



**SPECIAL  
TARIFF  
UPDATE**  
See Page 7

# STATE *of the* DEALER

JULY 2025

**New Vehicle Plateau  
Suggests Demand  
Hangover May be  
Coming**

Used Sector Resilience,  
Price Premiums Point to  
Dealer Opportunities



# 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: MOMENTUM PLATEAURING, ‘HANGOVER’ EFFECTS LOOM**

June data revealed continued signs of residual strength, but the effects of half-a-million accelerated vehicle purchases due to tariff concerns loom large over upcoming summer outcomes. With two-thirds of models seeing Average Marketed Price increases, those anticipated surcharges are beginning to take hold. With some significant price programs expected to roll out in early July, those OEMs who have not taken pricing actions will have greater license to do so once their competitors take the first step.

The current plateau in New vehicle trends (e.g. inventory, movement, run rate, pricing) are vulnerable to these related pressures, and ‘hangover’ effects are becoming more likely. OEMs are beginning to emphasize lower priced segments in their offerings, but this is not likely to overcome the macro-effects of the larger marketplace dynamics.

**Answer for New:** likely harder, though it is largely dependent on the depth, breadth, and timing of the anticipated price increases.

## **USED VEHICLES: CONTINUED STRENGTH, PRICE PREMIUMS RAMPING UP**

Similar to last month, the Used vehicle sector continues to be resilient as the turbulence and uncertainty in New vehicles evolves. And with pricing power hitting a yearly high in June (up by \$423 compared to May), profitability can accompany sales strength as consumers continue to consider moving in this direction.

**Answer for Used:** about the same going forward but with continued potential for higher profit that can overcome financial challenges in the New vehicle space.

## **CERTIFIED VEHICLES: A SECTOR TO WATCH AND MANAGE**

Certified vehicles continue to be a mixed picture, with inventory still up and vehicle movement heading down (and projected to go down further in July). Like the Used vehicle sector, however, Certified vehicles are commanding higher price premiums as time goes on, so ensuring that the supply and demand picture remains healthy will be a key consideration in managing overall dealer results and profitability. Using this aspect of the business as a fallback for consumers who are unable or unwilling to pay increased costs for New vehicles (but still want the reliability and reassurance that they offer) will be important in today’s evolving marketplace.



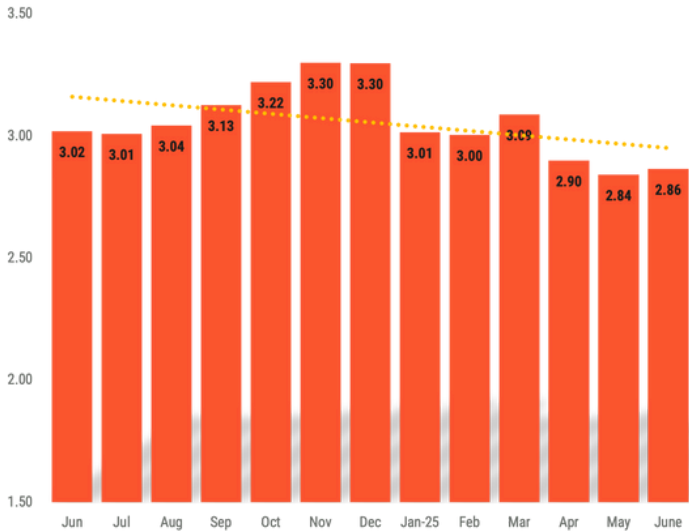
# NEW CARS

## Overall Assessment ➤ New Cars

“June proved to be a continuation of recent trends, with **reduced inventories, elevated vehicle movement and turn rates, and higher pricing**,” said Josh Stoll, Vice President of Dealer Success at ZeroSum. “But with half-a-million pull-ahead sales and tariffs a continuing reality, we are expecting the summer months to exhibit some ‘hangover’ effects that will make new vehicle sales more challenging. A recent shift towards lower priced segments on the part of OEMs gives consumers some more affordable alternatives to choose from, but that is not likely to overcome the bigger macro-trends that will play out in the next 30 to 90 days.”

New vehicle inventory ticked up slightly but **remained below 3MM** for the third straight month.

