

A photograph of a car driving on a snow-covered road in a winter landscape. The road is covered in snow with visible tire tracks. The car is a dark-colored sedan, positioned in the middle ground, driving away from the viewer. The background features a line of trees and a clear blue sky with some light clouds. The overall scene is bright and clear, suggesting a sunny day in winter.

# Monthly Market Intelligence

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

JANUARY 2022

 AutoTrader

# Demand remains robust at the start of 2022 with used car prices rising further.

## NEW CAR REGISTRATIONS

January's new car market was up 28% on 2021 - when the UK was in lockdown - but behind pre-pandemic times as supply constraints persist. For the second consecutive month, retail sales were up as chip shortages continued to influence manufacturer production and sales channel priorities.

**115,087**

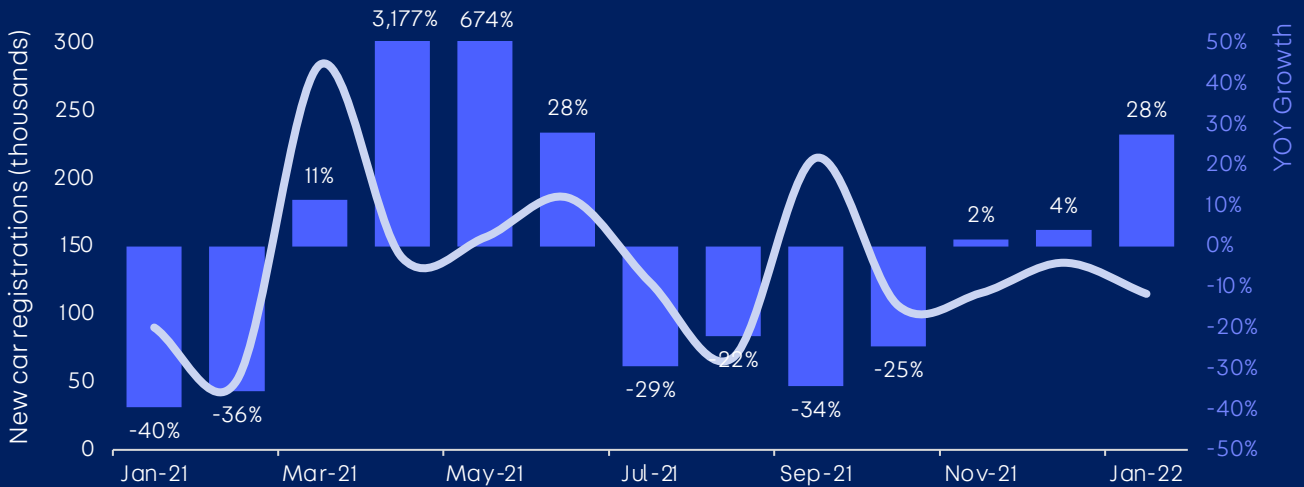
NEW CAR REGs. (SMMT)

**↑ 28%**

(VS. JANUARY 2021)

