


ZeroSum Market First Report

Automotive Inventory Data and Sales Forecasts

November 2022



The ZeroSum Market First Report is the automotive industry's first source to predict month-end vehicle movement, providing vital supply and demand trend data to automotive marketers and dealers. ZeroSum uses predictive modeling to accurately estimate new vehicle inventory, pricing trends, and market share.



ZEROSUM'S TAKE: WHAT YOU NEED TO KNOW

New vehicle inventory is at its highest level since mid-year 2021 as prices continue to rise and inversely used car inventory and prices are both falling. According to ZeroSum data, new vehicle inventory has increased another 9.64% since the start of October while used vehicle inventory has declined 2.61%. Despite more new cars being available, new car prices rose 0.76% this month to an average of \$48,503. At the same time, used car inventory fell for the third straight month while prices dipped 1.55% to an average of \$32,983.

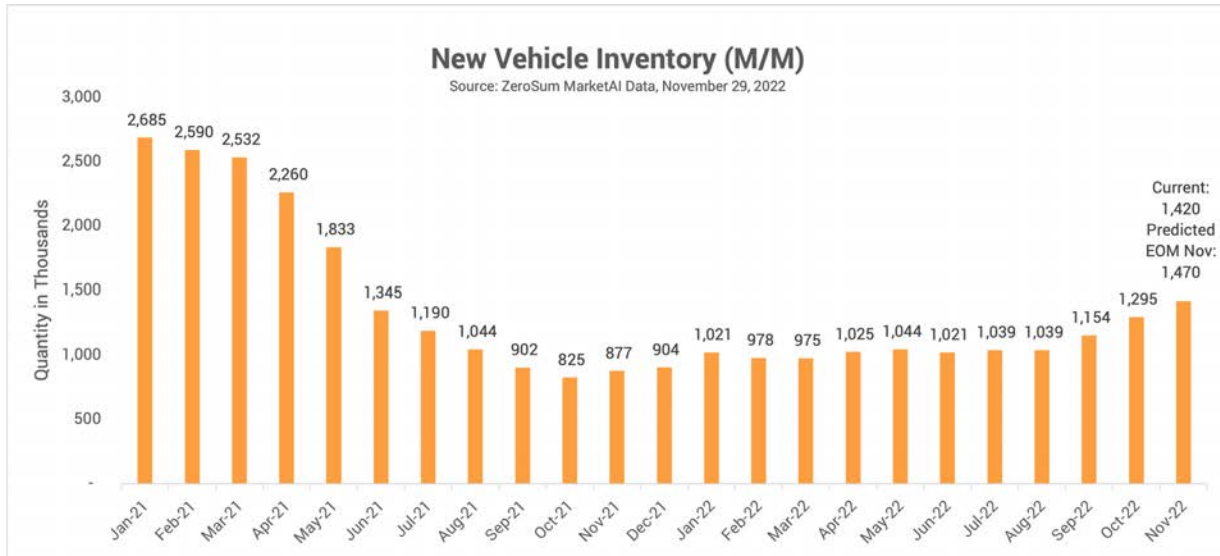
Despite the lower used car prices, consumers are struggling to afford used cars following interest rate increases from the Fed. According to [Cox Automotive analysts](#), the average monthly payment for a used vehicle is currently \$551, 47% higher than in 2019 and is forecast to reach \$570 by the end of the year. As a result, dealers should be prepared to retail fewer used vehicles than last year but should not be too concerned about profit losses. New vehicle sales are expected to be higher than at this time last year, aided by the influx of available inventory.

