

November 2016

NADA Used Car Guide

PERSPECTIVE

2016 Used Vehicle Retained Value Report: *New or Redesigned 1-Year-Old Models*

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**2016 Used Vehicle Retained Value Report:
*New or Redesigned 1-Year-Old Models***

INTRODUCTION

November’s edition of Perspective details the 1-year-old (2016 model year) retention performance of all-new or redesigned mainstream and luxury models. On average, redesigned models experience higher retained values when compared to the previous generation. A number of factors help elevate retention value for new or revised models, such as improved quality and dependability, higher fuel economy and performance, as well as improved vehicle design. Other important factors affecting retained value include new vehicle pricing, incentive levels and production volume.

High value retaining models offer unmistakable benefits to automakers and consumers alike. Strong retention gives manufacturers competitive cost-of-ownership and leasing advantages (high retention equals lower lease payments), while it allows consumers to accrue positive equity more quickly than otherwise. This ultimately improves a consumer’s purchase power when it’s time to buy his or her next vehicle.

The retention calculation used in the report is a function of a the most recent three-month average of NADA Used Car Guide’s average trade-in value divided by a vehicle’s typically-equipped Manufacturer Suggested Retail Price (MSRP)¹. Note that a vehicle’s rate of depreciation, and ultimately retention, is in part a product of the level of discounting when new. As such, MSRPs do not include any incentives or rebates available at the time of purchase. Additionally, 1-year-old 2015 model year retention data from last year is provided to compare the percentage point change between revised 2016 models and previous generation 2015 models. In some cases, 2015 and 2016 model year

¹ In most cases, all vehicles within a model lineup were used to derive average retention. In some cases, however, certain vehicles – predominantly lower volume performance cars – were omitted because they unreasonably skew overall model results.

[HIGHEST RETAINING NEW OR REDESIGNED MODELS]

vehicles were omitted from this report because average trade-in values were not yet available during the selected analysis periods.

HIGHEST RETAINING NEW OR REDESIGNED MODELS

2016 Toyota Tacoma – 87%

The Toyota Tacoma received a full redesign for 2016. Known for its reliability and good looks, the Tacoma ranked among the best in J.D. Power’s 2016 Initial Quality Study (IQS) for Overall Quality – Mechanical, and 2016 U.S. Automotive Performance, Execution and Layout (APEAL) Study for Style.

The new Tacoma boasts a bold and aggressive look with sharper, more defined body lines. With a muscular body and grille design, it’s hard to mistake the Tacoma for anything else in its competitive set.

The interior of the new Tacoma has also seen some impressive improvements over the outgoing model. The center stack is now packed full of the latest technology, while cabin noise levels have been reduced. The redesigned Tacoma gains refinement while losing none of the utilitarian ruggedness that’s made it such a hit.

Retention values for the Tacoma are the best among new or redesigned 2016 models. At 87%, the Tacoma’s retained value is 8.4 percentage points above the mid-size pickup average of 78.6%, and 4.4 points higher than the previous model year Tacoma during the same period in 2015.



2016 Honda Pilot – 81.8%

The Honda Pilot received a full redesign for 2016, and now boasts rounded styling as well as a refined interior and more powerful engine. With three rows and seating for up to eight, the Pilot is an extremely versatile family hauler with the sensibility of a minivan and the ruggedness of a traditional SUV. Focused on providing superior interior comfort, the new Pilot is packed full of the latest in technology features.

Currently, retention values for the Pilot are 81.8%, or 11.5 points above the mid-size utility segment average of 70.3%. Compared to the previous model year Pilot, the 2016’s retention score is 5.2 points better than the same period in 2015.



[HIGHEST RETAINING NEW OR REDESIGNED MODELS]

2016 Volvo XC90 – 79.7%

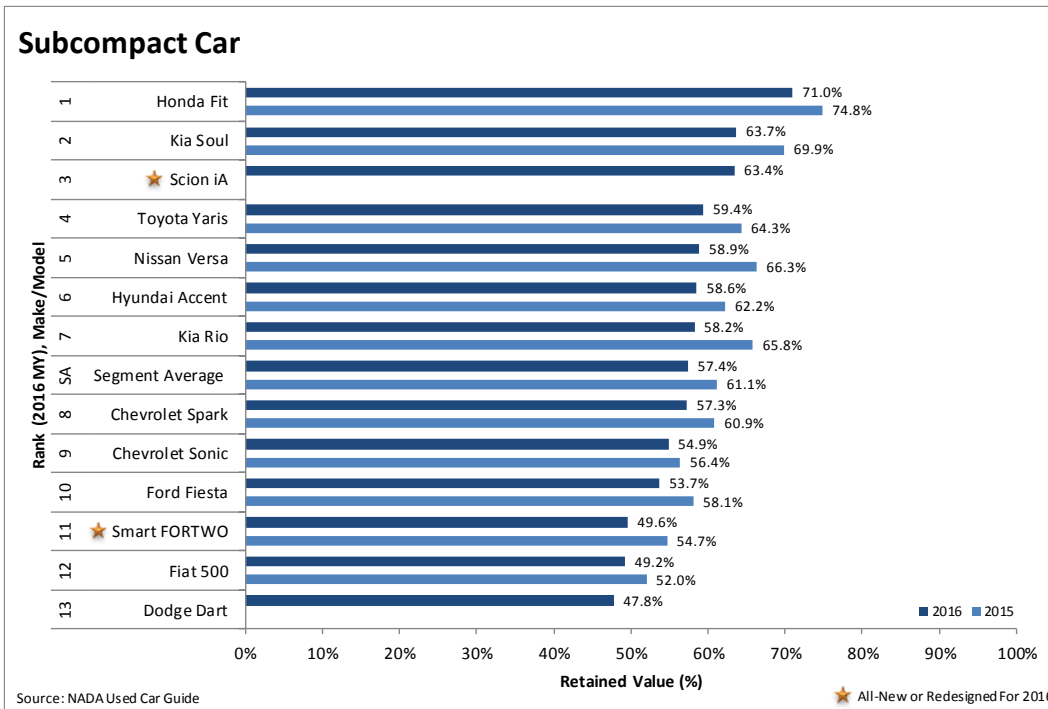
The Volvo XC90 received a full redesign for 2016 with new exterior styling, a new interior and a new powertrain. The XC90 ranked among the best in J.D. Power's 2016 U.S. Automotive Performance, Execution and Layout (APEAL) Study for both Comfort and Style.

The outgoing generation XC90 had been on sale for a very long time. When production stopped in 2014, the brand wanted to take a year off to figure out how to make its replacement as competitive as possible. The result is beautiful: Both exterior and interior design language is top notch and modern, while still remaining unmistakably Volvo in nature.

Retention values for the XC90 are 79.7%, or 7.2 points above the luxury mid-size utility segment average of 72.5%. Volvo didn't build an XC90 for the 2015 model year, however the 2016 currently ranks third within its respective segment behind the Land Rover LR4 (88.5%) and Lexus GX (82.6%).



