Monthly Market Intelligence

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

JUNE 2024

AutoTrader

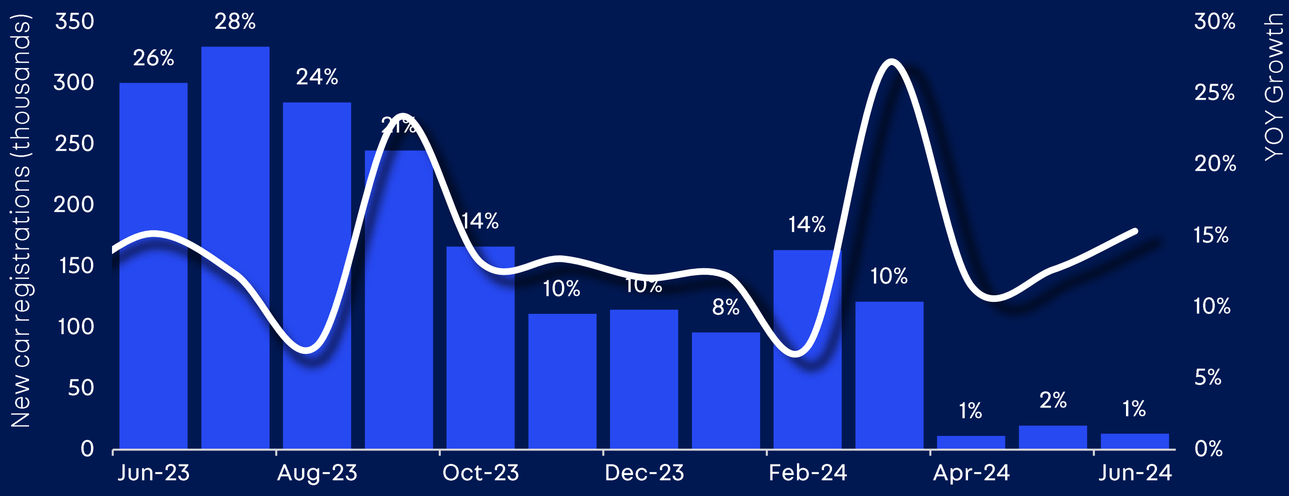
Car buying activity remains strong despite Euros and general election temporary disruption

NEW CAR REGISTRATIONS

New car registrations increased 1% on a year-on-year basis in June and 6% in the first half of the 2024. Fleet registrations continued to drive new car sales while retail sales lagged 15% behind the 2023 volume, marking eight consecutive months of decline. EV sales recorded the highest monthly market share of 19% since December 2023, however this growth is predominantly fleet led while private EV registrations remain far behind despite the range of incentives to attract private demand. Overall EV share of sales in the first half of the year is 16.6%.

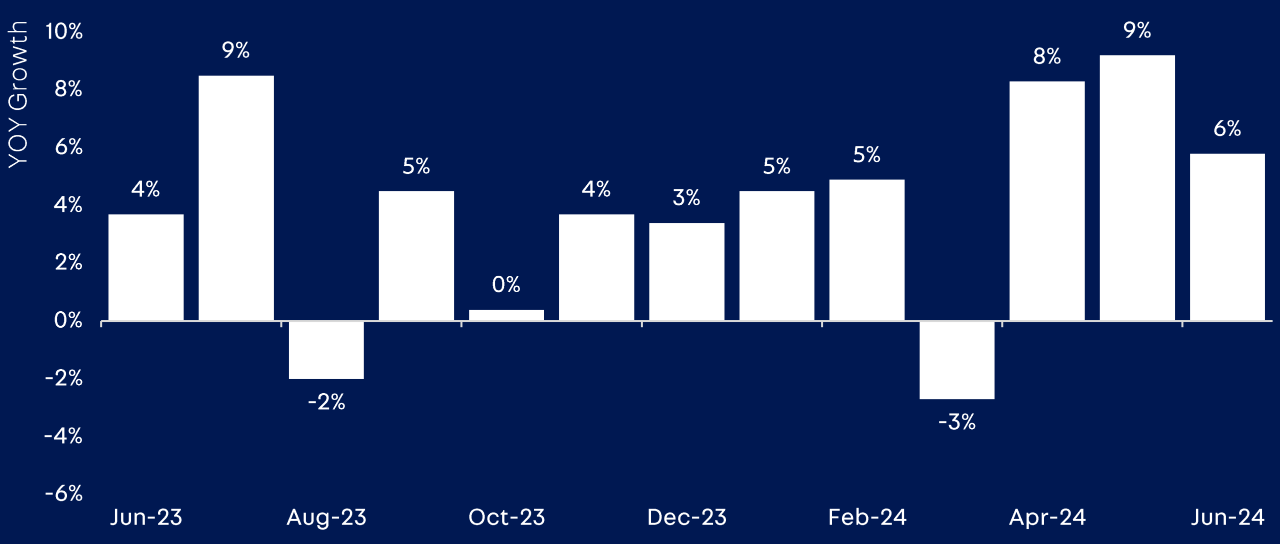
179,263
NEW CAR REGs. (SMMT)

