

Industry Insights Report

Q3 2025 Auto Market Review

Q3 Sales Rise On Strong Demand, Stable Prices

Sales up 4.5% YoY on a seasonally adjusted basis; SAAR* at 16.4M (up from 15.7M YoY) as pull ahead sales continued in Q3 '25

Inventory down 5% YoY as automakers sold down 2025 inventory to make room for 2026 models and remained agile as tariff policy evolves

Days Live: 70 (down 0.8% YoY, down 12% since Q1 '25), with days on lot decreasing throughout the quarter from strong holiday sales and the ending of the EV tax credit

Avg price ~\$49K (up 0.5% YoY); stable for the past 24 months, though tariffs and 2026 model-year inventory expected to push pricing higher

Read more: [These Cars Have Been Discontinued for 2026](#)

-5.0% YoY

**New-Car
Supply**

Marketplace inventory

-0.8% YoY

70 Days Average

**New-Car
Days Live**

Live on site

0.5% YoY

\$49,360 Average

**New-Car
Price**

List price

Note: New inventory includes brands with dealership franchises and listing inventory on Cars.com.
Excludes Porsche which began listing on marketplaces in Aug 2025

* SAAR from Calculated Risk Blog for Sep'25, and from the U.S. Bureau of Economic Analysis for prior periods

