

Pricing analysis | February 2021

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

What's happening with used car pricing?

Welcome to the **second** 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.

February 2021 | Summary

- February marked 11 months of like-for-like year-on-year (YoY) price growth, which contradicts many industry forecasts.
- Although price growth cooled slightly due in part to higher supply levels, at 6.6% YoY February's increase remains significant.
- Last month saw demand soften against a context of showroom restrictions and easing supply constraints.
- The data shows older cars are again hitting double-digit YoY growth. diesel prices remain very robust, and some car types are even strengthening month-on-month (MoM)

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.

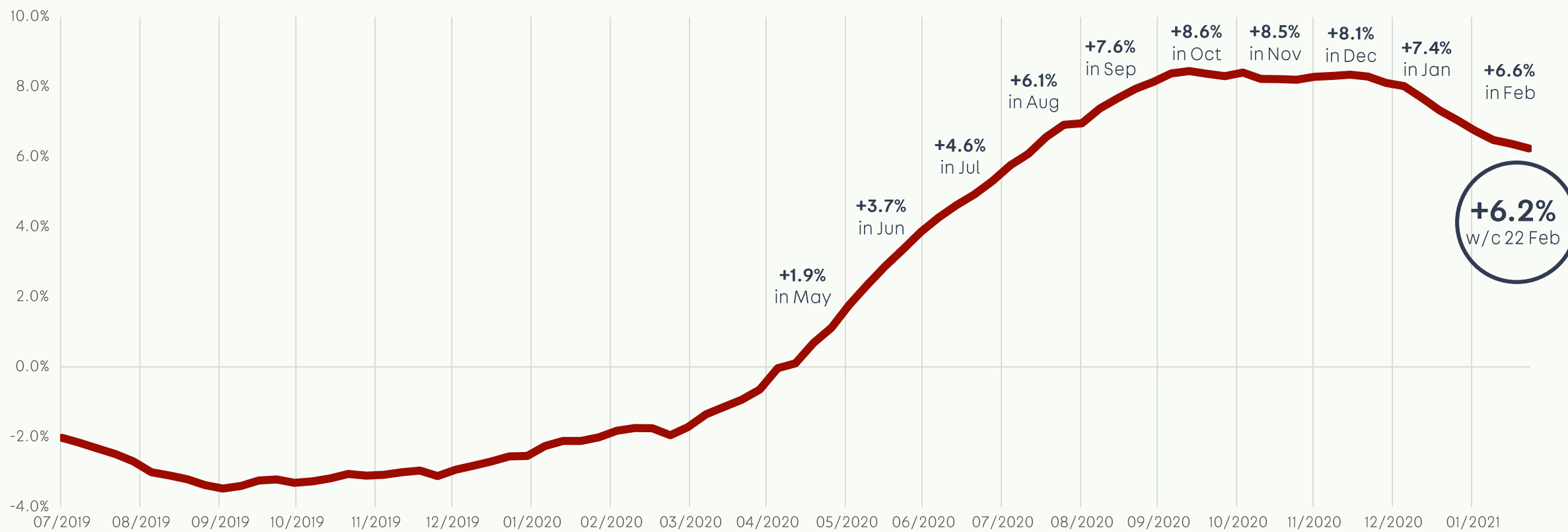
- The following charts display **Demand** (red), **Supply** (white), **Market Health** (blue bar), and price movement, which is based on year-on-year growth on a like-for-like basis, removing the impact of stock mix shift to reflect true value adjustments.
- **'Market Health'** is made up of both supply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



Prices remain strong but like-for-like prices continue to soften, as highlighted by **weekly** year-on-year price movements

