

A red car is driving through a tunnel, viewed from the driver's perspective. The car's side mirror and window are visible in the foreground. The tunnel walls are concrete and have yellow lights. Other cars are visible in the distance.

Monthly Market Intelligence

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

OCTOBER 2023

 AutoTrader

New car supply returns to the market as used car pricing softens despite robust demand

NEW CAR REGISTRATIONS

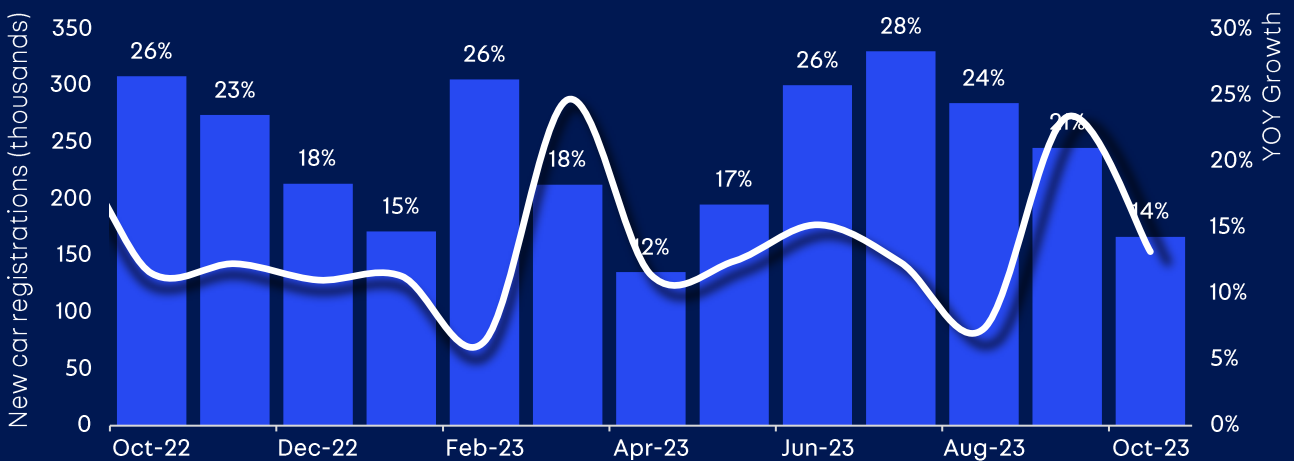
October saw strong year-on-year growth with new car registrations up 14.3%. As supply returns, the fleet sector continues to drive the recovery with a 29% increase vs. 2022, and a 57% share of the October market – up 6 percentage points versus prior year. Retail sales were flat despite discounts continuing after the latest plate-change month, suggesting OEMs may have to stimulate retail demand further or rely more heavily on fleet channels.

153,529

NEW CAR REGs. (SMMT)

