



# Monthly Market Intelligence

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

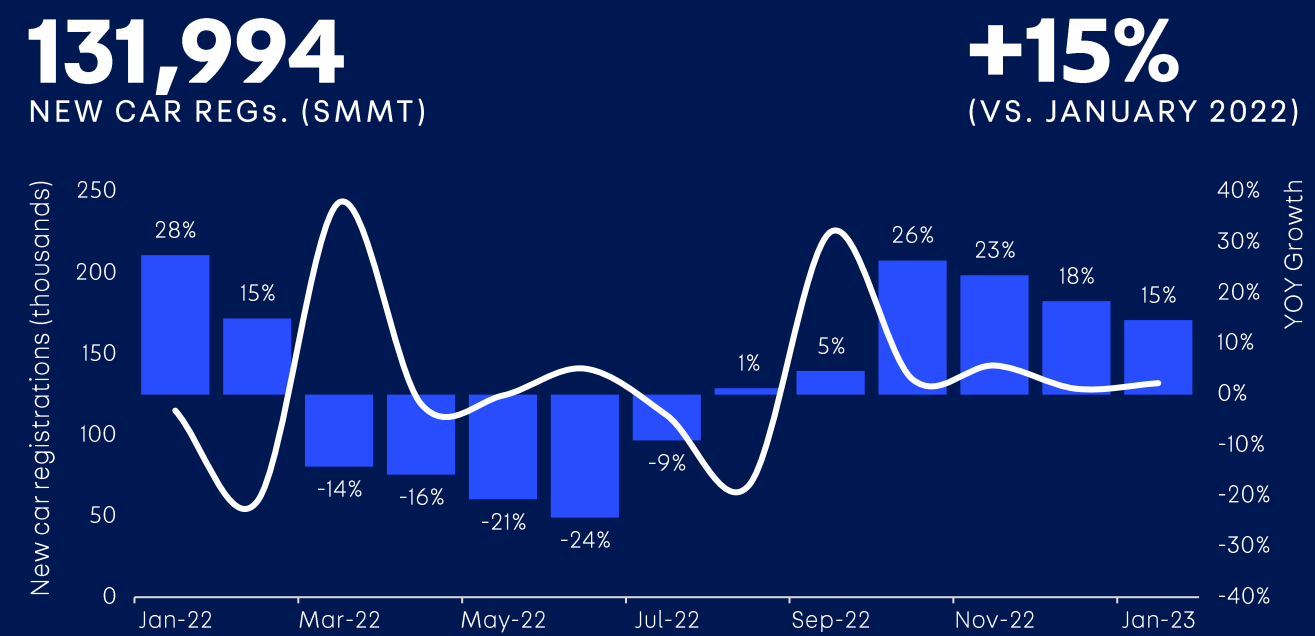
JANUARY 2023

 AutoTrader

# An encouraging start to the year for the used car market, with electric remaining a challenge

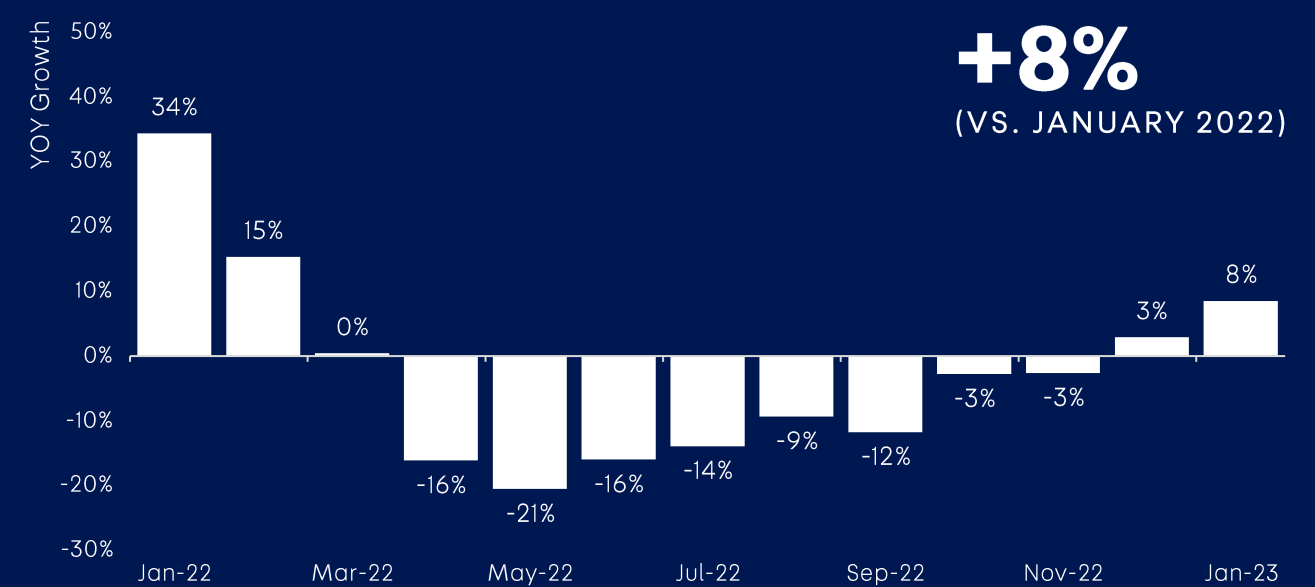
## NEW CAR REGISTRATIONS

The new car market recorded a **sixth consecutive month of year-on-year growth, beating last January by 15% but remaining 12% below pre-pandemic levels.** Signs of returning supply increased volume to the fleet sector, whilst retail was slightly