

STATE *of the* DEALER

JUNE

**New Vehicle
Movement Still
Growing, But Rising
Prices Starting to
Slow Pace**

Used Sector Momentum
Continues as
Consumers Seek Lower
Cost Alternatives



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: HARDER - Price increases are accelerating as pre-tariffed inventory depletes

Used Vehicles: ABOUT THE SAME - Steady demand with potential for higher profits

Certified Vehicles: MIXED - Supply up, demand down, but pricing strength emerging

In May, New vehicle momentum remained strong as consumers continued purchasing ahead of anticipated tariff-related cost increases. OEMs worked to maintain steady pricing while selling pre-tariffed inventory and continued consumer programs communicating their commitment to price stability. As such, Average marketed prices fell by \$200 for the month overall.

However, New vehicle prices are expected to rise in June and throughout the summer. The last week of May foreshadowed increases likely to accelerate as summer progresses. Comparing end-of-May to end-of-April, prices rose by more than \$200—primarily through less aggressive retail discounts. The national marketplace is poised to exceed an average promoted price of \$50,000 as June begins.

The good news for dealers is that **the Used sector continues to remain healthy** as New vehicle turbulence evolves. Vehicle movement is still well above recent and historical levels, and pricing premiums were rising at the end of May—increasing by \$800 compared to the end of April.

Certified vehicles present a mixed picture, with supply up and demand down, but pricing up even more than Used at the end of May (+\$1,030 compared to the end of April). Managing this market sector will become increasingly important as consumers search for a bridge between the reliability of New and the affordability of Used.

NEW CARS

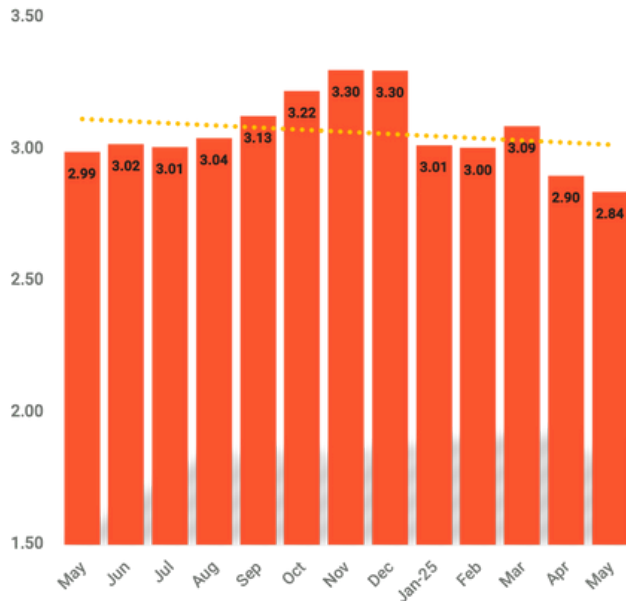
Overall Assessment ➤ New Cars

“May was a ‘wait-and-see month’ in terms of New Vehicle results. Consumers were still buying at an elevated pace, though not to the extent that we saw in March and April,” said Josh Stoll, Vice President of Dealer Success at ZeroSum.

“Meanwhile, price hikes took a pause as OEMs continued with discount programs ahead of tariff effects on incoming inventory. With some of those programs ending, **tariffs will likely drive pricing increases going forward.**”

New vehicle inventory **continued its decline**, remaining below 3MM for a second month.

Average Inventory - New (MM)

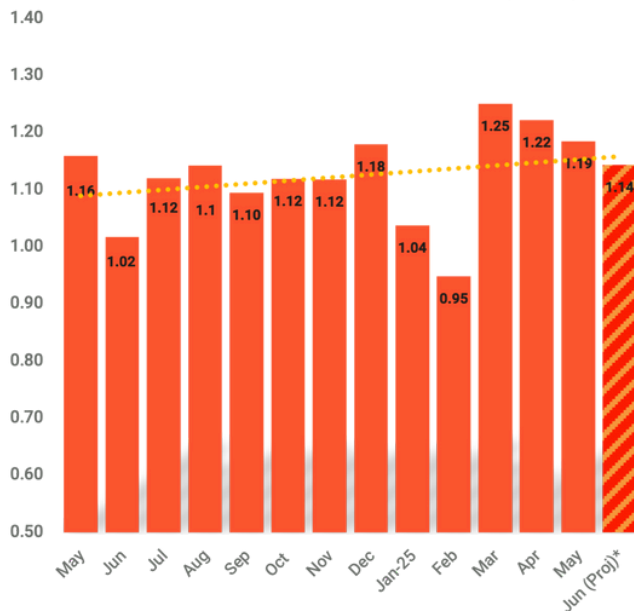


Western markets (Phoenix, San Francisco, Seattle) saw more inventory growth on a MoM basis; Detroit saw less MoM and YoY.

