

INSIGHTS

USED MARKET REPORT

Q3 2022



Fleet prices rise to record levels as stock continues to fall

6% used cars at auction are now **EVs**

Used van prices **rise** for the first time in 2022



ASTON BARCLAY

WELCOME

We have seen some market firsts in Q3. First the supply of ex-fleet cars coming to auction reached a record all-time low while the prices in this sector reached a record high of £15,808.

While used EV prices stalled for the first time since 2021, they reached a 6.2% share of used cars sold during the quarter which was another record. Dealer part exchange stock remains scarce despite the 72-plate change in September. We predict that many of the part exchanges generated by the 225,000 new cars registered in September have been retained by dealers to put on their forecourts such is the shortage of used stock in the market.

However, late and low stock levels rose 6% in this quarter which could be an indicator that new stock is starting to filter into the used market.

Outlook

There are currently no signs to when the supply of used cars coming into the market will improve. There have been whispers that some OEMs are starting to see component supply problems start to ease, but on the other hand, some new brands entering the EV and 4x4 market are being delayed by supply chain challenges.

There are no indications that used prices are collapsing even though demand is still patchy due to the fall in consumer confidence. This is down to the fact that the market is still desperately short of used stock and demand remains high relative to the volume of used cars available.

Mark Hankey, Chief Revenue Officer





OVERALL MARKET TREND

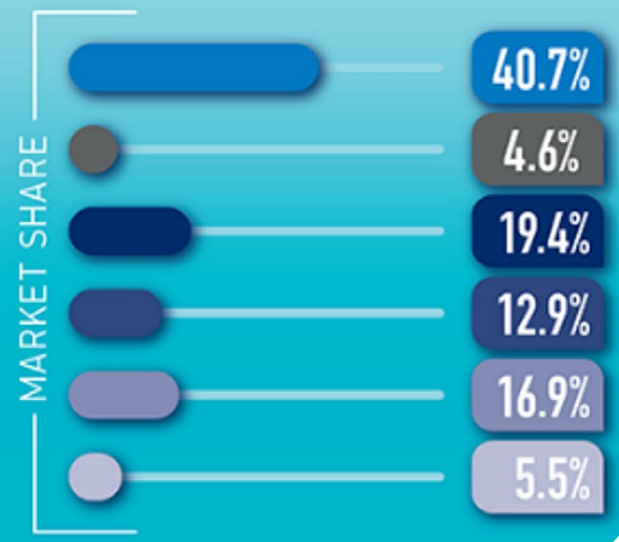
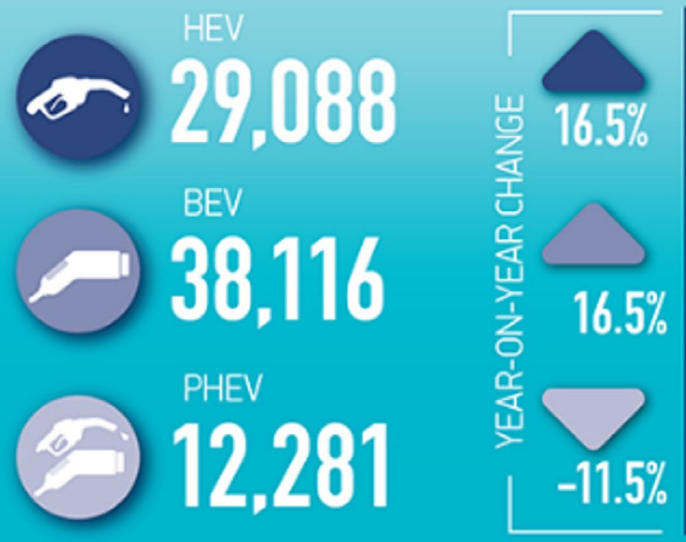
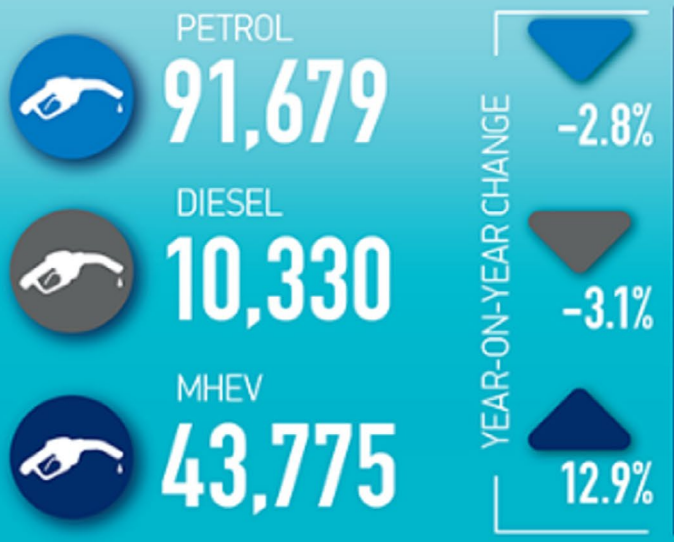
SEPTEMBER 2022

