

# Monthly Market Intelligence

The latest insight from the UK's largest new and used car platform.

AUGUST 2024

 AutoTrader

# Activity rebounds after a disrupted July, ahead of critical plate change month

## NEW CAR REGISTRATIONS

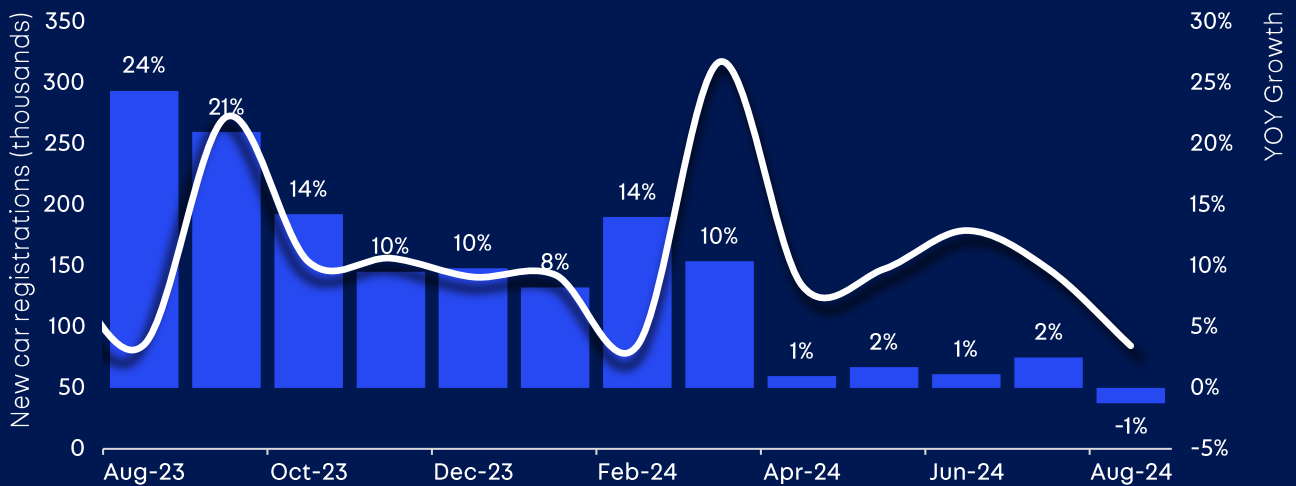
Following 2 years of consecutive growth, new car registrations stagnated in August, falling 1.3% year-on-year in the run up to September's plate change. While fleet sales continued to drive the new car market, the volume of private sales improved marginally following nine consecutive months of negative growth. However, as August is typically the second smallest month for new car registrations, the latest data can be taken with caution, especially as manufacturers try to stimulate retail demand with tactical offers ahead of the important plate change. EV sales grew 11% year-on-year, achieving a 22.6% market share as discounting and incentives continued in a bid to improve private buyer demand for the fuel type.

# 84,575

NEW CAR REGS. (SMMT)

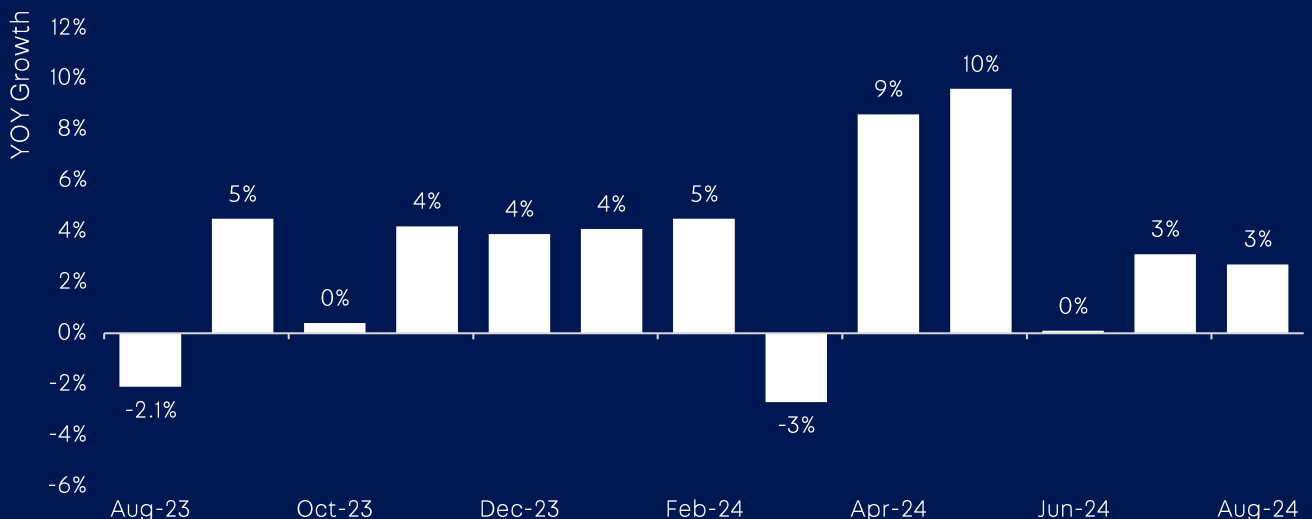
# -1%

(VS. AUGUST 2023)



