



Monthly Market Intelligence

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

MAY 2024

 AutoTrader

Election announcement doesn't stop used car buyers as sales rise and stock turns quickly

NEW CAR REGISTRATIONS

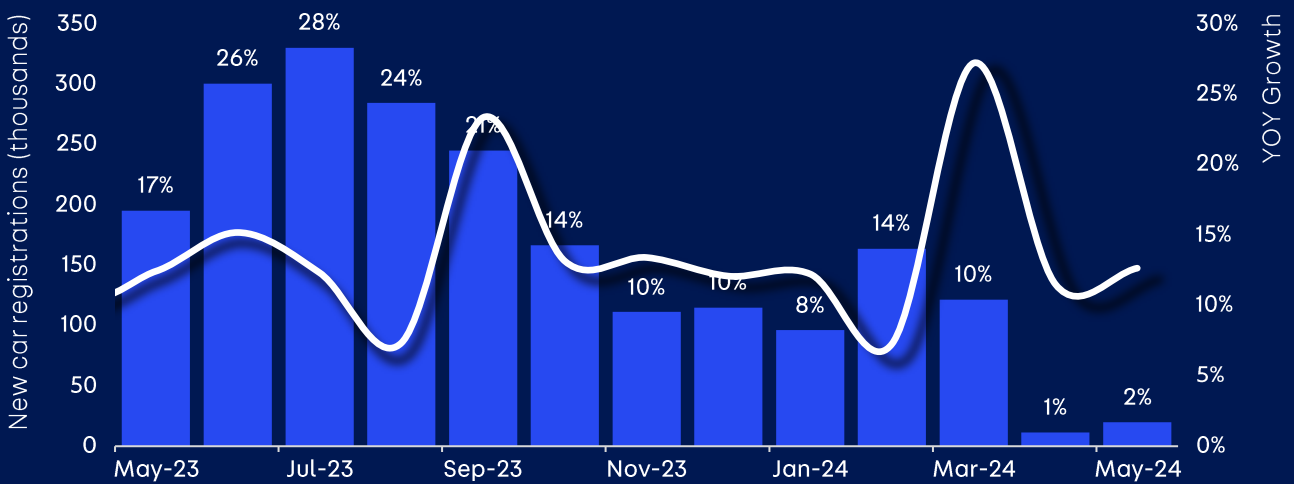
New car sales increased for the 22nd consecutive month in May, rising 2% year-on-year, though growth continued to slow as weak private demand put pressure on the market. Whilst fleets continued to drive new car sales, the 14% year-on-year uplift was the lowest since September 2022, highlighting a slight cooling off from that channel. EV sales continued to outpace the market, rising 6%, though private EV sales remained low despite average prices falling for three in four new EV models.

147,678

NEW CAR REGS. (SMMT)

