Industry Insights Report

October 2025 Auto Market Review

CARS COMMERCE™

Consumers Fall Back After Sunset of Federal EV Tax Credits

Sales are down 4.9% YoY on a seasonally adjusted basis; SAAR* at 15.3M (down from 16.1M YoY) as pull-ahead sales slow and the federal electric vehicle tax credit expired

Inventory down 0.7% YoY as automakers remain disciplined in restocking new model-year inventory after selling down aged units

Days live: 67 (down 7.4% YoY), as automakers have transitioned production to the new 2026 model year faster than 2025, launching vehicles with the latest features that sell faster than similar outgoing model-year vehicles

Average price ~$49K (up 0.9% YoY); stable for the past 25 months, though prices are expected to move higher as tariffs and 2026 model-year inventory work their way into pricing

Read more: These Cars Have Been Discontinued for 2026

-0.7% YoY

New-Car Supply

Marketplace inventory

-7.4% YoY

67 Days Average

New-Car Days Live

Live on site

0.9% YoY

$49,625 Average

New-Car Price

List price

Note: New inventory includes brands with dealership franchises and listing inventory on Cars.com in the current and prior period.
* SAAR from Calculated Risk Blog and the U.S. Bureau of Economic Analysis

Brands Running Leaner, More Agile

Mass market represents about 85% of the total market, largely in line with overall trends. Inventory is down 0.7% YoY as the market rebalances. Toyota did the opposite and expanded inventory 31% YoY while maintaining a low days-on-lot time of 31 days.

Luxury market represents the remaining 15%, with inventory down 1.1% YoY. Vehicles priced $70K+ is expanding, up 10.8% YoY and skewing the mix more expensive. BMW and Lexus stood out by expanding inventory over 20% YoY while sustaining below-average days on lot of 54 and 30 days, respectively.

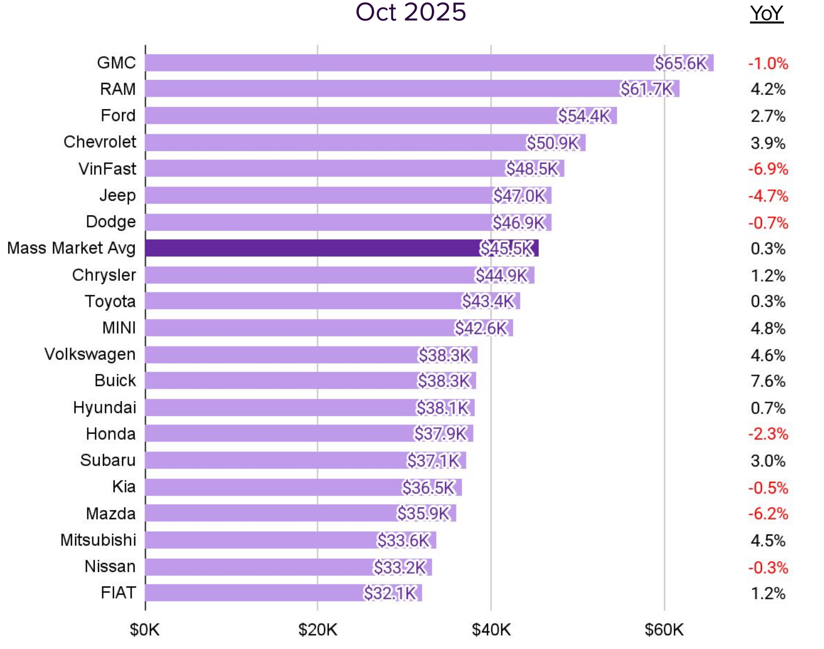
Days live is trending lower and in better balance, reflective of a newer mix of inventory and fewer EVs, which tend to sell slower.

	New-Car Supply (Marketplace inventory)	New-Car Days Live (Live on site)	New-Car Price (List price)
Mass Market	-0.7% YoY	-7.7% YoY 66 Days Average	0.3% YoY $45,507 Average
Luxury Market	-1.1% YoY	-5.5% YoY 72 Days Average	3.2% YoY $72,309 Average

