

Industry Insights Report

# April 2025 Auto Market Review

## Strong April Auto Sales As Pre-Tariff Shopping Continues

**New vehicle sales grew 11.1% YoY and SAAR reached 17.3M** – the second sequential month above 17M—something not seen since the post-vaccine buying surge in 2021. But the sales pace is starting to slow down from March's high of 17.8M—a sign that the early rush to buy before tariffs kick in might be fading.

**Inventory grew just 3.7% YoY in April** —a big slowdown from the double-digit increases from Sep'22 to Jan '25. Strong sales cleared out a lot of dealer stock, and inventory could keep shrinking as automakers pivot on inventory management and pricing in response to tariffs and higher costs.

**Prices remained steady for the past 19 months**, but that may not last much longer. Prices have started to creep over the past two months as buyers grab remaining affordable options, especially those under \$30K—most of which are imported and more likely to be hit by tariffs. With new 2026 models hitting the market and less discounting, prices could rise even more in the months ahead.

**Cars sat on dealer lots for an average of 74 days in April**, up 12% YoY. This number has slowly climbed over the past year, but strong sales in March and April helped dealers clear out more aging inventory.

11.1% YoY

**New-Car  
Sales**

Sales statistics from the  
U.S. Bureau of Economic Analysis

3.7% YoY

**New-Car  
Supply**

Marketplace inventory

11.9% YoY

74 Days Average

**New-Car  
Days Live**

Live on site

0.8% YoY

\$49,530 Average

**New-Car  
Price**

List price

# Tariffs Impacting Automotive Industry

## Pre-Existing Tariffs (prior to 2025)

Rate	Description
<b>2.5%</b>	<b>Baseline tariff on autos</b> <ul style="list-style-type: none"> <li>Canada, Mexico exempt under NAFTA/USMCA</li> <li>S. Korea exempt starting in 2016 under KORUS FTA</li> </ul>
<b>25%</b>	<b>Tariff on light pickup trucks</b> A 1964 retaliatory tariff famously known as the 'Chicken Tax'
<b>25%</b> <b>10%</b>	<b>Tariff on steel</b> <b>Tariff on aluminum</b> <ul style="list-style-type: none"> <li>Effective in 2018 on all countries</li> <li>Canada, Mexico exempt</li> <li>Steel-only: S. Korea exempt but with export volume limits</li> <li>Derivative products added to tariff in 2020, including auto body stampings and wiring</li> <li>EU exempt from metals tariff in 2021</li> </ul>
<b>100%</b> <b>25%</b>	<b>Tariff on Chinese-made EVs</b> <b>Tariff on imports from China of EV batteries, battery parts, steel and aluminum</b> <ul style="list-style-type: none"> <li>Effective Sept. 27, 2024</li> <li>Prior to Sept. '24, EVs were at 25%, batteries and battery parts at 7.5%, and steel/aluminum were at 0%-7.5%</li> </ul>

## New Tariffs

Effective	Rate	Description
<b>Mar 1</b>	<b>20%</b>	<b>All imports from China</b> <ul style="list-style-type: none"> <li>Informally known as the fentanyl tariff; stacks on other tariffs</li> <li>Originally was 10% as of Feb. 1</li> <li>This tariff is in place until further notice, after being nullified by a May 28 court ruling and then appealed</li> </ul>
<b>Mar 12</b>	<b>25%</b>	<b>Aluminum and steel</b> <ul style="list-style-type: none"> <li>Replaces prior metals tariffs</li> <li>Impacts cost of autos, parts, tools and machinery</li> <li> voids prior exemptions; adds new definitions of derivative products to be tariffed</li> </ul>
<b>Apr 3</b>	<b>25%</b>	<b>Tariff increase on all vehicles imported</b> <ul style="list-style-type: none"> <li>Stacks on top of other tariffs</li> <li>U.S.-made parts exemption for USMCA-compliant autos</li> <li>Classic cars exempt</li> </ul>
<b>May 3</b>	<b>25%</b>	<b>Auto parts</b> <ul style="list-style-type: none"> <li>USMCA-compliant parts temporarily exempt until exemption process established</li> <li>Only U.S.-made content is exempt after process is established</li> </ul>

## Other Actions

Effective	Description
<b>Apr 3</b>	<b>Tariff relief measures</b> <ul style="list-style-type: none"> <li>Removes stacking of steel/aluminum tariffs for imported autos and parts from Canada/Mexico, but the 20% "fentanyl" tariff on China still applies and stacks</li> <li>For vehicles assembled in U.S., tariff rate on imported parts discounted up to 3.75% of vehicle price in first year, 2.5% in second year</li> </ul>
<b>Apr 4</b>	<b>China retaliates</b> with tariff hikes, restricts export of 7 rare earth metals <ul style="list-style-type: none"> <li>Rare earth metals are needed for electric motors used in EVs and hybrids</li> <li>China has near-monopoly on these metals</li> <li>Rule written to prevent or limit reshoring</li> </ul>
<b>May 8</b>	<b>U.K.-U.S. trade deal announced</b> <ul style="list-style-type: none"> <li>Effective date is TBD</li> <li>10% tariff rate for the first 100,000 vehicles imported from U.K. each year</li> <li>25% tariff rate after 100,000 imports</li> <li>Cars Commerce estimates 91K vehicles imported from the U.K. in 2024 and likely fewer in 2025</li> <li>Additional tariff reductions on aluminum and steel from the U.K. expected</li> </ul>
<b>May 28</b>	<ul style="list-style-type: none"> <li>The U.S. Court of International Trade blocked the sweeping 10% reciprocal tariffs, but temporarily reinstated by an appeals court until further notice</li> <li>Does not invalidate the tariffs on automobiles, steel and aluminum.</li> </ul>

