



STATE *of the* DEALER

AUGUST 2025

**Lower-Than-Expected
Tariff Effects Are
Perpetuating The
Recent New Vehicle
Sales Run-Up, But
Risks Remain**

Used Momentum Pauses
In Light of Continued New
Vehicle Strength



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?”**

NEW VEHICLES: FAVORABLE...FOR NOW

Market conditions for new vehicles remain more stable than anticipated. Despite earlier warnings about price “hangover” effects from accelerated sales and potential tariffs, pricing increases in July were milder than expected. Six out of ten new models saw price bumps, but they were not as dramatic as anticipated.

This has extended the current favorable window for new vehicle sales. However, risks are building. OEMs are approaching model-year changeovers, and there’s a likelihood that tariff-related costs will be folded into 2026 pricing, leading to more pronounced increases later in the year. While sharp immediate jumps haven’t occurred, gradual and compounding increases are a growing concern.

Outlook for New: About the same in the next 30 days — but with a rising risk profile over time.

USED VEHICLES: MOMENTUM ON PAUSE

Used inventory continues to build, nearing 2.0 million units in July. But Vehicle Movement has held steady, causing a dip in Turn Rate and a slight increase in Days-to-Move. Much of this trend is linked to the extended strength of the New vehicle market.

Still, the risks accumulating in the New sector may translate into renewed opportunity for Used in the coming months. The current plateau appears more like a pause than a long-term reversal.

Outlook for Used: Holding steady for now, with potential upside tied to New vehicle volatility.

CERTIFIED VEHICLES: STABLE FOR NOW, BUT PRESSURE BUILDING

Certified inventory hit a nine-month high in July — a possible early signal of downstream effects from New vehicle pricing. If New prices climb further later this year, Certified may follow, reinforcing earlier concerns of price-driven “hangover” effects.

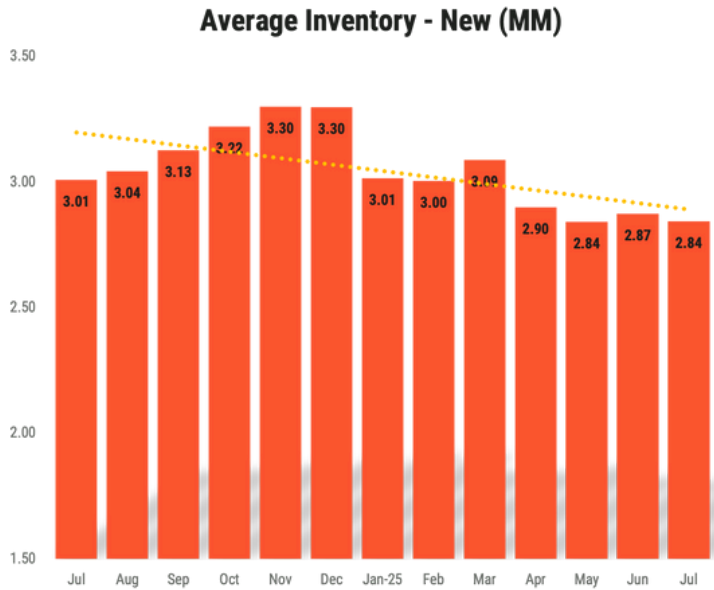
Outlook for CPO: Conditions are stable now, but longer-term prospects could worsen if New vehicle prices rise further.

NEW CARS

Overall Assessment ➤ New Cars

Tariff-related price hikes were milder than expected, helping sustain strong vehicle movement in July,” said Josh Stoll, Vice President of Dealer Success at ZeroSum. “While 60% of models saw price increases, they weren’t as steep as we initially feared. With inventory still below three million, Turn Rates remain high. That said, **global trade uncertainty** continues to pose risks to future pricing and production.