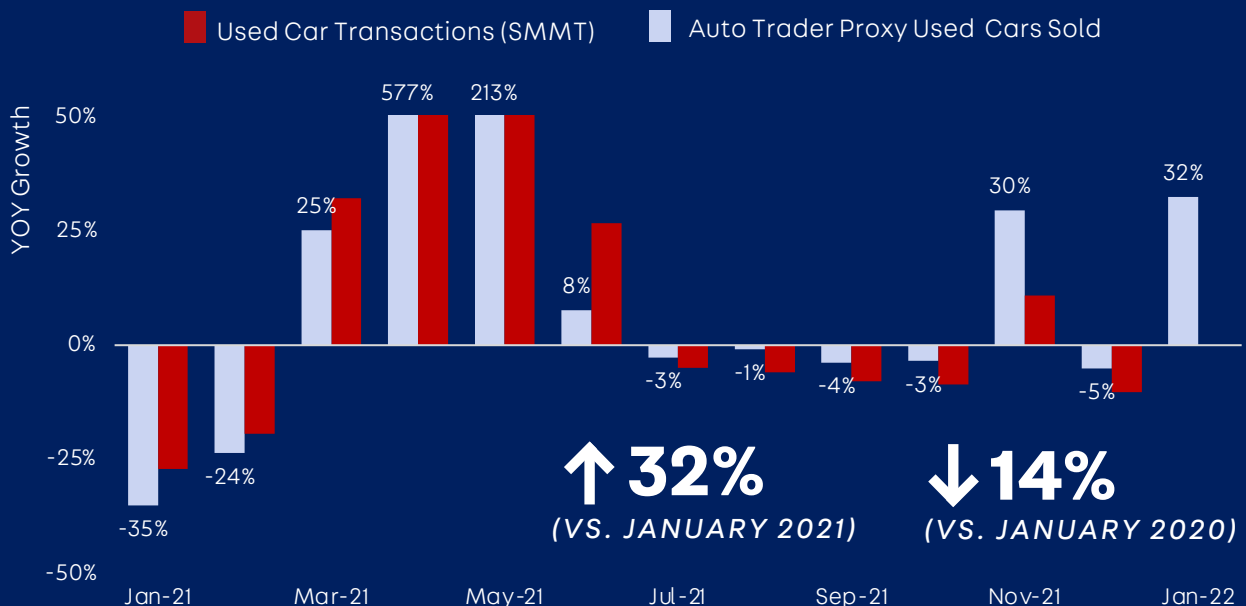
**↓ 23%**

(VS. JANUARY 2020)



## AUTO TRADER PROXY USED CARS SOLD (YOY GROWTH)

January saw a 32% year-on-year increase in used car proxy sales, but transactions were down vs. 2020 - particularly on under 3 year old cars - as new car supply constraints continue to impact the used car market.



**↑ 32%**

(VS. JANUARY 2021)

**↓ 14%**

(VS. JANUARY 2020)

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.

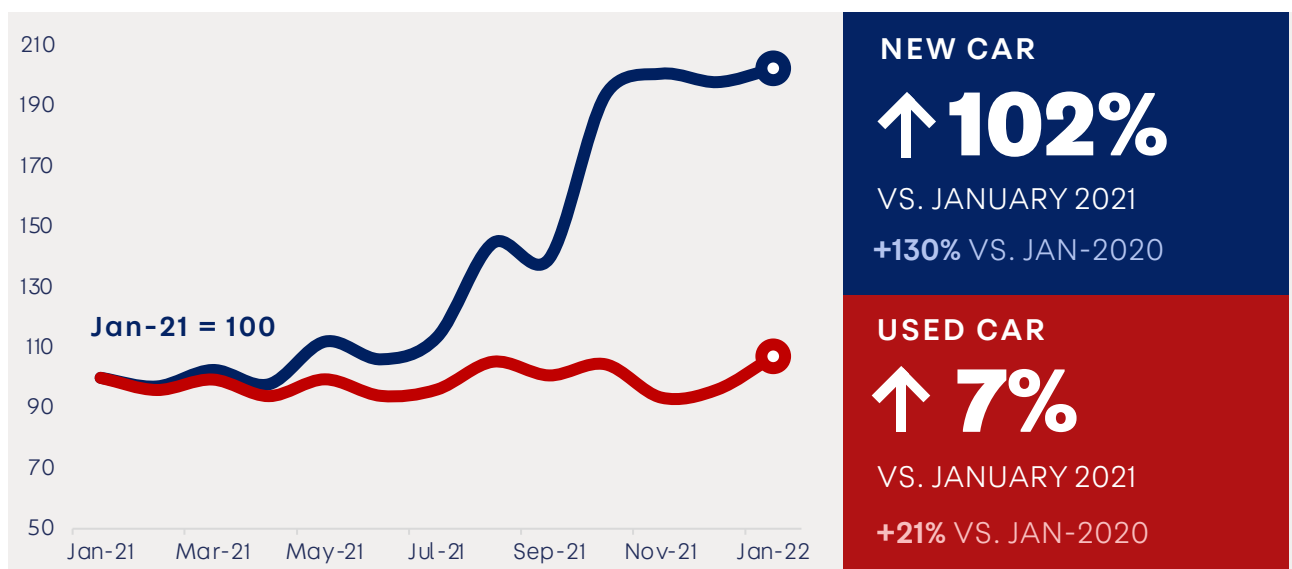
## AUTO TRADER AUDIENCE

The record levels of consumer demand seen throughout 2021 have continued into the start of the new year, with site visits up 9% in January vs. the year prior. Despite constrained supply across the market, and record used car price rises, significant numbers continue to look for their next car.



