

An aerial photograph of a winding asphalt road through a lush green valley. A white van is driving on the road, moving away from the viewer. The landscape is filled with green grass, trees, and rolling hills. The road curves through the valley, and there are some blue directional signs along the side. The overall scene is bright and sunny, with shadows cast on the ground.

Monthly Market Intelligence

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

MAY 2022

 AutoTrader

A slow return to a 'normal' market - supply of younger stock still a challenge, demand is robust

NEW CAR REGISTRATIONS

New car registrations fell 21% in May as global supply constraints persist in the second quarter. Once again, retail sales continued to be more insulated from the shortage at -10% vs. May 2021 and YTD are ahead of prior year.

124,394

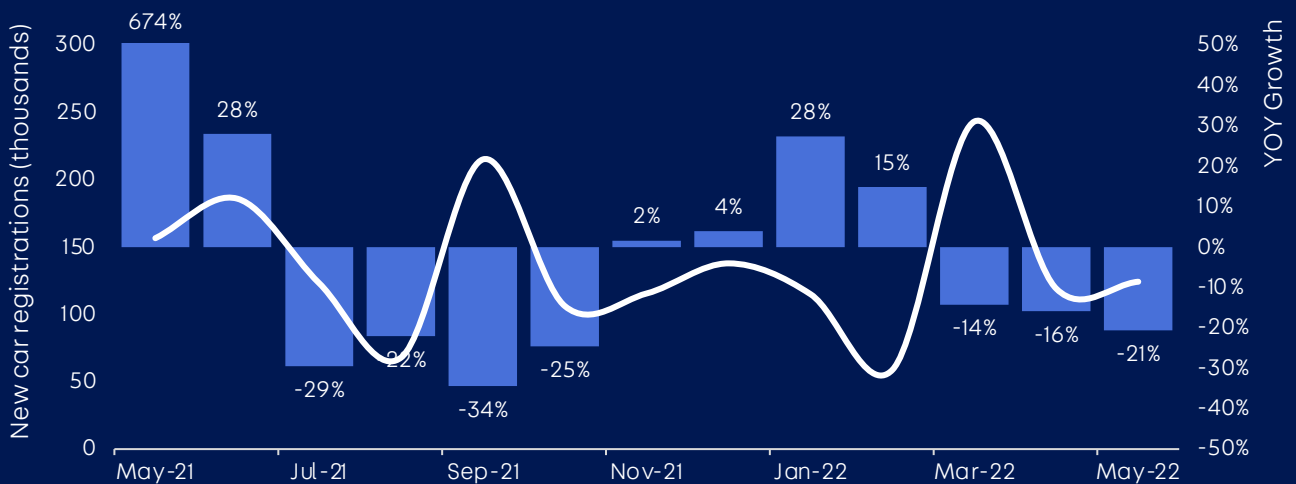
NEW CAR REGs. (SMMT)

-21%

(VS. MAY 2021)

-32%

(VS. MAY 2019)