+1%
(VS. JUNE 2023)



USED CAR SALES (YEAR-ON-YEAR)

Used car sales continued to grow in June despite supply constraints impacting the industry, with volumes rising 6% year-on-year based on the stock removed from Auto Trader. Over the first half 2024, sales increased by 5%. Both franchise and independent retailers saw positive movements, increasing by 5% and 7%, respectively. Over the first half of the year, used EV sales grew 64% as choice and availability improved. They now account for nearly 4% of B2C transactions.



*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.

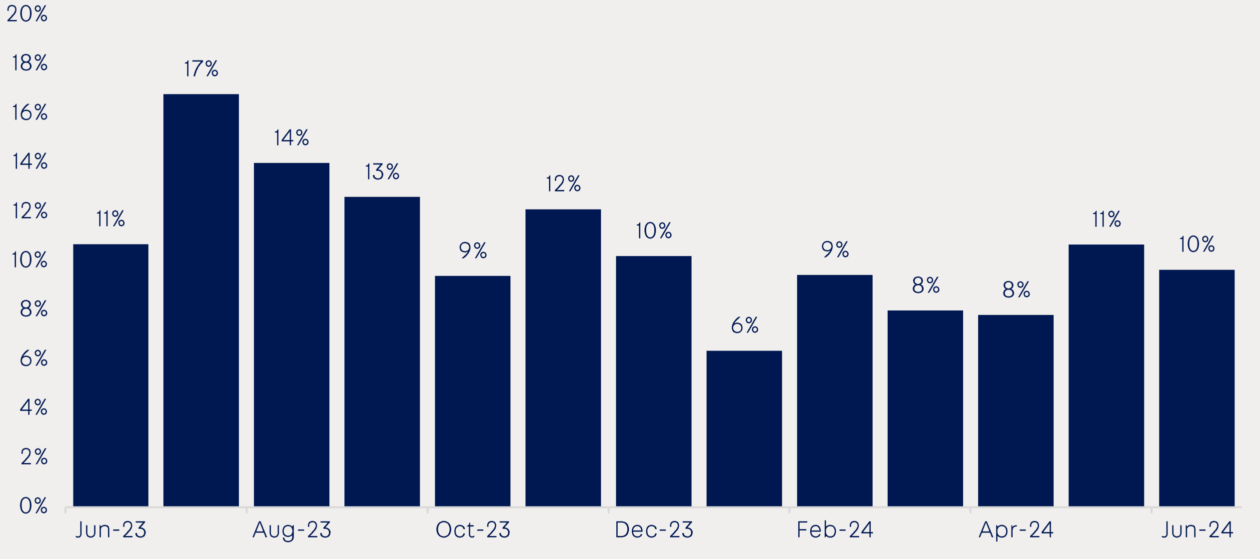
AUTO TRADER AUDIENCE

Despite the short-term disruption from the Euros and general election, activity remained strong as site visits to Auto Trader grew by 10% year-on-year, averaging 32 site visits per second in the first half of 2024. With inflation returning to normal levels and consumer confidence rising to the joint highest level since November 2021, the second half of the year is set up to provide better financial conditions for car buyers.[1]

AUTO TRADER SITE VISITS (YEAR-ON-YEAR)

