



CarGurus Examines 2024 Auto Market Influences and Expectations for 2025 Following a Year Defined by Affordability

December 12, 2024

Looming tariffs, questions on the future of electric vehicle tax credits, and ongoing affordability pressures stand to influence new and used pricing and demand

BOSTON, Dec. 12, 2024 (GLOBE NEWSWIRE) -- CarGurus (Nasdaq: CARG), the No. 1 visited digital auto platform for shopping, buying, and selling new and used vehicles¹, today released its 2024 Recap & 2025 Outlook, spotlighting this year's biggest market influences, as well as expectations for the next year.

"If 2024 had one defining theme, it would be affordability. As consumers became more price conscious in response to high interest rates and stubbornly high prices, demand for used vehicles—especially Certified Pre-Owned Vehicles—grew significantly," said Kevin Roberts, Director of Economic and Market Intelligence at CarGurus. "Affordability will continue to influence the market in the year ahead, especially as we consider the potential impacts on vehicle pricing in light of proposed tariffs and the possible end of the electric vehicle tax credit."

The pivot to affordability played a role in the surge of new vehicle inventory, which increased by nearly 31% since the end of 2023 as prices hovered at an average of \$49,000 despite market days supply (MDS) rising for certain automakers. Compared to the national average of 82 MDS, some saw this metric exceed 100, including Stellantis (121 MDS), Ford (121 MDS), and Nissan (113 MDS). Conversely, the used market remained in tight supply as the average price declined by 3% to \$27,900. Also, certified pre-owned (CPO) selection increased by nearly 10%, with demand surging by 17%.

Other key themes for 2024 include:

- **The rise of hybrids:** With the broader shift toward affordability, declining hybrid prices helped bring the segment center stage in 2024—taking on the demand that many expected for electric vehicles (EVs). The average price of a new hybrid dropped nearly 10% in 2024, reaching \$46,600 (compared to the average new EV price of \$62,000). As a result, several new hybrid models topped this year's list of fastest-moving vehicles, including the Toyota Sienna, Toyota Highlander Hybrid, and Honda Civic Hybrid.
- **A late model year listing shortage:** The legacy of the semiconductor shortage is making its mark on the used vehicle market, with 2020 and 2021 models noticeably harder to find compared to years prior. While overall used car inventory stabilized in 2024 (down only 1%), 2021 model-year inventory dropped by nearly 22%, and 2020 models saw a 17% decline. These gaps will shape the used market for the next several years.
- **Shoppers' love of larger body styles—especially pickups—remained strong in 2024** In examining the most viewed models of 2024, pickups dominated. The Chevrolet Silverado 1500, Ford F-150, and GMC Sierra 1500 topped the list of most viewed 2024 models. The 2025 models capturing the most attention included the RAM 1500, Toyota Camry, and Honda Pilot.

The report also highlights trends to watch in 2025, including:

- **The potential impact of tariffs:** As uncertainty around tariffs looms large, select automakers could see greater impacts than others. As of November, Hyundai, Mercedes-Benz, and Kia have the highest percentage of listed models made outside of North America. The key factor determining the scale of impact will be the timing of policy decisions and whether automakers will have sufficient lead time to adjust plans before tariffs are implemented.
- **Influence of EV tax credits on demand:** The possible end to the New Clean Vehicle Tax Credit (\$7,500) and Used Clean Vehicle Credit (\$4,000) could potentially limit EV sales demand in 2025—especially as shoppers focus on affordability. This is especially pronounced in the used market, where one-third of listings fall under the \$25,000 qualification limit (as of November). This price segment drives strong demand, accounting for over 37% of sales year-to-date. Shoppers looking to take advantage of the credit now will find the greatest availability of qualifying used models in the Tesla Model 3, Chevy Bolt, and Nissan Leaf.
- **A rise in demand for higher-priced models:** While shoppers are still expected to prioritize affordability in 2025, the potential for even lower interest rates could expand buying power for buyers seeking lower monthly payments. This, in turn, may reignite demand for more premium options. However, this will also depend on decisions around tariffs and their impacts on automotive pricing.

To learn about these trends and more, the CarGurus 2024 Recap & 2025 Outlook is available [here](#).

About CarGurus, Inc.

CarGurus (Nasdaq: CARG) is a multinational, online automotive platform for buying and selling vehicles that is building upon its industry-leading listings marketplace with both digital retail solutions and the CarOffer online wholesale platform. The CarGurus platform gives consumers the confidence to purchase and/or sell a vehicle either online or in-person, and it gives dealerships the power to accurately price, effectively market, instantly acquire, and quickly sell vehicles, all with a nationwide reach. The company uses proprietary technology, search algorithms, and data analytics to bring trust, transparency, and competitive pricing to the automotive shopping experience. CarGurus is the most visited automotive shopping site in the U.S.¹

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¹ [Similarweb](#): Traffic Report [Cars.com, Autotrader, TrueCar, CARFAX Listings (defined as CARFAX Total visits minus Vehicle History Reports traffic)], Q3 2024, U.S.

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Source: CarGurus, Inc.