

Pricing analysis | July 2021

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

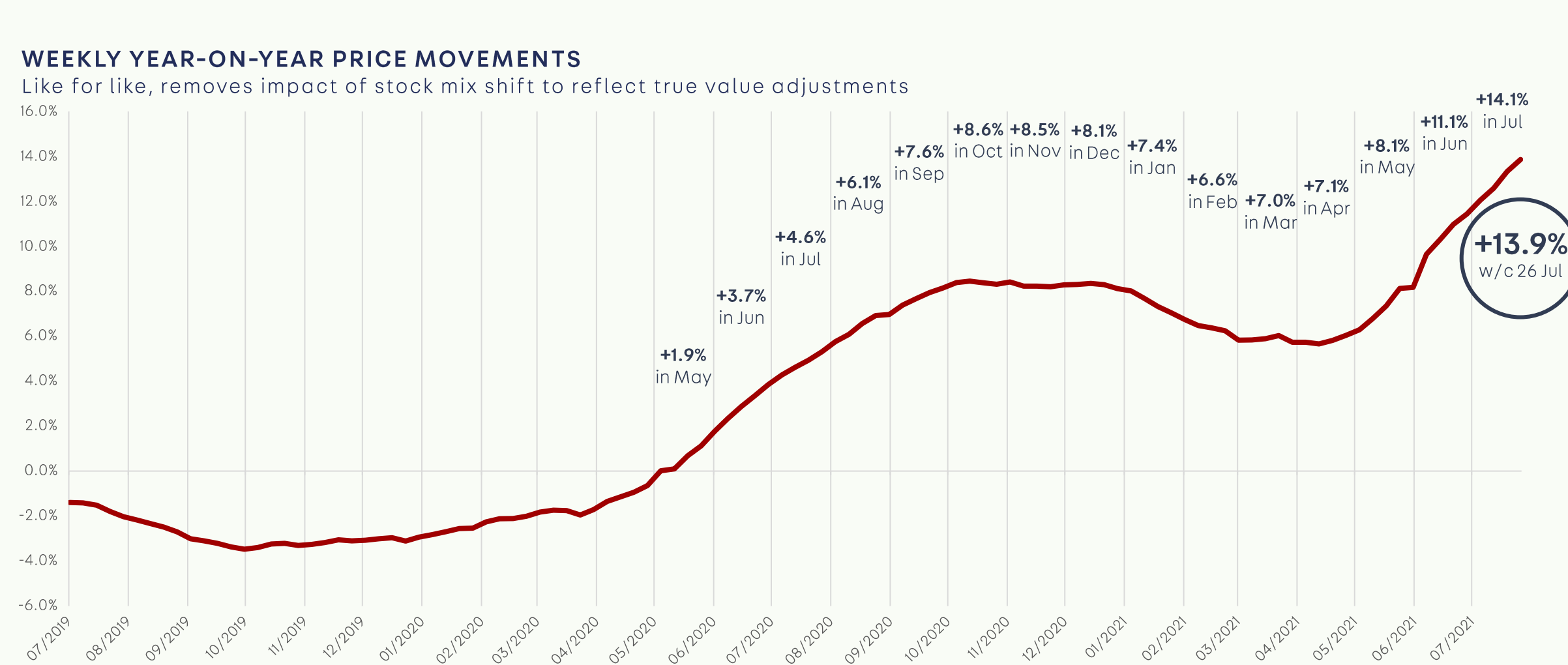
What's happening with used car pricing in July?

Welcome to the **seventh** 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.

July 2021 | Summary

- Sustained demand and limited supply continue to drive market pricing upwards.
- July was the largest year-on-year price increase on record, with like-for-like prices up 14.1% year-on-year (YoY) - it marks 16 months of consecutive price growth.
- All segments saw double-digit growth (except for electric cars), with the whole market growing at twice the rate of just four months ago.
- The average price of a petrol volume brand hatchback, aged 3-5 years, is now £9,750, which is +£1,137 vs. July 2020 and +£2,029 vs. July 2019.
- The greatest increase of all came from 3-5-year-old cars, which were up 17.2% YoY in July. Both volume and premium brand cars also saw large YoY price changes despite differing market health activity.

There has been two consecutive months of double-digit like-for-like price increases



Source: Auto Trader Retail Price Index

¹ This data comes from over 1.9 million vehicles each day, including 90,000 vehicle updates and an average of 19,000 vehicles added or removed from Auto Trader. The data is 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), ensuring the Index is an accurate reflection of the live retail market.

