



Monthly Market Intelligence

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

JUNE 2023

 AutoTrader

2023 H1 ends on a positive with more economic uncertainty in the second half of the year

NEW CAR REGISTRATIONS

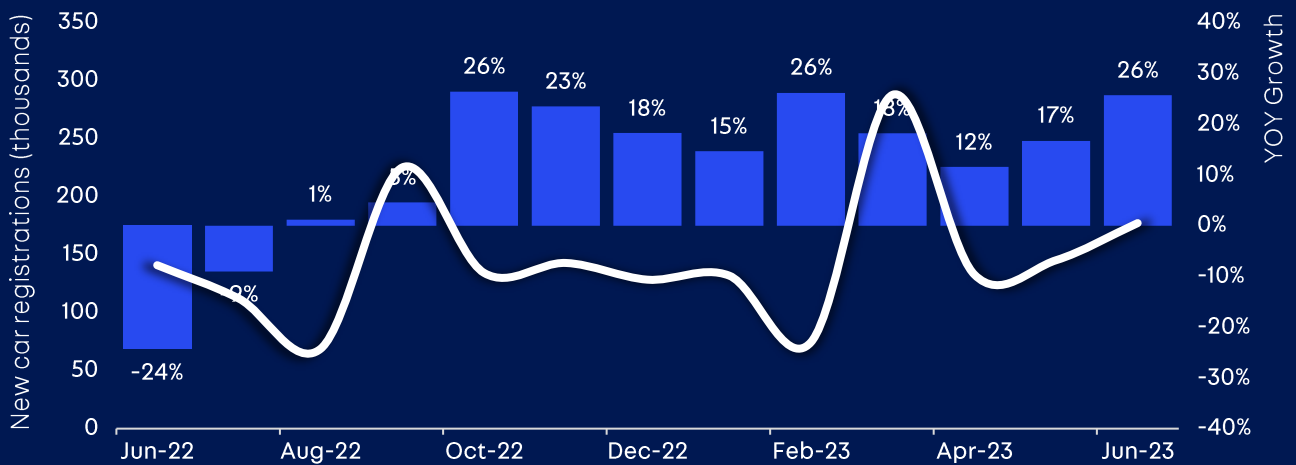
New car registrations increased by 26% in June, growing on a year-on-year basis for the 11th consecutive month. The fleet market continued to be the primary driver of new car sales with volumes up 38% year-on-year. Retail sales also improved in the month, rising 15% year-on-year, though volumes were still well below 2019 levels as market conditions become more challenging for retail buyers.

177,266

NEW CAR REGs. (SMMT)