# Tariffs Will Hit Under \$50K Vehicles Hardest, Especially Under \$30K

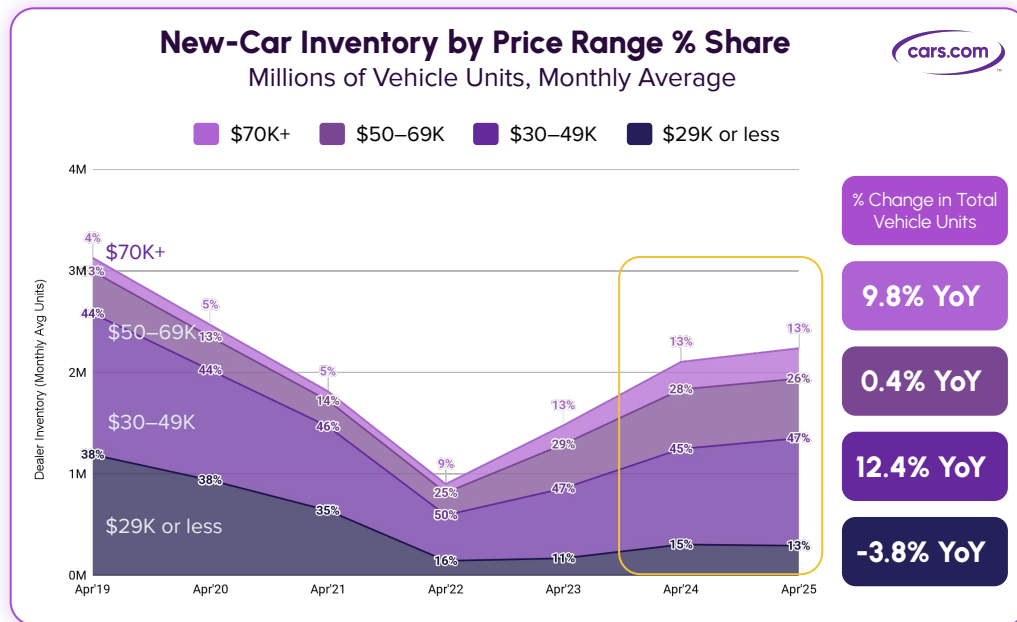
**60% of new vehicles are priced under \$50K**—and 58% of them are imports, making them especially vulnerable to price increases from new tariffs.

**Vehicles under \$30K are the most at risk** with only 13% of inventory in this pricing segment, down 2 pts from last year. The growth this segment saw post-pandemic is already shrinking, with 90% of these vehicles built outside the U.S., making them highly susceptible to tariff-driven price hikes.

**\$30-\$49K is now the fastest-growing price segment.** This mid-priced category makes up the largest share of new inventory, increasing 12.4% YoY. Over half of these vehicles are imported, so this price segment isn't immune to tariffs.

**Higher-priced inventory is more stable—for now.** \$50-\$69K inventory is in line with last year, but share is down 1.6 pts YoY due to growth of inventory in the \$30-\$49K segment. Only 35% of vehicles priced \$50-\$69K are imported—the lowest of any price band.

**\$70K+ vehicles are growing too**, up 9.8% YoY, with 42% imported—meaning luxury shoppers may also feel tariff effects soon.



# Tariff-ying Situation for Affordable Autos: Only 2 of the 19 sub-\$30K models are still built in the U.S.

**Most entry-priced vehicles are imported** and facing tariffs that could lead to higher pricing for consumers while making them less profitable for automakers and dealers.

**Some automakers have already announced price** hikes on vehicles in this price segment, which will take some time to appear in dealer inventory pricing.

U.S.-built sub-\$30K vehicles:

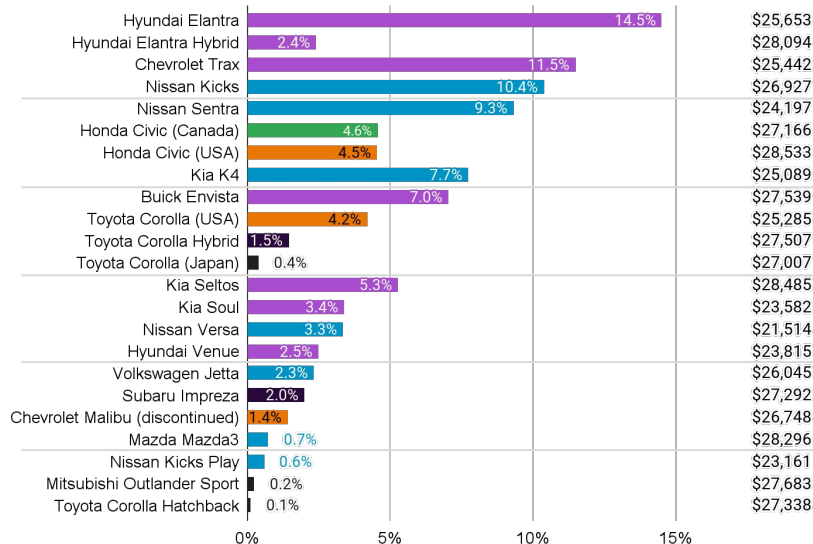
- Honda Civic (4.5% of inventory under \$30k)
- Toyota Corolla (4.2%)
- Chevy Malibu (1.4% but model is discontinued and selling down remaining inventory)

## Percent of Inventory with Average Price Under \$30k



By Country Imported From

■ S. Korea (47%) ■ Mexico (33%) ■ USA (10%) ■ Canada (5%) ■ Japan (3%)



# Tariffs Drive \$1,100 Spike in Average Price of Mexican-Built Vehicles

**Can Americans afford to buy American?** Vehicles assembled in U.S. factories carry the highest average price at \$53K — higher than imports and the overall average new car price of around \$49K.

