

December 2019

LCV Market Overview

It will come as no surprise to those who attended any auctions last month that the used LCV Wholesale Market is strong at the moment. In fact, as we look back at our research data, it is clear that from a price performance perspective the market has been steadily improving since September and is currently showing no signs of letting-up.

Last month was no exception judging by what we witnessed at the auctions. Generally the halls were busy and there was a healthy mix of trade and retail buyers most of whom were actively bidding at some point or other. Of particular note were the number of professional traders around who were buying in multiples suggesting that retail demand remains in good health. Senior auction officials we spoke to last month also confirmed that their buyers had been reporting strong retail demand albeit confined largely to the panel van sectors. Whether or not this is down to dealers increasing their stock levels so they don't miss out on any spikes in demand early in the New Year remains to be seen.

It was also evident that a large number of sales were attributed to internet buyers, in fact, on many occasions it seemed that the closer the auctioneers got to the reserve prices the only bids being received were from the internet.

Although only the auctioneers and those behind the rostrum know for certain how many potential buyers there are online at any given point in time, the presence of internet buyers lurking in the background can often be felt. It seems that as if it's becoming normal for auctioneers to struggle getting an initial bid as a stand-off between the hall buyers and internet buyers is played out. Once the bidding starts there is generally a toing and froing between hall and internet until one side bows out.

In the early days of combined internet and physical LCV auction sales there was much talk about online buyers having the upper hand? More often than not they could afford to outbid their counterparts in the hall as their overheads were lower. They didn't need to travel to an auction venue saving time and travelling expenses, they could take part in more than one sale at the same time and they could effectively carry on conducting their day to day business whilst taking part in the auction sale.

With auction houses reporting ever increasing numbers of vehicles being sold over the internet, as high as 50% for some sale sections, it seems that the dynamics of motor vehicle auctions are changing as more and more buyers take to the internet to source stock.

Sales Performance Trend by Sector

	September	October	November
LCV Sector	Performance	Performance	Performance
City Van	97.0%	96.0%	101.3%
Small Van	96.6%	98.5%	100.0%
Medium Van	99.3%	101.1%	101.0%
Large Van	98.8%	100.3%	100.8%
Over 3.5T	101.5%	103.9%	98.6%
4x4 Pick-up Workhorse	99.6%	101.6%	100.0%
4x4 Pick-up Lifestyle SUV	100.8%	101.2%	101.0%
Forward Control Vehicle	99.9%	102.3%	98.2%
Chassis - Derived	96.4%	99.2%	99.7%
Mini-bus	103.7%	102.2%	102.9%
Vat Qualifying	100.9%	99.2%	98.9%
Total Market	98.5%	100.0%	100.6%

On average the price performance of the whole of the LCV sector performed at 100.6% of the guide values, with all but 4 sectors achieving 100% or more.

Since there is an expectation that vehicle values will depreciate slightly as each month progresses, it therefore follows that any sector price performances over 99% indicates that market prices have effectively increased. This means that only the 3.5T and Forward Control sectors marginally underperformed which reinforces our view expressed earlier that the market is strong.

Supply Trend: Auction Catalogue Entries

	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19 MTD
Auction Entries % Var	-48%	68%	6%	2%	-8%	28%	-11%	7%	-14%	-5%	12%	-9%
Average age (Months)	63	59	60	61	62	58	56	59	59	59	58	62
Average Mileage	78,312	75,974	75,974	76,365	77,283	72,114	66,591	70,673	71,057	72,621	69,552	72,746

Auction entries for November were down by 9% month to date compared to October. The average age of entries was up by 4 months to 62 months whilst the average mileage has increased by just over 3000 miles to 72,246 miles.

So far the demand in the used LCV market seems to have been unaffected by the continuing political and economic uncertainty that the country faces, however, last month's decrease in auction entries adds fuel to the concerns expressed by some auction house officials over the shortage of used stock in the marketplace. Arguably, there are suspicions that vehicle operators and leasing companies might be deferring vehicle replacements awaiting the outcome of wider economic changes that could prove damaging to their businesses. On the other hand, delays in the supply of new LCVs due to WLTP cannot be ignored.

