# Automobile Prices Hit All-Time High in July 2021; Purchase Incentives Continue to Drop

**- New-vehicle affordability hits 10-year low in July as high prices, low incentives combine to put pressure on new-vehicle shoppers.**
**- Average new-vehicle transaction prices hit record $42,736 in July, according to Kelley Blue Book.**
**- Tight new-vehicle supply continues to put upward pressure on new-vehicle transaction prices.**

IRVINE, Calif., Aug. 17, 2021 /PRNewswire/ -- The average transaction price (ATP) for a new automobile in July 2021 hit a new record high in the United States at $42,736, according to the analysts at Kelley Blue Book. Transaction prices were up $3,223 (8.2%) from July 2020 and increased $402 (0.9%) from June 2021.

New-vehicle transaction prices have increased – and set new records – for four straight months. A tight supply of new vehicles and a market shift toward more expensive SUVs and pickup trucks are among the main drivers of higher ATPs. However, elevated prices may be cooling consumer demand; after robust sales in March, April and May, new-vehicle sales began to slow in June and July. The seasonally adjusted new-vehicle sales pace in July was the slowest in a year.

"While transaction prices marked new highs in July, new-vehicle incentives continue to fall," noted Cox Automotive Analyst Kayla Reynolds. "Last month, incentives amounted to just 5.9% of ATP, the lowest amount in more than a decade. Excellent new-vehicle deals are certainly hard to find."

In July 2020, the average incentive amount stood at 10.1% of transaction price, according to the analysts at KBB.com. In July 2021, the average new-vehicle deal was above manufacturers' suggested retail price (MSRP).

Higher transaction prices and lower incentives have combined to drive the Cox Automotive/Moody Analytics Vehicle Affordability Index into uncharted territory. New-vehicle affordability has declined through the spring and set records in each of the last two months. The number of median weeks of income needed to purchase the average new vehicle in July increased to 37.4 weeks, up from 37.2 in June.

**Transaction Prices Up Across the Industry**

Nearly every brand saw year-over-year growth in average transaction prices. Cadillac prices increased more than 32% year-over-year, driven mostly by the new Escalade full-size SUV, which has been transacting above $100,000 this year. The luxury automaker Genesis, with a new SUV in the showroom, posted year-over-year price gains of 28% for last month. Even Chevrolet and Ford delivered year-over-year gains of 14% and 15%, respectively. Porsche and Tesla were the only brands that posted price drops from year-ago levels, although the Tesla ATP has been skewed** by incomplete data.

Non-luxury vehicles showed an 8% year-over-year price increase to $39,865, while the luxury segment saw prices jump 5.8% to $57,546. Vehicle segments with the largest year-over-year increases include hybrids and plug-in hybrid vehicles, luxury full-size SUVs and mid-size cars. The single biggest year-over-year price jump was in the reignited minivan market, where new entries from Toyota and Kia, combined with low inventory, have been driving prices up all year. Families beware: Minivan ATPs have jumped up nearly 17% from year-ago levels, and incentives are well below industry average.

| Manufacturer | July 2021 Transaction Price (Avg.)* | June 2021 Transaction Price (Avg.)* | July 2020 Transaction Price (Avg.)* | % Change June 2021 to July 2021* | % Change July 2020 to July 2021* |
|---|---|---|---|---|---|
| **American Honda (Acura, Honda)** | $33,775 | $33,077 | $30,125 | 2.1% | 12.1% |
| **BMW Group** | $57,006 | $58,599 | $55,419 | -2.7% | 2.9% |
| **Daimler** | $68,748 | $65,959 | $63,708 | 4.2% | 7.9% |
| **Stellantis (Alfa Romeo, Chrysler, Dodge, Fiat, Jeep, RAM)** | $48,984 | $49,774 | $43,386 | -1.6% | 12.9% |
| **Ford Motor Company (Ford, Lincoln)** | $52,356 | $50,358 | $45,851 | 4.0% | 14.2% |
| **General Motors (Buick, Cadillac, Chevrolet, GMC)** | $49,335 | $48,697 | $43,029 | 1.3% | 14.7% |
| **Hyundai Kia** | $32,411 | $31,789 | $28,956 | 2.0% | 11.9% |
| **Mazda** | $32,561 | $31,562 | $29,592 | 3.2% | 10.0% |
| **Mitsubishi** | $27,102 | $26,609 | $23,854 | 1.9% | 13.6% |
| **Nissan North America (Nissan, INFINITI)** | $33,174 | $32,721 | $31,526 | 1.4% | 5.2% |
| **Subaru** | $34,551 | $35,193 | $31,843 | -1.8% | 8.5% |
| **Tesla Motors**** | $49,001 | $47,780 | $54,830 | 2.6% | -10.6% |
| **Toyota Motor Company (Lexus, Toyota)** | $38,352 | $38,370 | $36,070 | 0.0% | 6.3% |
| **Volkswagen Group (Audi, Volkswagen, Porsche)** | $48,700 | $48,982 | $45,171 | -0.6% | 7.8% |
| **Volvo North America** | $55,811 | $53,125 | $48,606 | 5.1% | 14.8% |
| **Industry** | **$42,736** | **$42,334** | **$39,512** | **0.9%** | **8.2%** |

