

Monthly Market Intelligence

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

OCTOBER 2024

 AutoTrader

Consumer car buying activity continues despite anticipation of budget announcement

NEW CAR REGISTRATIONS

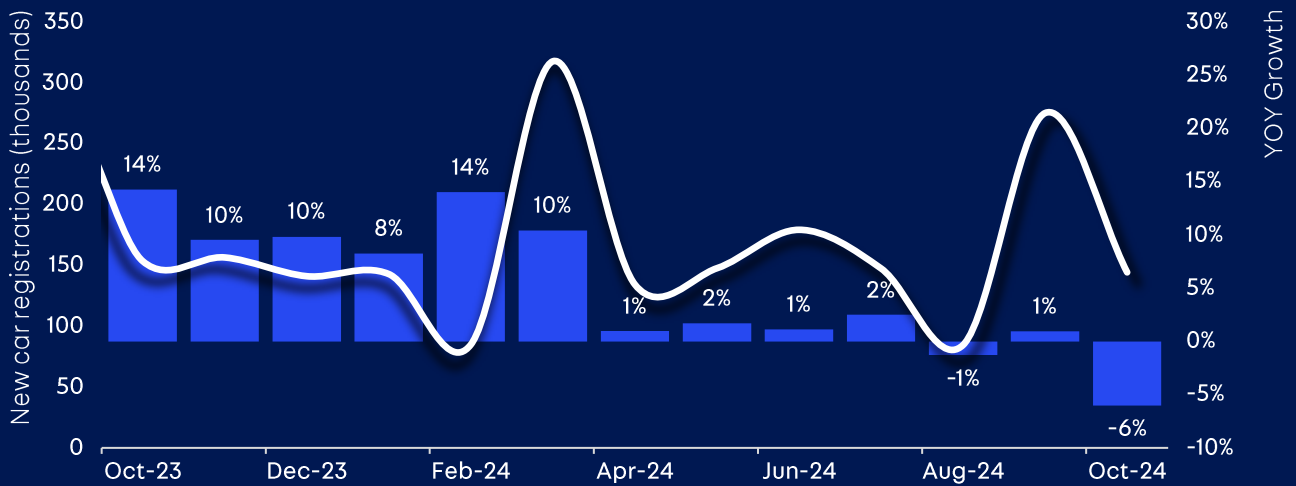
New car registrations contracted -6% in October as the market fell for the second time this year. The decline in registrations was recorded across all buyer types as fleet sales continued to drive the new car market, despite the number of registrations falling 2% year-on-year following a consistent slow-down in growth over recent months. While registrations of all other fuel types fell compared to last year, with petrol and diesel sales seeing the steepest declines, sales of EVs grew 25% to achieve a market share of 21% in October as discounts continued to grow to new record highs in the month.

144,288

NEW CAR REGs. (SMMT)

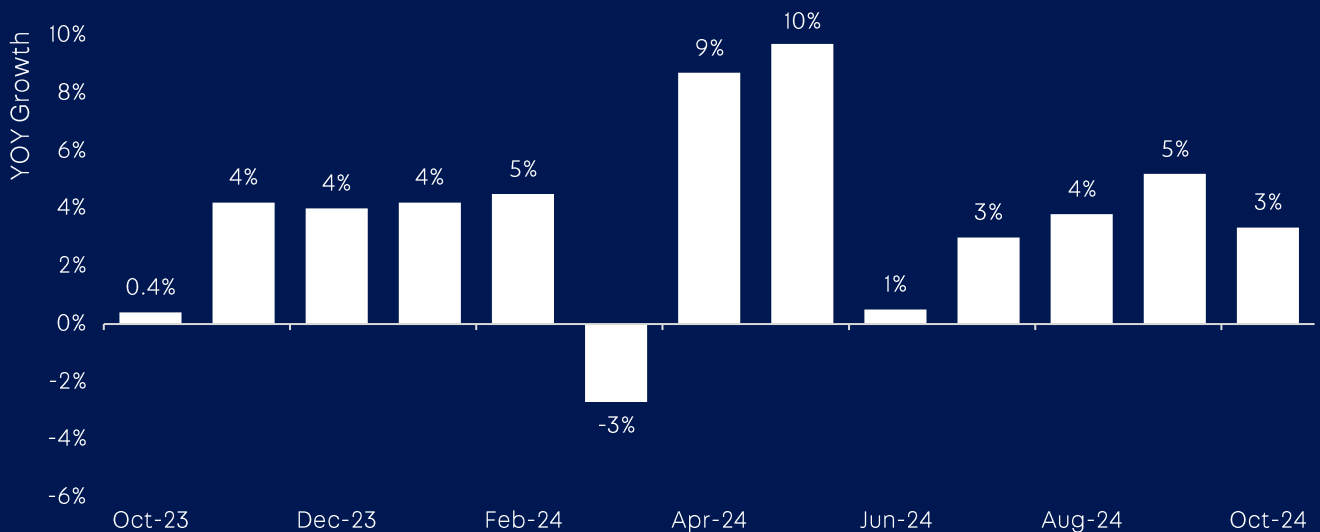
-6%

(VS. OCTOBER 2023)



