2026 Dealership Facts and Figures

An overview of where things stand in the auto industry for the nine months ending September 30, 2026.

- Overall, year to date total sales have declined compared to 2025 by 1.5%.
- Average price of new units exceeds $52,000.
- Inventory levels are uneven and dependent on the manufacturer.
- Tariffs have increased vehicle prices for certain brands.
- Interest rates remain elevated, affecting both dealers and consumers.
- Inflation continues at higher than preferred levels.

Survey Data

The following results are derived from our compilation of information from our dealer client financial statements for the nine months ending September 30, 2026, as compared to the same period ending September 30, 2025.

Profitability Continues to Decline

- 65% of dealers reported a drop in net income.
- Foreign brands appear to be harder hit than domestic.

Dealership Sales Remain Flat

- It was an even split (50/50) between dealerships that reported total sales increases and those that reported sales decreases.

Expense Comparison

- **Variable** – As we would expect with declines in sales and squeezed margins on retail unit sales, commissions paid to sales staff has decreased. Nearly ***60%*** of dealerships reported a drop in the variable expense category.
- **Personnel** – Salaries and wages, as well as benefit costs continue to rise even with dealer profitability shrinking. As a niche industry, it is increasingly difficult for dealers to find qualified employees. As such, staff wages continue to rise.
- **Semi Fixed** - This category allows dealers some control over their expenditures. ***60%*** of dealers saw expenses decrease. Until recently, interest rates declined from the levels seen throughout last year. This has helped to reduce costs in this category as well as tighter controls on advertising and overall spending.
- **Fixed** – Inflationary pressures continue to cause fixed expenses to rise. Over ***73%*** of dealers reported an increase in this category.

Summary

With dealership sales showing little overall growth and expenses rising, it is no surprise that a majority of dealers are seeing their profits shrink. Dealers will need to pay special attention to margins and dealership expenses in order to achieve acceptable profit levels.

If you have any questions regarding this article, please contact Charlie Paolino at CPaolino@DowneyCoCPA.com or at 800-849-6022.