## USED CAR SALES (YEAR-ON-YEAR)

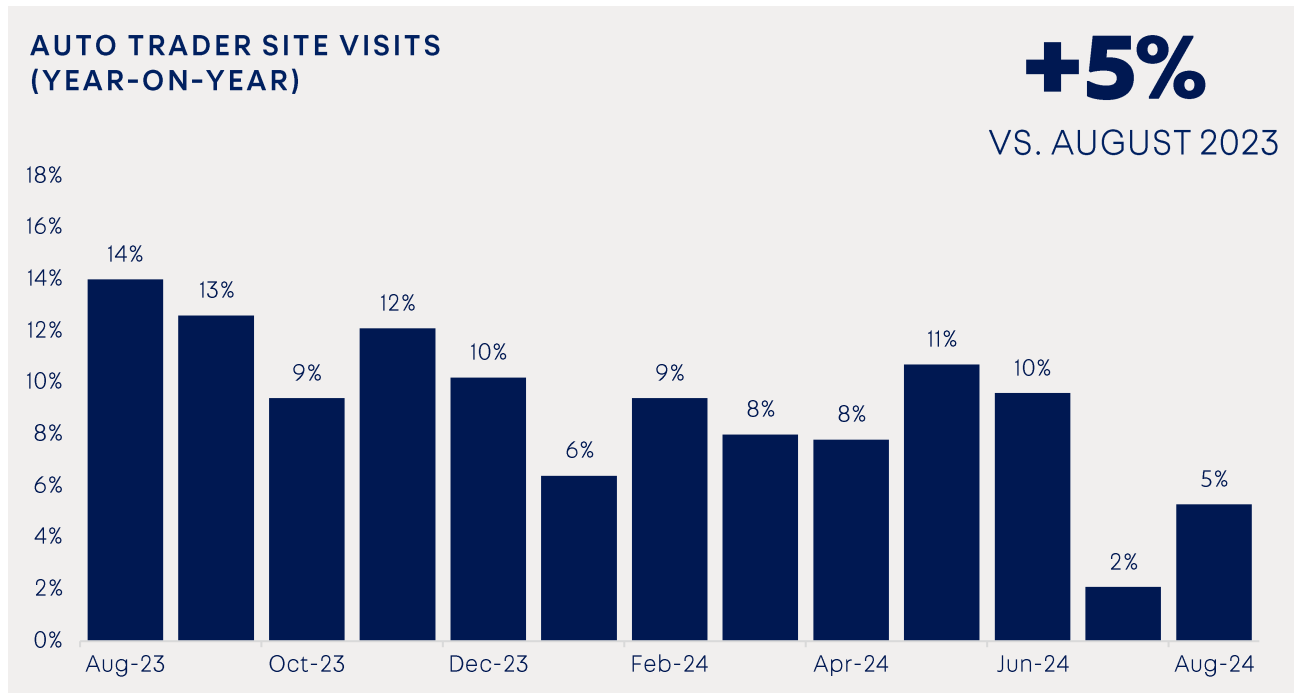
Unlike the new car market, August is still a big month for used car transactions, accounting for 9% of annual sales. Based on the stock removed from Auto Trader in August, used car sales were up 3% year-on-year and 6% year to date. Sales growth was primarily driven by franchise retailers (+6.7%), where supply of nearly new cars is increasing. Independent retailers saw a moderate 1.2% sales growth vs. last year, driven by an increase in sales of 3-5-year-old cars.



\*Data based on vehicles removed from Auto Trader. We assume that the vehicle is sold on the last day we saw it on our site. Strong historical correlation to official SMMT used car transactions and retailer data. Ongoing improvements to the data means historic figures may change slightly each month.

