



Monthly Market Intelligence

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

FEBRUARY 2023

 AutoTrader

Momentum in car buying activity continues into February, with used supply under pressure.

NEW CAR REGISTRATIONS

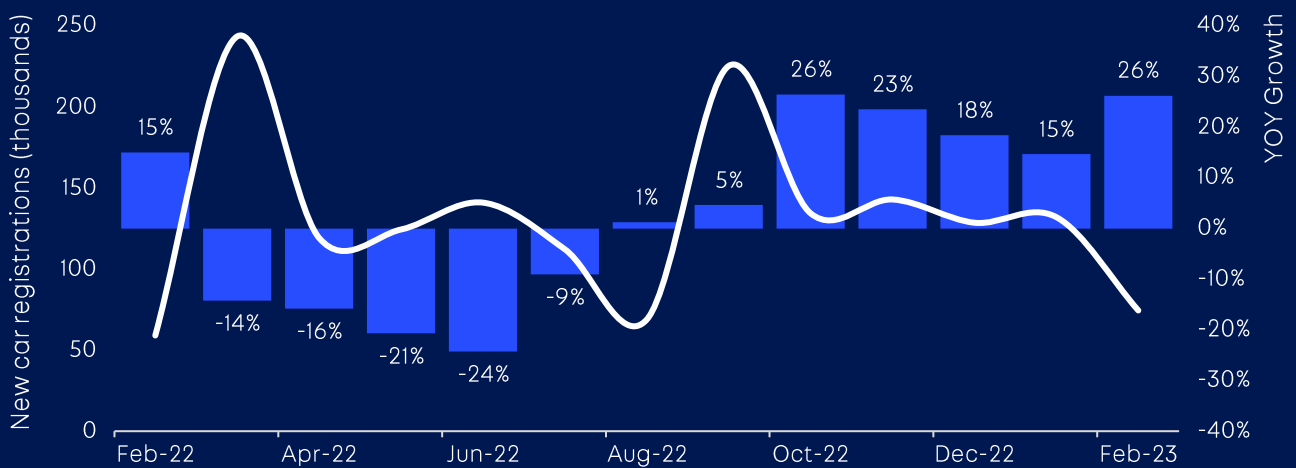
The new car market grew 26% in February over the prior year, marking seven consecutive months of growth as supply constraints show further signs of easing. Most of the improvement was driven by the fleet sector, which saw volumes rise 46% and to within 1% of 2019 levels. By contrast, the retail market continues to limit a full recovery in the new car market, with sales still 20% below 2019 levels.

74,441

NEW CAR REGs. (SMMT)

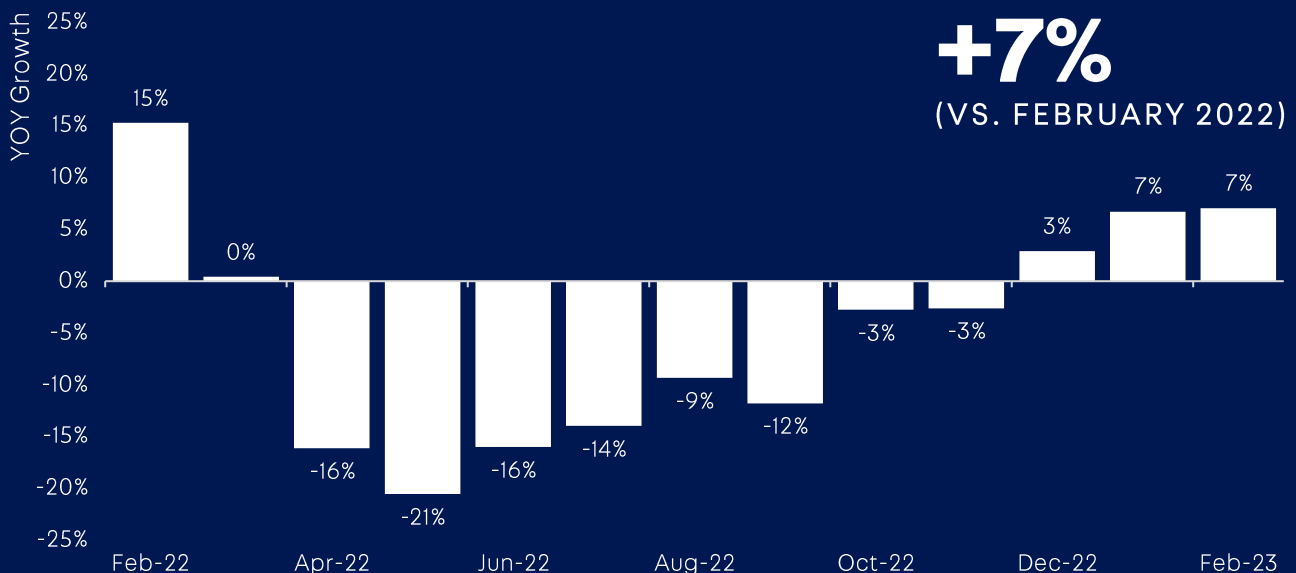
+26%

(VS. FEBRUARY 2022)



AUTO TRADER PROXY USED CARS SOLD (YEAR-ON-YEAR)

Used car sales increased 7% year-on-year based on the stock removed from Auto Trader in February, highlighting continued improvement in the second-hand market. However, sales remain 5% below pre-pandemic levels as supply constraints persist.