With fewer auction sales to attend during December in the run up to the Christmas break, it seems there is always some concern over the supply of stock around this time. As we saw last year, some vendors have already declared their last sale of the year during November and the auction catalogues are getting thinner. Auction houses openly admit that they are concerned over the current uncertainty over supply so it remains to be seen if there will be any improvement in the New Year.

Guide Price Adjustments in this Edition

The guide prices of most models across all of the LCV sectors as a whole have gone down on average by around 0.6% in this edition.

Using 3 years / 60,000 miles as a benchmark, the average percentage and monetary movements shown in the table below give an indication of the extent of the price adjustments that were necessary in order to reflect current market prices for this edition.

Since age is one of the key factors that affects the rate at which a vehicle's value depreciates we would normally expect market prices to fall slightly month on month as each plate we value is effectively one month older. The amount by which the guide values change in order to track market prices serves as an indication of the strength of market in each sector.

December: LCV Used Guide Price Movements 3 year / 60k		
LCV Sector	Average % Movement	Average £ Movement
City Van	-0.1%	-£3
Small Van	-1.3%	-£59
Medium Van	-0.6%	-£57
Large Van	-0.5%	-£37
Over 3.5T	-1.0%	-£109
4x4 Pick-up Workhorse	-0.3%	-£29
4x4 Pick-up Lifestyle SUV	0.4%	£41
Forward Control Vehicle	-1.0%	-£117
Chassis - Derived	-0.6%	-£55
Mini-bus	-0.2%	-£26
Vat Qualifying	-0.7%	-£82

CITY VAN

One of the worst performing LCV sectors for a while, last month we saw a dramatic increase in price performance in the City Van sector from 96% in October to 101.3% in November which were largely attributed to strong market prices for Corsavan, Astravan, Nemo, Bipper and Ford Courier .

Whilst a downward price adjustment of -1% was applied to most model ranges to allow for age depreciation, it was necessary to make some significantly larger price adjustments to the models listed below.

CITROEN NEMO (16-18) VAN (2%)
PEUGEOT BIPPER (16-18) VAN (2%)
VAUXHALL CORSAVAN (07-19) VAN (3%)

CITROEN NEMO (08-16) VAN (2%)
PEUGEOT BIPPER (08-17) VAN (2%)

SMALL VAN

November saw a marked improvement in the Small Van sector with the average price performance at 100% of the guide which is an increase of 1.5% compared to the previous month.

Overall Berlingo outsold all other models in this sector in November with Ford Connect coming in second place and Partner third. Essentially the same van, apart from the badge, the combined sales of Partner and Berlingo was over twice that of nearest rival Ford Connect.

We have applied a downward guide price movement of -1% to most model ranges; however, there are a number of models which have had significant larger movements as listed below.

FORD CONNECT (18-) T200-T240 VAN FACELIFT (-3%)
M-B CITAN (13-19) VAN (0%)
FIAT DOBLO CARGO (15-19) E6 VAN (0%)
PEUGEOT PARTNER E6 (15-19) VAN (-3%)
VW CADDY (15-17) VAN (-4%)
CITROEN BERLINGO (08-18) VAN (-3%)

FIAT DOBLO CARGO (10-17) VAN (1%)
RENAULT KANGOO (08-13) VAN (-5%)
VAUXHALL COMBO (01-10) PET VAN (-7%)
VAUXHALL COMBO (01-12) VAN (-7%)
VW CADDY (04-10) C20 VAN (1%)

MEDIUM VAN

Consistently accounting for around 29% of all used LCVs sold in the wholesale market this is by far the largest LCV sector and the most complex in terms of the number of models and derivatives.

With a price performance almost identical to what we saw the previous month, at 101% this was another strong month for Medium Vans. A downward price adjustment of -1% has been applied to most models in this sector to allow for age depreciation, however, there are a number of notable exceptions which are listed below.

