



# Monthly Market Intelligence

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

OCTOBER 2021

 AutoTrader

Further used car price growth, with elevated demand again outstripping limited supply - and pushing values up by 25.6% vs. last year.

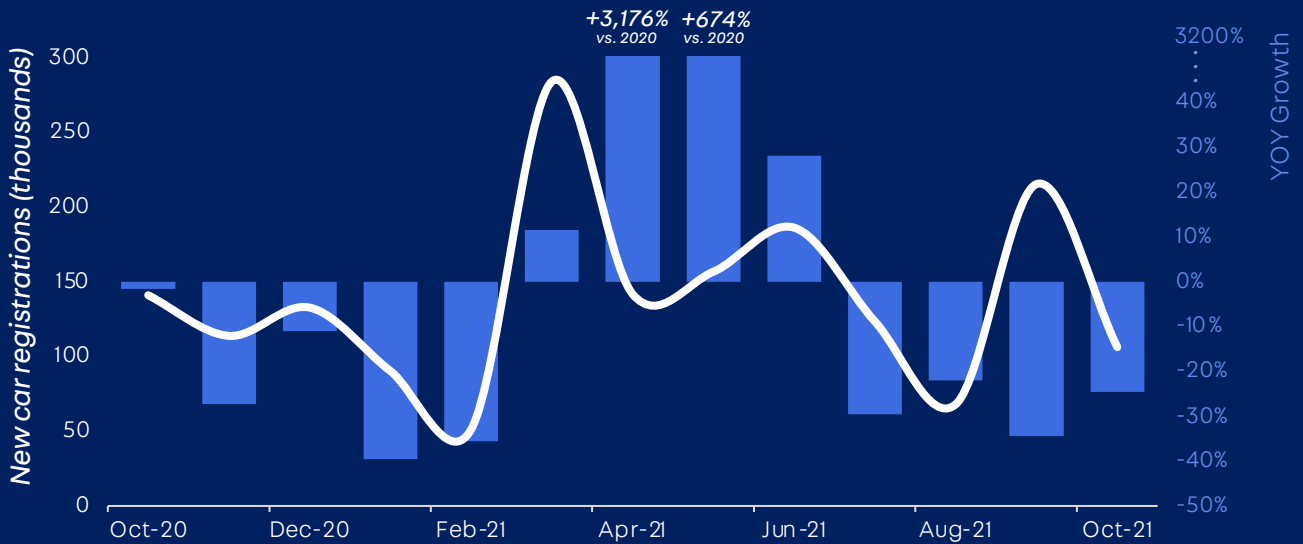
## NEW CAR REGISTRATIONS

October's total market down by a quarter (retail -3.3%), but year-to-date the **retail market is +4.1% vs 2020** as manufacturers prioritise delayed orders.

**106,265**  
NEW CAR REGs. (SMMT)

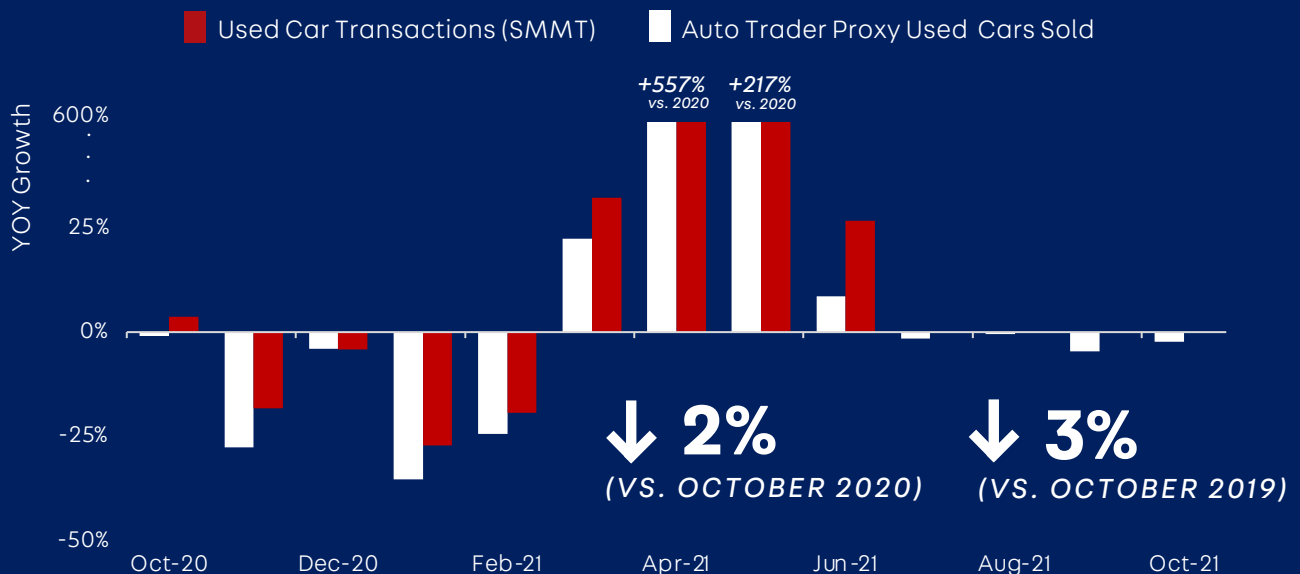
**↓ 24.6%**  
(VS. OCTOBER 2020)

