

STATE *of the* DEALER

OCTOBER

**New Vehicle Inventory
Surpasses 3 Million
For the First Time
Since April 2020**

Used and Certified Market
Sectors See Movement Declines



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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 that "it depends" on which sector of the market is being assessed.

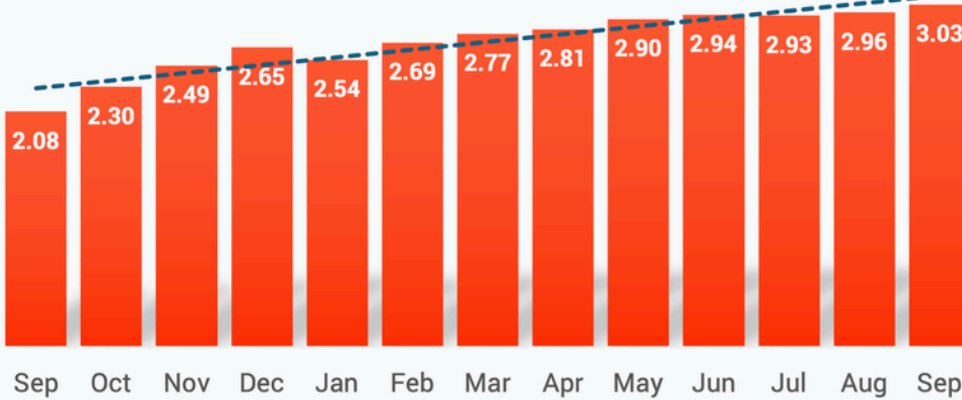
The inventory picture for **new vehicles hit a momentous milestone, surpassing 3 million for the first time in more than four years**—since the earliest days of the Covid pandemic in April 2020. The stubbornly flat levels that were in place throughout most of 2021 and early the next year gave way to a long and slow recovery period that has spanned from June 2022 until the present day, but the 3 million count had remained elusive...until now.

The supply rebound has been accompanied by a related increase in Market Adjustments, which measure the marketed discounts and incentives that are listed on dealers' VDP pages. This metric has more than tripled in the past year as OEMs and dealers alike operate in a more competitive new vehicle landscape. Dealers would be wise to ensure that their vehicles are attractively priced and marketed in this environment.

Related to the longer-term shift in new vehicle dynamics appears to be a shorter-term impact on used and certified movement. With more choices and better deals available on the new side, these vehicles are coming under greater pressure. The 30-day forecasts for October point to similar movement levels in these two industry sectors in the near future.

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Average Inventory - New (MM)

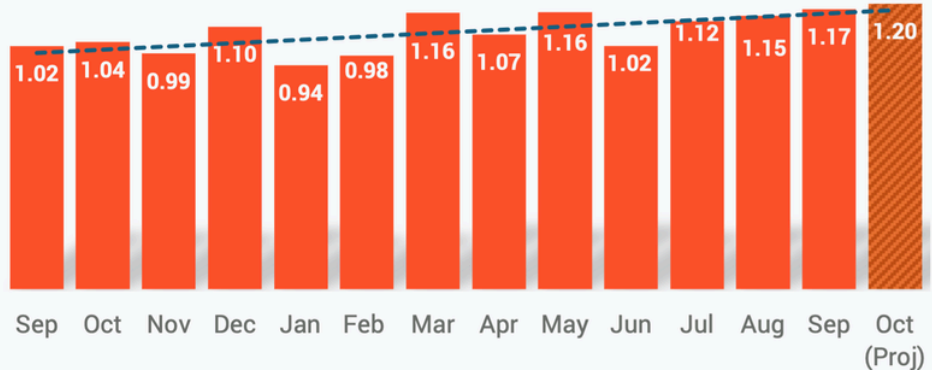


New vehicle inventory **surpasses 3 million** for the first time since April 2020.

