



# Monthly Market Intelligence

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

APRIL 2022

 AutoTrader

# Sales behind - but demand ahead of pre-pandemic and used car values holding strong

## NEW CAR REGISTRATIONS

Global supply constraints continued to limit the delivery of new vehicles in April, with sales down 16% on 2021. Retail sales were up 5% as manufacturers continue to prioritise demand from private consumers.

# 119,167

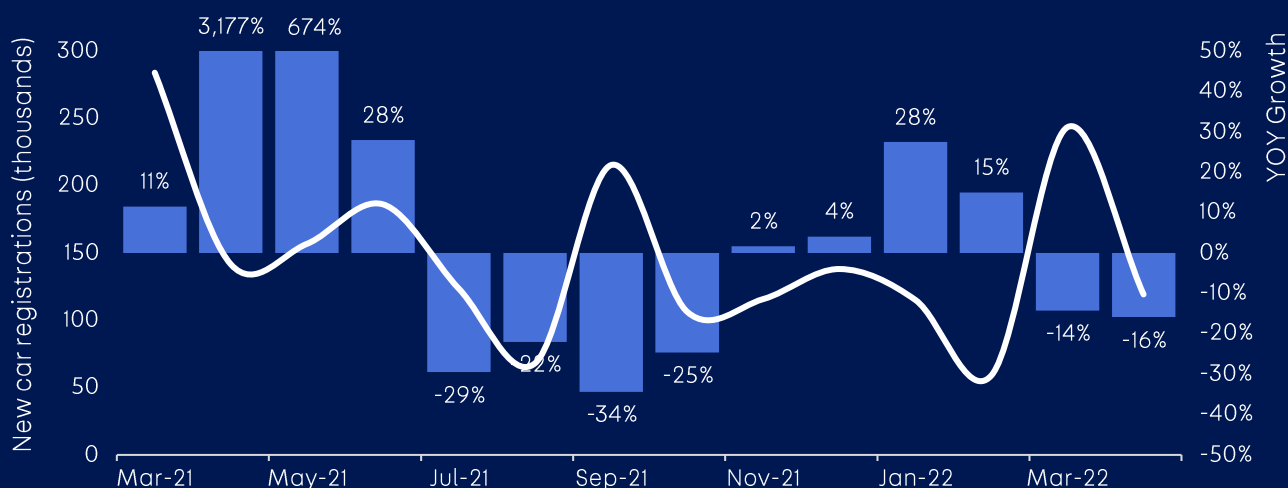
NEW CAR REGs. (SMMT)

# -16%

(VS. APRIL 2021)