Average Inventory - New (MM)

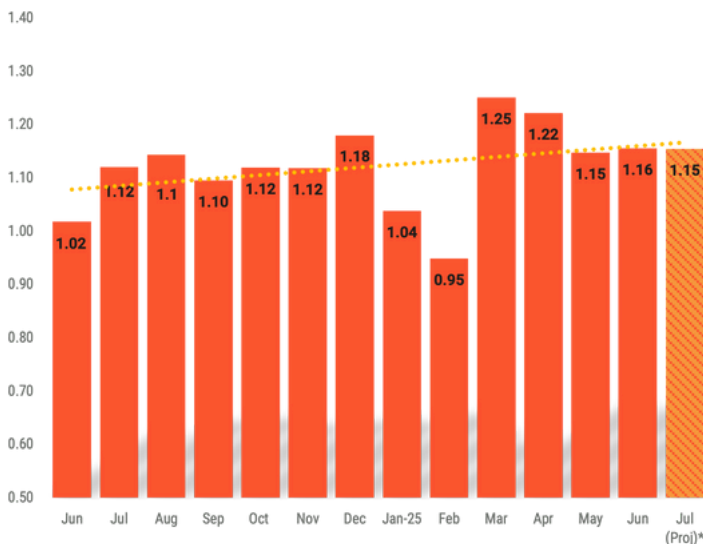


**Detroit's** inventory position has degraded MoM and YoY; **Western DMAs** are faring better than nationally YoY.

	MoM	YoY
Total U.S.	+1%	-5%
DMA Variations vs. Total U.S.		
Atlanta	+2%	+1%
Boston	+1%	-1%
Chicago	-1%	-3%
Dallas-Ft. Worth	--	-4%
Denver	+2%	+5%
Detroit	-3%	-25%
Houston	-1%	-5%
Los Angeles	+2%	-2%
New York	+1%	-5%
Philadelphia	+2%	-7%
Phoenix	+2%	+6%
San Francisco	+3%	+2%
Seattle	--	+1%
Washington DC	-1%	-5%

New vehicle movement **flattened in June** and is expected to continue at that same level in July.

Vehicle Movement - New (MM)



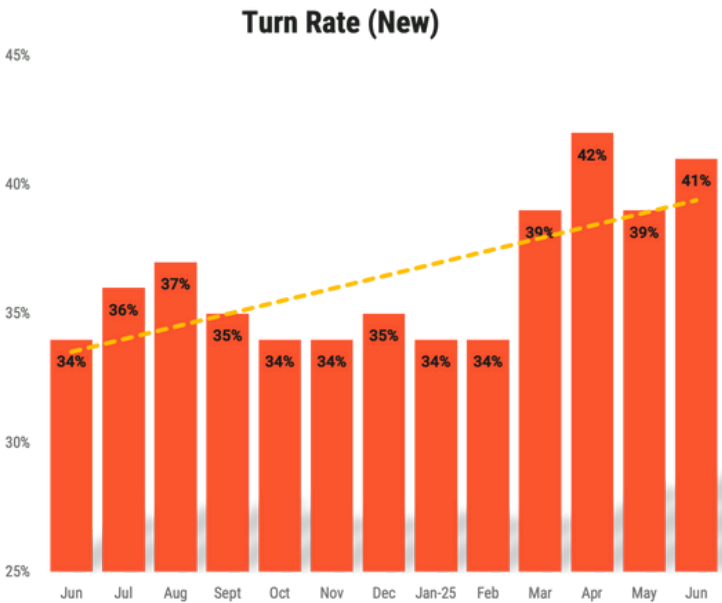
**Houston and Los Angeles** are underperforming vs. the total U.S. MoM, but the former DMA is doing well YoY.

	MoM	YoY
Total U.S.	+1%	+13%
DMA Variations vs. Total U.S.		
Atlanta	+1%	+23%
Boston	--	+11%
Chicago	+3%	+12%
Dallas-Ft. Worth	+5%	+28%
Denver	+2%	+14%
Detroit	+4%	+3%
Houston	-4%	+20%
Los Angeles	-9%	+13%
New York	+3%	+3%
Philadelphia	+9%	+10%
Phoenix	-1%	+23%
San Francisco	--	+22%
Seattle	+2%	+15%
Washington DC	--	+11%

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



Turn rates **remained elevated** compared to pre-tariff levels.