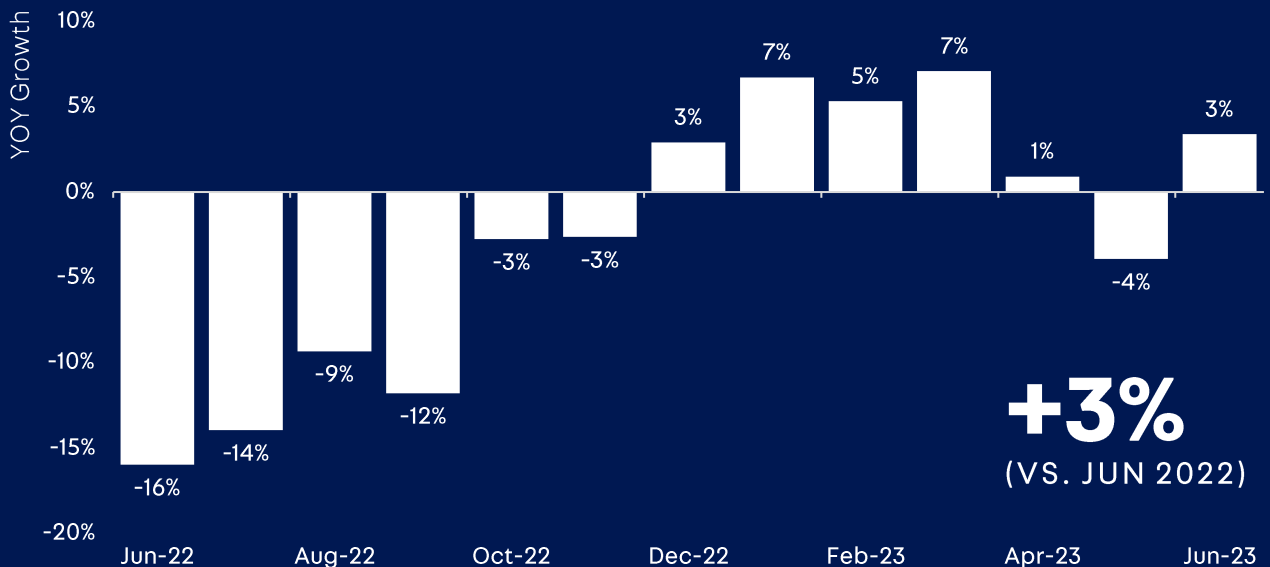
+26%

(VS. JUNE 2022)



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

Used car sales increased 3% year-on-year based on the stock removed from Auto Trader in June (although the additional June 2022 Bank Holiday in celebration of the Queen's Jubilee contributed to this year's uplift). Compared to pre-pandemic levels, used car sales were still down by -4% due to ongoing supply constraints.



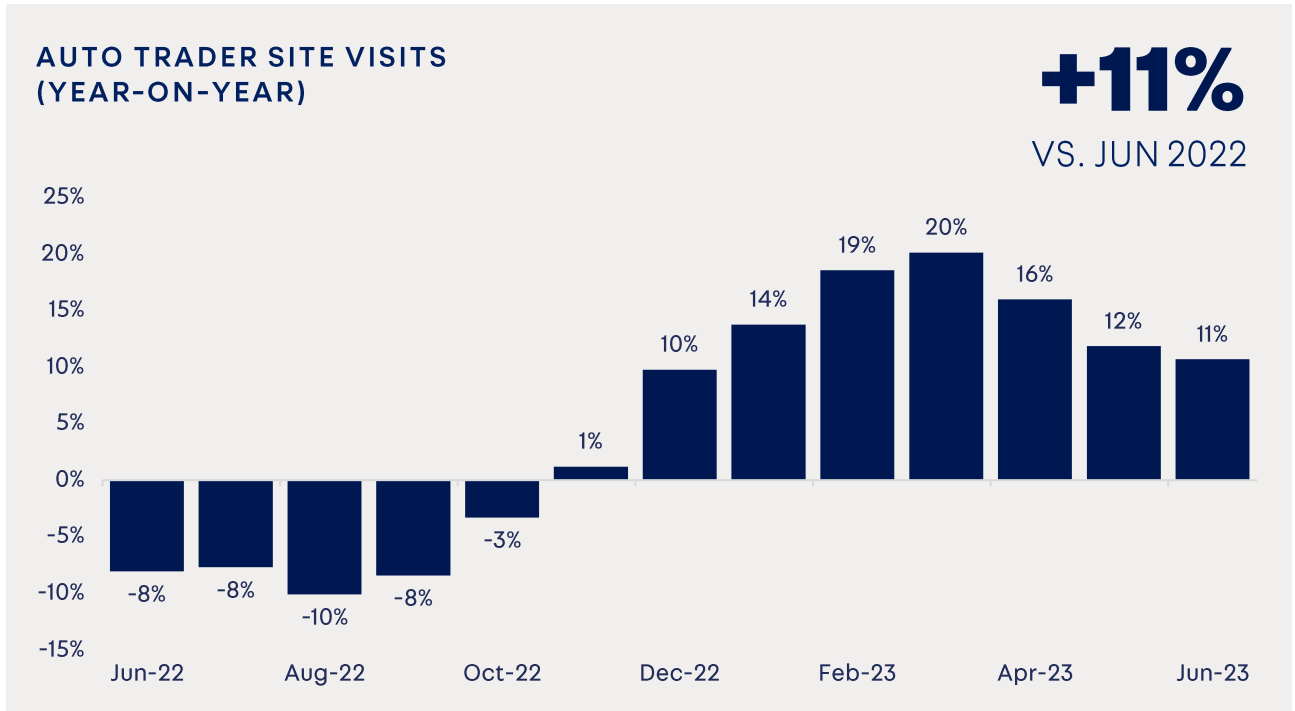
+3%

(VS. JUN 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.

