

Monthly Industry Insights Report

February 2024

Auto market in transition

New-car shoppers find relief and more options,
contrasting ongoing challenges in the used-car market

Key Takeaways

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.

Share of entry-level new cars 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 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 on average have over 22,000 more miles compared to pre-pandemic vehicles. It isn't any 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.

EV incentives and tax credits provide pricing relief to some EV buyers. The Volkswagen ID.4 (No. 1) and 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 (NCPI).

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 reputation of the Tacoma and Tundra 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. Online reviews provide real-time feedback about customer experiences, ultimately impacting a dealership's online reputation.



Rebecca Lindland

Director of Industry Data and Insights, Cars Commerce

1



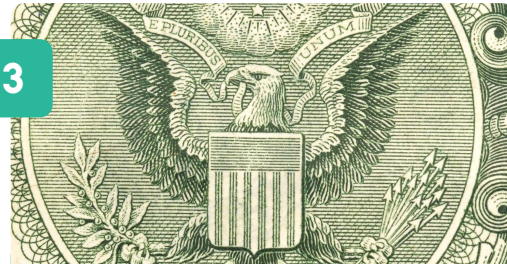
Market impact of evolving OEM
EV/hybrid strategy

2



Spring used-vehicle market in a
post-pandemic world

3



U.S. election and March Federal
Reserve meeting outcome

4



UAW harnessing momentum to
target non-unionized facilities

5



EV startup brands struggle with
market penetration

NEW VEHICLES

**With new-car supply up
and prices down,
shoppers have leverage**



Market Snapshot: New-Car Prices Recede Below \$49,000 for the First Time in Over a Year

-3.2 ppts YoY

132.6 NCPI

**New-Car
Price Index**

MSRP versus price + finance cost

-14.2% YoY

-4.9% MoM

**New-Car
Demand**

Searches

42.6% YoY

6.3% MoM

**New-Car
Supply**

Marketplace inventory

41.0% YoY

0.4% MoM
65 Days Average

**New-Car
Days Live**

Live on site

-0.6% YoY

-0.3% MoM
\$48,942 Average

**New-Car
Price**

List price

Fastest-Selling
Luxury Brands

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

Fastest-Selling
Mass-Market Brands

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

Slowest-Selling
Luxury Brands

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

Slowest-Selling
Mass-Market Brands

1. Dodge
2. Chrysler
3. Jeep
4. Buick
5. Ram

NCPI Down 3.2 ppts YoY as Prices Continue to Ease

Cars Commerce 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.

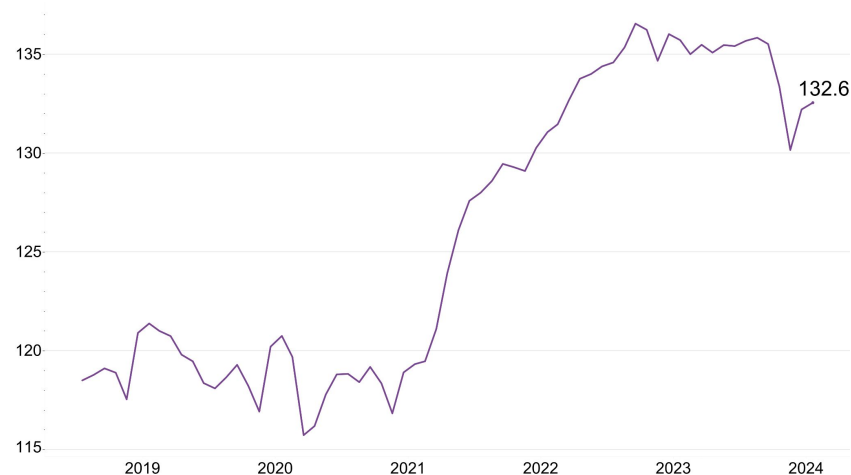
Increased discounting drove a -3.2 ppt YoY decline in NCPI, supported by a 42.6% increase in inventory.

MoM NCPI edged up 0.3 ppt higher, driven by recent reduced discounting and increased financing costs.

