

A row of electric cars parked at charging stations. The cars are in various colors, including red, blue, and white. Charging cables are plugged into the cars. The scene is outdoors, possibly in a parking lot or charging station. There are large, semi-transparent orange graphic overlays on the left side of the image. The background is slightly blurred, showing more cars and a paved area.

LeasePlan

Car Cost Index 2020

Corporate Affairs | September 2020

Car Cost Index 2020

LeasePlan's Car Cost Index is a comprehensive analysis of the costs of owning and operating a car, ranging from the subcompact segment to the executive segment, in 18 European countries

It factors in all the various costs that are involved in car ownership in each country, including fuel, depreciation, taxes, insurance and maintenance

In the 2020 edition, costs are averaged over the first four years of ownership and assume an annual mileage of 30,000 km



Key findings

Car Cost Index 2020



The average monthly cost of driving a car varies hugely across Europe, from €491 a month in Hungary to €926 a month in Switzerland



Hungary is the cheapest place to drive a petrol car, while Greece is the cheapest place to drive a diesel car



Relative to GDP, the total cost of ownership is highest for drivers in Italy and Portugal, and lowest for drivers in Denmark and Sweden



Electric cars in the compact (C1) segment are cost competitive in 8 European countries, while electric cars in the mid-size (D2) segment are cost competitive in 14 European countries