**↓ 25.8%**  
(VS. OCTOBER 2019)



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

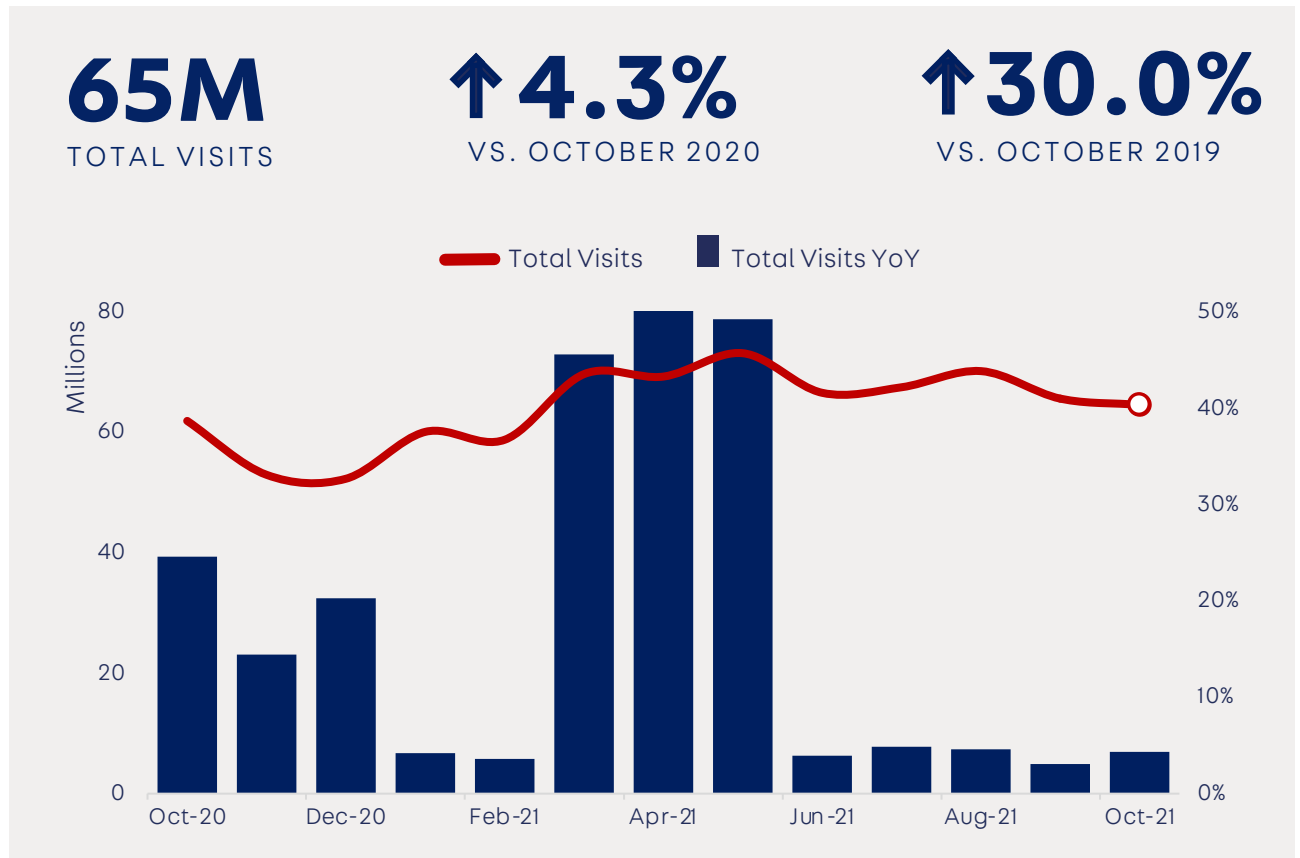
Used car trading volumes fell below 2020 and 2019 levels, though strong onsite demand metrics suggest this is related to reduced stock availability.



