

Electric Vehicle Wholesale Prices are on the Upswing

June 16, 2026

Used electric vehicle (EV) wholesale prices have faced significant headwinds over the past several years.

Automakers invested heavily in EV production at the start of the decade, fueling rapid growth in new EV sales. Between 2020 and 2025, U.S. battery-electric vehicle sales increased from approximately 230,000 units to nearly 1.26 million units – a gain of roughly 445%.

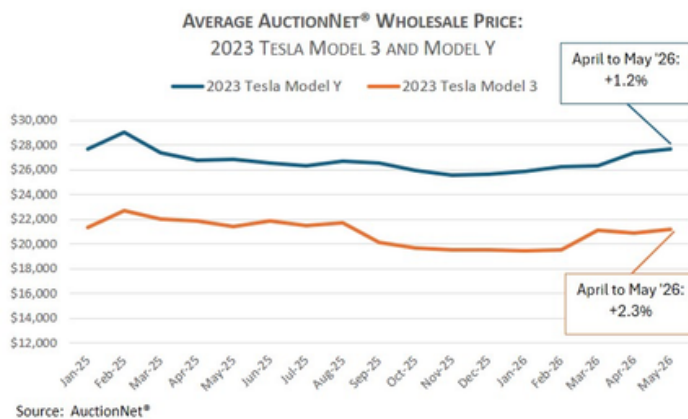
While new EV demand expanded rapidly, used EV demand has grown at a slower pace. Used-vehicle buyers tend to be more price-sensitive than new-vehicle shoppers and are often more cautious about long-term durability, maintenance costs, and repair expenses – areas where many consumers continue to perceive EV ownership as carrying greater uncertainty.

At the same time, intensifying competition and a desire to sustain sales momentum prompted many automakers – most notably Tesla – to implement substantial price reductions on new EVs beginning in 2023.

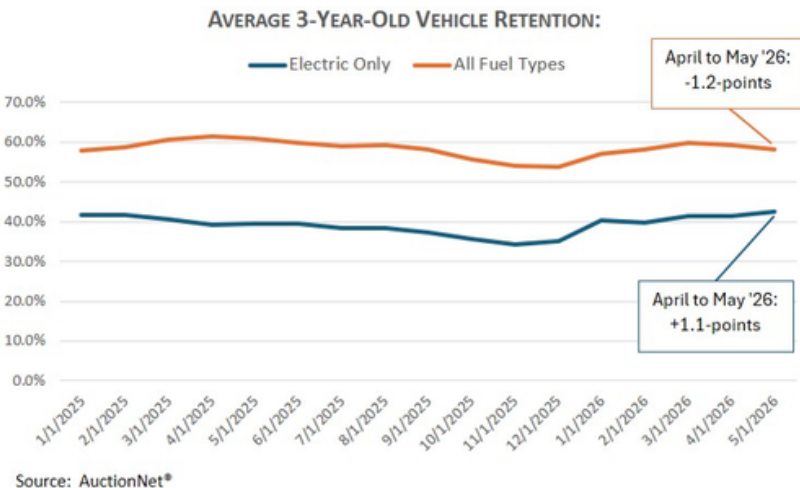
The combination of lower new-vehicle prices, relatively soft used-vehicle demand, and a sharp increase in used EV supply placed considerable downward pressure on wholesale prices and retained values for much of the past two years.

Recently, however, the market appears to be showing signs of improvement.

After failing to keep pace with gains in non-EV wholesale prices during the first quarter, EV wholesale values have strengthened over the past two months, particularly for Tesla models, which accounted for 45% of all EV wholesale sales through May. For example, wholesale prices for 2023 Tesla Model 3 and Model Y vehicles increased 2.3% and 1.2%, respectively, in May, while overall wholesale prices declined 2.1%.



EV retention has also improved following a prolonged period of weakness. Unlike the broader market, where 3-year-old vehicle retention declined sequentially in May, 3-year-old EV retention increased by 1.1 percentage points compared with April. Moreover, average EV retention in May was 2.4 percentage points higher than in January 2026, compared with a gain of just 1.1 points for the overall 3-year-old vehicle market.



The improvement in EV retention reflects two key factors: stronger wholesale prices and lower new vehicle MSRPs.

As noted earlier, wholesale EV prices have strengthened in recent months. In addition, retail-equipped MSRPs for 2023 model year EVs were approximately 11% lower in May 2026 than comparable 2022 model year vehicles were in May 2025. Lower MSRPs are generally supportive of stronger retention, all else equal.

While part of the decline in average MSRP reflects changes in the underlying sales mix (i.e., less expensive EVs entering the fold), Tesla also reduced pricing substantially for its 2023 model year vehicles. Given Tesla's dominant share of EV wholesale sales, the brand continues to exert significant influence on overall EV pricing and retention trends.

It may be too early to conclude that EV wholesale prices and retention will continue improving throughout the remainder of the year. Seasonal depreciation typically accelerates after tax-refund season and used EV supply is expected to increase significantly as the year progresses due to the accelerated number of new EV leases that originated back in 2023.

Nevertheless, higher gasoline prices and the allure of a nearly new pre-owned electric vehicle with low mileage appear to be acting as tailwinds for used EV consumer demand at a time when wholesale prices are typically on the downswing.