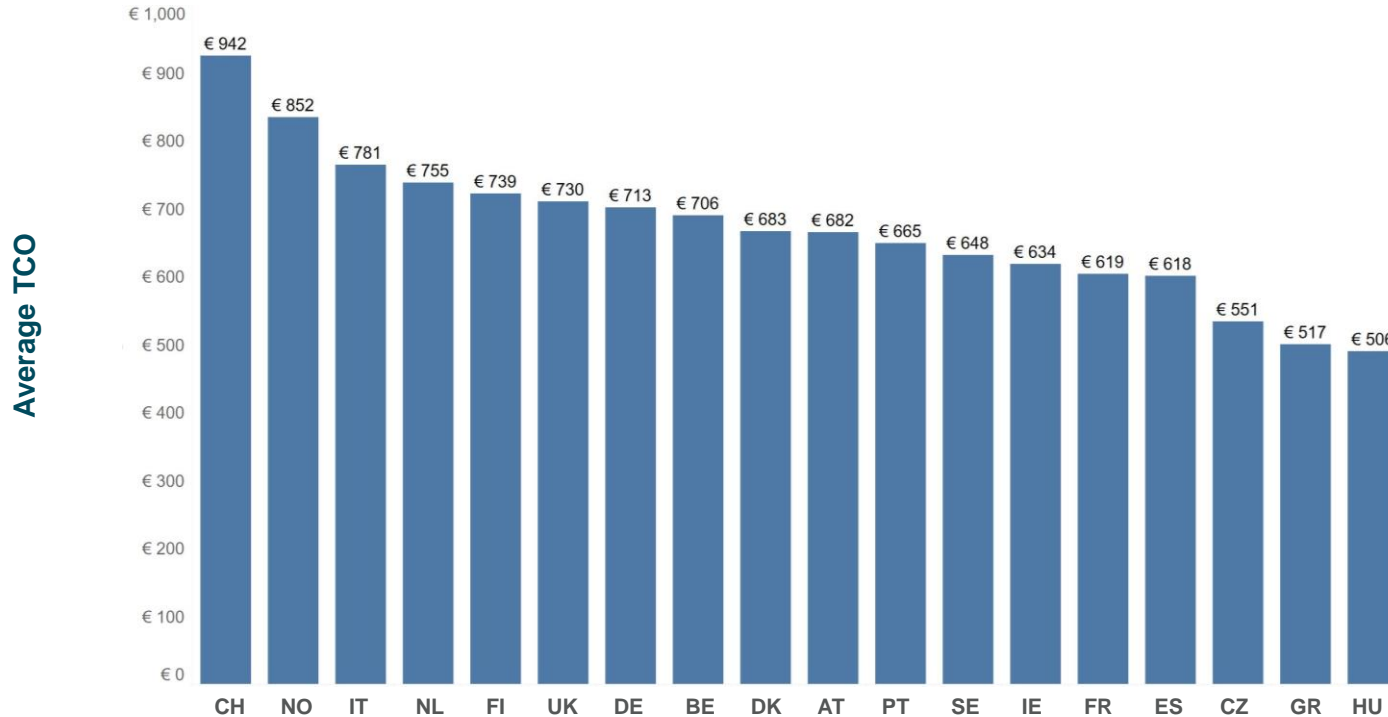


Norway and Switzerland are the most expensive places to drive internal combustion engine (ICE) cars. Conversely, electric cars are significantly cheaper than all ICEs in Norway and cheaper than petrol cars in Switzerland



No country currently has cost-competitive electric cars in the executive (E2) segment

Driving a car in 2020 is most expensive in **Switzerland** and cheapest in **Hungary**



- In Northern European countries (including Norway, the Netherlands and Switzerland), the cost of driving a vehicle is relatively high
- In Eastern European countries the cost of driving a vehicle is relatively low
- Data is based on the subcompact (B1) and compact (C1) segments for all fuel types
- TCO factors in all the various costs that are involved in car ownership in each country, including fuel, depreciation, taxes, insurance and maintenance

Wealthier countries tend to have higher costs



Relative affordability of cars can be better understood when comparing the average monthly TCO to GDP (PPP)* per capita per country



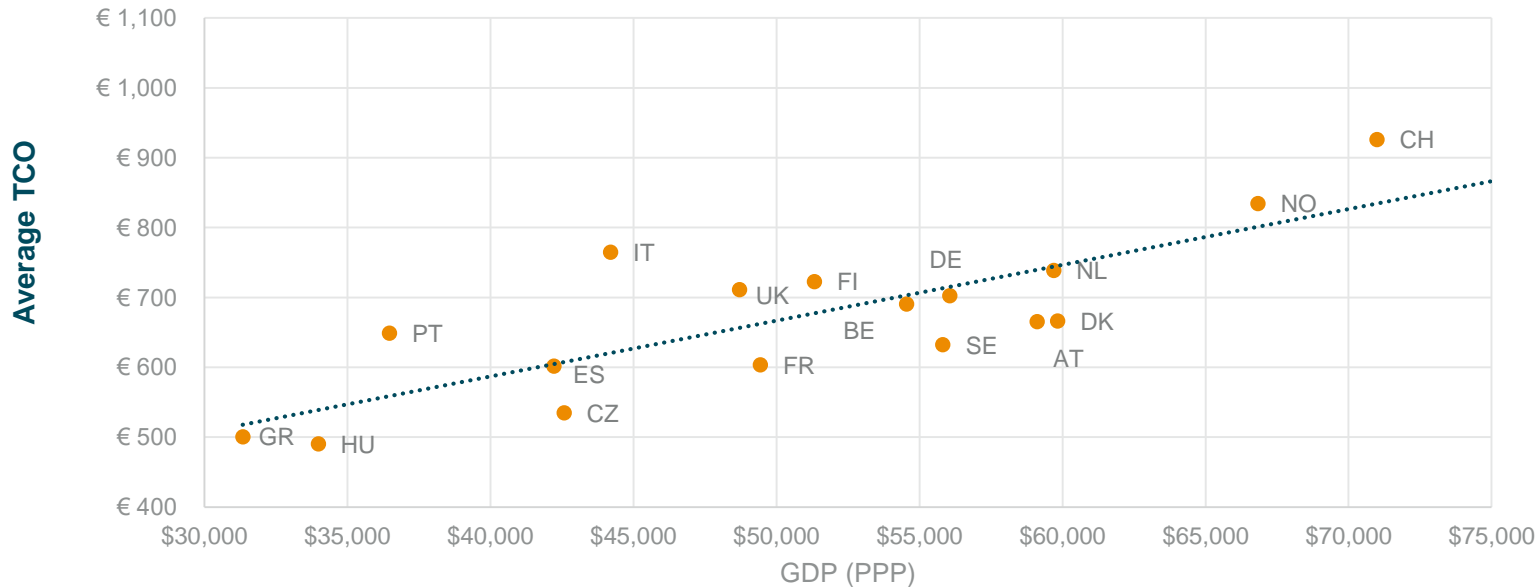
For example, in Italy the average cost is less affordable since the average TCO is relatively high compared to the GDP



