

# Monthly Market Intelligence

The latest insight from the UK's largest new and used car platform.

DECEMBER 2024

 AutoTrader

# Consumer demand and returning pricing stability provide optimism for the used car market

## NEW CAR REGISTRATIONS

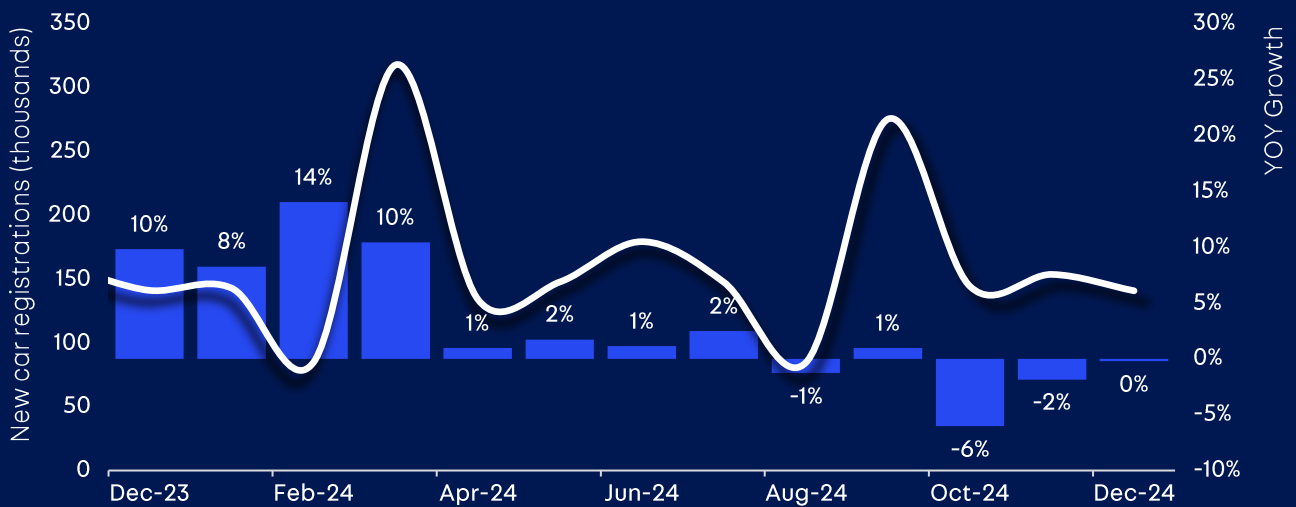
Despite significant challenges posed by falling consumer demand, the UK new car market grew **3% in 2024 – in contrast to 2023's strong growth**. Fleet channels drove progress, up 12% year-on-year and taking 60% of all sales as the market firmly returned to push dynamics. The slowdown in fleet registrations over the second half of the year culminated in a December market level with prior year volumes, while sales to private buyers fell a further 2%. December saw EVs take a 31% share of registrations, achieving a 19.6% market share in the full year – a record year for sales of the fuel type, significant progress but below mandated levels.

# 140,786

NEW CAR REGs. (SMMT)