USED CAR SALES (YEAR-ON-YEAR)

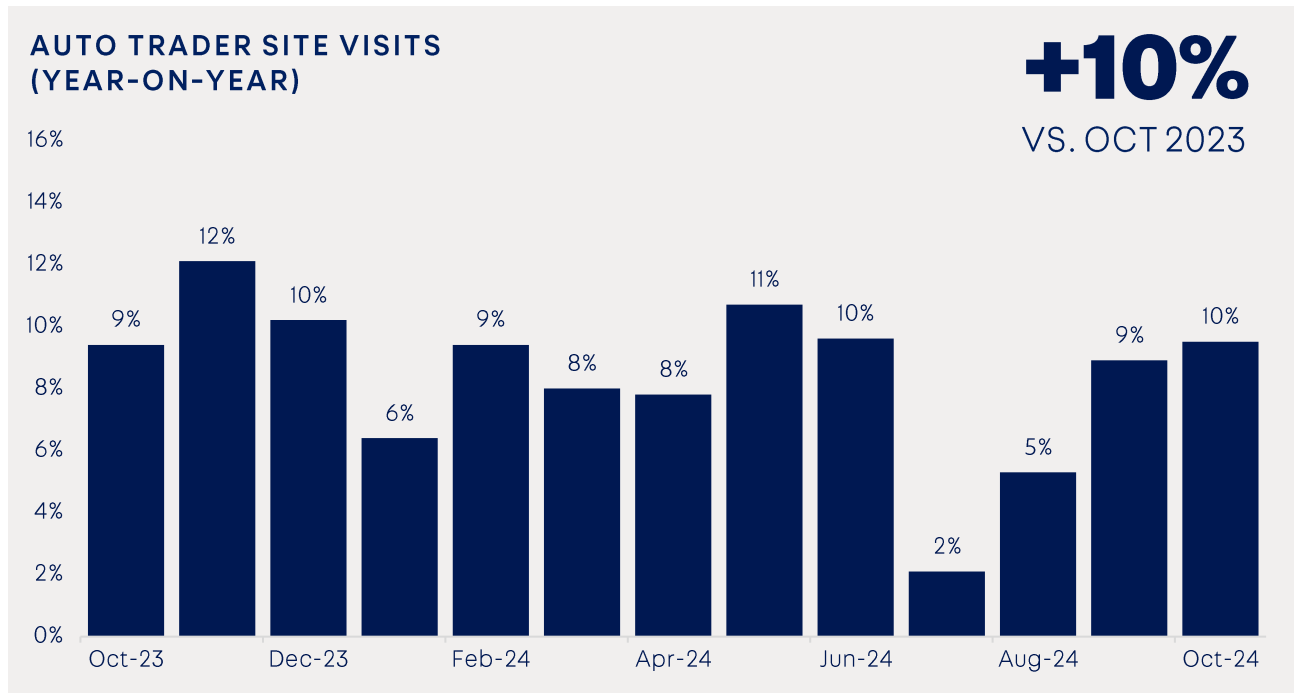
It was another positive month for used car sales, with volumes 3% ahead of last year based on the stock removed from Auto Trader in October. This was despite the court ruling on car finance commissions, which resulted in many retailers pausing applications and deliveries in the latter stages of the month as they sought to comply with the new regulation. YTD was still 4% up year-on-year, and next month will provide a useful steer on the short-term impact of the ruling on sales.



*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.

