

MONTHLY INTELLIGENCE REPORT

Protect the Deal. Keep the Customer.

September's retail shifts: tighter margins, changing credit rules, wholesale consolidation, dealer expansion and the next wave of dealership technology.



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Dealers **thrive** here.™

01 Industry At Large

[inference] Resilient demand masks affordability and margin pressures, reshaping inventory acquisition, deal structure and customer retention.

- 01 Volume and pace diverged.** August sales fell 5.6% to 1.4 million, while the adjusted annual rate reached 16.8 million. Retail declined 7.7%; fleet rose 7.5%. (AN, Sept. 7, p. 4; GlobalData/Motor Intelligence.)
- 02 Affordability worsened.** August's average new-vehicle price reached \$50,089; borrowers financed \$44,658 over 70.4 months. Negative equity affected 30% of Q2 trade-ins, averaging \$6,884. (AN, Sept. 21, pp. 10, 14, 22; KBB/Edmunds.)
- 03 Credit available, borrowers stressed.** Dealertrack's July availability index reached 105, up 6.9% year over year; 5.5% of auto debt was 90-plus days delinquent in Q2. (AN, Sept. 7, pp. 26–27; Cox/New York Fed.)
- 04 Inventory mix matters.** September opened with 73 days' supply overall, 64 for hybrids and 114 for diesels. Diesel hit \$6.51/gallon Sept. 24, pressuring truck demand. (AN, Sept. 14, p. 9; Sept. 28, pp. 1, 27.)
- 05 CPO winners diverged.** Sales fell 2.2% through July; Ford gained 23% and Honda 7%. Broader certification and enhanced warranties helped winners compete on affordability. (AN, Sept. 21, p. 10.)
- 06 Lower margins, active buy-sell.** Q2 new-vehicle gross profit averaged \$1,840, down nearly 14%. Yet 139 rooftops changed hands, up 6.9%, across 92 transactions. (AN, Sept. 7, p. 37; Sept. 28, p. 26; Presidio–NCM/AN.)
- 07 Wholesale consolidation.** Copart's announced \$1.9 billion ACV purchase would combine physical facilities with digital remarketing. ACV would retain leadership; closing was expected by year-end. (AN, Sept. 21, pp. 10, 22.)
- 08 F&I tax clarification.** Sept. 8 IRS final rules include interest on qualifying financed protection products and fees, excluding rolled-in negative equity. (AN, Sept. 21, pp. 14, 22.)
- 09 Subprime disclosures expand.** Credit Acceptance's \$709.5 million, 40-state settlement adds optional-product disclosures and a 109%-of-book-value vehicle price cap for sub-600 borrowers. The total includes debt forgiveness; no wrongdoing admitted. (AN, Sept. 28, pp. 8, 28.)
- 10 OEM plans shift.** Honda targets up to 25 Sun Belt open points. Stellantis supplier timing moved Grand Wagoneer EREV production to November and Ram 1500 REV to April 2027. (AN, Sept. 21, pp. 3, 30; Sept. 7, p. 3.)

02 Dealer Group Intelligence

Automotive News, supplemented by releases, filings, advisory searches and other reporting. Prior-period context and pending transactions are labeled.

AutoNation

Service + sourcing. Management described maintenance scans and AI for appointments, parts, collections and billing. Trade-ins supply at least half of used inventory; direct-buy contributes 30–40%. Management said inventory imbalances were corrected by September.

[Management conference · Sept. 17](#)

Lithia & Driveway

Texas expansion. Rockwall Hyundai adds an estimated \$75 million in annualized revenue and deepens Dallas–Fort Worth coverage. Year-to-date annualized acquired revenue reached \$915 million; no closing date was specified.

[Lithia release · Sept. 8](#)

Group 1

Atlanta concentration. The planned \$1.3 billion Hennessy purchase adds 10 stores; 75% of target revenue is luxury. September's \$1,250.0 million note offering closed; the acquisition remained pending. Smaller-store dispositions would reduce debt.

[AN · Sept. 7, p. 10; Group 1 · Sept. 22](#)

Penske

European distribution. Penske-Jacobs Innovation signed Xiaomi German dealer MoUs covering retail and service. The partnerships support Xiaomi's planned 2027 European entry; no U.S. launch was announced.

[Xiaomi · Sept. 3; AN · Sept. 14, p. 3](#)

Asbury

Fixed-ops capacity. Expanded Medford Toyota has 37 service bays, nearly triple former capacity, with room for nearly 37 more. Parking exceeds 570 vehicles; redevelopment created about 50 jobs.

[Citybiz · Sept. 25](#)

Sonic

Network execution. Powersports sold 1,135 Sturgis motorcycles, including 511 new Harley-Davidsons. Over 550 teammates supported five locations and 1,200-plus staged units. The national powersports network spans 20 rooftops, distinct from auto retail.

[Sonic release · Sept. 9](#)

02

Private & Affiliated Networks

Hendrick

Northlake expansion. September's Land Rover opening completes a six-luxury-franchise campus. Three additions created 126 jobs; service capacity exceeds 160 bays. The separate 80-bay collision center opened in May.