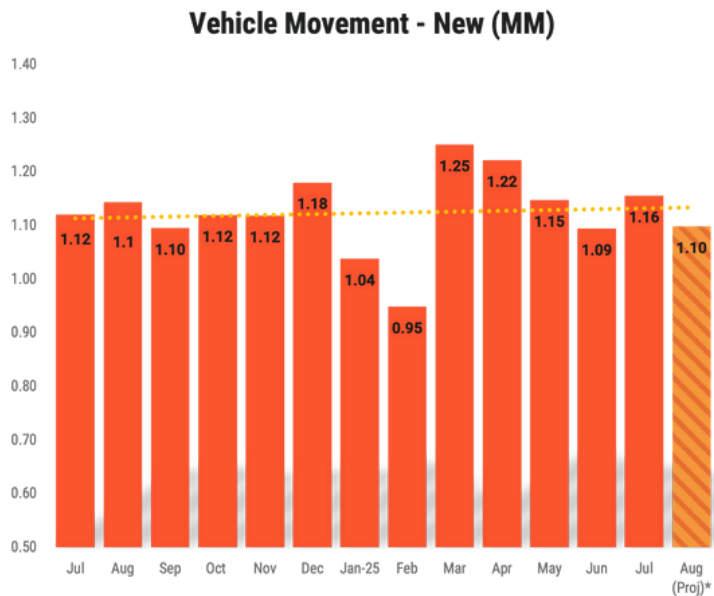
New vehicle inventory has remained in a narrow range and **below 3.0M for the fourth consecutive month.**



All DMAs had MoM inventory trajectories that were similar to the total U.S. On a YoY basis, **Detroit** has lost a quarter of its new vehicle supply.

	MoM	YoY
Total U.S.	-1%	-5%
DMA Variations vs. Total U.S.		
Atlanta	-2%	--
Boston	-1%	-2%
Chicago	-1%	-4%
Dallas-Ft. Worth	-2%	-2%
Denver	-5%	+1%
Detroit	-1%	-26%
Houston	-1%	-6%
Los Angeles	-2%	-4%
New York	-2%	-7%
Philadelphia	-1%	-7%
Phoenix	-3%	+3%
San Francisco	--	+2%
Seattle	-1%	+2%
Washington DC	+2%	-2%

New vehicle movement **ticked up from June levels** and was slightly higher than a year ago.



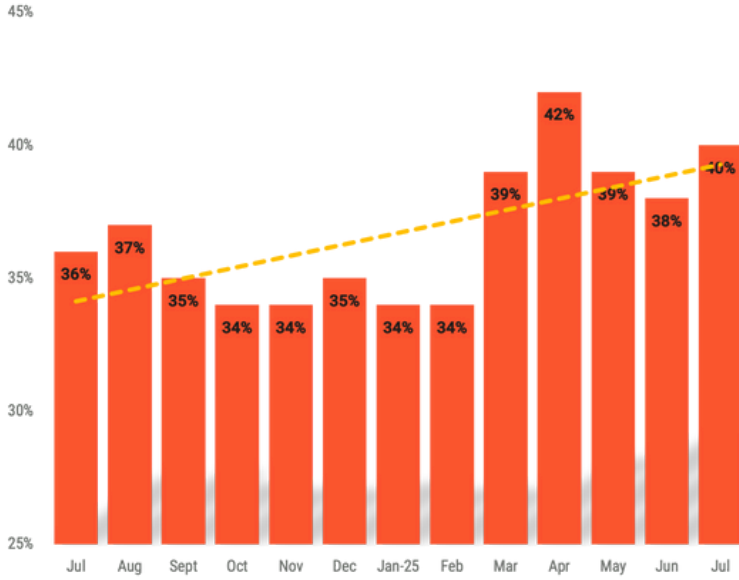
Several Western region DMAs (and Washington DC) outperformed total U.S. growth MoM.

	MoM	YoY
Total U.S.	+6%	+3%
DMA Variations vs. Total U.S.		
Atlanta	+6%	+8%
Boston	+6%	--
Chicago	+2%	+1%
Dallas-Ft. Worth	+3%	+1%
Denver	+11%	+9%
Detroit	--	-2%
Houston	+6%	+10%
Los Angeles	+15%	+2%
New York	+4%	-6%
Philadelphia	+5%	-4%
Phoenix	+6%	+6%
San Francisco	+21%	+15%
Seattle	+9%	+2%
Washington DC	+15%	+14%

*Subject to volatility due to tariff implementation timing, scope, and duration

Turn rates **continued to show resilience** compared to pre-tariff levels and increased by 2 points versus June.

