



# Monthly Market Intelligence

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

AUGUST 2023

 AutoTrader

# Supply levels improving and demand stable, with used cars still selling faster than last year

## NEW CAR REGISTRATIONS

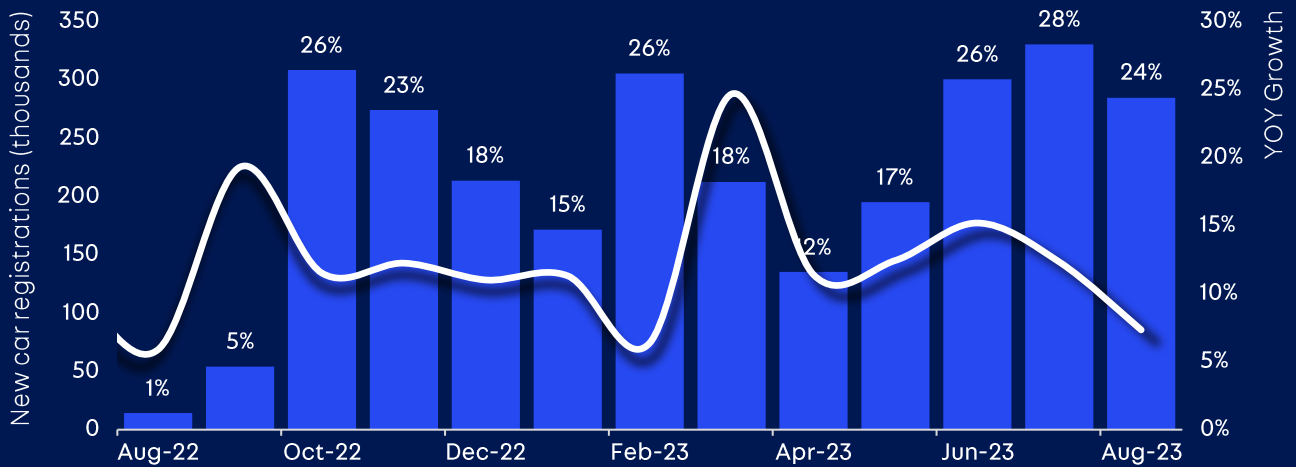
The new car market recovery continued in August with registrations up 24% year-on-year, marking 13 consecutive months of growth. Three in five cars sold in August were to fleet customers, whilst retail sales fell by 8% to the lowest August level since 2013. Many retail buyers may be waiting for the latest plates in September, but there are concerning signs that demand is struggling as the new car market faces a number of challenges.

# 85,657

NEW CAR REGs. (SMMT)

