Kbb.com: New-Car Sales, Leasing Slumps to Impact Used-Car Values for Years to Come

Consumers Will Pay More for Used Cars for Next Two or Three Years

IRVINE, Calif., Aug. 11, 2011 /PRNewswire/ -- Kelley Blue Book www.kbb.com, the leading provider of new car and used car information, today predicts that the new-car sales and leasing slumps of recent years will impact used-car values for years to come. Current supply reductions, caused by the decline in new-car sales since 2008 and the drop in leasing throughout 2008, will play a very prominent role in the wholesale used-car market for years to come, as covered in the company's recently released Blue Book Market Report for August 2011.

In response to supply reductions, the average value of a one- to three-year-old used vehicle has increased from $15,000 in 2008 to more than $23,000 in 2011, an average increase of nearly 16 percent each year. It will take several years of strong new-car sales to replenish the shortage of used vehicles driving values up today.

Average Value of a One- to Three-Year-Old Vehicle in July	
2008	$15,042
2009	$18,167
2010	$20,601
2011	$23,353

"While the pace of used-car appreciation is likely to subside as supply, and ultimately sales, improve, we expect used-vehicle values to remain strong for the next two to three years," said Alec Gutierrez, manager of vehicle valuation for Kelley Blue Book. "While depreciation typically affects a vehicle's value most in the first two years of ownership, it will not be as pronounced as it would have been a few years ago when the used-car supply was still very high. Consumers who plan to sell or trade-in a used car soon will likely see their vehicle hold its value well. Alternatively, shoppers in the market for a used car will continue to pay more, making it difficult to buy at a discount."

Kelley Blue Book updates its vehicle values weekly to reflect the latest in changing market conditions. Consumers can visit www.kbb.com to get up-to-date new- and used-car values information and much more, always free of charge.

The monthly *Blue Book Market Report* explores the state of the automotive industry by analyzing Kelley Blue Book® Wholesale Lending Values. The report also discusses developments in residual values and trends in monthly used-car shopper activity on kbb.com. To subscribe to the monthly *Blue Book Market Report*, please e-mail pr@kbb.com.

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About Kelley Blue Book (www.kbb.com)

Founded in 1926, Kelley Blue Book, The Trusted Resource®, is the only vehicle valuation and information source trusted and relied upon by both consumers and the industry. Each week the company provides the most market-reflective values in the industry on its top-rated website www.kbb.com, including its famous Blue Book® Trade-In and Retail Values, and Fair Purchase Price, which reports what others are paying for new cars this week. The company also provides vehicle pricing and values through various products and services available to car dealers, auto manufacturers, finance and insurance companies, as well as governmental agencies. Kbb.com is a leading provider of new car prices, used car values, car reviews, new cars for sale, used cars for sale and car dealer locations. Kelley Blue Book Co., Inc., is a wholly owned subsidiary of AutoTrader.com.

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