

Q4 2025 CarEdge Car-Buying Index

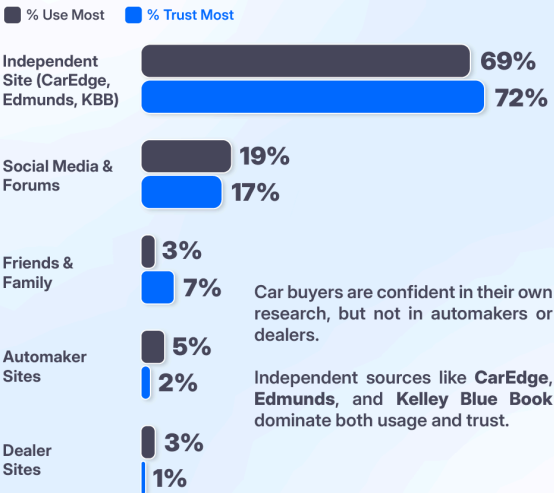
Underscores Worsening Affordability Crisis

The CarEdge Car-Buying Index (CCBI) measures consumer sentiment in the automotive market to gauge consumers' attitudes toward car-buying. Based on responses from over 450 car shoppers, our latest survey for Q4 2025 reveals worsening conditions for car buyers. While affordability challenges continue to plague car buyers, rising distrust of dealerships and automakers signals a fundamental breakdown of key relationships within the automotive sector.

CarEdge's first survey in October 2025 report revealed alarming trends in buyers' affordability struggles and a lack of trust, yet a persistent buyer intent shone through. More recent data confirms that these conditions endure. Affordability sentiment ranks as the lowest-scoring category, and trust in dealers remains at a near-record low.

As of Q4 2025, the headline CCBI stands at 82.5, nearly nine percentage points lower than October's. Indicative of the sharp decrease in four of the five indices, this index reflects a combination of factors, including a **lack of affordability, declining trust in dealerships and automakers**, and **waning confidence in electric vehicle (EV) and research confidence**. Nevertheless, buyer intent remains resilient despite perceived market conditions.

Where Car Buyers Turn for Research, and Who They Trust Most



What the Index Reveals — Five Key Findings

Affordability & Conditions Index: Cost-Prohibitive Conditions Persist

Among the five sub-indices that contextualize car buyer sentiment, **the Affordability & Conditions Index ranks the lowest at 73.4**, yet only half a percentage point lower than the Trust & Transparency Index. This figure aligns with four out of five consumers' perceptions that

cars are less affordable now than they were just one year ago. At nearly 10% higher than October 2025's report, these responses also indicate that affordability remains a significant barrier to entry, particularly for buyers with tight budgets.

Such affordability concerns extend across automakers and even to their base models and entry-level trims. While manufacturers bank on profits from premium models equipped with higher-end features, they foster conditions that effectively edge out car buyers seeking lower-cost options. Yet, when budget-constrained prospective buyers prioritize their finances, striking a deal depends largely on the numbers, not on how many USB ports there are or which advanced features come standard.

Expectations Index: Finances Ebb and Flow, But EV Remains Unchanged

The Expectations Index dipped to 85.5 in the final months of 2025, down more than 10 percentage points from October 2025's data. Despite the end of federal tax credits for EV purchases (as of September 30), car buyers' responses regarding EV considerations aren't moving the dial. Instead, forecasts regarding household finances over the next 12 months have diversified.

The most recent data shows that **34% of respondents believe they'll be better off, 38% expect finances to remain the same, and 28% foresee worse conditions.** Compare that with October's responses, which revealed that 21% said they'd be better off and 63% felt they'd be in the same financial boat. This reveals that even a few months can significantly affect how consumers perceive their financial futures.

Trust & Transparency Index: Increasing Distrust Redefines Negotiations

At 73.9, the Trust & Transparency Index drags down car buyer sentiment alongside the Affordability & Conditions Index. Down 12 percentage points from October 2025—the **largest decline among the five sub-indices**—this sub-index shows near-record-low levels of trust. In short, **only 2% of consumers trust car dealers to treat them fairly.**

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Just **2%** of consumers trust car dealers to treat them fairly.

 CarEdge

Buying Intent Index: Transportation Needs Demand Timely Action

In contrast to the other four sub-indices, the Buying Intent Index only dropped 0.1 percentage point from October's 93.4. While buyer intent remains remarkably stable despite worsening sentiments, the measure likely remains elevated due to Americans' reliance on cars for transportation. In effect, prospective buyers forced to make a purchase must do so before time runs out, whether or not that timing or the conditions that contribute to it are within their control.

At the data level, much remains unchanged from October 2025. Response percentages varied by only one or two points across various touchpoints. Car buyers somewhat likely to buy or lease in the next six months increased to nearly a third (32%), while combined buying interest increased by only a single percentage point to 59%.

