

Pricing analysis | March 2021

The latest used car pricing trends brought to you by the **NFDA** and **Auto Trader**

What's happening with used car pricing in March?

Welcome to the **third** in the series of used car pricing analysis, brought to you by **NFDA** and **Auto Trader**. Powered by the Auto Trader Retail Price Index, we aim to bring you up to date with the latest performance and pricing observations from across the UK automotive market.

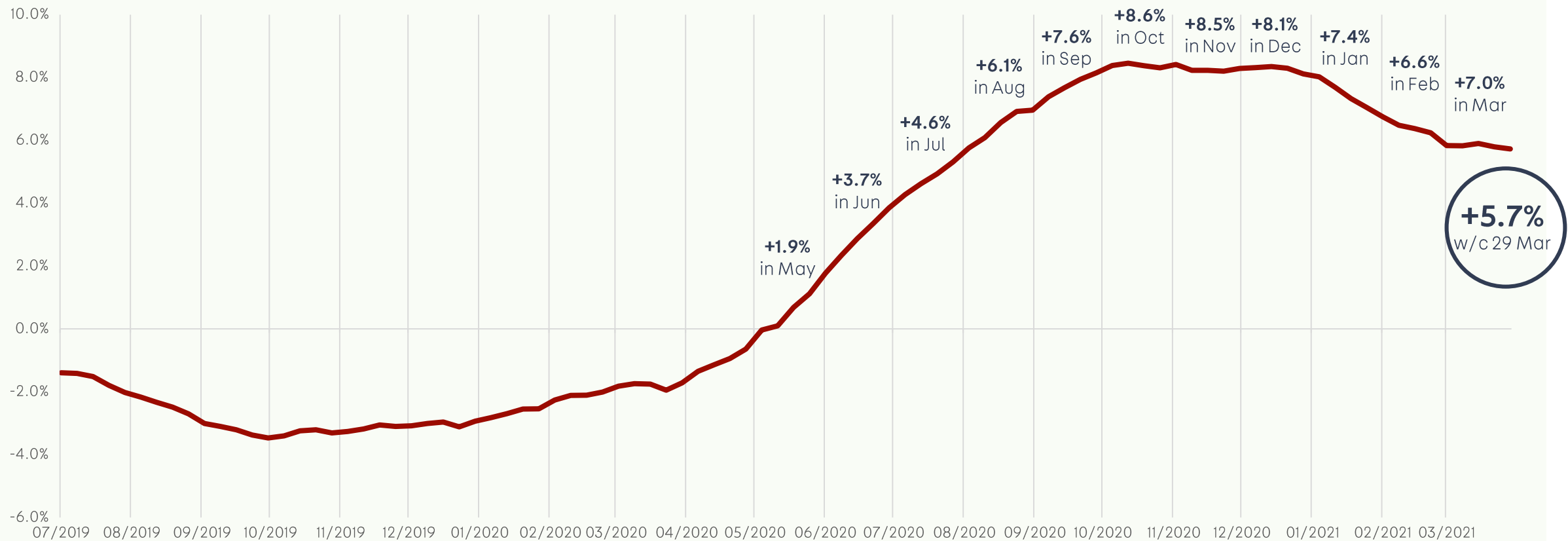
March 2021 | Summary

- March marked 12 months of like-for-like, year-on-year (YoY) price growth.
- After four months of softening growth, March saw an acceleration, increasing from +6.6% in February to +7.0%.
- Record demand and a slight drop in supply fuelled price increases across the market.
- Cars aged 1-5 saw the strongest performance, but all age groups continued to grow.
- SUV demand was extremely strong, resulting in a higher % than any other body type.

March saw an upturn in the recent softening of like-for-like prices with a **7.0% increase** versus March 2020

WEEKLY YEAR-ON-YEAR PRICE MOVEMENTS

Like for like, removes impact of stock mix shift to reflect true value adjustments



Source: Auto Trader Retail Price Index

About the analysis

The Auto Trader Retail Price Index is published monthly and provides an overview of the latest price and search data from the Auto Trader marketplace. A team of data scientists monitor hundreds of thousands of vehicles each day, including 90,000 vehicle updates and an average of 19,000 vehicles added or removed from Auto Trader.