DMA	Avg. Inventory (000s)	MoM (vs. Apr 2025)	YoY (vs. May 2024)
Total U.S.	2,837	-2%	-5%
Atlanta	64	--	-1%
Boston	70	-1%	-1%
Chicago	79	-2%	-3%
Dallas-Ft. Worth	86	-3%	-3%
Denver	46	--	+3%
Detroit	58	-9%	-20%
Houston	75	-1%	-4%
Los Angeles	158	+1%	--
New York	181	-2%	-5%
Philadelphia	71	-2%	-7%
Phoenix	55	+3%	+4%
San Francisco	54	+9%	-1%
Seattle	43	+4%	+2%
Washington DC	61	-2%	-4%

New vehicle movement remained well above recent levels, but the tariff-related “pull-ahead” effect is starting to diminish; still, **accelerated purchases are estimated to be 460,000 in March-April-May.**

Vehicle Movement - New (MM)

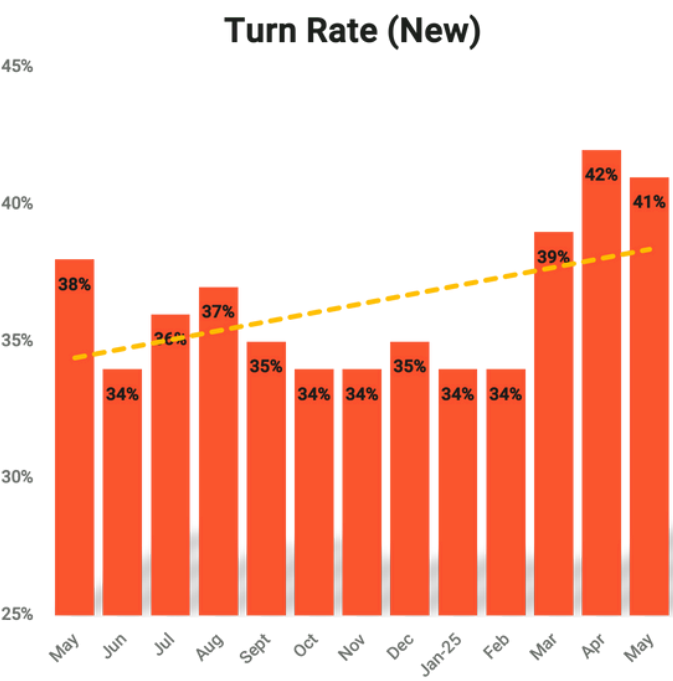


*Subject to volatility due to tariff implementation timing, scope, and duration

Chicago and Detroit had substantially bigger MoM Vehicle Movement gains compared to the total U.S. Atlanta and Los Angeles growth was behind the national rate.

DMA	Vehicle Movement (000s)	MoM (vs. Apr 2025)	YoY (vs. May 2024)
Total U.S.	1,185	-3%	+2%
Atlanta	26	+2%	+9%
Boston	28	-8%	-1%
Chicago	32	-6%	+3%
Dallas-Ft. Worth	38	+3%	+7%
Denver	17	-1%	+7%
Detroit	26	-3%	-1%
Houston	34	+3%	+7%
Los Angeles	71	-2%	+1%
New York	74	-5%	-9%
Philadelphia	27	-13%	-8%
Phoenix	22	+1%	+3%
San Francisco	21	-7%	--
Seattle	15	-4%	+6%
Washington DC	27	-6%	+3%