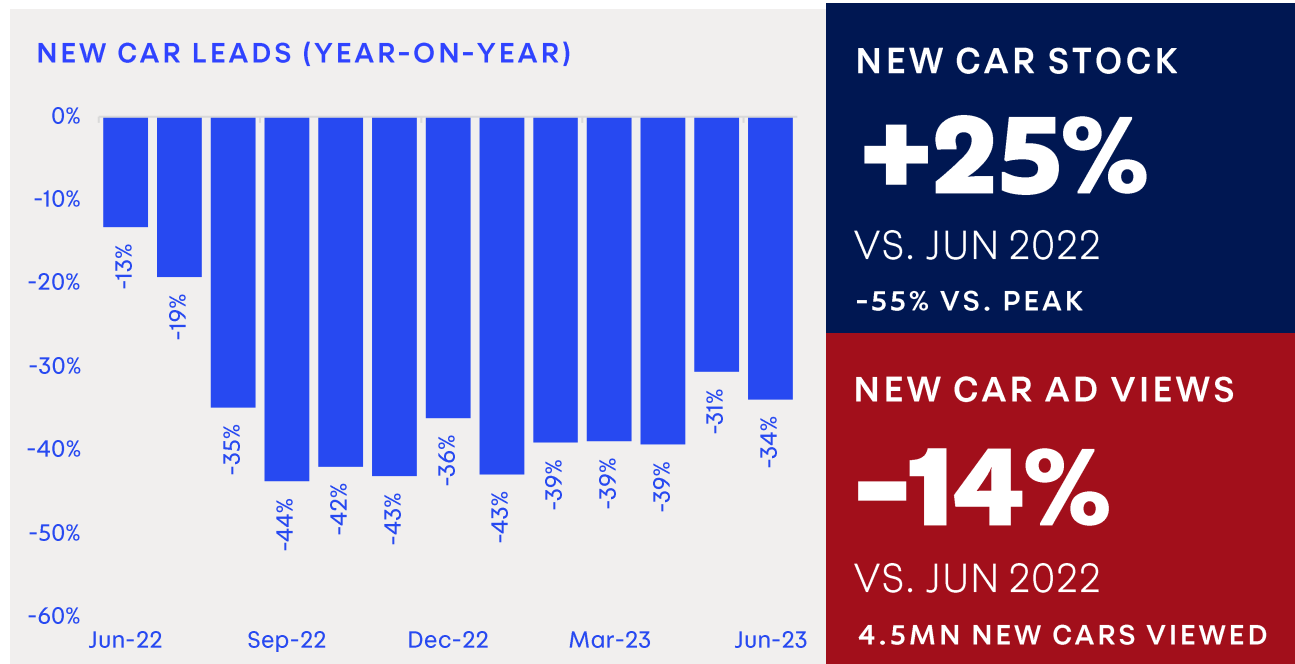
AUTO TRADER AUDIENCE

The first half of 2023 ended with 466 million site visits to Auto Trader, 61 million more than the year prior as people continued to search for their next vehicle. In June, site visits were still up 11% on last year's levels. Whilst market activity remains robust, the second half of the year faces the continued challenges of persistent inflation, elevated interest rates and squeezed incomes.



NEW CAR: ENGAGEMENT & CONVERSION

Retail demand for new cars continued to struggle in June as interest rates moved higher (see the Focus Area). The number of leads sent to manufacturers and retailers was still down -34% year-on-year, but there were positives beneath the surface as EVs accounted for 12.8% of enquiries, up from just 9.7% in May and 9.8% in April.

