



COX
AUTOMOTIVE

2026
Mid-Year
Review

June 24, 2026

Agenda

Time Check: 60 Minutes

Intro & Cox Automotive

Mark Schirmer, Director, Corporate Communications

The Economy

Jeremy Robb, Chief Economist

The Cars We Want

Erin Keating, Executive Analyst

New-Vehicle Market

Charlie Chesbrough, Senior Economist

Used-Vehicle Market

Mark Strand, Deputy Chief Economist

Electric-Vehicle Market

Stephanie Valdez Streaty, Director, Industry Insights

2026 Forecast Update

Jeremy Robb, Chief Economist

The Cox Automotive Ecosystem

Cox Automotive is the world's largest automotive services and technology provider. Our category-leading portfolio delivers the connected solutions, tools and services that dealers, lenders, automakers, fleet operators and consumers expect.

COX AUTOMOTIVE

Autotrader  CentralDispatch  Cox Fleet  Dealer.com 

Dealertrack  EV Battery Solutions  Kelley Blue Book  Manheim 

NextGear Capital  vAuto  VinSolutions  xtime 

fullpath
by Cox Automotive

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Chief Economist



Erosion: It's All About Purchasing Power



The Wealth Effect: Few Win

Equity gains and asset appreciation lift high-income households — but the vast majority see little benefit.

Spending confidence is increasingly concentrated at the top, widening the gap in consumer market dynamics.



The Compound Impact of High Inflation

Lower inflation doesn't mean lower prices. CPI has risen ~4.9% on average over five years.

When income doesn't keep pace, purchasing power erodes year after year — a slow, invisible tax.



U.S.-First Policy: Gain Now, But Risks in the Future

A U.S.-first trade policy shields domestic producers in the short term, but import costs pass through to consumers.

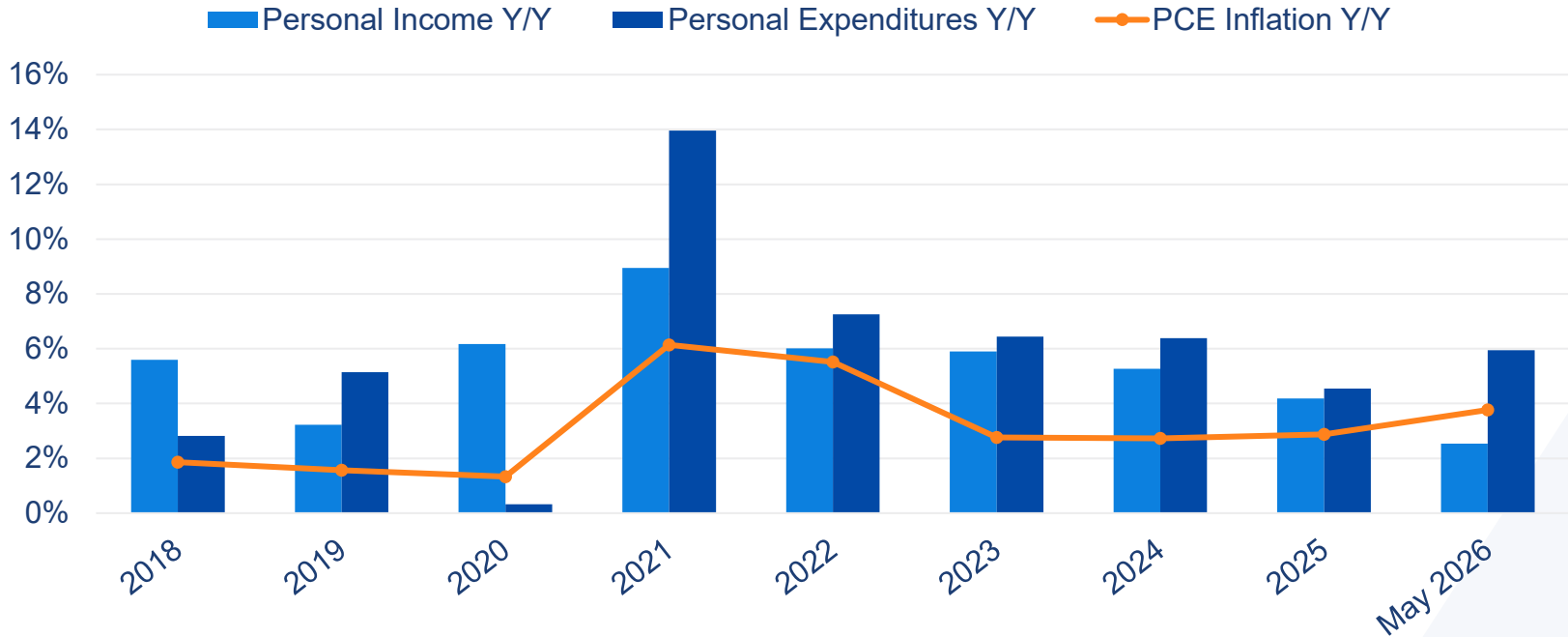
Those already stretched by inflation feel the hit hardest — protectionism is a boomerang.



Expense Growth Continues to Outweigh Income

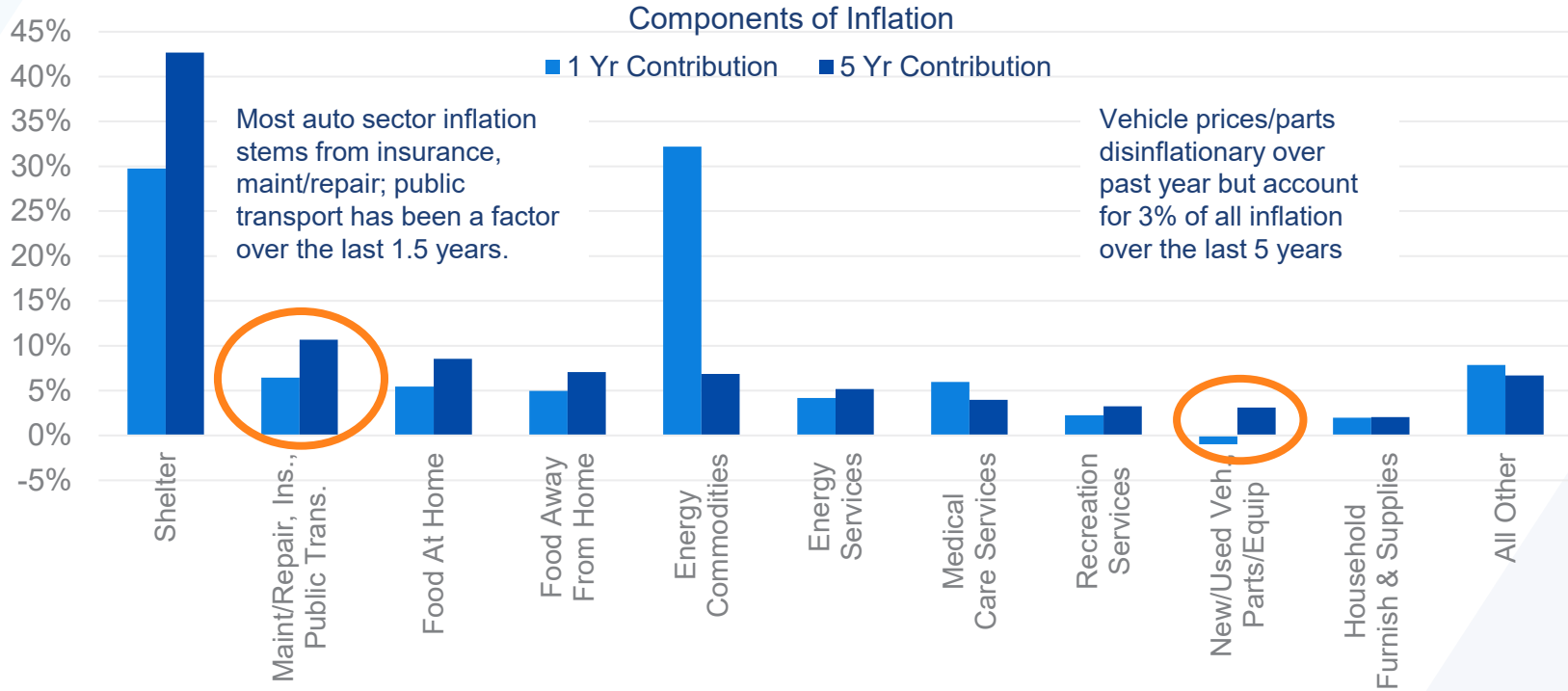
The gap between personal expense growth and income growth has widened to the highest since 2021

Personal Income & Expenditures








Major Drivers Of Inflation: 1 Year and 5 Years

The automotive sector has been an inflation driver in recent years, but it's not from vehicle prices



