

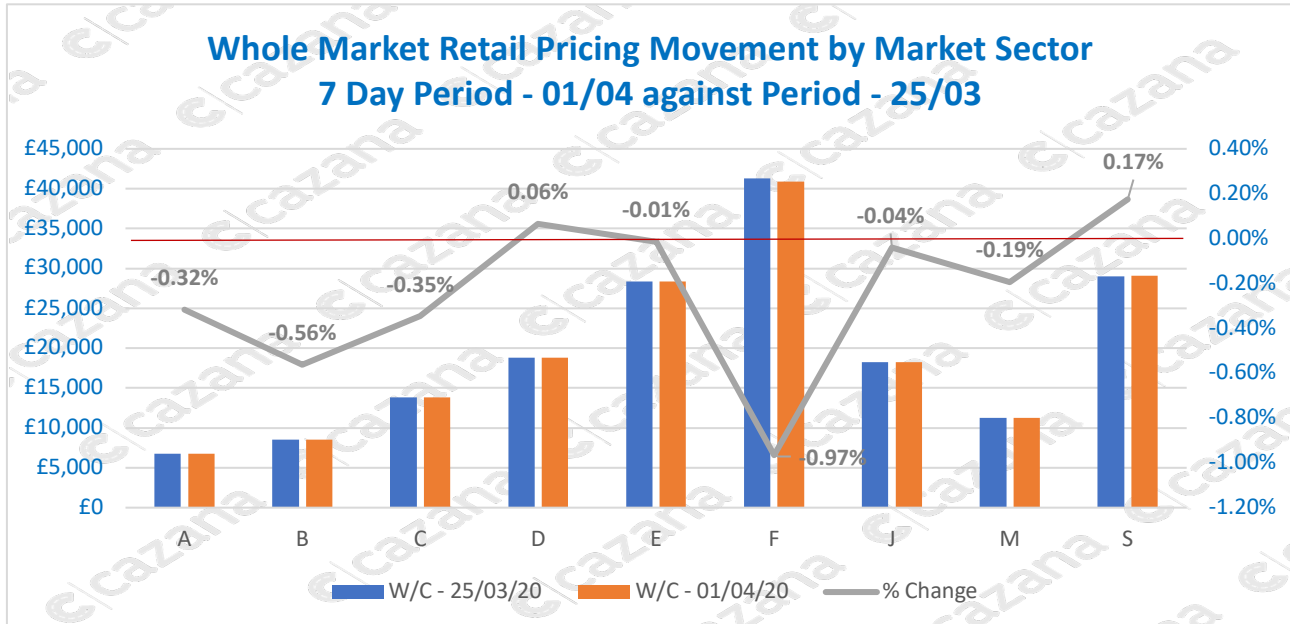
## Cazana Weekly Retail Price Watch

The last two weeks Retail Price Watch reports have given the industry an invaluable view of the retail pricing activity taking place in the UK automotive market. Cazana has previously looked at the number of newly placed adverts in the UK market nationwide and reflected the pricing levels of those new adverts in comparison with the previous week. As the country is now two weeks into the lockdown period, and with no auction or wholesale activity taking place the number of new adverts placed has all but stopped, rendering this view of the market redundant.

However, where other traditional valuation providers no longer have any data on which to base their output as the auction halls lie silent and logistics operations are similarly dormant, Cazana are the only business in the UK that looks at all the retail data across the UK market as a whole rather than just as an individual retail advertising platform from a retail pricing perspective on a real-time basis and are able to review what is happening with the retail pricing of vehicles currently showing for sale. Therefore, going forward this Weekly Retail Price Watch will focus on pricing shifts based on all cars currently showing as available for sale in the market and will be compared against the previous week.

Where many initially expected pricing to remain completely static, the reality is somewhat different as dealers realised that the retail buyer was still looking at, and in some cases reserving and buying cars online.