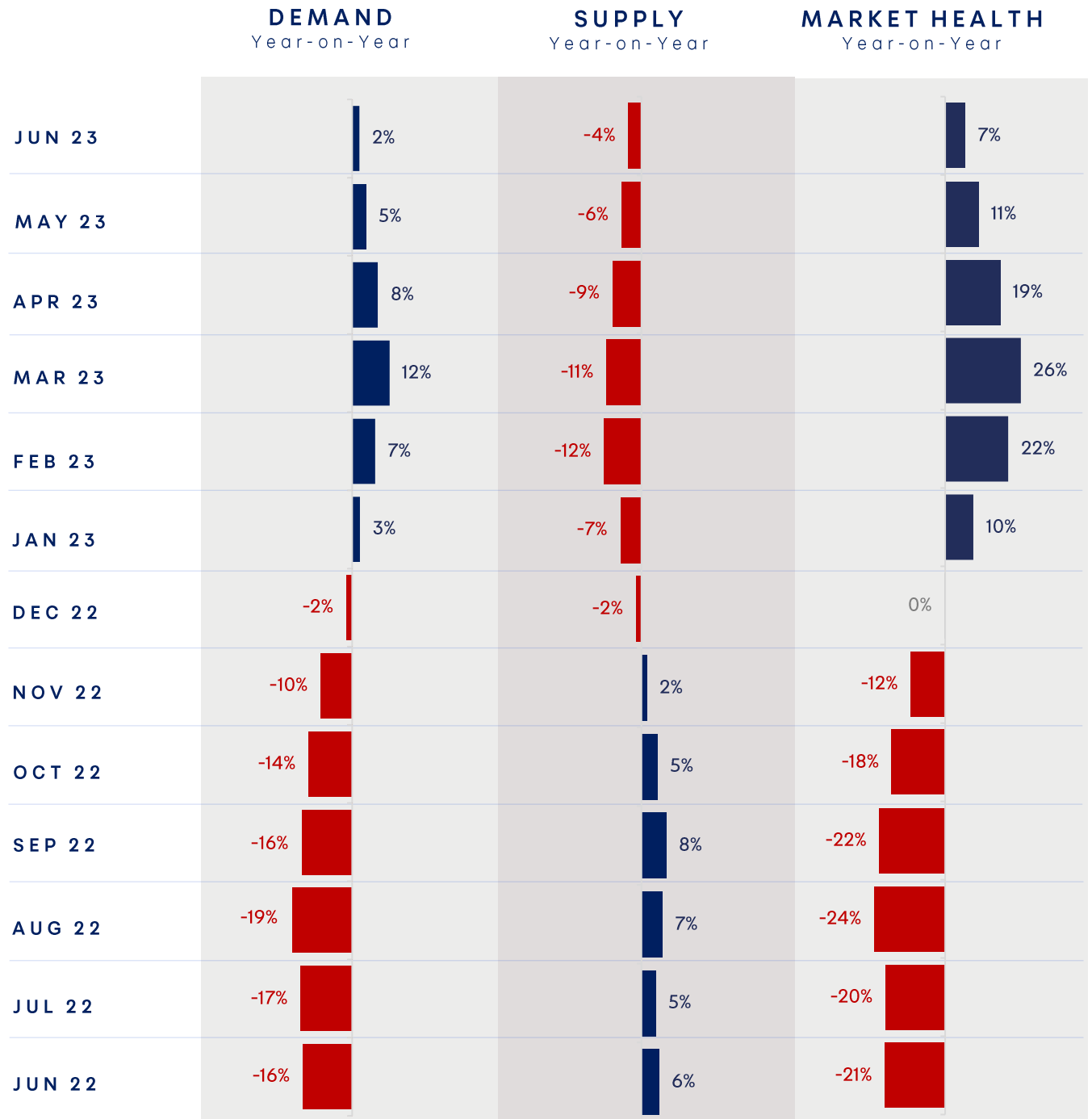


USED CAR MARKET HEALTH

In June, used car demand was still ahead of 2022 levels. Supply constraints persisted with stock levels 4% back on last year, driven mainly by a lack of 3-5 year old cars. Overall, the market remained in a healthier position compared to last year, with used cars selling every 30 days in June, the same as last year and 3 days faster than pre-pandemic levels.