[SEGMENT RANKINGS]



2016 Scion iA

The Scion iA is a completely new model for 2016. The well-equipped subcompact sedan is very practical and extremely efficient.

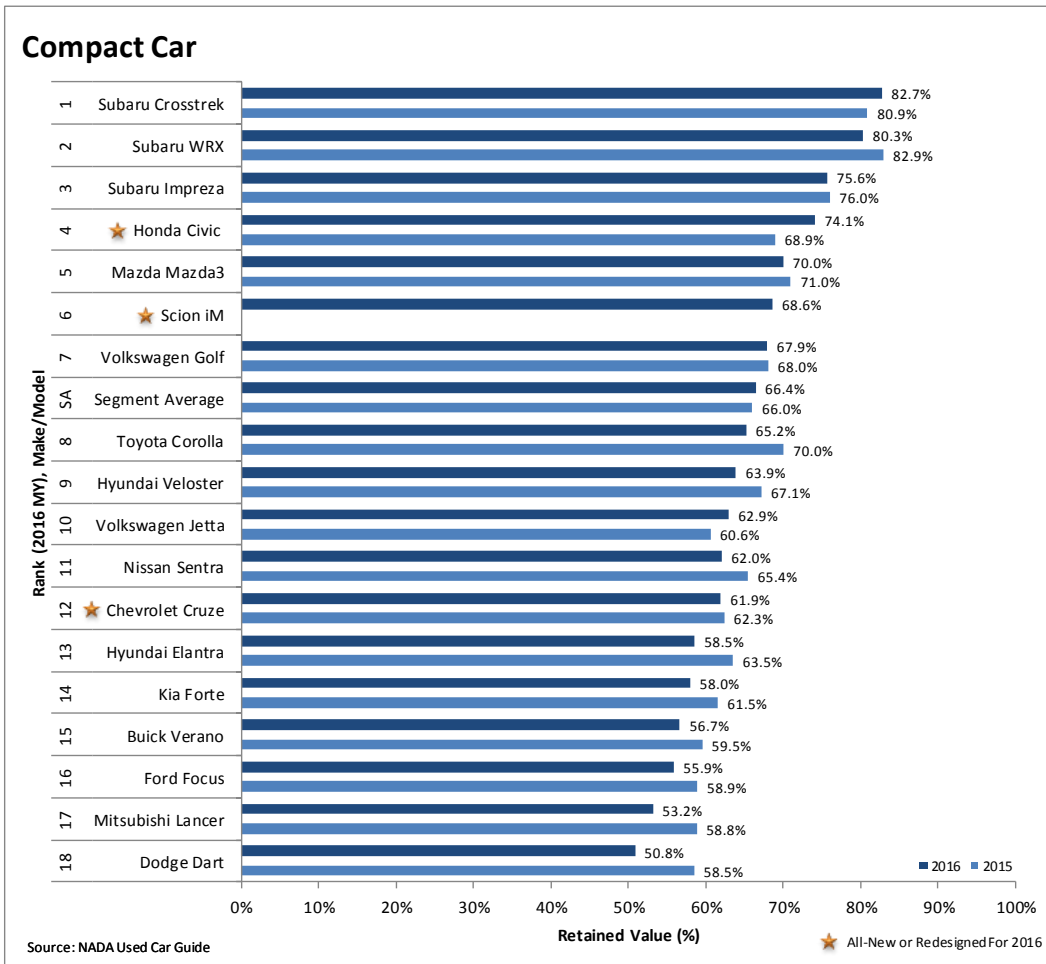
In terms of retention, the iA retains value at a rate of 63.4%, a figure 6 points better than the segment average of 57.4%.

2016 Smart FORTWO

The Smart FORTWO received a complete redesign for the 2016 model year. While the styling has evolved, the overall design and proportions have not. It's still a small, two-seat city car that really shines on crowded streets where parking is hard to come by.

The FORTWO currently retains value at a rate of 49.6%, a 5.1-point decline compared to the previous model year during the same period in 2015.

[SEGMENT RANKINGS]



2016 Honda Civic

The 2016 Civic received a full redesign and aims to win new buyers with extensive attention to sound deadening, as well as increased interior room and overall quality.

In terms of value retention, the Civic is currently ranked fourth in its segment and retains at a rate of 74.1%. This is a 5.2-point improvement over the previous model year during the same period in 2015.

2016 Scion iM

The Scion iM is a brand new car for 2016. It is a compact hatchback, big on practicality without sacrificing overall styling or drivability.

Currently ranked sixth in its segment, the iM received a retention score of 68.6%, a few points better than the segment average 66.4%. The Scion iM ranked among the best in

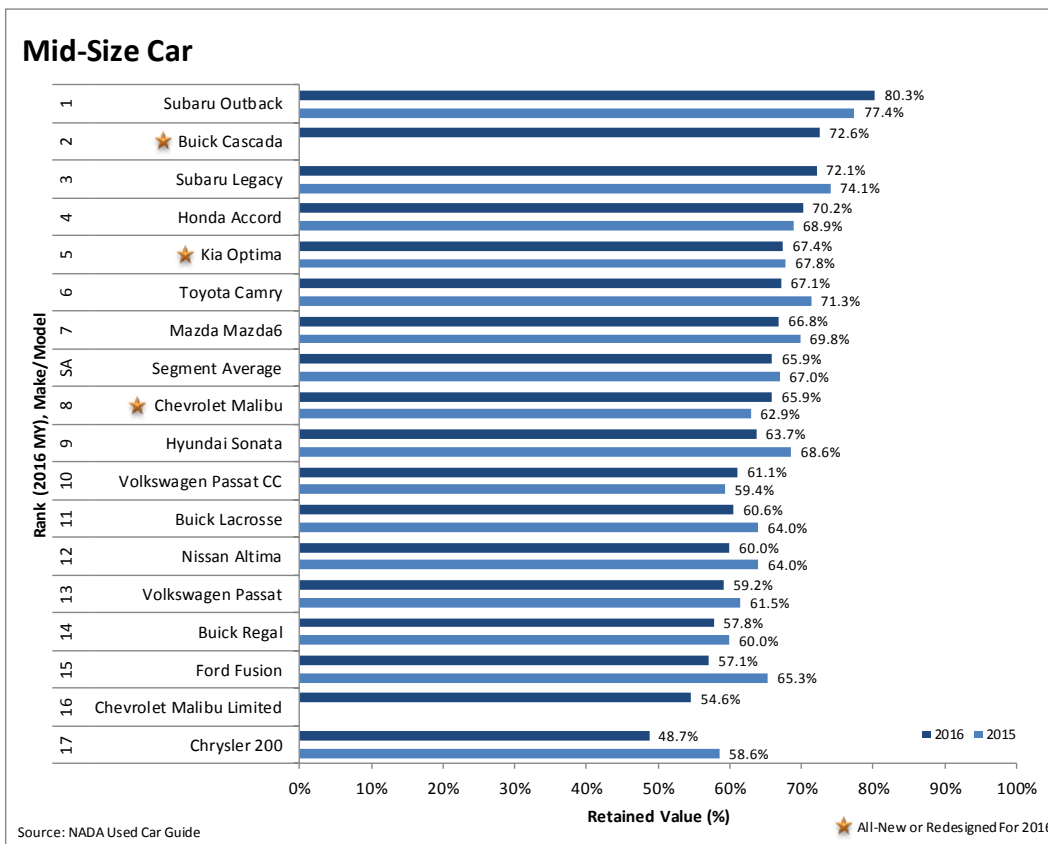
[SEGMENT RANKINGS]

J.D. Power’s 2016 Initial Quality Study (IQS) for Features & Accessories Quality – Mechanical.

