

New-Vehicle Prices Continue to Tumble in August, Incentives Up Nearly 50% Year Over Year, according to Kelley Blue Book Estimates

- New-vehicle prices in August were lower year over year for the 11th straight month as price pressure continues to build.
- The average transaction price in August, at \$47,870, was lower versus August 2023 by 1.7%, the largest year-over-year drop since January.
- New-vehicle incentives in August averaged 7.2% of transaction price, higher year over year by 49%, and the highest level since May 2021. Incentives for EVs hit 13.3% of transaction price.

ATLANTA, Sept. 11, 2024 /PRNewswire/ -- For the 11th straight month, the average transaction price (ATP) for a new vehicle in the U.S. was lower year over year, according to data released today by Kelley Blue Book, as higher inventories continue to add price pressure to the market. At \$47,870, the new-vehicle ATP in August was also lower by 0.6% compared to the revised July ATP of \$48,166.



Kelley Blue Book

Incentive levels increased month over month and year over year in August, according to data from Kelley Blue Book. The average incentive package in August equaled 7.2% of ATP, up from 7.0% in July to the highest level since the first half of 2021. A year ago, incentive spending was 4.8% of ATP. In the past decade, incentive spending peaked at 10.8% of ATP in December 2019.

"In our latest dealer survey, the message about price pressure was very clear," said Cox Automotive Executive Analyst Erin Keating. "Dealers are telling us the sales environment is humming along at a muted pace and there is growing pressure to lower prices, just as the overall cost index hit a new record high." (Q3 Cox Automotive Dealer Sentiment Index results [are available here](#).)

Incentives Climb Higher in August

With new-vehicle inventory in early August higher by more than 40% year over year, consumers enjoyed more choices last month and, in many cases, notably higher incentive levels. Incentive packages for vehicles from Chrysler, Ram and Jeep all shifted from below the industry average in July to above the industry average in August, as many Stellantis dealers work through higher inventory levels. (Incentives for Dodge-brand vehicles declined month over month in August, falling from 6.9% of ATP to 5.6%.) Buick, Lincoln, and Mitsubishi posted notably higher discounts in August, while Nissan and Infiniti continue to offer substantial incentives as well.

In August, Porsche, Land Rover, Toyota and Lexus continued to offer the lowest incentives in the market. These brands also consistently carry inventory levels far below the industry average.

"In the face of a sluggish sales pace – 15.1 million in August – more dealers are pulling the only lever they have: higher incentives," added Keating. "This shift to a buyers' market is good news for consumers but certainly impacts dealer

profitability. Automakers are coming to the table with more incentives, but credit remains tight, putting more pressure on dealers to get creative with additional discounts and financing, affecting the bottom line."

On average, trucks and SUVs carried higher incentives last month than cars and vans. Compact SUVs, the market's most popular segment by volume, had average incentives at 9.2% of ATP, with an average transaction price of \$36,506 in August. Incentives in the full-size pickup truck segment averaged 8.4% of ATP in August, up from 8.2% in July and 6.1% in August 2023. Full-size pickup ATPs in August increased slightly month over month to \$65,531. High-end luxury cars had the highest incentives last month, with incentives at 10% of ATP, while vans, sports cars and small/midsize pickups had some of the lowest incentives.

EV Incentives Track Higher as Prices Hold Steady

EV incentives in August continue to trend well above industry averages. Last month, EV incentives averaged 13.3% of ATP, higher than July and at the highest point of 2024. On average, EV incentives last month were more than 80% higher than traditional ICE product. The average transaction price for an EV in July, at \$56,575, was marginally higher than the revised July ATP of \$56,435 but lower year over year by more than 1.2%, suggesting the EV price declines are slowing. A year ago, in August 2023, EV ATPs were lower year over year by nearly 13%.

The average transaction price for a new Tesla declined slightly in August compared to July but was higher year over year by 10.7% at \$59,138. Model Y, the best-selling EV in America, had an ATP of \$52,482 in August, which was lower than August 2023 but higher month over month for the sixth month in a row. Cybertruck ATPs increased month over month in August as well, increasing for the third straight month and reaching a new high of \$112,241. With sales estimated at 4,784 last month, Cybertruck continues to hold the crown as the market's best-selling product priced over \$100,000.

[Data tables are available for download.](#)

About Kelley Blue Book

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 for nearly a century. As the industry standard for generations, Kelley Blue Book provides transparent, objective information and data-driven, innovative tools for consumers, automotive dealers and manufacturers. Kelley Blue Book publishes millions of market-reflective values weekly on its top-rated website KBB.com, from its famous Blue Book® Trade-In Values to the Kelley Blue Book® Price Advisor tool, which offers a range for what consumers reasonably can expect to pay for a vehicle in their area. KBB.com editors rate and review hundreds of new vehicles each year to help consumers understand the [Best Cars](#) and [Best SUVs](#) to meet their needs. Kelley Blue BookSM Instant Cash Offer provides a redeemable trade-in offer to transaction-ready consumers and conveniently connects them to local participating dealers. Kelley Blue Book's Service Advisor provides guidance on how much to pay for service and repairs, allowing consumers to schedule service with local dealers on KBB.com. Kelley Blue Book also provides vehicle values to finance and insurance companies as well as governmental agencies. Kelley Blue Book is a Cox Automotive brand.

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For further information: CONTACTS: Mark Schirmer, 734 883 6346,
mark.schirmer@coxautoinc.com; Brenna Buehler, 949 473 6595,
brenna.buehler@coxautoinc.com

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