

How 2026 Car Depreciation in Georgia Affects Your Diminished Value Claim

Car depreciation in Georgia is not following a single, predictable path in 2026. The used vehicle market has fractured into segments that are moving in opposite directions, and that divergence is reshaping how **diminished value claims** are calculated, negotiated, and paid. Trucks are holding value. EVs are cratering. Sedans are softening under growing off-lease supply. And a 25% federal tariff on imported vehicles is pushing more buyers into the used market, inflating demand in some segments while leaving others exposed. If your car was hit in an accident this year and you are thinking about filing a diminished value claim, the depreciation profile of your specific vehicle matters more right now than it has in years.

The 2026 Used Car Market Is Not One Market Anymore

The headline numbers look stable. The Manheim Used Vehicle Value Index closed June 2026 at 212.9, up 2.1% year over year. That figure, adjusted for mix, mileage, and seasonality, suggests a healthy, functioning market. But averages hide what is actually happening underneath.

When you break the data apart by segment, the picture fractures. Trucks and full-size pickups continue to hold value at rates that outperform every other category. Hybrids are close behind. Meanwhile, electric vehicles are shedding value faster than any other vehicle type on the road, and compact sedans are quietly losing ground as inventory from lease returns floods the market.

For Georgia drivers involved in an accident, this segmented depreciation means a diminished value claim on a Toyota Tacoma and a diminished value claim on a Tesla Model Y are operating in completely different economic realities, even if the collision damage was identical.

Five-Year Depreciation by Segment

An analysis of over 950,000 five-year-old used vehicles sold in the U.S. between March 2025 and February 2026 produced the following depreciation breakdown by vehicle type. The industry average improved to 41.8%, a 3.8 percentage point gain over the prior year, but the spread between the best and worst performers tells the real story.

Vehicle Segment	5-Year Depreciation	DV Claim Impact
Trucks	34.2%	Higher pre-loss value supports stronger claims
Hybrids	35.4%	Strong retention protects claim baseline
All Vehicles (Avg.)	41.8%	Benchmark for general claim expectations
Midsize SUVs	~47%	Varies widely by brand and trim
Luxury Vehicles	50%+	High MSRP means large dollar-amount losses
Electric Vehicles	57.2%	Rapid depreciation complicates pre-loss valuation

A truck owner whose vehicle retained 66% of its original value after five years is sitting on substantially more equity than an EV owner who kept less than 43%. When an accident hits, the truck owner has more documented value to lose, and the accident history creates a proportionally larger buyer discount at resale. That translates directly into a larger diminished value claim.

How 2026 Tariffs Are Inflating Georgia's Used Car Market

The 25% federal tariff on imported automobiles has pushed new car prices higher across the board. Average new vehicle transaction prices climbed in the first half of 2026, with imported models seeing increases of \$5,000 to \$8,900 per vehicle. That sticker shock is redirecting buyers away from new car lots and into the used market.

For Georgia specifically, this demand migration is meaningful. The state has one of the largest used car markets in the Southeast, and Atlanta-area dealers have reported tightening inventory in high-demand segments like compact SUVs and late-model trucks. More buyers competing for the same pool of used vehicles means prices hold firm or climb, which is exactly what the Manheim data reflects.

Tariff-inflated demand is keeping pre-loss vehicle values elevated. That means the baseline number your diminished value appraisal starts from is higher than it would have been a year ago. A higher starting value, combined with the buyer penalty for accident history, produces a larger recoverable loss.

Used vehicles are not directly subject to the import tariff. A 2022 Honda CR-V sitting on a Georgia dealer lot was imported and sold years ago. But tariffs affect used pricing indirectly by compressing the price gap between new and used, making pre-owned vehicles relatively more attractive and supporting their values from underneath.

The EV Depreciation Problem and DV Claims

Electric vehicles are the outlier in this market. While every other segment improved its value retention in 2026 compared to 2025, EV depreciation barely moved. Five-year depreciation for EVs sits at 57.2%, with certain models losing more than 60% of their sticker price over that period.

For Georgia EV owners filing a diminished value claim, this creates a specific challenge. Rapid underlying depreciation makes it harder to isolate the portion of value loss caused specifically by the accident versus the portion caused by normal market forces. Insurance adjusters are quick to point at the broader EV depreciation trend and argue that any

resale loss would have happened regardless of the collision.

That argument does not hold up under scrutiny when the appraisal methodology is sound. Diminished value measures the difference between what a clean-history vehicle sells for and what the same vehicle with an accident record sells for, at the same point in time. Even in a falling market, the accident penalty is a separate and measurable loss. But proving that distinction requires a professional appraisal that uses real comparable sales data, not a generic formula. The [17c formula](#) is particularly unreliable for EVs because it was never designed to account for technology-driven depreciation curves.

Trucks and SUVs: The Strongest DV Claim Position

If you own a truck or SUV that was damaged in an accident in Georgia this year, the current depreciation environment is working in your favor for a diminished value claim. Full-size trucks are depreciating at just 34.2% over five years. Toyota and certain domestic truck models are retaining even more than that. High demand, constrained inventory from reduced fleet and lease activity in 2021 and 2022, and the tariff-driven shift from new to used are all compressing the supply of clean-history trucks on the market.

That tight supply means the penalty for an accident history is more severe in this segment. When a buyer in Marietta or Savannah is comparing two identical 2022 Ford F-150s and one has a Carfax accident record, the discount they demand is real, immediate, and measurable. That spread is your diminished value. A recent analysis of [diminished value for trucks and SUVs in Georgia](#) breaks down the dollar ranges by vehicle type.

