



Monthly Market Intelligence

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

SEPTEMBER 2023

 AutoTrader

Used car prices contract for the first time in 3 years, but nuanced market remains robust

NEW CAR REGISTRATIONS

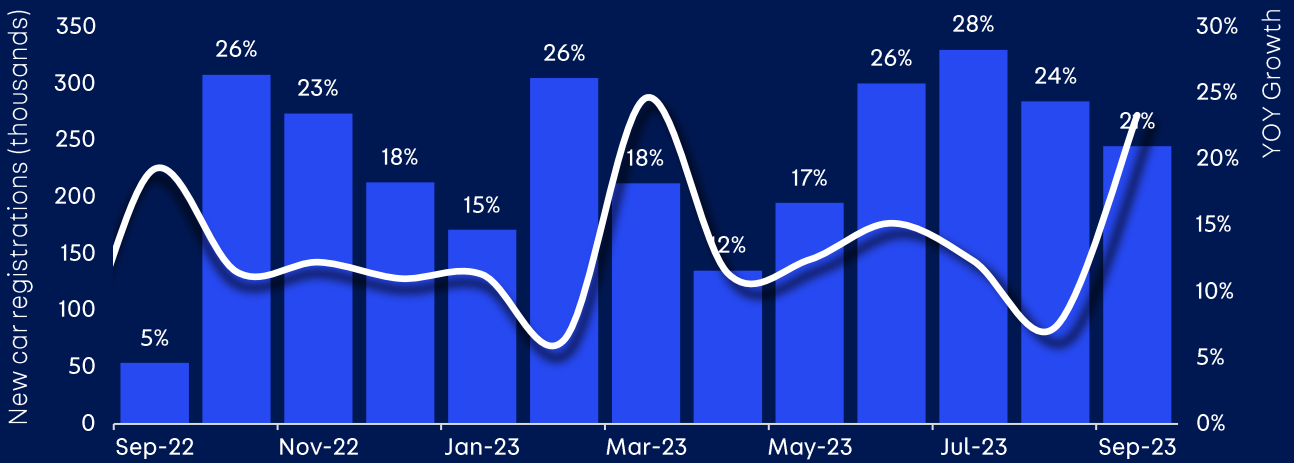
The new car market continues to recover as production ramps up and supply improves with registrations increasing **21% year-on-year in September**. Fleet sales continued to outpace the market as retail struggled in the plate-change month, seeing an increase of only 6% compared with this time last year. Electric's share of registrations fell slightly, though the volume of BEV registrations grew by 19% year-on-year.

272,610

NEW CAR REGs. (SMMT)

