

Tax Season Turbocharges Car Market: Dealers and Buyers Gear Up for a Surge in Shopping Activity, According to Cars Commerce March Industry Insights Report

Used-Car Bonanza: Supply Climbs, Prices Plummet to 32-Month Low

CHICAGO, April 11, 2024 /PRNewswire/ -- Cars.com Inc. (NYSE: CARS) (d/b/a "[Cars Commerce Inc.](#)"), an audience-driven technology company empowering the automotive industry, today launched its March [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.

"As tax-return season approaches, both dealers and consumers are gearing up for a surge in car-buying activity. Dealers have expanded their new-car inventory by nearly 9% month-over-month, and consumer searches for new cars are on the rise by almost 4%. This increased activity indicates a strong consumer readiness to utilize tax refunds for vehicle purchases," said Rebecca Lindland, senior director of industry data and insights at Cars Commerce. "In particular, we are seeing electric-vehicle inventory on the rise, and with prices on a downward trend, now might be an opportune time to consider an EV."

Key March Market Highlights

March's data shows the new- and used-car markets are adjusting, with new-car prices continuing to drop and used-car prices hitting their lowest point in years, signaling a move toward more typical pricing. As interest grows, dealers are significantly expanding their inventory, especially for more affordable new vehicles. Meanwhile, the EV sector is seeing a major increase in inventory and a decrease in prices. To download the full report, visit www.CarsCommerce.inc.

- **Anticipating tax returns:** Dealers expand new-car inventory by nearly 9% month-over-month in anticipation of tax-return spending, while consumers are ready to spend with searches for new cars rising by almost 4% month-over-month.
- **Fastest-selling new-car brands:** The fastest-selling new-car brands are Toyota, with a 32 day turn and Cadillac coming in at 44 days, both 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 strong movement for the automaker. Cadillac takes the top spot for the second month in a row, driven by the XT4, LYRIQ and Escalade. For EVs, March saw the Subaru Solterra race ahead as the fastest-selling new EV due to increased inventory and heavy incentives from the Japanese automaker, while the Chevrolet Bolt EUV maintains its reign as the top choice among used EV models.
- **New-car price drop continues:** New-car prices remained below \$49K for the second consecutive month, decreasing -1.5% year-over-year. Cars.com's New Car Price Index, a proprietary index that estimates the total cost to purchase and finance a new vehicle, was dropped to 131.9, a -3.1 percentage point year-over-year decrease due to lower average prices and higher incentives.
- **Inventory improvement continues:** The inventory of new vehicles under \$30K increased by 77.5% year-over-year, 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% year-over-year increase for new EVs and +50% year-over-year 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).

Additional insights from March that are noteworthy:

- **Cars.com searches show heritage models and electric futures draw consumer attention:** The anticipated phase-out of V-8-powered Challenger and Charger models has sparked a notable increase in searches on Cars.com, with the Charger poised for a revival in 2025 featuring a twin-turbo inline-six and the electrified Charger Daytona set to take the Challenger's legacy forward.

Concurrently, the realm of used-car searches sees enduring favorites leading the way, as the Ford F-Series, with its history stretching back to 1948, and Toyota Tundra, a relative newcomer from 1999, continue to

captivate the market's imagination, underlining the lasting allure of legendary nameplates in March's top used-car searches. Amidst this, Ford's EVs, specifically the F-150 Lightning and Mustang Mach-E, despite slowing EV sales growth, topped the new-EV search charts in March, showcasing a strong consumer interest in Ford's electrified future.

New-Vehicle Supply, Demand and Pricing* <i>March 2024</i>		
Supply (YoY)	Demand (YoY)	Price (YoY)
37.2 %	-16.6 %	-1.4 %

Used-Vehicle Supply, Demand and Pricing* <i>March 2024</i>		
Supply (YoY)	Demand (YoY)	Price (YoY)
4.7 %	-6.8 %	-5.1 %

New-EV Supply, Demand and Pricing* <i>March 2024</i>		
Supply (YoY)	Demand (YoY)	Price (YoY)
107.7 %	14.9 %	-4.3 %

Used-EV Supply, Demand and Pricing* <i>March 2024</i>		
Supply (YoY)	Demand (YoY)	Price (YoY)
49 %	37.6 %	-20.5 %

**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.com.

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