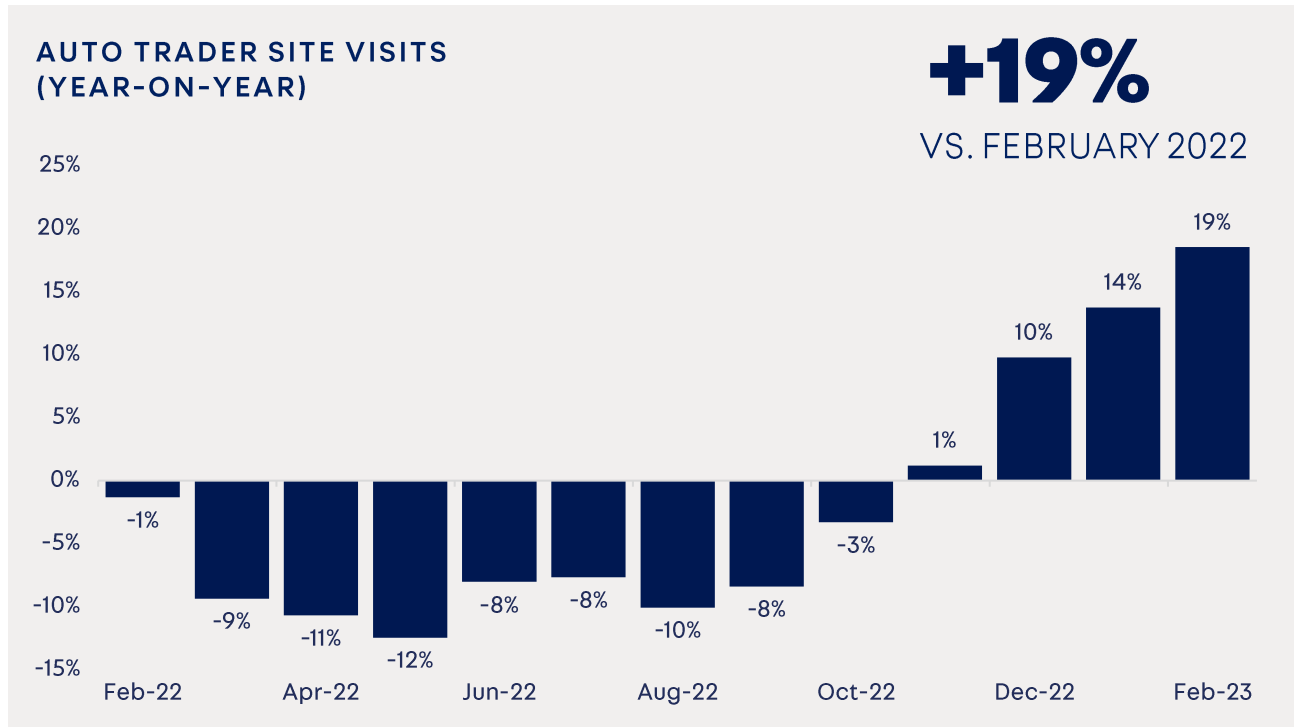
+7%

(VS. FEBRUARY 2022)

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.