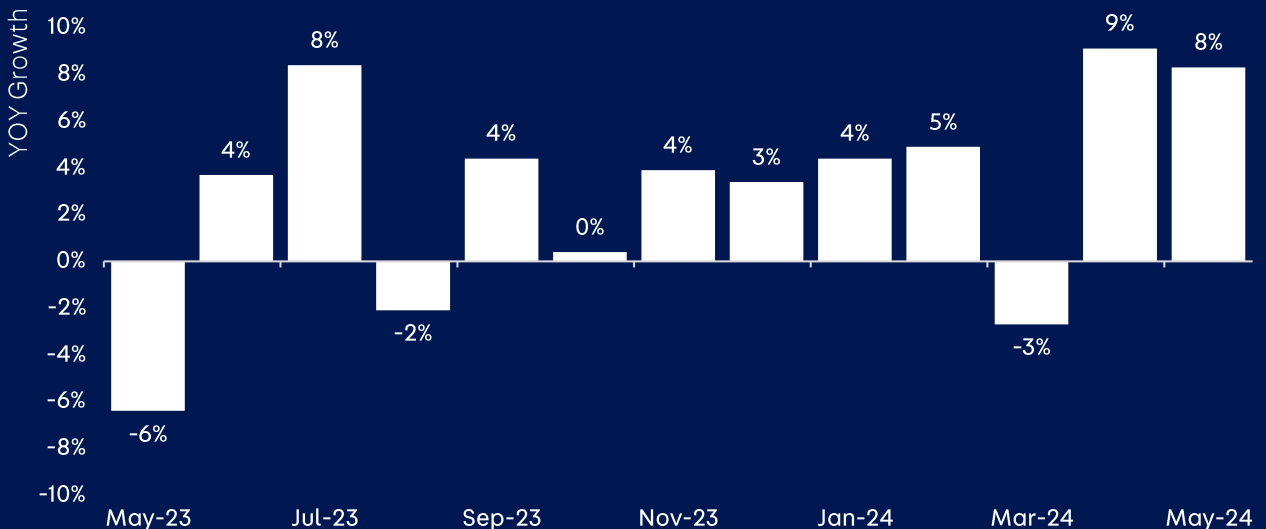
+2%

(VS. MAY 2023)



USED CAR SALES (YEAR-ON-YEAR)

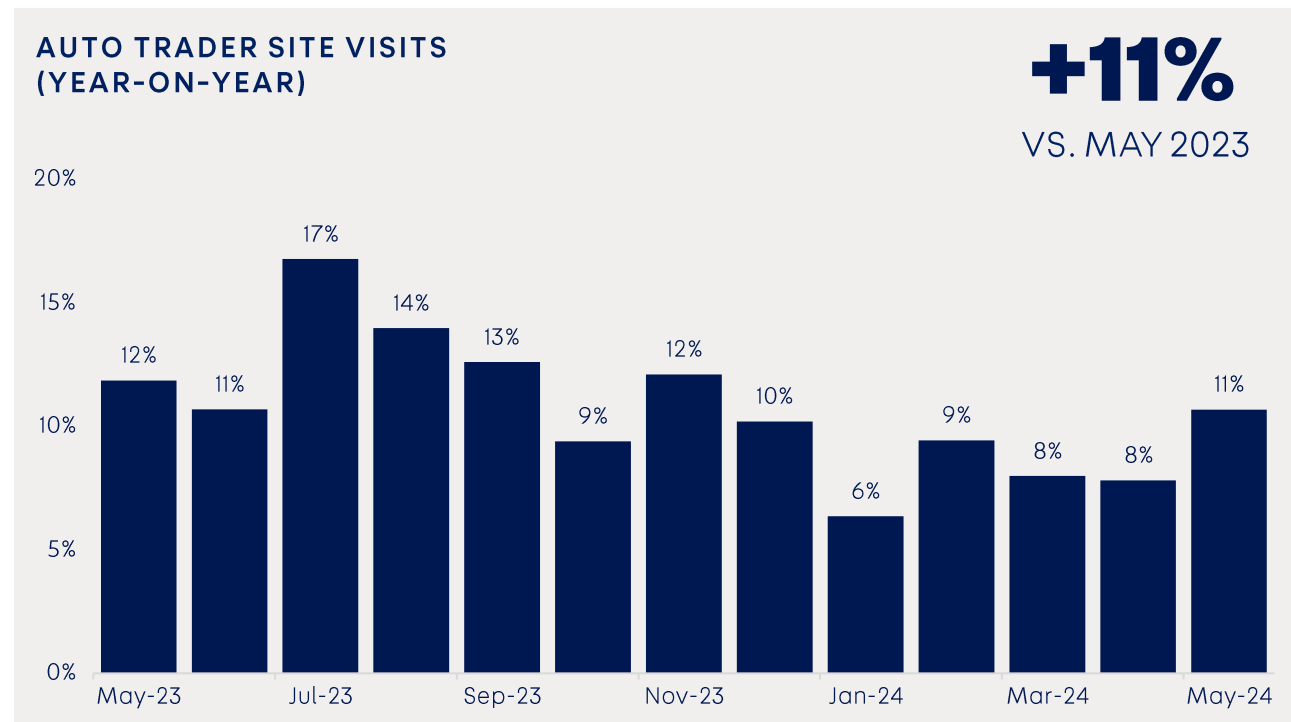
Used car sales growth continued in May, increasing 8% year-on-year based on the stock removed from Auto Trader. Franchise retailers, which face challenges sourcing younger cars, saw a moderate sales uplift of 3% year-on-year, whilst independent retailers saw 14% growth. Used EV sales grew 50% in May, but the rate of growth has slowed compared to the start of the year.



*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.