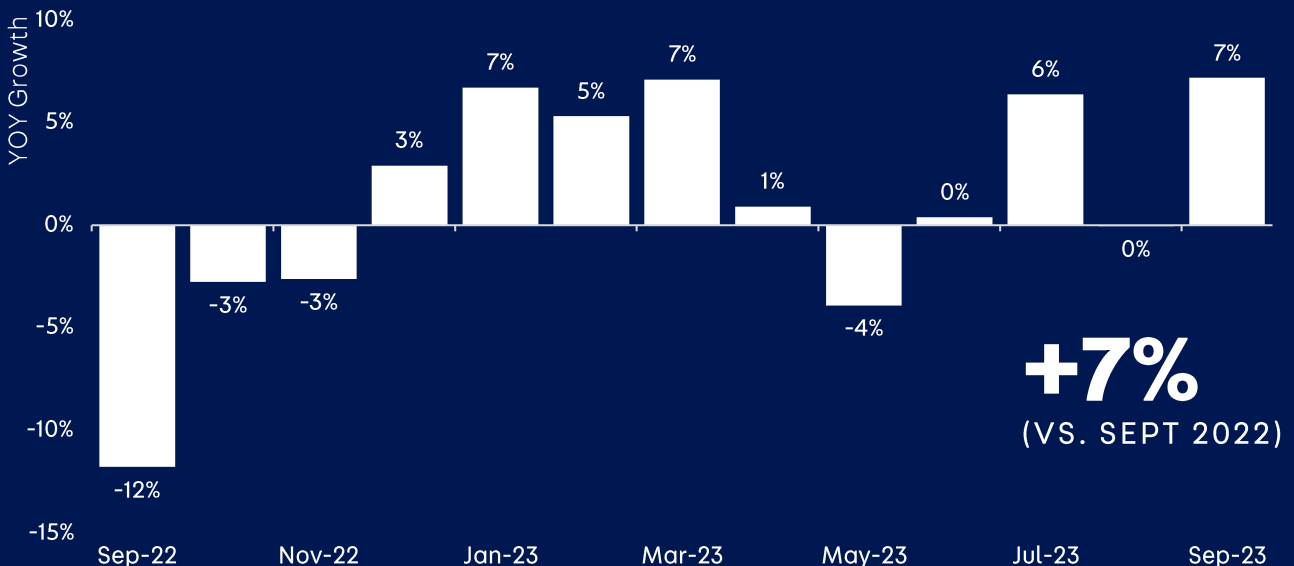
+21%

(VS. SEPT 2022)



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

September saw strong growth in used car sales based on the stock removed from Auto Trader. Transactions increased by 7% vs. September last year: matching the largest increases of 2023 so far. As new car sales recover, so too have sales of <1-year-old cars, with a 45% uplift in September: though volumes remain 54% below pre-pandemic levels.



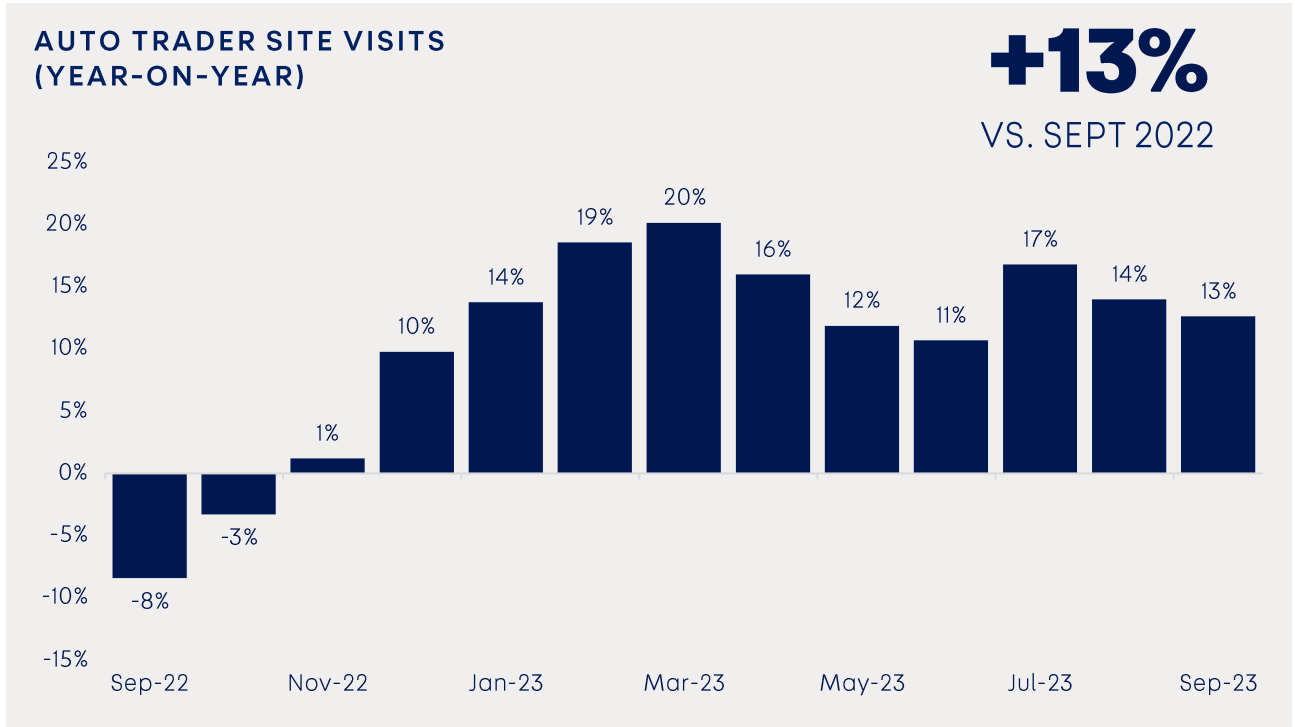
+7%

(VS. SEPT 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.