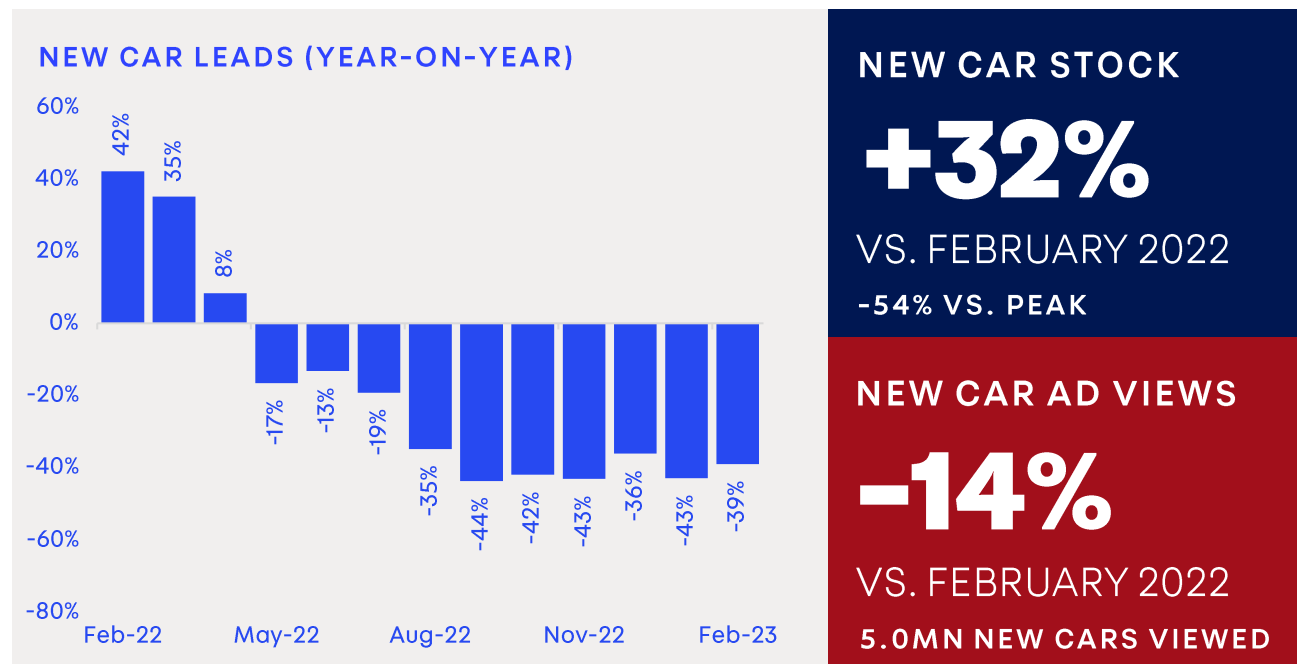
AUTO TRADER AUDIENCE

The recent momentum in car buying activity continued into February with total site visits to Auto Trader increasing **19% year-on-year**. This uplift in interest doesn't appear to be consumers downgrading to cheaper cars, with the proportion of cars looked at for under £5k remaining stable. Instead, it partly reflects continued concerns around public transport and early signs that confidence is improving.



NEW CAR: ENGAGEMENT & CONVERSION

New car leads rose 4% from January to February as people enquired about their next new car purchase ahead of the March plate-change, but volumes remained **39% below last year's levels** as the price of new cars increases (see the focus area) and cost of borrowing continues to rise.