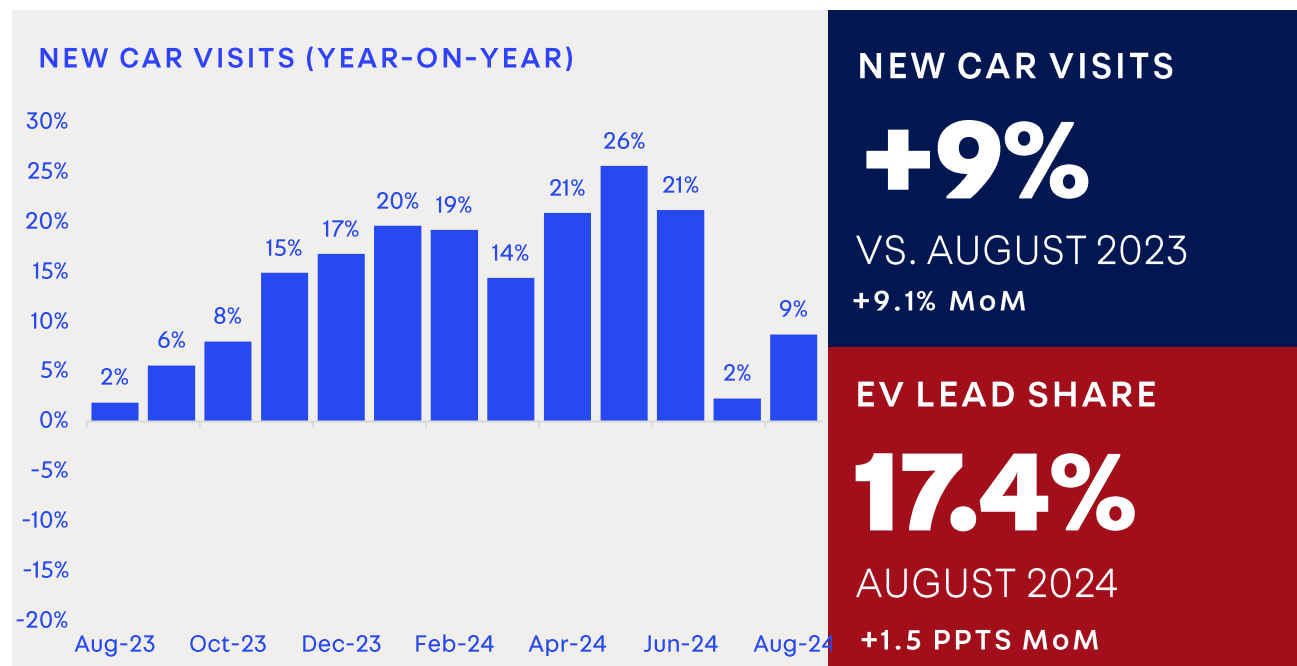
## AUTO TRADER AUDIENCE

Following the disruption in July from the general election, sporting events and hot weather, site visits rebounded in August, experiencing **5% growth year-on-year** and **2% volume growth compared to July**. Consumer confidence remained high as 90% of car buyers felt confident in their ability to afford their next car and over 3 in 4 site visitors were looking to purchase a car in the next 6 months.<sup>1</sup>



## NEW CAR ACTIVITY

Retail demand for new cars also recovered in August, increasing **9% year-on-year**. Ahead of the September plate change, manufacturers have been increasing tactical incentives to stimulate demand, especially on EVs. Discounts for new EVs have reached 11%, the highest on record. Encouragingly, private demand for EVs appears to be on the up, with enquiries growing to the highest level since January 2023 at 17.4%, providing cautious optimism for progress towards the ZEV mandate target.