2016 Chevrolet Cruze

The Chevrolet Cruze received a full redesign for the 2016 model year. The new Cruze is lighter, which helps pay major dividends dynamically, and aids both acceleration and fuel economy.

Retained value for the Cruze is currently 61.9%, a figure below the segment average and also slightly lower than the 2015 model’s 62.3% during the same period last year. The Cruze ranked among the best in J.D. Power’s 2016 Initial Quality Study (IQS) for Features & Accessories Quality – Design.



2016 Buick Cascada

The Buick Cascada is an entirely new vehicle sold by the brand starting in 2016. While not a true mid-size car in proportions, the Cascada competes with upper trim level vehicles in the mid-size car segment. The Cascada is an Award Recipient in both J.D.

[SEGMENT RANKINGS]

Power’s 2016 Initial Quality Study (IQS) and 2016 U.S. Automotive Performance, Execution and Layout (APEAL) Study.

Currently, retention for the Cascada is 72.6%, which is a figure 6.7 points higher than the current segment average 65.9%, and also the second highest behind Subaru’s Outback.

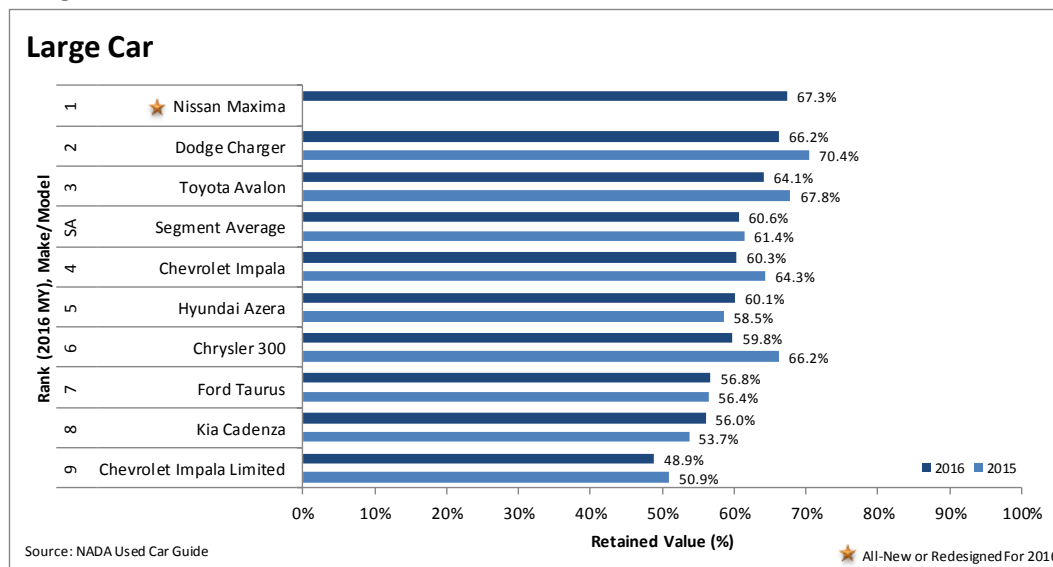
2016 Kia Optima

The Kia Optima was redesigned for the 2016 model year. Kia made several changes aimed at improving handling and comfort while also reducing interior noise, making the current Optima the best one ever.

In terms of retention, the current Optima retains at a rate of 67.4%, which is 1.5 points above the current segment average 65.9%, but 0.4 point below the outgoing model’s score during the same period in 2015. The Optima ranked among the best in J.D. Power’s 2016 Initial Quality Study (IQS) for Body & Interior Quality – Mechanical, Body & Interior Quality – Design and Features & Accessories Quality – Design.

2016 Chevrolet Malibu

The Chevrolet Malibu was extensively redesigned for the 2016 model year. Changes in design language make it look more expensive and even European in nature. The improvements made by Chevrolet have helped grow the Malibu’s retention score to 65.9%, up 2.2 points. The sedan is even with the current segment average. The Malibu ranked among the best in J.D. Power’s 2016 Initial Quality Study (IQS) for Overall Quality – Design, Powertrain Quality – Design as well as Features & Accessories Quality – Design.

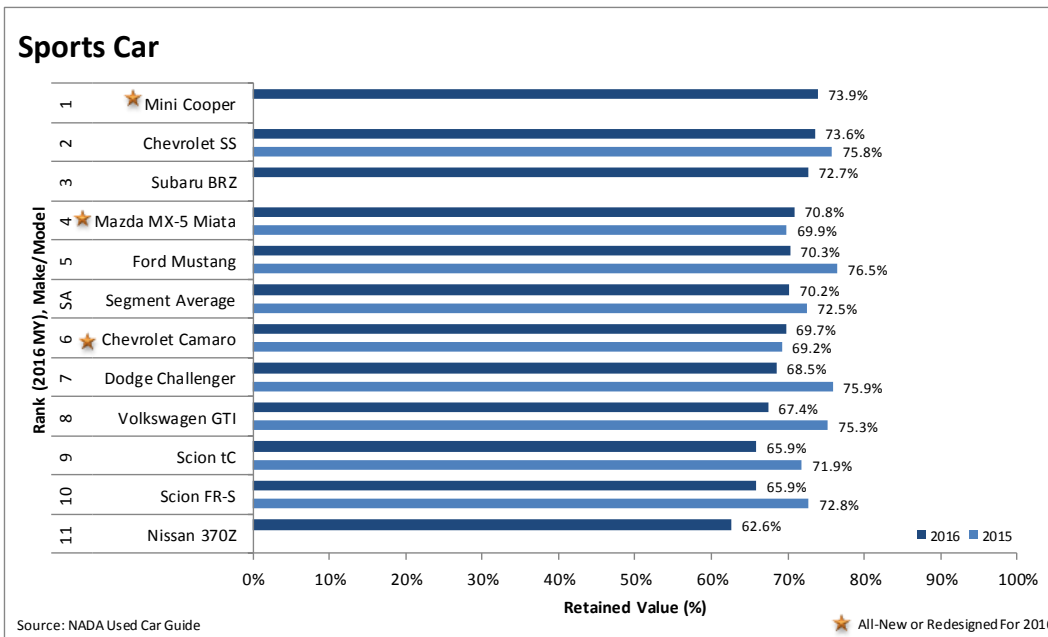


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[SEGMENT RANKINGS]

2016 Nissan Maxima

The Nissan Maxima received a full redesign for the 2016 model year. With the Altima covering the more mundane mid-size car segment, Nissan decided to punch the performance of the Maxima up a level to a true sports sedan — or as Nissan likes to call it, “A four-door sports car.” While Nissan didn’t build the Maxima in 2015, the 2016’s retention performance is currently best in its segment at 67.3%, or 6.7 points better than the segment average 60.6%.



