

# Pricing analysis

## August 2021

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



# What happened with used car pricing in August?

Welcome to the **eighth** 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.

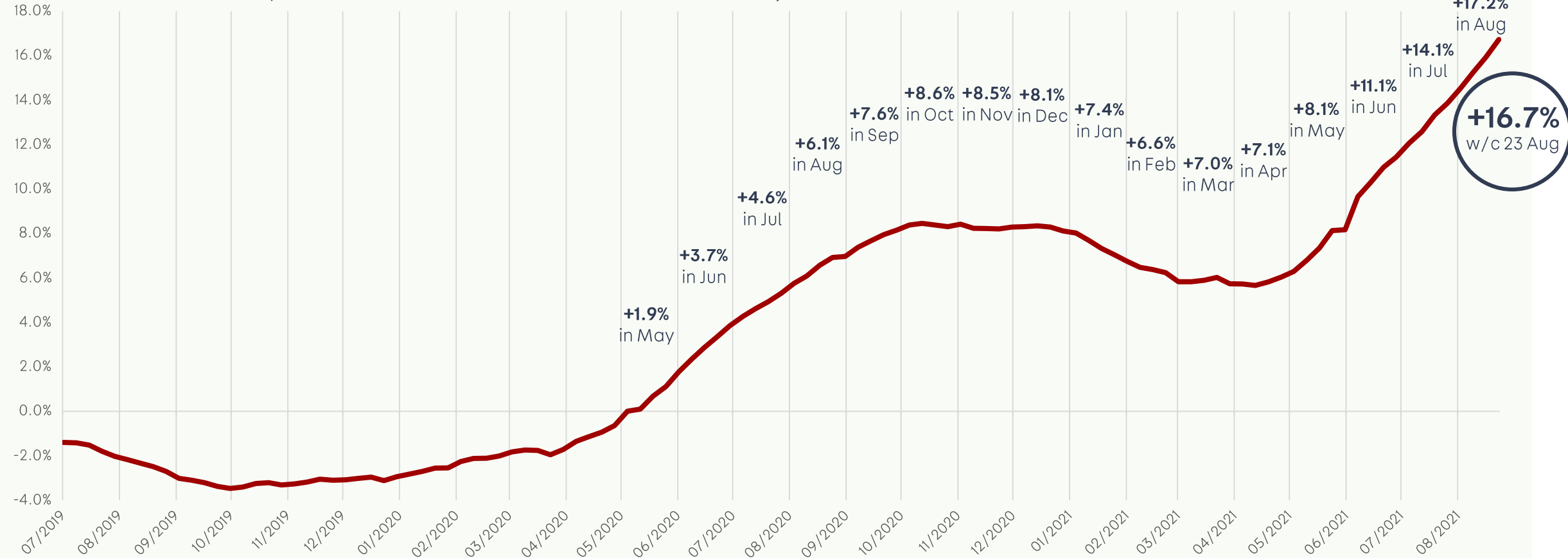
## August 2021 | Summary

- There continues to be huge demand in the market: August saw over 70 million cross platform visits to Auto Trader, the second highest month ever.
- This demand continues to fuel record price growth: August saw used car prices increase 17.2% year-on-year.
- Such is the current strength of the used car market, it not only represents the largest single month-on-month increase (up from 14.1% in July), but it is more than double the rate of growth recorded in May, surging from an already very strong 8.1%.
- Cars aged 3-5 years continued to see the biggest growth, exceeding 20% against last year.
- Record demand and supply constraints are driving double-digit price growth across almost every cohort of vehicles.