behind. Electric cars accounted for 13.1% of total new car sales, which is below last year's average and some way off the trajectory needed to maintain progress.



## AUTO TRADER PROXY USED CARS SOLD (YEAR-ON-YEAR)

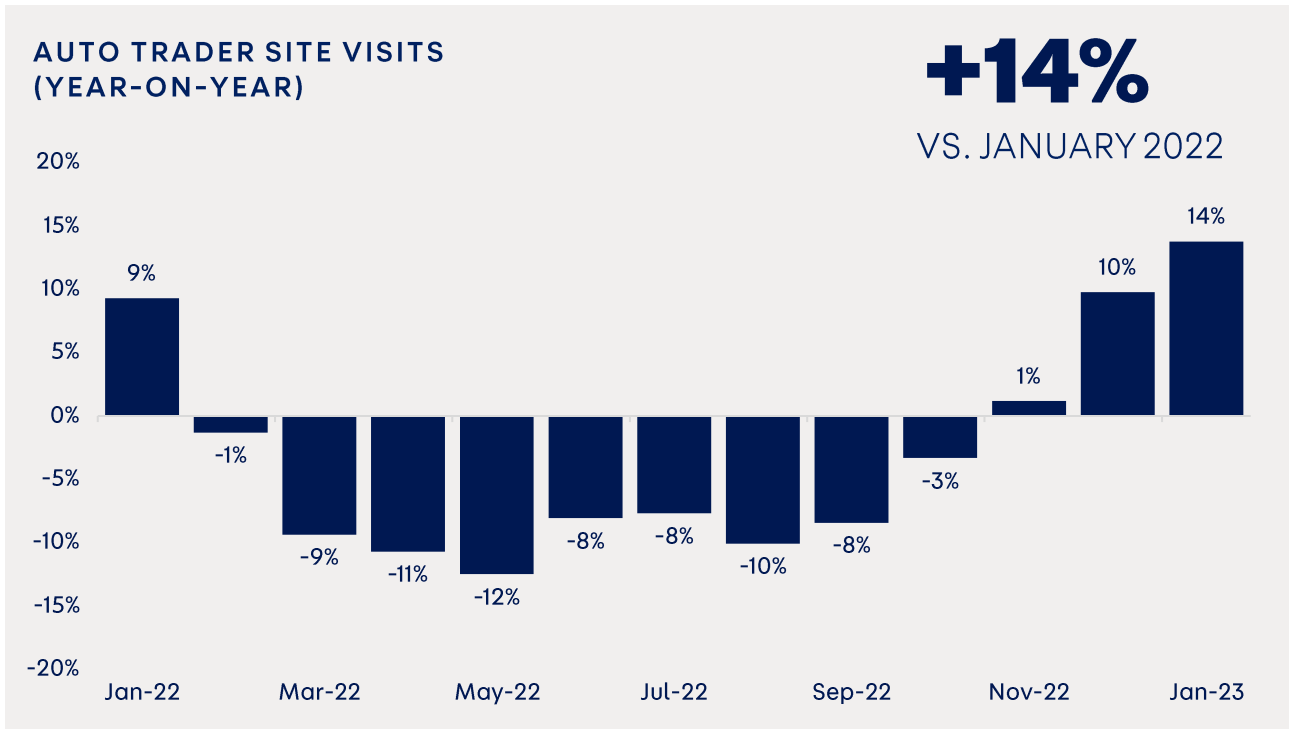
**Used car sales increased 8% year-on-year** based on the stock removed from Auto Trader in January, marking a robust start to the year. Despite the uplift, **sales remain 4% below pre-pandemic levels as supply constraints in the used car market persist.**



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.