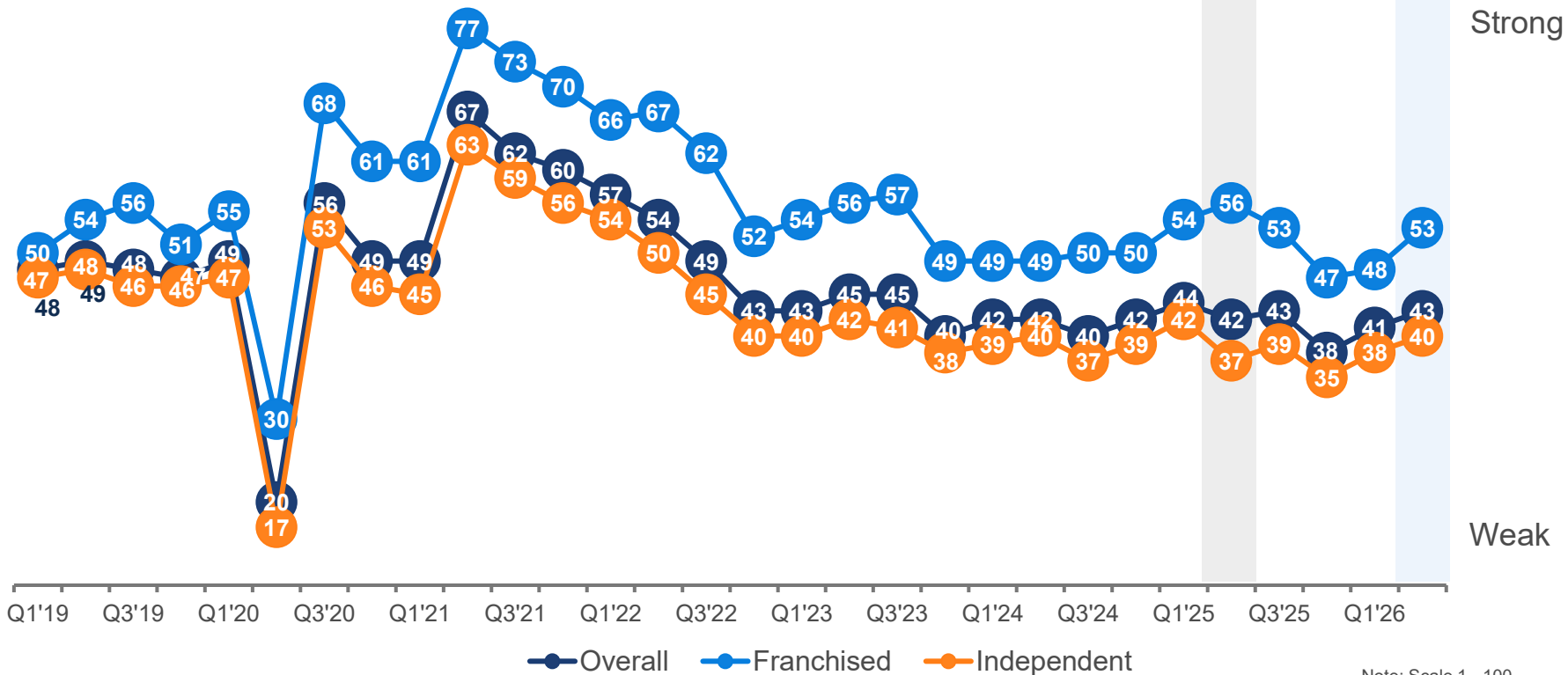
Current Economic Signals

Overall Economy	Real GDP Growth	0.5% (Q4 '25)	1.6% (Q1 '26)	+2.1% ('26 F)	
Employment Conditions	U3 Unemployment Rate	4.3% (May '25)	4.3% (April '26)	4.3% (May '26)	
Consumer Purchasing Power	CPI Inflation Rate Year over Year	2.4% (May '25)	3.8% (April '26)	4.2% (May '26)	
Borrowing Costs	Average New Auto Loan Rate	9.4% (May '25)	9.7% (April '26)	9.6% (May '26)	
Credit Availability	New Loan Credit Index	101.1 (May '25)	109.7 (April '26)	110.9 (May '26)	

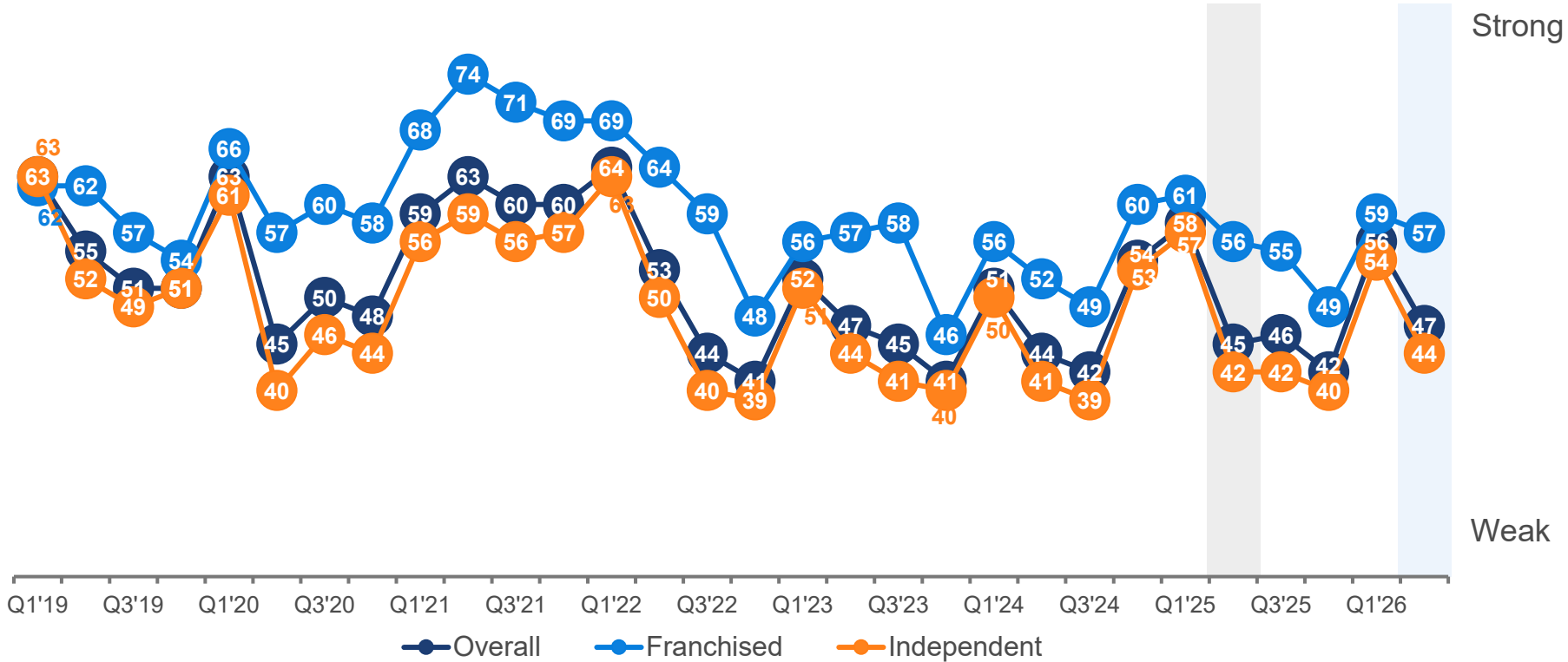
(Higher values = Better credit conditions)

Q2 2026: Current Market Sentiment

Dealer Sentiment Index SECOND QUARTER 2026



Q2 2026: Future Market Sentiment



Q2 2026 Dealer Sentiment: Factors Holding Back Business

Economy, Market Conditions and Political Climate increase in Q2

OVERALL RANK

		Q2 '26	Q1 '26	Q2 '25	Q2 '24
1	Economy	55%	52%	51%	57%
2	Market Conditions	40%	37%	40%	41%
3	Political Climate	36% ↑	31%	33%	36%
4	Expenses	33%	34%	32%	31%
5	Interest Rates	32%	34%	42%	59%
6	Consumer Confidence	31%	30%	31%	28%
7	Limited Inventory	26%	23%	30%	29%
8	Credit Availability for Consumers	23%	24%	25%	31%
9	Cost of Vehicle Insurance for Consumers	20%	21%	18%	N/A
10	Competition	18%	20%	16%	15%



Significant decrease vs previous quarter



Significant increase vs previous quarter

Auto Industry: The Cars We Want

Erin Keating

Executive Analyst



The Car You Asked For

Rising consumer expectations have quietly redefined what 'standard' means and what it costs

THE INSURANCE INSTITUTE FOR HIGHWAY SAFETY (IIHS) EFFECT

IIHS doesn't mandate features, it rates vehicles on crashworthiness and crash avoidance technology. A poor rating carries consumer perception and insurance consequences, so automakers build to Top Safety Pick+ standards rather than regulatory minimum. Features that were luxury options a decade ago are now standard on base trims as a direct result.

Automatic Emergency Braking

Pedestrian Detection

Front Crash Prevention

Headlight Performance Rating

Lane Departure Warning

Rear Cross-Traffic Alert

These features moved from luxury options to base equipment — not through regulation, but because consumers reward the rating.

WHAT BUYERS EXPECT TO COME STANDARD

80% **Stolen vehicle recovery**
56% would pay monthly if not standard

78% **Remote control start**
51% would pay monthly if not standard

72% **Automatic high beams**
40% would pay monthly if not standard

67% **Apple CarPlay**
45% would pay monthly if not standard

64% **In-vehicle Wi-Fi**
44% would pay monthly if not standard

61% **Parking assist**
41% would pay monthly if not standard

More Car for More Money

A decade of Honda CR-V pricing — inflation-adjusted, the math nearly clears itself

2016 Honda CR-V LX

Avg Transaction: \$27,761

Base MSRP: \$23,745

- ✗ 2.4L naturally aspirated engine
- ✗ 5-inch display — no touchscreen
- ✗ Basic Bluetooth, no CarPlay
- ✗ Manual cloth seats, steel wheels
- ✗ No Honda Sensing suite
- ✗ No automatic emergency braking
- ✗ No lane keep / adaptive cruise
- ✗ No wireless charging
- ✗ No push-button start
- ✗ No automatic climate control

