New-Vehicle Average Transaction Prices Fall for First Time in Five Months After Recently Hitting Record High, According to Kelley Blue Book

- September 2022 average new-vehicle transaction prices (ATPs) declined slightly from August but remain elevated and well above sticker price.
- Luxury share remains elevated – at 18% of total sales – but luxury pricing is down.
- On average, non-luxury vehicle buyers paid $829 above sticker price, a decrease from August.
- Electric vehicle (EV) prices weakened month over month, but EV ATPs remain above $65,000.

ATLANTA, Oct. 12, 2022 /PRNewswire/ -- The average price paid for a new vehicle in the United States in September 2022 was down from August's record but remains solidly above the $48,000 mark, according to new data released today by Kelley Blue Book, a Cox Automotive company.

The Kelley Blue Book new-vehicle average transaction price (ATP) decreased to $48,094 in September, slightly lower than the previous high of $48,240. September prices dipped 0.3% ($146) month over month from August, but were up 6.1% ($2,775) year over year from September 2021.

According to Kelley Blue Book calculations, September marks a record 16th straight month that new-vehicle ATPs were higher than the average manufacturer's suggested retail price (MSRP), also known as the sticker price.

"Interest rates and average monthly payments were up in September, which means affordability worsened," said Rebecca Rydzewski, research manager of economic and industry insights for Cox Automotive. "With prices still well above MSRP and incentives from automakers still low, sales in September continued to struggle as consumers weighed their vehicle-buying options."

Average Prices for Luxury Cars Decline Slightly from August
Strong luxury vehicle sales have been a primary reason for overall elevated new-vehicle prices. Luxury vehicle share remains historically high, increasing to 18% of total sales in September from 17.6% in August. The high share of luxury sales is helping to push the overall industry ATP higher.

In September 2022, the average luxury buyer paid $65,775 for a new vehicle, down $60 from August when luxury ATPs hit a record high of $65,835. Buyers continue to pay more than MSRP for new luxury vehicles, although prices are trending closer to or below sticker prices in some luxury segments.

Mercedes-Benz and Jaguar showed the most price strength in the luxury market, transacting between 2% to 4% over sticker price last month. Luxury brands Audi, Alfa Romeo, Infiniti, Lexus, Porsche, and Tesla showed the least price strength, selling 1% or more below MSRP in September.

Average Non-Luxury Car Prices See Significant Drop but Remain Above Sticker
The average price paid for a new non-luxury vehicle in September was$44,215, down $256 month over month. On average, car shoppers in the non-luxury segment paid $829 above sticker price, a slight decrease from August.

Most non-luxury brands had stable pricing or declines in September. Buick, Mazda, and Dodge showed the most price strength in the non-luxury market, transacting between 2% to 4% over sticker price last month, while Ford, Honda and Toyota showed the least price strength, selling 1% or more below MSRP in September.

Electric Vehicle Prices Declined in September but Remained Up Compared to One Year Ago
The average price paid for a new EV declined in September by$1,162, or down 1.8%, compared to August, but was up by 9.7% compared to a year ago in September 2021. The average new EV price was$65,291, according to Kelley Blue Book estimates, well above the industry average and aligning more with luxury prices versus mainstream prices.

Auto Incentives Offered by Manufacturers Remain Historically Low
Incentives decreased again in September 2022 to only 2.1% of the average transaction price, a record low. One year ago in September 2021, incentives averaged 5.2% of ATP. Full-size cars and luxury cars had the highest incentives in September at 4.4% of ATP. Meanwhile, high-performance cars, vans, EVs, and luxury full-size SUVs/crossovers had the lowest incentives, all less than 1% of ATP.

Brands with higher inventory levels offered higher incentives in September. For example, the Stellantis brands generally had higher-than-average inventory in September and higher-than-average incentives. While still low from a historical perspective, Stellantis' incentives in September averaged 4.0% of ATP, down from 4.4% in August.

Data tables are available for download.

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