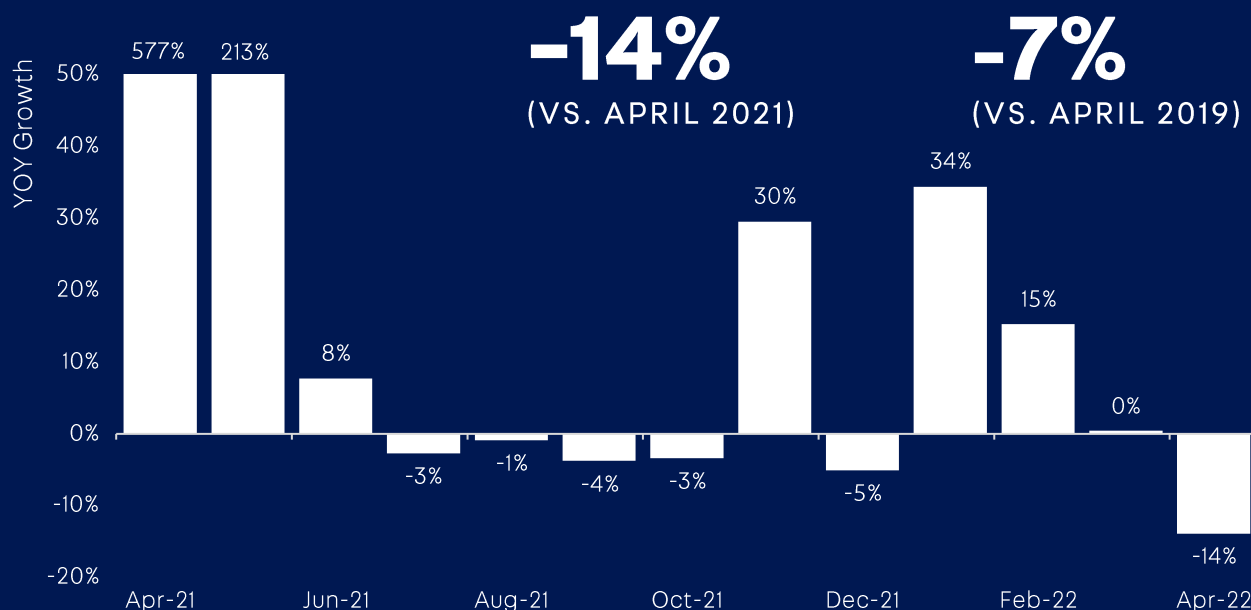
# -26%

(VS. APRIL 2019)



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

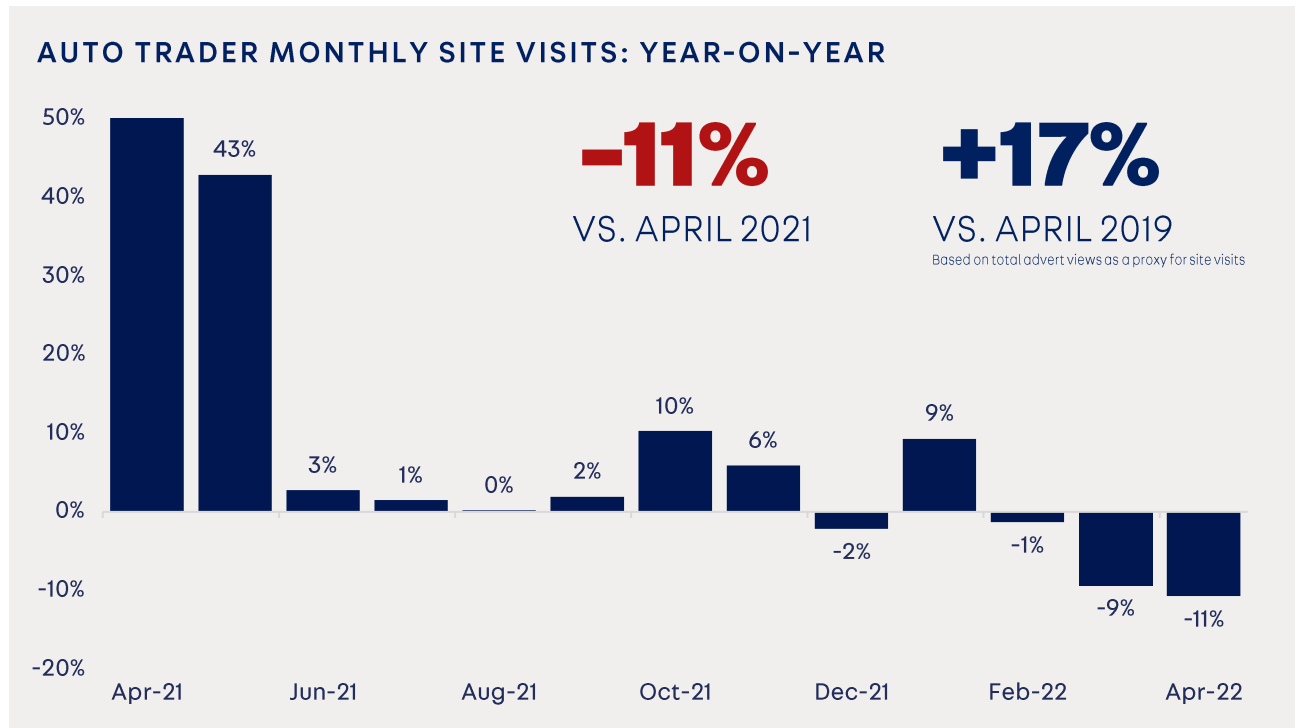
April's used car market was down 14% on 2021, the greatest year-on-year decline in over a year. This was driven by ongoing supply constraints and a strong April in 2021 when showrooms reopened after the UK's third national lockdown.



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.