WEEKLY YEAR-ON-YEAR PRICE MOVEMENTS

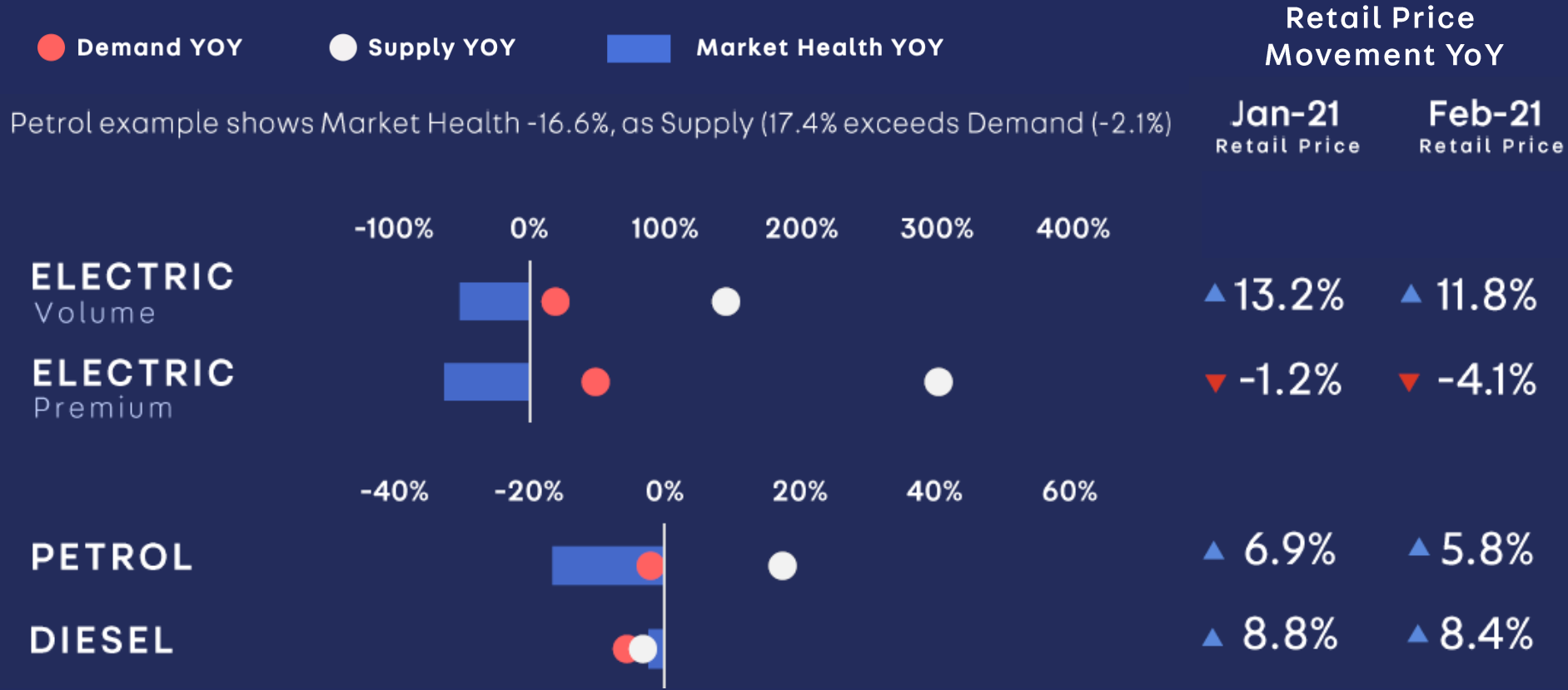
Like for like, removes impact of stock mix shift to reflect true value adjustments