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.

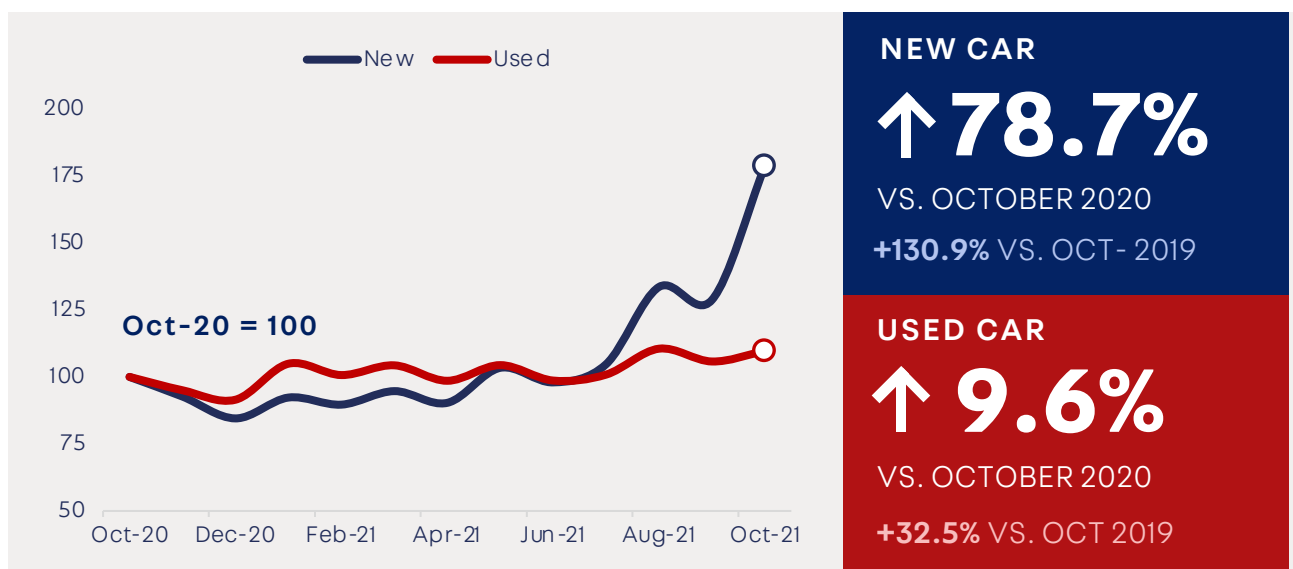
## AUTO TRADER AUDIENCE

There were 15 million more visits to the Auto Trader platform in October compared with two years prior (+30.0%), indicating a continual demand for car ownership despite the ongoing supply constraints.



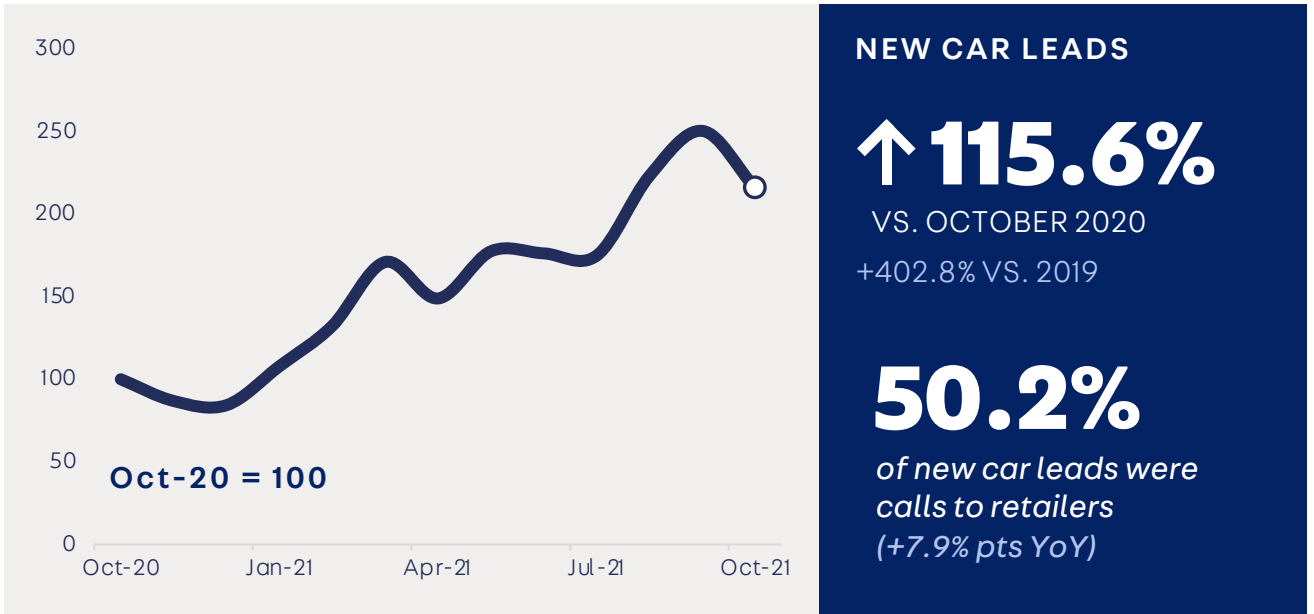
## NEW AND USED CAR ENGAGEMENT PER CAR (INDEXED)