2016 Mini Cooper

The Mini Cooper lineup has been redesigned over the past several years. For 2016, it was the Convertible Cooper’s turn. The drop top is now larger and even more efficient, yet just as fun to drive as the outgoing model.

The current Cooper retains value at a rate of 73.9%, better than the segment average 70.2% and also the best in its class. The Cooper ranked among the best in J.D. Power’s 2016 Initial Quality Study (IQS) for Body & Interior Quality – Mechanical and Powertrain Quality – Design.

2016 Mazda MX-5 Miata

The Mazda MX-5 Miata received a ground-up redesign for 2016. Now in its fourth generation, the Miata has been building its fan base since the late 1980’s. The newest

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[SEGMENT RANKINGS]

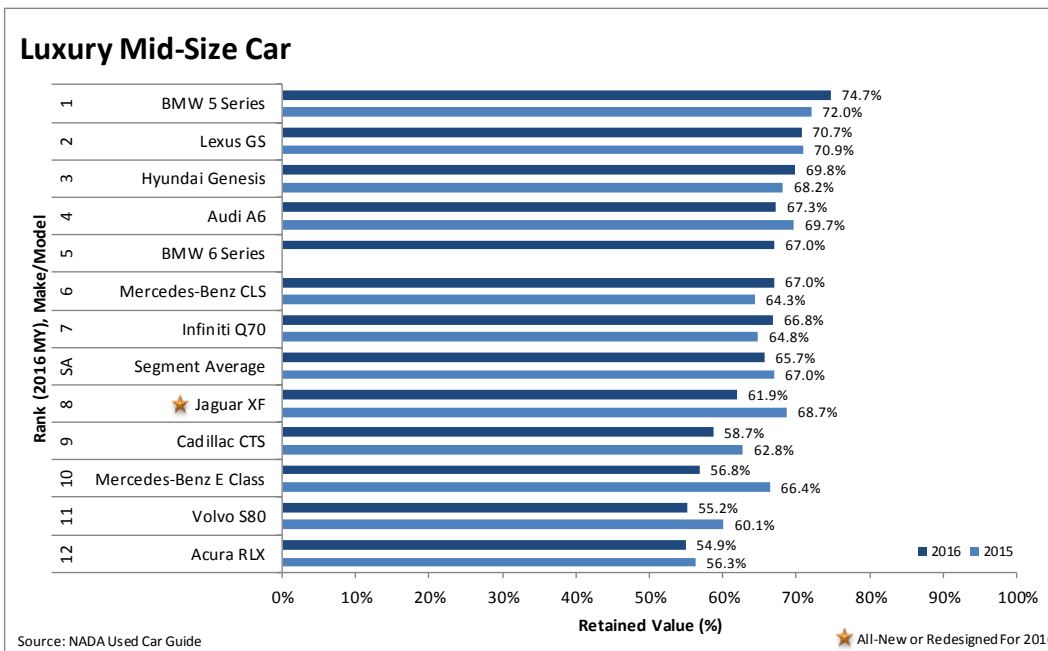
Miata maintains the model’s tradition as a no frills sports car by focusing on its fun driving experience. The Miata has always been one of the purest driving experiences in recent generations, and the newest iteration is no different.

Currently, the Miata retains value at a rate of 70.8%, which is a 0.9 point improvement over the previous generation’s 69.9% score during the same period in 2015. The Miata’s current retention score is also higher than the current segment average 70.2%.

2016 Chevrolet Camaro

The Chevrolet Camaro received a full redesign for the 2016 model year. This model marks the beginning of the car’s sixth generation. While still true to its roots, the 2016 is slightly smaller, lighter, more sophisticated and capable than ever before.

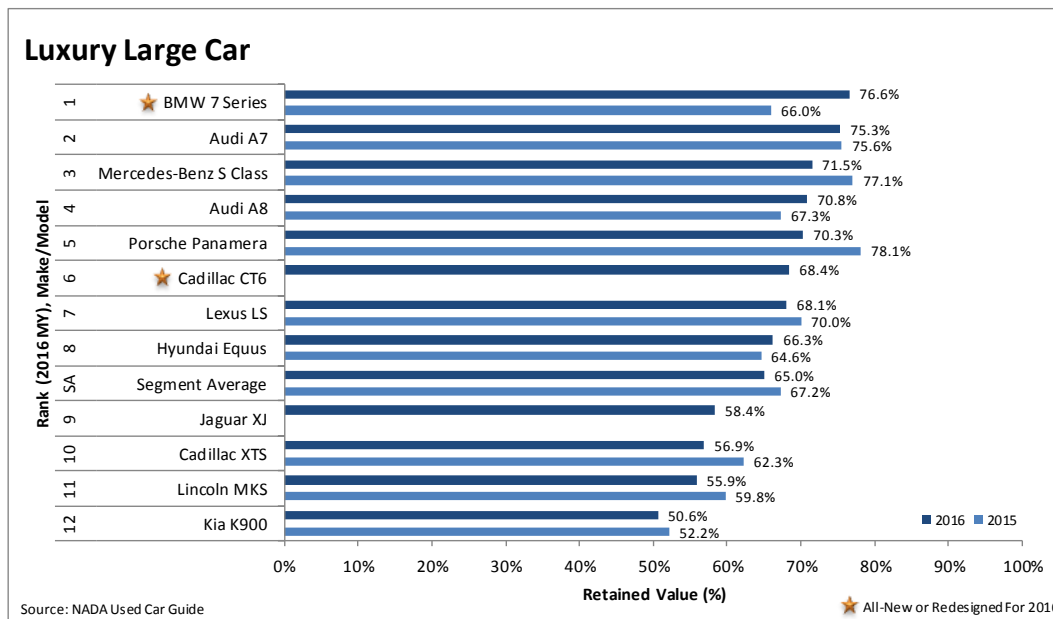
In terms of value retention, the current Camaro retains value at a rate of 69.7%, a figure right below the segment average 70.2%, but slightly better than the previous generation’s 69.2% score during the same period in 2015. The Camaro ranked among the best in J.D. Power’s 2016 Initial Quality Study (IQS) for Overall Quality – Mechanical, Body & Interior Quality – Mechanical, Features & Accessories Quality – Mechanical as well as Powertrain Quality – Design.