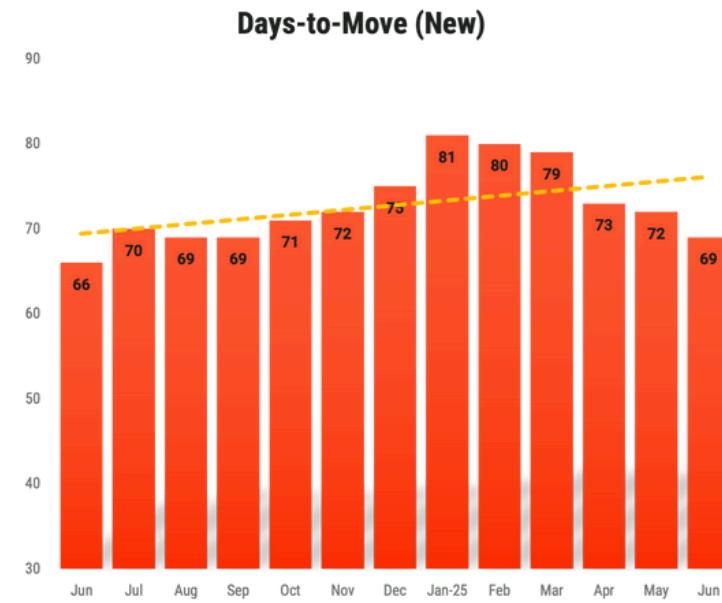


Due to its declining inventory position, **Detroit's** turn rate is growing at a faster clip than the national view on a YoY basis.

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

Days-to-Move **declined for the fifth consecutive month** and that metrics is now down by twelve days compared to the beginning of the year.

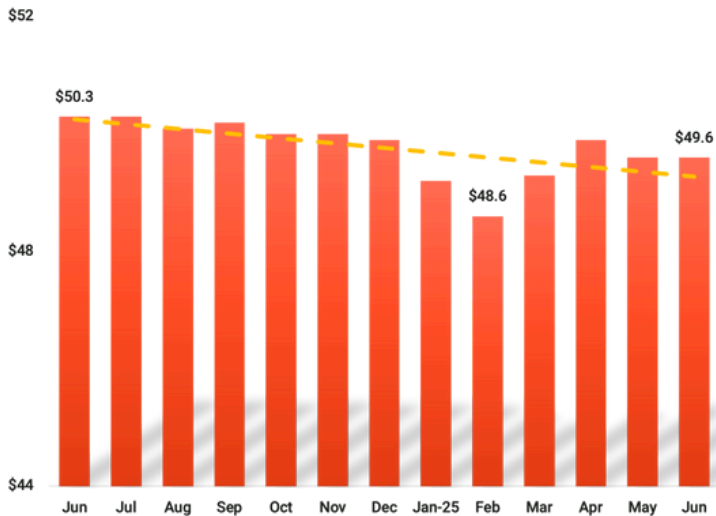
**Denver** and **Detroit DMAs** have slower sales velocity trajectories than total U.S. MoM. **Detroit** is lagging in both timeframes, particularly YoY.



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

**Average Marketed Prices stabilized** (despite two-thirds of models seeing increases in June as segment mix shifted toward lower priced offerings—see special tariff summary on page 7 for more detailed analysis).

**Average Marketed Price, New (\$000s)**

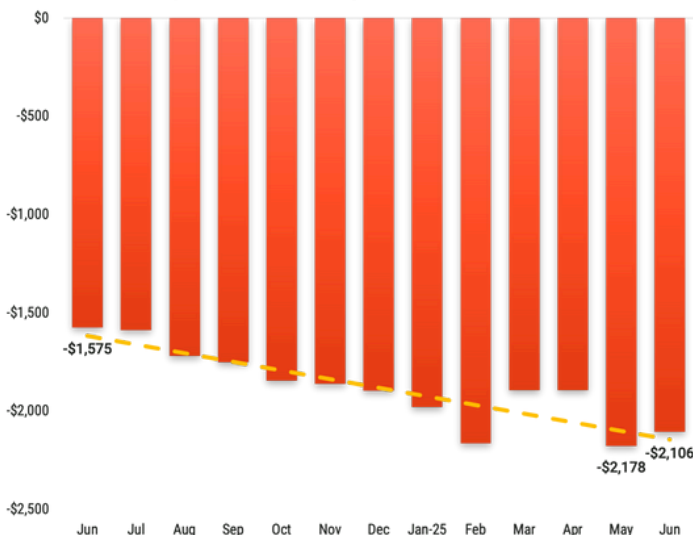


Pricing increased the most in the **Houston DMA** and dropped the most in **Philadelphia**.

	June	MoM
DMA Variations vs. Total U.S.		
Total U.S.	\$49,614	-\$41
Atlanta	\$50,765	-\$81
Boston	\$49,930	+\$80
Chicago	\$48,103	+\$75
Dallas-Ft. Worth	\$50,920	-\$97
Denver	\$52,035	+\$144
Detroit	\$47,865	+\$84
Houston	\$51,841	+\$204
Los Angeles	\$51,777	-\$101
New York	\$50,395	-\$69
Philadelphia	\$48,478	-\$229
Phoenix	\$49,692	+\$90
San Francisco	\$53,121	-\$6
Seattle	\$50,132	-\$82
Washington DC	\$49,841	-\$5

Discounts and incentives being marketed to consumers **continued to exceed \$2,000 in June**, driven by OEM programs such as Ford's employee pricing offer (note: which is expiring after the July 4 weekend).

