

## July 2013 Kontos Kommentary

### Current Used Vehicle Market Conditions



#### Summary

Wholesale prices continued to soften in July, but less so than in June, as retail demand cushioned the blow to prices that otherwise would have occurred given continuing supply growth.

#### Details

According to ADESA Analytical Services' monthly analysis of [Wholesale Used Vehicle Prices by Vehicle Model Class](#)<sup>1</sup>, wholesale used vehicle prices in July averaged \$9,435, – down 1.3% compared to June and 1.3% relative to July 2012. The biggest hits to price were taken by the van categories and fullsize cars, SUVs and CUVs. Fullsize pickups continue to draw higher prices, as do smaller SUVs and crossovers.

Another group of vehicles drawing higher prices is off-rental program units sold by auto manufacturers. Prices for used vehicles remarketed by manufacturers were up 3.0% month-over-month and 3.9% year-over-year. Prices for fleet/lease consignors were down 0.6% sequentially, but up 3.2% annually. Dealer consignors saw a 0.3% average price decrease versus June 2013, and a 2.1% downturn versus July 2012.

Based on data from CNW Marketing/Research, retail used vehicle sales were somewhat flat on both a month-over-month and year-over year basis in July, but nevertheless sales remain at historically high levels on a year-to-date basis. Year-to-date sales through July are at their highest levels since 2005 and are up 3.5% year-over-year for franchised dealers and 2.4% for independent dealers. Sales of certified pre-owned (CPO) vehicles were down modestly at 1.5% month-over-month but up significantly at 21.0% year-over-year, based on figures from Autodata.

<sup>1</sup>The analysis is based on nearly six million annual sales transactions from over 150 of the largest U.S. wholesale auto auctions, including those of ADESA as well as other auction companies. ADESA Analytical Services segregates these transactions to study trends by vehicle model class.

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