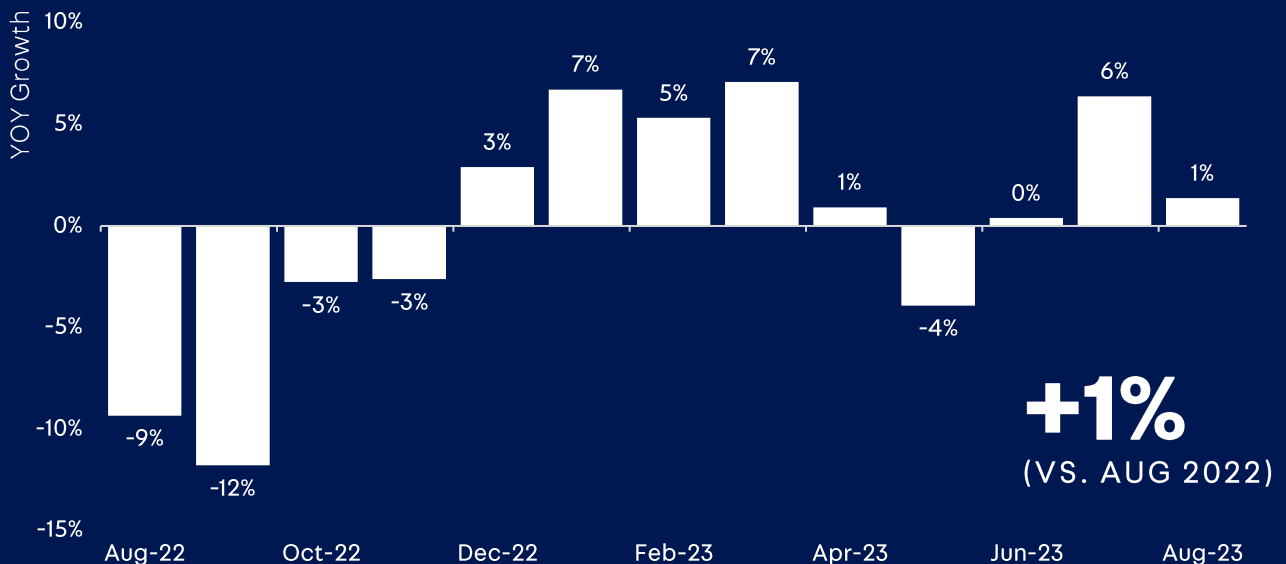
# +24%

(VS. AUGUST 2022)



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

Used car sales increased 1% year-on-year based on the stock removed from Auto Trader in August. Within this, there was further improvement in sales of under 1 year old cars, with volumes rising 42% year-on-year. Increasing registrations of new cars in short cycle channels may grow further in Q4, as manufacturers find ways to hit year-end targets.



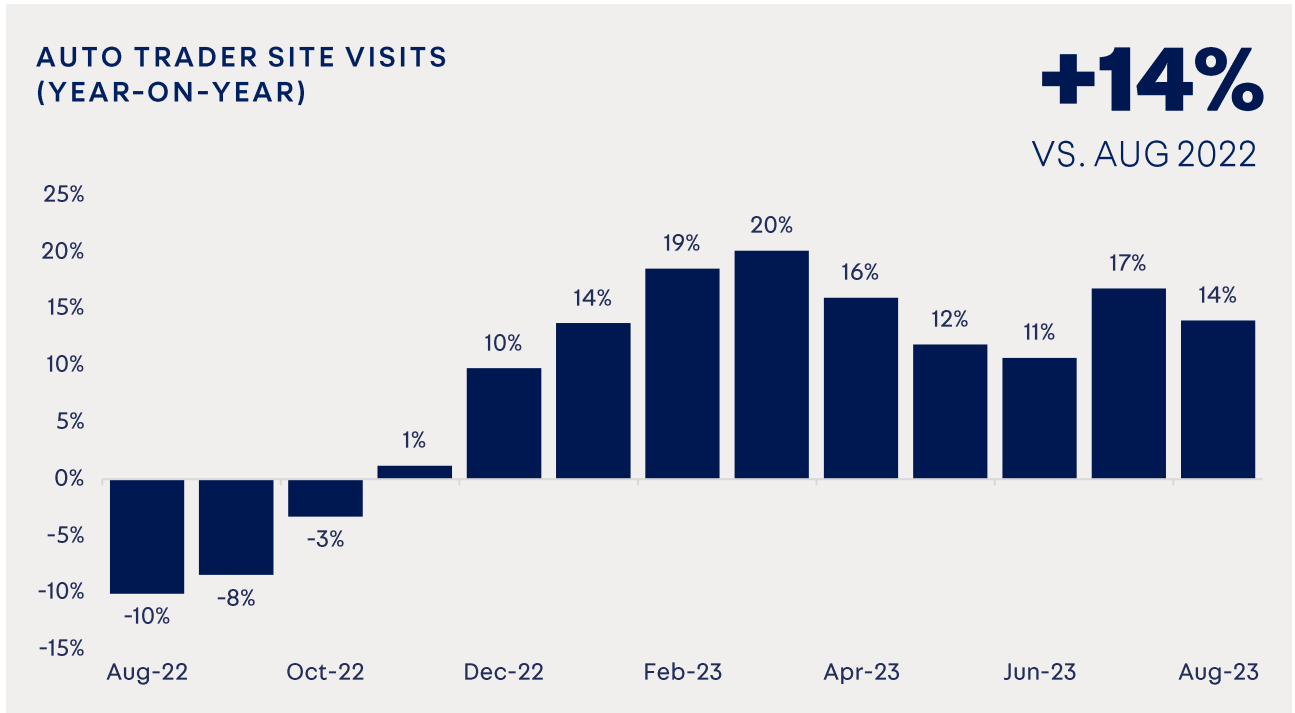
# +1%

(VS. AUG 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.