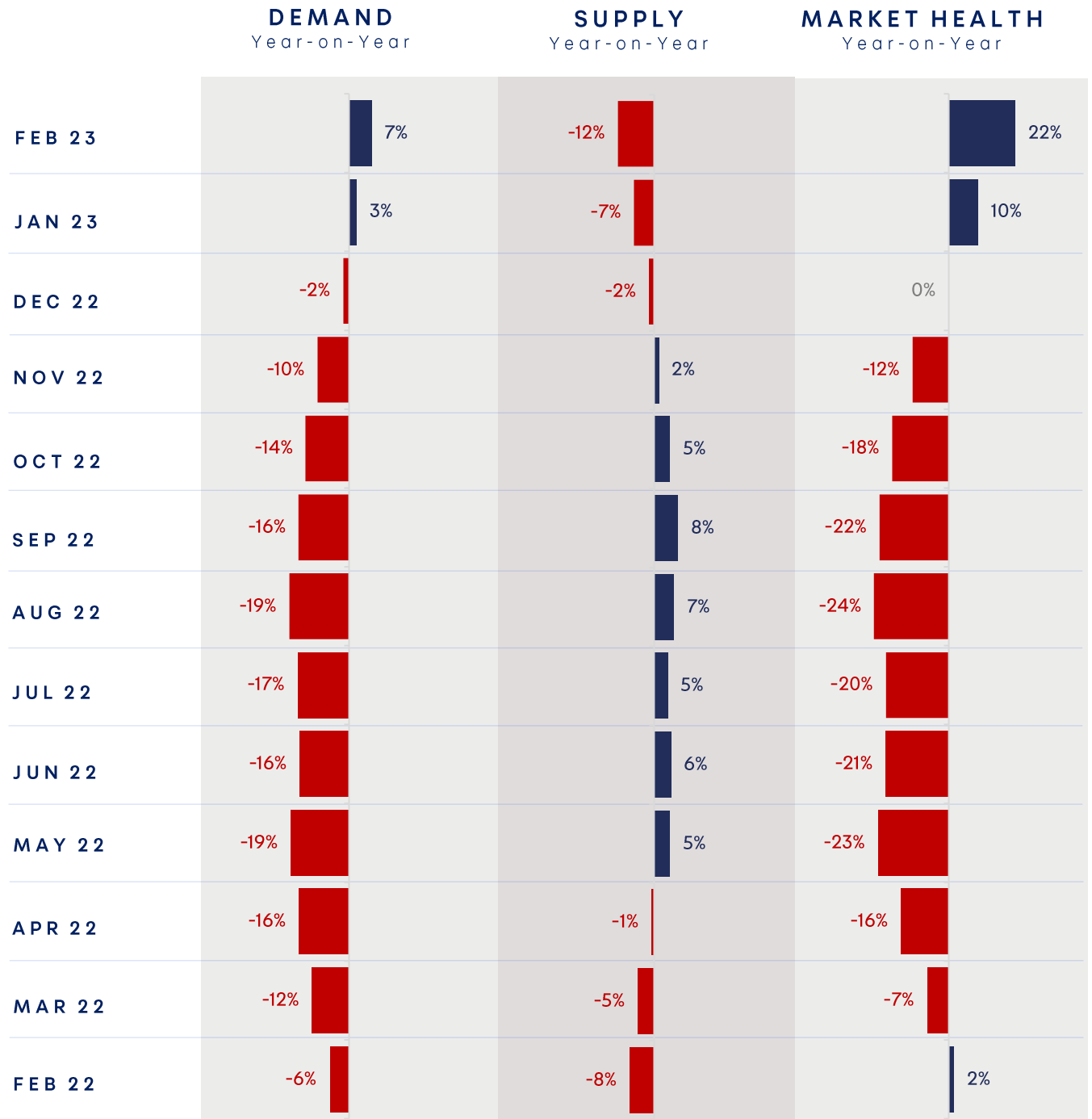


USED CAR MARKET HEALTH

The Auto Trader used car market health metric was positive for the second consecutive month as supply slows further, and demand improves on a year-on-year basis. Given these dynamics, used cars sold every 25 days in February, one day faster than 2022 and five days faster than the pre-pandemic 2019 period.



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

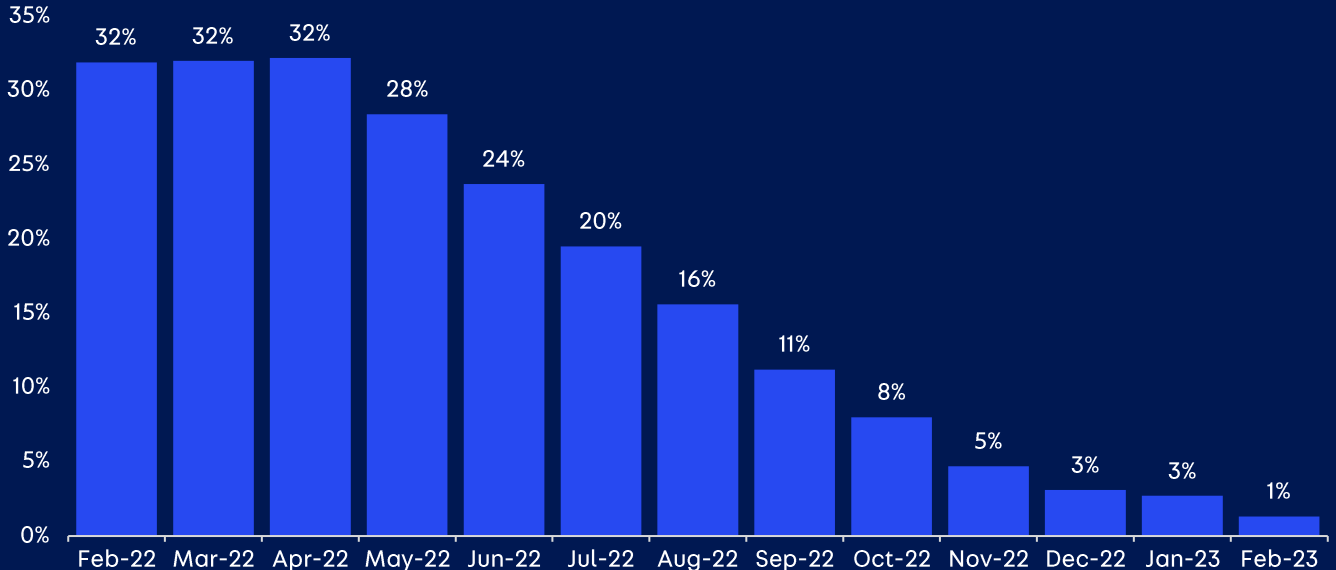


USED CAR RETAIL PRICE GROWTH

Used car retail prices increased by 1.3% on a year-on-year and like-for-like basis, marking 35 consecutive months of growth and taking the average retail price of a used car to £17,654. Whilst used petrol and diesel cars showed modest levels of price growth, the emerging electric car market faced year-on-year price declines as supply returns to the market and outpaces demand.