HYUNDAI ILOAD (09-) VAN (1%)	CITROEN DISPATCH (07-16) VAN (0%)
M-B VITO E6 (15-) CDi VAN (4%)	M-B VITO (03-11) CDi VAN (0%)
NISSAN NV300 (16-) VAN (0%)	M-B VITO (03-11) DUALINER VAN (0%)
RENAULT TRAFIC E6 (16-) dCi VAN (1%)	RENAULT TRAFIC (06-14) dCi VAN (-3%)
FIAT SCUDO (07-17) VAN (1%)	VAUXHALL VIVARO (14-18) VAN (2%)
M-B VITO (10-15) CDi VAN (4%)	M-B VITO (05-07) PET VAN (0%)
M-B VITO (10-15) DUALINER VAN (0%)	VAUXHALL VIVARO (01-07) VAN (-4%)
NISSAN PRIMASTAR (06-15) dCi VAN (0%)	VAUXHALL VIVARO (02-06) PET VAN (-4%)
PEUGEOT EXPERT (07-16) VAN (1%)	VAUXHALL VIVARO (06-12) VAN (-4%)
RENAULT TRAFIC (14-16) dCi VAN (2%)	

LARGE VAN

With an average price performance of 100.8% of the guide it was another strong month for this sector as seasonal demand for large volume vans edges towards its peak.

On average the guide values in the Large Van sector have gone down by 0.5% in this edition, however, whilst most model ranges have had a downward price movement of -1% to allow for age depreciation, there are a number of notable exceptions listed below.

CITROEN RELAY E6 (16-) VAN (-2%)	M-B SPRINTER (13-) 2-SERIES VAN (1%)
IVECO DAILY E6 (19-) VAN (0%)	M-B SPRINTER (13-) 3-SERIES VAN (1%)
CITROEN RELAY (14-16) VAN (2%)	PEUGEOT BOXER (06-14) VAN (-4%)
FIAT DUCATO (14-) VAN (2%)	RENAULT MASTER (10-17) dCi VAN (0%)
M-B SPRINTER E6 (16-) 2-SERIES VAN (-2%)	RENAULT TRUCKS MASTER (10-15) VAN (0%)
M-B SPRINTER E6 (16-) 3-SERIES VAN (-2%)	VW CRAFTER (06-17) VAN (4%)
PEUGEOT BOXER (14-16) VAN (0%)	RENAULT MASTER (03-10) dCi VAN (-3%)
CITROEN RELAY (06-14) VAN (-3%)	RENAULT MASTER (04-05) RWD VAN (-3%)
FORD TRANSIT (14-17) T290 - T350 VAN (1%)	

4x4 PICK-UP LIFESTYLE

The continuing revival of the 4x4 Pick-up Lifestyle sector is again reflected in the overall price performance against the guide. For the third month in succession this sector has performed at over 100% of the average guide price; 100.8%, 101.2% and 101% respectively.

However, only the cleanest examples in the most desirable colours with extras such as hard tops or secure load covers are selling with any kind of ease and many of these are making only CAP Average when they should really be achieving closer to CAP Clean.

That said there was a glut of these in the market and at least they are now moving. Generally market prices for vehicles in this sector have fallen considerably this year and they now look exceptional value for money.

The guide values for most model ranges in this sector have gone down by -1% with the following notable exceptions...

ISUZU D-MAX DIESEL (17-) (2%)	VW AMAROK (11-17) LIFE (4%)
VW AMAROK (16-) LIFE (1%)	FORD RANGER (11-16) PICK-UP LIFE (0%)
FORD RANGER (15-19) PICK-UP LIFE (1%)	ISUZU RODEO (03-07) LIFE (2%)
ISUZU D-MAX DIESEL (12-18) (2%)	MITSUBISHI L200 (01-07) TD/TD 113 LIFE (9%)
ISUZU RODEO (07-12) LIFE (2%)	NISSAN NAVARA (10-16) LIFE (1%)
TOYOTA HILUX (10-16) D-4D LIFE (3%)	FORD RANGER (06-09) PICK-UP LIFE (-4%)

4x4 PICK-UP WORKHORSE

Whilst on average the price performance of this sector was around 100% of the guide, there were some considerable performance variances at model range level. A downward price adjustment of -1% has been applied to most model ranges in this sector to account for age depreciation, however, there are a number of notable exceptions listed below which have had either positive or negative price adjustments.