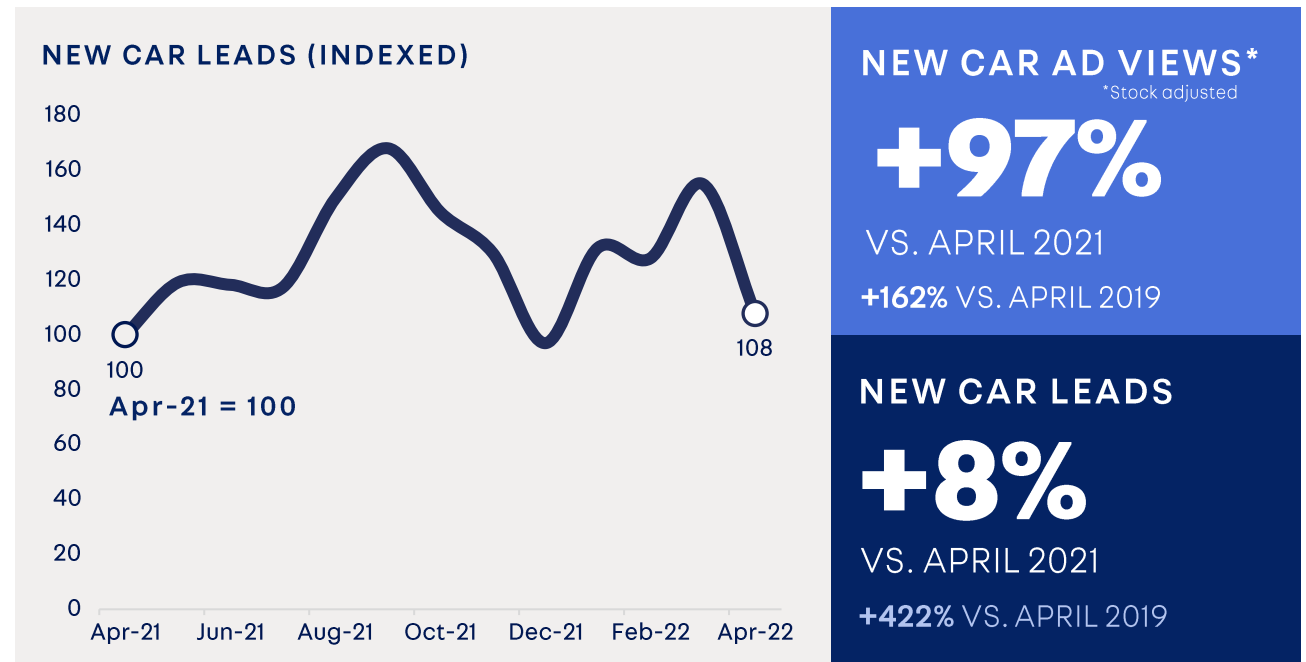
## AUTO TRADER AUDIENCE

Record levels of consumer demand in 2021 continue to show signs of easing with an **11% decline in site visits**. Though, in comparison to normal periods in 2019, demand is healthy with a positive **17% uplift**, indicating consumers have not stopped searching for their next vehicle.



## NEW CAR: ENGAGEMENT & CONVERSION

The average **new car advert was viewed 190 times in April**, up 97% on prior year. There has also been a **positive output for leads, with an increase of 8% vs. April 2021**. 21% of these leads were for electric vehicles, highlighting car buyers' interest in transitioning from traditional fuel types.



# USED CAR MARKET HEALTH

Used car supply has started to stabilise with a -1% year-on-year change, but is still 5% below 2019 levels. Used car Market Health has fallen by 16% vs April 2021. **In comparison to 2019's pre-covid levels, both Market Health and demand are positive, but supply is down.**

	DEMAND	SUPPLY	MARKET HEALTH
VS. APR 21	<b>-17%</b>	<b>-1%</b>	<b>-16%</b>
VS. APR 19	<b>+12%</b>	<b>-5%</b>	<b>+18%</b>

