



# The 2026 Automotive Landscape: Shifts in Pricing, Value, and Affordability

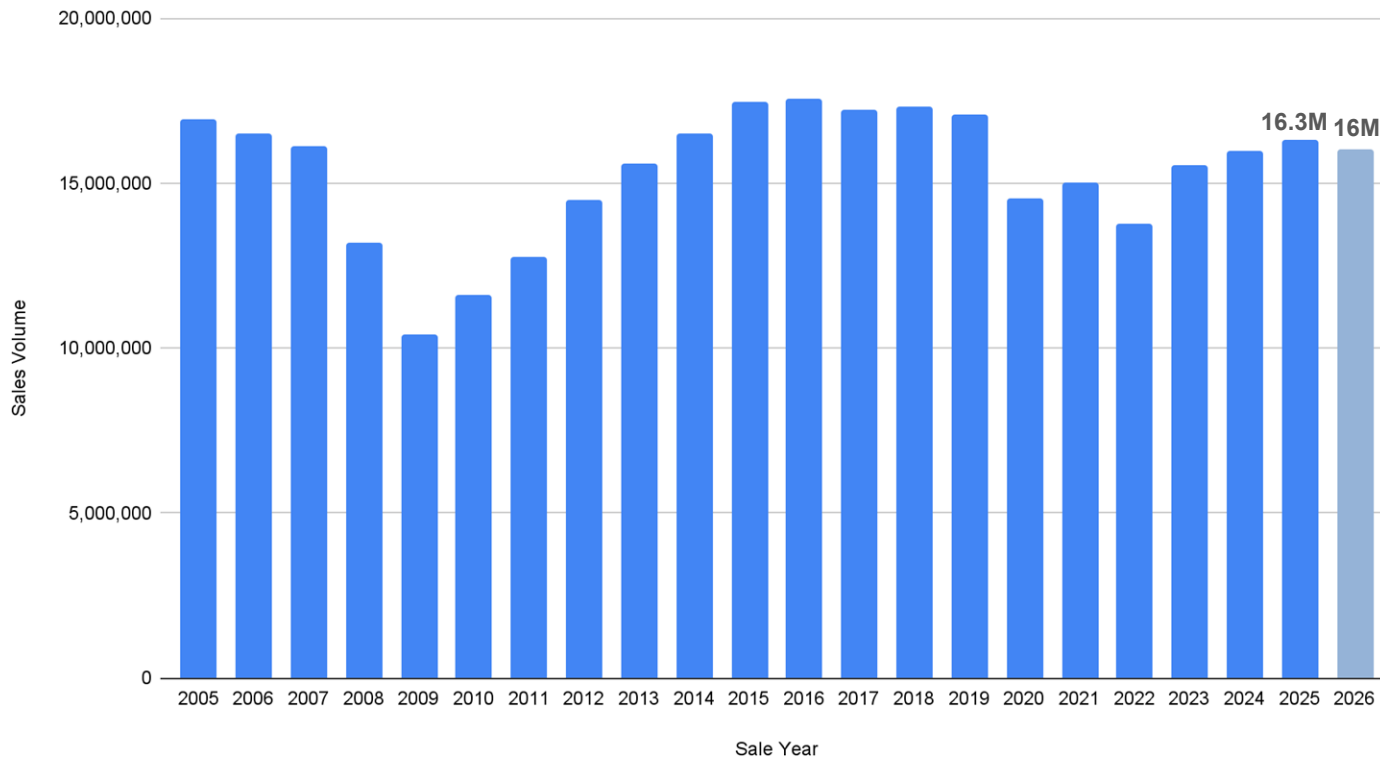


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# 16M new vehicles expected to be sold in 2026