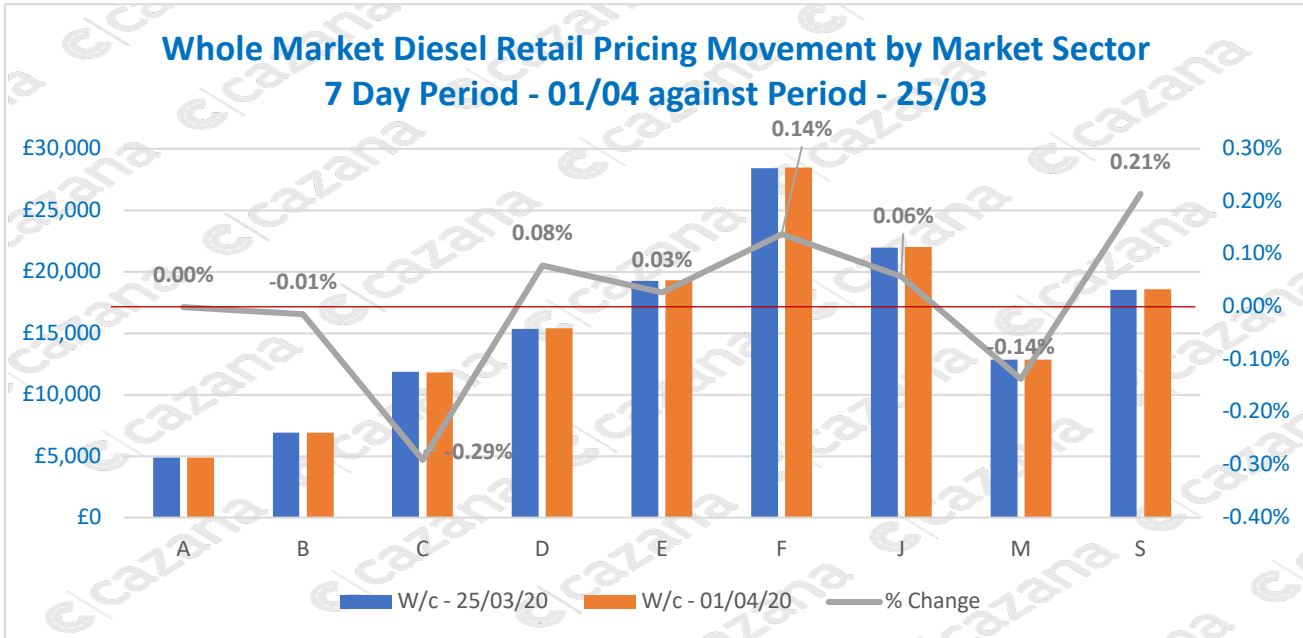
The data displayed in the first chart looks at average pricing performance for petrol cars by market sector for the whole retail market between the period commencing on April 1<sup>st</sup> and the previous period commencing March 25<sup>th</sup>.