+10%

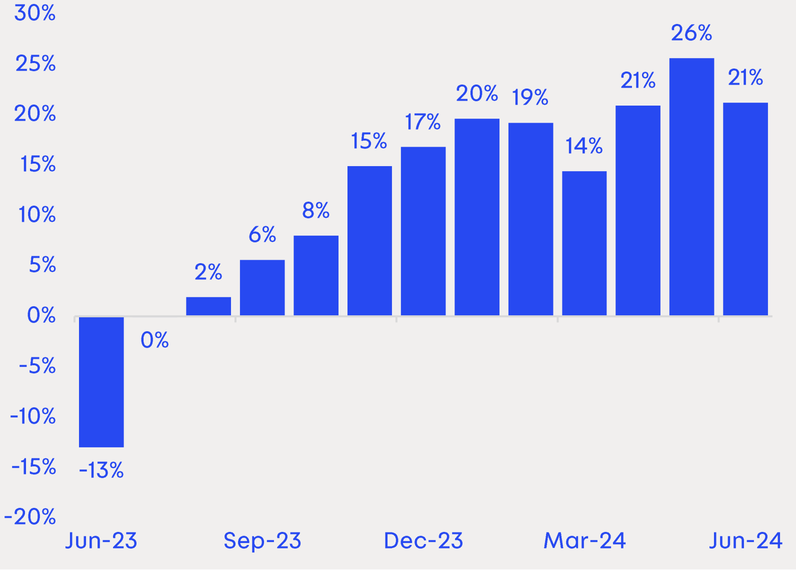
VS. JUNE 2023



NEW CAR ACTIVITY

Retail demand for new cars continued to grow in June, increasing 21% year-on-year, driven by increasing manufacturer discounts, averaging 8.9% off the RRP in June, as well as growing new car stock availability and marketing activity. Electric's share of new car enquiries grew to the highest level in the first half of the year, accounting for 14.9% of total new car leads as discounts remained the highest for any fuel type at 10.8% off the RRP.

NEW CAR VISITS (YEAR-ON-YEAR)



