

Industry Insights Report

August 2025 Auto Market Review

Resilient Consumers Keep Auto Sales Moving

Sales up 3% YoY; SAAR at 16.1M (up from 15.1M in Aug '24, down from 16.5M in Jul '25)

Momentum from EV demand + OEM discounts; shoppers moving early on price concerns

Inventory down 6.4% YoY as dealers sell down outgoing 2025 model-year inventory. 2026 models now 20% of supply (up from 10% last month)

Days live: 70 (flat YoY, down 11 days since Jan) as automakers have tightened inventory in the face of policy uncertainty

Avg. price ~\$49K (up 1.2% YoY); stable 23 months, but tariffs expected to push pricing higher

-6.4% YoY

**New-Car
Supply**

Marketplace inventory

0.0% YoY

70 Days Average

**New-Car
Days Live ***

Live on site

1.1% YoY

\$49,545 Average

**New-Car
Price**

List price

Mixed Affordability: Under \$30K Strained, \$30-49K Share Grows as \$50-69K Shrinks

<\$30K shrinking: 13.4% share (down 12.6% YoY); most exposed to tariff-driven price hikes

- Contracting twice as fast as the new market average
- Fastest-shrinking price category — 18 models, down from 19 in July when the 2026 Hyundai Kona price increased

\$30-49K steady: 47% of market; small volume dip (-1.7% YoY) but remains core segment

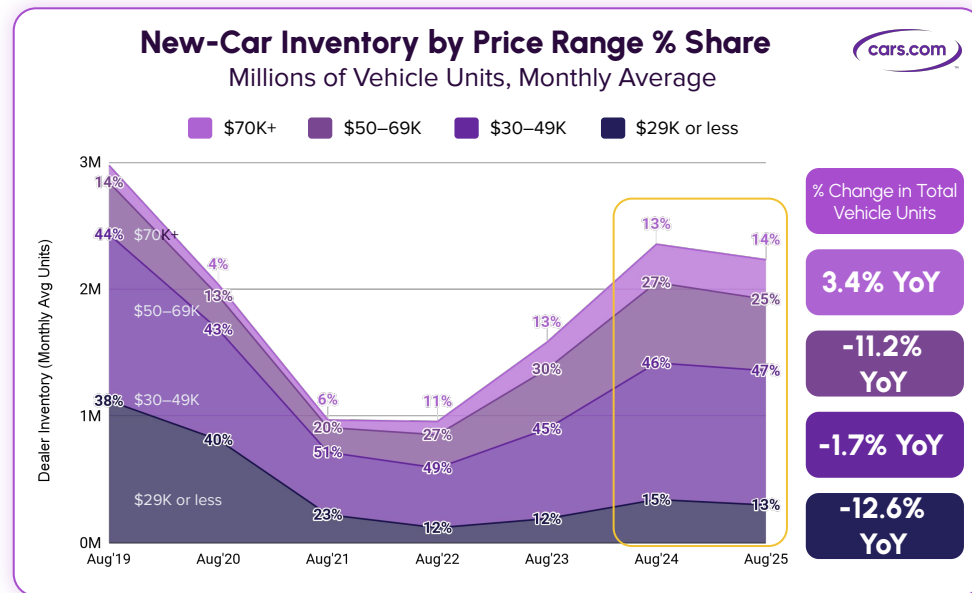
- Largest share gain of the price categories though inventory is down, a decline for the first time in 35 months.
- 48% are produced in the U.S., up 1 ppt MoM.
- 52% imported (-1 ppt MoM), price category with second-highest tariff exposure

\$50-69K declining: down 11.2% YoY; share shift toward \$30-49K price band

- 74% built in the U.S., up 3 ppt MoM

\$70K+ growing: up 3.4% YoY; luxury and EVs fueling gains

- 60% are produced in the U.S., down 1 ppt MoM



Prices Rising on U.S.-Built Vehicles, While Prices Easing for Imports from N. America and Asia After Q2 Highs

Avg. vehicle price +\$142 YTD; driven by U.S.-built vehicles (+\$522, >50% of supply)

Mexico imports: +\$154 YTD, but volumes -14% under 25% tariff pressure

U.K./EU imports: steep price hikes (+\$13.0K / +\$301) but just 6.1% of supply → limited impact

Sept. inventory -1.3% MoM after Labor Day sales

Inventory from Mexico, Japan and S. Korea -6.2% MoM; these are the lowest-priced imports