NEW CAR REGISTRATIONS

TOTAL: 225,269

+4.6%

YEAR-ON-YEAR CHANGE

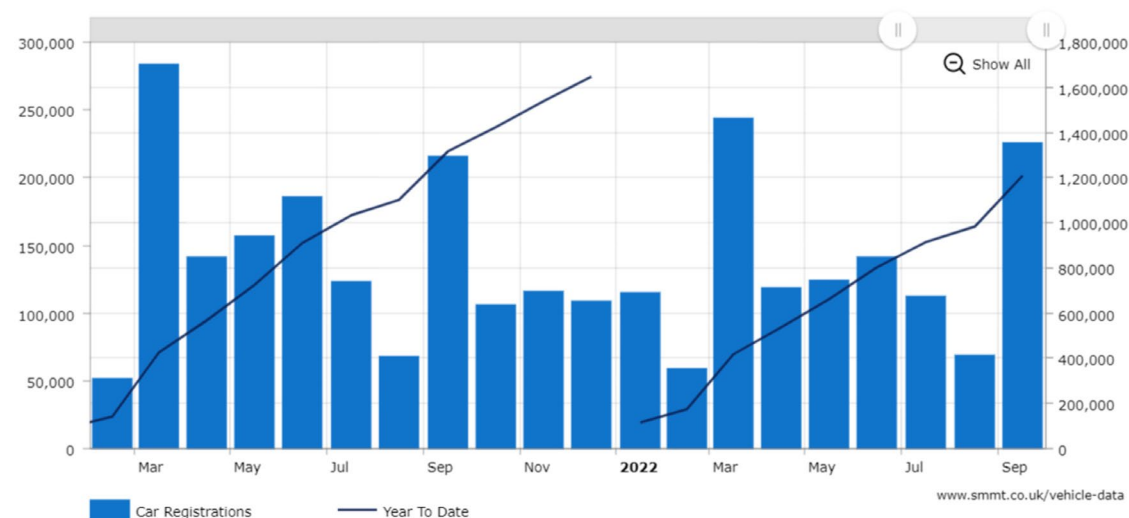


OVERALL MARKET TREND

Mike Hawes, SMMT Chief Executive, said...

“September has seen Britain’s millionth electric car reach the road – an important milestone in the shift to zero emission mobility. Battery electric vehicles make up but a small fraction of cars on the road, so we need to ensure every lever is pulled to encourage motorists to make the shift if our green goals are to be met.

The overall market remains weak, however, as supply chain issues continue to constrain model availability. Whilst the industry is working hard to address these issues, the long-term recovery of the market also depends on robust consumer confidence and economic stability.”



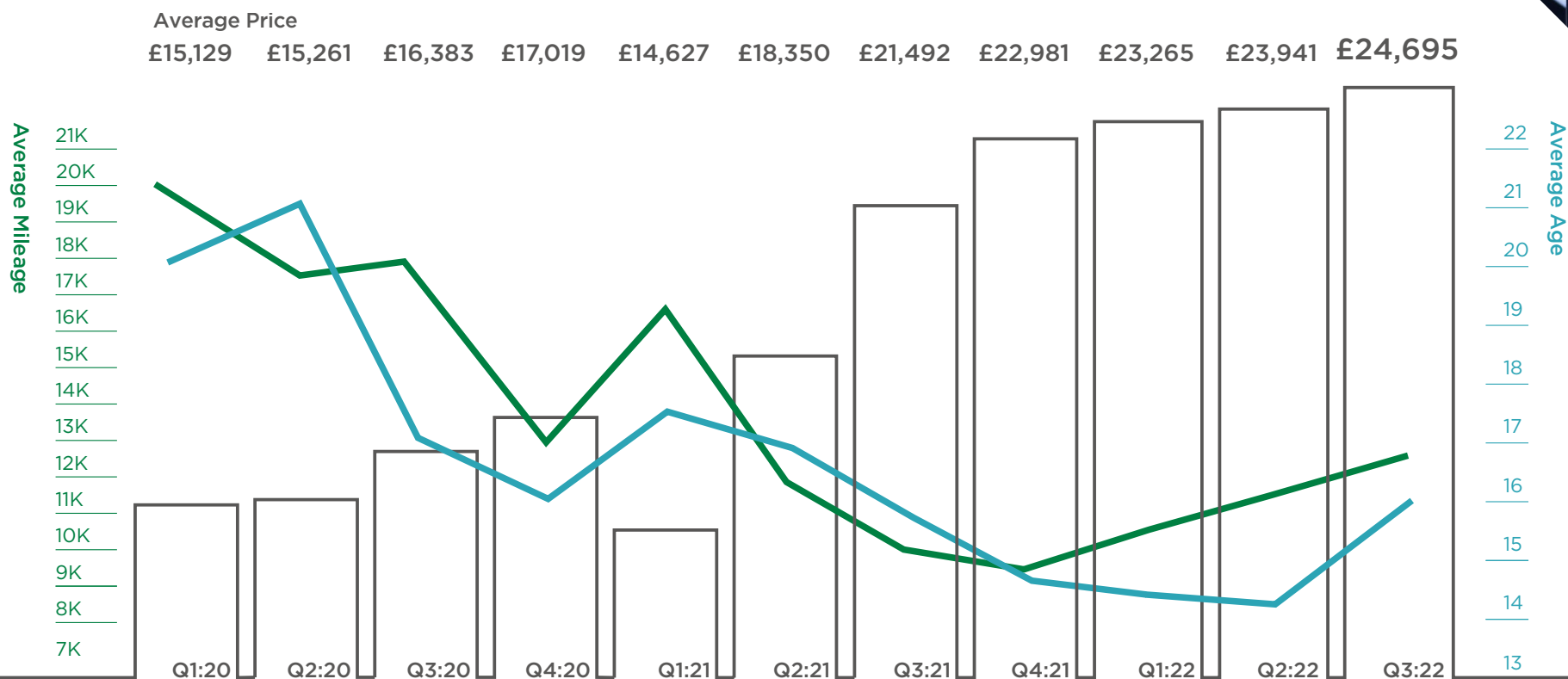
LATE AND LOW MARKET PROFILE (0-24 months)

Prices reached record levels in Q3 rising by 3.2% (£773) to £24,695.

This was despite the average age rising from 14.2 to 16.0 months in age and average mileage rising from 11,419 in Q2 to 12,517 miles in Q3.

Stock levels actually rose in Q3 to 6.0% after months of this sector struggling for stock.

Conversion rates remain the highest out of any market sector.



