

AUTOMOTIVE

BMW, Mercedes models most likely to be resold

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The BMW X1 is resold 10 percent of the time in the first year of ownership. Image credit: BMW

By SARAH RAMIREZ

Luxury cars are resold more frequently than mass-market vehicles, with drivers giving up on models from Mercedes-Benz, BMW and Jaguar Land Rover more frequently than the average rate in the first year.

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Less than 4 percent of new cars are resold within the first 12 months of ownership, but research from iSeeCars.com shows that the top 10 models are given up more than 2.5 times the average vehicle. Four of the most commonly resold models are sport utility vehicles.

"Many of the luxury vehicles are the lowest or close to the lowest priced models in their lineups, which suggests that it's a consumer that wants the prestige but still has a budget," said Julie Blackley, communications manager at [iSeeCars](#), Woburn, MA. "The majority of the cars that are given up tend to be base-level trims, which also suggests that they might not measure up to the standard of luxury the buyer was looking for.

"While these are the vehicles most often traded in within a year, it is still not the norm for these vehicles," she said. "They are still desirable to lease for many people who want the prestige of the marque as well as a new vehicle every few years."

For this report, iSeeCars.com analyzed more than 46 million individual new car sales and determined how many of those new cars were resold as used within the first year and had at least 1,000 miles on the odometer.

Luxury returns?

Although the most commonly resold model was a Mercedes-Benz C-Class, BMW was the automaker with the most vehicles given up within the first year of ownership.

An average of 3.4 percent of all vehicles are resold within the first year, but 12.4 percent of C-Class vehicles were resold. Among premium cars, the BMW 3 Series and X1, Land Rover Discovery Sport and Range Rover Evoque were all resold more than 10 percent of the time.

"BMW and Mercedes are known to offer incentives to their dealers to buy new cars to use as loaner vehicles, which are then sold as used when they are still under a year old," Ms. Blackley said. "In turn, this boosts the brand's new car

sales and introduces current customers to new models when they bring in their vehicles for service."



The redesigned Range Rover Evoque. Image credit: Land Rover

The five car brands whose vehicles were given up the most frequently were all luxury marques.

Almost 8 percent of BMW models were resold, followed by Porsche, Mercedes, Land Rover and Jaguar. Automakers Audi, Maserati and Cadillac were also resold at rates higher than the 3.4 percent average.

While less than 3 percent of SUVs are resold within their first year, eight out of the 10 SUVs most likely to be resold come from luxury automakers.

In the first 12 months of ownership, Land Rover's Discovery Sport and Range Rover Evoque are resold a respective 11.8 and 10.9 percent of the time. BMW, Porsche and Mercedes also have two models each on the list of most resold SUVs.

This may be attributed to the high costs associated with luxury SUVs compared to solid, mass-market options.



A Porsche 911. Image credit: Porsche

Sales of SUVs dominated the luxury car market in 2018, but the gap between high-end and mass-market SUVs is narrowing. With SUVs, handling and horsepower are of lesser importance, which lowers the premium added to the high-end options ([see story](#)).

Luxury automakers fare better when it comes to sports cars. Just more than 7 percent of Porsche 911s are resold within the first year, compared to an average of 6.1 percent of all sports cars.

Ownership values

As younger affluents grow more accustomed to minimalist lifestyles and the sharing economy, car ownership has become less of a priority.

Since early 2017, automakers including BMW, Porsche, Jaguar Land Rover and Mercedes-Benz have introduced their own subscription ownership models in limited markets. For instance, through Lexus Complete Lease, drivers have the option of a single monthly payment that covers several services and simplifies the automotive experience ([see story](#)).

While there are myriad reasons why a driver chooses to resell a car, especially early in the ownership process, all luxury automakers want to earn a reputation for dependability.

According to recent research, Toyota Corp.'s Lexus is proving to be the most dependable automotive brand in the eyes of consumers, followed closely by Porsche.

Porsche and Toyota tied at second place following Lexus in terms of dependability, per to J.D. Power's 2019 U.S. Vehicle Dependability Study. The research also found that owners are continuing to show positive thoughts towards their vehicles owned for three years, with a 4 percent jump from last year ([see story](#)).

"Japanese automakers have the reputation for engineering for reliability, while German automakers engineer for performance," iSeeCars' Ms. Blackley said. "Meanwhile, Land Rovers have a reputation for epitomizing luxury despite their poor reliability ratings.

"Both German and British luxury vehicles are more expensive to buy and maintain," she said. "They attract buyers who care more about the prestige than about reliability."

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