

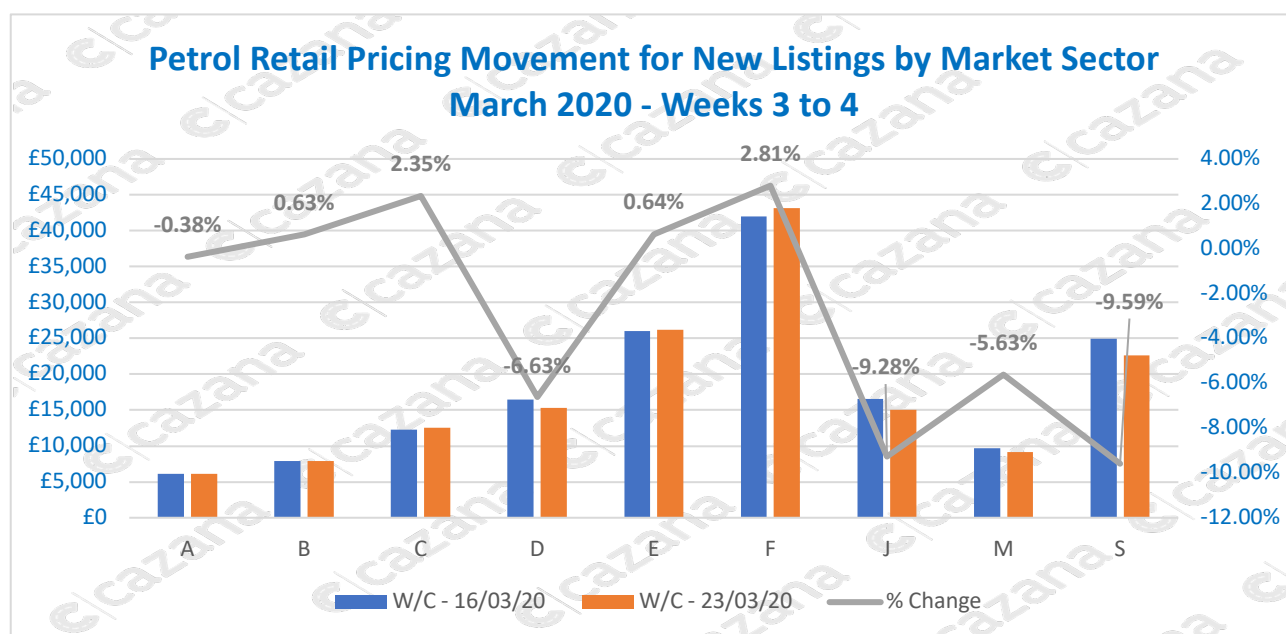
Cazana Weekly Retail Price Watch

March 2020 – Weeks 3 and 4

After a week of lockdown, the country is beginning to get used to the restricted movement enforced on most of the population with keyworkers such as the NHS and transport industry the only ones permitted to travel due to the essential nature of their work. However, the automotive industry whilst closed in the majority for the time being is still active. Senior management teams are working at new sales operations strategies and some pricing teams are keeping prices moving to remain competitive in the market.

With no wholesale activity currently taking place, other valuation providers are prevented from seeing what is currently happening in the market. However, with limited online used car sales activity and constant pricing realignment Cazana remain in a position to keep the UK automotive industry abreast of market shifts during these complex weeks.

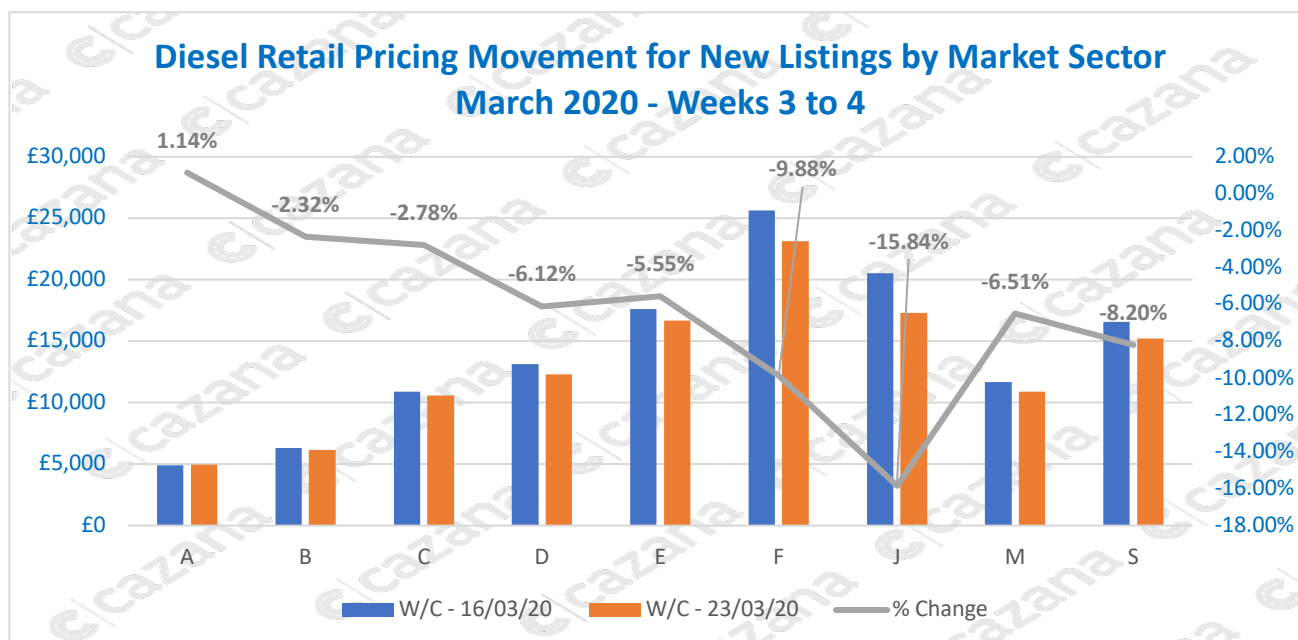
The data displayed in first chart looks at average pricing performance for petrol cars by market sector for new retail adverts placed between week 3 and week 4:-