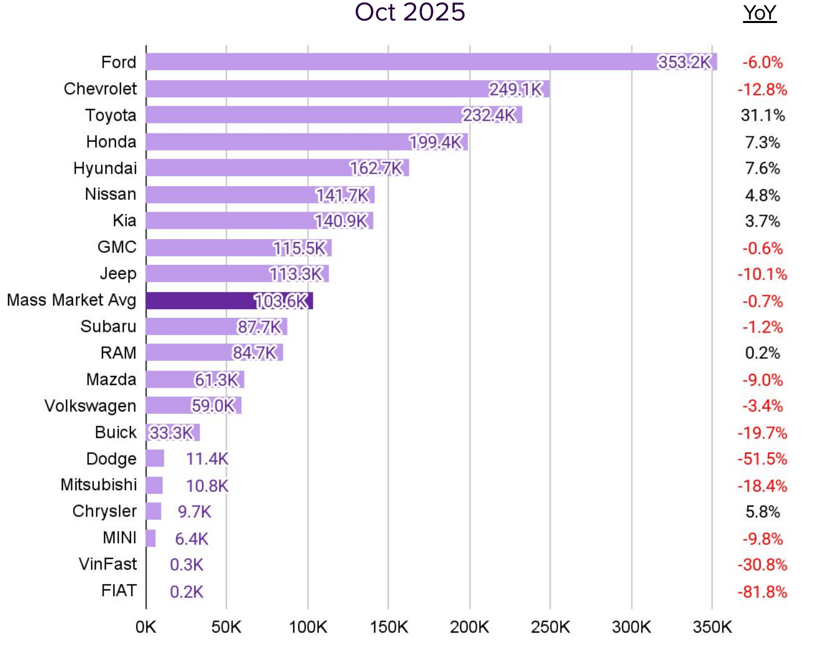
Note: New inventory includes brands with dealership franchises and listing inventory on Cars.com in the current and prior period.