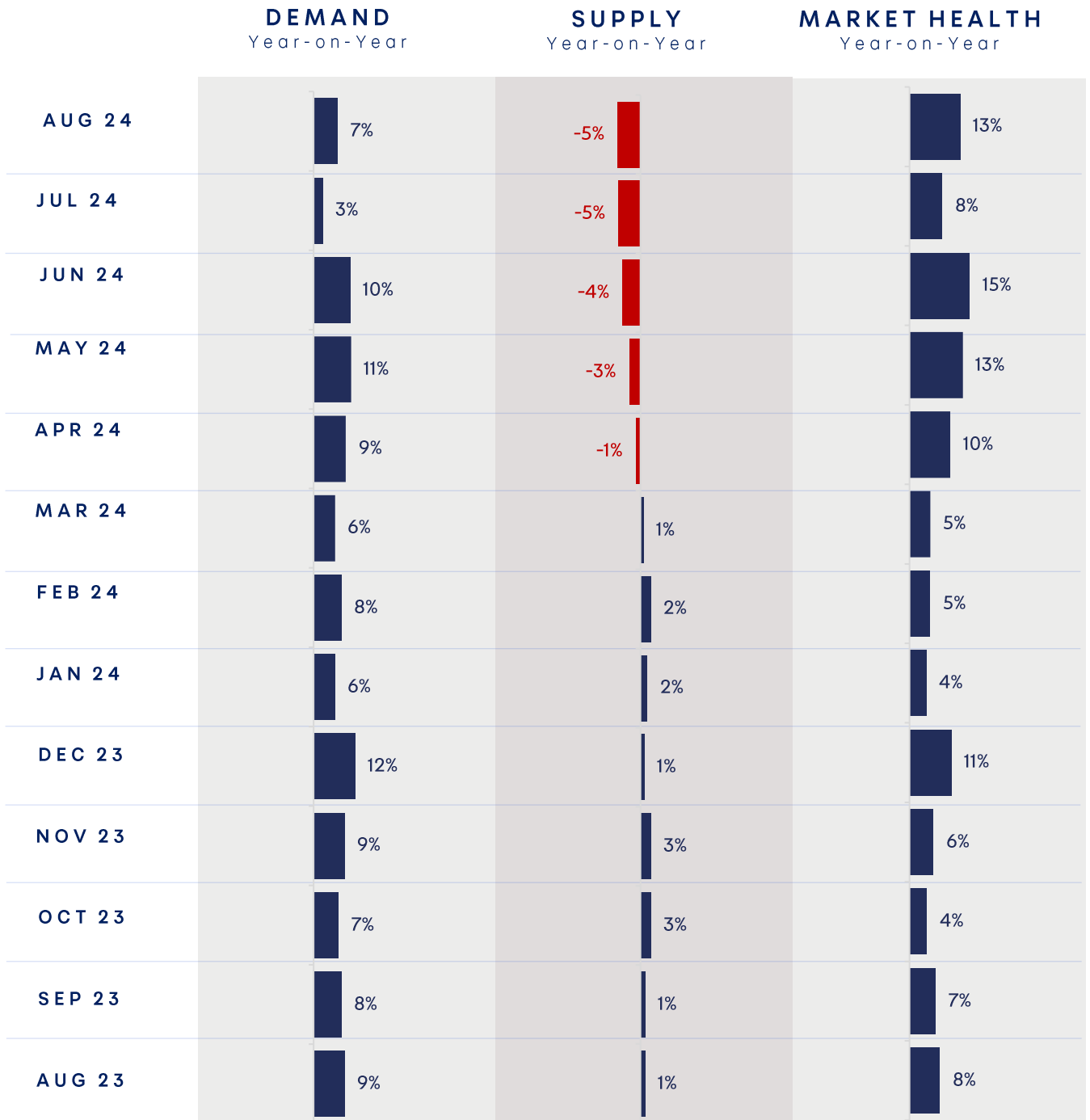


# USED CAR MARKET HEALTH

Market health for used cars improved in August, increasing 13% year-on-year due to sustained consumer demand growth and falling supply. Constrained supply among 1-3 and 3-5-year-old cars continues to drive the overall market position, shrinking 19% and 15% respectively compared to last year. With demand rising and supply falling, used cars sold every 28 days, 3 days faster than the prior year. Even 5-10-year-old vehicles, which are in plentiful supply, sold at a very fast rate, turning every 25 days in August, highlighting the strength of the market.



The Market Health metric shows the ratio of supply vs. demand compared to the previous year



## USED CAR RETAIL PRICE GROWTH

Used car retail prices fell 9.2% in August on a like-for-like and year-on-year basis, with the growth rate improving for the second consecutive month. The easing pressure on used car prices is being driven by retail demand outpacing supply, sales volumes growing and vehicles selling quickly. The most significant improvement was among 1-3-year-old vehicles where retail prices grew +0.9ppts. Encouragingly, vehicles less than 1-year-old also saw the growth rate improve for the first time since March 2022, growing +0.5ppts in August, despite supply outpacing demand.