YEAR-ON-YEAR USED CAR RETAIL PRICE GROWTH

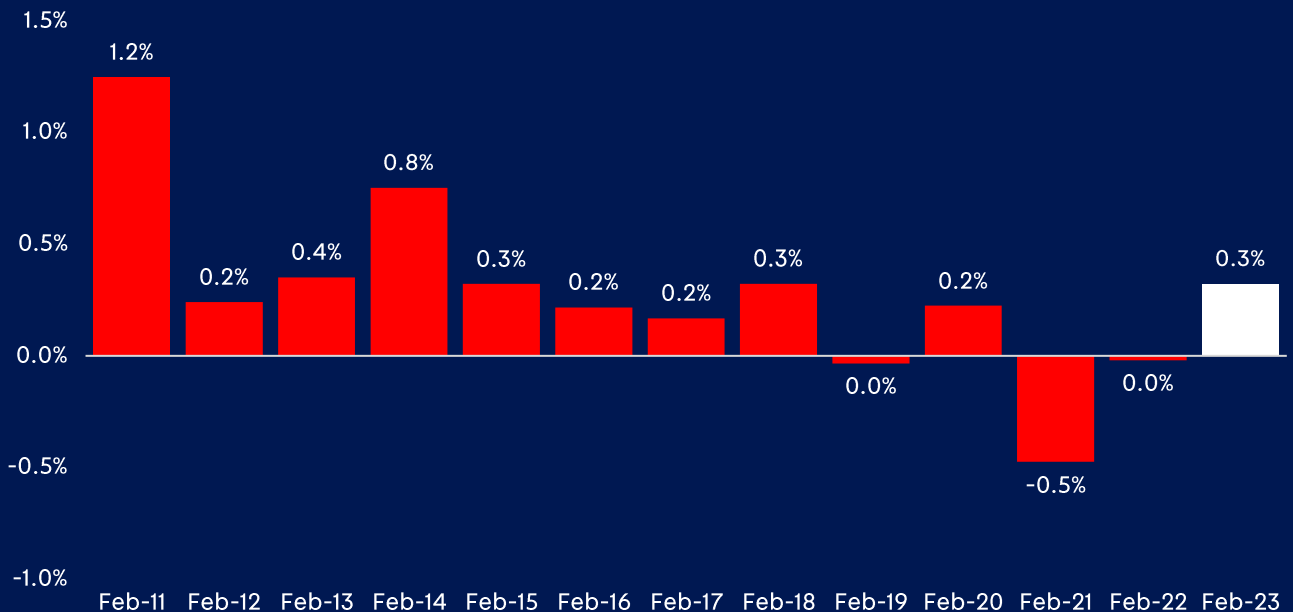
Like-for-Like Basis



On a month-on-month basis, used car prices rose 0.3% in February, which was broadly in line with the average retail price change seen in pre-pandemic Februarys between 2011 and 2019. This movement highlights how the current market continues to follow seasonal patterns.

