

STATE *of the* DEALER

MARCH

**New Vehicles Facing
Continuing Pressure;
Used Sector Benefiting
from Market Dynamics**

Circumstances May
Shift Even More Towards
Used if Threatened
Tariffs Become Reality



STATE *of the* DEALER

On a monthly basis, the State of the Dealer Report strives to answer the question all automotive dealers are wondering: “is it going to be harder or easier to sell a car in the next 30 days?”

The answer this month is a little harder in the New Vehicle sector, and a little easier in Used. But like so many other complex things in life, the devil is in the details.

On the New side, there is no doubt that there are continuing warning signs of selling environment difficulties. A second consecutive decline in Vehicle Movement is enough on its own. But throw in a continuing drag on sales velocity metrics like Turn Rate and Days-to-Move, and prices that have been slower to decline while consumers’ anxiety about the economy is going up, and dealers have a somewhat fraught and fragile mix of circumstances to contend with. Meanwhile, if recently enacted tariffs become a longer-term reality and recent price declines reverse themselves, then dealers may find that we are in a whole different narrative altogether.

On the Used side, there are signs that the pricing and supply/demand dynamics are more favorable in the short run and have the potential to become even more so in the longer run if tariffs are persistent and new vehicle costs increase dramatically. If that happens, dealers would be wise to turn their attention to this sector of the market and ensure that their inventories are positioned, prioritized, and priced appropriately to maximize sales and profit opportunities.

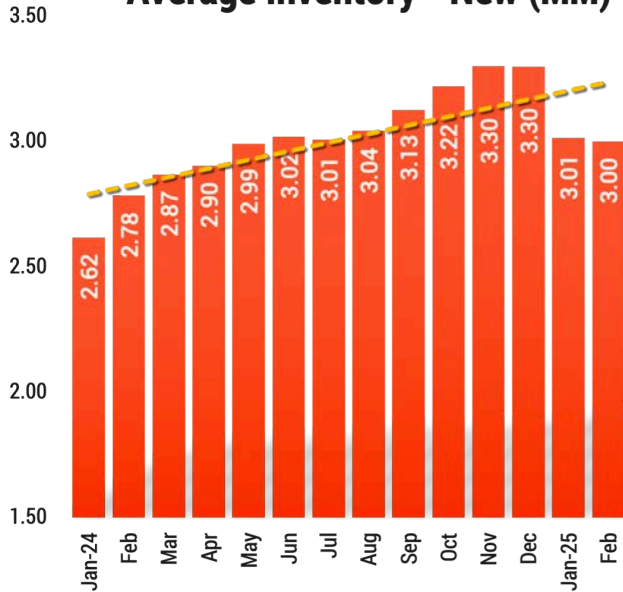
NEW CARS

Overall Assessment ➤ New Cars

“We are seeing some increasing softness in the New vehicle sector,” said Josh Stoll, Director of Dealer Success at ZeroSum. “A Vehicle Movement decline in February, coupled with ongoing velocity challenges and declining pricing power are indicators that dealers must contend with an environment that is becoming more competitive. There is additional uncertainty in the market related to the impact that Canadian and Mexican tariffs could have on consumer prices and retail profitability.”

Unlike in the prior year when Average Inventory grew in February, **counts remained flat in the current month at 3.0M.**

Average Inventory - New (MM)

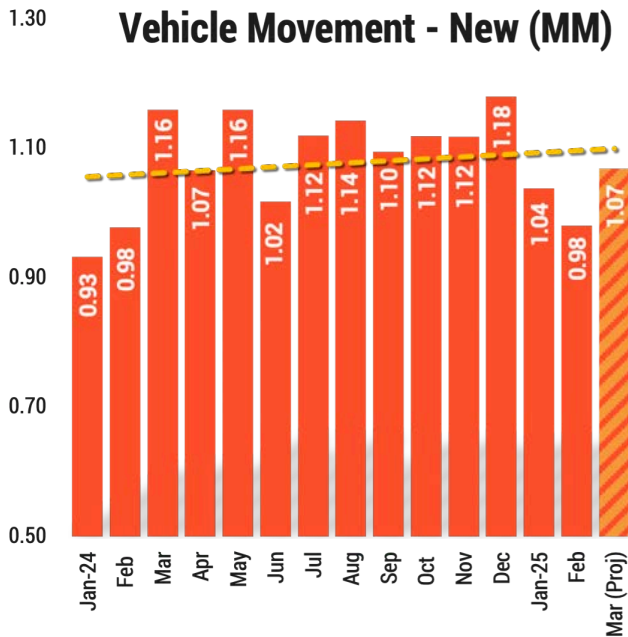


Year-over-year inventory growth in **Philadelphia, San Francisco and Seattle** trailed the national average by five points or more.