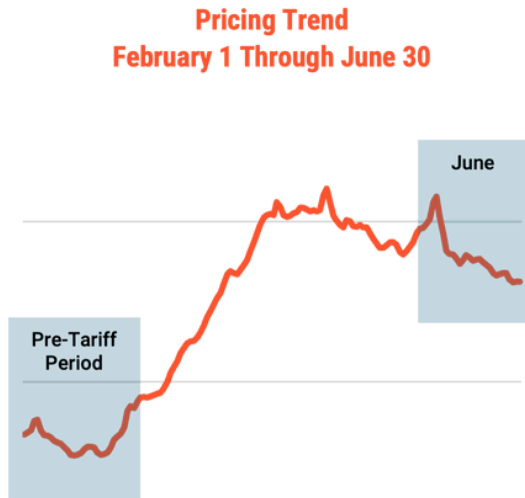
**Average Market Adjustment vs. MSRP**



Discounting and incentives programs were slightly less aggressive in all major DMAs MoM, led by **Philadelphia** and **Chicago**.

	June	MoM
DMA Variations vs. Total U.S.		
Total U.S.	-\$2,106	+\$72
Atlanta	-\$2,329	+\$54
Boston	-\$1,780	+\$37
Chicago	-\$2,210	+\$119
Dallas-Ft. Worth	-\$2,998	+\$4
Denver	-\$2,737	+\$54
Detroit	-\$3,498	+\$73
Houston	-\$3,041	+\$64
Los Angeles	-\$975	+\$16
New York	-\$977	+\$18
Philadelphia	-\$1,232	+\$145
Phoenix	-\$1,977	+\$47
San Francisco	-\$683	+\$71
Seattle	-\$1,584	+\$53
Washington DC	-\$1,983	+\$65

Although overall Average Marketed Prices began to decline in the current month, this is due to an inventory shift towards lower priced segments; two out of every three models are still rising in price.



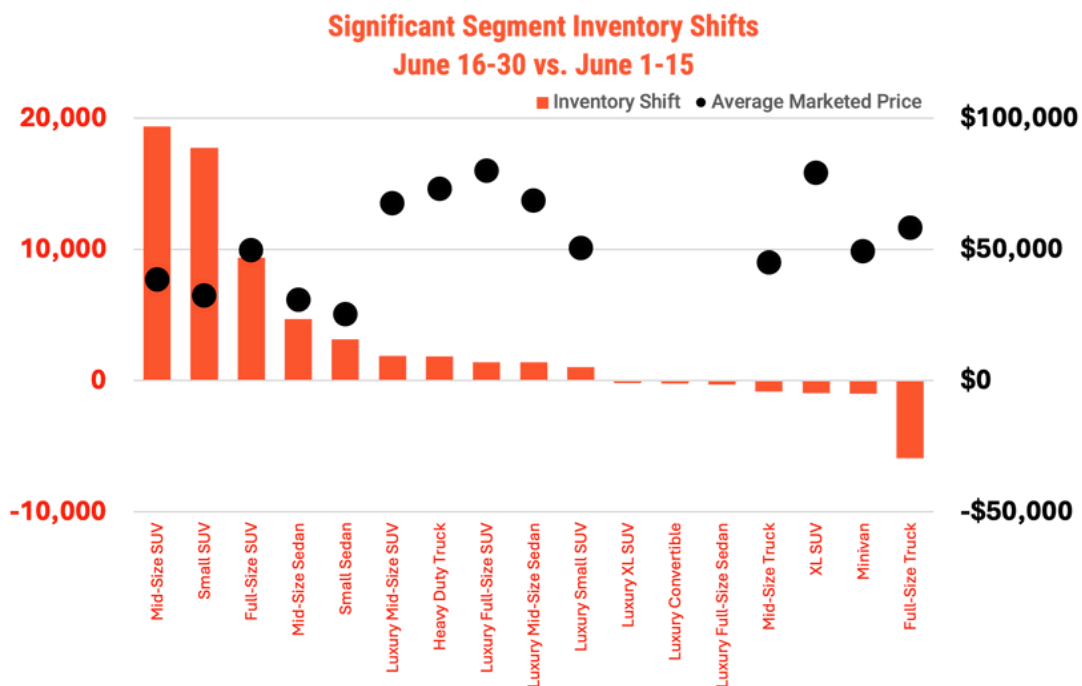
After an initial run-up at the beginning of June, overall **Average Marketed Prices** dropped by more than \$200.