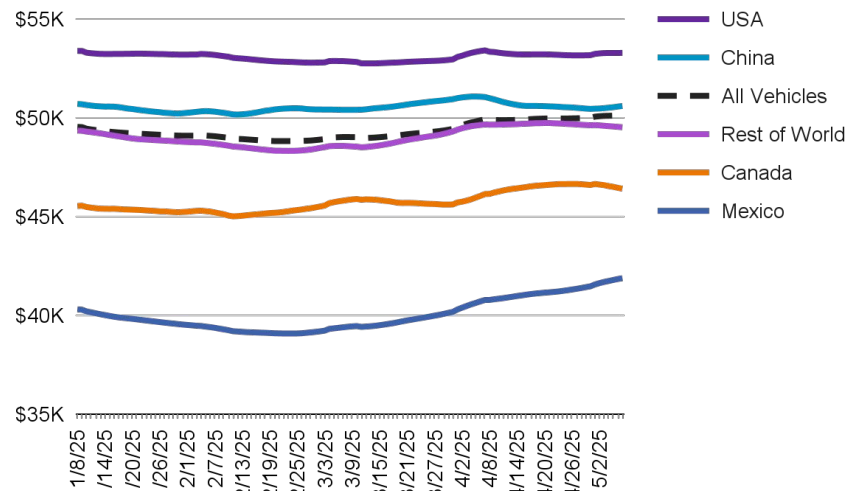
**Mexican-built vehicles are the most affordable** on average at \$42K, but that number jumped by \$1,100 in just one month.

**Now, import inventory is starting to thin out and could put even more pressure on prices heading into summer.** But the average price for U.S. built vehicles has dropped -\$102 since the start of the year, while pricing for imports has increased.

cars.com	Week of May 1-7		Price vs. USA	
	Inventory Share %	Price	%	\$
USA	53.9%	\$53,290		
China	1.3%	\$50,602	-5.0%	-\$2,688
All Vehicles	100%	\$50,124	-5.9%	-\$3,166
Rest of World	23.5%	\$49,527	-7.1%	-\$3,763
Canada	3.8%	\$46,413	-12.9%	-\$6,877
Mexico	17.4%	\$41,885	-21.4%	-\$11,405

## New-Car Price by Country of Final Assembly

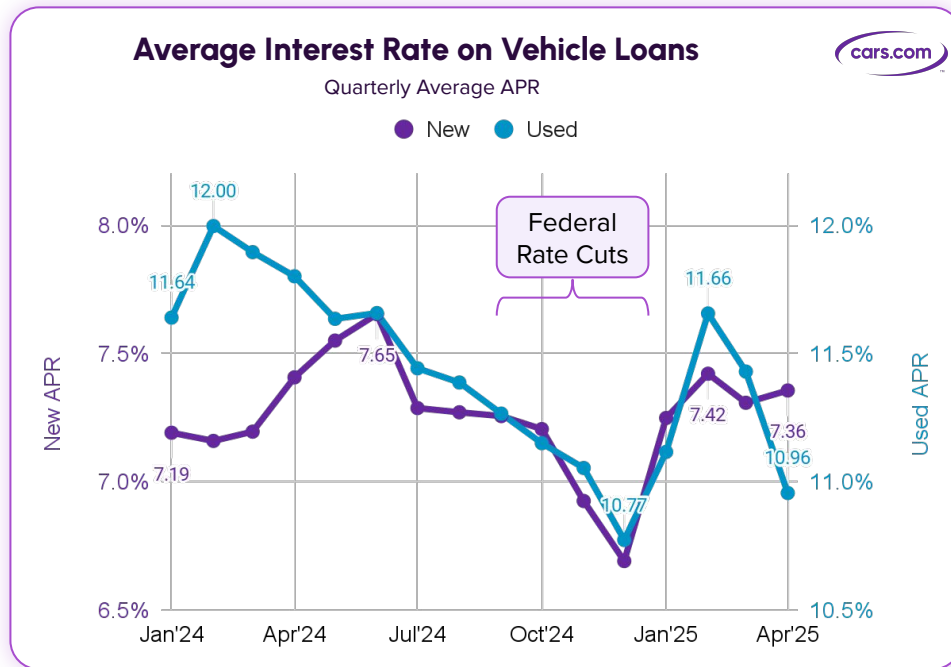
Moving 7-Day Average



## Interest Rate Cuts Have Done Little to Help Car Buyers

**New-car loans are more expensive now than before the Fed cut rates.** The average new-car loan APR in April was 8 basis points higher than Q3 2024 – despite the Fed lowering rates by 100 basis points late last year.

**Used-car loan rates have softened slightly, down 42 basis points since Q3 2024.** April marked the lowest used APR of the year, but the average rates are still high at 11%.



