Kelley Blue Book: Rising Used-Car Values Aid New-Vehicle Sales

April Blue Book Market Report Advises Dealers Not to Overpay on Used Fuel-Efficient Models in Months Ahead

IRVINE, Calif., April 23, 2012 /PRNewswire/ -- Kelley Blue Bookwww.kbb.com, the leading provider of new car and used car information, today reports that rising used-car values are aiding new-vehicle sales. According to Kelley Blue Book's *Blue Book Market Report for April 2012 (http://mediaroom.kbb.com/blue-book-market-report/), after a sluggish start to the year, gains in used-car values have accelerated in recent weeks. Rising used-car values likely have played a role in supporting the increase in new-vehicle sales in recent months, especially sales of *fuel-efficient vehicles*.

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"Values at auctions across the country increased nearly 2 percent in March, primarily led by strong gains in values of fuel-efficient vehicles, which have been in high demand from rising gas prices," said Alec Gutierrez, senior market analyst of automotive insights for Kelley Blue Book. "Seasonal influences also played a role in the market's strength. March traditionally is one of the strongest months of the year for both new- and used-car sales, and this year was no exception."

Strong sales coupled with a limited supply of used vehicles at auction only put further upward pressure on values. Many one- and two-year-old used fuel-efficient vehicles are so expensive today that a comparable new vehicle may only be marginally more expensive.

"Consumers have more options than ever before when it comes to fuel-efficient offerings, and many of these vehicles can be leased for less than \$200 per month and a small down payment," said Gutierrez. "Dealers must keep this in mind as they continue to pay more and more for used compacts at auction. As values rise, dealers will find it difficult to pass along the premium paid at auction to consumers."

Dealers should be especially wary of overpaying on used fuel-efficient vehicles in the months ahead. With so many new and redesigned subcompact and compact offerings available today, consumers will have little reason to pay close to sticker for a one- or two-year-old used vehicle.

Fuel Sippers Surge in March

	KBB Auction Value		Change	
Segment	Mar 1st	Mar 30th	\$	%
Hybrid Car	\$16,974	\$18,721	\$1,748	10.3%
Compact Car	\$12,286	\$13,022	\$735	6.0%
Subcompact Car	\$11,071	\$11,646	\$575	5.2%
Compact Luxury Car	\$20,011	\$20,837	\$826	4.1%
Mid-Size Car	\$13,980	\$14,514	\$534	3.8%
Average	\$18,113	\$18,441	\$328	1.8%
Sports Car	\$20,112	\$20,430	\$319	1.6%
Luxury Car	\$31,103	\$31,494	\$391	1.3%
Near Luxury Car	\$24,842	\$25,132	\$290	1.2%
<u>Full-Size Car</u>	\$17,296	\$17,483	\$187	1.1%
Premium Luxury Car	\$37,627	\$37,380	(\$247)	-0.7%
Premium Sports Car	\$42,204	\$41,420	(\$784)	-1.9%

Segments listed include 1 to 3-year-old vehicles (MY2009-2011)

The monthly *Blue Book Market Report* explores the state of the automotive industry by analyzing Kelley Blue Book® Auction Values. The report also discusses developments in residual values and trends in monthly used-car shopper activity on kbb.com. If you would like to subscribe to the monthly *Blue Book Market Report*,

please e-mail pr@kbb.com.

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