



**MANHEIM REPORTS INCREASE IN Q1 USED VEHICLE VALUES**  
*Despite Harsh Weather, Insurance Vehicle Replacements and Tax Refunds Keep Demand High*

**ATLANTA** – Used vehicle sales for dealers went from good to even better in the first quarter of the year with strong demand that held up through the harsh winter. The Manheim Used Vehicle Value Index, a measure of wholesale prices adjusted for mix, mileage and season, increased 2.2% during the quarter and was 3.3% higher than a year ago.

Tax refunds as of late March were up 3% from a year ago, which gave consumers extra money toward the purchase of used vehicles. Weather also helped boost values for used vehicles as rental car companies delayed de-fleeting. Winter storms caused more vehicle damage than normal, which led to increased insurance replacement demand vehicles or loaners while customer vehicles were repaired.

“Rental risk units flowing back into the wholesale market remained depressed in March after being at low levels in January and February,” said Manheim Chief Economist Tom Webb. “The weather was the chief culprit in keeping these units out of the used car market. Rental car companies held onto their fleets longer than normal because demand was so high in the insurance replacement segment.”

First-quarter pricing for vehicle segments included:

- **Compact Cars** continued to be a weak spot in the market as consumers shifted to midsize cars and CUVs. Wholesale values for compact cars ended March down 0.1% from the same period last year.
- **Midsize Cars** were a popular choice for consumers in the used car market with pricing up 4.5% at the end of March on a year-over-year basis.
- **Luxury Car** values fell 0.6% in March from the year-earlier period as more off-lease vehicles reached the market. The number of off-lease vehicles is expected to increase for the rest of the year.
- **Pick-ups and Vans** both remained strong thanks to a recovering economy with new businesses needing work vehicles. Used vehicle values for pickups were up 9.8% in March and van values were up 5.3% compared to the same period last year.

- **SUV and CUV** values rose 3.6% in March compared to a year ago, largely driven by the popularity of mid-size CUVs that provide a combination of space, utility and fuel efficiency.

Wholesale prices are expected to decline for the full year with an increased supply of used vehicles, Webb said. In the near-term, though, prices should remain strong. Massive recalls and a late Easter will likely delay rental units from flowing into the wholesale market.

"The end result so far has been higher prices and higher mileage vehicles in the wholesale used vehicle market," Webb said. "By the end of the year, we expect pricing to moderate as rental units eventually make their way into the wholesale market and the acceleration in off-lease units becomes more pronounced."