**Kelley Blue Book average transaction prices do not include all applied consumer incentives.*
***Tesla Motors did not report price numbers for two of its models (Model S and Model X). This heavily skewed the manufacturer's average transaction price comparisons year-over-year and month-over-month.*

| Makes | July 2021 Transaction Price (Avg.)* | June 2021 Transaction Price (Avg.)* | July 2020 Transaction Price (Avg.)* | % Change June 2021 to July 2021* | % Change July 2020 to July 2021* |
|---|---|---|---|---|---|
| **Acura** | $45,702 | $45,223 | $40,304 | 1.1% | 13.4% |
| **Alfa Romeo** | $48,211 | $47,725 | $45,589 | 1.0% | 5.8% |
| **Audi** | $59,704 | $58,635 | $55,964 | 1.8% | 6.7% |
| **BMW** | $59,378 | $60,904 | $58,799 | -2.5% | 1.0% |
| **Buick** | $36,106 | $36,393 | $32,560 | -0.8% | 10.9% |
| **Cadillac** | $75,375 | $68,921 | $56,756 | 9.4% | 32.8% |
| **Chevrolet** | $46,208 | $46,233 | $40,726 | -0.1% | 13.5% |
| **Chrysler** | $42,650 | $41,002 | $39,289 | 4.0% | 8.6% |
| **Dodge** | $44,464 | $43,750 | $38,610 | 1.6% | 15.2% |
| **Fiat** | $28,672 | $28,271 | $27,952 | 1.4% | 2.6% |
| **Ford** | $51,828 | $49,690 | $45,235 | 4.3% | 14.6% |
| **Genesis** | $60,096 | $59,226 | $47,056 | 1.5% | 27.7% |
| **GMC** | $56,938 | $55,288 | $52,081 | 3.0% | 9.3% |
| **Honda** | $32,307 | $31,671 | $28,940 | 2.0% | 11.6% |
| **Hyundai** | $31,320 | $30,740 | $29,349 | 1.9% | 6.7% |
| **Infiniti** | $52,227 | $51,018 | $46,087 | 2.4% | 13.3% |
| **Jaguar** | $67,112 | $65,891 | $59,574 | 1.9% | 12.7% |
| **Jeep** | $46,052 | $46,066 | $39,876 | 0.0% | 15.5% |
| **Kia** | $31,430 | $31,275 | $28,091 | 0.5% | 11.9% |
| **Land Rover** | $83,174 | $84,101 | $80,469 | -1.1% | 3.4% |
| **Lexus** | $51,490 | $51,394 | $49,734 | 0.2% | 3.5% |
| **Lincoln** | $66,631 | $65,301 | $57,736 | 2.0% | 15.4% |
| **Mazda** | $32,561 | $31,562 | $29,592 | 3.2% | 10.0% |
| **Mercedes-Benz** | $68,748 | $65,959 | $63,708 | 4.2% | 7.9% |
| **Mini** | $35,566 | $34,627 | $33,193 | 2.7% | 7.1% |
| **Mitsubishi** | $27,102 | $26,609 | $23,854 | 1.9% | 13.6% |
| **Nissan** | $32,117 | $31,559 | $30,133 | 1.8% | 6.6% |
| **Porsche** | $95,534 | $101,899 | $96,795 | -6.2% | -1.3% |
| **Ram** | $55,322 | $55,816 | $50,596 | -0.9% | 9.3% |
| **Subaru** | $34,551 | $35,193 | $31,843 | -1.8% | 8.5% |
| **Tesla**** | $49,001 | $47,780 | $54,830 | 2.6% | -10.6% |
| **Toyota** | $36,240 | $36,444 | $33,877 | -0.6% | 7.0% |
| **Volkswagen** | $34,402 | $34,046 | $29,488 | 1.0% | 16.7% |
| **Volvo** | $55,756 | $53,081 | $48,606 | 5.0% | 14.7% |
| **Industry** | **$42,736** | **$42,334** | **$39,512** | **0.9%** | **8.2%** |