**Model Shifts – Average Marketed Price**  
June 16-30 vs. June 1-15



When evaluating individual models, however, **67.7%** saw a **price increase** between the two time periods.

Segments that are growing in inventory the most (e.g., Midsize SUV, Small SUV, Midsize Sedan) are priced below \$50,000 while segments that are declining (e.g., Full Size Truck, XL SUV) or growing at slower rates (e.g., Luxury Full Size SUV) are priced well above that level, resulting in a **lower overall Average Marketed Price in the second half of June.**



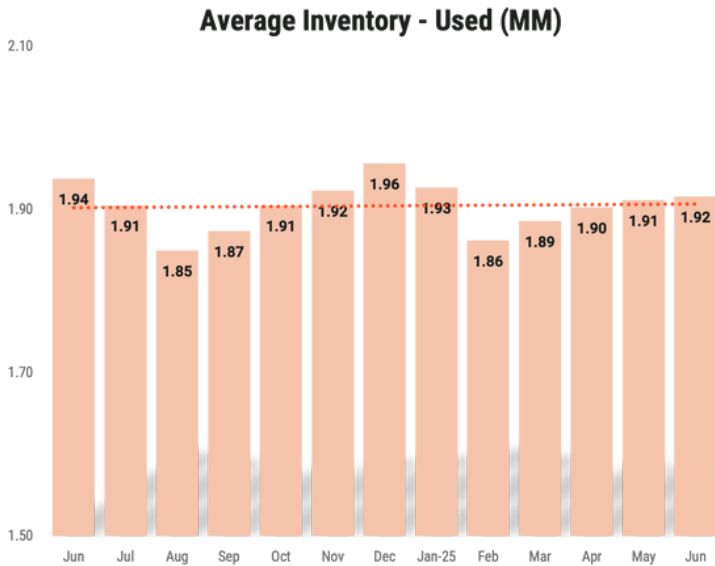


# USED CARS

## 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 rolling out of their pricing programs and New prices starting to go up, **Used vehicles will become an even more important safe haven for buyers going forward.** 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.”

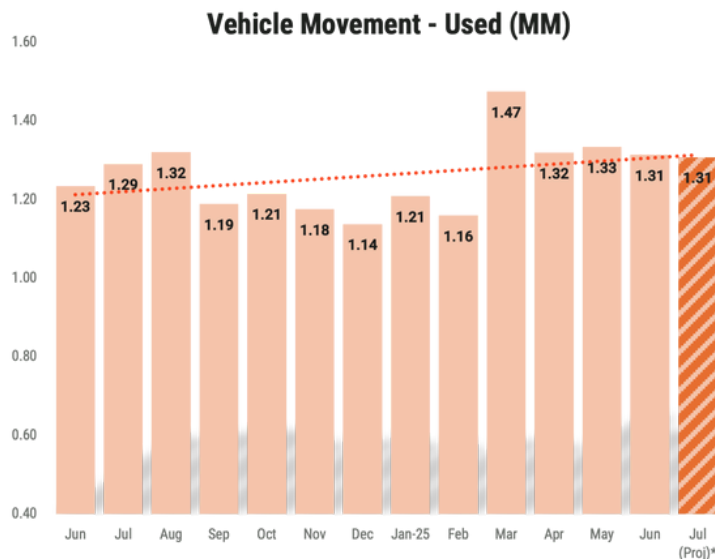
Used vehicle inventory **continued in the same narrow range** that it has been in over the past year.



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

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

Used Vehicle Movement has **settled in a narrow range in the past three months** and is expected to remain at that same level in July.

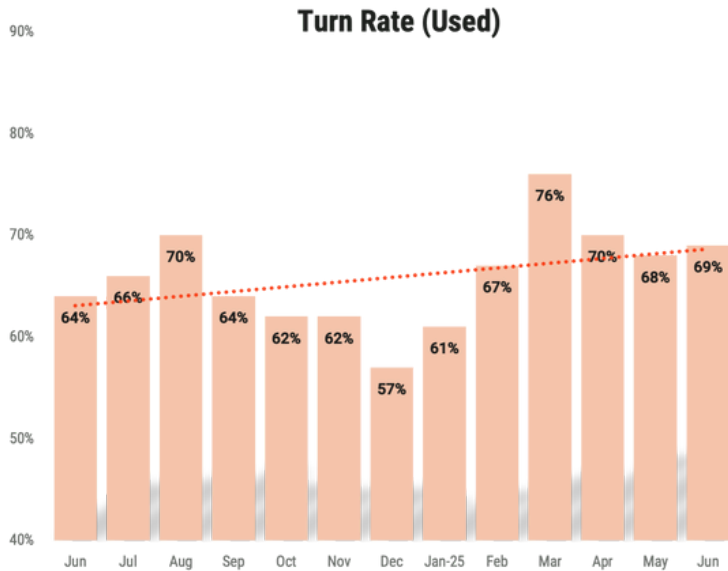


The **New York DMA** is trailing the total U.S. in terms of vehicle movement trends, both MoM and YoY.