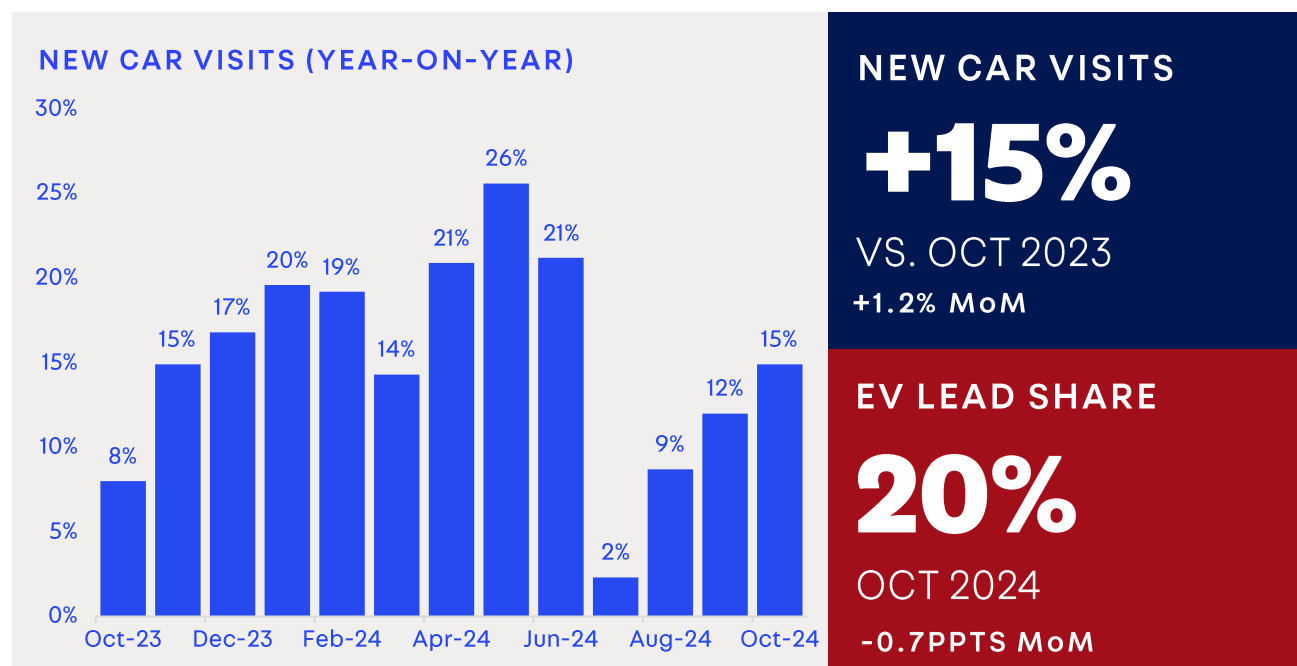
AUTO TRADER AUDIENCE

Overall buyer activity was strong in October despite a drop in consumer confidence as households awaited the news of the chancellor's budget. Site visits were 10% ahead of the previous year - marking two years of consecutive growth - and the change from September was ahead of that seen in 2023 (-0.5% vs. -1.2%). It indicates consumers aren't delaying their next car purchase and they continue to search in good volumes.



NEW CAR ACTIVITY

Retail demand for new cars on Auto Trader grew 15% year-on-year in October. In the new EV segment, the average discount increased 0.3ppts to 12.4%, and the fuel type still accounted for 1 in 5 enquiries. The combination of bigger discounts and more affordable models entering the market has led to the average price of a new EV falling -5% over the last year to £47.4k, although they haven't yet reached parity with ICE vehicles.