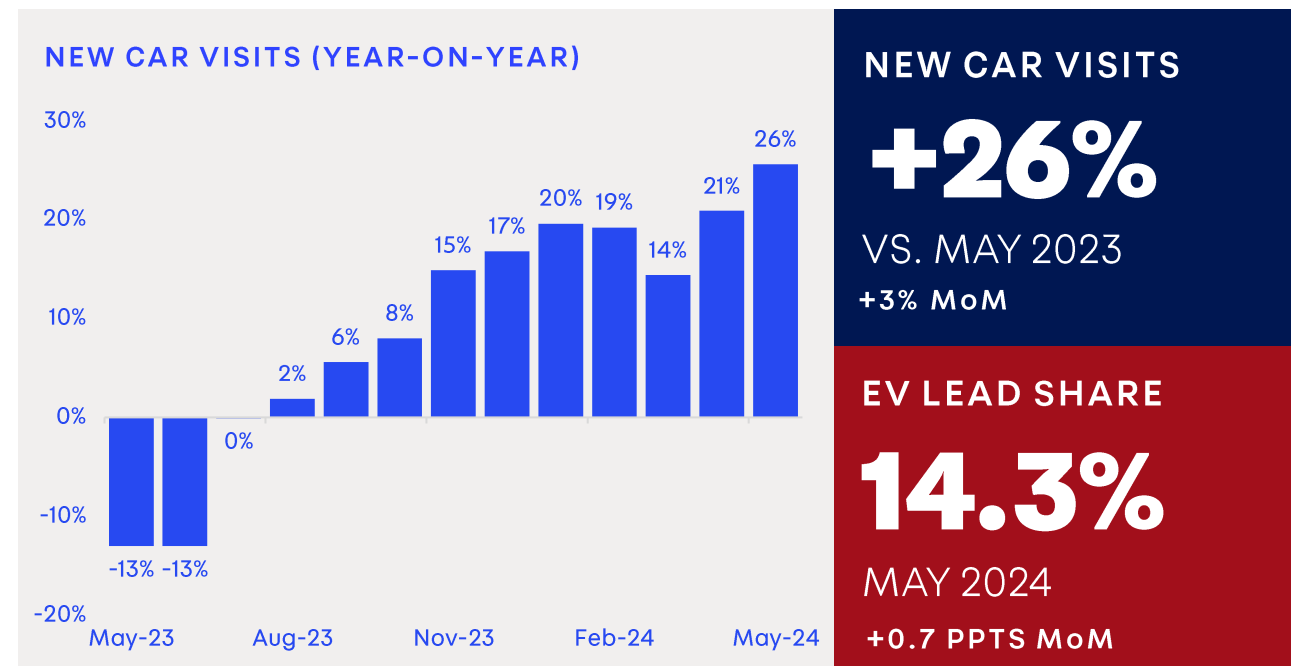
AUTO TRADER AUDIENCE

Despite the announcement of a general election, activity remained strong with continued growth in visits to Auto Trader in May, increasing 11% year-on-year and marking 19 consecutive months of growth. Confidence amongst car buyers was also unaffected, with 73% still considering purchasing within the next 6 months and 88% feeling more confident in their ability to afford their next car compared to last year.¹



NEW CAR ACTIVITY

New car visits grew further in May, increasing 26% year-on-year. This continued to be driven by greater new car stock availability and growing incentives aiming to stimulate private demand. Enquiries on new EVs improved in the month as average discounts rose 0.5ppts to 10.8%, although EV's share of new car enquiries remains far behind the record level achieved when fuel prices neared £2 per litre (33% in Nov-22).