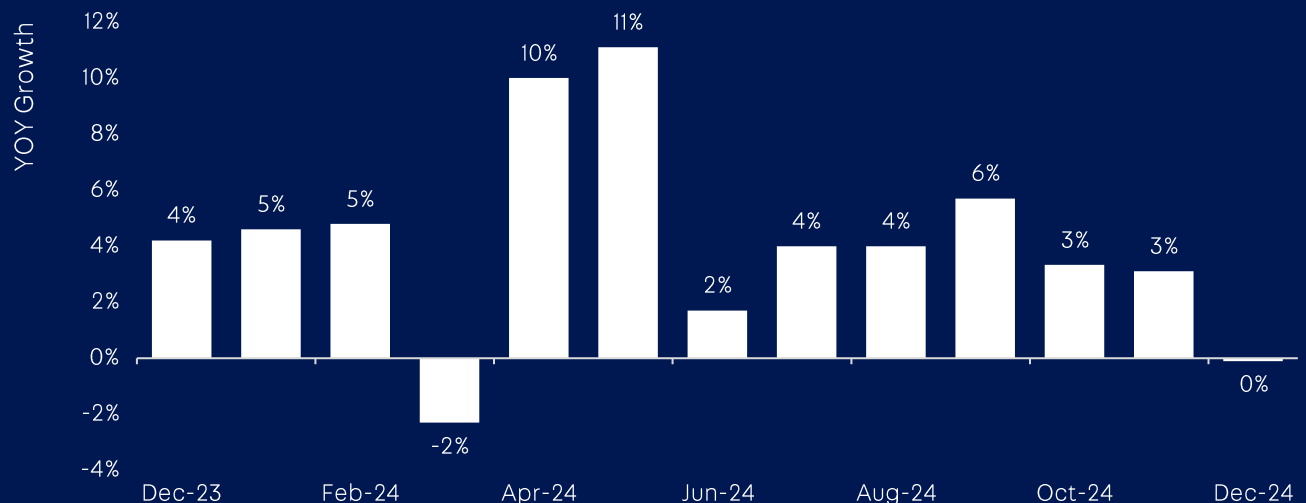
# -0%

(VS. DECEMBER 2023)



## USED CAR SALES (YEAR-ON-YEAR)

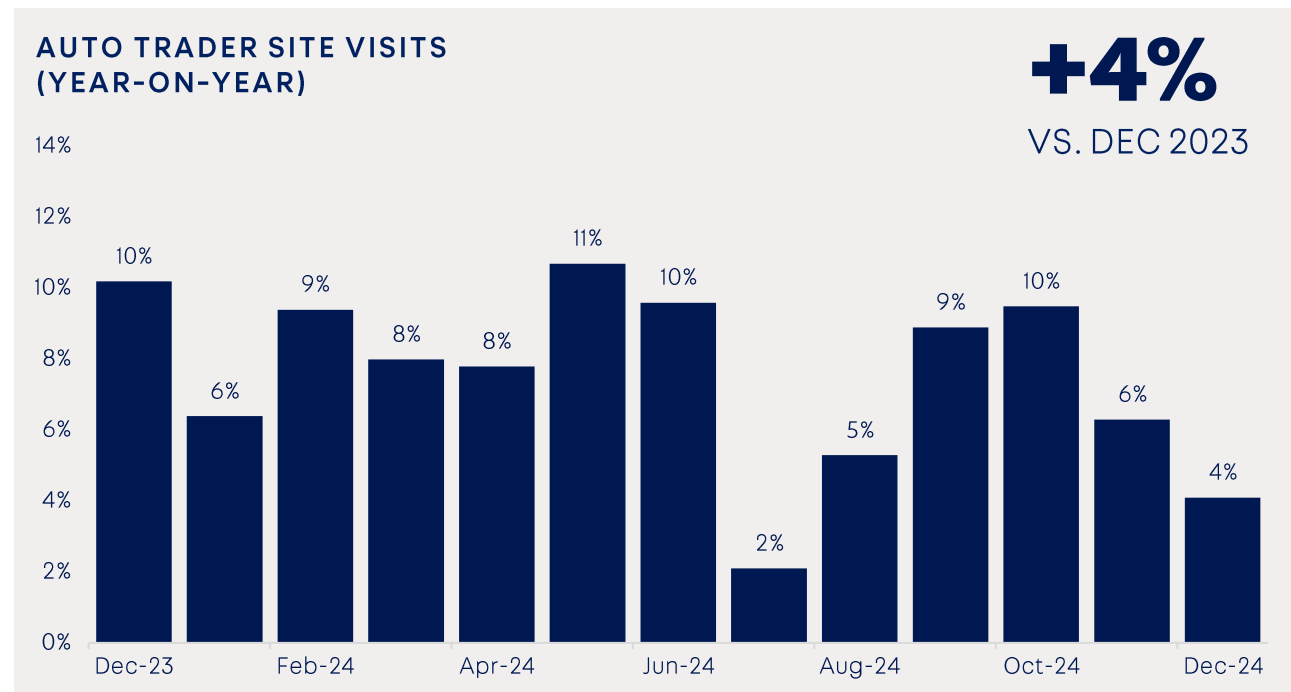
Used car sales remained flat in December on a year-on-year basis during the smallest month for sales in the year, ending the eight-month long growth run. Sales of diesel cars fell by -13% as supply for the fuel type continued to decline. Sales of petrol cars also fell -3% on a year-on-year basis as supply fell for the ninth consecutive month. Overall, 2024 was a positive year for used car transactions with growth recorded throughout the majority of the year, and full year sales growing by 5%.



\*Data based on vehicles removed from Auto Trader. We assume that the vehicle is sold on the last day we saw it on our site. Strong historical correlation to official SMMT used car transactions and retailer data. Ongoing improvements to the data means historic figures may change slightly each month.