*GDP (PPP): Gross domestic product based on purchasing-power parity (data.worldbank.org)

Wealthier countries tend to have higher costs

TCO vs GDP



Note: Ireland is excluded due to skewed GDP as a result of corporate taxes

In the popular D2 segment, electric vehicles have significantly lower monthly costs in the majority of the countries.

The main contributors to this trend are:



The increased fuel cost of diesel and petrol



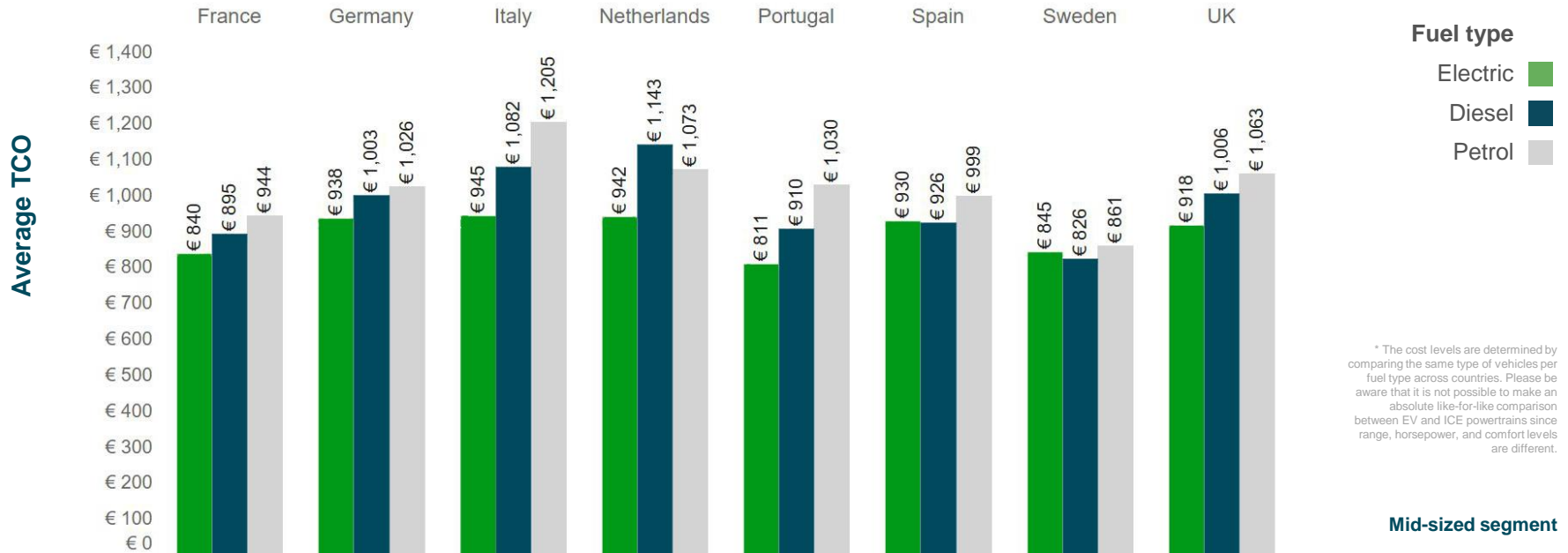
The high registration and road taxation, specifically for diesel



The increasing number of subsidies and tax breaks available for electric vehicles



Mid-size segment: In the majority of the researched countries, electric is more affordable than petrol and diesel in the mid-size segment



