

March 2019

## Cox Automotive confirms double-digit part-ex volume increase in March

- Part-ex volumes increased 10% month-on-month (MoM) at Manheim
- Dealers report year-on-year (YoY) fall in demand in Modix sentiment survey

### WHOLESALE



Average part-ex price

**£4,150**

↑ 1.7% MoM



Average age

**87 months**

↑ 2.6% MoM



Average mileage

**68,591**

↑ 6.8% MoM

Cox Automotive recorded a double-digit increase in part-exchange volumes through its physical and digital wholesale channels in March.

Manheim saw the number of part-exchange vehicles rise by 10% month-on-month (MoM), while the average part-ex price was up 1.7% to £4,150.

Dealer-Auction.com, Cox Automotive's trade-to-trade auction platform, also reported increased volume (up 8%) while the average sales value rose slightly to £5,088.

NextGear Capital, Cox Automotive's stock funding business, also reported an increase in average vehicle values, up 5% month-on-month to £7,958. Average holding days fell by 3 to 59.8.

Philip Nothard, Customer Insight and Strategy Director, said: "March was a month of two halves in the wholesale market. We saw strong prices and demand in the first two weeks, particularly for ready-to-retail stock, but the market was more challenging in the latter part of the month, possibly as a reaction to political uncertainty over Brexit."

"In the fleet market, the introduction of WLTP and ongoing uncertainty around taxation is causing owners to hold on to their cars for longer, and we're seeing older, higher mileage vehicles entering the wholesale market. While demand for fleet vehicles was strong in March, changing vehicle profiles have had a direct impact on the average value of fleet stock."

## Wholesale fuel comparison year-on-year



Petrol

**£4,397**

-11%



Diesel

**£6,771**

-12.5%



AFV

**£9,907**

2.3%

Petrol and diesel prices fell year on year in March, likely to be influenced by an increase in vehicle age and mileage. The average price of Alternative Fuel Vehicles (AFVs) increased by 2.3%.

## RETAIL

### Dealer sentiment



Margins

**51%**

Reported margins held steady YoY



Demand

**11%**

Believe consumer demand was up YoY



Confidence

**54%**

Believe economic conditions are declining

Traditionally a strong month for new car sales, March results from the SMMT show a 3.4% decline on 2018.

According to the latest dealer sentiment survey from Modix, almost 60% of retailers feel that consumer demand was down in March compared to prior year.

The results painted a more positive picture on used cars, with 62% reporting that days in stock were lower than prior year.

Nothard commented: "March's new car registration figures made for disappointing reading, with the market down 3.4%. It seems clear that political uncertainty in the key plate change month had a big part to play, but private registrations have held relatively steady YTD, down just 1% year-on-year."

"From a fleet perspective the headline new car figures don't necessarily tell the full story, and manufacturers have worked hard to maintain a stable market by using all the sales channels available to them."

# MARKET TRACKER

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Your monthly overview of the used car market

“In the used market we’ve heard reports of a fall in demand in March, but dealer sentiment around days in stock suggests that this area of the market is still performing strongly.”

“Concerns on margins expressed in February’s survey have lessened in March, but this is likely to be a continued theme in the coming months as some manufacturers increased new car prices from 1<sup>st</sup> April.”

Ends

## Notes to editors

For all media enquiries and picture requests, please contact:

[kate.rooney@coxauto.co.uk](mailto:kate.rooney@coxauto.co.uk) | 07824 897845

[tim.gearey@coxauto.co.uk](mailto:tim.gearey@coxauto.co.uk) | 07468 691675

## About Cox Automotive UK

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