## AUTO TRADER AUDIENCE

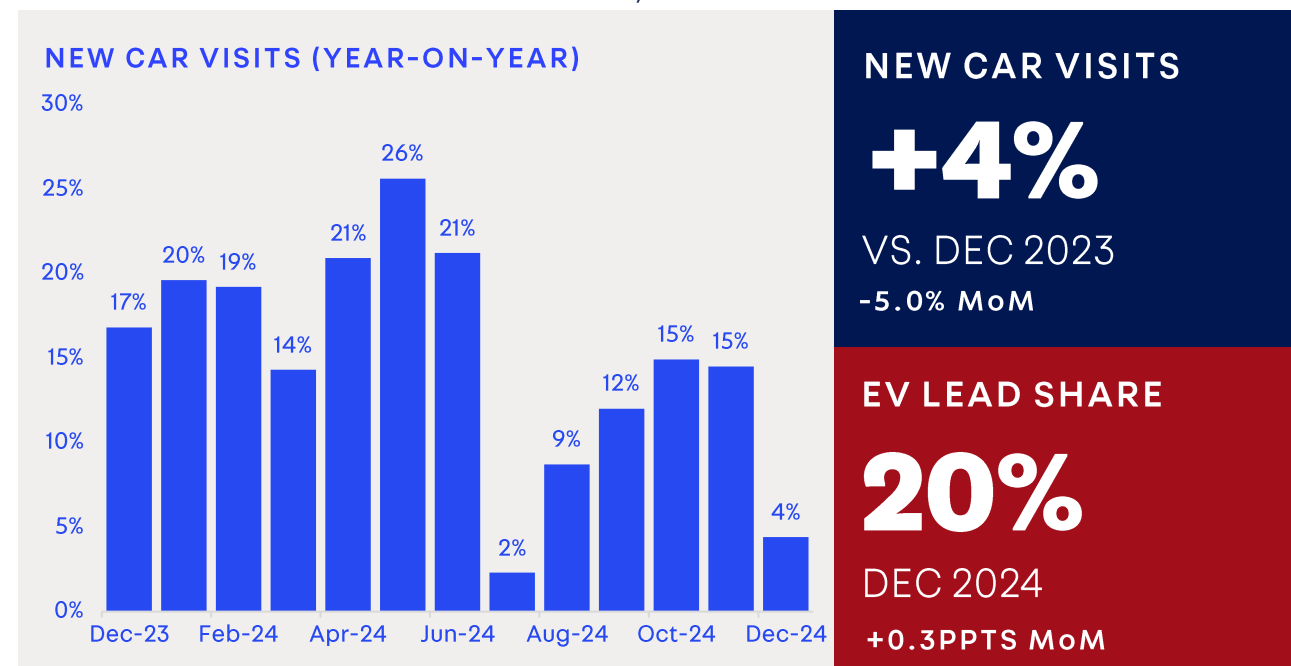
Site visits to Auto Trader increased by 4% in December, marking another record year as the volume of site visits increased every month in 2024. Site visits were 7% ahead of 2023 and averaged 31 visitors every single second, demonstrating real strength in consumer demand; 92% of consumers reported confidence in their ability to afford their next car<sup>1</sup>, with 73% looking to buy in the next six months<sup>2</sup>.



## NEW CAR ACTIVITY

New car visits grew at a slower rate in December, but still increased 4% year-on-year.

Overall, new car site visits were up 14% in 2024 as new car stock availability, marketing activity and manufacturer discounts grew significantly to stimulate retail demand. 2024 saw the average discount grow 2.1ppts to 8.8%, with three quarters of all new cars being discounted. EV discounts reached record levels and grew 4.4ppts to 11.2%, capturing almost one in five new car leads in the first year of the ZEV mandate.



<sup>1</sup>Source: Auto Trader Consumer Survey Data (n=3,697)