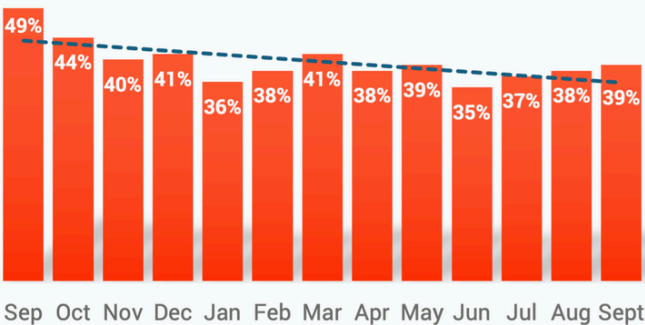
New vehicle movement ticks up but remains in a relatively narrow range; the forecast for October points to a **rise to 1.2 million**.

Turn rate climbs for the third straight month, but still remains in a tight window. Days-to-move falls slightly.

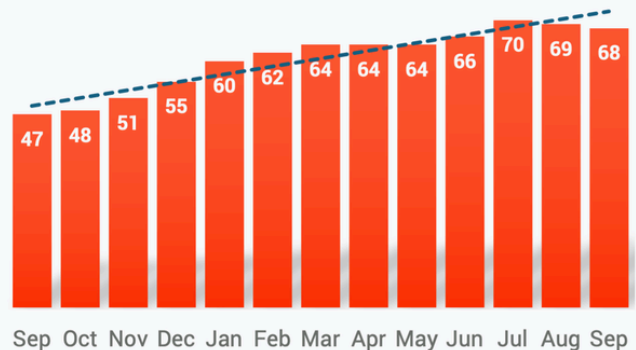
Vehicle Movement - New (MM)



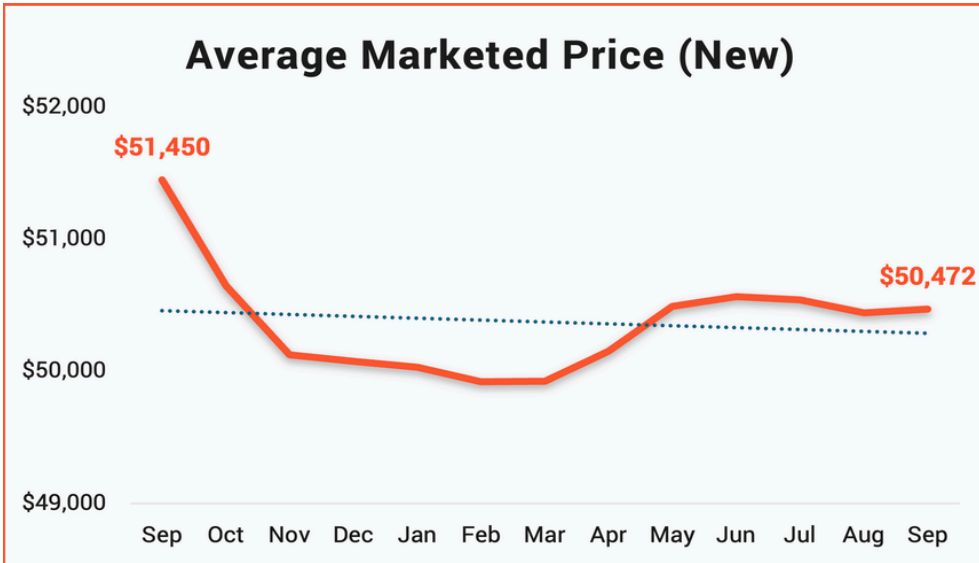
Turn Rate (New)



Days-to-Move (New)

