



# Monthly Market Intelligence

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

MARCH 2022

 AutoTrader



# Supply hindering sales, though consumers continue to search online for their next car

## NEW CAR REGISTRATIONS

March's new car market was down 14% on 2021, and the weakest March since 1998 as supply chain shortages continue to hinder production. With retail sales up 8% year-on-year, OEMs continue to prioritise delayed orders.

**243,479**

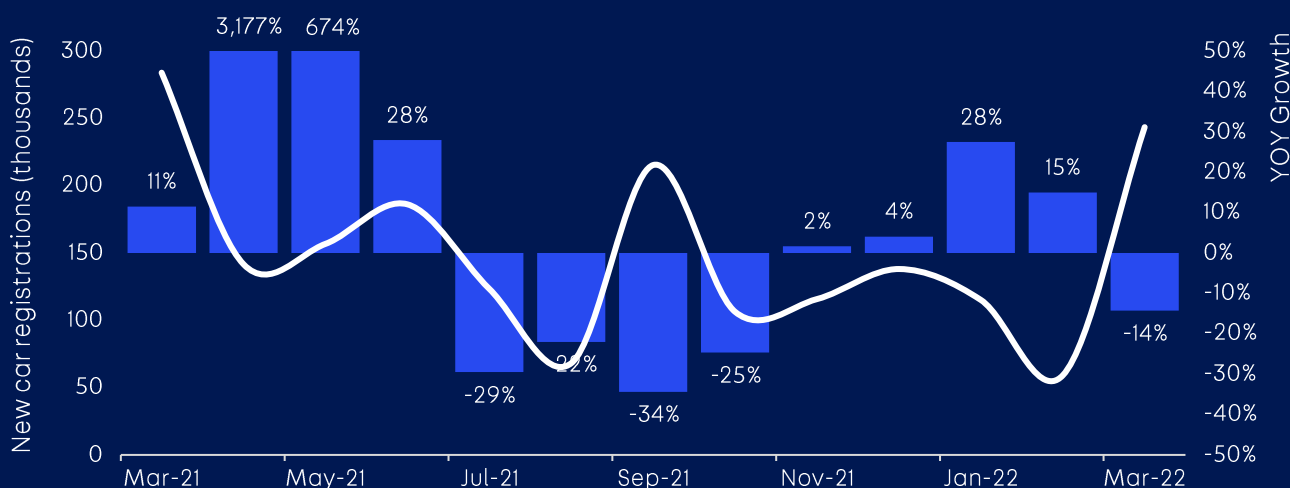
NEW CAR REGs. (SMMT)

**-14%**

(VS. MARCH 2021)

