

Information from Trend Tracker

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For immediate release

New report shows resilience of £38.1 billion used car market

The latest report from Trend Tracker, *The Future of the Used Car Market in Great Britain 2009-2014*, shows that demand for used cars in Britain has been remarkably stable compared to the new car market.

Although the used car market shrank by 5.9% in the first half of this year, and in fact peaked in 2004, it will still have grown from 6.38 million units in 1999 to an estimated 6.8 million by the end of this year – a growth of 7% in a decade. At its peak in 2004, the used car market in the UK saw no less than 7.7 million cars change hands.

Declining new car sales

In contrast, new car sales have been declining since 2003 and experienced a particularly rapid decline in the past 12 months. Trend Tracker estimates that around 1.78 million new cars will be sold in 2009, which is down 31% from the peak in 2003. As a consequence, the ratio of used to new car sales in the UK has moved from 2.9:1 in 1999 to a forecast 3.8:1 in full-year 2009.

Rising used car values

Average used car values have continued to rise for the past several months as stocks reduced. According to some estimates, as many as a quarter of businesses operating fleets have lately been holding on to company cars for an extra year before replacing them. European factories have been cutting the over-production of new cars, removing nearly-new pre-registered stock from the used market.

What good late-plate used stock has been available has been snapped up by franchised dealers, whose falling new car sales brought a dearth of part-exchanges and drove them to frequent the auctions where, until this past year, they had more often been sellers than buyers.

According to Trend Tracker's report, 2009 is expected to see average used car values reach £5,600, 17% higher than in 1999. With this increase in average selling price, and the increase in used car sales volumes since 1999, the value of the entire used car market has increased from £30.5 billion in 1999 to an estimated £38.1 billion in 2009 – an increase of 25%.

Used car dealers

Despite the growing importance of used cars to British motorists, little change has been seen in the fortunes of used car retailers. The number of small, independent traders has declined, hit by property costs, the declining popularity of dealer finance, and the FSA regulation of finance and insurance sales. Larger used car specialists have been cautious about expanding, with suitable sites and affordable financing both significant constraints.

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Further information

Trend Tracker's latest used car study forecasts used car market trends, including sales volumes, used car values, and franchised and independent used car retailer numbers, for the coming five years.

Aimed at a professional industry readership, *The Future of the Used Car Market in Great Britain 1999- 2014* is available from Trend Tracker priced at £1,250 plus VAT inclusive of electronic and bound copies and a Powerpoint executive summary. You can download the table of contents and a complete list of tables and charts from www.trendtracker.co.uk. Or please call Chris Oakham on +44(0)870 421 4350 or email coakham@trendtracker.co.uk.