U.S. Annual New-Vehicle Sales, 2005–2026



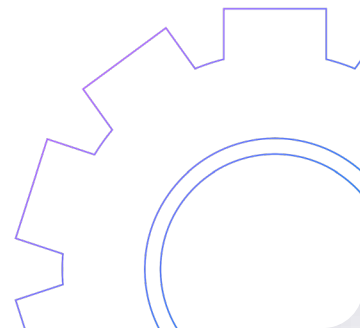
## Pricing Up but Not Dramatic



2.1%

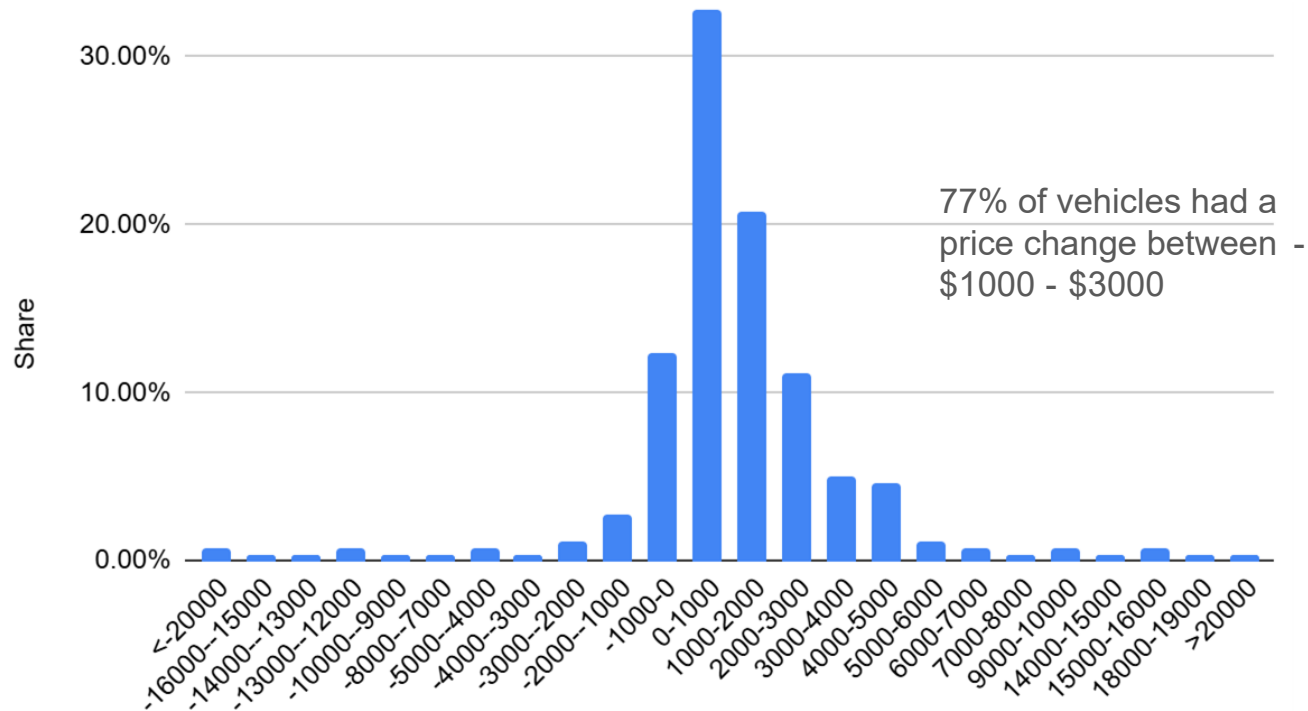
Two small gear icons are positioned to the left of the percentage: a solid colorful gear and an outlined gear with a gradient.

The change in the new vehicle MSRP listings from January 15, 2025 compared to January 15, 2026



