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# Market Intelligence

## September 2022

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Whilst the economic and political situations remain uncertain and quite frankly very worrying for many, the working pattern within the industry seems to have found a ‘new normal’.

Day-to-day we are seeing the following:

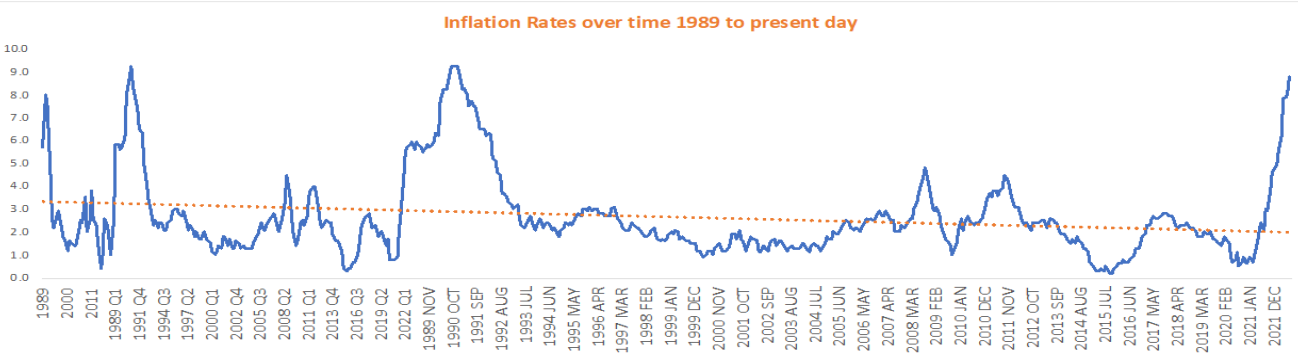
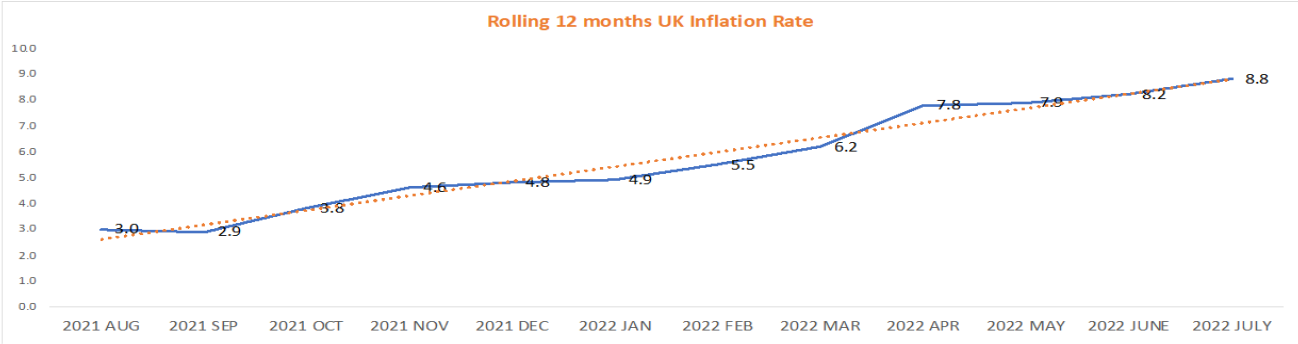
- New car sales production slightly up but still suppressed with shortage of chips – no short-term fix
- Used car demand and supply both low with prices not moving much – low supply and low demand
- Repair volumes being consistently at 85% of 2019 levels (with some monthly fluctuations from that average)
- Supply chain logistics showing some improvements, but parts delivery and delays not consistent and showing no significant change
- Cycle time and K2K consistent over last 6 months – reflecting this new industry norm
- Repair costs continue to rise and predicted to continue to in the short term (subject to the impact of the energy assistance)

Of course, immediate attentions and concerns are clearly on energy costs for both consumers and businesses. Only this week new Prime Minister, Liz Truss has announced a new blueprint: the Ofgem price cap will be replaced with a two-year Energy Price Guarantee. This creates a new cap of £2,500 for a typical household's gas and electricity bill which had been due to rise from £1,971 to £3,549 from 1 October. A new six-month scheme will also be introduced for businesses facing surging energy bills, offering "equivalent support as is being provided for consumers". After this initial six-month scheme, the Government will provide ongoing, focused support for vulnerable industries. There will be a review in 3 months' time to consider where this should be targeted to make sure those most in need get support.