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

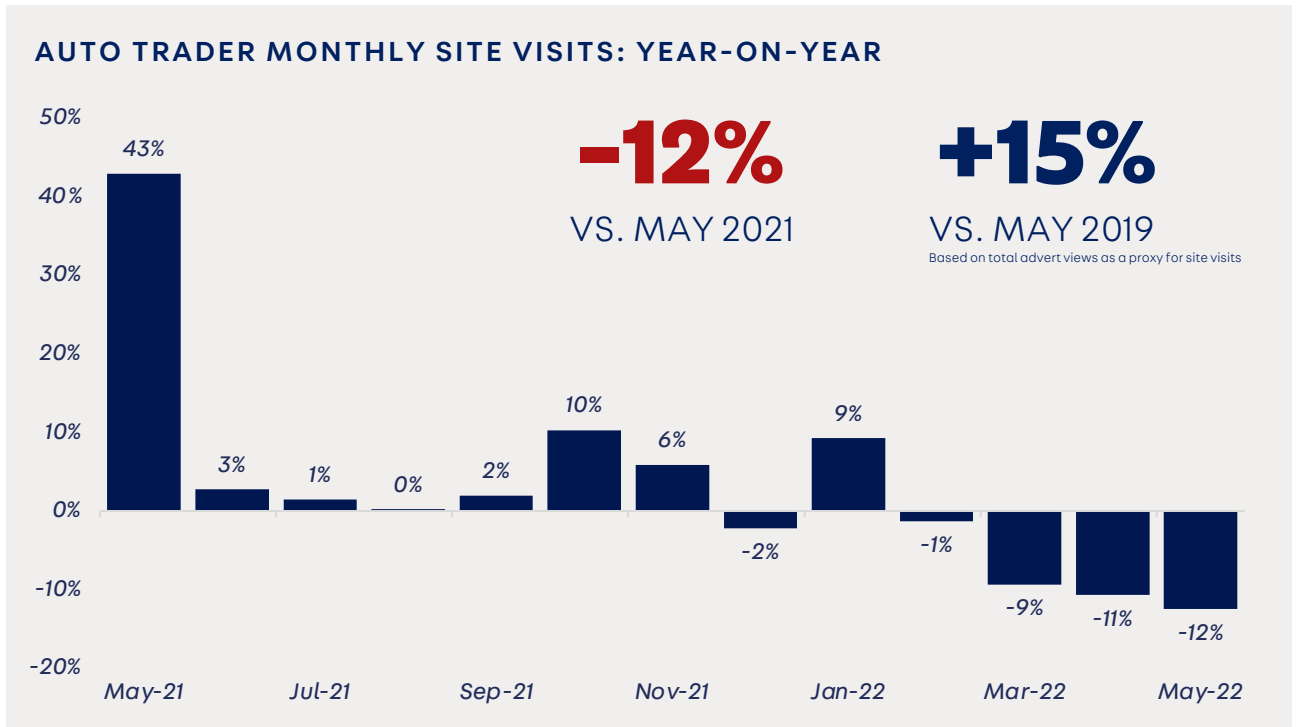
Used car sales fell 19% year-on-year based on stock removed from Auto Trader in May. Sales were only down 4% when compared to pre-Covid levels, primarily driven by supply factors in younger age cohorts rather than being demand-led.



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.

