

Now is Perfect Time to Sell or Trade-In Your Car, According to Kelley Blue Book: Market Conditions Prime for Peak Consumer Profit Amid Low Inventory, High Prices

Used Car Sitting in Your Garage Currently Worth on Average 18% More than Last Year

IRVINE, Calif., May 6, 2021 /PRNewswire/ -- If you have been considering selling or [trading in your car](#) anytime soon, now is the time to get serious. With low vehicle inventory on dealership lots, increased car-shopper demand and resulting high prices, the market conditions are prime for peak consumer profit for people selling their vehicle, according to Kelley Blue Book.



Kelley Blue Book

If you're in a position to sell, it's a great time to command top dollar for your old car.

Used-car prices are up 18% year-over-year, meaning that a used car sitting in someone's garage right now is currently worth on average nearly one-fifth more than it was last year. Given the high-ticket prices of vehicles, that percentage

can translate into quite a bit more cash lining a seller's pockets. To view it another way, vehicles that were retaining 55% of their value a few months ago are fetching 60% to 65% of it now.

The biggest factor contributing to the current market conditions is limited supply of used cars. According to data from vAuto, there are approximately 2.34 million [used cars available](#) in America today. That's more than 530,000 fewer than just one year ago in 2020, and about 430,000 less than during the same period in a more normal 2019. These circumstances point to a huge opportunity for people thinking about selling or trading in their current vehicle.

"There has never been a much better time to sell or trade in your car than right now during this strong seller's market," said Matt DeLorenzo, senior managing editor for Kelley Blue Book. "Dealerships are seeking more used-car inventory, and prices are reaching sky high. If you're in a position to sell, it's a great time to command top dollar for your old car. And if you're trading in your vehicle to purchase a new one, the increased value of your used car will help take some of the sting out of the higher price you're likely to pay when purchasing a car in these market conditions."

Consumers who want to buy a car right now are facing some tough times. Prices are high, supply is low, and the forces that could change these conditions are caught up in a perfect storm of complex factors. A worldwide microchip shortage has severely limited new-car production, and the COVID-19 pandemic has triggered many people to look for an inexpensive car rather than use public transit for their daily commute. Dealerships have fewer used vehicles to offer right now, but people are still buying cars and the demand is growing. Increased vaccinations are leading to the world slowly reopening, and when combined with boosted disposable income from government stimulus programs designed to kick-start the economy, people are shopping for cars again in droves.

"America may be slowly returning to some semblance of normal, but the car

market isn't," said DeLorenzo. "This means that people's prior car-shopping experiences will not be able to tell them exactly how to handle this market. If consumers are even able to find the vehicle they want right now, they need to be prepared and understand they're likely going to pay more for it than they probably thought they would. With demand high and supply low, manufacturers aren't offering as many discounts as people are accustomed to seeing; without available incentives, dealerships aren't able to negotiate as much. And we don't expect this to change much anytime soon – it's going to be a lean market for quite some time."

Understanding [what your car is worth when selling or trading in](#) and what you should expect to pay when you're buying a new or used car, can ensure you get the most for your money in either situation. Before selling or trading in a used car, consumers should research the trusted Blue Book Value® of their vehicle. Prior to purchasing any new or used vehicle, experts recommend that car shoppers check out the Fair Purchase Price range for that specific model on KBB.com. Based on thousands of data points and updated weekly to factor in changing market conditions, Kelley Blue Book's Fair Purchase Price helps people understand what they should realistically expect to pay for that particular vehicle in their local area.

For more information about the timing of buying, selling and trading in cars given the current related market conditions, visit <https://www.kbb.com/car-advice/is-now-the-time-to-buy-sell-or-trade-in-a-used-car/>.

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