

INSIGHTS

USED MARKET REPORT

Q2 2023

Used fleet prices
high as demand
is very strong

Vehicle damage is
compromising demand and
prices for cars and LCVs

Demand for used LCVs
slowing down due to
high interest rates



WELCOME

Another quarter has gone by and the used market continues to change.



Prices remained consistent in Q2 alongside a growth in vehicle stock and a change in buyers' attitude to vehicle condition. Buyer interest in used cars with damage has slowed down unless they are priced keenly or have been refurbished, with them moving their attentions to ex-fleet NAMA grade 1 and 2 stock where condition is strong. Some positive news around used EVs with prices settling down in Q2 helped by Tesla's price reductions which have made used stock more affordable. Some models are now seeing EV and ICE prices on par which is good news for the consumer, while petrol and diesel stock comprise nine in every 10 used cars at auction.

Justin Lane, Chief Customer Officer



Outlook

We believe these positive trends around EVs will continue and we don't see prices falling or rising dramatically anytime soon which spells good news for future demand. The condition of used cars being offered for sale is likely to remain a challenge until such time as parts availability and costs improve. This spells good news for fleet demand and prices. It will mean vendors have to be more flexible with the reserves they set on each car they sell. And if it does require repairs then they will have to alter their price expectation accordingly. While used volumes are improving, we don't expect we will see the market flooded with stock in 2023 which will be good news for stability.