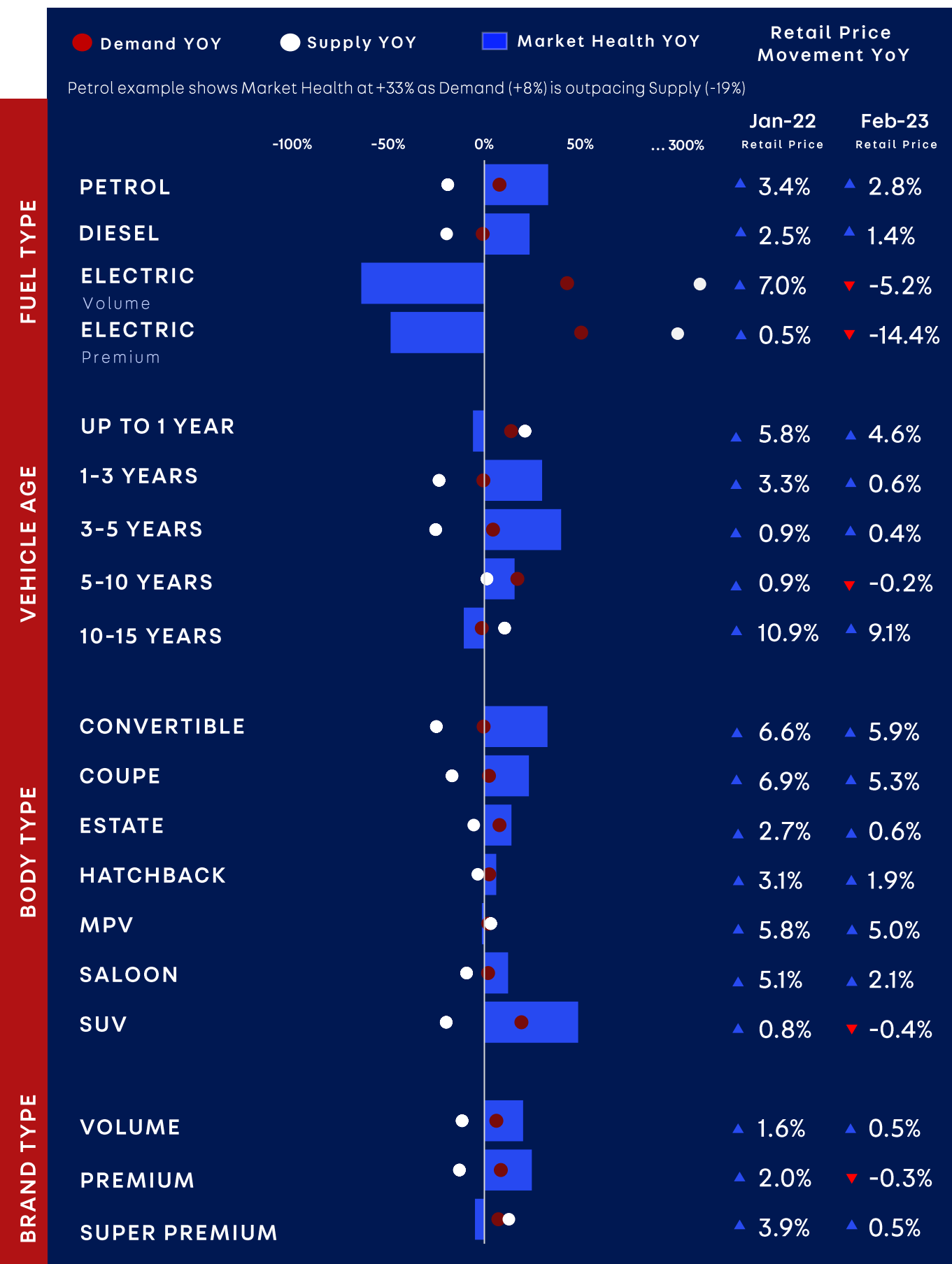
MONTH-ON-MONTH USED CAR RETAIL PRICE GROWTH: FEBRUARY

Like-for-Like Basis



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

Charts show Market Health (blue bar), Demand (red) and Supply (white), with pricing movements.



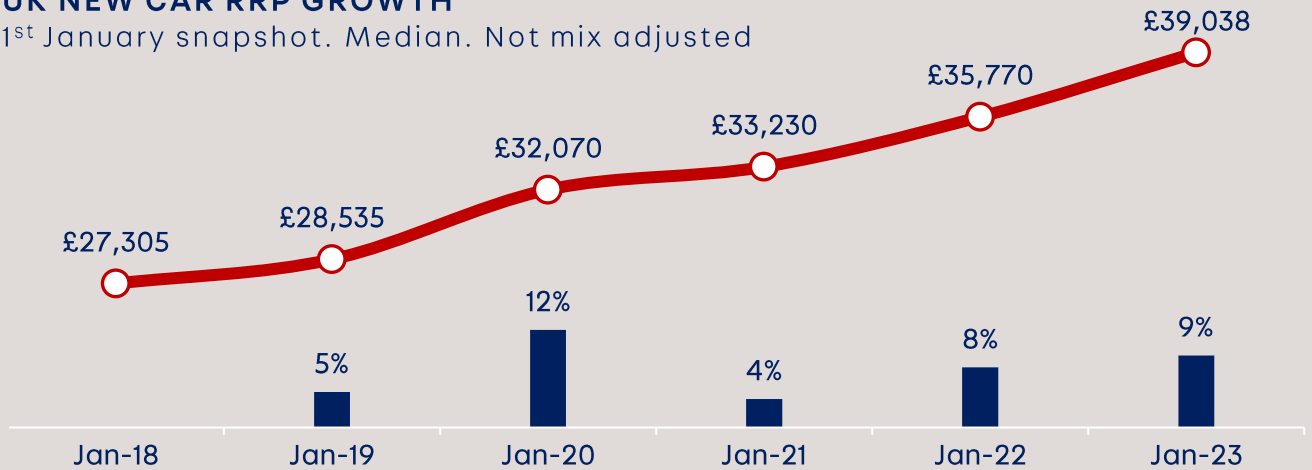
In focus this month

The Price of a New Car

The average new car RRP in the UK has risen 43% since 2018 to £39k at the start of 2023

