New-Vehicle Prices Surge to Record Highs for Fifth Straight Month, According to Kelley Blue Book

- At $43,355, the average new-vehicle transaction price hit a record high in August 2021 for the fifth consecutive month, according to Kelley Blue Book.
- New-vehicle prices jumped nearly 10% year-over-year in August 2021, as tight inventory slowed sales.
- While nearly every segment recorded year-over-year growth in August 2021, electric vehicles (EVs) posted a price drop.

IRVINE, Calif., Sept. 14, 2021 /PRNewswire/ -- According to a new report from Kelley Blue Book, new-vehicle prices hit another all-time high in August 2021, marking the fifth straight record-setting month. At $43,355, the average transaction price (ATP) for a new vehicle was up nearly 10% ($3,789) from one year ago in August 2020, and up 1.6% ($685) from July 2021.

Yet the all-time-high prices also accompanied the fourth straight month of a slowed sales pace. After a frenzy of strong sales in the spring, the pace of automobile sales slowed again in August 2021 as car shoppers faced limited inventory, high prices and historically low incentives. In fact, total sales last month numbered just 1,092,302 – among the lowest monthly total in a decade – and at the lowest volume since April 2020, when the global COVID pandemic initially shut down U.S. businesses.

Incentive spending continued to fall as well, dropping to 5.6% of ATP last month, a decrease from 5.9% in July 2021 and well below the 10.1% of ATP recorded in August 2020. Porsche, Genesis, Land Rover and Subaru had among the lowest incentive spend last month, all less than 4% of ATP. On the other hand, Alfa Romeo, Buick and Infiniti each had incentive levels at more than twice the industry average.

"The automotive industry is still reeling from the extraordinary circumstances of the last year and a half, setting new records seemingly left and right," said Kayla Reynolds, analyst for Cox Automotive. "With the ongoing inventory challenges that auto manufacturers are facing across the board, coupled with historically low incentive spending, car shoppers end up being the ones paying the price, quite literally. New-car prices just continue to climb, month after month."

ATPs in August were driven higher in part by strong luxury vehicle sales. Luxury sales accounted for 16.2% of the total market, up from 14.4% of total sales in August 2020. Car shoppers paid an average of $58,766 for a luxury vehicle last month. Further, many luxury brands, notably Acura, Cadillac, Genesis and Mercedes-Benz, achieved year-over-year ATP gains in excess of 20%. Cadillac, for example, saw ATPs jump up more than 32% last month, reaching $74,332. Consumers continue to pay near $100,000 for a new Cadillac Escalade, and more than 2,000 new Escalades were sold in August.

Transaction Prices Drop Year-Over-Year for Porsche, Fiat and for EVs

Nearly every brand saw year-over-year price gains last month, with the exception being Fiat and Porsche. Porsche continues to deliver the industry's highest ATPs, at $96,344 in August, but saw prices drop marginally (less than 1%) on lower sales of the brand's most expensive sports cars, the 911 and Taycan. Porsche incentives, as measured in relation to ATP, are the lowest in the industry, as well.

Whereas Porsche occupies the ATP penthouse, Fiat lives at the other end of the scales, selling the most-affordable vehicles in the market. According to Kelley Blue Book, the average transaction price for a new Fiat last month was less than $27,000, the lowest in the industry. Fiat ATPs were down 5% from August 2020, and the brand only 128 units sold last month.

Notably, electric vehicle prices declined year-over-year in August. New entries including the Chevrolet Bolt EUV, the Ford Mustang Mach-E, and Volkswagen's ID.4 helped drive down average electric vehicle prices from $57,346 to $49,938 year-over-year. Even the hyper-expensive Porsche Taycan was less hyper-expensive in August 2021. A year ago, the average buyer of the Porsche super electric was paying $152,509. Last month, the ATP fell to $123,371, a drop of 19% year-over-year. In contrast, sales of the Tesla Model Y – the best-selling EV in America – increased 3.7% year-over-year in August with an ATP of $58,966.

