

A futuristic red car is the central focus, positioned in a dark, digital environment. The car is illuminated from below, creating a strong reflection on the glossy floor. The background is filled with vibrant, multi-colored light trails (red, blue, white) that create a sense of motion and depth. Overlaid on the scene are white wireframe structures, including rectangular boxes and lines, suggesting a data-driven or virtual space. The overall aesthetic is high-tech and modern.

Monthly Market Intelligence

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

JANUARY 2024

 AutoTrader

Retail market for new cars softens as demand for used cars grows amidst pricing adjustments

NEW CAR REGISTRATIONS

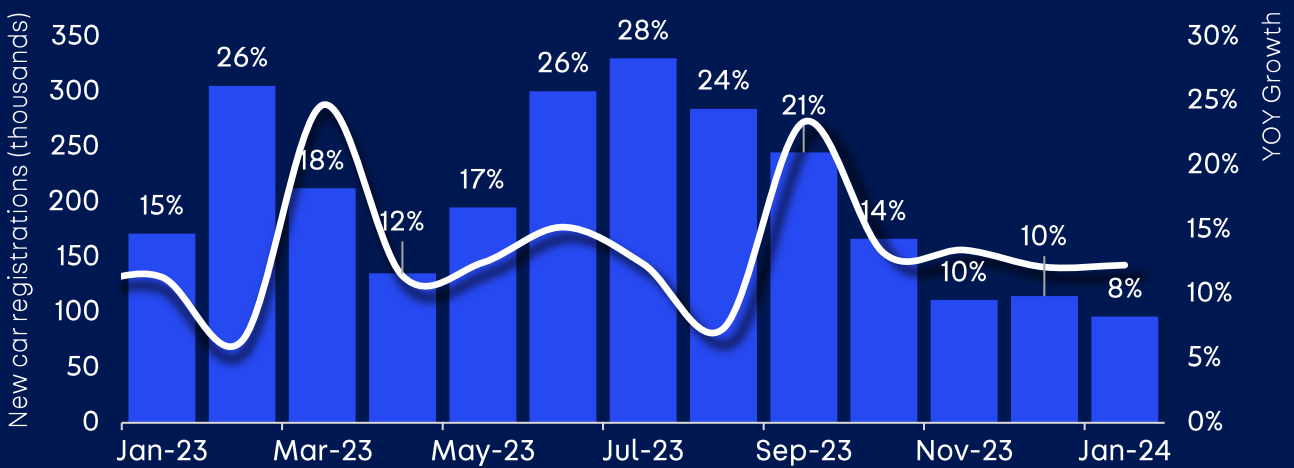
January saw a robust 8.2% uplift in new car registrations compared with last year. The number of new electric cars registered grew faster than any other fuel-type, increasing by 21%. Nonetheless, January was a challenging month for retail sales; the volume of private registrations fell by -16% year-on-year whilst fleet sales surged by 30%. Private sales accounted for just 1 in 3 new car registrations, down from 45% in January 2023.

142,876

NEW CAR REGs. (SMMT)

