

Monthly Market Intelligence

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

FEBRUARY 2024

 AutoTrader

Fleet continues to drive new car registrations as used car pricing declines show signs of slowing

NEW CAR REGISTRATIONS

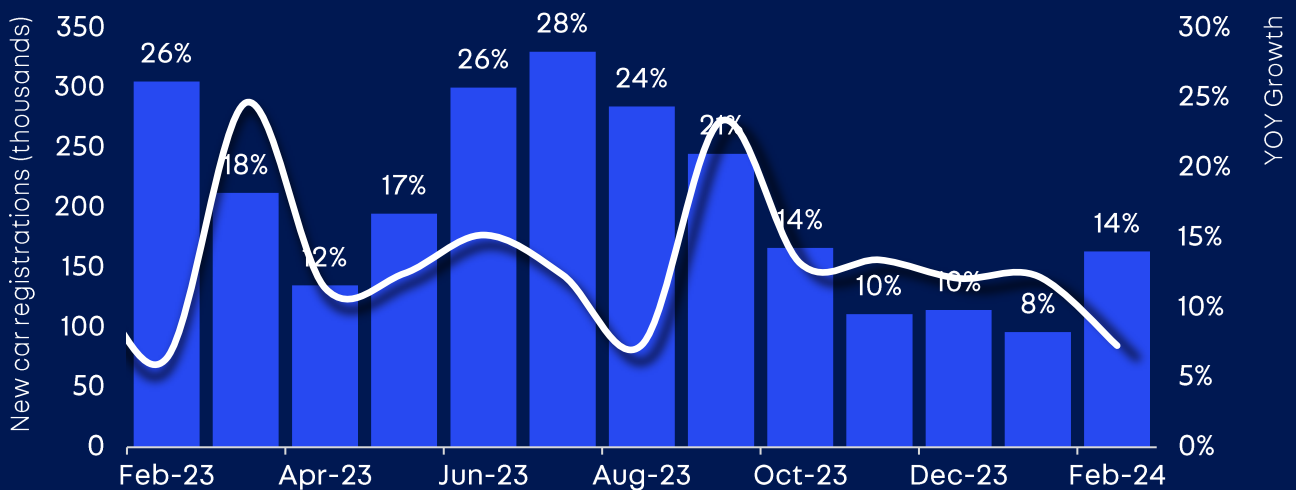
New car registrations increased on an annual basis again in February, up 14% compared with 2023 and 3.5% above 2019's levels. Private sales continue to struggle, falling -2.6% year-on-year whilst fleet registrations surged by 25%. Just 1 in 3 new cars sold in February were to a private buyer, below the historic average of 44¹. BEV share of registrations increased by 1.2 percentage points year-on-year, accounting for 17.7% of sales last month.

84,886

NEW CAR REGs. (SMMT)