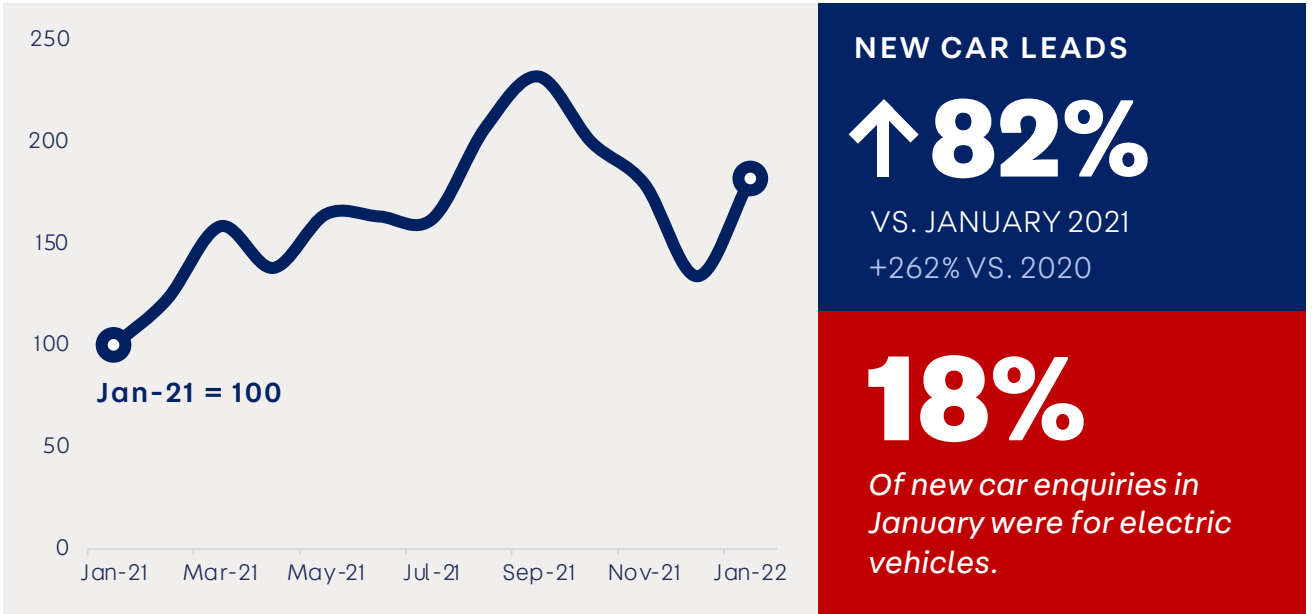
## NEW AND USED CAR ENGAGEMENT PER CAR (INDEXED)

The average new car advert was viewed 200 times in January, the highest it has been in the last 2 years. Used car interest also outperformed prior years with an average of 346 views per car, a 7% year-on-year increase.



