

Used Car Market: Dealerships vs. Private

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Goals

To determine the proportion of used cars that are sold via private transactions (client-to-client) vs. licensed dealerships in the United States.

Early Findings

Sales of Used Cars

- Several sources have placed the total sales of used cars in the United States at around [40 - 41 million](#) units per year.
- According to Statista, a total of [39.3 million](#) used cars were sold in the US in 2020.
- Cox Automotive, a leading market intelligence firm, estimates that a total of [41 million](#) cars were sold between April 2020 and April 2021. The entire sum accounts for both private vehicle sales and vehicles sold via dealerships.
- Licensed dealerships, which includes both franchised and independent firms, sold [22.4 million](#) used vehicles between April 2020 and April 2021. Private transactions accounted for the rest, totaling [18.6 million units](#).

Calculations

- Number of private transactions: [18.6 million](#) units or 45% of the entire used vehicle market (18.6 million/41 million).
- Number of licensed dealership transactions: [22.4 million units](#) or 55% of the entire used vehicle market (22.4 million/41 million).
- The current ratio of private transactions to licensed dealership transactions in the US used vehicle market is 9:11, with licensed dealership transactions being the majority.