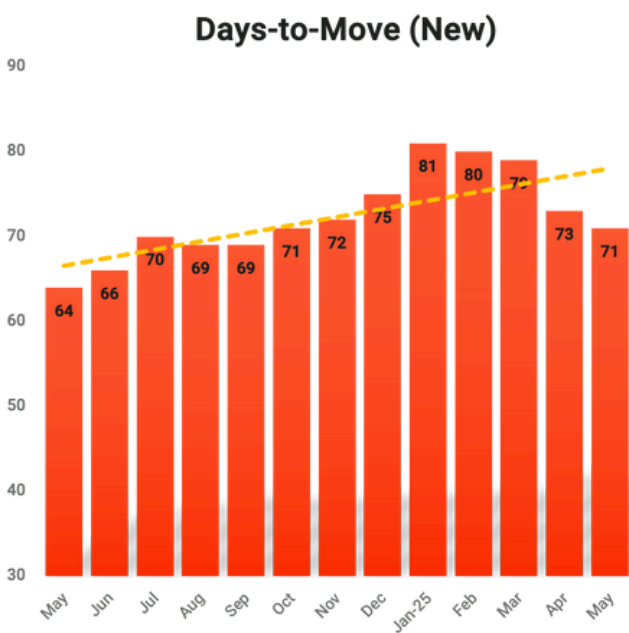
Turn rates were **elevated for the third straight month**, which continue to be driven by tariff-related pull-ahead sales in anticipation of summer price increases.



Seattle and **Denver DMA** turn rates were lower than the total U.S. **Philadelphia** and **San Francisco** DMAs underperformed MoM.

DMA	Turn Rate	MoM (vs. Apr 2025)	YoY (vs. May 2024)
Total U.S.	41%	-1 point	+3 points
Atlanta	40%	-1	+3
Boston	39%	-5	--
Chicago	40%	-3	+3
Dallas-Ft. Worth	43%	+1	+4
Denver	36%	-1	+1
Detroit	43%	+1	+8
Houston	43%	--	+4
Los Angeles	44%	-2	+1
New York	40%	-2	-1
Philadelphia	38%	-6	--
Phoenix	39%	-2	--
San Francisco	39%	-8	+1
Seattle	34%	-4	+1
Washington DC	42%	-4	+2

Days-to-Move **declined for the fourth consecutive month** and were down by ten days compared to the beginning of the year.

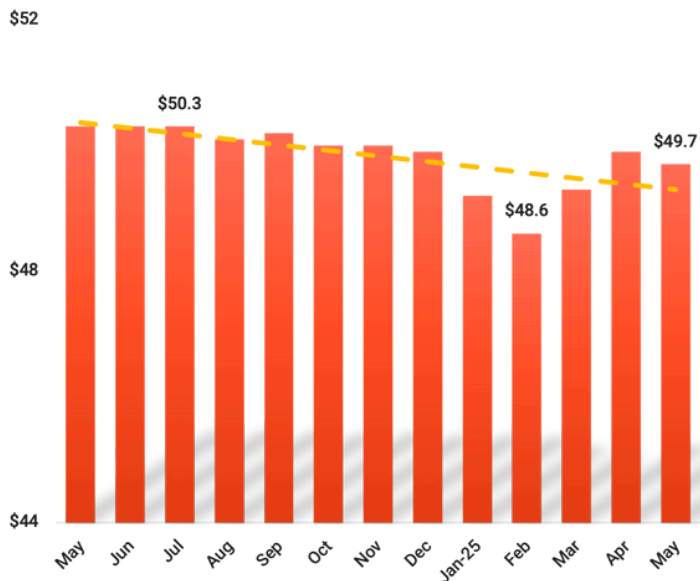


Los Angeles and **San Francisco DMAs** have faster sales velocity levels than the total U.S. **Denver** declined the most MoM.

DMA	Days-to-Move	MoM (vs. Apr 2025)	YoY (vs. May 2024)
Total U.S.	71 days	-2 days	+7 days
Atlanta	70	+1	+7
Boston	73	-1	+8
Chicago	73	--	+8
Dallas-Ft. Worth	68	-1	+5
Denver	72	-7	-1
Detroit	71	-6	+10
Houston	70	-1	+7
Los Angeles	60	-4	+1
New York	72	-4	+9
Philadelphia	75	-1	+11
Phoenix	67	-1	+1
San Francisco	60	-3	-6
Seattle	73	-1	-5
Washington DC	69	+1	+6

Average Marketed Prices **remained elevated compared to February levels, though they dropped slightly MoM.** This metric is expected to rise over the summer as OEM pricing programs hit their expiration dates.