**Record levels of interest on new cars**, with the average new car advert viewed 191 times in October, 78.7% higher than 2020. Each used car was viewed 338 times on average, up 9.6% year-on-year.



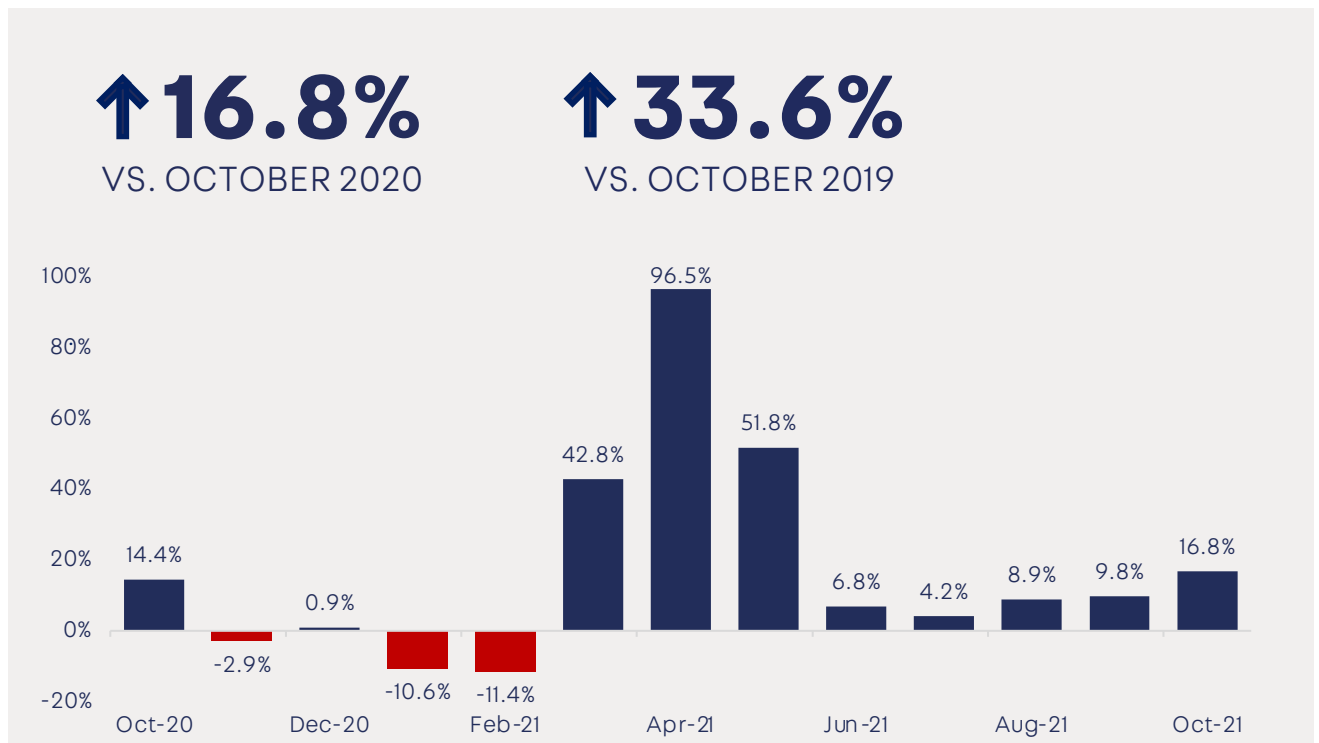
## NEW CAR LEADS (INDEXED)

Despite limited new car availability, **the number of enquiries sent to retailers on new cars more than doubled year-on-year (+115.6%)**. On average, someone contacted a retailer about a new car once per minute.



