

Gears of growth

The 2024

*Indian Used Car
Market Report*

**REPORT BY CARS24
& TEAM BHP**



India's relationship with cars goes far beyond utility, they're companions in milestones, carriers of memories, and symbols of aspiration. What was once a niche market for pre-owned cars has now shifted into the spotlight, redefining how the nation views ownership.

This report by CARS24 and Team-BHP is more than just an analysis; it's a reflection of changing consumer mindsets, emerging trends, and the dynamic evolution of India's used car market.

Dive in to understand how this journey is shaping not just the automotive landscape, but the way India moves forward.

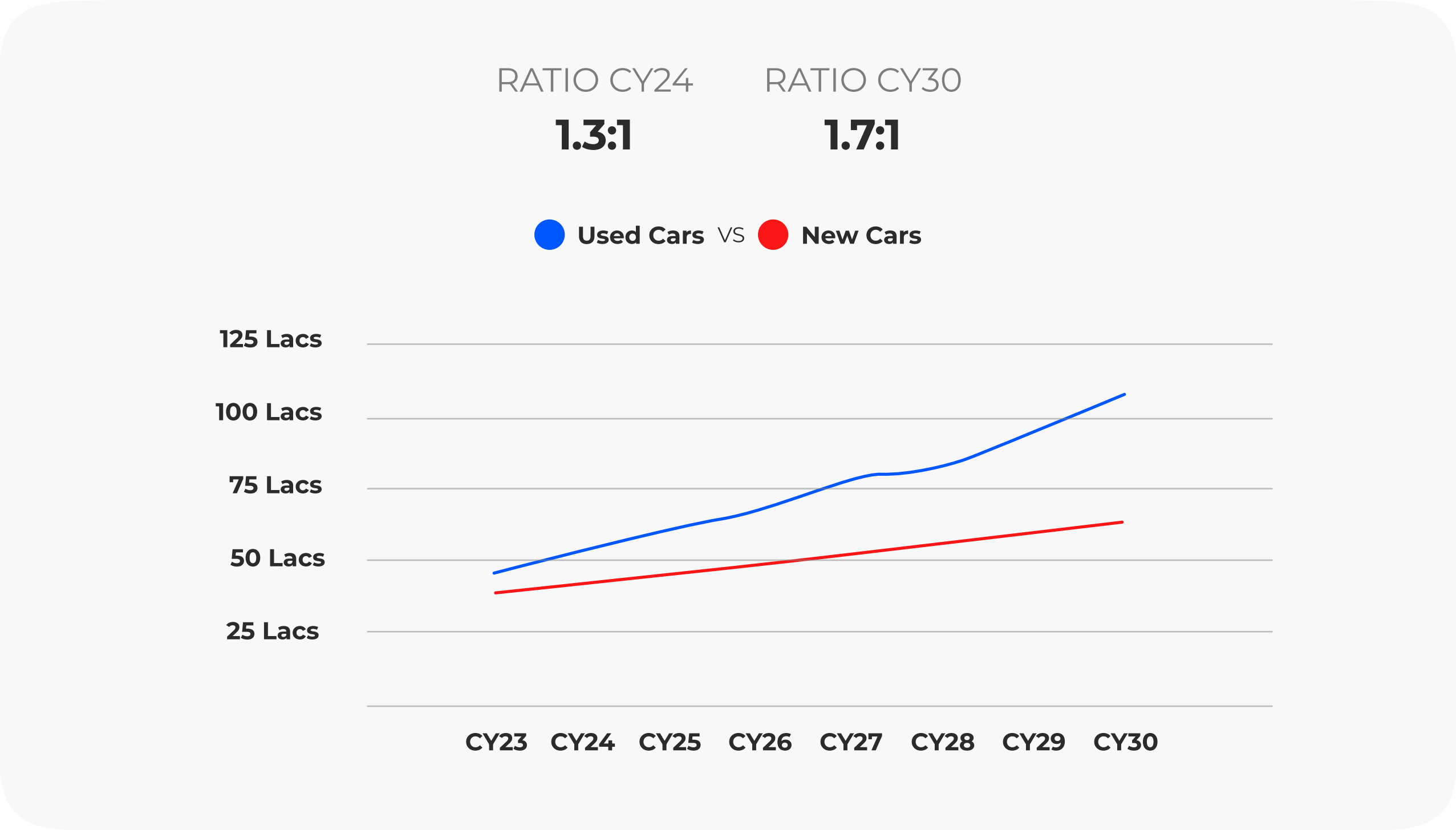
The 2024 Indian Used Car Market Report

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Pre-Owned Or New?

Which Way Is India Turning?



In CY24, India’s pre-owned car market outpaced new car sales with a ratio of 1.3:1. By CY30, this ratio is projected to rise to 1.7:1, i.e For every 10 new cars purchased, 17 used cars will be bought.

Used Car Market Growth: sales are expected to increase from **4.6 million in CY23 to 10.8 million in CY30**, achieving a **CAGR of 13%**.

New Car Market Growth: New car sales have also shown steady growth, with an expected increase from **4.1 million in CY23 to 6.3 million in CY30**, with a **CAGR of 7.3%** during this period.

Both markets are expanding significantly but the faster growth of the pre-owned segment highlights an enduring preference for affordable and dependable mobility options.

Inside The Mind of The Modern Car Buyer

First-time car buyers (FTBs) accounted for 56% of all buyers

Car buyers cited various reasons for opting for buying a car



Family first

17% of buyers say milestones like marriage or growing families drive their decision to own a car.



Need for Additional Car

15% of buyers purchase additional cars, highlighting the rise of multi-car households.



Preference for personal mobility

12% of buyers now prioritize personal mobility, choosing convenience and safety over public transport, especially post-pandemic.