Turn Rate (New)

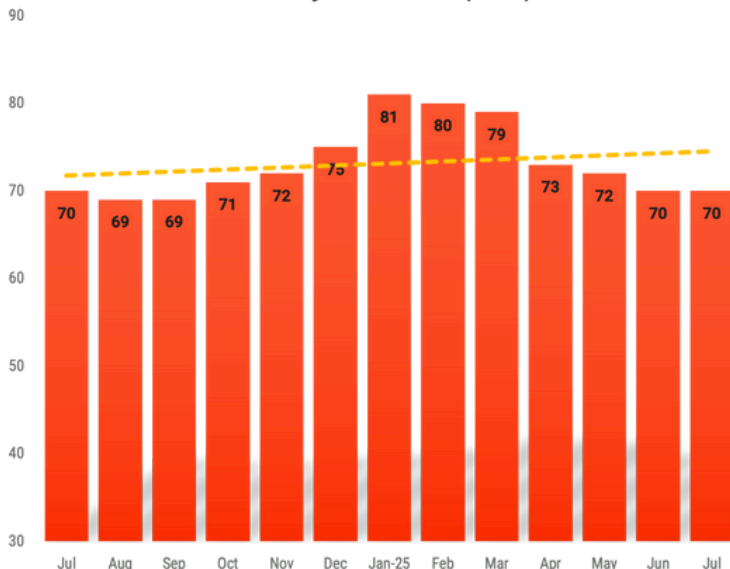


California DMAs grew their turn rates faster than the MoM U.S. average. **Detroit's** YoY turn rate rose due to a big drop in supply but slower demand decline.

	MoM	YoY
Total U.S.	+2 points	+4 Points
DMA Variations vs. Total U.S.		
Atlanta	+2	+3
Boston	+1	+1
Chicago	-1	+2
Dallas-Ft. Worth	+1	+1
Denver	+4	+2
Detroit	-1	+11
Houston	+2	+6
Los Angeles	+5	+2
New York	+1	+1
Philadelphia	+1	+1
Phoenix	+2	+1
San Francisco	+6	+4
Seattle	+2	--
Washington DC	+3	+6

Days-to-Move **leveled off** at a rate equal to year-ago velocity results.

Days-to-Move (New)

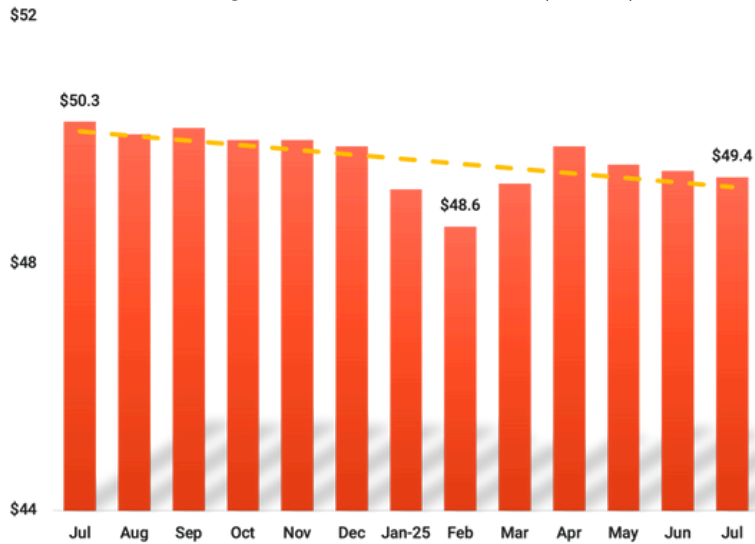


Days to move dropped in **Detroit** and **Washington DC** on a MoM basis.

	MoM	YoY
Total U.S.	--	--
DMA Variations vs. Total U.S.		
Atlanta	+1	-3
Boston	--	+1
Chicago	+1	+3
Dallas-Ft. Worth	-1	-5
Denver	+1	+3
Detroit	-5	-2
Houston	+1	-3
Los Angeles	+2	-1
New York	--	+3
Philadelphia	--	+3
Phoenix	+2	+1
San Francisco	+4	-8
Seattle	+3	-9
Washington DC	-4	-3

Average Marketed Prices remained relatively static as the tariff picture remained fluid through July. Similar to reporting last month, 6 out of 10 models increased their pricing from June to July, but model/trim mix shifts kept overall levels near recent levels.