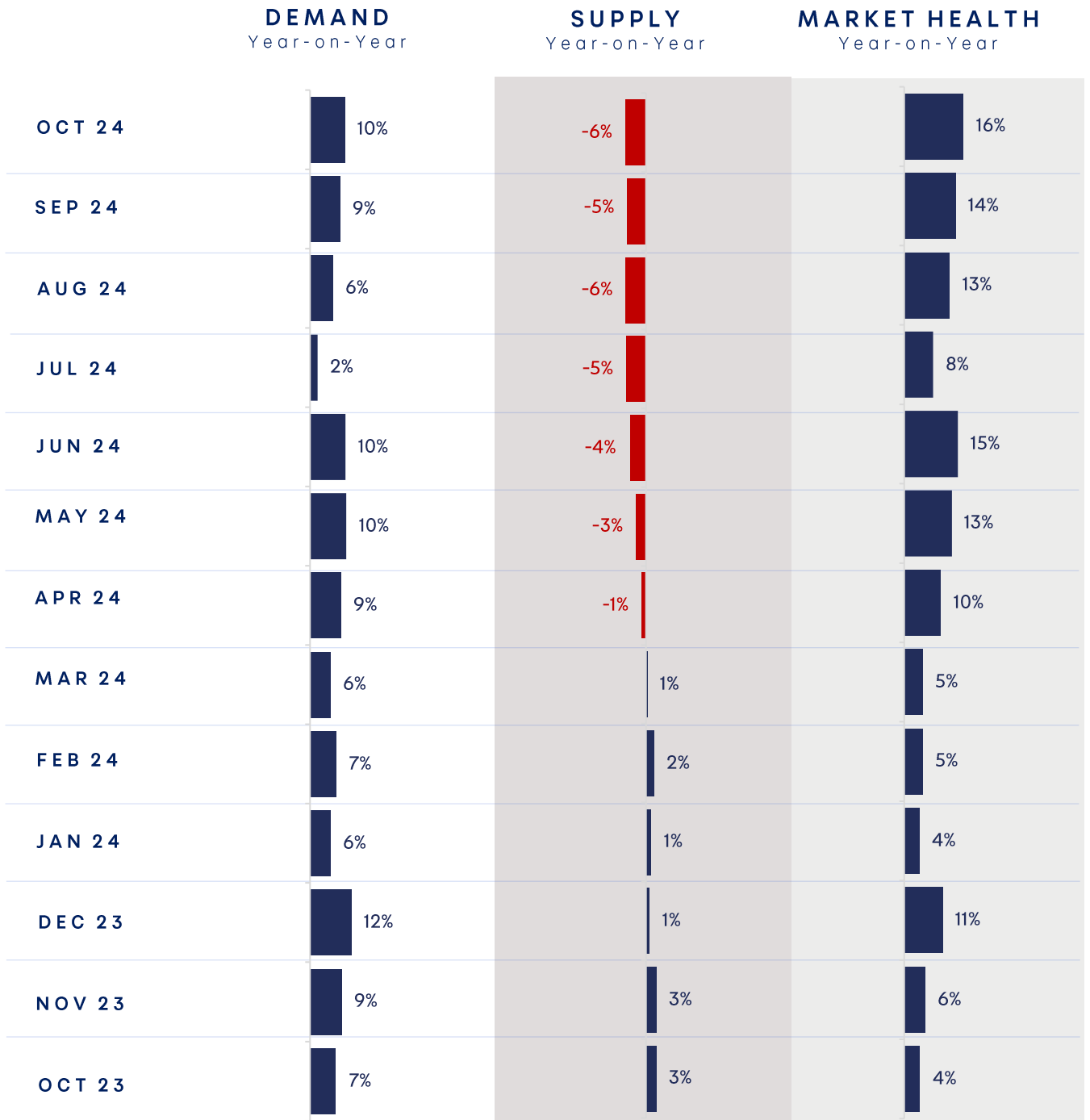


USED CAR MARKET HEALTH

Retail demand for used cars was particularly strong in October, resulting in a much healthier market dynamic against a backdrop of limited supply. Overall market health was 16% ahead of the previous year, driven by a lack of 1-3 and 3-5-year-old cars, as well as greater demand across the board. This led to cars continuing to sell much faster than historic averages, turning every 29 days in October, two days faster than last year. Within this, 3-5 used EVs were the fastest selling segment as more buyers switched fuel type and benefited from the lower prices.



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

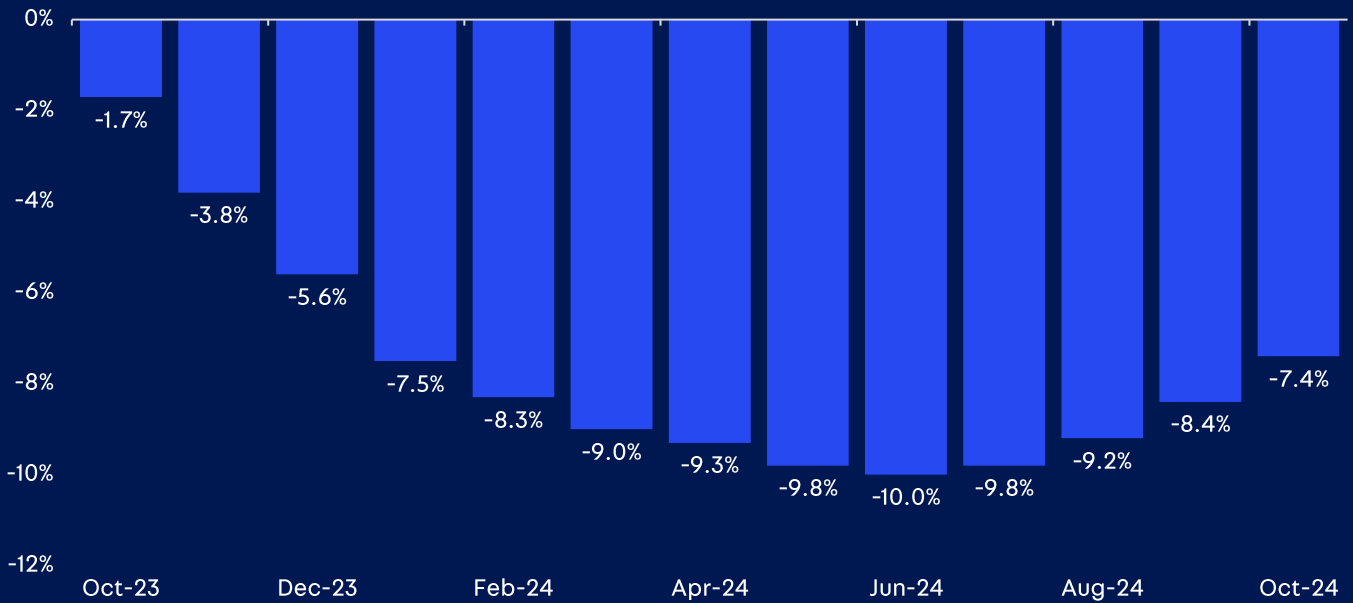


USED CAR RETAIL PRICE GROWTH

Used car retail prices fell -7.4% in October on a year-on-year and like-for-like basis, but the growth rate improved for the fourth consecutive month as healthy retail market dynamics flowed through into pricing. These market dynamics saw pricing pressure easing across all vehicle age cohorts, including under 1-year-old cars where oversupply had led to underpricing. With the recent Court of Appeal ruling on finance commissions, will used car prices be impacted by potentially lower commissions achievable on car finance?