Promotions

12% of buyers upgrade from two-wheelers to cars, driven by job promotions or car allowances.



Preference for Smaller Cars

12% prioritize smaller cars for urban ease and individual needs.

The Search Game:

How Buyers Researched Cars

Car buyers are turning to used car platforms and apps as their go-to source for research, signaling a clear shift toward digital-first decision-making.



Social media platforms (56%)
and **YouTube (53%)**



Online reviews on websites (50%)
and recommendations from **family and friends (42%).**



Traditional sources like **online news apps (39%)** and **used car dealers (48%)** reflecting the growing dominance of digital tools and platforms.

Top States Fueling India's Used Car Craze



India's Most Wanted Car

Maruti Swift - Wait, What?

Top Models

Maruti Swift, followed by Hyundai i10 and Honda City

THE WINNER



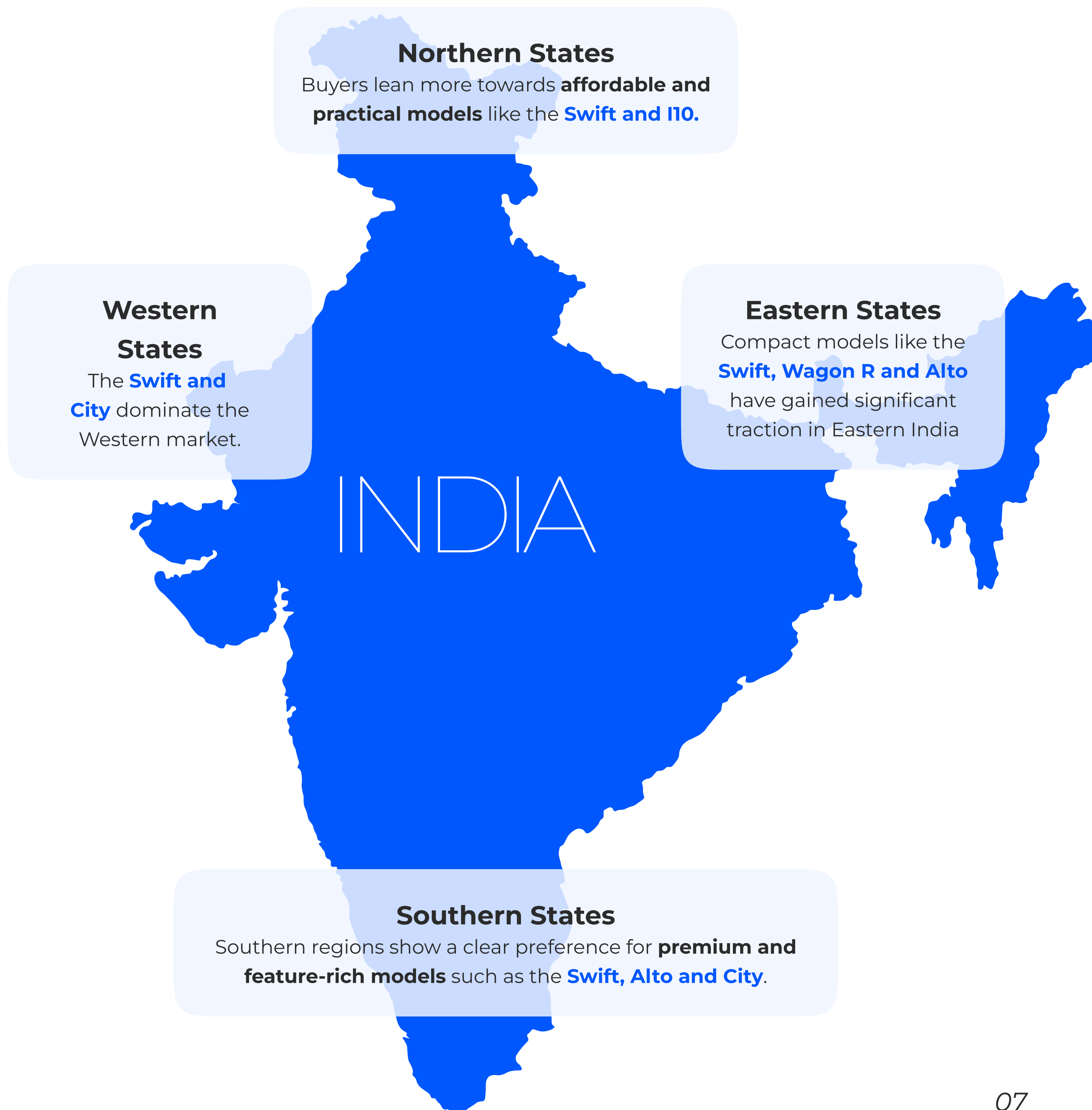
India's Most Wanted (Used Car Category)....

Car Models In 2024

	Overall Models	% share	Model (Metro Cities)	% share	Models (Non-Metro Cities)	% share
1	 SWIFT	5.8%	 SWIFT	5.9%	 SWIFT	5.7%
2	 i10	4.1%	 i10	4.6%	 SWIFT DZIRE	3.5%
3	 CITY	3.6%	 CITY	4.1%	 i10	3.1%
4	 SWIFT DZIRE	3.5%	 WAGON-R 1.0	3.5%	 ALTO	2.7%
5	 WAGON-R 1.0	3.2%	 SWIFT DZIRE	3.5%	 GRAND i10	2.7%
6	 GRAND i10	2.7%	 GRAND i10	2.6%	 WAGON-R 1.0	2.6%
7	 ALTO	2.5%	 BALENO	2.5%	 CITY	2.6%
8	 BALENO	2.5%	 ALTO	2.4%	 ELITE i20	2.4%
9	 ELITE i20	2.3%	 i20	2.6%	 BALENO	2.3%
10	 i20	2.2%	 ELITE i20	2.2%	 VERNA	2.1%