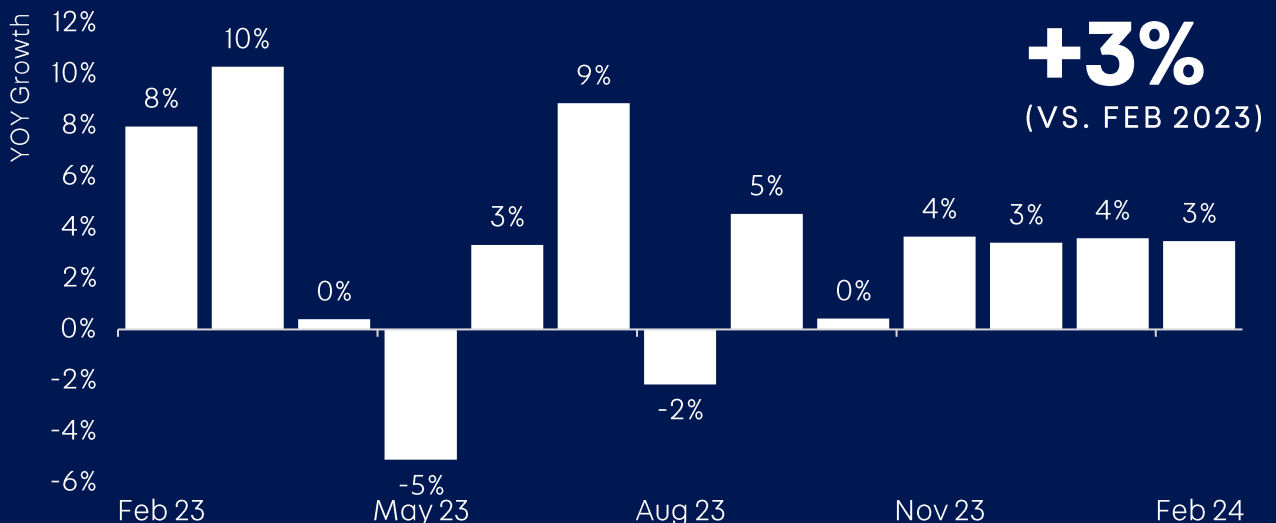
+14%

(VS. FEB 2023)



USED CAR SALES (YEAR-ON-YEAR)

Used car sales grew 3% year-on-year based on the stock removed from Auto Trader in February. The uplift was driven by independent retailers, which saw a 7% rise whilst franchise retailers' sales were flat. Used EV sales were also higher, jumping 68% in February as lower prices stimulate demand.