Here are your key takeaways:

Despite current high levels of new vehicle inventory, new car prices remain high. **Dealers should capitalize on this opportunity by continuing to acquire and sell new cars.**

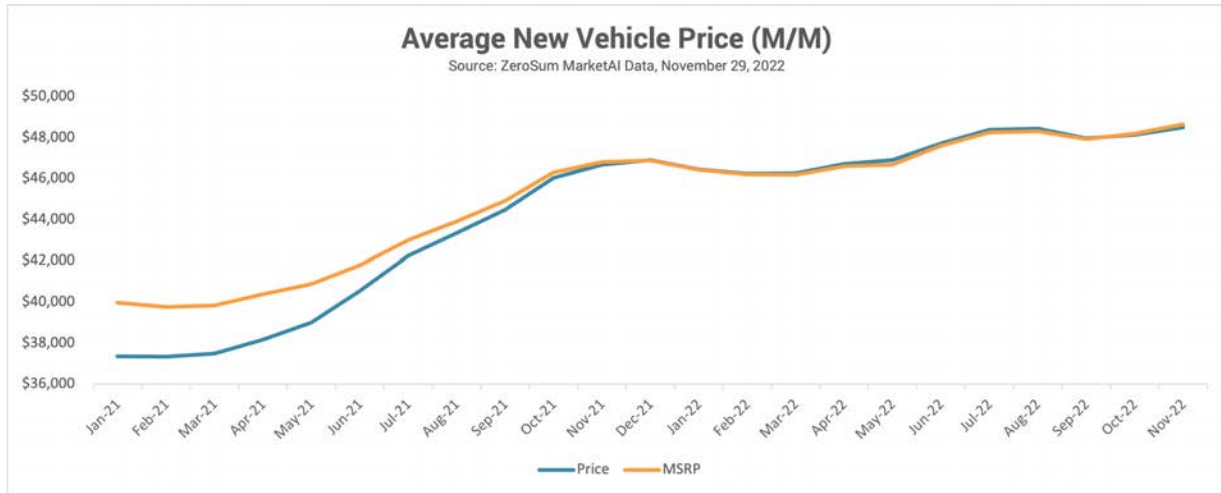
1. **Purchase used cars you know will sell.** Don't get stuck waiting for your cars to sell. Focus on acquiring the vehicles you can move off your lot the quickest.
2. **Closely monitor market prices and adjust quickly.** With prices changing rapidly, watch the market every day and prepare to decrease prices to remain competitive as used car prices fall.
3. **Turn cars quickly and keep your inventory lean.** Especially for cars that are higher in value or harder to sell, it will be crucial to reduce your days on lot and be selective with your inventory to maintain profitability.

NEW VEHICLES RETAIL OUTLOOK



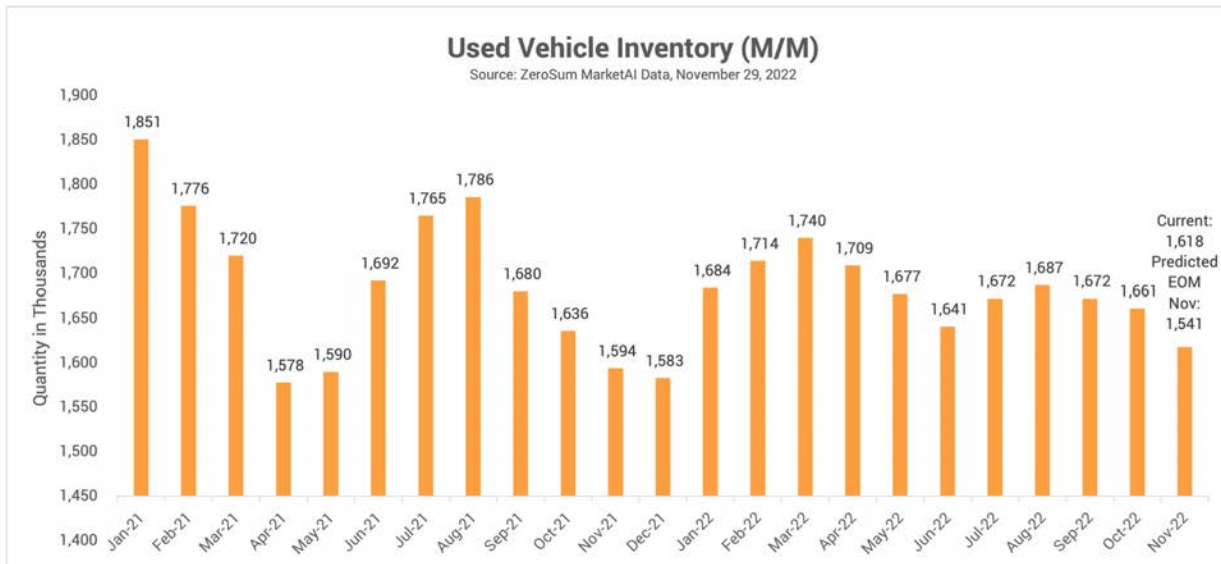
After declining throughout 2021 and remaining consistently low ever since, new vehicle inventory is steadily rising, having increased substantially in each of the last 3 months. In November, new car inventory rose 9.64% to 1,419,754. ZeroSum predicts that by the end of the month, new car inventory will be at 1,470,000. This will be the highest level of available inventory since May of 2021. **Dealers should take advantage of the increase in inventory to bolster their sales for the year.**