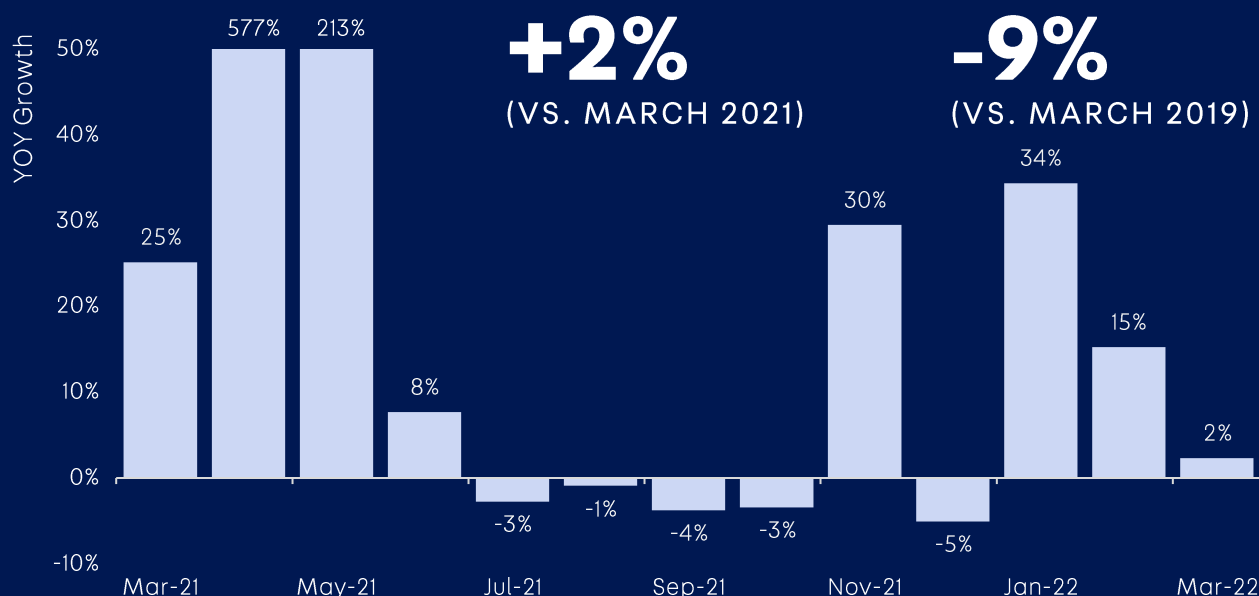
**-47%**

(VS. MARCH 2019)



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

Used car transactions were up 2% in March vs 2021 when the UK was in lockdown, but sales were down 9% when compared to the same period in 2019 as supply constraints on younger (0-3 year old) vehicles continue to impact the market.



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.

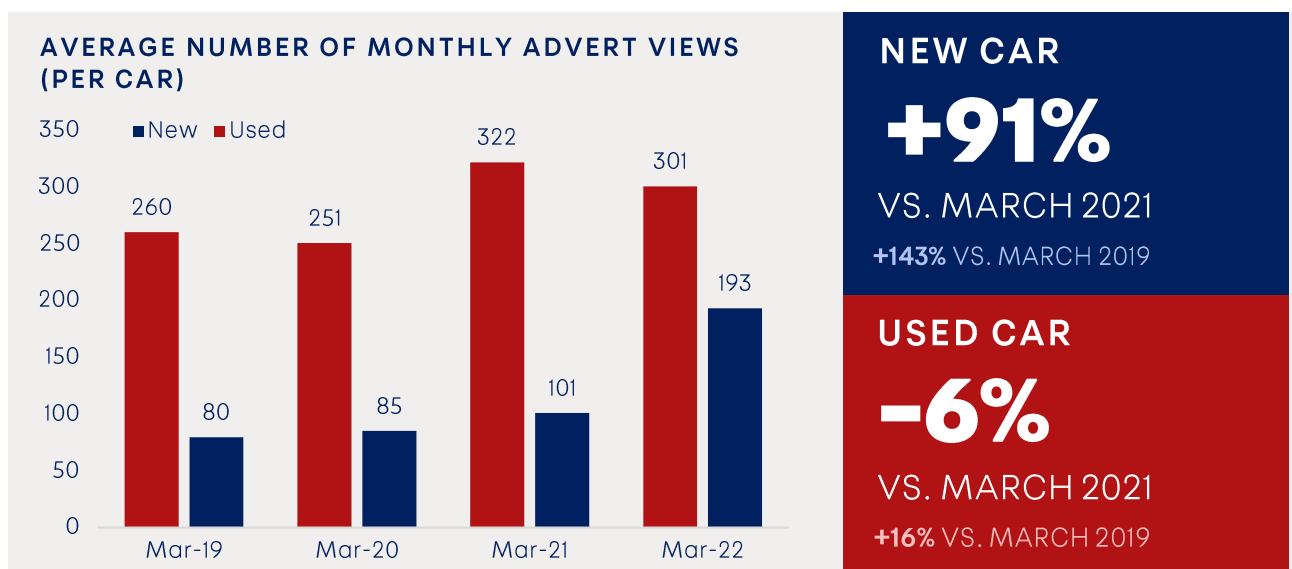
## AUTO TRADER AUDIENCE

On-site traffic was at record levels in 2021 as consumers looked to spend lockdown savings and avoid public transport. Now, there are signs of easing relative to this record period, but **critically, demand remains healthy in comparison to pre-COVID levels (approx. +11%)**.