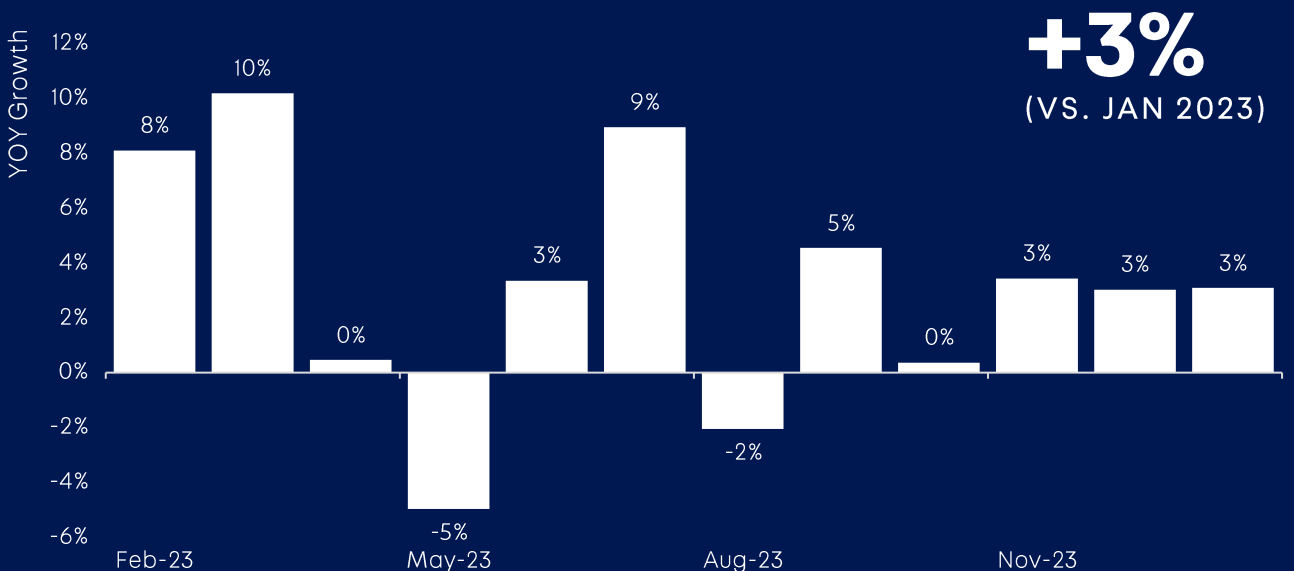
+8%

(VS. JAN 2023)



USED CAR SALES (YEAR-ON-YEAR)

January marked a strong start to the year for the used car market, with retail sales increasing by 3% year-on-year. Electric cars performed particularly strongly, with sales rising by 94% as consumers responded to ongoing pricing pressures in the segment.



+3%

(VS. JAN 2023)

*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 model means historic figures may have altered slightly.

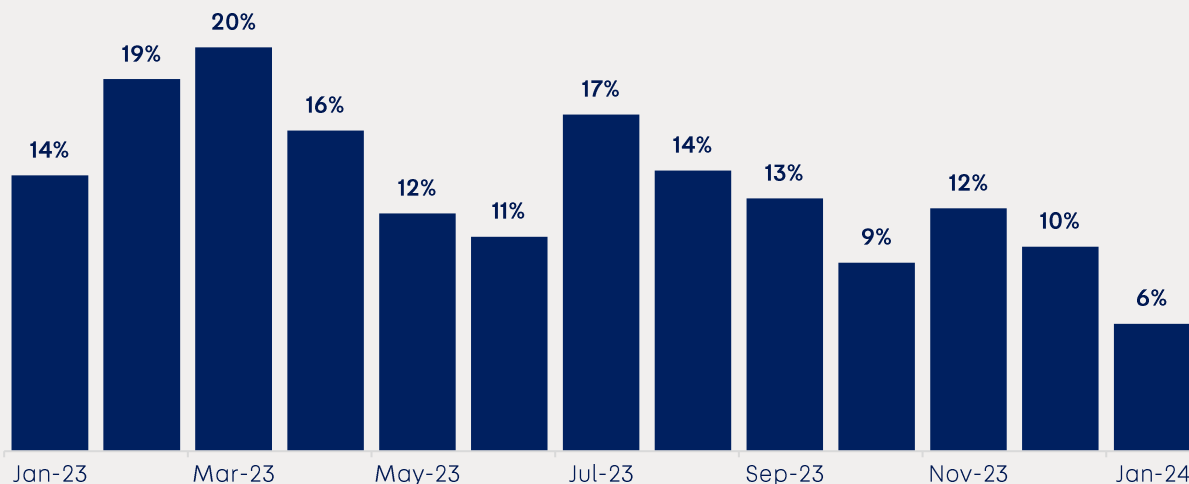
AUTO TRADER AUDIENCE

Encouragingly, visits to Auto Trader grew by 6% in January compared with last year, the fifteenth consecutive month of year-on-year growth. The trend is a positive indicator, with 2 in 3 visitors expecting to buy in the next 3 months¹. In addition, GfK's Consumer Confidence Index rose to its highest point in two years providing further cause for optimism².

