



Monthly Market Intelligence

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

SEPTEMBER 2024

 AutoTrader

Incentives on new cars rise in the plate-change month as used cars continue to sell rapidly

NEW CAR REGISTRATIONS

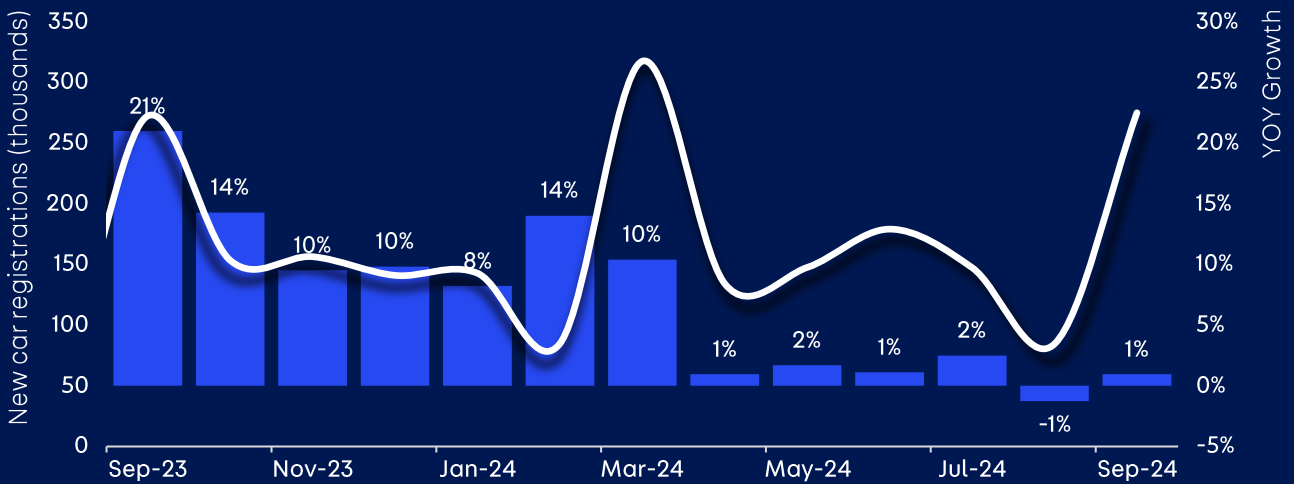
New car registrations grew 1% during the plate-change month, marking the best September performance since 2020, but volumes were still 20% behind 2019 levels. Fleet sales continued to drive the new car market, rising 4% year-on-year, though the rate of growth significantly cooled-off from the highs seen earlier this year. In the private market, registrations fell 1.8% compared to last year, despite intense competition from manufacturers offering large incentives to private buyers. Encouragingly, EV sales hit a record volume for any month, reaching 56k registrations and growing 24% year-on-year – most of this growth was driven by fleets as private EV sales struggle.

275,239

NEW CAR REGs. (SMMT)

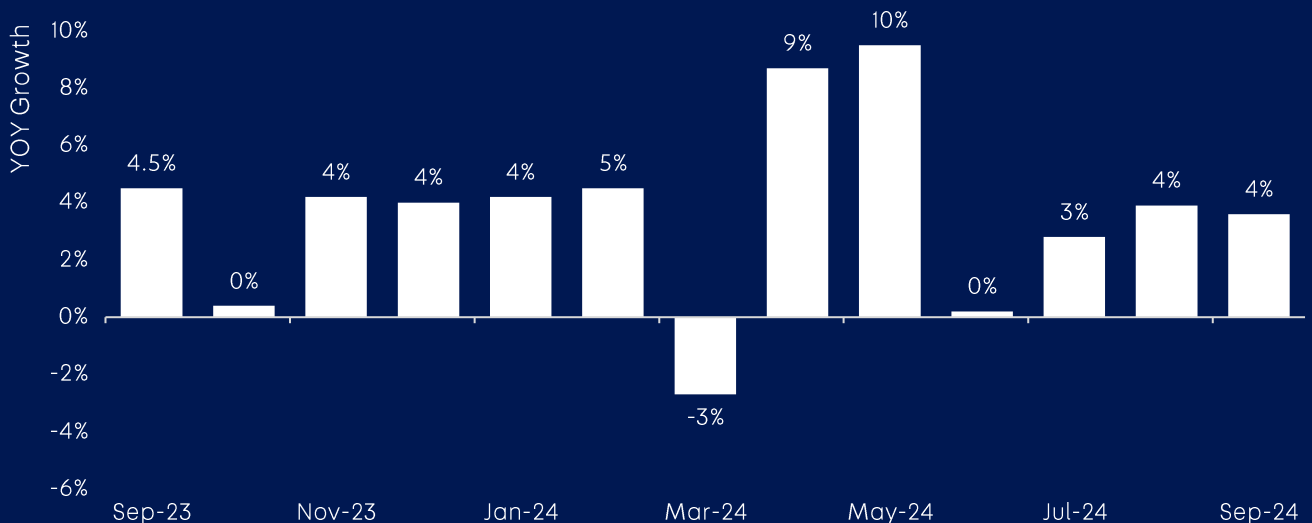
+1%

(VS. SEPTEMBER 2023)