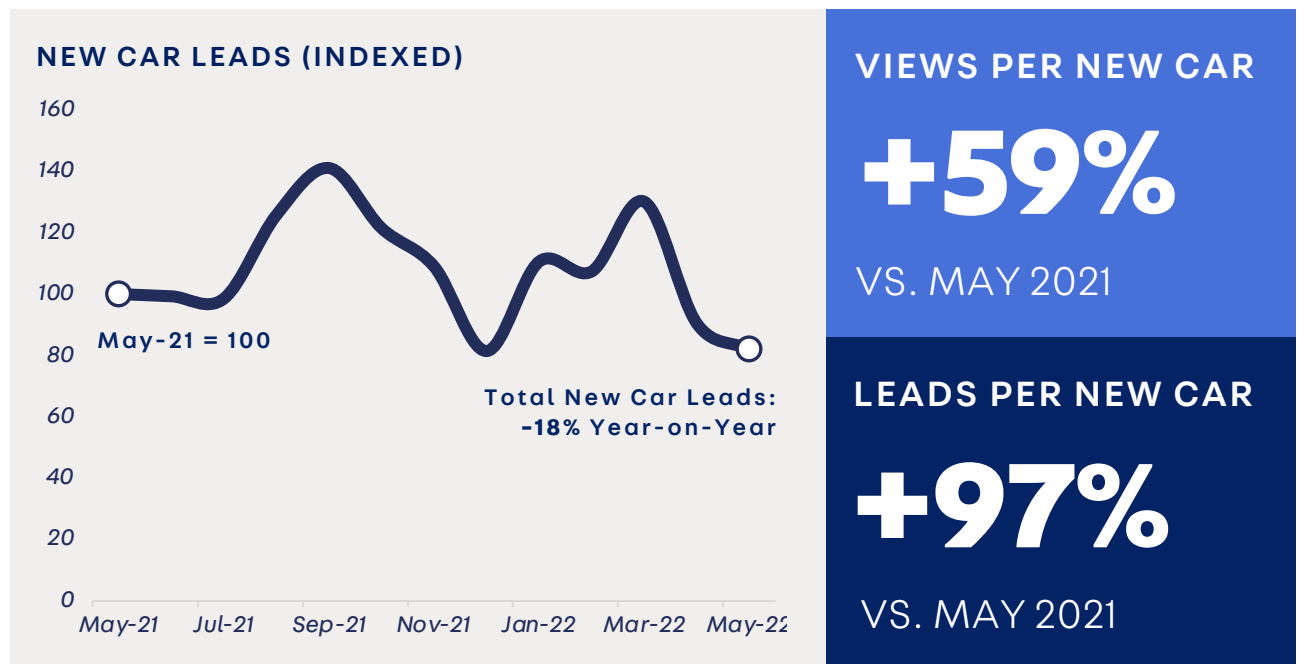
AUTO TRADER AUDIENCE

Like most sectors that saw a boom in 2021, the automotive industry is now going through a period of cooling-off with YoY consumer demand showing signs of softening versus the post-lockdown surge of 2021. **In May, site visits to Auto Trader were down 12% on last year, but despite the economic backdrop, demand for cars remains around 15% ahead of pre-COVID levels, evidence of relative market strength.**



NEW CAR: ENGAGEMENT & CONVERSION

The average new car advert was viewed 176 times in May, up 59% on prior year. Total new car leads fell year-on-year as a result of limited stock availability, but adjusting for the drop in supply indicates the **average new car advert in May generated almost twice as many leads as last year.**



USED CAR MARKET HEALTH

With used car demand softening and supply growing for the first time in over a year, **the Auto Trader Market Health indicator is down 27% in May over the prior year.** But the headline numbers disguise a more encouraging assessment of the used car market as **demand is up 7% on pre-COVID levels.**

	DEMAND	SUPPLY	MARKET HEALTH
VS. MAY 21	-23%	+5%	-27%
VS. MAY 19	+7%	-5%	+13%

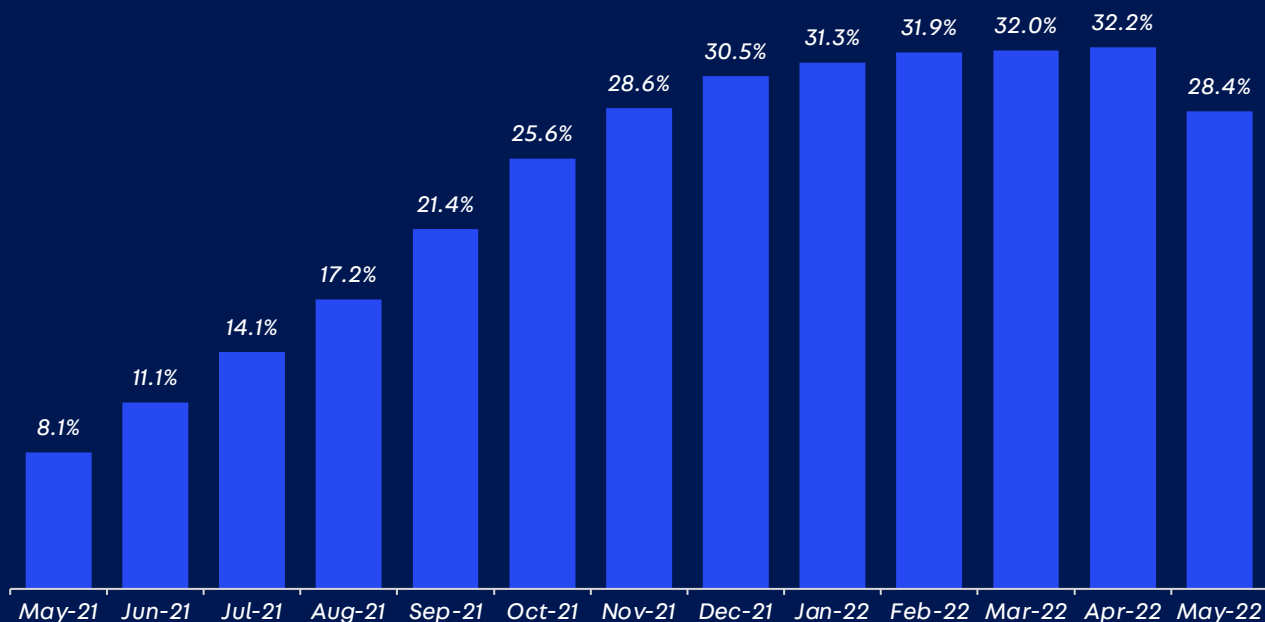
The Market Health metric shows the ratio of supply vs. demand compared to the previous year

