

COMMERCE

Which automobiles will retain the most value over time?

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Land Rover Discovery Sport

By STAFF REPORTS

Compared to other premium vehicles, Land Rovers are expected to depreciate in value the least over a three-year period.

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Owing to a combination of consumer demand and quality of make, the automobile manufacturer has come in on the top of ALG's 16th Annual Residual Value Awards in the premium category for the second year in a row. When consumers are deciding which car to invest in, anticipated value over time is likely to be a factor considered.

Depreciation forecast

ALG is the analysis division of TrueCar. Every year, it recognizes the top brand across 26 categories that is forecast to retain the highest percentage of its MSRP.

The researchers credit Land Rover's expanded model lineup and enhanced luxury amenities for a bump in consumer desire for its cars during the 2016 model year. Land Rover won in the premium compact utility category for its Discovery Sport, Range Rover took home the top prize for premium full size utility and the Range Rover Sport was recognized among premium midsize utility with second row seating.

Lexus won in three categories, while Audi and Mercedes retained the most value among their peers in two categories.



Lexus IS won in the premium midsize category

"Residual values are a key indicator for the market success of a vehicle, factoring in quality, product execution and

brand desirability as primary drivers of ALG's forecast," said Larry Dominique, president of ALG and executive vice president of TrueCar, in a statement. "With depreciation being the single biggest expense of vehicle ownership, informed consumers are aware of the importance of residual values when making their purchase decision. Consequently, an ALG Residual Value Award is a meaningful differentiating asset in the hyper-competitive automotive landscape."

Value retention is not only a concern in the auto industry.

Online luxury consignment marketplace The RealReal has compiled its data on resale value into a mobile application to help give consumers a better idea of selling prices for high-end goods.

The RealReal's "RealBook" app is described by the retailer as doing what Kelley Blue Book does for cars for fashion and accessories. For luxury brands, this app may help to justify the purchase price of a handbag or watch, since consumers can see how much an item retains its value for resale ([see story](#)).

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