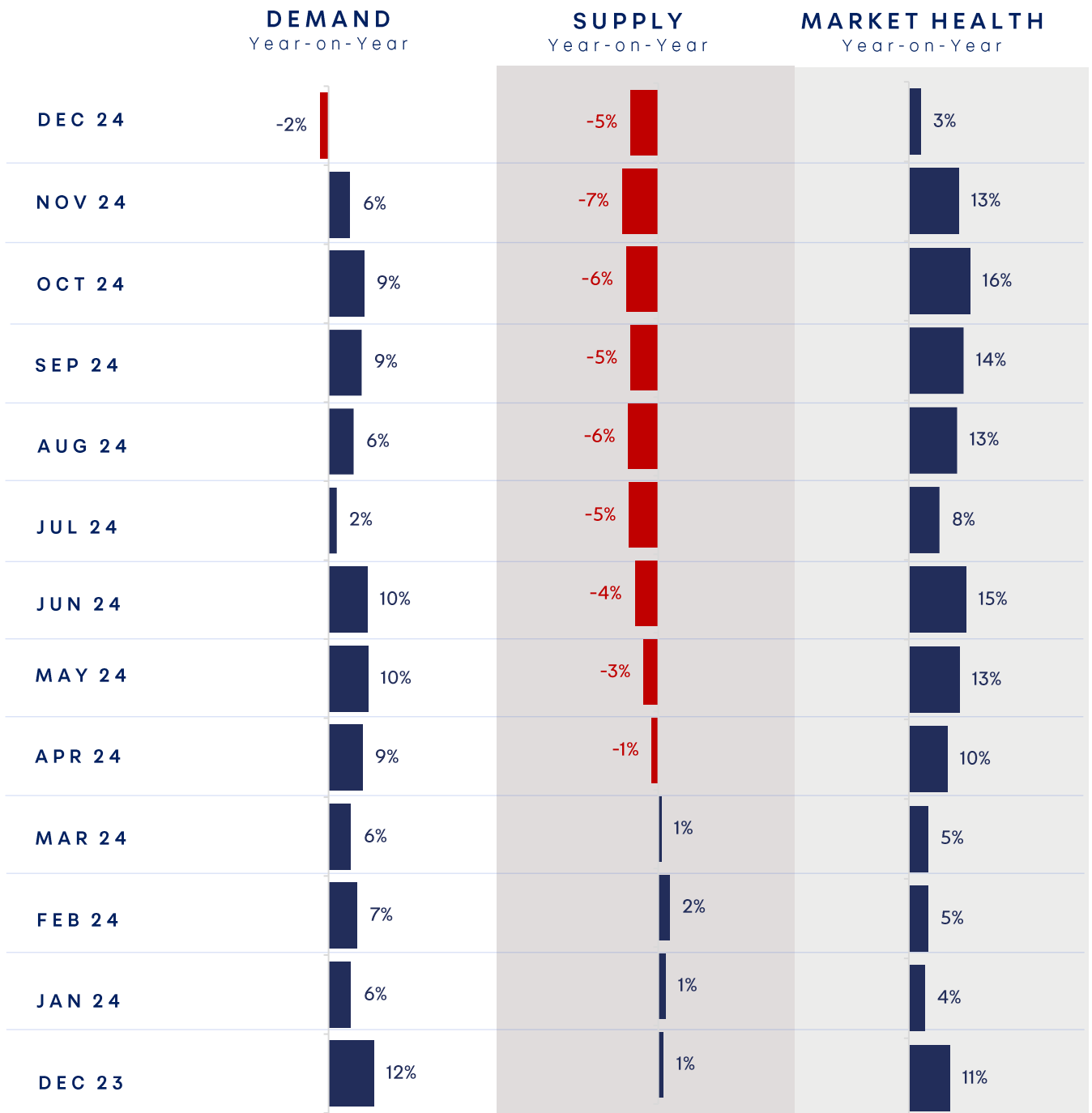
<sup>2</sup>Source: Auto Trader Consumer Survey Data (n=1,736)

# USED CAR MARKET HEALTH

Market health for used cars was 3% ahead of last year in December as consumer demand continued to outpace the available supply on retailer forecourts. Demand for used cars softened slightly against a very strong performance in 2023 – the first decline in two years – nonetheless, cars sold on average every 33 days, three days faster than December 2023. Some segments outperformed the market, with strong growth in demand for 5-10-year-old cars (+6%) outpacing softening supply (-4%). Meanwhile, growing availability of 1-3-year-old cars drove negative market health. The nuance in the market highlights the opportunities to leverage data to stay ahead when sourcing and pricing vehicles.