YEAR-ON-YEAR USED CAR RETAIL PRICE GROWTH

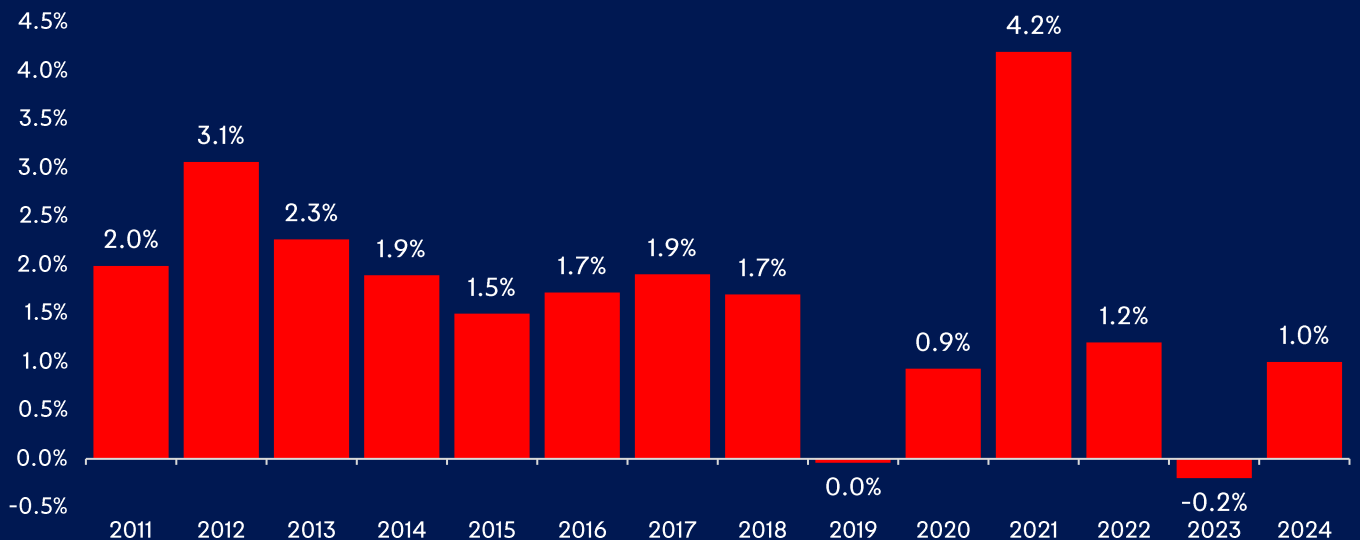
Like-for-Like Basis



On a month-on-month basis, used car retail prices increased 1.0%, in line with recent years but slightly behind the pre-pandemic seasonal average for October (-1.5%). It was a particularly strong month for used EVs, which saw prices rise for the first time since October 2022, increasing 2.4% from September to October. Despite retail demand for used EVs having consistently outpaced supply for a while, prices had remained under pressure, but the recent increase is indicative of retailers realising profit potential in selling used EVs.