+\$11k
ATP

2026 Honda CR-V LX

Avg Transaction: \$38,778

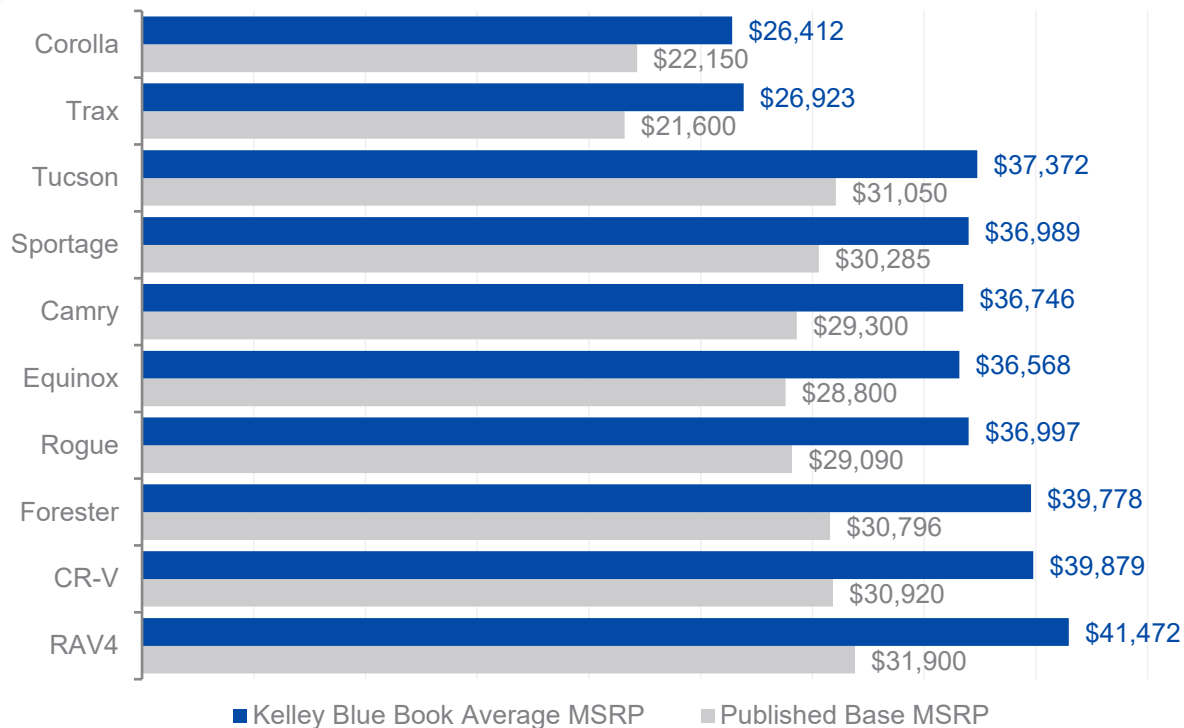
CPI-adjusted ATP → \$38,300 | Delta above inflation: +\$478

- ✓ 1.5L turbocharged engine (more power)
- ✓ 9-inch touchscreen — standard
- ✓ Wireless Apple CarPlay & Android Auto
- ✓ Wireless Qi charging pad
- ✓ Honda Sensing suite — ALL trims
- ✓ Automatic emergency braking
- ✓ Lane keeping + adaptive cruise
- ✓ 18-inch alloy wheels
- ✓ Push-button start
- ✓ Automatic climate control

The super affordable new car still exists: 2026 Hyundai Venue at \$22,150 — equivalent to \$15,878 in 2016 dollars.

Nobody Buys Base

The advertised price and the purchased vehicle are almost never the same thing



THE TRIM PARADOX

2026 Toyota Highlander base \$40,820

vs.

2026 Toyota RAV4 XSE Hybrid \$43,000

Unless you need the third row, why not take the better-equipped compact?

The Pattern Across the Market

Across the 10 best-selling non-truck nameplates, consumers transact an average of \$7,200 above the published base MSRP. The advertised price is where the conversation starts, not where it ends.

Off-Lease Skews Premium

The 'affordable used alternative' is largely well-optioned off-lease returns. The simpler car consumers seek doesn't exist in supply.

Monthly Payment Math

Income-adjusted affordability has hardly moved. The payment shock is real, but it's not the car

~1 Week

Change in weeks of income needed to buy a new vehicle
May 2016 → May 2026

33.7 → 34.9 weeks

+\$282/mo

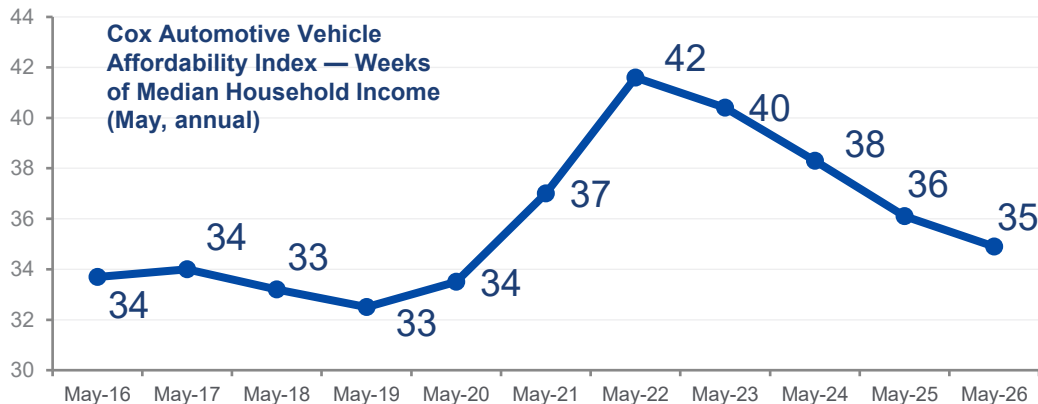
Monthly payment increase over the same decade
(\$471 → \$753)

Payment +60% | Income +53%

+320 bps

Auto loan rate increase over the same decade
(6.35% → 9.53%)

Rates not Price



WHAT'S INSIDE THE PAYMENT

Principal Vehicle price amortization

Interest Rate up 320bps — from 6.35% to 9.53%

F&I load GAP, VSC, backend products financed in

Insurance \$225/mo avg — invisible in ATP data

New Vehicle Market Performance

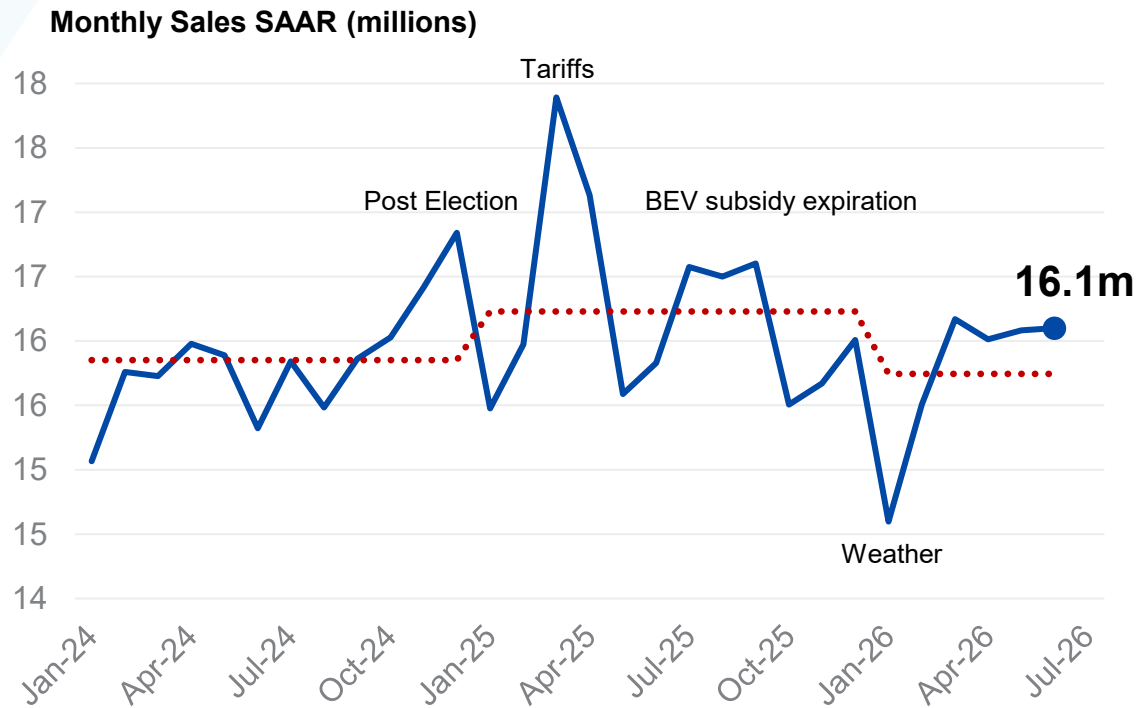
Charlie Chesbrough

Senior Economist



New Vehicle Sales Pace

Weak start to the year, stabilizing near a 16.0 million pace, for now



	Sales (millions)	SAAR (millions)
June 2025	1.27	15.8
June 2026	1.33	16.1
change	4.4%	1.7%
Q2 2025	4.20	16.2
Q1 2026	3.65	15.4
Q2 2026	4.16	16.1
Q/Q change	13.9%	4.2%
Y/Y change	-0.8%	-0.7%
H1 2025	8.11	16.3
H1 2026	7.82	15.7
change	-3.6%	-3.5%

Forecast - Unchanged
 CY2024: 15.9 million
 CY2025: 16.3 million
 + 2.5%
F2026: 15.8 million
 - 2.9%

