



Need for Vehicle Affordability Becoming More Pronounced, According to New CarGurus Report

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Analysis of third quarter trends also highlights hybrid demand overtaking electric vehicles, the ongoing balance between new car inventory and sales, and more

BOSTON, Oct. 08, 2024 (GLOBE NEWSWIRE) -- [CarGurus](#), Inc. (Nasdaq: CARG), the No. 1 visited digital auto platform for shopping, buying, and selling new and used vehicles¹, today released its Quarterly Review for Q3 2024, identifying areas of opportunity as the consumer need for affordability becomes more pronounced.

"As we near the end of 2024, it's clear that consumers are speaking loudly with their wallets. After years of post-pandemic revenge spending, consumers are becoming more prudent as they face economic uncertainty, still-high interest rates, and vehicle prices that remain elevated," said Kevin Roberts, Director of Economic and Market Intelligence at CarGurus. "As a result, we're seeing concentrated demand for more affordable cars, with sales of certain price segments—\$20,000 to \$30,000 for new and \$15,000 to \$20,000 for used—accounting for the greatest share of annual sales growth, 43% and 59% respectively."

According to CarGurus data, the shift is especially pronounced in the used market, with vehicles \$30,000 and under driving year-over-year sales growth, while cars over \$30,000 declined. Further reflecting this trend, used cars over \$35,000 are remaining on dealer lots longer compared to more affordable options.

Additional highlights from the report include:

- **Hybrids are having the year many expected for electric vehicles (EVs):** There were big expectations for EV demand in 2024, but hybrids have taken the spotlight with more affordable pricing and fewer concerns around range and charging. Year-to-date, new hybrids accounted for nearly 11% of total retail sales, while EVs were 4% (excluding direct-to-consumer sales volumes). New hybrid retail sales volumes are up nearly 44% year-over-year.
- **New car inventory working to find equilibrium with demand:** As automakers try to balance new inventory with demand, a larger share of aging new cars remain on dealer lots. At the end of September, about 58,000 new listings nationwide were two years or older (a nearly 58% increase compared to pre-Covid averages). With 2025 models rolling onto lots, the surplus of these new, but slightly older, models could present an opportunity for price-conscious shoppers.
- **The upcoming election could impact new and used sales demand:** In analyzing vehicle sales from 2002 onward—and comparing the seasonality of non-presidential election years to presidential election years—presidential election years tend to see a decline in sales demand in August, October, and November before rebounding at year-end.
- **Immediate impact of interest rate cuts might be muted:** While interest rate reductions are a welcome update, the September cuts will do little to improve near-term affordability concerns. Because auto rates tend to follow two- and five-year treasury rates as opposed to the short-term Federal Funds Rate, consumers will not immediately see significant declines. Additionally, with auto loan delinquencies rising, financial institutions may be more hesitant to lend credit or quickly lower rates.

To read about these trends and more, the complete Quarterly Review for Q3 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.¹

CarGurus also operates online marketplaces under the CarGurus brand in Canada and the United Kingdom. In the United States and the United Kingdom, CarGurus also operates the Autolist and PistonHeads online marketplaces, respectively, as independent brands.

To learn more about CarGurus, visit www.cargurus.com, and for more information about CarOffer, visit www.caroffer.com.

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¹ [Similarweb](#): Traffic Insights (Cars.com, [Autotrader.com](#), [TrueCar.com](#)), Q2 2024, U.S.

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