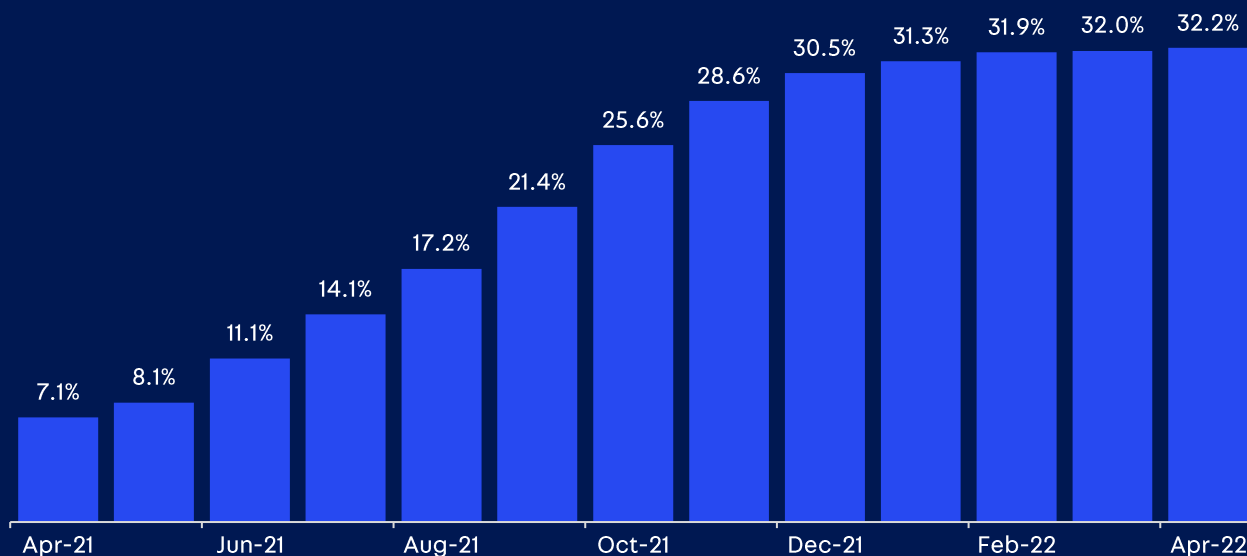
The Market Health metric shows the ratio of supply vs. demand compared to the previous year

	DEMAND Year-on-Year	SUPPLY Year-on-Year	MARKET HEALTH Year-on-Year
APR 21	66%	-16%	97%
MAY 21	26%	-17%	52%
JUN 21	-1%	-7%	7%
JUL 21	3%	-1%	4%
AUG 21	5%	-3%	9%
SEP 21	4%	-5%	10%
OCT 21	8%	-8%	17%
NOV 21	11%	-10%	24%
DEC 21	1%	-8%	10%
JAN 22	6%	-9%	16%
FEB 22	-7%	-8%	1%
MAR 22	-12%	-5%	-7%
APR 22	-17%	-1%	-16%

**April saw used car prices rise by 32.2% on a year-on-year and like-for-like basis**, marking the 25<sup>th</sup> month of consecutive growth, though at a slower rate than previous months. The rising cost of living is resulting in a softening in consumer demand vs. the records seen in 2021, contributing to the slight slowdown in price growth.