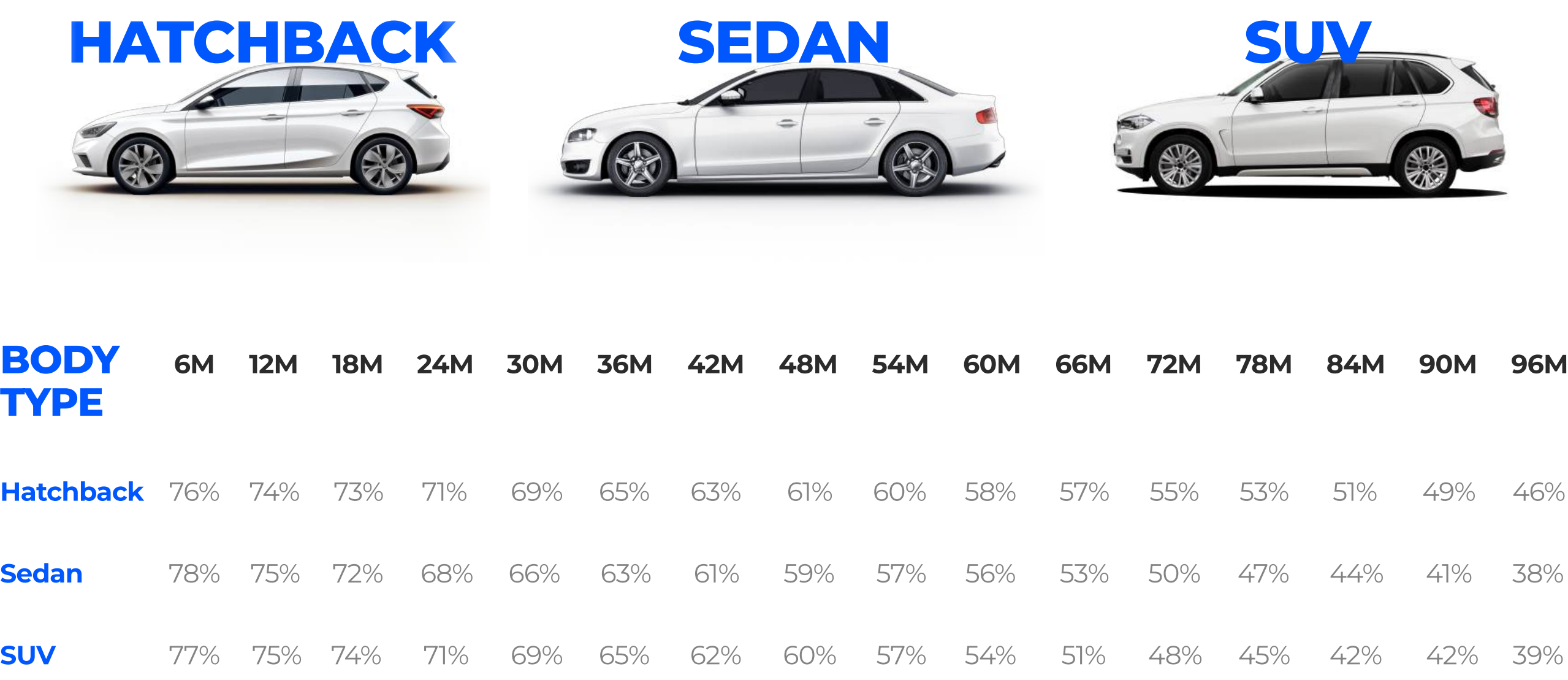
East Loves This, West Chooses That....

Region Wise Split In Preference



Want Value For The Buck?

Hatchbacks Will Get You The Best Resale Value!



Exponential Depreciation*

Used cars experience the sharpest depreciation in their first three years, with the decline slowing down afterward. For those who frequently upgrade, waiting at least three years can help maximize resale value and minimize losses.

Hatchbacks Lead in Long-Term Value

Hatchbacks hold their value longer, making them a smart choice for long-term car owners.

Best SUV Resale Value in Early Years

SUVs retain the highest resale value during the first three years due to their minimal depreciation.

Popular Models With Best Resale Value

	24M	36M	48M	60M	72M	84M	AVERAGE (5-7 yrs)
SANTRO 	71%	65%	61%	58%	57%	54%	56%
TIAGO NRG 	71%	65%	61%	59%	57%	52%	56%
WAGON R 	71%	65%	61%	58%	55%	53%	55%
ELITE I20 	71%	64%	60%	59%	55%	52%	55%
SWIFT 	72%	64%	62%	58%	56%	51%	55%

Compact Hatchbacks Dominate

Models like the **Santro, Tiago NRG, and Wagon R** offer the best resale value, backed by consistent demand.