NEW CAR VISITS

+21%

VS. JUNE 2023

-4% MoM

EV LEAD SHARE

14.9%

JUNE 2024

+0.6 PPTS MoM

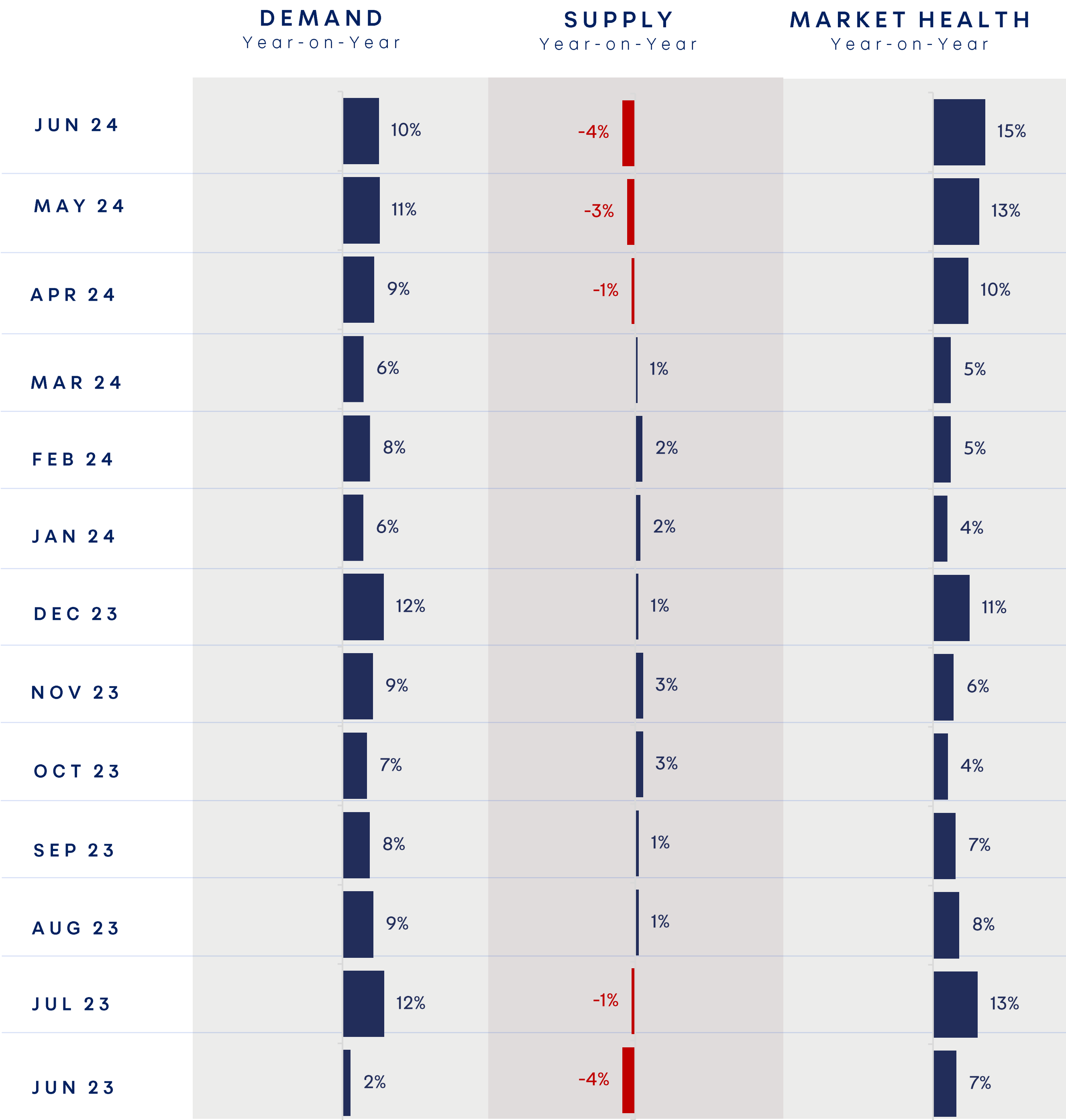
[1]Source: GfK Consumer Confidence

USED CAR MARKET HEALTH

Retail demand remained strong while supply constraints persisted in June, driving the strongest market health for used cars year to date with a 15% year-on-year improvement. Declining supply was driven by 1-3 and 3-5-year-old cars which remained heavily constrained, shrinking around 19% compared to last year – *see focus area for more detail*. With demand outstripping supply, used car stock continued to turn quickly, selling on average every 29 days, two days faster than last year. The fastest selling segment was 3-5-year-old EVs, which sold every 22 days.

	DEMAND	SUPPLY	MARKET HEALTH
VS. JUNE 23	+10%	-4%	+15%

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

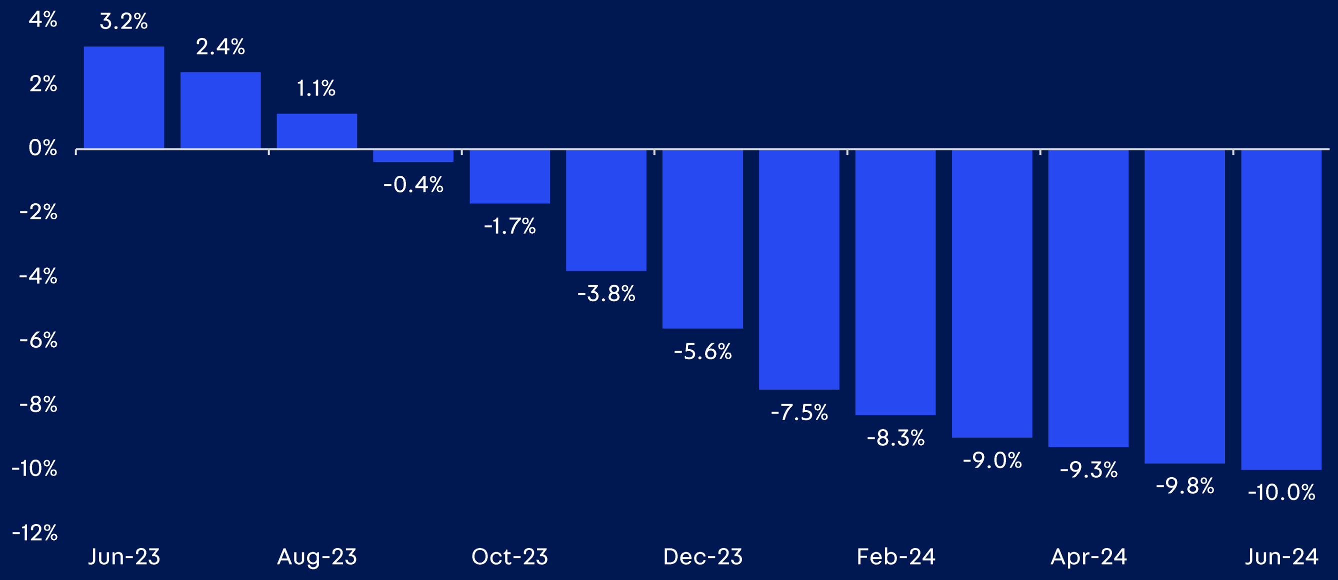


USED CAR RETAIL PRICE GROWTH

Used car retail prices continued to fall in June, declining 10% on a like-for-like and year-on-year basis, marking the 10th consecutive month of decline. Despite the headline movements, encouraging signs persisted among the 1-3- and 3-5-year-old cars where market health is strong, leading to less negative price growth as year-on-year prices increased 0.2 ppts and 0.6 ppts respectively, from May to June. Most of the pricing pressure continued to be driven by nearly new cars where supply is outpacing demand, exacerbated by manufacturer incentives to stimulate new car demand.