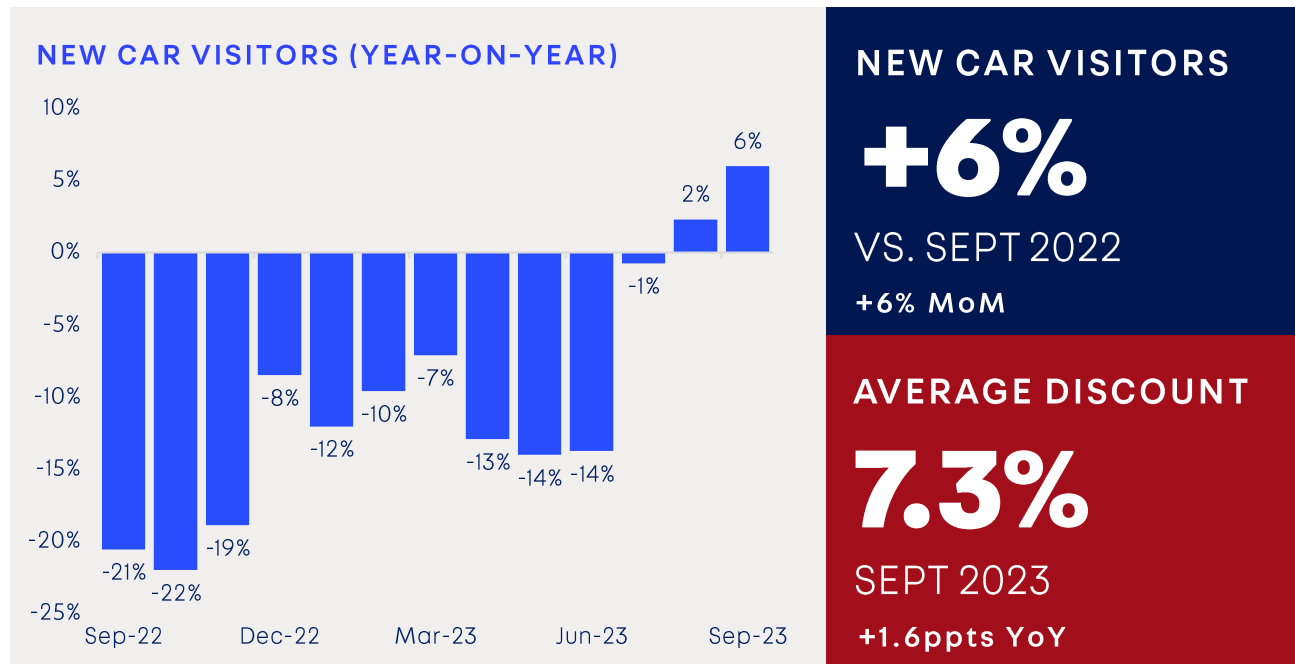
AUTO TRADER AUDIENCE

Total visits to Auto Trader in September were **13% higher** than the same time last year, marking **10 consecutive months of year-on-year growth**. This heightened activity into the final stages of the year indicates good levels of interest despite wider economic pressures. Additionally, 87% of consumers say they feel at least as confident in their ability to afford a car as this time last year*.



NEW CAR ACTIVITY

As new car supply returns to the market, manufacturers and retailers are increasingly turning to tactical offers to attract buyers: **the average new car discount on Auto Trader increased by 1.6ppts year-on-year, to 7.3%**. The number of visitors looking at new cars grew again last month, increasing by 6% year-on-year.

