

Emerging auto leasing trends reshaping dealers' strategies.



With new cars costing an average of \$50,000, many consumers are turning to leasing as a cost-effective way to enjoy a vehicle. And while leasing isn't quite back to pre-pandemic levels, it's quickly re-gaining popularity among consumers. The car leasing market size is expected to grow by \$55.3 billion — or around 9% — from 2025 to 2029.

These trends are leading the charge and reshaping the future of car leasing.

EVs

Electric vehicles (EVs) are changing the automotive landscape, with leasing accounting for nearly half of all EV transactions in 2024. Leasing an EV offers drivers several advantages, including:

- **Lower monthly maintenance costs:** Since EVs have fewer moving parts compared to traditional combustion vehicle engines, they typically require less maintenance — helping to reduce operational expenses.
- **Environmental benefits:** Some people are opting for EVs due to their zero emissions and reduced carbon footprint.

EVs come with some challenges, including vehicle range anxiety, charging infrastructure and depreciation rates. But, as battery technology and infrastructure advance, EVs are becoming a popular choice for those who lease.



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Customization

As more and more consumers want and expect tailored experiences, some leasing companies are now offering customizable options to cater to individual preferences and lifestyles. Much like those who purchase a vehicle, lessees can personalize interior finishes, exterior colors and technology upgrades on their leased vehicles.

Subscription-based leasing models

While traditional car leasing models often have long-term commitments, subscription-based leasing models are more flexible, offering vehicle access for a monthly fee. This short-term lease model is particularly popular among urban dwellers and tech-savvy consumers, since it provides access to a variety of vehicles without long-term commitments.

Subscription-based leasing models typically allow lessees to switch vehicles or cancel their subscription with minimal penalties, there are often mileage limits, limited vehicle selection and the potential for higher long-term costs, especially if a lessee plans to use the car for a long period of time.

Advanced technology

Advancements in AI, machine learning and in-car connectivity can enhance the driving experience, improve safety and streamline operational processes for both lessors and lessees. Leasing companies can use data and digital platforms to understand preferences and facilitate the entire leasing process.



Contactless leasing

Contactless transactions, digital document signing and remote vehicle delivery became more popular in the past few years as people prioritized health and safety precautions. Those trends appear to be here to stay, as contactless leasing provides more convenience and efficiency by streamlining the leasing experience and giving customers the ability to complete transactions on their own schedule.

Leasing with poor credit

The VantageScore subprime credit tier is **expanding** each year. Even with below average credit, consumers are still choosing to lease. While leasing with poor credit is possible, these consumers often face higher monthly payments or larger down payments.

Driving auto leasing forward

As the leasing market continues to grow, learn how **our team** can provide help and train your dealership for future leasing needs.