Luxury Market Slows as Prices Climb Higher

Mass Market

-4.9% YoY

**New-Car
Supply**

Marketplace inventory

-1.7% YoY

69 Days Average

**New-Car
Days Live**

Live on site

-0.2% YoY

\$45,239 Average

**New-Car
Price**

List price

Luxury Market

-5.5% YoY

**New-Car
Supply**

Marketplace inventory

3.9% YoY

78 Days Average

**New-Car
Days Live**

Live on site

3.0% YoY

\$72,132 Average

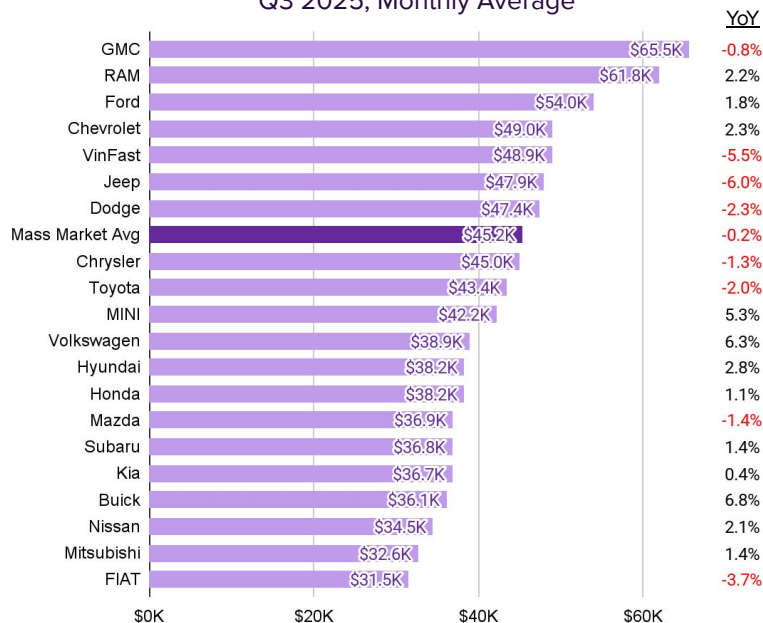
**New-Car
Price**

List price

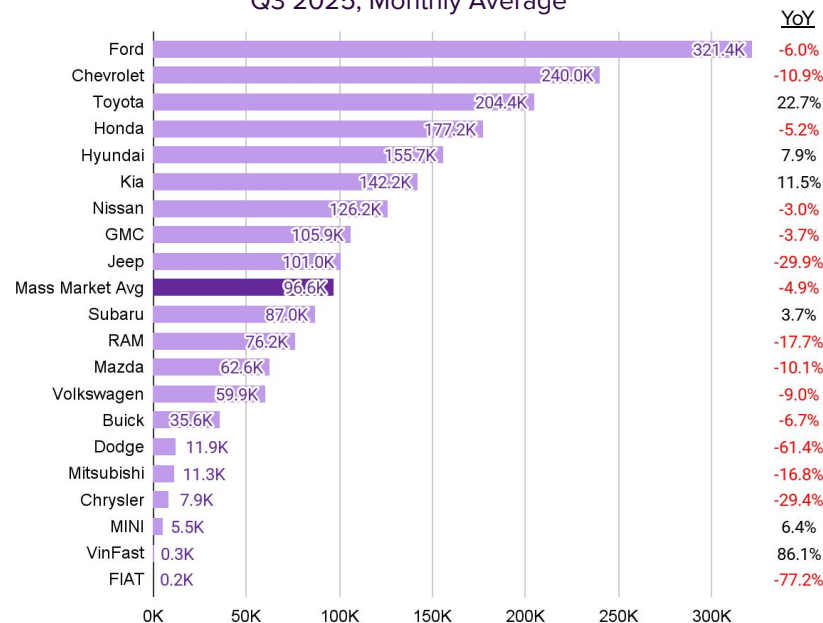
Note: New inventory includes brands with dealership franchises and listing inventory on Cars.com.
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Mass Market Brands: Average Price and Inventory