Battle of Brands in The Indian Car Market

Used Cars

 MARUTI SUZUKI	36%
 HYUNDAI	21.9%
HONDA	8.4%
TATA MOTORS	6.1%
mahindra	4.6%

New Cars

 MARUTI SUZUKI	40%
 HYUNDAI	14%
mahindra	12%
TATA MOTORS	11%
 TOYOTA	6%

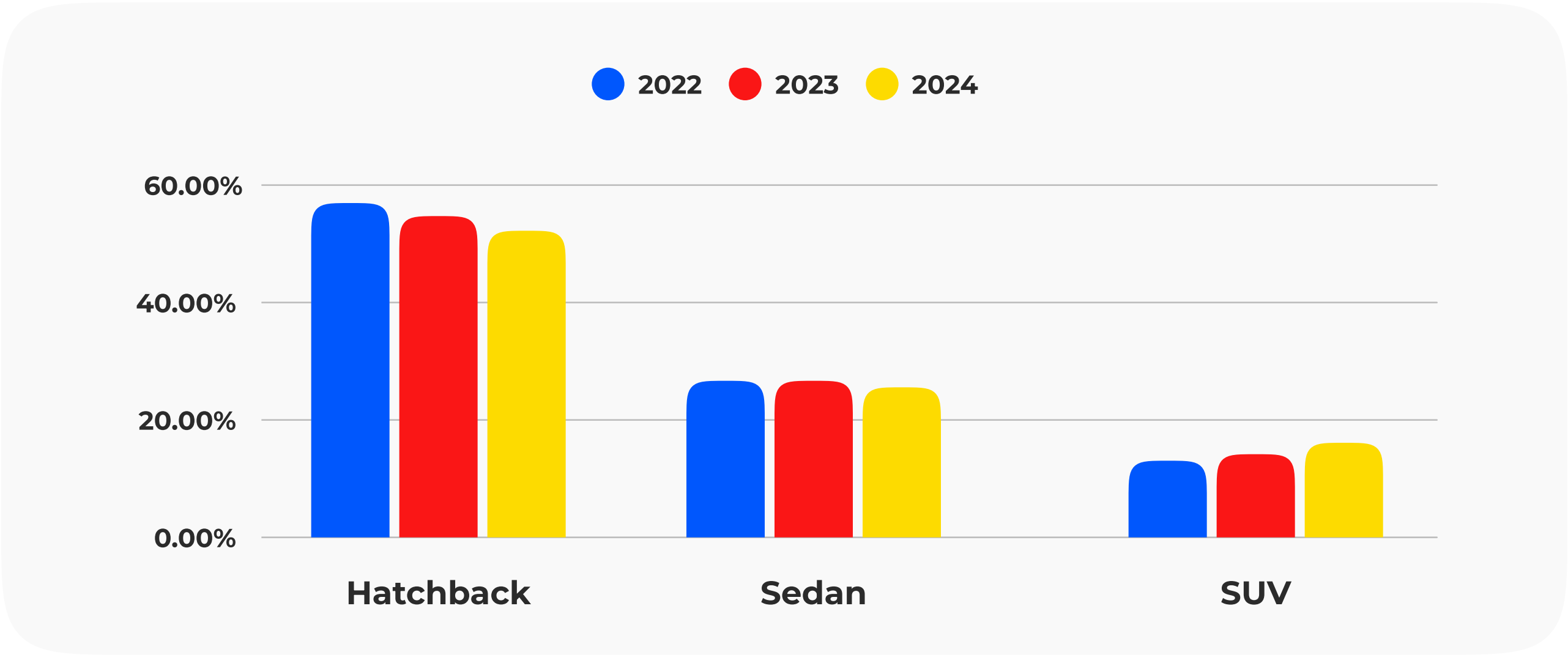
Maruti Suzuki's Dominance: Maruti Suzuki continues to lead both markets with a **36% share in used cars** and a **40% share in new cars**, showcasing its consistent appeal across categories.

Honda secures a **8.4% share in used cars** but is absent in the new car top 5, reflecting declining interest in its newer offerings.

Toyota holds a **6% share in new cars** but does not appear in the top 5 used cars category, indicating strong demand for its newer, reliable models over older ones.

Sedans, SUVs, Or Hatchbacks

What's Driving Used Car Sales?



HATCHBACK



Hatchbacks saw a decline in market share from 57% in 2022 to 53.4% in 2024, as buyers leaned towards larger, feature-packed vehicles to match their evolving preferences.

SEDAN



Sedans experienced a slight drop in market share, from 25.3% in 2022 to 24.4% in 2024, but continued to attract those seeking an ideal mix of affordability, comfort, and style.