Average Marketed Price, New (\$000s)

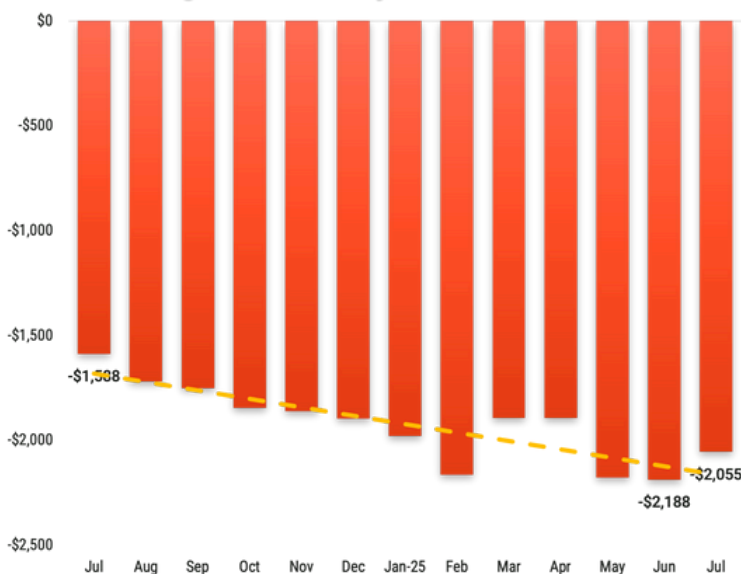


Pricing was highest in **San Francisco** and **Denver DMAs**; the latter market increased the most of any geography MoM.

	July	MoM
Total U.S.	\$49.4	-\$0.1
Atlanta	\$50.5	-\$0.2
Boston	\$49.7	-\$0.2
Chicago	\$47.9	-\$0.1
Dallas-Ft. Worth	\$50.7	--
Denver	\$52.5	+\$0.5
Detroit	\$47.7	-\$0.1
Houston	\$51.7	--
Los Angeles	\$51.4	-\$0.3
New York	\$50.2	-\$0.1
Philadelphia	\$48.5	+0.1
Phoenix	\$49.8	+\$0.2
San Francisco	\$52.6	-\$0.3
Seattle	\$49.9	--
Washington DC	\$49.4	-\$0.2

Discounts and incentives being marketed to consumers **continued to exceed \$2,000 in July** but pulled back by \$133 compared to June.

Average Market Adjustment vs. MSRP



Discounting and incentives programs were less aggressive in all major DMAs except for **Los Angeles** on a MoM basis.

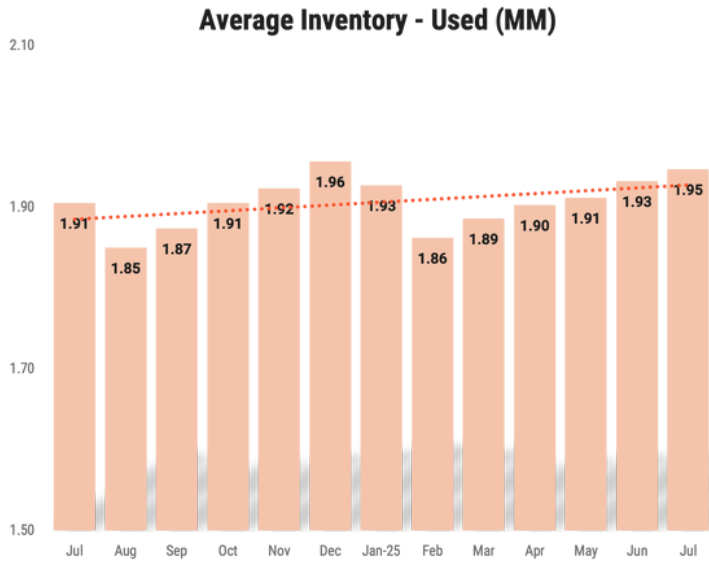
	July	MoM
Total U.S.	-\$2,055	+\$133
Atlanta	-\$2,394	+\$80
Boston	-\$1,708	+\$117
Chicago	-\$2,291	+\$70
Dallas-Ft. Worth	-\$2,952	+\$200
Denver	-\$2,638	+\$168
Detroit	-\$3,544	+\$35
Houston	-\$3,198	+\$16
Los Angeles	-\$1,077	-\$21
New York	-\$846	+\$141
Philadelphia	-\$1,081	+\$175
Phoenix	-\$2,018	+\$70
San Francisco	-\$707	+\$108
Seattle	-\$1,419	+\$267
Washington DC	-\$1,980	+\$171

USED CARS

Overall Assessment ➤ Used Cars

“With the longer-than-expected strength in the New vehicle sector, Used vehicles are coming under some pressure,” said Stoll. “A gradually increasing supply and flat demand picture is resulting in a drag on Turn Rates and longer Days-to-Move. Additionally, the recent run-up in pricing has begun to stall out a bit. But the ongoing risks in the New vehicle space still point to the potential that the current dynamics for Used are more of a pause than a reversal in momentum.”

