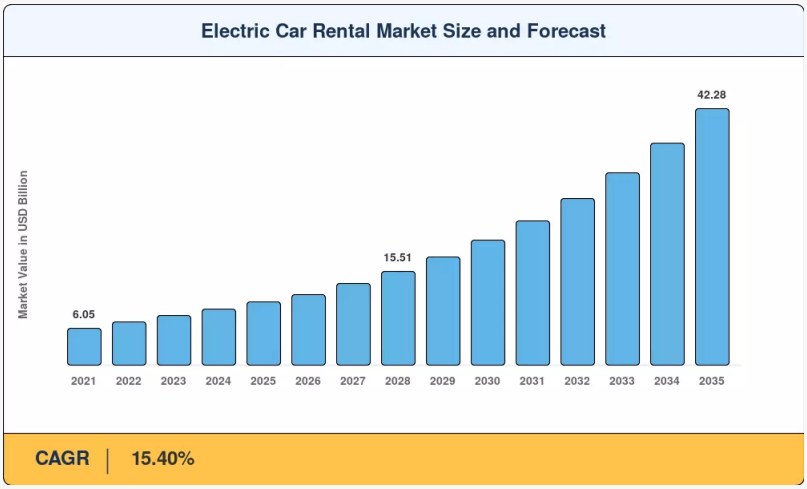
Electric Car Rental Market Share Projected to Grow at a 15.40%, To Reach USD 42.28 billion During the Forecast 2026–2035

North America generated USD 3.97 billion in Electric Car Rental Market revenue during 2025, with the United States accounting for over 72% of that total



Electric Car Rental Market Summary

NY, CA, UNITED STATES, July 13, 2026 /EINPresswire.com/ -- The Electric Car Rental Market was valued at USD 10.40 billion in 2025 and is projected to reach USD 11.65 billion in 2026 before climbing to USD 42.28 billion by 2035, registering a compound annual growth rate of 15.40% during the 2026–2035 forecast window.

Electric Car Rental Market Overview

The electric car rental market trends represents a rapidly evolving segment of the broader mobility services industry, encompassing the temporary leasing of battery electric vehicles (BEVs), plug-in hybrid electric vehicles (PHEVs), and extended-range electric vehicles to private and commercial customers for specified durations. This market provides customers with access to electric vehicles without the financial commitment of ownership, typically including insurance, maintenance, and in some cases, charging solutions as part of the service package. The market ecosystem includes traditional car rental companies transitioning their fleets, EV-focused rental and subscription providers, OEM-backed rental services, and peer-to-peer sharing platforms.

> Battery-electric models held a 69.8% share of the Electric Car Rental Market in 2025, reflecting automaker incentive programs and total-cost-of-ownership advantages over plug-in hybrids.”
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The market is experiencing exceptional growth driven by several fundamental factors. Increasing

environmental awareness and the global push toward decarbonization are prompting consumers and businesses to seek sustainable transportation alternatives. Government regulations mandating emissions reductions and corporate sustainability targets are accelerating fleet electrification across major markets. The expansion of charging infrastructure, coupled with advancements in battery technology that extend range and reduce charging times, has materially reduced range anxiety and enabled new operational models. Additionally, lower operating and maintenance costs for electric vehicles compared to internal combustion engine vehicles improve fleet economics for rental operators.

Industry trends indicate a decisive shift toward digital-first customer experiences, app-based bookings, and subscription-based mobility models. Partnerships between rental companies, OEMs, and charging network operators are becoming essential for scale and profitability, reducing capital intensity through shared infrastructure and creating integrated customer experiences. The rise of urban mobility solutions, including car-sharing and short-term rentals, is driving demand for electric vehicles well-suited for city driving.

Technological developments are enhancing the electric car rental experience through innovations in mobile platforms, smart navigation systems, and telematics integration. Real-time information on charging stations, battery levels, and optimal routes ensures a seamless driving experience. Advanced fleet management tools leveraging predictive maintenance, telemetry-driven rebalancing, and dynamic pricing are improving asset utilization and operational efficiency.