NEW VEHICLES RETAIL OUTLOOK



Although there are more new cars now available, prices have remained high, increasing slightly for the last two months. This month, the average new car price rose 0.76% to \$48,503. This is about \$100 less than MSRP. **With prices still high, dealers should turn cars quickly to maintain profitability.**

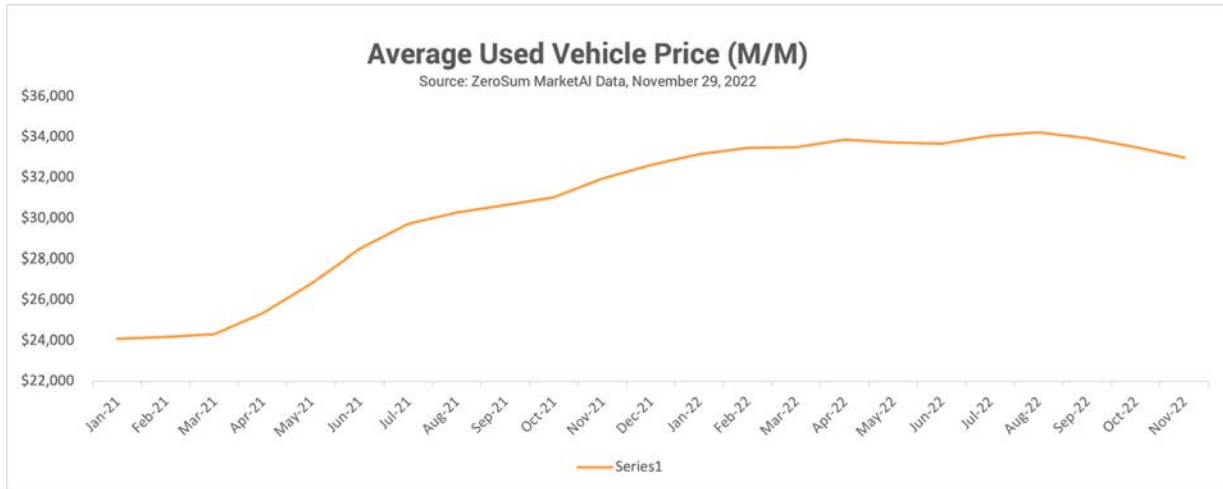
USED VEHICLES RETAIL OUTLOOK



Unlike new vehicle inventory, used vehicle inventory has decreased in each of the last three months. In November, the number of used cars available fell 2.61% to 1,617,603. By the end of the month, ZeroSum anticipates used vehicle inventory to decrease further to 1,541,385.

