



## Hope on the Horizon: CarGurus Q1 2024 Report Reveals Inventory and Demand are Rebounding as Prices Improve

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### **Pent-up shopper demand contributing to year-over-year rise in sales, with buyers increasingly searching for more affordable options**

CAMBRIDGE, Mass., April 08, 2024 (GLOBE NEWSWIRE) -- [CarGurus](#) (Nasdaq: CARG), the No. 1 visited digital auto platform for shopping, buying, and selling new and used vehicles<sup>1</sup>, today released its Quarterly Review for Q1 2024, giving buyers, sellers, and dealers a view into the key trends influencing pricing, inventory, and demand for new and used vehicles so far this year.

"Rebounding inventory and moderating prices are fueling pent-up demand in spite of high interest rates. Our research shows sales for both new and used vehicles are, so far, outpacing last year's levels," said Kevin Roberts, Director of Industry Insights & Analytics at CarGurus. "While it's still challenging to find that elusive affordable car, there's hope for additional price declines as prices normalize closer to inflation-adjusted levels. We won't see a return to pre-COVID pricing, but data indicates there is room for average prices to decline by about 14% for used models and 7% for new, with the potential to drive further consumer demand."

While car prices are moderating, the report finds that the challenge of finding an affordable vehicle persists. Data shows that the number of new cars priced under \$20,000 fell by 95% since March 2020, and the number of used cars under \$10,000 is down 46% over the same period.

Consumers are undeterred, though, and are using tools like [CarGurus.com](#) to uncover more affordable options—with searches for used cars under \$10,000 up 20.5% year-over-year on the site, and new car searches under \$30,000 up 33.3%. This reflects findings from CarGurus' recently released [Consumer Insights Report](#), in which shoppers reported that budget and expected costs are among the top factors influencing what to buy, increasing from the prior year.

Additional highlights from the Q1 report include:

- **Buyers searching for an upgrade benefit from a large selection:** Not all buyers were on the hunt for more affordable vehicles in Q1. New car searches over \$50,000 increased by 13.4% year-over-year, reflecting a dichotomy in consumer demand. Unlike inventory trends for more affordable options, shoppers in this segment have access to a 133% increase in inventory compared to Q1 2020.
- **Inventory is improving, but finding late model year used vehicles is getting harder:** New car availability has rebounded by 270% from the low point of November 2021. However, the hangover of the semiconductor shortage is lingering for used vehicles. There has been a 19% decrease in used inventory under two years old compared to Q1 2020, and a 10% decline in vehicles between three and four years old. On the other hand, inventory aged five years or older is up 19%.
- **Consumer interest in green vehicles is on the rise:** Shopper search activity indicates a growing interest in electric vehicles (EVs) and hybrids. The percentage of combined views for hybrids and EVs as a share of total views for new vehicles increased by 7.4% year-over-year. Views of used hybrids and EVs increased by 28.8% over the same period, with recent price cuts on used EVs likely contributing to the boost in interest.
- **Interest in more unique models – like the Tesla Cybertruck – is increasing:** While Tesla continues to dominate the list of top viewed EV models, the Cybertruck has generated a whole new wave of buzz after the first resales entered the market in Q1 2024 - garnering 17x more views as a ratio to inventory compared to other used Tesla models in March alone.

"Looking ahead, the future of interest rates and new inventory production will play a key role in influencing demand for the rest of the year," added Roberts. "Time will tell how much longer shoppers will tolerate a high rate environment. And questions remain on whether current new inventory—which is about three-quarters of the way back to pre-COVID levels—will end up at a peak, or a plateau, as automakers have been vocal about avoiding a return to a high inventory environment."

The complete CarGurus Quarterly Review - Q1 2024 is available [here](#).

#### **About CarGurus, Inc.**

CarGurus (Nasdaq: CARG) is a multinational, online automotive platform for buying and selling vehicles that is building upon its industry-leading listings marketplace with both digital retail solutions and the CarOffer online wholesale platform. The CarGurus platform gives consumers the confidence to purchase and/or sell a vehicle either online or in-person, and it gives dealerships the power to accurately price, effectively market, instantly acquire, and quickly sell vehicles, all with a nationwide reach. The company uses proprietary technology, search algorithms, and data analytics to bring trust, transparency, and competitive pricing to the automotive shopping experience. CarGurus is the most visited automotive shopping site in the U.S.<sup>1</sup>

CarGurus also operates online marketplaces under the CarGurus brand in Canada and the U.K. In the U.S. and the U.K., CarGurus also operates the

Autolist and PistonHeads online marketplaces, respectively, as independent brands.

To learn more about CarGurus, visit [www.cargurus.com](http://www.cargurus.com), and for more information about CarOffer, visit [www.caroffer.com](http://www.caroffer.com).

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<sup>1</sup>[Similarweb](#): Traffic Insights, Q4 2023, U.S.

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