



**FOR IMMEDIATE RELEASE**

**Latest Manheim Used-Vehicle Data Shows Signs of Market Normalcy  
After Unprecedented Run in 2020 and 2021**

- The Manheim Used Vehicle Value Index is down 1.3% month over month in June. Cox Automotive now anticipates a year-over-year decline of 6% in December rather than 3%, reflecting more normal market patterns through the remainder of the year.
- Used-vehicle inventory has returned to normal, demand remains strong, and values are declining in a way that indicates normal depreciation has returned and allows for the possibility of more buyers entering the market.
- New-vehicle sales remain muted – with no clear solution in sight – as tight supply continues to hold back the market.

**ATLANTA (July 8, 2022)** – Wholesale used-vehicle prices (on a mix-, mileage-, and seasonally adjusted basis) decreased 1.3% in June from May. This brought the Manheim Used Vehicle Value Index to 219.9, up 9.7% from a year ago. The non-adjusted price change in June decreased 1.8% compared to May. The drop in June left the unadjusted average price up 10.7% year over year, significantly below the increase recorded in March when year-over-year growth stood at 23.3%.

“It’s refreshing to report we are seeing some trends returning more toward normalcy in the used market,” said Cox Automotive Chief Economist Jonathan Smoke. “Much of the focus year to date has been on how much sales are down compared to last year, but that was an impossible comp. The used retail market has been gaining momentum as the year progressed. The opposite occurred last year. We could see more used vehicles sold in July this year than last. Contrary to some opinions, there is little evidence of consumers pulling back, either when it comes to the retail vehicle market or more broadly reducing spending in total. If the consumer pulls back, we will see a recession, as the U.S. economy is consumer driven. But I’m not seeing evidence of us going into or already being in a broad market recession. The jobs market is solid, and consumer demand is there as a result.”

Manheim Market Report (MMR) values saw larger declines over the last two weeks than in the prior two weeks. MMR is a valuation tool that tens of thousands of consignors and dealers use to assess millions of trade-ins each month. It is designed to be highly stable and avoid overreacting to short-term market ups and downs to provide an accurate measure of vehicle valuations regardless of market conditions.

Over the last four weeks, the Three-Year-Old Index decreased a net 2.5%. Over the month of June, daily MMR Retention, which is the average difference in price relative to current MMR, averaged 98.4%, meaning market prices were slightly behind MMR values. The average daily sales conversion rate declined to 51.7%, which was a typical seasonal pattern but was at a level below normal for the time of year. For example, the sales conversion rate averaged 57% in June 2019. The lower conversion rate indicates that the month saw buyers with more bargaining power for this time of year.

All major market segments again saw seasonally adjusted prices that were higher year over year in June, except for pickups showing a 2.5% decline. Vans had the largest increase at 23.1%, with compact and sports cars maintaining seasonally adjusted year-over-year gains ahead of the overall industry.

Compared to May, all major segments' performance was down. Pickups and midsize cars lost more than 2%, followed by luxury cars and vans at 1.8% and 1.6%, respectively.

"The market for used isn't getting worse; we're just in a slightly lower gear right now," said Chris Frey, senior manager of economic and industry insights, Cox Automotive. "And with used-vehicle values moderating and following a more normal pattern, that may even become a tailwind. New-vehicle inventory remains challenged, and that will help support demand for used vehicles."

### **Retail used sales pace increases in June, used supply stabilizes**

Leveraging a same-store set of dealerships selected to represent the country from [Dealertrack](#), we estimate that used retail sales increased 5% in June from May. However, the Dealertrack estimates indicate that used retail sales were down 13% year over year. Compared to 2019, sales were down 11%, which was the best comp against 2019 so far this year.

Used-vehicle supply started the year in a much better place. Dealers built inventory in January and February that then peaked and has been coming down since. But with improving sales, retail days' supply quickly normalized, leaving used-vehicle supply stable in June and off the lows seen last year but still very close to the supply level in 2019.

Using estimates of used retail days' supply based on [vAuto](#) data, June ended at 48 days of supply, which was unchanged from 48 days at the end of May but higher than how June ended in 2021 at 39 days. Leveraging Manheim sales and inventory data, wholesale supply is estimated to have ended June at 25 days, slightly higher than how May ended at 24 days and higher than how June 2021 ended at 20 days.

June's total new-light-vehicle sales were down 13.5% year over year, with one less selling day than June 2021. By volume, June new-vehicle sales were up 1.7% from May. The June SAAR came in at 13.0 million, a 16% decline from last year's 15.5 million but up 2.3% from May's 12.7 million pace.

Combined sales into large rental, commercial, and government fleets were up over 8% year over year in June. Sales into rental were down 10% year over year, while sales into commercial fleets were up 23% and sales into government fleets were up 24%. Including an estimate for fleet deliveries into dealer and manufacturer channels, the remaining retail sales were estimated to be down 15.3%, leading to an estimated retail seasonally adjusted annual rate (SAAR) of 11.1 million, up 0.2 million from last month, or 1.6%, and down 8.5% from last June's 12.1 million pace. Due to weakness in retail, fleet share rose in June to 14.5%, up from last June's 12.7% and last month's 13.9%.

### **Rental risk mileage continues to remain steady**

The average price for rental risk units sold at auction in June was up 30% year over year. Rental risk prices were up 0.9% compared to May. Average mileage for rental risk units in June (at 58,700 miles) was down 32% compared to a year ago and down 7.6% from May.

### **Manheim Used Vehicle Value Index Full-Year Forecast Lowered**

The full-year Manheim Used Vehicle Value Index forecast is being lowered to finish the year at 221.4, a 6% year-over-year decline. This change from the previous forecast of a 3% decline is being made in recognition of the current Index level — slightly lower than anticipated at the halfway point, after a muted spring selling season — as opposed to a major change in expectations for the back half of the year.

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 8 million used vehicles offered annually, Manheim team members help the company facilitate transactions representing nearly \$80 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®, 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](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)