UK NEW CAR RRP GROWTH

1st January snapshot. Median. Not mix adjusted

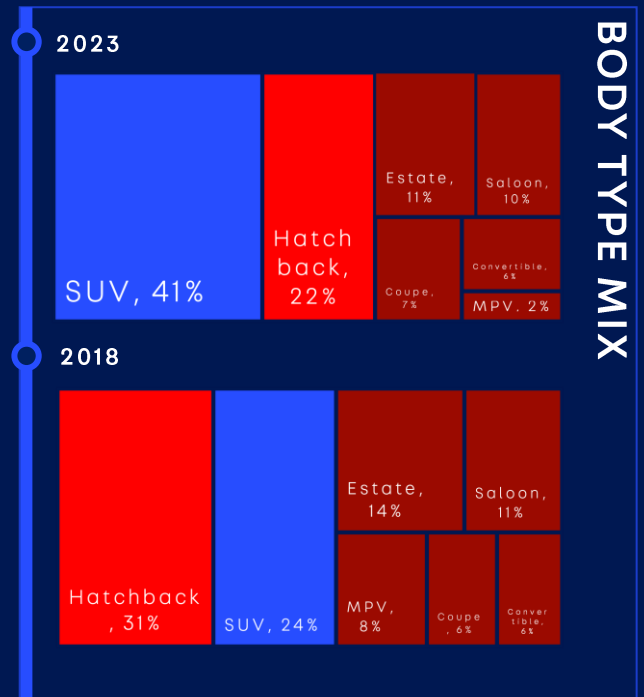
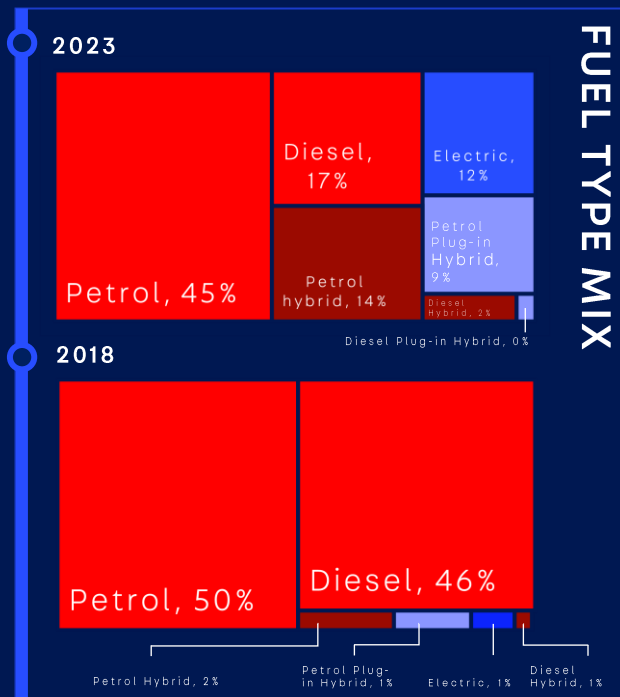


Source: Auto Trader data (all manufacturers)

Some of this increase is due to changes in the mix of body styles & fuel types, shifting towards more expensive cars like SUVs and AFVs

NEW CAR DERIVATIVES: BODY STYLE & FUEL TYPE MIX

1st January snapshot



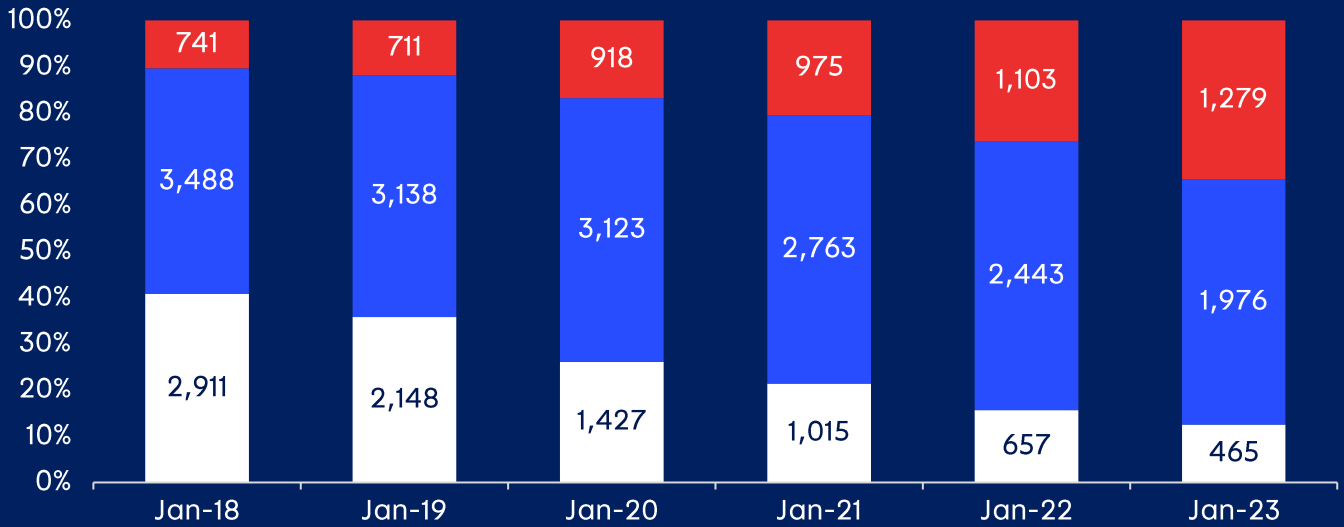
Source: Auto Trader data (all manufacturers)