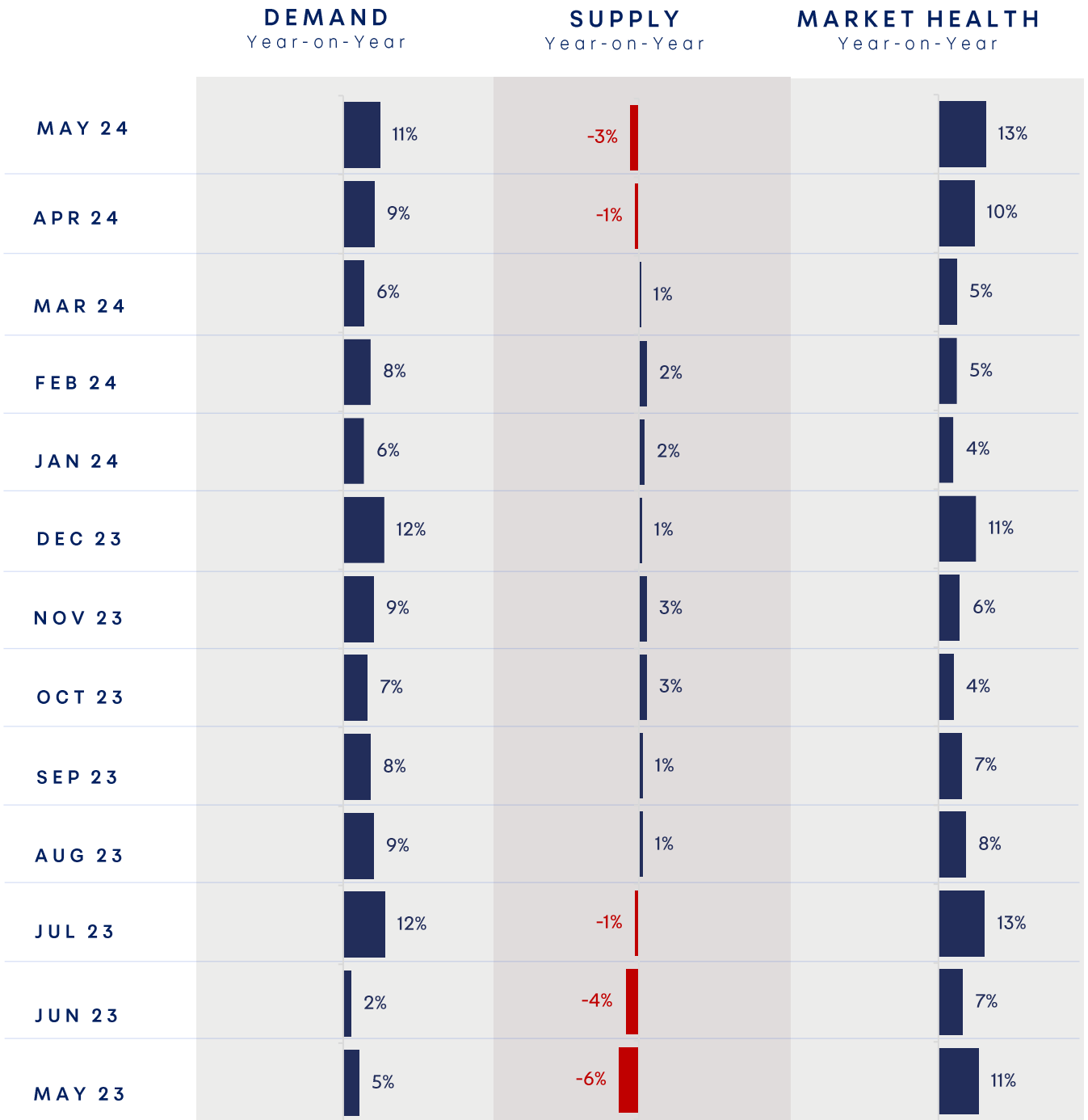


USED CAR MARKET HEALTH

Market Health for used cars improved further in May, increasing 13% year-on-year as consumer demand continued to grow and supply on forecourts fell. Supply of 1-3 and 3-5-year-old cars remained heavily constrained, shrinking around 17% compared to last year. With demand rising and supply falling, used cars sold one day faster than the prior year, turning every 29 days. The lack of 3-5-year-old cars for sale saw them sell at the fastest rate, turning every 26 days.



