New light-vehicle sales in November 2022 increased year over year but were down slightly from the month before. November’s SAAR of 14.1 million units was up 7.8% compared with November 2021 but down 6.5% compared with October 2022. According to J.D. Power, November 2022’s average transaction price is expected to reach $40,800—3.1% higher than a year ago. In addition to rising transaction prices, rising interest rates and incentive spending that remains near record lows pushed new-vehicle payments higher. November’s average interest rate on a new-vehicle finance contract should reach 6.37%, an increase of 228 basis points from November 2021. Average incentive spending per unit is forecast to be just $1,099, down 30% year over year. These three factors contributed to an expected average monthly payment in November 2022 of $522, an increase of $48 from November 2021. J.D. Power says rising interest rates are pushed new-vehicle payments higher than before the end of the year, but the Fed is expected to exceed rates again at its December meeting.

Looking ahead to the final month of the year, we don’t expect too many surprises. New light-vehicle sales have averaged 1.13 million units sold per month since June. We believe that December’s new-vehicle sales volume will be roughly in line with the past five months’ average. Our forecast for total sales in 2022 is 13.6 million units.