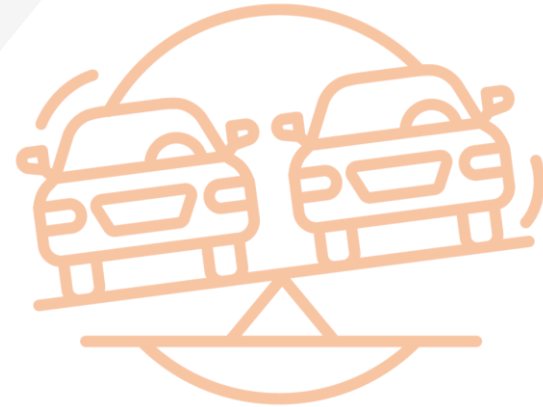
In a growing number of countries, electric vehicles (EVs) in the B1 and C1 segments are now nearing cost parity* compared to petrol and/or diesel vehicles:



Compared to ICE vehicles, EVs have lower costs over the ownership period thanks to the lower running costs. The gap widens as EVs are driven further and longer

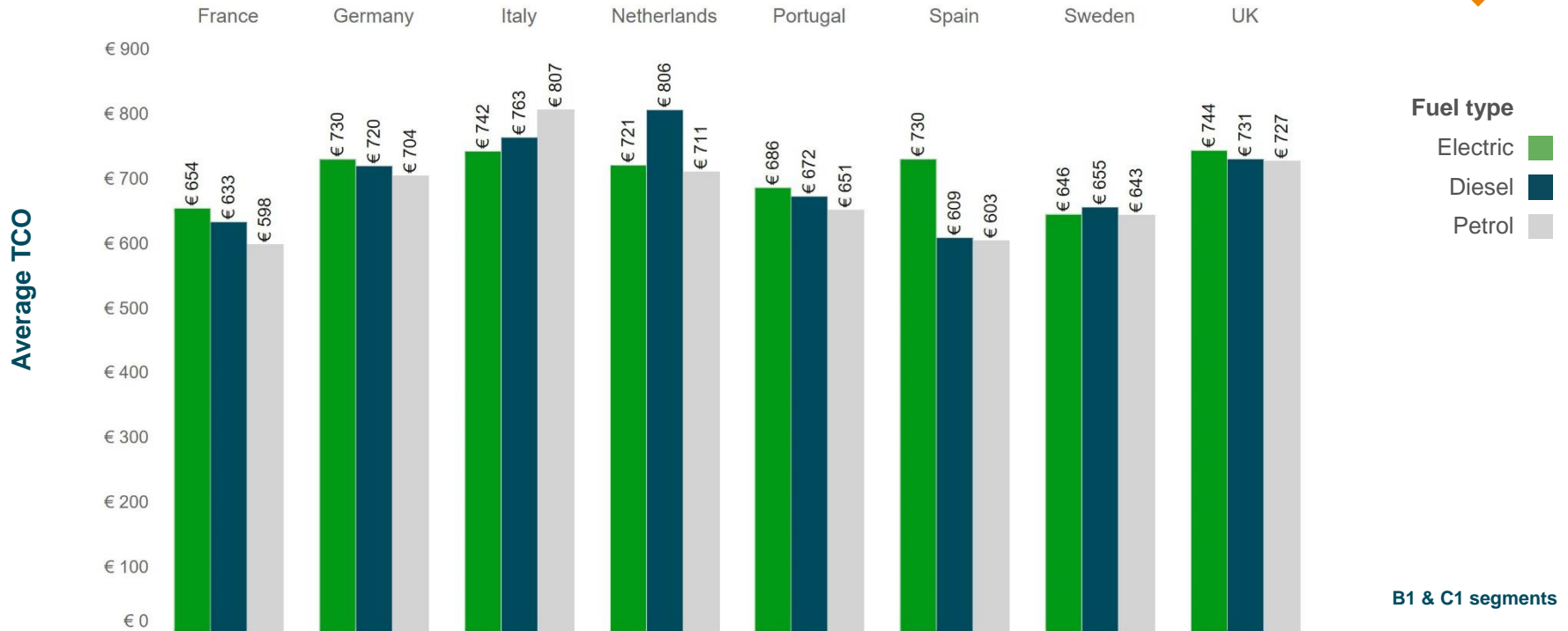


This is especially true in the B1 segment, with EVs achieving a lower TCO than ICE vehicles from 48 months/30,000 km onwards