AUTO TRADER SITE VISITS (YEAR-ON-YEAR)

+6%

VS. JAN 2023



NEW CAR ACTIVITY

New car visits continue to grow, increasing by 35% versus January last year. Traffic also recovered well following the traditional festive slackening, increasing by more than a fifth compared with December. New car demand is buoyed by discounts, with 3 in 4 new cars offering savings off the RRP, though average discounts softened slightly in January to 8.2% (-0.2 ppts MoM).

NEW CAR VISITS (YEAR-ON-YEAR)

NEW CAR VISITS

+35%

VS. JAN 2023

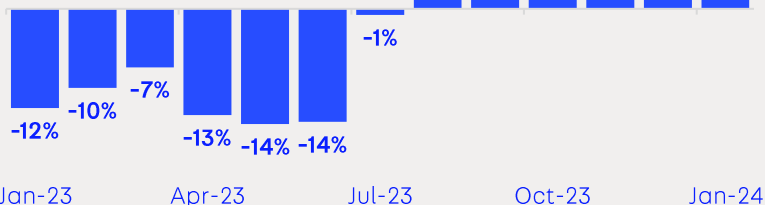
+20.6% MoM

BEV LEAD SHARE

14.1%

JAN 2024

+1.9ppts YoY



Sources:¹Auto Trader research. N = 473

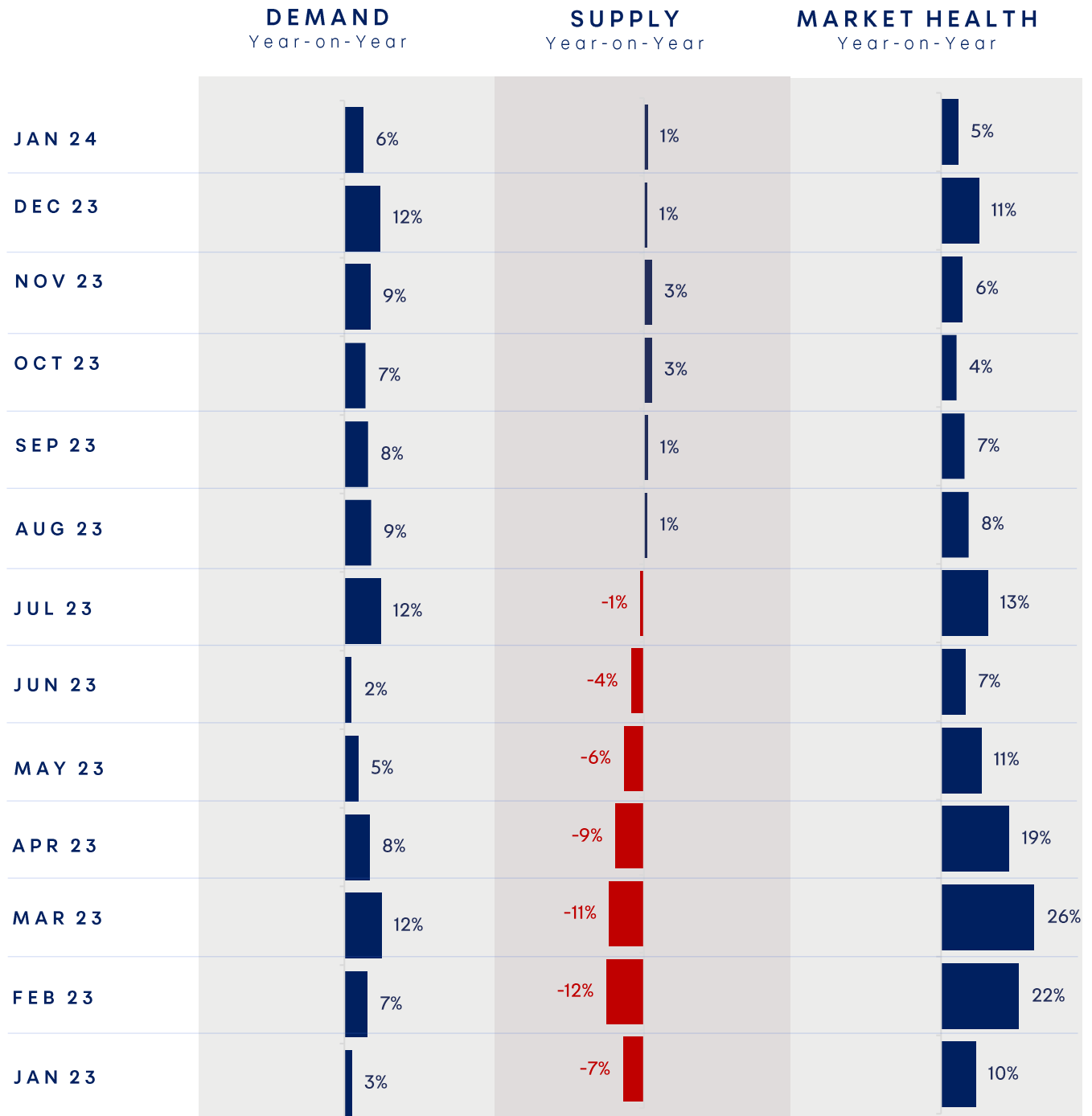
²GfK's Consumer Confidence Index

USED CAR MARKET HEALTH

Market health was positive again in January as demand continues to grow faster than supply. Demand for used electric cars remains high, increasing by 61%. As a result, EVs are the fastest selling fuel type at 36 days, 12 days quicker than in January 2023. Overall, used cars sold in 40 days, one day faster than January 2023.



