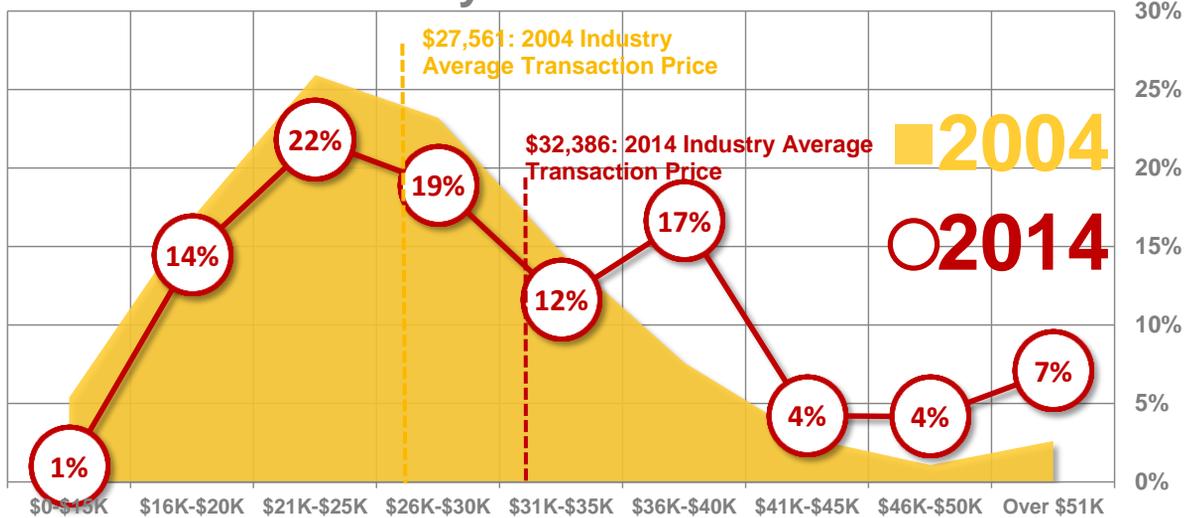


TRANSACTION PRICES

The Myth of the Average Priced Vehicle

Transaction prices reached a record high in 2014 averaging **\$32,386** per vehicle. This high was not achieved by a blanket increase across the board; it was influenced by opposing forces that have set industry pricing on a very divergent path. While automakers have continually offered more affordable options (e.g. subcompact cars, small SUVs) that have brought down prices, the opposing force of increased content and technology has led to aggressive price jumps. The result is disproportionate spending at the higher and lower end leaving very few consumers paying the so-called "average price."

Sales by Transaction Price



2014 vs. 2004 Segment Transaction Prices

Pickup Trucks	41.3%
Luxury Cars	18.8%
Industry Average	17.5%
Vans	17.4%
Luxury SUVs	16.4%
Cars	15.5%
SUVs	9.1%

The market's segments have grown at varying paces. The average transaction prices for pickup trucks has ballooned in the last decade, more than doubling the industry's average transaction price lift as the segment's entrants have become larger and more contented. At the same time, America's newfound interest in smaller SUV's has led the segment's price to grow only about half of the industry's average during this period.

There is No 'Typical Car'

Vehicle sales are skewing toward market extremes. The average price we see today is from a tug-o-war between increasing vehicle performance and content and a new wave of affordability in the market.