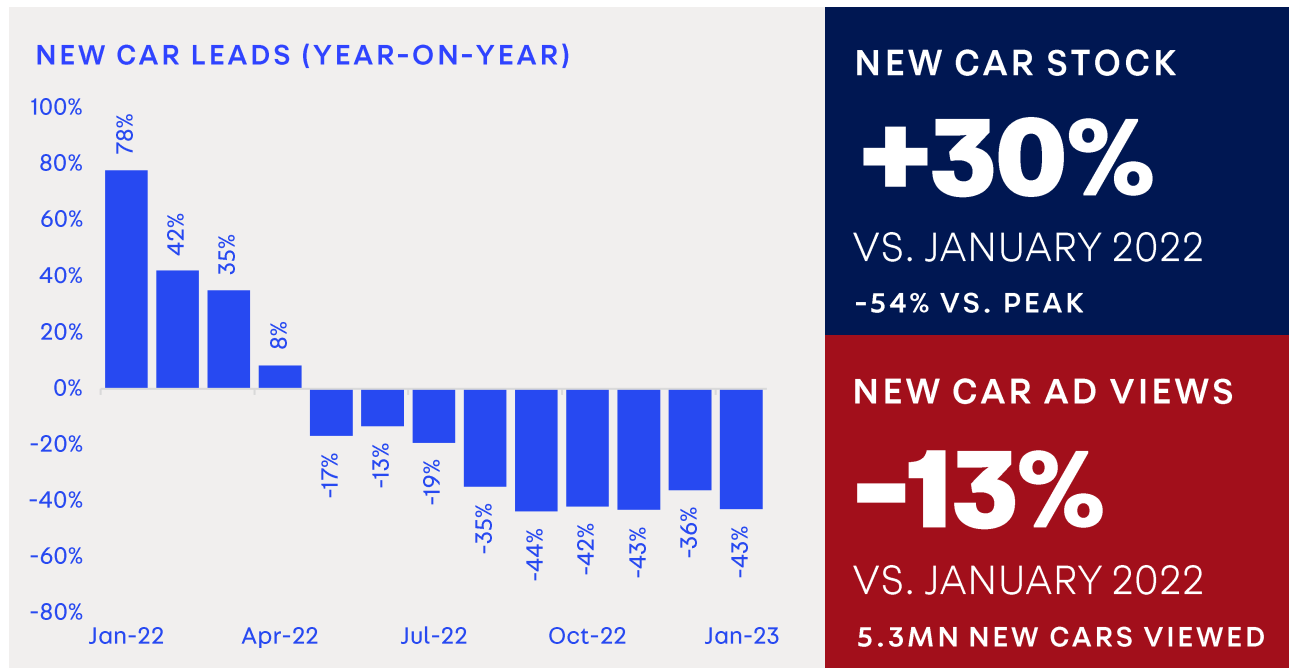
# AUTO TRADER AUDIENCE

Consumer demand metrics in January surpassed most expectations, with site visits to Auto Trader increasing 14% over the prior year, **providing cautious optimism for 2023**. Consumers visiting Auto Trader also confirmed that they were starting to feel more confident, with over 80% at least as confident as last year in being able to afford their next car.



# NEW CAR: ENGAGEMENT & CONVERSION

New car leads increased 21% from December to January as demand pick-ups at the start of the year, but volumes fell further on a year-on-year basis as the cost of borrowing continues to rise. Average APRs powering finance calculators on Auto Trader show that **the cost of borrowing has risen from 4.7% to 7.9% over the last year**.



