

## FOR IMMEDIATE RELEASE

### Hot Auto Market Sends Wholesale Vehicle Prices Soaring to Record High

- Manheim Index jumps to a record of 179.2, up 26% year over year.
- Wholesale supply, which peaked at 149 days on April 9, 2020, was down to 18 days at the end of March 2021. Normal wholesale supply is 23 days.
- Wholesale prices for pickup trucks continue to outperform the overall market.

**ATLANTA (April 7, 2021)** – Wholesale used-vehicle prices on a mix-, mileage-, and seasonally-adjusted basis increased 5.87% month over month in March. This brought the Manheim Used Vehicle Value Index to 179.2, a 26.2% increase from a year ago and a record high for the Index. Wholesale prices – the prices automobile dealers are paying to acquire inventory – are often a harbinger of retail prices, which have also been elevated on a year-over-year basis through the first quarter.

“It is not uncommon to see a spring bounce in wholesale prices, but a 26.2% increase is a leap by any measure,” said Cox Automotive Chief Economist Jonathan Smoke. “We continue to experience high demand and limited supply. And, as we begin to see the light at the end of the tunnel that is the coronavirus pandemic, increasing consumer confidence and decreasing unemployment create market conditions that lead to sizeable price gains in the first quarter.”

Manheim Market Report (MMR) prices also increased through the month of March. MMR is a valuation tool used by tens of thousands of consignors and dealers to assess millions of trade-ins each month. MMR is designed to be highly stable and avoid overreacting to short-term market ups and downs and provides an accurate measure of vehicle valuations regardless of market conditions.

The Three-Year-Old MMR Index, which represents the largest model year cohort at auction, increased 1.7% in each of the past three weeks. Over the four full weeks of March, the Three-Year-Old Index increased 6.4%. In March, MMR Retention, which is the average difference in price relative to current MMR price, averaged 102.9%. The sales conversion rate also increased for most of the month.

On a year-over-year basis, all major vehicle segments saw seasonally adjusted price increases in March. Pickup trucks outperformed the overall market, while most other major segments underperformed.

### Despite Tight Inventory, New and Used Vehicle Sales Continue to Shine

According to Cox Automotive estimates, total used-vehicle sales in March were up 117% compared to March 2020, when the global COVID-19 pandemic began to shut down much of the U.S. economy. The seasonally adjusted annual rate (SAAR) last month was estimated at 40.5 million, up from 18.5 million last year. The March sales pace was up month over month as well. In February, the used-vehicle sales pace was 38.0 million. The January used-vehicle SAAR was 38.1 million.

The retail market for used vehicles continues to be healthy as well. The March used-retail SAAR was estimated at 22.2 million, up from 9.8 million last year and up month over month from February’s 20.8 million rate. Cox Automotive is forecasting full-year retail used-vehicle sales will reach 23.8 million, an increase from 19.7 million in 2020.

Used-vehicle inventory remains tight. Using a rolling, seven-day estimate based on vAuto data, used retail supply ended March at 29 days, well below the normal level of 44 days. Wholesale supply, which peaked at 149 days on April 9, 2020, was down to 18 days at the end of March. Normal wholesale supply is 23 days.

Similar to the used-vehicle market, March new-vehicle sales were also healthy, up 59.7% year over year, with one more selling day than March 2020. The March SAAR came in at 17.7 million, an increase from last year's 11.4 million and the highest monthly SAAR since October 2017. Cox Automotive recently increased its full-year new-vehicle sales forecast from 15.7 million to 16.1 million. New-vehicle inventory continues to be a challenge for the market. New-vehicle inventory volume was approximately 2.4 million units in late March, down 37% from March 2020.

While retail sales shine for both the new and used market, combined sales to large rental, commercial, and government buyers continue to underperform the larger market. In March, fleet sales were down 20% year over year. Including an estimate for fleet deliveries into the dealer and manufacturer channel, it is estimated total retail sales were up 87% year over year in March, leading to an estimated retail SAAR of 15.4 million, up from 8.4 million last March and up from March 2019's 13.4 million rate.

### **Rental Risk Pricing**

The average price for rental risk units sold at auction in March was up 8% year over year. Rental risk prices were flat compared to February. Average mileage for rental risk units in March, at 67,000 miles, was up 46% compared to a year ago levels and up 27% month over month.

To download additional commentary on the Manheim Used Vehicle Value Index from Cox Automotive, visit the [Cox Automotive Newsroom](#).

### **About Manheim**

Manheim® is the nation's leading provider of end-to-end wholesale vehicle solutions that help dealer and commercial clients increase profits and efficiencies in their used vehicle operations. Through its physical, mobile, and digital sales network, Manheim offers services for decisioning, buying and selling, floor planning, logistics, assurance, and reconditioning. Operating the largest vehicle wholesale marketplace, Manheim provides clients with choices to connect and transact business how and when they want. With nearly 7 million used vehicles offered annually, Manheim team members help the company facilitate transactions representing nearly \$67 billion in value. Headquartered in Atlanta, Manheim North America is a [Cox Automotive™](#) brand. For more information, visit <http://press.manheim.com>.

### **About Cox Automotive**

Cox Automotive Inc. makes buying, selling, owning, and using cars easier for everyone. The global company's 27,000-plus team members and family of brands, including Autotrader®, Clutch Technologies, Dealer.com®, Dealertrack®, Kelley Blue Book®, Manheim®, NextGear Capital®, VinSolutions®, vAuto®, and Xtime®, are passionate about helping millions of car shoppers, 40,000 auto dealer clients across five continents, and many others throughout the automotive industry thrive for generations to come. Cox Automotive is a subsidiary of Cox Enterprises Inc., a privately owned, Atlanta-based company with annual revenues of \$21 billion. [www.coxautoinc.com](http://www.coxautoinc.com)

### **Media Contact:**

Mark Schirmer  
734-883-6346  
[mark.schirmer@coxautoinc.com](mailto:mark.schirmer@coxautoinc.com)

Dara Hailes  
470-658-0656  
[dara.hailes@coxautoinc.com](mailto:dara.hailes@coxautoinc.com)