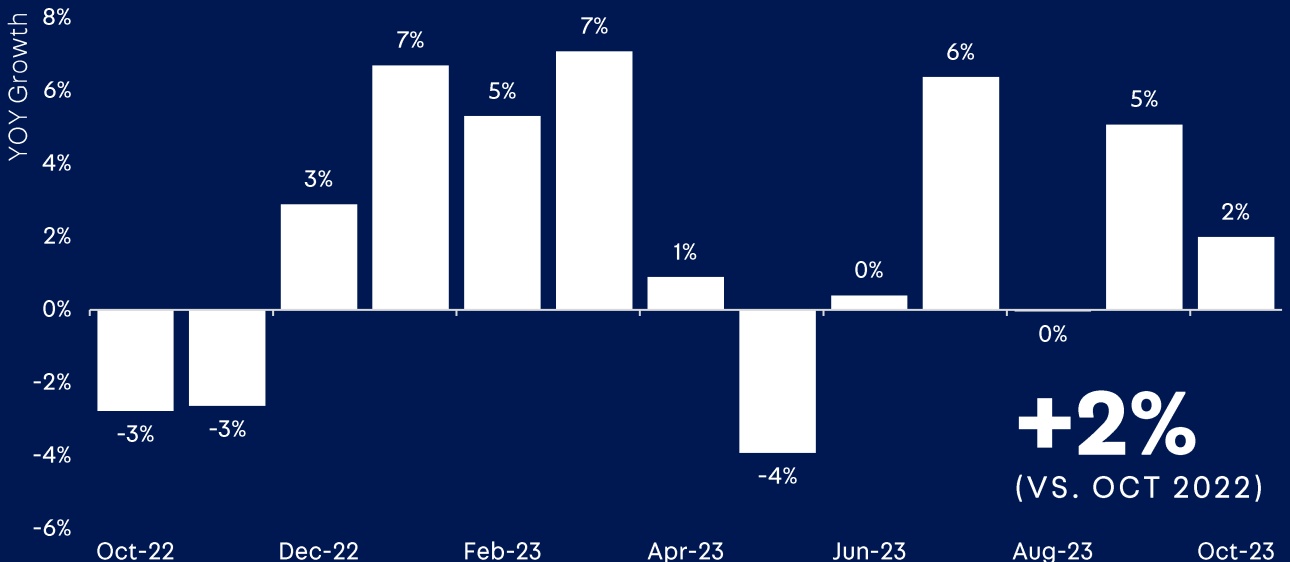
+14%

(VS. OCT 2022)



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

Used car sales grew by 2% in October vs. the same period last year based on the stock removed from Auto Trader. Much of this growth was driven by an increase in the supply of younger stock, with sales of under-1-year-old cars increasing by 51% as the market edges closer to pre-pandemic norms.



+2%

(VS. OCT 2022)

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.

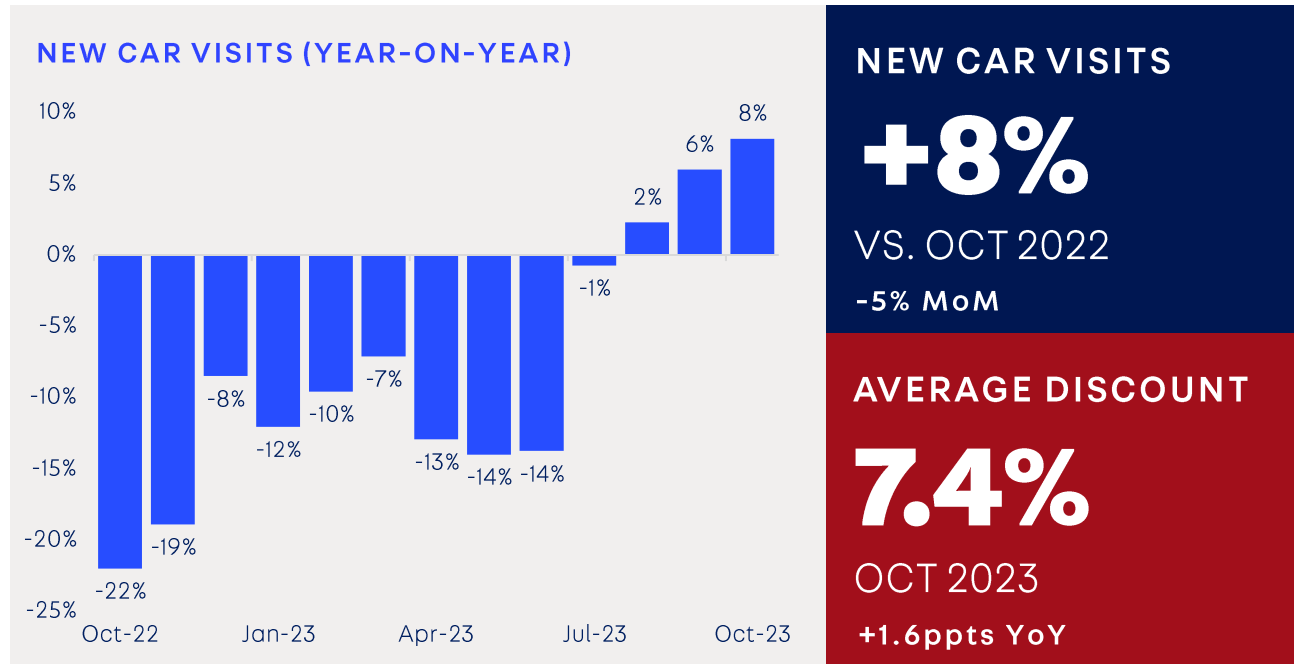
AUTO TRADER AUDIENCE

Visits to Auto Trader continued to grow year-on-year: up by 9% in October compared with this time last year. The consistently high visits to Auto Trader this year are a strong indication that the automotive market remains robust despite ongoing economic pressures, with cars seen as an essential purchase by many consumers.



