

Pricing analysis | June 2021

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

What's happening with used car pricing in June?

Welcome to the **sixth** 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.

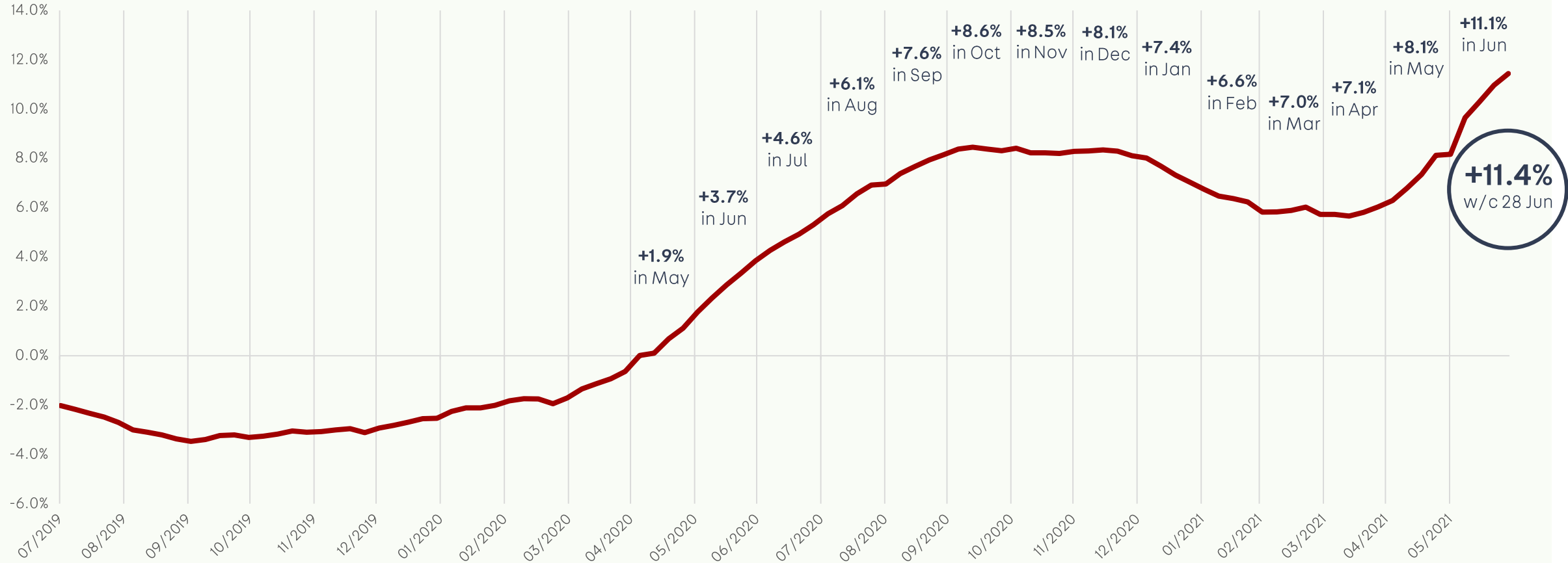
June 2021 | Summary

- June was the largest year-on-year price increase on record with like-for-like prices up 11.1%. It marks the single largest ever month-on-month price growth ever recorded, and by some margin, increasing from 8.1% in May.
- Supply across younger age cohorts declined, notably in cars 1-3 years old as the effect of fewer new car sales in 2020 starts to take hold. This pushed prices up 10.3%.
- SUV prices jumped significantly. June's prices were up 12.0% versus 2020, beating May's 8.3% figure – a clear signal that demand is outpacing supply.
- The greatest increase of all is in Premium brand pricing, which increased 15.4% in June.

June saw record growth in like-for-like prices, reaching 11.1% and continuing to climb through the month

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 vehicles have hit record price growth. Electric premium supply remains high which is resulting in a fall in prices

FUEL TYPE

Petrol example shows Market Health 2.1%, as Supply (-2.9%) exceeds Demand (-0.8%)