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

***Tesla Motors did not report price numbers for two of its models (Model S and Model X). This heavily skewed the manufacturer's average transaction price comparisons year-over-year and month-over-month.*

| Segment | July 2021 Transaction Price (Avg.)* | June 2021 Transaction Price (Avg.)* | July 2020 Transaction Price (Avg.)* | % Change June 2021 to July 2021* | % Change July 2020 to July 2021* |
|---|---|---|---|---|---|
| **Compact Car** | $24,080 | $23,886 | $22,439 | 0.80% | 7.30% |
| **Compact SUV/Crossover** | $32,747 | $32,225 | $30,500 | 1.60% | 7.40% |
| **Electric Vehicle**** | $49,938 | $49,785 | $57,346 | 0.30% | -12.90% |
| **Entry-level Luxury Car** | $47,567 | $47,578 | $44,363 | 0.00% | 7.20% |
| **Full-size Car** | $42,785 | $42,510 | $39,203 | 0.60% | 9.10% |
| **Full-size Pickup Truck** | $57,325 | $57,305 | $52,734 | 0.00% | 8.70% |
| **Full-size SUV/Crossover** | $67,134 | $68,033 | $64,877 | -1.30% | 3.50% |
| **High Performance Car** | $98,962 | $104,328 | $100,505 | -5.10% | -1.50% |
| **High-end Luxury Car** | $107,376 | $104,582 | $104,407 | 2.70% | 2.80% |
| **Hybrid/Alternative Energy Car** | $31,584 | $30,987 | $28,246 | 1.90% | 11.80% |
| **Luxury Car** | $68,869 | $66,312 | $62,694 | 3.90% | 9.80% |
| **Luxury Compact SUV/Crossover** | $49,379 | $48,934 | $46,489 | 0.90% | 6.20% |
| **Luxury Full-size SUV/Crossover** | $102,320 | $99,262 | $90,903 | 3.10% | 12.60% |
| **Luxury Mid-size SUV/Crossover** | $66,328 | $66,615 | $61,745 | -0.40% | 7.40% |
| **Luxury Subcompact SUV/Crossover** | $43,281 | $42,554 | $39,759 | 1.70% | 8.90% |
| **Mid-size Car** | $30,698 | $30,237 | $27,269 | 1.50% | 12.60% |
| **Mid-size Pickup Truck** | $41,466 | $41,077 | $38,080 | 0.90% | 8.90% |
| **Mid-size SUV/Crossover** | $44,206 | $43,617 | $40,905 | 1.30% | 8.10% |
| **Minivan** | $43,338 | $43,013 | $37,135 | 0.80% | 16.70% |
| **Sports Car** | $43,759 | $43,462 | $42,186 | 0.70% | 3.70% |
| **Subcompact Car** | $20,672 | $20,624 | $19,125 | 0.20% | 8.10% |
| **Subcompact SUV/Crossover** | $27,687 | $27,447 | $25,468 | 0.90% | 8.70% |

| | | | | | |
|---|---|---|---|---|---|
| **Van** | $44,101 | $41,631 | $41,807 | 5.90% | 5.50% |
| **Industry** | **$42,736** | **$42,334** | **$39,512** | **0.9%** | **8.2%** |

**Kelley Blue Book average transaction prices do not include applied consumer incentives.*
***Due to reporting errors with Tesla Motors, the Electric Vehicle ATP is likely higher than Kelley Blue Book estimates.*

For more information and news from Kelley Blue Book's KBB.com, visitwww.kbb.com/media/, follow us on LinkedIn at https://www.linkedin.com/company/kelley-blue-book/, Twitter at www.twitter.com/kelleybluebook (or @kelleybluebook), like our page on Facebook at www.facebook.com/kbb and follow us on Instagram at https://www.instagram.com/kbb_com/ (or @kbb_com).

**About Kelley Blue Book (www.kbb.com)**

Founded in 1926, Kelley Blue Book, *The Trusted Resource*®, is the vehicle valuation and information source trusted and relied upon by both consumers and the automotive industry. Each week the company provides market-reflective values on its top-rated website KBB.com, including its famous Blue Book® Trade-In Values and Kelley Blue Book® Price Advisor tool, which provides a range for what consumers can reasonably expect to pay for a vehicle in their area. Car owners looking to sell immediately can also get a redeemable, transaction-ready offer with Kelley Blue Book℠ Instant Cash Offer. The company also provides vehicle pricing and values through various products and services available to car dealers, auto manufacturers, finance and insurance companies, and governmental agencies. Kelley Blue Book is a Cox Automotive brand.

**About Cox Automotive**

Cox Automotive Inc. makes buying, selling, owning and using vehicles easier for everyone. The global company's more than 27,000 team members and family of brands, including Autotrader®, Dealer.com®, Dealertrack®, Dickinson Fleet Services, Kelley Blue Book®, Manheim®, NextGear Capital®, VinSolutions®, vAuto® and Xtime®, are passionate about helping millions of car shoppers, 40,000 auto dealer clients across five continents and many others throughout the automotive industry thrive for generations to come. Cox Automotive is a subsidiary of Cox Enterprises Inc., a privately-owned, Atlanta-based company with annual revenues of nearly $20 billion. www.coxautoinc.com

SOURCE Kelley Blue Book

For further information: Brenna Buehler, Kelley Blue Book, 949-473-6595, brenna.buehler@coxautoinc.com; Mark Schirmer, Cox Automotive, 734-883-6346, mark.schirmer@coxautoinc.com

---