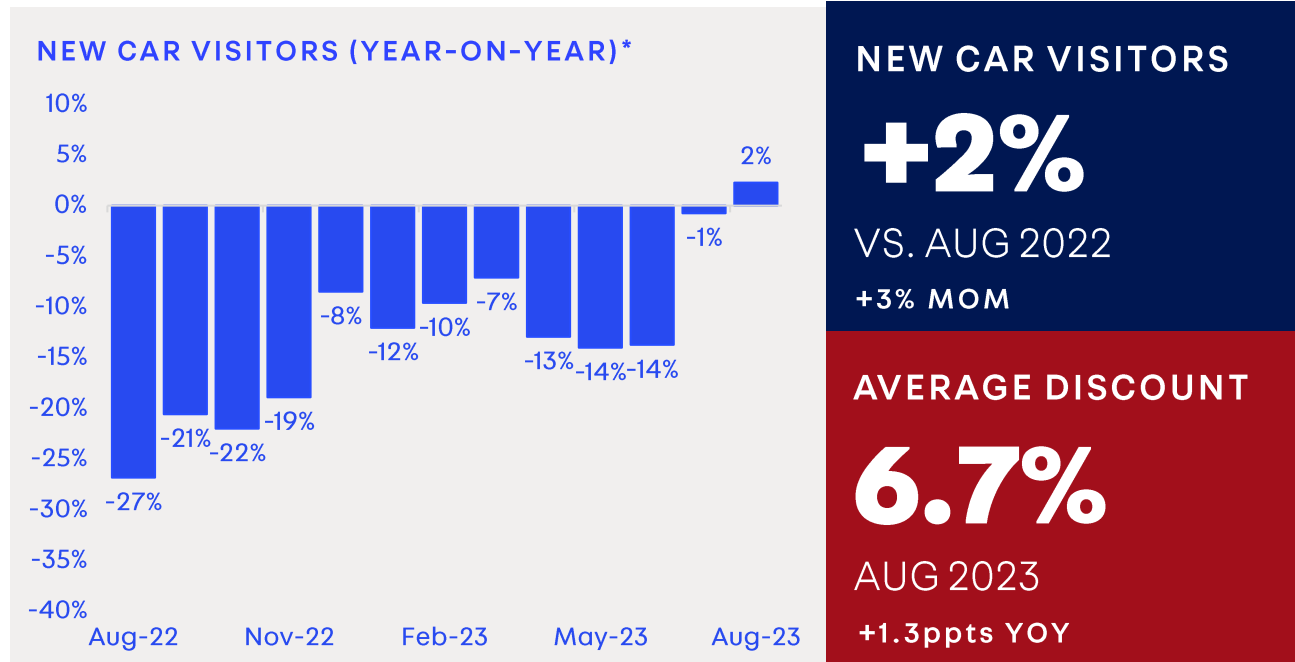
# AUTO TRADER AUDIENCE

August was another strong month for on-site activity with total visits to the platform up 14% on last year's levels. Like July, the relative strength in year-on-year performance reflected a temporary reduction in last year's activity, which may have been linked to the hot weather and higher footfall. Despite interest rates rising, falling core inflation and higher earnings provide hopes that consumer confidence will improve.



# NEW CAR ACTIVITY

The number of visitors looking at new cars increased for the first time in over a year, growing 2% year-on-year. The latest jump in activity comes just before the next plate-change as many manufacturers reintroduce new car incentives. The average discount seen on Auto Trader over the last year has risen by 1.3ppts to 6.7% in August, and the proportion of new cars displaying a discount has also risen by 8ppts to 68%.