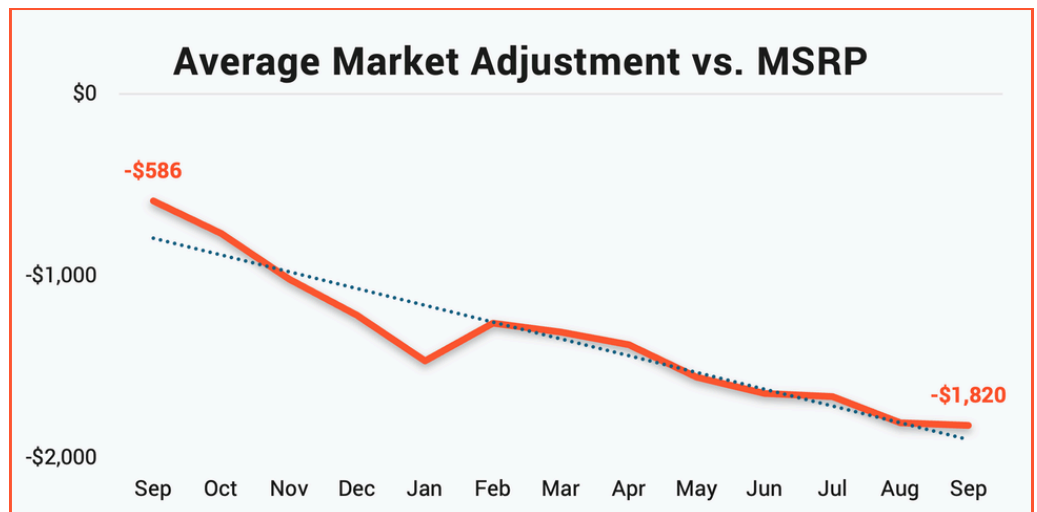


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New vehicle marketed pricing has been **range-bound for the past five months**, and remains about \$1,000 below year-ago levels,

Discounts and incentives being marketed to consumers continue to tick up and are now **more than triple** the level from a year ago.

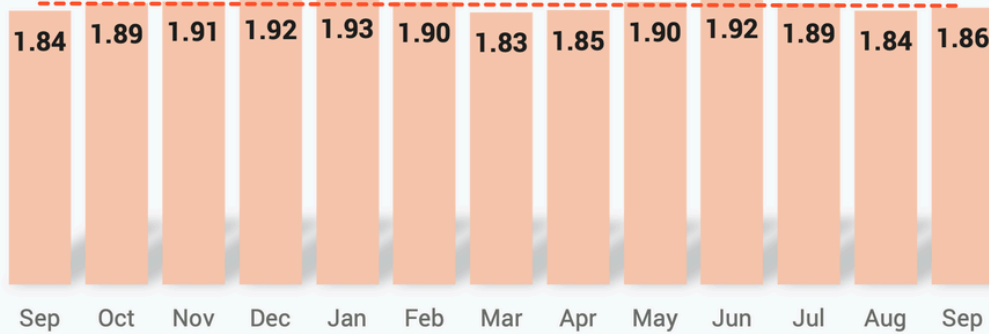


OVERALL ASSESSMENT - NEW

“Surpassing the three million milestone for inventory is cause for reflection but also caution,” said Jeff Englishmen, Vice President of Dealer Success at ZeroSum. “On one hand, it is a testament to the resilience of the automotive industry. But it also points to a need to balance supply with the incentives required to sell it. It is not surprising that the gains in inventory are being accompanied by a rise in market adjustments, and dealers should be focused on the relationship between these two metrics.”

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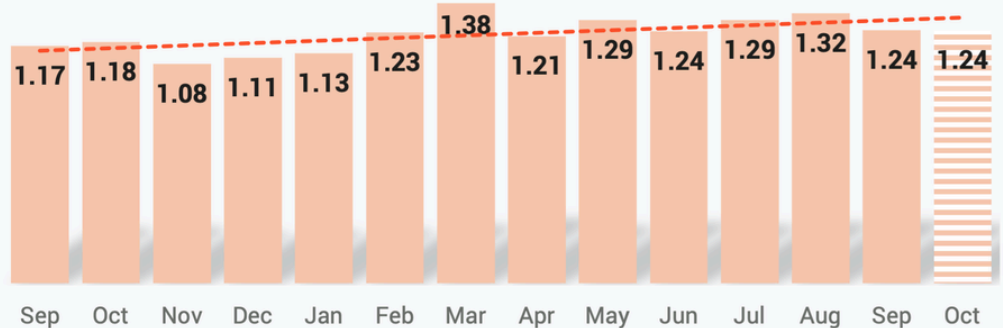
Average Inventory - Used (MM)



