

4 Used Car Segments That May See Near-Term Increases



By Ricky Beggs, Editorial Director

2/20/2014

Used car prices are expected to fall -13.5% this year, compared to -12.8% in 2013. However, this rhythm of price drops is expected to take a pause over the next 45-60 days as buyers use their tax rebate checks to purchase used cars, known as the “tax buying season”.

If similar patterns follow last year’s trends, keep an eye on the following four segments, which may show price increases in the near-term. The following data has been compiled by Black Book, which provides vehicle valuation information for the wholesale markets:

Entry-Level Cars

Prices for cars in this segment increased +1.5% between March 1 and May 1 in 2013. This segment led all car segments during that period after dropping -7.3% during the previous three months. Cars in this segment include the Chevrolet Aveo, Kia Rio, Nissan Versa and Toyota Yaris. “Continued stabilization in gas prices this year means it might be more difficult to repeat this level of price increase,” said Ricky Beggs, Editorial Director for Black Book.

Entry Mid-Size Cars

Prices for cars in this segment increased +1.1% between March 1 and May 1 in 2013. This segment saw a -4.8% decrease in prices during the previous three-month period last year. Cars in this segment include the Ford Fusion, Volkswagen Jetta, Chevrolet Malibu, Toyota Prius and Chrysler Sebring.

Compact Cars

Vehicles in this segment increased by +1.0% last year between March 1 and May 1 after seeing price declines of -5.0% the previous three months. Popular cars in this segment include the Chevrolet Cobalt, Honda Civic, Toyota Corolla, Chevrolet Cruze and Ford Focus. “Increased supply in the market might make a repeat price increase difficult this year,” added Beggs.

Mid-Size Pickup Trucks

These trucks increased in price by +0.7% last year during the March 1 – May 1 time frame. In the previous three-month period these trucks saw prices decline -3.6%. Trucks in this category include the Chevrolet Colorado, Dodge Dakota and Honda Ridgeline. “Contrary to the Compact Cars, a continued lowered supply level in this segment means we’re keeping a close eye on an increase in prices this year,” stated Beggs.

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