Automaker Performance

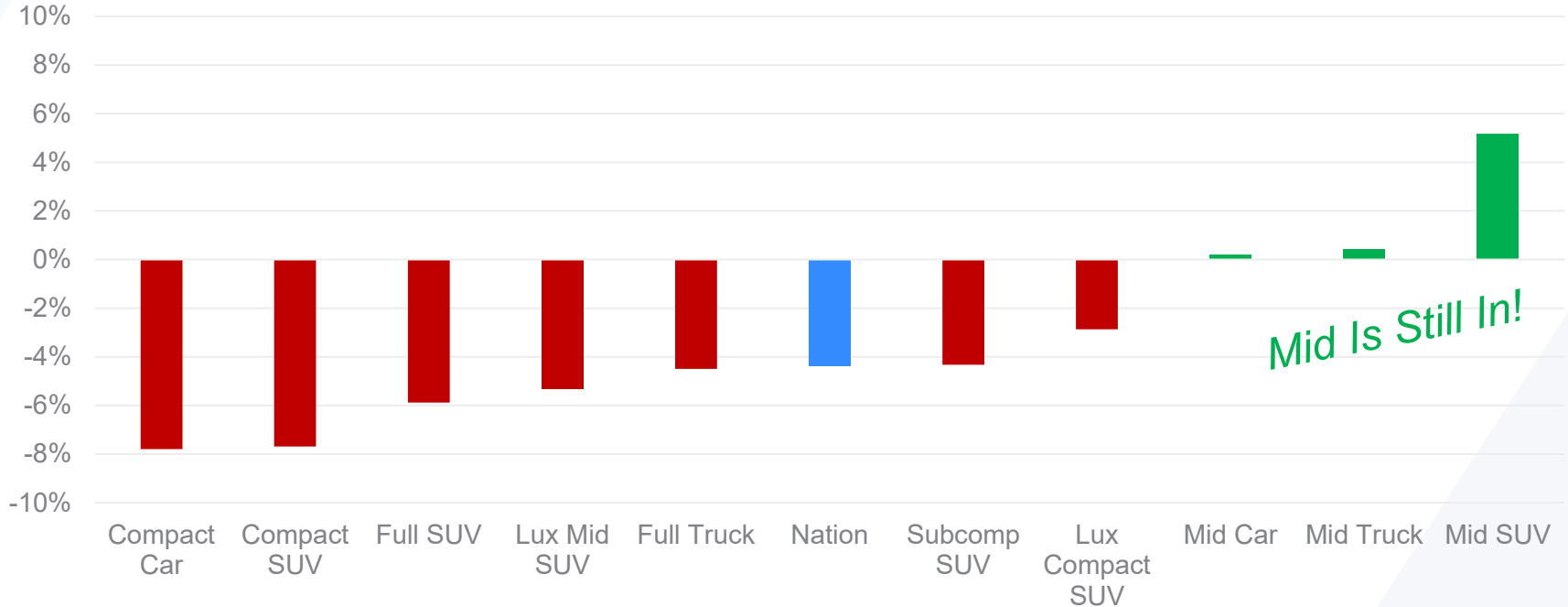
Share changing rapidly as new product cycles lead gains and losses

OEM	Q2 2025	Q1 2026	Q2 2026	Y/Y Change	Q/Q Change	H1 2025	H1 2026	Y/Y Change	Share H1 2025	Share H1 2026	Difference
GM	742,177	624,299	704,628	-5.1%	12.9%	1,432,516	1,328,927	-7.2%	17.6%	16.8%	-0.8%
Toyota	666,468	569,418	676,254	1.5%	18.8%	1,236,737	1,245,672	0.7%	15.2%	15.8%	0.6%
Ford	609,160	454,984	538,868	-11.5%	18.4%	1,107,640	993,852	-10.3%	13.6%	12.6%	-1.0%
Hyundai	473,238	430,720	490,153	3.6%	13.8%	893,150	920,873	3.1%	11.0%	11.7%	0.7%
Honda	387,574	336,830	420,068	8.4%	24.7%	739,151	756,898	2.4%	9.1%	9.6%	0.5%
Stellantis	305,669	302,723	322,943	5.7%	6.7%	596,858	625,666	4.8%	7.3%	7.9%	0.6%
Nissan	243,557	273,948	258,228	6.0%	-5.7%	542,279	532,176	-1.9%	6.7%	6.7%	0.1%
Subaru	154,818	141,944	162,097	4.7%	14.2%	321,775	304,041	-5.5%	4.0%	3.9%	-0.1%
VW	133,017	122,598	144,493	8.6%	17.9%	285,416	267,091	-6.4%	3.5%	3.4%	-0.1%
Tesla	143,535	117,300	114,629	-20.1%	-2.3%	271,635	231,929	-14.6%	3.3%	2.9%	-0.4%
Mazda	99,982	94,472	102,988	3.0%	9.0%	210,298	197,460	-6.1%	2.6%	2.5%	-0.1%
BMW	98,500	90,492	106,358	8.0%	17.5%	193,091	196,850	1.9%	2.4%	2.5%	0.1%
Daimler	82,700	78,496	83,697	1.2%	6.6%	157,800	162,193	2.8%	1.9%	2.1%	0.1%
Others	72,311	59,347	67,103	-7.2%	13.1%	147,988	126,450	-14.6%	1.8%	1.6%	-0.2%
NATION	4,212,706	3,697,571	4,192,509	-0.5%	13.4%	8,136,334	7,890,080	-3.0%	100.0%	100.0%	0.0%

What's Selling In 2026

Affordable and expensive segments both down; compromise and practicality are winning