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

The Auto Trader used car market health indicator was positive in October for the 8<sup>th</sup> consecutive month, reflecting sustained strong levels of demand and restricted supply. At 16.8%, October's Market Health was the highest of any single month not influenced by a post-lockdown surge.



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

# Used car price growth for the 19<sup>th</sup> consecutive month, with like-for-like prices increasing 25.6% in October - the largest year-on-year movement on record.

October saw the joint highest month-on-month increase in prices, with demand again ahead of supply on most body and fuel types.

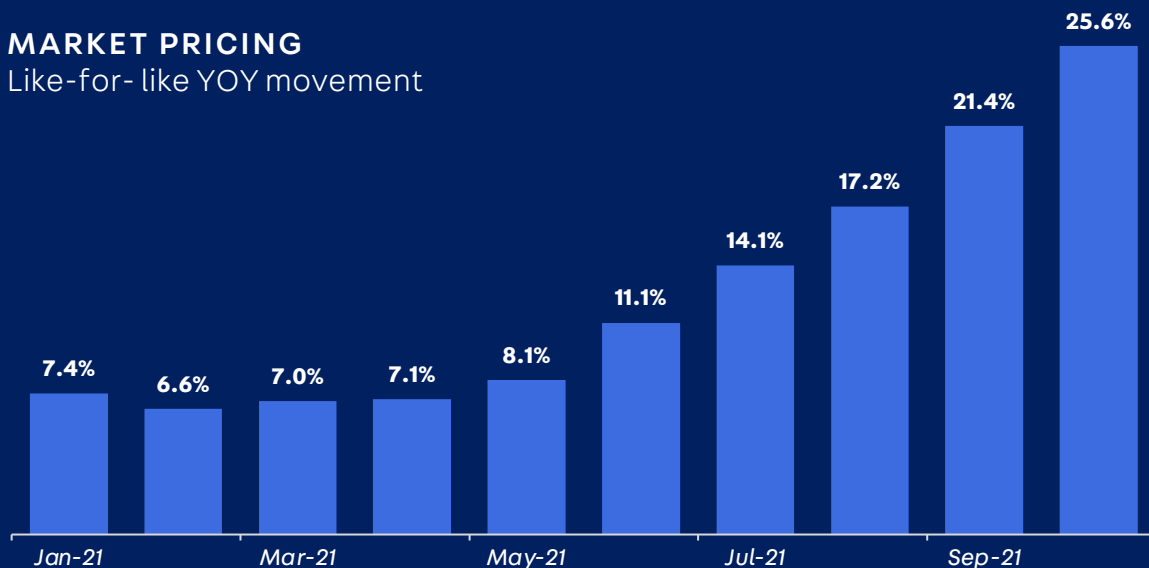
The continued growth in used car prices is particularly apparent in the nearly-new market, with more than 1 in 5 under 1 year old cars now priced higher than their equivalent new car models.

The average price of a petrol, 3 to 5 year old, volume brand SUV is now £16,395, up £4,205 vs. October 2020; and the average price of a petrol, 3 to 5 year old, premium brand SUV is now £30,577, up £5,733 vs. October 2020.

Such strong market-wide increases could begin to soften in the coming months, but there are no signs of a significant shift.