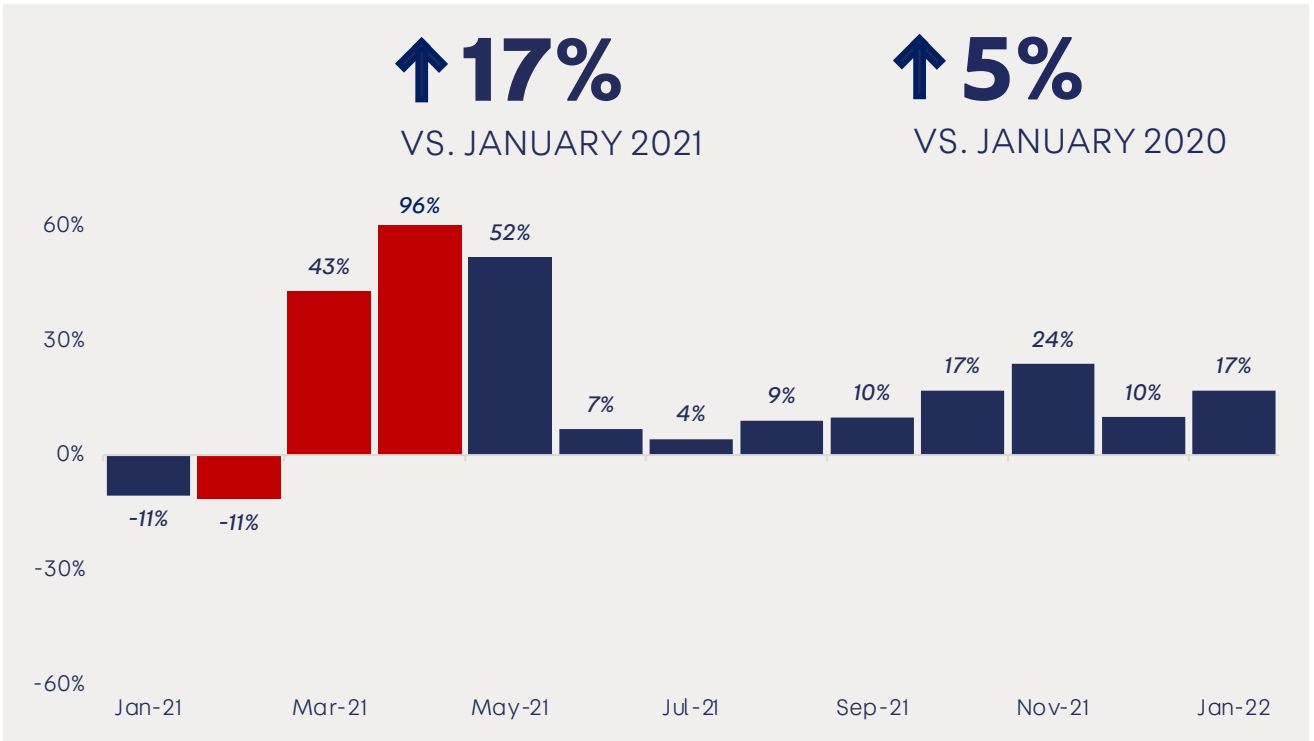
## NEW CAR LEADS (INDEXED)

Despite ongoing supply constraints, the total number of new car enquiries sent to retailers was up 82% in January vs. 2021. Within this, electric vehicles made up 18% of the total as more people consider the switch from traditional fuel types.



## AUTO TRADER USED CAR MARKET HEALTH (YOY GROWTH)

January 2022 delivered very strong market health in comparison to a locked-down UK of a year ago, but is also positive versus the pre-pandemic period, up 5% vs. January 2020 despite the supply and demand gap narrowing.