YEAR-ON-YEAR USED CAR RETAIL PRICE GROWTH

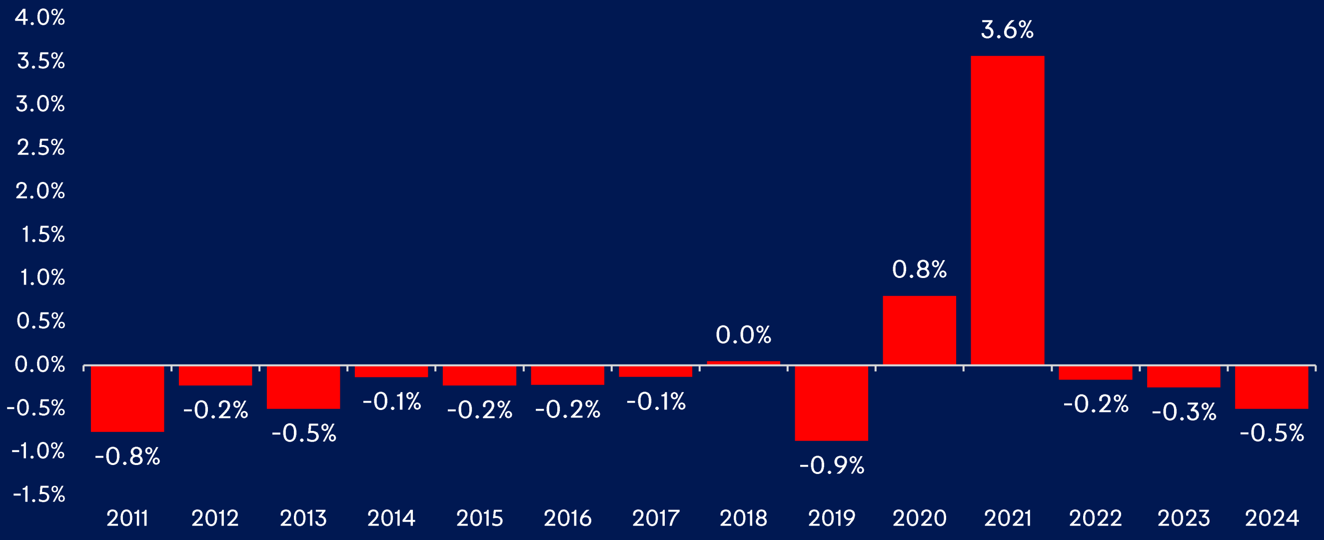
Like-for-Like Basis



On a month-on-month basis, used car retail prices declined by -0.5%, only slightly below the pre-pandemic average. Since February, pricing movements have remained broadly in line with seasonal trends after wholesale activity disrupted the market at the end of 2023. In the EV market, retail prices have now fallen 22 consecutive times on a month-on-month basis despite retail demand outpacing supply, resulting in excess levels of depreciation.

