

STATE *of the* DEALER

NOVEMBER

New Vehicle Inventory Beginning to Accelerate (Again)

Used and Certified Coming
Under Pressure as 2025 Model
Year Changeovers Take Hold



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The State of the Dealer Report strives to answer the question of whether it will be easier or harder to sell cars in the next 30 days based on ZeroSum's real-time view of supply and demand in the marketplace. The bottom line in the current period is "harder", but not dramatically so—at least not yet.

The New vehicle inventory situation is a key piece of the overall puzzle, with counts moving up by 90,000 for the second straight month. After a slow and steady build pushed supply to just below 3 million in August, the industry has now jumped to 3.14 million in October. This is due to maturing model year changeovers, with 2025 counts up by 362,000 units and 2024 numbers down by 255,000 month-over-month.

While we have not returned to the oversupply situation that was in place prior to the pandemic, that outcome is now at least within shouting distance.

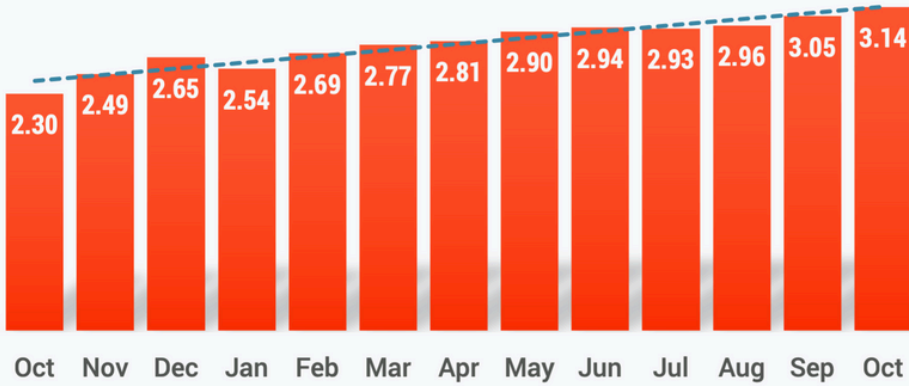
This has not resulted in the degradation of key metrics such as turn rates or days-on-lot, but there is building pricing pressure as evidenced by continuing aggression in Market Adjustments and a drop in average marketed pricing of more than \$300 in the past month.

The trends in the New car market are having an impact on Used and Certified dynamics as well. Turn rates and days-to-move for Used are seeing recent challenges, and average Certified pricing has dropped by more than \$1,000 in just the past two months.

While other signals in those two sectors remain steadier, there appear to be some increasing pressures that are playing out and that bear watching as 2024 comes to a close and 2025 commences.

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Average Inventory - New (MM)

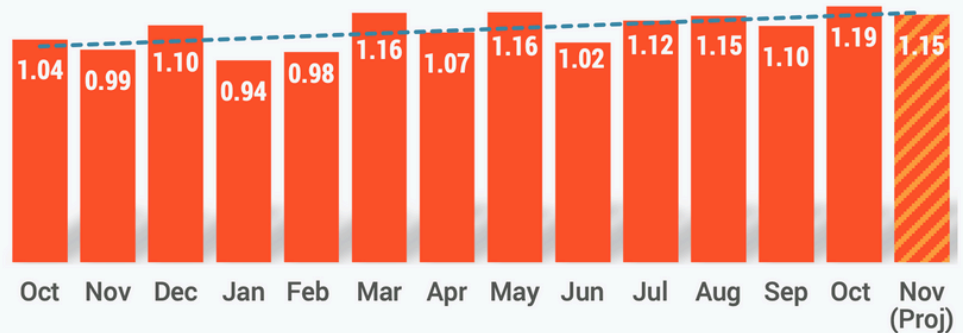


After four months of relatively flat inventory counts (in May–August), **supply gains have begun to accelerate again**, growing by 90,000 units in each of the last two months.

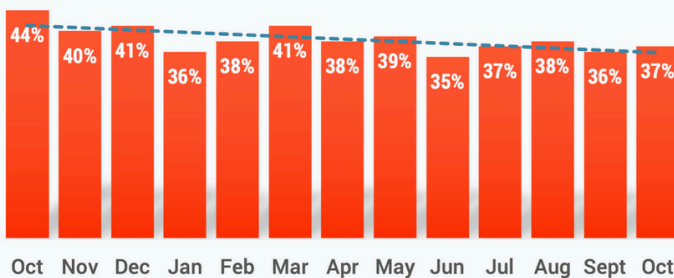
New vehicle movement hits its **highest point over the past year**, though it is expected to fall back somewhat in November.