NCPI **132.6**

Cars.com New Car Price Index

February 2024



EV Incentives and Deals on Domestic Crossovers Lead the Cars.com New Car Price Index (NCPI)

The Volkswagen ID.4 tops* the NCPI for the first time, with incentives and tax credits providing a lower total cost to purchase and finance to some EV buyers (including Hyundai Ioniq 5 shoppers). Domestic crossovers round out the top five.

1. Volkswagen ID.4

100.9

NCPI

-21.0% YoY
-10.3% MoM

\$48,105

Average list price
on Cars.com

2. Lincoln Corsair

112.0

NCPI

-1.4% YoY
-2.3% MoM

\$48,128

Average list price
on Cars.com

3. Buick Envision

114.9

NCPI

-9.3% YoY
-0.9% MoM

\$39,298

Average list price
on Cars.com

4. Hyundai Ioniq 5

115.7

NCPI

-13.6% YoY
3.6% MoM

\$48,883

Average list price
on Cars.com

5. Ford Edge

116.2

NCPI

-3.7% YoY
-0.3% MoM

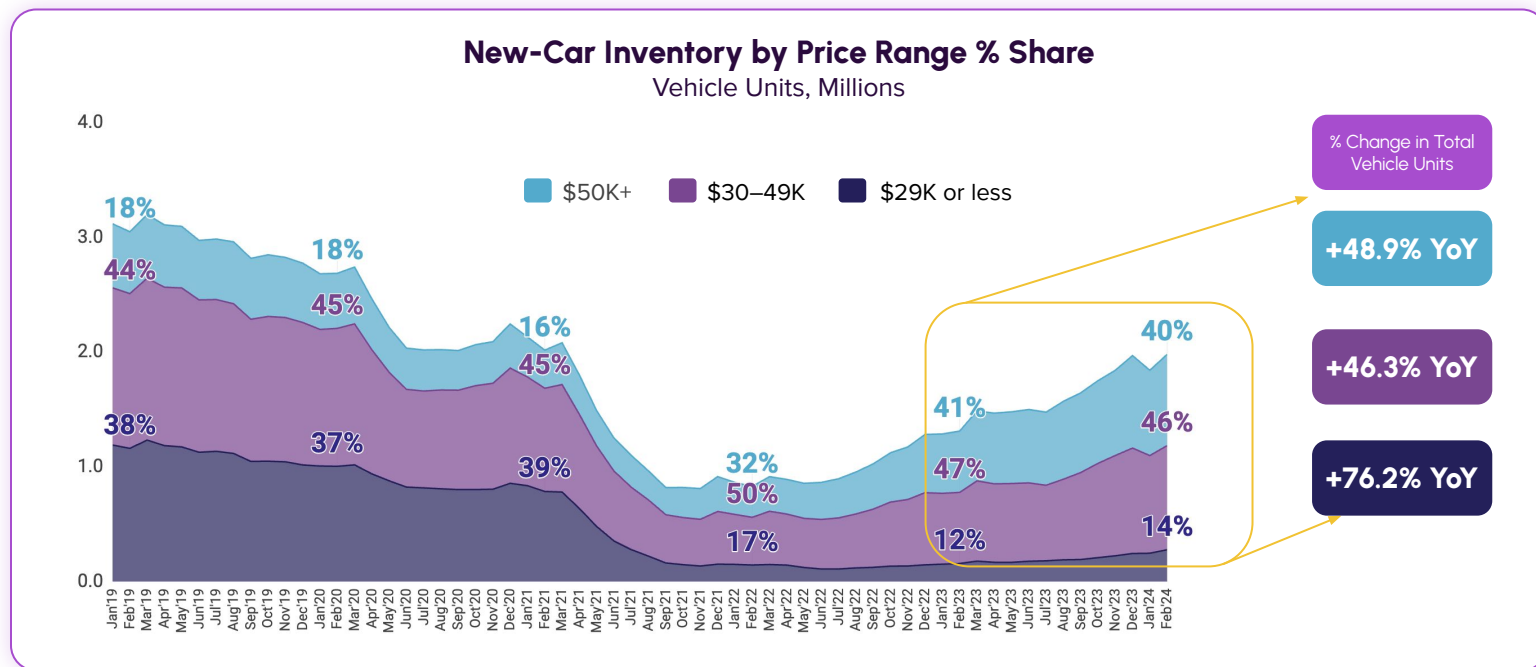
\$42,444

Average list price
on Cars.com

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

Entry-Priced New-Vehicle Inventory Rises 76.2% YoY, Up 2 ppts YoY to 14% Share

Share of Under \$30K Inventory Similar to Levels in May '22



New-Vehicle Inventory Up 43% YoY Prices Move Below \$49K for First Time Since Nov. '22

National Price and Inventory | February 2024

Month	Avg. List Price on Cars.com	Avg. Price MoM	Avg. Price YoY	Inventory MoM	Inventory YoY
New	\$48,942	-0.3%	-0.6%	6.3%	42.6%

New-vehicle inventory is up 42.6% YoY and 6.3% MoM as inventory at all price points continues to recover from the chip shortage and the recent UAW strike.