Manufacturer	August 2021 Transaction Price (Avg.)*	July 2021 Transaction Price (Avg.)*	August 2020 Transaction Price (Avg.)*	Percent Change July 2021 to August 2021*	Perc Char Aug 2020 Aug 202
American Honda (Acura, Honda)	$34,886	$33,779	$30,233	3.3%	
BMW Group	$60,881	$57,498	$55,656	5.9%	
Daimler	$74,900	$68,799	$61,918	8.9%	
Stellantis (Alfa Romeo, Chrysler, Dodge, Fiat, Jeep, RAM)	$47,731	$48,994	$43,479	-2.6%	
Ford Motor Company (Ford, Lincoln)	$51,897	$52,282	$45,713	-0.7%	
General Motors (Buick, Cadillac, Chevrolet, GMC)	$49,468	$49,343	$43,749	0.3%	
Hyundai Kia	$33,516	$32,405	$29,405	3.4%	
Mazda	$32,840	$32,545	$29,760	0.9%	
Mitsubishi	$28,754	$27,076	$24,251	6.2%	
Nissan North America (Nissan, INFINITI)	$33,325	$33,167	$30,814	0.5%	
Subaru	$34,810	$34,531	$31,842	0.8%	
Tesla Motors	$54,547	$49,003	$54,421	11.3%	
Toyota Motor Company (Lexus, Toyota)	$38,836	$38,268	$36,130	1.5%	
Volkswagen Group (Audi, Volkswagen, Porsche)	$49,377	$48,692	$45,066	1.4%	
Volvo North America	$53,804	$53,825	$48,843	0.0%	
Industry	**$ 43,355**	**$ 42,670**	**$ 39,571**	**1.6%**	

**Kelley Blue Book average transaction prices do not include all applied consumer incentives.*
***Tesla Motors did not wholly report price numbers for their model lineup. This heavily skewed the manufacturer's average transaction price comparisons year-over-year and month-ove*

Makes	August 2021 Transaction Price (Avg.)*	July 2021 Transaction Price (Avg.)*	August 2020 Transaction Price (Avg.)*	Percent Change July 2021 to August 2021*	Percent Change August 2020 to August 2021*
Acura	$48,286	$45,720	$40,056	5.6%	20.5%
Alfa Romeo	$48,364	$48,546	$45,370	-0.4%	6.6%
Audi	$56,888	$59,667	$55,209	-4.7%	3.0%
BMW	$63,700	$59,911	$58,924	6.3%	8.1%
Buick	$35,089	$36,112	$32,970	-2.8%	6.4%
Cadillac	$74,332	$75,421	$56,074	-1.4%	32.6%
Chevrolet	$47,025	$46,223	$41,175	1.7%	14.2%
Chrysler	$44,591	$42,717	$39,851	4.4%	11.9%
Dodge	$42,744	$44,363	$38,293	-3.7%	11.6%
Fiat	$26,963	$28,695	$28,426	-6.0%	-5.1%
Ford	$51,466	$51,754	$45,111	-0.6%	14.1%
Genesis	$59,118	$60,052	$47,804	-1.6%	23.7%
GMC	$58,010	$56,915	$53,016	1.9%	9.4%
Honda	$32,978	$32,310	$29,137	2.1%	13.2%
Hyundai	$32,807	$31,311	$29,364	4.8%	11.7%
Infiniti	$51,987	$52,235	$45,483	-0.5%	14.3%

Jaguar	$69,118	$67,098	$60,213	3.0%	14.8%
Jeep	$44,323	$46,032	$39,632	-3.7%	11.8%
Kia	$31,895	$31,430	$29,008	1.5%	10.0%
Land Rover	$82,738	$83,126	$80,966	-0.5%	2.2%
Lexus	$51,237	$51,313	$50,319	-0.1%	1.8%
Lincoln	$61,774	$66,560	$57,120	-7.2%	8.1%
Mazda	$32,840	$32,545	$29,760	0.9%	10.3%
Mercedes-Benz	$74,900	$68,799	$61,918	8.9%	21.0%
Mini	$35,582	$35,682	$32,718	-0.3%	8.8%
Mitsubishi	$28,754	$27,076	$24,251	6.2%	18.6%
Nissan	$32,409	$32,109	$29,587	0.9%	9.5%
Porsche	$96,344	$95,629	$96,917	0.7%	-0.6%
Ram	$54,039	$55,397	$51,159	-2.5%	5.6%
Subaru	$34,810	$34,531	$31,842	0.8%	9.3%
Tesla	$54,547	$49,003	$54,421	11.3%	0.2%
Toyota	$36,736	$36,171	$33,797	1.6%	8.7%
Volkswagen	$35,116	$34,391	$30,178	2.1%	16.4%
Volvo	$53,595	$53,737	$48,843	-0.3%	9.7%
Industry	**$ 43,355**	**$ 42,670**	**$ 39,571**	**1.6%**	**9.6%**

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Segment	August 2021 Transaction Price (Avg.)*	July 2021 Transaction Price (Avg.)*	August 2020 Transaction Price (Avg.)*	Percent Change July 2021 to August 2021*	Percent Change August 2020 to August 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	$41,807	5.90%	5.50%
Industry	**$ 43,355**	**$ 42,670**	**$ 39,571**	**1.6%**	**9.6%**

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***Due to reporting errors with Tesla Motors, the Electric Vehicle ATP is likely higher than Kelley Blue Book estimates.*

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