We continue to track many industry trends to look for when this ‘new normal’ may evolve again, the winter months being the next big test.

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# Inflation & Fuel Prices



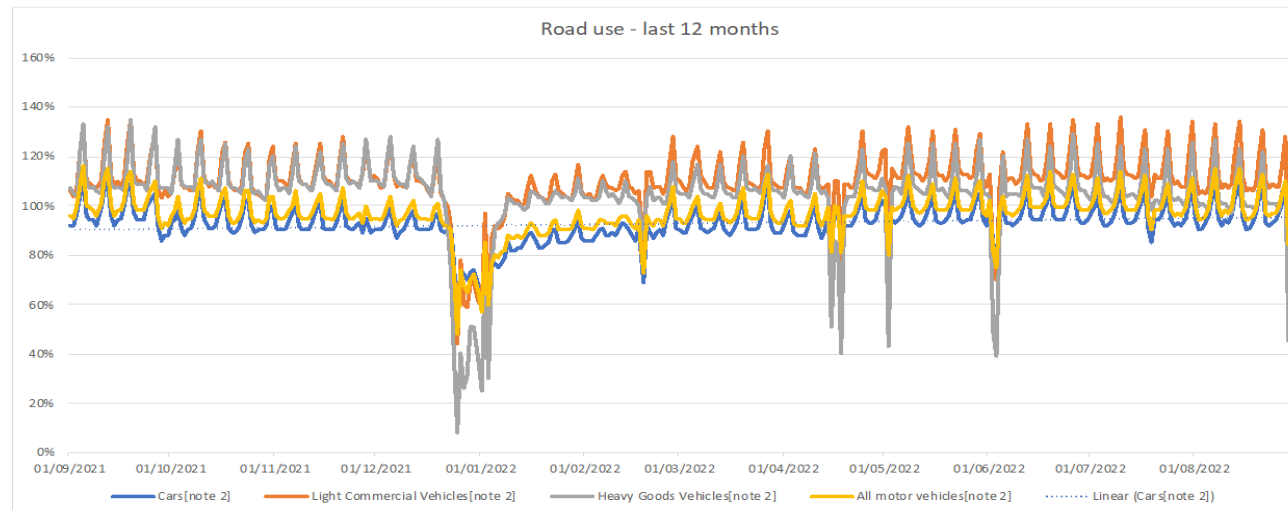
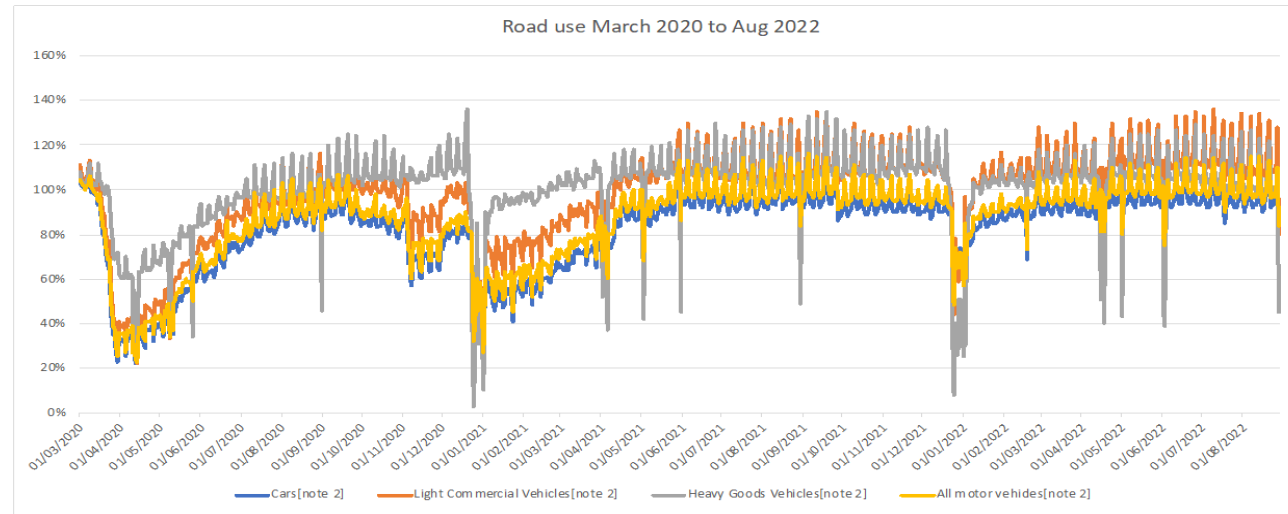
The Consumer Prices Index (CPIH) rose again.