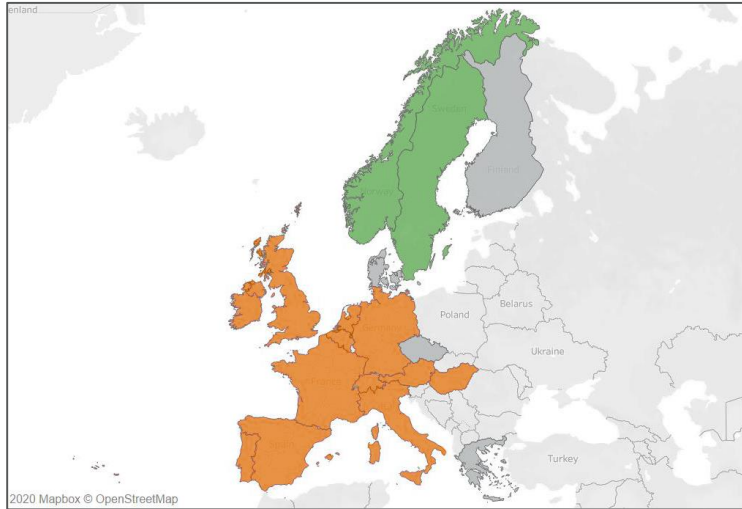


* The cost levels are determined by comparing the same type of vehicles per fuel type across countries. Please be aware that it is not possible to make an absolute like-for-like comparison between EV and ICE powertrains since range, horsepower, technology and comfort levels are different.

Subcompact and Compact segments: In **Italy**, electric vehicles in the subcompact and compact segment have lower monthly costs than both petrol and diesel vehicles

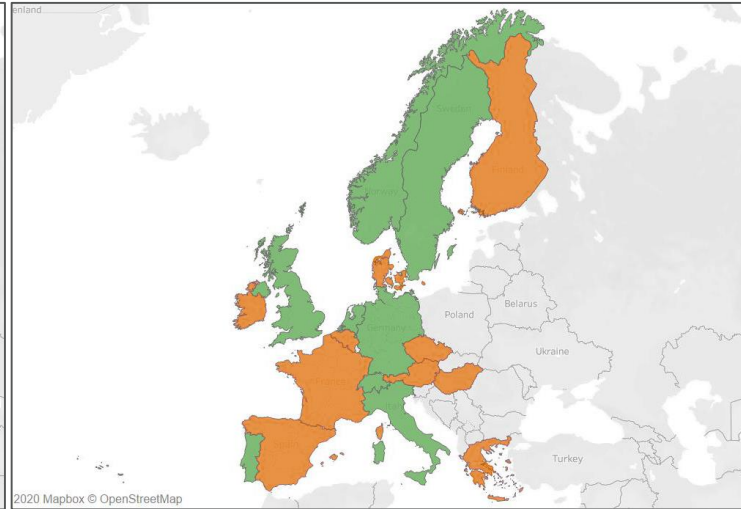


EV Cost Competitiveness* per segment/country



Subcompact (B1)

In the B1 segment only Sweden and Norway show a competitive TCO for EVs.



Compact (C1)

EVs in the C1 segment are cost competitive in nearly half of the countries surveyed.