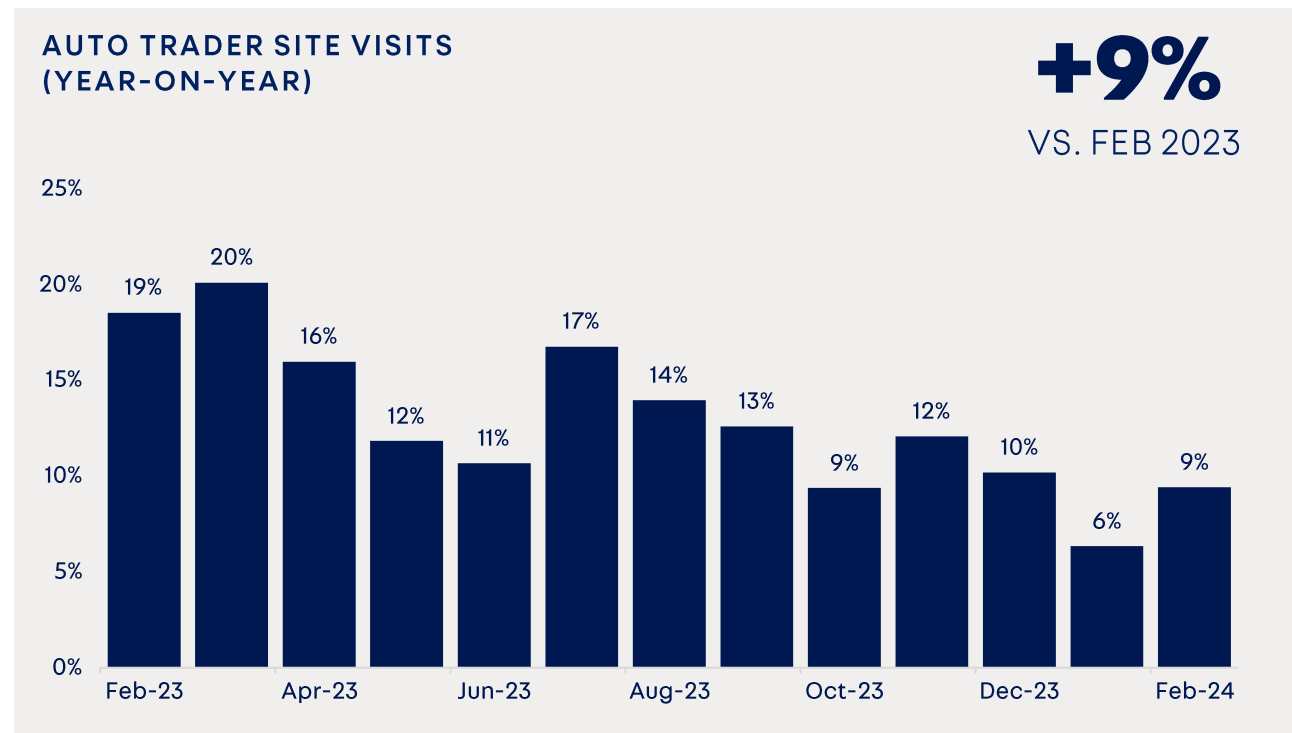


¹Average based on February 2016 - February 2023

*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 means historic figures may change slightly each month.

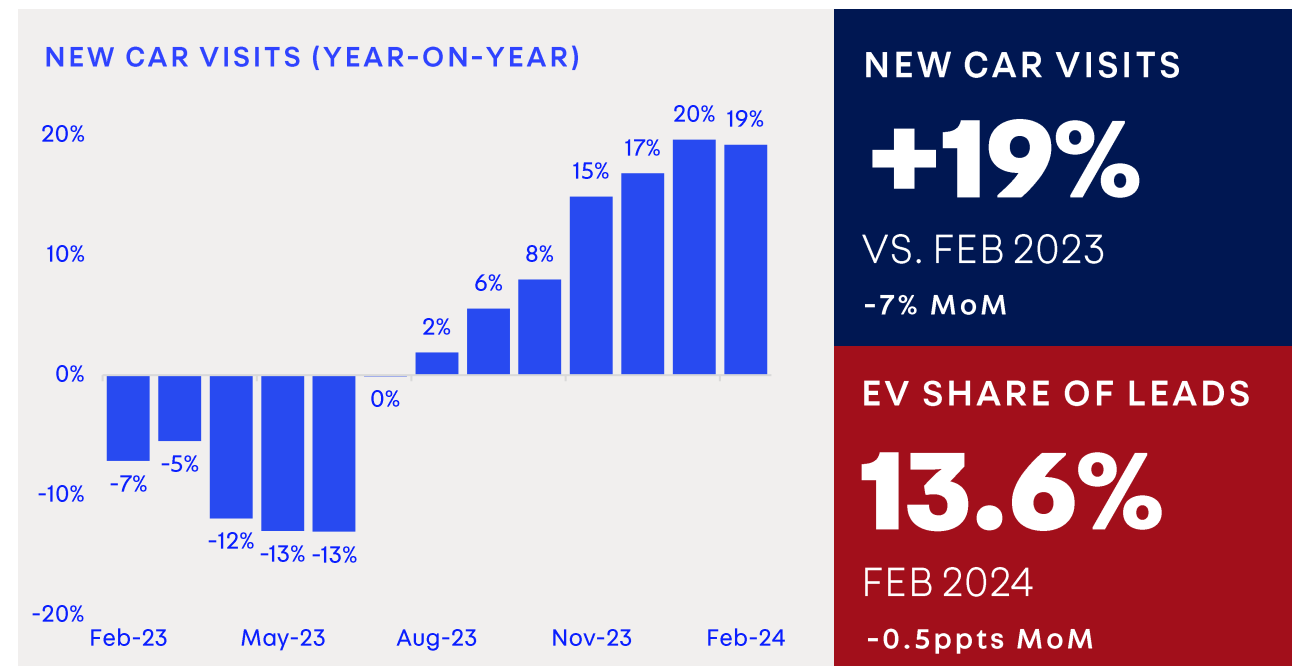
AUTO TRADER AUDIENCE

February marked the 16th consecutive month of year-on-year growth in site visits to Auto Trader, with activity up 9% on 2023 levels (site visits +6% when adjusted for the leap year's extra day). The strong start to the year gives cause for optimism that the market's resilience will be sustained, with three in five intending on buying a car in the next three months*



NEW CAR ACTIVITY

The number of visits by new car considerers grew 19% year-on-year in February, supported by growing consumer incentives. Despite overall activity rising, the electric segment continued to struggle with only 1 in 7 enquiries on new cars relating to an EV, highlighting the challenge for the industry to stimulate private demand. The Honda e:Ny1 was the only electric car to feature in the top ten most enquired new cars.