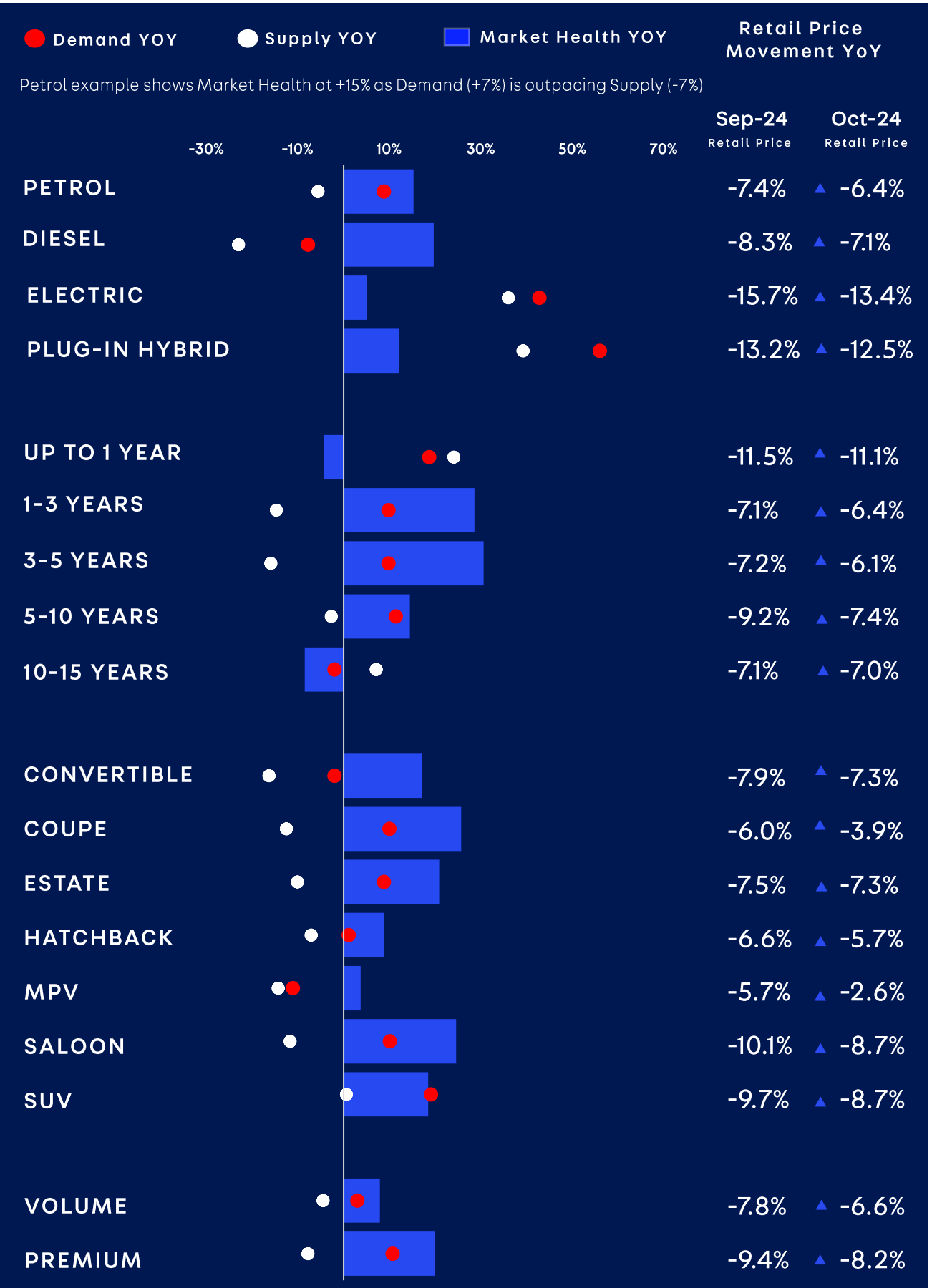
MONTH-ON-MONTH USED CAR RETAIL PRICE GROWTH: OCTOBER

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. The monthly movement of retail prices is illustrated by blue/red arrows.



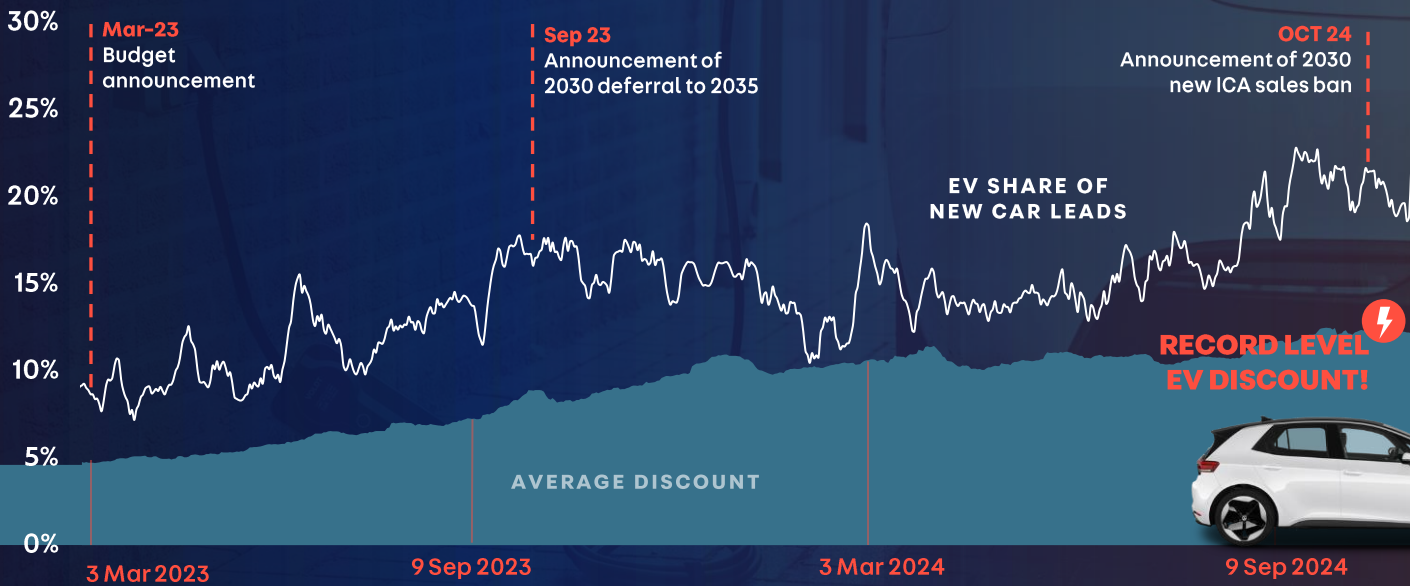
In focus this month
Back on the Road to 2030