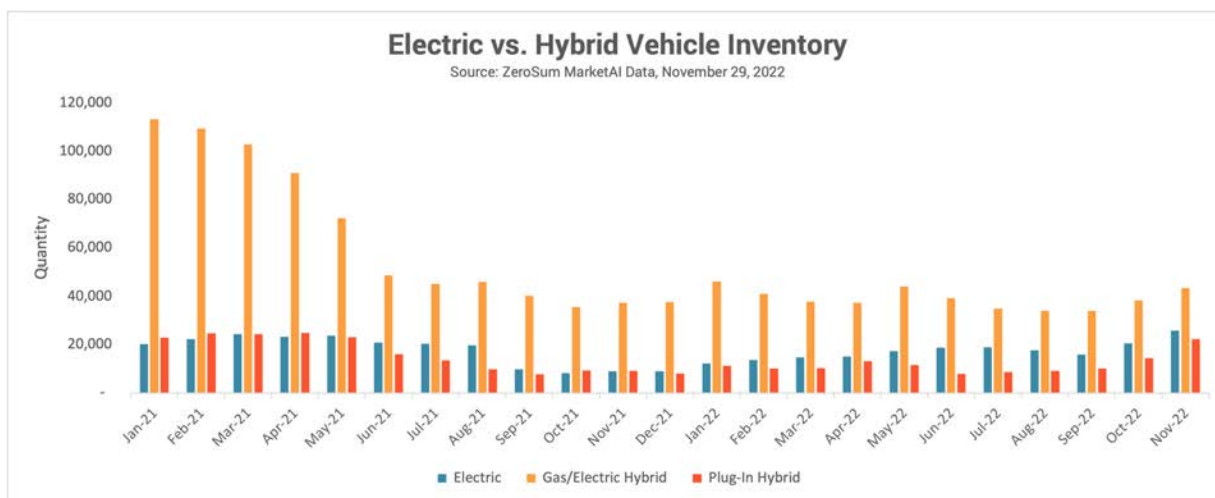
Dealers must strategically acquire inventory they know will sell quickly.

USED VEHICLES RETAIL OUTLOOK



Even with fewer used cars available, the average price of used cars declined 1.55% to \$32,983. This is the third month in a row that used car prices have fallen. Despite the low prices, used vehicles are currently harder for consumers to afford than earlier in the year. **As a result, dealers should closely monitor the market and prepare to further decrease prices as it becomes necessary.**

EV RETAIL OUTLOOK



In November, the total quantity of available electric and hybrid cars increased another 24.49% to over 90,000 vehicles. Of the available cars, plug-in hybrid inventory increased the most, up 53.09% while pure electric inventory increased 25.71% and gas/electric hybrid inventory increased 13.01%.

There is a lot happening in the EV industry right now, including the introduction of a new bill in Congress, the [Affordable Electric Vehicles for America Act](#), that could allow many more vehicles to qualify for the \$7,500 tax credit. If passed, this could be great news for auto dealers hoping to increase EV sales.

Many automakers are also now gearing up for the EV revolution, including [General Motors](#) who is working on scaling its North American battery supply chain with the goal of delivering 1 million electric vehicles per year in North America by 2025. [Mazda](#), who has had a difficult entry in to the EV market, has revealed it will invest almost \$11 billion through 2030 in its electric vehicle supply chain. It is clear that manufacturers are beginning to heavily invest in electric vehicle production, so dealers must be ready to sell EV inventory as it becomes more readily available.

ABOUT ZEROSUM'S MARKET FIRST REPORT

ZeroSum's Market First Report is based on ZeroSum's retail vehicle movement and pricing indices, powered by real-time data gathered using ZeroSum's data-driven marketing platform MarketAI. The platform brings together vast amount of data, including all available light vehicle inventory in the U.S., to help improve marketing performance. MarketAI allows dealers to analyze their market in real-time, using sales conversion rates, market turn rates, days' supply, and competitive inventory.

About ZeroSum

ZeroSum is a 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.

Want to learn more? Book your demo now.

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