New-car prices dropped again YoY and MoM, falling below \$49,000 for the first time in over a year and easing 2.6% since peaking at \$50,253 in August 2023. Improving supply of sub-\$30,000 vehicles and climbing incentives are aiding new-vehicle pricing.

The most popular articles on Cars.com focus on affordability

[Here Are the 11 Cheapest Electric Vehicles You Can Buy](#)

[Here Are the 10 Cheapest New Cars You Can Buy Right Now](#)

[Here Are the 10 Cheapest New SUVs You Can Buy Right Now](#)



Cadillac Takes the Crown for Fastest-Moving Luxury Brand for the First Time, Driven by XT4 and XT5

Stellantis mainstream and luxury brands are struggling amidst a corporatewide portfolio revamping

Fastest- and Slowest-Moving New-Car

Mass-Market Brands, February 2024

Days Live

	Brand	Feb. '23	Feb. '24	YoY
Fastest Moving Brands	Toyota	20	32 	57.8%
	Honda	27	33	23.5%
	Subaru	26	40	54.5%
	Kia	24	46	91.6%
	Hyundai	31	50	60.8%
Slowest Moving Brands	Ram	70	94 	35.7%
	Buick	52	94	83.2%
	Jeep	64	95	47.1%
	Chrysler	45	115	155.8%
	Dodge	62	123	97.0%

Fastest- and Slowest-Moving New-Car

Luxury Brands, February 2024

Days Live

	Brand	Feb. '23	Feb. '24	YoY
Fastest Moving Brands	Cadillac	51	44 	-14.5%
	BMW	34	47	39.1%
	Lexus	26	48	80.3%
	Land Rover	42	61	44.7%
	Acura	36	65	80.6%
Slowest Moving Brands	Volvo	60	85 	43.2%
	Infiniti	59	91	53.9%
	Alfa Romeo	128	121	-5.3%
	Jaguar	66	126	91.4%
	Maserati	80	180	125.0%

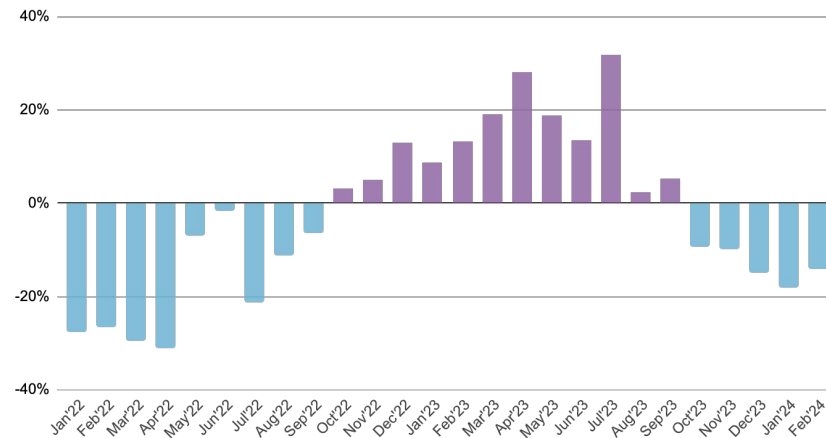
Interest in Mid-Priced Autos Falls 16.6% YoY; Higher-Priced Searches Drop 9.4% Amid Rising Inventories

Searches for affordably priced new inventory under \$30K are down 20.4% YoY even as inventory improves 76.2% YoY. High interest rates have a greater impact on entry shoppers, dampening demand.