EV Competitiveness

Yes ■

No ■

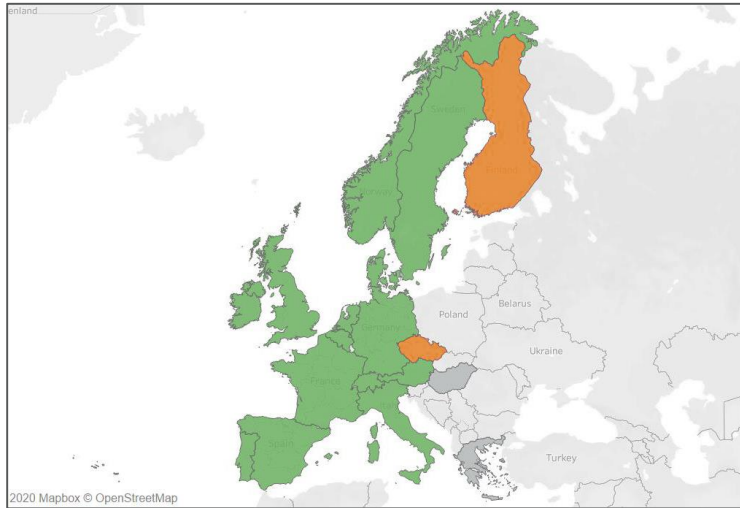
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B1 EV: Renault Zoe, C1 EV: Nissan

*The EV is defined as 'cost competitive' when its TCO is within a 5% margin of the TCO of the ICE vehicle

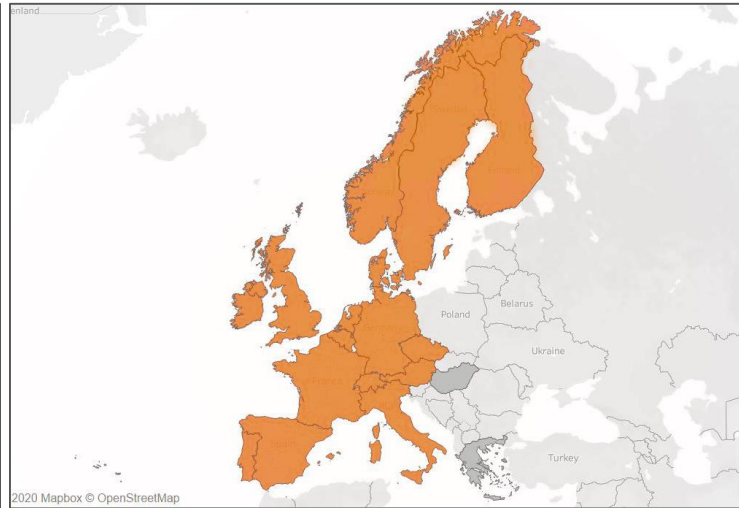
B1 & C1 segments

EV Cost Competitiveness* per segment/country



Mid-size (D2)

EVs are cost competitive in the mid-size segment in the majority of European countries.



Executive (E2)

No country currently has cost-competitive electric cars in the executive segment.

EV Competitiveness

Yes ■

No ■

Data unavailable ■

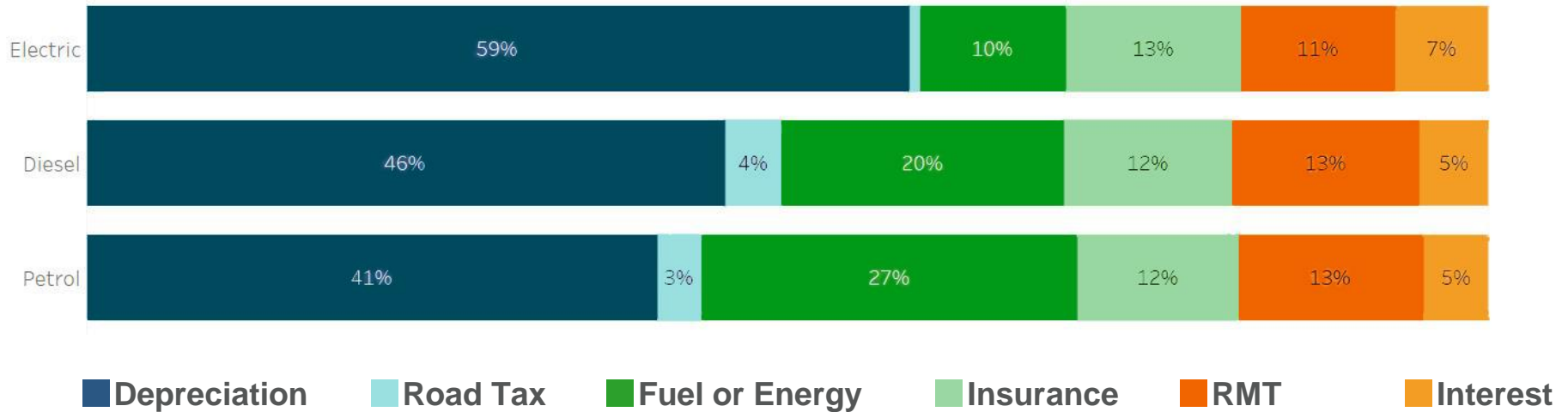
D2 EV: Tesla Model 3, E2 EV: Tesla Model S

