

## U.S. Automotive Forecast for April 2025

April 24, 2025

### **New-Vehicle Retail Sales Rise 14.7% in April as Shoppers Buy in Advance of Potential Price Increases**

### **Consumers to Spend \$55.8 Billion on New Vehicles, a Record for Month of April**

### **April SAAR to Reach 17.9 Million Vehicles**

#### **The Total Sales Forecast**

Total new-vehicle sales for April 2025, including retail and non-retail transactions, are projected to reach 1,519,900, a 10.5% increase from April 2024 according to a joint forecast from J.D. Power and GlobalData. April 2025 has 26 selling days, one more than April 2024. Comparing the same sales volume without adjusting for the number of selling days translates to an increase of 14.9% from 2024.

The seasonally adjusted annualized rate (SAAR) for total new-vehicle sales is expected to be 17.9 million units, up 1.9 million units from April 2024.

#### **The Retail Sales Forecast**

New-vehicle retail sales for April 2025 are expected to increase from a year ago. Retail sales of new vehicles are expected to reach 1,284,800, a 14.7% increase from April 2024. Comparing the same sales volume without adjusting for the number of selling days translates to an increase of 19.3% from 2024.

#### **The Takeaways**

**Thomas King, president of the data and analytics division at J.D. Power:**

“April results are dominated by the prospect of future vehicle price increases due to tariffs. Beginning at the end of March, and continuing through April, consumers have been accelerating their vehicle purchases under the expectation that prices will rise soon. In fact, an extra 83,000 sales in March and 139,000 in April have occurred due to accelerated vehicle purchases.

“However, as multiple manufacturers have committed to keep MSRPs stable through the early summer months, and uncertainty about tariffs in general persists, the rush to dealer showrooms

has slowed significantly. In the first week of April, the sales pace was 28% above normal levels, but by the third week, sales were just 6% above normal. In showrooms, shoppers are finding deals that are comparable to recent months, although discounts from manufacturers and dealers have moderated slightly.”

The average manufacturer incentive spend per vehicle is on track to reach \$2,808, a decrease of \$260 from March, but an increase of \$209 from a year ago. Expressed as a percentage of MSRP, incentive spending is currently at 5.6%, an increase of 0.3 percentage points from a year ago.

“Unsurprisingly, given the rush to showrooms, dealers are offering slightly smaller discounts which is resulting in higher retailer profits. Total retailer profit per unit—which includes vehicle gross plus finance and insurance income—is expected to be \$2,525, similar to April 2024 but up \$361 from March. Total aggregate retailer profit from new-vehicle sales for this month is projected to be \$3.1 billion, up 18.8% from April 2024.

“The moderation of discounting from manufacturers and dealers means the average transaction price for new vehicles has risen. The average new-vehicle retail transaction price in April is expected to reach \$45,764, up \$887 from April 2024, and up \$975 from March.

“The strong sales pace, combined with high average transaction prices mean consumers will spend more money buying new vehicles this month than any other April on record—and the third highest of any month on record. Consumers are on track to spend nearly \$55.8 billion on new vehicles this month—21.2% higher than a year ago.”

Higher prices translate to higher monthly loan payments. Average monthly finance payments in April are on track to reach \$742, an increase of \$19 from April 2024, and the highest on record for the month of April. The average interest rate for new-vehicle loans is 6.80%, a nominal 18 basis point decrease from a year ago.

“Fleet sales are projected to decline 7.8% from a year ago, as manufacturers continue to prioritize retail buyers over the historically less profitable fleet channel.

“The average used-vehicle price is trending towards \$28,725, up \$200 from a year ago. This reflects the combination of reduced supply of recent model-year used vehicles—due to lower new-vehicle production during the pandemic—fewer lease maturities and manufacturers moderating discounts. An increase in used-vehicle prices means that average trade-in equity is expected to rise slightly, up \$328 year over year to \$8,313. Currently, 23.3% of trade-ins carry negative equity—a decrease of 0.2 percentage points from April 2024.

“The strong volume and value of vehicles sold in April will be difficult for the industry to maintain. The potential for price increases in the coming months is meaningful and, if realized, will reduce the industry’s sales pace. Furthermore, the large number of buyers who purchased in late March and April instead of later in the year will create a further sales headwind in the coming months.

“However, the timing and magnitude of these effects are intrinsically linked to tariffs—which remain fluid—and the subsequent response of manufacturers to those tariffs. The cost effect of tariffs that are currently in place or announced vary significantly between manufacturers,

models and vehicle segments. Given this variation, coupled with the highly competitive nature of the auto industry, it is likely that tariff-related price increases will take several months to fully manifest themselves.

## Sales & SAAR Comparison

U.S. New Vehicle	April 2025 <sup>1, 2</sup>	March 2025	April 2024
<b>Retail Sales</b>	1,284,826 units (14.7% higher than April 2024) <sup>2</sup>	1,350,882 units	1,077,405 units
<b>Total Sales</b>	1,519,897 units (10.5% higher than April 2024) <sup>2</sup>	1,611,159 units	1,322,540 units
<b>Retail SAAR</b>	15.6 million units	15.0 million units	13.5 million units
<b>Total SAAR</b>	17.9 million units	17.8 million units	16.0 million units

<sup>1</sup> Figures cited for April 2025 are forecasted based on the first 17 selling days of the month.

<sup>2</sup> April 2025 has 26 selling days, one more than April 2024.

