



Monthly Market Intelligence

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

NOVEMBER 2023

 AutoTrader

New car market recovers as disconnect emerges between trade and retail values of used cars

NEW CAR REGISTRATIONS

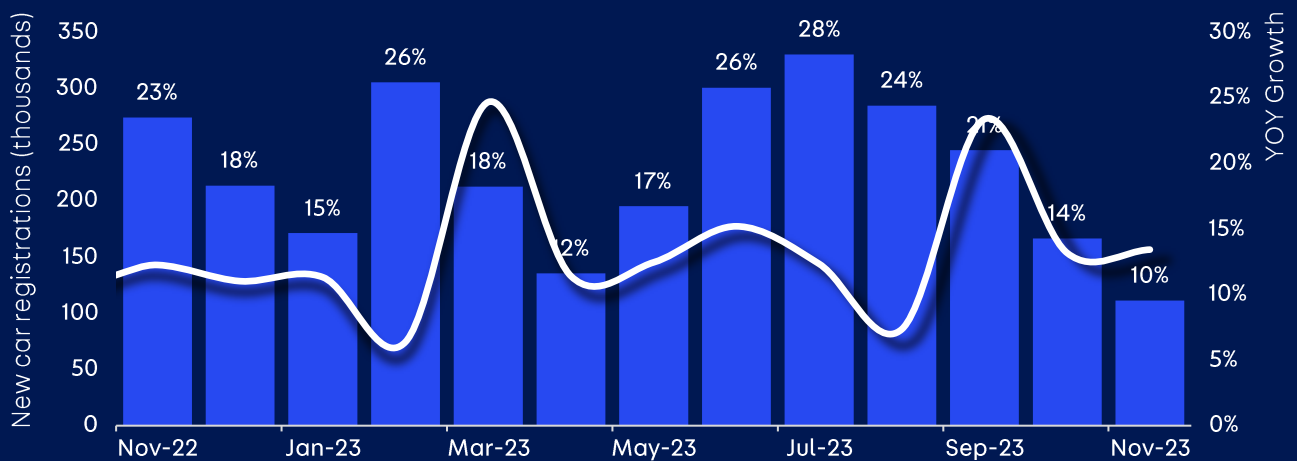
New car registrations saw strong growth in November, increasing by 10% and in line with 2019's figures. A buoyant fleet market was the primary driver of growth, increasing by 25% with private registrations down -6%, suggesting ongoing challenges in the retail market. At 24,359, BEV registrations were 5,000 units behind 2022, the segment's first annual contraction since April 2020 with market share at 15.6% as a result, down -4 pts.

156,525

NEW CAR REGs. (SMMT)