USED CAR SALES (YEAR-ON-YEAR)

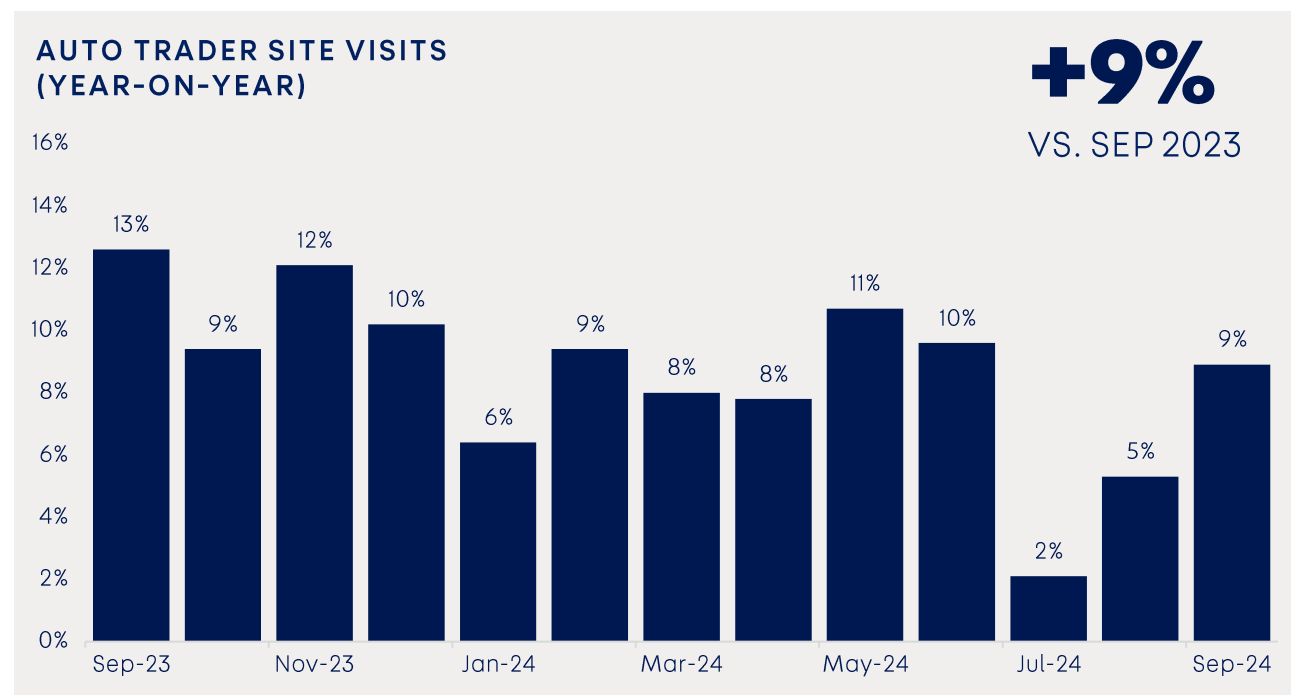
Based on the stock removed from Auto Trader in September, used car sales grew 4% year-on-year, placing the total volume of sales in the third quarter 4% ahead of the previous year. The uplift was predominantly driven by vehicles under 1 year-old and by franchise retailers (+4%), where supply of nearly new cars is increasing. Independent retailers saw sales increase 3%, as sales of 5-10 and 10-15-year-old cars grew. Used EV sales continued to increase, rising 70% year-on-year.



*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. Ongoing improvements to the data means historic figures may change slightly each month.