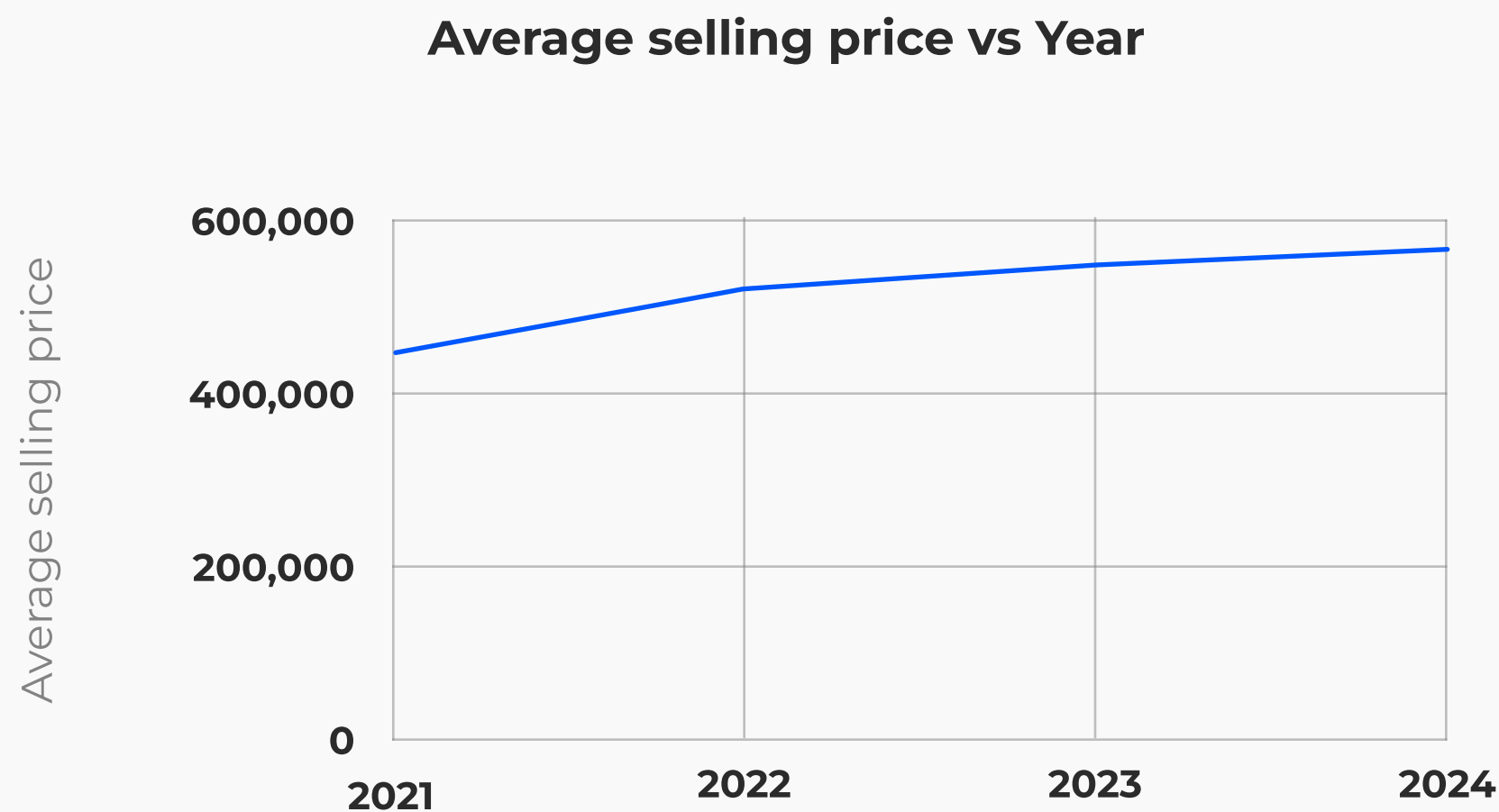
SUV



Demand for SUVs surged, with their market share climbing from 12.6% in 2022 to 16.7% in 2024. Their spacious design, versatility, and premium appeal made them a favorite across both urban and rural markets.

What's The Cost?

Understanding The Average Selling Price



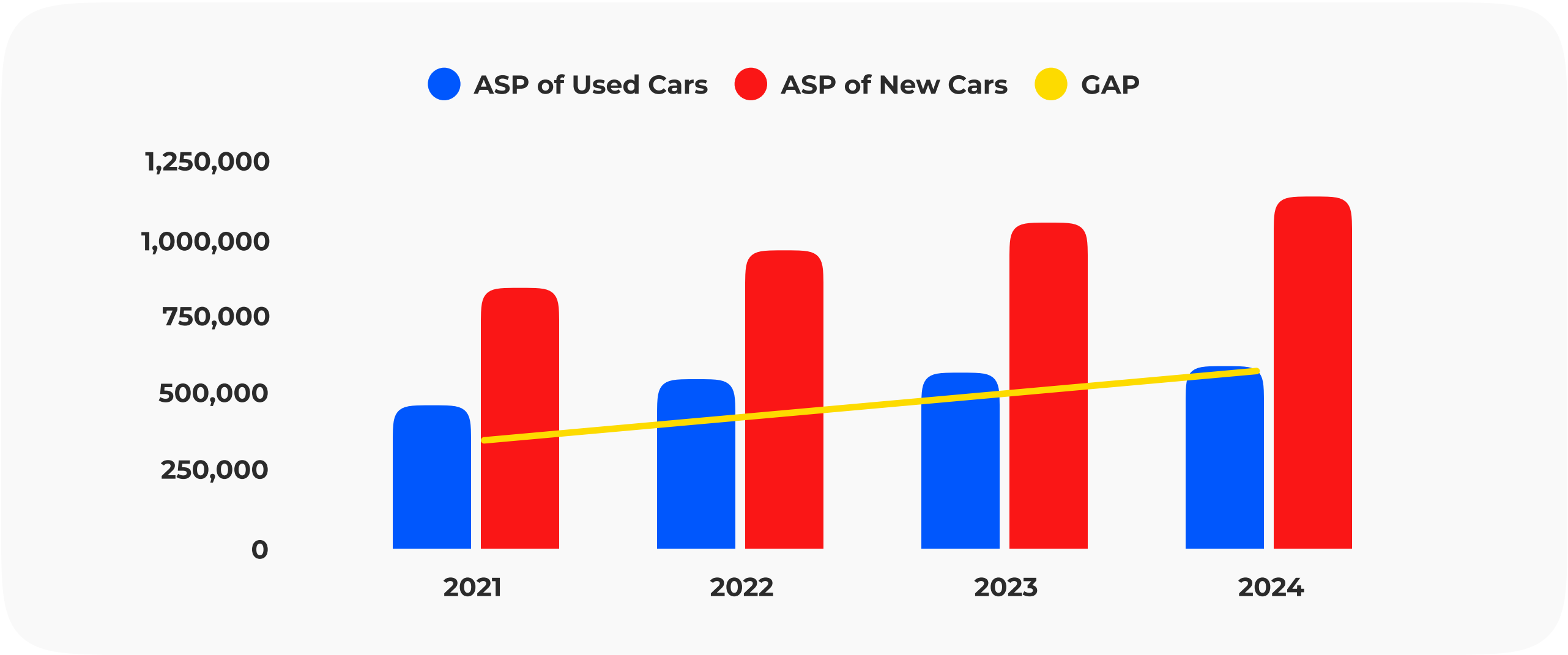
Steady Climb:

The Average Selling Price (ASP) grew from ₹449,961 in 2021 to ₹566,097 in 2024, marking a **25.8% increase** over the period, driven by demand for better-equipped and premium vehicles.