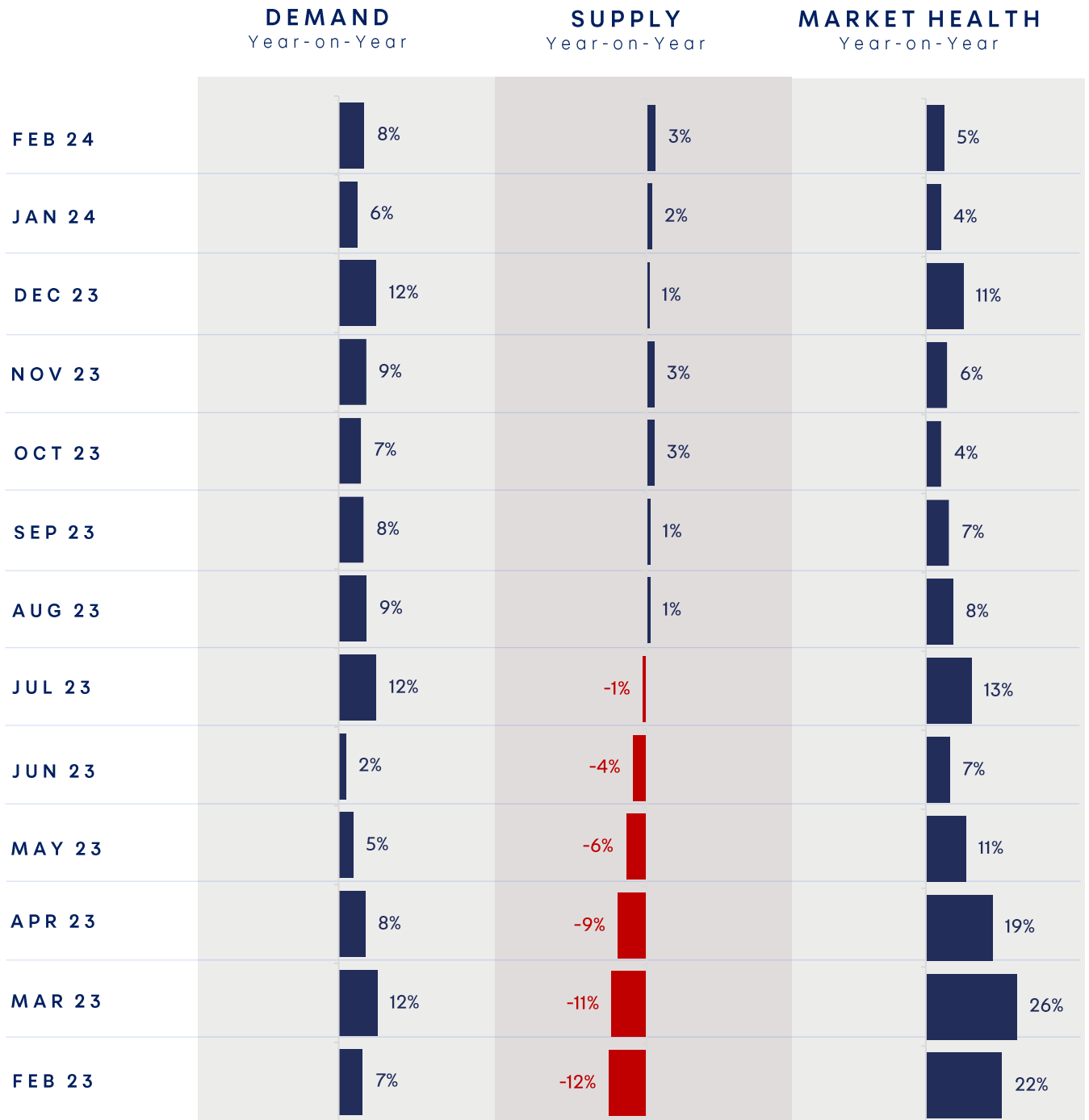


USED CAR MARKET HEALTH

In the used car market, retail demand continued to outpace supply on a year-on-year basis, again demonstrating the relative health of the market. As the number of vehicles on forecourts increases at a steady rate, supply of 1-3- and 3-5-year-old cars remains heavily constrained because of the drop in new car sales between 2020 and 2022. Overall, used cars sold every 27 days in February, the same as the previous two years.



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

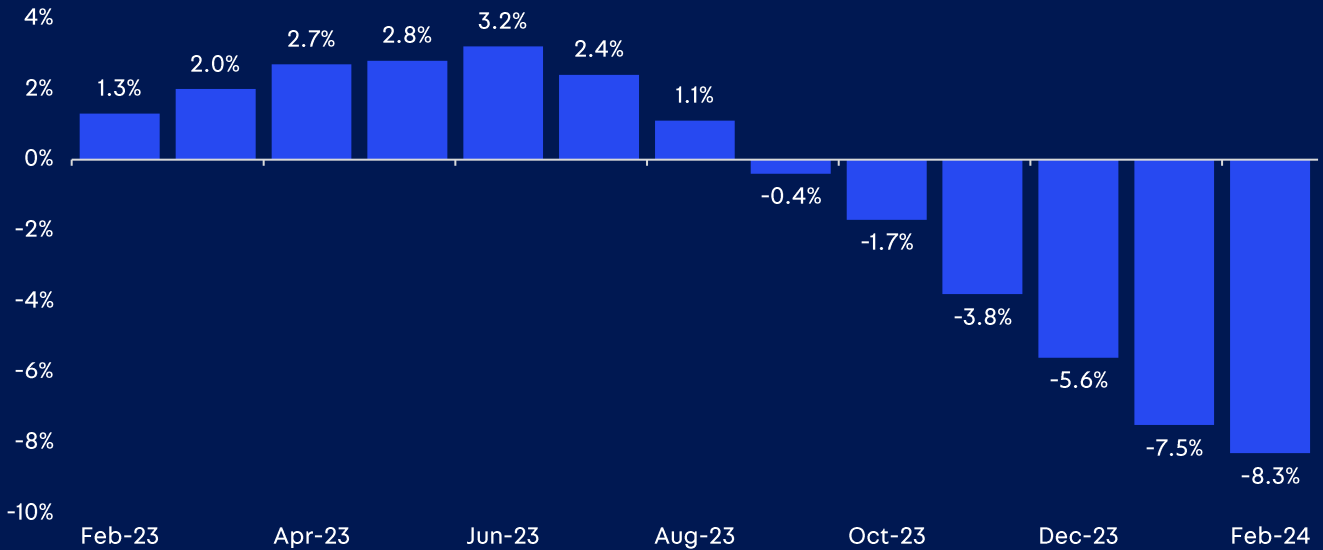


USED CAR RETAIL PRICE CHANGES

Despite a solid start to the year with healthy levels of retail activity, sales recovering and stock turning at a good pace, retail prices were 8.3% below the year prior, mirroring the trend set in the wholesale market, albeit with a delayed effect. Although trade valuations have begun to stabilise – and there are signs that the month-on-month declines in retail prices are diminishing with each passing month – this pricing behaviour in some areas of the market has resulted in high-demand stock being under-priced, estimated at around 41,000 vehicles.