The Market Health metric shows the ratio of supply vs. demand compared to the previous year

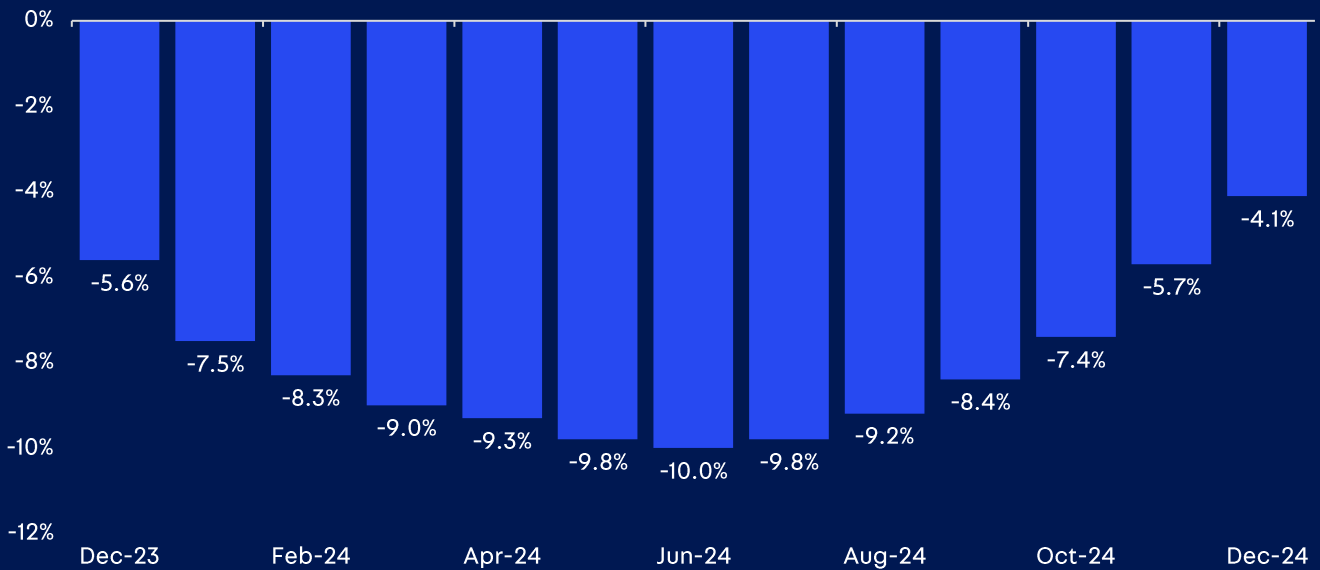


## USED CAR RETAIL PRICE GROWTH

The strengthening of used car prices seen in the second half of the year continued in December, with like-for-like prices recovering to **-4.1%** on a year-on-year basis. The improvements come as retail prices continue to follow movements in trade values, which have been growing on a year-on-year basis and rising 3% in December. As demand remains ahead of supply, with used car sales up 5% year-on-year, the positive pricing movements can be expected to continue into quarter 1. Still, one in three cars were priced more than 2% below their retail valuation in December, indicating missed profit opportunities.