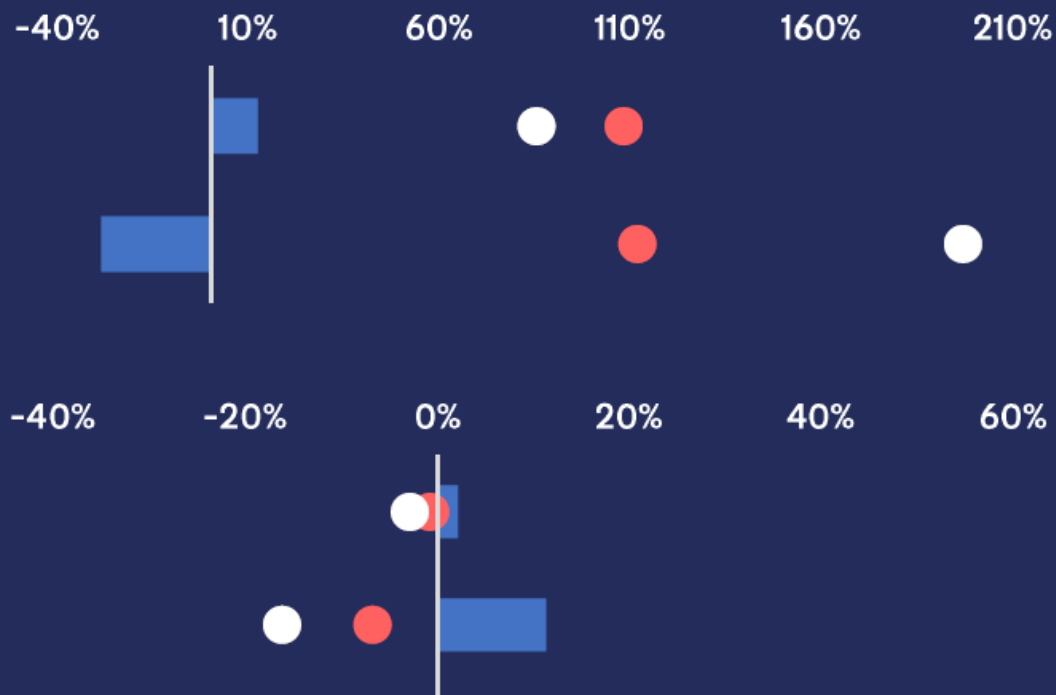
● Demand YOY ● Supply YOY ■ Market Health YOY

ELECTRIC
Volume

ELECTRIC
Premium

PETROL

DIESEL



Retail Price
Movement YoY

| | May-21 Retail Price | Jun-21 Retail Price |
|------------------|------------------------|------------------------|
| ELECTRIC Volume | ▲ 10.3% | ▲ 9.2% |
| ELECTRIC Premium | ▼ -8.7% | ▼ -7.0% |
| PETROL | ▲ 6.5% | ▲ 9.6% |
| DIESEL | ▲ 10.2% | ▲ 13.1% |

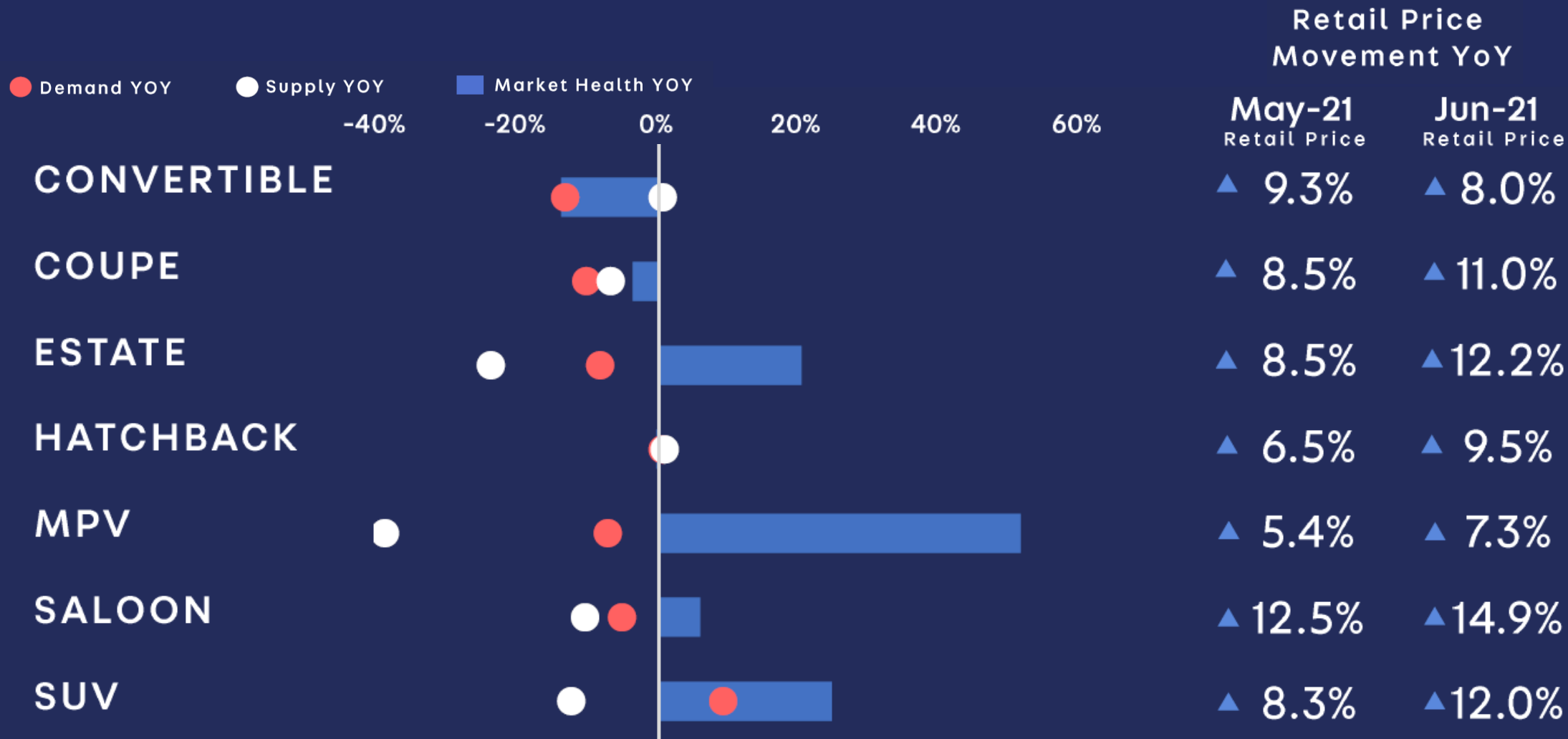
Prices remain strong across all age groups, with cars aged 3-5 years showing the greatest MoM growth. This has been driven by the faster growth in demand than supply

