Gas prices and used car values have always moved together. What changed in 2026 is the speed. The national average for regular gasoline has now spent 103 days at or above $4 per gallon this year, roughly 46% of the year to date and the highest count since 2022. In mid-August the average sat near $4.03, which is the highest level ever recorded this late in the calendar year. Pump prices are running close to a dollar above where they were twelve months ago.

That is not a seasonal blip, and it is already reordering which vehicle segments hold value and which ones do not. For anyone valuing a vehicle right now, whether for a total loss settlement, a diminished value claim, or a pre-purchase appraisal, the segment your vehicle sits in matters more than it has in years.

The Fuel Price Reset Is Not a Seasonal Blip

The national average crossed $4 per gallon in April 2026 for the first time since August 2022. It has moved above and below that line since, but it has not returned to the range drivers had adjusted to in 2024 and 2025. Crude has held in the $70 to $80 per barrel range, and supply uncertainty along the Strait of Hormuz has kept a floor under prices even in weeks when demand softened.

The important detail for valuation work is duration. A two-week spike does not change buying behavior. Five months of sustained $4 gasoline does. Fuel cost is now a live variable in what a shopper is willing to pay for a three-row SUV versus a compact sedan, and that shift is showing up in auction data rather than in survey sentiment. The federal fuel price series published by the **U.S. Energy Information Administration** is the cleanest public record of how sustained this has been.

What the Wholesale Market Actually Did in July

The headline number looks calm. The Manheim Used Vehicle Value Index closed July at 210, down 1.4% from June and roughly 2.5% below the March peak, with a year over year gain of 1.3%. Wholesale supply sat at 28 days. Sales conversion came in at 54.4%, softer than the recent three-year average for July. MMR prices for the three-year-old index fell 2.8%, more than the typical move for the period.

Read only that paragraph and you conclude the market is normalizing after the spring bounce. That is true at the aggregate level, and it is also the least useful way to look at it if you are pricing a specific vehicle.

Under the Headline, the Segments Are Diverging

The gap between segments in July was the widest it has been this year, and fuel cost is the common thread running through it.

- **Electric vehicles up 10.5% year over year.** The EV index has outperformed the broad market all year. EVs also held above 4% of all units in the Manheim index for a second consecutive period, a share the index had not recorded before this year.
- **Non-electric vehicles up just 0.4% year over year.** The entire year over year gain in the headline index is being carried by a segment that represents a small fraction of volume.
- **Compact cars leading the non-EV field.** Compacts have been the strongest conventional segment for months, which is exactly what you would expect when fuel is the marginal cost driver for buyers.
- **Pickups and SUVs down notably.** The softness that was confined to those two segments earlier in the year has now spread into midsize cars as well.

The EV story deserves a note because it went against the consensus forecast. Off-lease EV returns were supposed to flood the market and push used EV prices down by roughly $1,500 to $2,500 this year. The supply arrived. The discount did not. Used EV prices rose about 5.1% on a volume-weighted basis in the first half of 2026, and every price tier below $40,000 appreciated. Sustained fuel costs absorbed the supply.

Our analysis of **electric vehicle depreciation in 2026** covers why the residual assumptions baked into those lease contracts were wrong in both directions.

Segment Direction and What It Means for a Valuation

Segment	Direction vs. 2025	Valuation Implication
Electric vehicles	Up sharply	Comparables from six months ago understate pre-loss value
Compact cars	Up	Strongest conventional segment; comps are tightening fast
Midsize cars	Softening	Recently joined the weak group; timing of the loss matters
SUVs	Down	Lagging the overall market; owner expectations run high
Pickups	Down notably	Widest gap between perceived value and auction reality

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Why a Moving Fuel Price Breaks Static Valuation

Every appraisal is anchored to a date. Pre-loss value is what the vehicle was worth on the day it was damaged, not what it is worth when the claim is finally settled six weeks later. In a flat market that distinction is academic. In a market where one segment is up 10.5% and another is down, it is worth real money.