Average Marketed Price (New) - \$000s

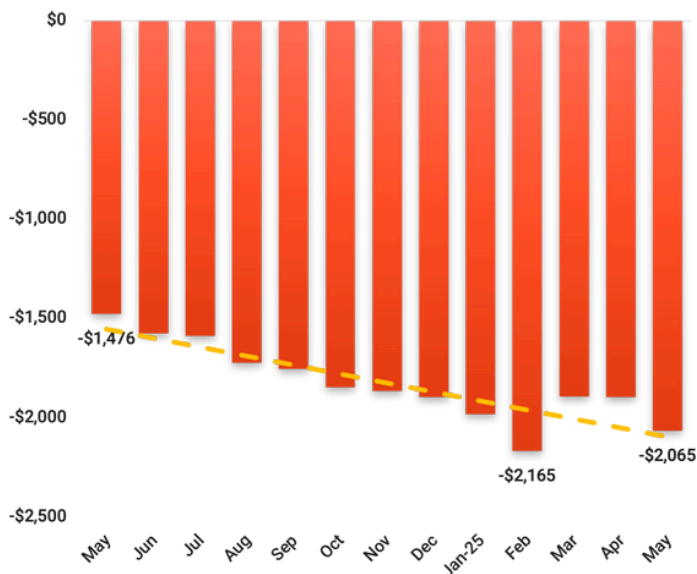


Texas DMAs and **Denver** (which are more truck oriented) and **California DMAs** (which are more luxury oriented) had the highest average marketed prices.

DMA	Avg. Mkted. Price (000s) – May 2025	End of Month May 31 st vs. Apr 30 th
Total U.S.	\$49.7	+\$0.2
Atlanta	\$51.0	+\$0.1
Boston	\$49.9	+\$0.3
Chicago	\$48.1	+\$0.1
Dallas-Ft. Worth	\$51.2	+\$0.2
Denver	\$52.0	+\$0.3
Detroit	\$47.9	+\$0.4
Houston	\$51.7	+\$0.4
Los Angeles	\$51.9	-\$0.2
New York	\$50.5	+\$0.1
Philadelphia	\$49.8	-\$0.1
Phoenix	\$49.7	+\$0.4
San Francisco	\$53.2	-\$0.2
Seattle	\$50.4	+\$0.4
Washington DC	\$50.0	+\$0.1

Discounts and incentives being marketed to consumers **exceeded \$2,000 in May**, driven by OEM programs such as Ford's employee pricing offer.

Average Market Adjustment vs. MSRP



Despite more aggressive incentives and discounts for the month overall, **market adjustments were less aggressive across the country** when comparing the end of May through April.

DMA	Market Adjustment – May 2025	End of Month May 31 st vs. Apr 30 th
Total U.S.	-\$2,065	+\$265
Atlanta	-\$2,213	+\$309
Boston	-\$1,714	+\$231
Chicago	-\$2,285	+\$307
Dallas-Ft. Worth	-\$2,790	+\$246
Denver	-\$2,625	+\$339
Detroit	-\$3,480	+\$213
Houston	-\$2,995	+\$248
Los Angeles	-\$915	+\$190
New York	-\$946	+\$135
Philadelphia	-\$1,317	+\$277
Phoenix	-\$1,901	+\$253
San Francisco	-\$636	+\$193
Seattle	-\$1,488	+\$309
Washington DC	-\$1,914	+\$415

USED CARS

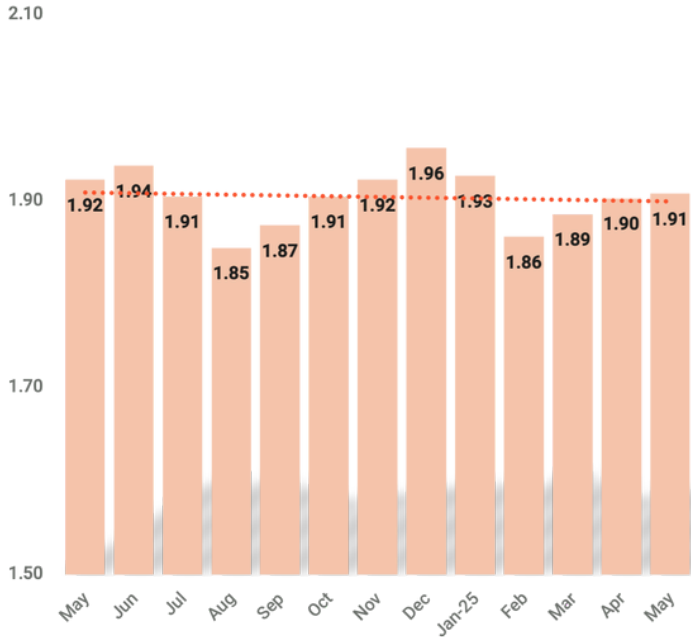
Overall Assessment ➤ Used Cars

“The Used vehicle sector is continuing to benefit from the turbulence in the New marketplace,” said Stoll. “And with many of the OEMs ending their pricing programs and New prices starting to go up, **Used vehicles will become an even more important safe haven for buyers.**”

“Dealers should take a very close look at their inventory positions and pricing strategies compared to their competitors in order to maximize their sales and the profitability of these vehicles.”