# One-Third of Vehicles saw Price Increases Under \$1,000

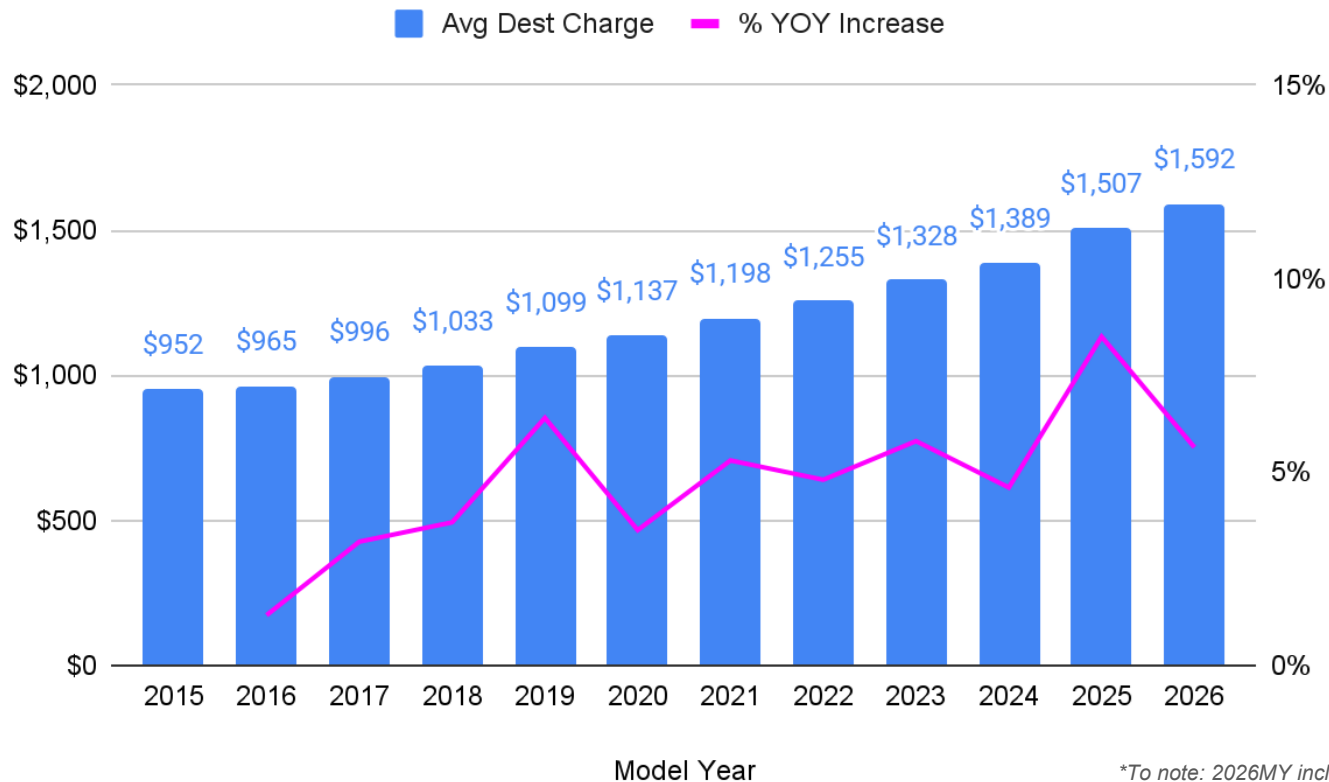
Distribution of MSRP change from 2025MY to 2026 MY



# Sales Side: Levers to Pull

- Vehicles to see contenting changes
- Subsequent model year prices may start to see higher than typical increases, potential 2026 MY MSRP adjustments
- Increase in destination charges
- Promotion/Incentive changes