Nick Thompson, Director of Sales



OVERALL MARKET TREND

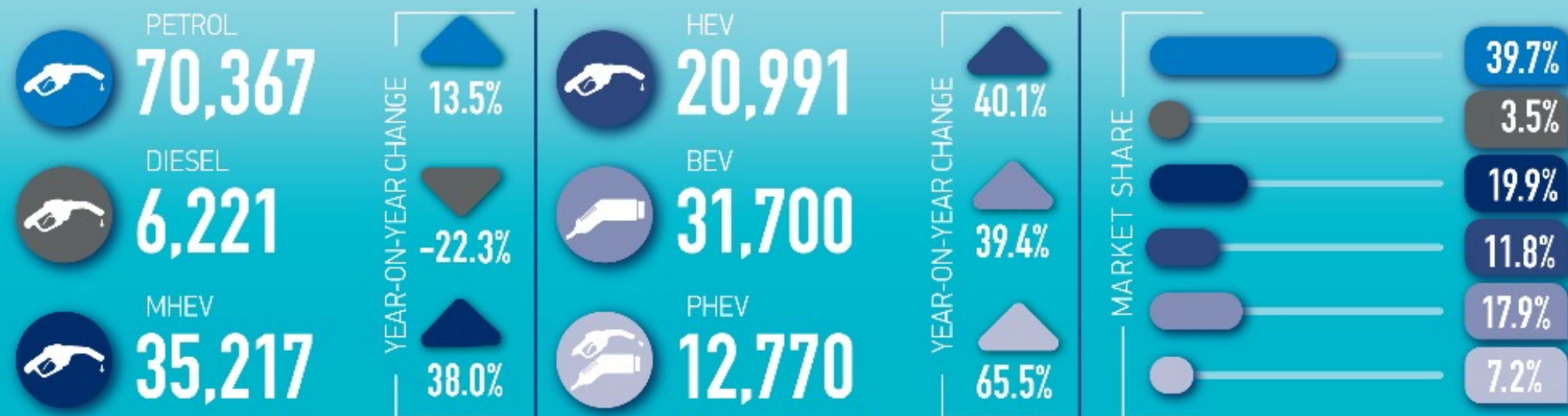
JUNE 2023

NEW CAR REGISTRATIONS

TOTAL: 177,266

25.8%

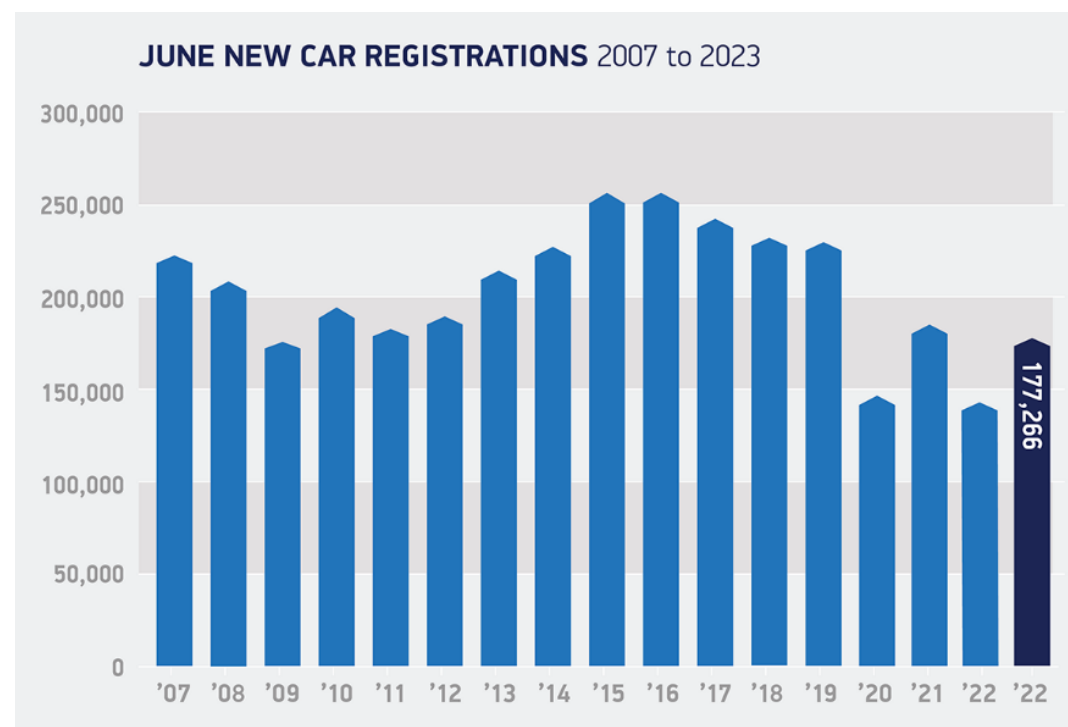
YEAR-ON-YEAR CHANGE



OVERALL MARKET TREND

Mike Hawes, SMMT Chief Executive, said:

“The new car market is growing back and growing green, as the attractions of electric cars become apparent to more drivers. But meeting our climate goals means we must move even faster. Most electric vehicle owners enjoy the convenience and cost saving of charging at home but those that do not have a driveway or designated parking space must pay four times as much in tax for the same amount of energy. This is unfair and risks delaying greater uptake, so cutting VAT on public EV charging will help make owning an EV fairer and attractive to even more people.”

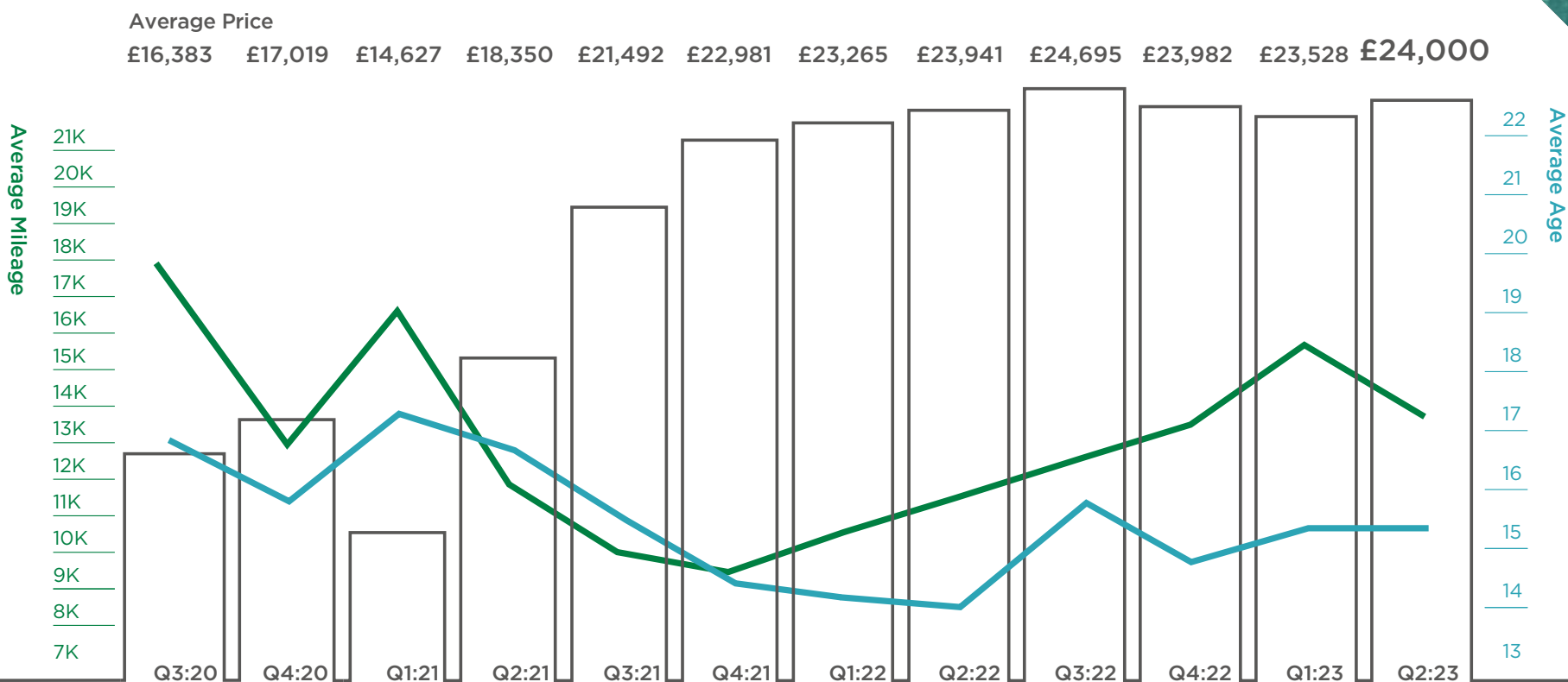


LATE AND LOW MARKET PROFILE (0-24 months)

Prices rose by 2% (£472) in Q2 back up to near their record high.