Mass-Market Brands: Average Price and Inventory

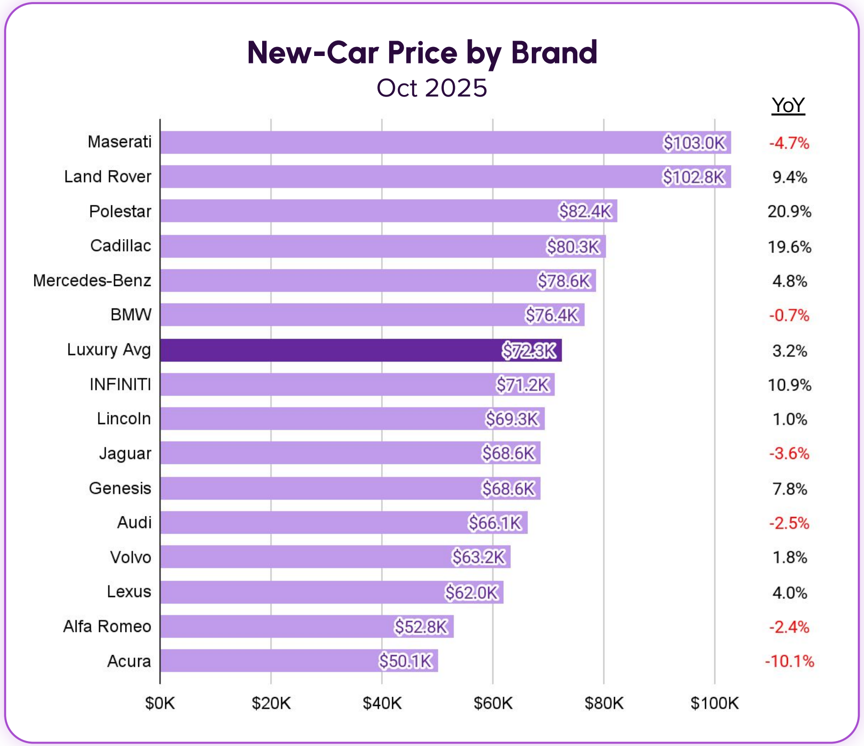
New-Car Price by Brand
Oct 2025

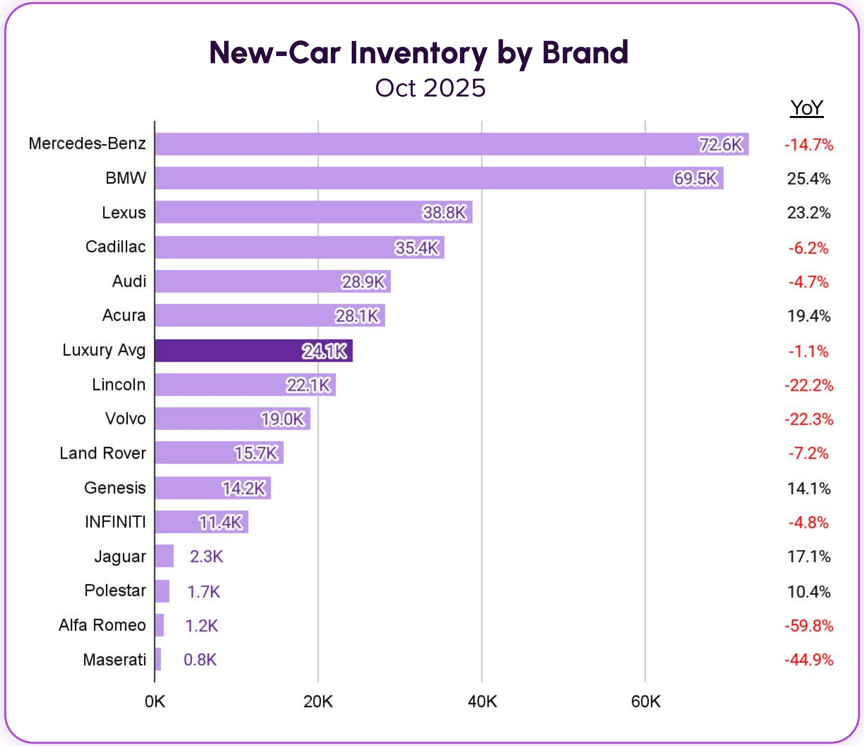


New-Car Inventory by Brand
Oct 2025



Luxury Brands: Average Price and Inventory





More Expensive: $30-49K and $70K+ Expands as Other Segments Shrink

Under $30K shrinking: 12.7% share (down 5.5% YoY) due to higher pricing on 2026 models pushing more vehicles into a higher price category; most vehicles in this price range are imported and directly exposed to tariffs.

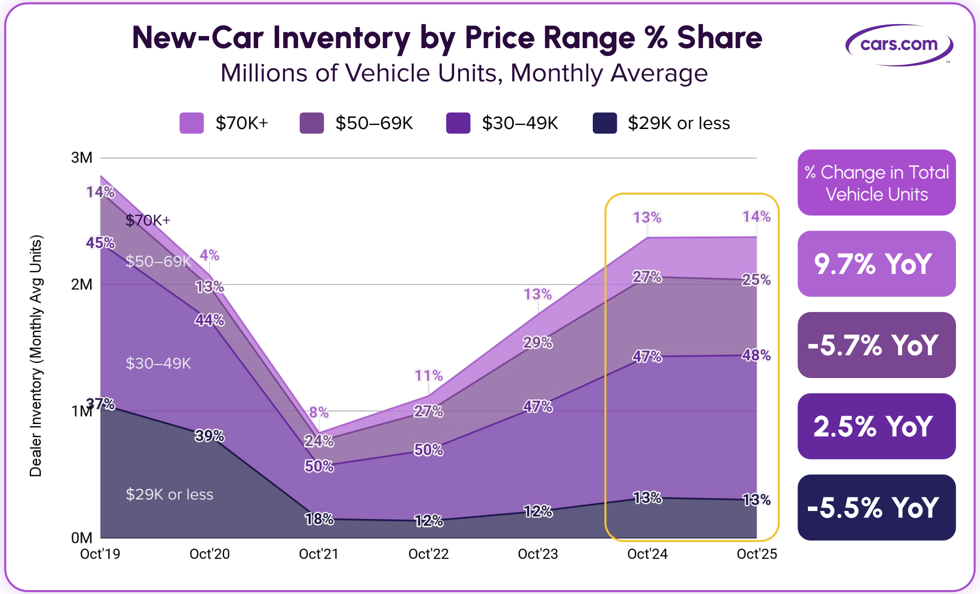
- Fastest-shrinking price category — comprised of 18 models; four discontinued after 2025 model year

$30-49K steady: 48.1% of market; up 2.5% YoY

- 1.1 ppt share gain due to higher prices on 2026 models for some inventory that was sub-$30K for 2025 and increased production of 2025-26 vehicles in this price range, but partially offset by sell-down of EVs

$50-69K declining: down 5.7% YoY; there are fewer vehicles in this price range due to sell-down and discontinuations of EVs, and price increases for 2026 model year are pushing many vehicles into $70K+ territory.

$70K+ growing: up 9.7% YoY as automakers have prioritized launching 2026 models with higher prices



Note: New inventory includes brands with dealership franchises and listing inventory on Cars.com in the current and prior period.

Slightly More Inventory, Slightly Higher Prices

Inventory: up 2.9% YoY; driven primarily by lightly used $40K+ vehicles (27K odometer miles, 2-3 years old) skewing the mix more expensive. $40K+ inventory sits on lots eight days longer than the used average.

Days live: down 5.8% YoY at 52 days

- Used cars selling faster than any point in 2024, but 52 days is a modest slowdown that has increased days on lot gradually since hitting 47 days in May when tariffs spurred buyer urgency over concerns of price inflation.