### YEAR-ON-YEAR USED CAR RETAIL PRICE GROWTH

Like-for-Like Basis

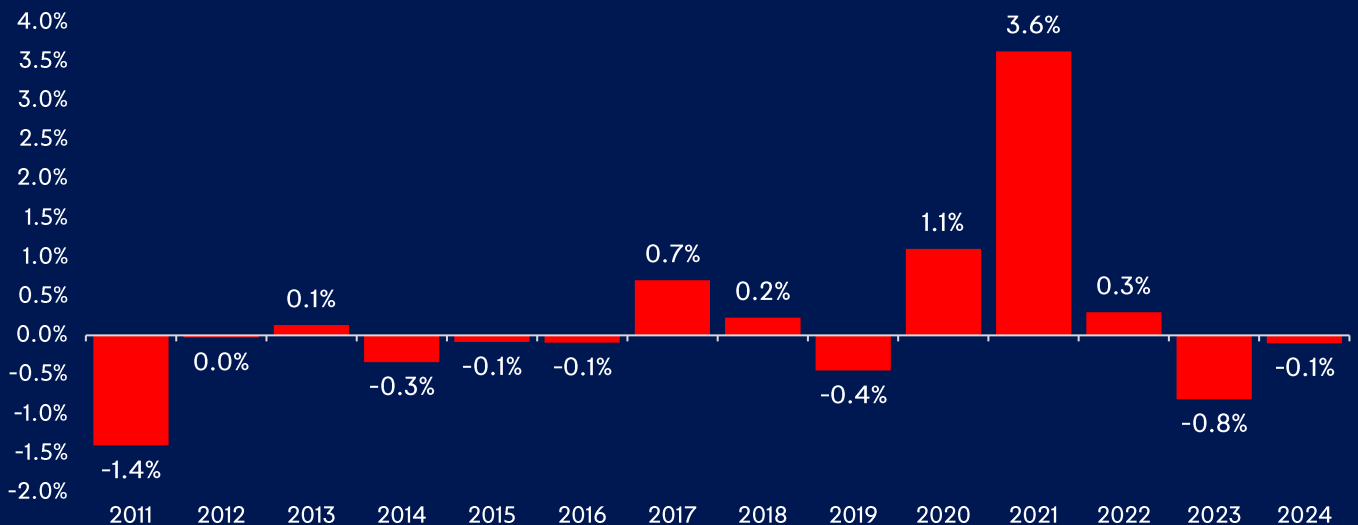


On a month-on-month basis, used car retail prices declined in line with seasonal trends, falling from July to August, taking the average price of a used car to £16,309.

1-3-year-old used cars, which have strong market health dynamics, saw the biggest growth with prices rising 0.3% in August. In the EV segment, prices continued to stabilise for a second consecutive month, with values moving slightly below the market (-0.4%) having reached parity with ICE vehicles.

### MONTH-ON-MONTH USED CAR RETAIL PRICE GROWTH: AUGUST

Like-for-Like Basis



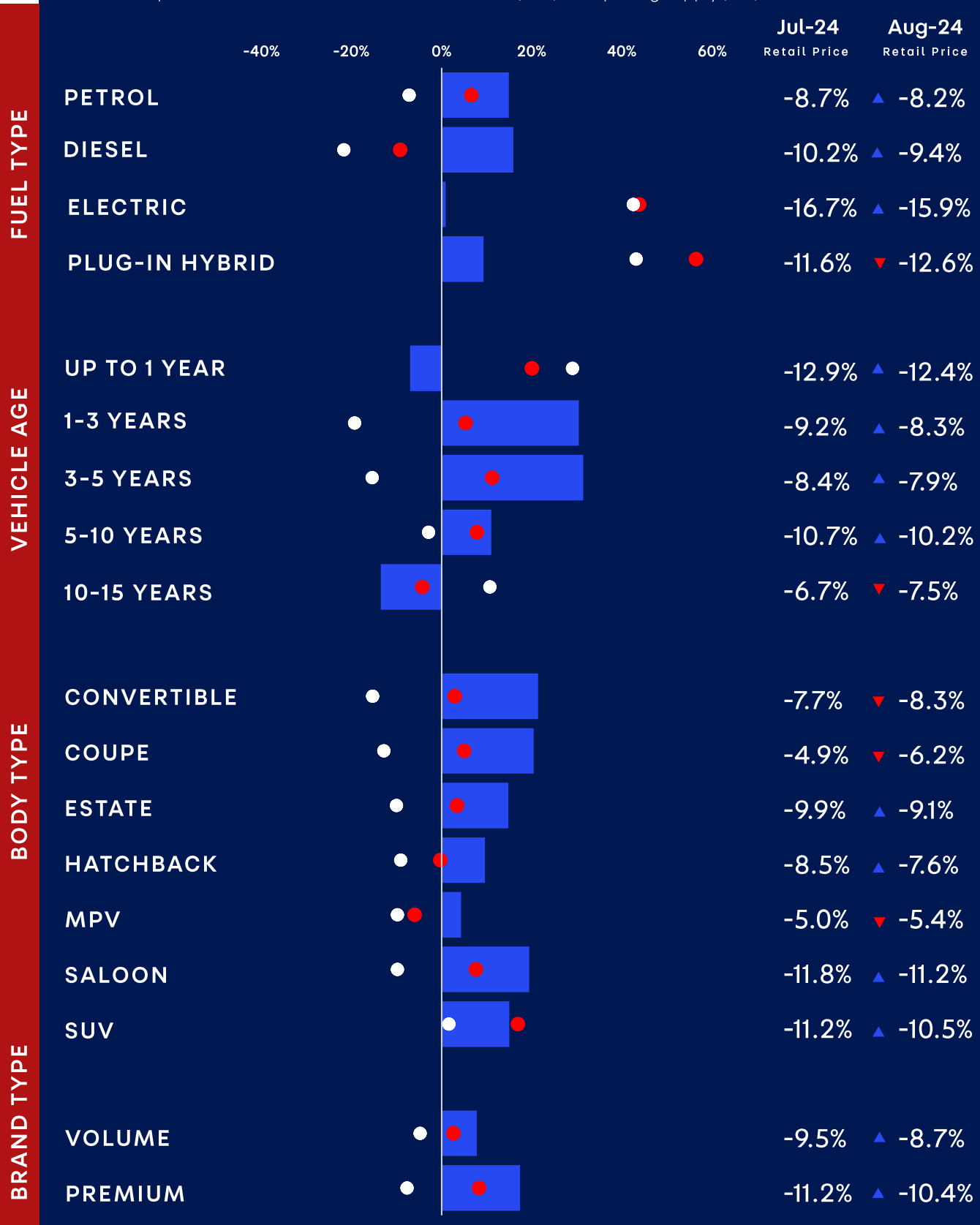
Retail price observations. Year on year like-for-like pricing. Removes the impact of stock mix shift to reflect true value adjustments