New-Car Price by Brand
Q3 2025, Monthly Average

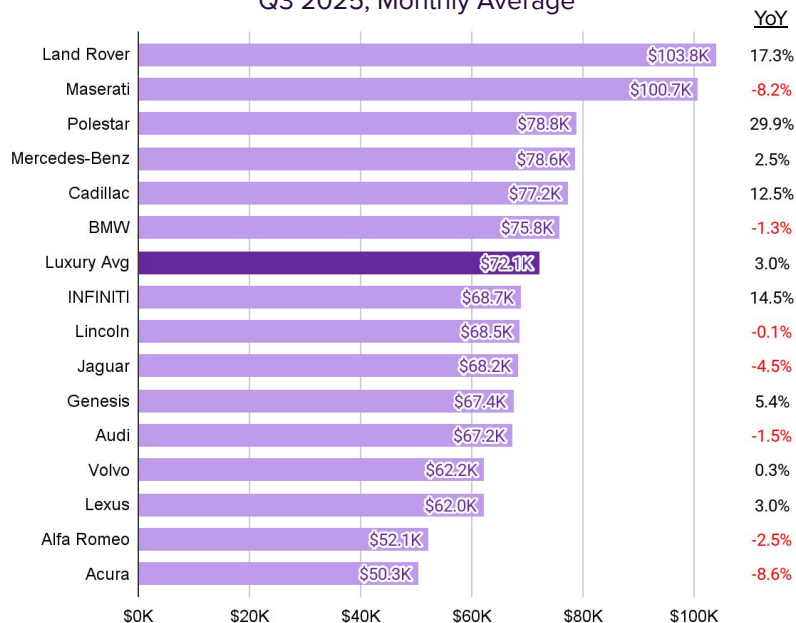


New-Car Inventory by Brand
Q3 2025, Monthly Average

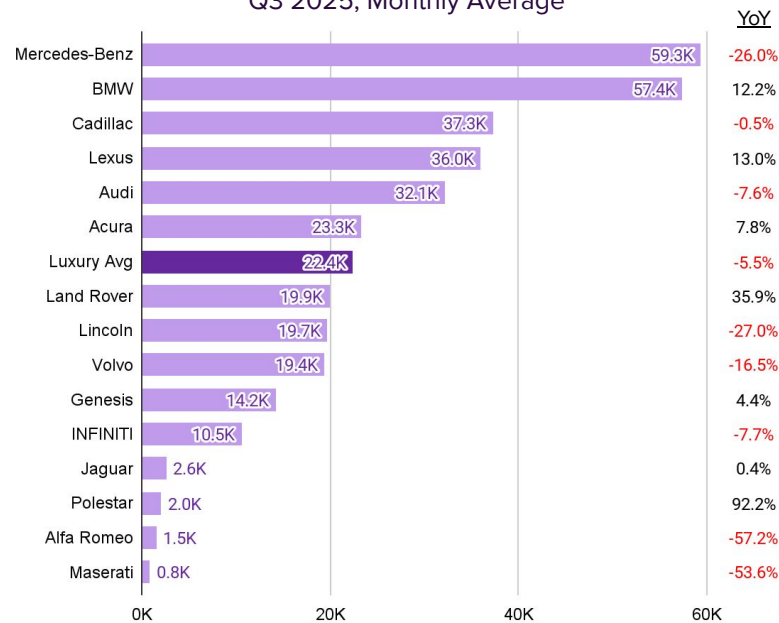


Luxury Brands: Average Price and Inventory

New-Car Price by Brand
Q3 2025, Monthly Average



New-Car Inventory by Brand
Q3 2025, Monthly Average



Excludes Porsche which began listing on marketplaces in Aug 2025.

Mixed Affordability: Under \$30K Pressured, \$30-49K Steady as \$50-69K Declines

Under \$30K shrinking: 13.3% share (down 11% YoY); most directly exposed to tariffs due to location of assembly

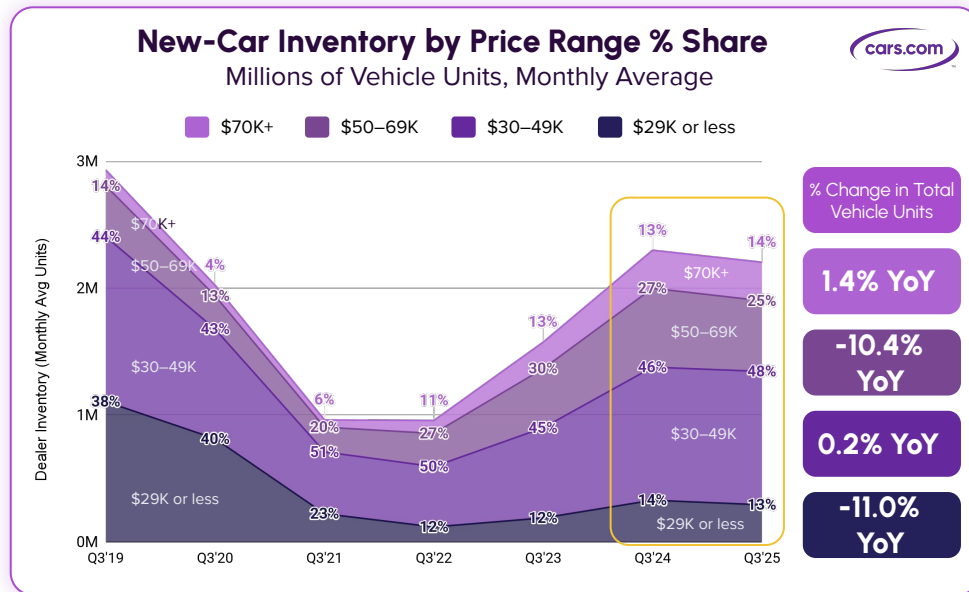
- Contracted twice as fast as the new market average, YoY growth down for the second sequential quarter
- Fastest-shrinking price category — comprised of 18 models; Kia Soul is discontinued and will disappear once sold

\$30-49K steady: 47.7% of market; flat YoY at 0.2% — core segment

- Largest share gain, up 2.1% with inventory trending towards a cautious equilibrium as inventory begins to stabilize
- Automakers maintained production discipline, selling down inventory and stocking leaner to balance risk

\$50-69K declining: down 10.4% YoY; share shifted toward \$30-49K price band to address affordability

\$70K+ growing: up 1.4% YoY; high end vehicles and full-size SUVs fueling gains



Note: New inventory includes brands with dealership franchises and listing inventory on Cars.com. Excludes Porsche which began listing on marketplaces in Aug 2025.