Policy and regulatory influence on the electric car rental market is significant. Stringent international emission regulations force fleet operators to decarbonize their inventories, while government financial incentives for fleet electrification serve as catalysts for adoption. The evolving tariff landscape in the United States has introduced variables affecting procurement costs, prompting operators to diversify sourcing and accelerate localization strategies.

The demand outlook remains strongly positive. International tourism recovery is significantly driving rental demand, with international tourist arrivals projected to reach 1.4 billion in 2024, an 11% increase over 2023. Corporate clients seeking to meet sustainability targets and ride-hailing drivers seeking cost-effective EV solutions represent growing customer segments. While the overall EV rental share remains relatively small at approximately 2.2% of global rental bookings, the upward trajectory is clear, with growth rates exceeding 100% annually in some markets.

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Electric Car Rental Market Segmentation

By Vehicle Type

The electric car rental market is segmented by vehicle type into Battery Electric Vehicles (BEVs), Plug-In Hybrid Electric Vehicles (PHEVs), and Extended-Range Electric Vehicles. BEVs represent the dominant segment, expected to account for approximately 75% of the market by 2025, driven by consumer preference for full-electric range, lower operational costs, and policy incentives. PHEVs serve as a transitional solution, particularly in regions with limited charging infrastructure, though their market share is expected to stabilize below 20% due to higher maintenance costs and complexity.

By Body Style

Body style segmentation includes SUV, Sedan, Hatchback, and Crossover/Other. SUVs are projected to dominate market demand, accounting for approximately 42% of demand by 2025, driven by their large battery packs offering real-world ranges of 400-500 kilometers and higher rental premiums of 20-30% over compact sedans. Sedans and hatchbacks maintain a stable combined share of approximately one-third of market demand, with hatchbacks maintaining dominance in densely populated European cities where parking space is prioritized over range.

By Customer Type

Customer type segmentation covers Leisure/Tourism, Business/Corporate, Ride-Hailing Drivers, and Government/Municipal. The leisure and tourism segment accounted for approximately 59% of bookings in 2025, though per-vehicle revenue is constrained by price sensitivity and seasonality. Ride-hailing driver packages represent the fastest-growing customer segment, transforming rental companies into managed service providers. Corporate demand is growing steadily as businesses respond to emissions reporting requirements and sustainability mandates.

By Booking Channel

Booking channel segmentation includes Online and Offline channels. Online platforms, including mobile apps and websites, represent the fastest-growing segment, requiring unified inventory, real-time availability, and seamless payment flows to improve conversion rates. Offline channels, including traditional rental counters and travel agencies, retain significant market share, particularly in airport and corporate accounts.

By Rental Duration

Rental duration segmentation includes Short-Term (1–7 days), Medium-Term (1–3 months), and Long-Term/Subscription (3+ months). Short-term rentals dominate utilization optimization, serving leisure travelers and airport transport. Medium-term rentals appeal to business travelers and those seeking temporary vehicle solutions. Long-term subscriptions, typically priced between USD 300–400 per week, offer significant value propositions for cost-conscious

consumers, saving USD 200–300 monthly on fuel costs while including insurance and simplified registration.

By Price Tier

Price tier segmentation includes Budget/Economy, Mid-Range, and Luxury/Premium. Economy cars, including models such as the Nissan Leaf, Chevrolet Bolt, Renault Zoe, and BMW i3, enable consumers to experiment with EVs or choose eco-friendly options. The economy segment is projected to witness significant growth as rental companies integrate small fleets of affordable EVs. Luxury and premium EVs cater to discerning customers seeking high-performance electric driving experiences.

By End-Use Purpose

End-use purpose segmentation includes Airport Transport, City/Urban Mobility, Last-Mile Delivery, and Tourism/Road Trip. Airport transport accounts for a significant share, with fast-charging infrastructure enabling efficient vehicle turnaround. City and urban mobility applications benefit from EVs' suitability for short-distance urban driving. Tourism and road trips represent growing segments as range anxiety diminishes and charging networks expand.