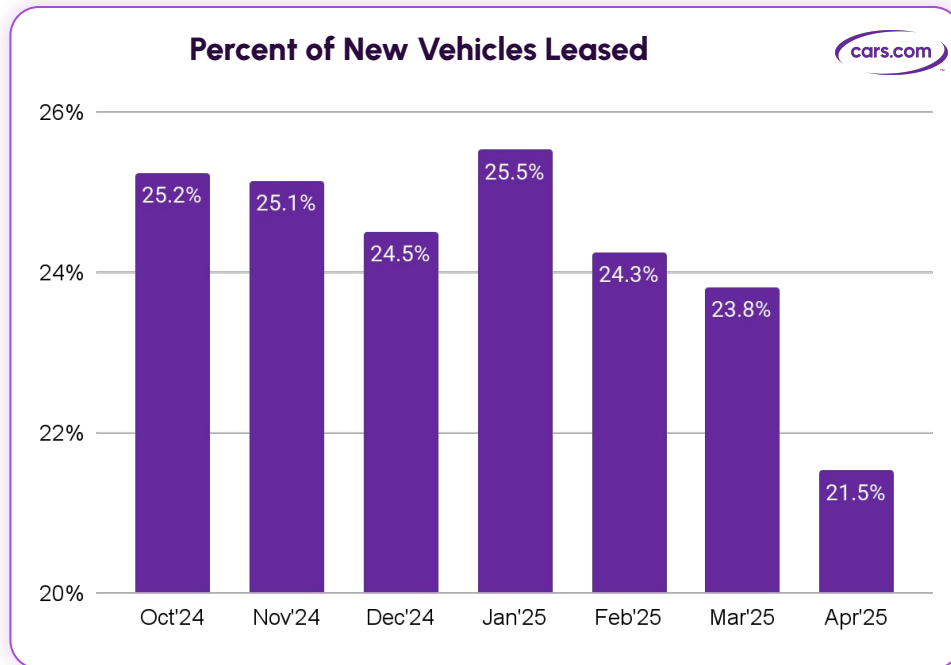
## Automakers and Their In-House Financing Companies Are Pulling Back on Lease Deals

**As supply shrinks**, automakers and their in-house lenders (like Ford Credit or Toyota Financial Services) are offering fewer deals that lower monthly lease payments.

**These lease incentives** — usually special interest rates or discounts — are being scaled back, making leasing less appealing and more expensive for shoppers, especially in luxury segments where leasing is more common.

**European brands are feeling the effects the most.** They build fewer vehicles in the U.S. and import about 75% of what they sell here, which makes them more exposed to tariffs. These brands rely heavily on leasing to keep higher-priced vehicles affordable, so when lease deals disappear, the impact hits hard. In April, luxury European imports saw the biggest drop in leasing activity.

**Domestic luxury brands, like Lincoln and Cadillac,** have been less affected. Leasing only dipped slightly for those brands in April, likely helped by employee pricing promotions from Ford and Stellantis that made leasing more affordable despite rising costs.





## Used-Car Supply Up 5% YoY, But Condition and Value Vary Widely by Price

**Inventory of vehicles under \$9K is growing fast**, but they average 135,000 miles and are sitting on lots longer. These cars may be tempting due to price, but their condition and age could mean more repair costs and buyers are showing hesitation.

**Used vehicles under \$20K have gotten older, more worn — and are slower to move.** These vehicles now have much higher mileage and are older than they were in 2021. On average, they take longer to sell and offer less value for the money, reflecting the squeeze on affordable inventory.

**The \$20K–\$29K range is the fastest-selling price segment**, offering lower-mileage and recent-model-year vehicles at a compelling price for many consumers.

**Mid-priced used cars (\$30K–\$49K) are newer — but prices are creeping up.** These vehicles are typically 2–3 years old and in better condition, but prices are rising slightly, especially in the \$40K–\$49K range. As new-car prices rise, this segment is becoming a key alternative — though shoppers are still weighing value.

**Used cars priced \$50K+ have less than 23K miles on average — nearing new-car territory — and sitting longer.** These cars have low mileage and are still under factory warranty in most cases due to their low average, but their prices are approaching the average cost of a brand-new vehicle (\$49K). Because of this, buyers are hesitating — and these vehicles are staying on lots longer than other segments.

5.2% YoY

Used-Car  
Supply

Marketplace inventory

1.9% YoY

54 Days Average

Used-Car  
Days Live

Live on site

0.7% YoY

\$29,141 Average

Used-Car  
Price

List price

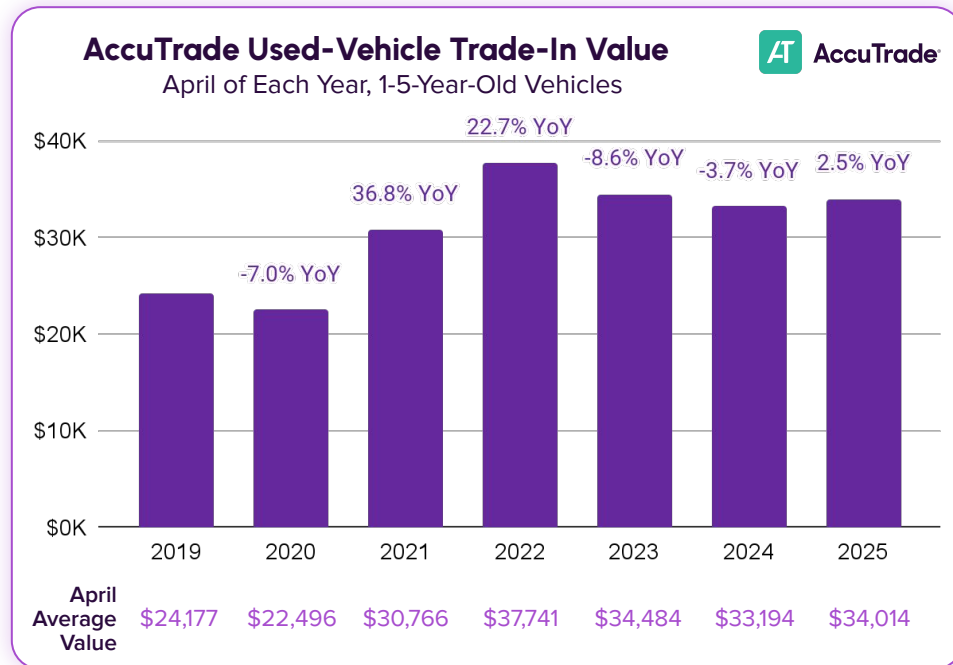
## Trade-In Values Are Rising as New-Car Prices and Tariffs Push Upward