FLEET MARKET PROFILE

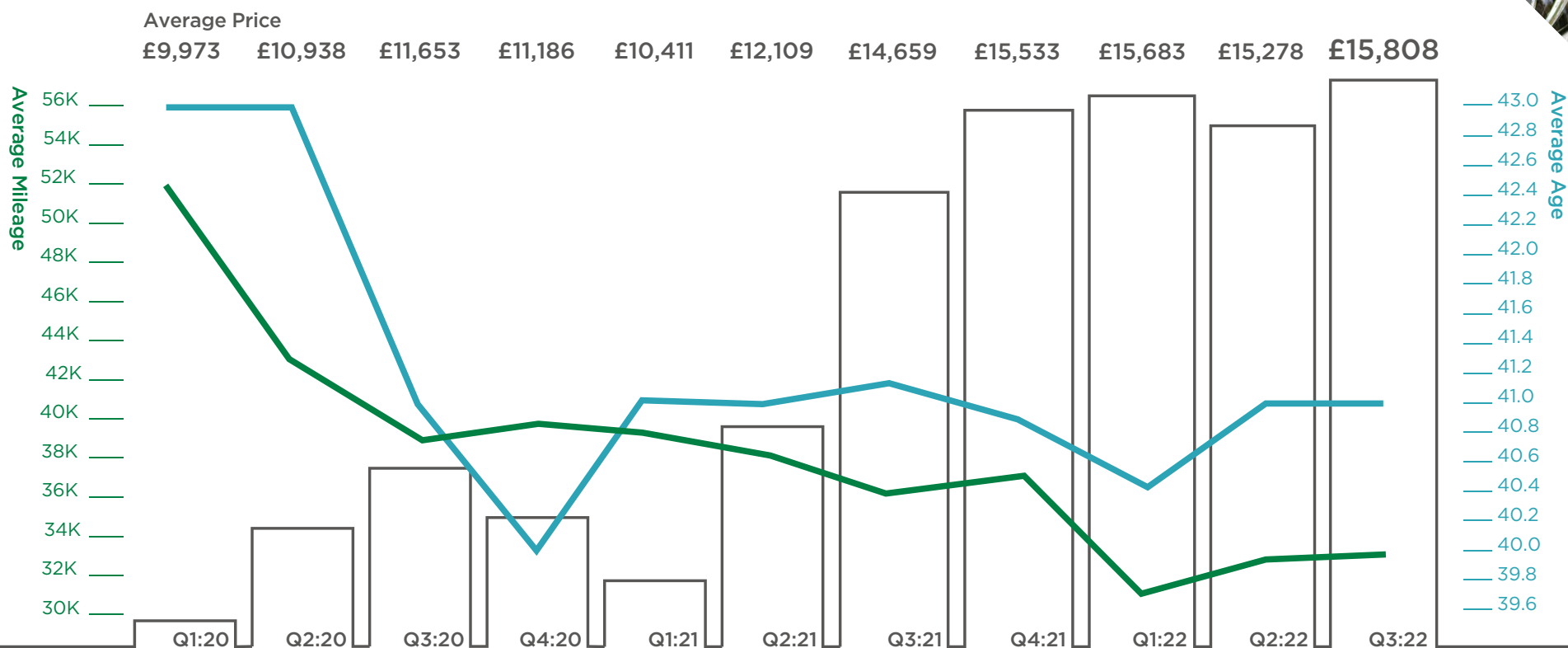
(24-54 months)

After three quarters of stability prices once again rose to an all-time high.

Prices rose by 3.4% (£530) in Q3 to £15,808.

Ex-fleet stock levels reached an all-time low which has contributed to the record price levels.

Both age and mileage remained consistent at 40.9 months and 32,951 miles.