Coupled with data from circa 450,000 trade car listings every day, as well as additional retailer forecourts and website data (OEM, fleet and leasing disposal prices and pricing data from over 3,000 car dealership websites and data from major auction houses across the UK), ensures the Index is an accurate reflection of the live retail market.

- The following charts display **Demand** (red), **Supply** (white), **Market Health** (blue bar), and price movement, which is based on year-on-year growth on a like-for-like basis, removing the impact of stock mix shift to reflect true value adjustments.
- **'Market Health'** is made up of both supply and demand levels which are key components for market performance.



Demand for all electrics is up significantly, with Electric Volume demand now outstripping supply growth. Electric Premium prices remain down due to continued high supply.

FUEL TYPE

● Demand YOY

● Supply YOY

■ Market Health YOY

Retail Price
Movement YoY

Petrol example shows Market Health 34.4%, as Supply (0.4%) exceeds Demand (35.0%)

ELECTRIC
Volume

ELECTRIC
Premium

PETROL

DIESEL

-100%

0%

100%

200%

300%

Feb-21
Retail Price

Mar-21
Retail Price

▲ 11.8%

▲ 9.3%

▼ -4.1%

▼ -4.2%

-100%

-50%

0%

50%

100%

▲ 5.8%

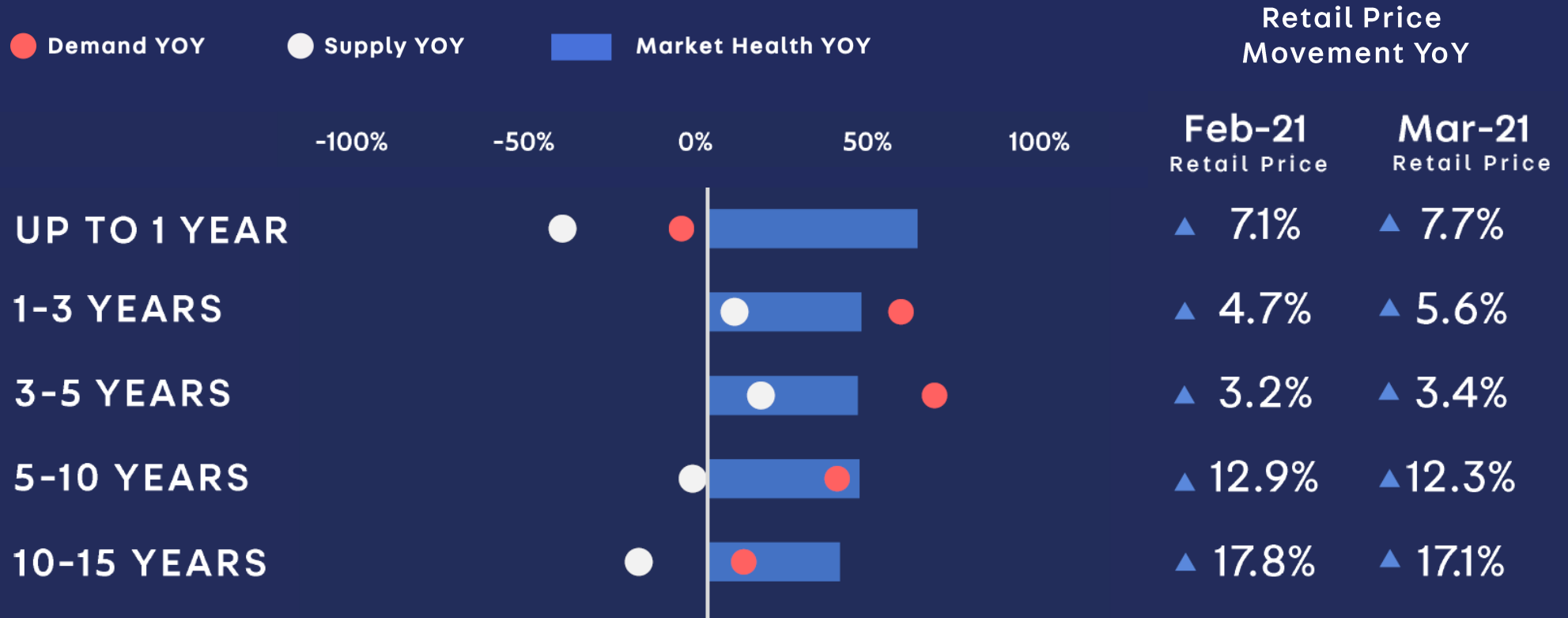
▲ 5.8%

▲ 8.4%

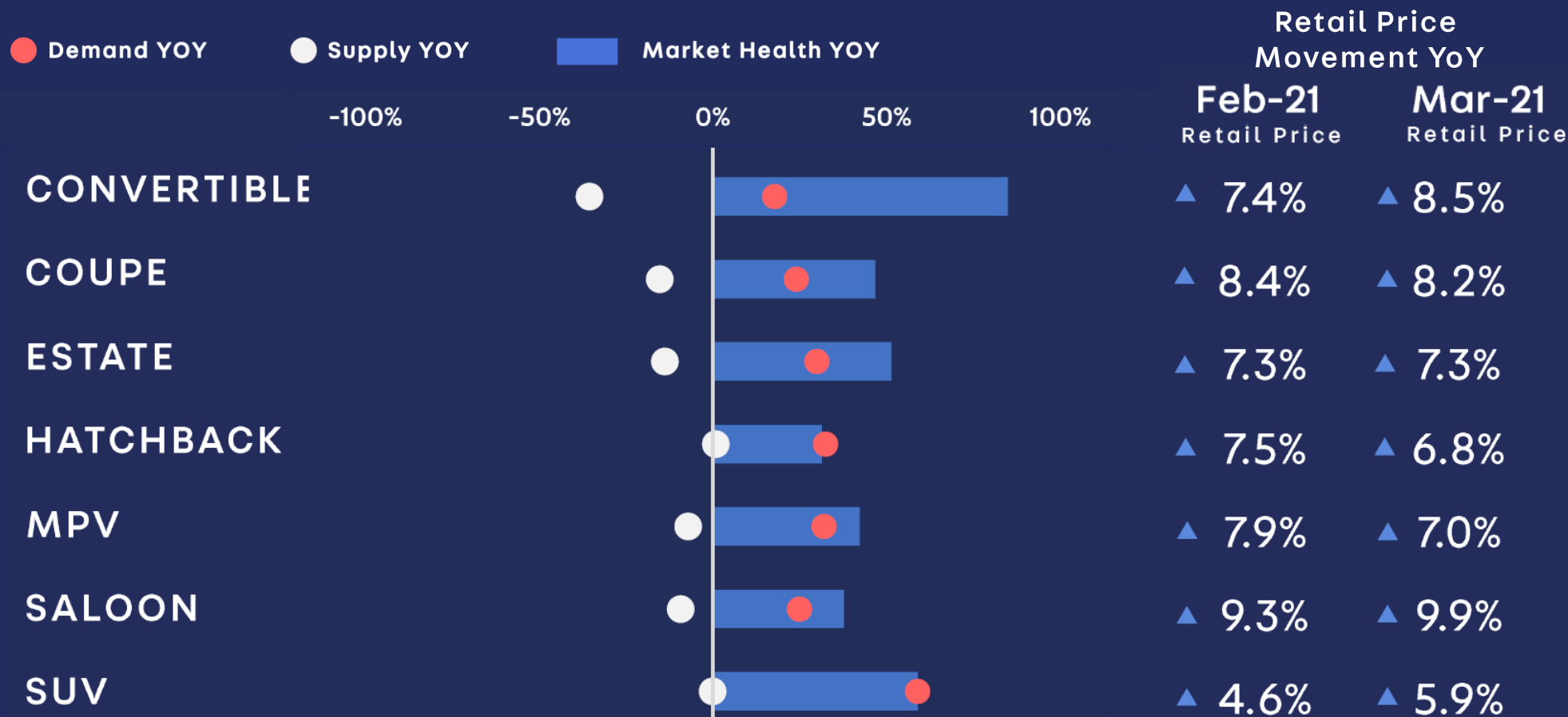
▲ 8.9%

Cars aged **1-5 years** showed the **greatest demand increases**, up over 50%. But older age groups remained strong in March; the average price of a 5-10-year-old car is £1,000 higher YoY.