The Autumn budget announcement saw the ban on new ICE car sales brought back to 2030, albeit with no immediate impact on consumer demand. EV demand has continued to grow despite changing government policies

EV SHARE OF NEW CAR LEADS & DISCOUNTS

7-day rolling average based on activity seen on Auto Trader

ELECTRIC VEHICLES

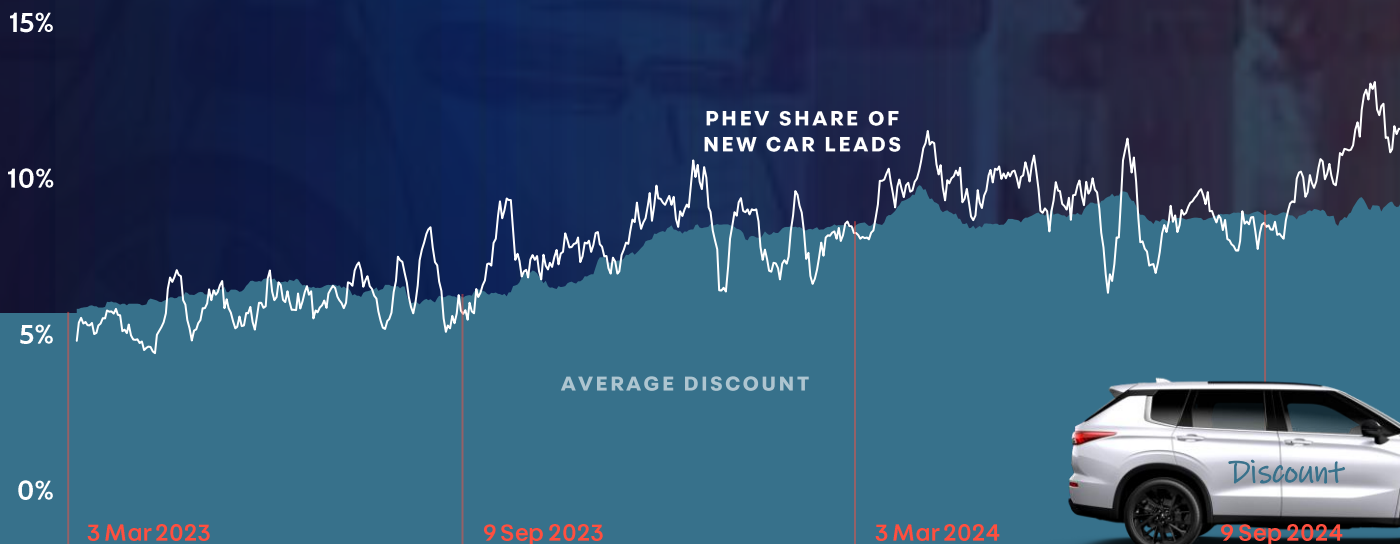


Despite lower purchase prices than EVs, PHEVs are less affordable as they attract lower discounts, hence lower consumer interest. Taxation measures to be introduced from April 2025 will increase costs, thereby making PHEV less attractive for consumers