Prices on U.S.-Built Vehicles Faced Upward Pressure in Q3, While Prices Easing for Imports from N. America and Asia After Q2 Highs

YTD: Oct 1-7 vs. Jan 2-8

Avg. vehicle price +\$188 YTD; driven by U.S.-built vehicles (+\$556, >50% of supply)

Mexico imports: +\$47 YTD, but volumes -9.8% under 25% tariff pressure

U.K./EU imports: steep price hikes YTD (+\$8.0K / +\$658) but just 5.4% of supply → limited impact

QoQ: Oct 1-7 vs. July 1-7

Oct inventory +2.7% QoQ as some automakers transition to 2026 MY

Inventory from Japan & S. Korea -3.2% QoQ; these include many of the lowest-priced imports

U.S.-built inventory +8.0% QoQ, with avg price up +\$688

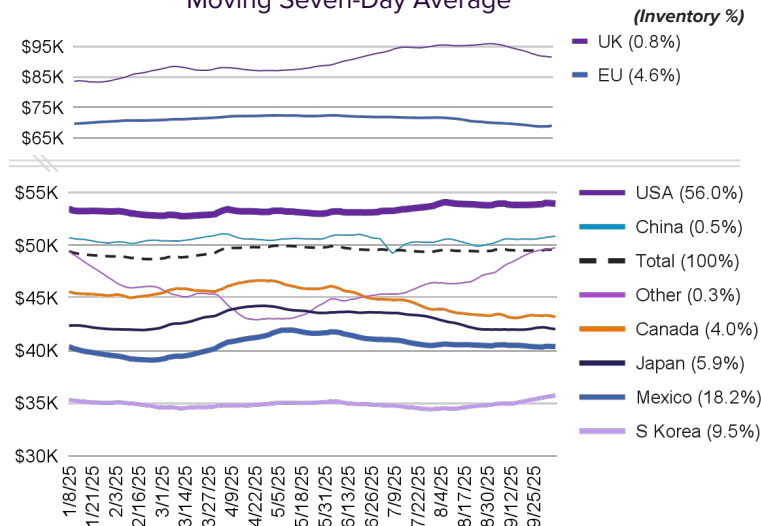
U.K. inventory down -12.4% QoQ following JLR production shutdown related to cyber attack

cars.com	Week of Oct 1-7		Price vs. USA	
	Price	Inventory %	\$	%
UK	\$91,453	0.8%	\$37,492	69.5%
EU	\$69,017	4.6%	\$15,056	27.9%
USA	\$53,961	56.0%		
China	\$50,856	0.5%	-\$3,105	-5.8%
Other	\$49,776	0.3%	-\$4,185	-7.8%
Total Industry	\$49,588	100%	-\$4,373	-8.1%
Canada	\$43,202	4.0%	-\$10,759	-19.9%
Japan	\$42,030	5.9%	-\$11,931	-22.1%
Mexico	\$40,368	18.2%	-\$13,593	-25.2%
S Korea	\$35,720	9.5%	-\$18,241	-33.8%

New-Car Price by Country of Final Assembly



Moving Seven-Day Average



Note: Excludes Ultra-Luxury Brands.
Excludes Porsche which began listing on marketplaces in Aug 2025.

Automakers Imported Fewer Vehicles in the Last Three Months

56% of dealer inventory built in U.S. in the first week of Oct. '25, an increase of 2.7 percentage points from the first week of July.

Imports from Europe and Asia are down significantly. Dealer lots stocked 12.5% less Inventory from the European Union versus the first week in July, while there were 5.3% fewer Japanese-built vehicles and 1.8% fewer from South Korea. UK imports decreased by 12.4% versus the first week in July, primarily due to the cyberattack on JLR that shut down production in September and early October.