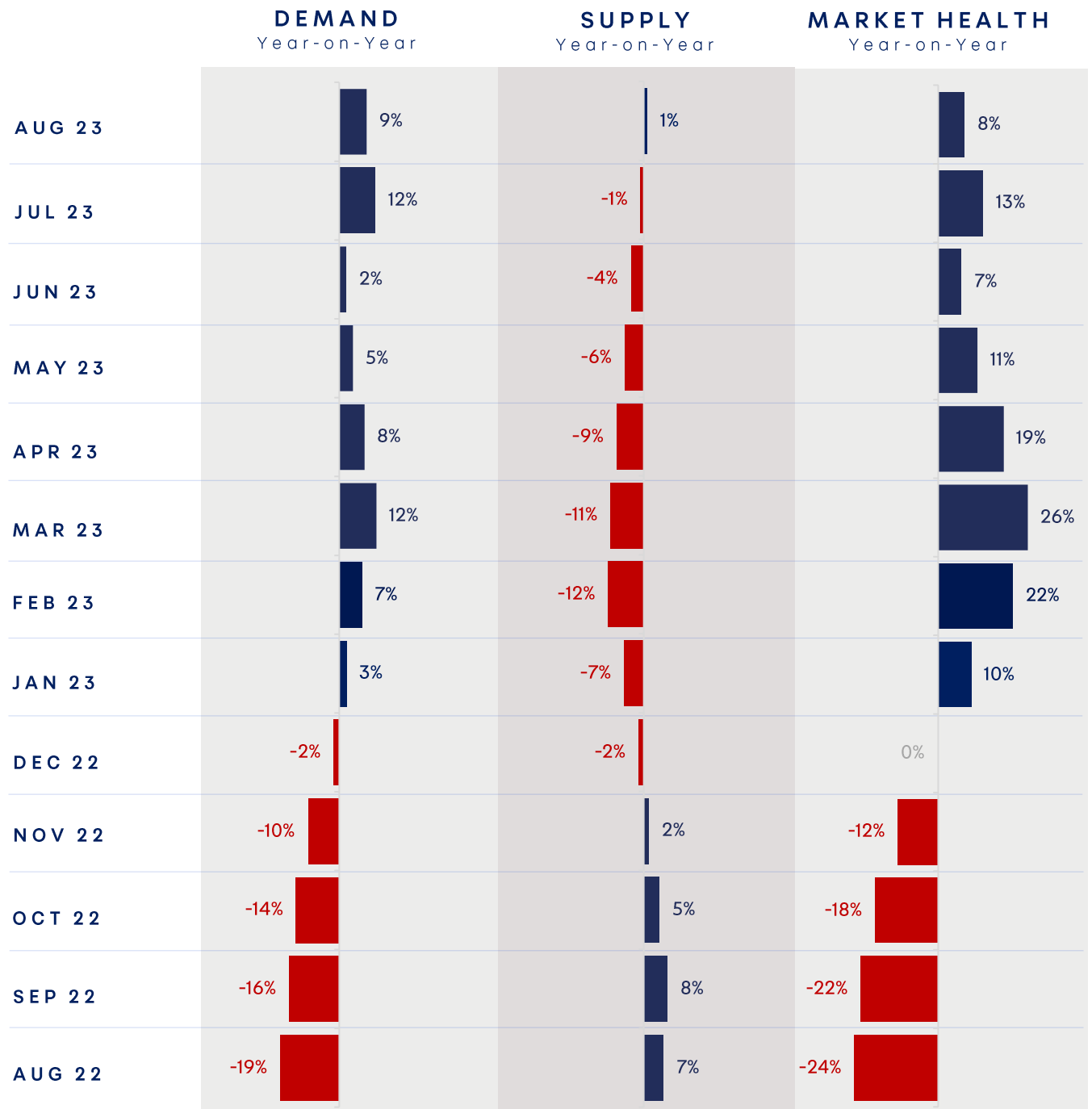
\*New car leads has been replaced by new car visitors as part of data improvements

# USED CAR MARKET HEALTH

Supply of used cars increased for the first time since November 2022 as the recovery in new car sales – as well as the bounce back from the 2008 financial crisis - result in more nearly new and 10–15-year-old cars in the market. However, supply constraints persist in certain age cohorts (like 3–5-year-old cars) due to the pandemic’s impact on new car sales. Despite the modest increase in total supply, solid levels of demand meant that used cars still sold 1 day faster than last year and 2 days faster than 2019 levels.