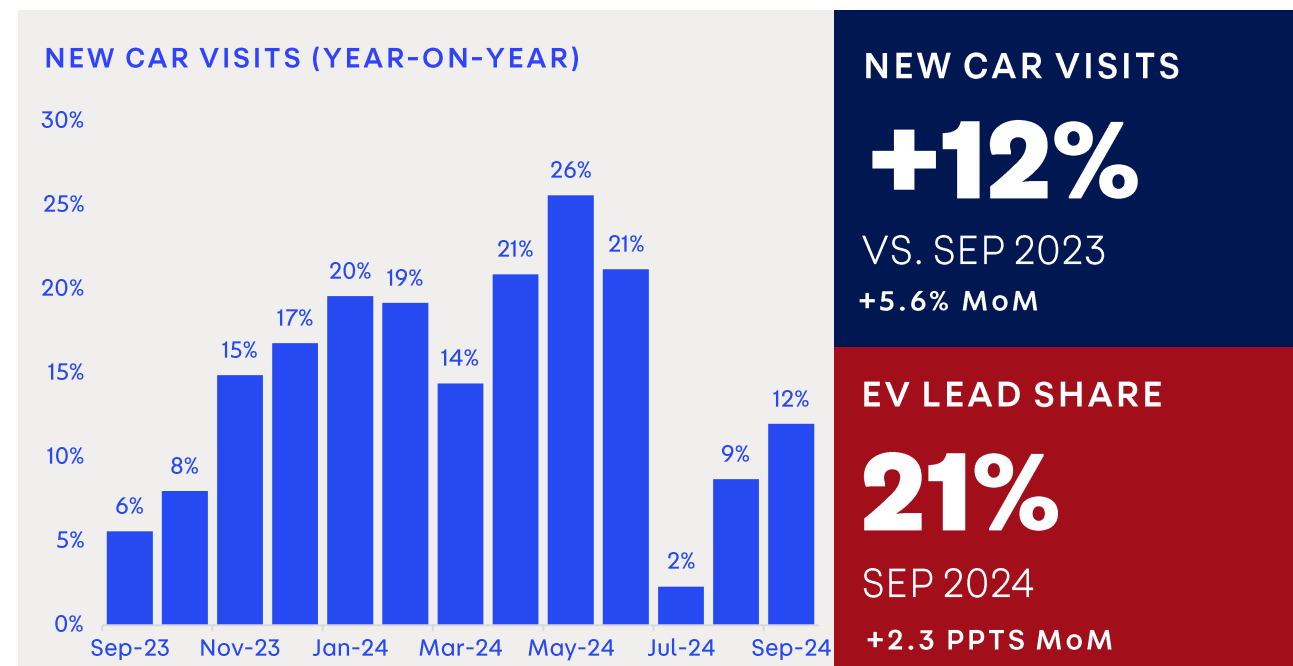
AUTO TRADER AUDIENCE

Despite consumer confidence falling in September¹ as households anticipate the upcoming budget announcement, site visits to Auto Trader were **9% higher this year as consumer demand, especially in the used car market, remains strong.** Whilst Q3 was a disrupted quarter with large sporting events and a general election diverting attention, buyers entered the market in good numbers - a positive sign for the final quarter.



NEW CAR ACTIVITY

The latest plate-change saw **12% more retail demand for new cars on Auto Trader than last year as large consumer incentives made a return.** In September, the average discount on a new car reached 9.1% (off the RRP) as manufacturers aimed to stimulate private demand amid falling sales. Incentives on new EVs were even bigger and reached a new record high of 12% as some manufacturers made a big push to hit their ZEV targets. Encouragingly, the discounts triggered more enquiries, with 1 in 5 going to new EVs.