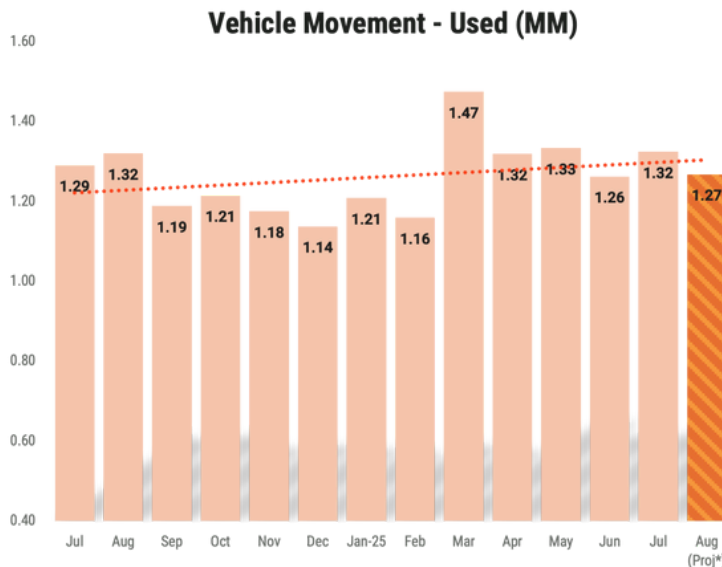
Used vehicle inventory **has gradually grown over the past five months** and is close to hitting the 2.0MM mark.



All major DMAs were similar to the total U.S. MoM; **Detroit, Denver, and Atlanta** gained the most YoY, while **New York** declined by the largest margin.

	MoM	YoY
Total U.S.	+1%	+2%
DMA Variations vs. Total U.S.		
Atlanta	-3%	+8%
Boston	+2%	+1%
Chicago	-1%	-4%
Dallas-Ft. Worth	+3%	-2%
Denver	--	+9%
Detroit	--	+10%
Houston	+4%	+3%
Los Angeles	+1%	+2%
New York	--	-6%
Philadelphia	-1%	-3%
Phoenix	+2%	+4%
San Francisco	+3%	+4%
Seattle	+1%	+3%
Washington DC	-1%	+1%

Used Vehicle Movement **settled in a range near 1.3MM in the past four months** after surging in March. Movement levels are expected to continue at a similar count in August.

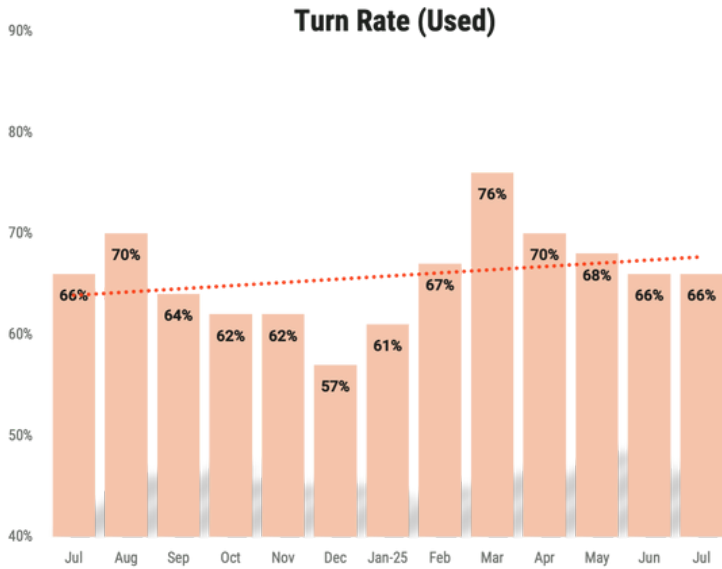


*Subject to volatility due to tariff implementation timing, scope, and duration

The **Atlanta** and **San Francisco** DMAs grew their Used vehicle movement by double digits MoM.

