

# Kelley Blue Book's kbb.com® Releases 2009 Residual Value Analysis

**Honda Reclaims Best Resale Value Brand; Economy Major Influence on Projections**

PRNewswire  
IRVINE, Calif.

IRVINE, Calif., Nov. 19 /PRNewswire/ -- Kelley Blue Book --<http://www.kbb.com/>, the leading provider of new- and used-vehicle information, today announces the 2009 model-year vehicles projected to retain the greatest amount of their original retail prices after five years of ownership. Kelley Blue Book's residual values are a reflection of current vehicle data, market conditions for each vehicle, competition in each segment, expectations of the future economy and the combined experience of Kelley Blue Book's team of market and pricing analysts.

Using information gained from Kelley Blue Book's extensive analysis of new- and used-vehicle values, the company determined one vehicle brand as having the best projected overall resale value among its 2009 fleet, named resale value leaders in 15 major vehicle segments and honors the top 10 for 2009 model-year vehicles with the best projected resale value.

2009 BEST RESALE VALUE: BRAND  
Honda

2009 BEST RESALE VALUE: BY VEHICLE CATEGORY  
COMPACT PICKUP: Toyota Tacoma  
FULL-SIZE PICKUP: Toyota Tundra  
CROSSOVER: Honda CR-V  
LUXURY CROSSOVER: BMW X5  
HYBRID CROSSOVER: Toyota Highlander Hybrid  
SUV: Jeep Wrangler  
LUXURY SUV: Audi Q7 Quattro  
HYBRID SUV: Chevrolet Tahoe  
HIGH-PERFORMANCE CAR: Nissan GT-R  
HYBRID CAR: Honda Civic Hybrid  
COMPACT CAR: MINI Cooper  
MID-SIZE CAR: Lexus IS  
FULL-SIZE CAR: Cadillac CTS  
LUXURY CAR: Audi A5  
VAN: Honda Odyssey

2009 BEST RESALE VALUE: TOP 10 MODELS  
Honda Civic/Civic Hybrid  
Honda Fit  
MINI Cooper  
Scion xB  
Scion xD  
Scion tC  
Toyota Corolla  
Toyota Prius  
Toyota Yaris  
Volkswagen Rabbit

(All values based on the November/December 2008 Kelley Blue Book Residual Value Guide. Top 10 models appear in alphabetical order).

## A Look at 2008 and 2009

During 2008, the United States slipped further into economic decline. Not only did the country see a sharp decline in the health of the stock and housing markets, but the current year saw the lowest level of vehicle sales in decades. The 2008 economy was tough not just for the domestic auto manufacturers, but for the first time in many years import manufacturers felt the blunt-force effects of the U.S.

economy first-hand. Year-over-year sales for nearly every manufacturer began falling early in the year, with significant declines felt industry-wide by November 2008. With continued soft demand for new cars in 2009, manufacturers have been quick to cut production levels, cut shifts, shutter doors at manufacturing plants and even lay off thousands of workers to keep the lights on at headquarters. Now there is an expectation that new vehicle sales will not reach the mid-year projection of 13.6 million units by December 31, 2008, in contrast to the more than 16.1 million vehicle units sold in 2007.

High gas prices in Spring 2008 drove used-car values in the truck and SUV segments spiraling downward and by mid-year had changed the buying and driving habits of a majority of kbb.com new-car shoppers. Even though the pain at the pump has eased, the economy is still a factor in consumers' continual gravitation toward inexpensive, fuel-friendly vehicles.

"There was a perfect storm of economic issues this year," said Eric Ibara, director, market valuation for Kelley Blue Book. "The collapse of the stock markets and credit markets in September, as well as several major banks, took the only leg this industry was standing on and cut it off at the knee."

In last year's residual value analysis, Jack R. Nerad, executive market analyst, predicted the industry downturn and a possible recession in the world's largest economy in 2008. The words he stated in November 2007, still hold true today. "With all the attention being paid to the

real-estate, banking and credit markets as well as oil prices, there has not been enough focus on how important the auto industry is in our country."