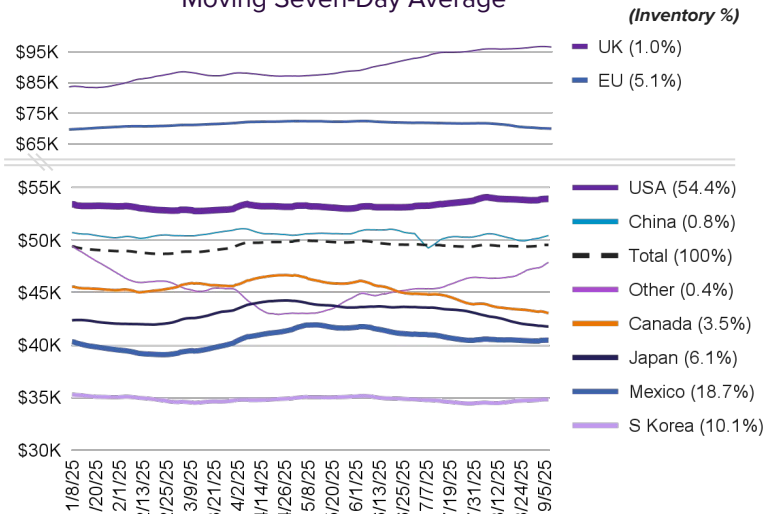
U.S.-built inventory +3.0% MoM, with avg prices easing slightly (-\$161)

	Week of Sep 1-7		Price vs. USA	
	Price	Inventory %	\$	%
UK	\$96,443	1.0%	\$42,516	78.8%
EU	\$69,974	5.1%	\$16,047	29.8%
USA	\$53,927	54.4%		
China	\$50,440	0.8%	-\$3,487	-6.5%
Total Industry	\$49,540	100%	-\$4,387	-8.1%
Other	\$47,878	0.4%	-\$6,049	-11.2%
Canada	\$43,024	3.5%	-\$10,903	-20.2%
Japan	\$41,761	6.1%	-\$12,166	-22.6%
Mexico	\$40,462	18.7%	-\$13,465	-25.0%
S Korea	\$34,818	10.1%	-\$19,109	-35.4%

New-Car Price by Country of Final Assembly



Moving Seven-Day Average



Note: Excludes Ultra-Luxury Brands

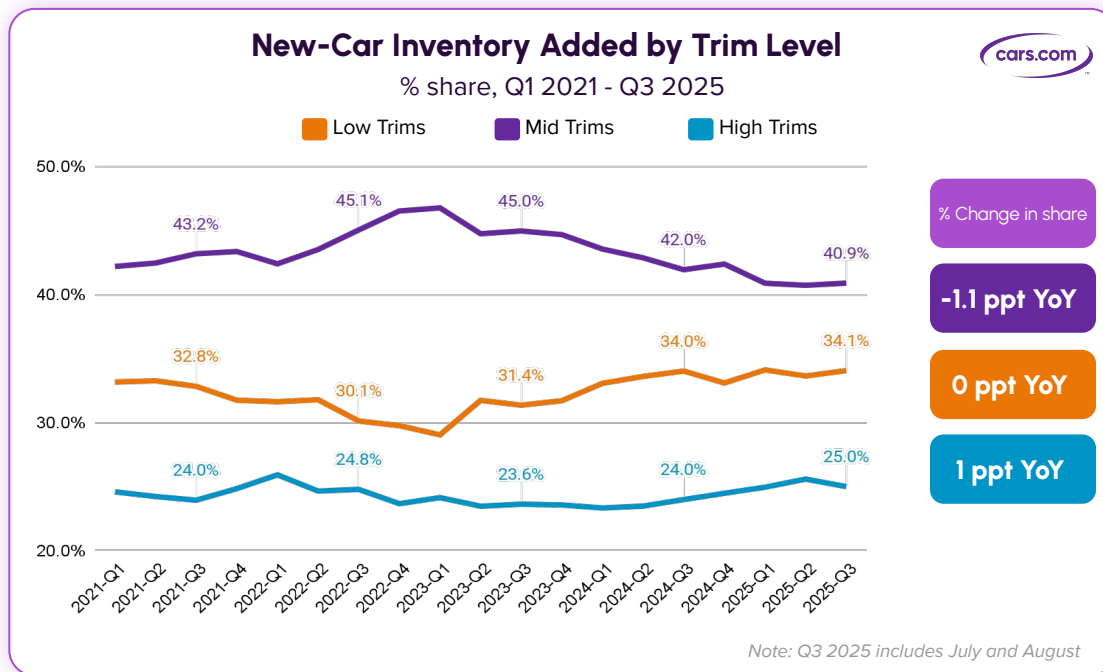
Mid-Level Trims Have Given Way to Entry Trims as Automakers Address Affordability

Entry trims: flat YoY; automakers using to address affordability as tariffs emerge in pricing

Mid trims: -1.1 ppt YoY, -6.1 ppt since Q1 2023 peak; automakers reduce share as buyers shifting downmarket

High trims: +1 ppt YoY; stable at ~24% share, smaller pool but highest margins

- Automakers may lean on high trims to maintain profitability, similar to the inventory shortage Q1 '22.