	MoM	YoY
Total U.S.	-2%	+6%
DMA Variations vs. Total U.S.		
Atlanta	+3%	+14%
Boston	-5%	0%
Chicago	--	+5%
Dallas-Ft. Worth	--	+1%
Denver	+1%	+8%
Detroit	+2%	+26%
Houston	-2%	+12%
Los Angeles	-5%	+5%
New York	-20%	-3%
Philadelphia	-2%	+9%
Phoenix	-1%	-1%
San Francisco	-3%	-3%
Seattle	-3%	+3%
Washington DC	--	+3%

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

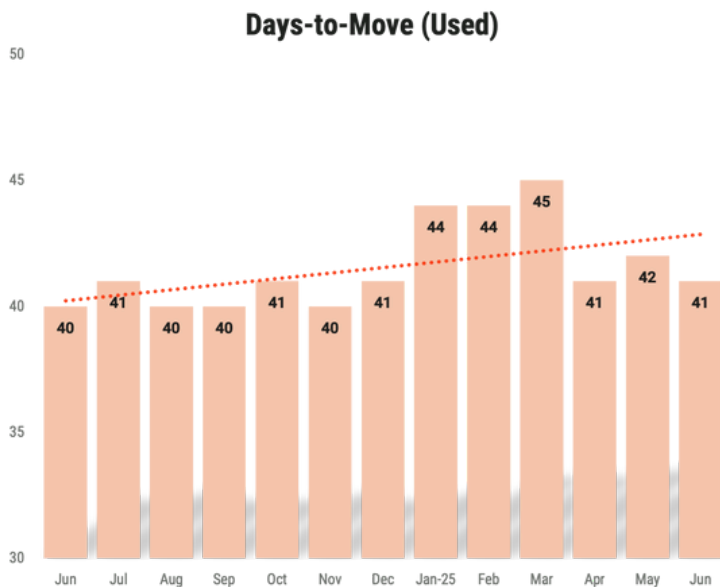
Turn Rates remained stable, **hovering near 70%** for the past three months.



**New York** saw a double-digit decrease in turn rate MoM; Houston experienced a substantial gain YoY.

	MoM	YoY
Total U.S.	+1 point	+ 5 points
DMA Variations vs. Total U.S.		
Atlanta	+2	+3
Boston	-1	+2
Chicago	+3	+6
Dallas-Ft. Worth	+2	+8
Denver	+3	+3
Detroit	+6	+8
Houston	+1	+11
Los Angeles	-3	+6
New York	-12	+2
Philadelphia	+2	+8
Phoenix	+1	+4
San Francisco	-1	+2
Seattle	--	+3
Washington DC	+1	+2

Days-to-Move **continued to be lower than winter levels.**



**Boston, Los Angeles, and New York** accelerated their sales velocities more than the national average MoM; San Francisco did so YoY.

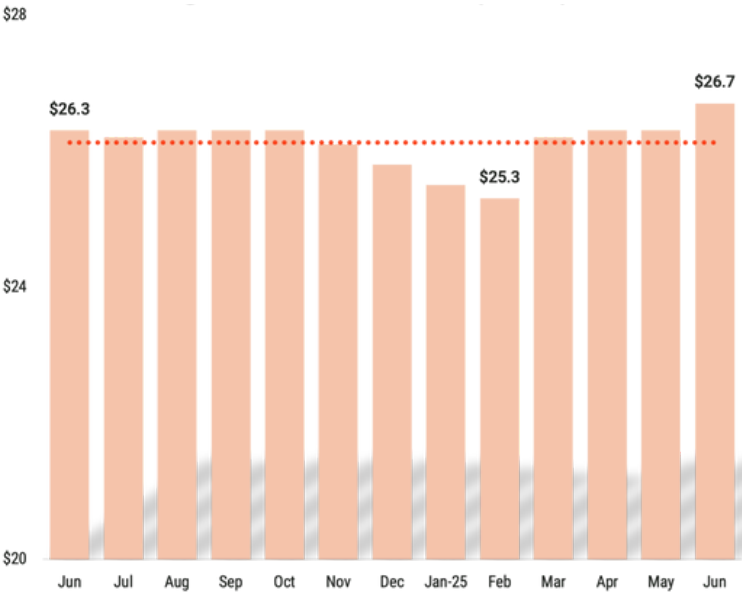
	MoM	YoY
Total U.S.	- 1 Day	+ 1 Day
DMA Variations vs. Total U.S.		
Atlanta	--	+3
Boston	-8	-1
Chicago	+2	+4
Dallas-Ft. Worth	-1	-3
Denver	+2	+5
Detroit	--	+5
Houston	-3	+3
Los Angeles	-6	-1
New York	-16	-1
Philadelphia	-4	--
Phoenix	--	--
San Francisco	-2	-14
Seattle	--	+3
Washington DC	-1	+1