### Data powered by Cazana

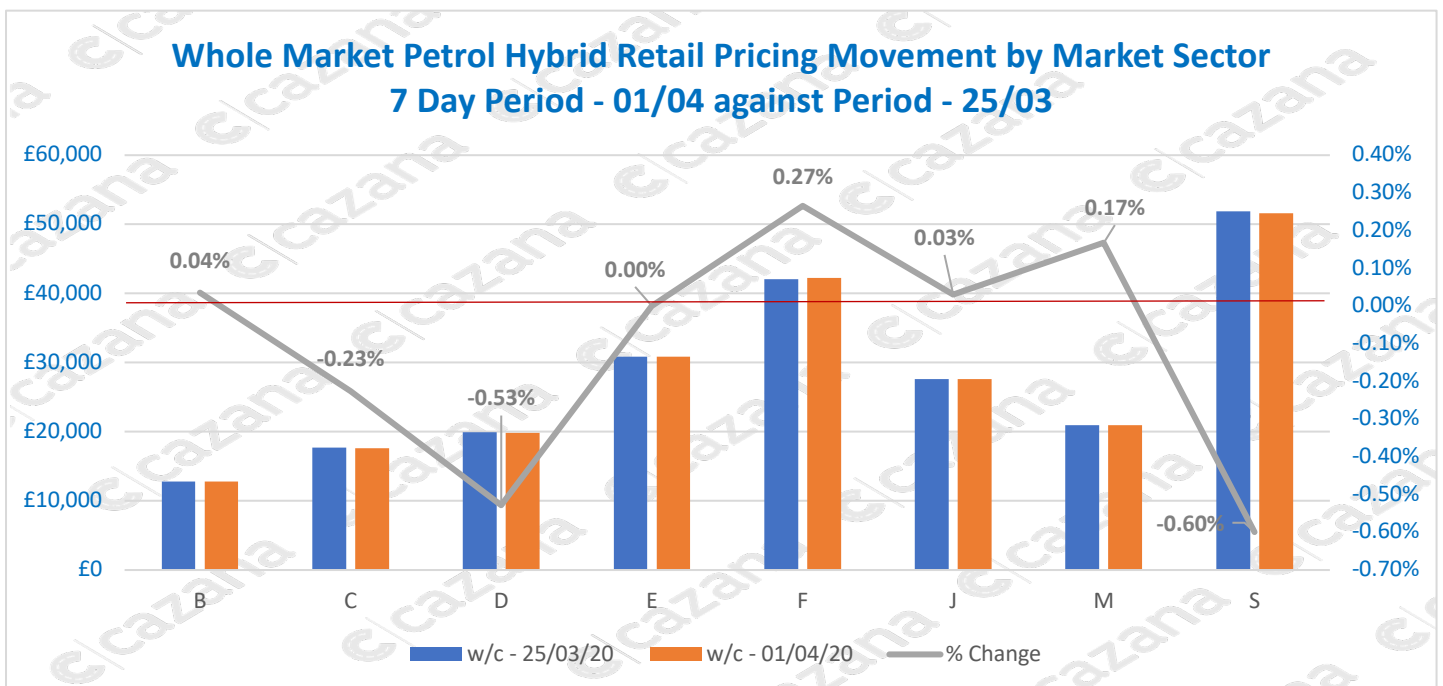
The chart reflects the fact that there was a 0.24% decrease in retail pricing for petrol-powered cars across all market sectors. Given that the average price across these sectors is £19,529 this means that the price shift was £47 car. Of specific note was the decrease of almost 1% for the F sector or luxury car market where the average price was £40,918 meaning a price shift of £396 per car.

Looking by diesel propulsion and the retail pricing movements have been negligible with an average drop of 0.01% across the sector. The largest move has been for retail pricing in the C sector or small family cars at 0.29% or £35. This reinforces the strength of diesel car demand in the market and is a relevant point given that diesel-powered cars are not popular in the new car market right now. It is also worth noting that C Sector cars account for 7.9% of the total used car market as seen in the next chart: -



