

Why Americans Are Choosing Certified Pre-Owned Cars in 2023



By Tony Rached

Appraiser Blog

Why Americans Are Choosing Certified Pre-Owned Cars in 2023

Thursday, July 20, 2023.

In the dynamic landscape of the automotive industry, a remarkable trend has emerged: Americans are increasingly opting for Certified Pre-Owned (CPO) cars in 2023. Not only are CPO loans more accessible than ever before, but the availability of CPO cars has also significantly improved. This blog post explores the factors behind this surge, shedding light on the advantages that CPO cars offer to discerning buyers.



CPO Sales on the Rise

According to recent data from Cox Automotive, CPO sales have experienced a substantial 8.4% increase in June 2023 when compared to the same period last year. The upward trajectory of CPO sales has persisted throughout the first half of the year, with a noteworthy 6.4% growth from January to June, compared to the previous year. This notable upswing indicates a growing preference among American consumers for certified pre-owned vehicles.

Easier Access to CPO Loans

One of the key contributors to the surge in CPO car purchases is the improved accessibility of CPO loans. Notably, credit access has seen a general improvement across all loan types. However, obtaining financing for certified used cars has witnessed more significant loosening compared to new or other used car categories.

Appraiser Blog

Chris Frey, Senior Manager of Economic and Industry Insights at Cox Automotive, highlights the appeal of CPO cars for consumers with good credit. In a time when affording a brand-new vehicle might pose a challenge, opting for a CPO car offers an attractive alternative. Buyers can secure nearly new vehicles at substantially better interest rates, making CPOs an enticing prospect in the used car market.

Inventory Recovery and Certification Process

Another significant factor fueling the growing demand for CPO cars is the improvement in used car inventory. Previously, dealers grappled with a severe shortage of used cars, leading them to sell recent used models swiftly without going through the inspection and certification process. However, the market has started to normalize gradually, providing dealers with ample time to meticulously inspect and certify CPO cars.

While the used car market might not completely normalize for several years, as certain automakers were unable to produce vehicles during the height of the COVID-19 pandemic, the situation is showing positive signs of improvement. As the inventory situation continues to stabilize, dealers can now focus on ensuring the quality and reliability of CPO cars, giving consumers the confidence they seek in their purchases.

The Allure of Certified Pre-Owned Cars

Certified Pre-Owned vehicles come with numerous advantages, making them an increasingly appealing choice for American car buyers. By opting for a CPO car, consumers benefit from a vehicle that has undergone a rigorous inspection process, guaranteeing its overall condition and performance. Additionally, CPO cars often come with extended warranties, providing buyers with an extra layer of assurance and peace of mind.

The Enduring Appeal of Certified Pre-Owned Cars

The surge in Americans purchasing Certified Pre-Owned cars in 2023 reflects a shifting trend in the automotive industry. With easier access to CPO loans and an improving inventory situation, consumers are finding CPOs to be an attractive option that combines affordability, reliability, and peace of mind. As the market continues to evolve, it's evident that certified pre-owned cars have secured their position as a viable and compelling choice for savvy car buyers across the nation.