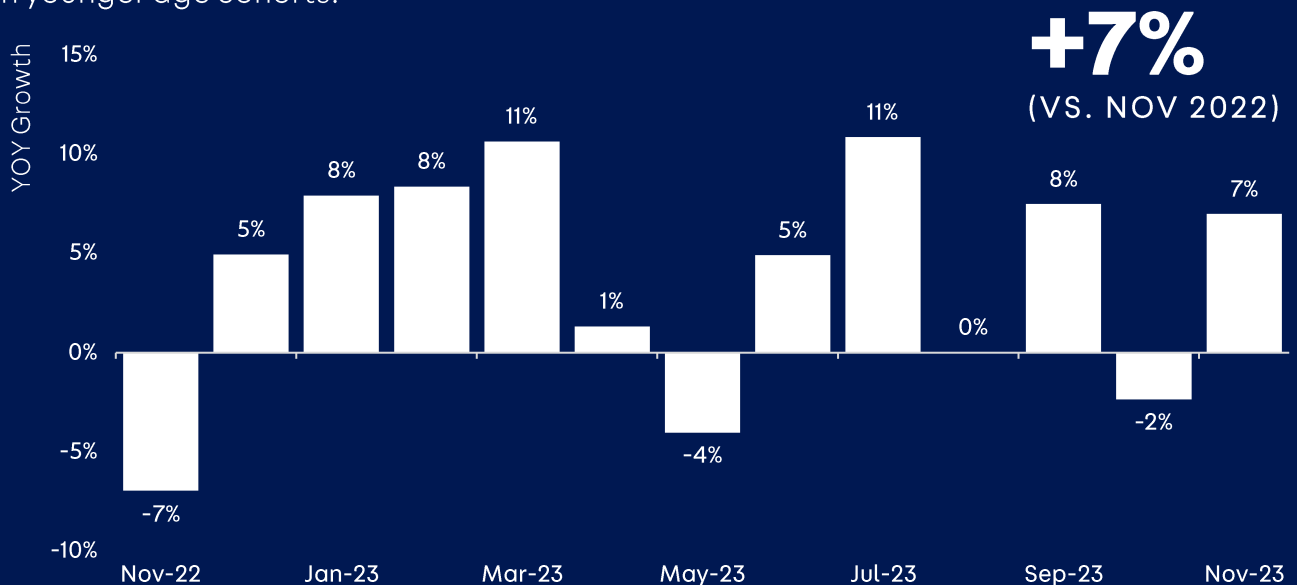
+10%

(VS. NOV 2022)



USED CAR SALES (YEAR-ON-YEAR) *

Used car sales increased 7% year-on-year in November, a recovery after a slight decline in volumes in October. Nearly-new stock saw the most growth due to returning supply, though volumes were still well behind 2019's levels because of supply challenges in younger age cohorts.



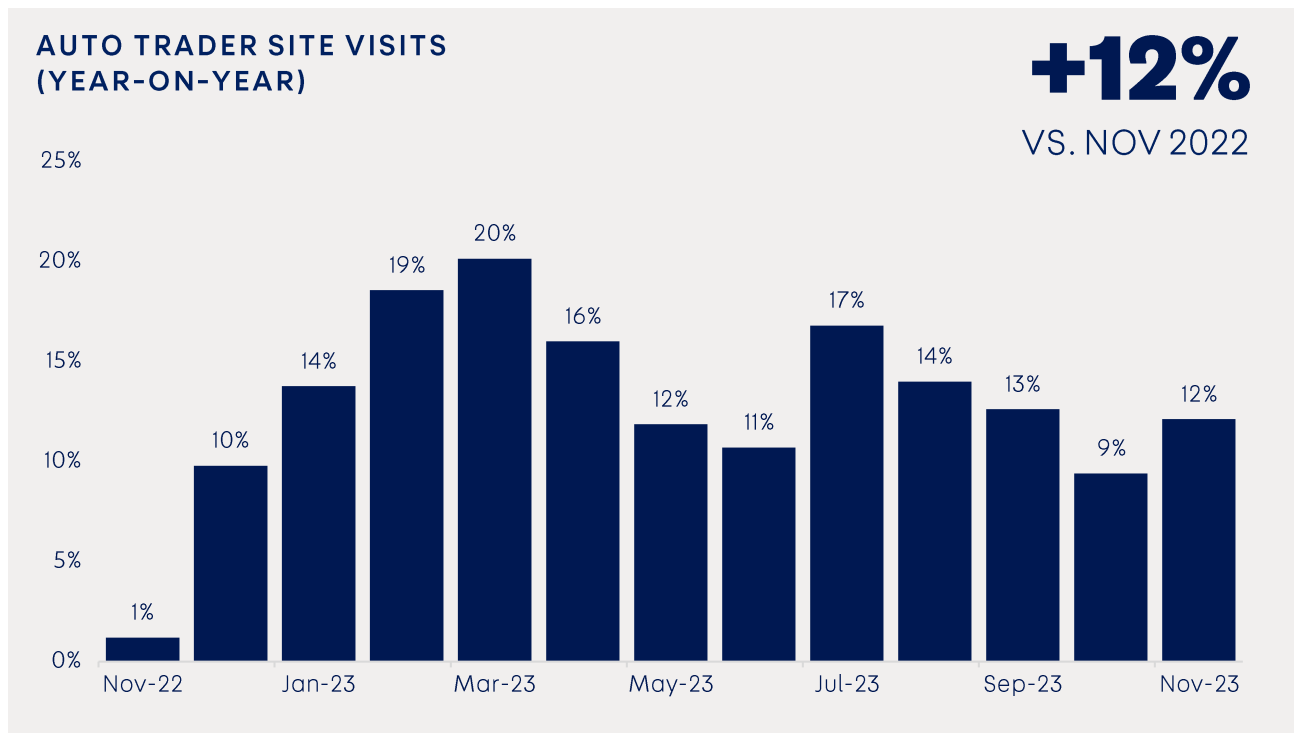
+7%

(VS. NOV 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.