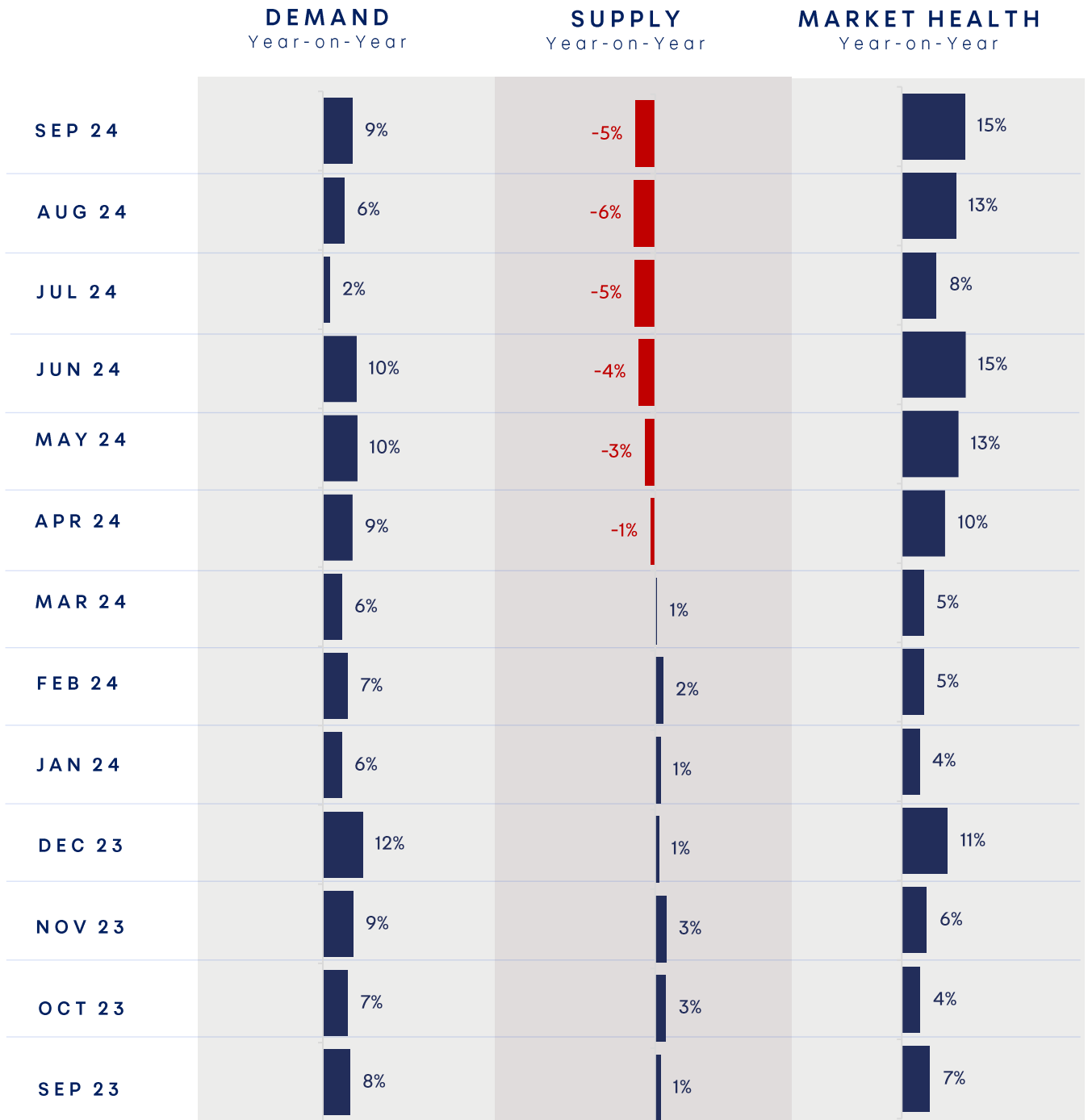


USED CAR MARKET HEALTH

Unlike the new car market, retail demand for used cars continues to comfortably outpace supply, which remains heavily constrained, resulting in strong market health of +15%. The positive health of the used car market meant on average, cars sold every 27 days in September, four days faster than last year. Whilst cars are selling quickly and consumer demand remains strong, the heavy discounting on new cars and return of self-registrations means sellers of nearly new vehicles will need to be cautious about supply and pricing of nearly new vehicles, which have much slower turn times, averaging 34 days to sell.



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

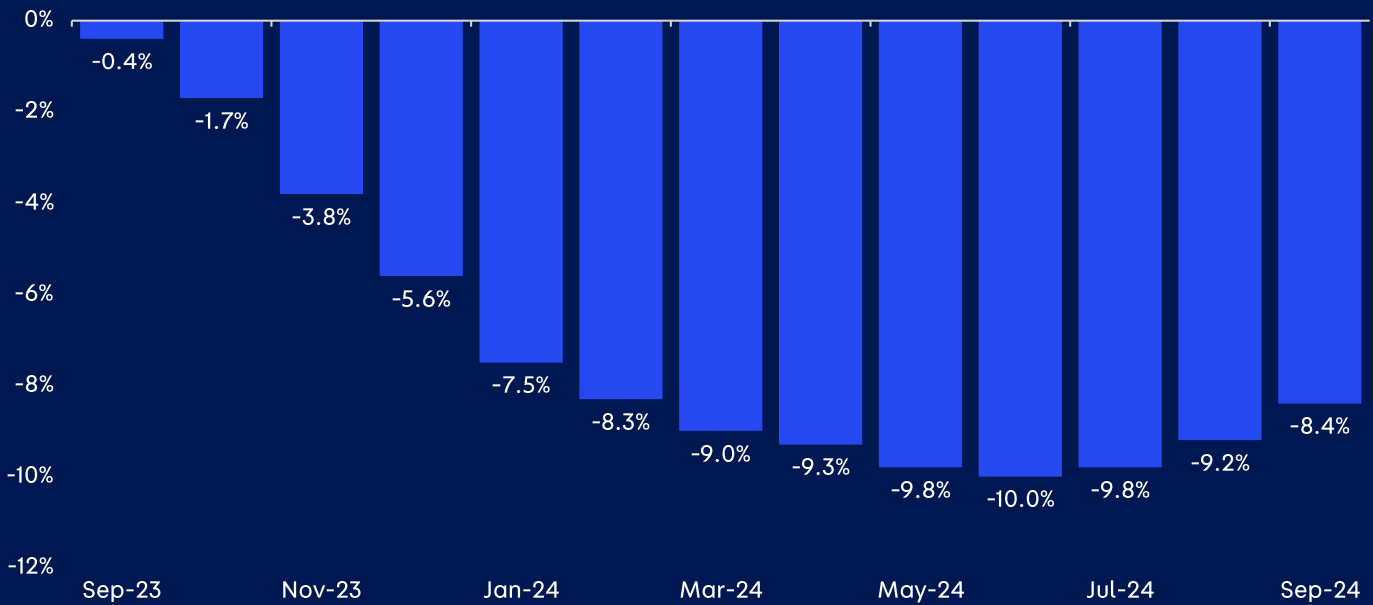


USED CAR RETAIL PRICE GROWTH

Whilst used car retail prices were 8.4% down on last year, the growth rate improved for a third consecutive month as pricing pressure in the market continues to ease. The positive pricing outlook provides a stark contrast to the position in 2023 which saw reactive retail pricing in response to trade price movements, leading to significant lost profit. By contrast, margin pressures in the current market continue to be driven by selling costs like sourcing and reconditioning.