[SEGMENT RANKINGS]

2016 Jaguar XF

The Jaguar XF received a redesign for the 2016 model year, which is the first redesign the model has undergone since its launch in 2009. While it looks very similar to the outgoing model, the 2016 offers revised exterior styling and improved interior technology features and quality. With a retained value score of 61.9%, retention is down 6.8 points compared to the previous generation during the same period in 2015. The XF slots in below the segment average 65.7%.



2016 BMW 7 Series

The BMW 7 Series was redesigned for 2016, boasting new exterior and interior styling along with a slew of new technology features to go along with its new looks. The 7 series is notorious as the brand’s flagship model, and the 2016 is even more luxurious and relaxing than ever. Even with its makeover, the extensive use of lightweight materials has helped the car lose nearly 200 pounds; making it quicker and more efficient.

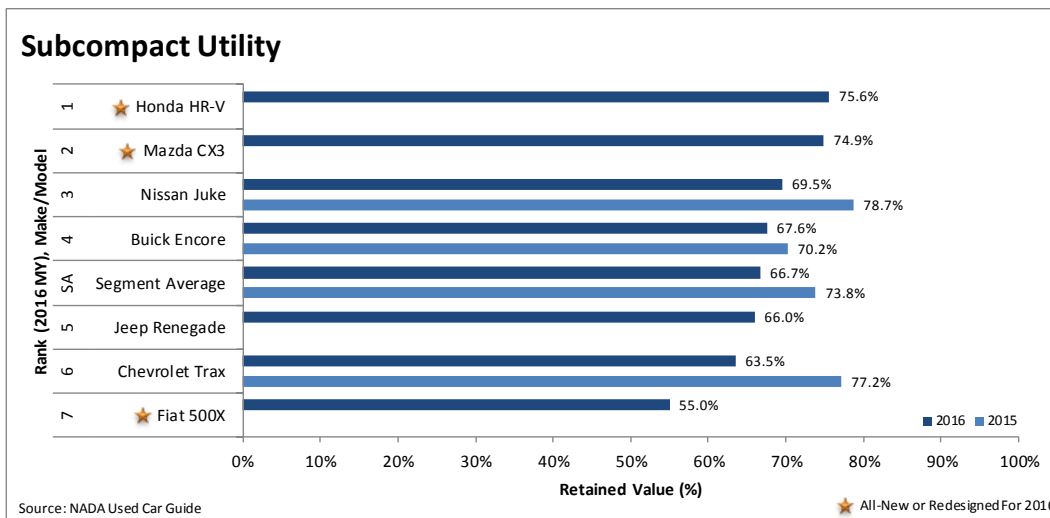
Retained value of the 7 Series is currently 76.6% — or over 10 points higher than the previous generation’s 66% during the same period in 2015 — which was the biggest improvement of any redesigned model in this report. The 7 Series is currently ranked highest in its respective segment, and also 11.6 points higher than the segment average 65%.

[SEGMENT RANKINGS]

2016 Cadillac CT6

The 2016 Cadillac CT6 is an entirely new car for Cadillac. It is positioned as the brand’s flagship model. Despite its large size, the CT6 remains true to Cadillac’s new sporty direction by being one of the lightest vehicles in its respective segment. As a result, the CT6 is light on its feet, which helps with handling, acceleration and fuel economy.

In terms of value retention, the CT6 currently retains at a rate of 68.4%, or 3.4 points higher than the segment average 65%.



2016 Honda HR-V

The Honda HR-V is a brand new vehicle for 2016. A compact crossover by design, it slots in below the CR-V in Honda's lineup. The HR-V offers a slightly more car-like driving experience, while still being more rugged than the Civic.

The HR-V’s value retention score ranked highest in its segment at 75.6%, significantly higher than the segment average 66.7%. The HR-V ranked among the best in J.D. Power’s 2016 Initial Quality Study (IQS) for Powertrain Quality – Design.

2016 Mazda CX-3

The Mazda CX-3 is a new model for 2016. The small crossover slots into the lineup just below the Mazda CX-5, providing ample utility in a small efficient package.

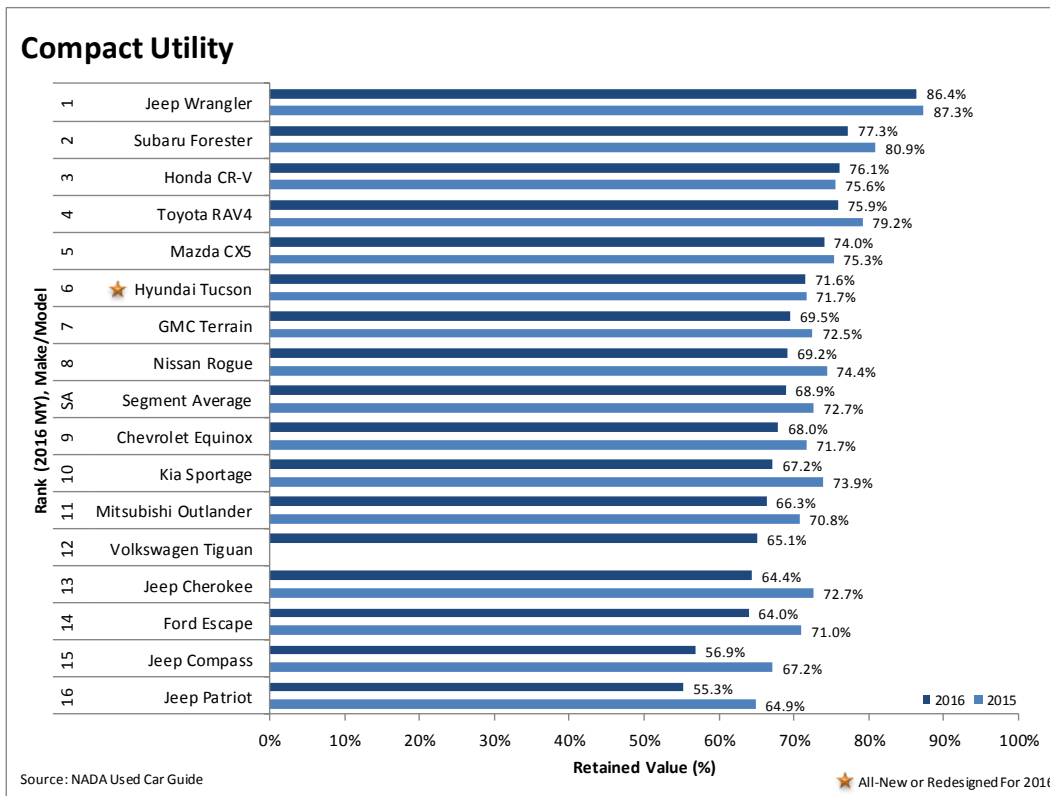
The CX-3 currently retains value at a rate of 74.9%. It is ranked second in its respective segment. The CX-3 also ranked among the best in J.D. Power’s 2016 Initial Quality Study (IQS) for Powertrain Quality – Design.