Tighter Used-Car Supply Pushing Prices Higher

Inventory: -2.7% YoY; second consecutive monthly decline

- Supply constrained throughout 2025 as impact of soft new-car sales since 2020 are limiting number of used cars returning to market now

Days live: -7.2% YoY to 49 days from 57 in Jan.; stock clearing quicker

- Contracting for the fourth consecutive month

Prices: +2.5% YoY; fifth straight monthly increase after contracting for 27 months

-2.7% YoY

**Used-Car
Supply**

Marketplace inventory

-7.2% YoY

49 Days Average

**Used-Car
Days Live**

Live on site

2.5% YoY

\$29,621 Average

**Used-Car
Price**

List price

EV Demand Accelerates as EV Tax Credit Sunsets

Demand and days live: Demand is up 33.3% YoY while days live is down 3.8% YoY; EVs selling faster as demand pulled ahead before \$7,500 credit ends Sept. '25

Inventory: +1.4% YoY; +8.2% YoY excluding Chevy/Honda (the two brands scaled back inventory 9.2% YoY after five new EV launches last year)

Models: 77 available (vs. 62 last year); wider selection

Avg. EV price: +4.1% YoY; more higher-priced models lifting average

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

33.3% YoY

**New-EV
Demand**

Searches

1.4% YoY

**New-EV
Supply**

Marketplace inventory

-3.8% YoY

79 Days Average

**New-EV
Days Live**

Live on site

4.1% YoY

\$64,970 Average

**New-EV
Prices**

List price

Used EVs Moving Quickly as Used-EV Tax Credits Expire, Too

Inventory: +38% YoY; 97 models vs. 65 last year (+49% in model count)

Prices: +0.9% YoY excluding Tesla; Tesla -16.2% YoY, pulling overall avg. -3.8%

- Non-Tesla EVs that launched in the past three years are now returning to market as younger, higher-priced vehicles.

Tesla share: 34% of used EVs

- In-market longer than other brands
- More aged vehicles driving down the average price

Entry EVs (<\$25K): fast-turning; often eligible for \$4K credit (expires after Sept. '25)

Demand and days live: Demand is up 22% and days live down 46 (vs. 66 last year); quicker turnover as buyers rush pre-tax-credit-expiration

22.0% YoY

**Used-EV
Demand**

Searches

38.2% YoY

**Used-EV
Supply**

Marketplace inventory

-29.9% YoY

46 Days Average

**Used-EV
Days Live**

Live on site

-3.8% YoY

\$35,815 Average

**Used-EV
Prices**

List price

Appendix

Tariffs Impacting Automotive Industry

Preexisting Tariffs (Prior to 2025)

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

New Tariffs

Effective	Rate	Description
Mar 1 Feb 1	20% 10%	All imports from China <ul style="list-style-type: none"> Informally known as the “fentanyl tariff”; stacks on other tariffs
Jun 4 Mar 12	50% 25%	Aluminum and steel <ul style="list-style-type: none"> Replaces prior metals tariffs Impacts cost of autos, parts, tools and machinery voids prior exemptions; adds new definitions of derivative products
Apr 3	25%	Tariff increase on all vehicles imported <ul style="list-style-type: none"> Stacks on top of other tariffs U.S.-made parts exemption for USMCA-compliant autos
May 3	25%	Auto parts <ul style="list-style-type: none"> USMCA-compliant parts temporarily exempt until exemption process established Only U.S.-made content is exempt after process is established
Aug 1	50%	Copper <ul style="list-style-type: none"> Applies to semi finished products such as wiring and electrical parts Does not apply when other auto tariffs are levied Does apply to USMCA compliant parts exempted from auto parts tariff

Other Actions

Effective	Description
Apr 3	Tariff relief measures <ul style="list-style-type: none"> Removes stacking of steel/aluminum tariffs for imported autos and parts from Canada/Mexico, but the 20% “fentanyl tariff” on China still stacks 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
Apr 4	China retaliates with tariff hikes, restricts export of seven rare earth metals needed for many auto parts. Supply has improved since April but remains constrained
May 8	U.K.-U.S. trade deal (announced May 8) <ul style="list-style-type: none"> 10% tariff rate for the first 100,000 vehicles imported from U.K. each year (technically, a 7.5% tariff on top of the preexisting 2.5% baseline auto tariff) 25% tariff rate after 100,000 imports Cars Commerce estimates 91K vehicles imported from the U.K. in 2024 and likely fewer in 2025 Additional tariff reductions and a quota on aluminum and steel from the U.K. expected
Sep 16	U.S.-Japan trade deal (announced July 22) <ul style="list-style-type: none"> 15% tariff on auto and parts imports from Japan with no limit on imports; Japan agreed to open its market to U.S. vehicles
Aug 1 (retro active)	U.S.-European Union trade deal (announced July 28) <ul style="list-style-type: none"> 15% tariff on autos and parts from EU countries 50% tariff on steel, aluminum and copper remains Aug. 1 effective date was announced Aug. 27

Contact, Social Media and Follow-Up

For Media Comments, Please Contact:

- Allison Phelps, Sr. Communications Manager, 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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