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

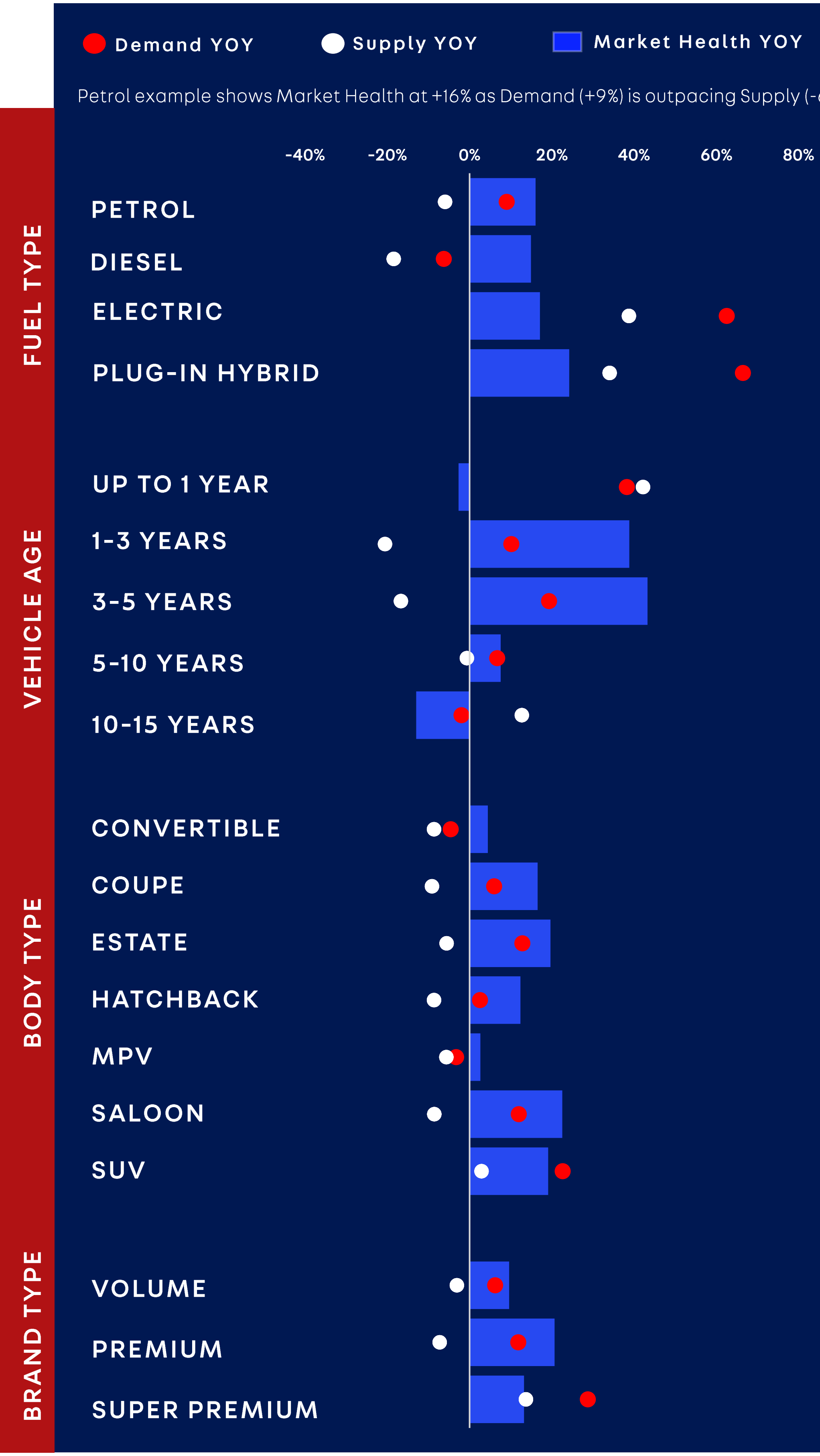
Like-for-Like Basis



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.



	Retail Price Movement YoY	
	May-24 Retail Price	Jun-24 Retail Price
PETROL	▼ -8.8%	▼ -8.7%
DIESEL	▼ -9.9%	▼ -10.4%
ELECTRIC	▼ -17.6%	▼ -17.4%
PLUG-IN HYBRID	▼ -11.3%	▼ -13.0%
UP TO 1 YEAR	▼ -12.1%	▼ -12.9%
1-3 YEARS	▼ -10.1%	▼ -9.9%
3-5 YEARS	▼ -9.6%	▼ -9.0%
5-10 YEARS	▼ -10.0%	▼ -10.0%
10-15 YEARS	▼ -3.6%	▼ -5.3%
CONVERTIBLE	▼ -3.3%	▼ -4.7%
COUPE	▼ -4.2%	▼ -3.4%
ESTATE	▼ -9.9%	▼ -9.8%
HATCHBACK	▼ -9.1%	▼ -8.8%
MPV	▼ -5.3%	▼ -5.1%
SALOON	▼ -12.3%	▼ -11.9%
SUV	▼ -11.3%	▼ -11.9%
VOLUME	▼ -10.1%	▼ -9.9%
PREMIUM	▼ -11.1%	▼ -11.3%
SUPER PREMIUM	▼ -6.2%	▼ -5.8%