The rise was helped by a fall in average mileage in Q2 to 13,681 from 15,000 miles in Q1.

The volume of stock in this sector remains small and dealers are cherry picking those models that they know sell quickly or buying to order.



FLEET MARKET PROFILE

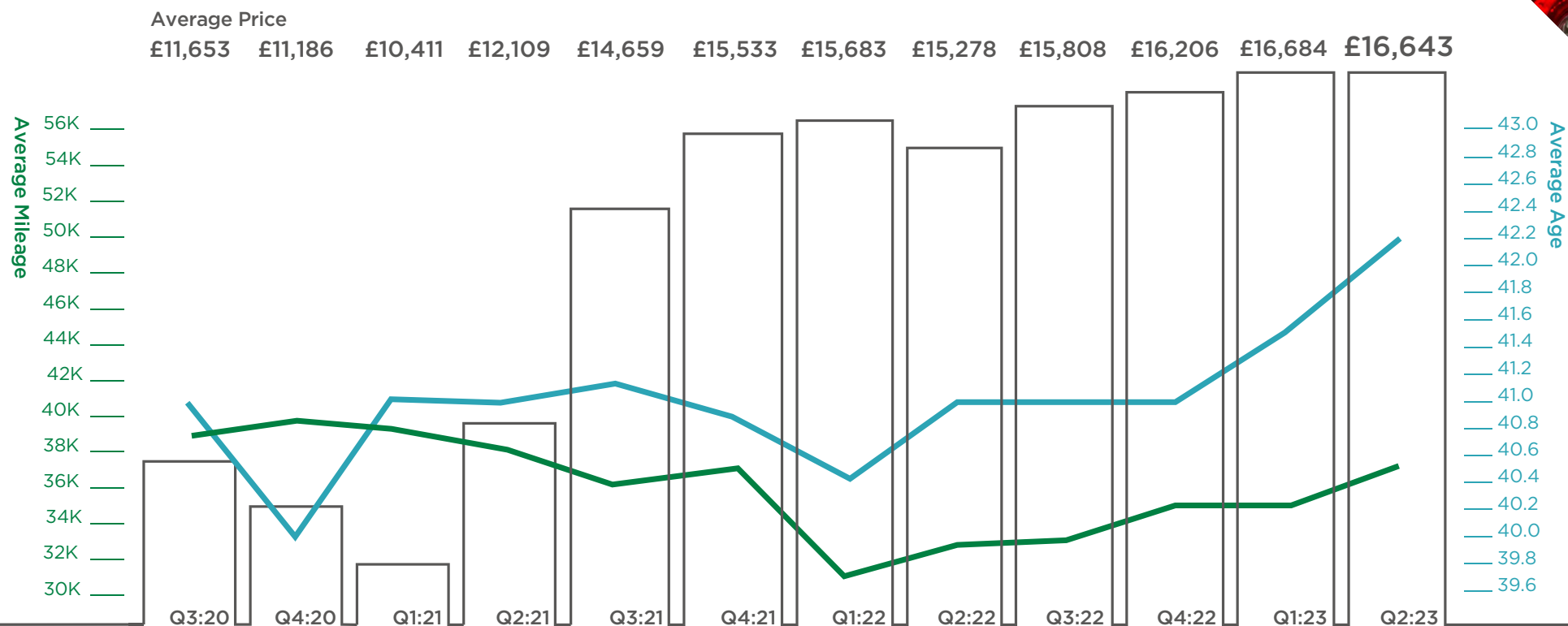
(24-54 months)

Prices in this sector are extremely consistent with prices falling by just £59 from Q1 to Q2 to £16,643.

Average age has risen by one month to 42.2 months while average mileage rose in Q2 to 37,395 miles.

Fleet mileages have risen by 16.8% (£5,395) between Q1 2022 and Q2 2023 as drivers have gradually increased their travel on company business since the end of the Covid pandemic.

Mos of the stock is NAMA grade 1 and 2 which has keep demand and conversion rates high.