Research Confidence Index: Informed Buyers Seek Peer & Pro Advice

At 93.9—the highest among all sub-indices—the Research Confidence Index remains closest to neutral. Declining trust in automakers and dealers has led consumers to seek information and advice elsewhere. Independent sites like CarEdge, Edmunds, and Kelley Blue Book (KBB) remain trusted sources for those looking to approach their next car purchase with confidence.

Confidence among those who believe their research is accurate and unbiased has increased since October. However, the percentage of respondents who didn't feel confident also rose, from 14% to 20%. Although a variety of factors certainly contribute to this, the widespread use of popular AI chatbots and the accompanying conversations about accuracy and bias may shed light on this increased lack of confidence.



Ray Shefska, Industry Veteran and
CarEdge Co-Founder

Nearly 99% of respondents don't trust car dealers to treat them fairly. That's not a small problem — it's a warning flare for the entire industry. Dealers have spent decades eroding consumer trust, and the result is what you see here. This number should be a wake-up call for both dealers and manufacturers:
the way we sell cars has to change.



What the CCBI Reveals About the Market

Dwindling Affordable Options Push Consumers to Their Breaking Point

There's no more telling sign of the lack of affordability in the auto market than the decline in respondents who felt affordability remained the same as last year. October 2025's report indicated that nearly a quarter (22%) felt conditions had stayed the same. Yet that number has almost halved over the last few months, reaching 13% by the end of 2025.

On a more granular level, car buyers indicate a similarly declining satisfaction with the availability of vehicles within their price range. Two-thirds (66%) were not satisfied with the options available to them within their considered price range. Interestingly, when comparing these numbers to October's, the 17% increase in dissatisfaction mirrors the exact decrease among car buyers who are somewhat satisfied with model availability (17%), meaning only about **a quarter of respondents (26%) feel satisfied with the options available within their price range.**

Lacking Tax Incentive, EV Considerations Remain Stagnant

For many on the fence about electric vehicles, federal tax credits served as a financial catalyst for going green. However, with the expiration of these tax benefits this fall, the bulk of marketing for these alternative-fueled vehicles fell solely on automakers' shoulders. Yet, as many brands raced to meet what they considered to be unsatisfied yet growing demand, a significant portion of consumers did not show corresponding interest.

Seven out of 10 respondents said they're not considering an EV or plug-in hybrid in the next year, one percentage point more than those who responded in October 2025. Just over one in five said they may possibly consider it, but less than 10% said it's very likely they will. Again, these numbers remain statistically unchanged from a few months ago.

When you consider the EV market as part of the larger auto industry, it's important to remember that for many buyers, these eco-friendly alternatives were effectively positioned as luxury vehicles. Upfront costs like chargers, lifestyle changes due to range restrictions, and uncharted territory regarding automaker support for burgeoning battery technologies were hard to mesh with the rigors of daily commutes, family road trips, and everyday applications. Although EVs have become more affordable and widely available, many remain skeptical of their real-world benefits.

Research Confidence Remains Closest to Neutral

Among the research sources most used by car buyers, independent sites like CarEdge account for the lion's share, both in October and in the last months of 2025. Many of these

same sites reach audiences via social media and forums, which take second place at 20% in Q4 2025, up from 15% in October. While the use of automaker and dealer sites didn't change, those who relied on family members and friends as a resource increased by one percentage point to 3%.

Independent sites also comprised the majority of sources most trusted by consumers in the last months of 2025. Social media and forums gained trust, but the most notable shift was the rise of family and friends to the third spot, at 7%, ahead of automakers (2%) and dealers (1%). These numbers likely indicate a prioritization of advice from those closest to respondents over information from automakers and dealers, further reinforcing car buyers' mistrust of the latter.

Buyer Intent Stable Despite Strong Headwinds

Although 41% of consumers said they're not likely to buy or lease in the next six months, buyer intent among the remaining 59% indicates prevailing pent-up demand. Those most likely to purchase or lease a new vehicle comprised 47% of respondents, slightly lower than October's 51%. Car buyers interested in the used market remained stable, while those shopping both options increased to 24% from 20%.

Several factors likely contribute to these shifts in consumer demand, including limited inventory, automakers' shift toward more profitable trim levels, and elevated interest rates. Previous shortages in new inventory (rippling and lasting effects of the pandemic) introduced buyers to the benefits of financing leftover stock—aging, yet still new. Dealers also often incentivize outgoing models, allowing consumers to maximize their savings while settling for most of the latest features.

How the CCBI Is Calculated

The CarEdge Car-Buying Index (CCBI) represents a repeatable, unbiased measure of consumer sentiment regarding the automotive market. Developed by CarEdge's Justin Fischer and Steve Saed, the CCBI draws inspiration from the framework of the University of Michigan's Consumer Sentiment Index, which tracks broader economic confidence.

