

General

Average Used Car Price Tops \$27,000 for First Time



The average used car list price in America at the end of November was \$27,569. That's 27% higher than in November of 2020. It's a jaw-dropping 41% higher than in November of 2019, the last month before COVID-19 was first detected and knocked the world's economy off its tracks.

Several Forces Driving the Surge

Used car prices have been rising throughout 2021 due to a host of factors.

Vaccines stemmed the tide of COVID-19 infections, spurring an economic recovery that left millions of Americans with money to spend. Headed back to work and school and nervous about public transportation, they wanted cars.

But a worldwide shortage of microchips left new cars in short supply. That [pushed new car prices to record highs](#), sending many would-be new car shoppers into the used car market instead — where they drove up prices and bought out inventory.

Inventory Starting to Build

America's used car dealers had 2.31 million vehicles available for sale at the end of November. That number holds important news for car shoppers. They ended October with 2.25 million.

But it's still below normal. Car dealers measure their stock in a metric they call days of inventory - how long it would take them to sell out of cars if they stopped acquiring new ones. That number stood at 44 as November ended. That is still 15% below levels from one year ago.

But it's up from 41 days' supply one month before.

[The wholesale prices dealers pay for the used cars they later sell continue to climb.](#) But they are climbing slower now than they were in autumn.

Taken together, all of these signs point to a slight turnaround, when used car prices may finally end the rocket ride they've been on all year long.

Cheapest Cars Still the Hardest to Find

The news isn't all good for shoppers. Dealers still find themselves low on the least-expensive cars.

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America's automakers scaled back production during the post-2008 recession. That leaves few of the older, higher-priced cars dealers can sell for low prices on the market.

Used cars priced under \$10,000 remain in the shortest supply. Those priced over \$25,000 are most plentiful.

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