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

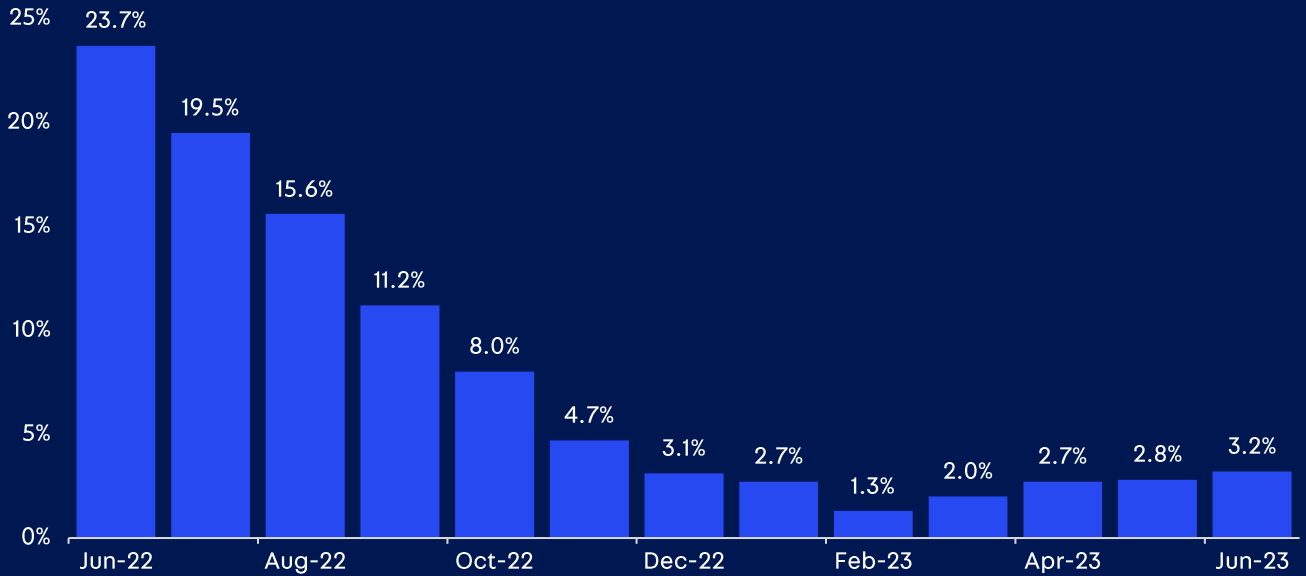


USED CAR RETAIL PRICE GROWTH

Used car retail prices increased by 3.2% on a like-for-like and year-on-year basis in June, marking 39 consecutive months of growth. Underlying the headline movement were strong price movements on older cars due to high levels of demand. Prices of 1-3 year old cars declined for the second consecutive month, but this decline was driven entirely by AFVs. Used EV prices remained 19% below last year's levels having settled around this new level in recent months.