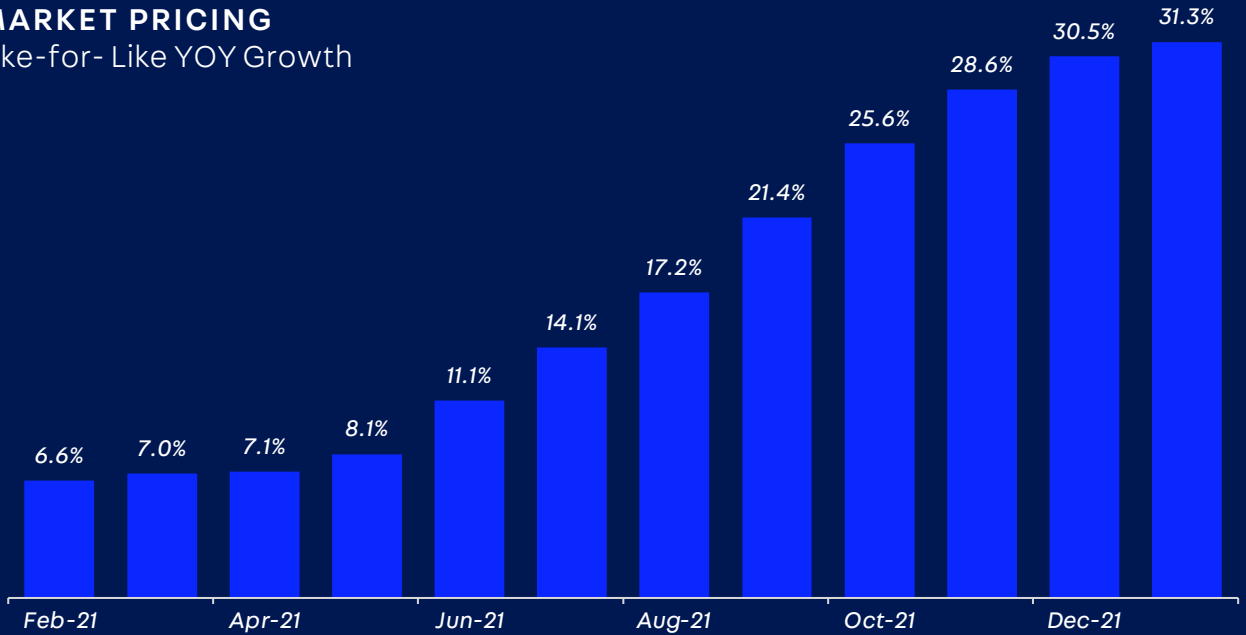


The Market Health metric shows the ratio of supply vs. demand compared to the previous year

**Used car price growth still shows no sign of reversing - January 2022 saw the average used car increase in value by 31.3%.** It marks 22 consecutive months of price growth driven by high levels of demand and low stock availability.

**MARKET PRICING**

Like-for- Like YOY Growth



Year-on-year prices are up across the whole market - the *average asking price of the market’s most popular segments were all up by around a third.*

