

# Pricing analysis

## March 2022

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



# What happened with used car pricing in March?

Welcome to the **fifteenth** 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.

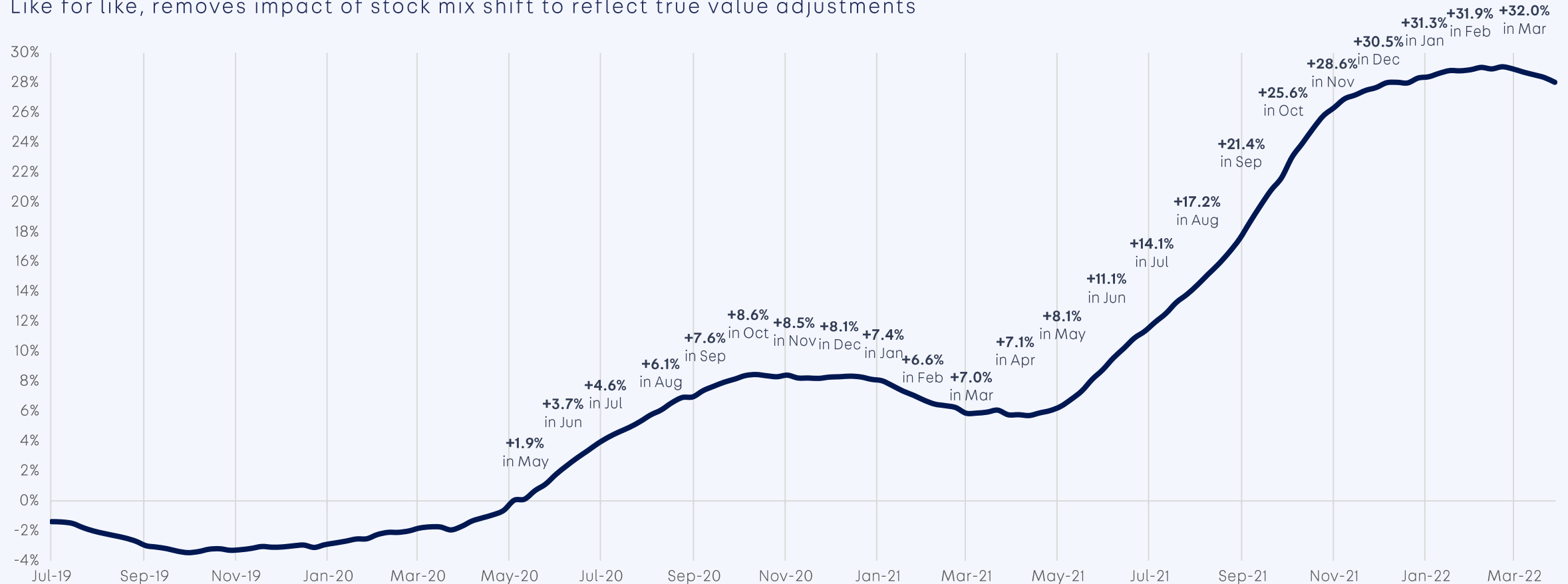
## March 2022 | Summary

- Like-for-like price increases were once again well ahead of 2021, although the growth trajectory has slowed
- Up to 1 year old cars saw the biggest MoM jump as supply is still 40% back on last year, and older cars also saw a MoM increase
- Overall Market Health has slowed with demand down slightly more than supply.

Like-for-like prices remain strong in March at 32%, though growth has slowed in recent months.