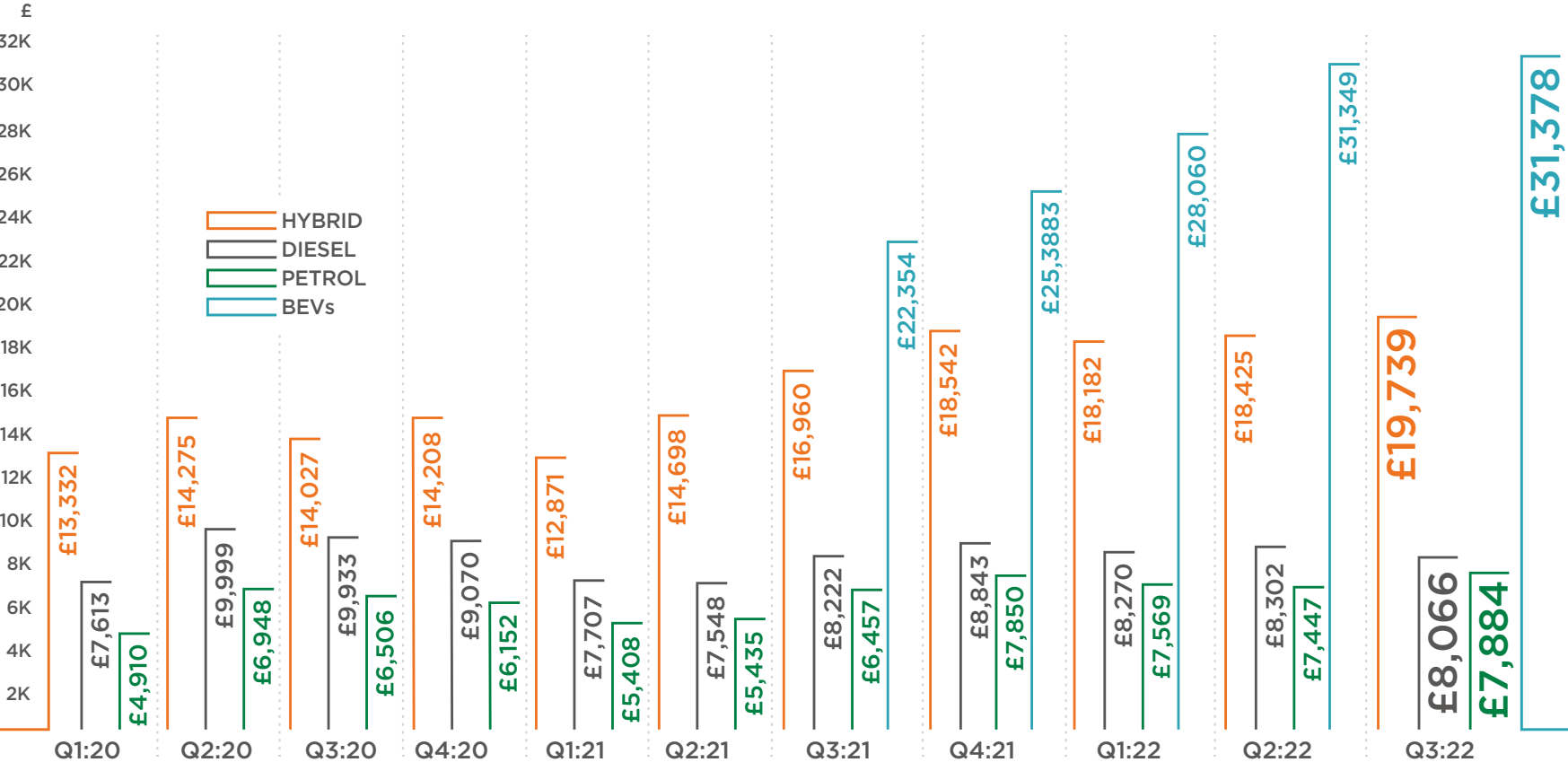
OVERALL MARKET FUEL TYPES

6.2% of used cars sold in Q3 were electric which is a record penetration.

EV pricing has stabilised for the first time since Q2 2021 at £31,378.

Hybrid prices rose by a healthy 7.1% (£1,314) to £19,739.

Diesel prices fell by £236 to £8,066 while petrols rose again by £437 to £7,884.

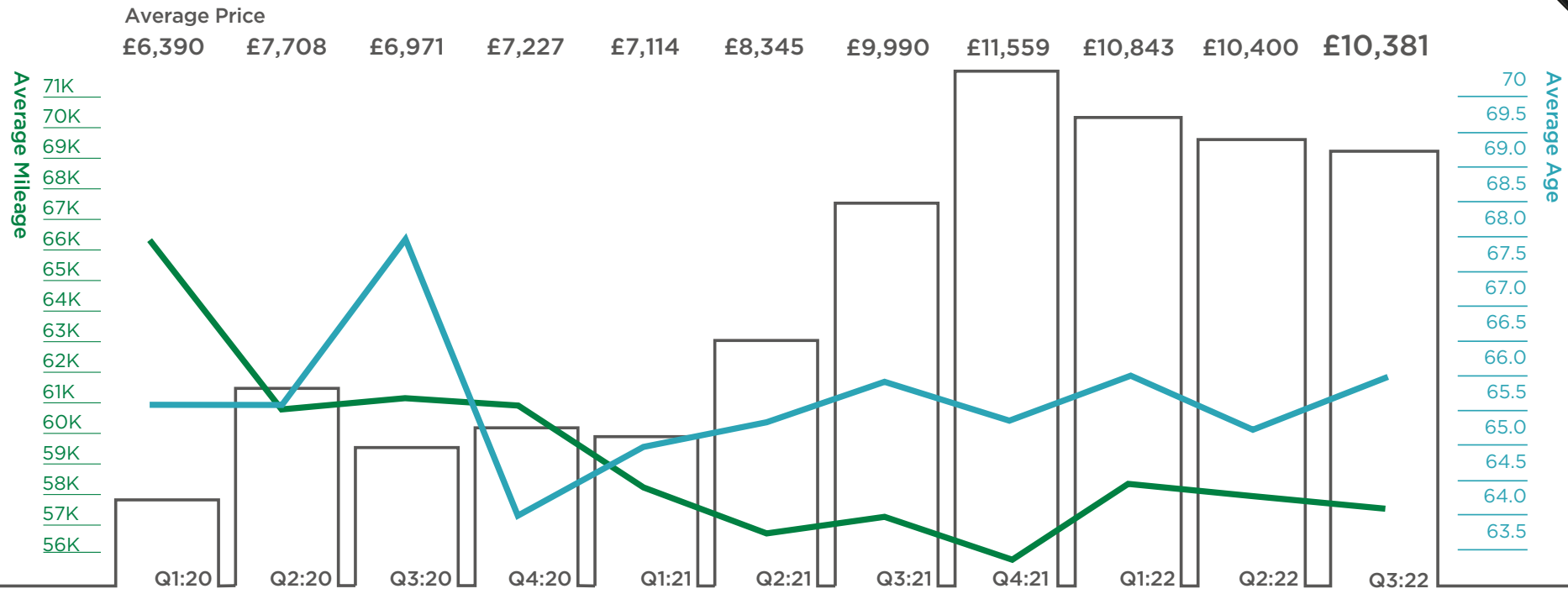


DEALER MARKET PROFILE - YOUNG PART EXCHANGES

(55-75 months)

Prices fell just £17 from Q2 to Q3 to £10,381.
Stock levels were at their lowest ever point even after the recent September plate change.

Average age rose slightly to 66 months and average mileage fell from 58,000 in Q2 to 57,335 in Q3.