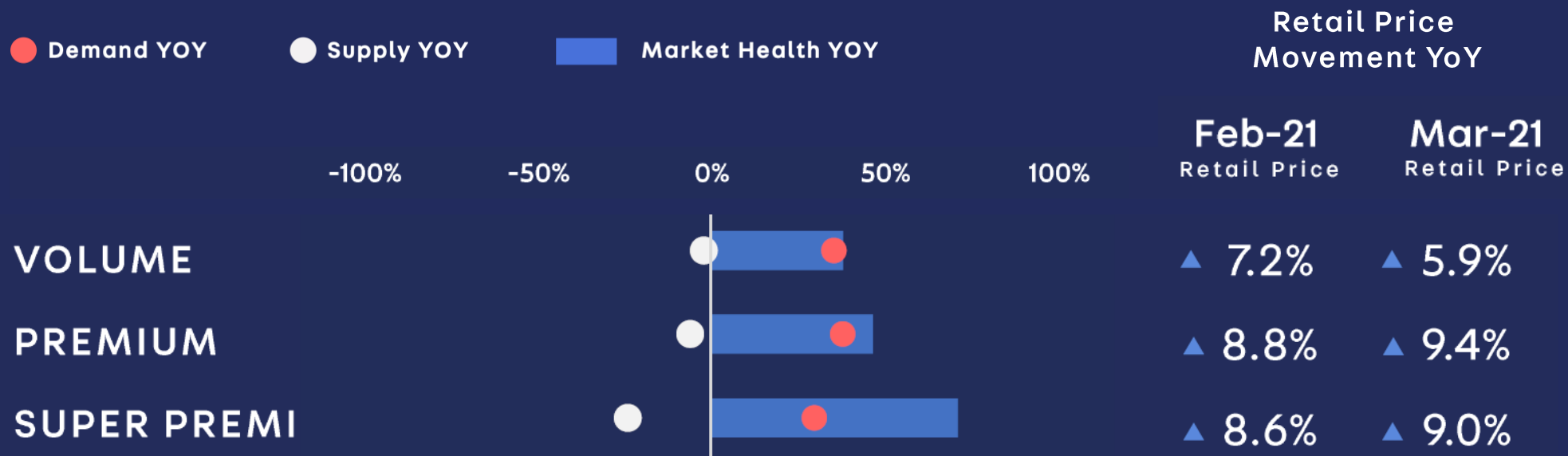
VEHICLE AGE



In March **SUVs saw significant demand growth** of over 60% YoY and a resultant jump in like-for-like prices, despite supply being even. A solid hatchback performance means the core of the market is healthy.



Growth in Premium (+9.4%) and Super Premium (+9.0%) prices continue to outpace the market. These increases were the highest ever recorded for these sectors, evidence of a 'pandemic boost' for affluent buyers.



Sue Robinson, Chief Executive, NFDA

“It is encouraging to see that used car prices remain at high levels in March ahead of restrictions easing for dealerships across the UK in April. As the economy starts to reopen, demand is expected to be strong. Consumers can be assured that dealers have made showrooms Covid-safe to visit.”

Richard Walker, Data & Insights Director, Auto Trader

“The record demand we’re seeing on our marketplace offers a very positive indication as to what we can expect now retailers across England and Wales are able to fully reopen their forecourts. Coupled with the fact that used car sales were close to what we would typically see in March, and new car performance has been robust despite the current restrictions, we’re confident of a fast return to health. And, with such strong demand in the market, we anticipate prices will remain buoyant for some time to come, which will continue to benefit retailers’ profit margins.”