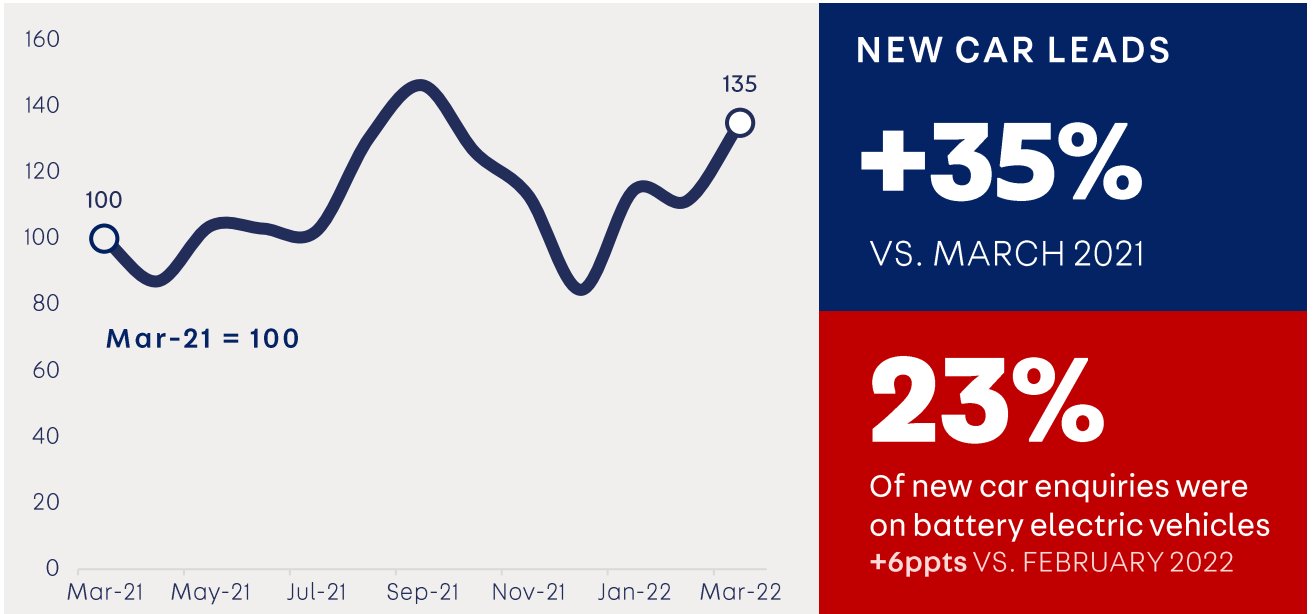
## NEW AND USED CAR ENGAGEMENT

**Demand for new cars remains extremely high despite supply issues**, with each new car advertised on Auto Trader being viewed 193 times in March. Used car engagement was below the level seen in 2021 - which was exceptionally high at the end of lockdown - though still far ahead of 2019.