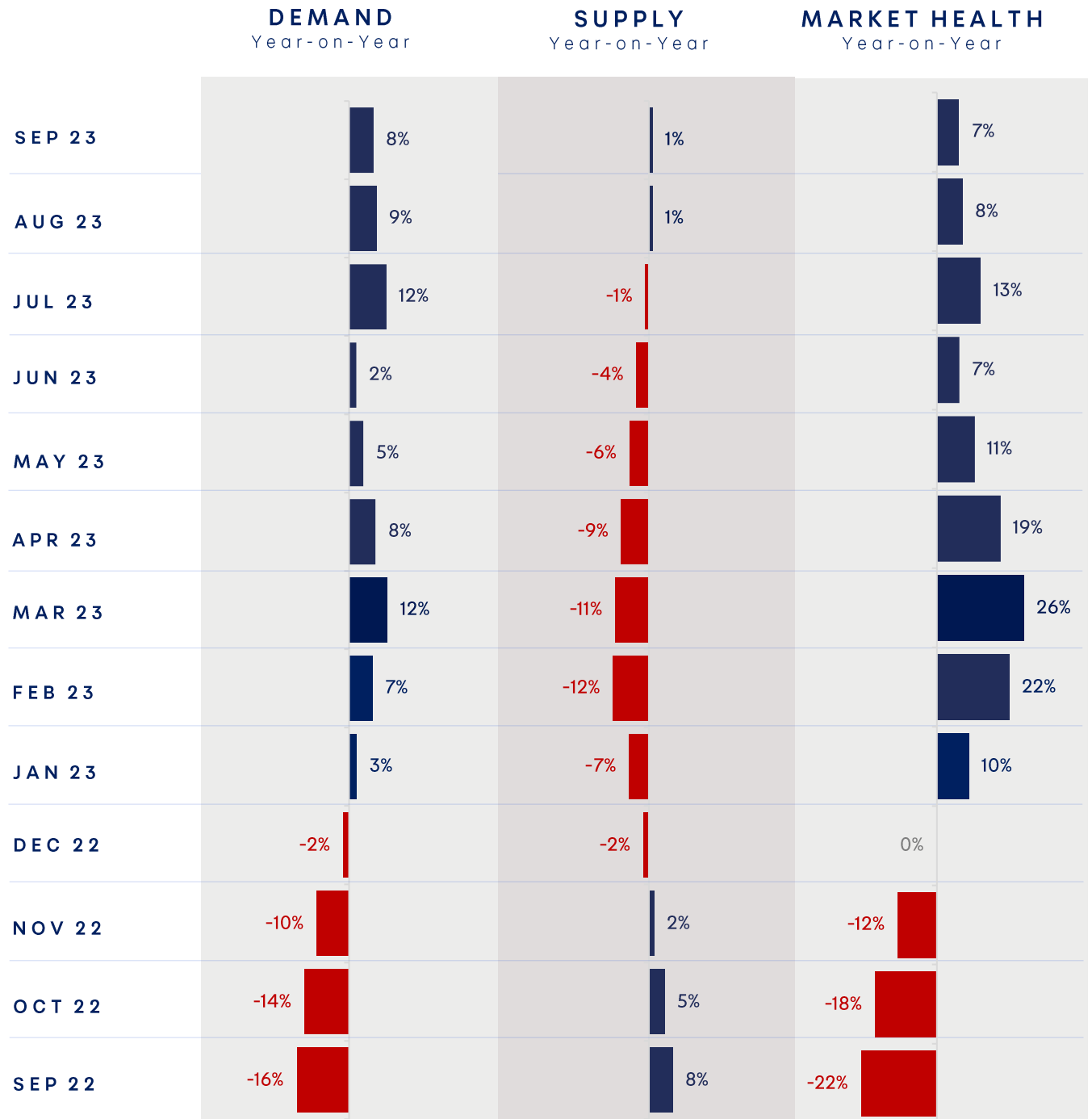


USED CAR MARKET HEALTH

Market Health remains positive for used cars. **Although supply has stabilised in recent months, it has been outpaced by robust levels of demand.** These dynamics have fed through into turn-times with used cars selling every 29 days in September, one day slower than last year but one day faster than 2019. Electric was the fastest selling fuel type, selling every 26 days in September.