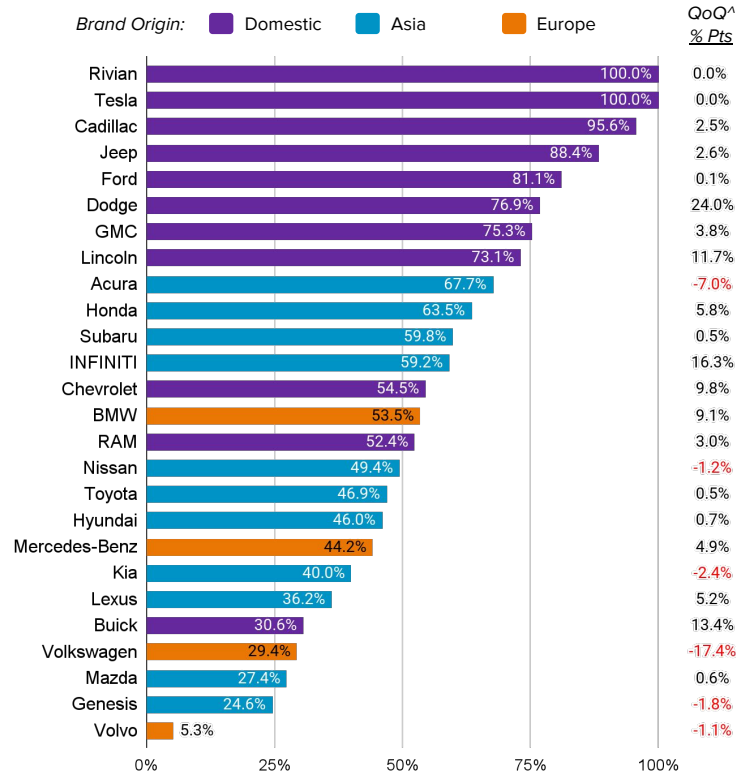
Most automakers built some vehicles in the U.S. and imported others, and few brands have more imported inventory today compared to three months ago.

This ranking is based solely on final assembly location and differs from Cars.com's American-Made Index, which evaluates five distinct factors to determine overall rankings.

^ QoQ is comparing Oct 1-7 vs. July 1-7

Percent of New-Car Inventory Built in USA

Week of Oct 1-7, 2025



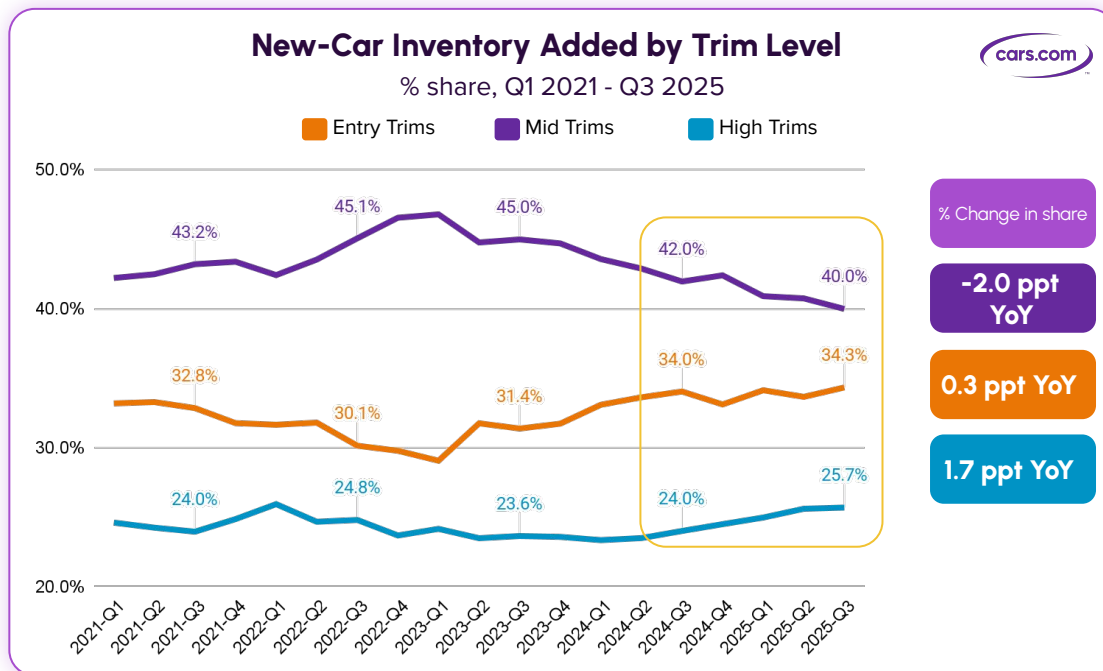
Not shown on chart due to importing 100% of vehicles: Alfa Romeo, Audi, Chrysler, FIAT, INEOS, Jaguar, Land Rover, MINI, Maserati, Mitsubishi, VinFast