YEAR-ON-YEAR USED CAR RETAIL PRICE GROWTH

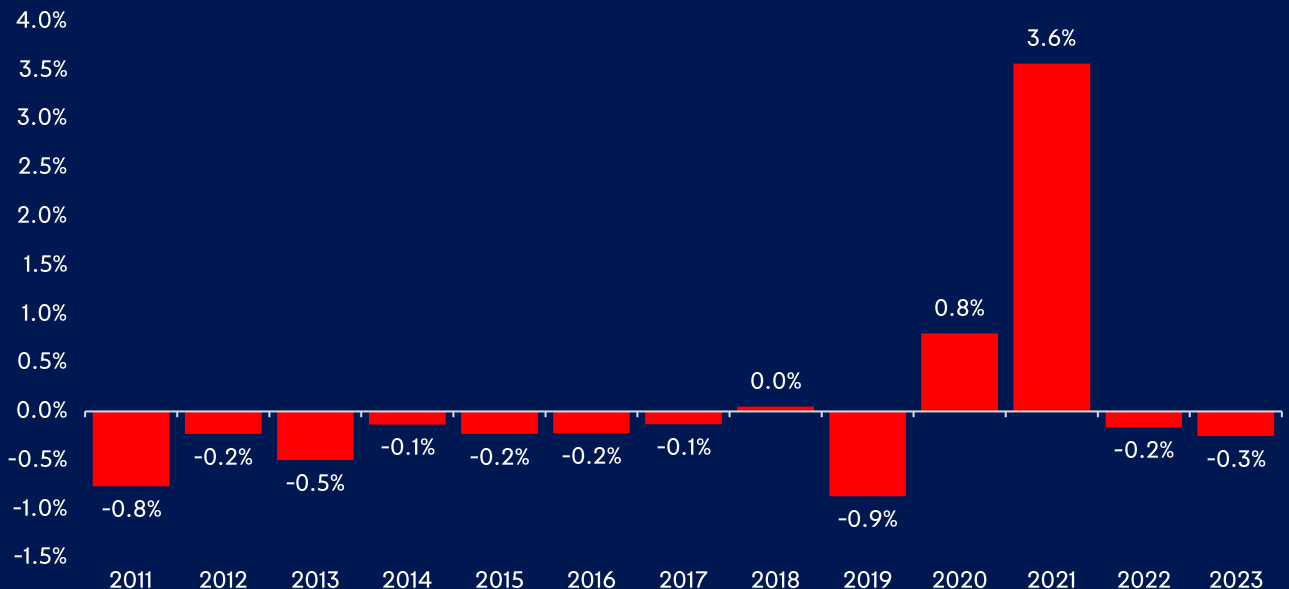
Like-for-Like Basis



On a month-on-month basis, used car retail prices declined by -0.3%, matching the pre-pandemic average for the month of June and highlighting once again that used car prices are following seasonal patterns in 2023. The latest activity takes the average price of a used car to £17,756.

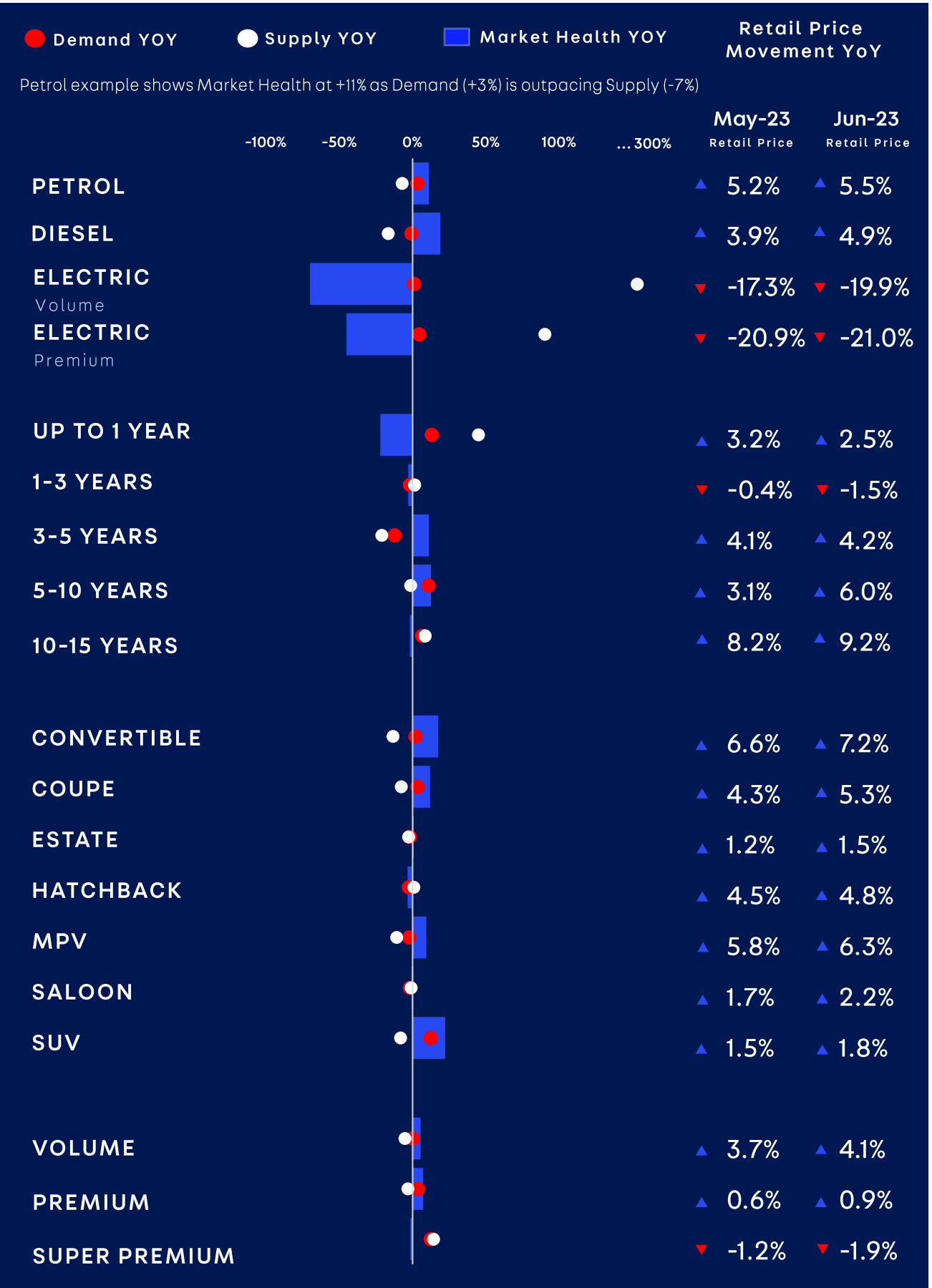
MONTH-ON-MONTH USED CAR RETAIL PRICE GROWTH: JUNE

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.



