarsCommerce.inc.

- **New-car prices recede below \$49,000 for the first time in over a year.** February saw the average new-car price fall to \$48,942 from a high of \$50,000 in August 2023 — signaling increased dealer discounts and automaker incentives and mirroring the buyer-friendly market conditions seen before the pandemic.
- **The share of entry-level new cars is on the rise.** Market share for vehicles under \$30,000 increased for the second straight month, from 13% to 14%, after months of stagnating at 12%. While this is good news, 14% is still far from the 38% inventory share held by vehicles in this category pre-pandemic.
- **Days on lot are up more than double for new cars.** Rising inventory and softening demand mean new vehicles are sitting on lots for an average of 65 days — compared to the 30-day average during the pandemic’s new-car supply shortage — and it’s pushing prices down.
- **Used vehicles under \$20,000 have, on average, over 22,000 more miles compared to pre-pandemic vehicles.** It isn’t much better for used models under \$30,000, which average about 11,000 more miles compared to pre-pandemic vehicles.
- **Used EV prices dropped almost 20% year over year, causing a nearly 30% increase in consumer demand.** With an average price of \$38,000, used EVs offer more affordable options for shoppers.

Additional insights from February that are noteworthy include:

- **EV incentives and tax credits provide pricing relief to some EV buyers.** The Volkswagen ID.4 (No. 1) and the Hyundai Ioniq 5 (No. 4) both have a lower total cost to purchase and finance, putting these EVs in the top five of Cars.com’s New Car Price Index.
- **Cadillac and Toyota are the fastest-moving new-car brands.** Cadillac takes the crown for fastest-moving luxury brand, driven by the XT4 and XT5 models, while Toyota leads mass-market brands thanks to the RAV4, Corolla and Sienna.
- **Domestic-branded pickup trucks hold the top four new-car searches on Cars.com.** Toyota is the only non-domestic brand featured in the top 10 thanks to the reputations of the Tacoma and Tundra models for reliability and durability.
- **Every 24 seconds, a review is submitted on Cars.com.** Consumers left over 113,000 reviews on Cars.com in February, setting up 2024 to be another record-breaking year for reviews on the platform. Online reviews provide real-time feedback about customer experiences, ultimately impacting a dealership’s online reputation.

New-Vehicle Supply, Demand and Pricing*		
February 2024		
Supply	Demand	Price

(YoY)	(YoY)	(YoY)
42.6%	-14.2%	-0.6%

Used-Vehicle Supply, Demand and Pricing*		
<i>February 2024</i>		
Supply	Demand	Price
(YoY)	(YoY)	(YoY)
2.4%	0.1%	-3.6%

New-EV Supply, Demand and Pricing*		
<i>February 2024</i>		
Supply	Demand	Price
(YoY)	(YoY)	(YoY)
129.4%	-5.1%	-3.2%

Used-EV Supply, Demand and Pricing*		
<i>February 2024</i>		
Supply	Demand	Price
(YoY)	(YoY)	(YoY)
25.8%	29.5%	-19.3%

**Inventory, searches and list price on Cars.com*

ABOUT CARS COMMERCE

Cars Commerce is an audience-driven technology company empowering the automotive industry. The Company simplifies everything about car buying and selling with powerful products, solutions and AI-driven technologies that span pretail, retail and post-sale activities – enabling more efficient and profitable retail operations. The Cars Commerce platform is organized around four industry-leading brands: the flagship automotive marketplace and dealer reputation site Cars.com®, award-winning technology and digital retail technology and marketing services from Dealer Inspire, essential trade-in and appraisal technology from AccuTrade, and exclusive in-market media solutions from the Cars Commerce Media Network. Learn more at www.carscommerce.inc.

<https://investor.cars.com/2024-03-14-Affordability-is-on-the-Rise-as-New-Car-Prices-Dip-Below-49K-for-the-First-Time-in-a-Year,-According-to-Cars-Commerce-February-Industry-Insights-Report>