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

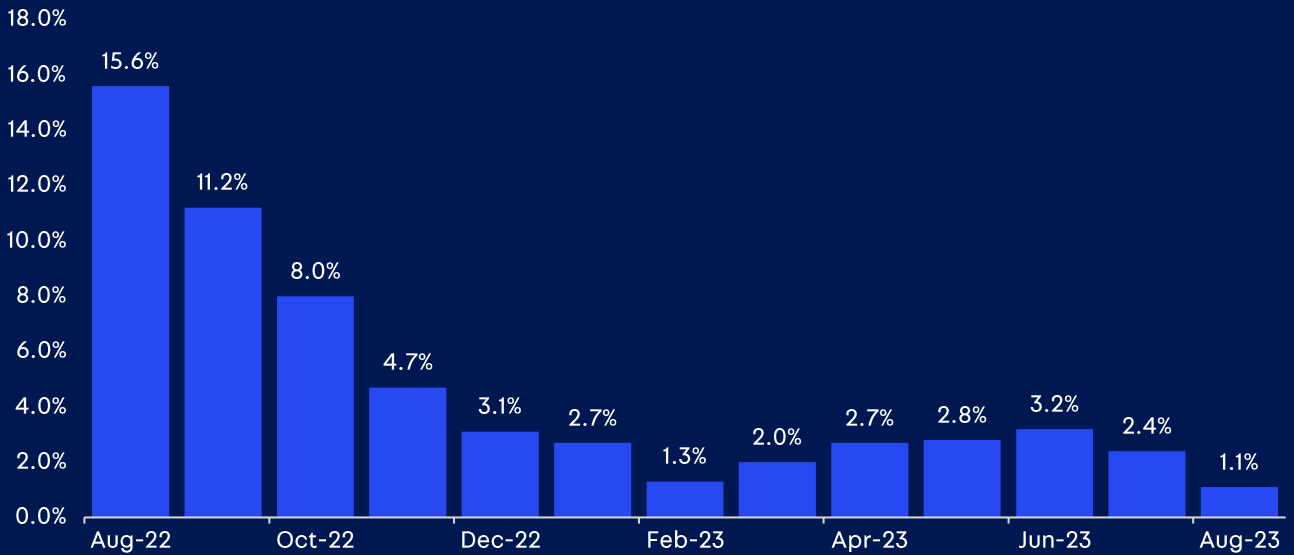


## USED CAR RETAIL PRICE GROWTH

Used car retail prices increased by 1.1% on a year-on-year and like-for-like basis in August, but the headline growth rate slowed for the second consecutive month as the recovery in new car sales and shift to electric put further pressure on prices. However, not all segments experienced slower price growth, with 10-15 year old cars increasing 10.8% in August (up from 10.6% in July). Critically, overall demand is holding up, used cars are selling faster than last year and pre-pandemic levels, and prices remain nearly £2k ahead of where they would have been if the pandemic had not happened.

### YEAR-ON-YEAR USED CAR RETAIL PRICE GROWTH

Like-for-Like Basis



The slowdown in year-on-year growth was reflected by a -0.8% drop in month-on-month retail prices, below the pre-pandemic average for August. However, as the pricing movements over summer months tend to be more volatile and display fewer signs of seasonality, September's data will provide a better gauge on pricing behaviour.