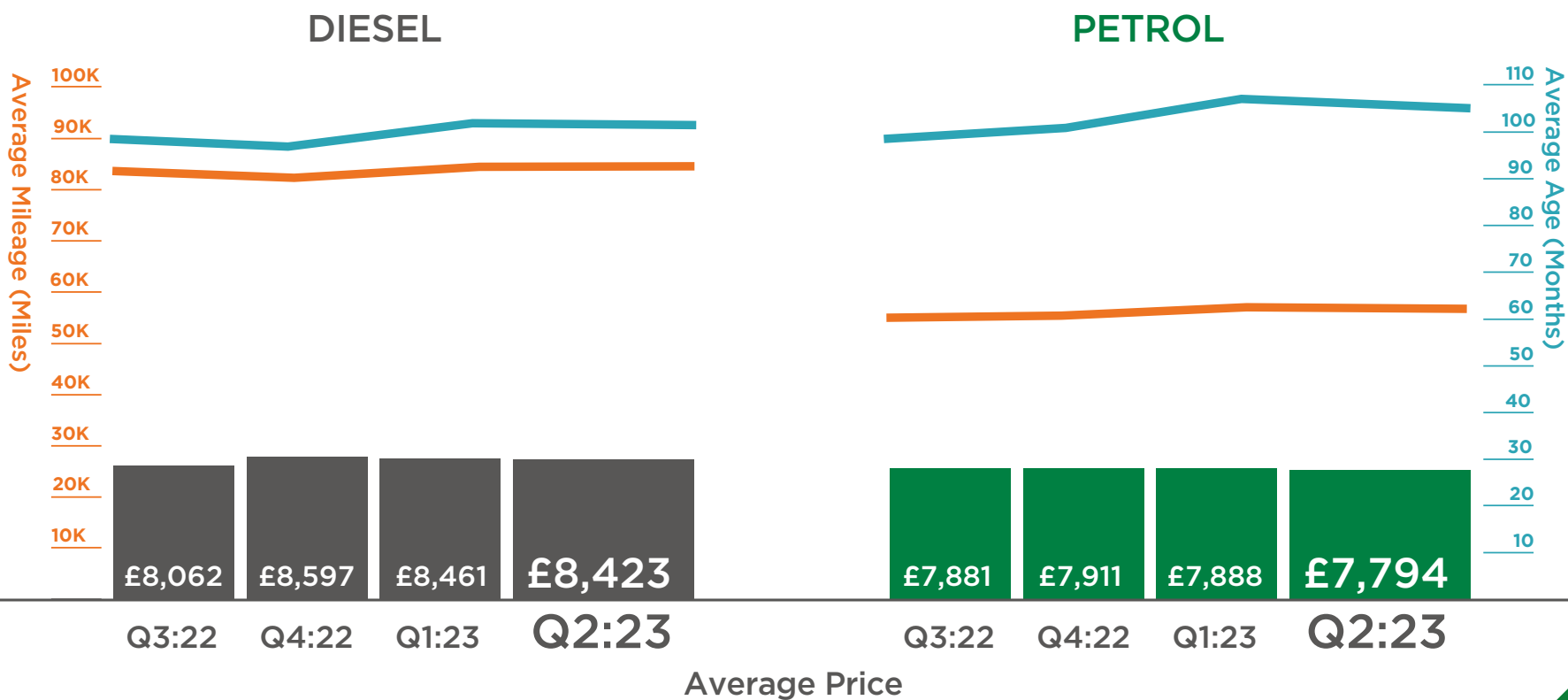
OVERALL MARKET FUEL TYPES

DIESEL prices have remained constant at £8,423 as have average age and mileage at 101 months and 84,216 miles.

Despite average age falling by two months to 104 months and average mileage falling from 57,492 to 57,073 miles **PETROL** prices fell by £94 to £7,794 in Q2.

Both ICE fuel types account for 90.5% of used cars sold through Aston Barclay and generally demand and prices are stable.

Like all the other market segments buyers have become less keen on buying damaged cars due to repair costs and parts delays.



OVERALL MARKET FUEL TYPES

HYBRIDS experienced the biggest price fall of any fuel type in Q2 of 5.6% (£1,198) despite average age falling to 47 months and 45,786 miles.

Because EV prices are falling hybrid demand has been affected with more used car buyers moving straight to electric from petrol or diesel rather than using a hybrid as a steppingstone.