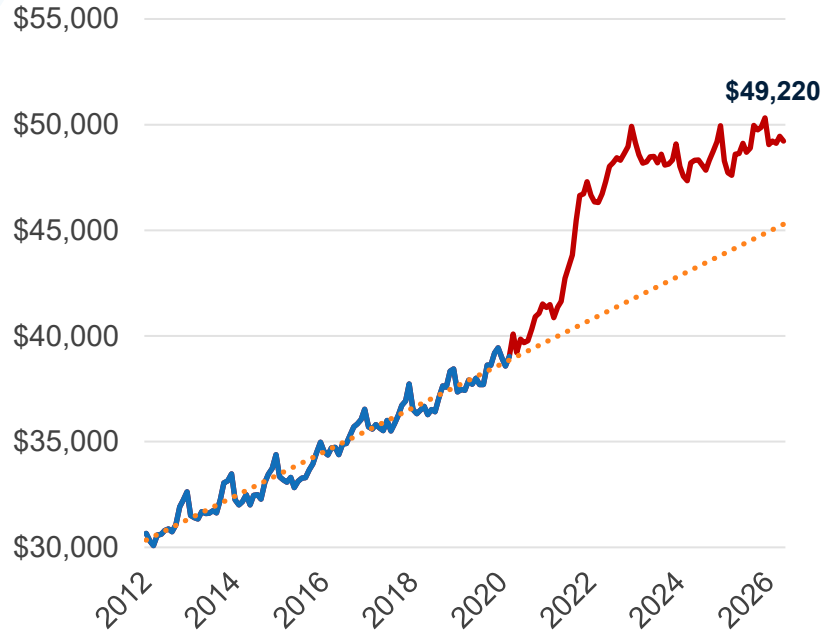
Top 10 Segment Sales Y/Y Change



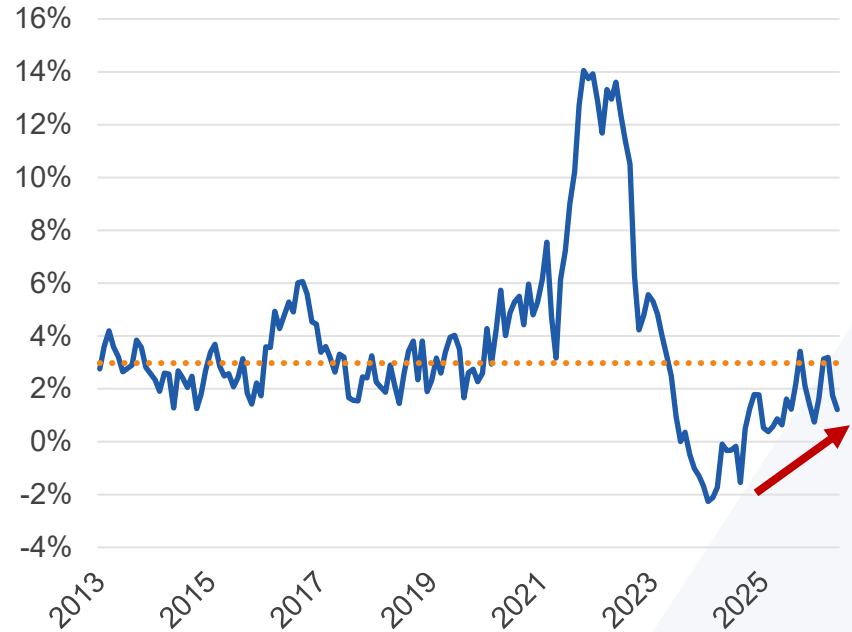
New Vehicle Prices

Down from the December peak and still below historic annual price gains

Average Monthly Transaction Price



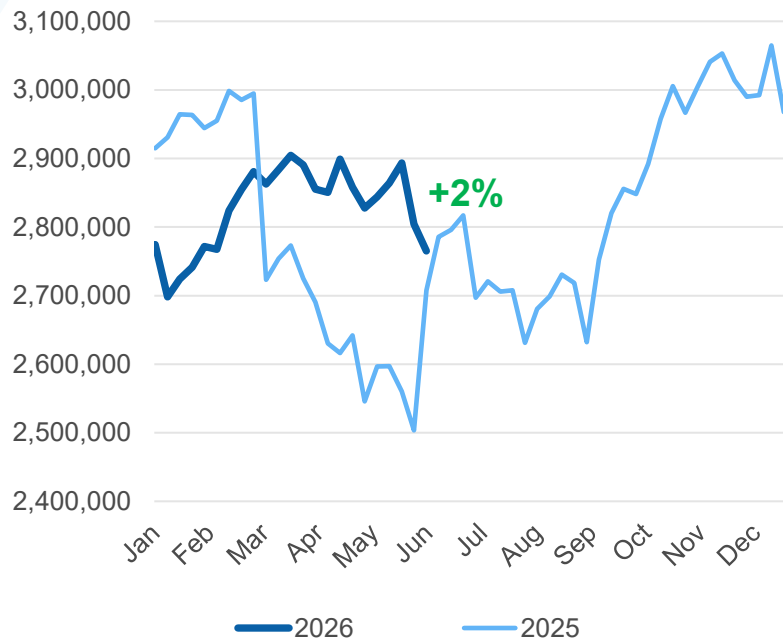
Annual Change



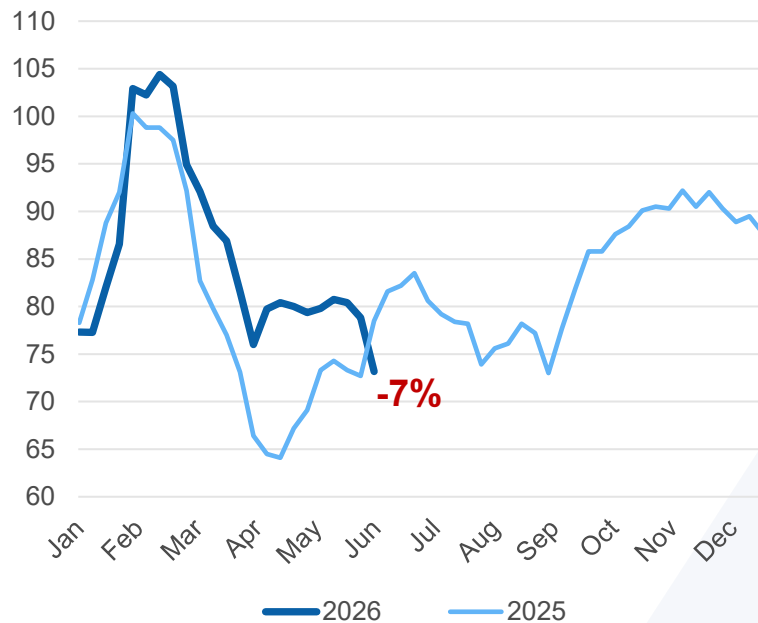
New Vehicle Supply

Tightening over recent weeks, with few next-model-year vehicles available

Available Supply



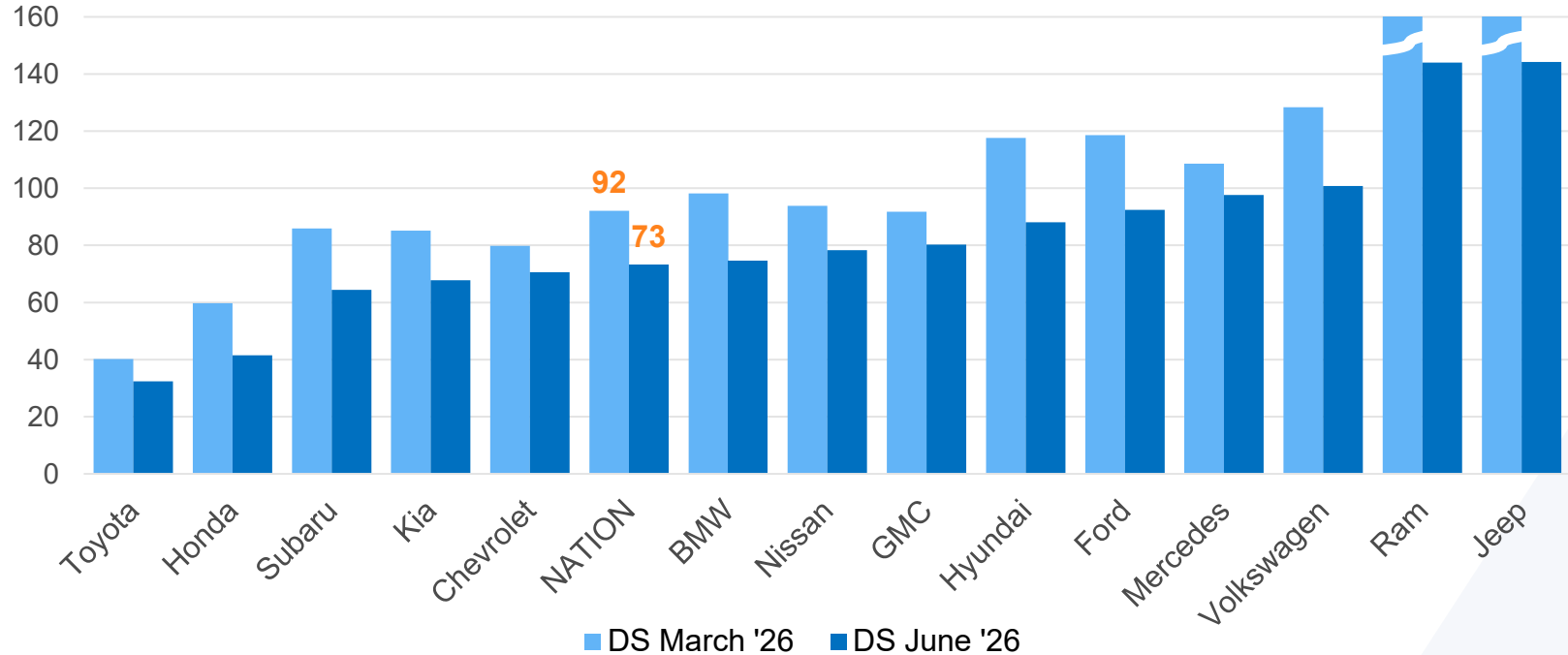
Days of Supply



Brand Level Vehicle Supply

Stellantis brands improve, but excess inventory remains; Toyota and Honda continue to see tight supply