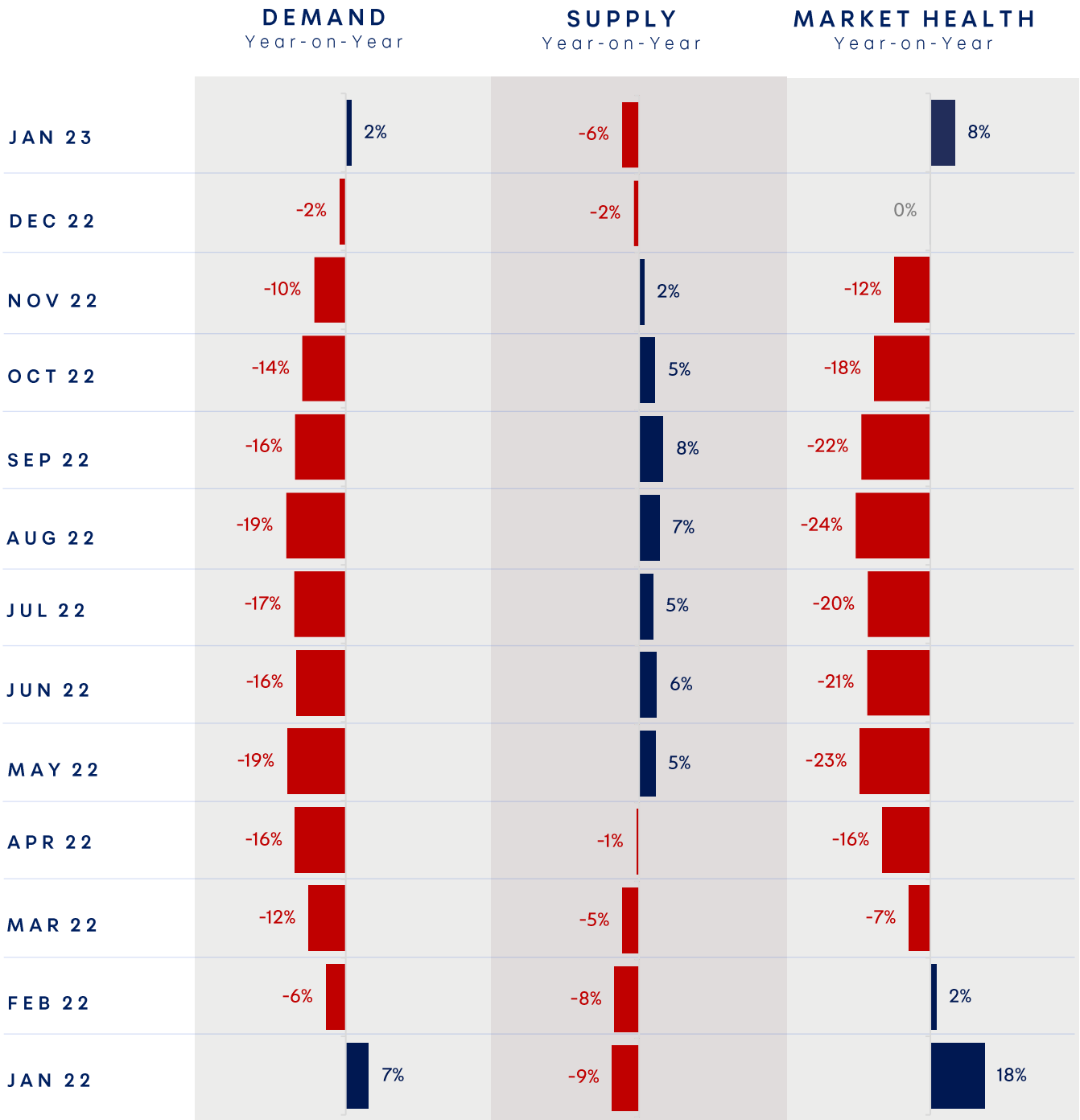
NEW CAR AD VIEWS  
-13%  
VS. JANUARY 2022  
5.3MN NEW CARS VIEWED

# USED CAR MARKET HEALTH

The Auto Trader used car market health metric was positive for the first time in over a year, increasing 8% year-on-year in January as supply slows and demand picks-up. Used cars sold every 40 days in January, one day slower than 2022, but two days faster than the pre-pandemic 2019 period.