- Largest upward contributions - housing and household services (principally from electricity, gas and other fuels, and owner occupiers' housing costs), transport (principally motor fuels), and food.
- System Average price of gas up 30% vs. last month, 332% vs. last year.
- Job market still strong, but road use down slightly- due to fuel prices and workplace visits down 27%.

Indicator	Latest data compared with previous period	Latest data compared with equivalent period the previous year	Latest data compared with pre-coronavirus (COVID-19) baseline	Timeline
Total online job adverts <a href="#">Source</a> <a href="#">Units</a>	-1% ▼	-5% ▼	19% ▲	 102 07/02/2020 119 26/08/2022
Potential redundancies <a href="#">Source</a> <a href="#">Units</a>	-3% ▼	40% ▲	-38% ▼	 74 05/01/2020 62 21/08/2022
Employers proposing redundancies <a href="#">Source</a> <a href="#">Units</a>	4% ▲	33% ▲	-24% ▼	 60 05/01/2020 76 21/08/2022
Road traffic, all motor vehicles <a href="#">Source</a> <a href="#">Units</a>	-13pp ▼	No change	-16pp ▼	 104 01/03/2020 84 29/08/2022
Workplace visits <a href="#">Source</a> <a href="#">Units</a>	1% ▲	5% ▲	-27% ▼	 89 21/02/2020 73 26/08/2022
System Average Price of gas <a href="#">Source</a> <a href="#">Units</a>	30% ▲	332% ▲	1895% ▲	 1.032 01/01/2020 16.472 28/08/2022