Data powered by Cazana

The chart shows that for new petrol car adverts prices have been on the move. Unfortunately, this is a downward shift of on average 2.8% although the chart highlights the sectors facing the greatest challenges. There are marked declines in the lower volume higher-priced S or Sports sector with a perhaps surprising 6.6% dip for the D or Large car sector and also a noticeable 9.2% drop for new retail adverts for the J or SUV sector.

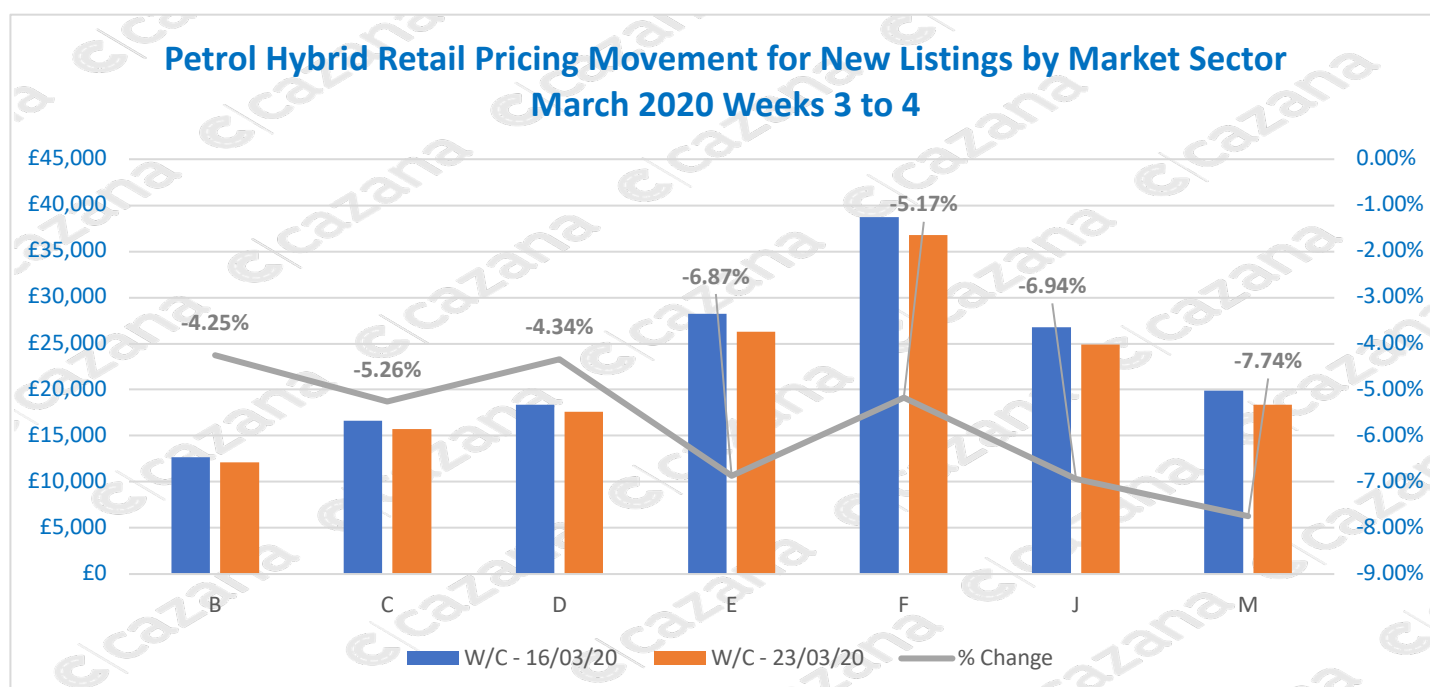
Looking by diesel propulsion and the retail pricing movements have shifted since last week's data with an average drop of 6.2% across the sector. This drop has largely been impacted by a large drop in the J or SUV sector pricing which is a similar position to the petrol retail pricing. However, it is interesting to note that all sectors other than A sector Superminis cars have recorded a downward movement as seen in the next chart: -



Data powered by Cazana

It is wise to remember that the A sector accounts for just 0.02% of the total market and the J sector 15.6% down by 2.59% from the previous weeks data.