FORD RANGER (19-) CHASSIS PICK-UP WORK (2%)	TOYOTA HILUX (07-10) D-4D WORK (4%)
LAND ROVER DISCOVERY (18-) EURO 6 (2%)	FORD RANGER (09-11) CHASSIS (2%)
MITSUBISHI OUTLANDER (07-) WORK (-5%)	FORD RANGER (09-11) PICK-UP WORK (2%)
MITSUBISHI OUTLANDER (14-) WORK HYBRID EV (-5%)	FORD RANGER (09-11) TIP (2%)
TOYOTA HILUX E6 (16-) WORK (4%)	TOYOTA HILUX (05-07) D-4D WORK (4%)
FORD RANGER (15-19) CHASSIS PICK-UP WORK (2%)	FORD RANGER (02-06) PICK-UP WORK (2%)
LAND ROVER DISCOVERY (09-19) (2%)	FORD RANGER (05-06) CHASSIS (2%)
TOYOTA HILUX (10-16) D-4D WORK (3%)	FORD RANGER (06-09) CHASSIS (2%)
FORD RANGER (11-16) CHASSIS WORK (2%)	FORD RANGER (06-09) PICK-UP WORK (2%)
FORD RANGER (11-16) PICK-UP WORK (2%)	FORD RANGER (06-09) TIP (2%)

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HGV MARKET OVERVIEW

Auctions continue to be generally well attended but as the Christmas period approaches traders appear to be keeping their hands in their pockets, knowing that any vehicles bought for stock may not sell until well into the new year, when effectively the vehicle will be one year older.

Dealers explain that they are primarily buying to satisfy enquiries because keeping stock over the festive period is undesirable unless they are vehicles which are expected to sell quickly in the new-year such as late plate low mileage rigids.

Aged stock which fails to sell at its first or second auction appearance continue to find difficulty attracting any interest, although exporters are buying just a little of it, but what remains is generally unfit for further use with breaking being the only option for some vehicles, which is evident by the increasing number of vehicle dismantlers attending auctions.

The number of trailers available at auctions remains quite low, however, this is the time of time of year when serviceable examples are usually fully employed.

Manufacturers report continued healthy sales. Those who once had had yards full of stock have managed their used vehicle portfolios to manageable quantities in most cases and they are now offering buyers a multitude of incentives to purchase direct from them, although they still continue to trade selective vehicles in order to maintain best returns and to maintain stock levels.

Euro 5 values across all types continue to suffer but not to the extent of recent months during which values declined quickly. Perhaps we are seeing their values start to settle as they may have reached the bottom, for now. Euro 6 values are also now under pressure as more stock flows into the market, that said rigids have been less numerous recently which could aid values post-Christmas if the situation continues.

Records from our auction visits indicate that the average number of auction entries decreased by almost 4% and the number of on-the-day truck fell by nearly 18% in relation to total entries whilst trailer sales dropped by almost 12% during the same period. This is based on two auction visits and a total of 339 viewed lots and as we always remind you these are 'hammer sales' on-the-day and converted provisional sales are not included. One auction reports that the current conversion rates of provisional sales is around 60%.

This month's research indicates that:

- 7.5t to 12t – Most derivatives with a few exceptions have seen values fall, with Euro 6 suffering the most.
- 13t to 18t – Values have followed a similar pattern than the 7.5t to 12t sector, the difference being that pre-Euro 5 have remained stable.
- Multi-wheel rigids – Euro 6 values are down and whilst most Pre Euro 6 values have also fallen but have not been affected to the extent of Euro 6.
- Tractor units – Values of 4x2 tractor units across all but Euro 6 emissions have remained steady. Euro 6 values have again declined slightly but they still have rarity value compared to 6x2's. 6x2 values have decreased to varying degrees but there are a few exceptions where values have remained stable or increased just a little. Scania values continue to suffer as values continue to re-align following the results from a recent auction where the lots were unreserved.
- Trailers – Values across all types have fallen very slightly except for platforms and sliding skeletal where values remain stable.

7.5t to 12t Vehicles

Activity in this sector has increased a little recently but not to the extent to prevent values falling. Euro 5 vehicles are starting to find new homes with just a little more ease and the continual fall in their values are showing signs of slowing, but it could just be a blip in the run up to Christmas.

A large number of Euro 5 and Euro 6 tippers of varying quality and mileages have been available recently, particularly on DAF and Iveco chassis. Whilst this has provided plenty of choice for buyers it has put pressure on values at a time of year when such vehicles are not usually so popular. That said, even accounting for seasonality good tippers remain sought after.

An equally large batch of fridges on a variety of chassis, but mainly DAF and Isuzu, proved popular but with so much choice prices suffer.

Due to their current scarcity dropsides have attracted additional interest along with any vehicles which are non-standard including car transporters and beavertails.