NEW CAR ACTIVITY

The number of visits to brand new cars increased by 8% in October compared with the same time last year, a positive sign following a challenging start to the year. **One reason for this growth is the increase in discounts offered to consumers by retailers and manufacturers.** Discounts have remained attractive after the September plate change, with the average advertised saving on a new car now 7.4%.



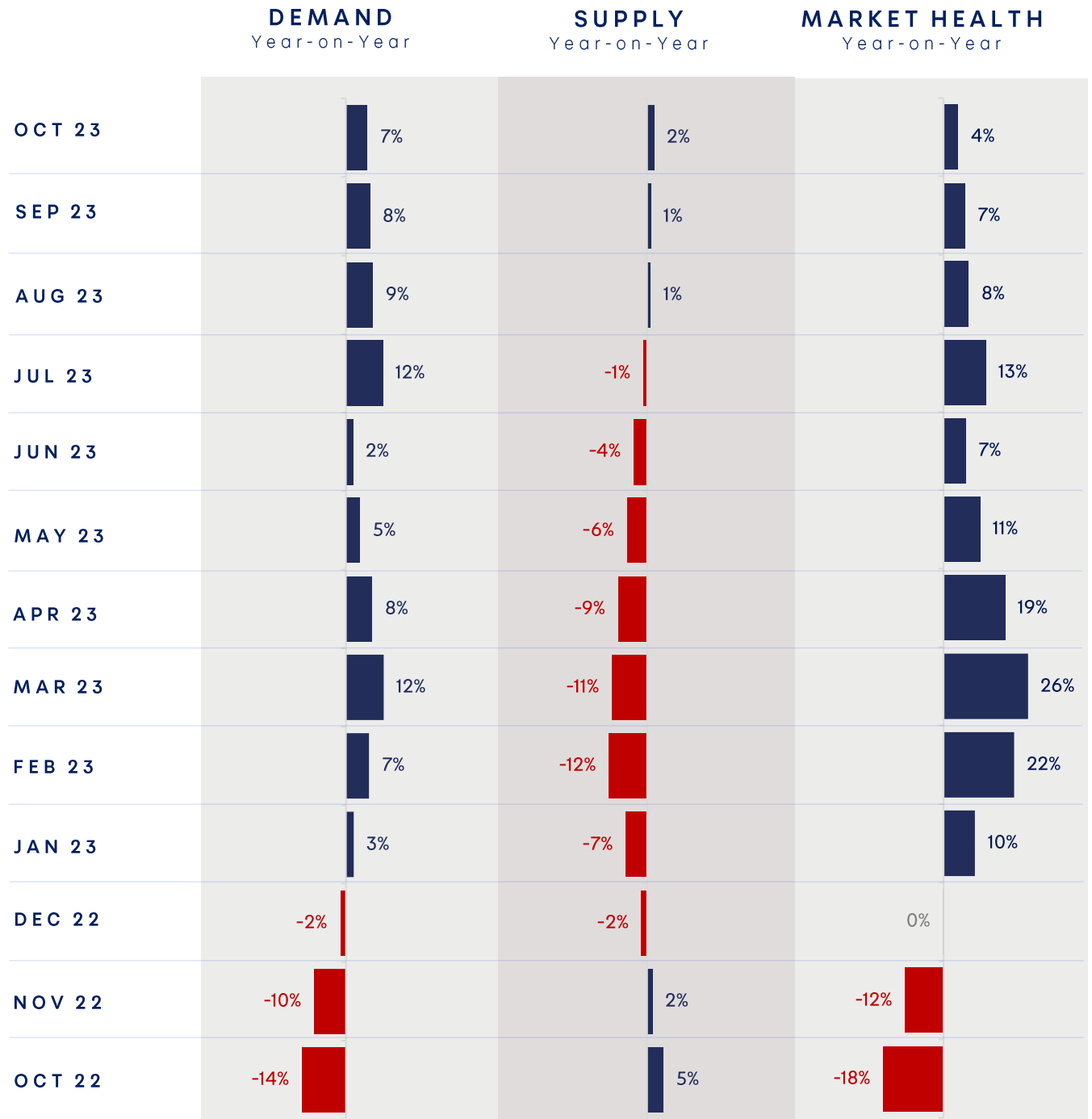
USED CAR MARKET HEALTH

Supply is continuing to return to the market, driven by an uplift in nearly-new stock.

Critically, demand remains ahead of last year and is outpacing supply: although the annual increases have been softening since August. Used cars sold every 29 days: one day faster than last year and the same as 