How Aged Inventory Quietly Drains Your Front-End Gross

by JAKE RENNER, Vice President of Marketing, ACV Auctions

The new vehicle market is softening. Cox Automotive projects new vehicle sales in the U.S. will fall 2.4% in 2026 to approximately 15.8 million units, driven by affordability headwinds, tariff-driven price increases, and the expiration of federal EV incentives. When new car traffic slows, dealers lean harder on used, and that's exactly when disciplined used car operations separate the profitable stores from the ones chasing their tails.

The problem is that most dealers already have a margin leak hiding in plain sight — aged inventory.

WHAT SITTING UNITS ARE ACTUALLY COSTING YOU

Every vehicle on your lot that hasn't sold is burning money. Industry data puts average used vehicle holding costs at $50-$85 per day when you factor in floorplan interest, insurance, depreciation, and facility overhead. According to WardsAuto, the average turn time has climbed to over 50 days — that's a 23% increase from 2023.

Run the math. At $65 per day, a unit sitting for 50 days costs you $3,250 before you've written a deal. That's money coming directly out of your front-end. On a used vehicle where your target gross might be $2,500-$3,500, you're essentially working to break even.

THE FIX STARTS BEFORE THE VEHICLE HITS YOUR LOT

The most durable solution to aged inventory isn't aggressive repricing or running units through a physical auction every 90 days. It's smarter acquisition and more precise pricing from day one.

The dealers consistently protecting front-end gross are sourcing with the end in mind, they're not buying based on gut instinct or what they paid last quarter. They're evaluating each vehicle against live market data, actual condition, and their own store's historical performance.

Pricing works the same way. Setting your ask based on outdated market averages is a recipe for aged inventory. Pricing to your store's actual demand curve, accounting for condition, competition, and what buyers in your market are paying right now keeps units moving.

WHEN YOU NEED TO WHOLESALE: SPEED = GROSS

Even the best run stores end up with inventory that doesn't fit. When it's time to wholesale, the instinct to run units through a traditional physical auction is understandable, but a 14-day auction cycle on a unit already costing you $65 a day is an expensive habit. A 48-hour digital auction delivers the same competitive bidding environment without the waiting, the transport risk, or the holding cost bleed.

HOW ACV HELPS

ACV MAX gives dealers sourcing and pricing intelligence built for exactly this kind of disciplined approach — live market data, condition-adjusted valuations, and store-level performance insights that help you buy right and price right from acquisition through retail.

Moreover, when it's time to move units that don't fit your strategy, ACV's Guaranteed Sale puts your inventory in front of 10+ active bidders per vehicle, giving you real competitive demand with a guaranteed floor. No risk, all the money, and a timeline that doesn't cost you another week of holding costs.

In a softer market, the dealers who win aren't the ones reacting fastest. They're the ones operating with the most discipline, and that starts with never letting the clock run against you. nj car

For more information, please visit our website at acvauctions.com or contact us at (732) 908-0221 | jsatkowski@acvauctions.com.