### YEAR-ON-YEAR USED CAR RETAIL PRICE GROWTH

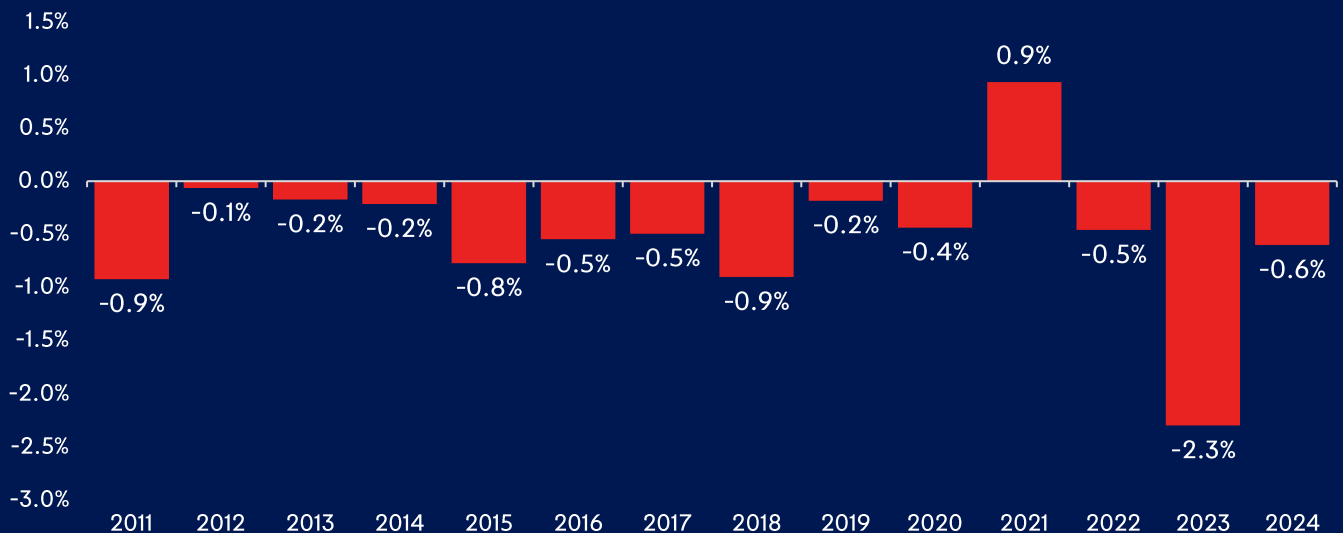
Like-for-Like Basis



On a month-on-month basis, used car retail prices fell **-0.6%**, in line with seasonal pricing movements from November to December. Since the beginning of the year, pricing movements have been in line with seasonal trends, indicating the return of pricing stability in the used car market after significant wholesale-led disruption at the end of 2023. Similarly, as the used EV market matures, pricing stabilised in 2024 and behaved in line with the market as strong retail demand for affordable EVs played through. In December, prices for used EVs fell **-0.7%**.