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



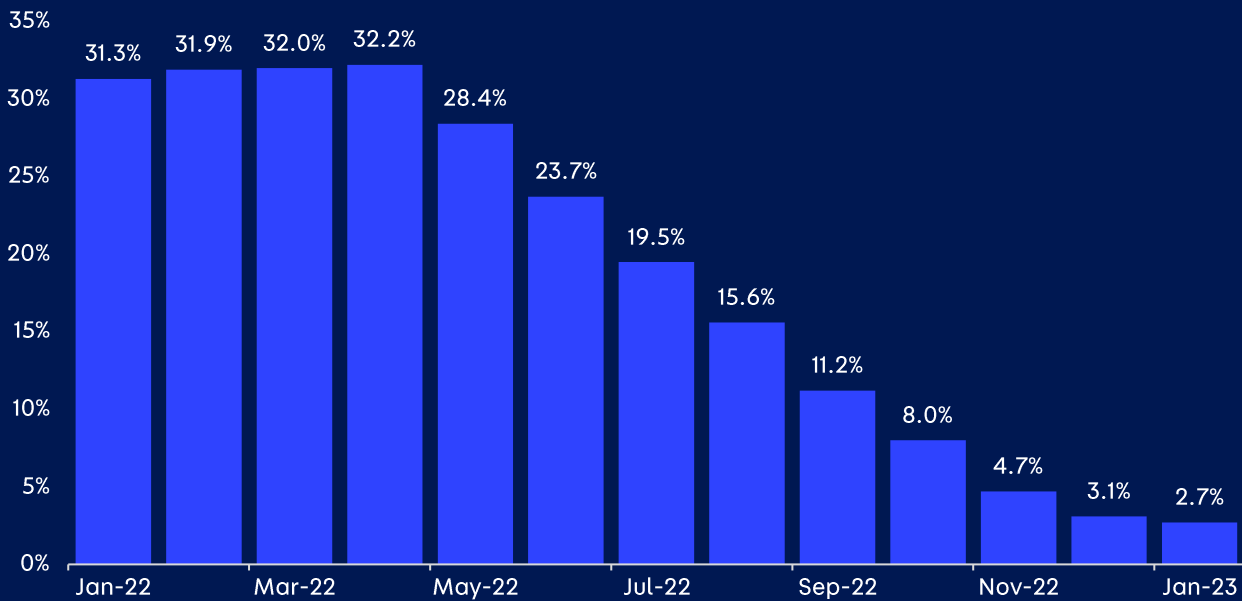


# USED CAR RETAIL PRICE GROWTH

Used car retail prices increased by 2.7% on a year-on-year and like-for-like basis, marking 34 consecutive months of growth. Although the rate of year-on-year pricing growth is slowing (now at the lowest rate since exiting the Covid lockdown in May 2020), it builds on the 31.3% recorded in January last year and highlights the continuing robustness of the market.

