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# Current Used Vehicle Market Conditions: Q4 2020

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## December 2020 Kontos Kommentary

*The following commentary is produced monthly by Tom Kontos, Chief Economist, KAR Global. KAR Global is a leading provider of wholesale used vehicle auctions and ancillary remarketing services.*[1]

### Summary

Average wholesale used vehicle prices fell from their August peak for the fourth month in a row in December, yet finished out the year almost 10% higher than year-ago levels. Full-year CPO sales were down in 2020, but only modestly considering the pandemic and the fact that 2019 was a record year.

### Details

According to KAR Global Analytical Services' monthly analysis of wholesale used vehicle prices by vehicle model class, wholesale prices in December averaged $12,161—down 2.2% compared to November, up 4.9% compared to pre-COVID/February and up 9.9% relative to December 2019, as seen in the table below.

# Wholesale Used Vehicle Price Trends

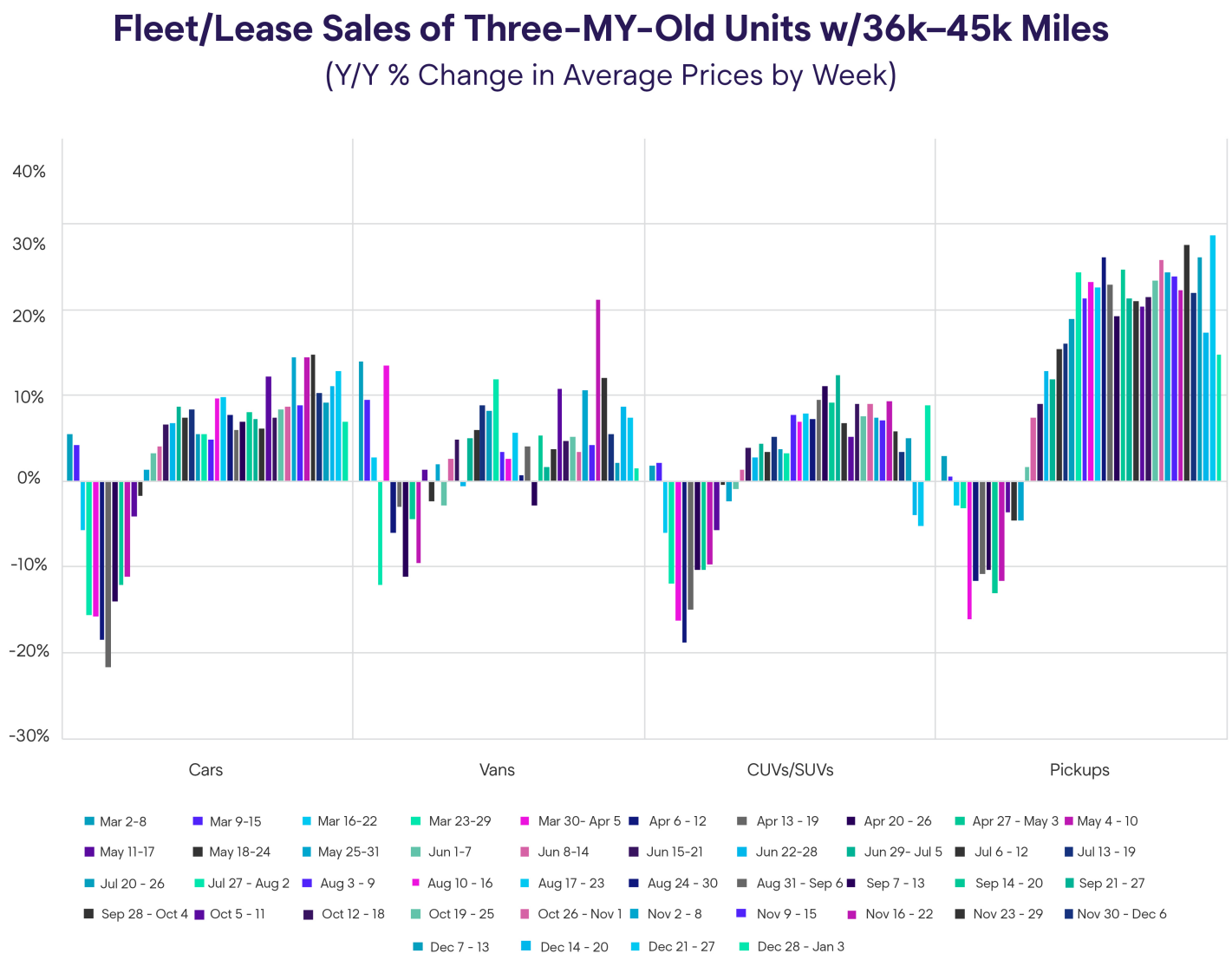
| | Average Prices ($/Unit) | | | | Latest Month Versus | | |
|---|---|---|---|---|---|---|---|
| | Dec-20 | Nov-20 | Feb-20 | Dec-19 | Prior Month | Pre-COVID | Prior Year |
| **Total All Vehicles** | **$11,890** | **$12,161** | **$11,338** | **$10,822** | **-2.2%** | **4.9%** | **9.9%** |
| **Total Cars** | **$8,482** | **$8,879** | **$8,361** | **$8,130** | **-4.5%** | **1.5%** | **4.3%** |
| Compact Car | $5,877 | $6,261 | $6,535 | $6,068 | -6.1% | -10.1% | -3.2% |
| Midsize Car | $7,050 | $7,381 | $7,319 | $7,131 | -4.5% | -3.7% | -1.1% |
| Fullsize Car | $7,676 | $7,960 | $7,765 | $7,241 | -3.6% | -1.1% | 6.0% |
| Luxury Car | $14,361 | $15,006 | $12,662 | $12,700 | -4.3% | 13.4% | 13.1% |
| Sporty Car | $15,635 | $16,361 | $13,869 | $13,496 | -4.4% | 12.7% | 15.8% |
