

# VW Takes Lead in Resale-Value Rankings

*European, Japanese Makers Dominate Kelley's Top 10; Big Three's Offerings Still Lag*

By MIKE SPECTOR

**D**ETROIT'S BIG THREE auto makers have gained ground in recent quality surveys, but a leading vehicle-price resource says American brands still lag behind Japanese and European competitors when it comes to predicted resale value—a critical measure consumers use to decide whether a car is a smart buy.

For 2008, Kelley Blue Book says the five brands with the best overall predicted resale values are Volkswagen AG's Volkswagen, BMW AG's BMW, Honda Motor Co.'s Acura and Honda brands, then Porsche AG's Porsche. Rounding out the top 10 are Subaru, Lexus, Infiniti, Audi and Toyota.

None of the 10 top-ranked brands in KBB's latest survey of predicted resale value is made or owned by a Detroit auto maker. Detroit-made or -owned brands made up eight of KBB's 10 worst



resale picks for 2008 models.

Boosting resale value is an urgent task for Detroit's auto makers. With data about used vehicle values and predicted resale values—also known as residual values—widely available on the Internet, consumers can fairly easily factor likely resale value into a buying or leasing decision.

Detroit's auto makers have suffered in such comparisons because they have tended to push for share by overproducing, then slapping on big

Three Volkswagen models rank in Kelley Blue Book's top 10 for resale value, including the **Eos**.

discounts or selling vehicles in bulk to rental-car companies.

Those tactics undermined resale values for models on the road and the predicted resale values used by finance companies to set lease payments on new cars. Detroit's Big Three have recently slashed production of even hot-selling items in an effort to boost residual values.

KBB, the nation's best-known vehicle-valuation service, says it develops its resale-value projections by analyzing new and used vehicle data, and projecting the likely value of new models after five years of ownership. It says it excludes low-volume models and most vehicles with sticker prices above \$60,000.

For example, a customer who paid the \$17,507 list price for a **Honda Civic LX** sedan could wind up spending less to own the vehicle for five years

*Please turn to page D7B*

## CARS

**Top 10 Models**

Best resale value 2008

- Chevrolet Corvette
- Scion xB
- Honda Civic
- Toyota Corolla
- Infiniti G37
- Volkswagen Eos
- MINI Cooper
- Volkswagen Jetta
- Scion tC
- Volkswagen Rabbit



**Chevrolet  
Corvette Z06**

**■ Top 10 Brands**

Best resale value 2008

1. VW	48.1%
2. BMW	45.6
3. Acura	45.4
4. Honda	45.2
5. Porsche	44.9
6. Subaru	44.4
7. Lexus	43.2
8. Infiniti	43.1
9. Audi	42.6
10. Toyota	41.4

**■ Bottom 10 Brands**

Worst resale value 2008

1. Suzuki	27.6%
2. Kia	30.4
3. GMC	32.5
4. Mercury	32.5
5. Dodge	32.5
6. Chrysler	32.5
7. Lincoln	33.3
8. Jeep	33.3
9. Ford	33.8
10. Jaguar	34.1

**Scion xB**



Note: Average Residual Value across the vehicle brand based on the November/December 2007 Kelley Blue Book Official Residual Value Guide.

# Volkswagen Tops Value Survey

*Continued from page D1*

than she would if she paid \$15,995 for a Ford Focus SE sedan. The average Honda Civic LX, according to KBB's calculations, should retain 51% of its value after five years, while the average Ford Focus SE would be worth 31% of its original price. Based on those figures, the cost of the Honda Civic less the projected resale value would be \$8,579, while the Ford Focus less its projected resale value would cost \$11,037. (The example doesn't factor in interest charges.)

That disparity would tend to make the monthly cost of leasing the Focus higher, because the customer has to pay off more of the car's original sticker price. The Focus's manufacturer, **Ford Motor Co.**, can balance the equation by offering a rebate up front—and often does.

Volkswagen has steadily moved up the resale survey's rankings in the past five years, helped by a combination of value pricing, European styling and fuel efficiency, KBB says. KBB predicts vehicles sold through Volkswagen will retain 48.1% of their original price.

Three of the German brand's

models in particular—the Eos, Jetta and Rabbit—have average residuals greater than 50%. The majority of Volkswagen's vehicles have held more than 48% of their original price over the past five years, KBB says, and all but one model has improved its residual values in the past year.

Volkswagen has a minuscule market share in the U.S. but has hinted it intends to add capacity here and ramp up sales.

Of the four brands ranked immediately Volkswagen, none was separated by more than a percentage point.

A year ago, Acura and Honda tied for the top spot. This year's results in part reflected differences in the way Kelley calculated residuals. Despite failing to maintain the top spot in the survey, Acura and Honda models improved their resale values from a year ago. KBB said.

"We'll be back," says Mike Spencer, an Acura spokesman.

BMW's Mini brand and **Toyota Motor Corp.**'s Scion hold better than 50% residuals but weren't counted by KBB because they didn't have at least four nameplates in their portfolios.

Ford and Chrysler LLC domi-

nated the worst depreciation list with four and three brands each, respectively. Ford's luxury Jaguar brand, which the auto maker hopes to sell early next year, retains just 34.1% of its original price, while Ford holds 33.8%, Lincoln 33.3% and Mercury 32.5%.

"Obviously, if you're building more products than there is retail demand for, you'll be tempted to sell them to rental fleets. That's something we've certainly done in excess in the past," says Jim Cain, a Ford spokesman.

He says that some of Ford's newer vehicles, such as the Edge crossover, have held good residuals and that the auto maker's image should improve as independent assessors like Consumer Reports magazine note the company's improved quality.

GM's Chevrolet Corvette managed to nab a mention for good resale value in the high-performance and individual model categories. Honda's Civic holds the best hybrid residual. KBB says. Toyota's Tundra is the best resale bet for pickup trucks, Acura's MDX for sport-utility vehicles and Honda's Odyssey for minivans.