# DEMAND, SUPPLY, MARKET HEALTH & PRICE MOVEMENT (YOY GROWTH)

Charts show Market Health (blue bar), Demand (red) and Supply (white), with pricing movements. The monthly movement of retail prices is illustrated by blue/red arrows.

● Demand YOY    ● Supply YOY    ■ Market Health YOY    Retail Price Movement YoY

Petrol example shows Market Health at +15% as Demand (+7%) is outpacing Supply (-7%)



In focus this month

# The Road to 2035

The UK's public charging infrastructure is expanding rapidly, and the data suggests that it's meeting the needs of today's early adopters, most of whom charge at home.

## PHASE 1 OF THE CHARGING ROLLOUT

# 82%

**EV owners have a home charge point**

Auto Trader New Car Awards, n=9,017 electric car buyers past 3 years, car bought was new

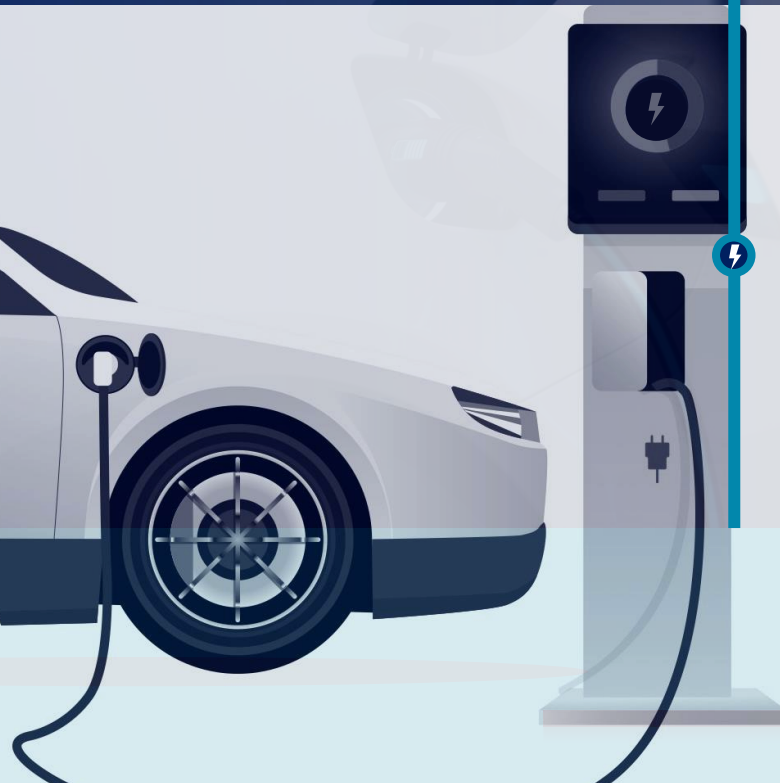
# 43%

**EV owners used public charging infrastructures in the past month**

Auto Trader New Car Awards, n=9,017 electric car buyers past 3 years, car bought was new