YEAR-ON-YEAR USED CAR RETAIL PRICE GROWTH

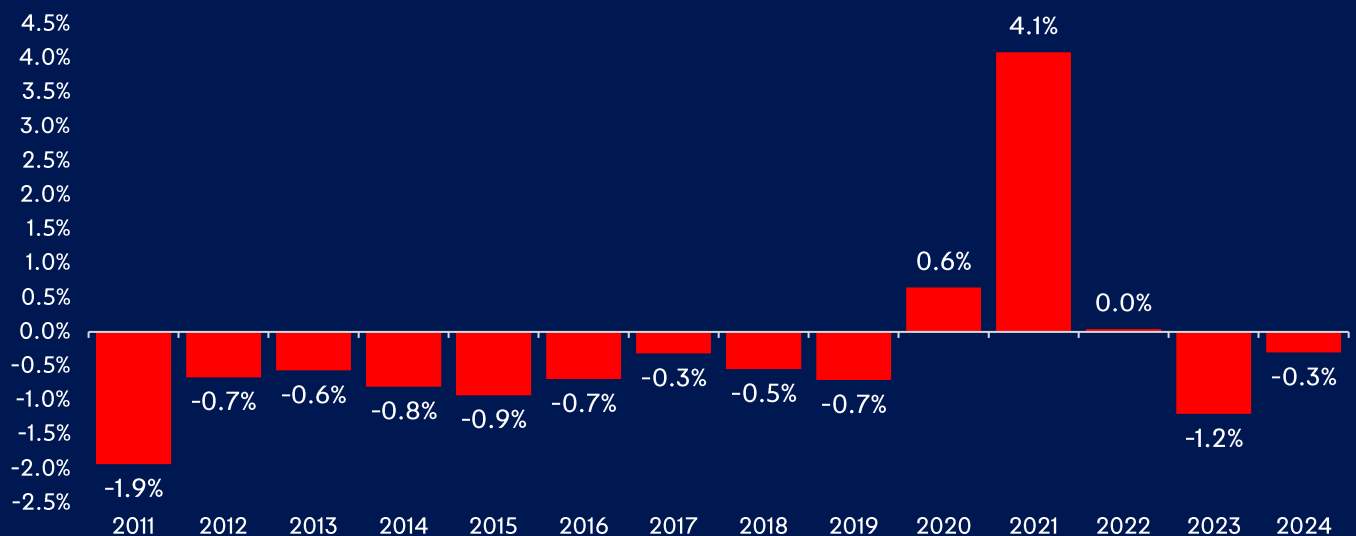
Like-for-Like Basis



On a month-on-month basis, used car retail prices declined less than seasonal norms, falling -0.3% from August to September driven by strong retail demand, growing sales and stock turning quickly. The latest movement marks a positive deviation from the trend seen throughout 2024 as retail prices had broadly followed the historical average since February. 15+ year old vehicles were the best performing age cohort, with prices rising 0.1%, and retail prices of EVs outpaced the market (-0.1%) as strong retail demand begins to support values.