Sales velocity metrics (turn rate and days-to-move) continue to be **in the same narrow range** as they have been for the past several months.

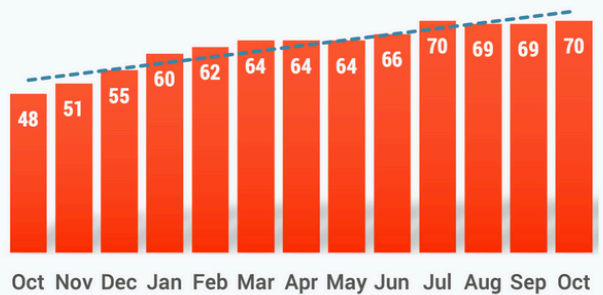
Vehicle Movement - New (MM)



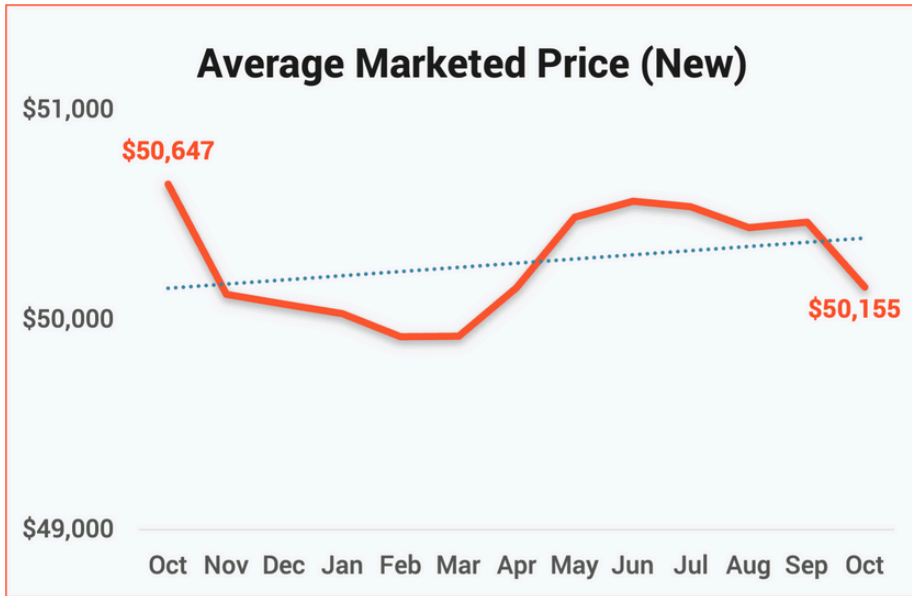
Turn Rate (New)



Days-to-Move (New)



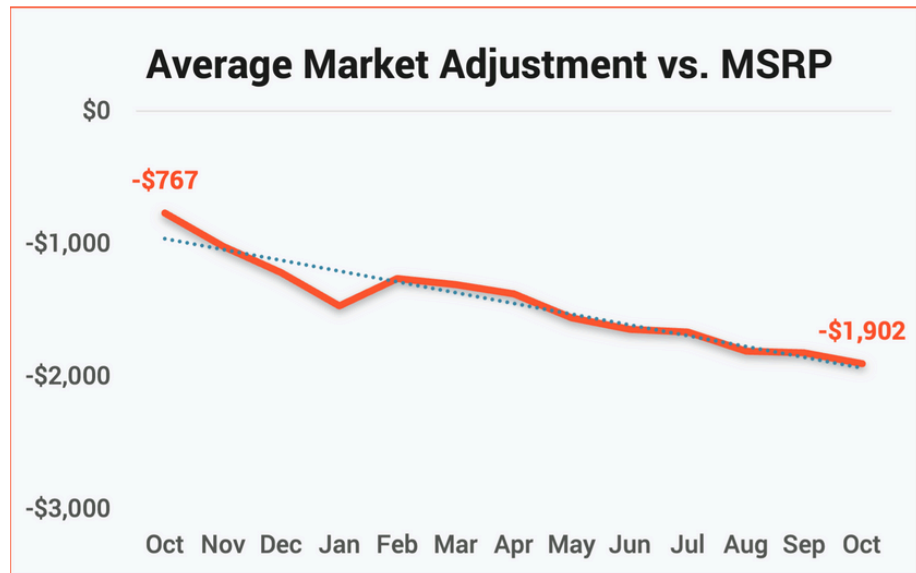
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Marketed pricing ticks downward in October, **dropping by more than \$300** compared to the previous month.

