Kelley Blue Book Report: Average New-Vehicle Prices Climb Higher

For Fourth Consecutive Month, Flirt with All-Time High

- New-vehicle prices increased for the fourth straight month in December and, at $49,740, were near the all-time record set inDecember 2022.
- Incentive levels held steady at 8% of ATP in December, higher by 44% year over year; the average new-vehicle incentive package in December was $3,958.
- Sales of vehicles priced above $80,000 boomed in December, an increase of 37% year over year and well above long-term averages.

ATLANTA, Jan. 15, 2025 /PRNewswire/ -- New-vehicle prices in December climbed higher for the fourth consecutive month and were close to the all-time high marked in December 2022. Average transaction prices (ATPs), as measured by Cox Automotive's Kelley Blue Book, typically peak in December, as high-priced models from luxury makers often sell well in the final month of the year. New-vehicle ATPs were $49,740 last month, an increase of 1.3% year over year and higher by 1.5% compared to November 2024.

"It was a December to remember, in terms of both sales volumes and prices," said Cox Automotive Executive Analyst Erin Keating. "As we reported just after the election, consumer sentiment and confidence have been on the rise. Vehicles, especially luxury vehicles, are typically an emotional purchase, and when consumers are optimistic, they go shopping. Rates dipped for a short bit late in 2024, discounts were higher, and the glass was half full. No wonder we saw the lift in both prices and volume."

New-vehicle sales incentives in December were mostly unchanged from November, holding steady at 8.0% of ATP or approximately $3,958. The average incentive package on a new vehicle was higher by 44% compared to December 2023, when incentives equaled approximately 5.5% of ATP. Among large segments, incentives in December were highest for Entry-Level Luxury Cars (10.0%), Compact SUVs (9.7%) and Luxury Compact SUVs (9.4%) and lowest for Luxury Full-Size SUVs, Sports Cars, and Small/Mid-size Pickup Trucks. Volkswagen, Ram and Nissan offered the largest incentives among volume automakers, with all of them being above 13% of ATP. Toyota, Land Rover and Porsche incentives were among the lowest in the industry.

High-Priced Vehicles Sold Well in December, Pushing ATPs Higher
December typically sees an uptick in sales by luxury vehicle makers and, in general, for higher-priced vehicles, which is why industry average transaction prices usually peak in December. The all-time high for transaction prices was in December 2022, when new-vehicle inventory was just beginning to recover from historic lows and ATPs hit $49,958. Last month, ATPs were near that record, at $49,740, thanks in part to notably strong sales of vehicles transacting for more than $80,000.

Recent data suggest that approximately 4.4% of total industry sales in a given month, or roughly 60,000 units, are for deals priced above $80,000. Last month, Kelley Blue Book estimates that approximately 84,000 vehicles – or 5.6% of total

sales – transacted at prices higher than $80,000, the highest volume ever. Vehicles in this category include the Land Rover Range Rover, Cadillac Escalade, BMX X7, GMC Yukon and Tesla Cybertruck. Also pulling ATPs higher: Robust sales of Full-Size Pickup Trucks – average price $64,261. Segment volume was 223,293 units, according to Kelley Blue Book estimates, the highest point in 2024.

Brand Price Changes Year Over Year
In December, many brands posted ATPs well below year-ago levels. Year over year, Mitsubishi ATPs were lower by more than 12%. Buick and VW vehicles were also transacting lower last month than in December 2023, by 7.0% and 6.0%, respectively. All of Stellantis' major brands – Chrysler, Dodge, Jeep and Ram – posted notable ATP drops compared to year-ago levels as the company works to reduce elevated inventory levels. Chrysler and Dodge brand prices were both down 4.3% year over year; Jeep prices were lower by 6.3%, and Ram prices were lower by 1.6%.

Other brands saw notable year-over-year gains at the end of 2024. Cadillac ATPs were higher in December by nearly 13% compared to year-earlier levels. Telsa prices were higher by 10.5%, and Infiniti transaction prices increased by 8.1% year over year to $65,667.

Electric Vehicle Prices Moved Higher in December, While Incentives Remain Elevated
Sales of EVs were strong in December as well and, with an average transaction price of $55,544, helped push the industry-wide ATP higher. The December ATP for an EV was higher year over year by 0.8%, slightly below the industry average, and higher month over month by 1.1%.

Incentives for EVs remained elevated in December, although they were lower month over month at 14.3% of ATP, down from 14.7% in November. EV incentives were higher by 41% year over year and have been above 12% of ATP for six straight months. Strong sales incentives, which averaged more than $6,700 per sale in 2024, were one reason EV sales surpassed 1.3 million units last year, a new record for volume and share.

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 Book℠ 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.

About Cox Automotive
Cox Automotive is the world's largest automotive services and technology provider. Fueled by the largest breadth of first-party data fed by 2.3 billion online interactions a year, Cox Automotive tailors leading solutions for car shoppers, auto manufacturers, dealers, lenders and fleets. The company has 29,000+ employees on five continents and a portfolio of industry-leading brands that include Autotrader®, Kelley Blue Book®, Manheim®, vAuto®, Dealertrack®, NextGear Capital™, CentralDispatch® and FleetNet America®. Cox Automotive is a

subsidiary of Cox Enterprises Inc., a privately owned, Atlanta-based company with $22 billion in annual revenue. Visit coxautoinc.com or connect via @CoxAutomotive on X, CoxAutoInc on Facebook or Cox-Automotive-Inc on LinkedIn.

SOURCE Kelley Blue Book

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

---

https://mediaroom.kbb.com/2025-01-15-Kelley-Blue-Book-Report-Average-New-Vehicle-Prices-Climb-Higher?submitted=1