	DEMAND Year-on-Year	SUPPLY Year-on-Year	MARKET HEALTH Year-on-Year
MAY 22	26%	-17%	-27%
APR 22	-1%	-7%	-16%
MAR 22	3%	-1%	-7%
FEB 22	5%	-3%	1%
JAN 22	4%	-5%	16%
DEC 21	8%	-8%	10%
NOV 21	11%	-10%	24%
OCT 21	1%	-8%	17%
SEP 21	6%	-9%	10%
AUG 21	-7%	-8%	9%
JUL 21	-12%	-5%	4%
JUN 21	-17%	-1%	7%
MAY 21	-23%	5%	52%

Used car prices increased by 28.4% in May on a year-on-year and like-for-like basis. The recent slowdown in annual price growth follows a year of record used car values, and with no sign that prices are going to drop significantly, the average used car is still worth over £2k more than it would have otherwise been in 'normal' market conditions.

YEAR-ON-YEAR USED CAR PRICE GROWTH

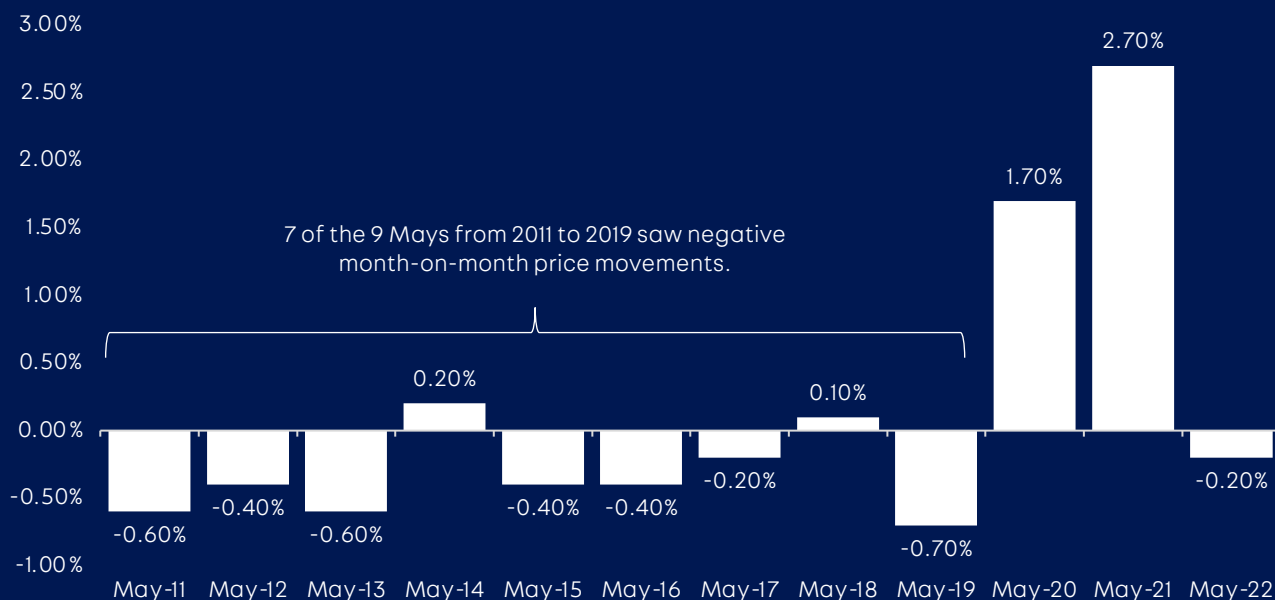
Like-for-Like Basis



With a cooling of the year-on-year growth rate, the 0.2% month-on-month drop is reflective of more normalised seasonal trends - 7 of the 9 Mays from 2011 to 2019 saw negative month-on-month price movements.