YEAR-ON-YEAR USED CAR RETAIL PRICE CHANGES

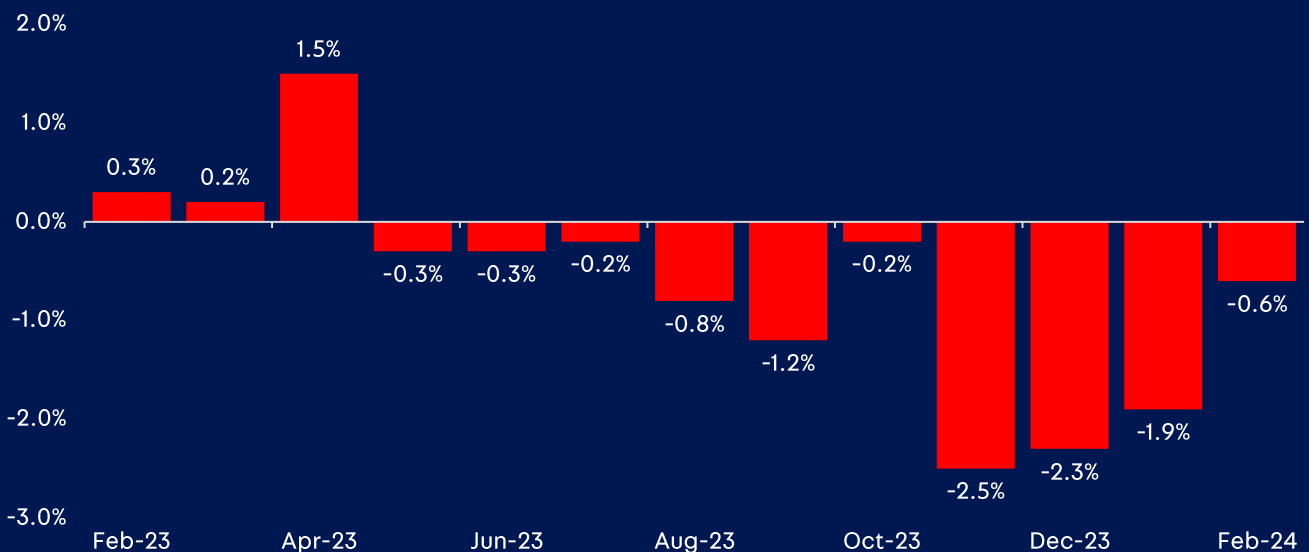
Like-for-Like Basis



Whilst used car retail prices fell by -0.6% from January to February – below the historic average for the month – they were ahead of the drops seen in the three months prior, providing an early sign of levelling off. Electric retail prices remained under pressure in February, falling -1.4% and marking 18 consecutive months of decline. With many EVs reaching price parity, there's an opportunity for retailers to convert in-market buyers, dispelling some of the myths perceived and explaining the core benefits of EV ownership.