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

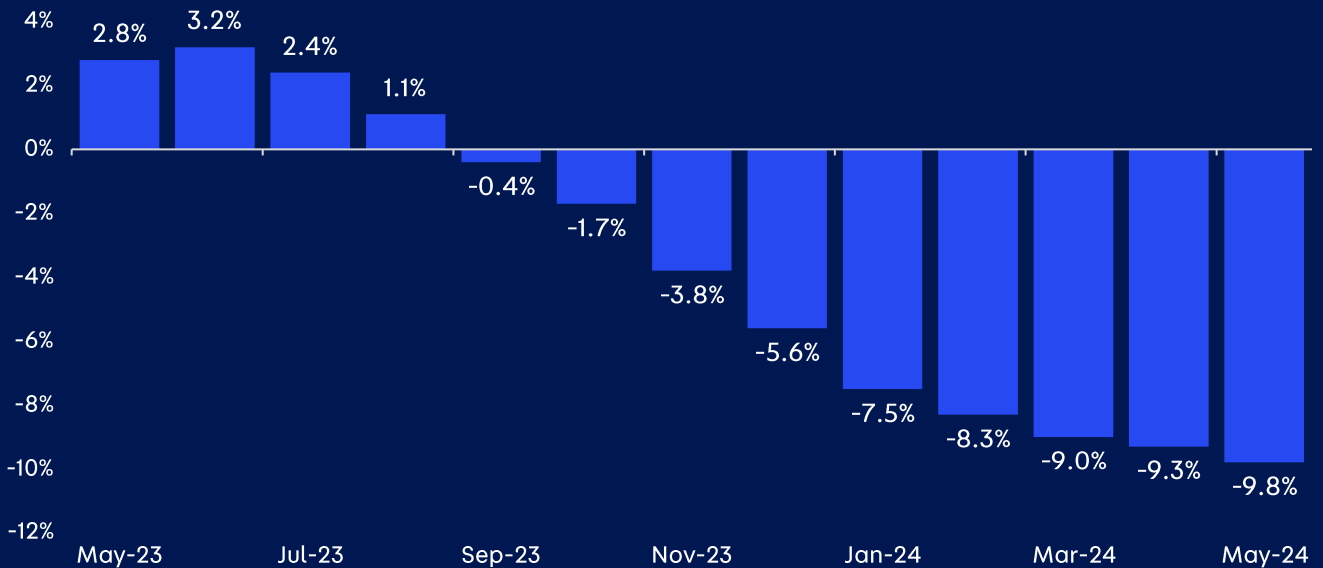


USED CAR RETAIL PRICE GROWTH

Used car retail prices fell slightly further in May, declining 9.8% on a like-for-like basis and year-on-year basis. Despite the slight overall drop from the month prior, there were encouraging signs in those age cohorts with strong market health, which saw less negative price growth. Specifically, the year-on-year prices of 1-3- and 3-5-year-old cars increased 0.2 ppts and 0.1 ppts respectively, from April to May. The modest pressure on used car prices is despite retail demand significantly outpacing supply, stock selling quickly, and sales growing.