## USED CAR MARKET PRICING

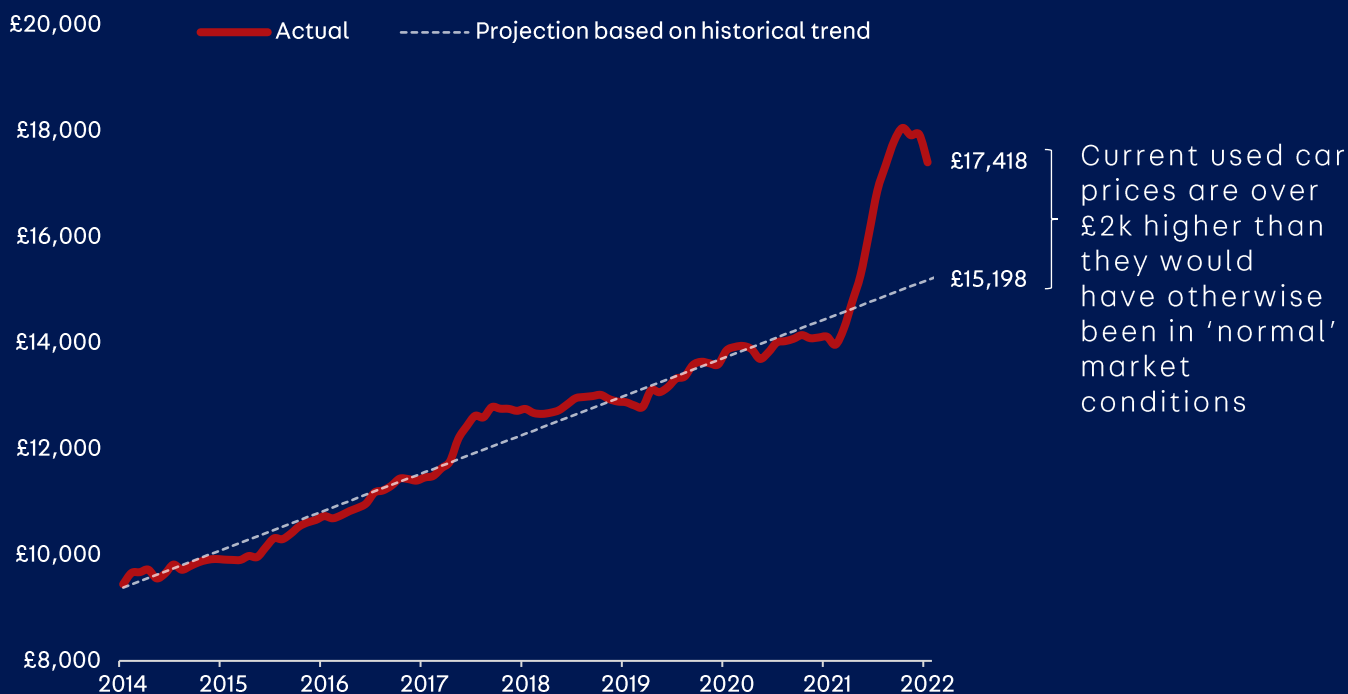
Year-on-Year Growth on a Like-for-Like basis



Despite the recent slowdown in retail price growth – which is partly due to seasonality effects – the current (average) price of a used car is over £2k higher than it would have otherwise been in ‘normal’ market conditions.

