

“NEED TO KNOW” Posted on AUTOMOTIVE DIGEST



From RVI Quarterly Report issued in late March 2015

1) RVI says Used Car Prices going South and More

Used vehicle prices (seasonally adjusted; 2-5 year old vehicles) declined in February. Used vehicle prices declined by 1.4% from January, but increased 1.0% on a year-over-year basis. Real used vehicle prices (after adjusting for MSRP) showed a decline of 1.1% from January. When compared to February of 2014, real used vehicle prices are down 1.1%.

2) Off Lease car supply forecast to cause 10% drop in UC values in 2018

Competition among manufacturers and incentives activity is also expected to increase. Due to these factors, used vehicle prices in the US are expected to fall 10% (relative to current levels) by 2018

Editorial Note to dealers: 2018 is a long way off so for now just know that UC prices will be down in 2016 but does mean that 2016 is the “Year to Sell Lots of CPO Used Cars”.

3) More incentives to make it easier to sell new cars into the Summer

Here is what RVI Analyst are saying:

Greater incentive activity, a more competitive new vehicle market, and an increase in the supply of used vehicles will contribute to a drop in used vehicle prices. The upturn in the US Economy and the increase in new vehicle sales are expected to contribute to an increase in the supply of used vehicles over the next few years.

For the entire Quarterly Report go to www.rvigroup.com;
RVI Group, 177 Broad Street, Ninth Floor, Stamford, CT 06901

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