It remains elevated, however, and is above \$50,000 for the seventh consecutive period.

Discounts and incentives being marketed to consumers **continue to be more aggressive over time.**

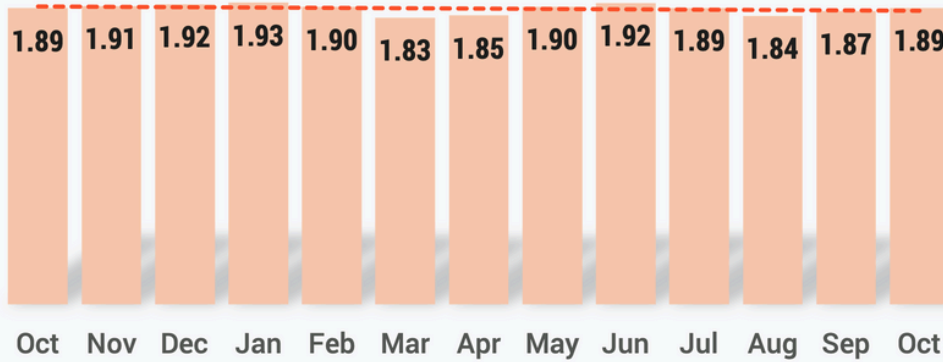


OVERALL ASSESSMENT - NEW

“Over the course of the long inventory recovery period, vehicle counts have remained lower than they were prior to the pandemic. While we are still not back to an oversupply situation, the recent acceleration of growth points to the potential of that reoccurrence” said Jeff Englishmen, Vice President of Dealer Success at ZeroSum. “We aren’t seeing significant shifts in sales velocity yet, but dealers should be aware of these big picture market dynamics when pricing and supporting their inventory positions.”

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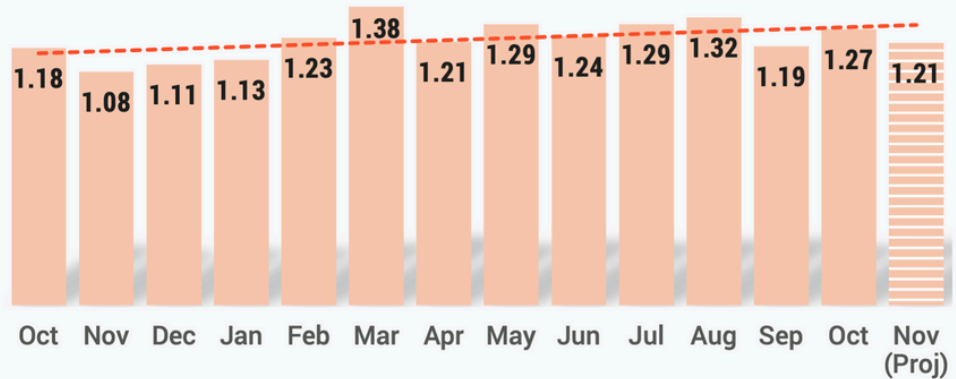
Average Inventory - Used (MM)



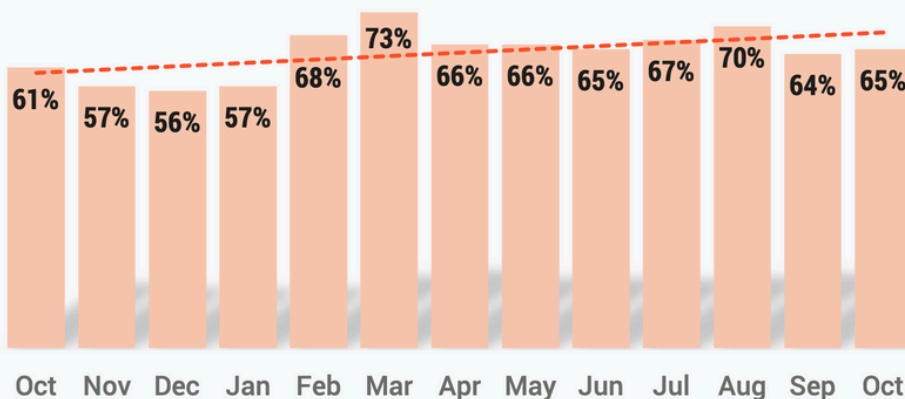
Used vehicle inventory has been **very flat throughout the past year.**