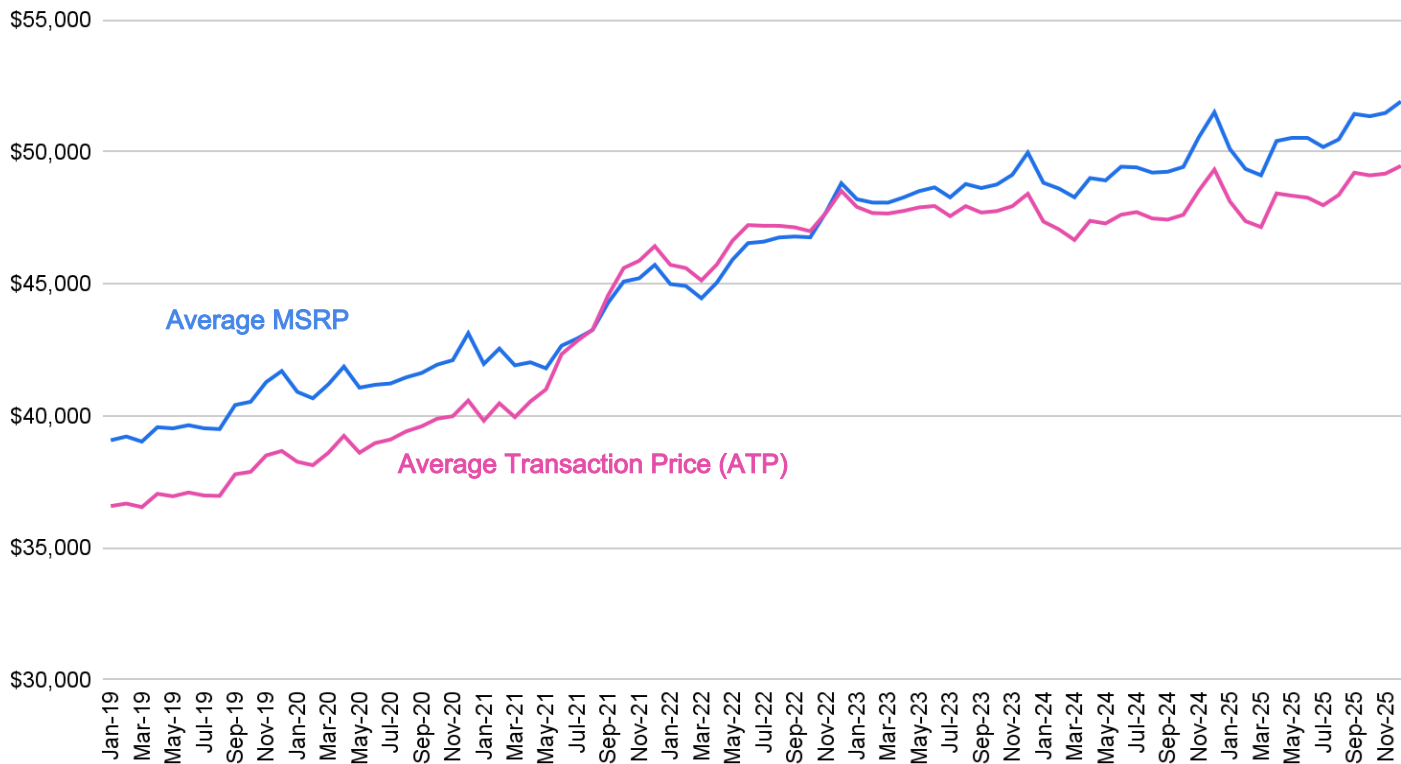
# Destination Charges Continue to Creep Up



