

FOR IMMEDIATE RELEASE

Wholesale Used Vehicle Prices Peak According to Latest Manheim Data

- Wholesale used-vehicle prices decline in June following a record high of 203 in May.
- Sales efficiency (conversion rate) reached the high 80s in April and has since steadily softened.
- Metrics indicate that supply now more in balance with demand, but constraints will continue.
- Retail prices continued to rise and are expected to peak later this month.

ATLANTA, July 8, 2021 – Wholesale used vehicle prices (on a mix-, mileage-, and seasonally adjusted basis) decreased 1.3% month over month in June, after record highs for four consecutive months. This brought the Manheim Used Vehicle Value Index to 200.4, a 34.3% increase from a year ago and a 1.3% decrease from a high of 203 in May.

“After several months of record highs, all indicators now show that wholesale used vehicle prices peaked in early June and have started to decline,” said Cox Automotive Chief Economist Jonathan Smoke. “In June, the Index hit a record high of 203, and we don’t anticipate seeing numbers in the 200s again for likely several years. Based on our data, it’s clear that supply and demand are more in balance and may be tilting slightly to favor buyers. There are still supply constraints and will be for some time, but we anticipate that substantially inflated used vehicle values will erode by 9% between now and the end of 2021.”

Manheim Market Report (MMR) prices saw weekly increases in the first two full weeks of June, but the remaining weeks saw accelerated price declines. 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 while providing an accurate measure of vehicle valuations regardless of market conditions. Retail prices continued to rise, though at a slower pace, and are expected to peak later this month.

Over the last five weeks, the Three-Year-Old Index declined a net 0.7%. Over the month of May, MMR Retention, which is the average difference in price relative to current MMR, averaged 99%. The sales conversion rate, which peaked in April in the 80s, also slowed as the month progressed and ended the month at a level in the low 50s, much more typical for the month of June.

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

With Record Prices and Tight Supply, New and Used Vehicle Sales Slow in June

According to Cox Automotive estimates, total used-vehicle sales were down 11.1% year over year in June. The used vehicle seasonally adjusted annual rate (SAAR) estimate for June is 39.0 million, down from 43.6 million last June and down compared to May’s 40.0 million SAAR. The June used retail SAAR estimate is 21.3 million, down from 23.1 million last year and down month over month from May’s 21.9 million retail SAAR.

Using a rolling seven-day estimate of used retail days' supply based on vAuto data, the used retail supply peaked at 114 days on April 8, 2020. Used retail days' supply was down to 41 days by the end of June, below the normal level of about 44 days' supply.

The estimated wholesale supply peaked at 149 days on April 9, 2020, when normal supply level is 23 days. It was down to 20 days by the end of June. Supply is expected to modestly improve but inventory levels are not likely to return to higher 2019 levels until 2024.

June total new-vehicle sales were up 18% year over year, with the same number of selling days compared to June 2020. The June SAAR came in at 15.4 million, an increase from last year's 13.0 million but down from June 2019's 17.2 million rate.

Combined sales into large rental, commercial, and government buyers were up 63% year over year in June. Sales into rental increased 531% year over year in June but remain down 3% in the first half of 2021 compared to the same period last year. Commercial sales gained 13% year over year and are up 27% in 2021. Including an estimate for fleet deliveries into the dealer and manufacturer channel, the estimated remaining retail sales were up 15% year over year in June, leading to an estimated retail SAAR of 13.4 million, up from 11.6 million last June but down from June 2019's 13.6 million rate.

Rental Risk Pricing Softens in June

The average price for rental risk units sold at auction in June was up 14% year over year. Rental risk prices were up 2% compared to May. Average mileage for rental risk units in June (at 87,000 miles) was up 100% compared to a year ago and down 1.5% 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 6 million used vehicles offered annually, Manheim team members help the company facilitate transactions representing nearly \$60 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 vehicles easier for everyone. The global company's more than 27,000 team members and family of brands, including Autotrader®, Dealer.com®, Dealertrack®, Dickinson Fleet Services®, 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 nearly \$20 billion. www.coxautoinc.com

Media Contact:

Mark Schirmer
734-883-6346

mark.schirmer@coxautoinc.com

Dara Hailes
470-658-0656
dara.hailes@coxautoinc.com