# +46%

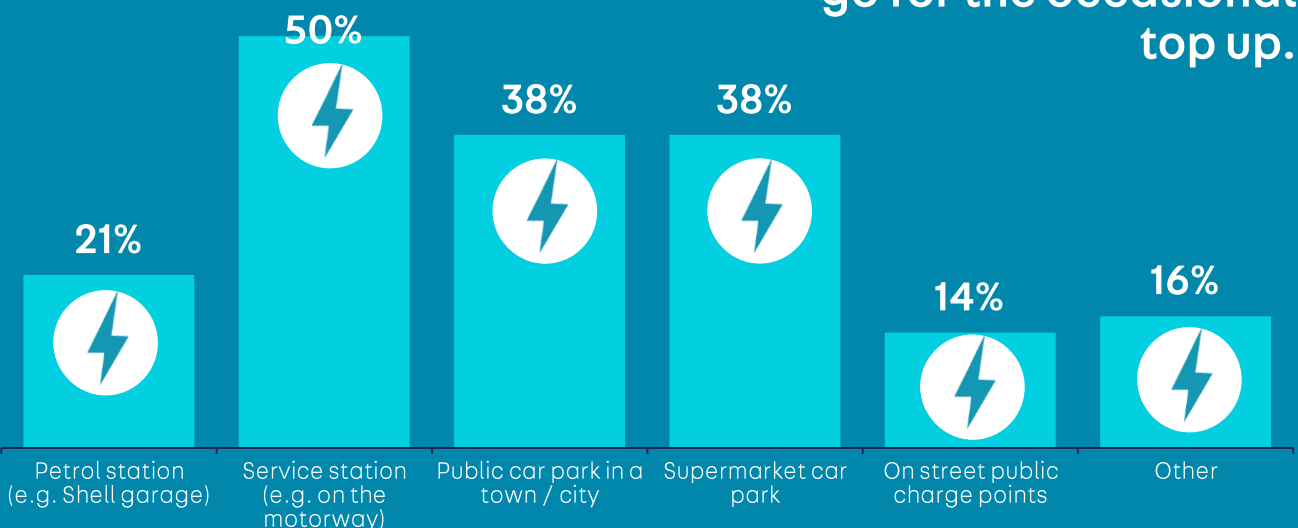
**public chargers in the UK**  
Vs +11% new car registrations in 2024 ZapMap, SMMT, January to July 2024.



As most of today's early adopter EV owners have driveways, they're using public charging infrastructure on-the-go for the occasional top up.

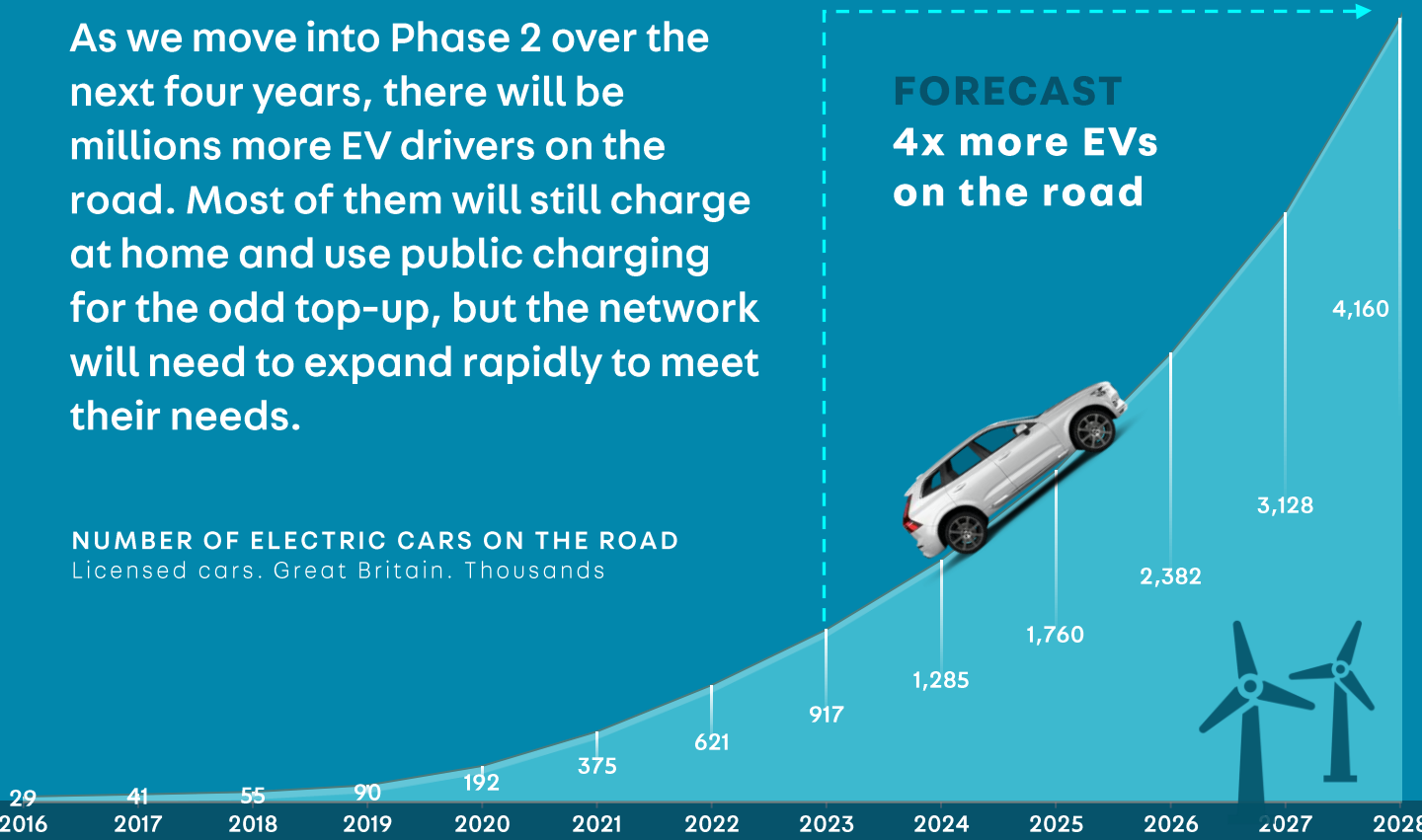
### WHAT TYPE OF PUBLIC CHARGER HAVE YOU USED?