Market Maturity:

The rising ASP highlights a maturing pre-owned car market, with buyers valuing performance, safety, and tech-driven options more than ever.

Average Selling Price of New Cars Vs Used Cars



New Car ASP Growth

~32% INCREASE

₹8.45 lakhs to ₹11.15 lakhs

from 2021 - 2024

Used Car ASP Growth

~26% INCREASE

₹4.49 lakhs to ₹5.66 lakhs

from 2021 - 2024

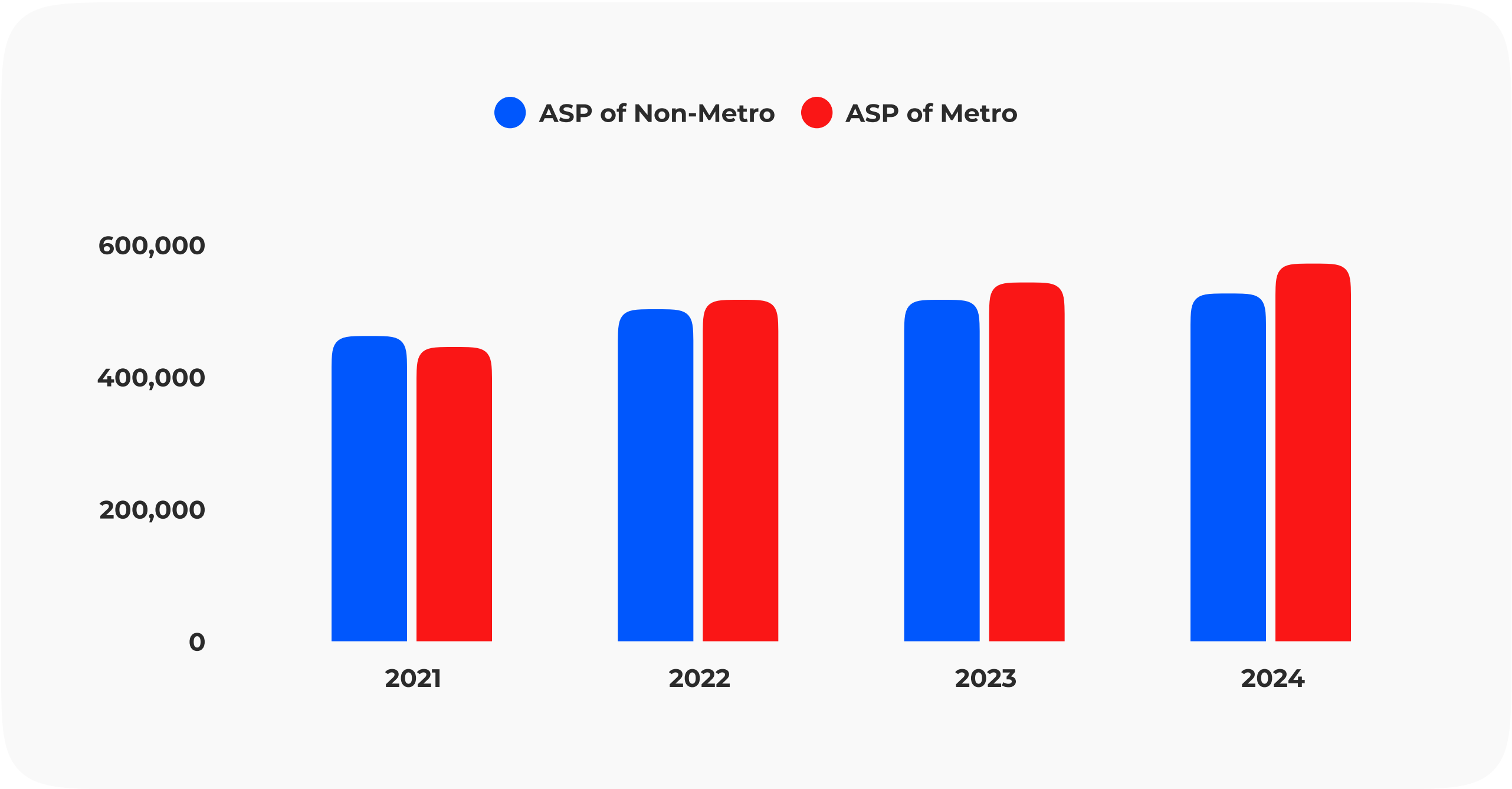
Affordability Gap Widening

The price gap between new and used cars has widened significantly, from **₹3.95 lakhs in 2021 to ₹5.49 lakhs in 2024.**

This growing gap makes used cars a more affordable option for budget-conscious buyers, despite rising ASPs.

Tracking The ASP Difference

Metro Vs Non-Metro Cities



ASP for used cars has risen steadily in both metro and non-metro cities, driven by consumer demand for feature-rich and premium vehicles such as SUVs and MUVs.

