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Auto Physical Damage

Current Used Vehicle Market Conditions: Q3 2018

December 9, 2018
3 MIN READ

October 2018 Kontos Kommentary

The following commentary is produced monthly by Tom Kontos, Executive Vice-President, ADESA Analytical Services. ADESA is a leading provider of wholesale used vehicle auctions and ancillary remarketing services. As part of the KAR Auction Services family, ADESA works in collaboration with its sister company, Insurance Auto Auctions, a leading salvage auto auction company, to provide insights, trends and highlights of the entire automotive auction industry.

fleet/lease sales of three-my-old units w/36-45k miles

Summary

Strong retail sales supported used vehicle values in October, as wholesale prices recovered from declines in September.

Details

According to ADESA Analytical Services' monthly analysis of **Wholesale Used Vehicle Prices by Vehicle Model Class**[1], wholesale used vehicle prices in October averaged $11,059 – up 0.7% compared to September and up 0.8% relative to October 2017. When holding constant for sale type, model-year age, mileage, and model class segment, prices were up more significantly on a year-over-year basis for both midsize cars and midsize SUV/CUVs, as seen in the following table:

Whole sale Used VP Trends

Average wholesale prices for used vehicles remarketed by manufacturers were up 1.0% month-over-month and up 1.1% year-over-year. Prices for fleet/lease consignors were down 2.0% sequentially but up 6.1% annually. Average prices for dealer consignors were down 2.4% versus September and down 2.3% relative to October 2017. Based on NADA data, retail used vehicle sales by franchised dealers were up 11.8% year-over-year in October, and were up 10.6% for independent dealers. October CPO sales were down 0.9% from the prior month but up 6.4% year-over-year, according to figures from Autodata. On a year-to-date basis, CPO sales are up 2.2% versus last year.

Sources: [1]The analysis is based on over seven 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.
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