Based on 9,017 EV owners. Auto Trader research



As we move into Phase 2 over the next four years, there will be millions more EV drivers on the road. Most of them will still charge at home and use public charging for the odd top-up, but the network will need to expand rapidly to meet their needs.

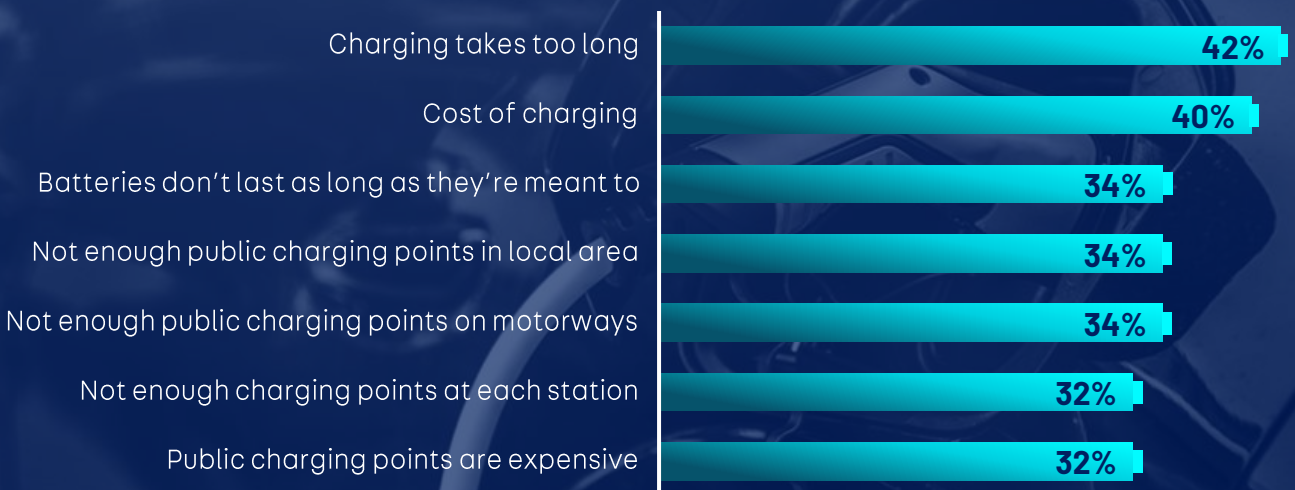
**NUMBER OF ELECTRIC CARS ON THE ROAD**  
Licensed cars. Great Britain. Thousands



**FORECAST**  
**4x more EVs**  
**on the road**

34% are considering EV for their next car but they don't yet feel confident in the charging network. For them to switch next time they must be persuaded – and in the next couple of years.

**CONCERNS OVER PUBLIC CHARGING (ALL CAR BUYERS)**  
Auto Trader Car Buyers Tracker, April 2024, n=2,000





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 **AutoTrader Insight**