YEAR-ON-YEAR USED CAR RETAIL PRICE GROWTH

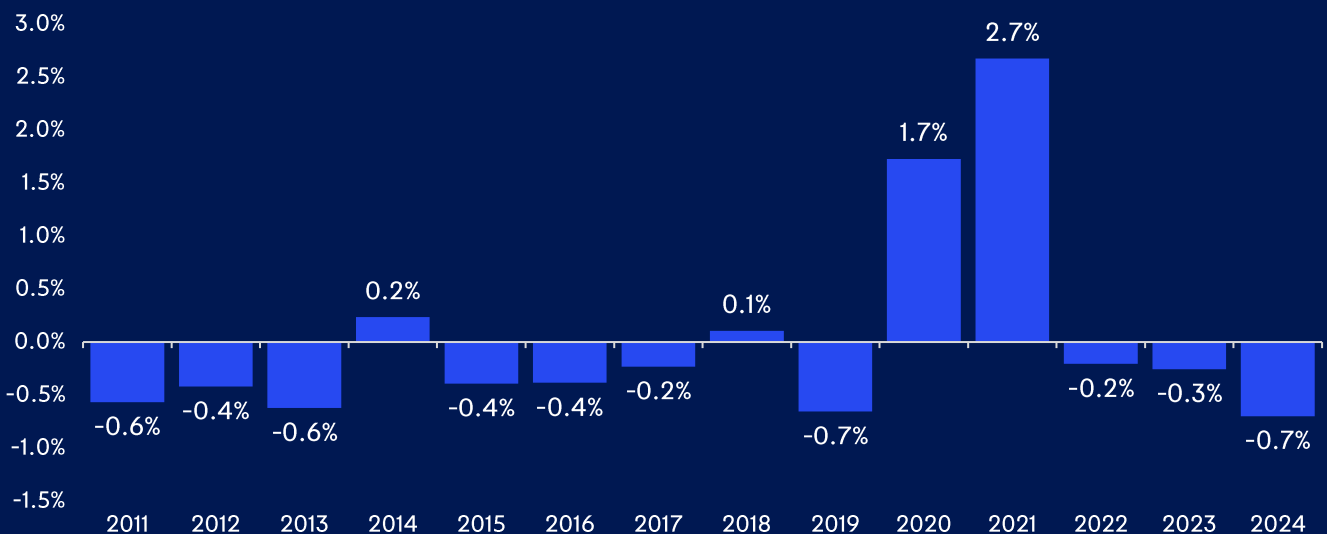
Like-for-Like Basis



On a month-on-month basis, retail prices declined in line with seasonal trends, falling from April to May. Although slightly below the pre-pandemic average, the latest change marks another significant improvement compared to the start of the year. There was some additional pricing pressure though on cars aged up to 1-year-old and 10-15 years old, which saw unseasonal declines of -1.3% and -0.9% respectively due to supply exceeding demand.

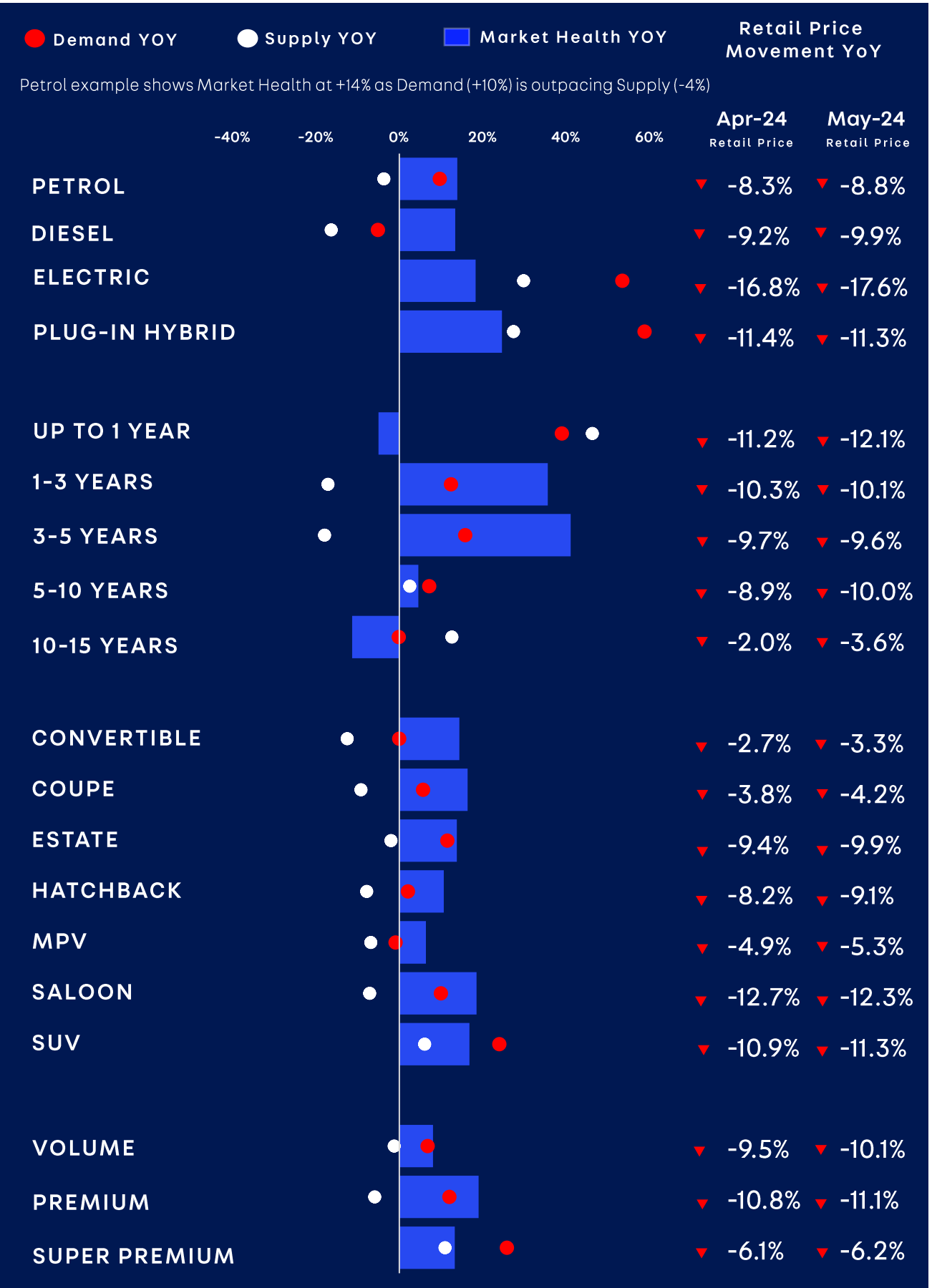
MONTH-ON-MONTH USED CAR RETAIL PRICE GROWTH: MAY