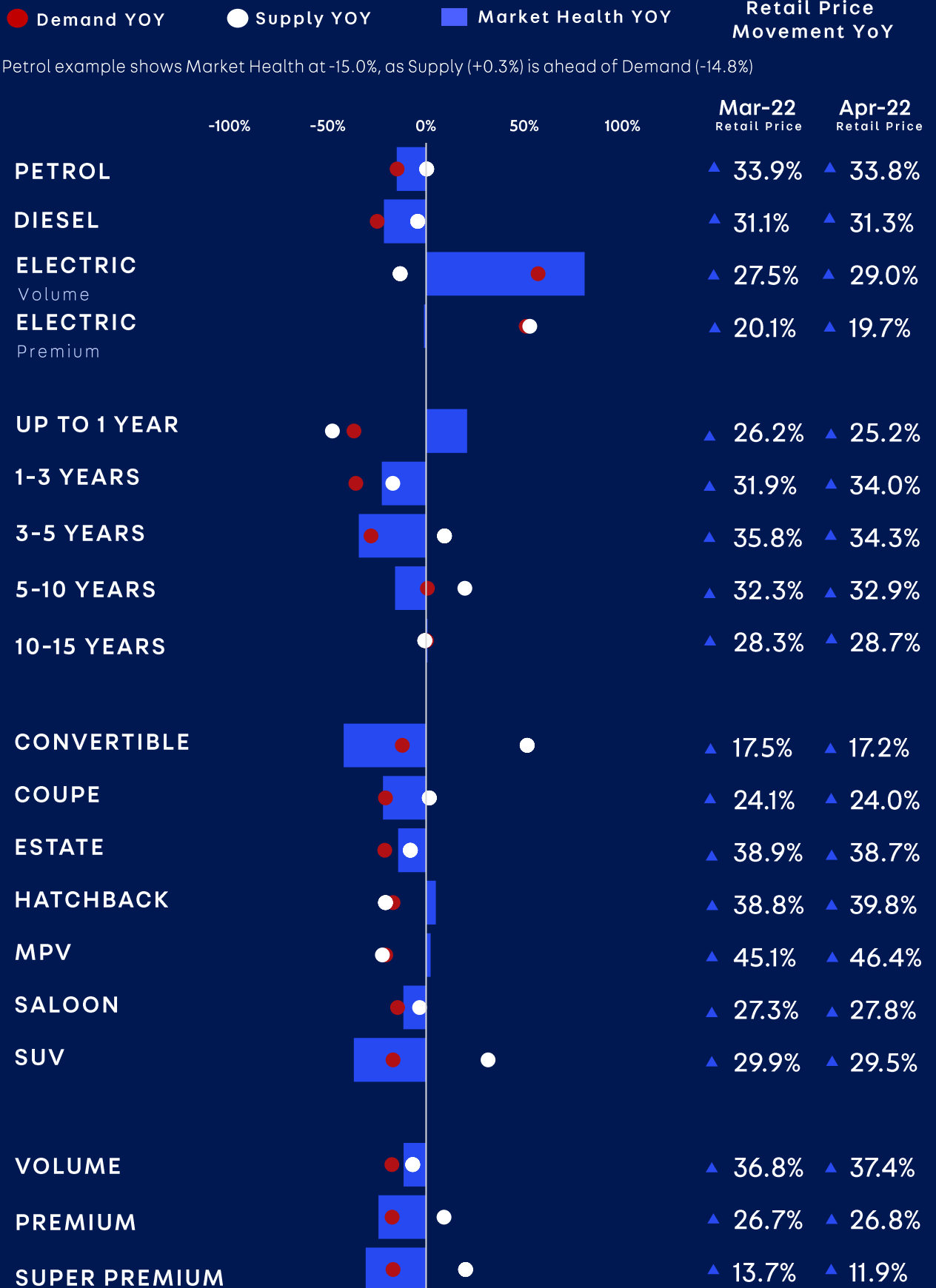
## AVERAGE PRICE OF A USED CAR

Actual vs. projection based on historical trend



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

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



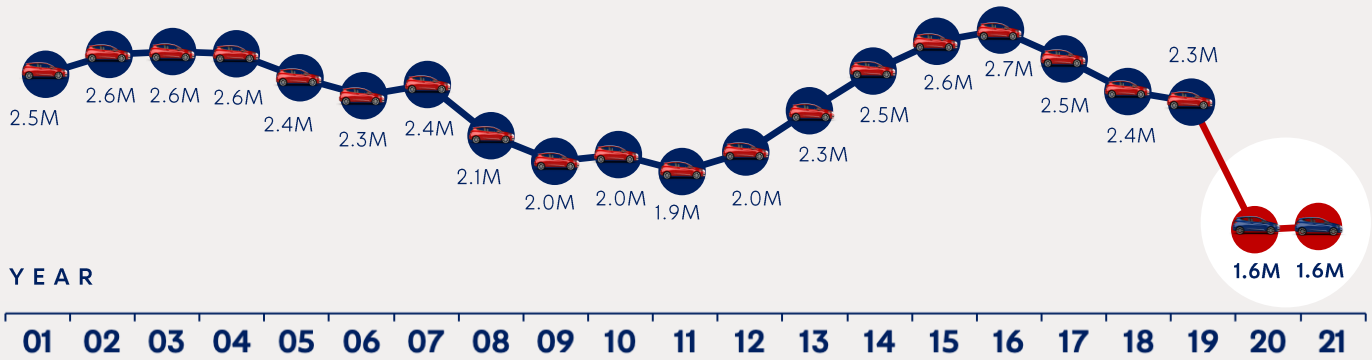
In focus this month

# Supply Holding Back Sales

## 1 1.4MN 'LOST' NEW CAR SALES IN THE LAST TWO YEARS

By the end of 2021, there were around 1.4mn 'lost' new car registrations due to retailer COVID-19 closures and global supply constraints. With parts shortages continuing into 2022, the longer-term impact on supply will be evident within the used car market.