High and Entry-Level Trims Rise as Automakers Balance Profitability and Affordability

Entry trims: up 0.3 ppt YoY to 34.3% share; trending above the post-2021 average of 32.3%. This growth reflects how automakers are using entry trims to address affordability.

Mid trims: -2 ppt YoY at 40% share, the lowest share in recent years. Although inventory share fell, prices for mid-level trims rose the fastest among all categories, up 3.5% YoY.

High trims: up 1.7 ppt YoY; relatively stable at 24.4% share since 2021 but rising steadily since Q1 '24. Inventory share is trending above the average at 25.7%, nearly matching its peak in Q1 '22. Automakers may once again lean on high trims to maintain profitability, similar to the inventory shortage in 2021-22.



Tight Used Market: Less Vehicles, Higher Prices

Inventory: down 0.6% YoY; tighter new and used supply pressuring prices higher despite vehicles carrying more miles. Odometer miles rolled higher, up 1.3% YoY, averaging 61.3K.

Days live: down 8.6% YoY in Q3 '25 to 50 days from 55 in Q1 '25; contracting for the third consecutive quarter

- Buyers moved quickly on a used vehicle in good condition at a reasonable prices as expectation of rising costs are further accelerating purchase decisions.

Prices: up 2.8% YoY; 2nd quarter of YoY price increases after 10 quarters of price contraction

- Budget-conscious consumers may have to look harder to find lower-priced vehicles.

-0.6% YoY

**Used-Car
Supply**

Marketplace inventory

-8.6% YoY

50 Days Average

**Used-Car
Days Live**

Live on site

2.8% YoY

\$29,671 Average

**Used-Car
Price**

List price

Tight Used Market: Less Vehicles, Higher Prices

Wholesale used-car prices fell 3.4% in Q3, reversing modest gains from Q2.

EVs led the decline, down 10.4% QoQ and 17.0% YoY, reflecting pullback ahead of the federal tax credit sunset.

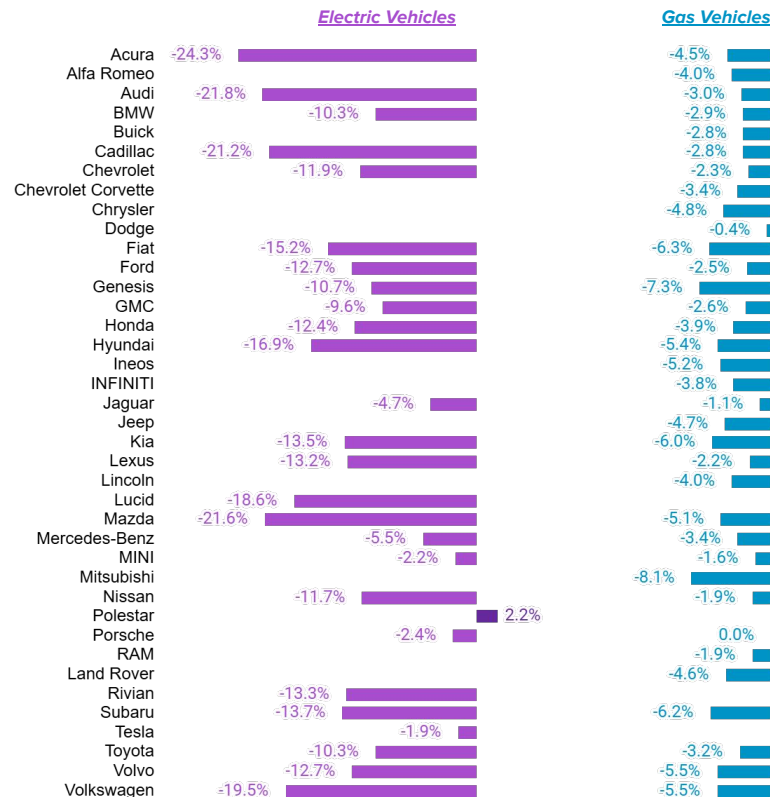
Gas vehicles dropped 2.9% QoQ and 7.9% YoY, showing broader market softness but less volatility than EVs.