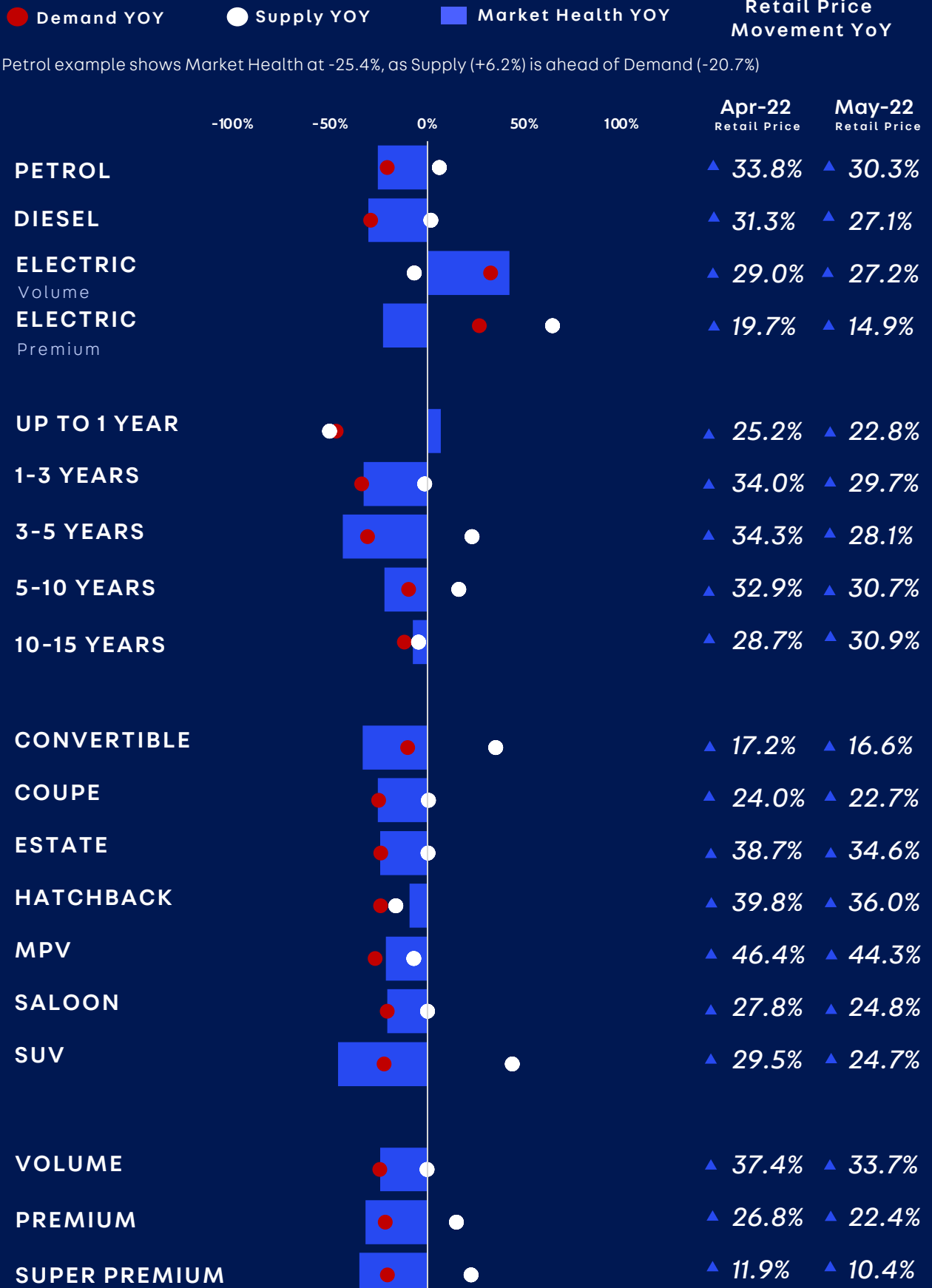
MONTH-ON-MONTH USED CAR PRICE GROWTH IN MAY

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.