DMA	Avg. Inventory (000s)	MoM (vs. Jan 2025)	YoY (vs. Feb 2024)
Total U.S.	3,001	--	+8%
Atlanta	62	--	+4%
Boston	75	+1%	+10%
Chicago	85	--	+6%
Dallas-Ft. Worth	86	+1%	+7%
Denver	46	+2%	+9%
Detroit	69	+2%	+10%
Houston	76	+2%	+9%
Los Angeles	154	+1%	+4%
New York	199	-2%	+6%
Philadelphia	79	-1%	+2%
Phoenix	50	+2%	+7%
San Francisco	49	+1%	-3%
Seattle	41	--	+1%
Washington DC	64	+2%	+5%

New vehicle movement dipped for the second straight month. It is expected to rebound somewhat in March but **projected to fall below year-ago levels.**

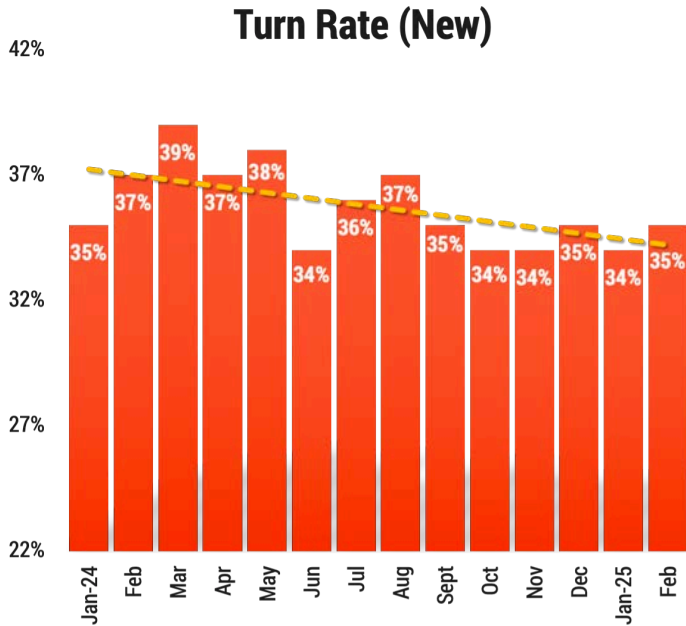
Vehicle Movement - New (MM)



Vehicle movement in **several Western markets, led by Seattle's -18%**, declined by double digit percentages on a MoM basis.

DMA	Vehicle Movement (000s)	MoM (vs. Jan 2025)	YoY (vs. Feb 2024)
Total U.S.	981	-5%	--
Atlanta	22	+1%	+2%
Boston	23	-9%	-8%
Chicago	26	-4%	-6%
Dallas-Ft. Worth	31	-4%	+7%
Denver	14	--	+12%
Detroit	21	-6%	-6%
Houston	26	-5%	+5%
Los Angeles	60	-3%	+4%
New York	64	-7%	-5%
Philadelphia	23	-7%	-10%
Phoenix	18	-11%	+3%
San Francisco	19	-10%	+4%
Seattle	12	-18%	+2%
Washington DC	22	-2%	-2%

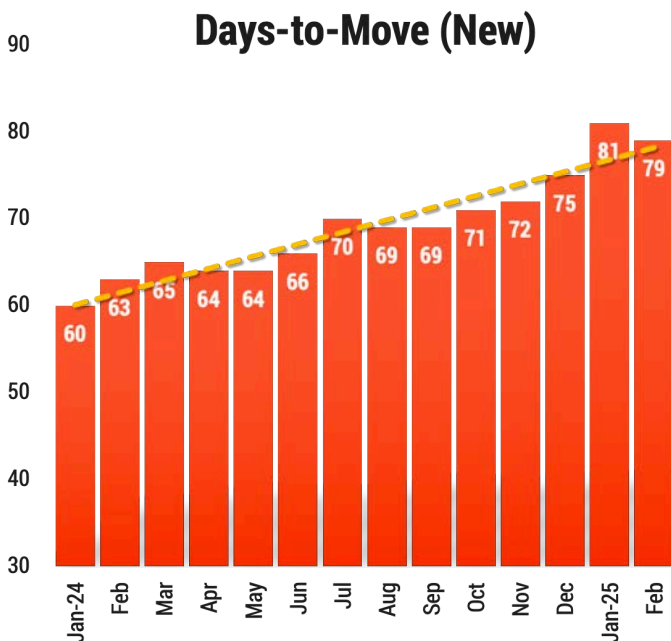
Turn Rate has remained in the **mid-30s** for the **past six months**.



Los Angeles and San Francisco have Turn Rates higher than the national average; the latter market is also outperforming in terms of YoY change.