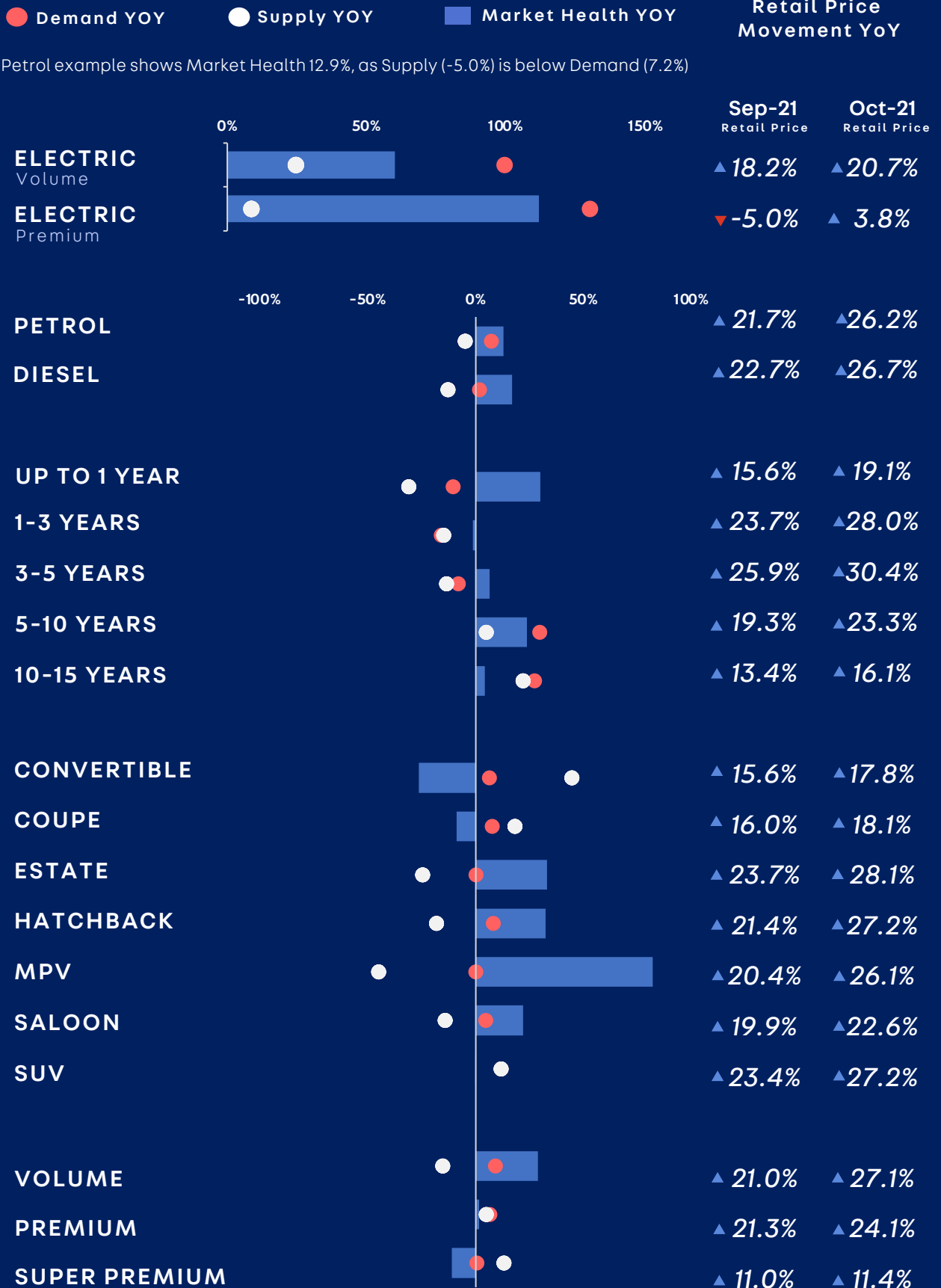
## MARKET PRICING

Like-for-like YOY movement



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

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



FUEL TYPE

VEHICLE AGE

BODY TYPE

BRAND TYPE

In focus this month

# Used car market dynamics set to continue

By the end of the year, there are likely to be 1.4mn lost new car sales as a result of retailer COVID-19 closures and global supply constraints. But the longer-term impact is more severe, as it will mean fewer cars on the road and greater challenges sourcing stock. The current supply and sourcing situation is likely to continue for some time, as outlined below.