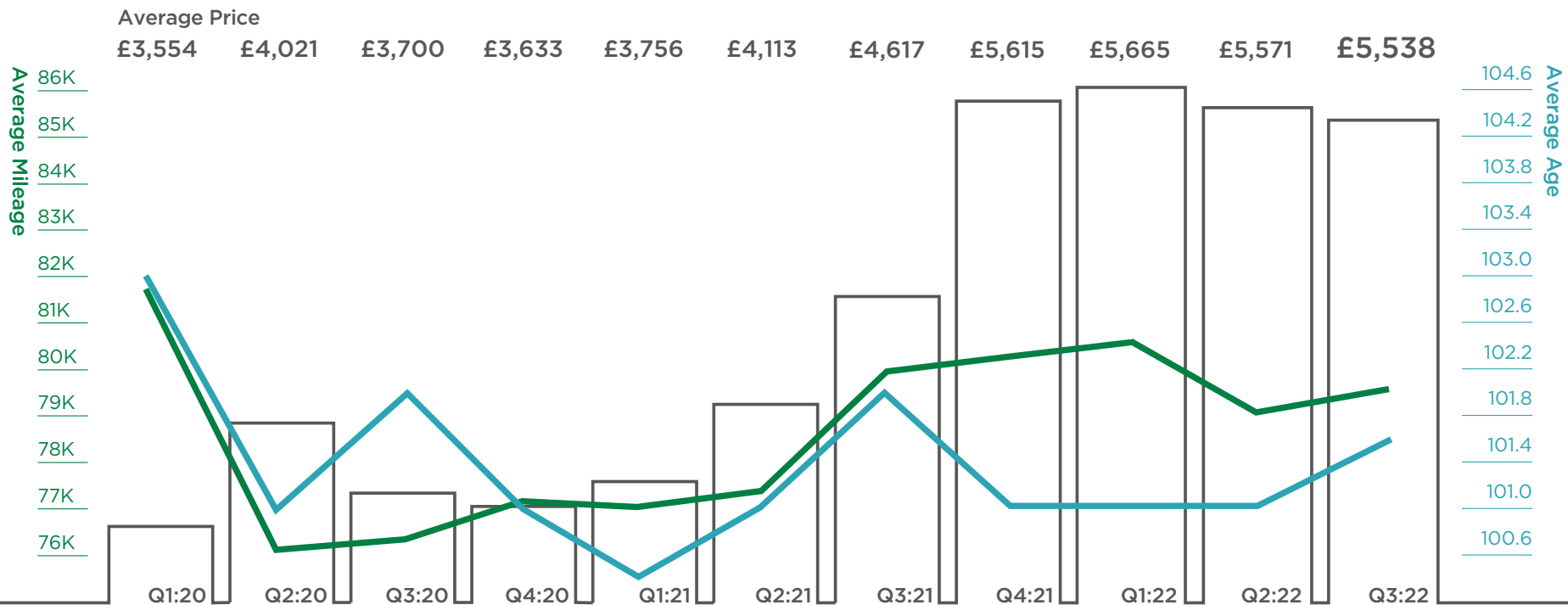


DEALER MARKET PROFILE - OLD PART EXCHANGES

(78-125 months)

Prices were £33 higher in Q3 than Q2 at £5,538, the fourth successive quarter prices had been held at the £5,500 level.

Average age and mileage also remained consistent in Q3 at 101 months and 79,410 miles.



DEALER MARKET PROFILE - BUDGET PART EXCHANGES

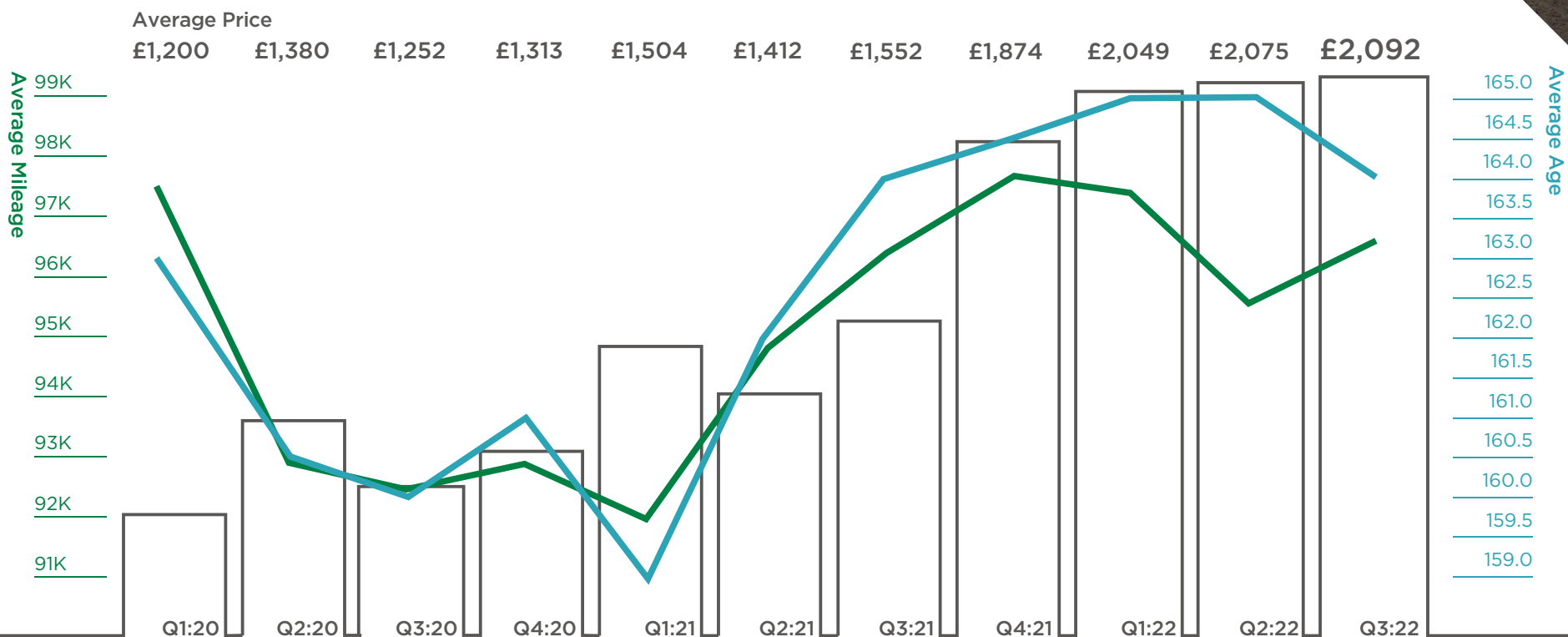
(126+ months)

Prices rose for the sixth successive quarter by £17 to £2,092.