**CHANGE IN AVERAGE ASKING PRICE (YEAR-ON-YEAR)**

● Jan 2021 ○ Jan 2022

1 - 3 year old Diesel Auto SUV



1 - 3 year old Electric Auto Hatchback



3 - 5 year old Petrol Hybrid Auto Hatchback



5 - 10 year old Diesel Auto Estate

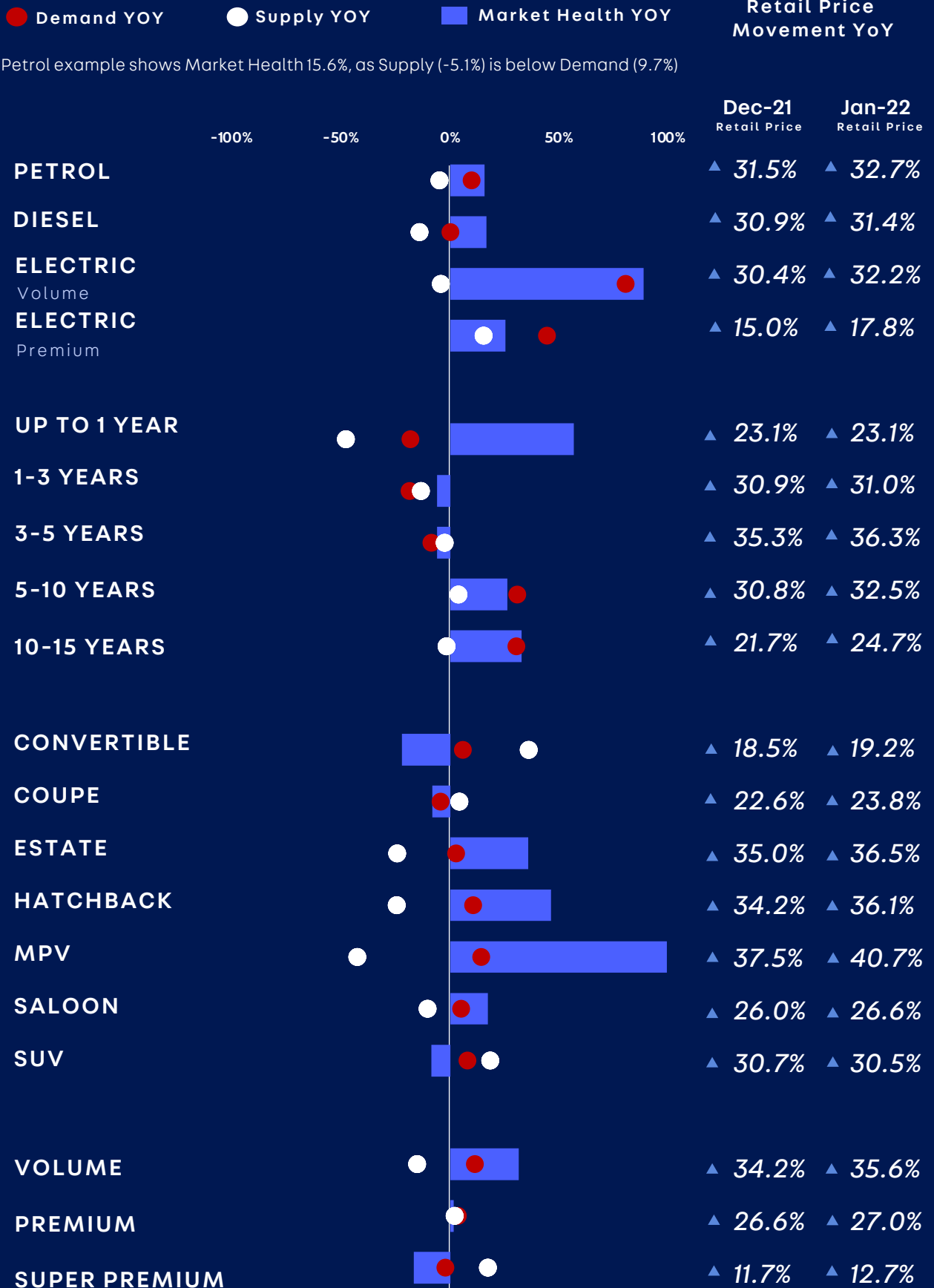


3 - 5 year old Petrol Manual Hatchback



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

Charts show Market Health (blue bar), Demand (red) and Supply (white), with pricing movements.

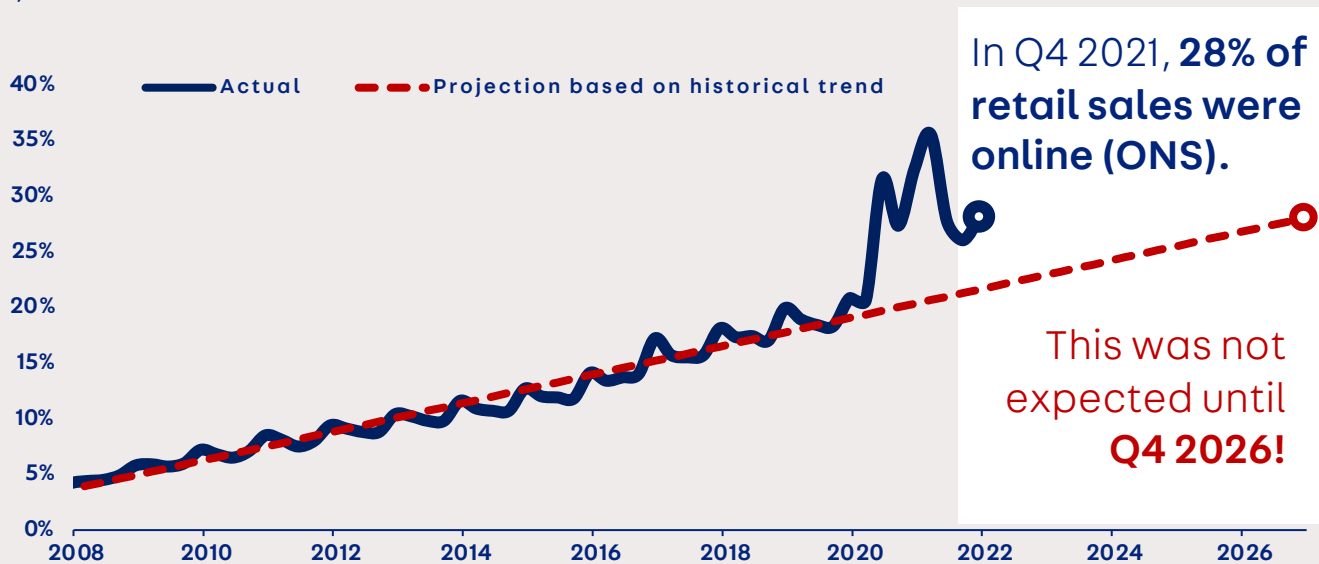


In focus this month

# Digital Retailing

## 1 RISING DEMAND FOR ONLINE SHOPPING

COVID had an immediate and lasting impact on consumer behaviour, with years of digital acceleration occurring in just months. At the end of 2021, 28% of all UK retail sales were online, representing 7 years of growth in just 2 years.