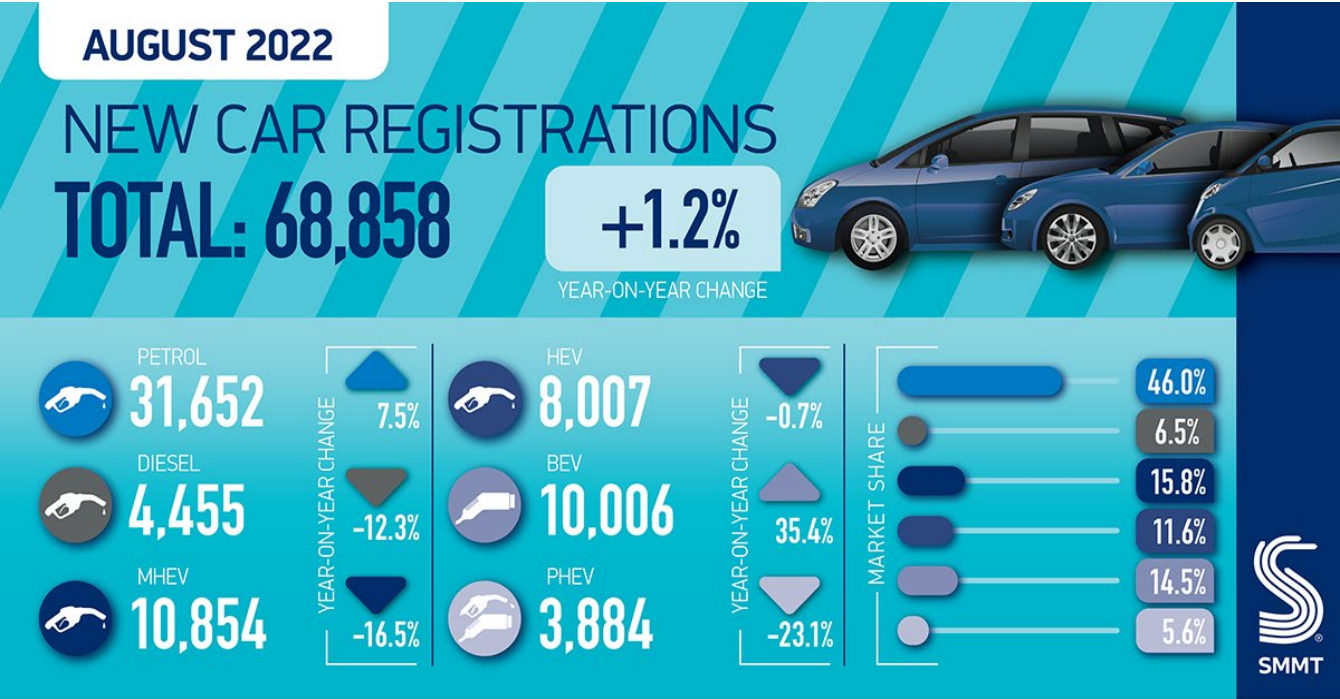
# Transport

- Road Traffic use has started to see the impact of Fuel prices and the cost-of-living crisis – with Overall Car use at 95% of March 2020 – down from 100%.
- All vehicles at 98% which has the impact of LCVs.
- The latest ONS survey also confirmed that 44% of people struggling with cost-of-living have cut down on non-essential journeys (ONS survey) , 76% stating the price of fuel to be the driver of change.
- Looking at the rolling-12-months graph it would certainly indicate we have a steady 'new normal' at approx. 95% of pre-pandemic levels for cars on the roads.





# New Car market



**August**

	2022	2021	% change	Mkt share -22	Mkt share -21
Private	34,865	33,771	3.2%	50.6%	49.6%
Fleet	32,794	33,315	-1.6%	47.6%	49.0%
Business	1,199	947	26.6%	1.7%	1.4%
TOTAL	68,858	68,033	1.2%		

**Year to date**

	YTD 2022	YTD 2021	% change	Mkt share -22	Mkt share -21
Private	522,773	504,311	3.7%	53.2%	45.8%
Fleet	437,280	575,718	-24.0%	44.5%	52.3%
Business	23,046	21,273	8.3%	2.3%	1.9%
TOTAL	983,099	1,101,302	-10.7%		

- UK new car registrations stabilise, up 1.2% to 68,858 units during traditionally quiet pre-plate change August
- Battery electric vehicle (BEV) uptake continues to grow, up 35.4%
- Overall year to date market remains -35.3% down on pre-pandemic 2019