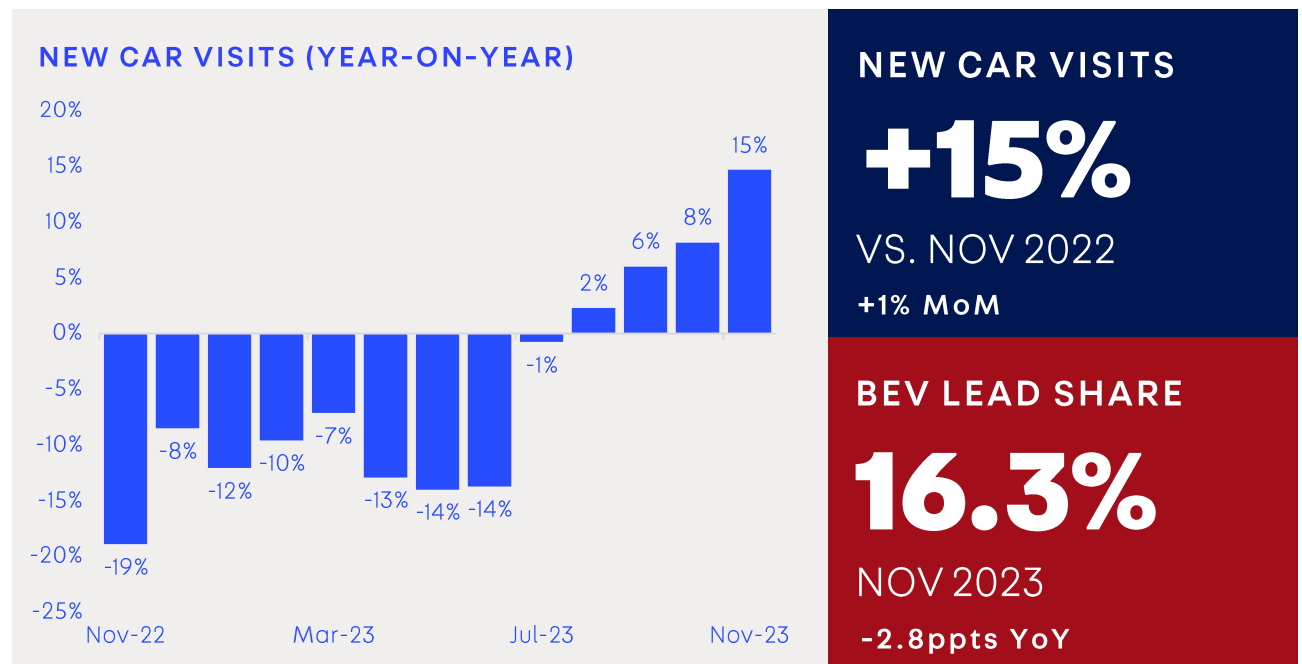
AUTO TRADER AUDIENCE

November's 12% year-on-year increase in site visits to Auto Trader marked the thirteenth consecutive month of growth. The strong audience figures in November combined with improving consumer confidence¹ in the same month is a positive indicator for automotive demand as next year's buyers begin their research now.



NEW CAR ACTIVITY

Retailers and manufacturers are increasing incentives on new cars to bolster lagging retail demand. Average discounts reached 8% in November: the highest level since October 2021. **Consumers appear to be responding with visits to new car adverts increasing by 15% year-on-year, the largest growth in 2023 so far.** BEV demand is behind last year, with 1 in 6 new car enquiries being for a fully electric car.