This movement was despite average mileage increasing from 95,512 to 96,431 miles.

Average age actually fell in Q3 from 165 to 164 months.

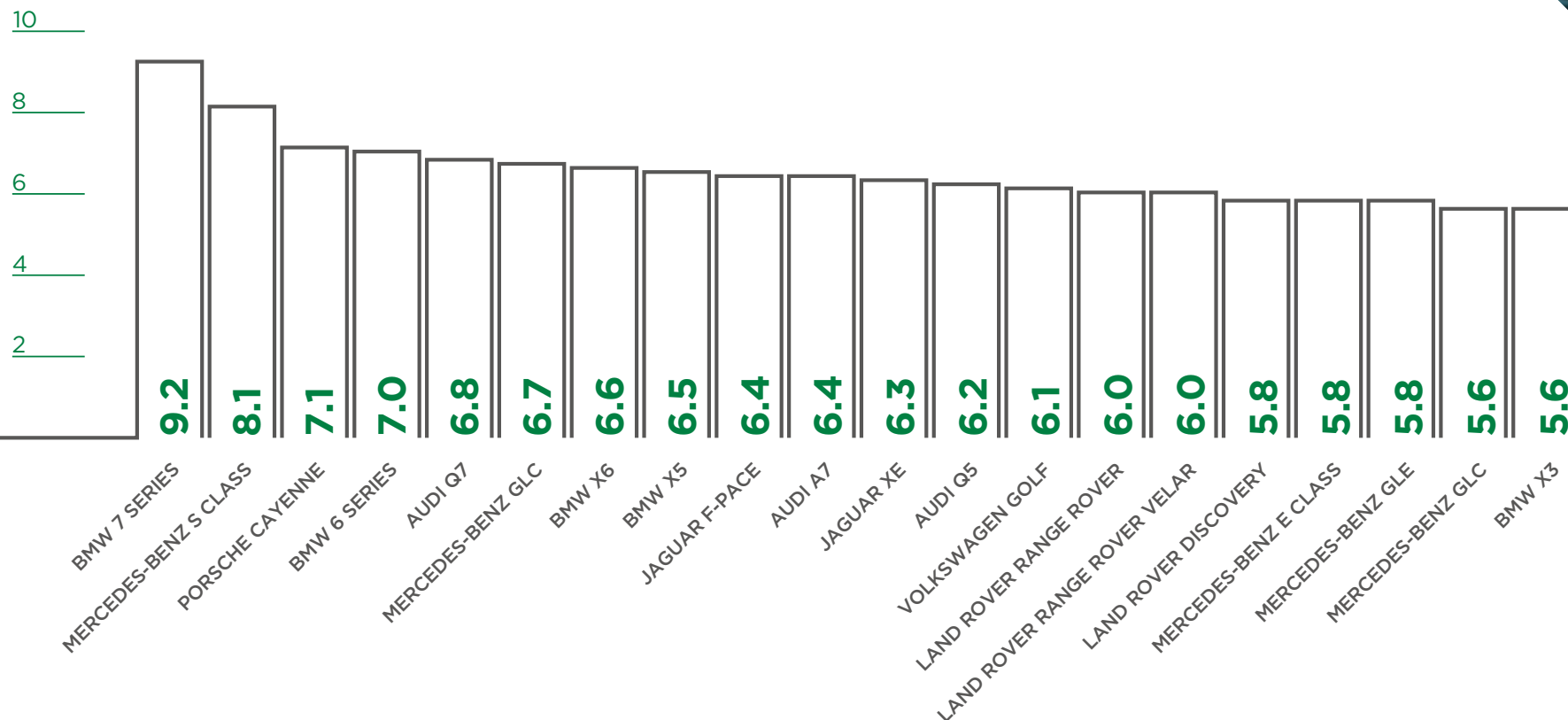
This part of the market is very busy and accounts for one in four of every used cars sold at auction in Q3.



USED CAR DESIRABILITY INDEX

17 Out of 20 used cars in the desirability index are SUVs/4x4s. It reinforces the popularity of this profile of stock particularly at the high-end, high value level. Dealers continue to only bid on and buy these cars to order which is why there is

always such competition when cars arrive under the hammer. Generally, you can throw away the values guides when these high value SUVs come to auction.



Our data takes into consideration three key metrics: web views prior to sale, number of physical and online bids per sale and the sale price achieved as a percentage of CAP Average.



USED VAN MARKET

Prices in the used van market have been relatively stable now since Q3 2021, but after three quarters of prices gently softening, they increased for the first time in Q3 2022.

August is always a seasonally slow period for the used van market and 2022 was no exception, but the market returned to being very buoyant in September

No make or model is currently preferred in the used market, it is all about what the SME can afford with the vehicle fitting their business need.

The time of year is approaching when parcel delivery companies look to boost their fleets to cope with the increased demand of Christmas online shopping. Generally, this means an increase in demand for 3.5 tonne panel vans.

Pick-ups remain in demand but more from businesses to carry out work rather than to double up as recreational vehicles as consumer confidence waivers.

There are no signs that the used van market will do anything other than continue at its current level until such time as used stock starts to improve which still looks some time away.