# Like-for-like prices continue to grow significantly in August with a 17.2% increase

## 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.

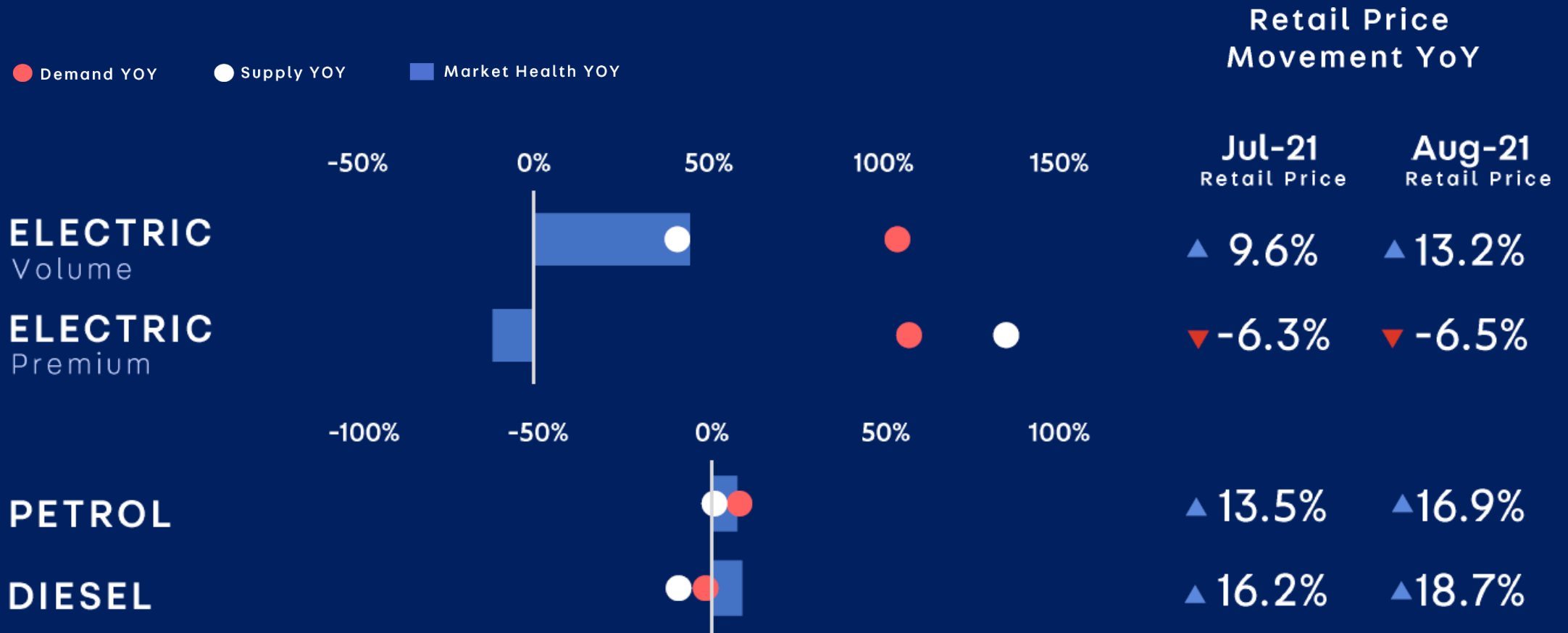
Coupled with data from circa 450,000 trade car listings every day, as well as additional retailer forecourts and website data (OEM, fleet and leasing disposal prices and pricing data from over 3,000 car dealership websites and data from major auction houses across the UK), ensures the Index is an accurate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