In focus this month

Supply will never be the same again

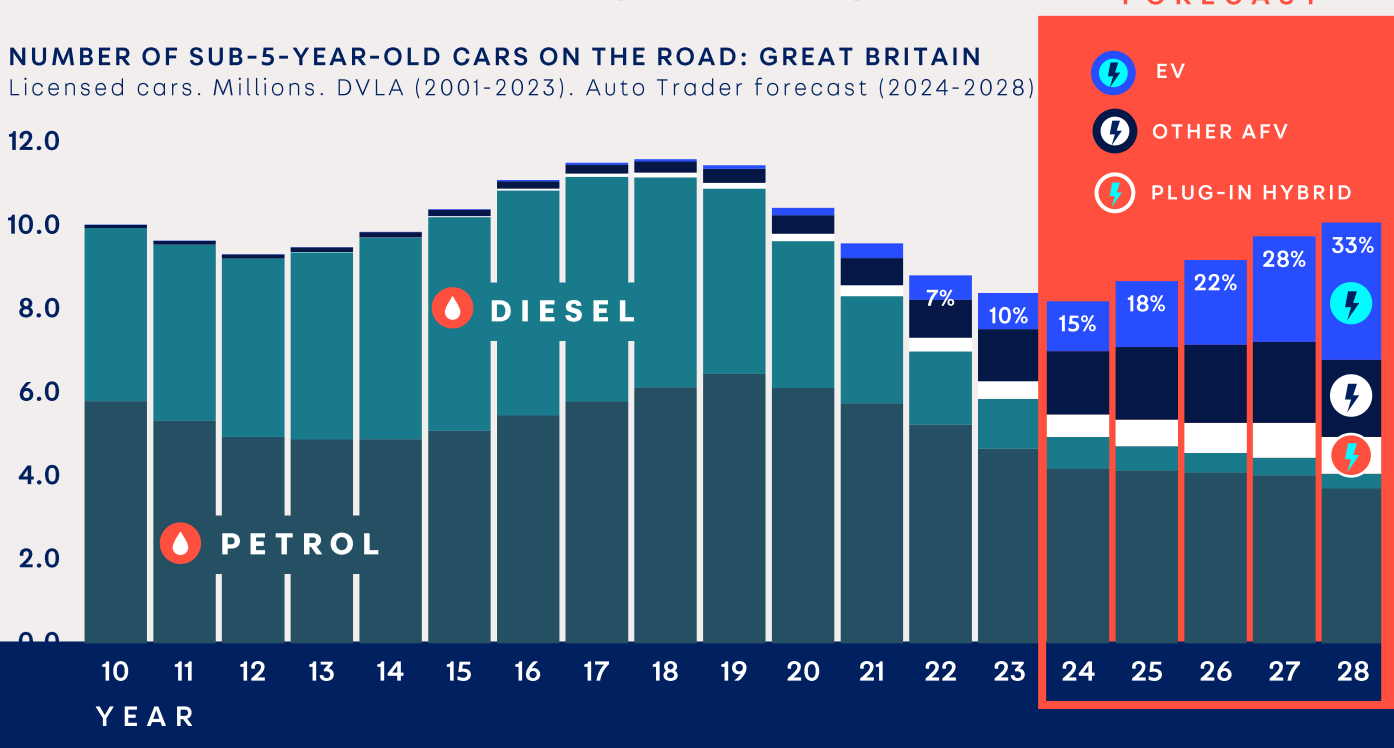
The car parc will look very different over the next 5 years. It will be bigger, older and increasingly electrified

SUMMARY OF THE CAR PARC: GREAT BRITAIN
Licensed cars. DVLA (2019-2023). Auto Trader forecast (2024, 2028)

	Bigger Licensed cars (mns)	Older Average age (years)	Electrified Licensed EVs (mns)
2019	31.9	8.2	0.1 (0% market share)
2023	32.5 (+2% vs. 19)	9.4 (+1.1 years vs. 19)	0.9 (3% market share)
FC 2024 (+1)	32.9 (+3% vs. 19)	9.6 (+1.3 years vs. 19)	1.3 (4% market share)
FC 2028 (+5)	33.8 (+6% vs. 19)	9.8 (+1.5 years vs. 19)	4.2 (12% market share)

Whilst the car parc is expected to grow and become older overall, the sub-5-year-old parc will not return to its historical size or profile due to the shift to EVs and the lost new car sales over the pandemic years

NUMBER OF SUB-5-YEAR-OLD CARS ON THE ROAD: GREAT BRITAIN
Licensed cars. Millions. DVLA (2001-2023). Auto Trader forecast (2024-2028)