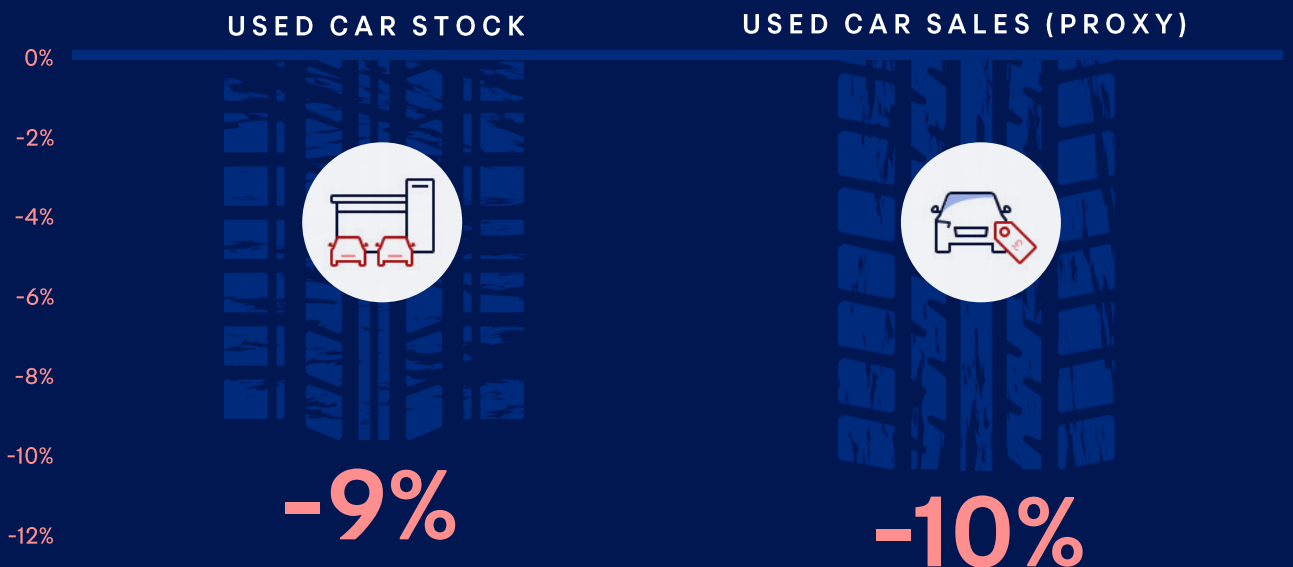
### SMMT New Car Registrations (2001-2021)



## 2 FEWER CARS MAKING THEIR WAY INTO THE USED CAR MARKET

With fewer new models being sold, fewer cars are making their way into and being traded in the used car market. In 2022 (YTD), total used car stock availability is 9% back on pre-pandemic levels, with used car sales being hindered by a similar amount.

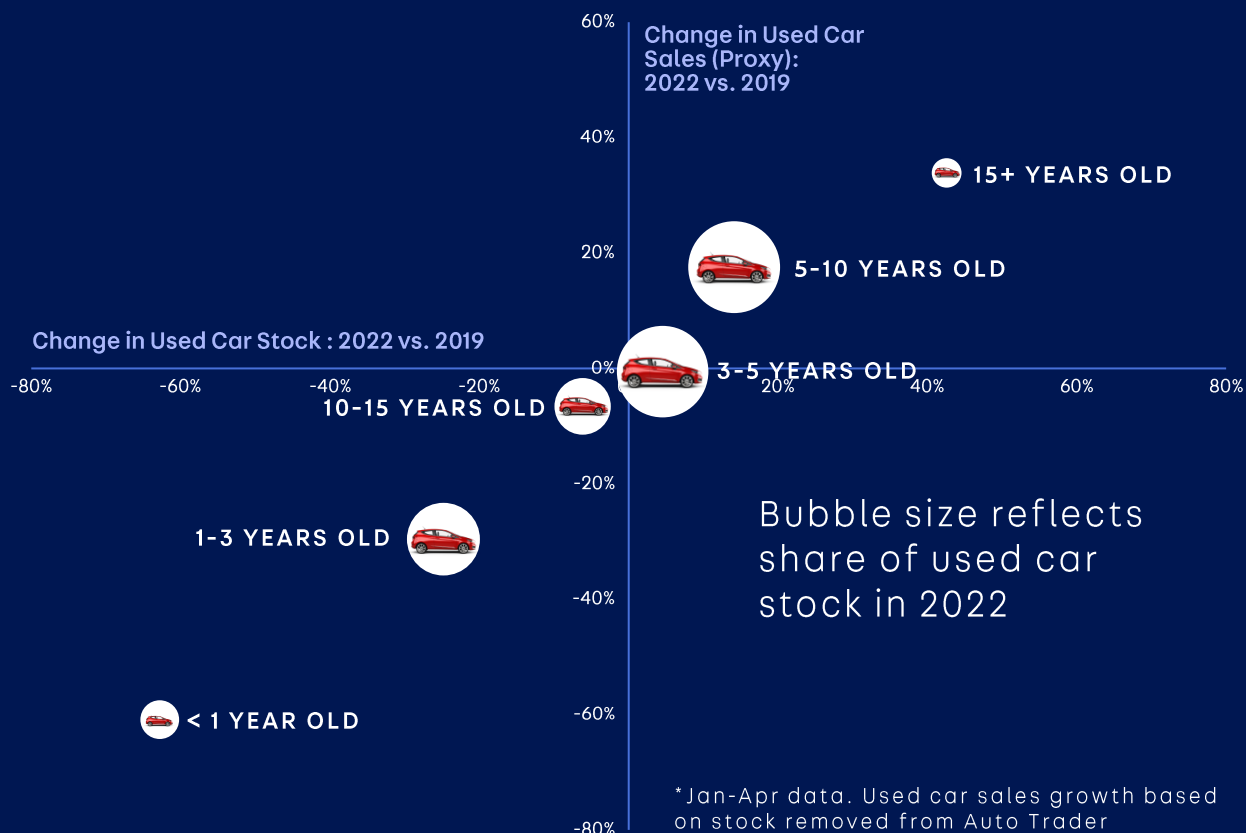
### Used car stock and sales: 2022 vs. 2019\*