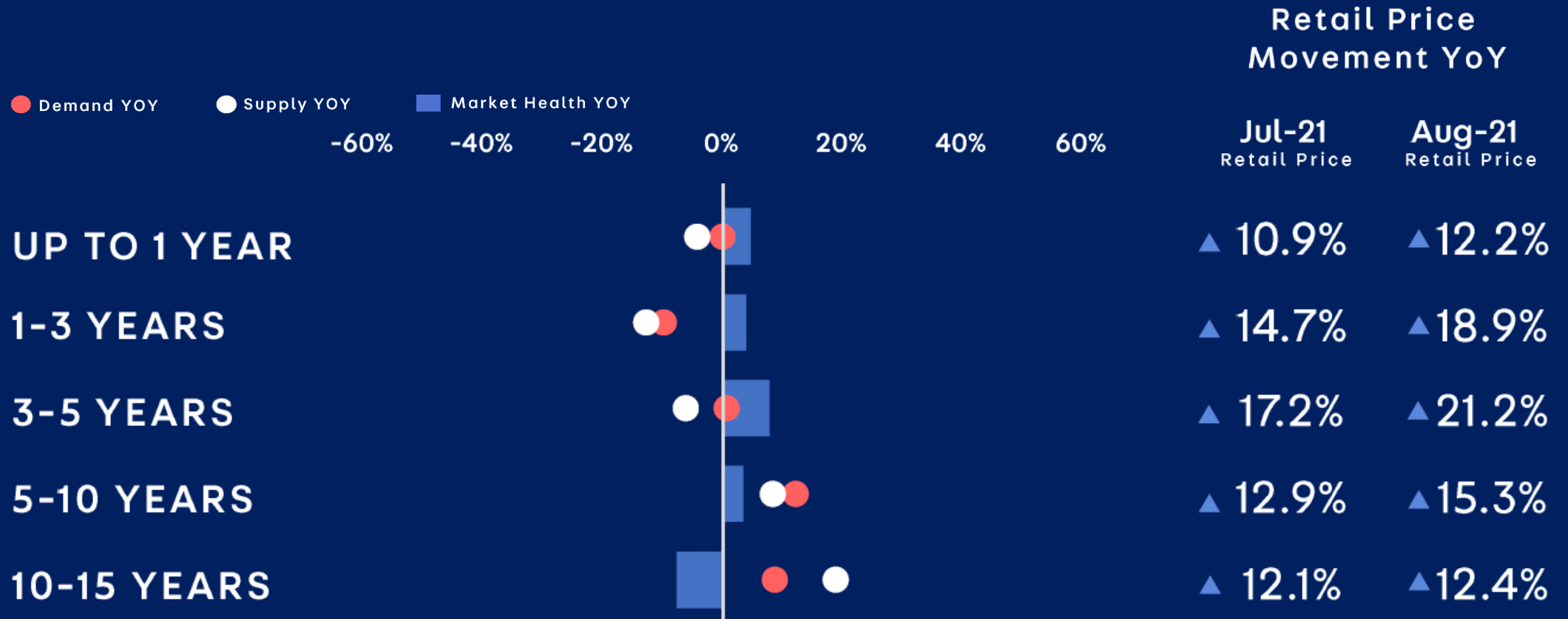
ICE vehicle prices continue to grow significantly. Prices of volume brand EVs also increased by double-digits, driven by more than double the level of demand recorded a year ago

