



**Daniel BOYLE**

RV analyst France/Belgium



## From powertrain shift to value shift



The European automotive market is undergoing a profound transformation, driven by the accelerating adoption of electrified powertrains and increasingly diverse market conditions across countries.

While RV performance has traditionally been assessed through vehicle-specific characteristics, factors such as liquidity, electrification maturity, regulatory frameworks and consumer demand are becoming increasingly influential on RV topics.

As a result, understanding how different powertrains perform across markets is essential to anticipating future value-retention trends and even reassessing the way residual values are forecast.

## ICE still sets the benchmark for liquidity

ICE vehicles generally benefit from a more mature UC ecosystem, broader consumer acceptance and stronger remarketing capabilities.

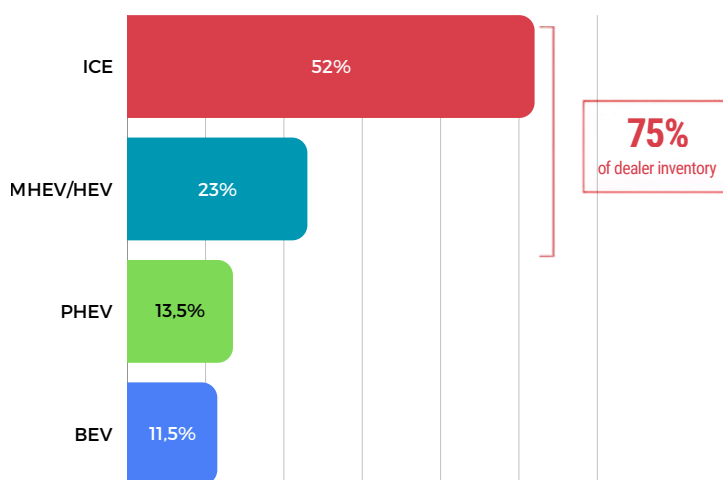
Although recent developments have encouraged more consumers to consider BEV as an alternative, ICE & MHEV vehicles continue to benefit from stronger UC demand and more stable value-retention patterns across most European markets.

This is also reflected in their combined stock share for vehicles up to 36 months, which represents 75% of total inventory (52% ICE and 23% MHEV/HEV), compared with 11.5% for BEVs and 13.5% for PHEVs.

Such a high level of market presence supports liquidity, increases buyer choice and reinforces established remarketing channels.

As a result, despite continued growth of electrification, ICE remains the reference for remarketing efficiency and residual-value performance across Europe.

Dealer stocks share by country (UC ≤36 months)



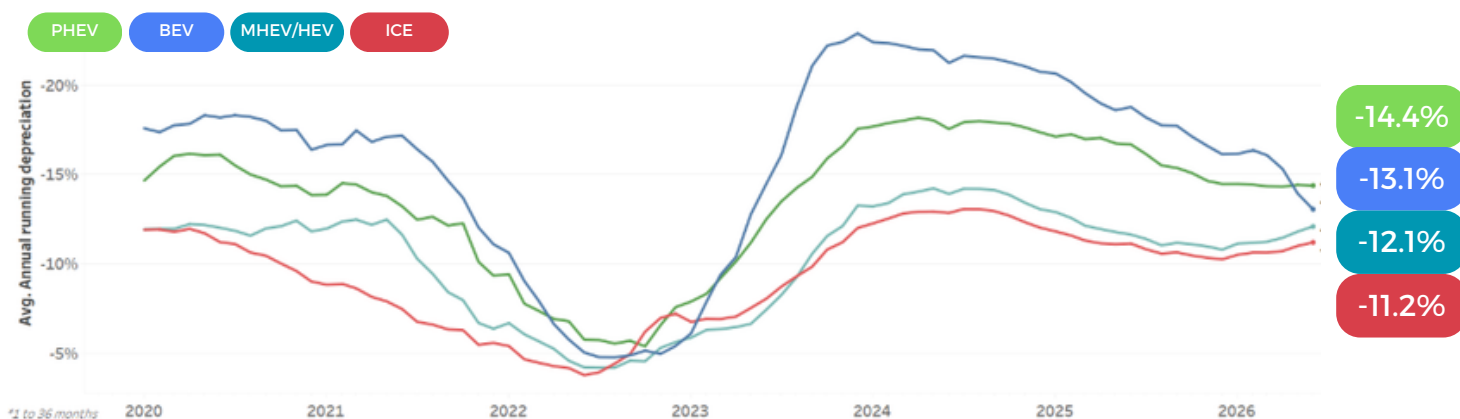
Source: autobiz

## Electrification is creating new RV dynamics

For BEV and PHEV, depreciation patterns are becoming increasingly influenced by external market factors rather than by vehicle characteristics alone.