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



USED CAR RETAIL PRICE GROWTH

After a record-breaking 41 months of growth, prices fell by a modest -0.4% in September on a year-on-year and like-for-like basis. Although prices fell slightly, they remain £1.2k higher than they would have been if the pandemic had not happened. Much of the decline was driven by younger stock where supply outpaced demand, with prices of 1-3-year-old cars on Auto Trader falling 7% year-on-year, driven primarily by AFVs. Electric vehicles saw the largest drop of any fuel type, falling 22% year-on-year, though there are signs that the used EV market is stabilising, with pricing flat month-on-month.

YEAR-ON-YEAR USED CAR RETAIL PRICE GROWTH

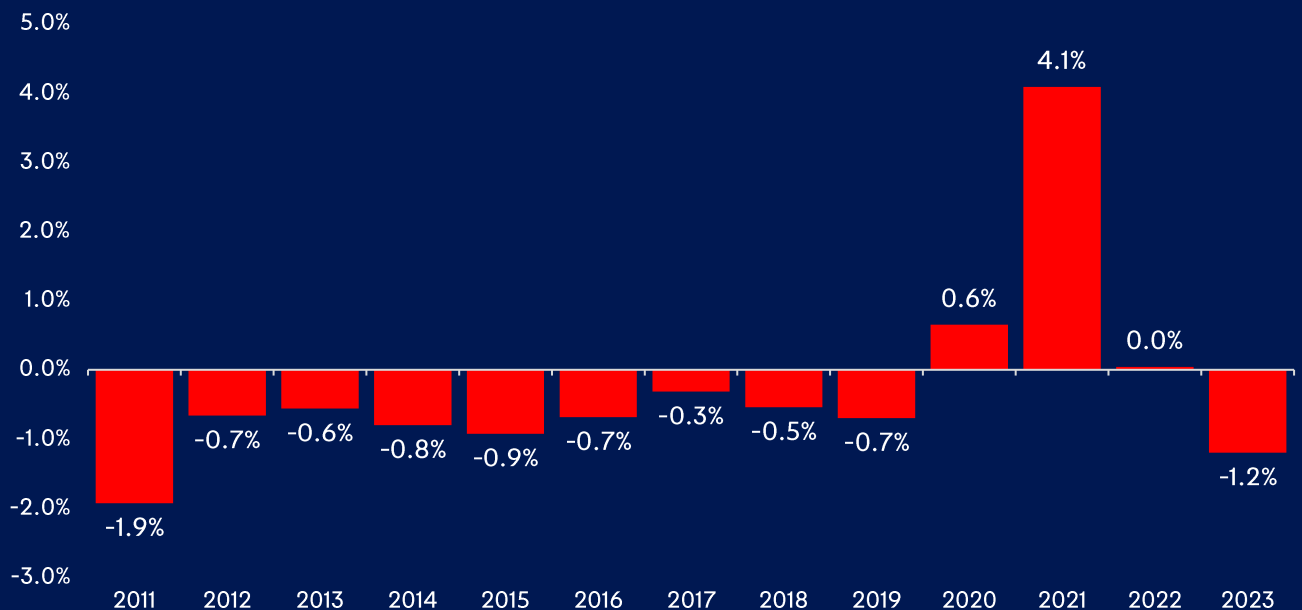
Like-for-Like Basis



Used car retail prices fell -1.2% month-on-month, returning to more normal seasonal patterns from before the COVID-19 pandemic, albeit slightly behind the average. The contraction is evident across almost all age categories and fuel types, though cars more than 15-years-old saw a 1.6% uplift as demand for this age cohort remains strong.