Searches for \$30K-\$49K inventory, the largest segment by volume, dropped 16.6% YoY while prices were down 1.1%. Inventory was up 46.3% YoY with days live up 37.4% at 65 days.

Searches for new autos over \$50K are down 9.4%, with prices up 1.3% YoY. Inventory is up 48.9% YoY but is sitting longer on lots at 73 days, up 39.2%.

Searches YoY% | New Vehicles



Ford's Hero Vehicles Show Shoppers Want More Than Transportation

Domestically Branded Pickup Trucks Continue to Garner High Search Activity, Capturing the Top Four Spots

Trucks are a mainstay on U.S. roads as rugged do-it-all vehicles, and domestic pickups dominate the top four spots. Toyota is the only non-domestic brand featured in the top 10 thanks to the Tacoma and Tundra's reputation for reliability and durability — well suited for trucks.

Ford's F-Series trucks, Mustang and Bronco evoke emotion from shoppers who want more out of their vehicles beyond the commute, nabbing four of the top 10 spots in this month's searches.

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

1.	Ford F-150	\$58,766
2.	Chevrolet Silverado 1500	\$54,436
3.	Ram 1500	\$60,561
4.	GMC Sierra 1500	\$64,968
5.	Ford Mustang	\$49,011
6.	Toyota Tacoma	\$45,051
7.	Ford Bronco	\$62,352
8.	Toyota Tundra	\$60,390
9.	Chevrolet Corvette	\$98,172
10.	Ford Super Duty F-250	\$71,138

Toyota Hybrids Are Hot

Hybrids offer excellent fuel economy while also boosting performance, blending the best of each fuel type. Toyota's practical approach to electrification is gaining popularity with consumers, capturing four out of 10 spots.

Redesigned and new models are hot, reflecting a high level of interest. Toyota and Lexus' new lineup accounts for five of the top 10, balancing supply and demand with finesse.

The Ford Edge and Escape will be discontinued, likely to be replaced by electrified versions in the future.

Entering its 10th year on its current platform, the Nissan Murano is expected to get a redesign in 2025.

What's Hot

Vehicle	Avg. List Price
Chevrolet Corvette	\$98,172
Toyota Sequoia	\$79,700
Toyota Grand Highlander Hybrid	\$56,222
Toyota Tacoma	\$45,051
Lexus TX 350	\$63,477
Land Rover Defender	\$86,002
Toyota Prius	\$35,989
GMC Yukon	\$83,374
Toyota Highlander Hybrid	\$51,122
GMC Canyon	\$47,275

What's Not

Vehicle	Avg. List Price
Ford Edge	\$42,277
Mercedes-EQ EQB300	\$64,410
Nissan Rogue	\$32,852
Ford Escape	\$34,327
Chevrolet Equinox	\$30,508
Jeep Compass	\$34,210
Mercedes-EQ EQE350 Sedan	\$84,597
Nissan Murano	\$43,864
Buick Envision	\$39,234
Jeep Grand Cherokee 4xe	\$63,556