## 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.

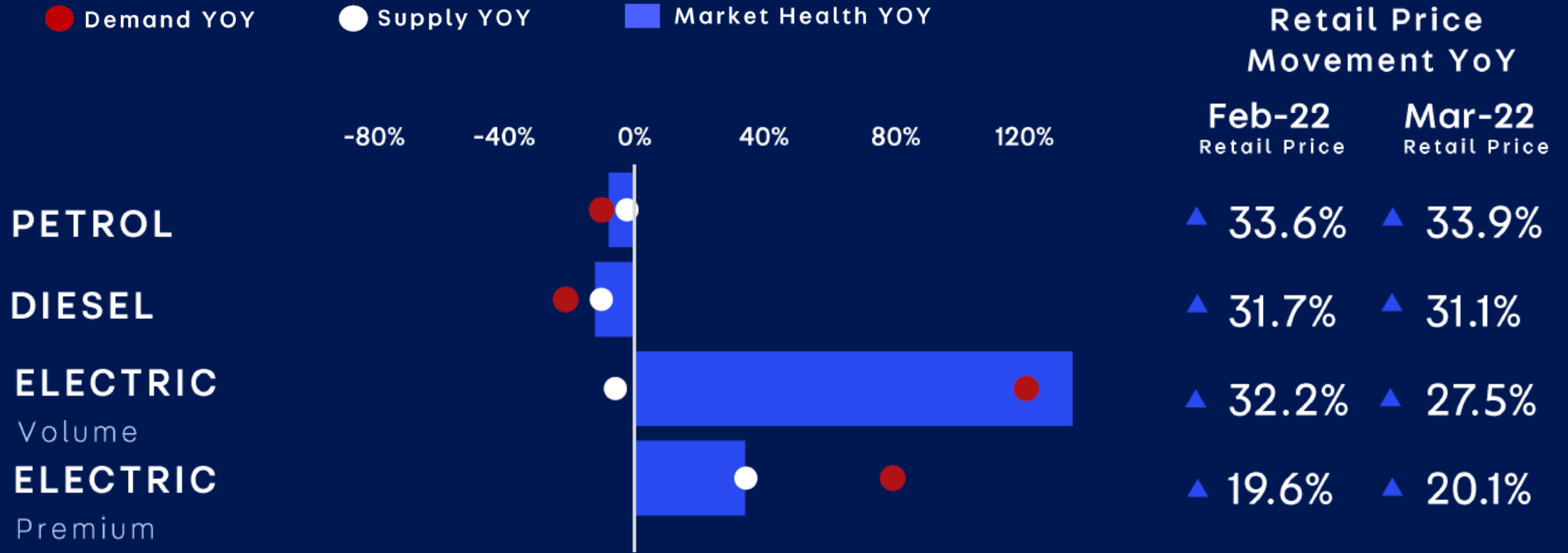
Coupled with data from circa 450,000 trade car listings every day, as well as additional retailer forecourts and website data (OEM, fleet and leasing disposal prices and pricing data from over 3,000 car dealership websites and data from major auction houses across the UK), ensures the Index is an accurate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



Volume EV prices saw the greatest MoM decline, but rapidly growing EV demand is leading to significantly faster stock turn