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

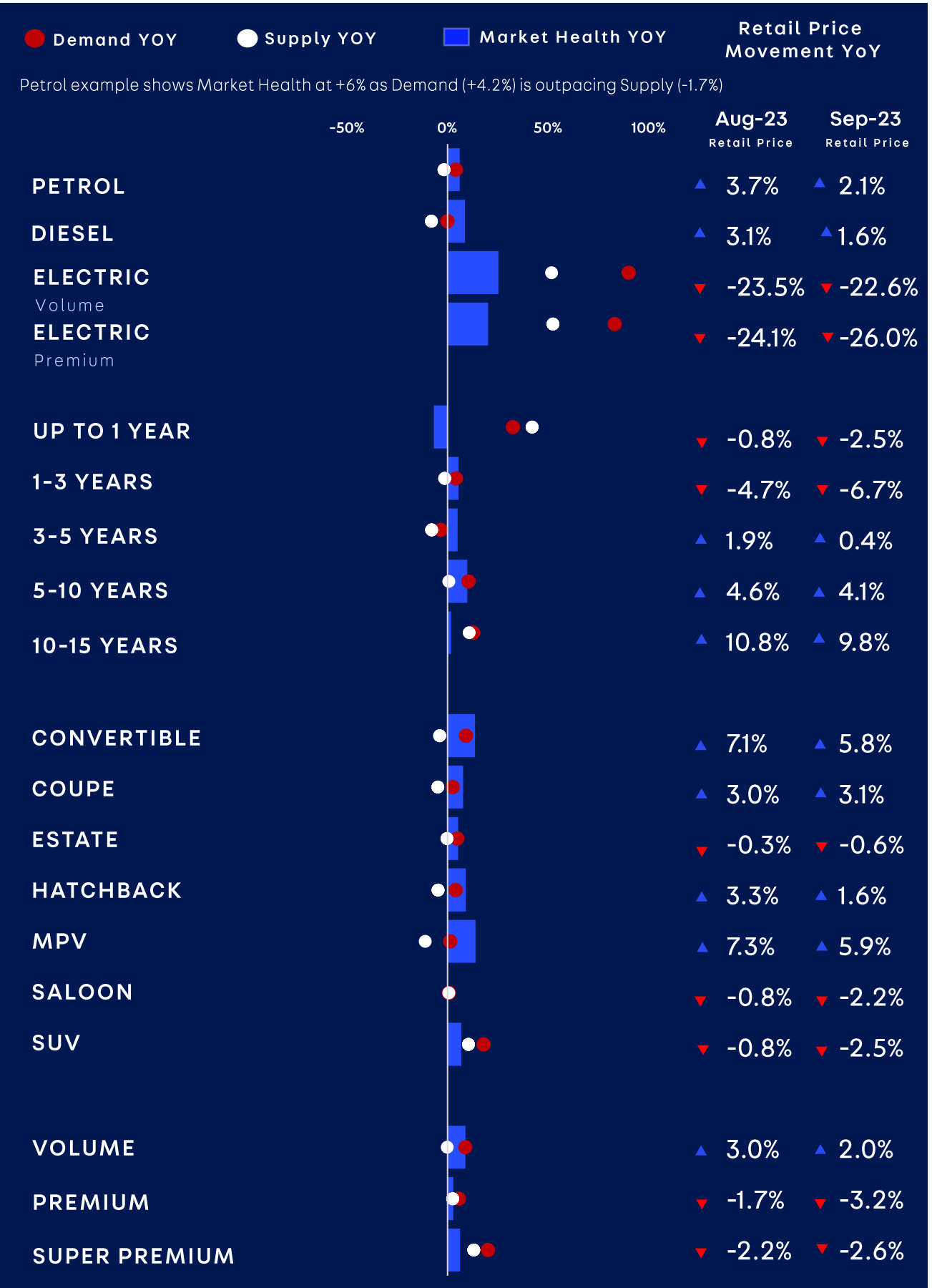
Like-for-Like Basis



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.