Source: Auto Trader Retail Price Index

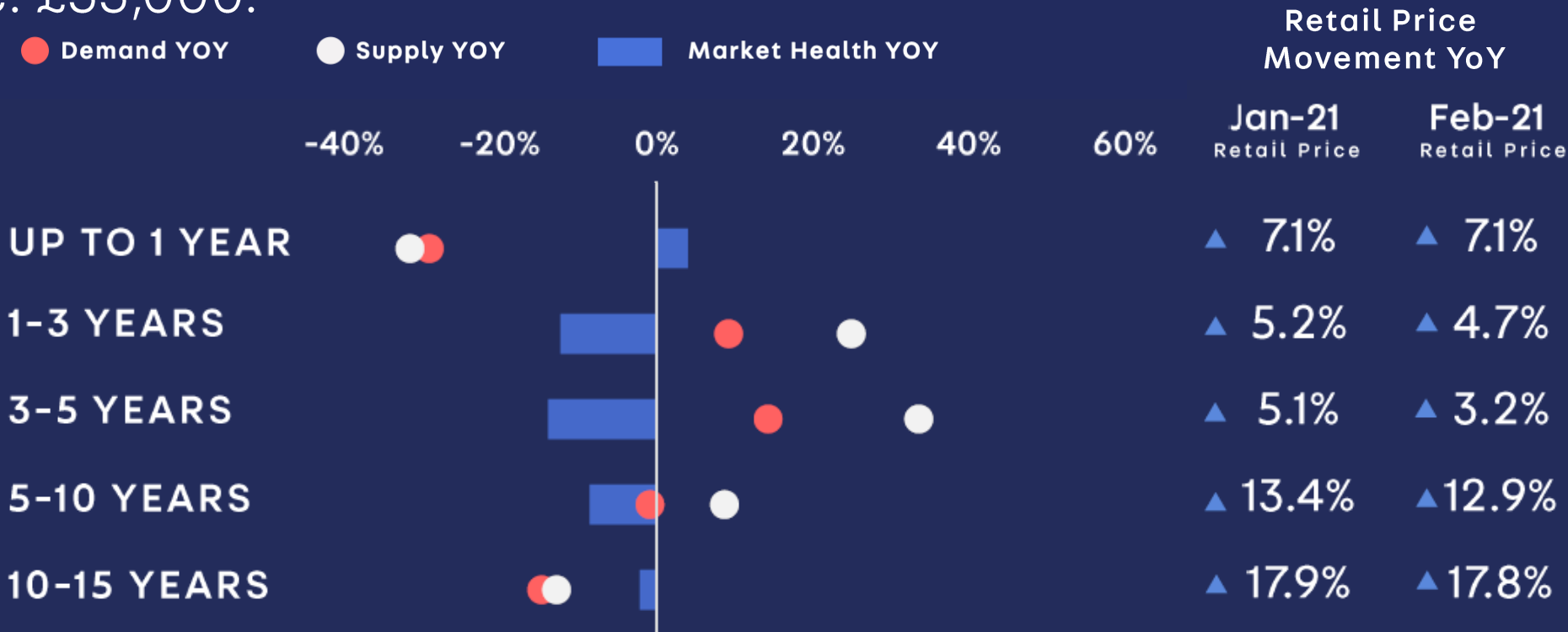
FUEL TYPE

Diesel continues to record very strong price growth. Demand for Premium EVs is still increasing but supply levels have tripled YoY, which is affecting pricing.