2019. Electric remains the fastest selling fuel-type, with turn-times for EVs falling for the fifth consecutive month to 24 days.



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

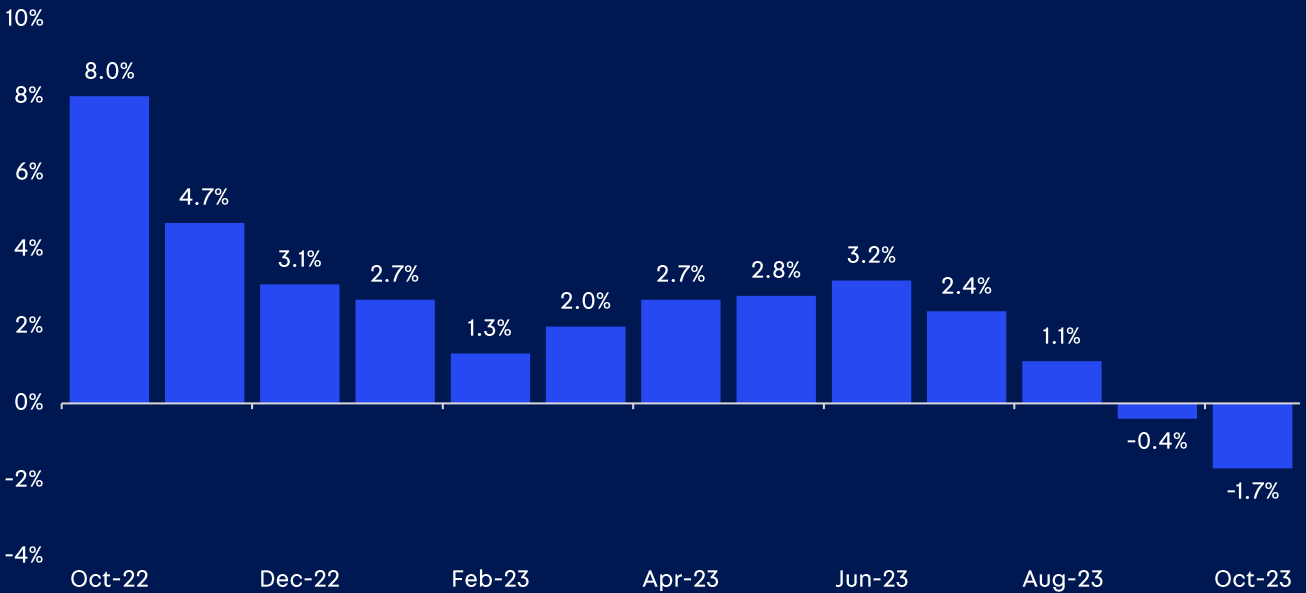


USED CAR RETAIL PRICE GROWTH

For the second month in a row, like-for-like used car prices decreased year-on-year, contracting by **-1.7%**; but the average price of a used car in October was still £17.6k, £3.6k higher than in 2019. Much of the decline sat with younger vehicles, with 1-3-year-old cars seeing a -7.6% drop in price. A combination of increased discounts on brand new cars, the return of nearly-new stock and the shift to electric have put pressure on the prices of 1-3-year-old cars - though demand in this segment remains ahead of supply.