Consumers are getting more for their trade-ins.

Trade-in values rose by **\$820** year over year in April, marking the first annual increase for that month since 2022, when inflation peaked.

Month-over-month growth was also strong, with trade-in values up \$388, reaching their highest level since May 2023.

Dealers are paying more for trade-ins as they prepare for increased consumer demand in the used market — a direct response to rising new vehicle costs. But this also signals used car price inflation ahead.



# Tariffs Temper New-EV Market Momentum — Even as More Models Hit the Market

**The EV market continues to grow, but that growth is slowing.** While more electric vehicles are available than ever, tariffs and tighter incentives are starting to reshape inventory levels, pricing and production decisions.

**There are more EV choices than ever—but growth is cooling.** There are now 72 new EV models to choose from, up from 53 models a year ago—a 36% increase.

**Automakers slowed EV production growth to match demand.** New EV inventory increased 10% YoY, the lowest growth rate since the chip shortage, but this isn't a new trend as growth continually moderates as the EV market continues to mature.

- Automakers like VW and Ford have cut or paused production to rebalance supply.
- Kia EV6 and EV9 are now made in Georgia instead of South Korea, causing temporary supply dips but help reduce import costs.
- In the past 12 months, these vehicles contributed significantly to overall inventory growth, which all, except the Acura ZDX are imported:
  - Chevrolet Equinox EV
  - Honda Prologue
  - Acura ZDX
  - Audi Q6 e-tron
  - Jeep Wagoneer S
  - Dodge Charger Daytona

**Prices have stabilized as automakers recalibrate production** but will likely move higher due to tariffs as EVs rely more on imported parts (i.e., batteries, semiconductors, etc.), and many of the most-popular EVs are imported.

10.1% YoY

**New-EV  
Supply**

Marketplace inventory

-7.9% YoY

74 Days Average

**New-EV  
Days Live**

Live on site

2.7% YoY

\$64,672 Average

**New-EV  
Prices**

List price

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

# Supply Expands, Prices Fall and Value Improves in Used-EV Market

**Inventory is booming** with used-EV supply up 37% YoY, with 89 models now available, up from 60 last year — a 39% increase in variety.

**Prices are dropping** with average used-EV prices falling 3% YoY to \$35K, making EV ownership more accessible.

**Turnover is improving** as average time spent on dealer lots dropped to 62 days, down from 65 a year ago as demand increases.

**Entry-level EVs are moving fast** with popular models under \$25K turning quickly and often qualifying for the \$4K used-EV tax credit. Top models include: Chevrolet Bolt EV/EUV and Hyundai Kona EV

Read more: [Which Electric Cars Are Still Eligible for \\$7,500 Federal Tax Credit](#)

**36.9% YoY**

**Used-EV  
Supply**

Marketplace inventory

**-5.8% YoY**

62 Days Average

**Used-EV  
Days Live**

Live on site

**-3.3% YoY**

\$34,953 Average

**Used-EV  
Prices**

List price

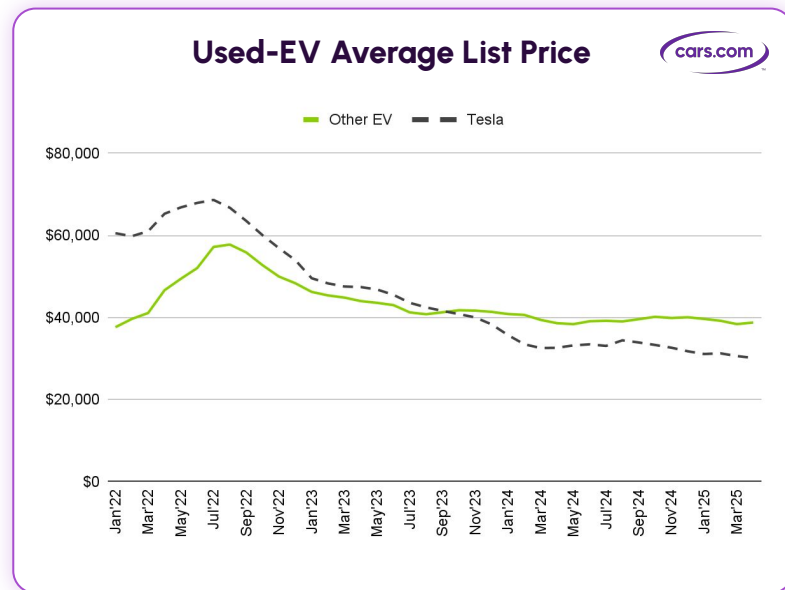
## Used Teslas: More Supply, Lower Prices, Older Vehicles

**Used Tesla prices are at an all-time low.** Volume models like the Model 3 and Model Y have been in production longer and offer a more approachable price to EV ownership without sacrificing driving range and depreciated software.