[SEGMENT RANKINGS]

2016 Fiat 500X

The Fiat 500X is a brand new model for Fiat in 2016. After the brand’s launch of the 500L in 2014, Fiat continued to look for new ways to expand their lineup, this small crossover is a result of the automaker’s recent efforts. The 500X differentiates itself from the 500L through the availability of all-wheel drive, a slightly taller stance for more ground clearance and more rugged styling.

Despite its practicality, the 500X currently retains value at a rate of 55%. It ranks at the bottom of its segment, 16.7 points below the segment average.



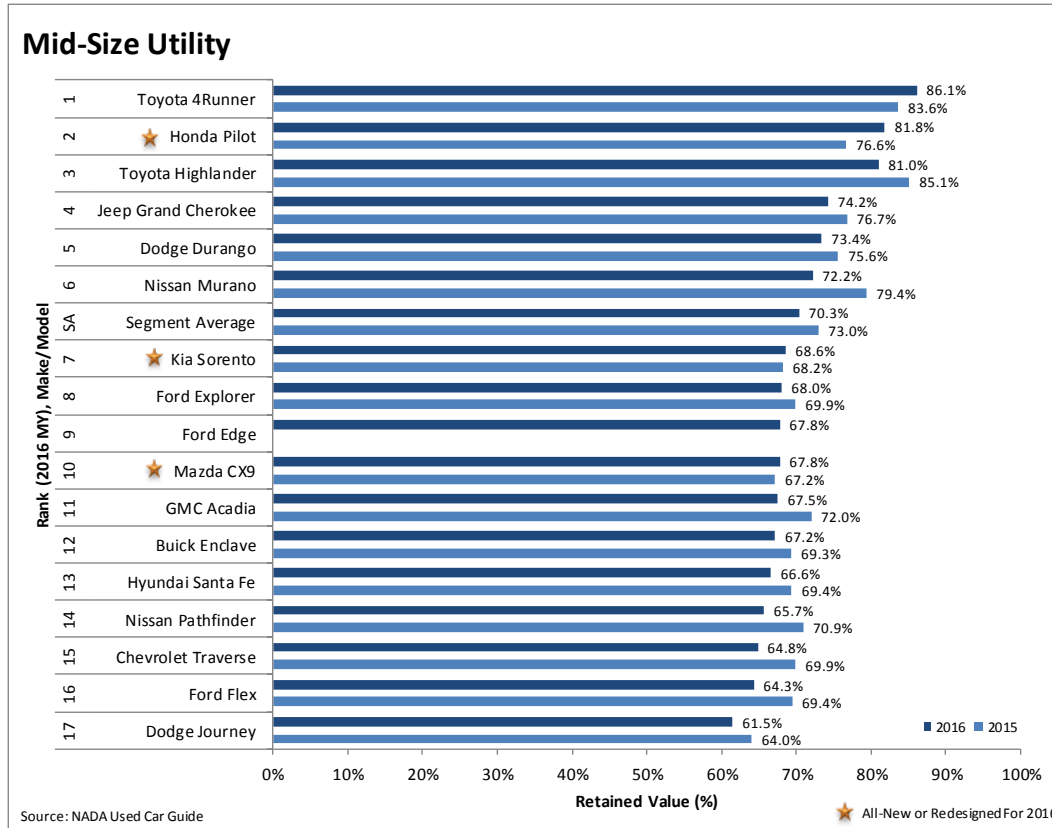
2016 Hyundai Tucson

The Hyundai Tucson is completely redesigned for 2016. The attractive new Tucson inherits Hyundai's Fluidic Sculpture 2.0 design language, which debuted on the 2015 Genesis.

Retention for the Tucson is currently 71.6%, which is 2.7 points better than the segment average of 68.9%, but nearly identical to the previous model year’s score of 71.7%

[SEGMENT RANKINGS]

during the same period in 2015. The Tucson ranked among the best in J.D. Power’s 2016 Initial Quality Study (IQS) for Overall Quality and Body & Interior Quality – Design.



2016 Honda Pilot

See Highest Retaining New or Redesigned Models.

2016 Kia Sorento

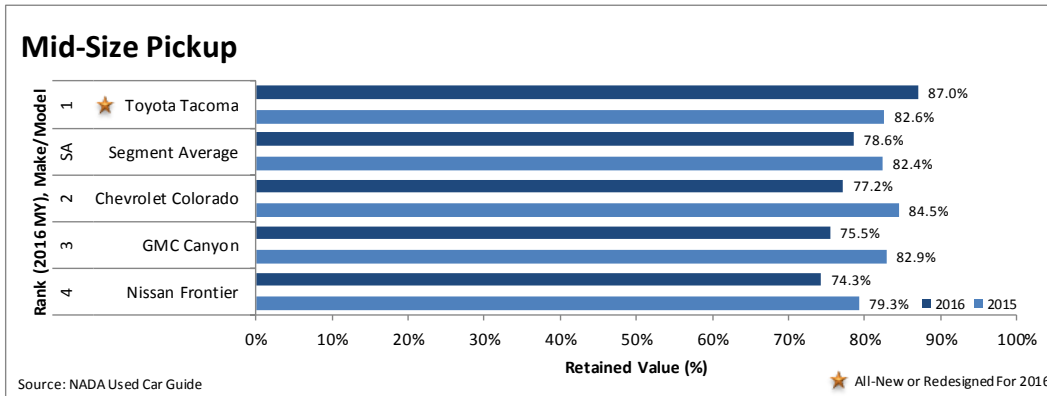
The Kia Sorento has been completely redesigned for 2016. Improvements have been made to exterior styling, as well as more interior space and several powertrain options. Kia’s new Sorento is an improvement over the previous generation, however retention is nearly identical to the previous design.

The Sorento retains value at a rate of 68.6%, slightly below the segment average 70.3%. The Sorento also ranked among the best in J.D. Power’s 2016 Initial Quality Study (IQS) for Overall Quality as well as Features & Accessories Quality – Design.

