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BLUE BOOK MARKET REPORT

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MARKET ANALYSIS

Segments Perform Outside Seasonal Trends, Cash for Clunkers' Long-Term Effects

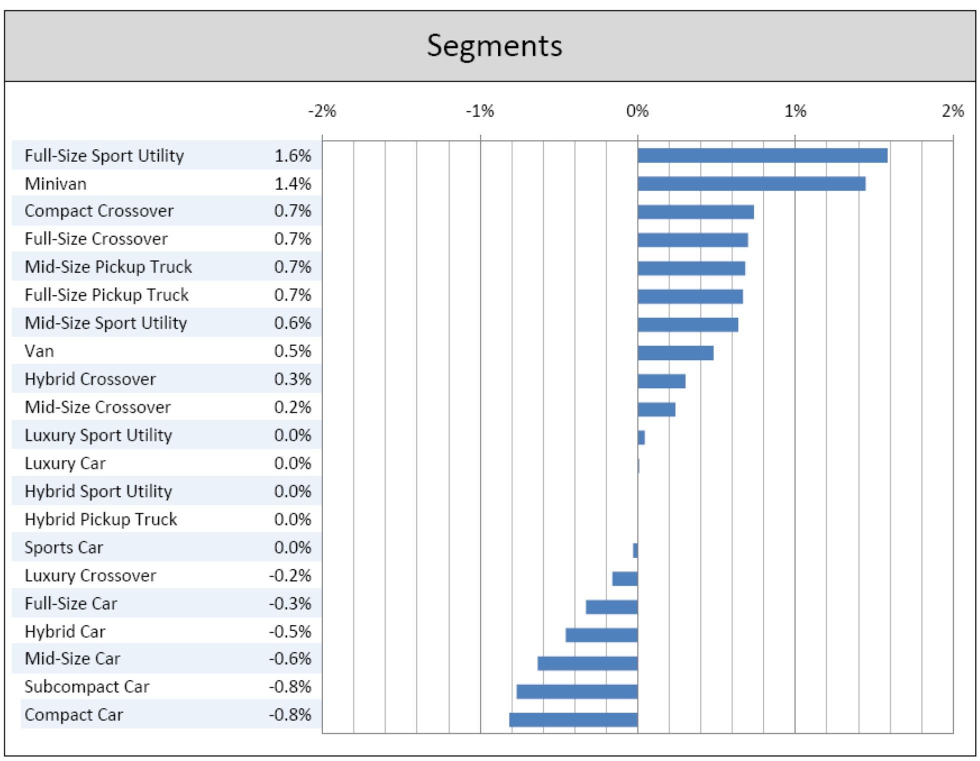
- Juan Flores, director of vehicle valuation, Kelley Blue Book

Summary

Overall, used-vehicle values were flat for the month with only a handful of segments deviating significantly. The segments showing the greatest change were full-size SUVs and minivans, which outperformed the market and subcompact and compact cars, which underperformed the market.

The strength in full-size SUVs is a continuation of the appreciation occurring since the beginning of the year. This strength can be attributed to a tight supply of vehicles resulting from reduced fleet sales and fewer trade-ins coming in to dealers. Of course, lower fuel prices also haven't hurt.

Conversely, subcompact and compact cars continued to depreciate rapidly as demand has remained soft for fuel-efficient vehicles of this size. It should be considered that although these segments have been consistently underperforming the rest of the market in terms of percentage decline, subcompacts and compacts typically outperform the market from a 2-3 year retention perspective.



The above chart displays month-over-month used-vehicle depreciation percentages by segment. The depreciation percentages shown are not indicative of the retention percentages or relative positions of the included segments.

The following sections examine cars and trucks further, seeking to explain the most significant changes at a segment, brand, and/or model level. **Continued on Page 2.**

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