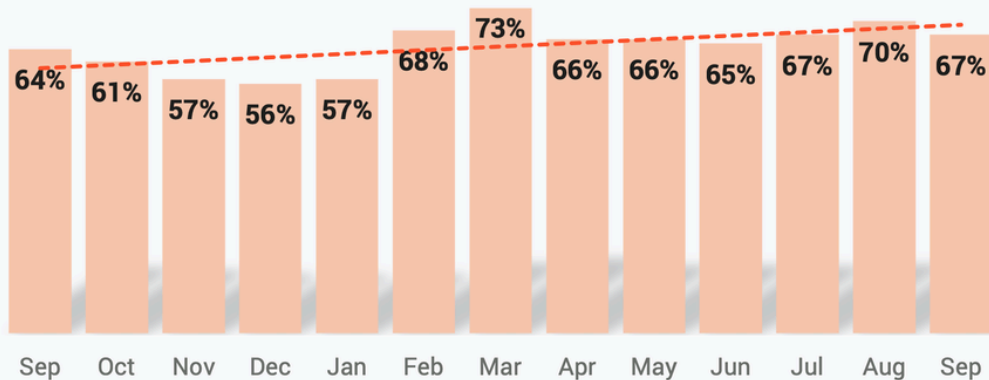
Used vehicle inventory **remains steady**, with the entire last year in a very narrow range.

Used vehicle movement **dips from its recent higher level**, though it remains similar to counts seen in the past six months; the 30 day forecast points to a stable sales picture in the near future.

Vehicle Movement - Used (MM)

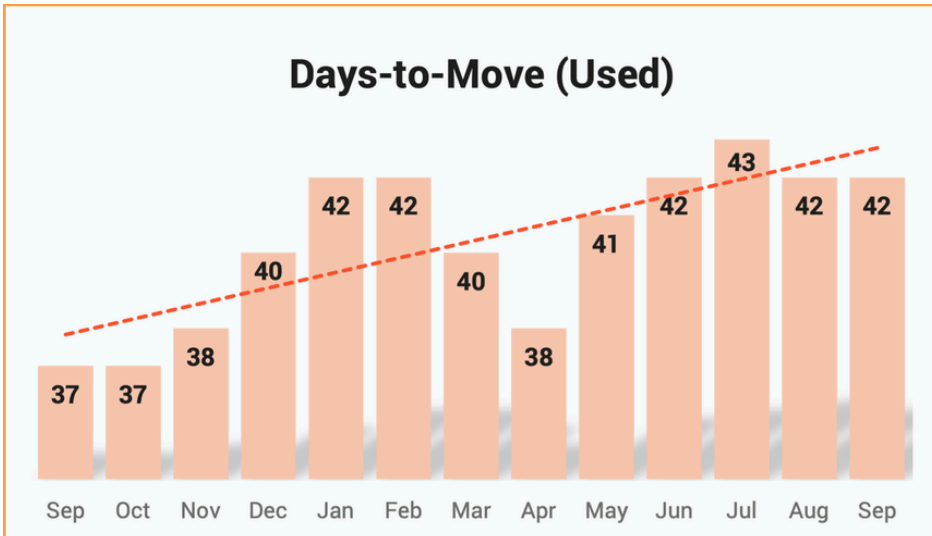


Turn Rate (Used)