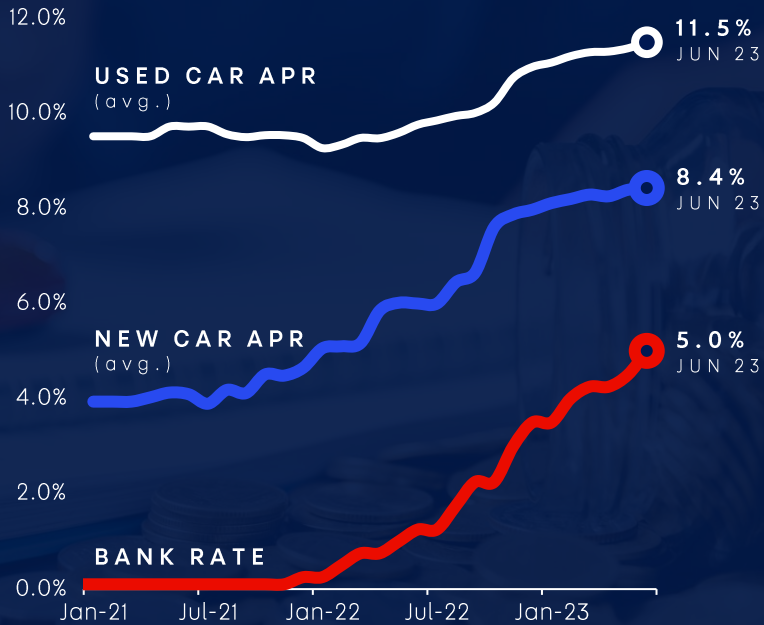
In focus this month

The Cost of Car Finance

For the last decade, car finance has been an accessible and affordable way to buy a new or used car, but higher interest rates are making it more expensive.

The average new car APR is 4.5ppts higher than two years ago.

UK INTEREST RATES SINCE 2021
APR includes PCP, HP and Conditional Sale



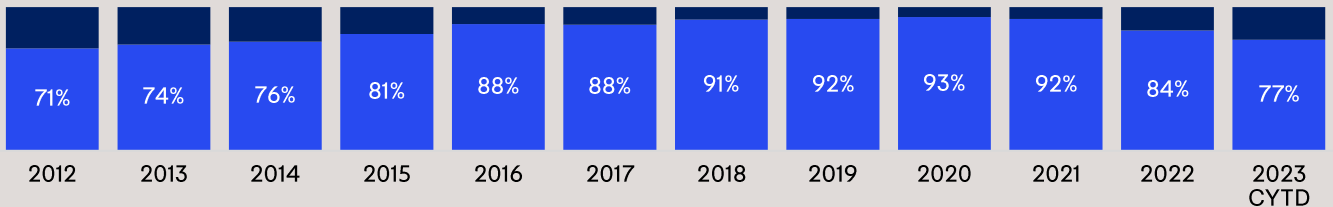
Source: Bank of England. Auto Trader APR data. New car APRs include 17 captive lenders and used car APRs include 80 lenders

Higher APRs are making finance a less attractive option for car buyers, impacting finance penetration levels.