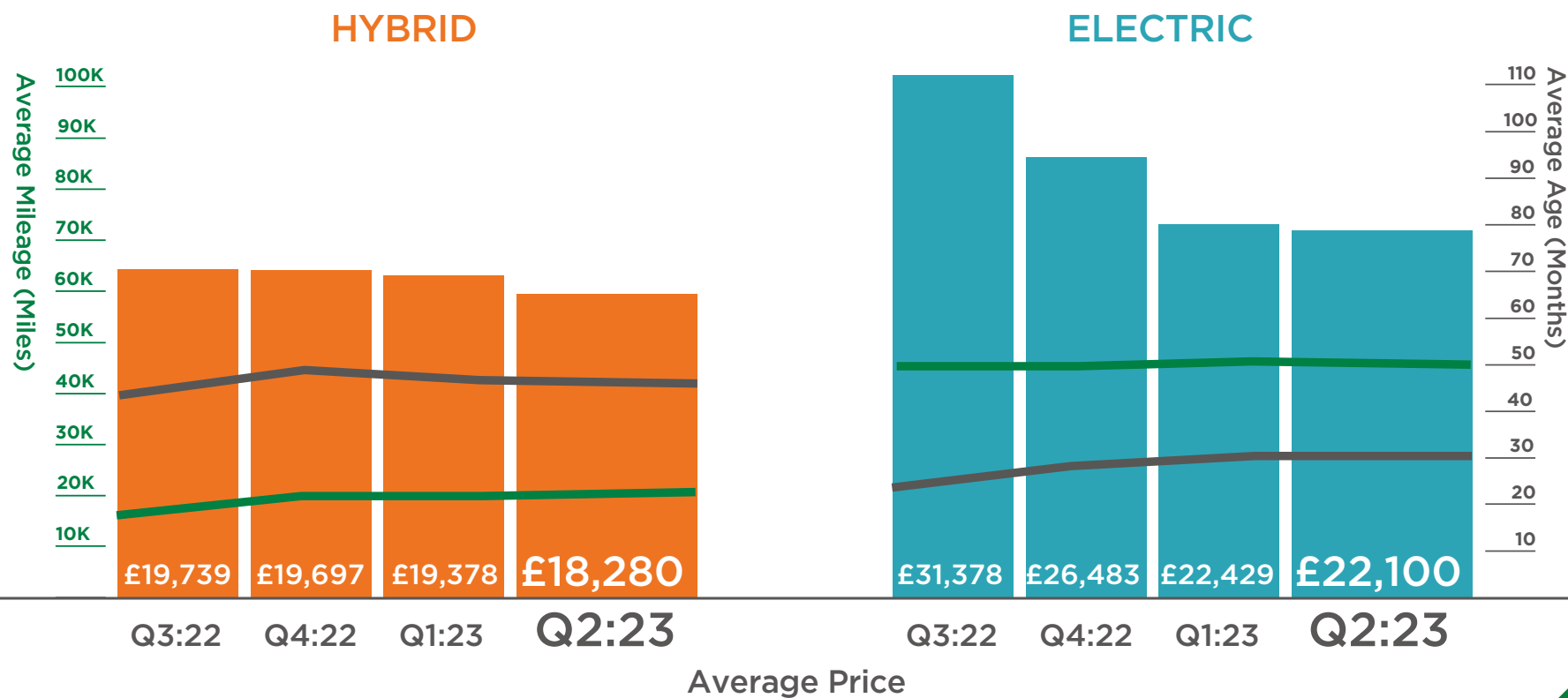
EV prices remained the most consistent they have been for some months by falling just 1.4%

(£329) from Q1 to Q2 as average age and mileage remained at 30 months and 22,128 miles.

There are signs that the sector is now stabilising following the Tesla price drop which has impacted the EV sector by prices falling and demand rising.

Some EV prices are now on a par with their ICE equivalent for the first time which is making choosing between petrol and diesel and an EV much easier.

The Tesla brand remains very aspirational in the used EV sector.



DEALER MARKET PROFILE - YOUNG PART EXCHANGES

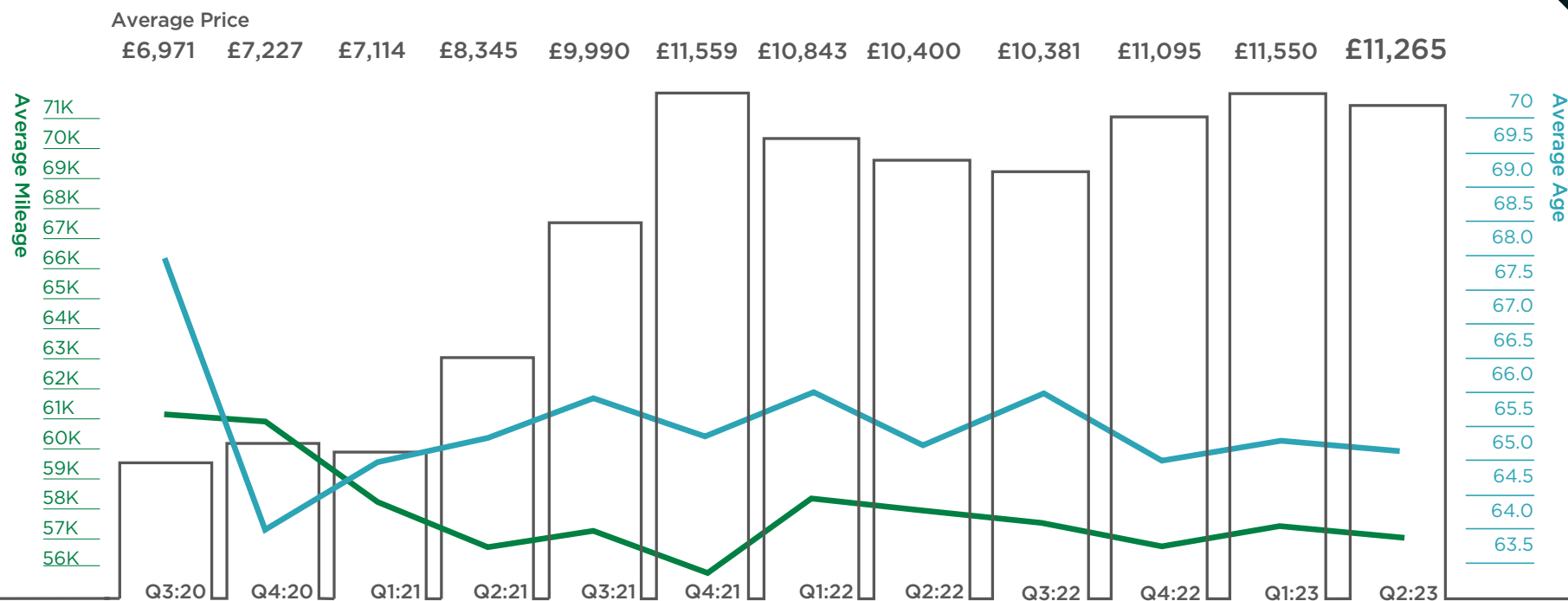
(55-75 months)

