



How the U.S. Auto Market Is Shaping Up in 2026: What Buyers, Sellers and Insurers Should Know

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The U.S. auto market in 2026 is showing signs of stability after years of volatility. While vehicle sales are not expected to grow dramatically compared to 2025, the overall outlook suggests stability with some structural changes that will influence prices, consumer behavior, and valuation metrics relevant for insurance and diminished value assessments.

New Vehicle Sales: Steady But Slightly Lower Than 2025

Industry forecasts indicate that U.S. new vehicle sales in 2026 are likely to be slightly below their 2025 total, but still within a range that reflects a healthy, stable market.

Projected New Vehicle Sales (2025 vs 2026)

Year	Projected New Vehicle Sales (Millions)
2025	16.3M units (Edmunds projection)
2026	15.8M units (Cox Automotive)

This modest decline reflects a market that is normalizing after the extreme swings of the pandemic and supply chain disruptions, rather than collapsing. Dealers have seen pricing discipline return, inventory levels stabilize, and consumer demand settle into a more predictable pattern.

Affordability and Consumer Behavior Trends

Despite relatively stable sales figures, affordability remains the dominant pressure point for American car buyers.

Key Affordability Trends in 2026

Pricing Pressure: Average transaction prices have plateaued rather than decreased sharply, meaning many buyers still confront high loan payments.

EV Influence: Electric vehicle share is expected to soften slightly in 2026 compared to 2025 as incentives taper off and consumer demand shifts back toward traditional models.

Market Preference: Larger SUVs and trucks continue to dominate buyer preference, while sedans and smaller vehicles hold shrinking shares of total sales.

These trends shape buyer decisions, especially for those considering used vehicles or extended financing, and help explain why certain vehicles retain value differently after accidents.

Used Car Market: Value Stability and Index Trends

The used car market continues to play a critical role in the broader automotive ecosystem, particularly for buyers priced out of new vehicles or seeking better value.

Wholesale Used Vehicle Price Index (Manheim) – Early 2026

Metric	Value
Manheim Used Vehicle Value Index	209.2 (mid-Jan 2026)
Change vs Dec 2025	+1.8%
Change vs Jan 2025	+1.7%

The Manheim Index shows modest but positive increases in wholesale used prices, indicating that while the market may be slightly softer than in prior boom years, it still has underlying demand and pricing resilience.

This data matters for DVGA because wholesale values are a core input in many diminished value determinations—they reflect what dealers are willing to pay for vehicles that will be resold.

What These Trends Mean for Diminished Value and Insurance Claims

The combination of slightly slower new vehicle sales and a stable used market creates a complex valuation environment:

Stable Used Prices mean that insurers and appraisers need to be vigilant in using up-to-date data (e.g., Manheim Index values) when calculating loss of value.

Affordability Pressures push more buyers into the used market, increasing competition for certain models and sometimes propping up values even if overall volume declines.

Moderate Declines in Sales suggest that demand is not evaporating, but rather redistributing—toward different vehicle segments, credit structures, or price tiers.

For vehicle owners and insurers alike, knowing where the market really sits in 2026—not just anecdotally but via real automotive indices and forecasts—is key to making informed decisions about settlements and valuations.

Final Thoughts: A Market of Balance, Not Boom or Bust

The U.S. auto market in 2026 is best described as balanced rather than booming or collapsing. Sales are expected to slow modestly after very strong recent years, but wholesale used values remain stable and consumer preferences continue to shape inventory and pricing trends.

This environment demands careful, current data for accurate valuations and insurance assessments. Staying current on forecasts and indices like those from Cox Automotive,

Edmunds, and Manheim will help professionals and consumers alike understand shifting values, identify opportunities and risks, and make smarter financial decisions throughout the year.

Get Expert Diminished Value Appraisals

Understanding market trends is crucial for accurate vehicle valuations. Our team uses the latest industry data and indices to ensure your diminished value claim reflects real market conditions.

Don't settle for outdated formulas. Get a professional appraisal based on current 2026 market realities.

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