Used vehicle inventory **continued to be in the same narrow range** that it has been in over the past year.

Average Inventory - Used (MM)

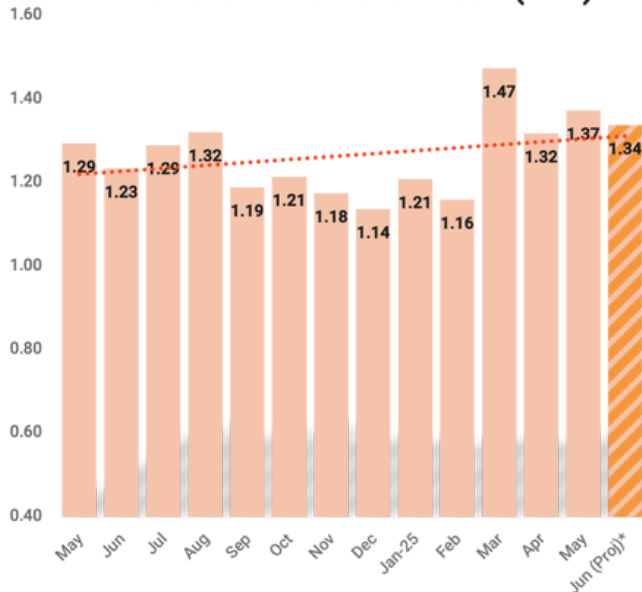


All major DMAs were in a narrow inventory range MoM; **Atlanta** and **Detroit** gained, while **Dallas** and **San Francisco** declined YoY.

DMA	Avg. Inventory (000s)	MoM (vs. Apr 2025)	YoY (vs. May 2024)
Total U.S.	1,908	--	--
Atlanta	54	+3%	+8%
Boston	39	-2%	-4%
Chicago	59	-1%	-1%
Dallas-Ft. Worth	52	-1%	-10%
Denver	29	--	+2%
Detroit	29	+1%	+18%
Houston	47	--	-2%
Los Angeles	68	+3%	-4%
New York	83	-4%	-4%
Philadelphia	40	-3%	-3%
Phoenix	32	-1%	-4%
San Francisco	21	+1%	-9%
Seattle	29	--	-2%
Washington DC	48	--	--

Used Vehicle Movement retreated from its historic high in March but **notched a 4% gain MoM and remained above recent levels.**

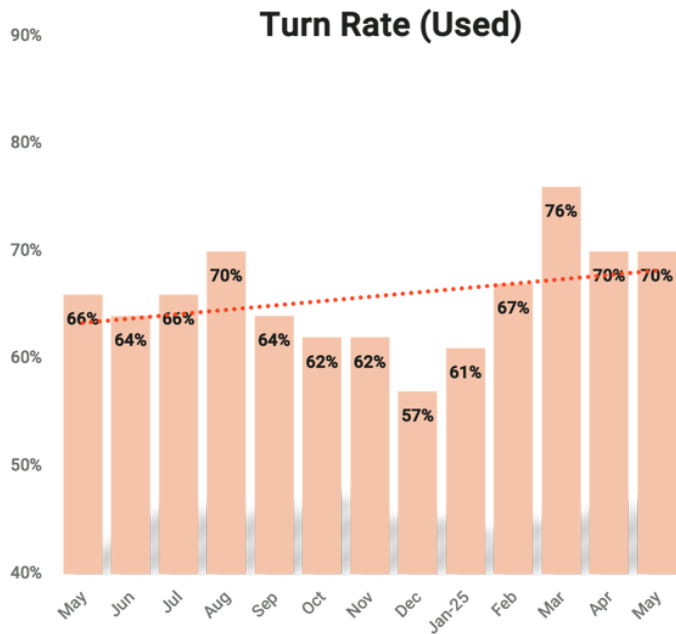
Vehicle Movement - Used (MM)



The **New York DMA** experienced the largest increase in vehicle movement MoM; **Detroit** and **Houston** gained YoY.