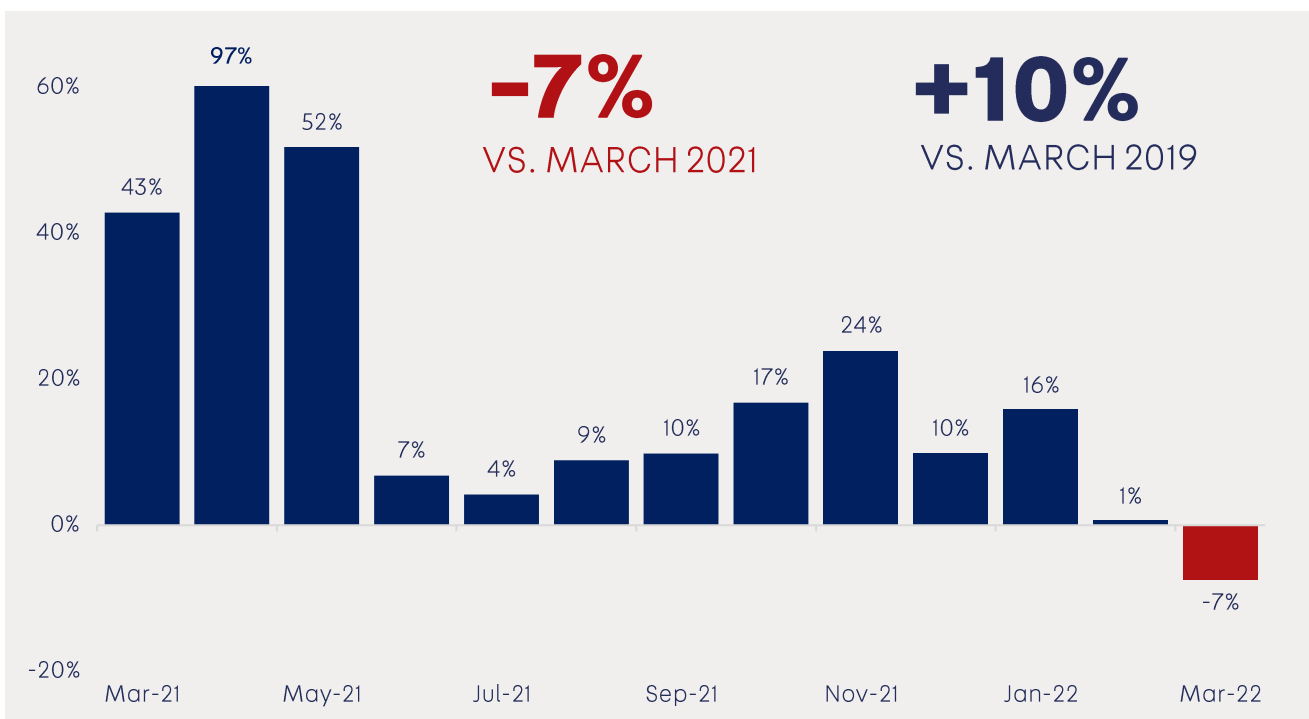
## NEW CAR LEADS (INDEXED)

In March, new car lead volumes were **35% higher than 2021** and up **21% month-on-month**. Much of this growth was stimulated by the recent increase in fuel prices, as enquiries on battery electric and hybrid vehicles skyrocketed in response.



## AUTO TRADER USED CAR MARKET HEALTH (YEAR-ON-YEAR)

Used car market health declined by 7% in March, but comparison to a year ago is distorted by huge on-site demand last year as buyers edged towards the end of lockdown. **In comparison to 2019, market health is positive with demand above pre-COVID levels and supply still constrained.**