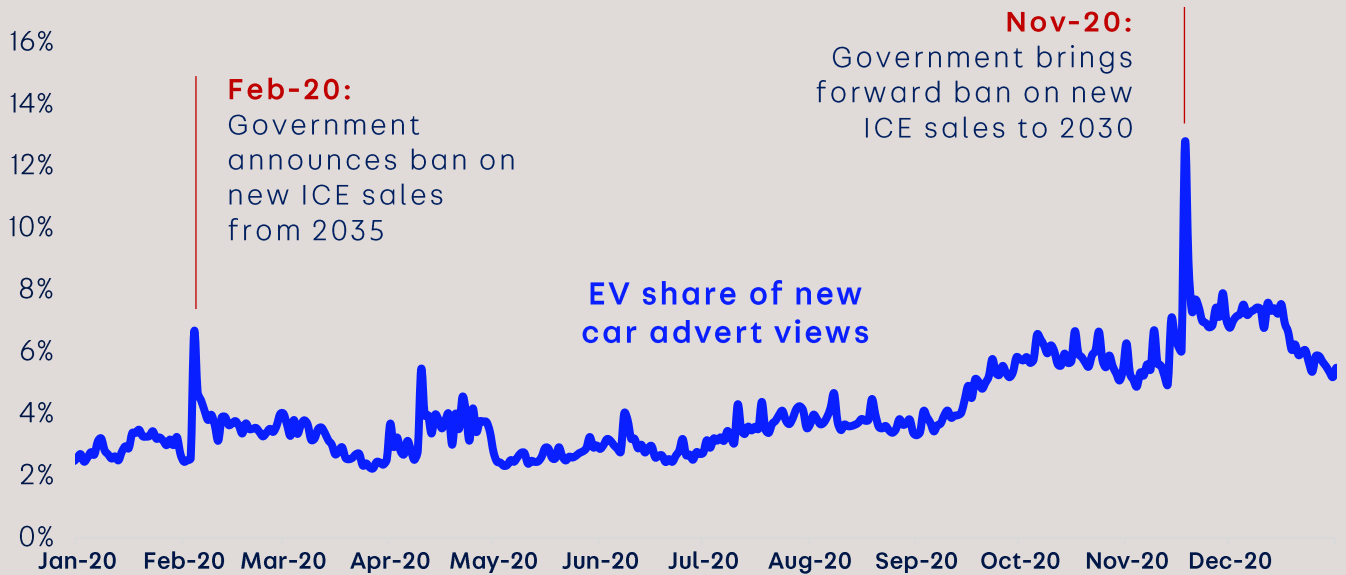
In focus this month

A delay to 2030?

The original announcements - back in 2020 - about the ban on new petrol and diesel sales led to immediate spikes in demand for new electric cars

ELECTRIC SHARE OF NEW CAR ADVERT VIEWS IN 2020

Advertised on Auto Trader



The latest announcement that the ban will be delayed to 2035 had little impact on immediate demand for new electric cars as those in-market remain motivated by fuel savings, environmental concerns and the product

ELECTRIC SHARE OF NEW CAR ADVERT VIEWS IN 2023 YTD

Advertised on Auto Trader



However, the delay may have longer-term implications including more confusion and less confidence as the decade moves on and focus turns to mainstream adoption.

7 in 10

Don't know the ban only applies to new cars

Auto Trader consumer research Sep-23 (n = 3,731)

37%

Say they're unlikely to ever buy an EV

Auto Trader consumer research Sep 23 (n= 1,774)



£153

SAVING ON FUEL

PER 1,000 MILES WITH HOME CHARGING *

Auto Trader calculations. September 2023. Analysis of 31 EVs

*off-peak times charging

But how much really changes? With the ZEV mandate requirements staying the same, manufacturers must still deliver high EV volumes - but pressure will be on to stimulate consumer demand.

ZEV MANDATE – ANNUAL TARGETS

% new cars registered are electric (gov.uk)