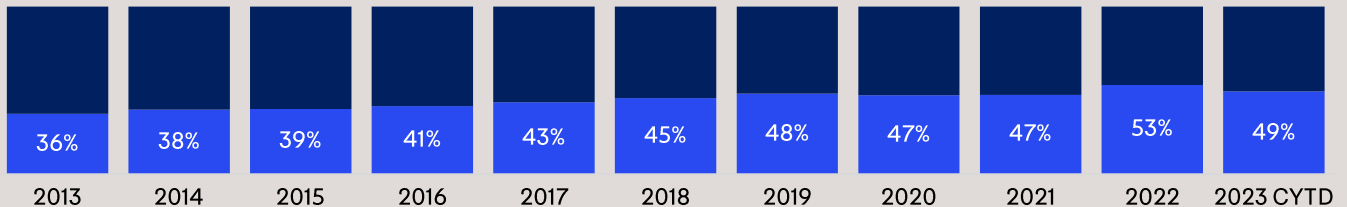
FINANCE PENETRATION (% CARS SOLD ON FINANCE)

2023 CYTD (until March)

NEW CAR (Retail)



USED CAR (B2C)



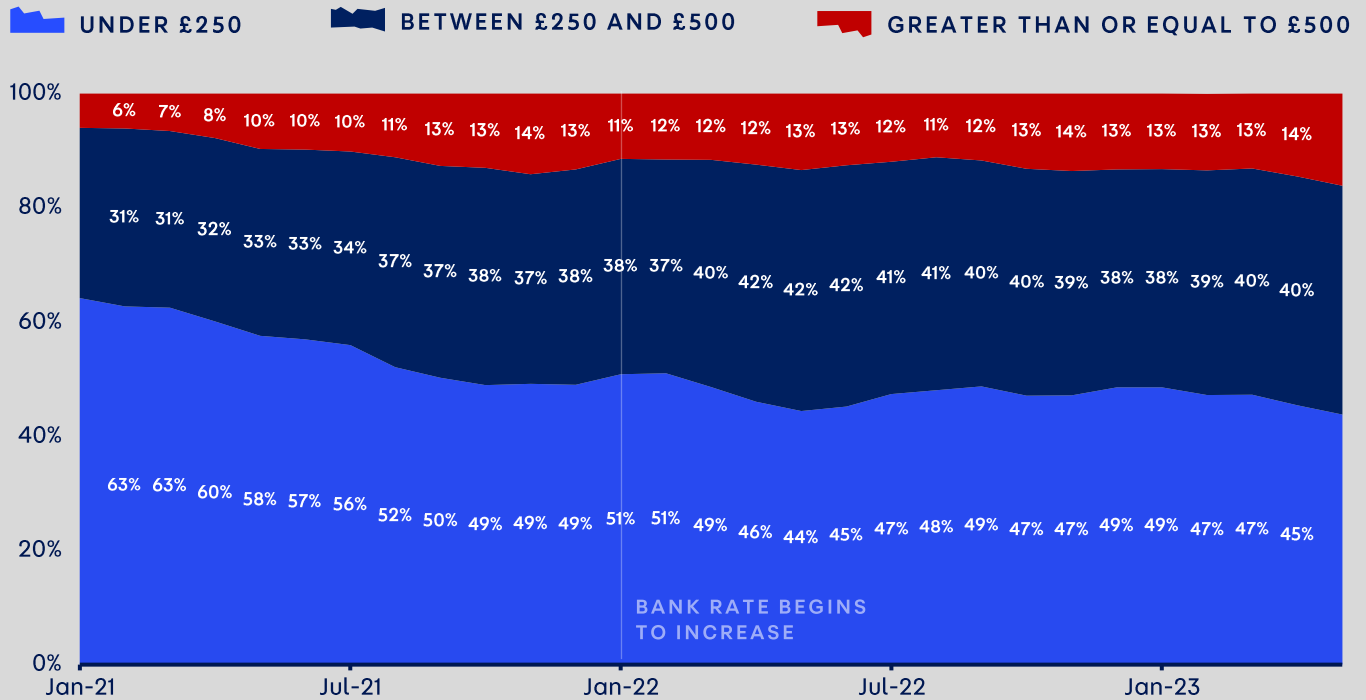
Source: FLA, SMMT, DVLA

*Used car penetration uses trade split assumption on used cars from GMAP (ranging from 44%-54%)

Monthly payments on used cars have been rising over time due to higher APRs and car prices.

USED CAR MONTHLY FINANCE PAYMENT MIX: 48 MONTHS/ 10K PER ANNUM

Based on finance leads submitted



Source: Auto Trader

But there have been more interactions with used car finance calculators as people look for the best offers.

USED CAR FINANCE CALCULATOR INTERACTIONS ON AUTO TRADER

Year-on-Year



Source: Auto Trader