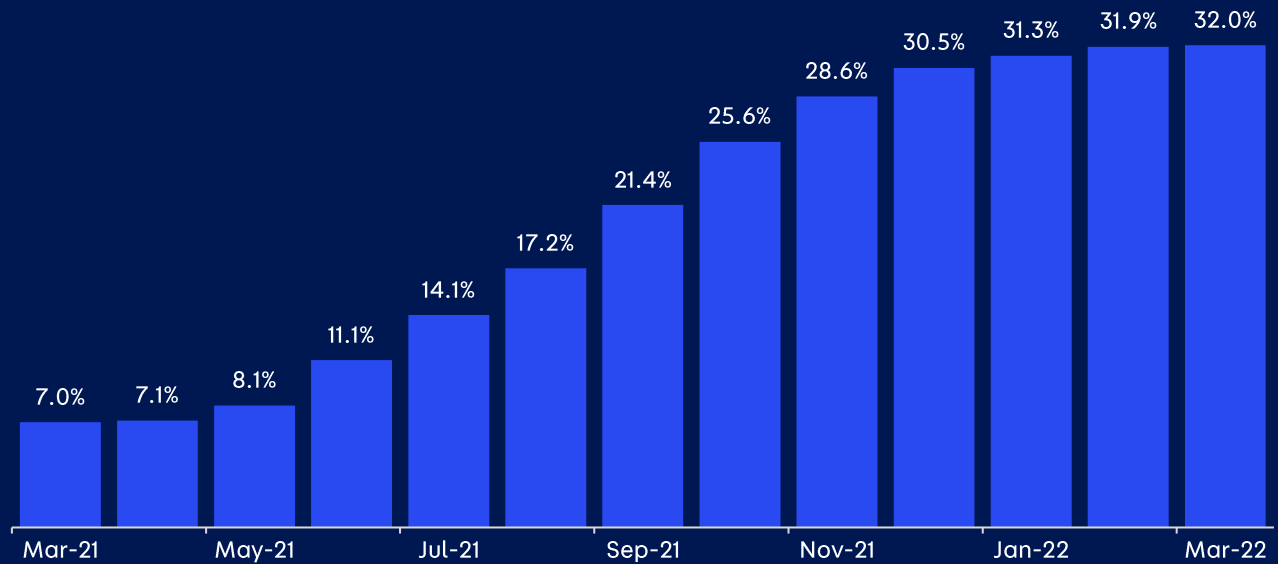


The Market Health metric shows the ratio of supply vs. demand compared to the previous year

March was another record-breaking month for used car price growth, with values increasing 32.0% on a year-on-year and like-for-like basis. Whilst growth remains incredibly strong, the massive acceleration that has characterised the market since spring of last year is showing signs of easing.

## USED CAR MARKET PRICING

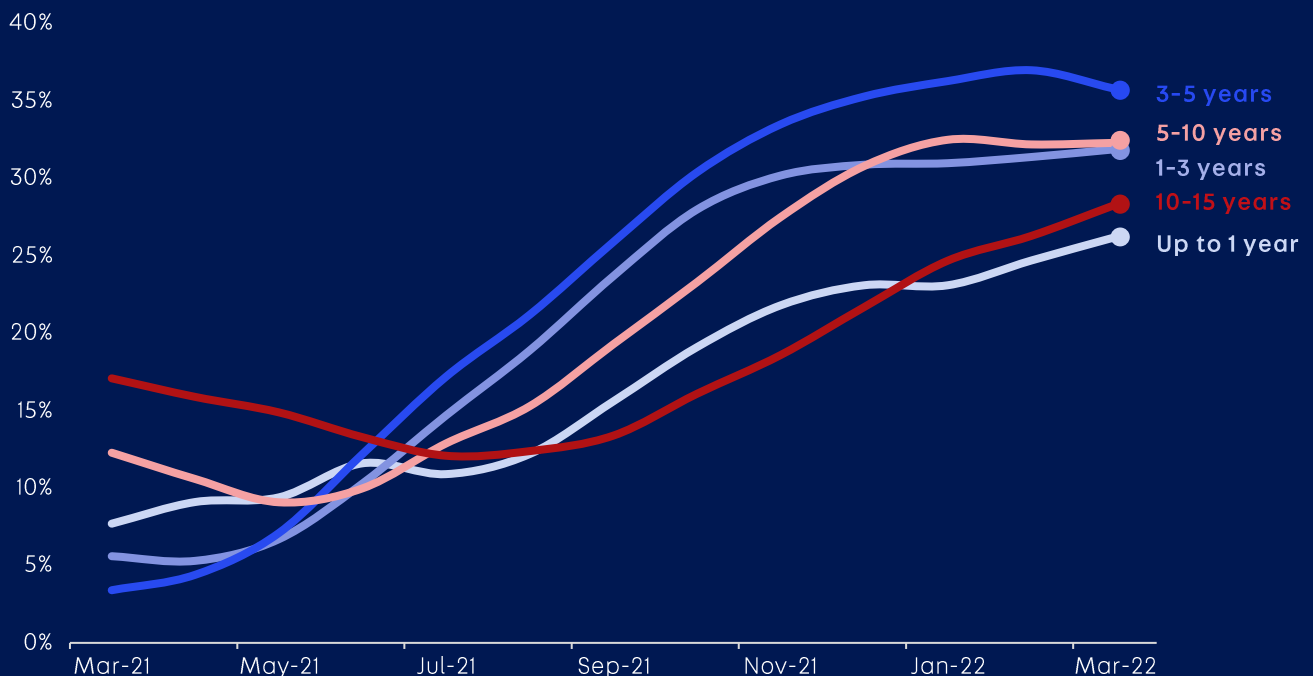
Year-on-Year Growth on a Like-for-Like basis



Year-on-year prices are up across the market – and across all age cohorts – with 3-5 year old cars seeing the largest price movements in recent months.