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

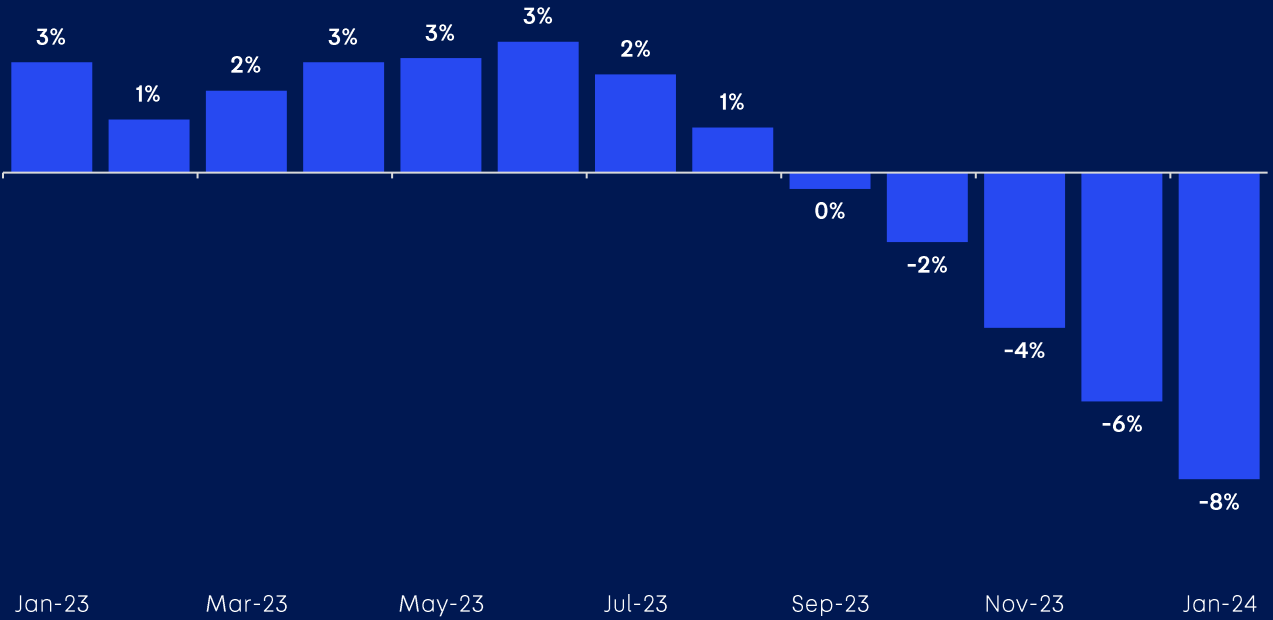


USED CAR RETAIL PRICE CHANGES

Like-for-like prices fell by -7.5% year-on-year in January as recent trends in wholesale values continued to flow into the retail market. Demand remains robust, with turn-times falling and retail sales increasing year-on-year. Nonetheless, 46,000 cars with a high retail rating¹ are priced below their market value, a £30m gap from where they're priced to the market level.

