

## What 2026 Vehicle Depreciation Data Means for Your Georgia Diminished Value Claim

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Georgia drivers who had a car damaged in an accident this year are sitting in a more favorable position than they realize, and most of them are not taking advantage of it. The used vehicle market in 2026 is operating at values significantly above historical benchmarks, which means the actual market loss from an accident is larger than what the standard insurance formulas are producing. What insurers are offering, and what your car genuinely lost in the Atlanta market and across Georgia, are two different numbers. Understanding the gap starts with understanding what is actually happening to vehicle values right now, segment by segment, and why the current market makes **your diminished value claim** more valuable than it would have been two years ago.

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### Georgia Is Not Immune to National Depreciation Trends, But It Has Its Own Dynamics

The national used vehicle market posted annual depreciation of approximately 13.9% for 2025, with a forecast of around 11.9% for 2026. Those numbers sound orderly. What they hide is a market that is fracturing along segment lines, with affordable utility vehicles holding value much better than luxury and discretionary vehicles, and electric vehicles in their own category of volatility entirely.

For Georgia drivers, this matters because the Atlanta metro is one of the largest used vehicle markets in the Southeast. Pricing in this region tracks national trends but is also influenced by local inventory levels, fleet concentration, and the buying patterns of a fast-growing metro population. When a Georgia driver files a diminished value claim, the relevant comparable sales are pulled from this regional market, not a national average. And right now, that regional market is rewarding certain vehicle types significantly more than others.

*Georgia's fault-based insurance system means that when another driver causes your accident, their liability coverage is responsible for your diminished value loss. The State Farm v. Mabry precedent established that carriers cannot categorically deny these claims. What remains contested in almost every case is the dollar amount, and that number is directly tied to current market conditions.*

### The Segment Story: Where Georgia Vehicles Are Gaining and Losing Value

The single most important thing to understand about depreciation in 2026 is that the market is not moving as one. The overall average of roughly 14% annual depreciation obscures segment-level performance that varies by more than 16

percentage points from the best to the worst performers. For a Georgia driver filing a claim, your vehicle's segment determines far more about your potential recovery than any formula an insurer applies.

Vehicle Segment	2025 Depreciation	Implication for DV Claims
Premium Sporty Car	-6.2%	Strong retention = larger DV loss when accident history enters
Full-Size Pickup	-10.8%	High demand in Georgia supports elevated pre-loss value
Minivan	-10.7%	Constrained supply keeps floor high; DV gap often underestimated
Mid-Size Crossover/SUV	-14.1%	Most common Georgia vehicle; standard formula shortfalls apply
Compact Crossover/SUV	-15.1%	High volume gives more comp data but more room to lowball
Prestige Luxury Car	-15.3%	Elevated depreciation pressure compounds accident history discount
Full-Size Car	-17.6%	Shrinking buyer pool; accident history accelerates the decline
Sub-Compact Car	-22.9%	Steepest depreciation; accident history hits these vehicles hard

The practical takeaway for Georgia drivers: if you drive a full-size pickup, a minivan, or a sporty vehicle, your pre-loss value is being supported by strong market demand. That elevated baseline is what makes the diminished value loss measurable and recoverable. If you drive a sub-compact or a full-size sedan, the market is already working against you, and an accident history on top of that can push resale value into territory where buyers walk away entirely.

## Why Used Car Values in Georgia Are Still Elevated

The supply side of the used vehicle market is the reason values have not normalized despite several years of post-pandemic adjustment. The pipeline of late-model used vehicles coming back to market, through lease returns, rental fleet turnover, and trade-ins, is still running below what the market needs. Leasing activity was severely depressed in 2021 and 2022, and those vehicles are only now starting to work through the system. Fleet operators extended holding periods. Off-lease volumes are recovering but slowly.

The result is a market where three-year-old vehicles are retaining approximately 58% of their original MSRP heading into 2026, compared to roughly 50% in the years before the pandemic. That gap matters directly to your claim. The **17c formula** that insurers default to in Georgia was calibrated for a lower-value market environment. When it produces a cap that bears no relationship to what your vehicle actually lost in today's Atlanta used car market, that is not an accident. It is a structural problem with a methodology that has not kept up with where values actually are.

*A 2023 model year vehicle returning to the Georgia used market in 2026 carries roughly 58% of its original value before any accident history is factored in. Add an accident report to that same vehicle's Carfax and Georgia buyers immediately discount further. The diminished value loss is real, it is measurable, and it belongs in your claim.*

## The Pull-Forward Effect and What It Did to Q4 2025 Values

One market dynamic that Georgia drivers with late-2025 accidents should be aware of: used vehicle values went through an unusual pattern last year. When broad tariffs on imported vehicles were announced in April 2025, buyers accelerated their purchases in anticipation of higher prices. This pulled demand forward into spring and summer, temporarily inflating wholesale and retail values above where they would normally have been.

By the fourth quarter, that borrowed demand had been exhausted. The market softened more sharply than usual through October and November before stabilizing by year-end. If your vehicle was damaged in the fall of 2025, the comparable sales your insurer is drawing from may reflect that fourth-quarter softness rather than the vehicle's true market position at the time of loss. This is exactly the kind of timing issue that **affects Georgia diminished value calculations** in ways that a boilerplate formula will never catch.