Tesla values declined just 1.9% QoQ, while non-Tesla EVs plunged 11.7%, signaling stronger brand resilience for Tesla.

Year over year, Tesla (-16.9%) and non-Tesla EVs (-17.2%) both reflect heavy depreciation after earlier price corrections.

Used Trade-in Value Change, by Brand

End vs. Start of Q3 2025



EV Market Activity Rises Ahead of Tax Credit Expiration

Days live: EV purchase activity increased ahead of the expiring \$7,500 federal tax credit, with days live down 3.2% YoY as shoppers finalized purchases before the deadline.

Inventory: essentially flat YoY, ;automakers continued to manage supply carefully within Q3'25 in response to tariffs and sunseting of federal incentives

Models: 76 available (versus 61 last year); wider selection, up 25% YoY, though tariffs and lack of federal funding will limit further model expansion

Read more: [These EVs are discontinued for 2026](#)

Avg. EV price: up 2.6% YoY; newly released, more expensive models changed the mix which are primarily produced in the U.S., limiting tariff exposure

-0.4% YoY

**New-EV
Supply**

Marketplace inventory

-3.2% YoY

80 Days Average

**New-EV
Days Live**

Live on site

2.6% YoY

\$63,939 Average

**New-EV
Prices**

List price

Used EV Market Adjusts as Federal Tax Credit Phases Out

Inventory: up 36.7% YoY; 97 models versus 68 last year (42.6% increased model selection)

Prices: down 3.1% YoY and trended towards greater stability. Price declines were driven by lower values for Tesla and Mercedes-Benz (down 14.6% and 4.2% respectively)

- The Model 3 is most affordable and increased pricing pressure from the used EV tax credit at the \$25K threshold
- Mercedes-Benz pivoted from its EQ lineup and discounted remaining new inventory, impacting used prices

Days live: days live is down 31% YoY in Q3 '25, indicating consumers completed purchases before the federal EV tax credits expired

- Tesla and Mercedes-Benz drove the decline in days live, down 41.1% and 13.7% YoY in Q3 '25, respectively
- Consumers in the used market are price sensitive and are responding to a drop in price and the EV tax credit