New Vehicle Days' Supply



Used Vehicle Market Performance

Mark Strand

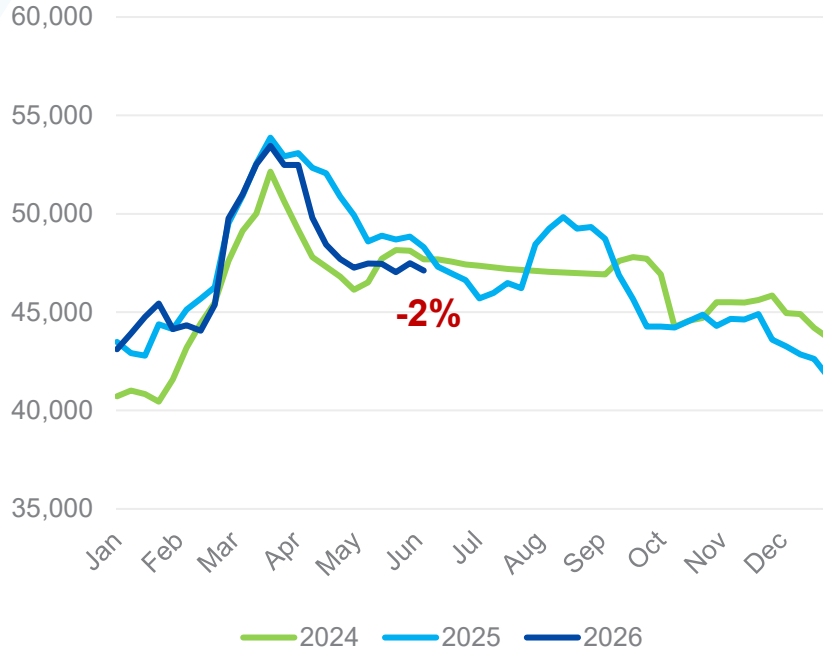
Deputy Chief Economist



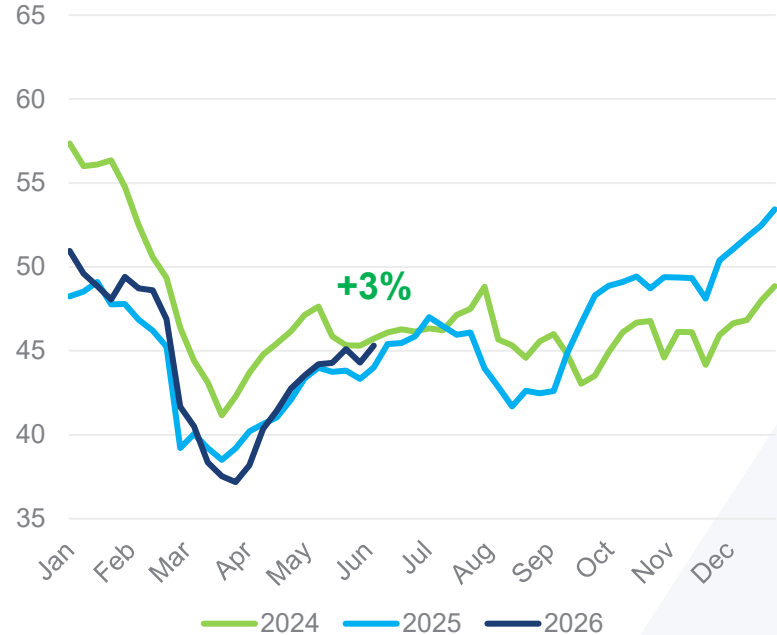
Used Vehicle Sales and Inventory

Sales pace is down 2%, while supply is up 3% compared with last year

Used Retail Sales

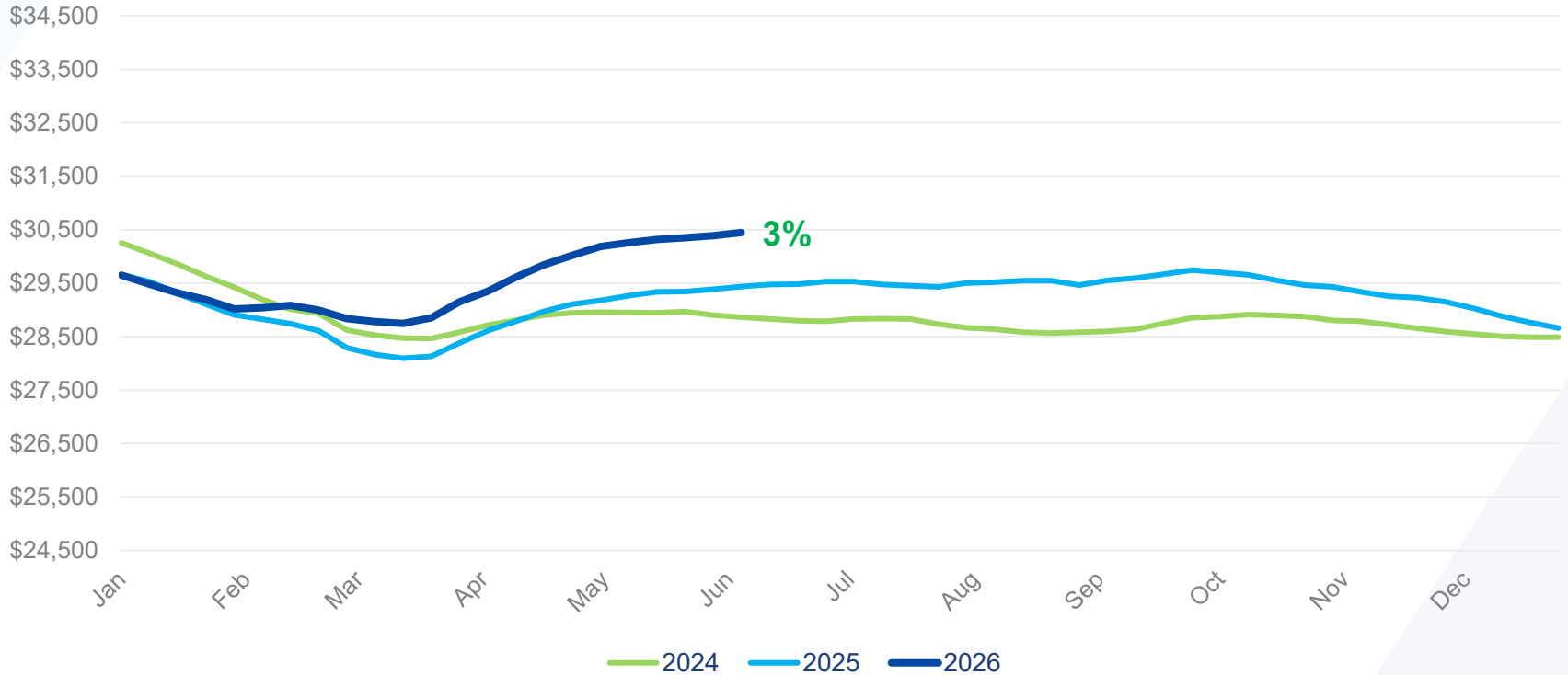


Used Days' Supply



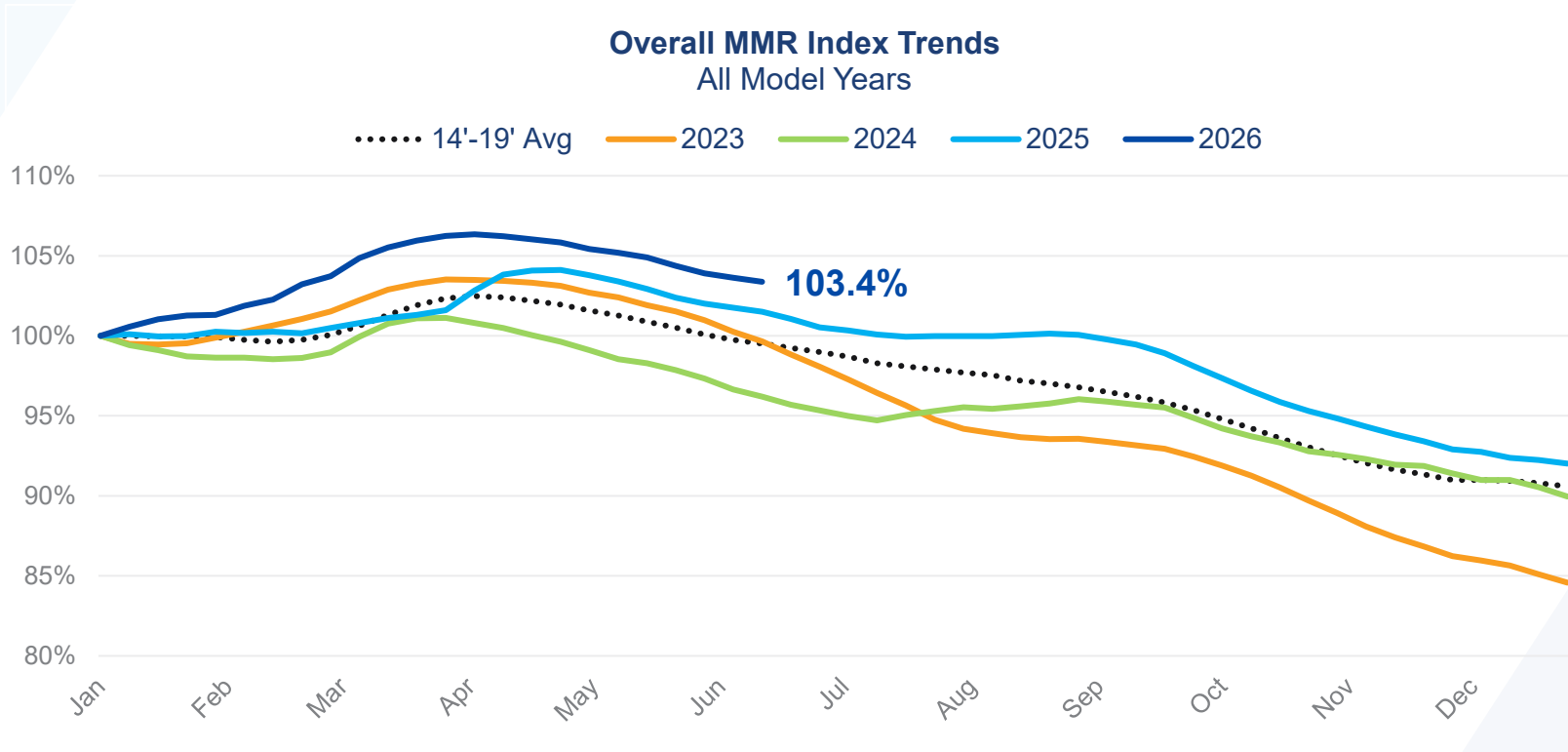
Used Vehicle Retail List Price

Listing prices for the top 50 3-year-old models are up 3% as wholesale values flow into retail



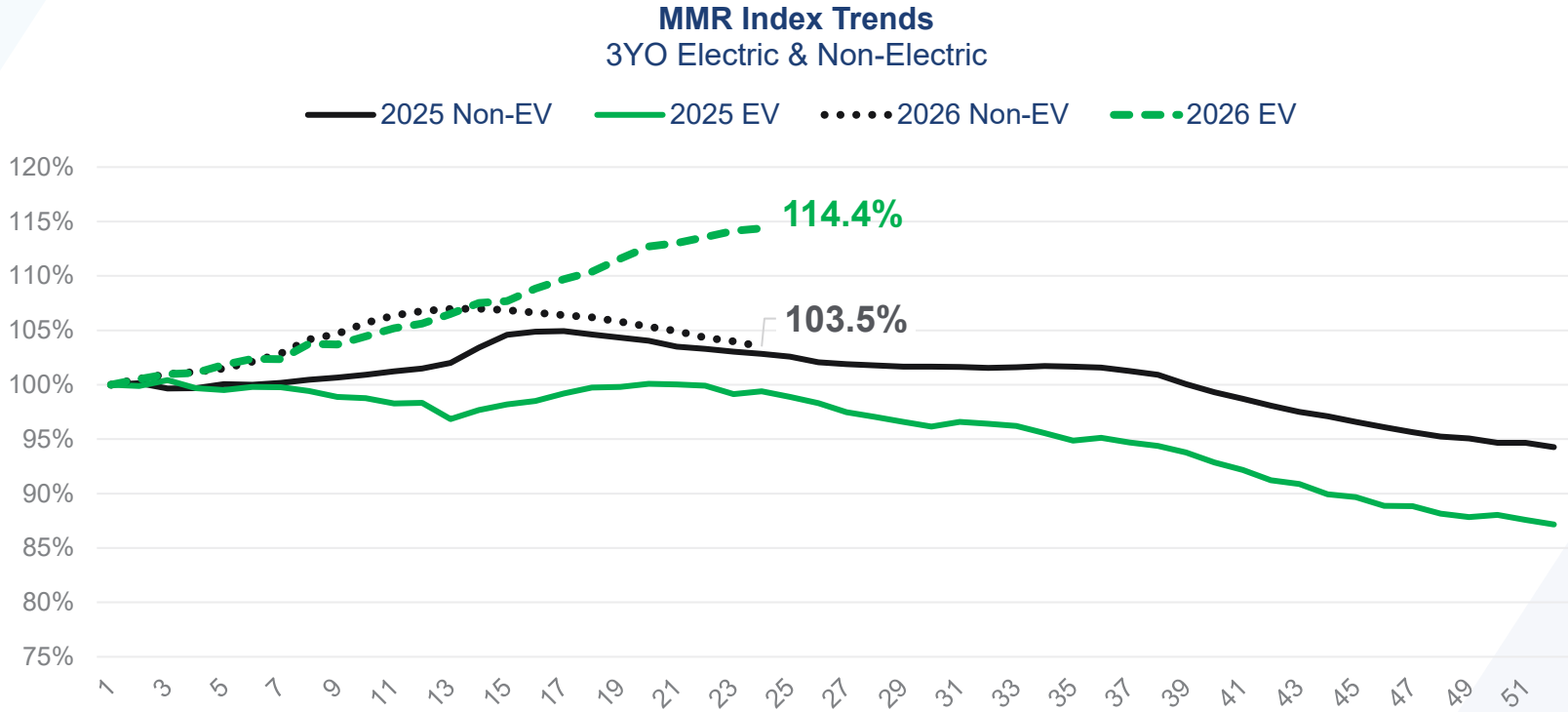
Manheim Wholesale Value Trends

MMR values appreciated more during spring and remain higher against recent time periods