DMA	Vehicle Movement (000s)	MoM (vs. Apr 2025)	YoY (vs. May 2024)
Total U.S.	1,372	+4%	+6%
Atlanta	36	+3%	+9%
Boston	27	+4%	-1%
Chicago	38	+1%	+7%
Dallas-Ft. Worth	42	+2%	+1%
Denver	21	+1%	+5%
Detroit	18	+3%	+19%
Houston	35	+4%	+14%
Los Angeles	53	+6%	+8%
New York	61	+21%	+8%
Philadelphia	29	+2%	+5%
Phoenix	25	+1%	+7%
San Francisco	16	+1%	+6%
Seattle	20	+2%	+3%
Washington DC	34	+4%	+2%

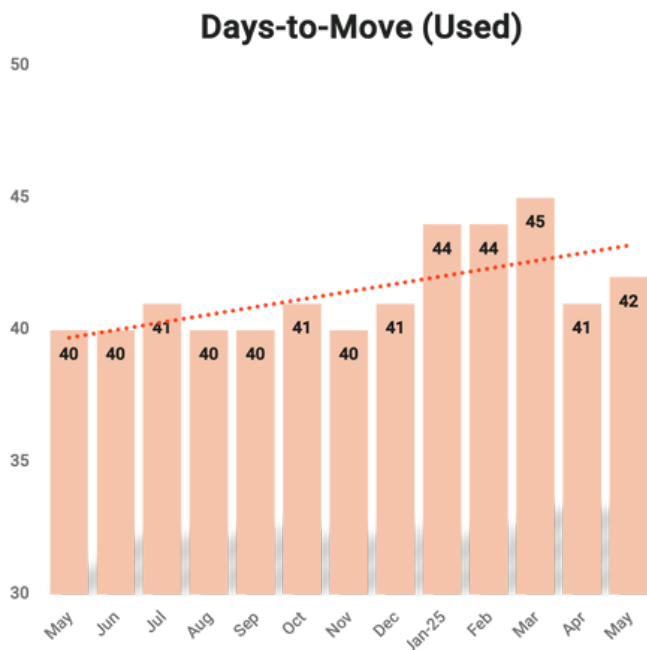
Turn Rates remained at the **higher-than-recent levels** seen between September and February.



New York saw a double-digit increase in turn rate MoM; all other major markets were at or near flat on this metric.

DMA	Turn Rate	MoM (vs. Apr 2025)	YoY (vs. May 2024)
Total U.S.	70%	--	+4 points
Atlanta	66%	-2	+1
Boston	68%	+2	+2
Chicago	63%	-1	+4
Dallas-Ft. Worth	79%	--	+9
Denver	72%	-1	+2
Detroit	60%	-1	--
Houston	72%	--	+10
Los Angeles	76%	--	+9
New York	71%	+13	+7
Philadelphia	70%	+1	+4
Phoenix	76%	-1	+8
San Francisco	75%	-3	+11
Seattle	67%	--	+4
Washington DC	73%	--	+1

Days-to-Move **fell back in the past two months** and are now at levels seen in late 2024.

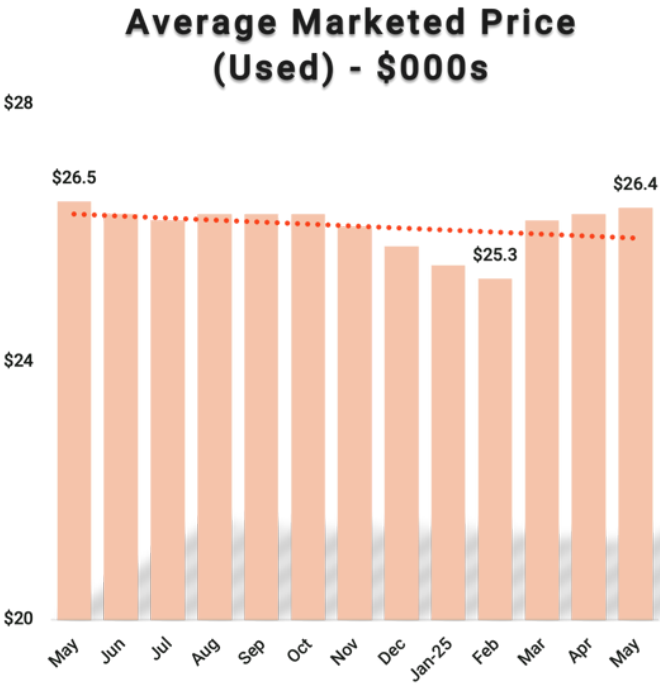


Boston and **New York** have slower sales velocities than the national average; both saw their days-to-move numbers go up MoM.