MONTH-ON-MONTH USED CAR RETAIL PRICE CHANGES

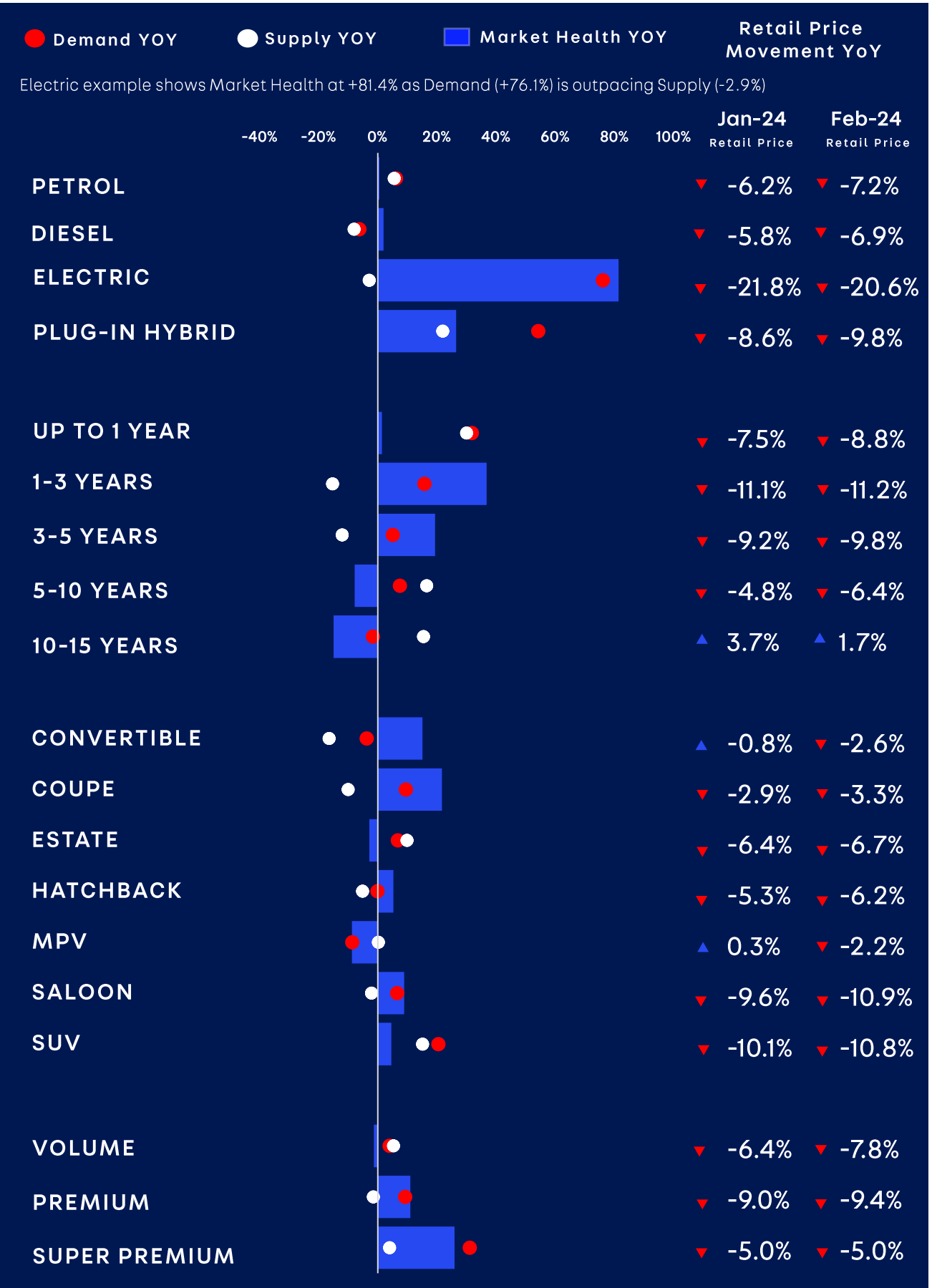
Like-for-Like Basis



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.



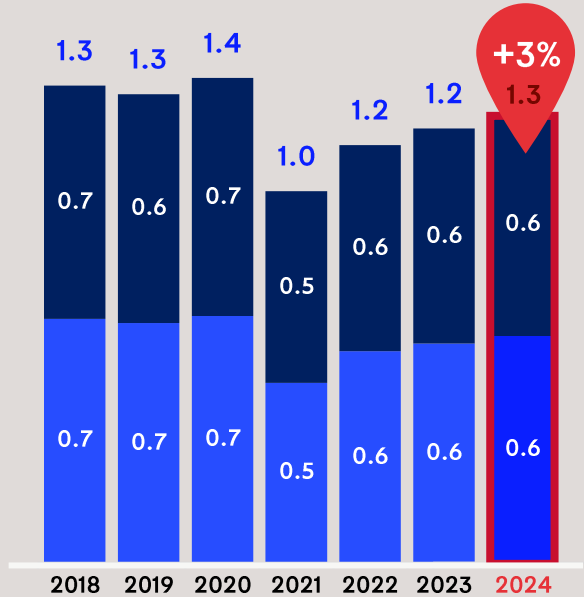
In focus this month

The Changing Profile of Used Cars

Healthy demand for used cars is playing through into sales at the start of 2024, with estimated transactions 3% ahead of last year and close to pre-pandemic levels.