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 Road to 2035

EV SHARE OF NEW CAR LEADS ON AUTO TRADER

Includes calls, clicks, emails & chats

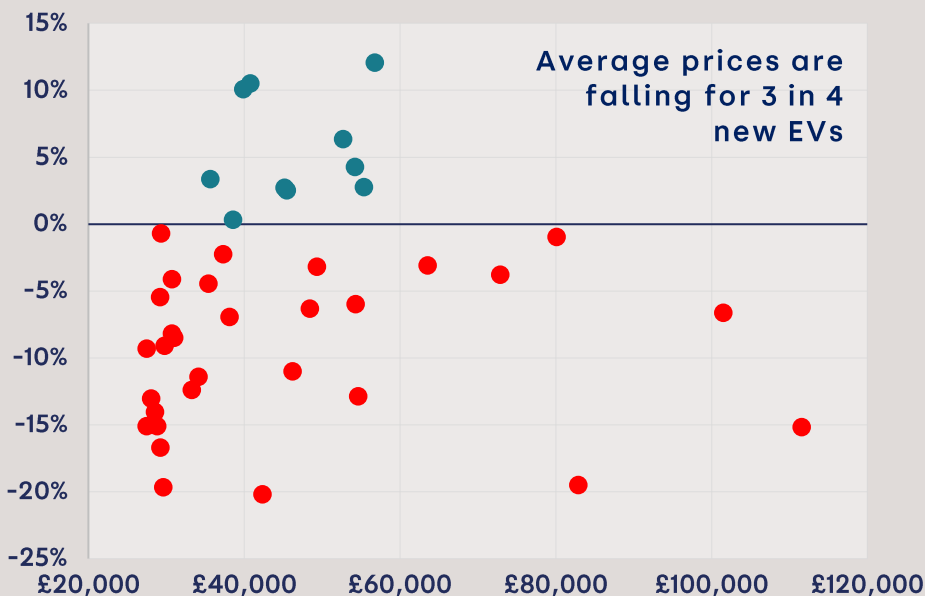
The UK had a fast start to EV adoption, but progress has slowed ever since – and retail demand hasn't recovered





Price is the biggest barrier for consumers, and the ZEV mandate has forced sellers to discount new EVs to stimulate retail demand