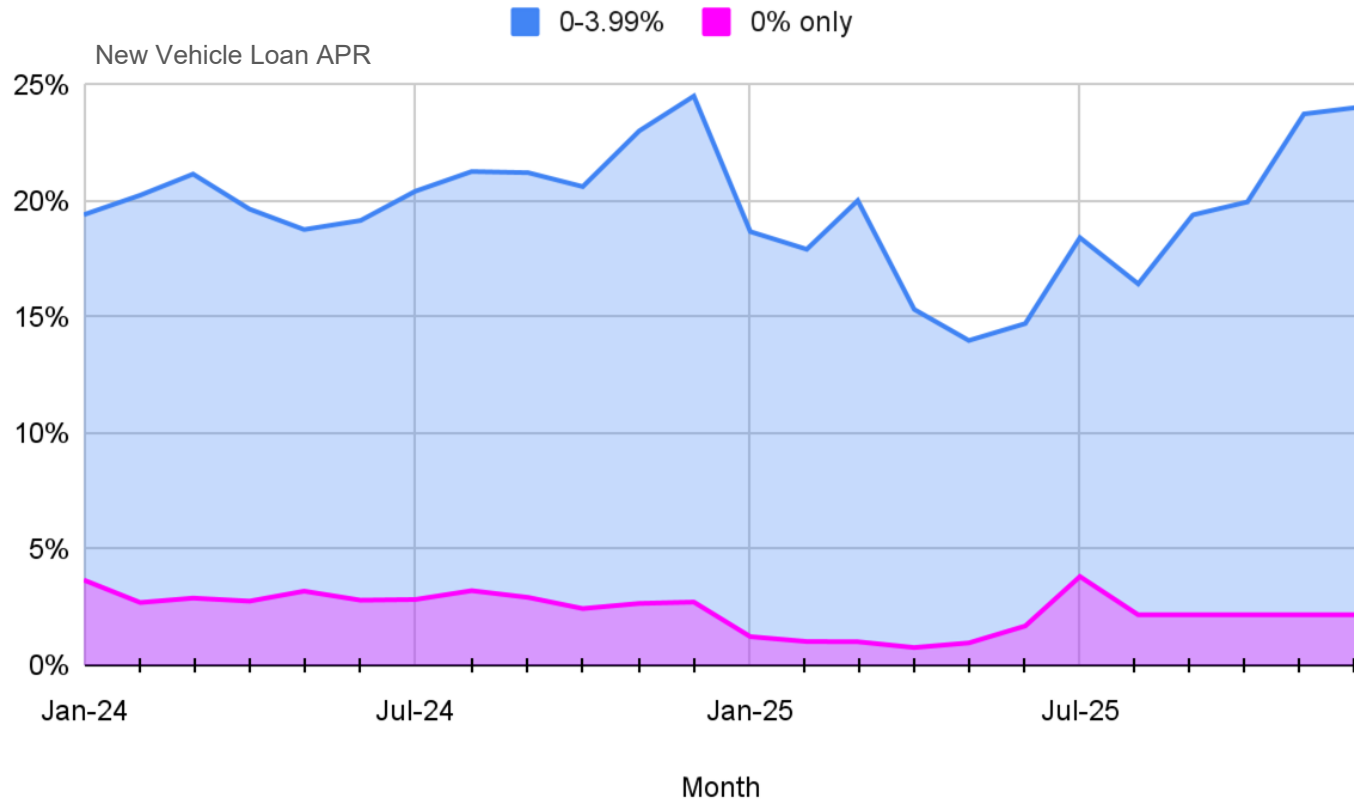
*\*To note: 2026MY includes 277 models, data set not yet complete*