YEAR-ON-YEAR USED CAR RETAIL PRICE GROWTH

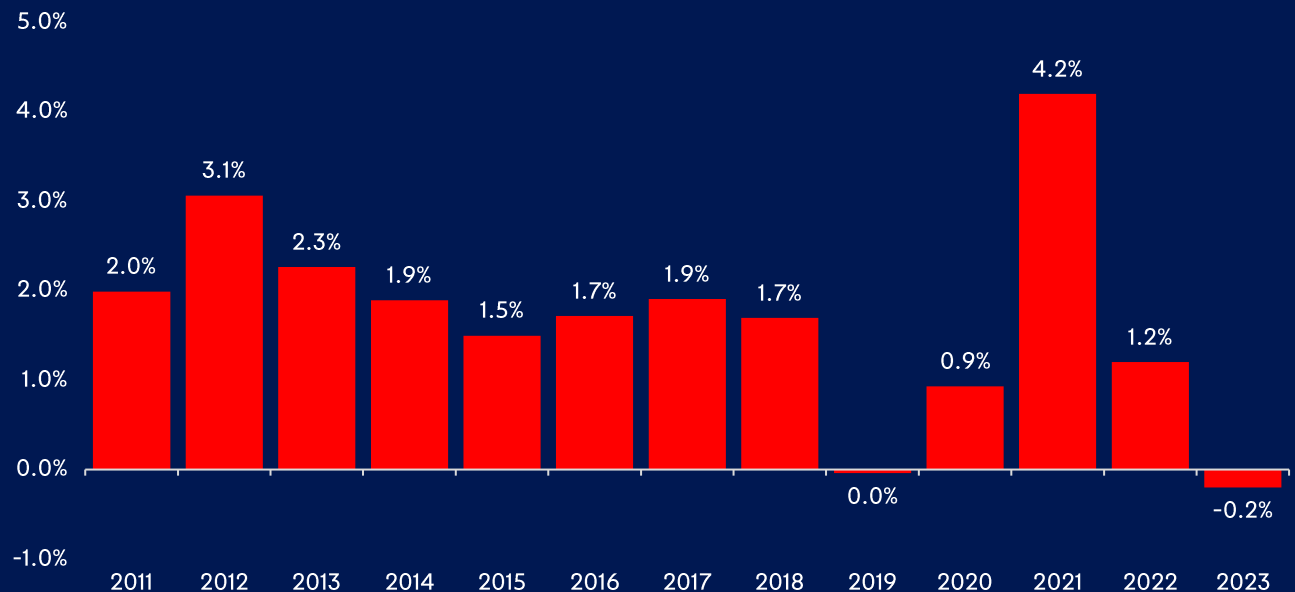
Like-for-Like Basis



Used car retail prices fell -0.2% month-on-month, bucking historic trends. Although prices were below the seasonal trend, older cars continued to see strong pricing movements, with annual price growth of 9.6% for 10 – 15-year-old cars. Electric car prices stabilised further with demand at record levels. However, with 1 in 6 used cars still priced at least 5% below their market value, there's opportunity to price more accurately.