YEAR-ON-YEAR USED CAR RETAIL PRICE CHANGES

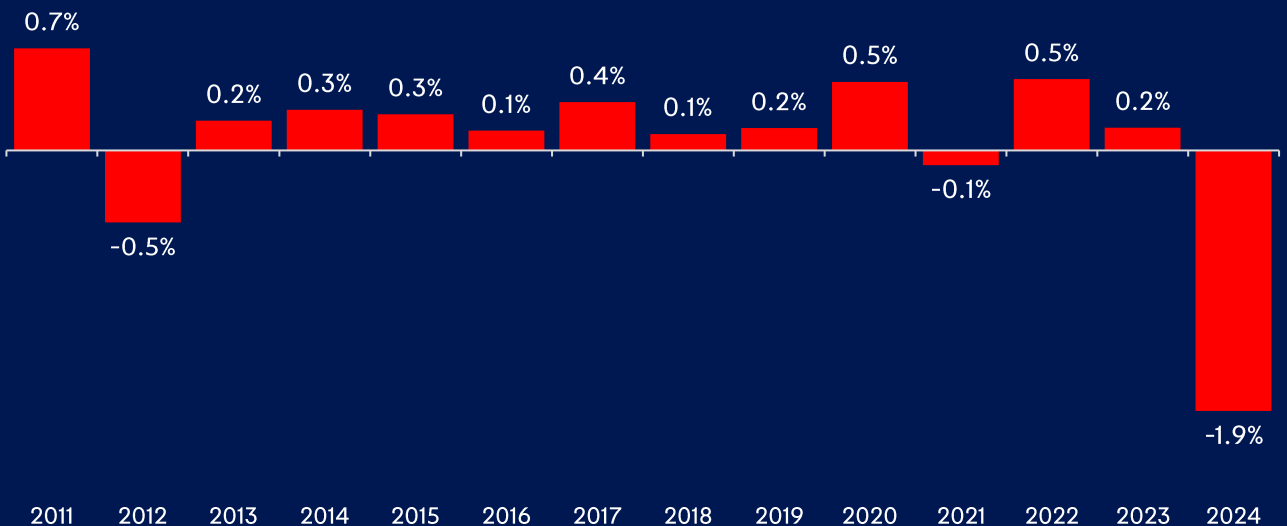
Like-for-Like Basis



Used car prices fell by -1.9% from December to January, bucking historic trends. The decline was across all fuel types, with Plug-in Hybrid cars seeing the largest annual decline at -2.6%. Electric cars saw the lowest monthly fall, down -1.6% as demand for the segment remained robust. The price of used petrol cars fell in line with the market, down -1.9%.

