

Kelley Blue Book Report: New-Vehicle Prices End Q3 Lower Year Over Year; Incentive Spending Increases for Third Straight Month

- The average transaction price of a new vehicle in September, at \$48,397, was lower year over year by 0.4%, according to the latest Kelley Blue Book data.
- New-vehicle incentives in September increased for the third straight month, reaching 7.3% of transaction price, an increase from 4.8% in September 2023.
- In September, Mitsubishi Mirage was the only new vehicle in the U.S. transacting for less than \$20,000.

ATLANTA, Oct. 9, 2024 /PRNewswire/ -- According to data released today by Kelley Blue Book, the average transaction price (ATP) for a new vehicle in the U.S. was \$48,397 in September. The September ATP increased modestly from August but was lower year over year by 0.4%, as downward price pressure continues to hold new-vehicle ATPs in check. Incentive spending in September increased for the third straight month, rising modestly compared to August. The average incentive package for a new vehicle was equal to 7.3% of the average transaction price (\$3,522) in September, up from 7.2% in August and well above the 4.8% reported one year ago.



Kelley Blue Book

"New-vehicle transaction prices continue to be very steady this year, and higher incentive spending is helping maintain sales volume," said Cox Automotive Executive Analyst [Erin Keating](#). "We still believe there is potential for growth in the market for the rest of the year, but with the uncertainty of a national election around the corner and major weather events disrupting business, maybe a slow, steady pace is all we should expect."

New-vehicle prices in the U.S. have held mostly steady this year through the end of Q3. Compared to January, when the average transaction price for a new vehicle was \$48,369, prices in September were virtually unchanged, higher by less than \$30. Higher vehicle inventory levels have been a key driver of the downward price pressure. [New-vehicle supply](#) at the start of September was 2.84 million units across dealerships in the U.S., as measured by Cox Automotive's vAuto Live Market View, higher than the 2.61 million recorded in January and well above the 2.07 million a year earlier.

Mix of Smaller, More Affordable Vehicles Helps Hold Down Market Average Transaction Prices

While the Mitsubishi Mirage was the only new vehicle in the U.S. still transacting for under \$20,000 in September, the overall mix of small, more affordable vehicles has been elevated for much of 2024, which is helping hold down the new-vehicle ATP. Vehicles such as the Chevrolet Trax (ATP: \$25,081), Toyota Corolla (ATP: \$25,535), and Hyundai Elantra (ATP: \$25,902) continue to sell at a strong pace. The Toyota RAV4 and Honda CR-V are also high-volume products – No. 3 and No. 5 on the best-selling list, respectively – that routinely transact for prices below \$40,000, roughly 17% below the national average.

"One reason transaction prices are lower in 2024 is that many buyers are

choosing smaller, less expensive vehicles," noted Cox Automotive Senior Economist [Charlie Chesbrough](#). "The subcompact and compact SUV segments are outperforming the market this year, and by no coincidence, they're also two of the lowest-priced product segments in the market."

While smaller, more affordable vehicles are gaining market share in 2024, other segments are shrinking. Notably, the full-size pickup truck share is lower year over year in 2024. And since the average transaction price for a full-size pickup is north of \$65,000, the lower share is helping pull industry-wide ATPs lower. The popular mid-size SUV segment is also smaller this year versus 2023. Through Q3, sales of mid-size SUVs, which have an average transaction price above \$48,000, are lower by more than 5%. This market shift away from higher-priced vehicles, according to Kelley Blue Book research, is helping drive new-vehicle ATPs that are generally flat or lower year over year.

EV Transaction Prices

Electric vehicle (EV) transaction prices in September were also lower year over year by 0.9%. At \$56,351, the average transaction price for a new electric vehicle changed little from August and was higher than the industry-wide ATP by approximately 16%. The premium paid for an EV in September was at its lowest point in 2024. Through the end of Q3, the EV premium has averaged 19%.

In September, incentive spending for electric vehicles also continued to track well above the industry average, although incentives for electric vehicles declined month over month. September EV incentives averaged \$6,904, or 12.3% of ATP, a 0.7 percentage point decrease from August, which was the highest point of 2024.

The average transaction price for a new Tesla – the industry's EV leader – declined in September compared to August but was higher year over year by 13.6% at \$58,212. ATPs for Tesla's core volume models – the Model 3 and Model Y – were lower month over month in September, while transaction prices for the new Cybertruck continued to climb. In September, Cybertruck ATPs hit \$116,706, according to Kelley Blue Book estimates, the highest point since launch. And yet, even with sky-high prices, more than 5,000 Cybertrucks were sold in September.

[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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