New Car Prices Just Hit a 2026 High. Nobody Is Writing About What That Does to Your Diminished Value Claim.

Kelley Blue Book released its July transaction data on August 11, out of its parent company's Atlanta headquarters, and the number was $49,855. That is the highest average new car price of 2026 and it lands about $757 short of the all-time record set last December. New car prices and diminished value are not usually discussed in the same article. They should be, because that figure quietly changes the math on every repaired vehicle in Georgia.

The coverage that followed was almost entirely about shoppers. How to find incentives, which segments are cheaper, whether to buy now or wait. Reasonable advice. It also completely ignores the person who is not shopping at all, because their car is already in a body shop through no fault of their own.

What the July Numbers Actually Said

The headline is a price record for the year, but the interesting part is underneath it.

Data Point	July 2026	What It Signals
Average transaction price	$49,855, up 1.9% year over year	Highest of 2026, just under the December 2025 record of $50,612
Monthly move	Up 0.2% from June	July normally falls 0.1%; this was the wrong direction
New vehicle sales	Down 1.5% year over year	Fewer buyers at higher prices
Incentive spending	6.4% of purchase price	Down from 7.3% a year ago, second straight monthly decline
Affordable segments	Sales gains year over year	Subcompact SUVs, compact cars, mid-size cars all up
Full-size pickups	Segment average $66,980	Priciest segment, and volume is softening

Two of those rows tell the real story together. Buyers are migrating to cheaper segments, and the industry average still went up. That means the vehicles people are actually buying got more expensive faster than the mix shift could offset. Part of it is 2027 model year units arriving with higher stickers. Part of it is that discounts are disappearing.

Meanwhile the used market spent the first half of 2026 at a price high it had not seen in more than three years.

Our Take: The Coverage Keeps Missing One Person

Every month this data comes out, the same articles get written. Affordability, shopping strategy, whether to wait for incentives. And every month the same person gets left out of the conversation entirely.

That person is the Georgia driver who was rear-ended on I-285 in April, got the car repaired properly, and now owns a vehicle with an accident permanently attached to its history report. They are not shopping. They did not choose to enter this market. But the market they did not choose just determined the size of a loss they did not cause.

Here is what nobody writes: when replacement costs climb, the driver holding a damaged vehicle is worse off in two directions at once. Their car lost value because of the accident record, and the cost of getting out of that car and into a clean one went up. The insurance industry has no line item for that second part. Neither does most of the automotive press.

> *A repaired vehicle is not just worth less than it was. It is worth less at exactly the moment when the alternative costs more than it ever has. That is the actual position a Georgia driver is in right now, and it is not addressed by any standard claim formula.*

Why Higher Prices Make a Georgia Claim Bigger, Not Smaller

There is a persistent misunderstanding worth correcting. Some drivers assume a hot market helps them, because their car is worth more. Others assume it hurts them, because everything is expensive. Both are looking at the wrong number.

Diminished value is the gap between what your vehicle would be worth with a clean history and what it is worth with an accident on record. Both sides of that subtraction sit on the same price level. When the price level rises, the absolute dollar gap widens even if the percentage does not move at all.

Run it. A vehicle that would command $30,000 clean and takes a 10% accident discount produces a $3,000 loss. Put the same vehicle in a market where clean units bring $38,000 and the identical percentage produces $3,800. Nothing changed about the damage. The dollar figure moved by $800 because the market moved.

That is why the timing of a valuation matters so much, and why a number pulled from a stale comparable set understates a claim in a rising market. If you are not sure your situation qualifies in the first place, start with **whether you qualify for a diminished value claim**.

The Formula Does Not Move With the Market

This is where we get impatient, and we will say it plainly.

The 17c formula that Georgia insurers still reach for caps diminished value at a fixed percentage of pre-accident value and then discounts it further for mileage and damage severity. It has no input for the price level of the market, no input for vehicle segment, and no mechanism to notice that new car prices set a 2026 high in July or that used values hit a three-year high in the first half of the year.

It was built as an internal insurer tool. It has never been a legal requirement in Georgia. And in a market that has moved as much as this one has since the formula came into common use, applying it is not a valuation. It is a shortcut that happens to land in the insurer's favor. We have written at length about why **the 17c formula is not a fair standard in Georgia**, and every month of price data makes the case stronger rather than weaker.

One Caveat We Will Not Skip

Honesty requires noting the other side. New car prices are not rising quickly. A 1.9% year over year increase is below the roughly 3% that has been typical over the past decade, and July's figure still sits under the December 2025 record. Sales fell 1.5%. The top of the market, full-size pickups, full-size SUVs, and luxury, is softening while cheaper segments gain.

So this is not a runaway market. What it is, is a market that has settled at a permanently higher level with less discounting available, while buyers quietly shift down to what they can afford. That is a different environment from 2021, and it is also a very different environment from the one the standard claim formulas were designed around.

The segment divergence matters for a specific reason. If you drive one of the affordable segments that is gaining volume, demand for your vehicle is strengthening and your clean-history baseline is holding up well. If you drive a full-size truck or SUV, the segment is softer and your comparables need to be current. We covered that split in detail in our look at **2026 used car price movement and Georgia diminished value**.

If Your Car Was Repaired This Year

- **Do not let anyone tell you a strong market shrinks your claim.** It does the opposite in dollar terms.
- **Insist on current comparables.** A valuation built from listings that predate this year's price level understates the clean-history side of the calculation.
- **Check whether your segment is gaining or softening.** Compact and mid-size vehicles are gaining volume. Full-size trucks and SUVs are not. That changes which comparables are credible.
- **Move sooner rather than later.** Under O.C.G.A. Section 9-3-31 you have four years to bring a property damage claim in Georgia, but market comparables from the relevant period get harder to source every month. Our overview of **Georgia's diminished value laws** covers the framework.

The next transaction price report lands in about a month. Our expectation is a seasonal softening, because the market may be entering its usual decline earlier than normal this year. If that happens, expect a fresh round of articles about improving affordability, and expect them to say nothing at all about the drivers already holding a repaired vehicle.

Find Out What Your Claim Is Worth in Today's Market

Send us your repair documents and vehicle details. We will value your claim against current Georgia comparables, not a percentage formula written years ago.

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Frequently Asked Questions

Do rising new car prices increase my diminished value claim?

In dollar terms, generally yes. Diminished value is the gap between clean-history and accident-history value, and both sit on the same price level. When that level rises, the same percentage discount produces a larger dollar figure. A 10% loss on a $38,000 baseline is worth $800 more than the same 10% on a $30,000 baseline.

The average new car costs $49,855. Does that number apply to my claim?

Not directly. That is a national average across all new vehicle transactions, and your claim is measured against comparable used examples of your specific vehicle in the Georgia market. The figure matters as context for where price levels sit, not as an input into your valuation.

My car is a full-size truck and the segment is softening. Is my claim weaker?

The baseline is softer, but the accident discount does not disappear. What changes is which comparables are credible. In a softening segment, comparables from even a few months ago can overstate the market, so current listings matter more than usual on both sides of the calculation.

Why does the 17c formula not account for market prices?

Because it was never designed to. It applies a fixed percentage cap to pre-accident value and then reduces it for mileage and damage severity. There is no variable in it for market conditions, vehicle segment, or price level. It is an internal insurer methodology, not a legal standard in Georgia.

Should I wait for prices to settle before filing?

No. Your pre-loss value is anchored to the date of the accident, so waiting does not improve the underlying figure. What waiting does is make the evidence harder to assemble, because listings expire and repair shops eventually purge records.