Used vehicle prices **hit a yearly high in June**, up by \$423 from the month prior.

**Los Angeles** had the largest Used price increase, up almost \$1,000 MoM. That DMA also has the highest prices of any major market.

Average Marketed Price, Used (\$000s)



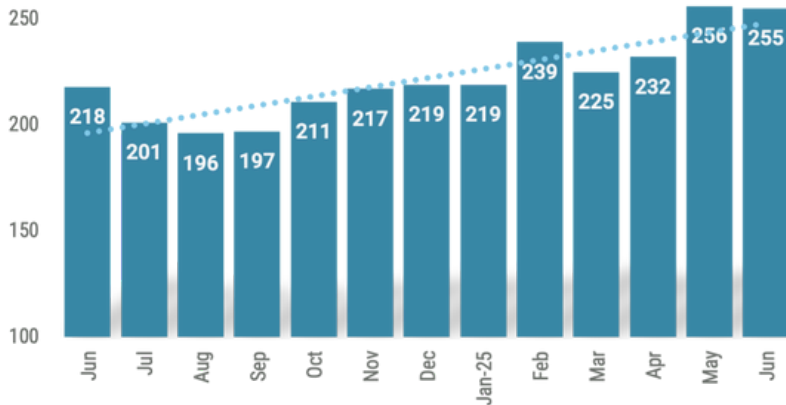
	June	MoM
DMA Variations vs. Total U.S.		
Total U.S.	\$26,681	+\$423
Atlanta	\$28,684	+\$526
Boston	\$26,658	+\$181
Chicago	\$26,994	+\$528
Dallas-Ft. Worth	\$30,012	+\$613
Denver	\$26,078	+\$239
Detroit	\$23,298	+\$550
Houston	\$27,261	+\$429
Los Angeles	\$29,478	+\$985
New York	\$27,489	+\$370
Philadelphia	\$25,955	+\$387
Phoenix	\$28,628	+\$480
San Francisco	\$28,399	+\$218
Seattle	\$26,046	+\$712
Washington DC	\$24,785	+\$268

# CERTIFIED CARS

## Overall Assessment ➤ Certified Cars

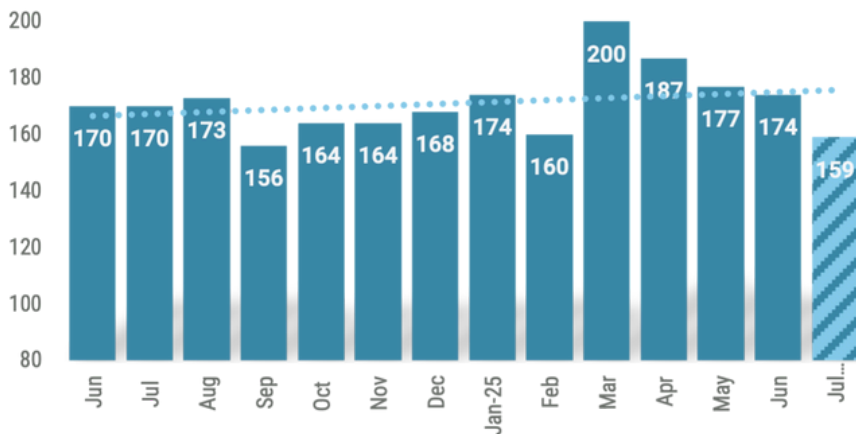
Certified vehicles have had a strong run, but more recent results indicate that—like with new vehicles—more challenging times may be ahead. Growing supply, and waning demand have translated into lower turn rates in the current period, so keeping real-time tabs on this sector will be important as the summer kicks off. It is noted that—similar to the Used marketplace—pricing premiums are still moving forward for now, so managing supply and demand will be particularly crucial for this aspect of the business in order to maximize sales and profitability.