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

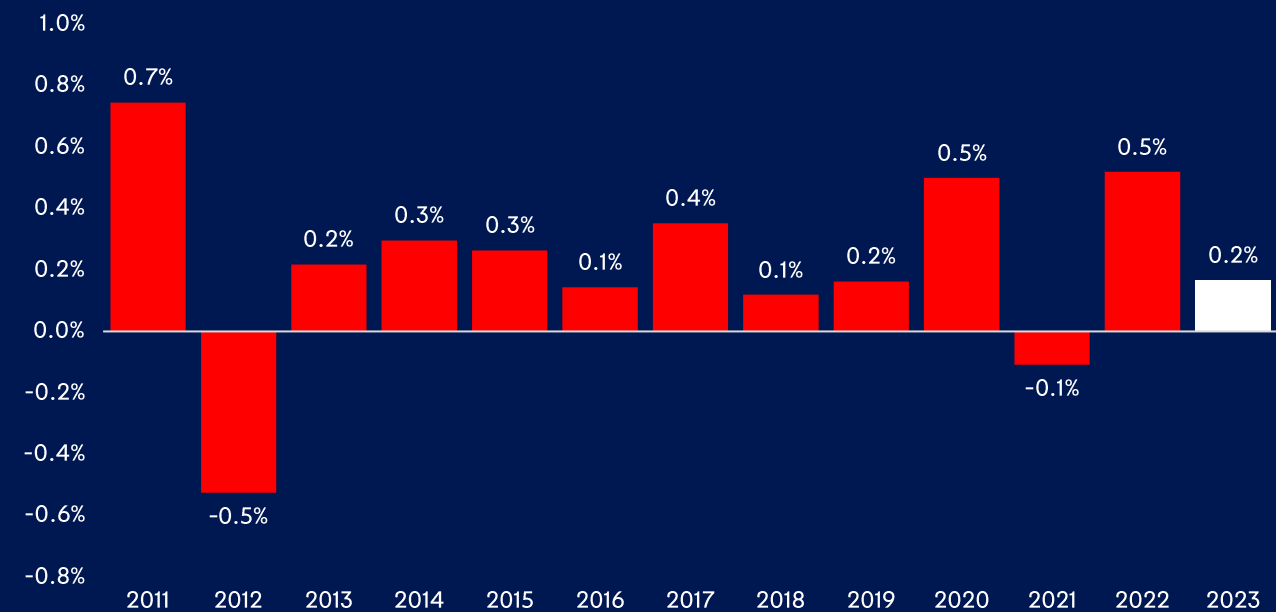
Like-for-Like Basis



Following the seasonal slowdown in December, used car prices picked-up in January, increasing 0.2% on a month-on-month basis. This movement matches the average retail price change seen in pre-pandemic Januarys between 2011 and 2019.

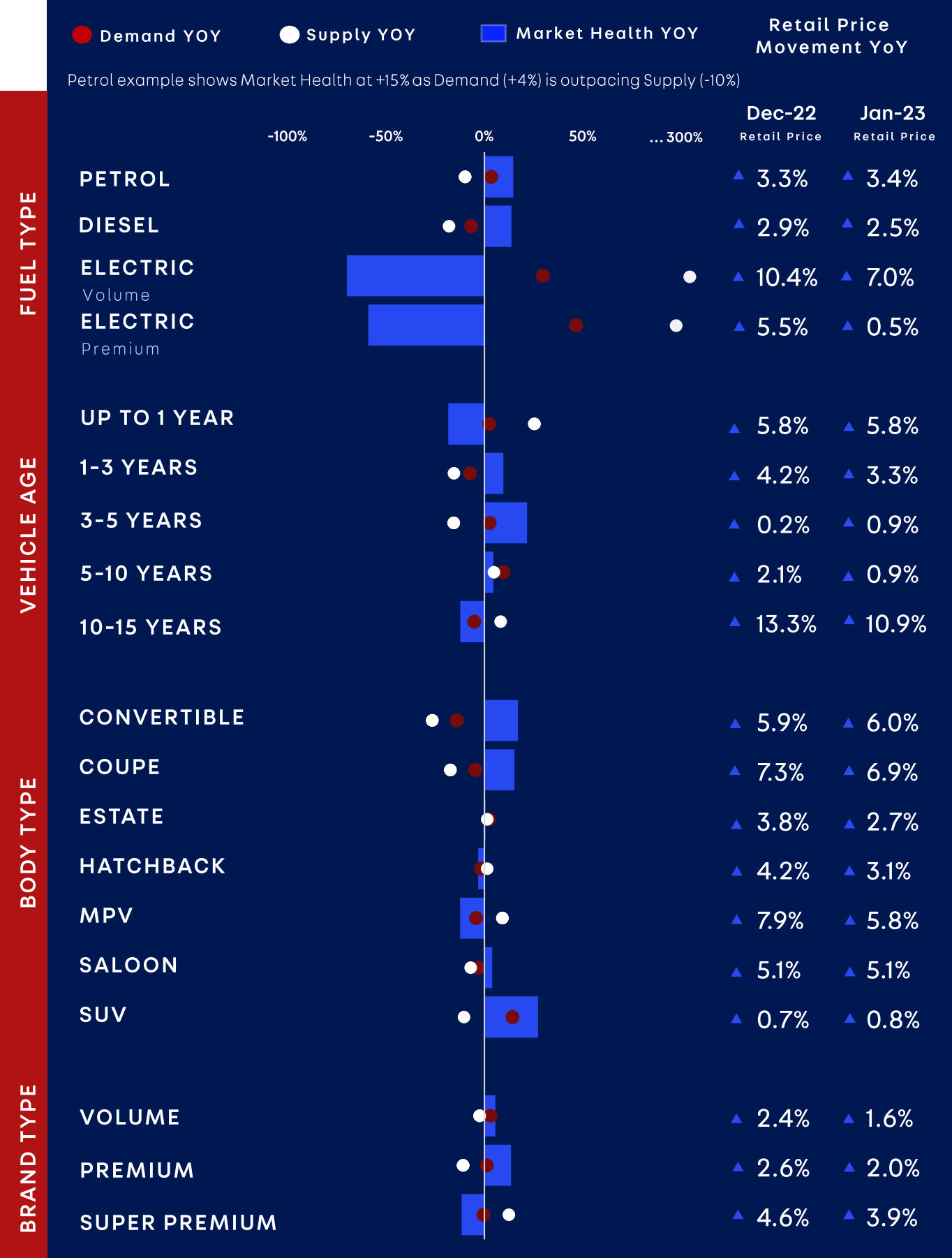
## MONTH-ON-MONTH USED CAR RETAIL PRICE GROWTH: JANUARY