- **Used Tesla inventory jumped 48% YoY**, with market share increasing from 38% to 44% since the start of the year. Prices also dropped 8% YoY, with average mileage at 43K and average age of 4.1 years. The average product age is 7.2 years and when excluding the Cybertruck, it jumps to 8.8 years. Tesla's time on lot decreased, now moving off lots 1.5 days faster than last year, as used Tesla pricing has become more attractive.
- **The Model Y was down 13% YoY**, though its higher-than-average price and high volume moderated the decline. The Cybertruck had the most significant decline of 52% YoY, though its low volume offset the large drop in price.
- **The Tesla Model 3 has an average price below \$25K** for the second sequential month, qualifying a majority of used Model 3s for the \$4k used EV tax credit – offering a lot of car for the price. The Model 3 carries an average age of 4.3 years with 45.5K miles on the odometer in the used market.

### Non-Tesla EVs

- **Prices are flat YoY and up 1% MoM**, driven by expanding model selection and fresher inventory, which carries less mileage and age. EVs from traditional manufacturers are depreciating at a slower rate.
- **Non-Tesla inventory grew 29% YoY** with stronger model variety and availability. These EVs are younger (2.7-3.5 years old) and have less mileage (21K miles) on average.
- **Time spent on dealer lots dropped 7% YoY**, reflecting stronger demand and faster turn rates. Prices remained flat, showing greater stability as supply grows and conditions improve.



Industry Insights Report

# Tariffs Disrupt Shopper Timelines, Shift Brand Loyalty and Spark Interest in CPO Amid Growing Economic Concerns

# Tariffs Spark Early Buying but Heighten Hesitation

- **Tariffs pulled forward demand in March and early April**, but that urgency is fading as more shoppers now plan to delay.
- **Concerns** about higher prices remain elevated:
  - 52% of new-vehicle shoppers expect to pay more due to tariffs.
  - 36% of used/CPO shoppers expect higher prices, as well.
- **New-car consideration is declining** while CPO interest is rising as shoppers look for more affordable alternatives.
- **Inventory worries are growing**, especially among new-vehicle shoppers — up from ~30% to 45%.
- **Brand loyalty is weakening**: Tariff-impacted shoppers are considering more brands (4.1 vs. 1.6).
- **Shopper sentiment toward imports is shifting**:
  - Countries like Canada, South Korea, Germany and Japan are seeing declines in consideration.
  - Interest in U.S.-built vehicles is slowly increasing.
- **Economic uncertainty**, up 6 ppts from Feb. to 42%, and government policy/tariffs affecting vehicle prices, up 5 ppts from Feb. to 44%, are increasingly cited as reasons to wait.

*An online survey was conducted via a site intercept on Cars.com to understand how tariffs may impact consumers' vehicle purchase timing, brand preferences and stock type consideration. The survey launched on Feb. 21 and remains live. As of May 15, it has received over 4,000 responses.*

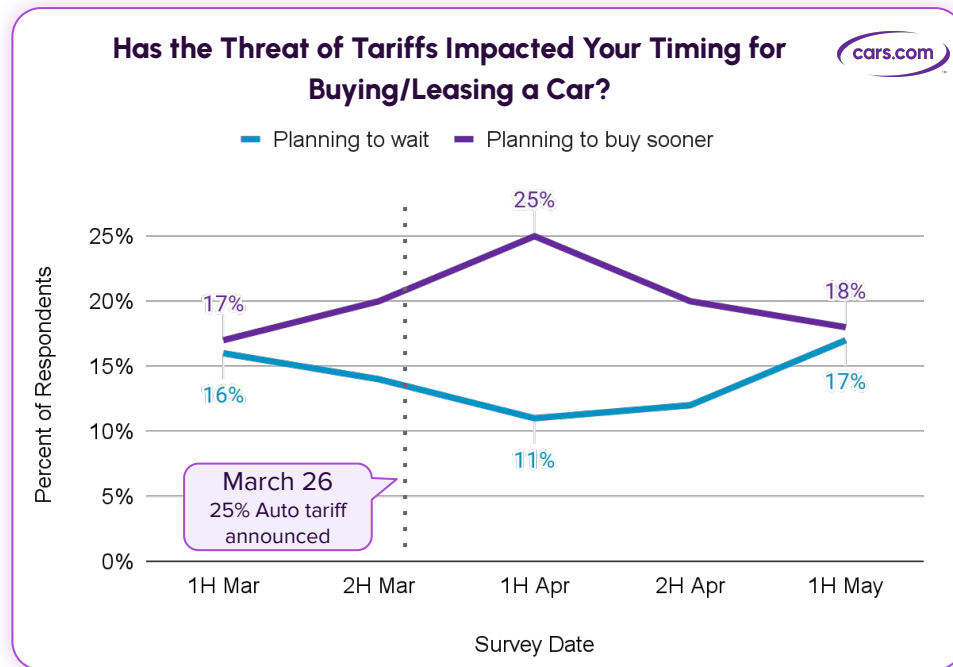
# Tariffs Motivating More Than a Third of Shoppers To Change Their Purchase Timeline

**Tariffs pulled ahead sales but also sidelined some shoppers.**

- 36% of shoppers changed their purchase timeline in the first half of April, mostly accelerating their purchase timeline over concerns of higher prices .
- Since then, accelerated buying intent has slowed while more shoppers plan to delay a purchase, still totaling 35% changing their purchase timeline in 1H May

**40% of shoppers expect to pay more in 1H May.**

- 52% of shoppers considering a new vehicle expect to pay more because of tariffs.
- 36% of shoppers considering a used or CPO vehicle expect to pay more.



