

August 2013 Kontos Kommentary

Current Used Vehicle Market Conditions



Summary

Wholesale prices reversed course and increased both sequentially and annually in August. Key drivers were strong retail sales and a decline in new vehicle incentives. Still, growing wholesale volumes should keep downward pressure on prices and increase the availability and selection of used vehicles for dealers.

Details

According to ADESA Analytical Services' monthly analysis of Wholesale Used Vehicle Prices by Vehicle Model Class¹, wholesale used vehicle prices in August averaged \$9,654, – up 2.3% compared to July and 1.4% relative to August 2012.

Prices for used vehicles remarketed by manufacturers were down 1.4% month-over-month but up 7.1% year-over-year. Prices for fleet/lease consignors were up 1.3% sequentially and 3.9% annually. Dealer consignors saw a 0.4% average price increase versus July 2013, but a 0.4% downturn versus August 2012.

Based on data from CNW Marketing/Research, retail used vehicle sales were up 4.7% on a year-over year basis in August. Sales of certified pre-owned (CPO) vehicles rose above 200,000 for the first time and were up 25.0% from August 2012, based on figures from Autodata. New vehicle sales rose to the 16 million unit level in August despite a 3.6% month-over-month drop in new vehicle incentives according to Edmunds data.

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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