While in 2008 Kelley Blue Book saw a small rise in residuals among a few manufacturers, the overall industry average decrease from 2008 to 2009 is four percent of original Manufacturers' Suggested Retail Price (MSRP). All increases and decreases in residual percentages throughout this release are based on a vehicle's original MSRP, or average MSRP of a brand or make.

With the downward shift in the economy, only four manufacturers saw slight increases in their residual averages, while the rest declined one percent to a maximum drop of 10 percent. The four brands able to manage increases in their 2009 residual values are MINI, Scion, Suzuki and Toyota.

Next to buying a home, buying a car is one of the largest financial decisions a person can make. With consumers facing even tougher financial decisions over the next year, in-market new-car buyers can find some relief by taking a closer look at vehicles that will maintain a greater amount of their value over a five-year ownership period.

#### Best Resale Value Brands

This year's 2009 overall Best Resale Value: Brand award goes to Honda. While Honda came in fourth in the 2008 rankings, they have reclaimed the top spot for 2009 with their fuel-efficient, small-car lineup. Honda and Acura shared the award for Best Resale Value: Brand in 2007. Honda's brand strength combined with a fuel efficient lineup and solid reputation has allowed the brand to once again rise to the top.

"Honda has delivered rock-solid products year after year, and for today's market the brand has the right types of vehicles in showrooms in an environment in which sticker price, fuel economy, value and content are critical to meeting new-car buyers' everyday needs," said Nerad. "The fact that Honda is not involved in the full-size SUVs and pickup truck segments, both of which suffered this year, helped it to claim Kelley Blue Book's top honor for 2009."

Toyota is one of the four manufacturers to see an increase in its projected residual values for their 2009 model-year vehicles. The small average brand increase of 1.3 percent, in a market where most manufacturers saw a decline, allowed Toyota to jump from the No. 10 spot in 2008 to the No. 2 spot in Kelley Blue Book's brand rankings for 2009.

In 2009, the brands at the top of the list were able to maintain their residuals best through the economic struggles of 2008. Criteria for the Best Resale Value Awards required the brand to have a minimum of four nameplates in its portfolio, a factor that eliminated the highest-ranking brand performers MINI and Scion, which both carry five-year residual percentages of more than 50 percent across their small vehicle line-ups.

Top 10 Brands: Best Resale Value 2009		Top 10 Brands: Best Resale Value 2008	
1. Honda	44.5	1. Volkswagen	48.1
2. Toyota	42.7	2. BMW	45.6
3. Volkswagen	40.9	3. Acura	45.4
4. Subaru	39.4	4. Honda	45.2
5. Lexus	38.7	5. Porsche	44.9
6. BMW	38.0	6. Subaru	44.4
7. Infiniti	37.3	7. Lexus	43.2
8. Acura	36.8	8. Infiniti	43.1
9. Audi	36.5	9. Audi	42.6
10. Nissan	36.5	10. Toyota	41.4

Average Residual Value across the vehicle brand based on the November/December 2007 and November/December 2008 Kelley Blue Book Official Residual Value Guides.

Throughout the last half-decade, Volkswagen had made its way up in the rankings with the majority of its vehicles holding an average of 48 percent or more of their original MSRP. However, the economy has driven the entire market downward. In 2008, Volkswagen earned its top position through the combination of value pricing, European styling and fuel efficiency; however older models including the Toureg and Jetta have weighed heavily on the brand. While still being one of the top brands with great resale value, it has fallen to the No. 3 spot on the overall best brands list.

All of the brands on the top 10 list from last year maintained their membership in this elite group, with the one exception of Porsche. New on the list for 2009 is Nissan. While the other nine brands carried over from last year, their positions on the list changed, except for Audi, which remained in ninth place. In a year that has been challenging for products in the luxury categories, it is a testament to the strength of the brands that Lexus, Infiniti, Audi, BMW and Acura returned to the top ten brands list.