VEHICLE AGE

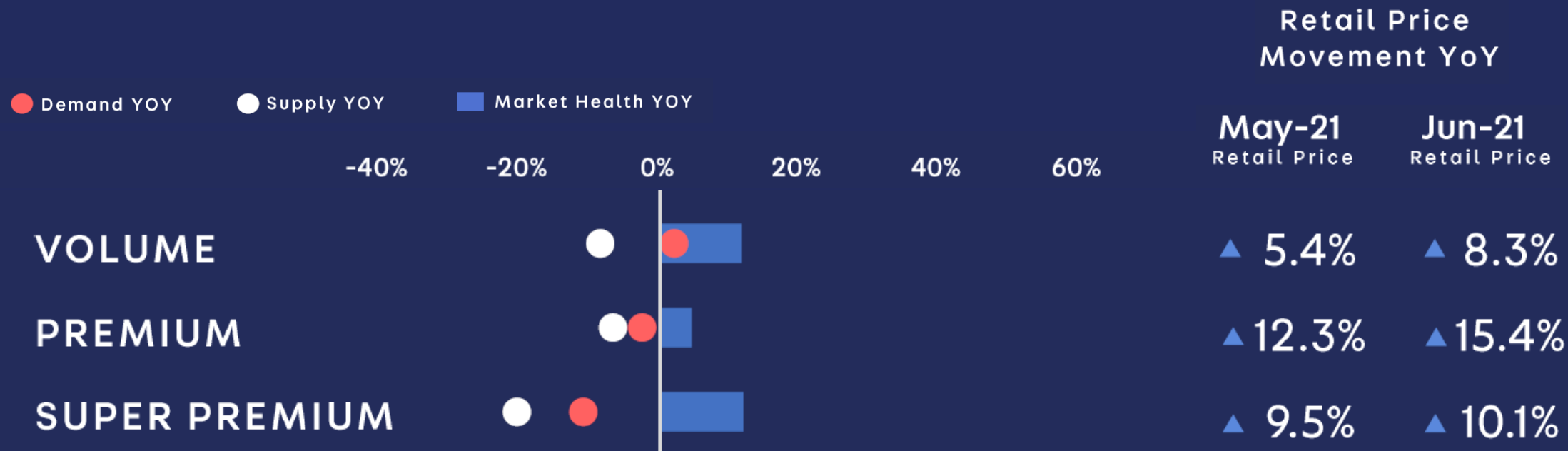


Prices remain strong across all body types, with saloons experiencing the highest increase in prices, followed by estates

BODY TYPE



Prices continue to grow across brands, with Premium marques showing the strongest increase and hitting an all-time high. Super Premium cars are selling 3 weeks faster



Sue Robinson, Chief Executive, NFDA

"The high levels of continued consumer demand are encouraging for both NFDA members and the UK economy as a whole. As further restrictions are scheduled to be lifted, franchised dealers continue to operate in secure and safe environments where consumers can physically acquaint themselves with their next vehicle purchase."

Richard Walker, Data & Insights Director, Auto Trader

"Whilst supply constraints have compounded the situation, this massive acceleration in used car price is being driven by record levels of demand in the market. We've barely started to catch back the 1.7 million 'lost' transactions in 2020 while retailer showrooms were closed. Coupled with the strong levels of disposable income and savings, as well as improving consumer confidence and low interest rates, it's safe to expect very high demand to continue for the rest of this year."