	MoM	YoY
Total U.S.	+5%	+3%
DMA Variations vs. Total U.S.		
Atlanta	+13%	+21%
Boston	+6%	+1%
Chicago	+8%	+8%
Dallas-Ft. Worth	+8%	+2%
Denver	+5%	+1%
Detroit	+4%	+19%
Houston	+6%	+8%
Los Angeles	+6%	-2%
New York	+6%	-7%
Philadelphia	+2%	+2%
Phoenix	+5%	+3%
San Francisco	+11%	-14%
Seattle	+8%	+1%
Washington DC	+9%	+2%

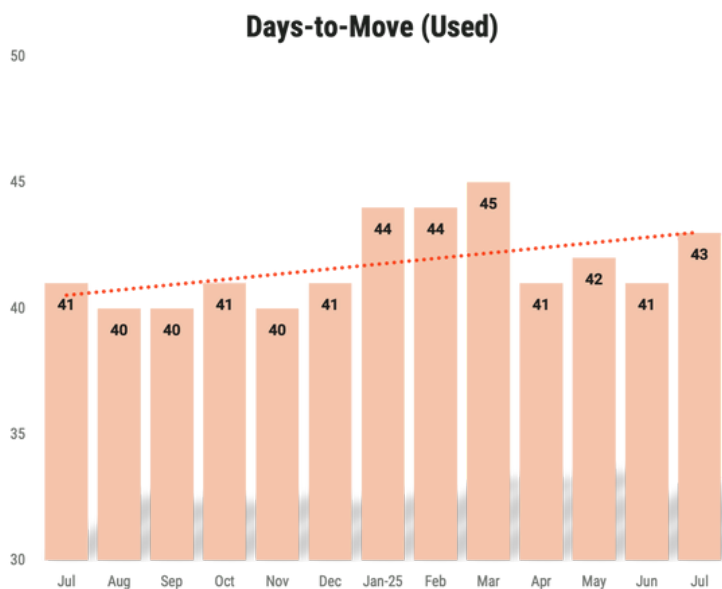
Turn Rates settled at 66%—equal to last month and last year but **10 points lower than the March peak**.



Atlanta saw an 8-point increase in turn rate MoM; **San Francisco** has declined by double digits YoY.

	MoM	YoY
Total U.S.	--	--
DMA Variations vs. Total U.S.		
Atlanta	+8	+7
Boston	-1	--
Chicago	+3	+7
Dallas-Ft. Worth	+2	+4
Denver	+1	-5
Detroit	--	+5
Houston	-1	+3
Los Angeles	+1	-2
New York	+1	-1
Philadelphia	--	+3
Phoenix	--	--
San Francisco	+3	-14
Seattle	+1	-2
Washington DC	+4	+1

Days-to-Move **ticked up in the current period**, though this metric remained slightly below velocity rates seen in the first quarter of the year.



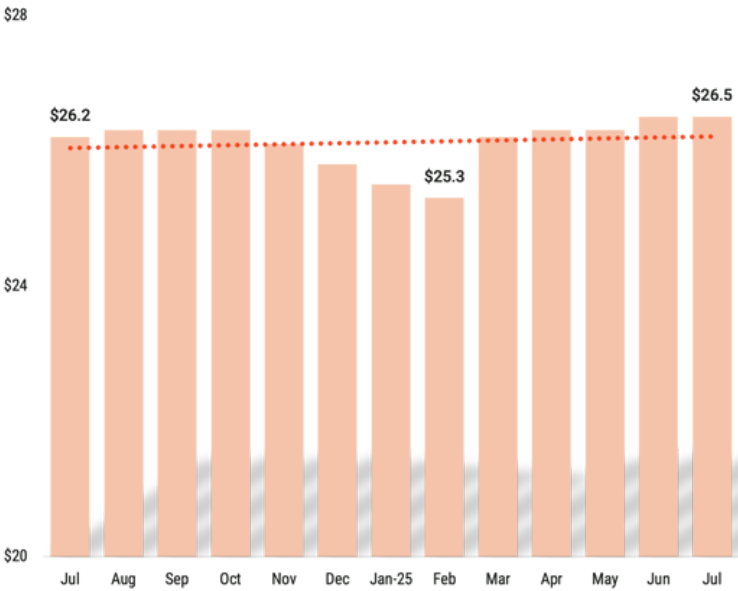
Denver saw the largest decline in days-to-move; **Texas** and **West Coast DMAs** experienced increases MoM and/or YoY.