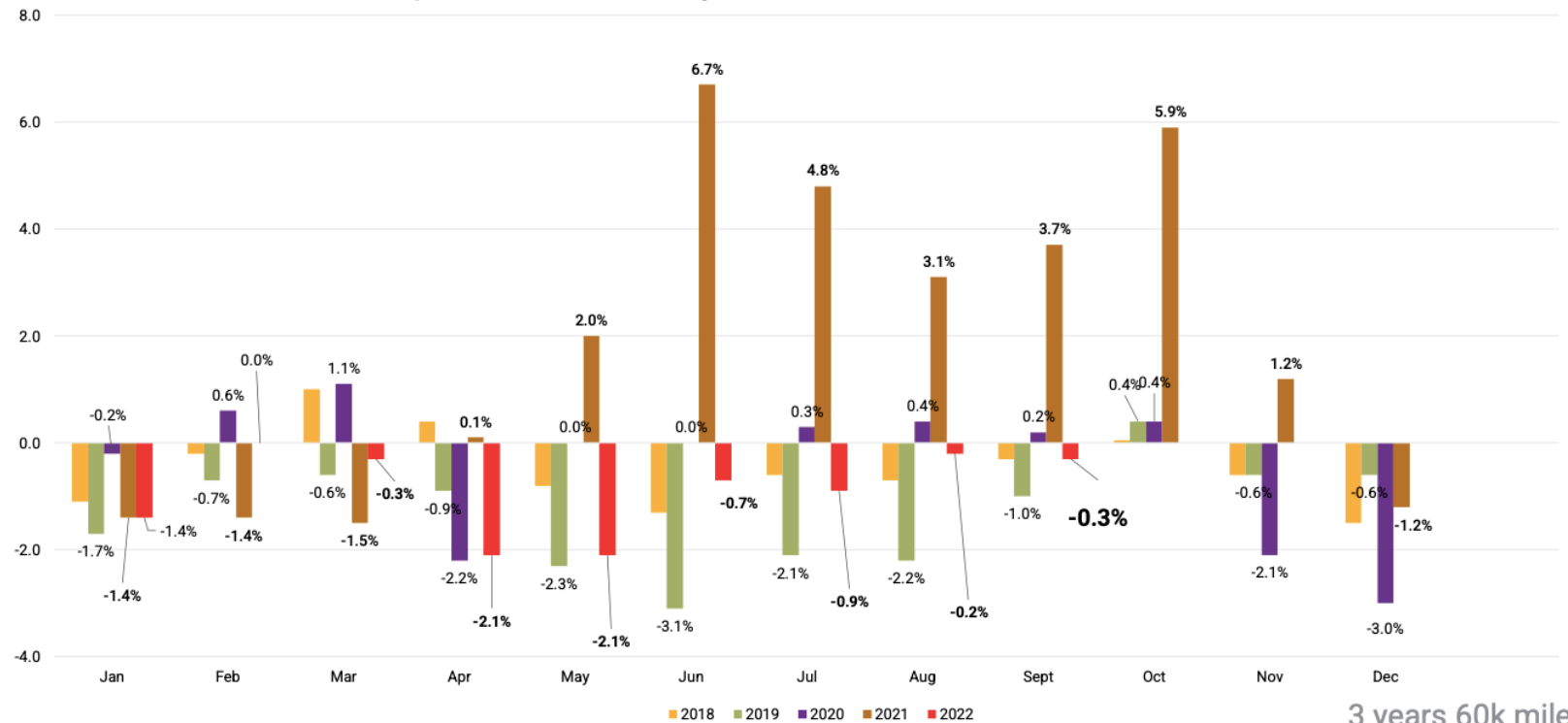
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MOTOR INDUSTRY

## Used Car market

Cap hpi webinar confirms:

- Low supply, low demand, high prices
- Holiday season has impacted demand further
- August slightly better than July
- Late plate cars and alternative fuel cars in demand
- Margins being squeezed