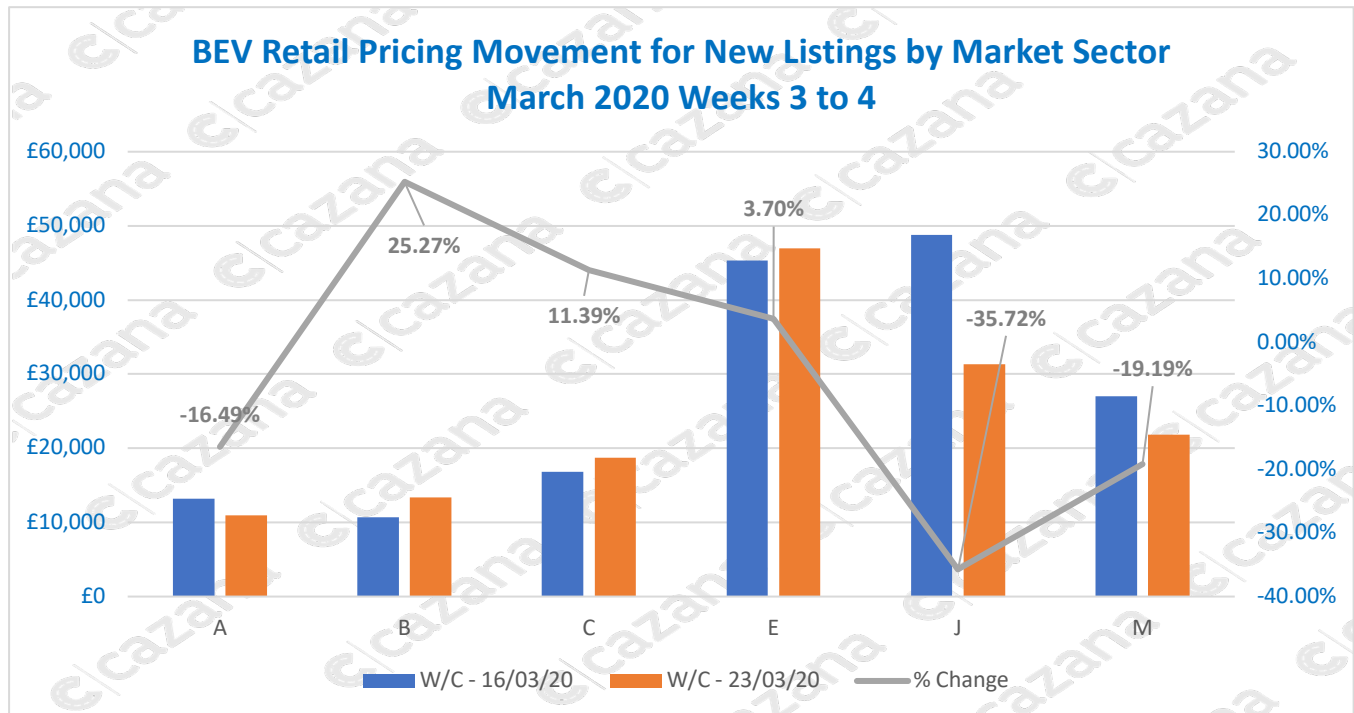
Data for Hybrid propelled vehicle by sector is lower in volume by far, although the following charts give a view of what is happening in the market. These fuel types do not have representation in all market sectors and particularly not when looking at new retail adverts on a week by week basis:-



Data powered by Cazana

The average retail price movement for this sector is a drop of 5.8% over the previous weeks new listings. Once more one of the biggest shifts has come from the J or SUV sector with a drop of 6.9% and in this fuel category, this accounts for 0.74% of the total market. It is important to note that this is the largest market sector for newly listed petrol hybrid cars.

For the BEV market, the volume of data is also an issue as can be evidenced by the performance in the J Sector in the chart below:-



Data powered by Cazana

This data is very volatile and with new retail advert listings reducing this should not come as a surprise. Although it is of note that once again the J or SUV sector has been the biggest mover in terms of the drop in retail price. This may well be a common trend in the coming weeks and will need to be monitored. This sector includes the compact 4x4 or crossover SUV sub-sector and there have been concerns and warnings over what has been happening in volume terms for some time.

In conclusion, retail pricing is still moving for the reasons outlined in the opening paragraph as businesses jostle for the most competitive online presence for the myriad of retail consumers currently confined to their homes and relying on the internet to research new and used cars. This position will continue and the need to understand what is happening with retail pricing will be a critical part of the current market. In overall terms, Retail Pricing for newly listed cars has dropped by 3.1% between the third and fourth week of March.

Rupert Pontin
Director of Insight
Cazana
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