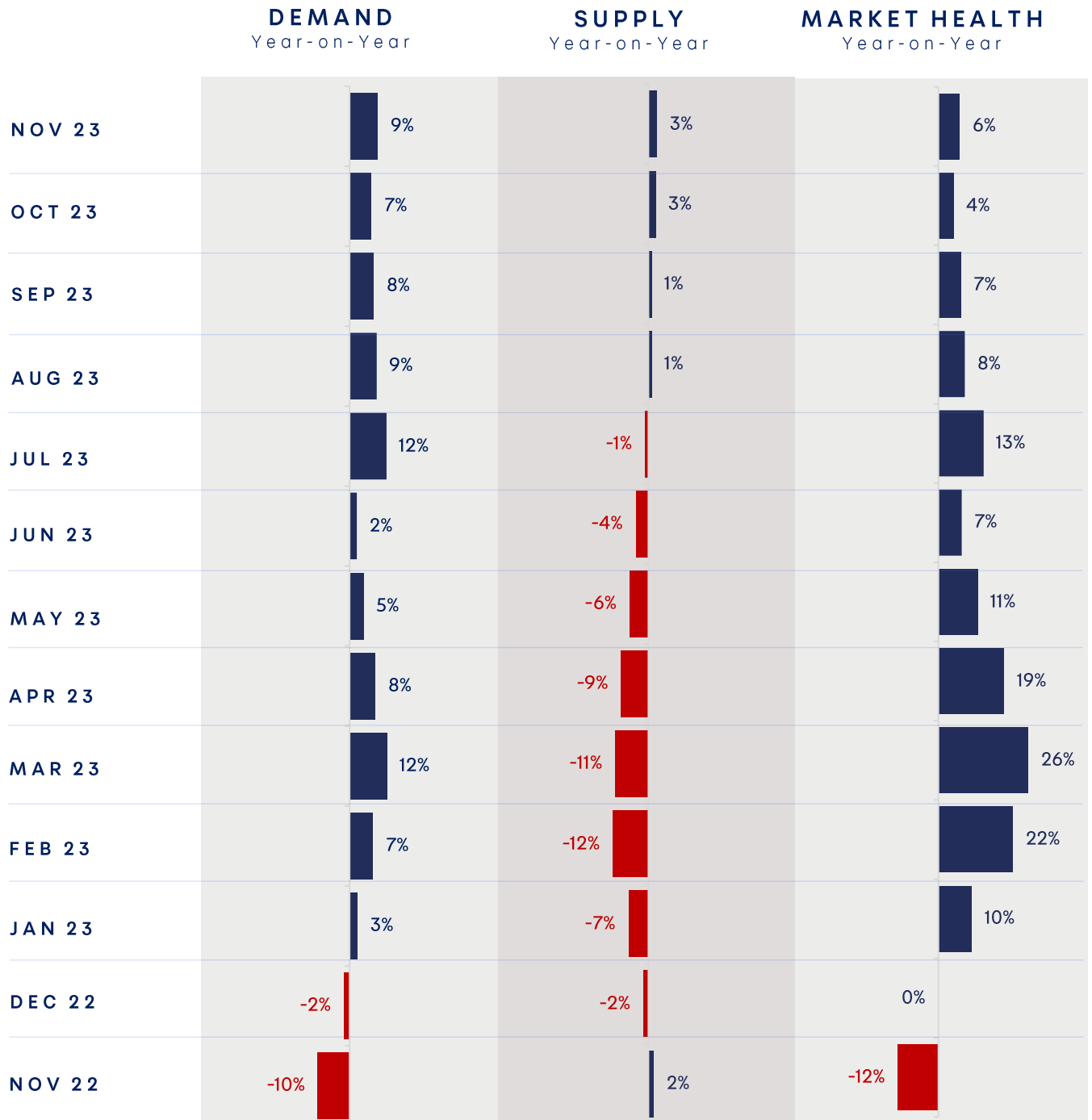


USED CAR MARKET HEALTH

The trend of positive market health continued in November, driven by robust demand despite returning supply. Days to sell remained steady year-on-year with cars selling every 32 days. At 27 days, electric cars continued to sell faster than any other fuel-type, driven by an 84% uplift in demand in response to price drops. Nearly-new cars also had a strong month, with a positive market health for the first time since August 2022.