▼ **1.4 MN**

Lost new car registrations

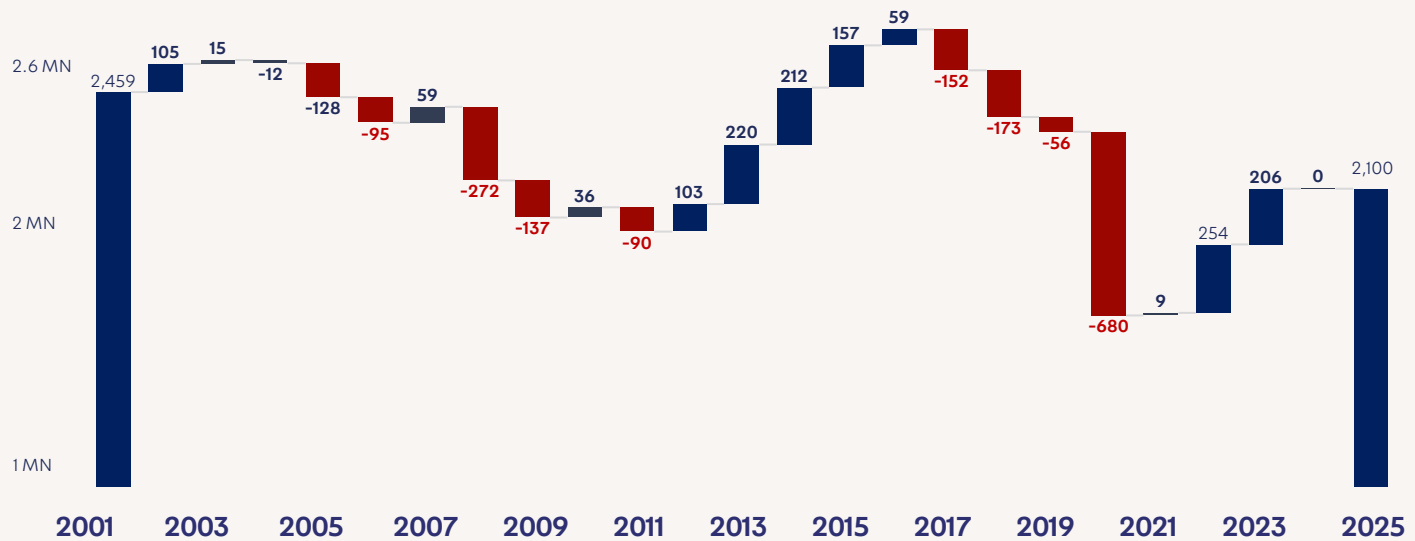
In 2020 & 2021

▼ **29%**

Drop in new car registrations

2021 vs 2019

## NEW CAR REGISTRATIONS (2001-2025)



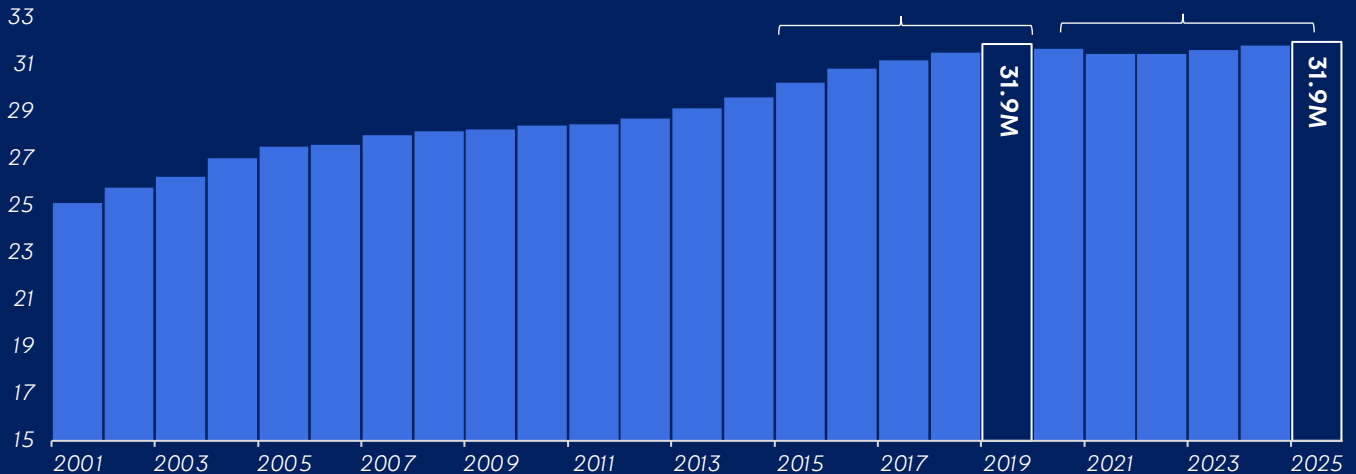
The British car parc grew every year to 2020. The huge combined effects of the COVID-19 lockdowns and the global component shortages mean the overall parc is now unlikely to exceed pre-pandemic levels until 2025.