13t to 18t Vehicles

Values continue to struggle a little in this sector, especially on Euro 6 vehicles, as availability increases, and Euro 5 examples which continue to find difficulty attracting buyers, especially so when exporters who would have once purchased such vehicles, giving them the cold shoulder in preference for newer vehicles.

Gritters with ploughs, which tend to be more popular at this time of year, have appeared at auctions with some having more success than others but mostly sales are sluggish.

A large number of highway dropsides, some with crash cushions or with low entry cabs and a few with both are struggling to achieve serious offers and with age and condition being against most, together with a limited aftermarket, they are likely to be with us for a while.

Tipper still remain popular but fridges have failed to live up to expectation this month and have sometimes struggled to muster meaningful bids and with plenty of choice available it may be a while before these disappear.

Curtains, boxes and dropsides are met with varying degrees of enthusiasm. Unless they are later models which are well presented and with desirable mileages, interest can be subdued.

Chassis cabs readily available at present but interest is dependent on how well the previous body has been removed. Demount chassis cabs are no more popular and often struggle unless a suitable body is available. If there isn't a body the cost of removing the equipment to render it a chassis cab is often uneconomic.

Vehicles with fork truck brackets can often achieve a small premium and whilst beavertails and skip loaders remain popular, together with anything sporting a crane, here too vehicles must be presentable and showing little or no sign of having endured a hard life.

Multi-wheelers

Values have fallen a little across all derivatives and the appetite for tippers, especially those carrying grabs remains fairly subdued, particularly 8x4 examples but other combinations are also only moving slowly at present, but one should be mindful of the fact that we are entering into winter when interest in such vehicles is traditionally subdued.

Fridges continue to appear at auction but it is often their age and condition which prevents any real interest. Some DAF and Mercedes-Benz beavertail plant carriers proved popular, stimulating strong bidding with most being sold on the day.

With a few exceptions the run of the mill boxes, curtains and dropsides are not selling so easily unless they are Euro 6 with low kilometres. Even then, sales of Euro 6 values are not at the levels of six months ago when such vehicles would have been snapped up regardless.

Tankers, dependent on type, can attract strong bids or prompt no real interest. Hoses, reels and the necessary paperwork need to be available with the vehicle in order to obtain the best result.

Refuse trucks continue to attract some attention, however their values fall very quickly once they reach six or seven years old. That said a batch of tidy 63 plates Dennis Elite 2 2630's with Dennis Eagle single compartment bodies and Terberg bin lifts sold very well recently.

Tractor Units

There are plenty of tractor units currently available with a large mix of both Euro 5 and Euro 6 6x2's heading the field. Whilst it is customary for the market to see an influx of tractor units in mid-January following the Christmas rush, it is unusual to see so many available in late November. This is usually the time of year where Christmas requirements lead to increased sales activity but there has been little sign of that this year.

As we have previously mentioned the market for Euro 5 6x2 tractor units is already difficult and this is now being reflected by Euro 6 examples. If the market receives the usual significant supply post-Christmas and the current stock struggles to sell we could quickly return to a situation where the market is flooded and values fall further.

Scania values have been again been adversely affected as the market adjusts to the recent unreserved Scania Finance auction results, whilst older examples of most marques, which are less numerous are faring reasonably well at the moment.

4x2 examples continue to be scarce by comparison to 6x2 examples and although Euro 6 examples have seen values fall a little they have not fallen to the same extent as similar 6x2 models.

Again, 6x4 and multi-wheel tractor units remain scarce and continue to attract attention as and when they appear for sale.

Trailers

The number of trailers available remains in decline but the recent decrease in both interest and on-the-day auction sales indicates that things may be starting to take a negative turn.

This time of year is traditionally a period when ready to roll trailers are often purchased to supplement the short-term requirements of operators in the run up to Christmas and it is fleet type curtains and boxes which are currently attracting most interest.

Good quality newer trailers, irrespective of body type usually stimulate strong bids, but the age and condition of most trailers currently available are not conducive to a further life on the road and are unlikely to find buyers quickly.

Platforms remain popular, especially extenders or those sporting twist-locks, along with extendable skeletal. Tippers of all types usually provoke interest and fridges have been a little more popular recently whereas double deck boxes are proving no more popular at auction than single deck variants.

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