[SEGMENT RANKINGS]

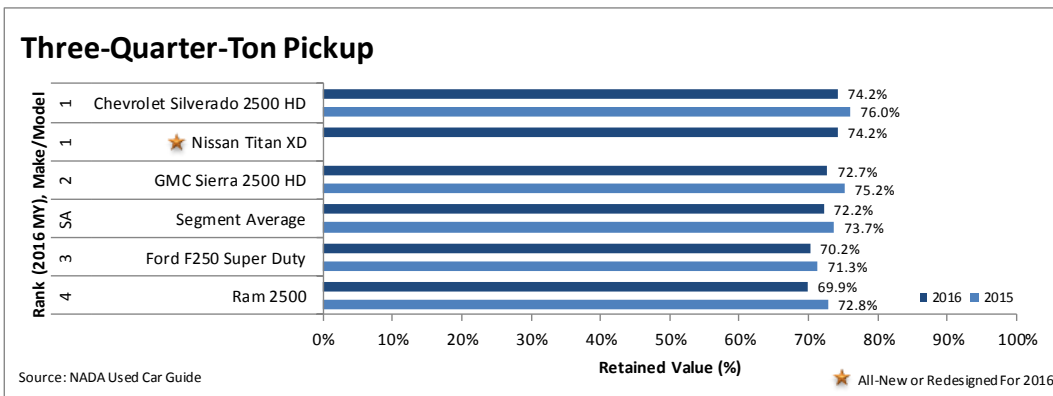
2016 Mazda CX-9

The Mazda CX-9 received a complete redesign for 2016 and is better than ever. With seating for up to seven passengers and a slew of standard and optional technology features, the CX-9 is now truly a first-rate competitor in its segment. Value retention of the CX-9 is currently 67.8%, which is a 0.6 point improvement over the previous generation during the same period in 2015. Conversely, the CX-9's value retention is 2.5 points below the current segment average 70.3%.



2016 Toyota Tacoma

See Highest Retaining New or Redesigned Models

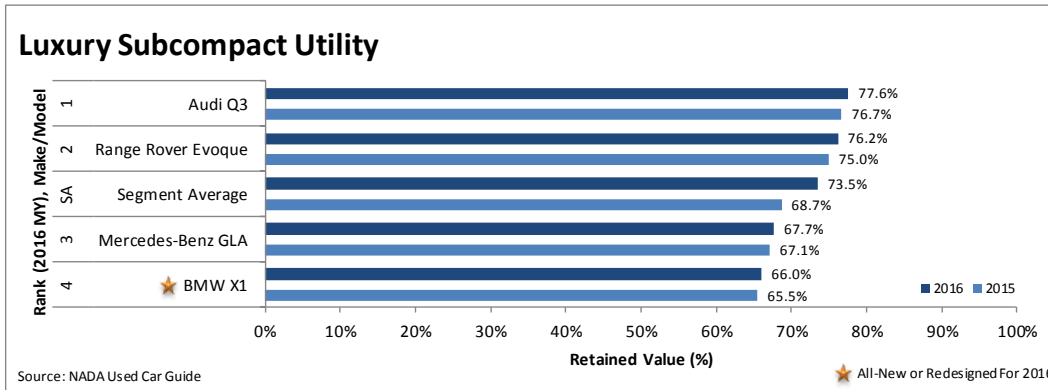


2016 Nissan Titan XD

The 2016 Nissan Titan XD is a completely new large pickup within the brand's Titan line. The Titan offers both gasoline and diesel engine choices paired to either two- or four-wheel drive.

[SEGMENT RANKINGS]

The Titan XD retains value at a rate of 74.2%, which is a tie with the 2016 Chevrolet Silverado 2500 HD for the highest ranked in the three-quarter-ton pickup segment. Retention for the Titan XD is 2 points better than the current segment average 72.2%.

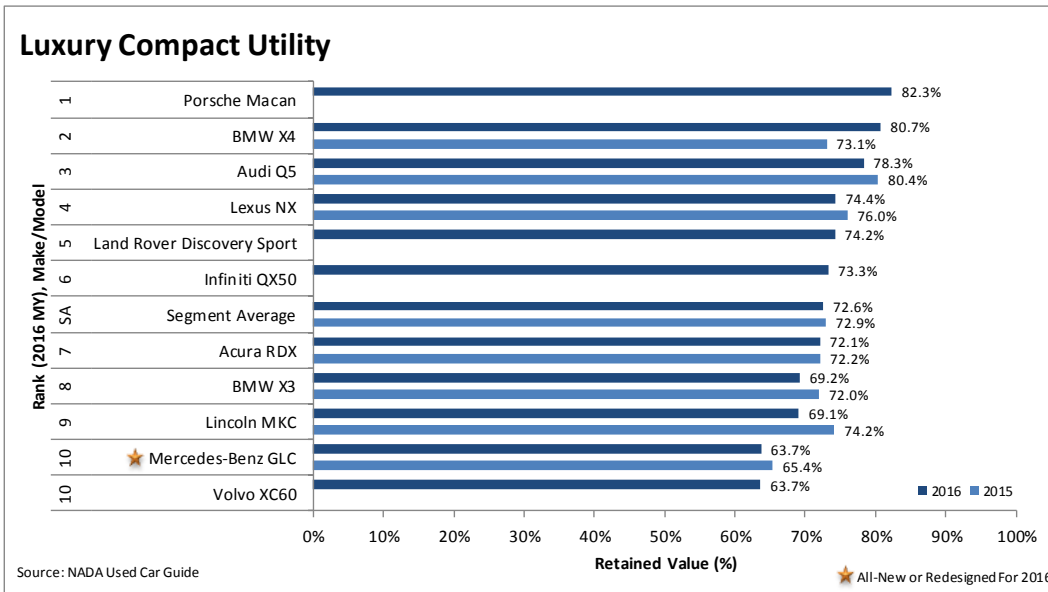


2016 BMW X1

The BMW X1 received a full redesign for the 2016 model year. Overall styling is now more consistent with the rest of BMW’s lineup, and new powertrains make the X1 even more efficient. Inside, interior space has grown over the previous generation, making the X1 even more practical.

Value retention of the X1 sits at the bottom of its segment list at 66%, a slight 0.5 point improvement over the outgoing model’s 65.5% score during the same period in 2015. In relation to the rest of the segment, the X1 is currently retaining value at a rate 7.5 points below the segment average 73.5%. The X1 did however rank among the best in J.D. Power’s 2016 Initial Quality Study (IQS) for Powertrain Quality – Design.