FUEL TYPE



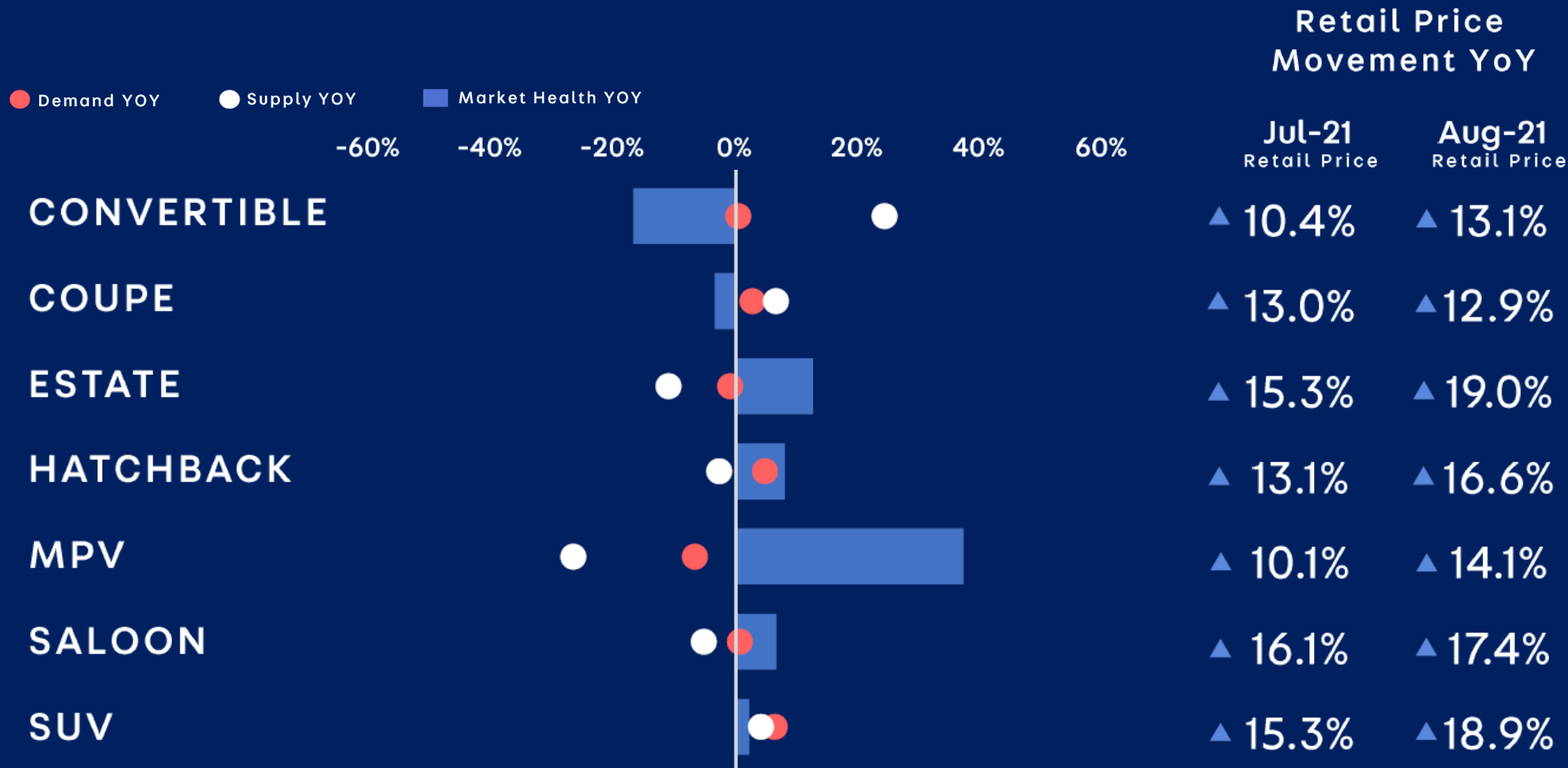
Prices saw greatest growth among vehicles aged 1-5, with those aged 3-5 growing over 20% vs 2020 prices

VEHICLE AGE



Prices grew across all body types – a 3–5-year-old Volume SUV is now over £4,000 more expensive than August 2020

BODY TYPE





Prices grew across volume and premiums brands, hitting new records. Volume brands saw a 3.7% pt. month-on-month increase. Super premium cars continue to sell the fastest vs. 2019

BRAND TYPE





## **Sue Robinson, Chief Executive, NFDA**

*“The extraordinary increase in used car prices shows that consumer demand remains extremely buoyant supported by dealers’ optimism. As supply issues affect the new car market and consumer confidence improves, second-hand and nearly new car transactions are expected to continue to perform well over the coming months.”*

## **Richard Walker, Data & Insights Director, Auto Trader**

*“To put the price movement into context, in August 2020 average prices were increasing at a rate of 6% year-on-year, which at the time marked a new record. Whilst few could have imagined a year later, growth would be accelerating at nearly three times that rate, we’ve said throughout the pandemic that we anticipated sustained levels of growth fuelled by the strong consumer demand in the market, even when other commentators predicted a collapse in prices. It reinforces the importance of being data led in all aspects of your business, especially when the market is moving so quickly.”*