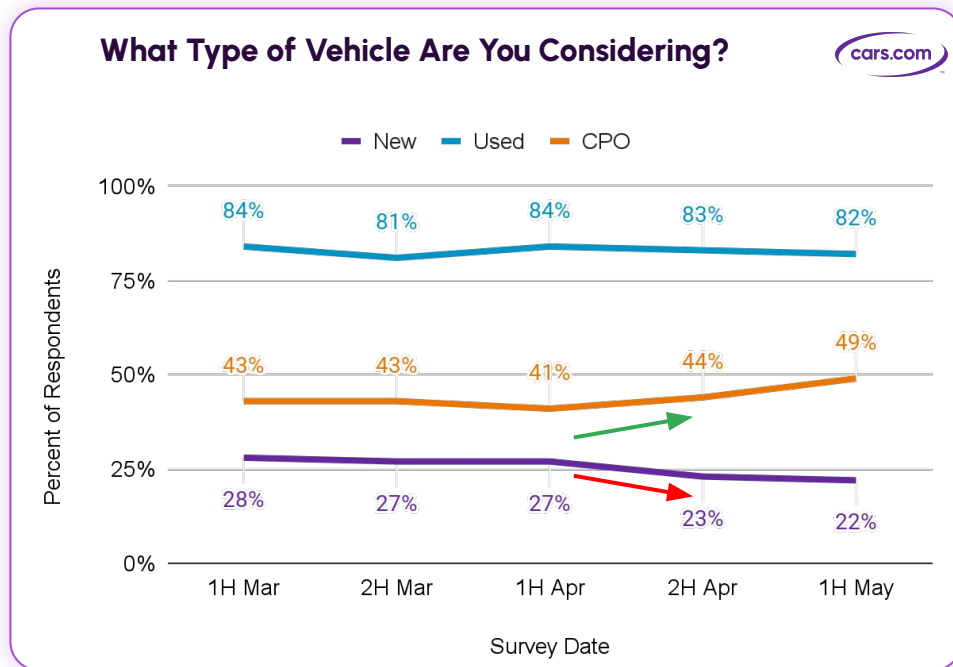


## Fewer Shoppers Considering New Vehicles Starting in Late April

**The initial surge in new-car sales from March and April may be tapering down.** Starting in late April, fewer in-market shoppers are considering new vehicles, while interest in certified pre-owned (CPO) vehicles is increasing. CPO is often viewed as an affordable alternative to new cars.

**81% of new shoppers say they aren't fully committed to a new vehicle due to concerns of higher prices from tariffs, in 1H May.**

- 28% say they're more likely to consider a used car.
- 53% say new versus used depends on what vehicles they can find in their price range.



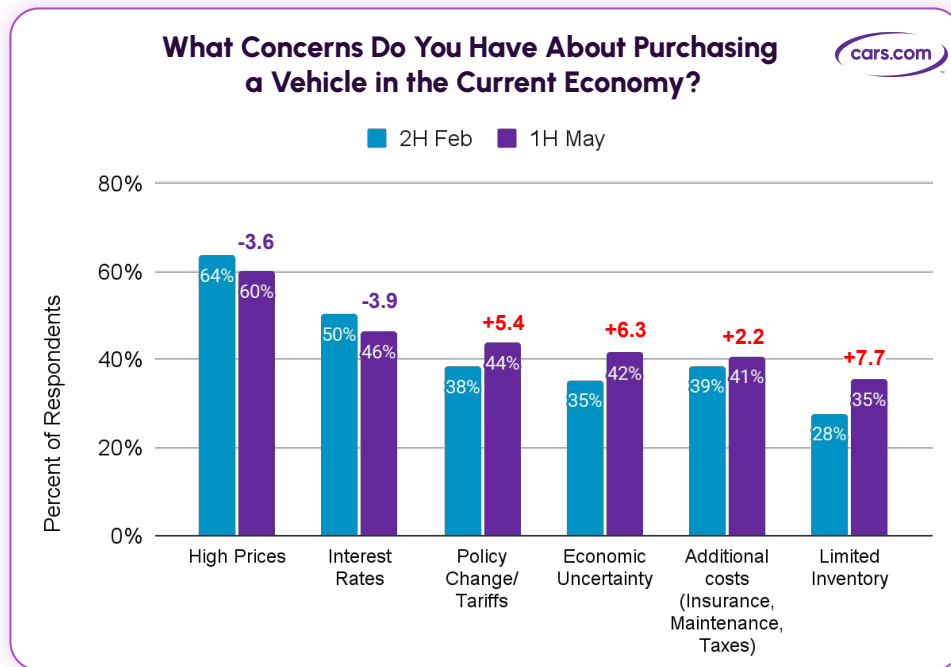
# More Shoppers Are Worried About Inventory Shortages Returning

## More shoppers are concerned about inventory shortages.

Prior to May, inventory concerns had remained stable around 30% since February.

**Government policy and economic uncertainty are weighing on more shoppers' minds**, which likely reflects the growing percent of shoppers planning to wait to purchase due to tariffs (17% in 1H May vs. 11% in 1H April).

**Price is always a top concern for car shoppers**, but since February, fewer shoppers say high prices and interest rates are concerning as they focus on other issues.