### MONTH-ON-MONTH USED CAR RETAIL PRICE GROWTH: DECEMBER

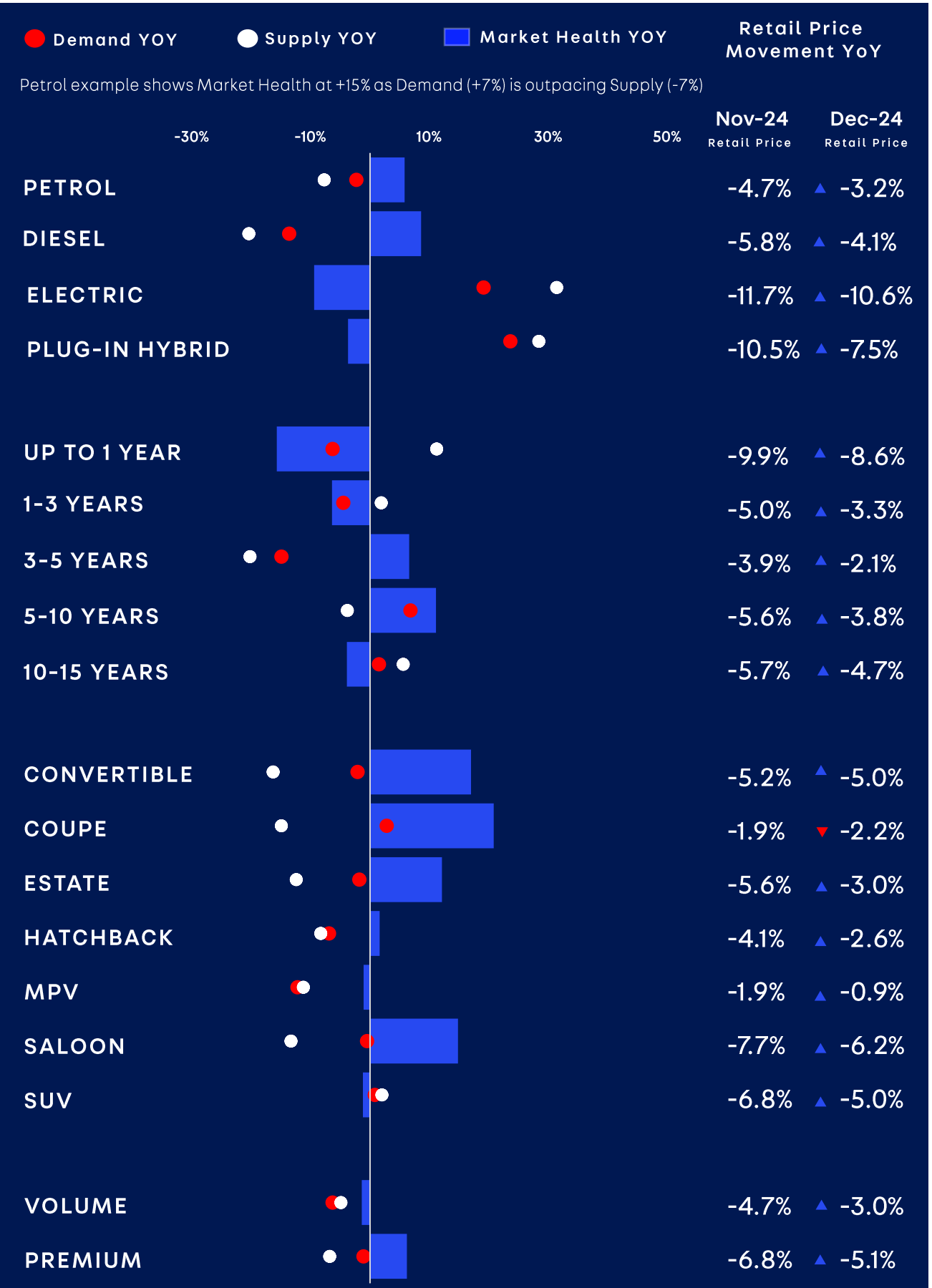
Like-for-Like Basis



Retail price observations. Year on year like-for-like pricing. Removes the impact of stock mix shift to reflect true value adjustments

# DEMAND, SUPPLY, MARKET HEALTH & PRICE MOVEMENT (YOY GROWTH)

Charts show Market Health (blue bar), Demand (red) and Supply (white), with pricing movements. The monthly movement of retail prices is illustrated by blue/red arrows.



In focus this month

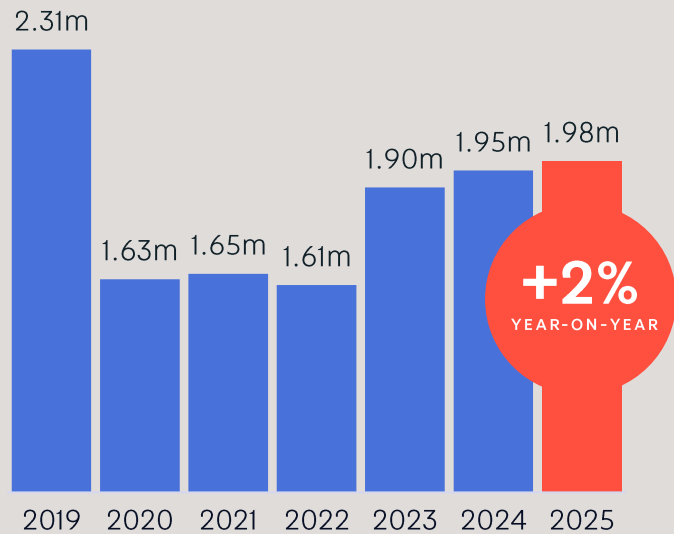
# Using data to unlock success in 2025

## More sales forecast for 2025

New car sales will remain 14% behind pre-pandemic levels as high interest rates and inflation continue to impact consumer demand. The Fleet market will continue to drive the new car market while heavy discounting and push dynamics will lead the growth of sales to private buyers. Growth in the market will be led by registrations of electric vehicles as manufacturers continue to pursue the growing ZEV mandate target - pending the consultation outcome.

## NEW CAR MARKET

SMMT data (2019-24) and Auto Trader Forecast



**+ 7%**

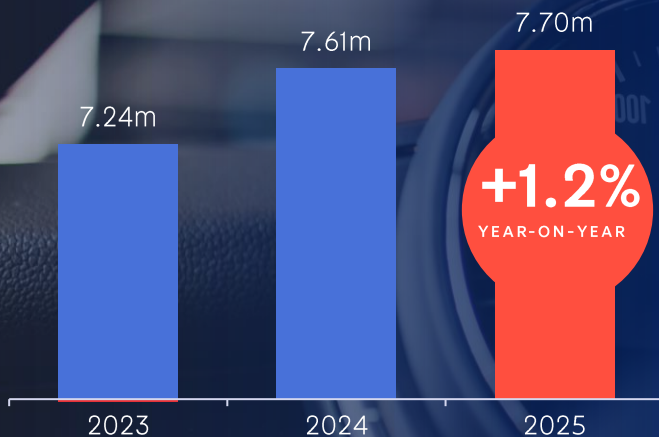
Forecast retail sales growth

**+ 26%**

EV registrations growth

## USED CAR TRANSACTIONS

SMMT (2023) and Auto Trader Forecast



Driven by the easing of economic conditions, used car transactions will grow to be within 3% of pre-pandemic levels.

Despite declining vehicle supply holding back sizeable transactions growth, sellers should expect more buyers on forecourts in 2025 as consumer confidence and demand continue to grow.

**+ 5ppt**

Consumer confidence growth YOY (GfK)

**- 3%**

2025 forecast vs. 2019 transactions

## More competition between brands for new car buyers

In a smaller new car market than the pre-pandemic landscape, new brands will enter the market to compete for market share just as consumer loyalty is in decline – creating an opportunity for new arrivals, but increasing the challenge for existing brands to retain owners.

