February 2015 Kontos Kommentary
Current Used Vehicle Market Conditions

Summary
Average wholesale used vehicle prices fell modestly in February compared to January, but remain up on a year-over-year basis, primarily due to a “richer mix” that includes a higher proportion and quantity of off-rental program/factory units.

Details
According to ADESA Analytical Services’ monthly analysis of Wholesale Used Vehicle Prices by Vehicle Model Class[1], wholesale used vehicle prices in February averaged $10,176 – down 0.3% compared to January but up 3.4% relative to February 2014. As in January, much of the positive year-over-year price variance is driven by higher off-rental program/factory vehicle sales. (Program vehicles are typically current-model-year or one-year-old models that sell for higher average prices than other auction sales types.) Fullsize Pickups continued to show pricing strength, while crossover vehicles saw year-over-year declines.

Prices for used vehicles remarketed by manufacturers were up 4.4% month-over-month but down 8.8% year-over-year. Prices for fleet/lease consignors were down 1.0% sequentially but up 0.7% annually. Dealer consignors registered a 1.0% decrease versus January but a 3.5% increase relative to February 2014.

Retail used vehicle sales for February are unavailable from CNW Research. CPO sales were again strong, rising 10.3% year-over-year, according to figures from Autodata.

[1]The analysis is based on over 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, sale type, model year, etc.