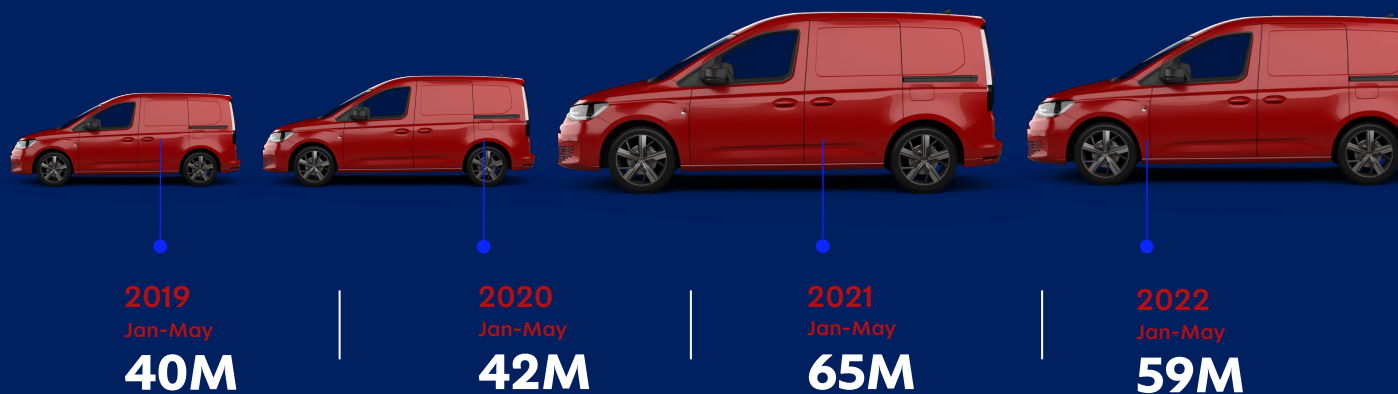


In focus this month

A robust van market

1 19M more vans viewed in 2022 YTD than in pre-covid times (2019)

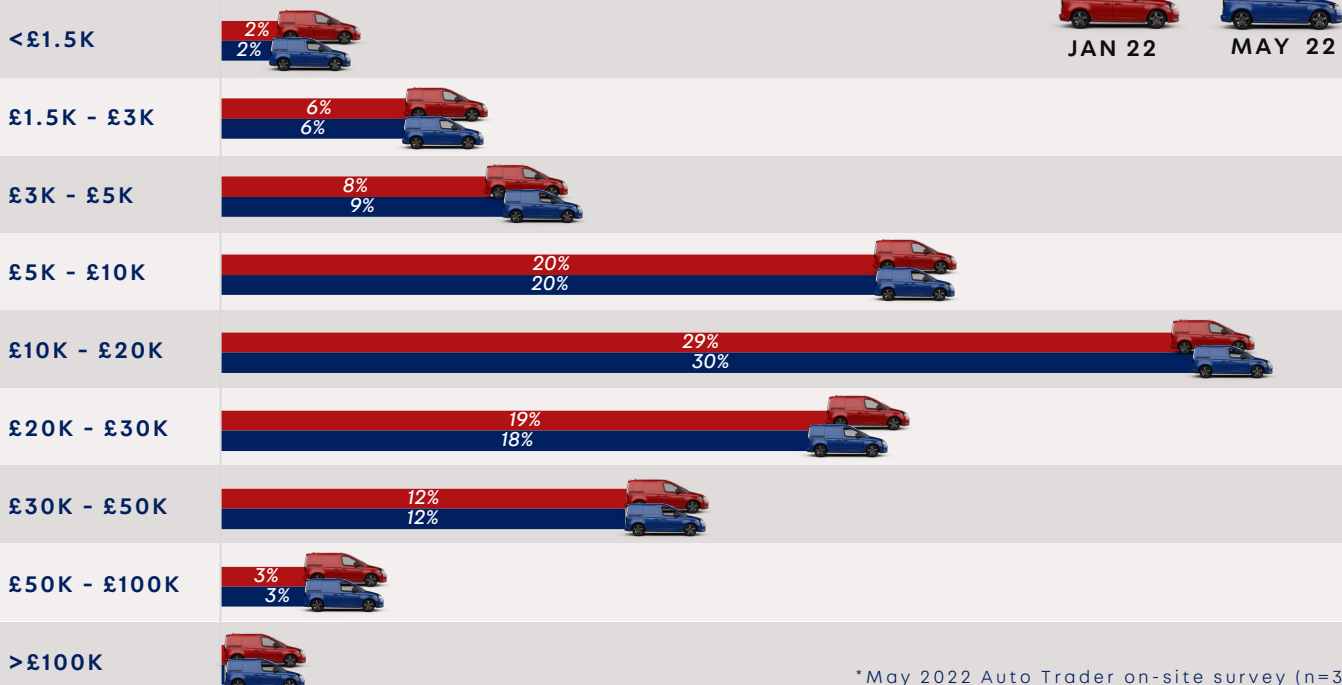
Demand for vans may no longer be at the record levels seen in 2021, but strong underlying interest from consumers and businesses places the current market well-ahead of most other years. Year-to-date, 59 million vans have been viewed on Auto Trader, down only 10% on 2022, but up a significant 47% on 2019.