# Canada Losing Shopper Interest More Than Any Other Import Nation

Countries with the highest acceptance are losing the most shopper consideration since February.

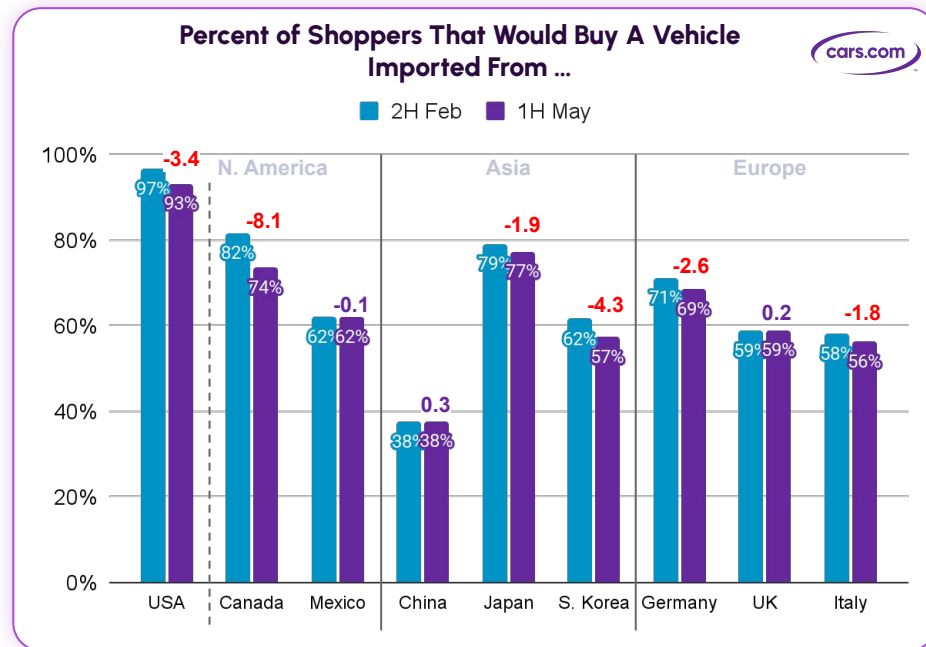
- Canada, South Korea, Germany and Japan have lost the most shopper consideration.
- 24% of dealer inventory was imported from these countries as of May 15.
- Mexico, where 17% of dealer inventory was imported from, had no change in shopper sentiment.

Nearly every shopper is open to buying a vehicle built in the U.S.

But with import consideration at 90% in 1H May, nearly every shopper is also open to an import.

- 9% of shoppers say they'd only consider buying a vehicle made in the USA in 1H May, but that's up from 7% in 2H Feb.

Read more about Cars.com's [American Made Index](#)



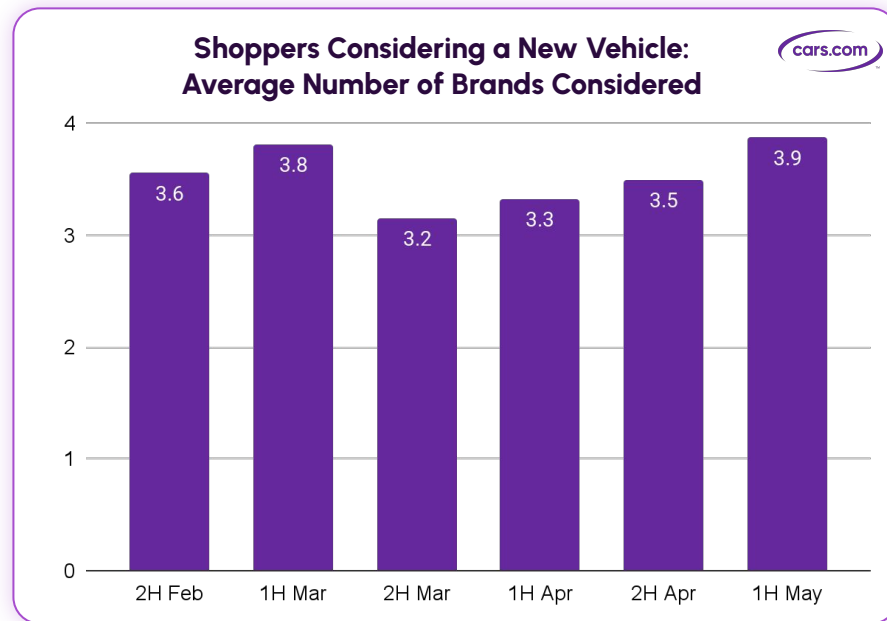
# New Vehicle Shoppers Are Considering More Brands as Concerns Grow of Tariffs, Higher Prices and Limited Inventory

## Tariffs put brand loyalty at risk.

- Shoppers\* that plan to buy sooner due to tariffs considered 4.1 brands in 1H May, compared to only 1.6 brands for other shoppers.

## New vehicle shoppers are feeling pressured.

- 52% expect to pay more because of tariffs.
- 45% are concerned about limited inventory.



\* Includes shoppers considering new and used vehicles (n=173). New-only excluded due to small sample size but directionally holds the same trend.

Source: Cars Commerce, 2025 Consumer Tariffs Survey

# Contact, Social Media and Follow-Up

## For Media Comments, Please Contact:

- Allison Phelps, Sr. Communications Manager, [aphelps@carscommerce.inc](mailto:aphelps@carscommerce.inc)

## Terminology

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

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