\* Jan-Apr data. Used car sales (proxy) based on stock removed from Auto Trader

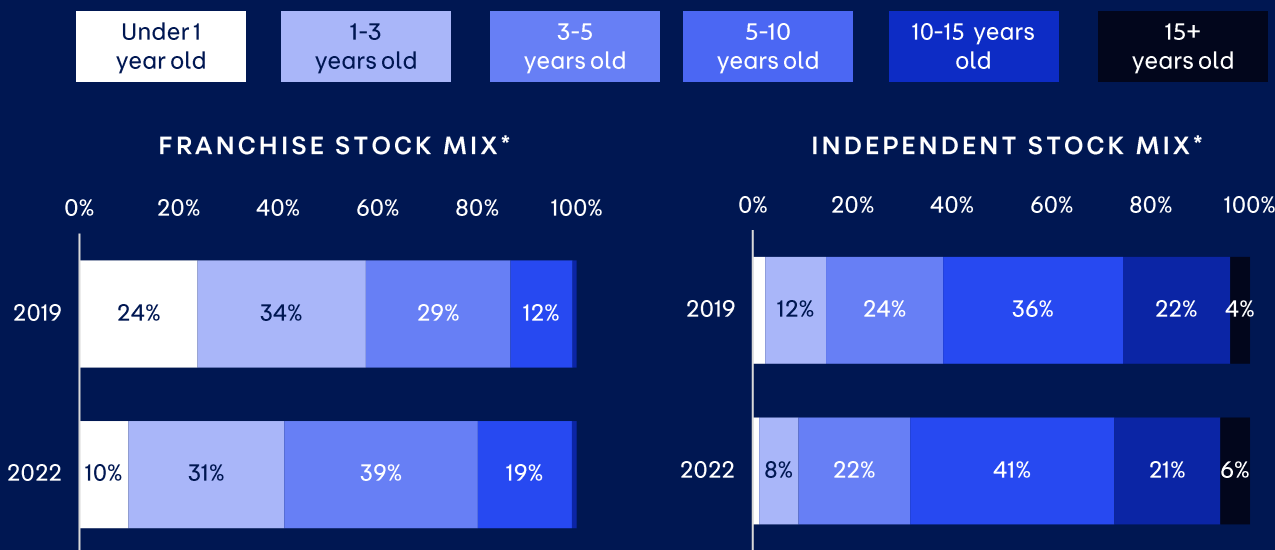
### 3 GREATER AVAILABILITY OF OLDER CARS IS LEADING TO MORE SALES

Encouragingly, not all segments are supply-limited. Older age cohorts are easier to source and generating more sales relative to 2019 levels, whilst younger age cohorts are impacted by the recent loss of new car sales. In future years, these older age cohorts will begin to experience the same supply issues.



### 4 BATTLE FOR STOCK WILL INTENSIFY BETWEEN FRANCHISES & INDYS

Franchise retailers have seen the largest change in stock mix. The average car advertised by a franchise is now 10 months older than pre-pandemic levels. This shift is bringing them closer to independent retailers, resulting in greater competition for the same vehicles.



\* Jan-Apr. Used car stock mix