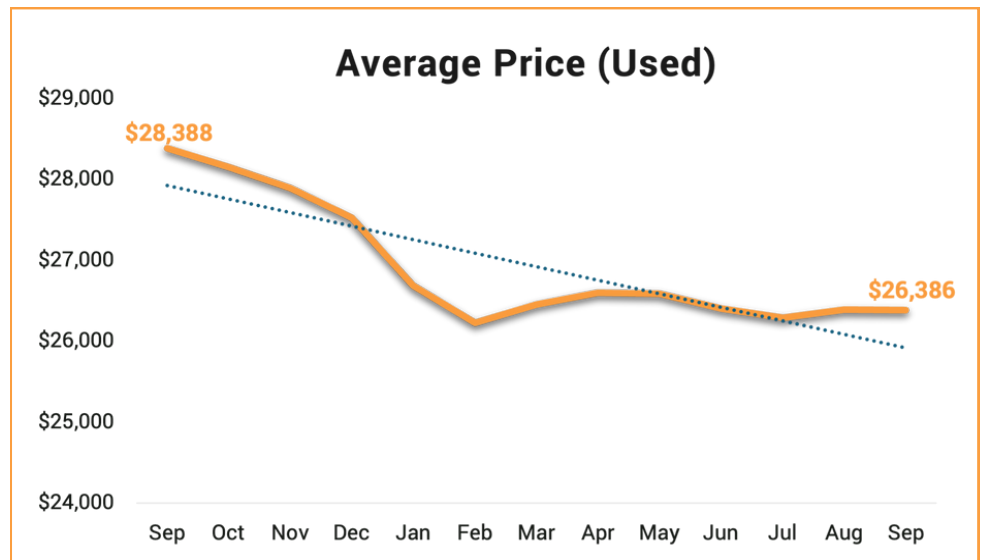
Used vehicle turn rates **revert back to July levels**, though they remain in a narrow window that has been in place since early 2024.

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Days-to-move **stays within the same narrow range** that it has been in for the prior four months.

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

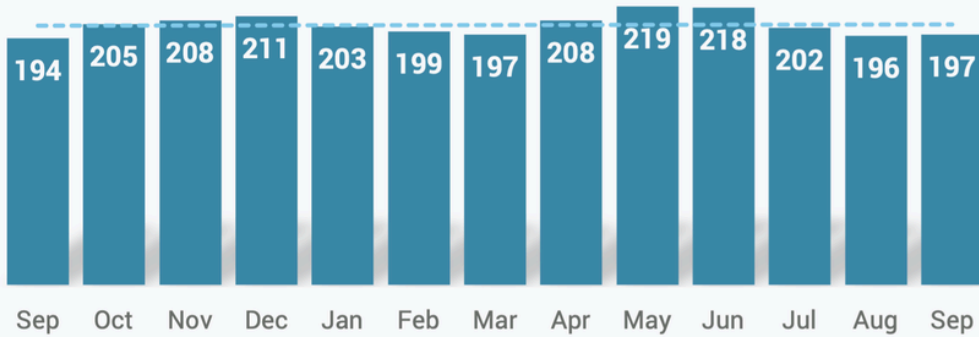


Overall Assessment - Used

“The flat inventory but recent drop in used vehicle movement is influenced by the dynamics in the new vehicle sector,” said Englishmen. “Consumers have choices, and the increasing discounts on the new side appear to be weighing on used outcomes, at least in the short run.”

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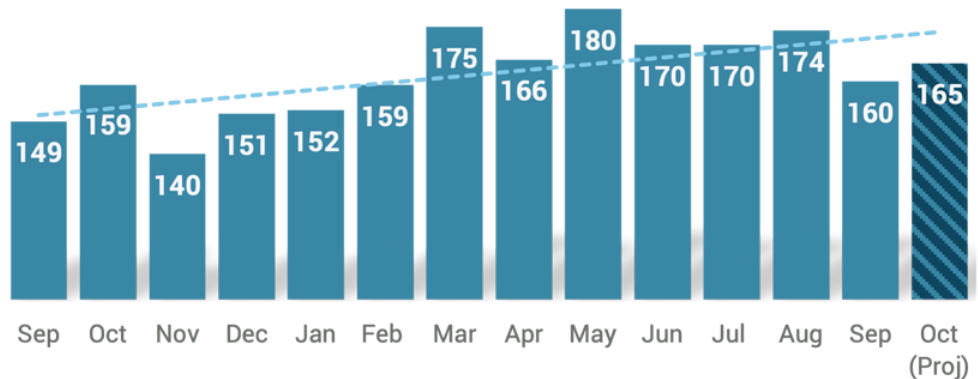
Average Inventory - Certified (000s)