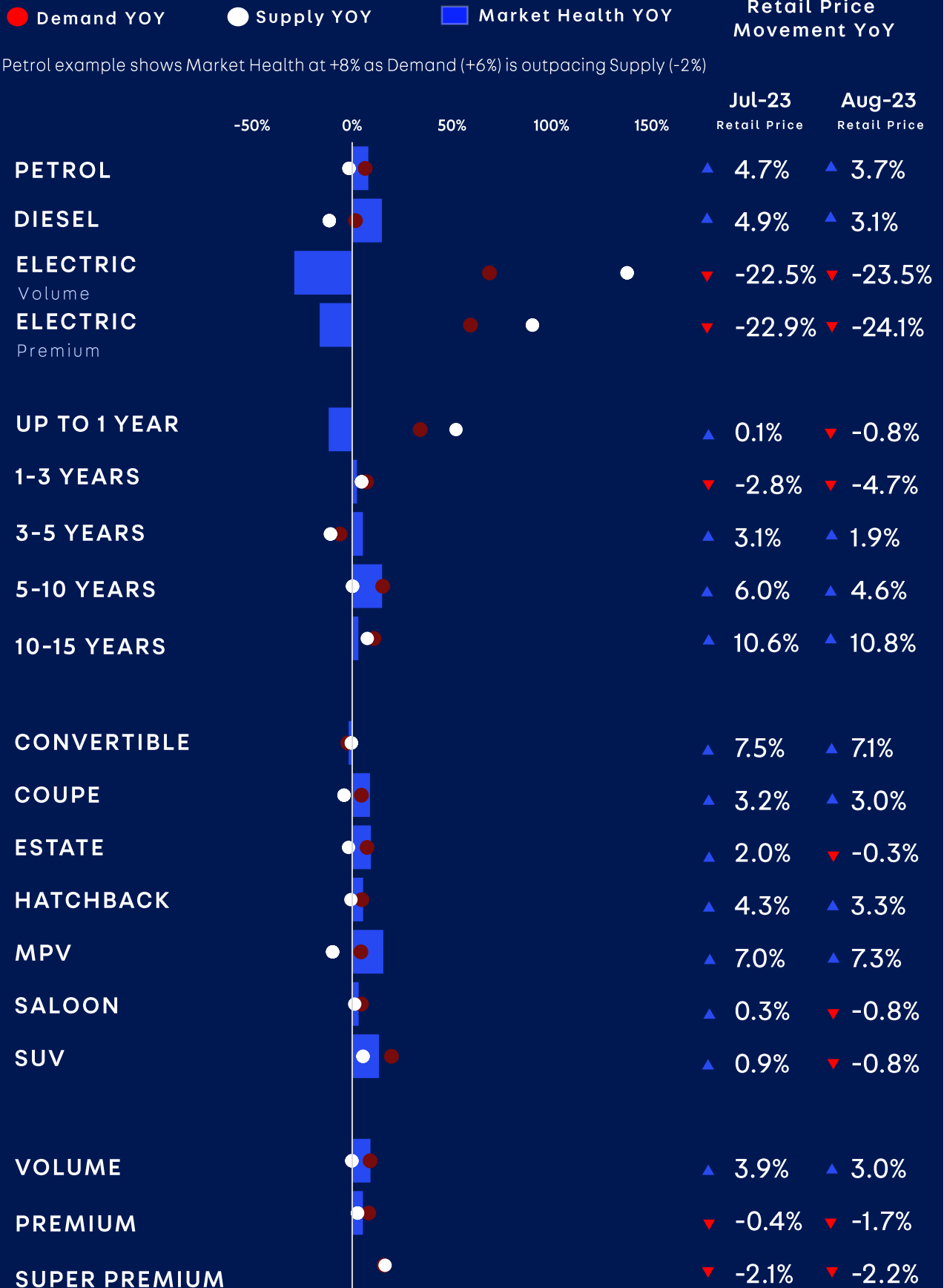
### MONTH-ON-MONTH USED CAR RETAIL PRICE GROWTH: AUGUST

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.