2 50% of in-market buyers say the cost-of-living has not had an impact on the price of the van they want to purchase*

With worsening economic conditions, it wouldn't be surprising to see in-market van buyers consider cheaper models. However, half of buyers say they are unaffected by the cost-of-living crisis, and searches on Auto Trader indicate buyers are looking at vans in the same price band as earlier in the year.









NUMBER OF VANS VIEWED ON AUTO TRADER BY PRICE BAND (% SHARE)



* May 2022 Auto Trader on-site survey (n=362)

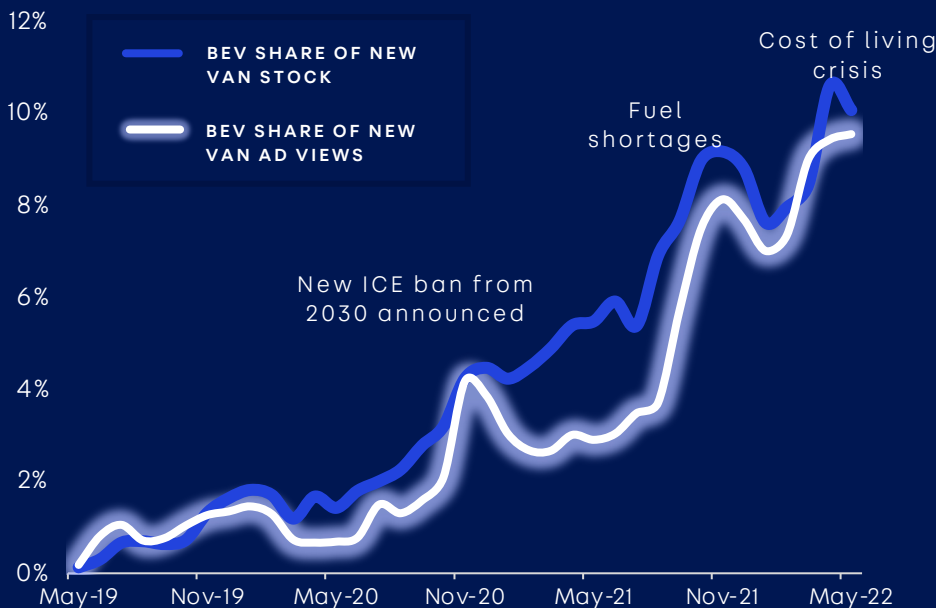
3 Panel vans selling fastest with Renault Traffic on top in May

In May, the average van sold in 43 days. The fastest selling were panel vans - which account for 53% of stock advertised on Auto Trader. Of these the quickest to turn was the 2015 Renault Traffic, which sold in just 17 days.

MAKE/MODEL		REG.	TYPE	DAYS TO SELL
RENAULT TRAFIC		2015	PANEL	17
CITROEN BERLINGO		2015	PANEL	17
VOLKSWAGEN CADDY MAXI		2015	PANEL	17
FORD TRANSIT		2012	PANEL	17
MAXUS DELIVER 9		2021	PANEL	17
PEUGEOT BOXER		2017	PANEL	18
FORD TRANSIT CONNECT		2012	PANEL	18
FORD TRANSIT		2014	PANEL	18
FORD TRANSIT CONNECT		2014	PANEL	20
FORD TRANSIT CONNECT		2015	PANEL	20

4 Electric vans are quickly growing in popularity

Although diesel remains the most popular and available fuel type in the van market, interest in electric is growing quickly. In May, 9.5% of new vans looked at were battery electric, up 6.6ppts on the prior year. Though with electric accounting for 10.1% of new vans advertised on Auto Trader, it suggests supply is slightly ahead of demand.



10.1%
of new vans
advertised
are electric

9.5%
of new vans
viewed are
electric