Prices: up 2.9% YoY; the seventh sequential month of YoY price growth since April 2025 after 25% tariffs went into effect on all imported new vehicles, adding pressure to the used market.

2.9% YoY

Used-Car Supply

Marketplace inventory

-5.8% YoY

52 Days Average

Used-Car Days Live

Live on site

2.9% YoY

$29,676 Average

Used-Car Price

List price

New-EV Market Slowdown After Tax Credit Expiration

New EVs: Automakers slowed production significantly in anticipation of lower new-EV sales in October after the federal EV tax credit expired Sept. 30. With fewer vehicles arriving on dealer lots, supply dropped significantly while days live was relatively flat, suggesting automakers successfully kept inventory aligned with demand.

Used EVs: Dealers stocked 19% more used EVs than a year ago, but October also had the largest month-over-month decrease on record for used-EV inventory, down 9% MoM, as dealers slowed acquisition of EVs for resale since August.

Used EVs sold in 46 days, nearly twice as fast as new EVs, and that faster selling rate combined with flat YoY pricing hints that more consumers focused on used vehicles as the EV tax credit went away. And dealers have sold down more of their 30+ day aged-EV inventory compared to a year ago, meaning that dealers were more likely to make a deal this year on inventory that sat too long.

Read more: These EVs Are Discontinued for 2026

-31.7% YoY

New-EV Supply

Marketplace inventory

-2.0% YoY

85 Days Average

New-EV Days Live

Live on site

5.9% YoY

$66,191 Average

New-EV Prices

List price

19.3% YoY

Used-EV Supply

Marketplace inventory

-32.3% YoY

46 Days Average

Used-EV Days Live

Live on site

-0.5% YoY

$37,245 Average

Used-EV Prices

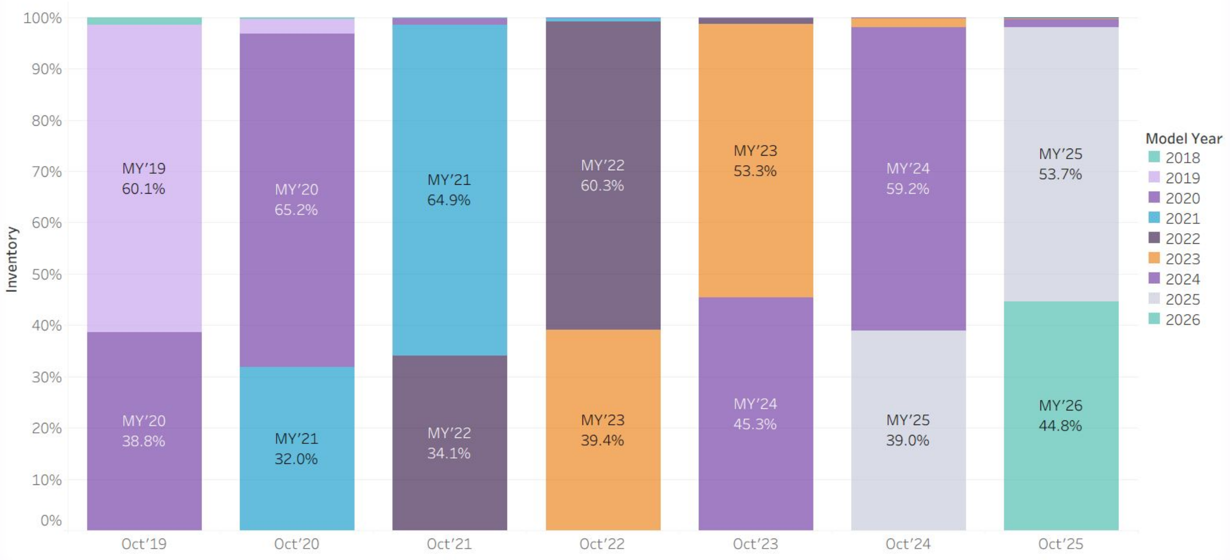
List price

Note: New EVs includes brands with dealership franchises and listing inventory on Cars.com in the current and prior period.

2026 Model-Year Inventory Ahead of Previous Years

2026 model-year rollover is happening fast this year, with incoming model-year inventory at 45%, which is far ahead of the 39% in Oct. 2024

New-Car Inventory by Model Year



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
Nov 10 ~~**Mar 4**~~ ~~**Feb 1**~~	**10%** ~~**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
TBD	**S. Korea trade deal remains pending** • Announcements of a deal have been released by Washington and Seoul, but no specifics or official policy actions yet. Seoul announced the auto and parts tariff will be 15%.

Updated as of Nov 11, 2025

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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