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

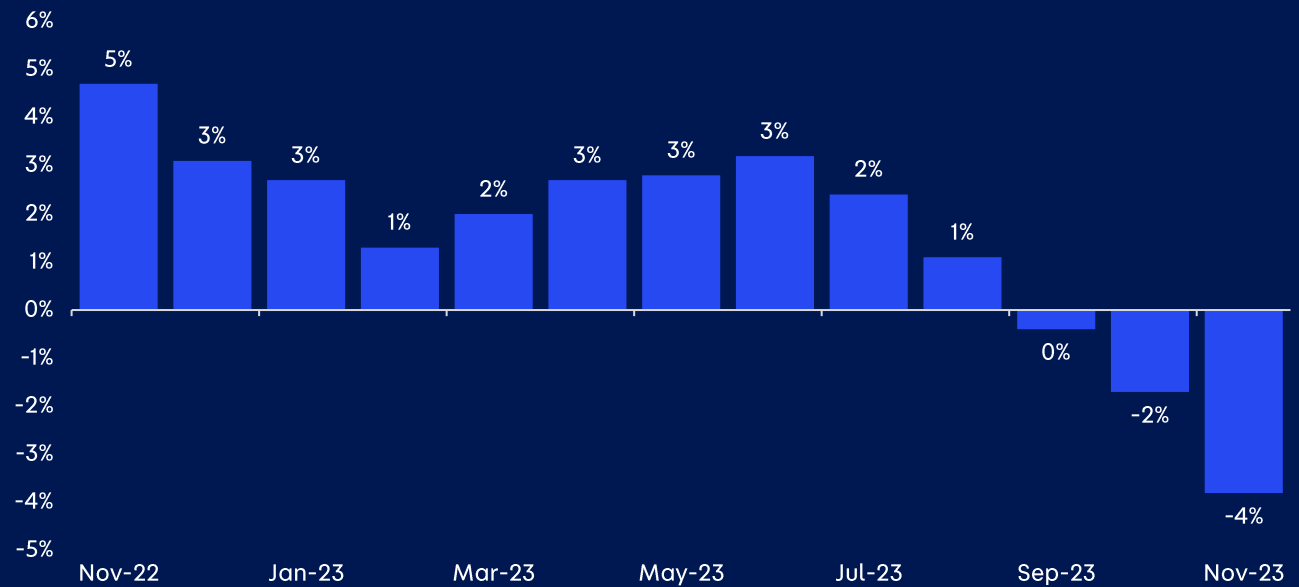


USED CAR RETAIL PRICE GROWTH

Like-for-like used car prices continued to soften in November, falling by 3.8% compared with this time last year. There remains significant nuance in these figures with electric cars seeing the largest fall in prices at -21.2%, whilst ICE derivatives saw a softer adjustment, decreasing by -1.8% year-on-year. Older cars continued to outperform the market, with prices for cars aged between 10 and 15-years-old increasing by 7.2%. Although retail values are softening for some vehicles, a disconnect has emerged between trade and retail with trade values falling by -12% in the same period (see *"In Focus this month"*).

YEAR-ON-YEAR USED CAR RETAIL PRICE GROWTH

Like-for-Like Basis



Used car prices fell by -2.5% from October to November. Although some seasonal adjustments are expected, the decline was greater than in previous years. Despite retail demand being resilient and stock turning in line with historic norms, the recent drop in prices suggests retailers are reacting to the trade market and may be giving up on potential profit opportunities.