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## Electric Vehicles in Georgia: A Separate Conversation

Georgia has one of the more active EV markets in the Southeast, driven by the Atlanta metro's demographics and the state's history of EV incentive programs. In 2026, that concentration of electric vehicles creates a specific challenge for owners dealing with accident claims or diminished value disputes.

Used BEV values nationally are expected to decline an additional \$1,500 to \$2,500 per vehicle in 2026 as off-lease inventory builds and new vehicle pricing narrows the gap between new and used electric cars. Three-year retention for electric vehicles is tracking around 38%, compared to 58% for the broader market. That gap means an EV owner in Georgia has a vehicle depreciating at more than twice the rate of a comparable non-electric vehicle, and an accident history on top of that depreciation accelerates the loss further.

Standard valuation tools do not handle EV depreciation well. The market is moving too fast and the segment-specific factors, battery uncertainty, charging infrastructure, policy changes, and new model releases, are too dynamic for a generic formula to track accurately. Georgia EV owners dealing with claims need appraisals that reflect where their specific vehicle is actually trading in this market.

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## How the 17c Formula Fails Georgia Drivers in a Segmented Market

The 17c formula was designed as an internal insurance tool, not as a fair market methodology. It starts with a base value cap of 10%, applies a damage multiplier that rarely exceeds 0.5 for anything short of structural damage, and then applies mileage deductions that further compress the result. In a normal market, the outputs are already conservative. In the current elevated market, where values are running significantly above pre-pandemic benchmarks and segment divergence is wide, the formula produces numbers that have almost no relationship to actual market loss.

Consider a mid-size crossover in the Atlanta market with 35,000 miles, involved in a moderate rear-end collision with documented frame repair. The 17c formula applied to that vehicle will produce a diminished value figure that experienced Georgia appraisers routinely see overridden by two to three times when actual comparable sales data is introduced. The **17c formula is not legally required in Georgia**, and courts and arbitrators have consistently recognized that independent appraisals reflecting real market data are the appropriate standard.

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## What Georgia Drivers Should Do With This Information

The market data for 2026 supports stronger diminished value claims for most Georgia vehicle owners, not weaker ones. Values are elevated, segment-specific performance is well-documented, and the gap between what insurers offer using outdated formulas and what vehicles actually lose in today's market is wider than it has been in years.

- Get an independent appraisal from an appraiser working with current Georgia market comparables, not national averages.
- Document your vehicle's pre-loss condition with service records and evidence of above-average maintenance.
- Pull the repair documentation and confirm that all damage, including any structural or ADAS-related repairs, is fully itemized.
- Understand Georgia's four-year statute of limitations under O.C.G.A. Section 9-3-31: you have time, but the case gets harder to build as the accident recedes.

Our overview of [Georgia's diminished value laws](#) covers the legal framework in detail, and our [vehicle value depreciation overview](#) provides additional context on how market conditions translate into claim outcomes.

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

Current vehicle values in Georgia are supporting stronger diminished value recoveries than insurers are offering. Get a free estimate based on real 2026 market data before you accept anything.

[Get Your Free DV Estimate](#)

[Read the Full Article Online](#)

## Frequently Asked Questions

### Does the current high used vehicle market make my Georgia diminished value claim worth more?

In most cases, yes. Diminished value is calculated as the difference between what your vehicle was worth before the accident and what it is worth after, given its accident history. When pre-loss values are elevated, as they are right now relative to pre-pandemic benchmarks, the absolute dollar loss from an accident history tends to be larger. The percentage loss may be similar to prior years, but applying that percentage to a higher starting value produces a greater dollar amount.

### **Why does my vehicle's segment matter so much for a Georgia diminished value claim?**

Because the market does not treat all vehicles the same way. A full-size pickup that depreciated only 10.8% in 2025 carries a very different pre-loss value profile than a sub-compact car that dropped nearly 23%. The segment also affects buyer behavior after an accident: buyers of luxury and premium vehicles are more likely to reject accident-history cars outright, which deepens the diminished value loss. An appraisal that does not account for your segment's specific market dynamics is producing an incomplete number.

### **Can I still file a diminished value claim if my accident happened in late 2025?**

Yes. Georgia's statute of limitations for property damage claims under O.C.G.A. Section 9-3-31 gives you four years from the date of the accident. A late 2025 accident is well within that window. The important thing to document carefully is the vehicle's market value at the time of loss, since fourth-quarter 2025 saw some softening in used vehicle values following a strong spring and summer. An appraiser familiar with how 2025 market timing affects comparable sales will produce a more defensible number.

### **Is the 17c formula still being used by Georgia insurers in 2026?**

Yes, most major carriers default to it as a starting point. It remains widely used despite being consistently criticized for undervaluing claims in elevated market conditions. The formula is not legally mandated in Georgia, and an independent appraisal based on actual market comparables carries real weight in negotiations, arbitration, and court. If an insurer presents a 17c result, that is the beginning of a negotiation, not the end of one.

### **How does EV depreciation in 2026 affect a Georgia diminished value claim on an electric vehicle?**

Electric vehicles are depreciating significantly faster than the broader market in 2026, with three-year retention rates running roughly 20 percentage points below the market average. For a Georgia EV owner, this creates a situation where the vehicle's pre-loss value is already being compressed by market forces, and an accident history adds a further buyer discount on top of that. Standard valuation tools handle EV pricing poorly in this environment. An independent appraisal with current EV-specific market data is essential for these claims.