

November 2019 Kontos Kommentary

Current Used Vehicle Market Conditions

Summary

It doesn't show signs of stopping. That's a holiday season phrase that can be applied to November's continuation of general softening in used vehicle values, as overall average prices fell on a month-over-month basis for the sixth month in a row. This was true despite another month of strong CPO sales, which are nonetheless a positive factor for late-model (especially off-rental and off-lease) values.

Details¹

According to KAR Global Analytical Services' monthly analysis of wholesale used vehicle prices by vehicle model class, wholesale prices in November averaged \$10,924 – down 1.9% compared to October but up 3.1% relative to November 2018, as seen in the following table:

Wholesale Used Vehicle Price Trends

	Average Prices (\$/Unit)			Latest Month Versus:	
	Nov-19	Oct-19	Nov-18	Prior Month	Prior Year
Total All Vehicles	\$10,924	\$11,136	\$10,599	-1.9%	3.1%
Total Cars	\$8,165	\$8,304	\$8,197	-1.7%	-0.4%
Compact Car	\$6,096	\$6,248	\$6,315	-2.4%	-3.5%
Midsize Car	\$7,052	\$7,093	\$7,149	-0.6%	-1.4%
Fullsize Car	\$7,650	\$7,734	\$7,822	-1.1%	-2.2%
Luxury Car	\$12,762	\$13,134	\$12,516	-2.8%	2.0%
Sporty Car	\$13,536	\$13,769	\$13,143	-1.7%	3.0%
Total Trucks	\$12,976	\$13,224	\$12,635	-1.9%	2.7%
Mini Van	\$7,874	\$7,900	\$8,141	-0.3%	-3.3%
Fullsize Van	\$12,618	\$13,102	\$11,583	-3.7%	8.9%
Compact SUV/CUV	\$10,592	\$10,917	\$10,890	-3.0%	-2.7%
Midsize SUV/CUV	\$11,753	\$11,702	\$10,982	0.4%	7.0%
Fullsize SUV/CUV	\$13,738	\$14,847	\$14,070	-7.5%	-2.4%
Luxury SUV/CUV	\$18,162	\$18,492	\$17,463	-1.8%	4.0%
Compact Pickup	\$10,999	\$10,917	\$9,600	0.8%	14.6%
Fullsize Pickup	\$15,948	\$16,300	\$15,540	-2.2%	2.6%

Note: October data revised.

Average prices in all car and truck segments were either flat or down on a month-over-month basis. Several segments (compact cars, midsize cars, fullsize cars, minivans, compact SUV/Crossovers, and fullsize SUV/Crossovers) had both month-over-month and year-over-year decreases.

When holding constant for sale type, model-year-age, mileage, and model class segment -- using criteria that characterize off-lease units -- prices were up on a year-over-year basis for midsize cars but down for midsize SUV/CUVs, as seen in the following table:



Fleet/Lease Sales of Three-MY-Old Units w/36K-45K miles

Model Class	Average Prices		Y/Y Variance	
	Nov-19	Nov-18	\$	%
Midsize Car	\$11,419	\$11,309	\$110	1.0%
Midsize SUV/CUV	\$19,196	\$19,408	(\$212)	-1.1%

This is the second consecutive year-over-year-price decline for off-lease midsize SUV/Crossovers and may be indicative of oversupply of these units.

Average wholesale prices for used vehicles remarketed by manufacturers were down 0.6% month-over-month but up 5.1% year-over-year. Prices for fleet/lease consignors were down 3.2% sequentially but up 3.0% annually. Average prices for dealer consignors were down 1.6% versus October and down 0.7% relative to October 2018.

Based on NADA data, retail used vehicle sales by franchised and independent dealers were down 12.5% month-over-month but up 6.7% year-over-year in November. On a year-to-date basis, sales are up 1.8%. November CPO sales were up 3.1% from the prior month and up 15.0% year-over-year, according to figures from Autodata. On a year-to-date basis, CPO sales are up 3.9% versus last year.

¹Source: Analysis is based on over seven million annual sales transactions from over 250 of the largest U.S. wholesale auto auctions, including those of ADESA as well as other auction companies. KAR Global Analytical Services segregates these transactions to study trends by vehicle model class, sale type, model year, etc.

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