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Car dealers in N.J. are ready to sell more electric vehicles. There's just no demand.

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7–9 minutes

It's Tuesday and Rick DeSilva Jr. is not washing cars like he was in the early 1980s when he started working for his dad at a dealership.

Instead, the salesman — wearing a white button-down and a warm, inviting grin — walks over to a 2024 Hyundai Ioniq 6 SEL parked at the Liberty Hyundai in Mahwah and straightens the white placard on the windshield that reads “Electric Vehicle.”

“I want to have these cars available for the one or two people that show up to ask about them,” he says of a trend that's played out at his Ramsey and Emerson locations as well, “but so few people come in and even ask ... New Jersey's dealers are ready, we're ready to rock.”

If more people did, he'd stock the showroom with more options. But instead, of the 83 cars he sold throughout February, only 9 of them were electric or hybrid.

It's a trend other dealers say they're experiencing as well.

Statewide figures show EVs made up 11% of car sales in 2023 — up from a mere 1.4% in 2019 — but the Garden State has a lot of road to cover if it wants to hit Gov. [Phil Murphy](#)'s goals of having all new car sales be [fully-electric vehicles starting in 2035](#).

Yet more than half of New Jerseyans surveyed in a poll not only oppose the plan, but also say they aren't likely to buy an electric vehicle, the Eagleton Institute of Politics at Rutgers University [said in February](#).

The objection, the poll said, was largely due to the expense of EVs but also stemmed from disinformation surrounding making the switch.

"I think it's fair to say that the early adopters have adopted and now it's tougher sledding. Getting consumers — who are curious and interested in buying an EV — over the hump," Jim Appleton, president of the New Jersey Coalition of Automotive Retailers, or NJCAR, said in an interview.

"Dealers want to sell what consumers want to buy," he added. "They're heavily invested in the EV transformation but they don't see consumers yet embracing EVs anywhere near the numbers that government mandates reflect."

[**Can't see the chart below? Click here.**](#)

DeSilva and other car sellers said a very gradual transition toward more EVs is especially worrisome with the state's clean car goals on the horizon. Those requirements begin to ramp up in two years.

The EValuateNJ dashboard, a collaboration between the New Jersey Department of Environmental Protection and business consultancy Atlas Public Policy, reports that the state had 123,774

registered electric vehicles as of June 2023.

That's still a far cry from benchmarks laid out by Murphy, including having 330,000 registered EVs in New Jersey by 2025.

Appleton said the state typically sees about 500,000 light-duty car sales a year, which means by 2027, around 200,000 of them will need to be EVs. Last year, only about 50,000 were sold.

Appleton highlighted that the NJCAR group, which represents 500 dealerships in the state, supported the spirit of the law, known as Advanced Clean Cars II. However, he said the market should organically reach those milestones and not penalize manufacturers for not meeting specific requirements.



The 2024 Hyundai Ioniq 6 SEL electric vehicle in the showroom at Liberty Hyundai, Mahwah, NJ. 03/12/2024 Steve Hockstein | For NJ Advance MediaSteve Hockstein | For NJ Advance

‘Affordability is a big problem’

Some [electric cars](#) cost as low as roughly \$30,000. But on average the prices are higher — \$53,438 compared to \$48,808 for gas-powered, according to Cox Automotive, which owns price advisor Kelley Blue Book.

“Affordability is a big problem in the new car business across the

board, not just EVs,” Appleton said.

There are state and federal incentives that provide people buying electric cars between \$4,000 and \$7,500. But confounding advocates even further, last week Murphy signed legislation for the first time imposing an annual \$250 fee for electric vehicle buyers [starting in July](#) as part of a larger plan to fund road maintenance. Those new electric vehicle drivers would have to pay four years of the fee up front — at least \$1,060 based on a \$10-per-year increase of the fee until fiscal year 2029.

In February, the Democratic governor [also said a sales tax exemption](#) for EV drivers would be gradually phased out in the next three years.

“It is important to be consistent,” said Stanislav Jaracz, co-founder of nonprofit New Jersey Electric Vehicle Association. “If you say that you want to sunset one thing, you cannot say that after that you will add an additional fee because now you’re turning from a state that is progressive for EVs into (one that’s) anti-EVs and this is very dangerous.”

Judith Schumacher-Tilton, a Little Falls car dealer for 20 years and owner of six dealerships, said customers have been “more receptive” to hybrid cars for the peace of mind gas tanks provide.

Clean car advocates say that’s normal. As technology improves, more chargers are [installed](#) — one report says New Jersey has the [worst ratio](#) of EVs to chargers at about 41 to 1 — and parts like [batteries](#) become cheaper, prices will drop and the appeal of EVs will go up, they said. The stock of fully-electric cars is also slated to increase over time.

Joshua Blum isn’t fully convinced.

He's been the general manager at Joshua Motor Car Company in Pennsauken since 2019 and may be one of the used car salesmen likely to benefit from electric vehicles entering that market in the future, since used car sales won't be subjected to the new rules.

Yet of the 200 or so used cars Blum had on the lot in March, he said only about 5% were hybrid and a "select few" were electric.

"I think that the market missed a big step with the hybrids ... that was sort of a missed opportunity, just in my opinion, from the automakers to not try a more aggressive hybrid market before jumping into the all-electric," Blum said.

DeSilva, owner of the Mahwah car dealer, agreed — saying hybrid cars play a small role in the state's plans between now and 2035. Car manufacturers will be able to meet 20% of their annual zero-emission vehicle requirement with credits from [plug-in hybrids](#) that meet certain thresholds.

DeSilva also noted that car dealers pay interest on cars that sit on their lots unsold.

For new car salespeople like him and Schumacher-Tilton, keeping a fleet of electric vehicles that might not sell is costlier than just ordering a car from the manufacturer based on a customer's request.

DeSilva likes to joke that it's prime time to get an EV in any color you want.

"If a customer comes in wants to buy one that's a configuration that I don't have, or color that I don't have, it's easy for us to call our Hyundai rep and say, 'Hey, I need this,'" he said of how it usually goes, "and they've got 12 of them sitting up there."

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