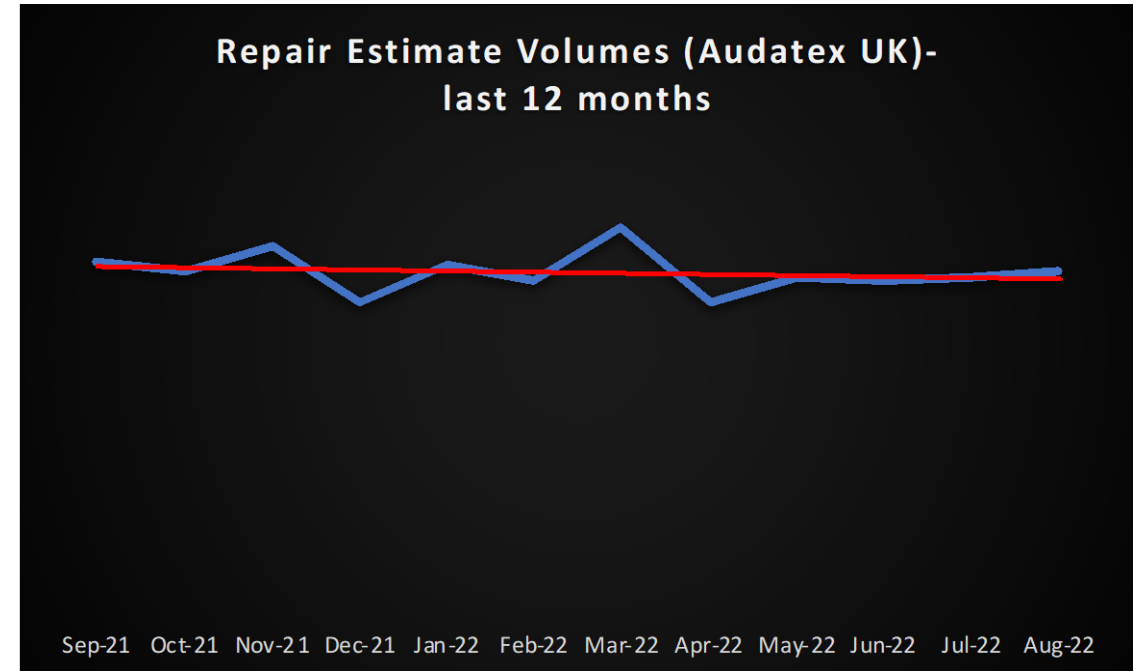
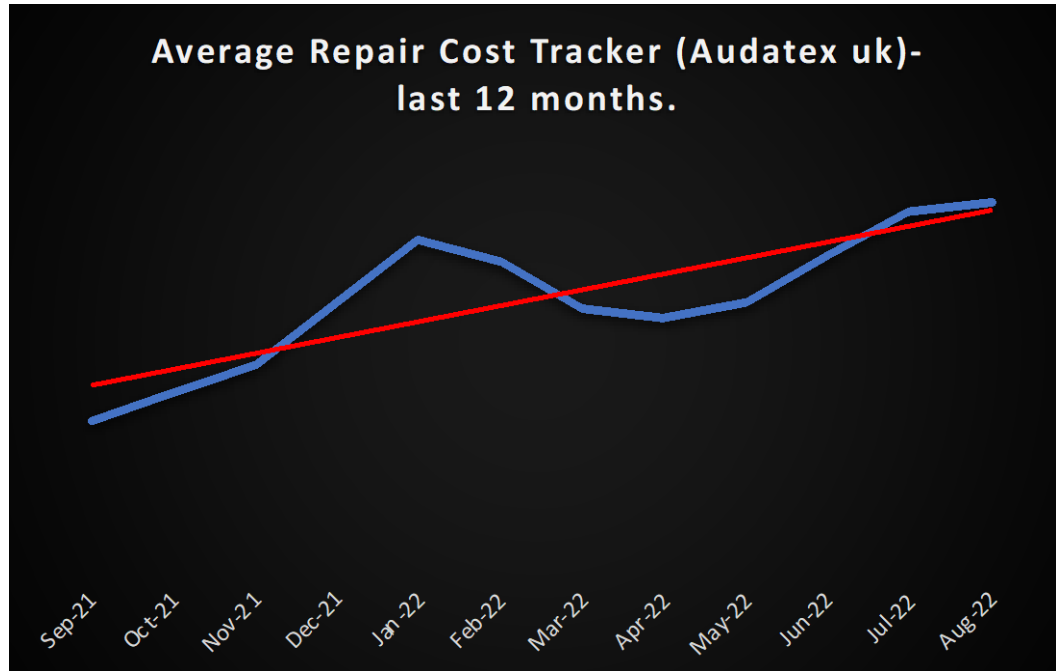
### Valuations - Percentage movements by month, 2018-Present



3 years 60k miles,  
no plate uplifts

 **SCLERA** | cap hpi  
Vehicle Solutions

## Repair volumes and rising costs



- August volumes were up on July and came in at 91% of August 2019 – YTD still tracking 85%
- Repair volumes flat / slight decline in last 12 months as it tracks at the predicted 85% of 2019 levels
- Costs continue to rise c£250 a month (month-on-month) and are struggling to keep up with inflation, suggesting this trend will only continue in the short-term

 **SOLERA** | Audatex  
Vehicle Claims



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