

How to determine the value of your used car

If you're considering selling or trading in your new car an important question to consider before making any decision is 'how much is my car worth?' Price it too low and you risk cheating yourself, too high and you may not be able to sell it as quickly as you'd like, or at all.

Here are our top tips for determining the market value of your used car and some of the key factors that can impact what buyers are willing to pay. And with many second-hand vehicles currently in high demand across the country¹, it may just be more than you think.

1. Assess key value factors

One of the most important steps in valuing your used car and deciding on a sales price is understanding the basics that impact a car's worth.

Age: Generally, cars are a depreciating asset so typically as your car ages its value decreases. Highly sought-after, rare or vintage vehicles can buck this trend as can changes to the market but generally a newer second-hand car of the same make, model, miles and condition will sell for more than an older one.

Mileage: The lower the kilometres the better when it comes to your car's market value. As mileage increases, typically wear and tear does too. The average Australian vehicle travels about 13.4 thousand kilometres a year². If your car has done less than average kilometers for its age, it's likely going to sell for more than if it had clocked more.

Make and model: Popular and reputable models and brands typically hold their value (and sell for more) because there is more demand for them in the second-hand market. Different makes and models have numerous different features, styles and attributes that also contribute to their value.

So, what makes, and models of cars have the best resale value in Australia? According to research conducted by caradvice.com in 2020 the most in-demand used car models more likely to hold their value include (sorted brand alphabetically)³:

- Fords: Mustang, Ranger
- Holdens: Colorado, Commodore
- Mazdas: 3, CX-3, CX-5
- Mitsubishi: Outlander
- Nissan: X-Trail
- Toyota: Camry, C-HR, Corolla, HiLux, Kluger, LandCruiser, LandCruiser Prado, RAV4
- Porsche: Porsche Macan

- Range Rover: Range Rover Sport
- Subaru: Forester
- Volkswagen Golf

General condition: The interior, exterior and mechanical condition of your car can also influence its value. The value of used cars diminishes with any apparent body or paint damage. The condition and functionality of things like upholstery, electronics, tyres, lights and mechanical parts also contribute to value.

Engine and transmission: Your car's valuation can vary depending on the type of transmission it has (automatic or manual). Automatics are typically more expensive to purchase new. Generally, this means second-hand automatics are also worth more, but there are exceptions including for some off-road, sports and luxury cars.

The vehicle's history and registration: If your vehicle has been written off before, or if it's had serious panel repairs, its value can be impacted. On the flipside, if your car hasn't been in an accident, buyers may pay more. Even better if it has a documented service history. Already registered vehicles with roadworthy certificates can also secure higher sales prices.

Features: If your car has non-standard features like leather seats, automatic headlights, built-in navigation, multi-media systems or reversing cameras – those can also add to the re-sale value of your car. But modifications and custom extras like super-sized wheels, stereo speakers, or a rear spoiler don't necessarily add monetary value to your car and can even lower it when it comes to re-selling.

2. Look at comparable cars for sale

Looking at comparable cars for sale online can help you see what the average range is for a vehicle in the same condition as yours. Generally, the bestselling models will also sell better as used cars. Prices can fluctuate depending on location, so it's best to compare similar cars in your area.

Sites like carsales.com, [CarsGuide](https://carsguide.com.au) and [Gumtree](https://gumtree.com) allow you to search and compare used cars for sale by make, model, year, transmission type and more. Remember, the prices advertised are asking prices, and don't represent negotiations that happen behind the scenes.

3. Get a car valuation

A car valuation can provide a detailed estimate of a car's value in today's market based on key factors that influence price. And for some, that price may have changed dramatically from what it was a year or two ago.

For a quick, online valuation, it's useful to plug your car's details into a free online car value tool. Popular tools include carsales.com's [car valuation tool](#), Redbook's [online research and value tool](#) and Drive's [online calculator](#). Most online tools will give you an average price range for your used car in today's market, broken down by private sale price versus trade-in price.

For more a more personalised online report, sellers can consider Redbook's online [Personal Valuation Report](#). It takes into consideration important details such as the kilometres travelled, the car's condition as well as any added factory and aftermarket options.

Online valuation report tools usually provide automated estimate and/or don't involve an in-person inspection. So if you're after a more detailed and tailored appraisal, taking your car into an independent valuer for a professional valuation may offer you a more precise estimate that better takes your car's individual condition and features into consideration. And whether you decide to sell privately or trade in – an independent report may help you negotiate with confidence.

Protect your asset with insurance

If you're buying a new car – or holding on to your old one, consider protecting it with the right insurance coverage. And if you're selling, insuring your car up until the time when the sale is final means you and your car stay protected until the last minute.

¹ <https://www.news.com.au/technology/motoring/motoring-news/used-car-price-surge-to-last-two-more-years-as-popular-landcruiser-cost-spikes-50-per-cent/news-story/825829cc6a7695eb72b1ea332a1523ed>

² <https://www.abs.gov.au/statistics/industry/tourism-and-transport/survey-motor-vehicle-use-australia/12-months-ended-30-june-2018>

³ <https://www.caradvice.com.au/846241/used-cars-with-best-resale-value/>

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