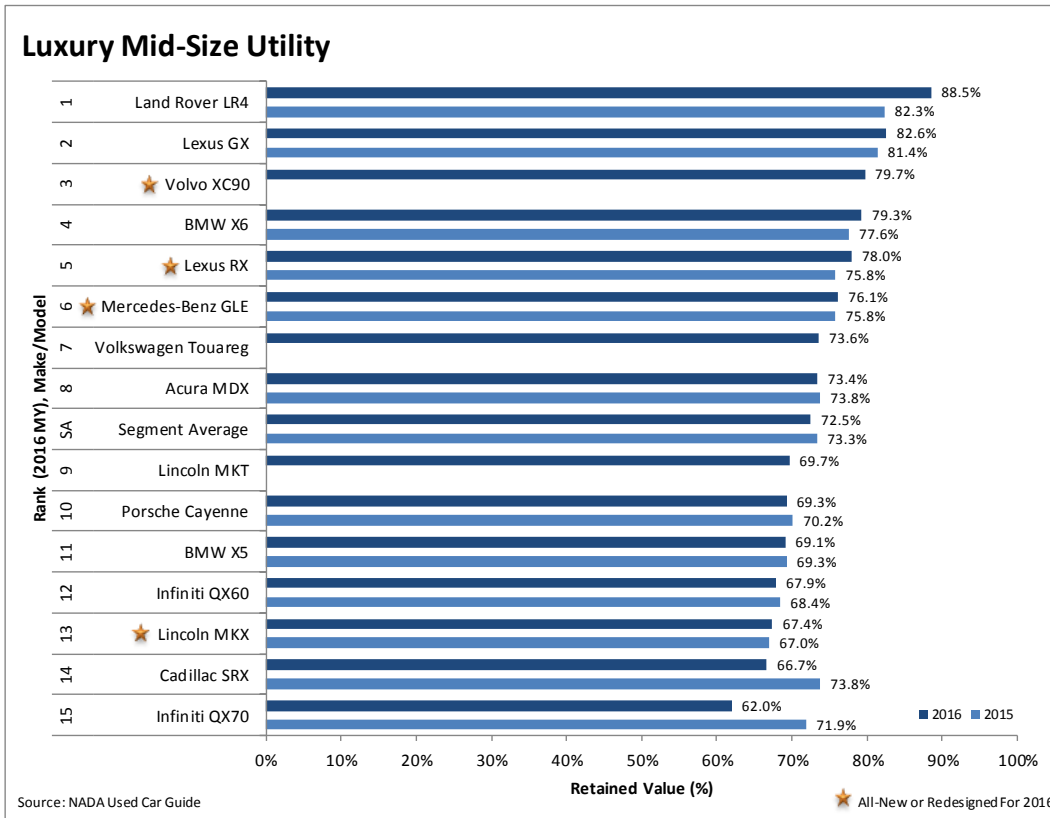
[SEGMENT RANKINGS]



2016 Mercedes-Benz GLC

The 2016 Mercedes-Benz GLC is an entirely new vehicle, although it is very similar to the brand’s outgoing compact crossover GLK. Based on the C-Class, the GLC is available in either rear-wheel or all-wheel drive (4MATIC). Retention for the GLC is 63.7%, or 8.9 points below the current segment average 72.6%. It is also 1.7 points below the GLK’s 65.4% score during the same period in 2015.

[SEGMENT RANKINGS]



2016 Volvo XC90

See Highest Retaining New or Redesigned Models

2016 Lexus RX

The Lexus RX received a full redesign for 2016. Following the trend of other recent Lexus redesigns, styling of the RX is now even sharper than before and highlights Lexus’ bold front end.

Retention for the RX is 78%, which is a 2.2-point improvement over the outgoing generation during the same period in 2015. The RX also currently retains value at a rate of 5.5 points above the current segment average of 72.5%, and was also ranked among the best in J.D. Power’s 2016 Initial Quality Study (IQS) for Features & Accessories Quality – Mechanical.

2016 Mercedes-Benz GLE

The 2016 Mercedes-Benz GLE is essentially a redesigned M-Class with a name change for this year. Besides the change in name, the GLE received a new front fascia that

[SEGMENT RANKINGS]

resembles the clean and contemporary look that Mercedes-Benz is applying to all of its vehicles. The GLE is currently retaining value at a rate of 76.1%, a figure up a slight 0.3 point compared to the outgoing M-Class during the same period in 2015. In relation the rest of the segment, the GLE's retention is currently 3.6 points better than the segment average 72.5%. The GLE also ranked among the best in J.D. Power's 2016 Initial Quality Study (IQS) for Body & Interior Quality – Mechanical.

2016 Lincoln MKX

The Lincoln MKX was completely redesigned for the 2016 model year. Updates include improved sculpted styling, improved chassis design and a new powertrain. Despite all of Lincoln's improvements, retention of the new MKX only improved by 0.4 point to reach 67.4%. The 2016 MKX's retention score is 5.1 points below the current segment average 72.5%.

AT NADA USED CAR GUIDE

What's New

The new NADA Values Online introduces New Vehicle Values, a range of values that provide new vehicle pricing guidance based on actual market transactions and market influencers. It also includes inventory valuation, vehicle valuation trends and a custom reporting tool to help you see vehicle values from every angle.

With NADA Values Online, you have the data and insight you need to make better business decisions and see better outcomes.

See how we can help your business >> Go to nada.com/valuesonline.

On the Road

Learn from Jonathan Banks and Larry Dixon as they speak and present at the National Remarketing Conference (Used Car Week) in Las Vegas, Nov. 14 – 18.

Meet up with Ryan Morris and David Paris at the 2016 Los Angeles Auto Show in Los Angeles, Nov. 16 – 17.

Say, "Hi" to Mike Stanton at the 2016 National Auto Auction Association conference in Las Vegas, Nov. 16 – 18.

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Since 1933, NADA Used Car Guide has earned its reputation as the leading provider of vehicle valuation products, services and information to businesses throughout the United States and worldwide. NADA Used Car Guide's team collects and analyzes over one million combined automotive and truck wholesale and retail transactions per month. Its guidebooks, auction data, analysis and data solutions offer automotive/truck, finance, insurance and government professionals, the timely information and reliable solutions they need to make better business decisions. Visit nada.com/b2b to learn more about solutions for your business and nada.com/usedcar to stay abreast of the latest used and new vehicle market trends.

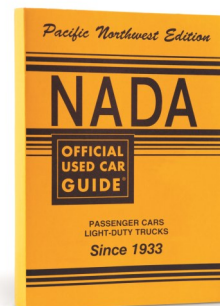
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NADA USED CAR GUIDE CONSULTING SERVICES

NADA Used Car Guide’s market intelligence team leverages a database of nearly 200 million automotive transactions and more than 100 economic and automotive market-related series to describe the factors driving current trends to help industry stakeholders make more informed decisions. Analyzing data at both wholesale and retail levels, the team continuously provides content that is both useful and usable to the automotive industry, financial institutions, businesses and consumers.

Complemented by NADA Used Car Guide’s analytics team, which maintains and advances its internal forecasting models and develops customized forecasting solutions for automotive clients, the market intelligence team is responsible for publishing white papers, special reports and the Used Car & Truck Blog. Throughout every piece of content, the team strives to go beyond what is happening in the automotive industry to confidently answer why it is happening and how it will impact the market in the future.

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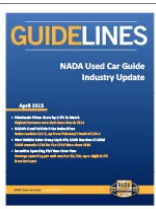
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ADDITIONAL RESOURCES



Guidelines

Updated monthly with a robust data set from various industry sources and NADA Used Car Guide’s proprietary analysis, *Guidelines* provides the insight needed to make decisions in today’s market.



White Papers

NADA Used Car Guide’s white papers and special reports aim to inform industry stakeholders on current and expected used vehicle price movement to better maximize today’s opportunities and manage tomorrow’s risk.



Perspective

Leveraging data from various industry sources and NADA Used Car Guide’s analysts, *Perspective* takes a deep dive into a range of industry trends to determine why they are happening and what to expect in the future.



Used Car & Truck Blog

Written and managed by the Market Intelligence team, the Used Car & Truck Blog analyzes market data, lends insight into industry trends and highlights relevant events.

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