DMA	Days-to-Move	MoM (vs. Apr 2025)	YoY (vs. May 2024)
Total U.S.	42	+1 Days	+2 Days
Atlanta	42	-1	+2
Boston	50	+7	+1
Chicago	46	+1	+4
Dallas-Ft. Worth	36	-4	--
Denver	42	+2	+3
Detroit	46	-4	+5
Houston	43	+3	+7
Los Angeles	44	+6	+5
New York	59	+10	--
Philadelphia	43	+2	+3
Phoenix	38	--	+1
San Francisco	40	--	+2
Seattle	46	+1	+4
Washington DC	39	--	+1

Aided by increases in the new vehicle sector, Used vehicle prices **continued to rebound** after hitting a recent low in February.

Despite a smaller jump for the month overall, the end of May vs. the end of April saw a larger increase **across the country**, pointing to price hikes taking hold as the summer starts.



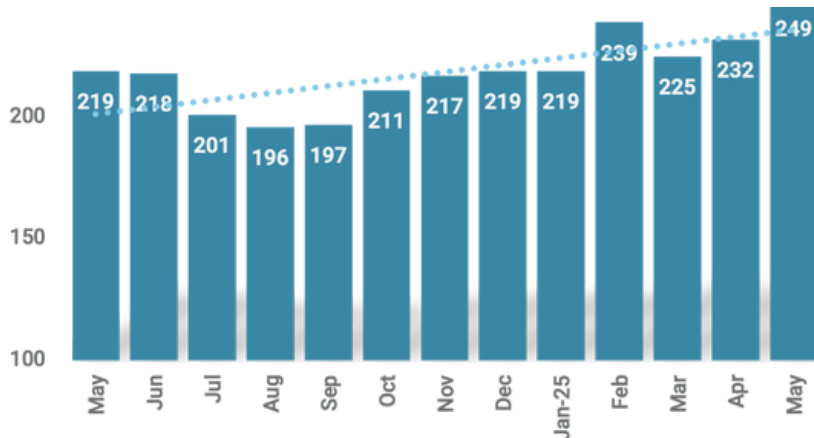
DMA	Avg. Mkt'd. Price (000s)	End of Month May 31 st vs. Apr 30 th
Total U.S.	\$26.4	+\$0.8
Atlanta	\$28.3	+\$0.9
Boston	\$26.8	+\$0.8
Chicago	\$26.6	+\$0.8
Dallas-Ft. Worth	\$29.6	+\$1.2
Denver	\$26.0	+\$1.2
Detroit	\$22.8	+\$0.4
Houston	\$27.1	+\$1.0
Los Angeles	\$29.0	+\$1.6
New York	\$27.2	+\$0.5
Philadelphia	\$25.7	+\$0.7
Phoenix	\$28.4	+\$0.7
San Francisco	\$28.3	+\$1.1
Seattle	\$25.5	+\$0.9
Washington DC	\$24.7	+\$0.7

CERTIFIED CARS

Overall Assessment ➤ Certified Cars

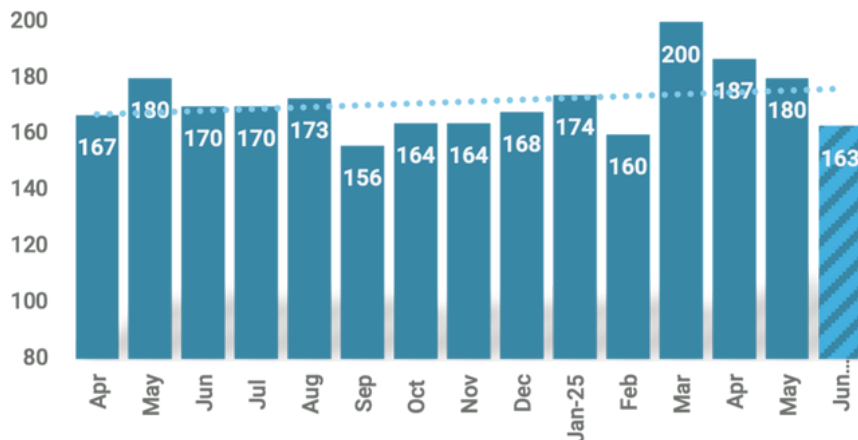
Similar to the Used vehicle sector, **Certified vehicles can be positioned as affordable alternative to New vehicles** that are already challenged by tariff-related price increases. This sector is currently facing some challenges in terms of supply vs. demand, however. With turn rates falling to recent lows, dealers must be able to properly prioritize and promote these vehicles to ensure they stay attractive to consumers.