Source: Edmunds

# Gap between MSRP and ATP Widest since Feb 2021



# Low Finance Offers on the Rise



24% of new vehicle loans had an APR of 3.99% or less

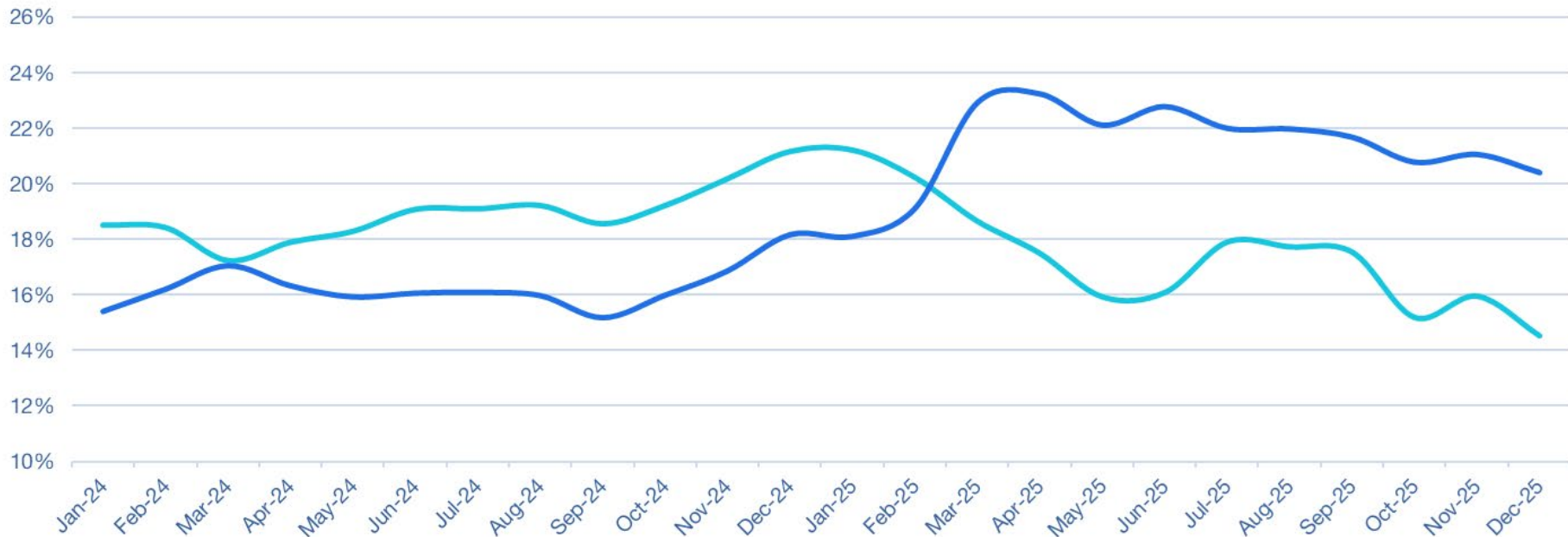


# Used Market Defection Risks

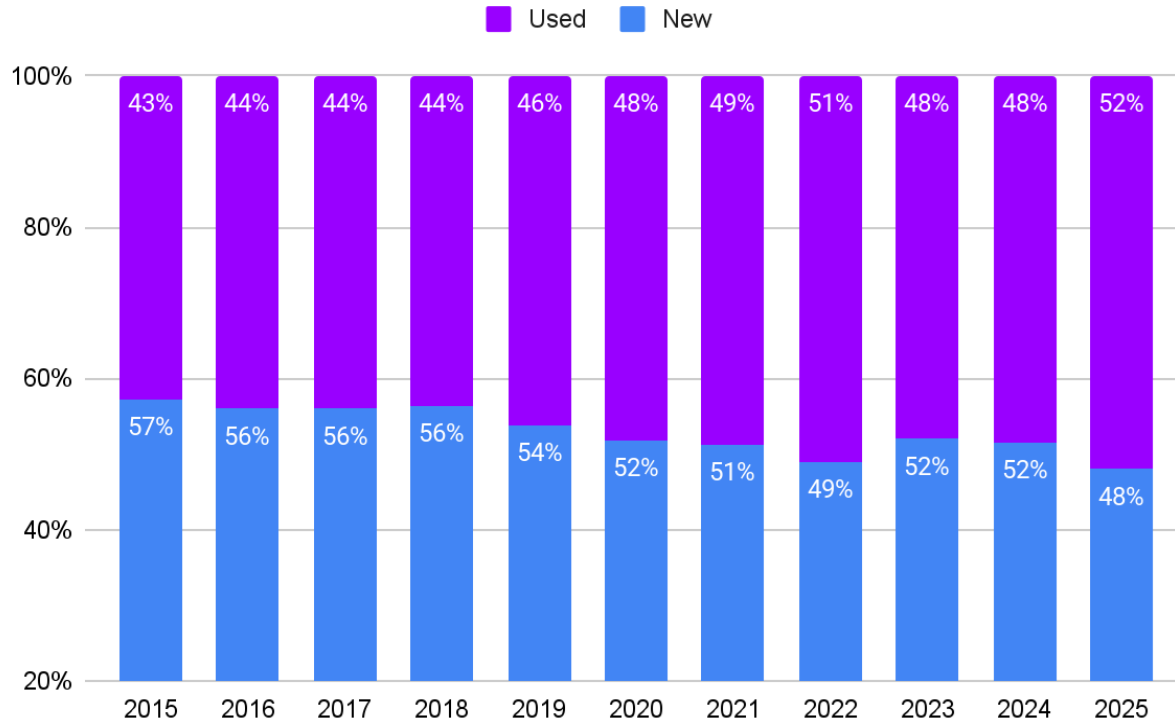
# More New Shoppers looking at Used

## New & Used Cross-Shopping

Used shoppers looking at new    New shoppers looking at used



# More Trade -Ins are going to Used



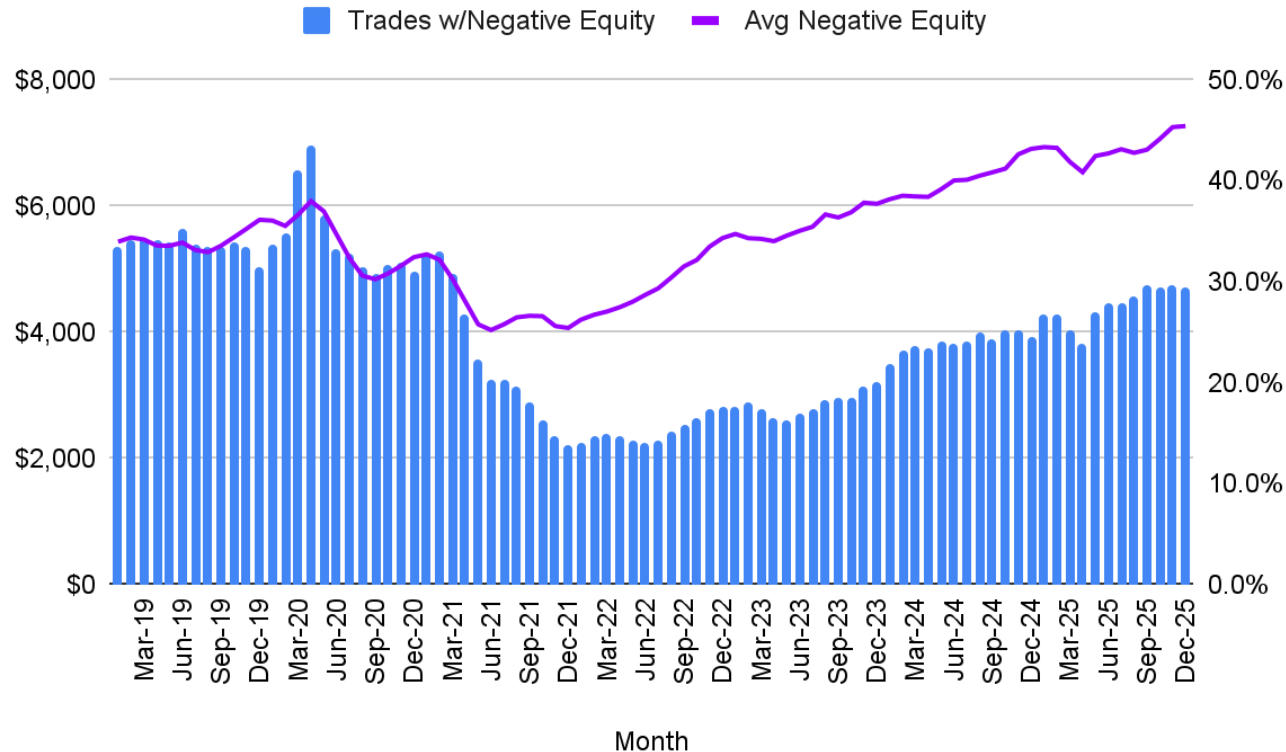
# Near-new Supply Starved of Lease Returns in 2025



Fewer vehicles came off off-lease which tightened the used supply further

This trend will start to ease in 2026

# 29% of Trade -ins Had Negative Equity in Q4 2025

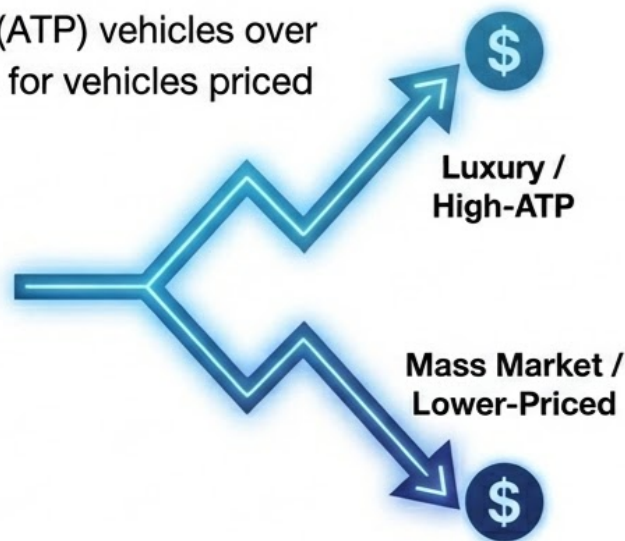


The average amount owed on underwater trade-ins hit an all-time high of \$7,214.

More than one-quarter of upside-down trade-ins (27%) carried \$10,000 or more in negative equity, a record high.

# K Shape Divide Shapes the Industry

- The average days to turn for high-average transaction price (ATP) vehicles over \$70,000 was 61 days — almost identical to the 60-day pace for vehicles priced below \$70,000.
- Luxury shoppers aren't defecting to lower-priced brands. Loyalty remains high, with 64.2% of luxury owners trading in for another luxury vehicle compared to 65.9% in 2024.
- Cars accounted for just 17% of the market, underscoring the continued dominance of SUVs and trucks.
- The once-mighty midsize sedan segment shrank further to just 4.5% share in 2025, down from 5.3% in 2024.





# THANK YOU