DMA	Turn Rate	MoM (vs. Jan 2025)	YoY (vs. Feb 2024)
Total U.S.	35%	+1	-2
Atlanta	38%	+4	--
Boston	33%	--	-5
Chicago	33%	+2	-3
Dallas-Ft. Worth	39%	+2	+1
Denver	33%	+2	+2
Detroit	33%	+1	-4
Houston	37%	+1	--
Los Angeles	42%	+2	+1
New York	35%	+2	-2
Philadelphia	33%	+1	-3
Phoenix	38%	-2	--
San Francisco	41%	--	+4
Seattle	33%	-3	+1
Washington DC	37%	+2	-1

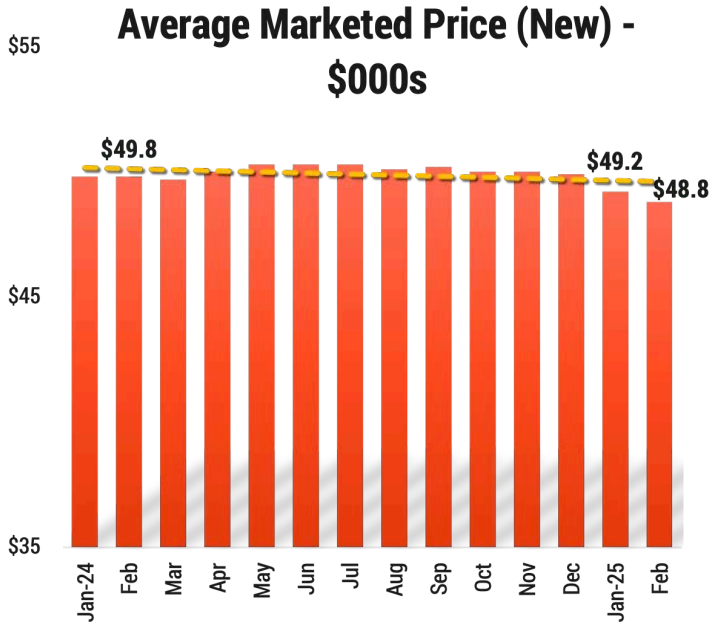
Days-to-Move **remained elevated at 79 days** despite a small pullback in February.



Western markets have experienced a slower rise in Days-to-Move on a YoY basis.

DMA	Days-to-Move	MoM (vs. Jan 2025)	YoY (vs. Feb 2024)
Total U.S.	79 days	-2 days	+16 days
Atlanta	78	-4	+17
Boston	81	--	+19
Chicago	79	-1	+16
Dallas-Ft. Worth	77	-1	+17
Denver	79	-2	+9
Detroit	87	-3	+21
Houston	79	-3	+15
Los Angeles	71	-2	+9
New York	79	-2	+16
Philadelphia	80	-4	+18
Phoenix	76	-6	+11
San Francisco	70	-5	+7
Seattle	83	+1	+12
Washington DC	78	-1	+19

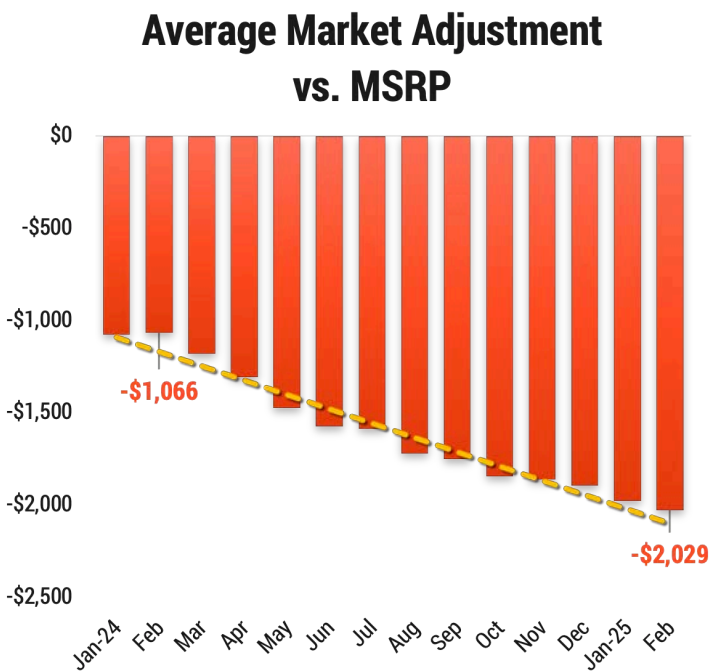
Average **marketed prices fell for the fifth straight month** but remain high; tariffs enacted against Canada and Mexico may push them higher.