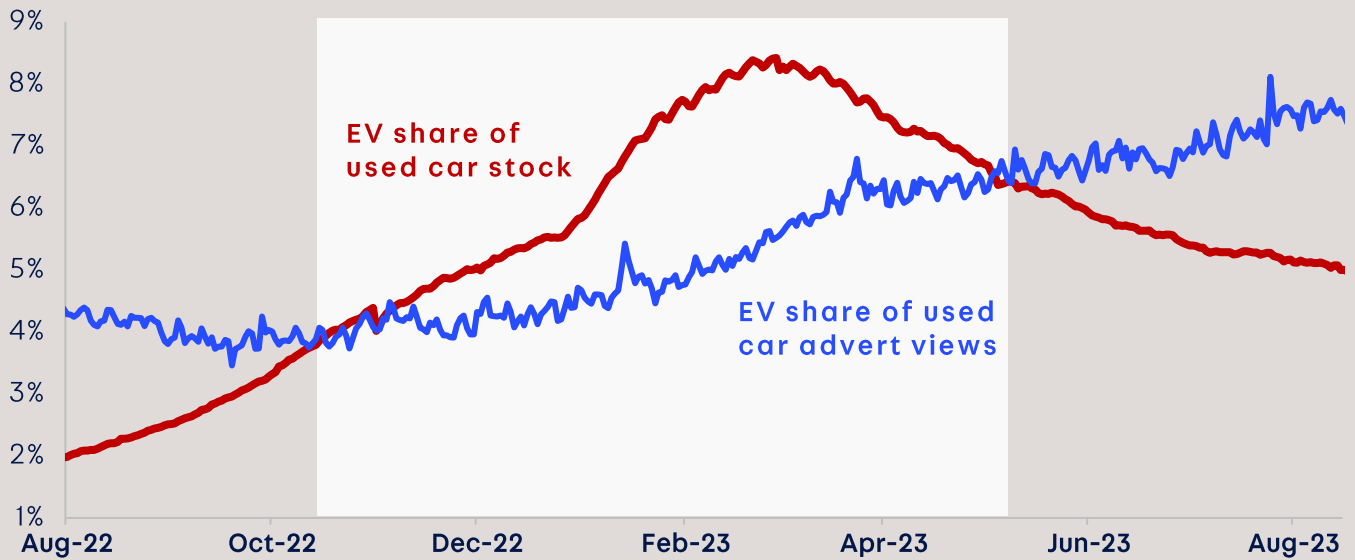


In focus this month

# The Road to 2030

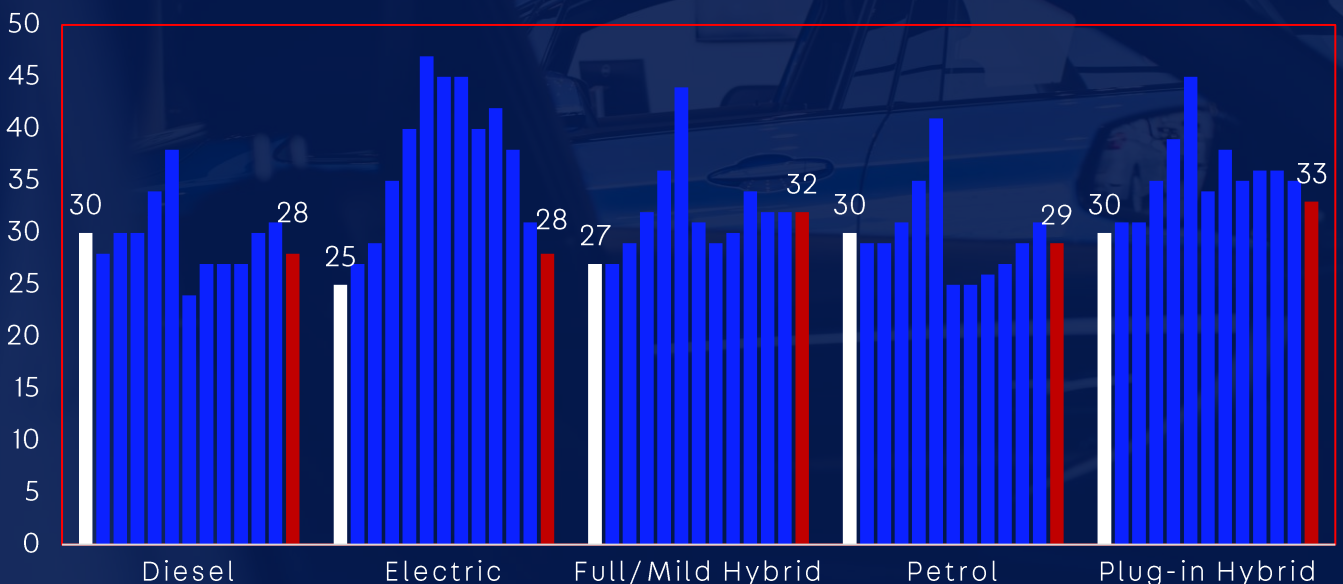
Lower prices have stimulated record demand for used EVs, whilst supply has fallen due to increased interest and fleet operators sending fewer EVs to auctions

**ELECTRIC SHARE OF USED CAR STOCK & ADVERT VIEWS**  
0-5 years old



As market dynamics improve, used electric cars are now selling as quickly as petrol and diesel