USED CAR TRANSACTIONS: JAN - FEB
SMMT (2018-2023). Auto Trader (2024)



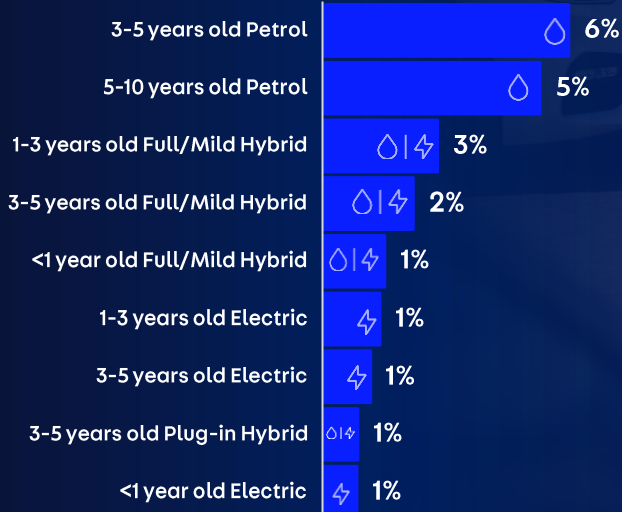
2024 estimate based on stock removed from Auto Trader

But supply is changing the sales mix across fuel types and age cohorts – moving away from younger diesels and towards AFVs.

SHARE OF USED CAR SALES: 2024 VS. 2019

February 2024. Based on stock removed from Auto Trader.

TOP MOVERS



BOTTOM MOVERS



Supply is expected to change even more in 2024, impacting the type of vehicles stocked by retailers and bought by consumers.

CARS ON THE ROAD IN GREAT BRITAIN: 2024 vs. 2019
DVLA (2019). Auto Trader forecast (2024)



+1.1mn

EV: <5-year-old
(vs. 2019)



+42%

15+ year-old cars
(vs 2019)



-38%

3-5-year-old cars
(vs 2019)



-82%

Diesel: <5-year-old
(vs 2019)

Despite the complexity in the market, most segments are seeing cars turn at a good pace compared to recent years - but the data still highlights differences across segments and models.

NUMBER OF DAYS TO SELL A USED CAR
Based on stock removed from Auto Trader

COVID
RESTRICTIONS

Fuel type	Age	Feb-19	Feb-20	Feb-21	Feb-22	Feb-23	Feb-24
DIESEL	<1	49	47	59	30	39	30
	1-3	35	32	46	39	35	29
	3-5	32	28	38	33	29	29
	5-10	30	26	34	24	25	29
	10-15	32	26	32	23	23	30
	15+	24	24	28	24	22	21
ELECTRIC	<1	27	63	49	27	40	40
	1-3	32	51	72	34	56	32
	3-5	26	27	57	33	37	25
FULL & MILD HYBRID	<1	35	43	50	28	30	29
	1-3	32	31	57	35	38	28
	3-5	31	28	47	33	34	27
	5-10	32	31	54	25	26	27
PETROL	<1	44	42	53	29	36	31
	1-3	34	29	50	37	32	29
	3-5	31	26	42	34	28	28
	5-10	28	24	35	22	23	26
	10-15	30	26	35	21	23	27
PLUG-IN HYBRIDS	15+	26	23	32	22	22	25
	<1	47	45	70	35	33	44
	1-3	38	39	54	36	50	34
	3-5	25	29	37	33	36	27