Most major DMAs have seen price declines on a YoY basis, but **Atlanta** is bucking that trend with an increase of \$1.4K.

DMA	Avg. Mkted. Price (000s)	MoM (vs. Jan 2025)	YoY (vs. Feb 2024)
Total U.S.	\$48.8	-\$0.4	-\$1.0
Atlanta	\$50.9	-\$0.2	+\$1.4
Boston	\$48.5	+\$0.1	-\$0.4
Chicago	\$47.2	-\$0.3	-\$1.4
Dallas-Ft. Worth	\$50.8	-\$0.8	-\$0.6
Denver	\$51.2	-\$0.5	-\$0.8
Detroit	\$47.3	-\$0.2	-\$1.2
Houston	\$50.2	+\$0.2	-\$1.4
Los Angeles	\$51.7	-\$0.6	-\$0.4
New York	\$49.4	--	--
Philadelphia	\$47.7	-\$0.1	-\$0.7
Phoenix	\$49.5	-\$0.3	-\$0.1
San Francisco	\$53.3	-\$0.1	-\$0.5
Seattle	\$49.6	-\$0.2	-\$0.5
Washington DC	\$49.0	-\$0.4	-\$0.3

Discounts and incentives being marketed to consumers **exceeded \$2,000 in February**, hitting the highest mark of the year.



Three DMAs—**Dallas, Denver, and Houston**—have seen Market Adjustment shifts of more than \$1,000 compared to last year.

DMA	Market Adjustment	MoM (vs. Jan 2025)	YoY (vs. Feb 2024)
Total U.S.	-\$2,029	-\$48	-\$963
Atlanta	-\$2,238	+\$63	-\$826
Boston	-\$1,721	+\$17	-\$861
Chicago	-\$2,327	-\$25	-\$811
Dallas-Ft. Worth	-\$2,889	-\$62	-\$1,296
Denver	-\$2,121	-\$59	-\$1,119
Detroit	-\$3,233	-\$37	-\$968
Houston	-\$3,036	+\$39	-\$1,135
Los Angeles	-\$1,007	+\$71	-\$571
New York	-\$918	-\$41	-\$674
Philadelphia	-\$1,206	+\$46	-\$626
Phoenix	-\$1,765	+\$169	-\$227
San Francisco	-\$528	+\$202	-\$362
Seattle	-\$1,642	-\$18	-\$714
Washington DC	-\$2,302	+\$117	-\$708

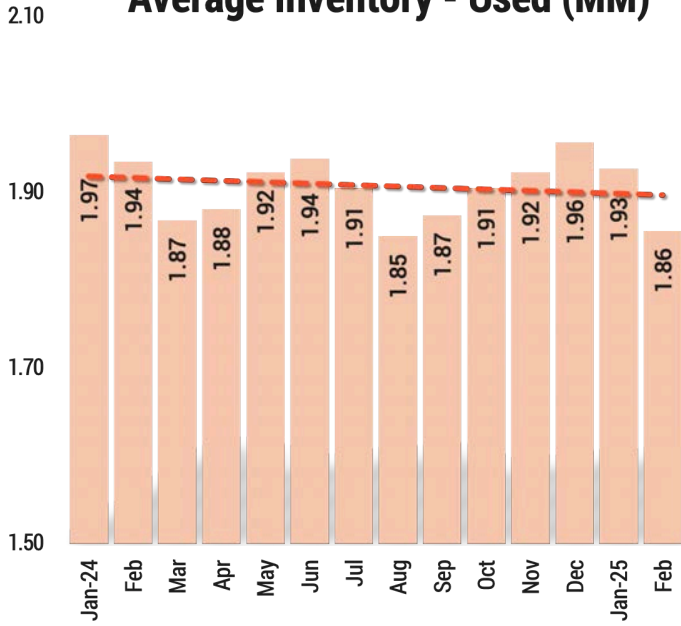
USED CARS

Overall Assessment > Used Cars

“Used vehicle movement saw some resilience in the latest period despite a drop in supply,” said Stoll. “Prices have continued to slowly ratchet down, which makes those vehicles more attractive to consumers relative to new models. Those reductions come at a cost, however, so dealers should also look to make their inventory portfolios more visible and prominent to maintain their pricing power as much as possible. This is particularly true for areas of the country—like Boston, Denver, and Detroit—that are seeing sharper declines in vehicle values.”