Off-Lease Inventory and the Sedan Market

The other major force shaping depreciation in 2026 is the off-lease wave. After years of suppressed leasing during the pandemic, lease returns surged in 2025 and are continuing into 2026. That inventory is landing disproportionately in the sedan and compact car segments, where lease take rates were historically higher.

For sedan owners in Georgia, this creates a different kind of DV claim environment. More supply means buyers have more options, which can weaken the accident-history penalty in some cases because competitive clean-history alternatives are more readily available. However, it also means the pre-loss value of your sedan may be under pressure from market forces unrelated to your accident.

This is where timing becomes critical. The earlier you file your claim relative to the accident date, the closer your appraisal reflects the vehicle's actual pre-loss market value before further depreciation erodes it. Georgia's statute of limitations gives you four years, but waiting even six months in a softening segment can cost you real money. Our breakdown of the [2026 lease return wave and its impact on Georgia diminished value](#) covers this dynamic in detail.

Why Insurance Formulas Cannot Keep Up

Insurance companies use proprietary valuation tools like CCC One and Mitchell to calculate vehicle values. These platforms pull from historical comparable sales data and apply adjustment factors for mileage, condition, and options. In

a stable, single-direction market, they produce reasonable outputs. In a market where trucks and EVs are moving in opposite directions and tariff effects are layered on top of normal seasonal patterns, they are structurally behind the curve.

The 17c formula, which many insurers still use as a starting point for diminished value calculations, is even worse. It caps your claim at a fraction of your vehicle's NADA retail value, then applies a damage modifier and mileage modifier that almost always push the number down. It was never designed for a market this complex, and it has been criticized repeatedly for undervaluing legitimate claims.

The precedent set by *State Farm Mutual Automobile Insurance Co. v. Mabry* gives Georgia drivers the legal standing to challenge insurer-generated diminished value offers with independent evidence. That legal framework has not changed. What has changed is the market complexity that makes an independent professional appraisal more necessary than ever.

What This Means for Your DV Claim Right Now

The bottom line for Georgia drivers in mid-2026 is this: the vehicle you drive determines not just the size of your diminished value claim, but the urgency of filing it.

If you drive a truck or high-demand SUV: Your pre-loss value is elevated, the accident-history penalty in your segment is steep, and buyer sensitivity is high. This is the strongest possible position for a DV claim. Do not wait. Get an independent appraisal now while market conditions support the highest defensible number.

If you drive a sedan or compact car: Off-lease supply is building and prices are softening. The longer you wait to document your loss, the more the market works against your pre-loss value baseline. File early and file with current comparable sales data.

If you drive an EV: Your claim is viable but requires careful appraisal methodology to isolate the accident-related loss from broader market depreciation. A professional appraiser who understands the EV segment is essential. Do not accept an insurer's generic formula output.

If you drive a luxury vehicle: High original MSRPs mean the dollar amount of your diminished value loss can be significant even at moderate percentage losses. Luxury vehicles also face the steepest buyer skepticism around accident history, which works in your favor when documenting the claim.

Understanding the broader market context around [2026 used car price movements and Georgia diminished value](#) gives you the foundation to evaluate any offer the insurer puts in front of you.

Find Out What Your Vehicle Lost in Value

Depreciation data tells you what the market is doing. A professional appraisal tells you what your specific vehicle lost because of the accident. Get a free estimate from Georgia's most trusted diminished value appraisers.

[Get Your Free DV Estimate](#)[Read the Full Article Online](#)

Frequently Asked Questions

Does faster depreciation mean a smaller diminished value claim?

Not necessarily. Diminished value is the gap between what a clean-history vehicle sells for and what the same vehicle with an accident record sells for at the same point in time. Even in a depreciating market, the accident penalty is a separate, measurable loss. However, a rapidly depreciating vehicle may have a lower pre-loss value baseline, which can reduce the total dollar amount of the claim. This is why filing promptly matters.

How do 2026 auto tariffs affect my diminished value claim in Georgia?

Tariffs are pushing new car prices higher, which redirects buyers into the used market. That increased demand supports used vehicle values, keeping your pre-loss value baseline elevated. For vehicles in high-demand segments like trucks and compact SUVs, tariff-supported pricing can strengthen the foundation of a diminished value claim by establishing a higher starting value.

Can I file a diminished value claim on an electric vehicle in Georgia?

Yes. Georgia law does not exclude any vehicle type from diminished value claims. The challenge with EVs is that their rapid baseline depreciation requires a more careful appraisal to isolate the accident-specific loss from normal market depreciation. An independent appraiser experienced with EV valuations is the best way to build a credible claim.

Why does the type of vehicle I drive affect my diminished value recovery?

Vehicles that hold value well have more equity at stake when an accident goes on record. Buyers in the used market discount accident-history vehicles by a percentage of market value. If your truck retained 66% of its original MSRP and a comparable sedan retained only 55%, the dollar-amount penalty on the truck is larger because its pre-loss value is higher. That penalty is recoverable through a diminished value claim in Georgia.

Should I wait for the market to stabilize before filing my claim?

No. Waiting allows normal depreciation to erode your vehicle's pre-loss value, which directly reduces the recoverable amount. The strongest claims are filed while the vehicle's market value is closest to what it was at the time of the accident. Georgia gives you up to four years under O.C.G.A. Section 9-3-31, but the practical window for maximum recovery is much shorter than that.