As Luxury Share Grows, New-Vehicle Prices Hit Record High in November, According to Latest Kelley Blue Book Average Transaction Price Data

- November 2022 average new-vehicle transaction prices (ATPs) increased month over month and remain well above sticker price.
- Luxury share increased to above 18% of total sales, lifting overall industry ATP.
- On average, non-luxury vehicle buyers paid more than$500 above sticker price.
- Electric vehicle (EV) prices increased by more than$1,100 month over month, with EV ATPs rising above $65,000.

ATLANTA, Dec. 12, 2022 /PRNewswire/ -- New-vehicle inventory levels are improving, but prices remain elevated. According to data released today by Kelley Blue Book, a Cox Automotive company, the average transaction price (ATP) for a new vehicle in the United States in November 2022 hit a new record high of $48,681. November prices rose 0.9% ($422) month over month from October 2022 and were up 4.4% ($2,250) from year-earlier levels.

According to Kelley Blue Book calculations, new-vehicle ATPs have been higher than the average manufacturer's suggested retail price (MSRP), also known as the sticker price, since July 2021. Sales volumes in November were up year over year by more than 11%, but down from October. The elevated prices and high loan rates are likely putting downward pressure on sales.

"The transaction data from November clearly indicates that prices are showing no signs of coming down as we head into the holiday season," said Rebecca Rydzewski, research manager of economic and industry insights for Cox Automotive. "The mix of available vehicles still favors more expensive models and higher trim levels. In fact, average MSRP has increased more than average ATP year over year, indicating automakers are still building a richer mix of expensive models and fewer value vehicles."

According to Cox Automotive estimates, new-vehicle inventory is steadily improving, though some brands have a noticeably larger supply than others. "Incentives overall are still very low, but consumers who are flexible on make and model may be able to find a good deal at year-end sales events," added Rydzewski.

Average Prices for Luxury Cars Increase More than$400 in November, Hit Record

Strong luxury vehicle sales have been a primary reason for overall elevated new-vehicle prices. Luxury vehicle share remains historically high, increasing to 18.2% of total sales in November from 17.8% in October. The high share of luxury sales helps to push the overall industry ATP higher. In November 2019, the luxury share of the U.S. market was 16.1%.

In November 2022, the average luxury buyer paid $67,050 for a new vehicle—a record high and up $405 from October. 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.

Porsche and Land Rover showed the most price strength in the luxury market, transacting between 2% to 6.4% over sticker price last month. Luxury brands Alfa Romeo, Audi, BMW, Infiniti, Lincoln, and Volvo showed the least price strength, selling 1% or more below MSRP in November.

Average Non-Luxury Car Prices Increase to Record High
The average price paid for a new non-luxury vehicle in November was $44,584—also a record and higher by $330 month over month. The previous record high was recorded in August. On average, car shoppers in the non-luxury segment paid $410 above sticker price, a slight increase from October.

Most non-luxury brands had stable pricing or declines in November. Honda and Kia showed the most price strength in the non-luxury market, transacting between 6% to 8% over sticker price in November. Meanwhile, Buick showed the least price strength, selling 2% or more below MSRP in November.

Electric Vehicle Prices Increased in November and Remained Up Compared to One Year Ago
The average price paid for a new EV increased in November by $1,172 (up 2%) compared to October and was up by 9% compared to a year ago in November 2021. The average new EV price was $65,041, 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 at Historically Low Level
Incentives remained stable in November 2022 at 2.2% of the average transaction price. In November 2021, incentives averaged 4.1% of ATP. In November 2019, before the pandemic and when inventory was plentiful, the average incentive package was 10.6% of ATP, according to Kelley Blue Book estimates. Luxury cars had the highest incentives in November at 4.8% of ATP. Meanwhile, vans, minivans and luxury full-size SUVs had the lowest incentives, all less than 1% of ATP.

Data tables are available for download.

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