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

Like-for-Like Basis



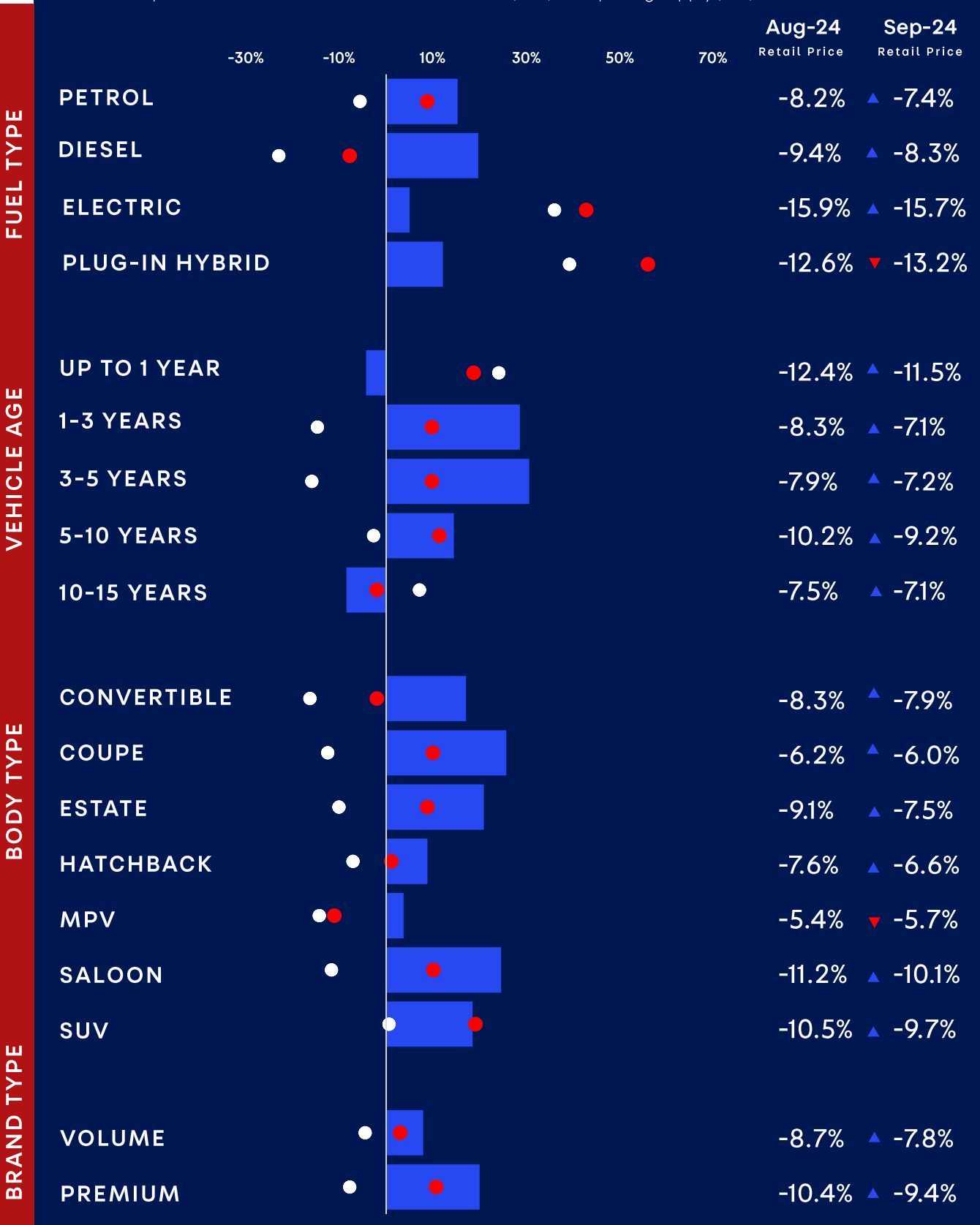
Retail price observations. Year on year like-for-like pricing. Removes the impact of stock mix shift to reflect true value adjustments

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

Charts show Market Health (blue bar), Demand (red) and Supply (white), with pricing movements. The monthly movement of retail prices is illustrated by blue/red arrows.

● Demand YOY ● Supply YOY ■ Market Health YOY Retail Price Movement YoY

Petrol example shows Market Health at +15% as Demand (+7%) is outpacing Supply (-7%)