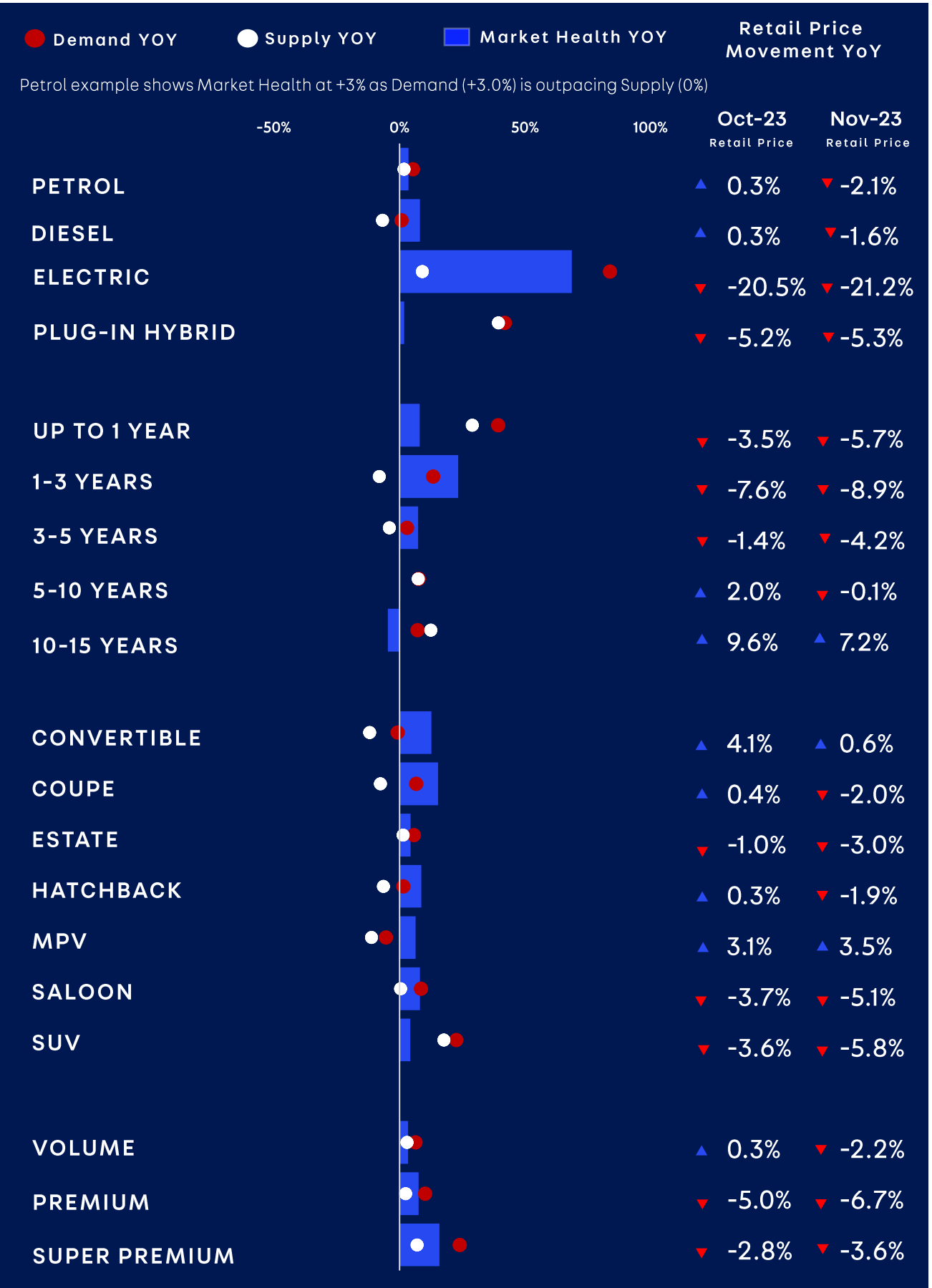
MONTH-ON-MONTH USED CAR RETAIL PRICE CHANGES: NOVEMBER

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

Divergence of retail and trade

The trade and retail markets are performing differently and becoming disconnected – retail demand is healthy, and cars are selling; in contrast to falling trade values.

Pricing 'retail back' is vital.

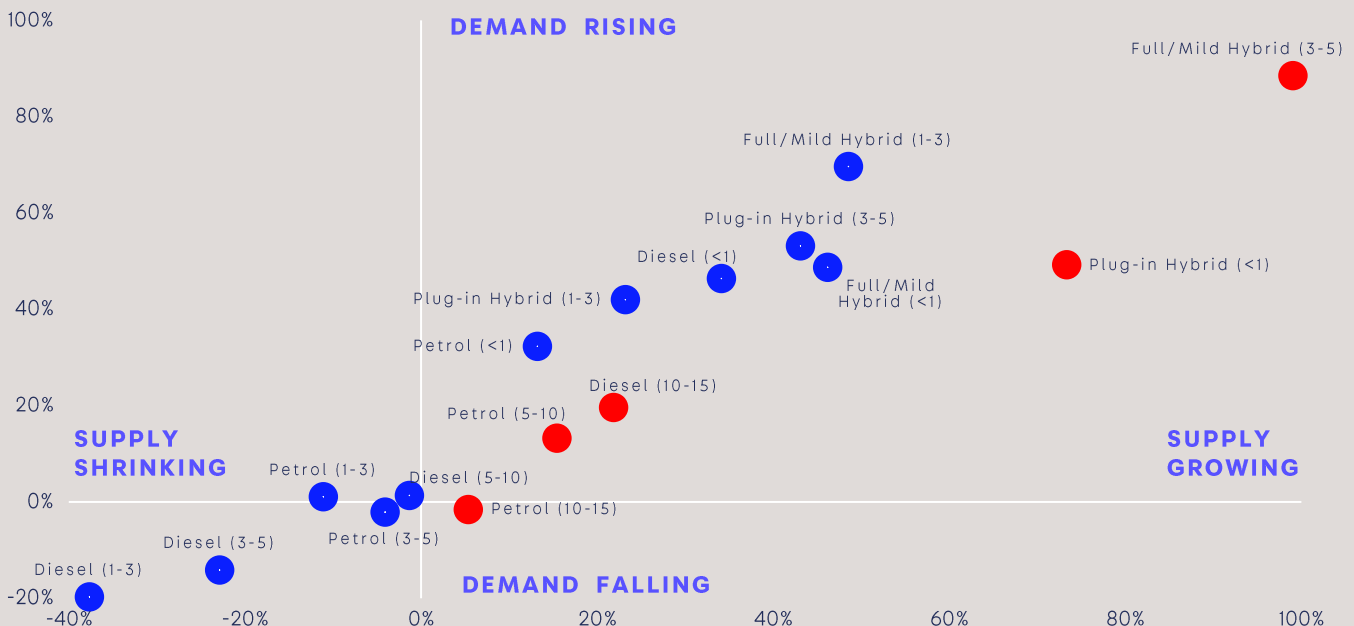
TRADE VALUES VS. RETAIL PRICES:
YEAR-ON-YEAR GROWTH
Used Cars. Like-for-like