MONTH-ON-MONTH USED CAR RETAIL PRICE GROWTH: OCTOBER

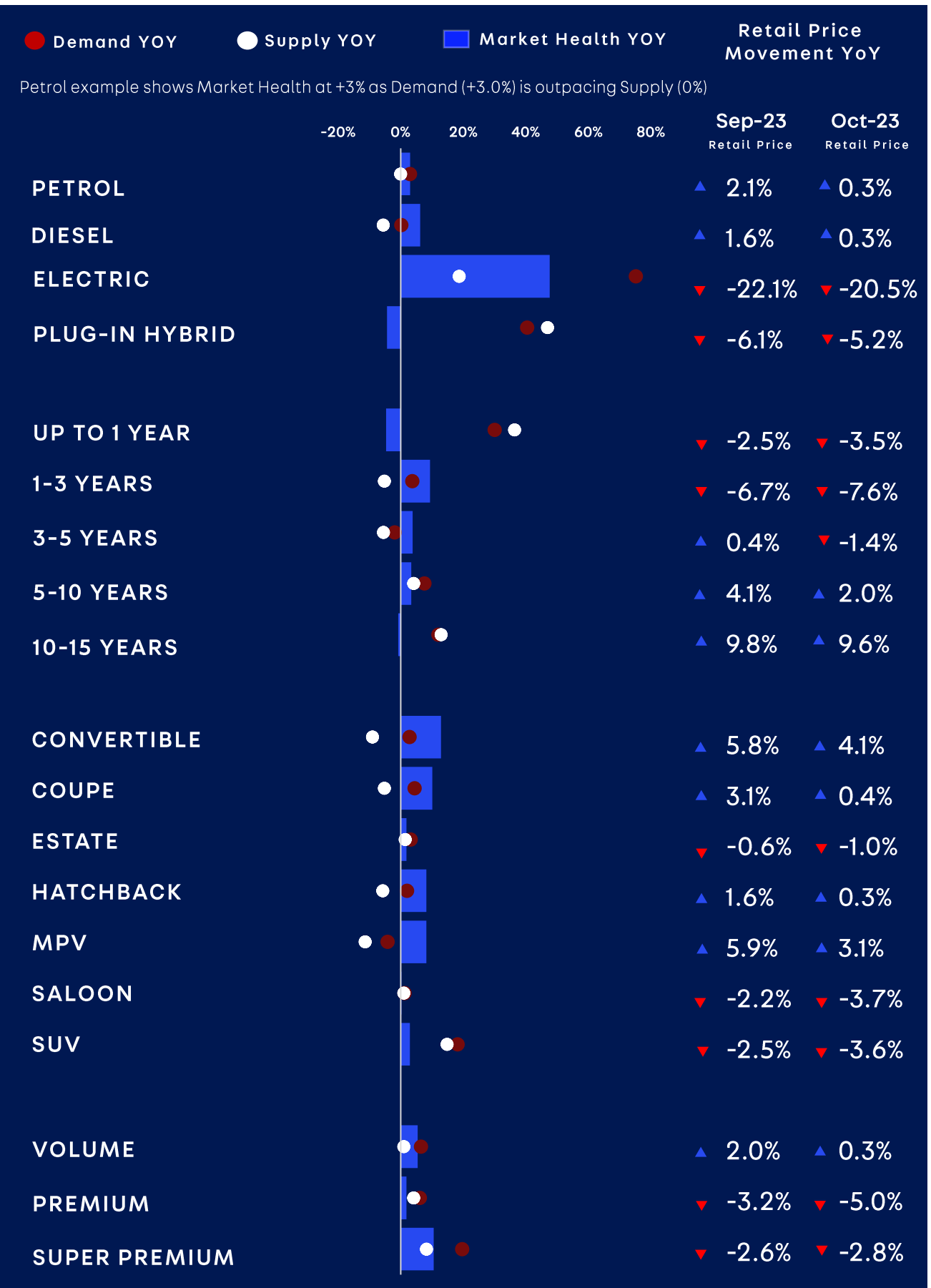
Like-for-Like Basis



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.