[Hendrick release](#) · Sept. 1

Berkshire Hathaway Automotive

Q2 baseline. Automotive pre-tax earnings rose 5.1%, primarily from service contracts; first-half parts/service/repair revenue was flat. The filing describes more than 80 dealerships.

[Parent 10-Q](#) · Aug. 10, p. 45

Morgan Auto

Fraud controls. Justin Buzzell described multi-vendor training, groupwide fraud alerts and revised procedures. Related reporting warns against uploading customer data to public AI.

[AN](#) · Sept. 7, p. 18

Larry H. Miller

Asbury-owned network. September trade, newsroom, filing and advisory checks yielded no separate operating update. Ownership dates to December 2021; holding-company news is excluded.

[AN ownership report](#) · Dec. 17, 2021

Other Noteworthy

Walser: Completed the purchase of Freeway Ford, Metropolitan Ford and Suburban Chevrolet from the Grossman family, expanding Minnesota coverage.

[Walser](#) · Sept. 23

Carvana + LaFontaine: Carvana's seven Stellantis stores combine lean staffing and national logistics. LaFontaine enrolled 40 stores with Amazon Autos in August.

[AN](#) · Sept. 7, pp. 1, 37

DARCARS: Two New York stores agreed to at least \$1.9 million in penalties/restitution over alleged commissions/add-ons, without admitting or denying allegations.

[AN](#) · Sept. 28, p. 15

03

Broader Retail Trends

CDK: predictive service goes live

CDK's U.S. release uses repair history and vehicle data to suggest inspection points. Dealers enable it in Service settings; benefits are vendor claims. [CDK, Sept. 18.](#)

Tekion: AI roles and embedded banking

Tekion unveiled T1 Pro, Salesperson AI, F&I Manager AI and Accounts Payable AI without availability dates. Separately, Spend targets Q4 U.S. ARC deployment for banking/payment reconciliation. [Sept. 16; corrected Sept. 25 release.](#)

Reynolds: connected data, mobile work

Its roadmap connects Curator profiles to FOCUS CRM, mobile advisor/technician workflows and Rey/Spark AI. The recap establishes direction, not release dates. [Reynolds, Sept. 23.](#)

Dealer-built AI challenges vendors

Only 9% of AI-using dealers reported bottom-line improvement versus 51% expecting it, per Cox. World Hyundai/Kia's Scott Falcone built 19 tools, including ownership-cost and warranty-claims modeling. (AN, Sept. 14, pp. 14, 22.)

Call automation: continuity risk is real

Toma ended voice scheduling Aug. 31, per its dealer email; Don Johnson Auto Group switched to Pam. McKinsey forecasts consolidation beginning in 2027. (AN, Sept. 14, pp. 14, 16.)

Service search needs local expertise

Jim Keras Automotive's marketing director said service pages occupy four of its top 10 organic-traffic positions after technician-led content. Modern Automotive dedicated staff to SEO/content. (AN, Sept. 14, pp. 10, 16.)

Recruiting gets a shared infrastructure

ASE Connects links dealers, schools and technician candidates; access is free through 2026. Dalton Motors rewards master technicians with company vehicles to support recruiting. (AN, Sept. 14, p. 10; Sept. 28, p. 14.)

Warranty reimbursement dispute advances

Illinois' board finalized its VW/Audi ruling Sept. 10: warranty cost-recovery surcharges violated state franchise law. VW had 35 days to appeal. (AN, Sept. 28, pp. 14–15.)

04

The Solera Opportunity

Marketing & Websites

[inference] Audit offer consistency across [AutoPoint Marketing](#) and [DealerFire](#). Build locally specific service content; track qualified appointments, not traffic alone.

CRM

[inference] Demonstrate [CRM by Solera \(DealerSocket\)](#) against the AI results gap: response, appointment, show, close and manager follow-through.

Fixed Ops

[inference] Connect capacity and technician constraints to [Service Suite](#) inspections, approvals and transportation. Measure work completed, not simply slots booked.

Dealer Ops

[inference] Use consolidation and tighter deal controls to examine [Auto/Mate](#), Inventory+ and [Titling](#) handoffs: acquisition, reconditioning, documents and payment reconciliation.

[inference] Connect workflows through the Solera Cloud OS/AI Engine story, subject to actual configuration. No automatic compliance or guaranteed ROI.

05

What to Watch in October

OCTOBER

FTC pricing FAQs: review mandatory dealer charges and advertised offers with counsel.
[FTC](#) · Sept. 15

OCTOBER 1

California CARS Act takes effect; confirm covered transactions, disclosures and cancellation procedures.
[California DMV](#)

OCTOBER 20

AN Canada Retail Forum: AI, Chinese entrants and dealership M&A.
[Automotive News](#) · Sept. 24

OCTOBER 21

Lithia Q3 results; 10 a.m. ET call. Watch inventory and acquisition execution.
[Lithia](#) · Sept. 29

Q4 ROLLOUT

Tekion Spend: verify actual availability, bank terms and accounting controls as deployment begins.
[Business Wire](#) · Sept. 25




 Sales

 Service & Parts

 Finance

 Back Office

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NEXT ISSUE · NOVEMBER 2026

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NEXT ISSUE

November 2026

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