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

Like-for-Like Basis

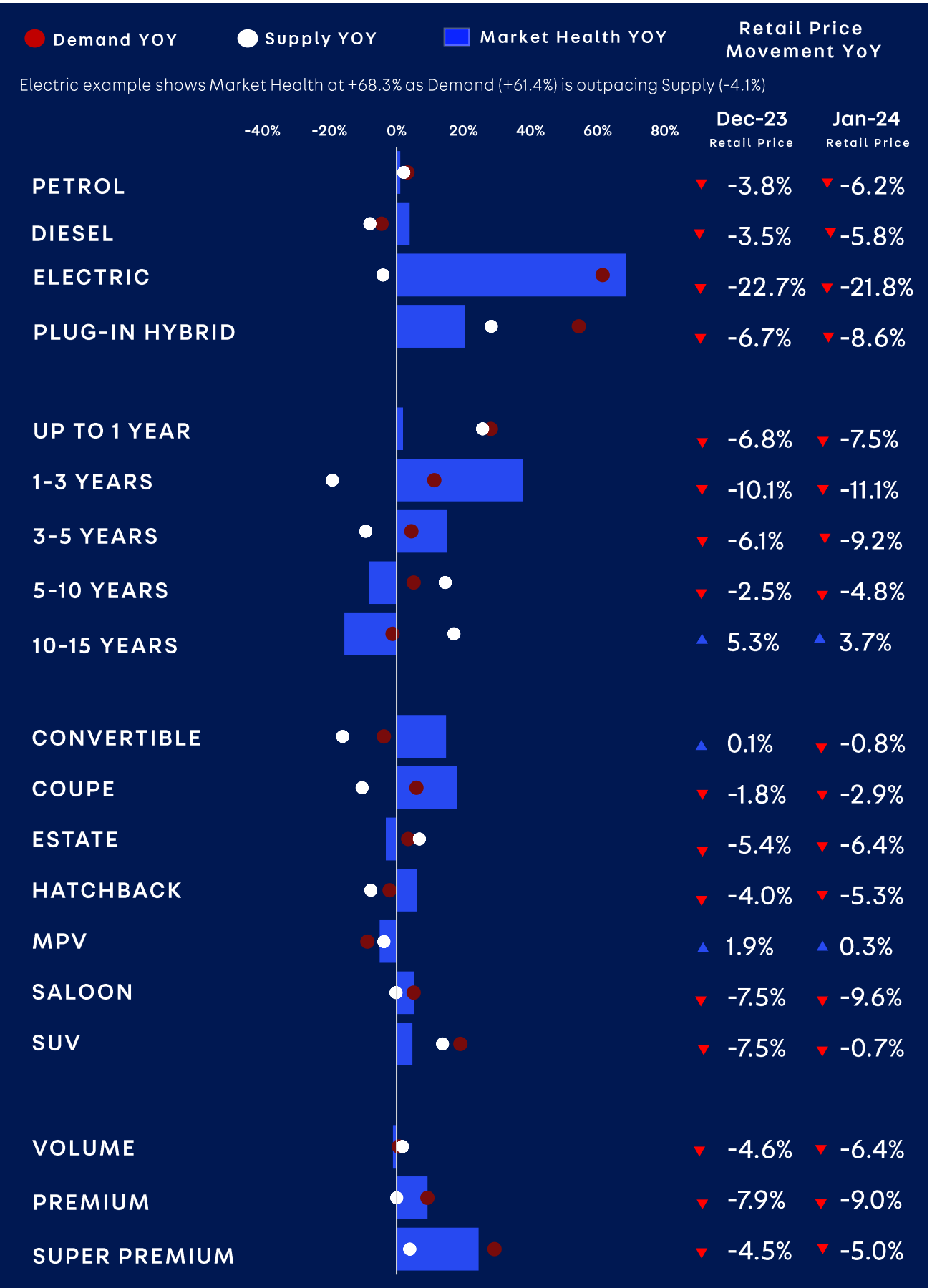


Retail price observations. Year on year like-for-like pricing. Removes the impact of stock mix shift to reflect true value adjustments

¹Retail Rating: a unique measure of how fast a car is likely to sell if the vehicle is priced at the market value.