Used vehicle inventory fell back for the second straight month, **down 100K since the end of the year.**

Average Inventory - Used (MM)

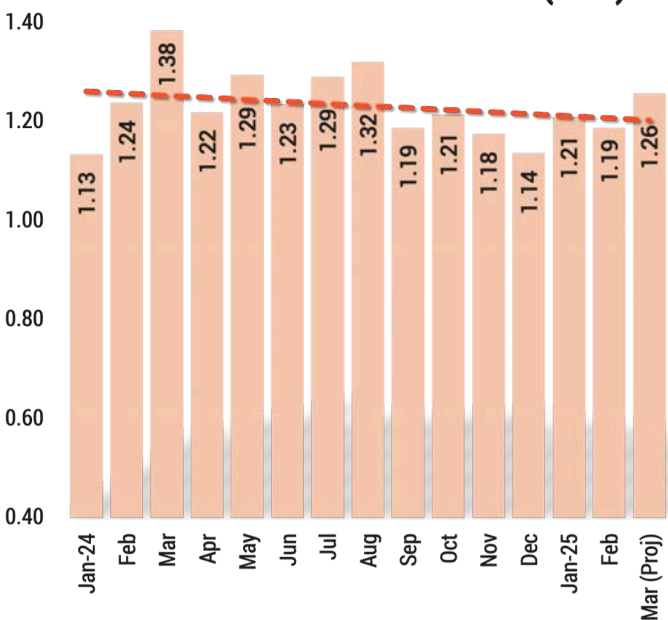


The **Detroit DMA** had a large YoY increase in Used inventory, while Dallas, Boston, and Chicago saw declines.

DMA	Avg. Inventory (000s)	MoM (vs. Jan 2025)	YoY (vs. Feb 2024)
Total U.S.	1,856	-4%	-4%
Atlanta	49	-4%	-2%
Boston	38	-5%	-9%
Chicago	54	-6%	-9%
Dallas-Ft. Worth	53	-5%	-13%
Denver	28	-2%	-1%
Detroit	27	-3%	+14%
Houston	49	-4%	-4%
Los Angeles	66	-4%	-6%
New York	82	-4%	-3%
Philadelphia	40	-5%	-6%
Phoenix	31	-2%	-3%
San Francisco	22	-4%	-7%
Seattle	28	-4%	--
Washington DC	43	-4%	-6%

Despite the drop in inventory, **Vehicle Movement held relatively steady in February** and is projected to move up further in the next 30 days.

Vehicle Movement - Used (MM)

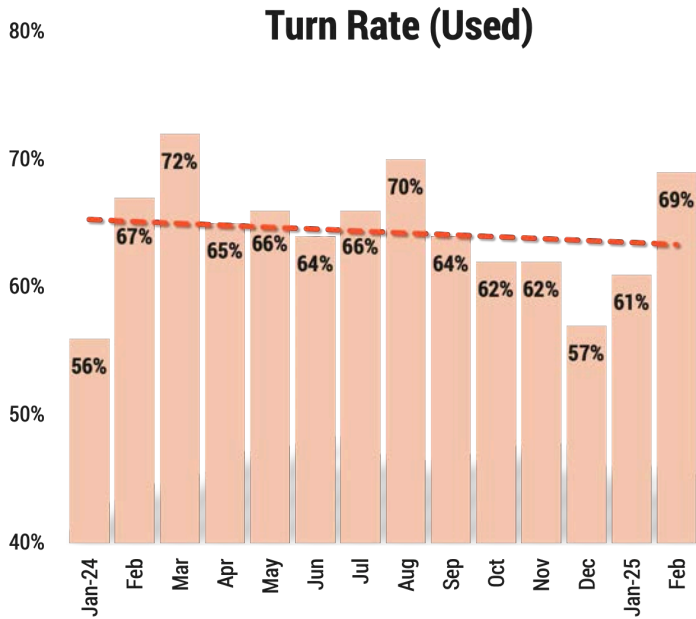


Seattle and San Francisco experienced double digit percentage declines in the MoM timeframe; three DMAs (Atlanta, Dallas, Houston) outperformed the national average by five points or more.

DMA	Vehicle Movement (000s)	MoM (vs. Jan 2025)	YoY (vs. Feb 2024)
Total U.S.	1,188	-2%	-4%
Atlanta	33	+6%	+1%
Boston	23	-9%	-6%
Chicago	31	-9%	-7%
Dallas-Ft. Worth	39	+3%	-4%
Denver	18	-2%	-2%
Detroit	14	-5%	-2%
Houston	30	+4%	-1%
Los Angeles	46	-1%	-1%
New York	43	-6%	+3%
Philadelphia	25	-7%	-2%
Phoenix	22	-3%	+1%
San Francisco	15	-13%	-1%
Seattle	17	-10%	-5%
Washington DC	28	-3%	-10%

As a result of relatively flat demand and declining supply, **Turn Rate jumped by 8 points in the current period.**