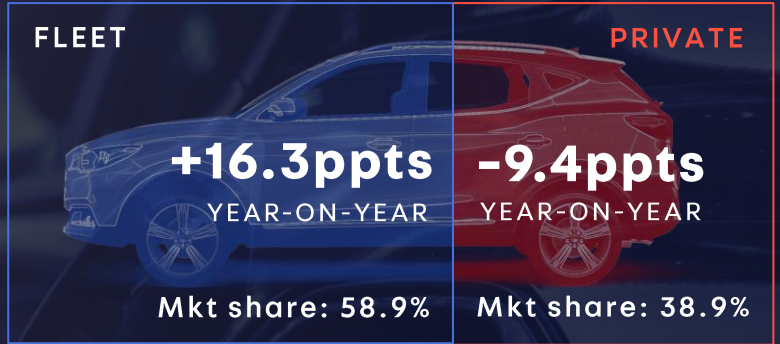


In focus this month

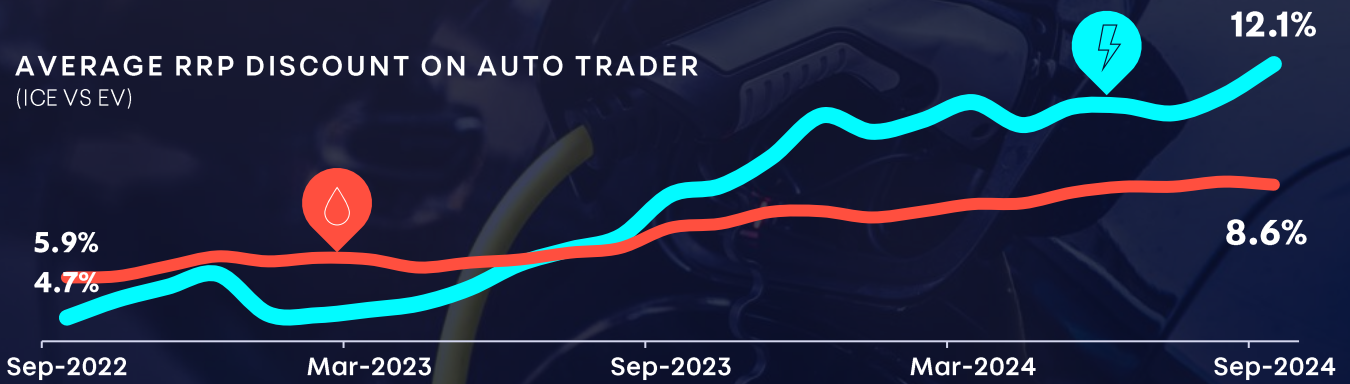
The impact of new car market weakness

The combination of higher new car prices, higher interest rates and the transition to electric have resulted in heavy discounting to reverse weak retail sales and reduce a reliance on less natural fleet channels.

SHARE OF NEW CAR SALES: YTD



AVERAGE RRP DISCOUNT ON AUTO TRADER (ICE VS EV)

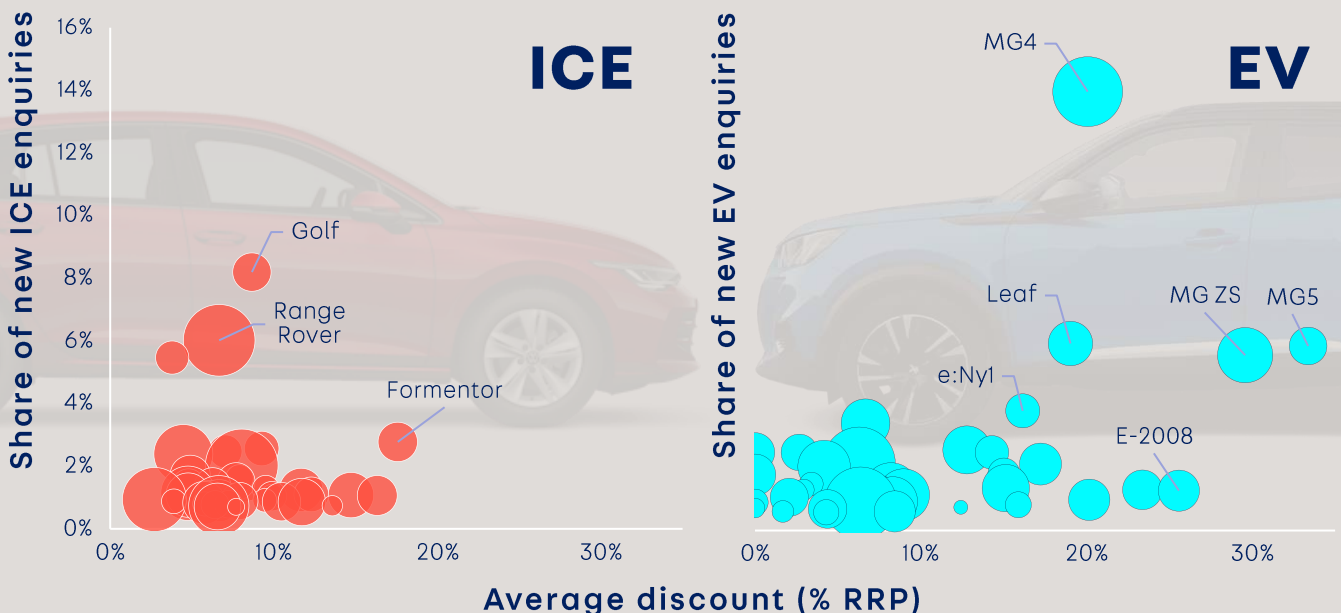


The EV market relied on heavy discounting to stimulate private demand while ICE vehicles performed with lower discounts.