By Region

Regional segmentation includes North America, Europe, Asia Pacific, South America, and the Middle East and Africa. Asia-Pacific dominated the market with a 53.41% share in 2025. Europe contributed approximately 41% of market growth during the forecast period. North America, led by the United States, maintains a strong position driven by corporate sustainability initiatives and EV infrastructure expansion.

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Electric Car Rental Market Regional Analysis

North America

North America represents a significant and growing electric car rental market, with the United States valued at approximately USD 4.3 billion in 2025. The region benefits from substantial investment in charging infrastructure, corporate sustainability initiatives, and state-level regulatory frameworks supporting fleet transitions. Canada is forecast to grow at a CAGR of approximately 15.5% during the analysis period. The US market faces challenges from evolving tariff measures affecting vehicle procurement and battery material costs, prompting operators to diversify sourcing and localize production.

Europe

Europe is the most mature and advanced regional market, contributing 41% to global market growth during the forecast period. The region's dominance is driven by strict emissions regulations, extensive charging infrastructure with over 882,012 public charging points as of December 2024, and strong consumer demand for sustainable transportation. Scandinavian countries lead in EV rental adoption, with Norway achieving a 48.9% booking share for electric vehicles in 2026, far exceeding the European new EV registration average. France (10.4%), Belgium (11.3%), and Switzerland (9.8%) have also reached double-digit booking shares. Southern European countries are experiencing the strongest growth, with Portugal recording a 175.8% increase and Italy 129.8% within twelve months.

Asia-Pacific

Asia-Pacific is the largest regional market, capturing 53.41% of global market share in 2025. China represents the fastest-growing national market, forecast to grow at a CAGR of 21.9% through 2032, reaching a projected market size of USD 10.7 billion. Japan and South Korea demonstrate strong growth potential, with Japan forecast at 12.6% CAGR and South Korea at 15.5% CAGR. High urban density, strong OEM presence, and rapid digital adoption are catalyzing innovative business models such as subscription services and app-enabled micro-rentals. India's rapidly expanding vehicle fleet and digital platform adoption present significant growth opportunities.

Rest of the World

The Rest of the World segment, encompassing South America and the Middle East and Africa, presents emerging market opportunities. Latin American countries, particularly Brazil and Mexico, are showing promising growth prospects driven by increasing environmental awareness and vehicle fleet expansion. The Middle East presents emerging opportunities driven by strategic economic diversification and infrastructure investment, though interoperability of charging standards and cross-border vehicle movement remain operational considerations. African adoption remains nascent, with infrastructure gaps favoring hybrid solutions and purpose-built electrification pilots.

Electric Car Rental Market Competitive Landscape / Key Players

The electric car rental market is characterized by a mix of traditional rental operators, new mobility entrants, OEM-backed services, and energy or charging specialists. Key players include Hertz Global Holdings, Avis Budget Group, Enterprise Holdings, Sixt SE, Europcar Mobility Group, ALD Automotive, Arval, and Localiza.

Hertz Global Holdings has established itself as a market leader through strategic partnerships,

including an agreement with Uber to rent up to 50,000 Teslas to Uber drivers, representing the largest EV expansion on a mobility platform in North America. Avis Budget Group signed a multi-year strategic partnership with Waymo to launch autonomous ride-hailing services in Dallas, demonstrating ambition to define future mobility beyond traditional travel. Sixt SE signed an agreement with Stellantis to purchase up to 250,000 vehicles, laying the foundation for fleet expansion through 2026. Europcar Mobility Group introduced Flex Model Choice, a long-term rental product for businesses seeking EVs and PHEVs with 3-12 month fixed-rate bookings.

Enterprise Holdings operates nearly 9,500 fully staffed locations across 90 countries, advancing its diversified transportation services portfolio. ALD Automotive and Arval provide full-service vehicle leasing solutions, with Arval managing nearly 1.8 million vehicles and offering Flex EV programs enabling customers to test drive EVs for 1-24 months. Alphabet Mobility has invested significantly in corporate fleet electrification, reporting 45% growth in xEV orders and 78% growth in BEVs, with 35% of its total fleet now composed of electric vehicles.