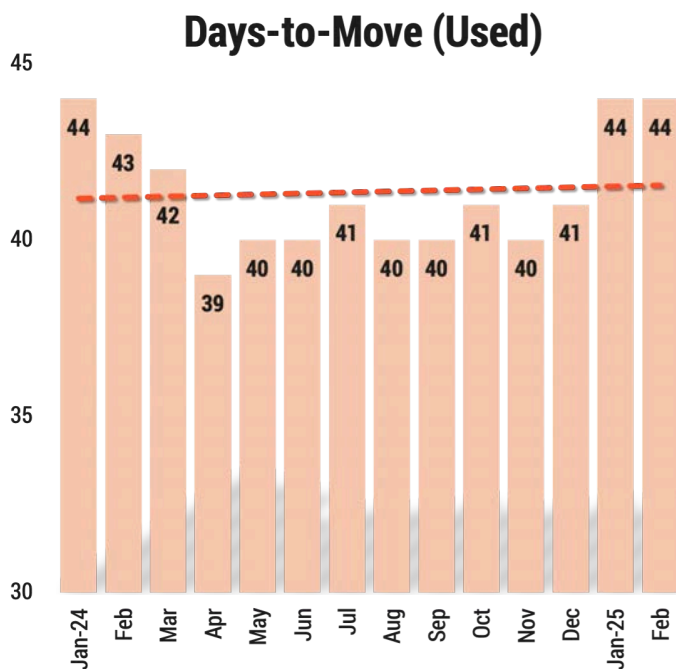
The **Dallas DMA** saw double digit point increases in Turn Rate on both a MoM and YoY basis.



DMA	Turn Rate	MoM (vs. Jan 2025)	YoY (vs. Feb 2024)
Total U.S.	69%	+8	+2
Atlanta	74%	+13	+5
Boston	64%	+4	+4
Chicago	62%	+5	+4
Dallas-Ft. Worth	81%	+14	+10
Denver	70%	+7	+2
Detroit	56%	+5	-6
Houston	67%	+11	+4
Los Angeles	75%	+10	+7
New York	56%	+4	+5
Philadelphia	68%	+5	+4
Phoenix	78%	+7	+6
San Francisco	72%	--	+6
Seattle	65%	+2	-1
Washington DC	72%	+7	-1

Days-to-Move has been **elevated the past two months.**

Boston and Chicago saw substantial declines in Days-to-Move MoM.

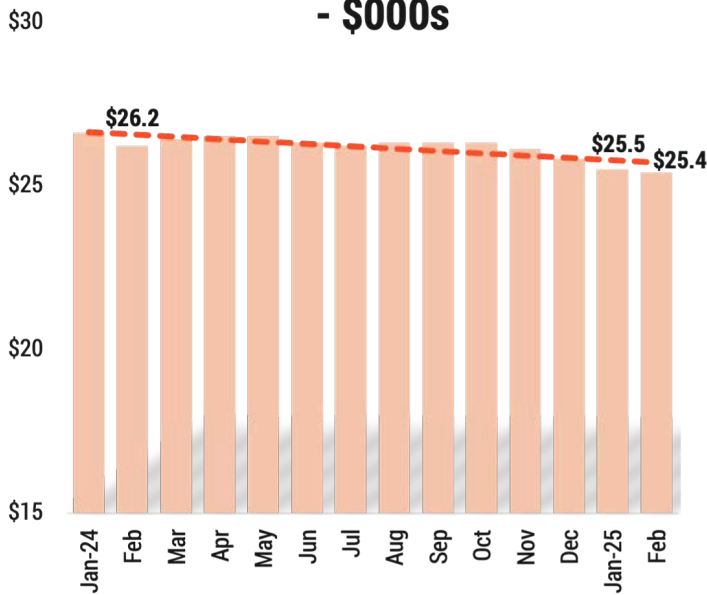


DMA	Days-to-Move	MoM (vs. Jan 2025)	YoY (vs. Feb 2024)
Total U.S.	44	--	+1
Atlanta	43	-1	+2
Boston	45	-5	-1
Chicago	51	-12	+6
Dallas-Ft. Worth	39	+1	-1
Denver	43	--	+2
Detroit	54	+4	+8
Houston	40	+1	+1
Los Angeles	43	+1	+2
New York	52	+3	+4
Philadelphia	42	-1	-3
Phoenix	38	-1	-1
San Francisco	39	-4	-3
Seattle	46	+1	--
Washington DC	40	--	--

Average marketed prices continued to decline, **dropping by \$900 since October.**

Boston, Denver, and Detroit DMAs had the sharpest drop in pricing YoY.

