

U.S. Automotive Forecast for June 2025

June 25, 2025

June New-Vehicle Sales Subdued After Reverse of Tariff-Driven Rush to Showrooms; Retail Sales Rise 7.5% in First Half of 2025

The Total Sales Forecast

Total new-vehicle sales for June 2025, including retail and non-retail transactions, are projected to reach 1,247,900, a 2.5% increase from June 2024 according to a joint forecast from J.D. Power and GlobalData. June 2025 has 24 selling days, two fewer than June 2024. Comparing the same sales volume without adjusting for the number of selling days translates to a decrease of 5.4% from 2024.

The seasonally adjusted annualized rate (SAAR) for total new-vehicle sales is expected to be 15.0 million units, up 0.2 million units from June 2024.

New-vehicle total sales for the first half of 2025 are projected to reach 7,766,800 units, an increase of 0.4% from a year ago. Q2 2025 sales are projected to reach 4,184,000 units, a 2.5% increase from Q2 2024.

The Retail Sales Forecast

New-vehicle retail sales for June 2025 are projected to reach 1,016,800, a 6.7% increase from June 2024. Comparing the same sales volume without adjusting for the number of selling days translates to a decrease of 1.5% from 2024.

New-vehicle retail sales for the first half of 2025 are projected to reach 6,674,800 units, an increase of 7.5% from a year ago. Q2 2025 sales are projected to reach 3,447,500 units, a 4.9% increase from Q2 2024.

The Takeaways

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

“June sales are subdued, with the sales pace falling to its lowest level in the past 12 months. However, care needs to be taken when interpreting June results, as they are not fully indicative of the underlying demand for new vehicles.

“There are three critical factors to understand when evaluating June results. The first is that year-over-year comparisons are affected by a large dealer software outage event that limited many dealers’ ability to sell vehicles in June 2024. This event reduced retail sales by approximately 85,000 vehicles, meaning that year-over-year sales results appear considerably more favorable than they actually are.

“The second factor is payback from the tariff-related rush to showrooms in March and April of this year. In those months, approximately 173,000 extra vehicles were sold as buyers pulled purchases forward in anticipation of future tariff-driven price hikes. That pull-ahead effect has now become a payback effect, deflating June sales below the actual level of vehicle demand.

“The third factor is that while pre-tariff expectations were that discounts would rise during the course of 2025, they have actually fallen. Specifically, incentive spending expressed as a percentage of MSRP has declined from 6.1% in January 2025 to just 5% in June. This reflects the cost-pressure tariffs are creating for manufacturers, but it is also causing some shoppers looking for affordable vehicles to remain on the sidelines.

“It should also be noted that there has yet to be a material increase in new-vehicle MSRPs due to tariffs. While exceptions exist, MSRPs are generally remaining stable. Changes in the average transaction price of new vehicles are driven by the combination of manufacturer discounts, retailer profitability and the mix of new vehicles being sold.”

The average new-vehicle retail transaction price in June is expected to reach \$46,233, up \$1,400 or 3.1% from June 2024, but up only \$77 or 0.2% from May.

The average manufacturer incentive per vehicle is on track to reach \$2,727, an increase of \$93 from May, and an increase of \$39 from a year ago. However, expressed as a percentage of MSRP, incentive spending is currently at 5.4%, a decrease of 0.1 percentage point from a year ago.

Total retailer profit per unit—which includes vehicle gross plus finance and insurance income—is expected to be \$2,380, up \$45 from June 2024, but down \$32 from May. Total aggregate retailer profit from new-vehicle sales for this month is projected to be \$2.3 billion, up 3.1% from June 2024.

“Despite the muted sales pace, strong average transaction prices mean consumers are on track to spend nearly \$45.0 billion on new vehicles this month—4.3% higher than a year ago and the fourth highest on record for the month of June.”