Strategic differentiators include scale of fleet assets, depth of local charging partnerships, strength of digital platforms, and flexible commercialization models including subscription and long-term leasing alternatives. Integration of telematics and advanced analytics drives improvements in utilization, dynamic pricing, and preventive maintenance.

Latest Industry News & Developments

Recent industry developments highlight the ongoing transformation of the electric car rental market. In July 2025, Avis Budget Group announced a strategic partnership with Waymo to launch and expand fully autonomous ride-hailing services in Dallas, positioning Avis as a fleet operations partner providing infrastructure design, vehicle readiness, repair and maintenance, and depot operations. This partnership exemplifies the convergence of autonomous technology and rental operations.

A 2026 study by billiger-mietwagen.de revealed that the global share of electric cars among all rental bookings rose by 19.2% within a year to 2.2%. The analysis of 13 countries showed significant regional variation, with Norway achieving a 48.9% booking share, while the United States declined by 79.5% year-over-year. Southern Europe demonstrated the strongest growth, with Portugal increasing 175.8% and Italy 129.8%.

In January 2024, Sixt SE signed an agreement with Stellantis to purchase up to 250,000 vehicles across Europe and North America by 2026, including Stellantis' wide portfolio ranges of iconic brands and vehicle classes. Uber Technologies announced that drivers can rent Turo vehicles from the Uber App in the United States, expanding its ecosystem of available rental options.

Electric Car Rental Market Challenges & Opportunities

Key restraints facing the electric car rental market include limited charging infrastructure,

particularly in less developed regions, which impacts operational efficiency and fleet uptime. Range anxiety remains a significant barrier for potential renters unsure of vehicles' ability to meet travel needs. Higher upfront costs of electric vehicles compared to traditional cars create capital investment challenges for rental companies expanding their EV fleets. Ongoing maintenance and repair costs require specialized technicians and parts. The global power crisis and intermittency of renewable energy sources can impact charging infrastructure availability, leading to operational inefficiencies and lost revenue.

Emerging opportunities in the market are substantial and diverse. The accelerating transition to sustainable transportation creates significant growth potential, with international tourism recovery driving rental demand. Subscription models and long-term leasing alternatives attract customers seeking predictable costs and reduced ownership burdens. Strategic partnerships with OEMs, charging network operators, and digital platforms reduce capital intensity and create integrated customer experiences. Integration of AI and predictive analytics for predictive maintenance, dynamic pricing, and real-time fleet optimization represents the next frontier.

Future potential lies in the combination of electric vehicles with autonomous self-driving capabilities to improve safety and efficiency. Expansion of 800V high-voltage electrical architectures and ultra-fast charging networks will reduce charging times and expand operational models. Growing corporate sustainability mandates and urban clean-air policies will accelerate fleet conversion for business customers and municipalities. Data-driven business models leveraging telematics for preventive maintenance and route optimization offer additional revenue streams.

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The electric car rental market is positioned for exceptional growth through 2035, driven by the global shift toward sustainable transportation, expanding EV infrastructure, and evolving consumer preferences. The projected valuation of USD 42.28 billion, growing at a robust CAGR of 15.40%, reflects the market's transition from experimental pilot to core mobility offering.

The medium-term growth outlook remains strongly positive, supported by international tourism recovery, corporate sustainability mandates, and increasing consumer environmental awareness. Asia-Pacific will continue to lead market expansion, while Europe maintains its position through regulatory leadership and infrastructure maturity. North America presents significant growth opportunities driven by corporate fleet electrification and strategic partnerships.

Long-term industry potential extends beyond the current forecast horizon, as the convergence of electrification, automation, and connectivity creates new use cases and business models. The integration of autonomous driving capabilities, expansion of subscription-based mobility

services, and development of integrated mobility bundles will reshape the market landscape. Companies that successfully leverage data analytics, build strategic partnerships, and adapt commercial models to rapid regulatory changes will capture disproportionate value in this evolving market. As sustainability becomes an imperative rather than an option, electric car rentals will play an increasingly central role in global mobility ecosystems.

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