Government incentives, OEM pricing strategies, charging-infrastructure development and battery technology improvements can rapidly alter market perceptions and demand. Unlike conventional powertrains, whose depreciation curves tend to evolve more gradually due to their larger market presence and established customer base, electrified vehicles can experience more pronounced value adjustments in response to policy changes, technological developments, manufacturer pricing actions or market disruptions.

Annual depreciation per energy



Source: autobiz

This trend is reflected in annual depreciation rates for vehicles aged 36 months or less, where ICE vehicles depreciate by 11.2% per annum on average, compared with 12.1% for HEV, 13.1% for BEV and 14.4% for PHEV.

As a result, depreciation trajectories can vary significantly by powertrain, creating greater uncertainty around future residual-value performance and reinforcing the need for close monitoring of market developments.

## One vehicle, multiple outcomes

This growing divergence is particularly visible across European markets.

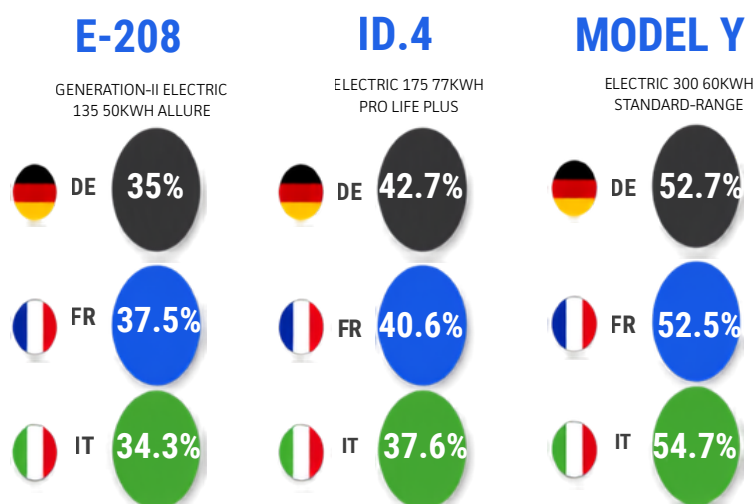
The same vehicle can generate materially different RV outcomes depending on local market maturity, EV adoption rates, fiscal support mechanisms, pricing strategies and EV specific infrastructure availability.

The following chart illustrates this phenomenon, with the Peugeot e-208 retaining between 34.3% and 37.6% of its original value after 36 months and 60 000km depending on the market, while the Volkswagen ID.4 ranges from 37.6% to 42.7%.

Even a more established BEV such as the Tesla Model Y exhibits variations, with RVs ranging from 52.5% in France to 54.7% in Italy due to specific pricing strategies.

These differences demonstrate that residual-value performance is not determined by the vehicle alone. Markets with more electrified ecosystems and stronger demand for used EVs tend to better support value retention with the Nordic countries often leading in this regard. However, less mature markets may experience greater pricing pressure and weaker liquidity. As a result, the same vehicle can follow very different depreciation paths depending on where it is to be remarketed.

### Current model performances for a 36 months and 60 000kms contracts as of 01/07/2026



## Conclusion

The ongoing powertrain transition is demonstrating that residual values can no longer be assessed solely through vehicle-specific characteristics.

Market maturity, consumer demand and external economic factors increasingly determine value-retention performance, creating wider differences between countries and technologies.

This evolving landscape raises a broader question: should residual-value forecasting continue to rely on static depreciation assumptions, or should it increasingly incorporate market-driven and scenario-based approaches?



Learn more

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RV analyst



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