Higher prices translate to higher monthly loan payments. Average monthly finance payments in June are on track to reach \$747, an increase of \$22 from June 2024, and the highest on record for the month of June. The average interest rate for new-vehicle loans is 6.89%, a nominal decrease of 8 basis points from a year ago. Finance loans with terms greater than or equal to 84 months are expected to reach 12.0% of finance sales this month, up 3.0 percentage points from June 2024.

“Fleet sales are projected to decline 12.7% 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 \$29,440, up \$674 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 rising, up \$480 year over year to \$8,384. Despite higher used-vehicle prices, the number of new-vehicle buyers with negative equity on their trade-in is expected to reach 25.1%—an increase of 1.6 percentage points from June 2024.

“Looking to July, year-over-year comparisons will need to be put in context. The dealer software outages that depressed sales in June 2024 resulted in inflated July 2024 sales as dealers recovered their ability to process transactions. This means July 2025 will be another month in which year-over-year metrics provide less clarity than normal.

“Meanwhile, the payback effect from the tariff-related rush to showrooms that affected June 2025 sales will taper in July, and July results will be heavily influenced by manufacturers' pricing and incentive decisions. Those decisions are intrinsically linked to expectations on tariffs, which remain uncertain.

“Tariff uncertainty, coupled with the highly competitive nature of the market, means that automakers are expected to continue with the muted response seen to date. On average, current tariffs raise manufacturers' costs about \$4,275 per vehicle, though the amounts vary widely depending on production and sourcing locations.

“Overall, vehicle prices are expected to rise but significantly less than the tariffs would suggest—and some models may see no increase at all. Initial price changes are expected through July and August, particularly when new model-year vehicles are launched. It will likely be at year's end before manufacturers' new pricing and incentive strategies fully materialize.”

Sales & SAAR Comparison

U.S. New Vehicle	June 2025 ^{1, 2}	May 2025	June 2024
Retail Sales	1,016,838 units (6.7% higher than June 2024) ²	1,206,983 units	1,032,223 units
Total Sales	1,247,918 units (2.5% higher than June 2024) ²	1,463,173 units	1,318,906 units
Retail SAAR	12.4 million units	12.7 million units	11.8 million units
Total SAAR	15.0 million units	15.3 million units	14.9 million units

¹ Figures cited for June 2025 are forecasted based on the first 17 selling days of the month.

² June 2025 has 24 selling days, two fewer than June 2024.

The Details

- Fleet sales are expected to total 231,081 units in June, down 12.7% from June 2024. Fleet volume is expected to account for 18.5% of total light-vehicle sales, down 3.2 percentage points from a year ago.

- Internal combustion engine (ICE) vehicles are projected to account for 75.8% of new-vehicle retail sales, a decrease of 1.4 percentage points from a year ago. Plug-in hybrid vehicles (PHEV) are on pace to make up 1.8% of sales, down 0.3 percentage points from June 2024, while electric vehicles (EV) are expected to account for 8.7% of sales, down 1.6 percentage points.
- U.S. final assembly vehicles are expected to make up 54.8% of sales in June, up 1.4 percentage points from a year ago.
- Trucks/SUVs are on pace to account for 81.8% of new-vehicle retail sales, up 1.7 percentage points from June 2024.
- Retail inventory levels are currently at 2.16 million units, a 22.9% increase from June 2024.
- The industry's inventory days of supply is 54 days in June, up from 49 days a year ago.
- The average new-vehicle retail transaction price in June is expected to reach \$46,233, up \$1,400 from June 2024. Transaction price as a percentage of MSRP increased to 90.9%, down 0.1 percentage points from a year ago.
- Retail buyers are on pace to spend \$45.0 billion on new vehicles, up \$1.9 billion from June 2024.
- Average incentive spending per unit in June is expected to rise to \$2,727, up \$39 from June 2024. Spending as a percentage of the average MSRP is expected to decrease to 5.4%, down 0.1 percentage points from June 2024.
- Average incentive spending per unit on trucks/SUVs in June is expected to be \$2,902, up \$107 from a year ago, while the average spending on cars is expected to be \$1,904, down \$350 from a year ago.
- Leasing is expected to account for 20.4% of sales this month, down 2.2 percentage points from a year ago.
- The average time a new vehicle remains in the dealer's possession before sale is expected to be 49 days in June, up from 46 days a year ago.
- 32.7% of vehicles sold in less than 10 days in June, up 0.4 percentage points from a year ago.
- Average monthly finance payments are on pace to be \$748, up \$22 from June 2024. The average interest rate for new-vehicle loans is expected to be 6.89%, down 0.08 percentage points from a year ago.
- So far in June, average used-vehicle retail prices are \$29,440, up \$674 from a year ago. Trade-in equity is trending towards \$8,384, which is up \$480 from a year ago.
- 25.1% of trade-ins are expected to carry negative equity this month—an increase of 1.6 percentage points from June 2024.
- Finance loans with terms greater than or equal to 84 months are expected to reach 12.0% of finance sales this month, up 3.0 percentage points from June 2024.

