

# New-Car Transaction Prices Reach Record High, Increasing Nearly 2 Percent Year-Over-Year In December 2016, According To Kelley Blue Book

**Climbing Incentives Counterbalance Increased Prices; Higher Transaction Prices Reflective of Shift in Consumer Demand Toward Trucks, Utility Vehicles**

IRVINE, Calif., Jan. 4, 2017 /PRNewswire/ -- The analysts at Kelley Blue Book [www.kbb.com](http://www.kbb.com), the vehicle valuation and information source trusted and relied upon by both consumers and the automotive industry, today reported the estimated average transaction price (ATP) for light vehicles in the United States was \$35,309 in December 2016, an all-time record high. [New-car prices](#) have increased by \$521 (up 1.5 percent) from December 2015, while rising \$166 (up 0.3 percent) from last month.

"Even though transaction prices are at an all-time high, incentives have grown similarly to counterbalance the increased prices," said Tim Fleming, analyst for Kelley Blue Book. "Higher average transaction prices are reflective of the rapid shift in consumer demand away from cars and into trucks and utility vehicles, which are more expensive. Should the sales mix of cars to SUVs reach a stable point in the near future, actual transaction price growth could match or fall just short of inflation."



**Kelley Blue Book**

Manufacturer	December 2016 Transaction Price (Avg.)*	November 2016 Transaction Price (Avg.)*	December 2015 Transaction Price (Avg.)*	Percent Change November 2016 to December 2016*	Percent Change December 2015 to December 2016*
<a href="#">American Honda</a> (Acura, Honda)	\$27,539	\$27,479	\$27,662	0.2%	-0.4%
<a href="#">Fiat Chrysler</a> (Alfa Romeo, Chrysler, Dodge, Fiat, Jeep, RAM)	\$35,700	\$36,245	\$34,557	-1.5%	3.3%
<a href="#">Ford Motor Company</a> (Ford, Lincoln)	\$39,160	\$39,407	\$38,021	-0.6%	3.0%
<a href="#">General Motors</a> (Buick, Cadillac, Chevrolet, GMC)	\$40,749	\$40,125	\$40,061	1.6%	1.7%
<a href="#">Hyundai-Kia</a>	\$24,611	\$24,678	\$25,612	-0.3%	-3.9%
<a href="#">Nissan North America</a> (Nissan, Infiniti)	\$29,736	\$29,669	\$28,086	0.2%	5.9%
<a href="#">Subaru</a>	\$28,587	\$29,082	\$27,975	-1.7%	2.2%
<a href="#">Toyota Motor Company</a> (Lexus, Scion, Toyota)	\$32,584	\$32,082	\$31,902	1.6%	2.1%
<a href="#">Volkswagen Group</a> (Audi, Volkswagen, Porsche)	\$38,933	\$39,535	\$38,028	-1.5%	2.4%
<b>Industry</b>	<b>\$35,309</b>	<b>\$35,193</b>	<b>\$34,788</b>	<b>0.3%</b>	<b>1.5%</b>
<i>*Kelley Blue Book average transaction prices do not include applied consumer incentives</i>					

Fiat Chrysler rose a solid 3 percent in December 2016, with increases coming from its Chrysler, Dodge and Jeep brands. The Chrysler brand was up 10 percent on the strength of the Pacifica minivan, as well as fewer sales of the 200 sedan. The Dodge brand was up 5 percent on a lower mix of its compact car, the Dart, and strong performance from the Charger. Finally, Jeep is up 2 percent, thanks to a strong month from the refreshed Grand Cherokee, which was up 3 percent.

Another strong domestic automaker, Ford Motor Company, improved 3 percent, due to the Explorer, which was up 11 percent on a strong mix of its Sport and Platinum trims. The refreshed Escape also was up 3 percent, while the reinvigorated Fusion climbed 4 percent. The Lincoln brand increased 3 percent, as the Continental helped the brand's average by transacting at \$57,156.

In addition, American Honda's transaction prices were flat overall, with the Acura brand up 1 percent, while Honda was flat. The Honda Civic, now in its second year of production for the current generation, was up 4 percent, thanks to the recent launch of the hatchback variant.

Segment	December 2016 Transaction Price (Avg.)*	November 2016 Transaction Price (Avg.)*	December 2015 Transaction Price (Avg.)*	Percent Change November 2016 to December 2016*	Percent Change December 2015 to December 2016*
Compact Car	\$20,405	\$20,413	\$20,078	0.0%	1.6%
Compact SUV/Crossover	\$26,666	\$26,569	\$26,504	0.4%	0.6%
Electric Vehicle	\$39,204	\$39,119	\$48,939	0.2%	-19.9%
Entry-level Luxury Car	\$41,709	\$41,859	\$40,437	-0.4%	3.1%
Full-size Car	\$34,637	\$34,671	\$34,145	-0.1%	1.4%
Full-size Pickup Truck	\$47,011	\$46,670	\$46,285	0.7%	1.6%
Full-Size SUV/Crossover	\$60,716	\$60,136	\$60,343	1.0%	0.6%
High Performance Car	\$96,066	\$98,326	\$94,131	-2.3%	2.1%
High-end Luxury Car	\$90,932	\$90,834	\$92,669	0.1%	-1.9%
Hybrid/Alternative Energy Car	\$25,607	\$25,563	\$24,640	0.2%	3.9%
Luxury Car	\$56,967	\$57,333	\$56,787	-0.6%	0.3%
Luxury Compact SUV/Crossover	\$41,344	\$41,447	\$40,413	-0.2%	2.3%
Luxury Full-size SUV/Crossover	\$81,849	\$82,346	\$83,440	-0.6%	-1.9%
Luxury Mid-size SUV/Crossover	\$54,368	\$55,142	\$53,932	-1.4%	0.8%
Mid-size Car	\$25,173	\$25,245	\$25,078	-0.3%	0.4%
Mid-size Pickup Truck	\$32,434	\$32,784	\$31,815	-1.1%	1.9%
Mid-size SUV/Crossover	\$37,127	\$37,271	\$36,699	-0.4%	1.2%
Minivan	\$33,189	\$34,135	\$32,425	-2.8%	2.4%
Sports Car	\$30,223	\$30,634	\$29,543	-1.3%	2.3%
Subcompact Car	\$16,649	\$16,542	\$16,622	0.7%	0.2%
Subcompact SUV/Crossover	\$24,627	\$24,454	\$25,047	0.7%	-1.7%
Van	\$32,183	\$33,909	\$32,873	-5.1%	-2.1%
<b>Grand Total</b>	<b>\$35,309</b>	<b>\$35,193</b>	<b>\$34,788</b>	<b>0.3%</b>	<b>1.5%</b>

*\*Kelley Blue Book average transaction prices do not include applied consumer incentives*

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