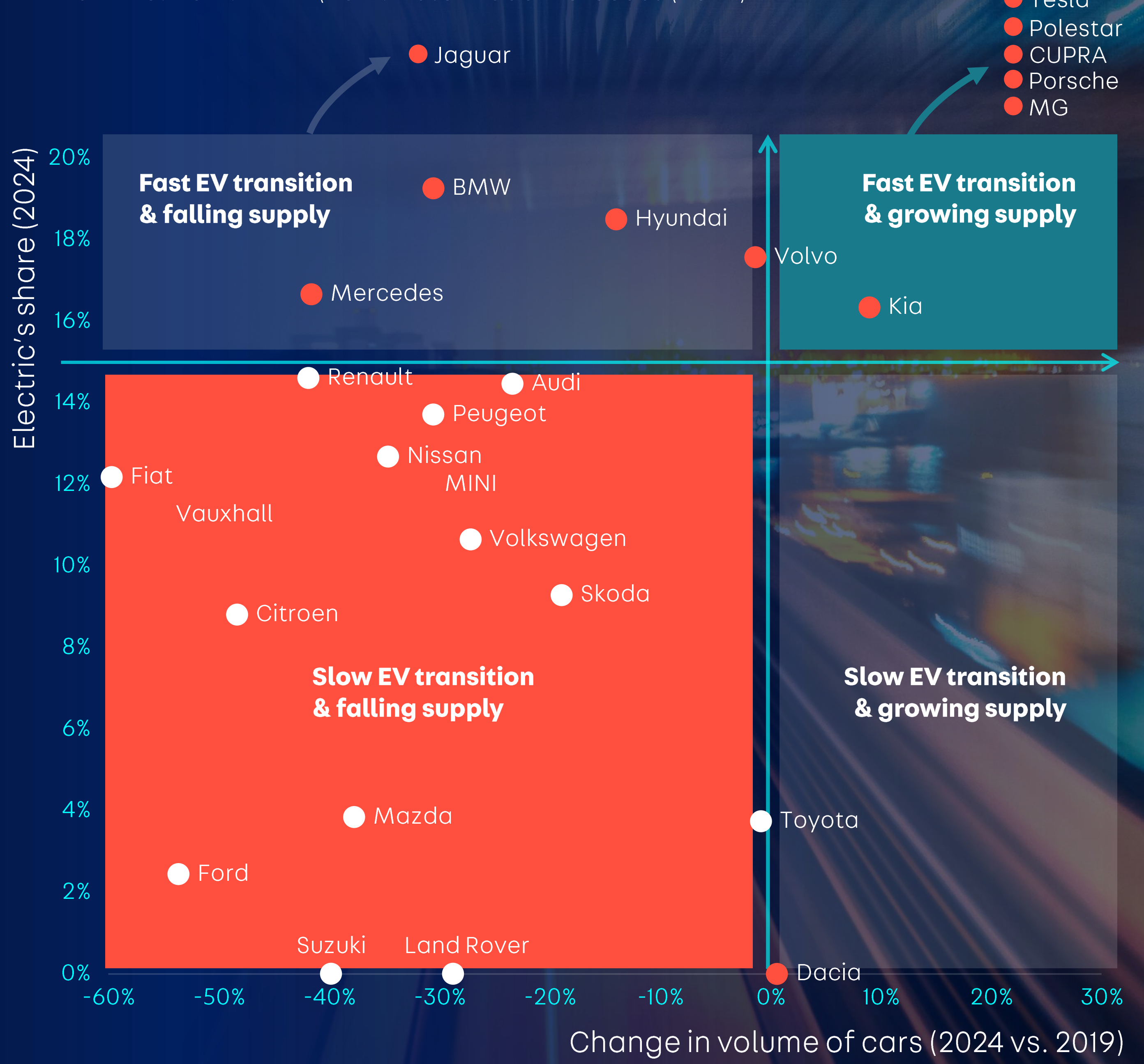


Brands will not be impacted equally: supply constraints have varied, some have transitioned to electric faster than others, and the presence of more brands means the car parc will look very different. As a result, retailers will have to adapt quickly depending on the brands and age profile of vehicles they stock.

Data will be critical to help navigate supply challenges and succeed in sourcing and stocking.

SUB-5-YEAR-OLD CAR PARC BY BRAND: UK

2024 VS. 2019. DVLA (2019. Auto Trader forecast (2024)



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