Electrification Outlook

Tyson Jominy, senior vice president of data and analytics at J.D. Power:

“Hybrids are making waves again, setting a monthly record for June with a retail share of 14.1%, up 3.8 percentage points from a year ago. In contrast, EV share has dipped 1.9 percentage points, a notable shift from June 2024 when both technologies were even at 10.3%. Several factors are behind the gains. Hybrids benefit from decades of familiarity, making them an easy purchase by shoppers. Dealers also highlight their value, with some models offering fuel savings that are recouped in less than two years.

“The hybrid surge is also coming from an expanding lineup. U.S. shoppers can choose from 39 models across 10 nameplates, compared with 30 models from only six brands two years ago. Japanese brands continue to dominate how the market has been evolving, particularly Toyota, who leads the pack with 26 models across its namesake brand plus Lexus. Recently entering the hybrid game are Mazda and Subaru. Mazda added a hybrid to its popular compact SUV, CX-50, in Q4 2024, while Subaru launched the hybrid version of compact SUV, Forester, earlier this year. Korean automakers Hyundai and Kia offer four models each.

“While all automakers still have opportunities to electrify their lineups, the biggest untapped potential comes from domestic and European automakers. Domestic offer only five models combined, including Ford’s popular F-150 and Maverick, alongside niche entries like the Chevrolet Corvette E-Ray. European hybrids are currently limited to one trim: Porsche 911 GTS.”

Global Sales Outlook

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

“Global light-vehicle sales in May increased 4.6% year over year to 7.6 million units, with most regions showing growth. The selling rate for May finished at 90.1 million units, down from 91.8 million units in April.

“China, North America and South America were the regions that contributed the most to year-over-year sales increases in May. In China, the fact that the government has extended its scrappage incentives through the end of 2025 helped sales, as did continued tax breaks on new energy vehicles. Meanwhile, North America’s gains were largely fueled by favorable calendar effects, with additional selling days compared with May 2024. On a selling-day-adjusted basis, sales would have declined year over year. In South America, the liberalization of the Argentine market to imported vehicles, combined with falling inflation and reduced taxes, caused sales to surge.

“June sales are expected to decrease 1.2% from June 2024. North America is likely to see a slowdown in sales, as the pull-forward effect of consumers bringing forward purchases to avoid tariffs turns into a payback effect, and manufacturers lower incentives as a means of reducing costs while keeping MSRPs unchanged in many cases. Western Europe is also expected to see year-over-year declines in sales, as weak consumer confidence and a stuttering economy take a toll. On a more positive note, Japan is expected to deliver a strong result, as manufacturers increase vehicle supply to meet a backlog in orders. The global selling rate is projected to reach 89.8 million units, up from a rate of 89.4 million units in June 2024.

“With trade negotiations ongoing between the United States and various countries, there remains a great deal of uncertainty over what the result will be, and how quickly we will start to see deals being made. In the meantime, several regions are likely to see sales slow amid rising prices. Our 2025 global sales forecast stands at 89.7 million units, up 1.1% on 2024 volumes.”

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