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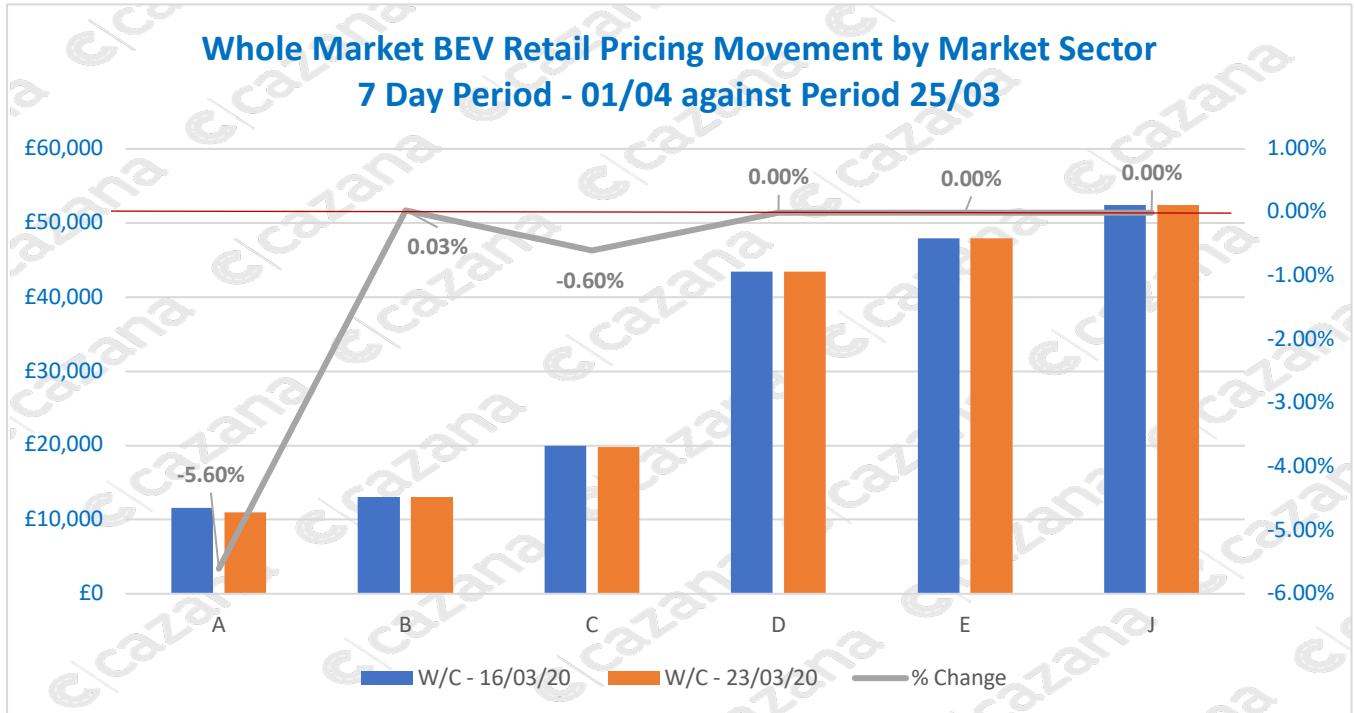
The petrol-hybrid propulsion type remains reasonably new in the market when compared against petrol and diesel and the volume of data is therefore lower, although market penetration is and will continue to increase. The average movement for this fuel type week on week was a decline of 0.85% as shown in the chart below:-



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This fuel type is not represented in every market sector and there are no A sector hybrid mini cars in the market. The largest move in for this fuel type came in the S sector and at 0.6% downwards represented a reduction of £309 per car with the D sector close behind with a 0.53% reduction or £105 per car.

The chart below depicts the retail pricing performance of BEVs in the market in the last period and it is clear that there is great stability in pricing:-



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Where last week's BEV data that reported on newly listed adverts showed some significant volatility it is clear that the market as a whole has a great deal of consistency. At an average price of £29,035 across the market, movements here can reflect a large pound note difference. The A sector or Supermini shift of 5.6% downwards means a change of £615 although this will be across a small number of cars.

This BEV position is not a surprise given the low volumes of total vehicles in the market and the volatility seen beforehand was symptomatic of small quantities of very different individual cars coming new to the market. This will be an important sector to watch post lockdown as there are conflicting anecdotal reports of a wide variance in retail consumer interest.

In conclusion, retail pricing is still moving, and it is vital to remember that whilst actual sales are largely paused, there is no need to be turning the position into a "race to the bottom". Retail consumers still search for cars and the indications from the reopening Chinese market are that sales will pick up swiftly post lockdown. Therefore, watching competitor shifts in retail price are imperative over the coming weeks to ensure a quick return to trading profitably.

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**April 9<sup>th</sup> 2020**