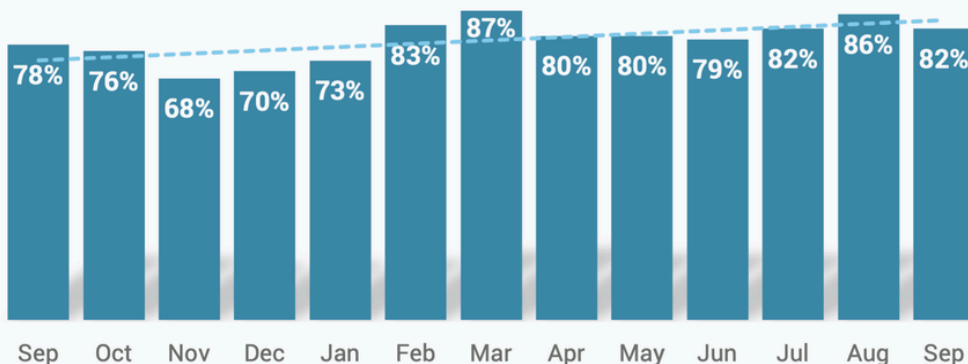
Certified inventories **remain under 200K** but are in a steady state in the current period.

Certified movement **falls by 8%** in the current period and to its lowest level since February; the 30-day forecast points to a small rebound in October.

Vehicle Movement - Certified (000s)



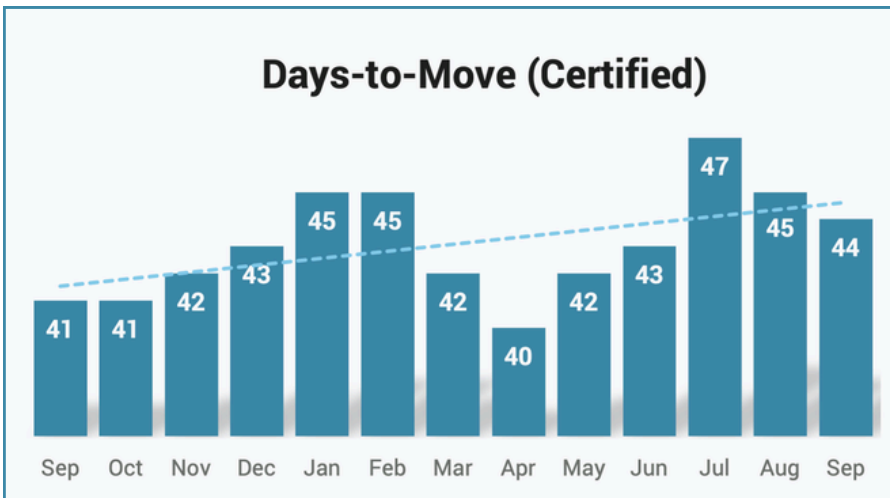
Turn Rate (Certified)



Certified turn rates **fall back by four points**, though they remain in the same range they have been in since early 2024.

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Days-to-Move (Certified)



Days-to-move **falls for the second straight month** but still remains relatively range bound.

Certified pricing **falls back by more than \$500** in the current period and is now very similar to year ago levels.

Average Price (Certified)



OVERALL ASSESSMENT-CERTIFIED

Certified vehicles are seeing a bit of softness in the most recent numbers, with inventory and vehicle movement both down from levels seen in late Spring and early Summer. Similar to the used vehicle sector, the growth in new vehicle inventory is likely causing a bit of downward pull as consumers can take advantage of growing Market Adjustments in that space.

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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