

FOR IMMEDIATE RELEASE

Manheim Forecast: Growth in Used Vehicle Values Expected To Continue Through Spring 2022

- Wholesale used vehicle values showed signs of cooling in the final month of 2021, with prices paid at auction heading lower in the final weeks of the year.
- Despite wholesale value declines, retail used-vehicle prices keep climbing, with average list prices now approaching a [record high of \\$28,000](#).
- Tax refunds and a supply-constrained market will likely lead to another round of price increases in the first half of 2022, before normal price depreciation returns.

ATLANTA, Jan. 7, 2022 – Wholesale used vehicle prices (on a mix-, mileage-, and seasonally adjusted basis) increased 1.6% month over month in December. This brought the Manheim Used Vehicle Value Index to a record high of 236.2, a 46.6% increase from a year ago. The non-adjusted price change, however, declined 1.1% from November, leaving the unadjusted average price up 43.4% year over year.

“The wholesale auction market began to slow in the final weeks of the year, but prices typically bounce in the spring,” said Cox Automotive Chief Economist Jonathan Smoke. “We don’t anticipate 2022 will be an exception, especially with record-level tax refunds expected and ongoing inventory challenges. Unfortunately for consumers, it will be the second half of 2022 before we begin to see normal price depreciation again, barring any further supply chain disruptions. Uncertainty exists around what, if any, impact the Omicron variant will have on supply chain and inventory.”

Manheim Market Report (MMR) values saw weekly price decreases in December that accelerated in the final weeks of the month. 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.

Over the full four weeks of December, the Three-Year-Old Index declined a net 1.7%. Over the month of December, daily MMR Retention, which is the average difference in price relative to current MMR, averaged 98.3%, indicating market prices were below MMR values.

The average daily sales conversion rate also declined in December. At 53%, the conversion rate was close to normal for the final month of the year. The sales conversion rate averaged 52% in December 2019. This indicates that the month saw a balance between buyers and sellers, and as a result, every top-selling vehicle lost value month over month in December on a non-seasonally adjusted basis. However, more appreciation is expected through the spring with strong seasonal demand and robust tax refunds.

On a year-over-year basis, all major market segments saw seasonally adjusted price increases in December. Vans had the largest year-over-year performance, while the pickup, luxury car, and SUV segments lagged the overall market. On a month-over-month basis, no segment saw declines, as compact and luxury vehicles outpaced the market and remaining segments.

High prices and inventory challenges lead to slowing sales

According to Cox Automotive estimates, total used-vehicle sales were down 4% year over year in December. The December used-vehicle seasonally adjusted annual rate (SAAR) of sales was 39.1 million, down from 40.6 million last December and flat compared to November's revised 39.1 million SAAR. The December used retail SAAR estimate is 20.4 million, down from 21.6 million last year and flat month over month.

In the final weeks of 2021, used-vehicle retail supply moved higher while the average listing price climbed past \$27,000 for the first time, according to the Cox Automotive analysis of [vAuto Available Inventory data](#). Normal used retail inventory is about 44 days' supply. It ended December at 54 days, above normal levels. Wholesale supply was also elevated, ending December at 33 days, above the normal supply of 23.

Rental risk mileage continues to decrease as prices increase

The average price for rental risk units sold at auction in December was up 38% year over year. Rental risk prices in December were up 3% compared to November. Average mileage for rental risk units in December (at 69,000 miles) was up 32% compared to a year ago and down 9% month over month.

To download additional commentary and data 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 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

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