Average Inventory - Certified (000s)



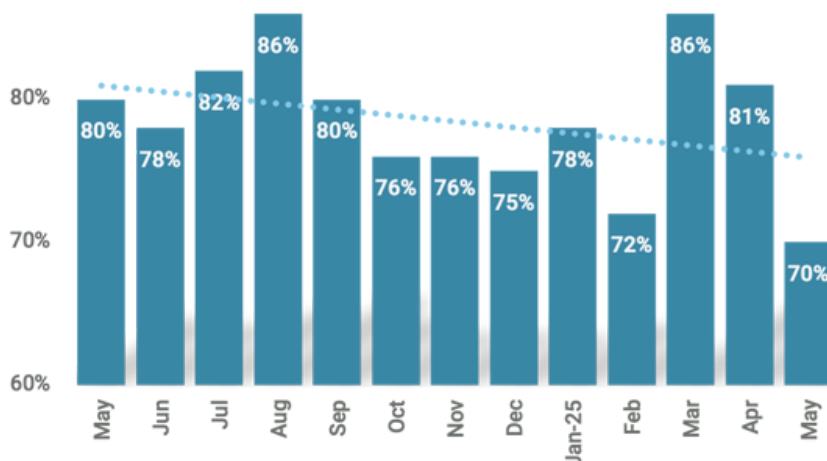
Certified inventory **climbed** to a yearly high in May.

Vehicle Movement - Certified (000s)



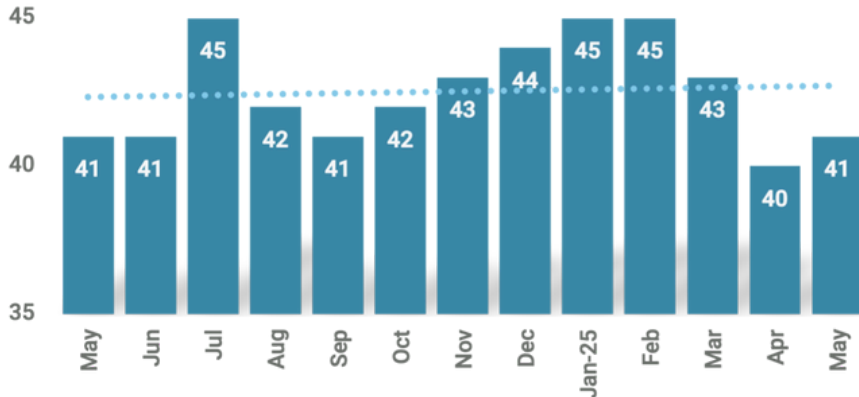
Certified vehicle movement, however, **declined for the second straight month**—and is forecasted to drop further in June.

Turn Rate (Certified)



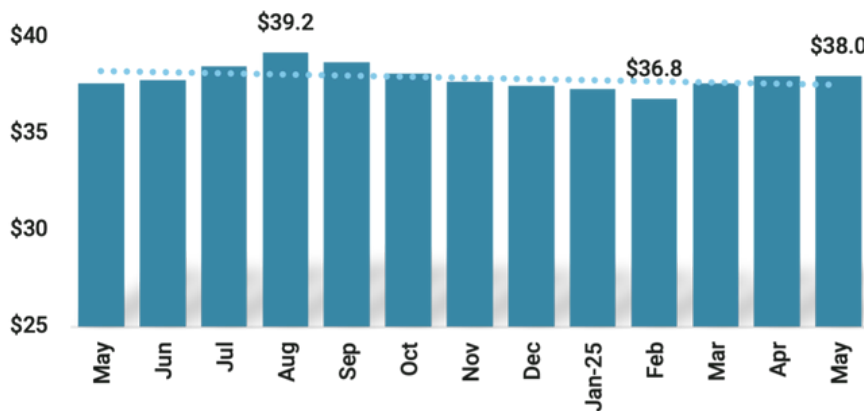
As a result of the increasing supply and waning demand, Turn Rate **dropped to a yearly low in May**.

Days-to-Move (Certified)



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

Average Marketed Price (Certified)



Certified pricing remained steady, **\$1.2K above levels seen in February but \$1.2K below the yearly high in August**. The differential between the end of May and the end of April, however, points to price premium opportunities going forward.



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



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