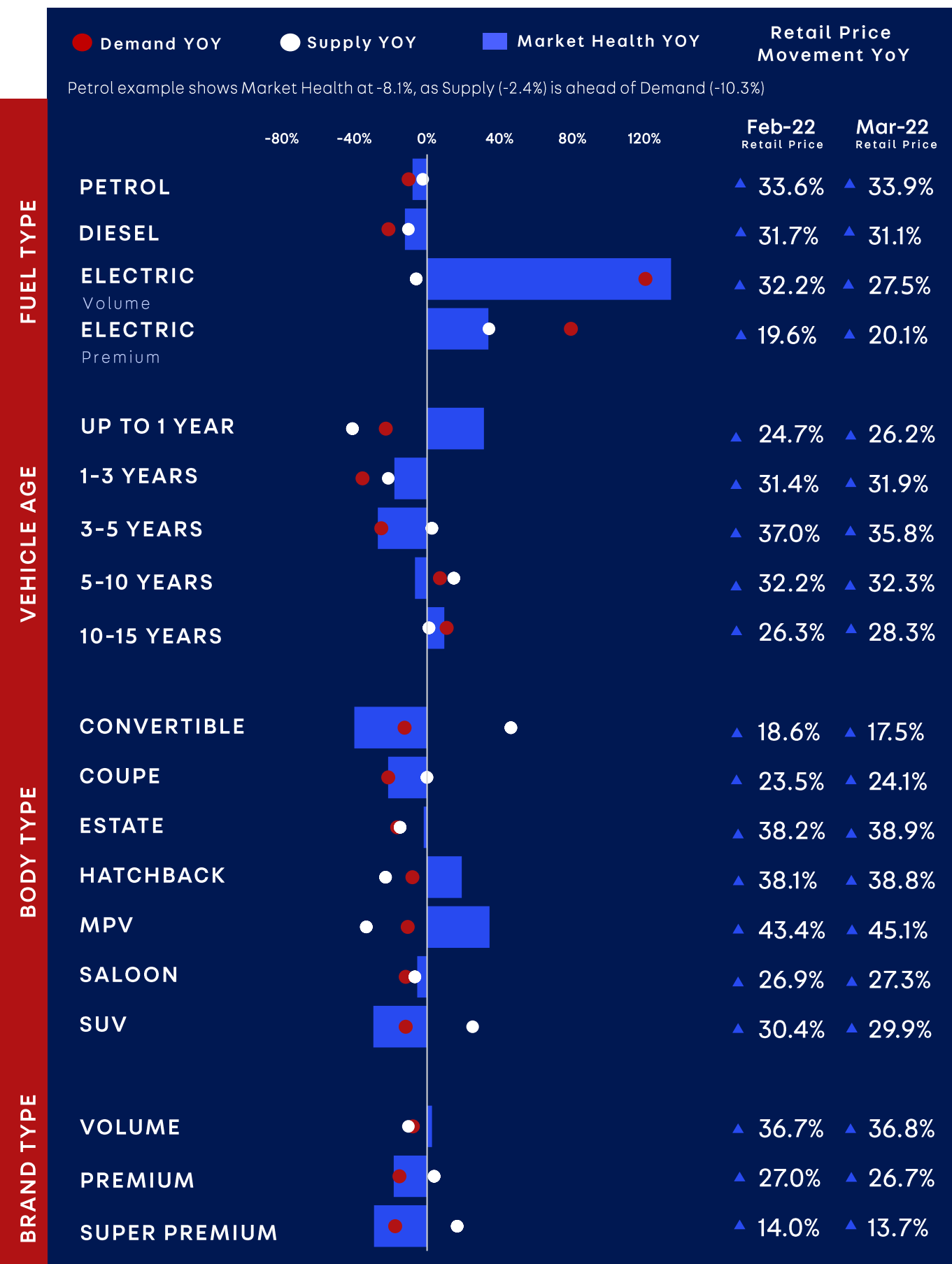
## USED CAR PRICE GROWTH BY AGE COHORT

Year-on-Year Growth on a 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 cost-of-living crisis