Geoff Flood, Aston Barclay's National LCV Sales Manager

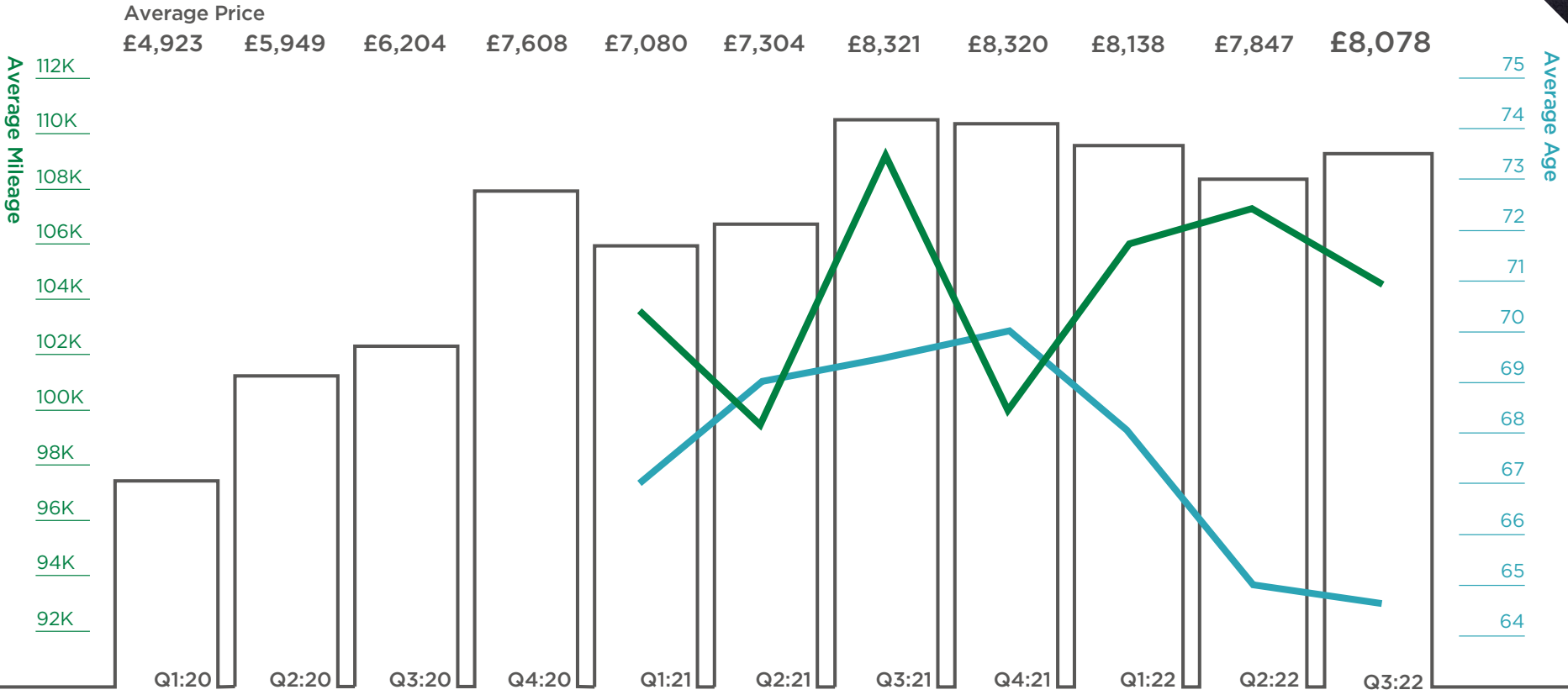


VAN MARKET PROFILE

Used prices rose in Q3 2022 for the first time since Q2 2021 by £231 to £8,078.

This is incredible bearing in mind prices in Q3 2020 were just £6,204.

Q3's fall in average age from 65 to 64.5 months and in mileage from 106,500 to 105,100 helped contribute to the price rise.