Like-for-Like Basis



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

# Used EV Prices

Supply of used EVs outpaced demand in 2022 - stock levels increased 81% year-on-year whereas ad views only grew 27%

USED AD VIEWS

2021

+27%

2022

USED EV STOCK

2021

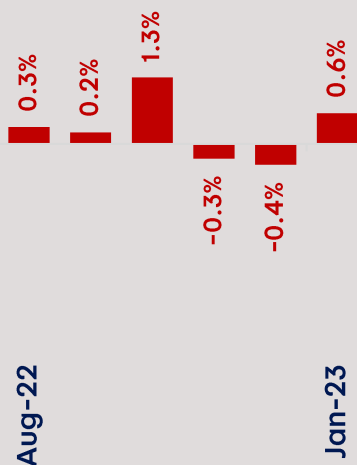
+81%

2022

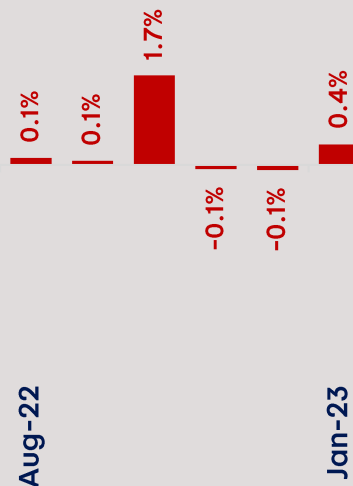
## Weak market conditions have led to used EV prices falling for five consecutive months

USED CAR RETAIL PRICES: MONTH-ON-MONTH  
Like-for-like.

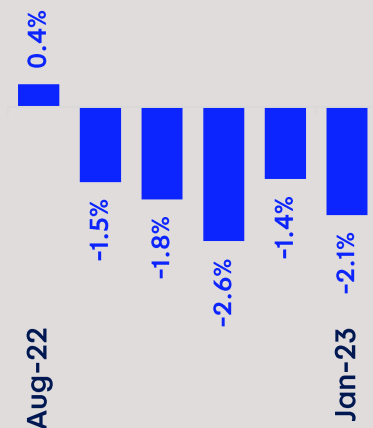
PETROL



DIESEL























ELECTRIC



# Some brands and models are seeing larger price reductions than others

Top 10 most stocked used (one year old) electric models. Median advertised prices

		Aug-22	Jan-23	Change (£)	Change (%)
MG ZS EXCLUSIVE		£25.0K	£24.0K	-£1.0K	-4.1% 
LEAF TEKNA		£26.9K	£25.0K	-£1.9K	-7.1% 
208 GT		£28.0K	£26.0K	-£2.0K	-7.1% 
EQA AMG LINE		£49.0K	£45.5K	-£3.5K	-7.2% 
CORSA ELITE NAV PREMIUM		£26.0K	£24.0K	-£2.0K	-7.7% 
ID.3 LIFE		£36.0K	£32.0K	-£4.0K	-11.1% 
ELECTRIC LEVEL 2		£30.0K	£26.5K	-£3.5K	-11.7% 
ZOE ICONIC		£22.5K	£19.5K	-£3.0K	-13.3% 
MODEL 3 LONG RANGE		£50.9K	£43.6K	-£7.3K	-14.4% 
ZOE GT LINE		£24.0K	£20.5K	-£3.5K	-14.6% 

But not all electric models are being pushed aside by in-market buyers with some outperforming the market

FASTEST SELLING ELECTRIC MODELS (USED: SUB 3 YEARS OLD)  
January 2023. Number of days.