Prices fell back slightly in Q2 by -2.4% (£285) to £11,265 as the volume of stock rose on the back of the March plate change.

Stock levels have risen since the new plate change but dealers continue to retain the part exchanges in

good condition and only sell the unwanted or repeat stock cars at auction.

Therefore, anything with damage is struggling to sell with vendors faced with a decision to refurb cars or reduce their reserve prices.

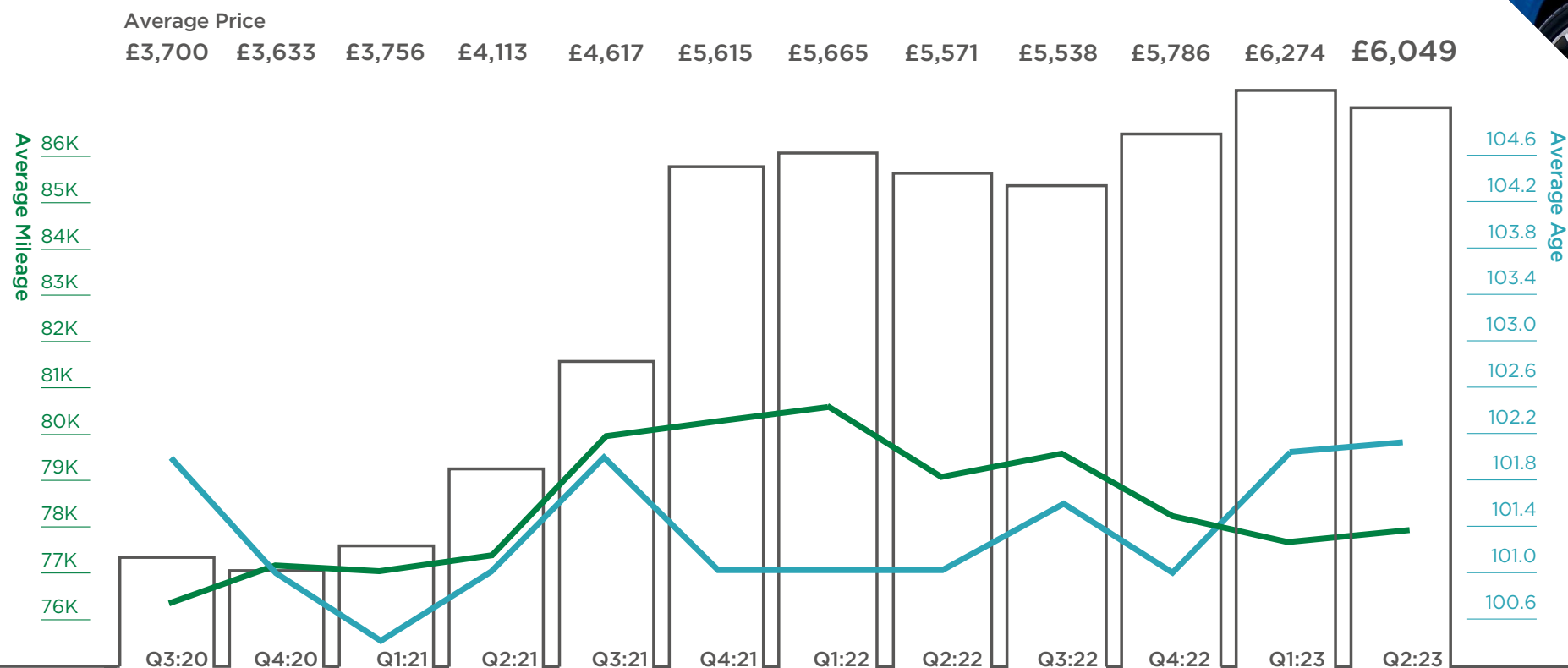


DEALER MARKET PROFILE - OLD PART EXCHANGES

(78-125 months)

Prices fell by -3.5% (£226) to £6,049 as average age and mileage remain consistent at 102 months and 77,943 miles.