AVERAGE PRICES OF NEW EVS: YEAR-ON-YEAR

May 2024. Each dot is a new EV model advertised on Auto Trader



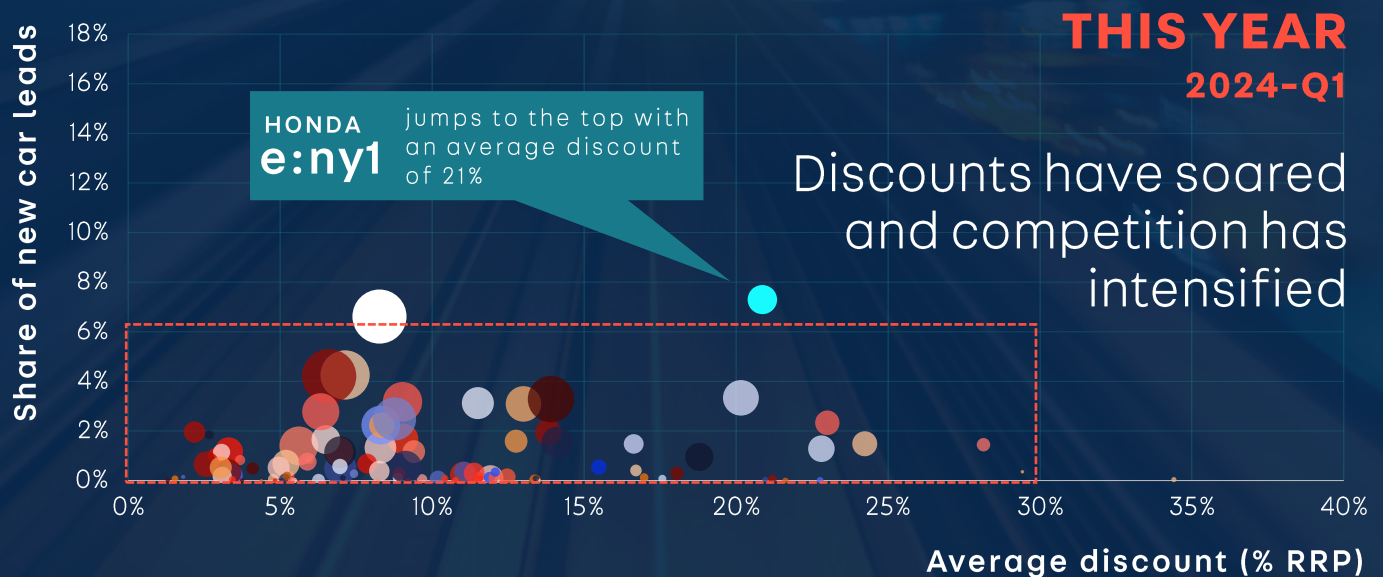
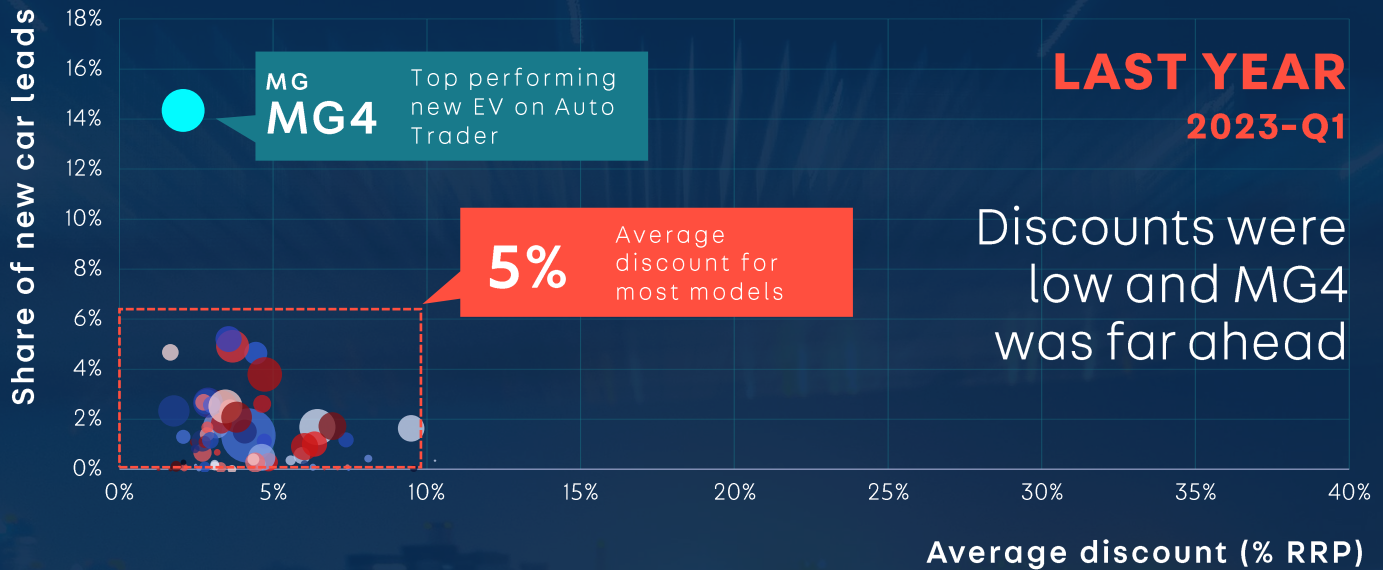
Avg. discount (% RRP)

EV	NON-EV
	
MAY 24	MAY 24
10.8%	8.2%
MAY 23	MAY 23
5.5%	6.4%
YOY	YOY
+5.3%	+1.8%

As competition intensifies, the market has become diluted – a trend expected to persist throughout 2024

Whilst consumers are responding to some of the offers available, pressure on retailer and OEM profitability will remain a focus

Size of bubbles reflects the amount of stock



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 **AutoTrader Insight**