Used-Car Shoppers: Buy Before Spring Market Peak; Expect to Pay Premium on Newly Redesigned Models

Kelley Blue Book Reports Used-Car Values to Jump 3 to 5 Percent in First Quarter, Remain High Most of 2012

IRVINE, Calif., Jan. 17, 2012 /PRNewswire/ -- Kelley Blue Bookwww.kbb.com, the leading provider of new car and used car information, today reports that buyers in the market for a used car should purchase sooner rather than later, as Kelley Blue Book anticipates used-car values to increase 3 to 5 percent in the first quarter of 2012, with gains continuing into the second quarter.

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Values have been flat through the first two weeks of January; although, a handful of segments have started to increase earlier than originally anticipated. Non-luxury cars and crossovers increased between $50 and $100 in the past week alone, and they will likely continue to rise in the weeks and months ahead. A lull in lease returns and an aging fleet of vehicles on the road are expected to keep prices high through most of this year; potentially higher than the record levels established in 2011.

Used-Car Values Show First Signs of Strength (MY09-11)

	Trade-In Value		Change	
Segment	**1/6/2012**	**1/13/2012**	**$**	**%**
Mid-Size Car	$12,096	$12,203	$107	0.9%
Hybrid Car	$14,335	$14,422	$86	0.6%
Full-Size Car	$15,756	$15,841	$85	0.5%
Compact Crossover	$14,863	$14,941	$78	0.5%
Compact Car	$10,235	$10,296	$61	0.6%
Source: Kelley Blue Book Automotive Insights				

"Consumers eyeing one of the many highly acclaimed redesigned 2011 model-year vehicles for their next used car should be prepared to pay a significant premium," said Alec Gutierrez, senior market analyst of automotive insights for Kelley Blue Book. "For example, the 2011 Chevrolet Cruze and Kia Optima currently maintain a premium higher than 40 percent versus the 2010 model-year counterpart, significantly outperforming the Honda Accord and Toyota Corolla, which weren't redesigned for model-year 2011."

		Trade-In Value		
Note	**Model**	**MY2011**	**MY2010**	**Premium**
Redesigned for 2011	Chevrolet Cruze/Cobalt	$13,400	$9,100	47.3%
No Redesign	Toyota Corolla	$12,225	$10,575	15.6%
Redesigned for 2011	Kia Optima	$15,700	$10,350	51.7%
No Redesign	Honda Accord	$15,450	$14,113	9.5%

This type of premium is typical for vehicles that have recently undergone a major redesign, especially when the outgoing generation was an underperformer in its segment. No matter what vehicle a shopper may have in mind, higher prices are the reality of today's market and used vehicles will only become more expensive and difficult to come by as time goes on.

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For further information: Brenna Robinson, +1-949-267-4781, berobinson@kbb.com, or Natalie Kumaratne, +1-949-267-4770, nkumaratne@kbb.com, both for Kelley Blue Book

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