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.

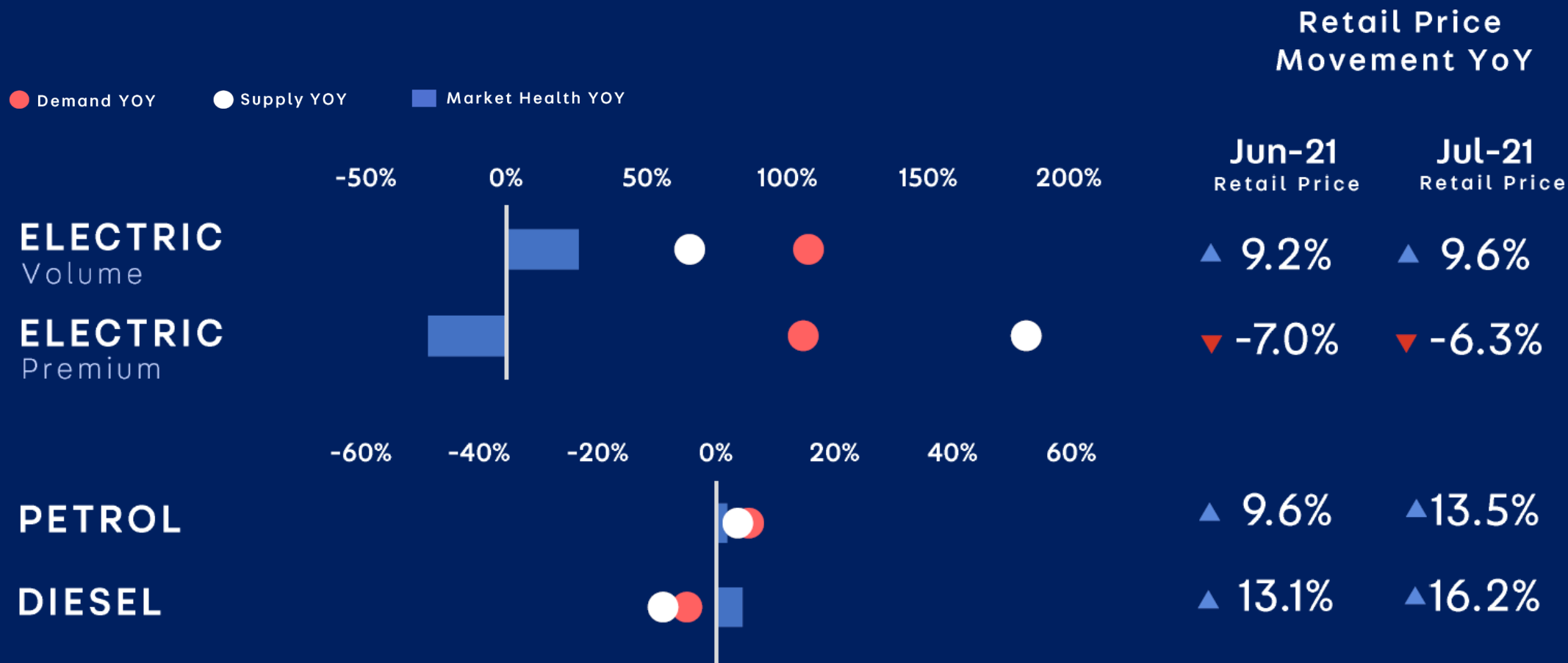
Coupled with data from circa 450,000 trade car listings every day, as well as additional retailer forecourts and website data (OEM, fleet and leasing disposal prices and pricing data from over 3,000 car dealership websites and data from major auction houses across the UK), ensures the Index is an accurate 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 vehicles continue to hit record price growth. Electric cars also saw positive price movements, albeit on a smaller scale