#### Domestic Brands

The domestic manufacturers have struggled in the last few months of 2008. The credit crunch and the turmoil in the U.S. economy have only exacerbated the situation. In the face of smaller market shares at retail in the past decade, the domestic manufacturers have cut production and lowered fleet volumes in an effort to raise their residual values, but the economy unfortunately did not allow for that increase in 2009 models.

Ford: The family of Ford brands experienced a collective average decline in residual value of 3.5 percent for the 2009 model year, the lowest average decline among the domestic brands. However, Ford cars

out-performed the industry with the Focus and Mazda3 showing

year-over-year gains. Other high-performing vehicles include the Ford Fusion and the Mercury Milan. These high-residual models helped offset weakness in Ford's Mustang and Volvo's S80. Ford has built its name on its trucks, but for 2009, Ford SUVs didn't reach the sales or popularity that they have experienced in the past. Gas-guzzling models, including the Expedition, Navigator and Taurus X suffered the most. Mazda's CX-7 and

CX-9 also showed year-over-year weakness.

General Motors: GM saw an average residual decline of 4.6 percent from 2008 models to 2009. Of the eight General Motors brands, Pontiac and Saturn helped keep the values of GM more stable than its makes heavy with large trucks and

SUVs. The Pontiac G5 increased by three points and the Pontiac Vibe also increased by the same amount. GM's 2009 average residual value is weighed-down by poor-performing and older models like the Cadillac STS, Cadillac Escalade and the Saab 9-7X. While Cadillac's residuals are suffering, the redesigned 2009 CTS model is a Best Resale Value Award winner. Additionally, General Motors won Kelley Blue Book's Hybrid SUV category with its Tahoe Hybrid.

Chrysler: The collection of Chrysler, Jeep and Dodge vehicles saw the largest decline of any domestic manufacturer at 6.6 percent from 2008 to 2009. Based on Kelley Blue Book's residual analysis, Chrysler's greatest asset to date is the Jeep brand, with the Jeep Wrangler being only one of the three domestic vehicles to win a 2009 Best Resale Value Award. Chrysler's decrease can be attributed to falling residuals on their once popular Chrysler 300, Town & Country and Caravan minivans, as well as its newer SUV, the Chrysler Aspen.

While Asian imports represent the majority of the 2009 Best Resale Value models, they also are now facing grim times in the U.S. economy. In comparison to the domestics' fall in residual value performance, vehicles from Japanese and Korean manufacturers also saw aggregated declines. While the whole industry experienced a decrease in residual averages for 2009, domestic brands only fell 2.5 percent more than Japanese imports.

Residual Decreases by Country of Origin	Percentage
Japanese Imports	-2.2 %
Korean Imports	-3.7 %
European Imports	-4.6 %
Domestic Brands	-4.7 %

"There really isn't a lot of good news for anyone right now. The domestic manufacturers have been seeking an economic bailout from the government and we hope that will be sufficient to breathe life back into this once vibrant industry," said Ibara. "There is a long road ahead of us in the auto industry; everyone is suffering now, not just our home-grown auto makers."

Even with an overall industry decline in residuals, the Japanese import brands were able to maintain their residual values better than Korean and European brands. 2009 residuals for Honda held firm on the strength of the Honda Fit, Civic and CR-V crossover. Even though 2009 Toyota residuals are somewhat held down by the number of large SUVs and trucks in their line-up, Toyota was able to manage a 1.3 percent average increase in their 2009 residuals to claim the No. 2 spot for top brands based on the strengths of their compact and fuel-efficient Yaris, Corolla and Prius hybrid.

Among the Japanese imports, Suzuki also was one of the four brands to see an increase in residual values, with an increase of 4.4 percent. Suzuki's increase can be attributed to the discontinuation of Daewoo-based products in their lineup.

The Korean imports, best known for their compact, fuel-sipping and inexpensive stable of vehicles, saw little decline in their residual values. It is expected that that they will continue to benefit from their diminutive sticker prices, improved product quality and

better-than-average gas mileage.