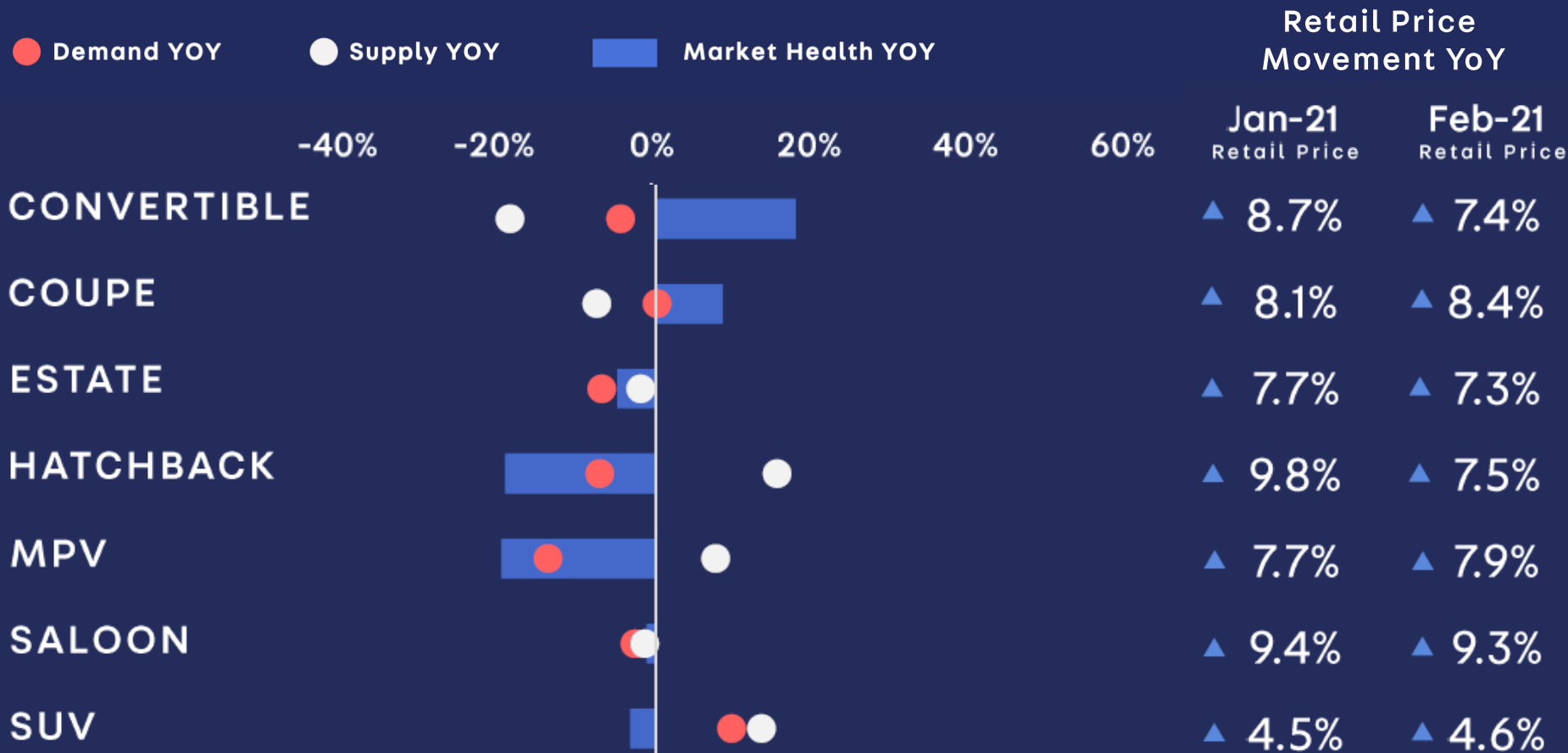
VEHICLE AGE

Every age of car recorded growth, but **older cars continue to see the greatest price increases**. The average price of a 5-10-year-old car is over £1,200 higher than a year ago, whilst a 0-1-year-old used car is up by c. £33,000.



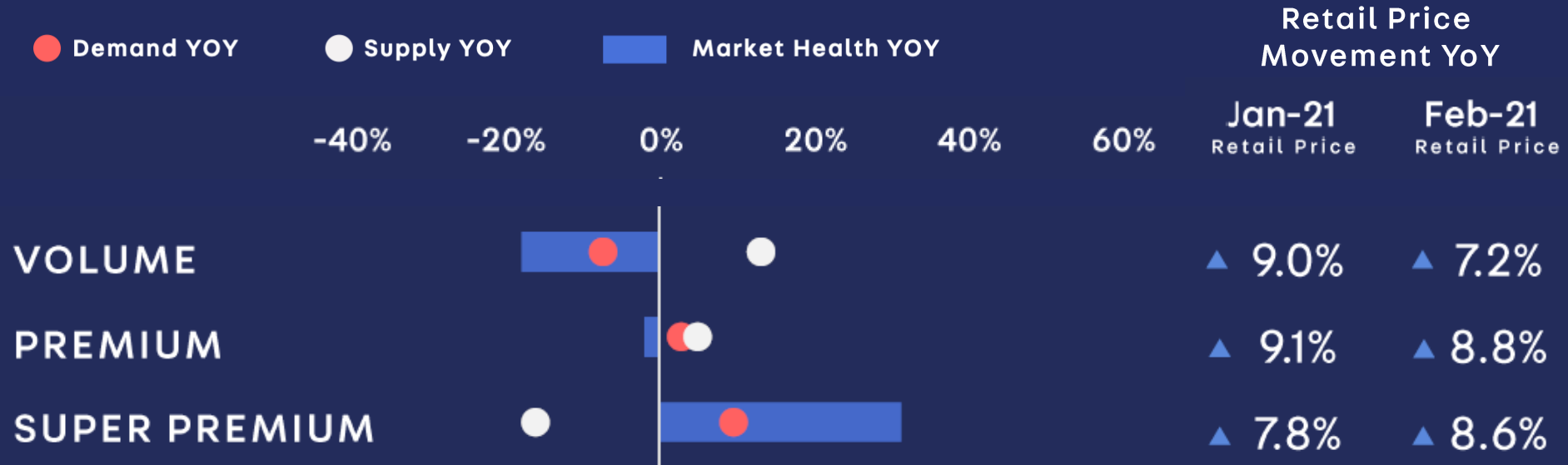
All car types recorded YoY price increases. The rate of price growth for SUVs, coupes, and MPVs exceeded January levels.

BODY TYPE



Premium and Super Premium were slightly more resilient than Volume, driven by a better balance of supply and demand levels in the market.

BRAND TYPE



Sue Robinson, Chief Executive, NFDA

“As used car prices remain at high levels for nearly all fuel types, it is encouraging that retailers’ pricing behaviour continues to be in line with last year before the first lockdown, indicating a degree of stability in the market and optimism in the trade. Dealers are looking forward to safely welcoming customers back into showrooms as soon as it is allowed.”

Richard Walker, Data & Insights Director, Auto Trader

“This sustained level of price growth, coupled with the strong consumer metrics we’re recording on our marketplace, gives us cause for optimism of very strong retail demand once forecourts are able to physically reopen next month. Add to the mix growing economic confidence, as well as the current operating performance of most retailers, we believe there’s good reason for a positive outlook for the weeks ahead.”