	MoM	YoY
Total U.S.	+2 Days	+2 Days
DMA Variations vs. Total U.S.		
Atlanta	-1	+1
Boston	+2	+2
Chicago	+2	+7
Dallas-Ft. Worth	+5	+5
Denver	-5	+3
Detroit	+3	+3
Houston	+5	+9
Los Angeles	+6	+6
New York	+2	--
Philadelphia	+4	+4
Phoenix	+2	+4
San Francisco	+3	+8
Seattle	+7	+10
Washington DC	+5	+4

Used vehicle prices were up slightly in the current period and **continue to be elevated above levels seen in January and February.**

Most DMAs had similar price changes to the total U.S. **Atlanta** was one minor exception, down \$400 MoM.

Average Marketed Price, Used (\$000s)



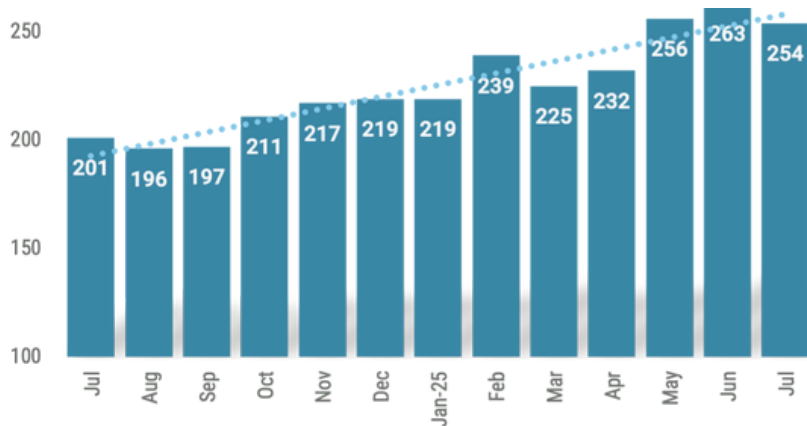
	July	MoM
DMA Variations vs. Total U.S.		
Total U.S.	\$26.5	+\$0.1
Atlanta	\$28.1	-\$0.4
Boston	\$26.6	+\$0.2
Chicago	\$26.6	--
Dallas-Ft. Worth	\$29.3	-\$0.2
Denver	\$25.9	--
Detroit	\$23.3	--
Houston	\$26.5	-\$0.3
Los Angeles	\$28.7	--
New York	\$27.6	+\$0.2
Philadelphia	\$26.0	+\$0.3
Phoenix	\$28.0	-\$0.2
San Francisco	\$27.9	-\$0.2
Seattle	\$26.2	+\$0.3
Washington DC	\$25.0	+\$0.4

CERTIFIED CARS

Overall Assessment ➤ Certified Cars

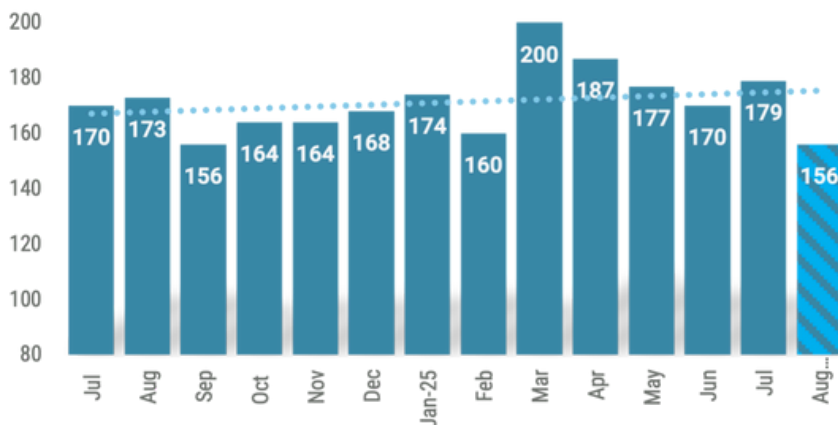
Similar to New vehicles, **Certified is extending its strong performance beyond expected timeframes, though risks remain.** Actual movement exceeded projected estimates that had been previously made in July, but signs are still pointing to the potential for “hangover” effects to act as a drag in this sector as recent prices jump above Spring levels. While the timing of that drag is still uncertain, the potential for it to occur remains in place.