2019

2.3M TOTAL MARKET



1M

RETAIL SALES



45

BRANDS



385

MODELS

2025

2M TOTAL MARKET



800k ↓

RETAIL SALES



67 ↑

BRANDS



425 ↑

MODELS

## More competition between retailers for used car stock

As the new car sales lost during the pandemic years continue to flow through the used car supply chain, supply of vehicles between the 3-10 year age cohort will decline further. As the stock profile across all retailer types has increased reliance on 5+ year-old stock in recent years, these dynamics will heighten competition for stock across the market. This will be exacerbated by fuel type changes, as available vehicle supply becomes increasingly electric.

### NUMBER OF CARS ON THE ROAD BY VEHICLE AGE

Licensed cars in Great Britain. Millions.

LOW

MID

HIGH

YEAR	15	16	17	18	19	20	21	22	23	24	25
NEW CAR SALES	2.6	2.7	2.5	2.4	2.3	1.6	1.6	1.6	1.9	1.9	2.0
UP TO 1 YEAR OLD	2.5	2.5	2.3	2.2	2.2	1.5	1.6	1.5	1.8	1.9	2.0
1-3 YEARS OLD	4.4	4.7	4.9	4.8	4.5	4.3	3.7	3.1	3.0	3.3	3.7
3-5 YEARS OLD	3.6	3.9	4.2	4.6	4.8	4.6	4.4	4.2	3.6	3.0	2.9
5-10 YEARS OLD	9.4	9.0	8.7	8.8	9.2	9.8	10.5	11.0	11.1	11.0	10.1
10-15 YEARS OLD	7.8	7.8	7.8	7.5	7.3	7.2	7.2	7.2	7.6	7.9	8.4
15+ YEARS OLD	2.6	2.9	3.3	3.6	3.9	4.2	4.6	5.1	5.5	5.7	5.9



# Unlock 2025

Against a backdrop of growing consumer confidence and demand outpacing the available supply of vehicles, retailers in the used car market can trade with confidence, particularly as used car prices continue to stabilise.



# 75%

Consumers looking to purchase a car in the next 6 months

# +10%

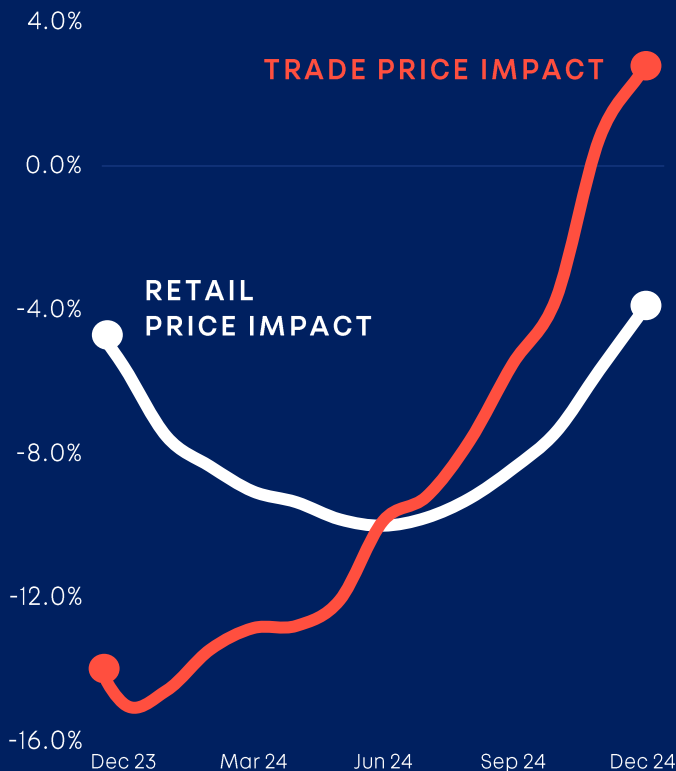
Quarter 4 Market Health year-on-year

# +4%

Year-on-year visits growth in quarter 4

## AVERAGE RETAIL AND TRADE VALUATION TRENDS

Like for like. Last 12 months



Although profit margin pressures persist, the continued recovery of used car prices provides optimism for retailers.

Data and intelligence tools are now fundamental to unlocking the opportunities presented by strong consumer side dynamics, with retailers more important than ever before in helping buyers navigate market complexity.



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 **AutoTrader Insight**