Two failure modes show up constantly right now:

- **Stale comparables.** A valuation pulled today for a loss that occurred in March is drawing on a different fuel environment than the one that set the market on the date of loss. That can run against the claimant or in their favor depending on segment.
- **Segment-blind formulas.** Percentage-of-value formulas, including the 17c approach that insurers still lean on for diminished value, apply the same math to a pickup and an EV. Neither the direction nor the magnitude of the market move enters the calculation.

> ***Key point:*** *An accurate appraisal in 2026 is a segment-specific, date-specific exercise. A generic depreciation curve applied across all body styles produces a number that is wrong in one direction or the other on nearly every vehicle.*

Our breakdown of **diminished value loss by vehicle segment in 2026** goes into the dollar ranges by body style and why the spread widened.

Where Valuation Software Falls Behind

CCC One, Mitchell, and Audatex build value from listing data, and listings lag transactions. When a segment moves quickly, the software is describing where the market was, not where it is. Three specific gaps are worth checking on any report you receive:

- **Regional variation.** Fuel prices vary by more than $2 per gallon between the cheapest and most expensive states. Buyer behavior in a $3.60 market is not the same as in a $5.60 market, and comparables pulled from the wrong region carry that distortion.
- **Thin EV comparable sets.** EV listings are still a small share of any given local market. Software that widens the search radius to find comps is importing pricing from markets with different charging access and different fuel economics.
- **Trim and powertrain conflation.** Hybrid and conventional versions of the same nameplate are diverging in the current market. A report that treats them as interchangeable is understating the hybrid.

What Vehicle Owners and Claimants Should Do

- **Identify your segment before you argue about numbers.** Whether your vehicle sits in a rising or falling segment determines whether the insurer's comparables are helping you or hurting you.
- **Anchor everything to the date of loss.** Ask for comparables active near that date, not comparables pulled the week the report was generated.
- **Check the regional source of every comparable.** Distance from your market is one of the most common and most correctable errors in a valuation report. Our guide on **how to get a higher ACV from insurance** covers the process.
- **Document powertrain and fuel-relevant equipment.** Hybrid systems, larger battery packs, and fuel-efficient trims are carrying a premium right now that generic valuation defaults do not capture.
- **Move faster on repaired vehicles.** Diminished value is measured against a market that is currently in motion. Our guide on **how to document diminished value** lays out what evidence holds up.

Get a Segment-Specific Vehicle Appraisal

Generic depreciation curves do not reflect a market where EVs are up 10.5% and pickups are down. Appraisal Engine builds valuations from real comparable sales in your segment and your market.

Get Your Free Quote

Read the Full Article Online

Frequently Asked Questions

Do gas prices really change what my used car is worth?

Sustained ones do. A short spike does not move buying behavior, but fuel prices holding near $4 per gallon for most of a year does. The effect is visible in segment-level auction data: electric and compact vehicles have outperformed while pickups and SUVs have lagged the overall market.

Why did used EV prices rise when so many came off lease this year?

The supply forecast was correct and the price forecast was not. Off-lease EV volume arrived as expected, but sustained fuel costs pulled enough demand into the segment to absorb it. Used EV prices rose roughly 5.1% on a volume-weighted basis in the first half of 2026, with every price tier below $40,000 appreciating.

Does a rising market help or hurt my diminished value claim?

It depends on the segment and on when the loss occurred. Diminished value is the difference between what the vehicle would be worth without accident history and what it is worth with it, both measured at the same point in time. A stronger segment generally means a larger absolute dollar loss, because there is more value to lose.

Should I wait for the market to settle before filing?

No. Pre-loss value is fixed to the date of the loss, so waiting does not improve the underlying number. What waiting does is make evidence harder to assemble, because listings expire, repair shops purge records, and comparable sales from the relevant period become difficult to source.

How do I know if the comparables in my valuation report are wrong?

Check three things: how far away each listed vehicle was, how close the listing date is to your date of loss, and whether the trim and powertrain match yours. Errors in those three areas account for the majority of valuation disputes we see, and they are all verifiable from the report itself.