The number of new car derivatives available to buy for under £25k has halved in the last two years alone. Only £50k+ options have increased and account for almost a third of all new car derivatives available

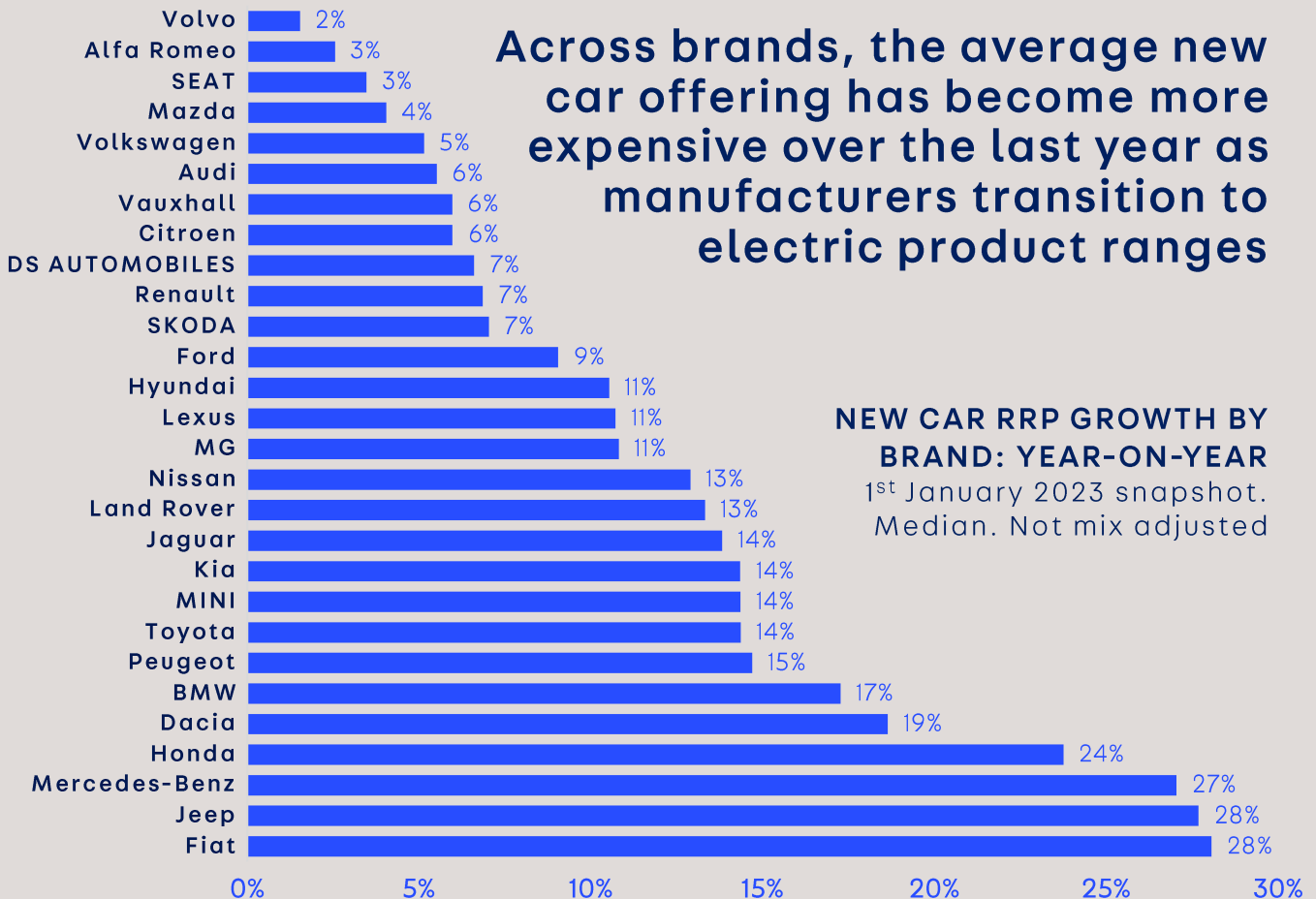
NEW CAR DERIVATIVE MIX: RRP BANDINGS

1st January snapshot

■ £0k-£25k ■ £25k-£50k ■ £50k+



Source: Auto Trader data (all manufacturers)



Across brands, the average new car offering has become more expensive over the last year as manufacturers transition to electric product ranges

NEW CAR RRP GROWTH BY BRAND: YEAR-ON-YEAR

1st January 2023 snapshot. Median. Not mix adjusted

Source: Auto Trader data (all manufacturers)