USED VEHICLES

**Older, high-mileage
units dominate
used-vehicle inventory
as values increase
amidst ongoing scarcity**



Market Snapshot: Inventory and Demand Improve While Prices Dip 3.6% YoY

0.1% YoY

-2.9% MoM

**Used-Car
Demand**

Searches

2.4% YoY

2.0% MoM

**Used-Car
Supply**

Marketplace inventory

7.3% YoY

-3.3% MoM

56 Days Average

**Used-Car
Days Live**

Live on site

-3.6% YoY

-0.6% MoM

\$28,695

**Used-Car
Price**

List price

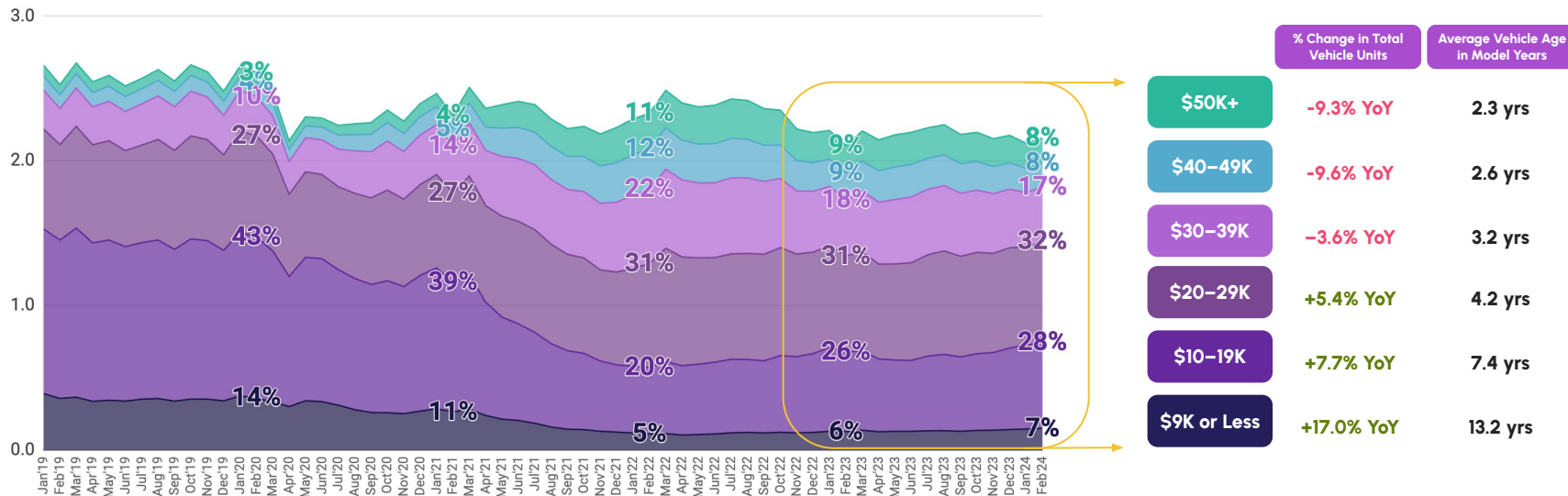
Popular Used-Vehicle Trade Values

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

Model	Trade Value	YoY	3 Months	MoM
Toyota Camry	\$19,032	(\$5,009)	\$737	\$332
Honda Civic	\$18,019	(\$4,581)	\$621	\$885
Chevrolet Equinox	\$14,138	(\$3,908)	\$67	\$225
Ford F-150	\$25,003	(\$8,386)	(\$1,086)	\$257
Jeep Grand Cherokee	\$30,245	(\$6,682)	(\$397)	\$0
Tesla Model Y	\$27,550	(\$11,860)	(\$4,500)	(\$2,510)
Toyota RAV4	\$22,656	(\$5,734)	(\$514)	(\$134)
Lexus RX	\$34,167	(\$7,967)	(\$2,167)	(\$33)
Toyota Tacoma	\$24,288	(\$4,279)	\$789	\$489
Hyundai Tucson	\$15,276	(\$4,966)	(\$447)	(\$161)

Used-Car Supply Under \$30K Up 7.5% YoY Returning With 3,000 Less Miles

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



Used-Car Supply Up 2.4% YoY but Still Constrained; Prices Dip 3.6% Yet Stay Above Pre-Crisis Levels

National Price and Inventory February 2024					
Month	Avg. List Price on Cars.com	Avg. Price MoM	Avg. Price YoY	Inventory MoM	Inventory YoY
Used	\$28,695	-0.6%	-3.6%	2.0%	2.4%

The average used-car price eased slightly YoY but remains well above pre-pandemic levels as used inventory is still constrained by nearly 400,000 units.