## 2 MARKETPLACES ARE GROWING IN POPULARITY

Car buyers are also completing more jobs online as they seek a seamless, blended approach to finding their next car. In fact, a greater proportion of car buyers are visiting online marketplaces looking for greater choice, comparison and availability.

SHARE OF AUTOMOTIVE VISITORS BY BUSINESS TYPE (%), DECEMBER 2021. COMSCORE

DECEMBER 2021

**70%**

**MARKETPLACES**

+10ppts since December 2017

**10%**

**EDITORIALS**

**13%**

**OEM**

**7%**

**RETAILERS**

**EDITORIALS** -13ppts since Dec'17

**OEM** -7ppts since Dec'17

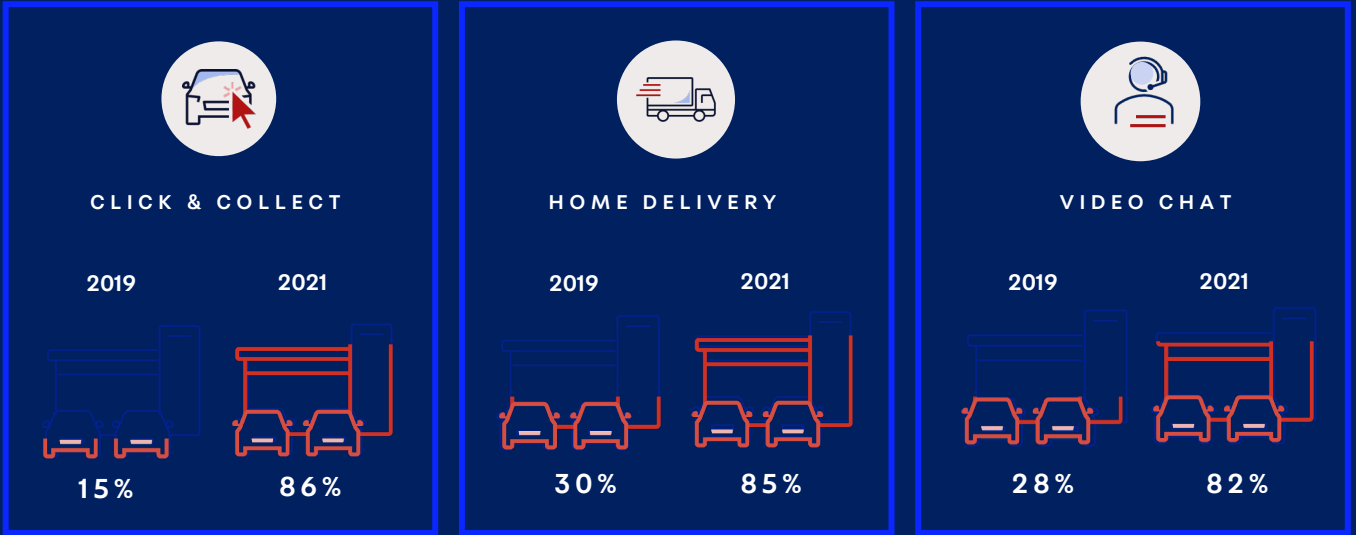
**RETAILERS** +0ppts since Dec'17

# 3 RETAILERS ARE OFFERING MORE DIGITAL SERVICES

In response to COVID and changing consumer habits, retailers are becoming increasingly digitally-led. Click and collect, home delivery and video chat were added by more than two thirds of retailers in 2020 and 2021; many of which reported an uplift in operational efficiency after implementing these services.

## 8 in 10 retailers now offer the majority of digital services

RETAILERS USING EACH PRODUCT (BY YEAR). ICDP/NFDA RESEARCH.



# 4 CONSUMERS ARE BUYING FROM FURTHER AWAY

The additional online services being offered by retailers mean consumers can more easily consider vehicles from further afield. The ability to access a wider range of cars is a key driver behind consumers expanding their search radius.