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 Emergence of New Entrants

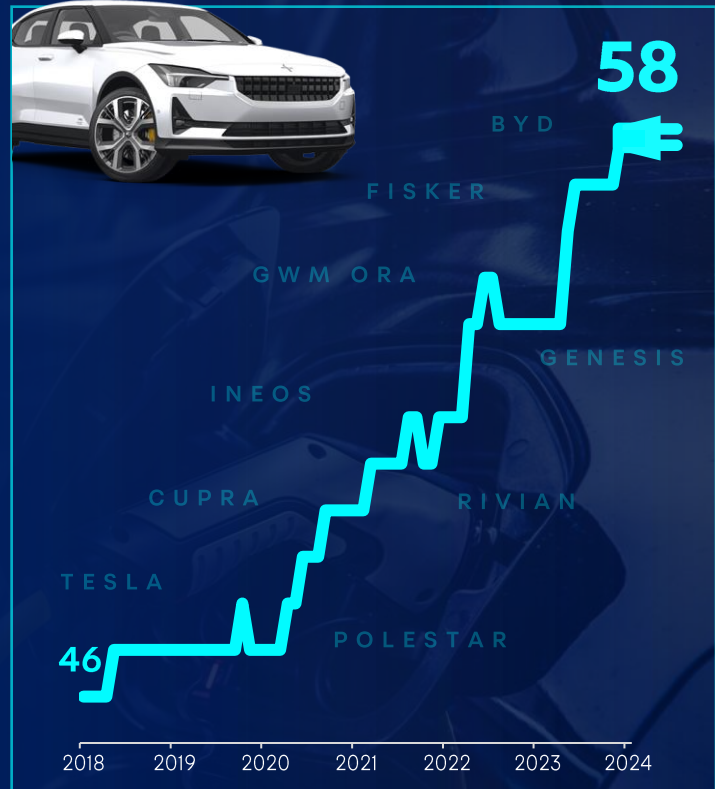
The shift to electric has been a catalyst for new brands - especially from China, which have significant experience in manufacturing cars and competitive advantages specific to electric vehicles.