*The EV is defined as 'cost competitive' when its TCO is within a 5% margin of the TCO of the ICE vehicle

D2 & E2 segments

EVs lower running and maintenance costs, helping to lower the overall TCO

TCO Breakdown



- The TCO breakdown above shows all three fuel/energy types across all countries
- The data is for the subcompact (B1) and compact (C1) segments,
- The calculations exclude VAT

Appendices

The background features several overlapping, semi-transparent shapes in various shades of orange and red. A large, dark red shape with a rounded top is on the left. A lighter orange shape is on the right. A medium orange shape is in the center, overlapping the others. The overall effect is a modern, layered geometric design.

Average monthly TCO per country for the subcompact and compact segments (B1 & C1)



	Petrol	Diesel	Electric
Greece	€ 547	€ 534	€ 594
Hungary	€ 537	€ 538	€ 642
Sweden	€ 643	€ 655	€ 646
France	€ 598	€ 633	€ 654
Portugal	€ 651	€ 672	€ 686
Ireland	€ 640	€ 613	€ 695
Austria	€ 685	€ 672	€ 718
Netherlands	€ 711	€ 806	€ 721
Spain	€ 603	€ 609	€ 730
Germany	€ 704	€ 720	€ 730
Italy	€ 807	€ 763	€ 742
United Kingdom	€ 727	€ 731	€ 744
Norway	€ 851	€ 913	€ 750
Belgium	€ 686	€ 709	€ 797
Denmark	€ 765	€ 716	€ 797
Czech Republic	€ 541	€ 570	€ 793
Finland	€ 767	€ 794	€ 944
Switzerland	€ 960	€ 925	€ 949

Elaboration

- The average monthly cost of driving a car varies hugely across Europe
- Norway and Switzerland are the most expensive places to drive ICE vehicles. Conversely, electric cars are significantly cheaper than all ICEs in Norway, and are cheaper than petrol vehicles in Switzerland
- Hungary is the cheapest place to drive a petrol car, while Greece is the cheapest place to drive a diesel car

EV Competitiveness: $\pm 5\%$

To assess whether an EV is price competitive with regards to an ICE vehicle, the TCO is compared to an ICE (diesel or petrol) vehicle in the same segment with the lowest TCO. The EV is defined as EV competitive when its TCO is within a 5% margin of the TCO of the ICE vehicle

Example

	ICE Model	EV Model
Country	Germany	Germany
Segment	C1	C1
TCO	€750 p/m	€775 p/m
Price difference	-	€25 (3.3%)
EV competitive	-	Yes

Total Cost of Ownership (TCO) explained



A like-for-like TCO comparison is important yet difficult due to so many possible vehicle combinations. There will always be some differences between EVs and ICE vehicles, but the aim is to compare vehicles that are as similar to one another as possible. ICE vehicles are traditionally compared based on vehicle size, luxury level, engine power and fuel type.

A comparison based on segment and engine capacity works well for diesel and petrol vehicles, since any other differences between the powertrains are limited. However, the same cannot be said for electric vehicles. EVs differ from ICE vehicles in terms of more than just size and engine capacity.

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