

CORRECTION: An earlier version of this release reported that the Manheim Index hit a record high of 203 in June. The record high was reached in May and reported in June.

FOR IMMEDIATE RELEASE

Wholesale Used-Vehicle Prices Hit Record High Amid New-Vehicle Inventory Shortages

- Several factors, including new-vehicle inventory shortages and dealers aggressively purchasing available used inventory, contributed to a record high for the Manheim Used Vehicle Value Index in September.
- High prices and decreased consumer confidence led to slowing sales in both the new and used vehicle markets.
- Sales efficiency (conversion rate) is down from its spring peak but, at 65%, is still high for this time of year.

ATLANTA (Oct. 7, 2021) – Wholesale used-vehicle prices (on a mix-, mileage-, and seasonally adjusted basis) increased 5.3% month over month in September. This brought the Manheim Used Vehicle Value Index to 204.8, a 27.1% increase from a year ago and a record high.

“When the Manheim Index hit a record high of 203 in May, we believed that numbers in the 200s would be behind us for some time,” said Cox Automotive Chief Economist Jonathan Smoke. “However, the new-vehicle production problem worsened instead of getting better in Q3. Used inventory issues were further exacerbated by damage to vehicles caused by Hurricane Ida in late August, putting pressure on an already historically tight market and driving the MUVVI up to a record of 204.8.”

Manheim Market Report (MMR) prices saw accelerating weekly increases throughout September. 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 sales conversion rate also increased to 65% over the course of September, which is significantly higher than is typically seen this time of year and indicates that buyers were more aggressive throughout the month. For reference, the average conversion rate in September 2019 was 52%.

Over the four full weeks in the month of September, the Three-Year-Old Index increased a net 4.6%. Over the month of September, MMR Retention, which is the average difference in price relative to current MMR, averaged 100.8, which meant that market prices were ahead of MMR values.

On a year-over-year basis, all major market segments saw seasonally adjusted wholesale price increases in September. Vans and sport utility vehicles had the largest year-over-year performance, while the remaining car and pickup segments lagged the overall market. On a month-over-month basis, no segment saw declines.

High Prices and Inventory Challenges Lead to Falling Sales

According to Cox Automotive estimates, total used vehicle sales were down 13% year over year in September. We estimate the September used SAAR to be 36 million, down from 40.9 million last

September and down compared to August's 36.5 million SAAR. The September used retail SAAR estimate is 19.5 million, down from 21.7 million last year and flat month over month.

Using a rolling seven-day estimate of used retail days' supply based on vAuto data, used retail supply peaked at 114 days on April 8, 2020. Normal used retail supply is about 44 days' supply. It ended September at 37 days, which is below normal levels. Wholesale supply peaked at an estimated 149 days on April 9, 2020, when normal supply is 23. It ended September at 18 days.

September total new-vehicle sales were down 25% year over year, with the same number of selling days compared to September 2020. Month over month, September new-vehicle sales were down 7%. The [September SAAR came in at 12.2 million](#), a decrease from last year's 16.3 million and September 2019's 17.2 million rate.

Combined sales into large rental, commercial, and government buyers were down 21% year over year in September. Sales into rental decreased 17% year over year in September and are up 6% compared to the same period last year. Commercial sales are down 18% year over year in September and are up 13% year-to-date 2021 versus 2020. Remaining retail sales were down an estimated 23% year over year in September, leading to an estimated retail SAAR of 10.7 million. This is down from 14.0 million last September and September 2019's 13.8 million rate.

Vehicle retail average listing prices are also at record-high levels both on the new and used markets and continue to rise. The average listing price for a new vehicle was [above \\$42,000 last month](#). After passing the \$25,000 milestone at the end of June, the average listing price for a retail used vehicle was [approaching \\$26,000](#) in the last report.

Rental Risk Mileage Decreasing

The average price for rental risk units sold at auction in September was up 37% year over year. Rental risk prices were up 12% compared to August. Average mileage for rental risk units in September (at 56,600 miles) was up 33% compared to a year ago but down 19% month over month.

September Brings Clear Declines in Consumer Sentiment

Consumer Confidence according to the Conference Board declined 5.1% in September and left confidence down 17.6% compared to February 2020. Confidence has declined for three straight months. Plans to purchase a vehicle in the next six months declined to the lowest level in eight months and was much lower than a year ago. Plans to purchase a home also declined to the lowest level in three months and was also down year over year. The sentiment index from the University of Michigan reported a 2.5% gain in September. However, the index of consumer sentiment from Morning Consult, which includes data for the full month, showed declines all summer including into September. The Morning Consult index declined 5.5% in July, another 3.1% in August, and ended September down another 0.8%. That left sentiment where we were in early February and down 20.2% from Feb. 29, 2020 and the onset of the COVID-19 pandemic.

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

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