



## Compact Body Styles, Hybrids, and Value-Driven Used Models Powered 2025 Automotive Demand, According to CarGurus

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*A heightened focus on affordability—driven by rising ownership costs, tariff concerns, and a late-model used supply crunch—defined the market in 2025, setting the stage for 2026*

BOSTON, Dec. 11, 2025 (GLOBE NEWSWIRE) -- CarGurus, the No. 1 most visited automotive shopping site in the U.S.<sup>1</sup>, today released its [2025 Recap and 2026 Outlook](#), highlighting the year's top influences on the automotive market and expectations heading into the new year.

"If 2024 was defined by declining affordability, 2025 was the year consumers actively pursued it, shaping both shopping behavior and automotive supply trends," said Kevin Roberts, Director of Economic and Market Intelligence at CarGurus. "Concerns over tariff costs and the expiration of the EV tax credit accelerated this trend as shoppers pushed to lock in pricing ahead of anticipated increases.

"This revealed clear areas where buyers saw value: hybrids; smaller, more affordable body styles; and budget-friendly older models. Looking to 2026, cost will remain a defining force. The used market is poised to continue meeting the needs of budget-conscious shoppers, while early signs of higher 2026 model-year prices will determine whether the year-long stability in the average new-car price starts to shift pricing and demand."

Key themes for 2025 included:

- **Rising vehicle ownership costs amplified the hunt for affordability:** Although average list prices remained relatively stable year-over-year, rising insurance, loan payments, and maintenance costs are adding pressure on consumer wallets. Compared to 2019, the total cost of ownership (TCO) of a used vehicle increased 36%, while TCO for a new model increased 29%.
- **Shoppers responded by adjusting expectations:** The fastest-turning vehicles of 2025 show how consumers have adapted to the affordability challenge. New model demand centered on efficient powertrains and reliable brands. The fastest-selling new vehicles of 2025 were led by models like the Hyundai Palisade Hybrid and Toyota's Grand Highlander Hybrid, Highlander Hybrid, and RAV4. Many sold in under 20 days on average, compared with more than 60 days for the typical new vehicle.

When considering used vehicles, smaller sedans, compact crossovers, and efficient, clean models led the pack. Fastest-selling used models like the Buick LeSabre, Chevrolet Cobalt, Model Y, Model 3, and Lexus NX Hybrid sold in roughly 25 to 30 days compared with about 40 days for the average used vehicle.

- **As EV tax credits expired, hybrids filled the gap:** Shoppers rushed to complete EV purchases in Q3 before the September EV tax credit deadline, with Q4 then seeing a decline. New EV retail sales were down 66% in the two months following the credit expiration when compared to the two months leading up to it.

In the meantime, hybrid demand grew steadily, with new inventory rising nearly 18% year-over-year (YoY) and new retail sales growing 33%. Toyota led in hybrid interest this year across new and used. The most viewed new hybrids on the CarGurus platform were the Land Cruiser, Sequoia, Grand Highlander Hybrid, Sienna, Camry, and Prius. For used, shopper views gravitated toward the Prius, RAV4 Hybrid, Camry Hybrid, Sienna, and Lexus RX Hybrid.

What to watch in 2026:

- **While tariffs had a limited impact on average prices in 2025, 2026 may be a different story:** 2026 model year pricing is positioned to play a larger role in setting trends in average new car pricing. Higher MSRP's on incoming 2026 models were partially offset this year by softer pricing and more incentives on remaining 2025 options, which helped keep overall new-vehicle pricing stable. As 2025 models phase out, the post-tariff pricing picture will become clearer.
- **Late-model used supply will give shoppers more "like-new" options:** As the market moves further away from the chip shortage, late-model used supply could improve availability of 3- to 4-year-old vehicles, rebalancing the market and easing pressure on older models that have been doing the heavy lifting.
- **2026 will paint the clearest picture of EV demand:** With tax credits gone, 2026 will provide the first clear look at the natural rate of EV demand without incentive-driven demand. With affordability expected to remain as a key consumer driver into 2026, cross-shopping across new, used, gas, EV, and hybrid options will remain heightened, with shoppers

looking for the lowest all-in cost. Attractively priced EVs could benefit.

To learn about these trends and more, the CarGurus 2025 Recap & 2026 Outlook is available [here](#).

#### **About CarGurus, Inc.**

CarGurus (Nasdaq: CARG) is the leading multinational automotive platform helping consumers and dealers confidently buy and sell vehicles. Founded in 2006 with a mission to bring more trust and transparency to car shopping, CarGurus is the No. 1 visited automotive shopping site in the U.S.<sup>1</sup> with the largest selection of inventory and network of dealers.<sup>2</sup> CarGurus' unmatched selection, trusted automotive insights, and data-driven products and solutions support each shopper's journey — from online research and shopping to in-dealership decisions — to empower them at every step. And, by translating data from billions of monthly site interactions, CarGurus provides dealers a personalized, predictive intelligence platform with software solutions that helps them run their businesses more efficiently and profitably at all stages of inventory acquisition and pricing, marketing, and conversion to sale.

CarGurus operates online marketplaces in the U.S., U.K., and Canada. The company's network of brands includes PistonHeads, the largest online motoring community in the U.K.<sup>4</sup>, and Autolist, a U.S.- based online marketplace.

To learn more about CarGurus, visit [www.cargurus.com](http://www.cargurus.com).

<sup>1</sup>Similarweb: Traffic and Engagement Report [Cars.com, [Autotrader.com](#), [TrueCar.com](#), [CARFAX.com](#) Listings (defined as [CARFAX.com](#) Total Visits minus Vehicle History Reports)], Q3 2025, U.S.

<sup>2</sup>Compared to [Autotrader.com](#) (YipitData July/August 2025), Cars.com, [TrueCar.com](#) (YipitData as of September 30, 2025), and CARFAX (Joreca as of September 30, 2025).

<sup>3</sup>Similarweb: Traffic Insights, Q3 2025, U.K.

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