

While old favourites still feature in the list of small cars that command the best prices at trade-in time, there are significant changes in the pecking order, notably with Hyundai's i20. Report by ANDREW CHARMAN.



# what's going

**N**o surprise that the Honda Jazz continues to be a supermini favourite. Reliable, roomy – and it holds its value well.

So much so that it again tops the supermini RV table compiled by valuation experts HPI. Other favourites are there, too, like the Volkswagen Polo (due in no small part to the halo effect of the VW badge) and the Toyota Yaris.

But what's this? The Hyundai i20 (on sale for less than a year) coming in at No. 2, the Kia Rio level-pegging it at No. 10 with Ford's highly praised new Fiesta and established favourite,

the Renault Clio, and arguably the biggest surprise of all, the Chevrolet Aveo coming in at No. 9? Notable for its absence from the latest Top 10 is the Vauxhall Corsa.

Let's look at the Hyundai/Kia entries first. Traditionally, strong residual values have not been synonymous with Korean cars. But in the case of Hyundai's i20, and other i-designated models, retained values have been boosted by the scrappage scheme.

Motorists tempted by the £2,000 cash for bangers programme have looked at the competition-busting prices of Hyundais and Kias, been

doubly impressed by the warranties (five years for Hyundai and seven for Kia) and decided to part company with Ford and Vauxhall.

As Hyundai spokesman Tom Barnard pointed out: "A new i20 used to be £1,500 cheaper spec for spec than an equivalent Fiesta; now it is £3,500. A closed auction recently saw a Hyundai i10 with 300 miles on the clock go for £50 below retail price, which raised eyebrows."

Barnard said another contributory factor for value retention was the lack of presence in the fleet sector. "While daily rental fleet disposal ensures a steady supply of one-year-old Fords

and Vauxhalls to the used market, Hyundais and Kias sell mostly to retail customers, who will keep them for longer, cutting availability."

Prolonged ownership is also cited by Honda spokesman Steve Kirk for the investment attractions of Jazz. Claiming a 63 per cent "loyalty factor" for the car, Kirk said: "People that buy a Jazz have often bought one before and because they keep them a long time, there are fewer on the secondhand market. You hardly ever see one at an auction because they are immediately snapped up by dealers."

Kirk adds that Honda's reliability rating is a major contributor to residual values. "Those who set the RVs know that the figures for the Jazz always stand up in reality."

So what of those not featuring in the top ten? GM Europe spokesman Simon Hucknall argues that the Corsa's performance is not as poor as the table might suggest, pointing to HPI's contention that the average

relevant to car buyers is the actual amount of cash lost in depreciation and in this respect small cars have always been the best performers on the market. You lose far less money on a £10,000 small car that retains 45 per cent of its value over three years than you would on a £100,000 supercar that retains 60 per cent."

It's a point echoed by Chevrolet spokesman Craig Cheetham who said that with a starting price several thousand pounds less than an equivalent Fiesta or Corsa, the Aveo will naturally lose less on the used market.

Harris also agreed with the view that changes in supermini RVs are being influenced by buyers downsizing to save money. "We noticed earlier this year that the Ford Fiesta had replaced the Ford Focus as Britain's favourite new car. The fact that the Vauxhall Corsa – a regular number two to the Focus in the sales charts over the years – hadn't taken over perhaps indicated that people who would normally have chosen a Focus were switching to the Fiesta."

He added: "While I doubt small cars are much more attractive to people who usually buy large cars, their size and the features they offer definitely make them more appealing to people who would have bought a car in the next class up."

As for the rise in popularity of Korean cars, Harris believes long warranties are a major factor. "They still have a significant amount of warranty left when sold at three years' old. Quality has been much improved over the last few years to the point where they now feel like mainstream products rather than bargains for the budget-conscious."

But while acknowledging that Hyundais and Kias can no longer be viewed as "below par performers", Harris believes that cars like the Jazz, Toyota iQ and Volkswagen Polo are safer bets at trade-in time. **MIM**

## HPI'S TOP TEN SUPERMINIS

(By residual value %)

1. Honda Jazz

2. Hyundai i20

3. SEAT Ibiza

4. Mazda2

5. Mitsubishi Colt

6. Suzuki Swift

7. Volkswagen Polo

8. Toyota Yaris

9. Chevrolet Aveo

10. = Renault Clio

10. = Ford Fiesta

10. = Kia Rio

Motorists have looked at the prices and warranties of Hyundai and Kia and decided to part company with Ford and Vauxhall.



# on?

three-year 60,000 miles forecast for all cars is 31.2 per cent and the supermini sector averages 31.7 per cent.

"Corsa averages 30 per cent to 31 per cent residual value, so if it's not in the top ten, it's only just outside," said Hucknall. "It's meeting the average and holding its own against tough competition. It's also worth saying that we are seeing better RV performance from 08 and 58-plate Corsas than we did from the 07 and 57-plate cars."

Simon Harris of car data specialist Parkers believes quoting RVs in percentages can mislead the customer. As he explained: "Far more