Used vehicles under \$20K have more wear and mileage versus pre-pandemic, averaging 2.7 years older with a whopping 22,300 more odometer miles versus February '19. Used cars under \$30K have more miles and are older compared to inventory from February '19. These vehicles carry 11K more miles, and the age of the vehicle increased from five years in February '19 to 6.5 years in February '24, up 1.5 years. Shoppers need to keep a sharp eye out for newer, low-mileage used vehicles as a result.

Consumer Search Preferences for Used Vehicles Similar to New

Eight out of 10 used-vehicle searches mirror new, which are also models in production over multiple decades. Consumer preferences are relatively stable across vehicle types and span a wide range of prices.

Both capable and refined, the Jeep Grand Cherokee is a popular choice for those who split their time between dirt and pavement. Jeep has elevated the Grand Cherokee over the years with luxurious appointments while still maintaining its core 4x4 DNA.

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

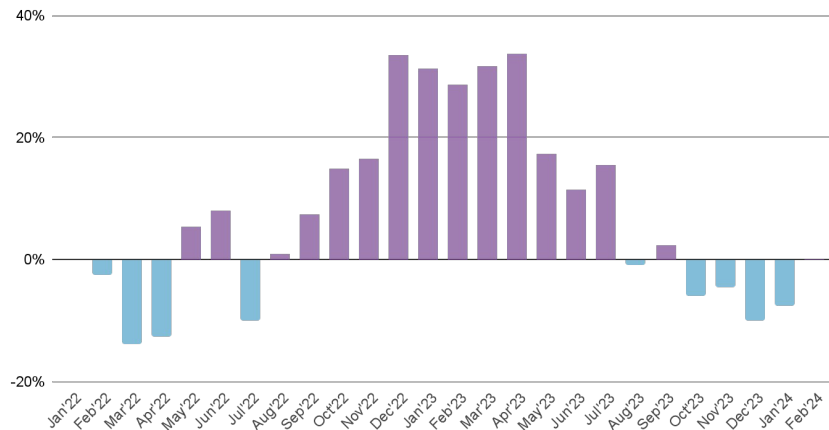
1.	Ford F-150	\$33,216
2.	Chevrolet Silverado 1500	\$33,149
3.	Toyota Tacoma	\$31,808
4.	Chevrolet Corvette	\$60,786
5.	Ford Mustang	\$26,575
6.	Ram 1500	\$33,987
7.	Porsche 911	\$140,874
8.	Toyota Tundra	\$35,901
9.	Ford Super Duty F-250	\$45,183
10.	Jeep Grand Cherokee	\$25,871

Used Vehicles Under \$20,000 on Average Have Over 22,000 More Miles Compared to Pre-Pandemic Vehicles

Inventory over \$30K is down 6.5% YoY, particularly in lightly used 1-3-year-old vehicles. As a result, searches are up 2.1% YoY as consumers must spend more time searching to find a vehicle that meets their needs.

Despite prices easing 1%, searches for sub-\$20K are down 5.6% YoY while inventory climbed 9.5%, causing stock to sit six days longer on dealer lots.

Searches YoY % | Used Vehicles



ELECTRIC VEHICLES

**Used EVs supplies
continue climbing,
providing shoppers
with more choices**



Market Snapshot: Used EV Prices Drop 19% Year Over Year, Causing 29.1% Increase in Consumer Demand

-5.1% YoY

-8.3% MoM

**New-EV
Demand**

Searches

129.4% YoY

0.8% MoM

**New-EV
Supply**

Marketplace inventory

129.6% YoY

7.1% MoM
93 Days Average

**New-EV
Days Live**

Live on site

-3.2% YoY

0.5% MoM
\$64,082

**New-EV
Prices**

List price

Fastest-Selling New*
EV Models

1. Cadillac Lyriq
2. Mini SE Hardtop
3. BMW i4 Gran Coupe
4. Hyundai Kona EV
5. BMW iX

29.5% YoY

1.7% MoM

**Used-EV
Demand**

Searches

25.8% YoY

12.1% MoM

**Used-EV
Supply**

Marketplace inventory

6.5% YoY

-6.5% MoM
65 Days Average

**Used-EV
Days Live**

Live on site

-19.3% YoY

-3.0% MoM
\$37,562

**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

Tesla Is the Market Leader in EVs and Dominates Used-EV Searches on Cars.com

**Top 5 New-EV Searches
on Cars.com**

Vehicle	Avg. List Price
Ford F-150 Lightning	\$68,071
Ford Mustang Mach-E	\$52,517
Kia EV9	\$69,155
Cadillac Lyriq	\$67,802
Hyundai Ioniq 5	\$49,725

