

September 2013 Kontos Kommentary

Current Used Vehicle Market Conditions



Summary

Wholesale prices resumed their softening pattern and decreased both sequentially and annually in September, driven primarily by continued volume growth and lower retail used vehicle sales for the month. Although overall average prices were down, late-model off-rental program and risk units continued to see year-over-year price growth despite seasonal declines.

Details

According to ADESA Analytical Services' monthly analysis of [Wholesale Used Vehicle Prices by Vehicle Model Class](#)¹, wholesale used vehicle prices in September averaged \$9,496, – down 1.4% compared to August and 0.6% relative to September 2012. Minivan and fullsize van prices rebounded after undergoing price declines earlier this year. Fullsize pickups are showing price strength on a year-over-year basis, as construction improves.

Prices for used vehicles remarketed by manufacturers were down 5.2% month-over-month but up 8.7% year-over-year, reflecting solid performance of “factory” sales of off-rental program vehicles. Prices for fleet/lease consignors were down 2.2% sequentially but up 2.2% annually, in part as a result of higher sales prices for “risk” units sold by rental companies. Dealer consignors, primarily selling older units, saw a 4.0% average price decrease versus August 2013, and a 3.3% downturn versus September 2012.

Based on data from CNW Marketing/Research, retail used vehicle sales were down 10.4% month-over-month and 1.3% on a year-over year basis in September. Sales of certified pre-owned (CPO) vehicles were down 21.6% from the prior month with five fewer selling days, based on figures from Autodata.

¹The 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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