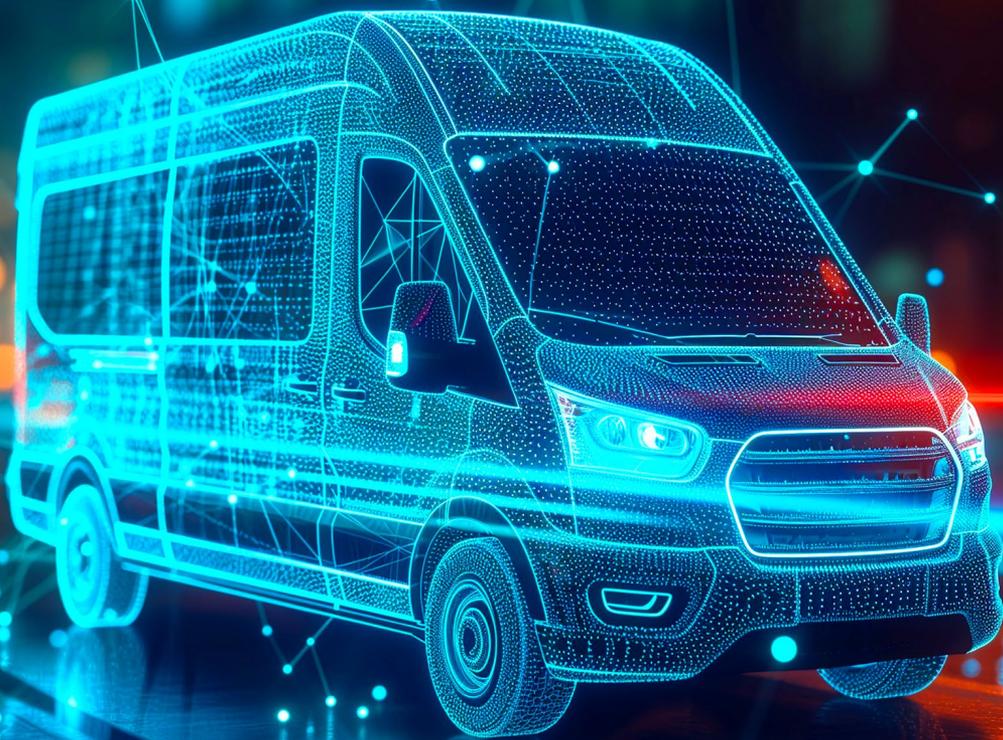


Holman

Driving What's Right



2026 FLEET OUTLOOK

Fleet operators navigated a challenging 2025 marked by tariffs, economic uncertainty, regulatory shifts, and persistent labor shortages. Looking ahead to 2026, the outlook is balanced with opportunities and ongoing pressures: interest rate relief is likely on the horizon, yet inflation will continue to influence acquisition and operating costs, while technician shortages and evolving compliance mandates add complexity and cost concerns.

This report provides a brief recap of 2025, a forward-looking view of trends poised to shape fleet operations in 2026, and actionable insights to help you position your fleet for success.

Buy: Smarter Acquisition in an Uncertain Market

Fleet acquisition strategies in 2025 were shaped by economic uncertainty, elevated interest rates, and shifting trade policies. Looking ahead to 2026, fleets must navigate potential tariff impacts and evolving OEM production trends to make informed, ROI-driven decisions.

2025 Recap

- Three interest rate cuts by the Federal Reserve dropped the benchmark range to **3.5%–3.75%** in Q4.
- Tariff uncertainty lingered through spring and summer, increasing average new vehicle costs by **\$1,000–\$5,500** depending on country of origin.
- Average Transaction Price (ATP) for new vehicles climbed to \$49,814 in 2025, marking a 3.6% year-over-year increase and reinforcing affordability challenges for fleets.
- Used vehicle ATP for 3-year-old models hit **\$31,067** (+5% YoY).

2026 Outlook

- Interest rates are projected to fall to 3.00%–3.25% following anticipated cuts in March and June, though the timing and extent remain dependent on GDP and employment trends.
- Tariff uncertainty will linger as the Supreme Court weighs the legality of IEEPA tariffs; effective rates could fall to **7.8%**, but S&P projects global auto tariffs at **15%** in 2026.
- SUV and truck prices expected to rise **2–4%**, while EV prices may soften to maintain demand.

- Maintenance & Repair Consumer Price Index (CPI) is up ~8% YoY; fleets should plan for **10–14% CPI impacts** next year.
- OEMs are poised to scale back EV production in 2026, shifting toward hybrids and ICE vehicles; sustainability-focused fleets should explore right-sizing for better fuel efficiency, for example from a Ford F-150 to a Ford Maverick, or a Ford Explorer to a Ford Escape.

Action Items

- Add **10–14% contingency buffer** to operating budgets to account for continued inflation in vehicle maintenance and repair.
- Secure OEM discounts and factory orders early to decrease exposure to tariff driven price increases.
- Adopt a macro planning mindset; forecast 3–5 years ahead for greater financial flexibility, not just annually.

Key Takeaway

Plan ahead but maintain flexibility; act quickly to lock in pricing to avoid potential tariff-driven price increases; have contingency plans in place and be ready to adapt as needed.