30M

Vehicles produced in China in 2023

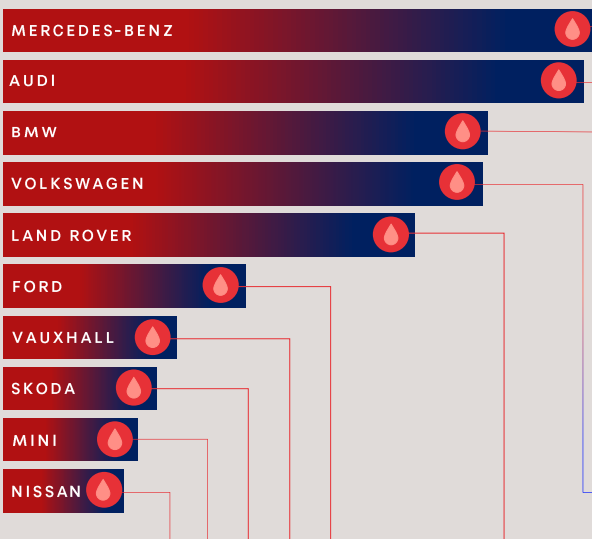
3 in 5

Electric cars are produced in China

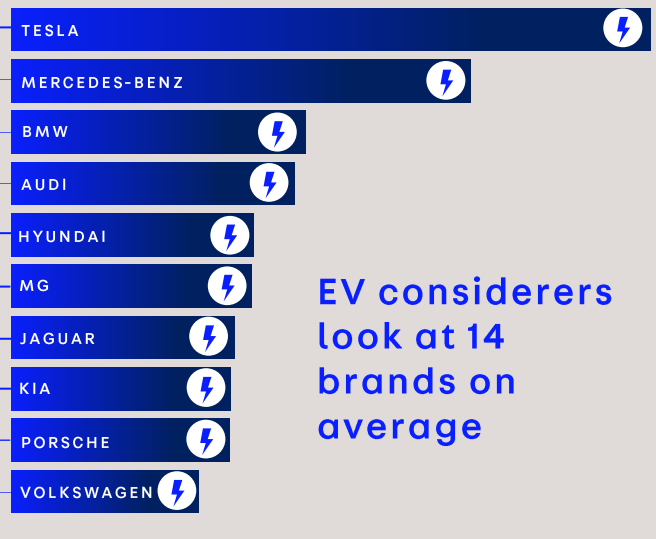


The brand landscape is changing in the transition to electric. Consumers are more open to new brands, and some established manufacturers have lost market share.

ENQUIRY SHARE OF 0-3 YRS OLD ICE VEHICLES - TOP 10
January 2024. Advertised on Auto Trader



ENQUIRY SHARE OF 0-3 YRS OLD EV VEHICLES - TOP 10
January 2024. Advertised on Auto Trader

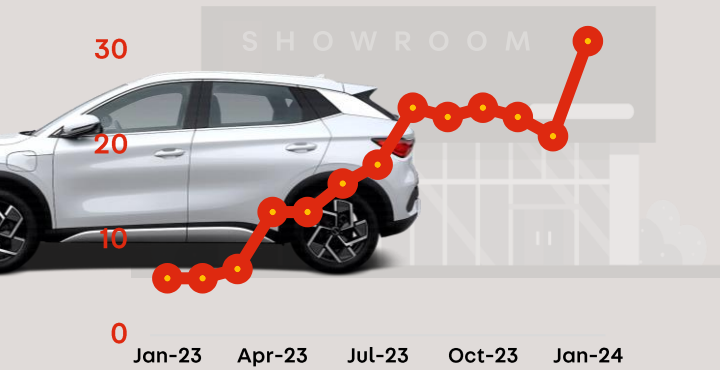


EV considerers look at 14 brands on average

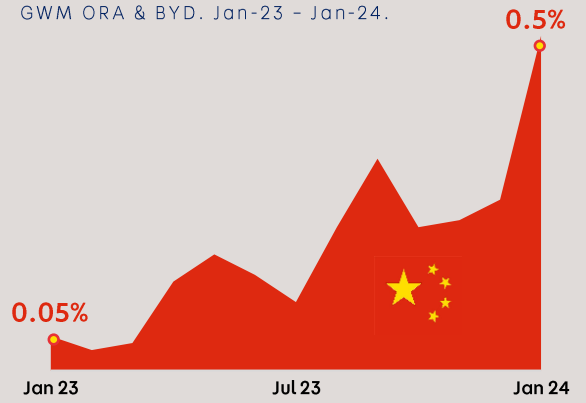
New entrants are laying the building blocks for growth by expanding their retail presence and increasing marketing spend. However, success is not inevitable.

NUMBER OF RETAILERS ADVERTISING NEW CHINESE BRANDS

January 2023 - January 2024. Advertising on Auto Trader



NEW CHINESE BRANDS: SHARE OF NEW CAR ENQUIRIES
GWM ORA & BYD. Jan-23 - Jan-24.



Interest in new Chinese brands is growing, but there's a long way to go before they account for a significant share of the market.

CHINA PRICES

	BYD DOLPHIN	£13K
	ORA FUNKY CAT	£12K

UK PRICES

	BYD DOLPHIN	£25K	+ £12k
	ORA FUNKY CAT	£31K	+ £19k

Model pricing differs significantly between China and the UK.

As competition intensifies, new entrants have room to price more aggressively. This would improve affordability and could accelerate adoption as established brands fight to maintain share.