**NUMBER OF DAYS TO SELL BY FUEL TYPE**  
Based on used car stock removed from Auto Trader

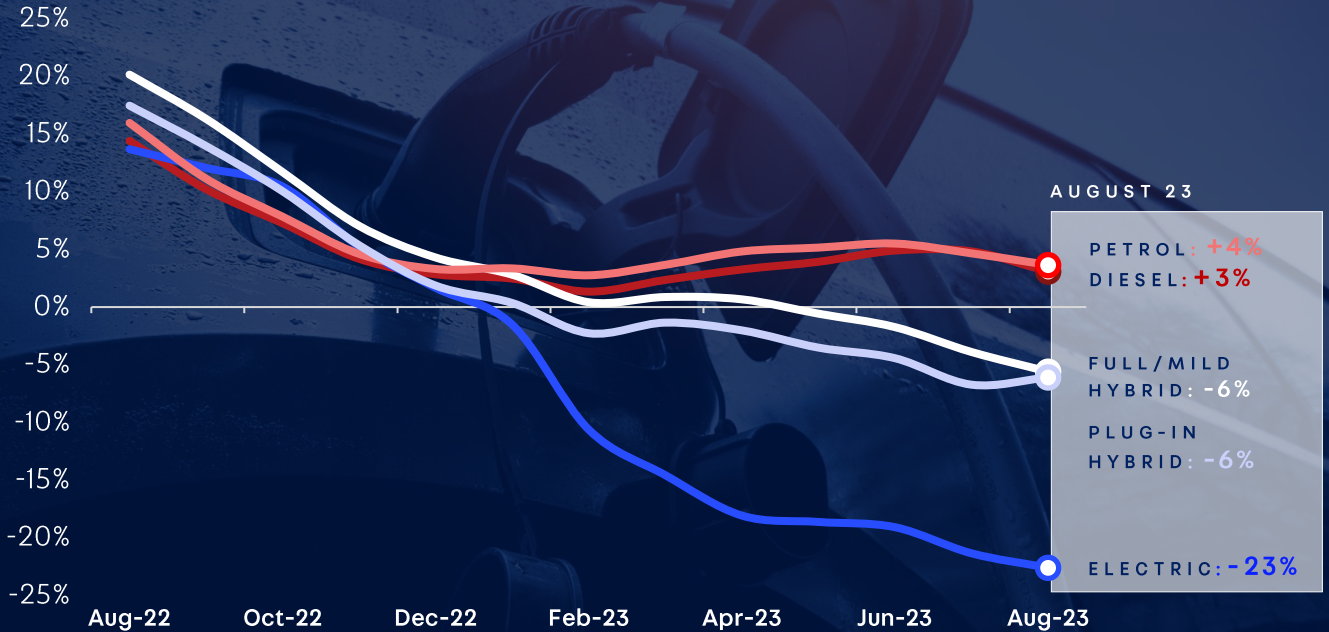




# Used electric car prices are 23% below last year's levels, but they are stabilising as stock turns faster

## RETAIL PRICE GROWTH BY FUEL TYPE

Like-for-Like, Year-on-Year



But the latest research suggests many are still not EV ready if the UK wants to move from the early adopters to the early majority

## LIFESTYLE FIT

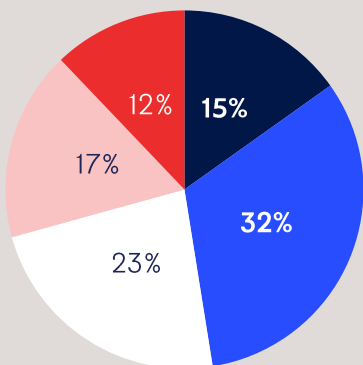
How well do you think an electric car would fit into your current lifestyle?

Total (n=4,002). May-2023.



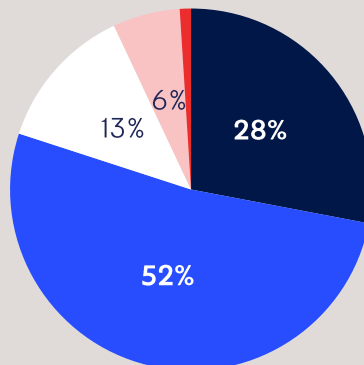
### TOTAL

NET POSITIVE: 47%



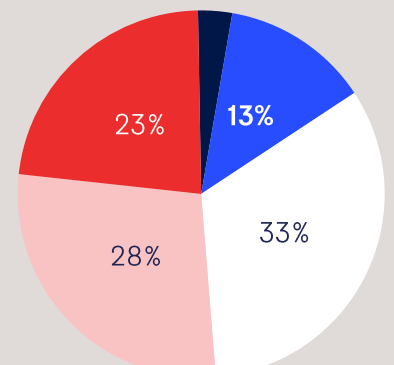
### EV READY

NET POSITIVE: 80%



### NOT EV READY

NET POSITIVE: 16%



Explore **The Road to 2030** report here

Let's go!