Non-metro Cities

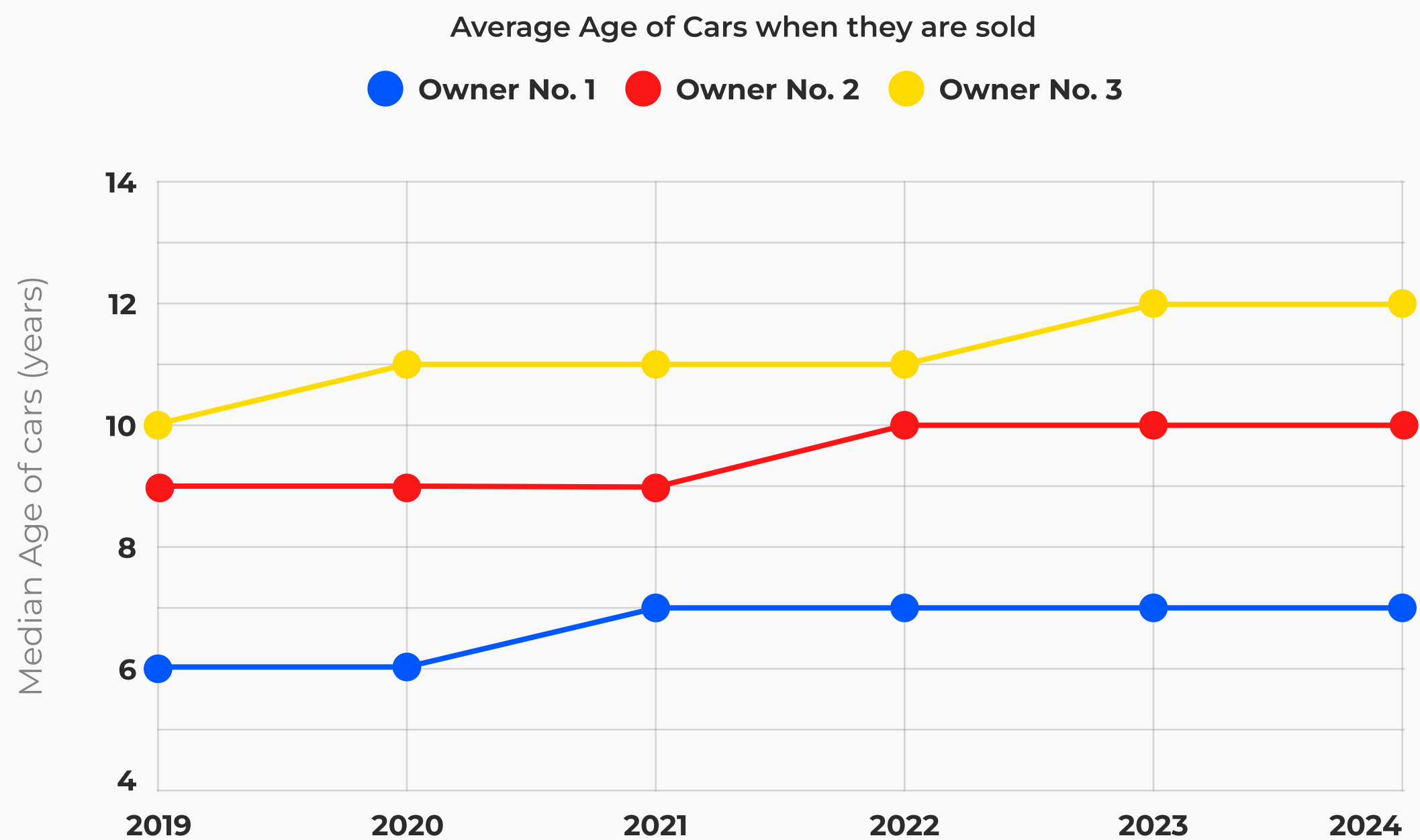
These cities are in the lead as they consistently maintain a higher ASP than metros, reflecting preferences for versatile and durable vehicles suited for mixed urban-rural usage.

Metro Cities

ASPs have steadily caught up with non-metros, narrowing the gap by 2022. By 2024, metro ASPs reached ₹574,478, slightly ahead of non-metros at ₹539,192, driven by rising disposable incomes and urban interest in premium cars.

The Age Factor:

How Old Are Cars When They're Sold?



First Owners

On average, cars are sold after 7 years of ownership by the first owner, reflecting a longer usage period.

Second Owners

The second owner retains the car for approximately 3 years, indicating a quicker turnover.

Third Owners

Ownership duration drops to just 2 years for the third owner, highlighting progressively shorter usage spans as cars change hands.

The Fuel Debate

What Buyers Are Opting For

Petrol



52% to **56%**

2022

2024

Due to affordability, widespread availability, and suitability for urban driving.

CNG



5.7% to **6.2%**

2022

2024

Appealing to budget-conscious buyers for their cost efficiency and environmental benefits.

Diesel



40.7% to **36.5%**

2022

2024

Driven by narrowing fuel price, differences limited availability and higher maintenance costs. Remain popular in regions requiring long-distance travel.

EVs - 5X increase



0.08% to **0.43%**

2022

2024

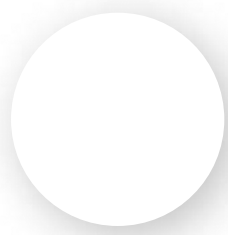
Maharashtra, Karnataka, & Delhi lead in adoption, thanks to government incentives and improved charging infrastructure, signaling a shift toward sustainability.

Color Me.....

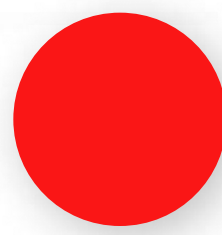
India's Favourite Colors When It Comes To Cars

SILVER FOR 30% OF BUYERS

The silver lining in the used car market is quite literal, silver continues to shine as the most popular car color, chosen by more than 30% of buyers.



Following closely behind is **White**, known for its elegance and ease of maintenance



And **Red**, a bold choice that exudes energy and style.



Automatically Driven: **What Buyers Wanted In Transmission**



The share of automatic cars in the used car market has steadily risen and reflects a **shift in Indian buyer preferences toward convenience and ease of driving.**

The increasing **traffic congestion** in urban areas makes automatics a much more practical choice.