Vehicles with Low Resale Value

Many of the vehicles with the lowest residual values are vehicles with long lifecycles, high production levels and those models with heavy representation in the fleet market. A number of this year's vehicles with the lowest retained value include vehicles that are not fuel friendly with large V-8 engines.

The 2009 vehicles with the lowest expected resale value after five years of ownership include the Ford Expedition V-8, Mercury Mountaineer V-8, Dodge Durango V-8, Lincoln Town Car V-8 and the GMC Savannah Van V-8. These 2009 model- year gas misers, with their V-8 engines and older body styles, will only

maintain 20 percent of their original value after five years of ownership.

"The vehicles that dwell at the low end of the resale value list this year are victims of the gas crisis the country experienced earlier in the year," said Nerad. "While gas prices have eased, the status of our economy is driving shoppers toward more fuel-efficient vehicles in an effort to save money both on purchase price and fuel usage."

#### Hybrid Vehicles

The values that hybrids saw in the market during 2008 confirmed for Kelley Blue Book that the premium these vehicles garner will hold even at five years of ownership. While hybrids saw an overall increase in residual values, the luxury or performance hybrids like the Lexus LS400h and the Lexus GS400h saw significant declines.

"The hybrid vehicles with the highest fuel efficiencies, which are generally the smaller, more compact hybrids will hold their value well over the next five years," said Ibara. "The luxury or performance hybrids do not offer a significant improvement in fuel economy, especially when compared to the price premium over their non-hybrid sibling. Customers attracted to these models are not necessarily looking for a fuel-efficient alternative, and so far this attraction has not held up well in the

used-car market."

About Kelley Blue Book® Residual Values

Based on projections by Kelley Blue Book's expert staff of market analysts encapsulated in the Kelley Blue Book Official Residual Value Guide, the prestigious Kelley Blue Book Best Resale Value Awards honor vehicles expected to maintain the greatest proportion of their retail prices after five years of ownership. Low-volume vehicles and vehicles with a Manufacturer's Suggested Retail Price of more than \$60,000 are excluded from awards consideration except in the High Performance and Luxury categories.

While the company's Official Residual Value Guide has been published since 1981, Kelley Blue Book established its annual Best Resale Value Awards in 2003. Kelley Blue Book reports projections based on current vehicle data, sales data, market conditions for each vehicle, competition within vehicle segments, expectations of the future economy and the combined experience of Kelley Blue Book's team of market and pricing analysts. Kelley Blue Book's residual values are used by banks, financial institutions, governmental agencies and the automotive leasing industry.

For more information about Kelley Blue Book's Best Resale Value Awards, please visit <http://www.kbb.com/brva09>.

About Kelley Blue Book (<http://www.kbb.com/>)

Since 1926, Kelley Blue Book, The Trusted Resource®, has provided vehicle buyers and sellers with the new and used vehicle information they need to accomplish their goals with confidence. The company's top-rated Web site, <http://www.kbb.com/>, provides the most up-to-date pricing and values, including the New Car Blue Book® Value, which reveals what people actually are paying for new cars. The company also reports vehicle pricing and values via products and services, including software products and the famous Blue Book® Official Guide. According to the C.A. Walker Research Solutions, Inc. - 2008 Spring Automotive Web Site Usefulness Study, kbb.com is the most useful automotive information Web site among new and used vehicle shoppers, and half of online vehicle shoppers visit kbb.com. Kbb.com is a leading provider of new car prices, car reviews and news, used car blue book values, auto classifieds and car dealer locations. No other medium reaches more in-market vehicle shoppers than kbb.com.

SOURCE: Kelley Blue Book

CONTACT: Robyn Eckard, +1-949-268-3049, mobile, +1-323-547-5102,  
reckard@kbb.com, or Joanna McNally, +1-949-268-3079, mobile, +1-310-213-  
2762,  
jmcnally@kbb.com, both of Kelley Blue Book

Web Site: <http://www.kbb.com/>

---

<https://mediaroom.kbb.com/press-releases?item=105824&mobile=No>