## Average Inventory - Certified (000s)



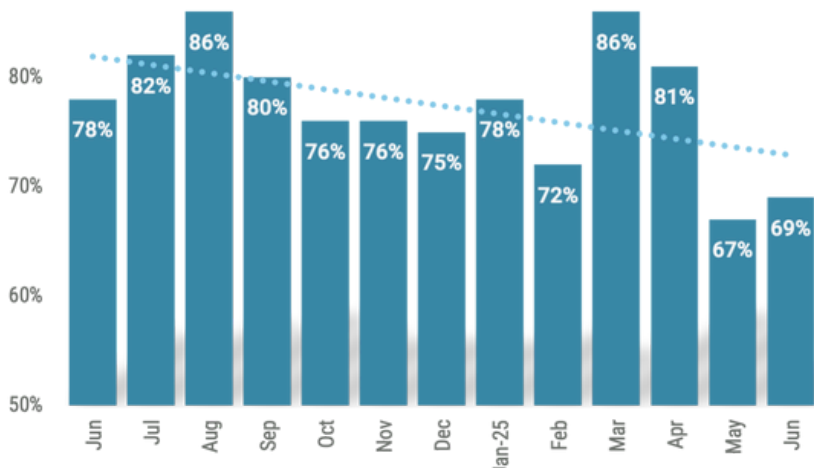
Certified inventories **remained stable** after hitting a yearly high in the previous month.

## Vehicle Movement - Certified (000s)



Certified vehicle movement **returned to "normal" levels** after a run-up in March and April. July numbers are expected to decline as tariff "hangover" effects take hold.

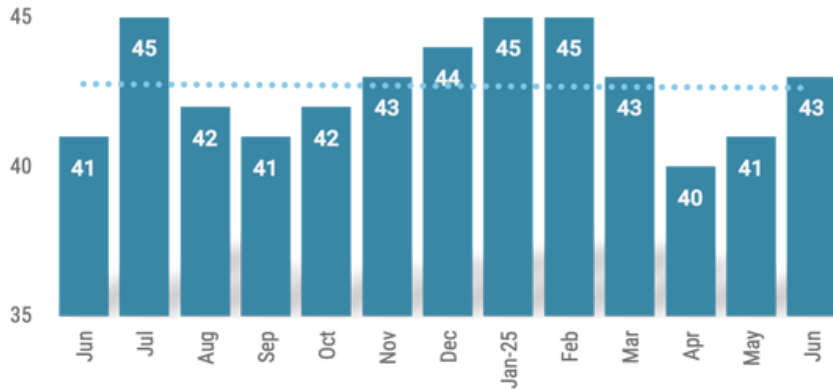
## Turn Rate (Certified)



Turn Rate **rebounded somewhat in June** but remained well below Spring levels.

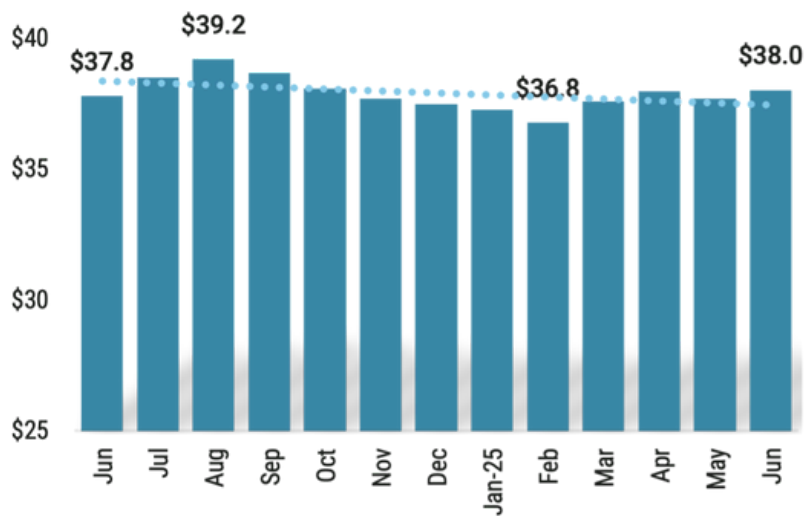


## Days-to-Move (Certified)



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 June**—up \$320 for the month overall and even more (+\$856) when comparing the end of the month vs. May 31.



# 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](http://www.zerosum.ai).**

**Want to learn more? Book your demo now.**

**ONLINE DEMO**



### Contact

hello@zerosum.ai  
888-580-9010

### ZeroSum

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

[www.zerosum.ai](http://www.zerosum.ai)