1

## UK CONSUMERS ARE MORE CONCERNED ABOUT THE ECONOMY

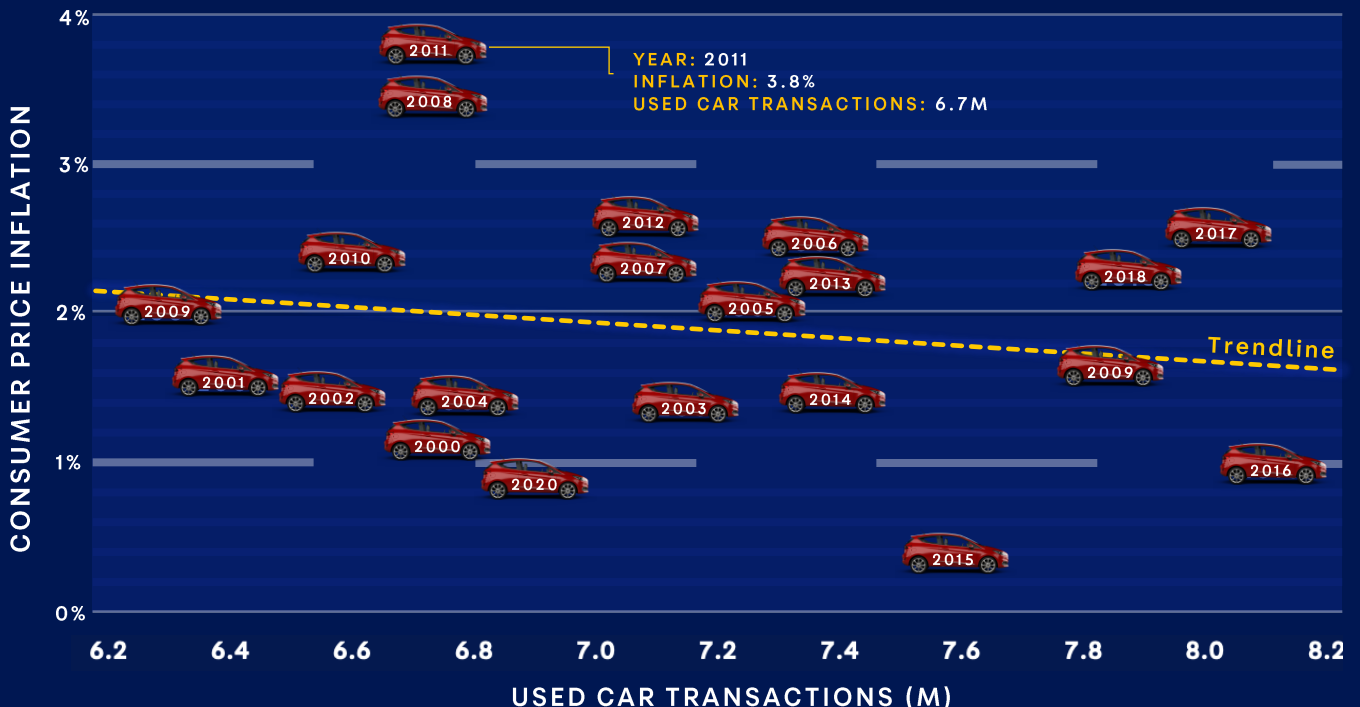
People across the UK are experiencing the impact of soaring living costs with 30-year-high levels of inflation, record fuel and food prices, and the prospect of more increases to come. As a result, YouGov's consumer survey shows that 56% of people are concerned about the economy, up around 14ppts at the start of 2022, and up 30ppts on pre-COVID levels.