## BRITISH CAR PARC (2001-2025)

Assumes 2019 scrap rate at 5.6%

Parc grew **5.4%**  
between 2015 & 2019

Static car parc  
up to 2025

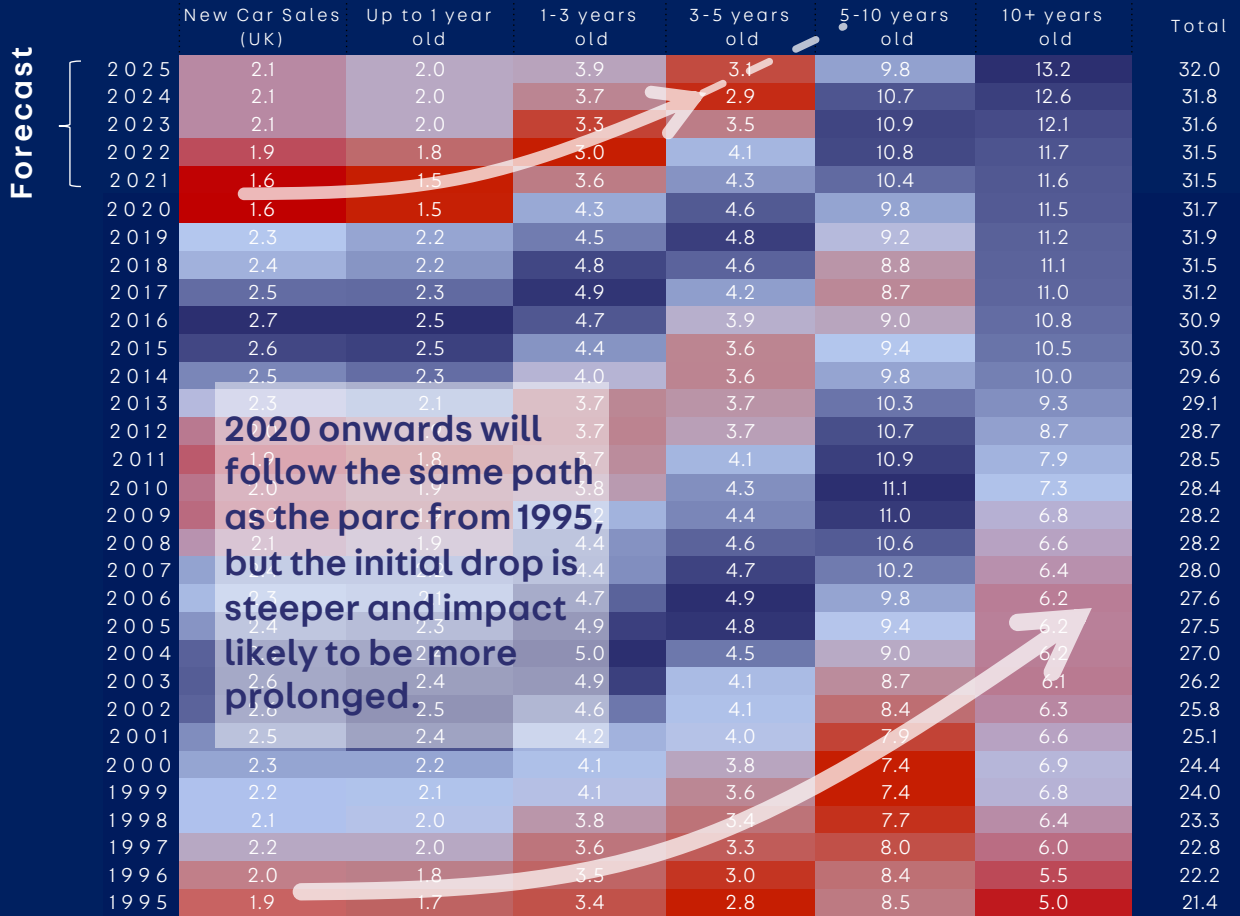


But the age profile of the parc is likely to change dramatically as those 1.4mn lost new car sales in 2020 and 2021 don't flow through the parc over subsequent years. These 'missing' new cars mean that by 2024 we will see a **third fewer – 1.9mn – 3 to 5 year old cars than were in the parc in 2019.**

### SIZE OF THE CAR PARC BY AGE BAND

Great Britain. Thousands.

LOW MID HIGH



2020 onwards will follow the same path as the parc from 1995, but the initial drop is steeper and impact likely to be more prolonged.

The drop in the number of younger used cars in the parc has wide implications - **retailers of all types will face ongoing challenges in sourcing stock for some years to come.** So with the current market dynamics set to last into the middle of the decade, planning and use of data will be critical to success.

### NUMBER OF CARS IN THE PARC BY AGE BAND: INDEXED

Great Britain. 2019 = 100.