Drive: Protecting Drivers, Controlling Costs

Driver safety, fuel costs, and compliance remained top priorities throughout 2025 as fleets worked to balance cost control with risk mitigation. Lower fuel prices provided some relief, but rising insurance premiums added pressure. Telematics adoption accelerated as operators sought data-driven solutions to improve safety and compliance.

Looking ahead to 2026, fleets will need to navigate continued insurance cost escalation, evolving regulatory requirements, and the growing role of technology in driver management.

2025 Recap

- Gasoline averaged **\$3.07/gal**, down 11% YoY; electricity costs rose slightly.
- Insurance premiums continued to trend higher, up 7% in 2025 following increases of 10% in 2024 and 15% in 2023.

- Telematics adoption accelerated for compliance and risk management.
- EV incentives expiring: Commercial Clean Vehicle Credit ended in September; charging infrastructure credit will end in June of 2026.

2026 Outlook

- Fuel costs are forecast to decline another **6%**; electricity costs expected to rise **3.5%**.
- Insurance premiums will keep rising, but at a slower pace, forecast to average **+4% in 2026** as insurers stabilize after prior steep increases.
- EV adoption expected to rise gradually despite infrastructure challenges.
- Safety regulation changes from the Federal Motor Carrier Safety Administration (FMCSA) and the National Highway Traffic Safety Administration (NHTSA) are expected:
 - ◊ Automatic Emergency Braking (AEB) mandate for Class 7–8 trucks.
 - ◊ Side underride guards likely in 2026.
 - ◊ Electronic Logging Device (ELD) updates: continuous GPS, real-time data, integration with fleet platforms by Dec 2026.
 - ◊ Digital Driver Qualification Files and Broker Transparency rules mid-2026.
 - ◊ EPA NOx rule proposals and GHG Phase 3 standards will influence procurement.

Action Items

- Reallocate fuel savings to fund **safety programs and integrated insurance solutions.**
- Leverage telematics to monitor driver behavior and reduce claims.
- Centralize driver records and upgrade compliance systems to support ELD and digital driver files.
- Anticipate continued upward pressure on insurance premiums and explore integrated premiums.
- Plan equipment purchases factoring in AEB and underride guard requirements.

Key Takeaway

Safety and compliance aren't optional; data-driven programs and telematics are essential to protect drivers and control costs.

Service: Controlling Costs Through Proactive Strategy

Repair costs surged in 2025 as fleets faced persistent labor shortages and tariff-driven parts inflation. Preventative maintenance strategies helped mitigate some of these pressures, but rising insurance underwriting costs and unpredictable supply chains added complexity. In 2026, fleets must prepare for continued labor constraints and inflationary trends while leveraging analytics and vendor partnerships to maintain operational resilience.

2025 Recap

- Technician shortage remains severe, with 65.5% of shops reporting nearly 20% unfilled roles; Ford CEO calls it a “national crisis” as 5,000 positions sit open and service bays idle.
- Tariffs and inflation pushed parts pricing higher; Parts CPI rose 3.0% YoY, in line with core inflation, while Maintenance & Repair CPI surged 7.6%, outpacing overall inflation.
- Insurance underwriting costs were impacted by rising repair costs, tariff-driven parts inflation, and labor shortages, while maintenance costs rose 4.9% YoY.

2026 Outlook

- Labor shortages expected to continue; diesel technician gap remains critical.
- EV maintenance costs will remain 40–50% lower than ICE vehicles, but collision repairs and battery replacements are costly; specialized training requirements limit service options.

Action Items

- Leverage data to have greater visibility into maintenance trends and fleet performance.
- Strengthen vendor partnerships for volume pricing leverage.
- Plan for inflationary impacts on maintenance and repair by building flexibility into service budgets; anticipate cost increases and adjust budget proactively.

Key Takeaway

Unplanned downtime is costly, but proactive, data-driven maintenance strategies help minimize disruptions, extend asset life, and keep vehicles on the road.

Sell: Maximizing Resale Value in a Shifting Market

The used vehicle market stabilized in 2025, but pandemic-era production gaps and tariff-driven price increases created unique challenges for resale timing. Demand for late-model vehicles remained strong, while EV resale values showed signs of improvement despite broader adoption uncertainty. As we move into 2026, fleets will need to monitor market dynamics closely, balancing replacement cycles with pricing trends to maximize lifecycle ROI.

2025 Recap

- Used vehicle pricing remained relatively flat overall, but 3-year-old models up **+3.9%**; ATP for 3YO units reached **\$31,067** (+5% YoY).
- Manheim Market Report (MMR) values decreased by **1.6% YoY**, signaling cautious Q4.
- EV resale values trending higher; Manheim EV Index at **194.7** vs Non-EV at **148.3**.

2026 Outlook

- Tariff-driven new vehicle price increases will elevate used vehicle demand; expect **4–8% price lift** across markets.
- Pandemic-induced production gaps mean fewer desirable off-lease units, pushing prices higher for late-model vehicles.

Action Items

- Time replacements strategically to capitalize on tariff-driven used vehicle demand.
- Leverage resale analytics to optimize ROI and avoid over/under-ordering.
- Stay flexible to seize favorable secondary market conditions.

Key Takeaway

Timing is everything. Strategic resale planning can unlock significant lifecycle ROI.

