



FOR IMMEDIATE RELEASE

Cox Automotive's 2025 Outlook: Market Growth, Improving Affordability, and Higher Buyer Satisfaction Expected in Year Ahead

- Cox Automotive forecasts a positive economic outlook for 2025, with new-vehicle sales expected to reach 16.3 million units, a 3% increase from 2024.
- Electrified vehicle sales will grow further in the year ahead, accounting for one out of every four vehicles sold in 2025.
- Vehicle affordability is expected to improve in 2025, with expanding credit availability and declining auto loan rates.

ATLANTA, Jan. 6, 2025 – Cox Automotive has released an optimistic outlook for the automotive market as 2025 gets underway. The U.S. auto market finished 2024 with momentum, and despite some uncertainties, the current trajectory is positive.

New-vehicle sales in 2024 finished near 16.0 million, according to estimates from Cox Automotive's Kelley Blue Book, an increase of just over 2% from 2023 and the best year for volume since the pandemic. Total new-vehicle sales ended the year strong, just above the Cox Automotive new-vehicle sales forecast. Nearly every automaker posted higher sales year over year in 2024, with Stellantis and Tesla notable exceptions. General Motors was the top-selling automaker in 2024, while Honda and Mazda delivered strong growth. Retail sales were particularly strong at year-end.

"With 2024 finishing on a high note, Cox Automotive is optimistic about 2025, with plenty of reasons to believe it will be the best year since 2019," said Cox Automotive Chief Economist Jonathan Smoke. "The market is gaining momentum, economic fundamentals are improving, and consumer sentiment is pointing in the right direction. We are ready for what 2025 might bring."

Enjoy the Ride: Market Growth Ahead

Economic momentum is building. The election outcome reduced uncertainty about tax policy, contributing to stock market growth in the final months of 2024 and an uptick in both consumer and dealer sentiment. The economic outlook for 2025 is positive, with a lower risk of recession and expected growth of 2.6%, consistent with pre-pandemic levels. Consumers are feeling better about the road ahead, as the U.S. election was smoothly settled, interest rates are below their peaks, and the job market has stabilized.

As Smoke stated in the [Cox Automotive Industry Insights and Forecast 2025](#) call last month, "We think dealers, in particular, are going to enjoy the ride thanks to the Goldilocks economy that is delivering positive momentum at the end of 2024 and setting us up for not too cold, not too hot, but just right growth."

Welcome Relief: Affordability Will Improve

Vehicle affordability remains a challenge, but improvements are expected in 2025. Credit availability should continue to expand as loan portfolio performance improves and yield spreads narrow. Auto loan rates have declined, and approval rates are increasing, enabling growing demand. And loan rates could



move even lower without any further changes by the Fed if the economy stabilizes as expected and loan performance improves, suggesting [Fed policy will likely be less important](#) in 2025 than in recent years. New-vehicle inventory volumes will continue to rise, keeping incentives growing and supporting higher sales volumes.

Slow Growth Continues: Sales Volumes Expected to Increase for Third Straight Year

[Cox Automotive forecasts](#) that 2025 will be the best year for the market since 2019, with new-vehicle sales reaching 16.3 million units, a modest increase from 2024. Growth remains slow, but the trends are positive, and 2025 is expected to be the third straight year of growth.

The retail used-vehicle market is also expected to grow, with used retail sales likely reaching 20.1 million units, marking the strongest performance for used vehicles since 2021, the best year on record. Used-vehicle inventory at retail is forecast to remain relatively tight; the Manheim Used Vehicle Value Index is forecast to increase at a historically normal pace, finishing 2025 slightly higher year over year. Dealer profitability is stabilizing, and economic fundamentals are driving sufficient demand.

One in Four: Electrified Vehicles Go Mainstream

The U.S. market posted record electric vehicle sales in 2023 and 2024, and this trend is expected to continue in 2025. Cox Automotive predicts that one out of every four vehicles sold in 2025 will be electrified, with electric vehicles accounting for approximately 10% of the market total in the year ahead, up from roughly 7.5% in 2024. Hybrids and plug-ins will account for approximately 15% of the market, and sales of pure internal combustion engine vehicles — ICE products — will tumble to 75% of total volume, the lowest level on record.

EV growth will be supported by approximately 15 additional EV models entering the market, consumers deciding to buy before policy changes are enacted, and state-level incentives countering potential federal cuts. The expansion of the EV charging network is also contributing to this growth.

Better than Expected: Buyer Satisfaction Forecast to Improve

Cox Automotive is optimistic about retail automotive in 2025. Vehicle availability, competitive incentives and good news on auto loan rates are expected to drive healthy demand from capable buyers. Satisfaction with the new-vehicle buying process is at an all-time high, with three out of four buyers being “highly satisfied,” according to the 15th edition of the 2024 Car Buyer Journey Study, which will be published on Jan. 7. The omnichannel car-buying approach, enabled by forward-thinking dealers and better technology, is making vehicle buying more efficient and driving higher satisfaction.

About Cox Automotive

Cox Automotive is the world’s largest automotive services and technology provider. Fueled by the largest breadth of first-party data fed by 2.3 billion online interactions a year, Cox Automotive tailors leading solutions for car shoppers, auto manufacturers, dealers, lenders and fleets. The company has 29,000+ employees on five continents and a portfolio of industry-leading brands that include Autotrader®, Kelley Blue Book®, Manheim®, vAuto®, Dealertrack®, NextGear Capital™, CentralDispatch® and FleetNet America®. Cox Automotive is a subsidiary of Cox Enterprises Inc., a privately owned, Atlanta-based company with \$22 billion in annual revenue. Visit coxautoinc.com or connect via [@CoxAutomotive](#) on X, [CoxAutoInc](#) on Facebook or [Cox-Automotive-Inc](#) on LinkedIn.



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