Used vehicle movement ticks up from the previous period but **is expected to dip down again in November.**

Vehicle Movement - Used (MM)



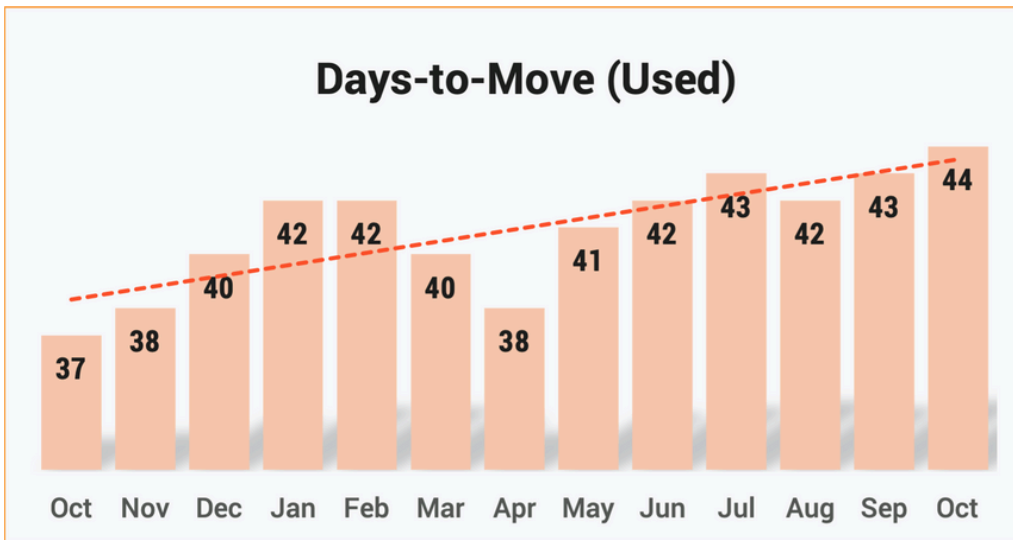
Turn Rate (Used)



Used vehicle turn rates **remain below the recent peak in August**, though they are still in a similar narrow range that was in place over the four months prior to that.

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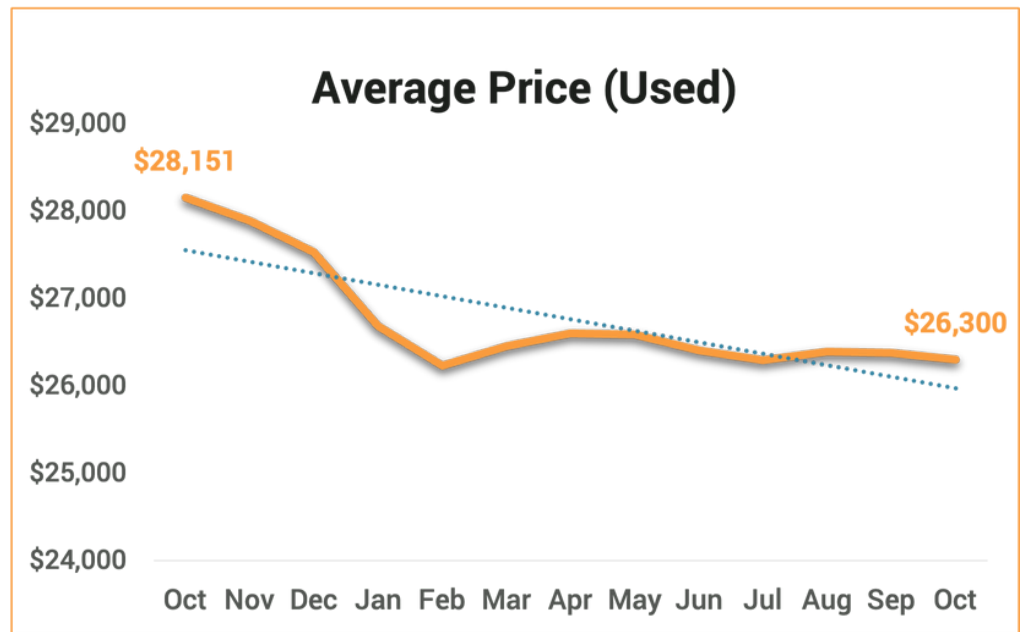
Days-to-Move (Used)



Days-to-move increases by one for the second straight month and is above the narrow range of the prior five months.