36.7% YoY

**Used-EV
Supply**

Marketplace inventory

-31.0% YoY

47 Days Average

**Used-EV
Days Live**

Live on site

-3.1% YoY

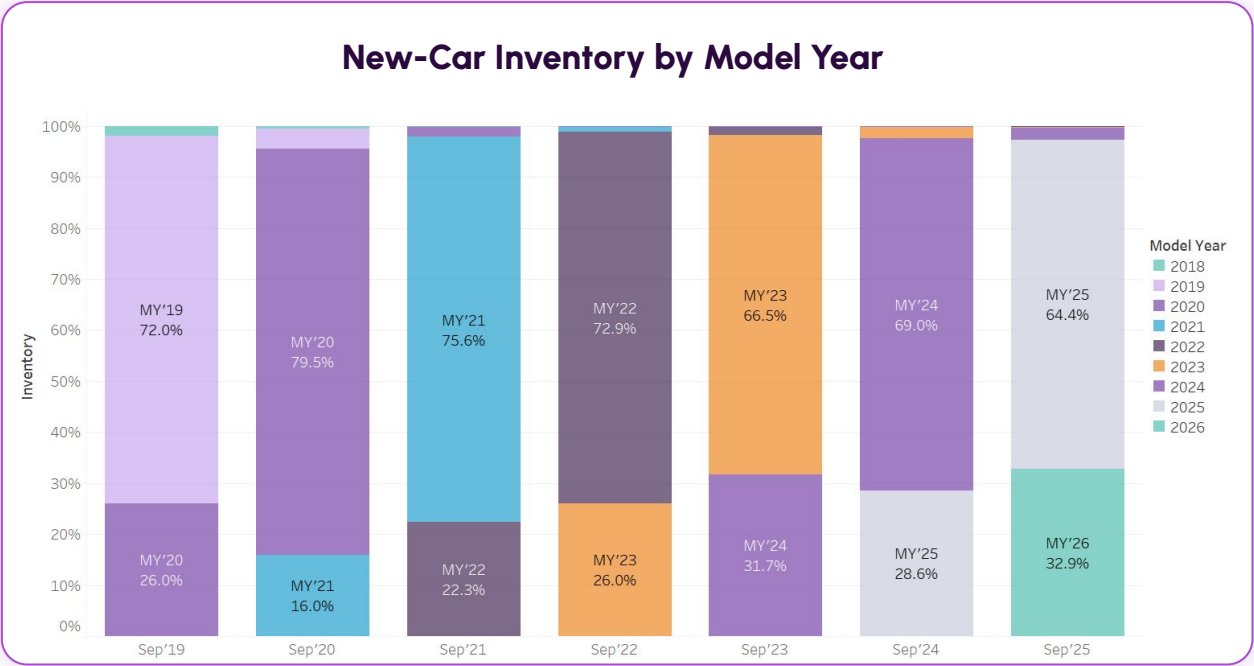
\$35,903 Average

**Used-EV
Prices**

List price

2026 Model Year Inventory Ahead of Previous Years

2026 model-year rollover is happening fast this year, with incoming model-year inventory at 33%, which is far ahead of the 29% in Sept. 2024.



Appendix

Tariffs Impacting Automotive Industry

Preexisting Tariffs (Prior to 2025)

Rate	Description
2.5%	Baseline tariff on autos (most favored nation rate) - Canada, Mexico exempt under NAFTA/USMCA S. Korea exempt starting in 2016 under KORUS FTA
25%	Tariff on light duty trucks A 1964 retaliatory tariff famously known as the “Chicken Tax”
25% 10%	Tariff on steel Tariff on aluminum - 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 - 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 Informally known as the “fentanyl tariff”; stacks on other tariffs
Jun 4 Mar 12	50% 25%	Aluminum and steel - 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 - Stacks on top of other tariffs - U.S.-made parts exemption for USMCA-compliant autos
May 3	25%	Auto parts - USMCA-compliant parts temporarily exempt until exemption process established - Only U.S.-made content is exempt after process is established
Aug 1	50%	Copper - Applies to semi finished products such as wiring and electrical parts, and to USMCA compliant parts exempted from parts tariff - Doesn't apply when other auto tariffs levied
Nov 1	25%	Medium & heavy duty trucks & vans - Applies to Class 3 or heavier trucks & vans - Impacts RAM 2500+ trucks, GM's electric commercial vans, & some GM 2500+ trucks - Primary impact to commercial trucking - Also includes 10% tariff on buses

Other Actions

Effective	Description
Apr 3	Tariff relief measures - 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 MSRP through 2030 (extended in Oct'25, from prior Apr'27 expiry)
Apr 4	China retaliates with tariff hikes, restricts export of seven rare earth metals needed for many auto parts
May 8	U.K.-U.S. trade deal (announced May 8) 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
Sep 16	U.S.-Japan trade deal (announced July 22) 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) 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
Dec 1	China further restricts rare-earths (announced Oct 10) China intends to significantly restrict exports of all rare-earth metals, and adds licensing requirements that are expected to add red tape and interrupt supply. Rare earths are needed for many auto parts, including electric motors (EVs, seats, wipers, etc.)

Contact, Social Media and Follow-Up

For Media Comments, Please Contact:

- Allison Phelps, Sr. Communications Manager, aphelps@carscommerce.inc

Terminology

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

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