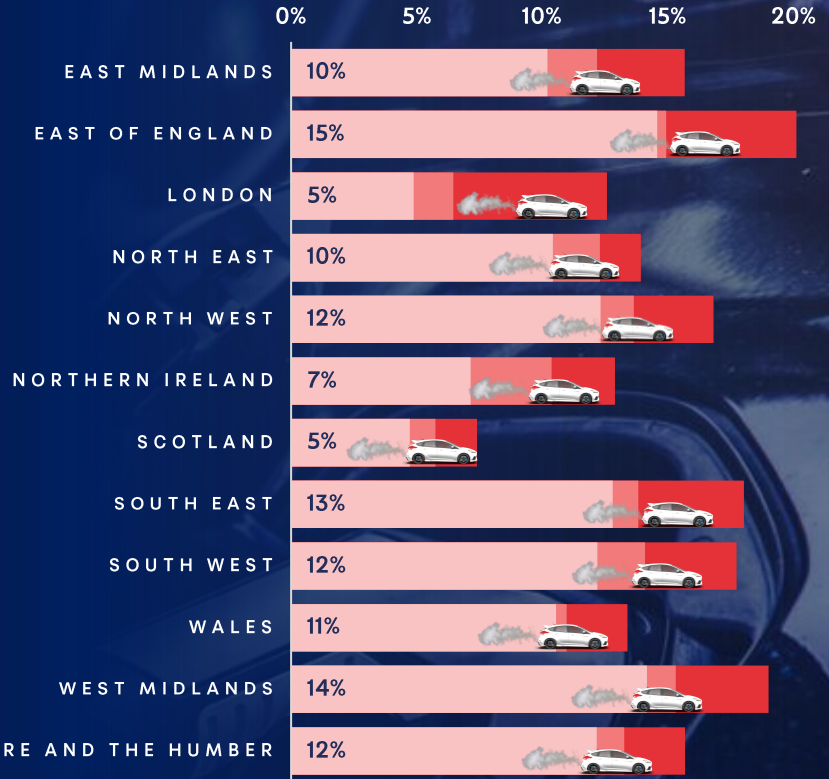
In focus this month

Low Emission Zones

London's ULEZ zone has widened, but there's little evidence that non-compliant stock is being shifted from the South to the North.

Across the UK, retailers are stocking fewer non-compliant cars.

USED CARS BY REGION
% NOT ULEZ COMPLIANT
 Advertised on Auto Trader



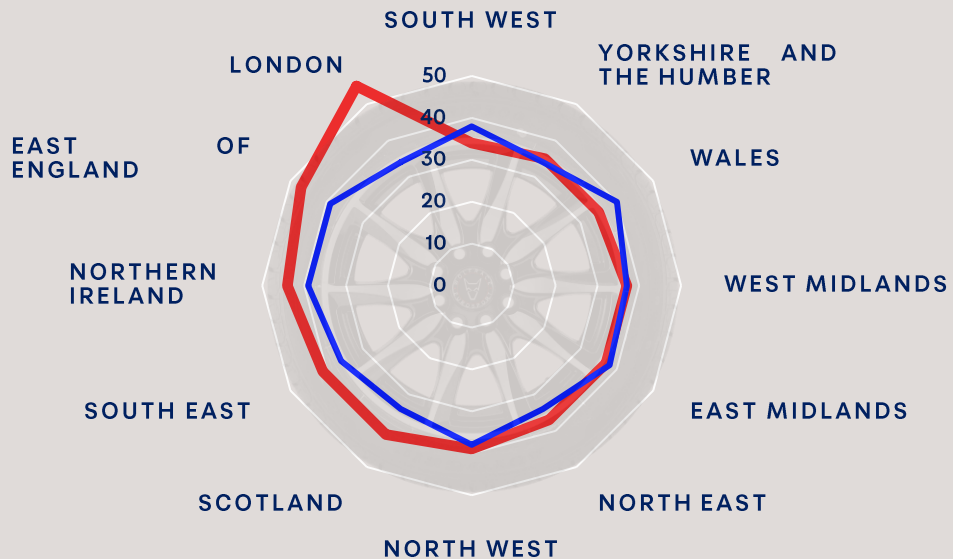
Outside of London and the East of England, non-compliant stock is turning at a good pace.

Consumers not affected by low emission zones still show high demand for older cars.