Average marketed price remains in the same narrow range it has been in throughout 2024, though it is noted that this is almost **\$2,000 lower than a year ago.**

Average Price (Used)

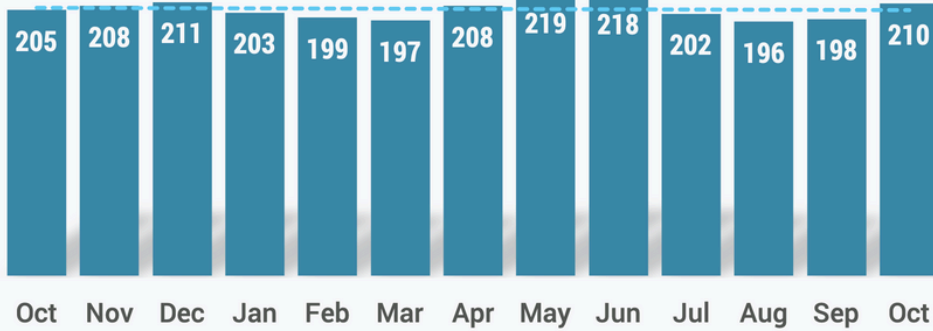


Overall Assessment - Used

“The used vehicle market has been very steady over the past year, both in terms of supply and demand,” said Englishmen. “However, we are starting to see some initial signs that the sales velocity trends are weakening slightly, which definitely bear watching going forward.”

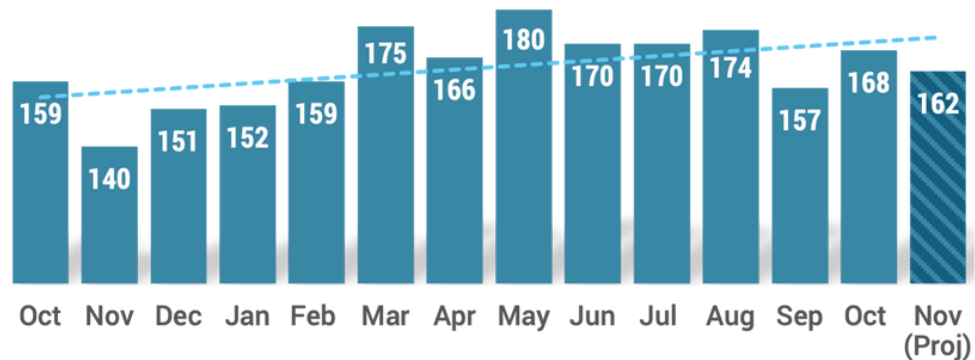
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Average Inventory - Certified (000s)



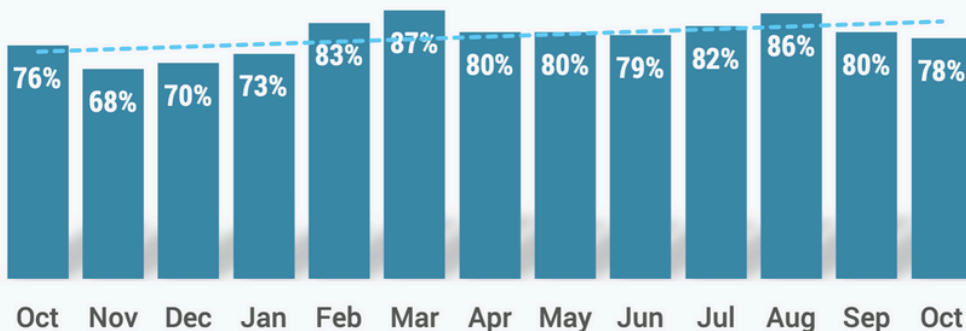
Certified inventories rebound to above 200K but remain in the same narrow range that has been in place throughout the year.