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	\$28,348
Tesla Model S	\$36,937
Tesla Model Y	\$36,680
Tesla Model X	\$46,941
Porsche Taycan	\$93,967

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

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

22.1% YoY

-0.1% MoM

Total EV Searches

-5.1% YoY

-8.3% MoM

New-EV Searches

29.5% YoY

1.7% MoM

Used-EV Searches

New-EV searches down 5.1% YoY, outperforming the 14.2% YoY decline for all new autos. A year ago, EV demand was sky-high thanks in part to price cuts and interest in recent product launches.

0.53 pts YoY

0.08 pts MoM

Total EV Search Share

0.35 pts YoY

-0.16 pts MoM

New-EV Search Share

0.58 pts YoY

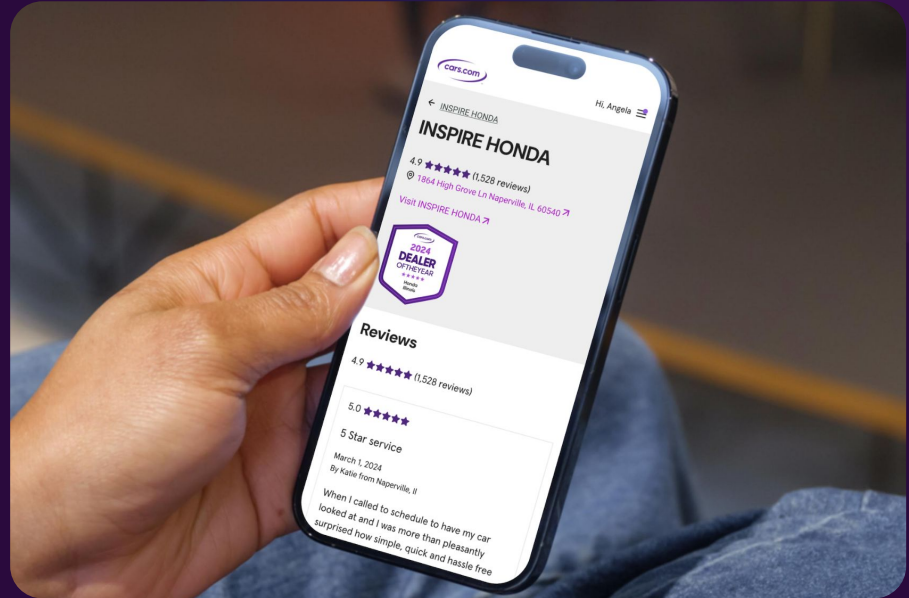
0.11 pts MoM

Used-EV Search Share

Falling used prices boosting demand, with the average list price of a used EV down 19.3% YoY and searches up 29.5% YoY.

DEALER REPUTATION

Responsiveness and accountability are keys to an excellent dealership experience



Online Reviews Provide Real-Time Feedback About Customer Experiences, Ultimately Impacting a Dealership's Online Reputation

Responsiveness is key to dealership excellence. Dealers that utilize online response tools to respond to consumer reviews receive **371%*** more positive reviews compared to dealers who do not.

Accountability and finding dealership superstars.

Dealerships featuring individual staff pages receive **20 times*** more reviews compared to other dealers and receive first-hand information about customers' experience with staff.

24.2

Seconds a review
submitted to Cars.com
in February

109K

Employee profile
page ratings on
DealerRater in
February

56%

Review response
rate on Cars.com
in February

113K+

Reviews on Cars.com
in February

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.

Terminology

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