The inaugural baseline survey, conducted in October 2025, collected responses from 1,048 participants drawn from CarEdge's audience of 370,000 weekly newsletter subscribers. The subsequent Q4 2025 survey collected responses from 453 participants via email in December 2025. Both surveys consisted of 14 standardized multiple-choice questions covering current conditions, future expectations, trust, research confidence, and purchase intent.

Each scored question uses a simple framework:

- Positive responses receive +1
- Neutral responses receive 0
- Negative responses receive -1

These scores are then converted to a 50-150 scale, where 100 represents neutral sentiment. Scores above 100 indicate optimism, while scores below 100 indicate pessimism.

The headline CCBI weighs responses strategically: 60% (the majority) comes from Current Conditions and Core Expectations, or the immediate realities buyers face; 40% (the minority) comes from Trust & Transparency, Research Confidence, and Buying Intent, or the softer factors that shape behavior. Sub-indices track sentiment within specific categories, enabling deeper analysis of factors driving overall sentiment.

The October 2025 release establishes the baseline. Moving forward, CarEdge will conduct the CCBI during the last week of each month, publishing results shortly thereafter.

Month-over-month comparisons enable deeper analysis of how sentiment shifts and responds to factors such as interest rate changes, new model launches, seasonal patterns, economic news, and policy developments. The methodology used is fully transparent with no editorial adjustments to the data. When citing the CCBI externally, CarEdge must be cited as the primary source.

Appendix: Complete Survey Data and Analysis

Survey Overview

Sample size: 453 respondents

Survey period: November 20 - December 10, 2025

Sample source: CarEdge newsletter audience (370,000 weekly subscribers)

Survey format: Multiple-choice questionnaire

Headline CCBI and Sub-Indices

Headline CCBI (Q4 2025): 82.5

- Below the neutral baseline of 100 and the October 2025 index, indicating downward-trending pessimistic overall sentiment
- Core block (60% weight): 79.5 — Average of Current Conditions & Core Expectations
- Other block (40% weight): 87.0 — Average of Trust & Transparency, Research Confidence, and Buying Intent

Sub-Indices (50-150 scale; 100 = neutral)

- **Affordability & Conditions:** 73.4—Prices and availability challenges are worsening.
- **Expectations:** 85.5—Consumer outlooks worsened sharply late in the year.
- **Trust & Transparency:** 73.9—Trust in automakers and dealers has weakened further.
- **Research Confidence:** 93.9—The CarEdge audience remains confident about their research.
- **Buying Intent:** 93.3—59% of respondents plan to buy a car soon, unchanged from October.

Complete Survey Questions and Responses

Current Conditions

Q1. Compared to a year ago, is your household's financial situation:

Better: 24%

About the same: 54%

Worse: 22%

Q2. Compared to a year ago, how affordable do you feel vehicles are today?

More affordable: 5%

About the same: 13%

Less affordable: 82%

Q3. How satisfied are you with the availability of vehicles in your price range?

Very satisfied: 8%

Somewhat satisfied: 26%

Not satisfied: 66%

Expectations

Q4. Looking ahead 12 months, do you expect your household's financial situation to be:

Better: 34%

About the same: 38%

Worse: 28%

Q5. Do you think the next 12 months will be a good or bad time to buy a vehicle?

Good time: 24%

Neutral: 33%

Bad time: 43%

Q6. Do you see yourself considering an electric vehicle or plug-in hybrid vehicle in the next 12 months?

Yes, very likely: 9%

Possibly: 20%

No, not at all: 71%

Trust & Confidence

Q7. How much do you trust automakers to treat consumers fairly?

High trust: 2%

Neutral: 28%

Low trust: 70%

Q8. How much do you trust dealerships to treat consumers fairly?

High trust: 2%

Neutral: 24%

Low trust: 74%

Q9. How confident are you that you can complete a purchase without paying for unwanted extras or fees?

Very confident: 18%

Somewhat confident: 53%

Not confident: 29%

Research Confidence

Q10. How confident are you that the information you find when researching cars is accurate and unbiased?

Very confident: 19%

Somewhat confident: 61%

Not confident: 20%

Q11. Which source do you turn to most when researching vehicles before buying?

Independent sites: 69%

Dealer websites: 3%

Automaker websites: 5%

Social media and forums: 19%

Friends and family: 4%

Q12. Which source do you trust most for transparent, unbiased information?

Independent sites: 72%

Dealer websites: 1%

Automaker websites: 2%

Social media and forums: 17%

Friends and family: 8%

Buying Intent

Q13. How likely are you to purchase or lease a vehicle in the next 6 months?

Very likely: 27%

Somewhat likely: 32%

Not likely: 41%

Q14. What type of vehicle are you most likely to purchase or lease?

New vehicle: 47%

Used vehicle: 29%

Unsure: 24%