Average Marketed Price (Used)
- \$000s



DMA	Avg. Mkted. Price (000s)	MoM (vs. Jan 2025)	YoY (vs. Feb 2024)
Total U.S.	\$25.4	-\$0.1	-\$0.8
Atlanta	\$26.7	+\$0.2	-\$0.3
Boston	\$25.7	-\$0.2	-\$1.7
Chicago	\$25.4	+\$0.2	-\$0.6
Dallas-Ft. Worth	\$28.0	+\$0.4	+\$0.6
Denver	\$24.6	--	-\$2.0
Detroit	\$22.1	-\$0.2	-\$1.8
Houston	\$25.2	-\$0.1	+\$0.1
Los Angeles	\$28.0	+\$0.8	+\$0.1
New York	\$26.7	-\$0.2	-\$0.2
Philadelphia	\$24.4	-\$0.2	-\$1.1
Phoenix	\$26.9	+\$0.1	+\$0.7
San Francisco	\$26.4	--	-\$0.9
Seattle	\$24.9	-\$0.1	-\$0.9
Washington DC	\$23.9	+\$0.1	-\$0.6

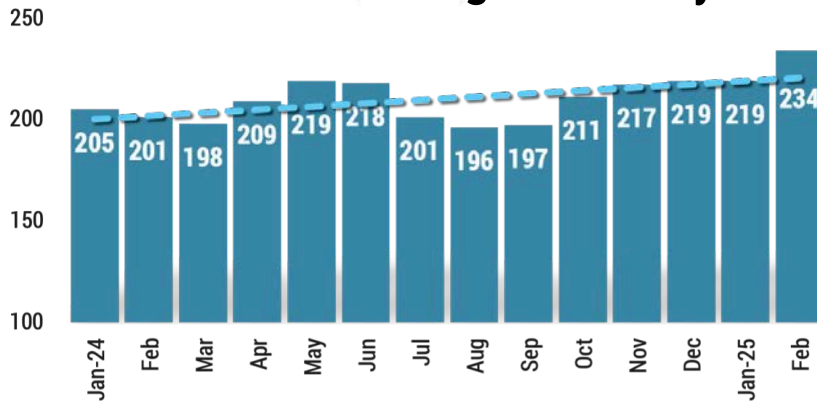


CERTIFIED CARS

Overall Assessment > Certified Cars

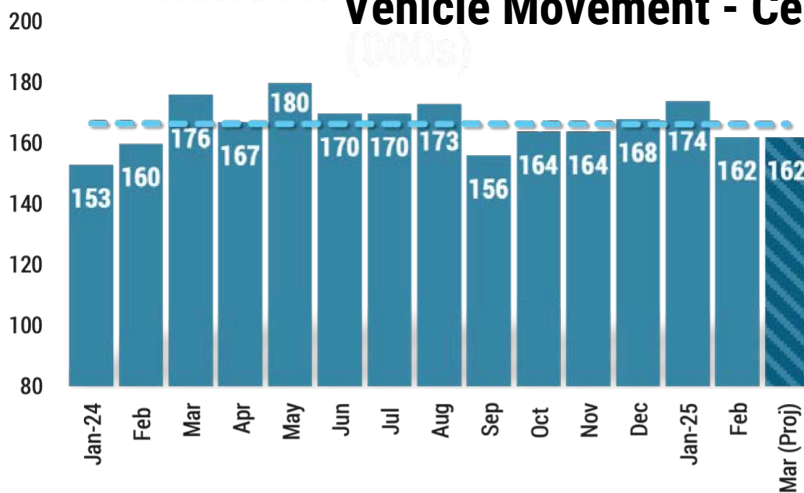
Certified vehicles are looking more like New Vehicles, with pricing that is seeing reductions but still elevated, and sales velocity metrics that are pointing to short-term challenges in the marketplace. But with the potential longer-term impact of tariffs on new vehicles, Certified could act as an effective bridge between new and used choices for consumers going forward.

Average Inventory - Certified (000s)



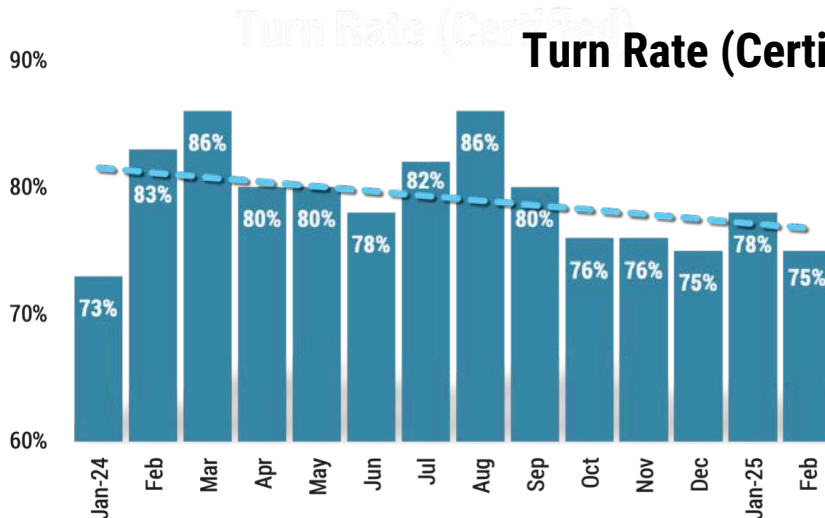
Certified inventories **jumped by 15K in the current period**, reaching their highest levels of the year.