Average Inventory - Certified (000s)



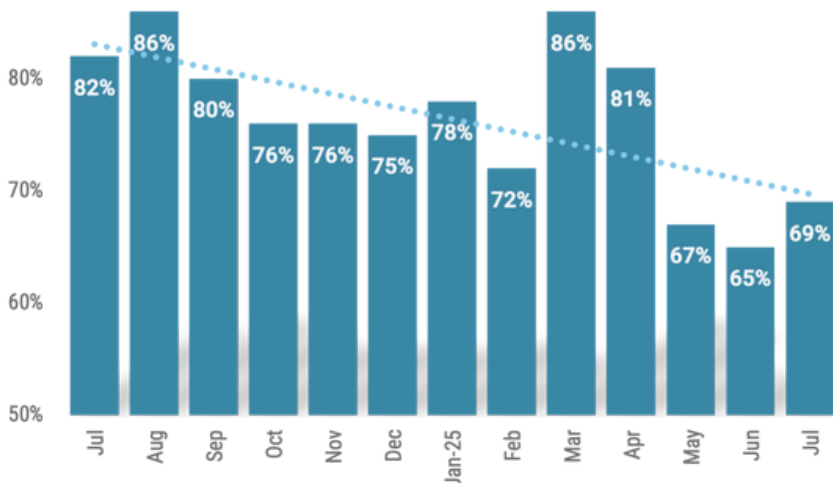
Certified inventories **dropped slightly** after the recent gains over the past three months.

Vehicle Movement - Certified (000s)



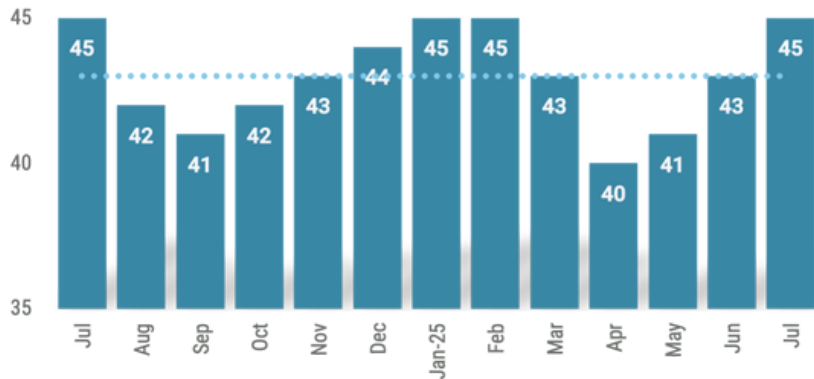
Certified vehicle movement **rebounded somewhat in July** as consumer actions remained strong. August projections still point to the potential for a “hangover” slowdown in the coming 30 days.

Turn Rate (Certified)



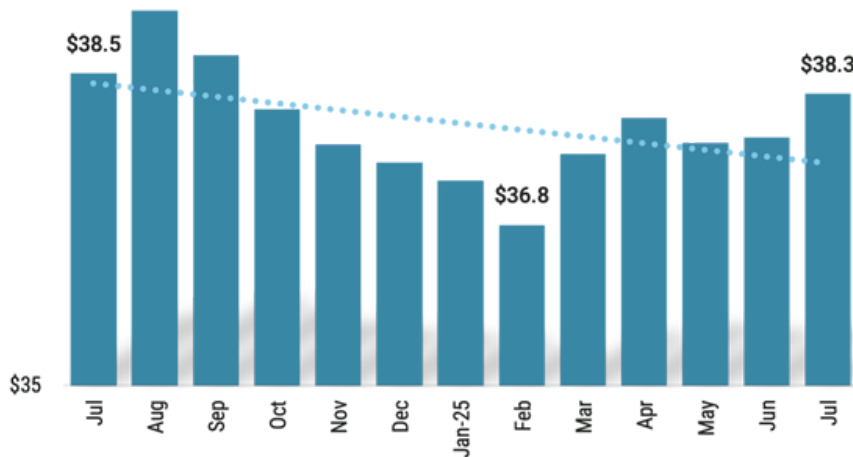
Turn Rate **gained four points in July** but remained well below Spring levels.

Days-to-Move (Certified)



Days-to-Move **continued to tick up in the current month** after hitting a yearly low in April.

Average Marketed Price (Certified)



Certified pricing **jumped in July**—up \$487 for the month overall.



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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ONLINE DEMO



Contact

hello@zerosum.ai
888-580-9010

ZeroSum

99 Monroe Ave. NW, Suite 200
Grand Rapids, MI 49503

www.zerosum.ai