Electrified Vehicles Buck the Trend as Used Car Sales Fall

8 July 2026

Key Headlines

1. Australia's used vehicle market recorded 1.3 million sales in the first half of 2026, down 6.6 per cent compared with the first half of 2025.
2. Year-on-year sales declines widened over the half, with June recording the largest decline of the year to date with sales falling 16.2 per cent compared to June 2025.
3. Used electric vehicles and plug-in hybrids bucked the broader trend, with EV sales up 54.6 per cent and PHEV sales up 468.4 per cent year-on-year.
4. The rate of discounting held broadly flat through Q1, then rose from April.
5. Every State and Territory sold fewer used vehicles in the first half of 2026 than in the equivalent period in 2025. The sales decline was concentrated in passenger cars, with SUVs and Utes recording smaller falls.

1. Market Snapshot

Australia's used vehicle market softened through the first half of 2026 as buyers were presented with greater choice and increasing negotiating power.

New data from the Australian Automotive Dealer Association (AADA) and AutoGrab shows 1,300,018 used vehicles were sold nationally during the first six months of the year, down 6.6 per cent compared with the same period in 2025.

While overall sales declined, supply continued to build throughout the half, resulting in slower selling times and increased discounting as sellers competed for buyers.

KEY STATISTICS: AUSTRALIAN USED CAR MARKET, H1 2026 VS H1 2025

Total Sales (H1)	June 2026 vs. June 2025 Sales Movement	June Absorption Rate	June Discount Incidence
1,300,018	**-16.2%**	**55.5%**	**51.1%**
Down 6.6% vs H1 2025	*Weakest month*	*Lowest of any month in 2026*	*Highest of any month in 2026*
National Used Price (Jun)	**2025 Equivalent Price Fall**	**EV Sales (H1)**	**PHEV Sales (H1)**
83.5%	**-1.7%**	**25,417**	**11,920**
Down from 89.8 in January (-7.0%)	*Jan-Jun 2025, for comparison*	*Up 54.6% year-on-year*	*Up 468.4% year-on-year*

The year-on-year rate of decline widened over the half rather than holding steady. January was still growing year-on-year. By June, sales were down 16.2 per cent on the same month in 2025, the largest monthly decline of the half.

SALES, YTD 2026 VS YTD 2025 BY MONTH

All used & demo vehicles up to 20 years old.

Month	2026	2025	YoY Movement
January	223,508	212,524	+5.2%
February	213,856	215,207	-0.6%
March	222,810	245,121	-9.1%
April	203,525	226,029	-10.0%
May	221,323	235,784	-6.1%
June	214,996	256,562	-16.2%
Aggregate	**1,300,018**	**1,391,227**	**-6.6%**

2. Greater Competition Drives Discounting

The balance between supply and demand shifted noticeably during the first half of the year, with listed stock increasing while sales softened.

By June, more than half of all one to five-year-old used vehicles sold had their asking price reduced before sale, while the average discount widened to 3.7 per cent, the largest discount recorded this year.

Petrol and diesel vehicles experienced the greatest increase in discounting, while hybrids remained the most pricing-resilient fuel type throughout the first half.

PERCENTAGE OF VEHICLES SOLD WITH A DISCOUNT

1 to 5 years old vehicles.

Fuel Type	Jan	Feb	Mar	Apr	May	Jun
Petrol	44.3%	44.1%	44.4%	46.3%	50.5%	51.0%
Diesel	45.6%	44.4%	43.3%	46.7%	51.7%	52.5%
Hybrid	43.8%	46.1%	45.9%	43.7%	47.7%	48.4%
EV	46.3%	46.4%	40.3%	32.4%	44.0%	48.5%
PHEV	53.7%	55.3%	53.6%	46.8%	46.6%	49.1%
Average	**44.9%**	**44.7%**	**44.2%**	**45.1%**	**50.3%**	**51.1%**

3. Electrified Vehicles Continue to Gain Momentum

While the broader used vehicle market slowed, demand for electrified vehicles continued to strengthen with EV, PHEV and hybrid sales combining for 7.1 per cent of the market.

Used EV sales increased 54.6 per cent year-on-year during the first half, while PHEV sales rose 468.4 per cent from a relatively small base.

EVs also sold significantly faster as the year progressed, with average days to sell falling from more than 60 days in January to fewer than 40 days by June.

SALES BY FUEL TYPE YTD

All used & demo vehicles up to 20 years old.

Fuel Type	H1 2026	H1 2025	Change
Petrol	825,309	915,802	-9.9%
Diesel	379,756	395,701	-4.0%
Hybrid	55,405	58,266	-4.9%
EV	25,417	16,445	+54.6%
PHEV	11,920	2,097	+468.4%
LPG	2,211	2,916	-24.2%

4. Reaction

"The used vehicle market has become increasingly competitive during the first half of 2026. Buyers have more choice than they've had for some time, and dealers are responding to that environment through more competitive pricing and discounting," said AADA CEO James Voortman.

"While overall sales have softened compared with last year, it's encouraging to see continued growth in used electric vehicles and plug-in hybrids as more Australians consider lower-emission vehicles in the second-hand market," said Mr Voortman.

“Year-on-year sales declines widened over the half, with June recording the largest decline of the year to date. Every State and Territory sold fewer used vehicles in the half of 2026 than in the equivalent period in 2025. And the sales decline was concentrated in passenger cars, with SUVs and Utes recording smaller falls,” said AutoGrab Chief Commercial Officer Saxon Odgers.

“By June, more than half of all one-to-five-year-old vehicles were selling below their asking price, and the average discount had widened to 3.7 per cent. In that environment, accurate and current pricing is the difference between a car that sells and one that sits. Petrol and diesel are carrying most of the pressure, while hybrids have held their value best."

"Electrified vehicles are the clear exception. Used EV sales rose 54.6 per cent and sold faster as the year progressed, with average days to sell falling from over 60 in January to under 40 by June. The volume growth is now well established in the Australian market," said Mr Odgers.

View: Mid-Year 2026 Automotive Insights Report

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For more detailed market analysis beyond the national snapshot, including state-level insights and additional market segmentation, visit AutoGrab AIR Pro for further information.