FUEL TYPE



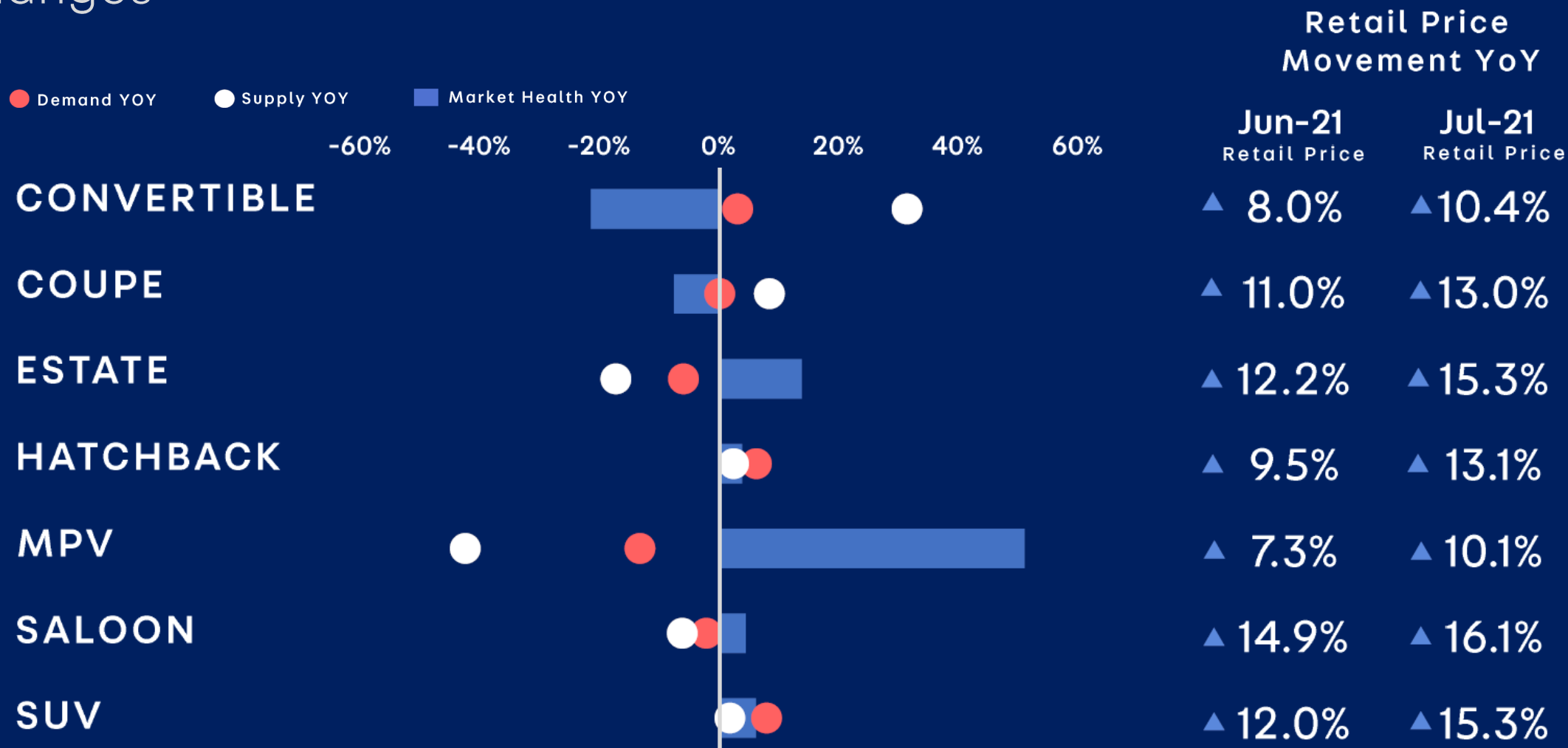
Prices saw greatest growth among vehicles aged 1-5, while vehicles aged 10-15 were still over 12% higher than in 2020

VEHICLE AGE



All body types are still increasing, with saloons enjoying the highest YoY growth. SUVs and hatchbacks, though, saw big month-on-month changes

BODY TYPE



Prices grew across all brands, with premiums experiencing another record high at 16.8%. Super Premium cars are now turning a full 2 weeks faster than in 2019

BRAND TYPE



Sue Robinson, Chief Executive, NFDA

“Sustained consumer confidence across most vehicle types is greatly encouraging for franchised dealers as it is reflective of an increasingly healthy economy. Whilst we are seeing some headwinds in relation to new and used car supply, as a consequence of semi-conductor shortages and factory closures, NFDA members still remain cautiously optimistic in their outlook for the remainder of the year.”

Richard Walker, Data & Insights Director, Auto Trader

“Based on what we’re seeing, such as the strong levels of disposable income and savings, as well as improving consumer confidence and low interest rates, we have every reason to believe that these levels have the potential to remain for much, if not all, of 2021. What’s more, we have barely begun to scratch the surface in reclaiming the 1.4 million ‘lost’ transactions in 2020 as a result of closed physical showrooms. It’s for these reasons we feel very comfortable in revising our forecast for this year at much higher rate than some commentators have suggested, to circa 8 million used transactions.”