The trends are the same in this sector as with young part exchanges where improved condition drives higher bids, prices, and conversion rates.



DEALER MARKET PROFILE - BUDGET PART EXCHANGES

(126+ months)

Prices fell in Q2 by £52, the first quarterly fall we have witnessed since Q2 2021.

Despite this fall the sector remains stable and equates to one in four used cars Aston Barclay is currently selling.



USED VAN MARKET

As we can see from the SMMT figures the number of new LCV registrations continues to rise as vehicle production levels improve. The volume of used vehicles coming back into auction is increasing but at a time when demand is being compromised.

Small businesses are holding onto their used vans for longer as their personal and business lives are impacted by ever increasing interest rates. SMEs are deciding they can survive another year with their current van as borrowing money to buy a replacement continues to rise.

Conversion rates have fallen by 25% in 2023 and the used vans in the best condition are realising the highest prices. Buyers are still not keen on buying vehicles that need repairing.

For example, when a headlight on a van is in back order for several months you can understand them being selective on what they bid on.

The CAP used values guide also remains out of sync with the market with its prices generally too high. This needs to be addressed to ensure vendors aren't holding out for unrealistic prices. Overall, we think the market trend towards buying damage free vans will remain and as it enters its seasonal summer lull vendors will need to be prepared to reduce their price expectations to improve conversion rates.

Geoff Flood,
Aston Barclay's National LCV Sales Manager



VAN MARKET PROFILE

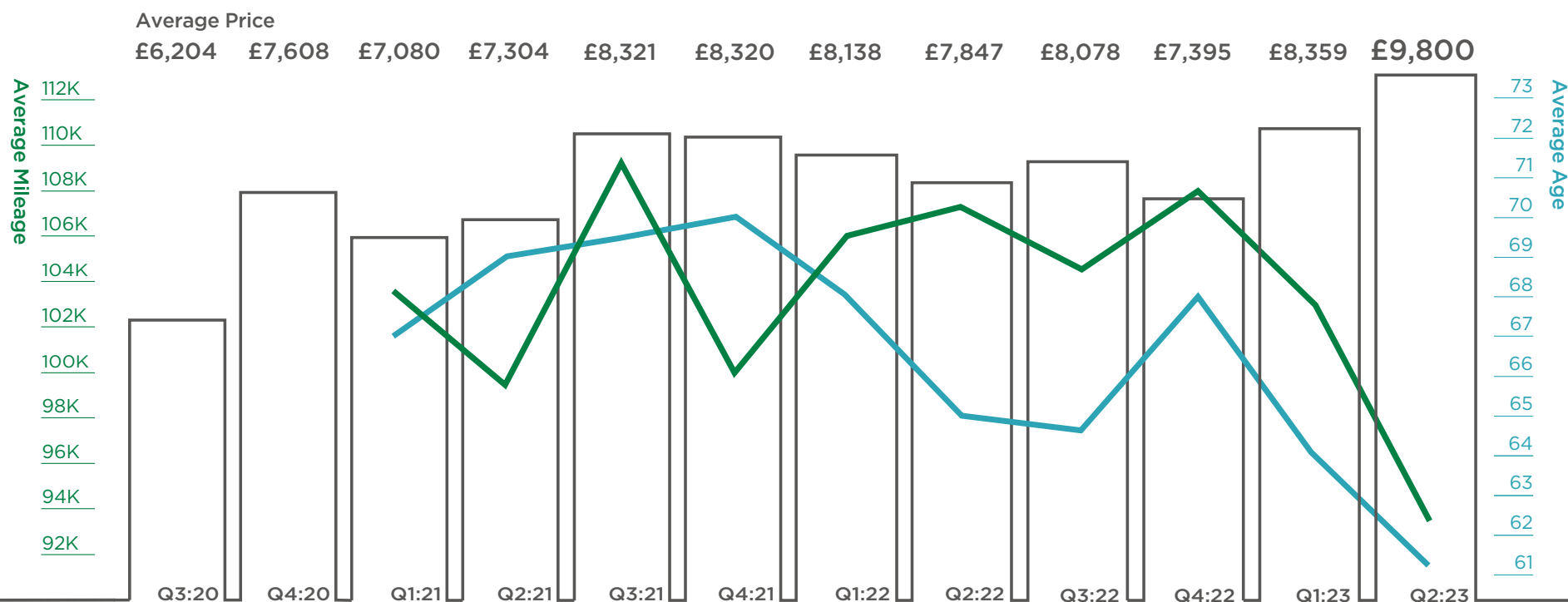
Prices rose by a massive 17.2% in Q2 from Q1 which represents a rise of £1,441.