THE ROLE OF DISCOUNTS IN THE ICE/EV MARKETS

New cars advertised on Auto Trader. September 2024

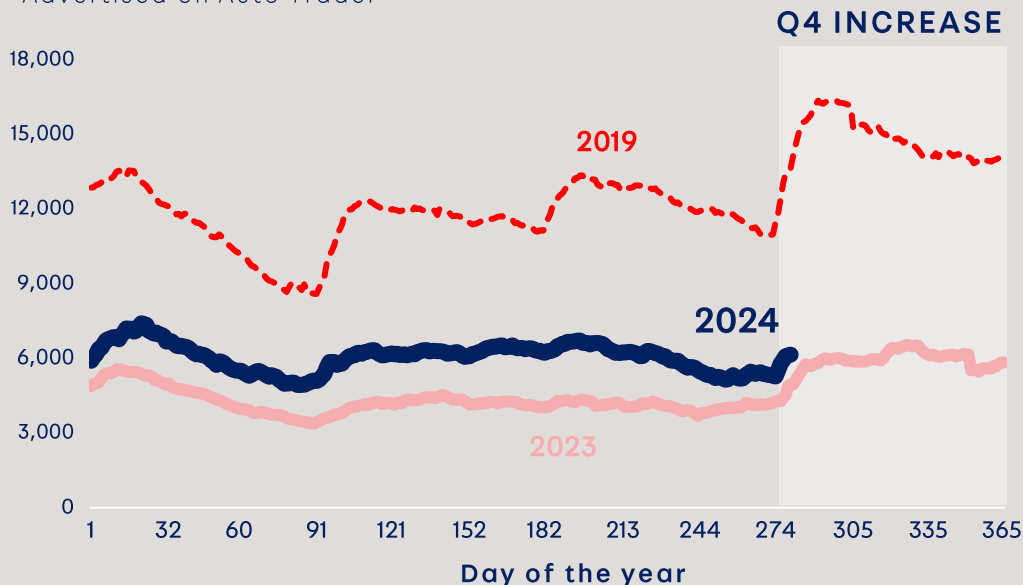
Note: Size of bubble reflects stock levels



Big discounts and more self-registrations indicate the return to a push market. The number of pre-registered vehicles is expected to increase in Q4 in line with historic trends, though volumes are still far behind 2019 levels.

NUMBER OF PRE-REGISTERED CARS FOR SALE

Advertised on Auto Trader



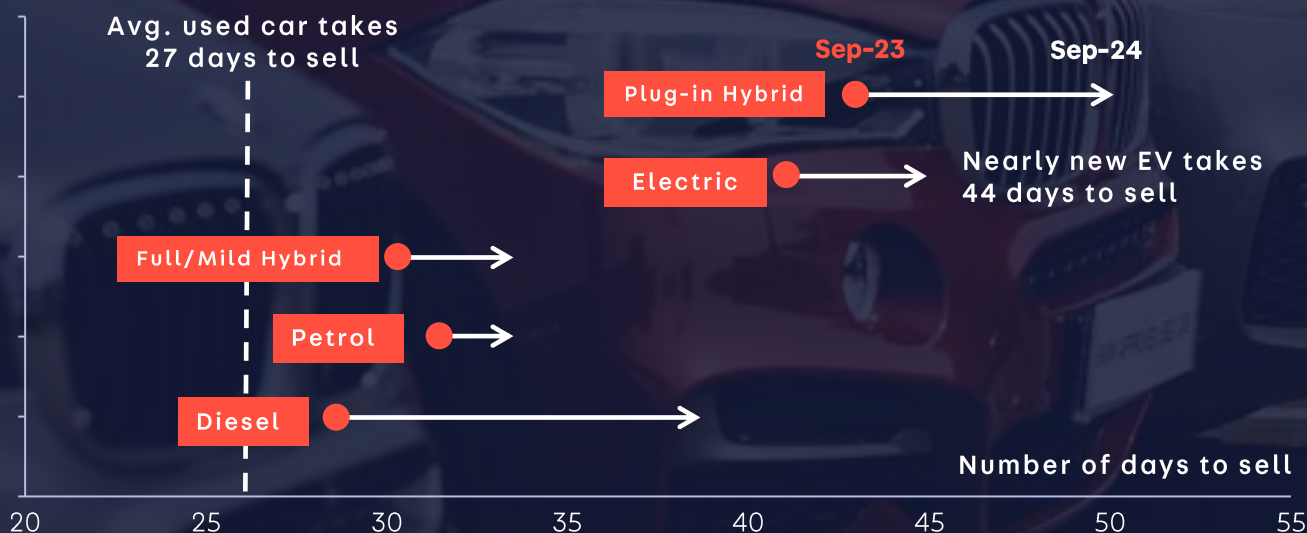
Share of Pre-Reg Stock

PETROL	50%
FULL/MILD HYBRID	15%
ELECTRIC	21%
PLUG-IN HYBRID	10%
DIESEL	4%

Whilst overall demand for used cars is strong, pre-registered stock is taking much longer to sell due to the financial incentives on new cars. Sellers of under 1-year-old cars must consider the supply and pricing dynamics of these vehicles as stock levels rise.

NUMBER OF DAYS TO SELL <1 YEAR OLD CARS

Up to 1-year-old used cars. Based on stock removed from Auto Trader.



Your feedback is important to us.
Scan the QR code or click the button below
to leave a comment, ask a question or
suggest an *in Focus* topic!



[Click here](#)

 **AutoTrader Insight**