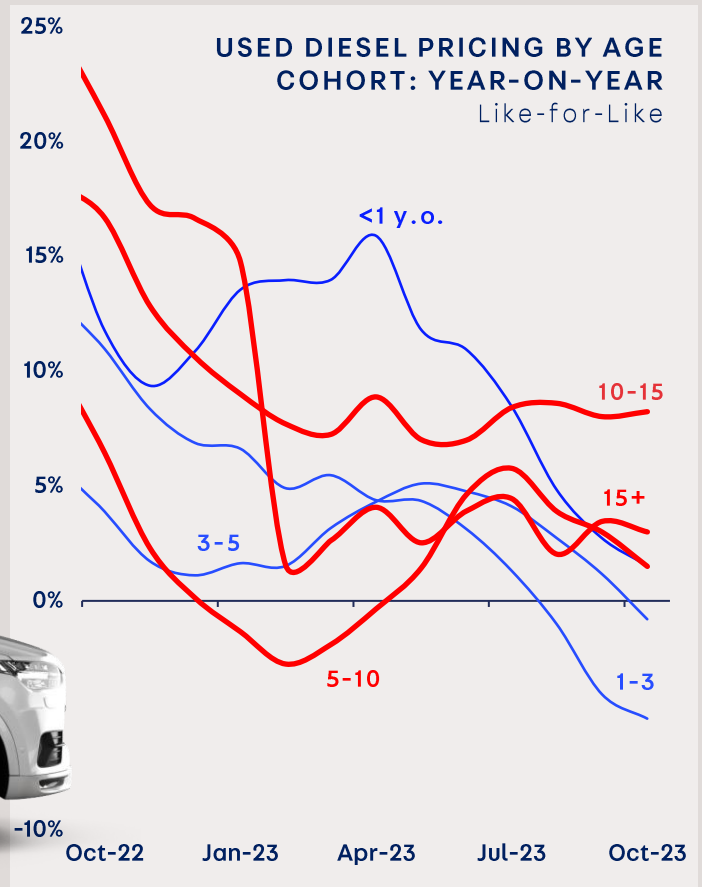
NUMBER OF DAYS IN STOCK

Used cars advertised on Auto Trader

NOT ULEZ COMPLIANT **ULEZ COMPLIANT**



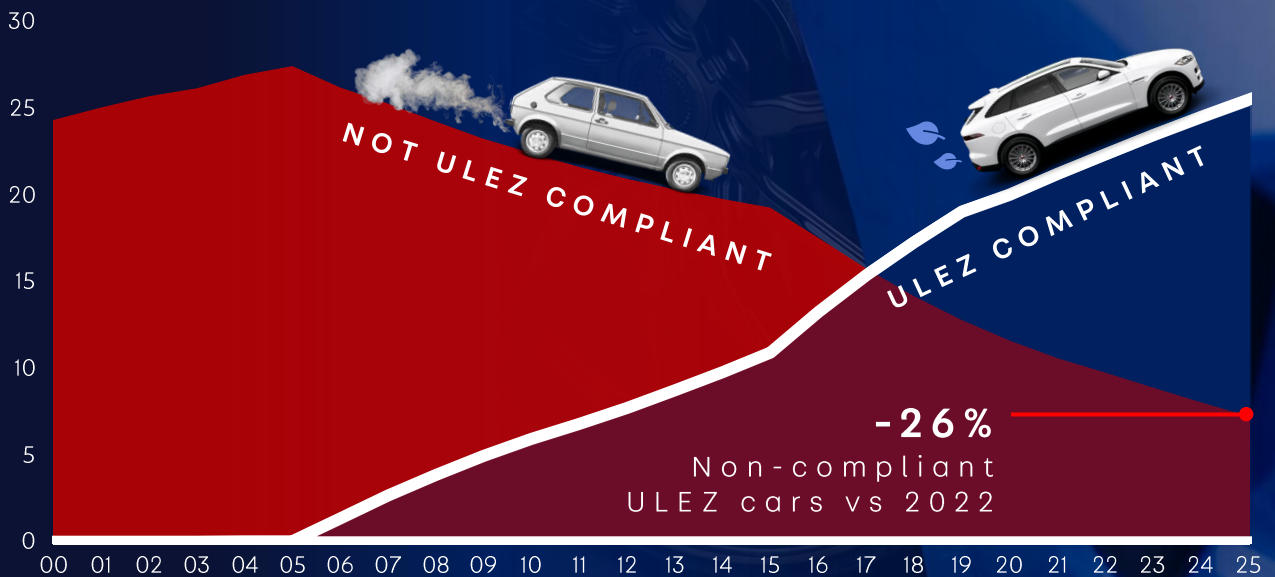
With supply falling and demand stable (in most regions), prices of non-compliant diesel cars are robust, growing faster than last year and faster than compliant diesel cars.



And with supply of non-compliant cars projected to decline 26% over the coming years, prices shouldn't change significantly as long as demand remains stable.

NON-COMPLIANT CARS ON THE ROAD IN GREAT BRITAIN

Million. Licensed cars. DVLA (2000-2022), Auto Trader (2023-2025)



Note: the number of ULEZ compliant cars on the road is an estimate that includes petrol and petrol mild hybrid cars registered after 2005, diesel and diesel mild hybrid cars registered after 2015, plug-in hybrids, electric cars, and full hybrids