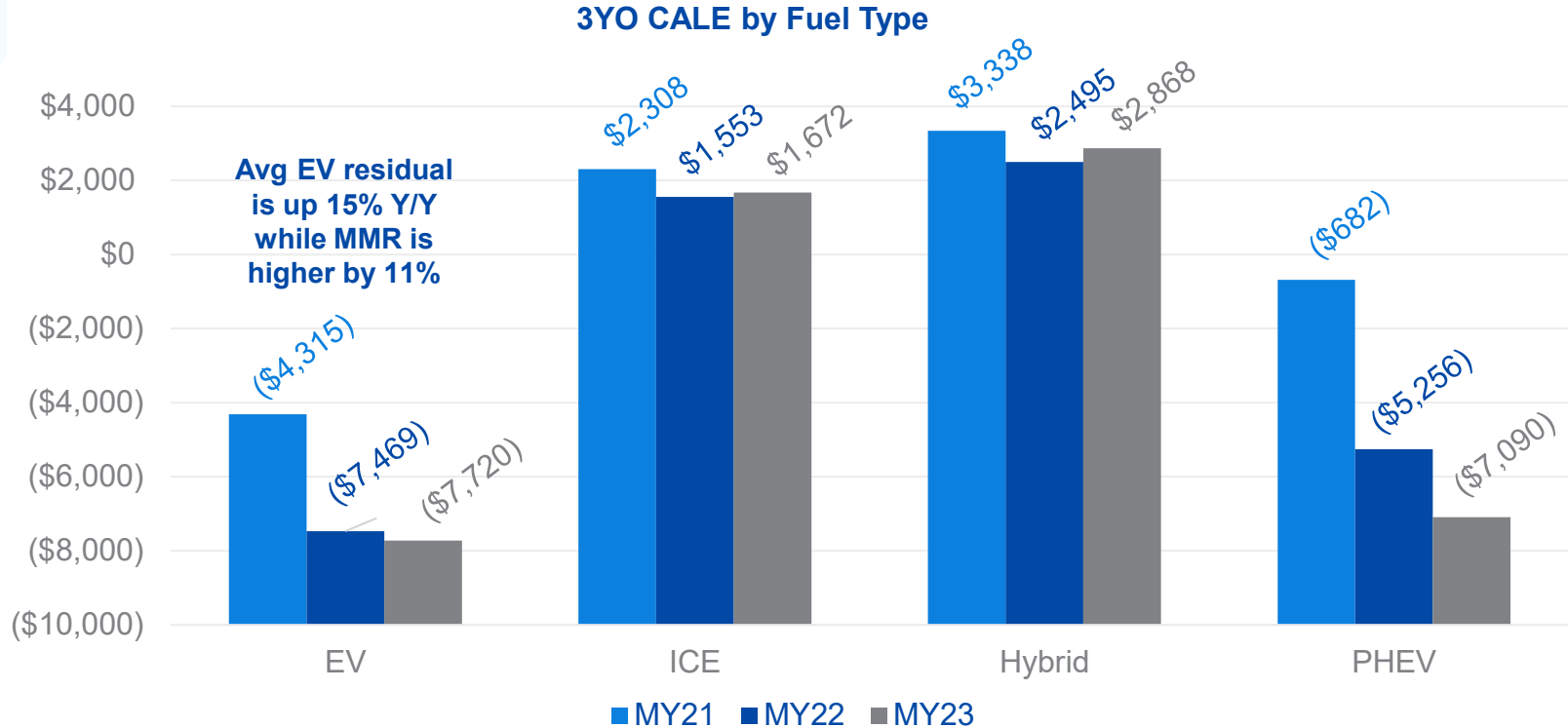
3-Year-Old MMR Index: EV vs Non-EV

EVs outperforming non-EVs since mid-March and are up ~14 points this year



Cox Automotive Lease Equity (CALE)

ICE and hybrid CALE rates remain higher, while plug-in hybrids and EVs are underwater

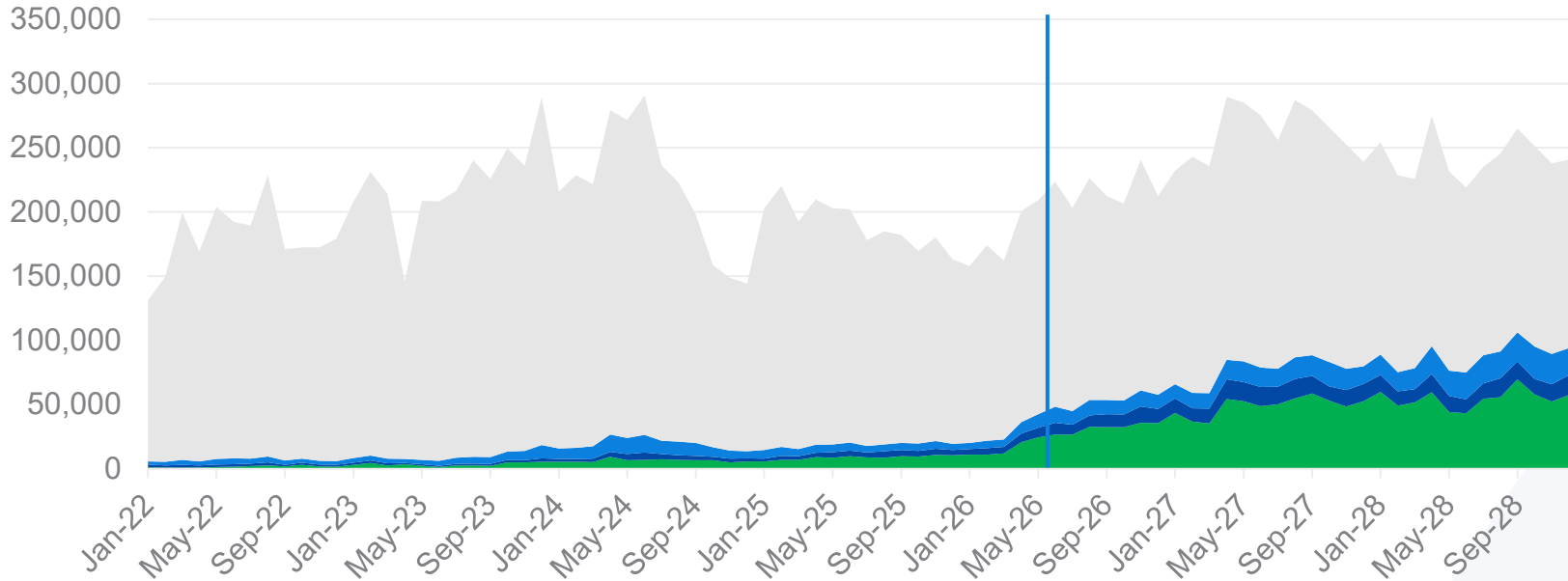


Lease Maturities by Fuel Type

With increased leasing of EVs and PHEVs, lease returns are changing substantially

Estimated Lease Maturity Distribution

■ EV ■ PHEV ■ Hybrid ■ ICE



Electrified Vehicle Market

Stephanie Valdez Streaty

Director, Industry Insights



Hybrid Supply and Demand Converging

More models, more buyers, faster than any other powertrain

SUPPLY The hybrid electric vehicle market is being built

49

+7 since 2023

HEV models available

12

+2 since 2023

makes offering HEV

8

+3 since 2023

models sold exclusively HEV

Top 4 HEV models by volume — Q1 2026:

Toyota Camry

79,549 | 100% HEV

Honda CR-V

55,373 | HEV + ICE

Toyota RAV4

39,263 | HEV + PHEV

Toyota Sienna

25,950 | 100% HEV

CONSUMER CHOICE Buyers are choosing hybrid

56%

of in-market shoppers say rising gas prices make them **more likely to consider a Hybrid or PHEV**

Cox Automotive Consumer Survey, May 2026

INTENT TRANSLATES TO PURCHASE — Q1 2026 HEV TAKE RATES:

Toyota Highlander

65%

Hyundai Sonata

56%

Honda CR-V

56%

Ford Maverick

51%

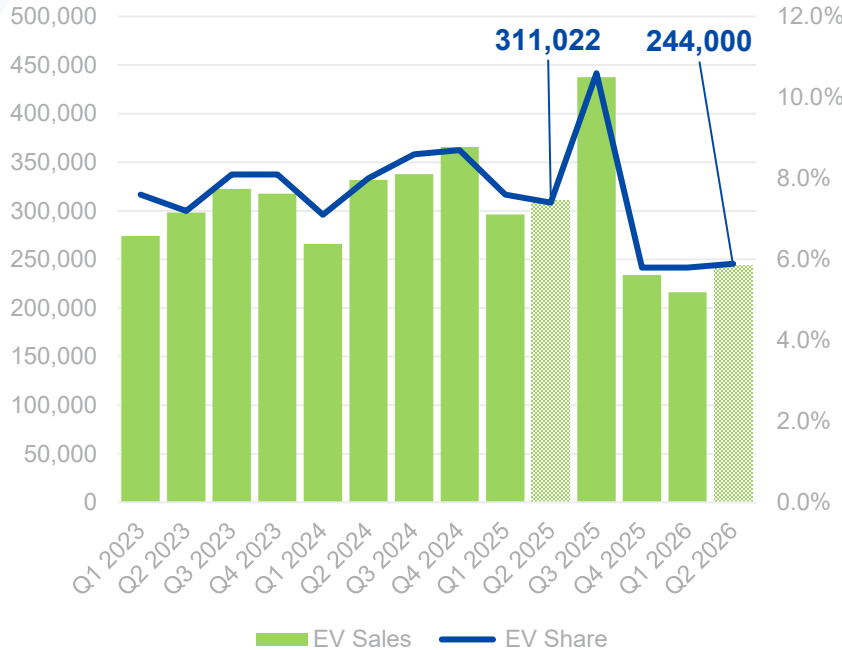
Kia Sportage

37%

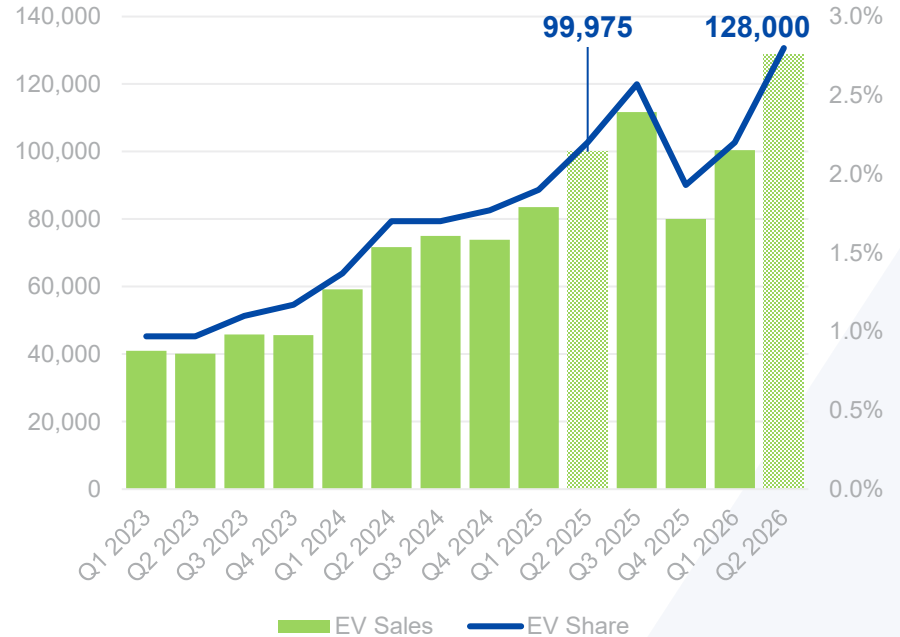
EV Sales Forecast: New and Used

New EV sales down 22% YOY but recovering; used EV sales up 29% YOY to a record high

New EV Sales



Used EV Sales



EV Supply Tightens

EV days' supply down 41% new and 23% used versus 2025, both below ICE+

New EV Days' Supply



Used EV Days' Supply

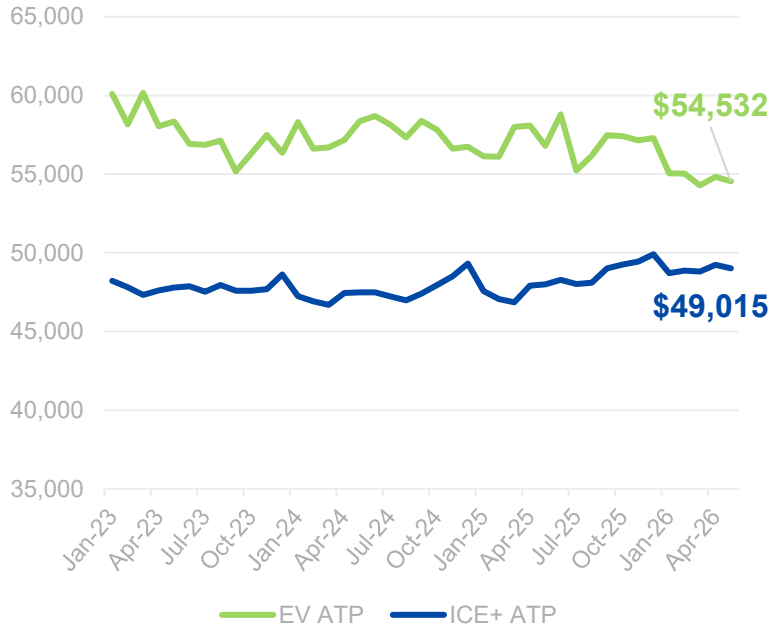


Note: Tesla, Rivian and Brands with a "Direct to Consumer Platform" are not represented.

New EV Gap Narrows, Used EV Prices Climb

New EV premium at a record low of \$5,517, used EV avg price up 3% YOY

New EV ATP



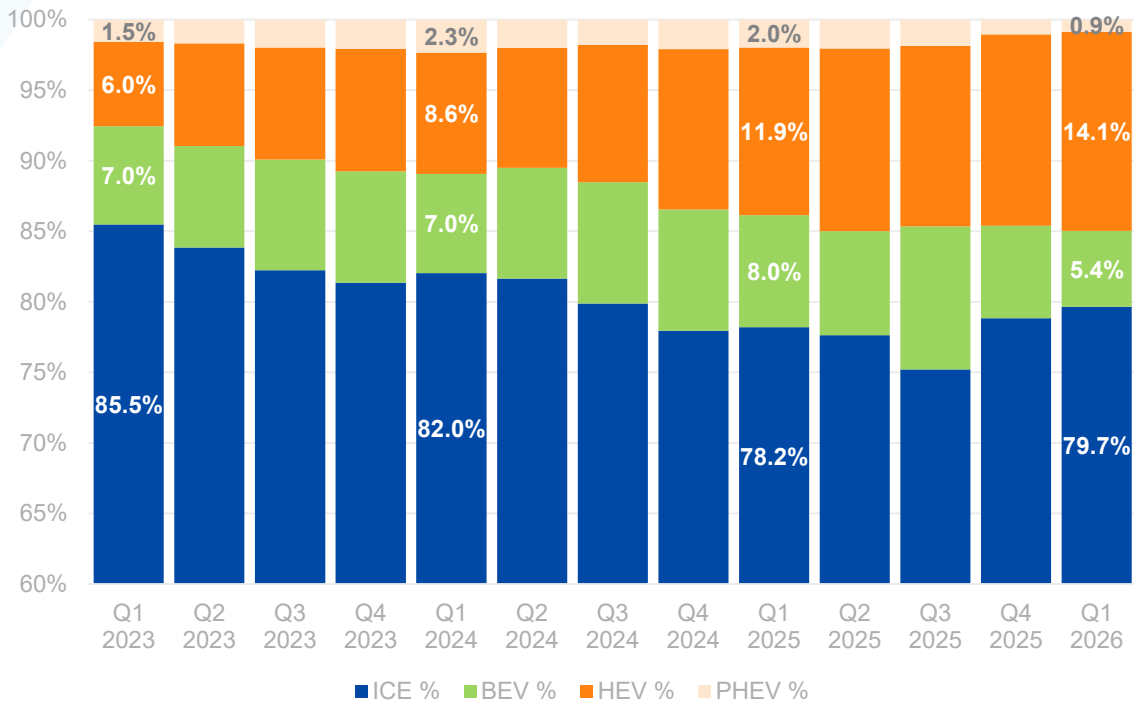
Used EV Price



Note: Tesla, Rivian and Brands with a "Direct to Consumer Platform" are not represented.

Record Hybrid Share as Electrification Mix Shifts

HEV continues as the fastest-growing powertrain, volume up 82% since 2023



HEV Share at an All-Time High

HEV volume has reached a record 14.1% share — driven by expanding model availability and rising take rates.

BEV/PHEV Decline Post-IRA Cliff

BEV and PHEV combined share fell nearly 4 points year-over-year as registrations normalized following the IRA credit expiration — pushing ICE share higher, not stronger demand.

HEV Growth Increasingly Broad Based

Toyota and Honda lead in volume, but Hyundai and Kia have reached HEV take rates of 26.3% and 18.2% respectively. Subaru — launching HEV from zero in 2024 — signals a widening competitive field.

2026 Outlook & Forecasts

Jeremy Robb

Chief Economist



Check-In: 5 Forces to Shape the Auto Industry in 2026

Theme

Status



Bifurcated Consumer



Widening — energy costs squeezing low end; equities insulating the top.



Fragmented Labor



As expected — 4.3% unemployment, soft demand underneath.



Inflation and Fed Risk



Worse than expected — Middle East conflict drove \$561M/day in added fuel spend.



Policy and EV Shock



Evolving — hybrid demand outrunning supply; pricing transparency friction emerging.



AI's Inflection Point




Evolving — investment surging; productivity gains real but unresolved.

2026 Forecasts



Updated June 2026

 **15.8M**
(-2.9% versus 2025)



NEW SALES

 **12.9M** 
(-3.4% versus 2025)


NEW RETAIL SALES

 **2.9M** 
(-0.8% versus 2025)

FLEET SALES

 **2.9M** 
(-11.7% versus 2025)



**NEW LEASE
VOLUME**

 **22%**
(-2% versus 2025)

**LEASE
PENETRATION**

 **2.6M**
(-1.7% versus 2025)

CPO SALES

 **38.4M** 
(-0.8% versus 2025)

USED SALES

 **20.4M**
(-0.5% versus 2025)

USED RETAIL SALES

 **2.0%**
(+1.7% versus 2025)

**DEC 2026 Y/Y MANHEIM
USED VEHICLE
VALUE INDEX**

The Rearview Mirror

Most data points centered on the economy and consumer health suggest concern.

But don't forget: those points are in the past. We may have seen the peak of inflation for now, which could help as we move through the second half of 2026.



More Auto Industry Data and Insights from Cox Automotive

Cox Automotive Insights

<http://www.coxautoinc.com/insights/>

Content from the Economic and Industry Insights team is published regularly.

Auto Market Snapshot

<https://www.coxautoinc.com/market-snapshot/#snapshot>

This dashboard is a one-stop dashboard for the most recent data points our team is tracking.

Topline Auto Insights

www.coxautoinc.com/signup

The Cox Automotive biweekly newsletter, published every other Tuesday, is a round-up of news from Cox Automotive and perspectives from its analysts and experts on topics dominating the automotive industry.

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