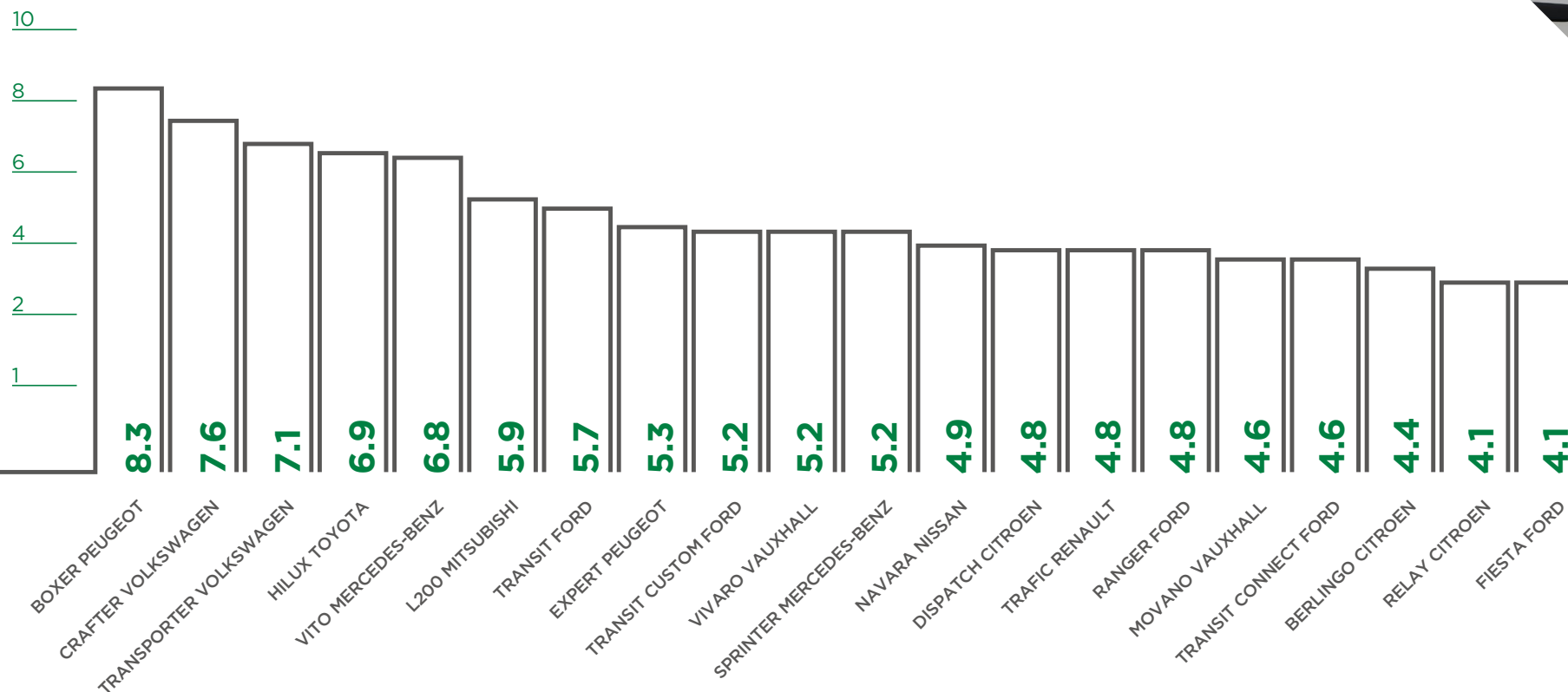


USED VAN DESIRABILITY INDEX

During Q3 there were no real market trends. Instead, SMEs have been buying whatever they could afford and that was practical for their business. This explains the reason for seven manufacturers appearing in the top 10. Larger panel

vans have started to increase in popularity as we get closer to Christmas and the projected increases in home deliveries.

Three pick-ups made the Q3 list - the Toyota HiLux, Mitsubishi L200 and Ford Ranger.



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DOUBLE-CAB PICK-UP MARKET PROFILE

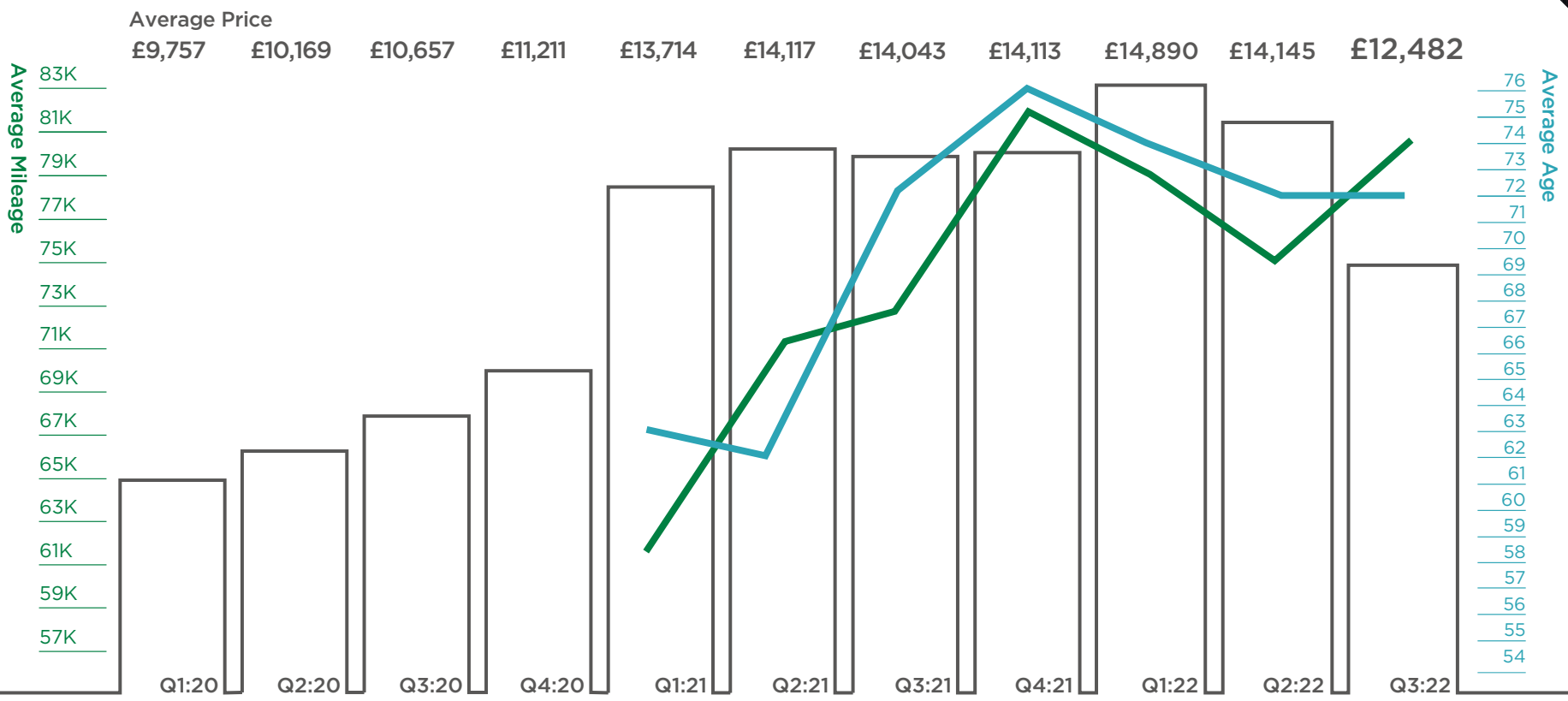
Prices dropped to their lowest level since Q4 2020 at £12,482.

An increase in mileage from 75,500 to 80,500 miles contributed to the price fall.

Demand remains patchy. A number of double cab pick-ups have historically ended up as recreational

vehicles that work in the day and that are used by the family in the evening and at weekends.

A fall in consumer confidence has reduced consumer demand, while a challenging environment for local builders has meant that many are staying with their current vehicle rather than looking to buy a replacement.





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