Kelley Blue Book's kbb.com® Releases 2010 Residual Value Analysis

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IRVINE, Calif., Dec. 2 /PRNewswire/ -- Kelley Blue Bookwww.kbb.com, the leading provider of vehicle values and forecasts, today announces the 2010 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 statisticians, economists and pricing analysts.

Using information gained from Kelley Blue Book's analytical and predictive models for both new- and used-vehicle values and its economic forecasts, the company determined one overall brand and one luxury brand as having the best projected overall resale value across their respective 2010 fleets, named resale value leaders in 16 major vehicle segments, and honored the top 10 overall residual value leaders for 2010.

"For the last several years, the average vehicle has maintained close to 35 percent of its original value after five years," said Eric Ibara, director, residual consulting, Kelley Blue Book. "Consumers are feeling the pinch not just in the depreciation of their home, but also in the value of their vehicle, as we are seeing residual values of new cars suffer compared to last year."

In 2009, the average vehicle maintained 34.2 percent of its original value after five years in contrast to 2010 models, which are projected to maintain an average of 32.6 percent of their original Manufacturer's Suggested Retail Price (MSRP).

The last 18 months have been extremely volatile from both a sales and valuation perspective. However, based on Kelley Blue Book's latest valuation methodology and forecasting abilities, the company's analysts are projecting that the New Year should mark a return to more normal depreciation patterns. Additionally, it is expected that lower rental-car volume will contribute to a more limited supply of used cars, which may result in rising values in some segments in the coming years.

While the government took its time declaring the nationwide recession, it has been quick to announce that economically, we have turned the corner. As data shows a healthier economy in 2010, Kelley Blue Book analysts expect that recovery in the auto industry will be gradual and prolonged. One factor helping the industry is stabilizing gas prices. Kelley Blue Book is forecasting that gas prices will be stable through the next three to five years, with per-gallon prices remaining between \$2.66 and \$3.50. This predicted long-term stability in fuel prices reduces market variability and allows financial institutions to better manage their portfolios.

The 2010 Kelley Blue Book residual forecast looks at year-over-year changes from 2009 to 2010 models, and the market indicators for the change in their 60-month forecasted values.

Kelley Blue Book's 2010 Residual Analysis Report Includes:

- Best Residual Value Brands 2009 vs. 2010
- Best Residual Value Vehicles
- A look at the residuals of the compact and fuel-efficient vehicle market
- · Residual forecasts for hybrid and alternative-fuel vehicles
- · Residuals of the 'Detroit Three'

· Vehicles with low residual values

For more information about Kelley Blue Book's Best Resale Value Awards, please visit www.kbb.com/BRVA2010. The full residual analysis report is available upon request by sending an e-mail with your name, title, company name and phone number and to pr@kbb.com.

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.

About Kelley Blue Book (www.kbb.com)

SOURCE: Kelley Blue Book

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