| **Total Trucks** | **$14,250** | **$14,511** | **$13,532** | **$12,872** | **-1.8%** | **5.3%** | **10.7%** |
| Mini Van | $7,804 | $7,937 | $8,286 | $7,568 | -1.7% | -5.8% | 3.1% |
| Fullsize Van | $12,355 | $13,060 | $13,183 | $11,921 | -5.4% | -6.3% | 3.6% |
| Compact SUV/CUV | $10,188 | $10,565 | $10,492 | $10,449 | -3.6% | -2.9% | -2.5% |
| Midsize SUV/CUV | $12,766 | $13,075 | $12,750 | $11,275 | -2.4% | 0.1% | 13.2% |
| Fullsize SUV/CUV | $15,137 | $15,717 | $16,360 | $13,558 | -3.7% | -7.5% | 11.6% |
| Luxury SUV/CUV | $20,461 | $20,573 | $18,714 | $18,336 | -0.5% | 9.3% | 11.6% |
| Compact Pickup | $14,114 | $14,404 | $11,267 | $10,899 | -2.0% | 25.3% | 29.5% |
| Fullsize Pickup | $19,191 | $19,524 | $16,388 | $15,996 | -1.7% | 17.1% | 20.0% |

Prices fell on a month-over-month basis for all model classes, with car segments generally falling more than truck segments. 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 both midsize cars and midsize SUV/CUVs in December, as seen in the following table:

## Fleet/Lease Sales of Three-MY-Old Units w/36k–45k Miles

| | Average Prices | | Y/Y | Y/Y |
|---|---|---|---|---|
| **Model Class** | Dec-20 | Dec-19 | $ | % |
| **Midsize Car** | $12,056 | $11,601 | $455 | 3.9% |
| **Midsize SUV/CUV** | $20,478 | $19,541 | $937 | 4.8% |

The following graph shows trends in average prices throughout the pandemic, using the same criteria:




Though auction prices have tapered since reaching their peak in August, prices remained up on a year-over-year basis at year-end for all model class groupings, especially pickup trucks. CPO sales were up 23.6% from the prior month but down 2.1% year-over-year in December, according to figures from Autodata. On a full-year basis, CPO sales were down 7.1%. Additional retail sales trends are available via KAR Global's interactive dashboards.

[1]**Source:** 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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