PHEV SHARE OF NEW CAR LEADS & DISCOUNTS

7-day rolling average based on activity seen on Auto Trader

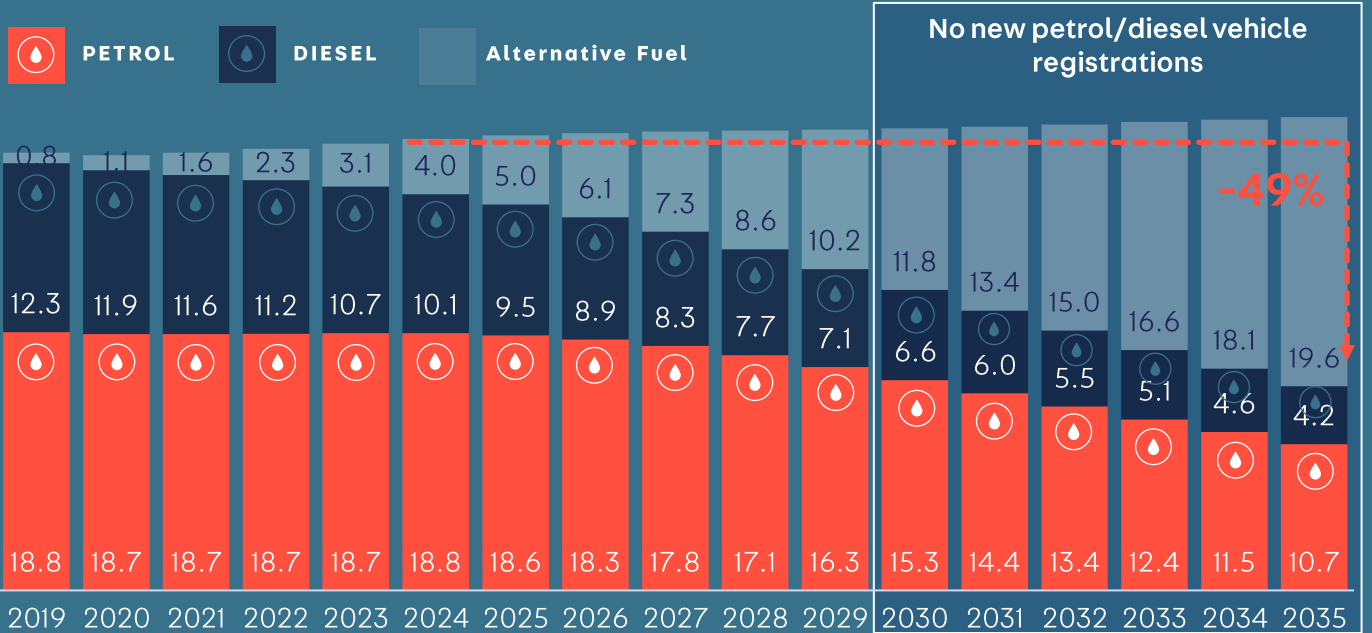
PLUG-IN HYBRID VEHICLES



ICE vehicles will quickly leave the total car parc. Peak petrol supply is reached in 2024 and diminishes thereafter. Supply and subsequent pricing dynamics for ICE vehicles will be impacted

NUMBER OF PETROL & DIESEL CARS IN PARC

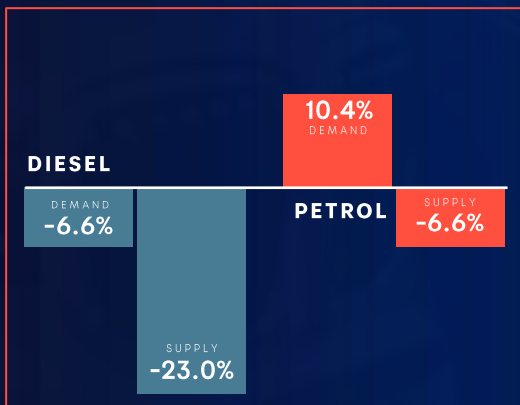
Based on Auto Trader car parc forecast (Millions)



As seen with the market health dynamics of diesel vehicles in recent years, the significant reduction of ICE vehicles in the car parc should support the strength of residual values as long as demand persists beyond 2030

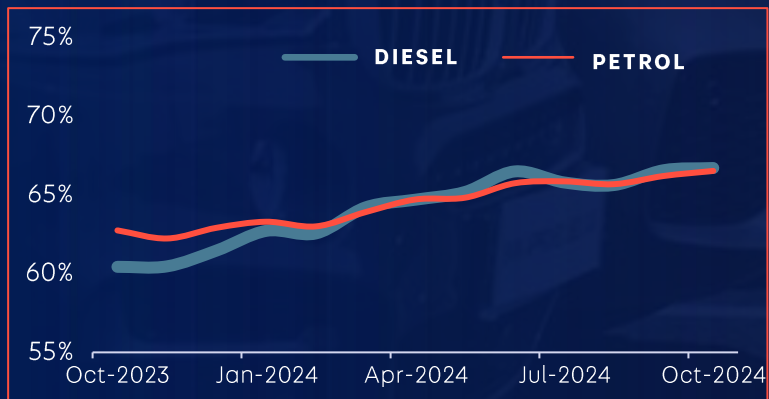
SUPPLY AND DEMAND DYNAMICS

October 2024 year-on-year comparison



AVERAGE RESIDUAL VALUES

Forecast based on 3-year-old/30k mile vehicles



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 **AutoTrader Insight**