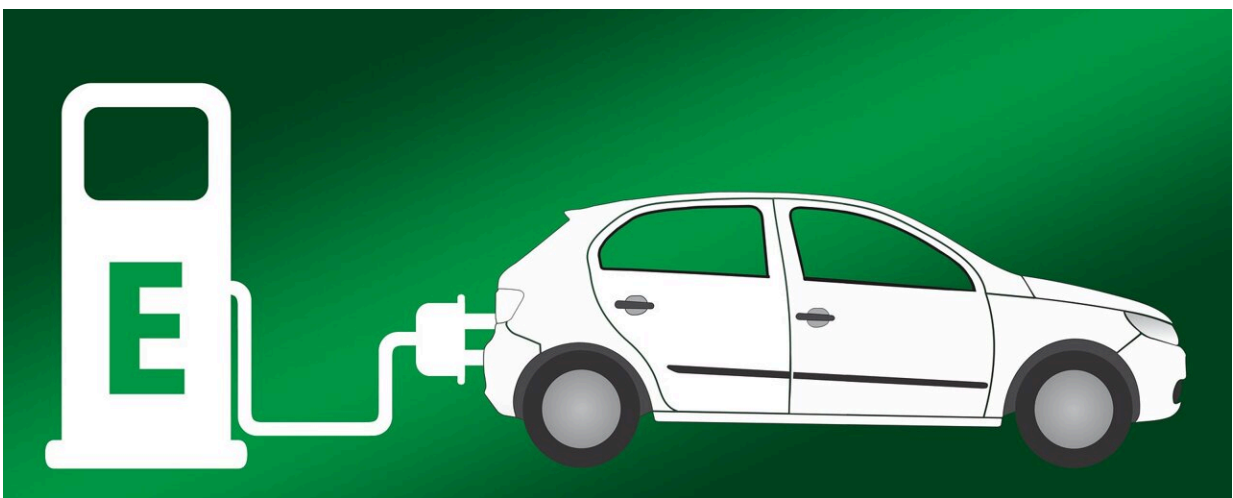


# New research finds electric vehicles depreciate faster than gas cars, but the trend is changing

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Thinking of buying an electric vehicle but unsure about its resale value? New research finds that while older electric vehicle models depreciate in value faster than conventional gas cars, newer electric vehicle models with longer driving ranges are holding their value better and approaching the retention rates of many gas cars.

The study examined more than nine million car listings at over 60,000 dealerships between 2016 and 2022. It found that older [battery](#) electric

vehicles and plug-in hybrid electric vehicles with shorter driving ranges depreciated at faster rates than conventional cars and hybrid electric cars, the one exception being Tesla, whose older battery electric vehicle model held its value better.

However, the study also showed the [trend](#) is changing—as newer [model](#) electric vehicles with higher driving ranges come online, they are retaining their value better than the older models with smaller driving ranges. The [research](#) also found that the COVID-19 pandemic significantly affected vehicle affordability, with mean listing prices for gas cars and battery electric vehicles rising 37% and 39%, respectively, in inflation-adjusted 2019 dollars from January 2020 to March 2022.

John Paul Helveston, an Assistant Professor of Engineering Management and Systems Engineering at George Washington University and the study's corresponding author, says this is a double-edged sword.

"While a higher resale value in the future is better for new car buyers, it also means the end of lower cost used electric vehicles, which was an important source of affordable electric vehicles," Helveston explains. He notes that the new \$4,000 subsidy for used [electric vehicles](#) provided by the Inflation Reduction Act (IRA) might offset some of the burden in the used market.

The paper is [published](#) in the journal *Environmental Research Letters*.

**More information:** Laura A. Roberson et al, Battery-powered bargains? Assessing electric vehicle resale value in the United States, *Environmental Research Letters* (2024). [DOI: 10.1088/1748-9326/ad3fce](https://doi.org/10.1088/1748-9326/ad3fce)

Provided by George Washington University

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