Vehicle Movement - Certified (000s)



Certified movement recovers from its recent low in September but is expected to fall back again in November.

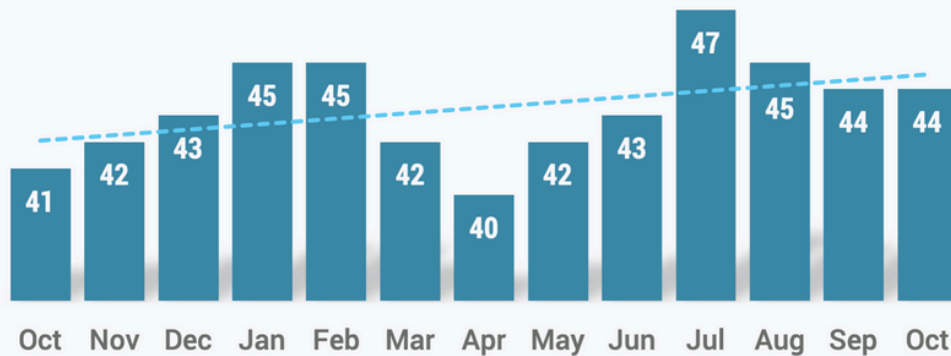
Turn Rate (Certified)



Certified turn rates drop for the second consecutive month, and are now 8 points below the levels seen at the recent August peak.

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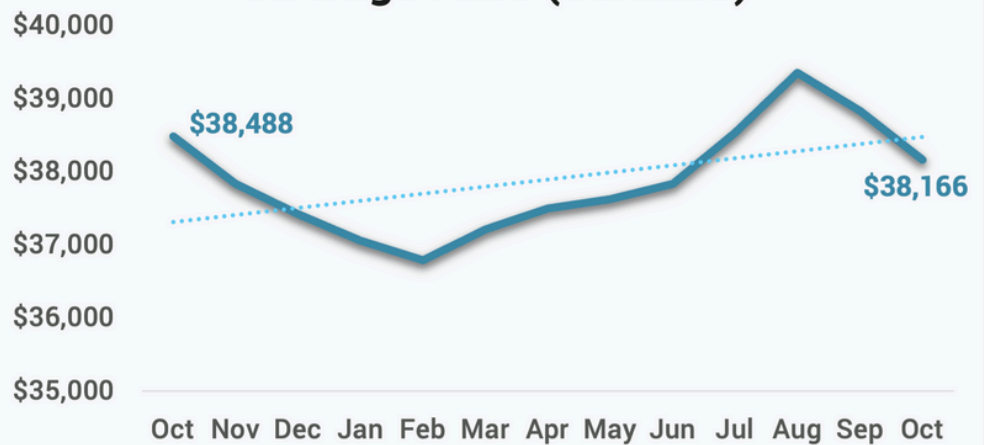
Days-to-Move (Certified)



Days-to-move remains steady after falling the previous two months.

Certified pricing declines for the second straight month and is now more than \$1,000 less than it was just two months ago.

Average Price (Certified)



OVERALL ASSESSMENT-CERTIFIED

Similar to the Used market, the Certified picture is seeing a bit of softness in its recent performance in the form of vehicle movement, turn rates, and pricing pressure. While not dramatic yet, these trends warrant attention going forward—particularly given the accelerating supply picture for New vehicles.

ABOUT ZEROSUM'S STATE OF THE DEALER REPORT

The ZeroSum State of the Dealer Report is the first and premier data source for the new, used, and certified pre-owned automotive market. ZeroSum serves as a crucial resource for automotive dealers, offering indispensable data on supply and demand trends and delivering unprecedented insights on inventory and 30-day forecasts on vehicle movement. State of the Dealer answers the question that all automotive dealers are wondering: "Is it going to be harder or easier to sell a car next month?"

About ZeroSum

ZeroSum is an industry leader in software, marketing, and data. Powered by its SaaS platform, MarketAI, ZeroSum is simplifying and modernizing automotive marketing by leveraging artificial intelligence, data, and scaling ability to acquire new customers. ZeroSum is the first and only company that matches consumer demand with automotive data in real-time for elite dealer marketing efficiency. For more information, visit www.zerosum.ai.

Want to learn more? Book your demo now.

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