## The Details

- Fleet sales are expected to total 235,071 units in April, down 7.8% from April 2024. Fleet volume is expected to account for 15.5% of total light-vehicle sales, down 3.1 percentage points from a year ago.
- Internal combustion engine (ICE) vehicles are projected to account for 76.1% of new-vehicle retail sales, a decrease of 3.8 percentage points from a year ago. Hybrid electric vehicle (HEV) sales are expected to reach 12.6%, an increase of 2.9 percentage points from a year ago. Plug-in hybrid vehicles (PHEV) are on pace to make up 2.3% of sales, gaining 0.4 percentage points from last April, while electric vehicles (EV) are expected to account for 8.7% of sales, up 0.2 percentage points from a year ago.
- U.S. final assembly vehicles are expected to make up 51.8% of sales in April, unchanged from a year ago.
- Trucks/SUVs are on pace to account for 82.1% of new-vehicle retail sales, up 2.5 percentage points from April 2024.
- Retail inventory levels are currently at 2.15 million units, a 21.4% increase from April 2024.
- The industry's inventory days of supply is at 63 days in April, up 7 days from a year ago.
- 59.5% of sales had positive vehicle gross, up 0.3 percentage points from a year ago.
- The average new-vehicle retail transaction price in April is expected to reach \$45,764, up \$887 from April 2024. Transaction price as a percentage of MSRP held steady at 91.3%, which is flat from a year ago.
- Retail buyers are on pace to spend \$55.8 billion on new vehicles, up \$9.8 billion from April 2024.
- Average incentive spending per unit in April is expected to reach \$2,808, up \$209 from April 2024. Spending as a percentage of the average MSRP is expected to increase to 5.6%, up 0.3 percentage points from April 2024.
- Average incentive spending per unit on trucks/SUVs in March is expected to be \$2,936, up \$228 from a year ago, while the average spending on cars is expected to be \$2,186, up \$17 from a year ago.

- Leasing is expected to account for 20.6% of sales this month, down 3.2 percentage points from a year ago.
- The average time a new vehicle remains in the dealer's possession before sale is expected to be 52 days in April, up from 48 days a year ago.
- 33.6% of vehicles sold in less than 10 days in April, down 0.3 percentage points from a year ago.
- Average monthly finance payments are on pace to be \$742, up \$19 from April 2024. The average interest rate for new-vehicle loans is expected to be 6.80%, down 0.18 percentage points from a year ago.
- So far in April, average used-vehicle retail prices are \$28,725, up \$200 from a year ago. Trade-in equity is trending towards \$8,313, which is up \$328 from a year ago.
- Currently, 23.3% of trade-ins carry negative equity—a decrease of 0.2 percentage points from April 2024.

## EV Outlook

### **Elizabeth Krear, vice president of the electric vehicle practice at J.D. Power:**

“As the auto industry navigates the potential effects of tariffs, the \$7,500 federal EV tax incentive remains in place—for now. This credit, and a myriad of incentives offered by states, local governments and utilities, give EVs a distinct value proposition right now. Coupled with lower operating costs make the present time a sweet spot, one might say, for those looking to buy an electric vehicle.

“There are more than 60 EV models on the market today. It’s notable that 79% of premium vehicle shoppers and 58% of mass market vehicle shoppers have an EV alternative that meets their buying preferences, based on segment, brand and price. EV market coverage has grown 50% since a year ago and EV inventory is at a healthy 6.5% of the industry. To put it mildly, there’s a lot of consumer choice!

“EV sales growth continues during uncertainty over EV regulations. In Q1 2025, EV retail share grew 1.5 percentage points to 9.5% from Q1 2024. The growth can be attributed to the increase in EV selection from major brands in popular segments, lower pricing and high appeal among current EV owners.”

## Global Sales Outlook

### **David Oakley, manager, Americas vehicle sales forecasts at GlobalData:**

“March global light-vehicle sales increased 7.6% year over year to 8.6 million units, as many regions performed strongly. The selling rate for March finished at 90.7 million units. This represented an increase from an upwardly revised rate of 87.5 million units in February.

“Global growth in March was driven chiefly by year-over-year sales gains in North and South America, China and Japan. In the United States, sales grew 11.2% due to the clear pull-forward effect, as consumers sought to make purchases before prices reflected tariffs. Meanwhile in China, government incentives focused on New Energy Vehicles helped support the market, and sales rose 11.3%. Activity was more sedate in Western Europe, where sales increased only 0.6% year over year.

“April sales are expected to increase just under 5% from April 2024. As most manufacturers are keeping U.S. pricing unchanged for now—or even offering discounts—U.S. sales are expected to be robust. We forecast China to see year-over-year growth, though Japan should see only modest gains. The global selling rate is expected to reach 90.6 million units, up from a rate of 87.2 million units in April 2024.

“The emerging trade war has the potential to slow economic growth globally, affecting auto sales. Although the full details are yet to emerge—and a recent 90-day pause in U.S. reciprocal tariffs offers some hope that the worst-case scenario could be averted—we have cut our global 2025 sales forecast to 89.5 million units, up 0.8% from 2024 volumes.”

**Media Relations Contacts**

Geno Effler, J.D. Power; West Coast; 714-621-6224; [media.relations@jdpa.com](mailto:media.relations@jdpa.com)

**About J.D. Power and Advertising/Promotional Rules** [www.jdpower.com/business/about-us/press-release-info](http://www.jdpower.com/business/about-us/press-release-info)

**About GlobalData** <https://www.globaldata.com/>

# # #