Vehicle Movement - Certified (000s)

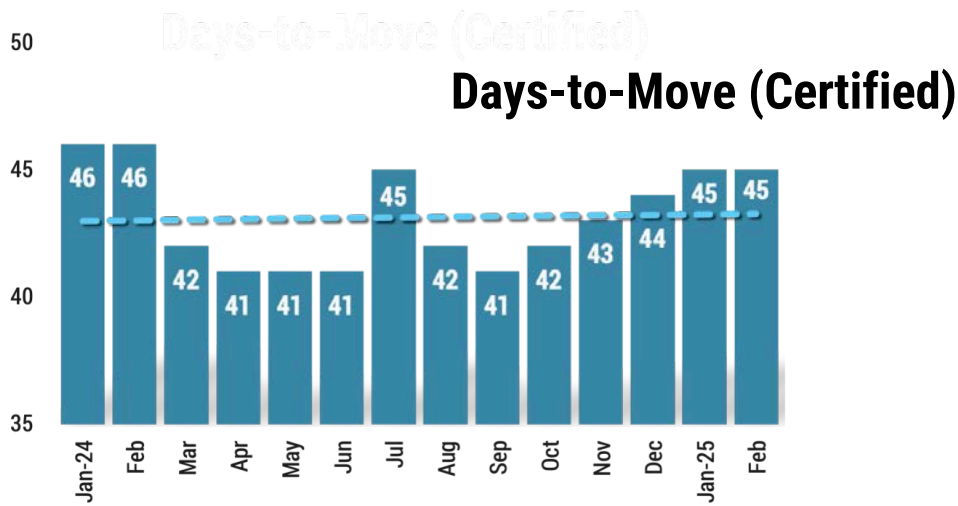


Certified Vehicle Movement, on the other hand, **dropped in the current month**, and is expected to remain at that lower level in March.

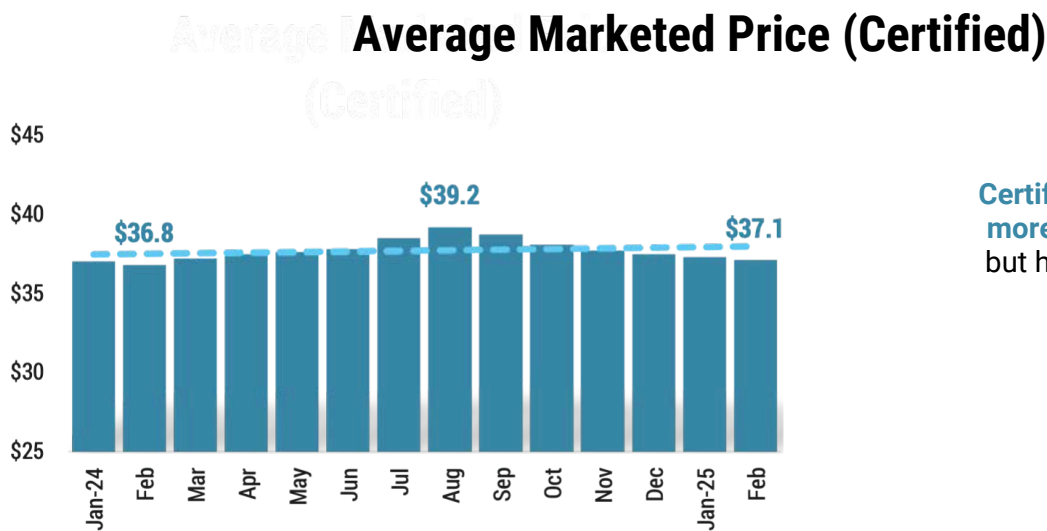
Turn Rate (Certified)



As a result, **Turn Rate reverted** to levels seen in December.



Days-to-move **remained flat** in the current month.



Certified pricing has fallen by **more than \$2K** since August but has been steady over the past year.



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 is a crucial resource for automotive dealers, delivering indispensable data on supply and demand trends and 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.

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Contact

hello@zerosum.ai

888-580-9010

ZeroSum

99 Monroe Ave. NW, Suite 200

Grand Rapids, MI 49503

www.zerosum.ai