This was helped by a huge fall in average mileage from 102,933 to 94,000 miles while average age remained at 61.3 months which shows buyers are cherry picking the best stock to buy at auction.

Buyers are being more selective about avoiding buying used vans with damage as parts availability and access to bodyshops can take time and be quite costly.

Conversion rates have fallen by 25% in 2023 at a time when more stock is reaching the market.

Dealers are experiencing a fall in demand as their customers are faced with rising interest rates.

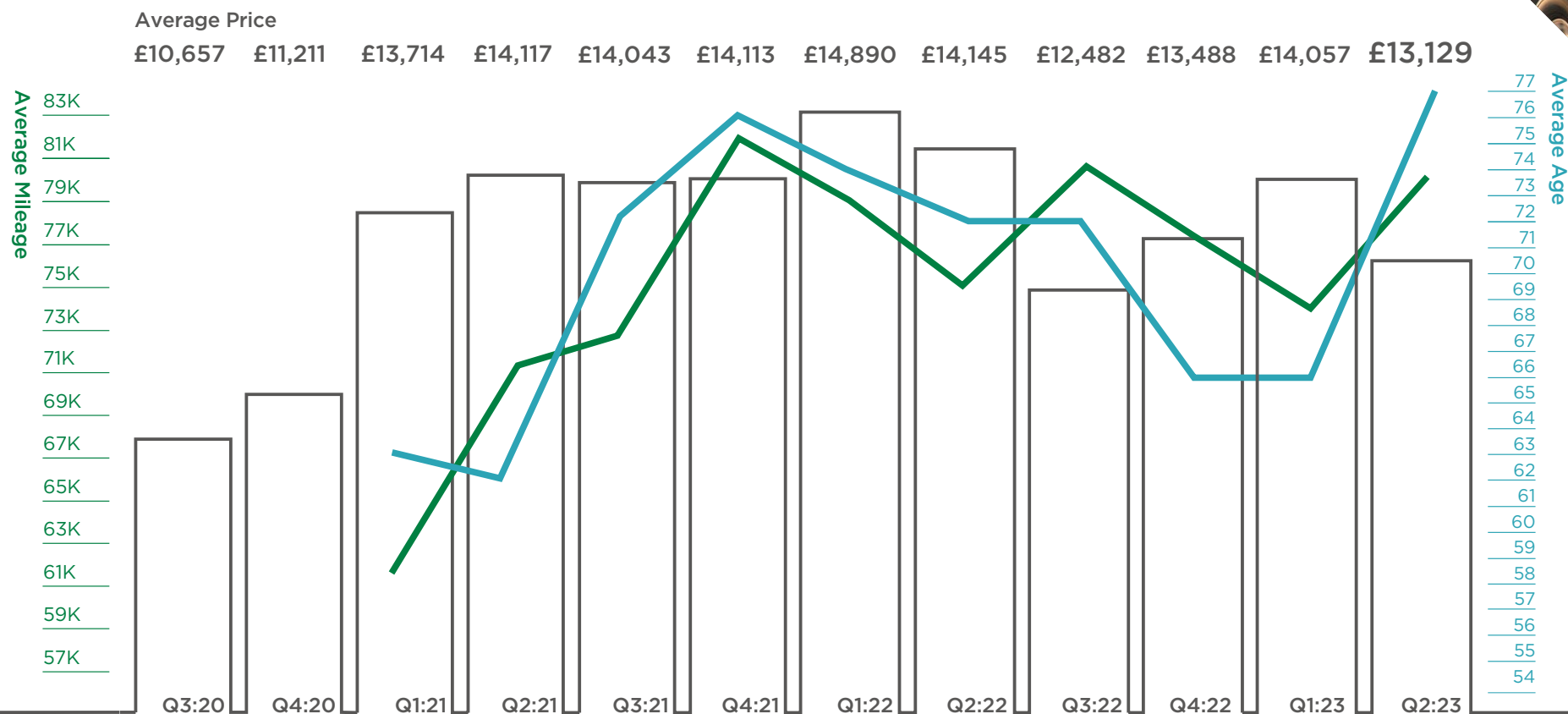


DOUBLE-CAB PICK-UP MARKET PROFILE

Double cab pick-up prices continue to rise and fall with CAP prices out of kilter with market prices, sometimes by a few thousand pounds on the large petrol engine models.

Q2 represented a fall of -6.6% (£928) to £13,129 mainly down to average age rising by 11 months to 77 months.

Average mileage went the other way from 83,475 miles in Q1 to 79,770 miles in Q2.





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