FUEL TYPE

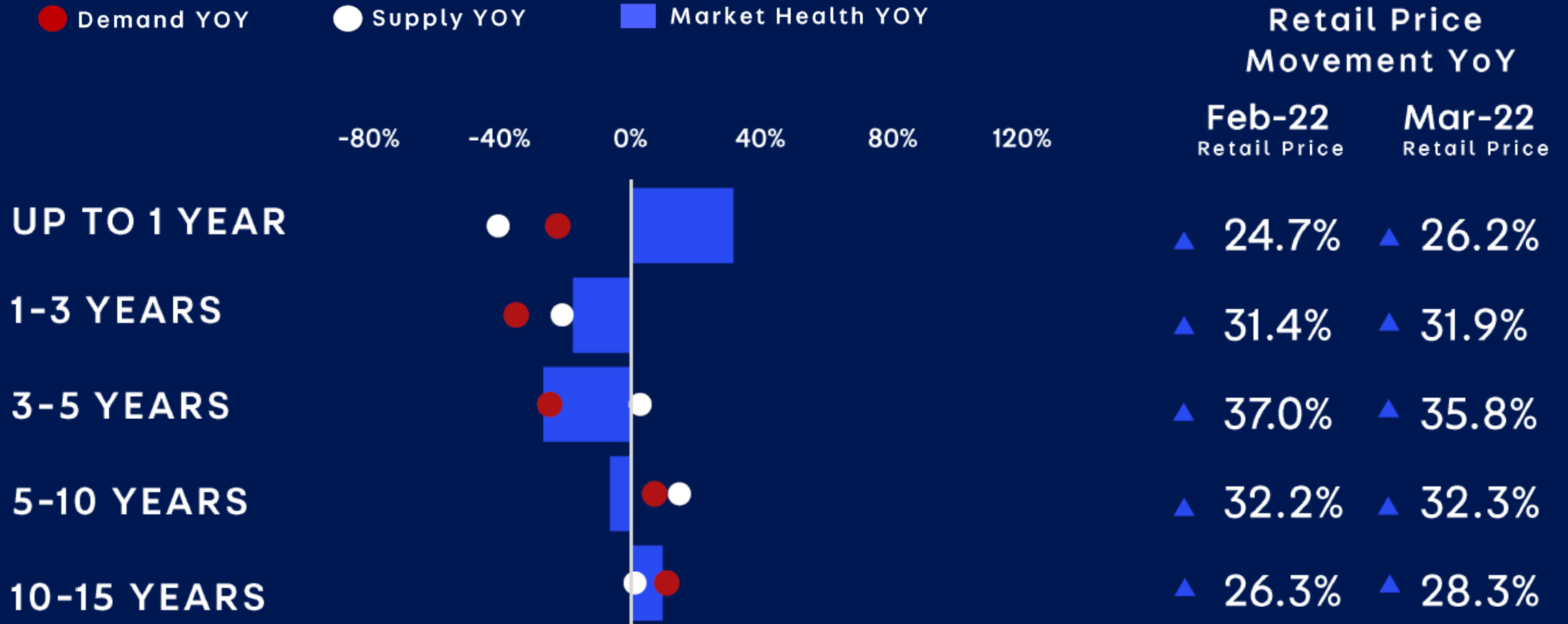


Petrol example shows Market Health at -8.1%, as Supply (-2.4%) is ahead of Demand (-10.3%)



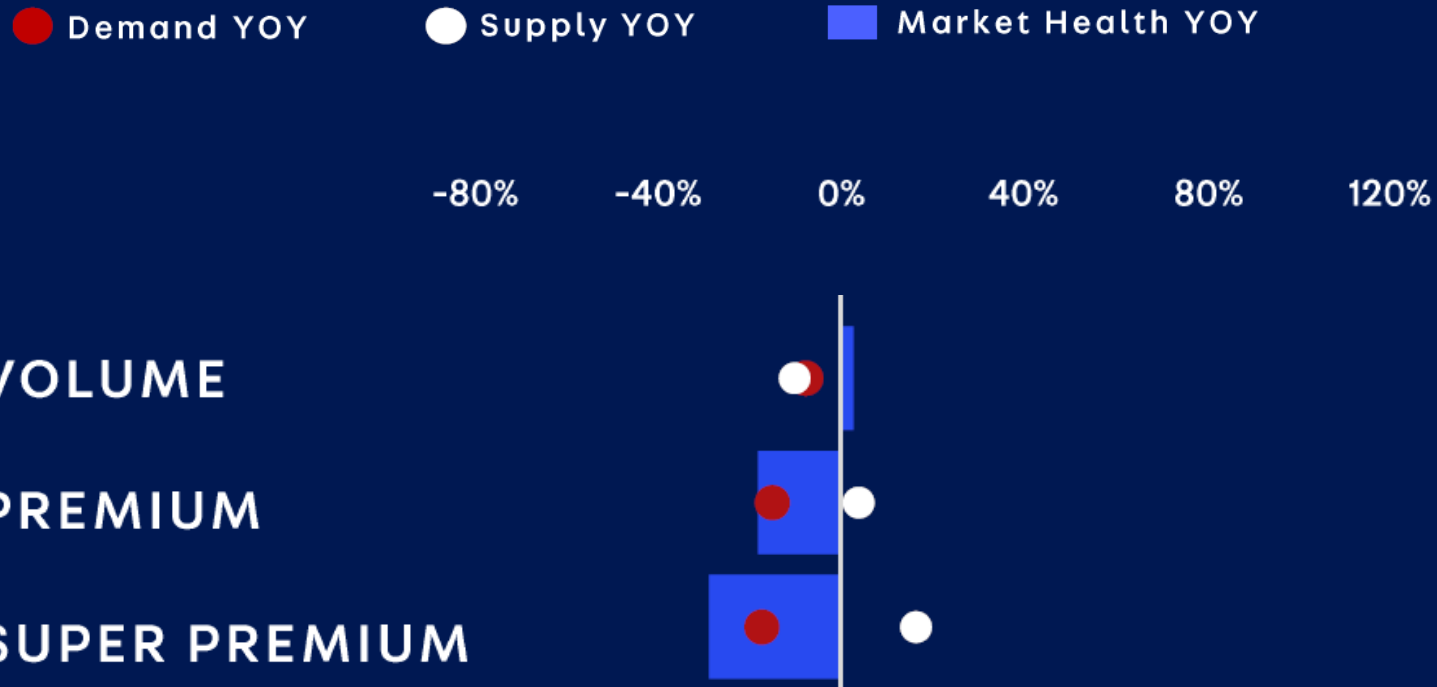
Vehicles aged 3-5 y/o were the only cohort to not experience MoM price growth due to YoY supply outstripping YoY demand