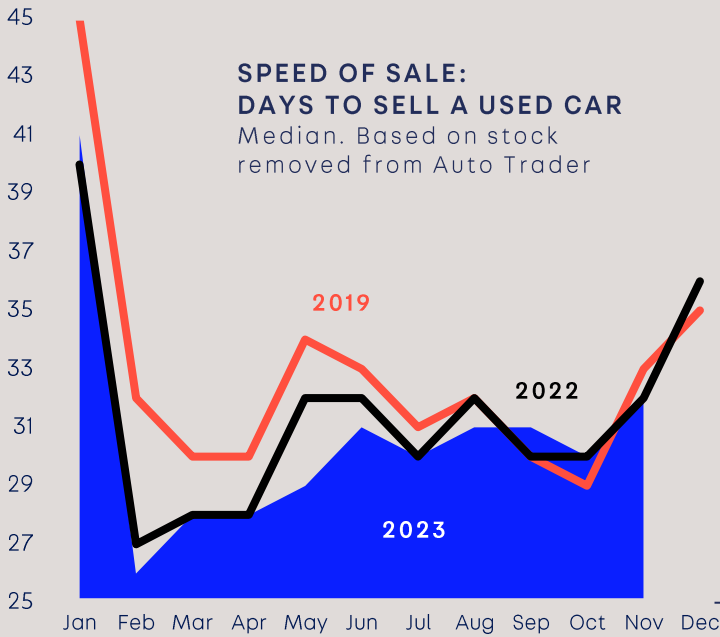
In the retail market, consumer demand is outpacing supply across most segments

SUPPLY VS. DEMAND: YEAR-ON-YEAR
Used cars advertised on Auto Trader exc. electric

MARKET HEALTH: ● POSITIVE ● NEGATIVE



Compared to previous years, used cars are still selling at a good pace in the retail market and AFVs are selling at the fastest rate following the price declines earlier in the year.



FASTEST SELLING SEGMENTS
November 2023

	DAYS TO SELL	YOY
1 ELECTRIC 3-5 YEARS OLD	20	↓17
2 PLUG-IN HYBRID 3-5 YEARS OLD	26	↓8
3 FULL & MILD HYBRID 3-5 YEARS OLD	27	↓2
4 ELECTRIC 1-3 YEARS OLD	27	↓15
5 FULL & MILD HYBRID 5-10 YEARS OLD	29	↑0

Robust consumer demand and falling trade values presents a profit opportunity for retailers that price according to the retail market and at a vehicle level.

2 in 5

Used cars are priced more than 2% below their retail valuation, causing margins to be eroded

This Audi Q2 has strong market health and a robust 90-day future retail valuation

AUDI Q2

3-5 -YEAR-OLD PETROL

Model: 1.5 TFSI 35 SE
Mileage: 44,400

	TODAY	IN 90 DAYS
RETAIL VALUATION	£15,243	£15,275

DEMAND	+24%
SUPPLY	+14%
MARKET HEALTH	+39%