2

## LITTLE CORRELATION BETWEEN INFLATION & USED CAR SALES

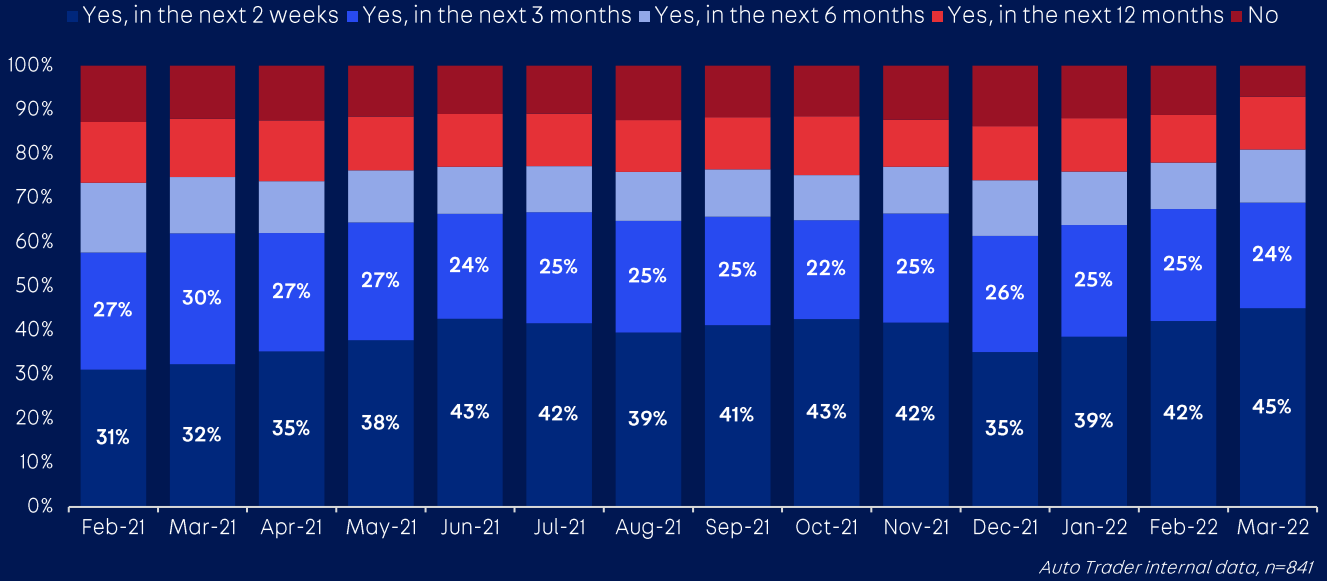
Historically, consumer price inflation hasn't dampened used car transactions. With inflation rising at its fastest rate in over 30 years, the question is whether cost of living pressures will change people's car buying intentions in 2022.



# 3 CONSUMERS ON AUTO TRADER STILL INTEND TO BUY

For consumers on Auto Trader, confidence remains robust with around 45% intending to buy in the next 2 weeks, and 69% wanting to buy in the next 3 months, despite wider macroeconomic uncertainty.

## ARE YOU CONSIDERING BUYING A CAR?



# 4 BUT AROUND A HALF WOULD NOW BUY A CHEAPER CAR

Those in-market buyers are regulating what they spend. 52% of in-market buyers looking for a used car would now purchase a cheaper one than before the cost-of-living crisis. This suggests people are still going to buy cars, with some looking more closely at what they spend.

## HAS THE RISING COST OF LIVING IMPACTED THE PRICE OF THE USED VEHICLE YOU WANT TO PURCHASE?

No this hasn't impacted how much I want to spend

45%

Yes, I'll purchase a slightly cheaper vehicle

31%

Yes, [...] Much cheaper vehicle

21%

Yes, I'll purchase a much more expensive vehicle 1%

Yes, I'll purchase a slightly cheaper vehicle 2%