VEHICLE AGE



Among brands, only Volumes saw MoM price increases due to supply constraints. Premiums and Super Premium prices fell as demand dropped.

BRAND TYPE



Retail Price Movement YoY	
Feb-22 Retail Price	Mar-22 Retail Price
▲ 36.7%	▲ 36.8%
▲ 27.0%	▲ 26.7%
▲ 14.0%	▲ 13.7%

MPV prices continue to lead all body types due to supply constraints. Convertible and SUV prices saw the biggest slowdown but remain well ahead of 2021

BODY TYPE

● Demand YOY   ● Supply YOY   ■ Market Health YOY

-80%   -40%   0%   40%   80%   120%

Feb-22 Retail Price   Mar-22 Retail Price

Body Type	Demand YOY	Supply YOY	Market Health YOY	Feb-22 Retail Price	Mar-22 Retail Price
CONVERTIBLE	-15%	50%	-45%	▲ 18.6%	▲ 17.5%
COUPE	-10%	0%	-20%	▲ 23.5%	▲ 24.1%
ESTATE	-5%	-5%	0%	▲ 38.2%	▲ 38.9%
HATCHBACK	-5%	0%	20%	▲ 38.1%	▲ 38.8%
MPV	-5%	-40%	50%	▲ 43.4%	▲ 45.1%
SALOON	-5%	0%	-5%	▲ 26.9%	▲ 27.3%
SUV	-10%	50%	-30%	▲ 30.4%	▲ 29.9%



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

*“Used car prices remain at high levels despite seeing a level of stabilisation. Considering the impact that external factors such as the rising cost of living are having on consumer confidence and taking into account ongoing supply constraints, the latest data shows that underlying demand for second-hand vehicles remains robust. It is encouraging to see that appetite for both new and used electrified vehicles continues to be particularly strong.”*

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

*“Although used car price growth and consumer demand is softening, it’s important to put it into context. Against a backdrop of ‘once in a lifetime’ levels of demand in 2021, it’s easy to misinterpret the data as a market in decline, but a quick look under the bonnet reveals that any suggestion prices are about to tumble, is unfounded. Despite growing economic pressures, the appetite for new and used cars remains above pre-pandemic levels, which combined with the ongoing squeeze in supply, will keep used car prices strong for the foreseeable future.”*