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Current Used Vehicle Market Conditions: 2021 Year-End

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2021 Year-End Kontos Commentary

The following commentary is produced by Tom Kontos, Chief Economist, KAR Global. KAR Global is a leading provider of wholesale used vehicle auctions and ancillary remarketing services.¹

Summary

Average wholesale prices softened modestly through year-end after reaching new highs in early November. Nevertheless, prices remained dramatically higher than year-ago and pre-pandemic levels, as demand continues to outstrip supply.

Retail used vehicle sales and CPO sales also softened at year-end, but were solid on a full-year basis and may have been stronger if used vehicle supply was more plentiful.

Details

According to KAR Global Analytical Services' monthly analysis of wholesale used vehicle prices by vehicle model class, wholesale prices in November averaged \$16,163—down 0.9% compared to October, up 32.9% relative to November 2020, and up 48.0% versus pre-COVID/November 2019, as seen in the table below.

Wholesale Used Vehicle Price Trends

	Average Prices (\$/Unit)				Latest Month Versus		
	Nov-21	Oct-21	Nov-20	Nov-19	Prior Month	Prior Year	Two Yrs Pri
Total All Vehicles	\$16,163	\$16,318	\$12,161	\$10,924	-0.9%	32.9%	48.0%
Total Cars	\$12,067	\$12,316	\$8,879	\$8,165	-2.0%	35.9%	47.8%
Compact Car	\$8,400	\$8,689	\$6,261	\$6,096	-3.3%	34.2%	37.8%
Midsized Car	\$10,130	\$10,315	\$7,381	\$7,052	-1.8%	37.2%	43.7%
Fullsize Car	\$10,505	\$10,876	\$7,960	\$7,650	-3.4%	32.0%	37.3%
Luxury Car	\$19,111	\$19,283	\$15,006	\$12,762	-0.9%	27.4%	49.8%
Sporty Car	\$22,355	\$23,124	\$16,364	\$13,536	-3.3%	36.6%	65.1%
Total Trucks	\$18,819	\$18,936	\$14,511	\$12,976	-0.6%	29.7%	45.0%
Mini Van	\$11,858	\$11,903	\$7,937	\$7,874	-0.4%	49.4%	50.6%
Fullsize Van	22,917	\$22,878	\$13,060	\$12,618	0.2%	75.5%	81.6%
Compact SUV/CUV	\$13,810	\$14,141	\$10,565	\$10,592	-2.3%	30.7%	30.4%
Midsized SUV/CUV	\$16,628	\$16,871	\$13,075	\$11,753	-1.4%	27.2%	41.5%
Fullsize SUV/CUV	\$23,830	\$24,008	\$15,717	\$13,738	-0.7%	51.6%	73.5%
Luxury SUV/CUV	\$28,170	\$28,281	\$20,577	\$18,162	-0.4%	36.9%	55.1%
Compact Pickup	\$17,698	\$17,377	\$14,404	\$10,999	1.9%	22.9%	60.9%
Fullsize Pickup	\$22,264	\$22,337	\$19,524	\$15,948	-0.3%	14.0%	39.6%

Wholesale prices in December averaged \$16,026—down 0.8% compared to November, up 34.8% relative to December 2020, and up 48.1% versus pre-COVID/December 2019, as seen in the following table:

Wholesale Used Vehicle Price Trends

	Average Prices (\$/Unit)				Latest Month Versus		
	Dec-21	Nov-21	Dec-20	Dec-19	Prior Month	Prior Year	Two Yrs Prior
Total All Vehicles	\$16,026	\$16,163	\$11,890	\$10,822	-0.8%	34.8%	48.1%
Total Cars	\$12,084	\$12,067	\$8,484	\$8,130	0.1%	42.4%	48.6%
Compact Car	\$8,611	\$8,400	\$5,877	\$6,068	2.5%	46.5%	41.9%
Midsize Car	\$10,281	\$10,130	\$7,050	\$7,131	1.5%	45.8%	44.2%
Fullsize Car	\$10,647	\$10,505	\$7,676	\$7,241	1.3%	38.7%	47.0%
Luxury Car	\$18,811	\$19,111	\$14,372	\$12,700	-1.6%	30.9%	48.1%
Sporty Car	\$21,630	\$22,355	\$15,636	\$13,496	-3.2%	38.3%	60.3%
Total Trucks	\$18,638	\$18,819	\$14,251	\$12,872	-1.0%	30.8%	44.8%
Mini Van	\$11,574	\$11,858	\$7,804	\$7,568	-2.4%	48.3%	52.9%
Fullsize Van	\$21,408	\$22,917	\$12,360	\$11,921	-6.6%	73.2%	79.6%
Compact SUV/CUV	\$14,020	\$13,810	\$10,188	\$10,449	1.5%	37.6%	34.2%
Midsize SUV/CUV	\$16,448	\$16,628	\$12,766	\$11,275	-1.1%	28.8%	45.9%
Fullsize SUV/CUV	\$22,936	\$23,830	\$15,137	\$13,558	-3.7%	51.5%	69.2%
Luxury SUV/CUV	\$28,050	\$28,170	\$20,465	\$18,336	-0.4%	37.1%	53.0%
Compact Pickup	\$18,133	\$17,698	\$14,114	\$10,899	2.5%	28.5%	66.4%
Fullsize Pickup	\$21,744	\$22,264	\$19,191	\$15,996	-2.3%	13.3%	35.9%

The year-end price moderation generally affected all model classes equally but left prices for all segments well above year-ago and pre-pandemic levels.

The same can be said when holding constant for sale type, model-year-age, mileage, and model class segment—using criteria that characterize off-lease units—for midsize cars than for midsize SUV/CUVs, as seen in the following table:

Fleet/Lease Sales of Three-MY-Old Units w/36k–45k Miles

Model Class	Average Prices			Y/Y	Y/Y
	Nov-21	Nov-20	Nov-19	vs 2020	vs 2019
Midsize Car	\$20,572	\$12,410	\$11,419	65.8%	80.2%
Midsize SUV/CUV	\$30,958	\$21,149	\$19,499	46.4%	58.8%
Model Class	Dec-21	Dec-20	Dec-19	vs 2020	vs 2019
Midsize Car	\$20,352	\$12,056	\$11,601	68.8%	75.4%
Midsize SUV/CUV	\$30,018	\$20,505	\$19,541	46.4%	53.6%

The following graph shows trends in average prices by major vehicle type and in total by week during 2021 through January 2, 2022, using the same criteria:

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