Improved **fuel efficiency and affordability** in newer automatic models make them way more accessible.

Buyers are drawn to the **comfort and modernity** that automatic cars offer, driving this trend further.

Filter Applied:

Most Popular Features Among Buyers

These features top the list of what car buyers value most, highlighting their growing preference for luxury, comfort, and cutting-edge technology.



Sunroof/Moonroof **20%**

The most sought-after feature, indicating a growing preference for premium aesthetics and luxury in vehicles



Infotainment System **17%**

Reflecting the growing importance of entertainment and connectivity, especially among tech-savvy young urban buyers who prioritize a smarter driving experience.



Rear AC Vents **17%**

A sought-after feature reflecting a growing demand for enhanced passenger comfort, especially among families and those with chauffeur-driven lifestyles.



Alloy Wheels **13%**

Popular among buyers looking for enhanced style and improved performance. This indicates a balance between aesthetics and functionality in buyer preferences

Safety First:

Safety Feature Preferences

Breakdown of Safety Filter Engagement



NCAP Rating

Accounted for
17-19% of users
engaging with safety
filters indicating
growing awareness
about crash test ratings.



Airbags

Accounted for
17-21% of safety filter
selections, showing
a preference for
basic safety
essentials.



Features (ABS, rear parking sensors):

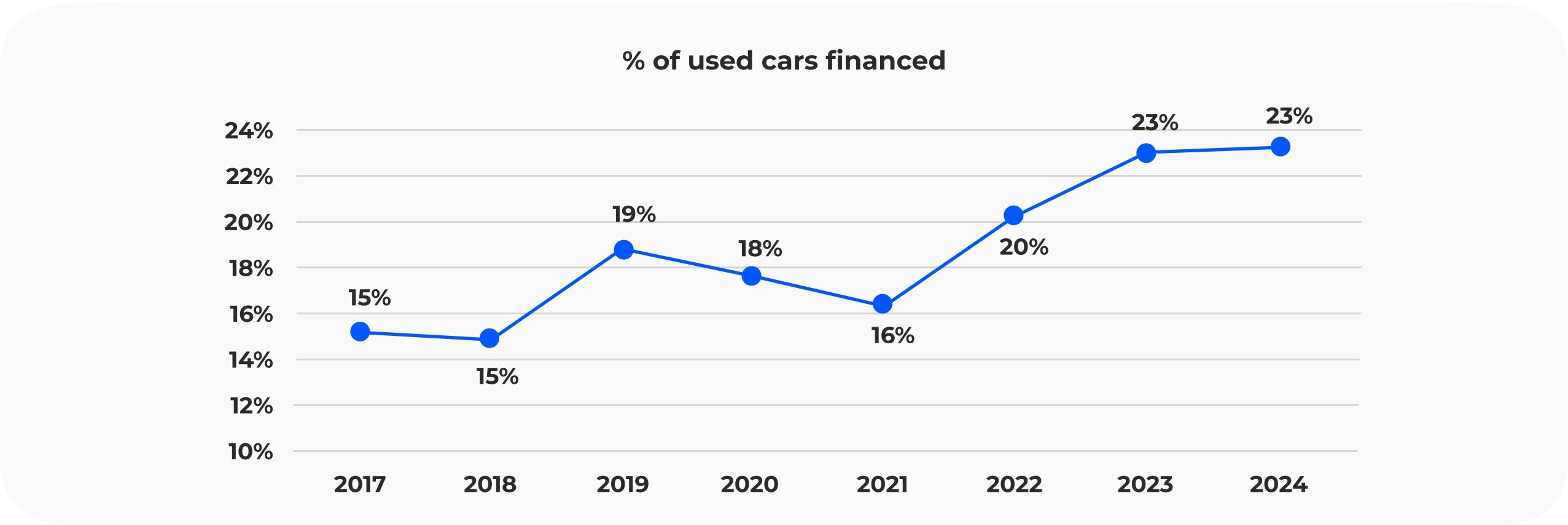
Accounted for
10-13% of safety
filter users

Overall Safety Feature Trends

Nearly **39%** of users engaged with the safety filter, selecting options like NCAP ratings, airbags, or safety features. This reflects a growing urgency and heightened concern for safety, as buyers prioritize protecting themselves and their loved ones on the road.

Used Car Market

Financing Trends In 2024



2017-2024

15% to **23%**

The percentage of used cars financed has grown, reflecting an increased reliance on financing for used car purchases.

2019-2021

19% to **16%**

A decline in this period likely reflects the economic uncertainty during the COVID-19 pandemic.

Beginning of 2022

20% rise

Strong recovery began as economic conditions improved & financial institutions offered more accessible loan options.

2022-2023 & 2024

20% to **23%**

The sharp rise from indicates growing consumer confidence and a shift toward financing as a viable option.

The trend suggests that financing is enabling more customers to afford used cars, particularly as prices for pre-owned vehicles rise due to demand for feature-rich and reliable models.

Additionally percentage of **new car buyers opting for financing** has also seen a remarkable increase. In **2010**, approximately **60.4%** of new cars were financed, while by **2024**, this figure had surged to an impressive **84.2%**.

Despite the growth, financing penetration in the used car segment remains lower compared to new cars, indicating untapped potential for financial institutions and dealerships to further expand financing options in this segment.

When wisdom takes the wheel, the road feels smoother.



2024 marked a shift in India's car market. Pre-loved cars became a choice and not just an option. It's a testament to smarter choices, evolving priorities, and the belief that value drives decisions.

The road ahead is clear: a future where every car tells a story worth continuing.

DISCLAIMER

Source:

CARS24 Internal Data,

as of December 2024,
comprising over 275 Million users

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