



## FOR IMMEDIATE RELEASE

### **Manheim Report: Used Vehicle Values Fall for Third Straight Month; Wholesale Prices Down More Than 10% Year Over Year**

- Despite a first half filled with unexpected highs and record decreases, the Manheim Used Vehicle Value Index (MUVVI) performed slightly better than anticipated through the end of June.
- With supply slowly improving and demand holding steady, all indicators point to a return to more normal patterns of depreciation for the second half of 2023 and fewer significant declines.
- Wholesale used-vehicle prices experienced their largest-ever June decline, driven partly by slow sales at auction, multiple holiday weekends during the month and the seasonal adjustment.

**ATLANTA, July 10, 2023** – The Manheim Used Vehicle Value Index (MUVVI) declined to 215.1 in June, ending the first half of 2023 down 10.3% from a year ago.

Additionally, wholesale used-vehicle prices (on a mix, mileage, and seasonally adjusted basis) decreased by 4.2% in June. This decrease, a record for June, was impacted by the seasonal adjustment and other factors, including multiple holiday weekends. The non-adjusted price change in June decreased by 3.8% compared to May, moving the unadjusted average price down 10.1% year over year.

“The wholesale market story for the first half of 2023 can be summed up in one word: volatile,” said Cox Automotive Chief Economist Jonathan Smoke. “The result, however, is not unexpected. Larger upswings during the first quarter and a downward trajectory that began in the second half of March have brought us to roughly where we expected to be at this point in the year. The good news is that the worst of this is likely behind us. Used retail sales held steady in June and are showing signs of strengthening – inventory levels are generally balanced between supply and demand.”

#### **Manheim Market Report Values Saw Decreases**

In June, Manheim Market Report (MMR) values saw above-average declines that were relatively consistent. Over the last four weeks, the Three-Year-Old Index declined an aggregate 3.8%. Throughout the month of June, daily MMR Retention, which is the average difference in price relative to the current MMR, averaged 98.4%, meaning market prices were below MMR values. The average daily sales conversion rate declined to 52.2%, which was below normal for the time of year. For context, the daily sales conversion rate averaged 60.7% in June 2019. Conditions favored buyers all month, but supply remained limited.

The major market segments saw seasonally adjusted prices that remained lower year over year in June. Compared to June 2022, pickups and vans lost less than the industry, at 6.6% and 8.5%, respectively. While sports cars fared the worst at 14.8% year over year, compact cars lost 12.6%, and midsize cars were off by 12.2%. Compared to last month, all segments were down, with sports cars, luxury, vans, and SUVs off less than the industry. Compact and midsize cars lost the most, with declines of 6.6% and 6.7%, respectively.

#### **Used Retail Vehicle Sales Declined in June**

Initial estimates from Cox Automotive suggest that used-vehicle retail sales in June were down 4.0% compared to May but saw the year-over-year comparison with 2022 improve. Year over year, used retail sales are estimated to be down 6.0% in June, the best year-over-year performance since March. The average retail listing price for a used vehicle moved 0.5% lower over the last four weeks. Generally



speaking, retail listing prices have been relatively stable over the past few months and below the levels seen in 2022.

Using estimates of used retail days' supply based on vAuto data, an initial assessment indicates June ended at 45 days' supply, down four days from 49 days at the end of May but seven days lower than how June 2022 ended at 52 days. Leveraging Manheim sales and inventory data, wholesale supply is estimated to have finished June at 24 days, unchanged from the end of May and down two days from June 2022's estimate of 26 days.

### **New-Vehicle Sales Continued To Show Surprising Strength**

June's total new-light-vehicle sales were up 19.9% year over year, with the same number of selling days as June 2022. By volume, June new-vehicle sales were up 0.5% month over month. The June sales pace, or seasonally adjusted annual rate (SAAR), came in at 15.7 million, an increase of 20.2% from last year's 13.0 million and up 4.0% from May's revised 15.1 million pace.

Combined sales into large rental, commercial, and government fleets increased 45% year over year again in June. Sales into rental fleets were up 85% year over year, sales into commercial fleets were up 15%, and sales into government fleets were up 41%. Including an estimate for fleet deliveries into dealer and manufacturer channels, the remaining retail sales were estimated to be up 16.9%, leading to an estimated retail SAAR of 12.4 million, up from last year's 11.1 million pace but down from last month's 12.7 million pace. The fleet market share was estimated to be 17.4%, a gain of 2.1% over last year's share and up from May's 16.3% market share.

### **Rental Risk Prices and Mileage Decline in June**

The average price for rental risk units sold at auction in June was down 2.5% year over year. Rental risk prices were off by 4.5% compared to May. Average mileage for rental risk units in June (at 56,700 miles) was down 3.5% compared to a year ago and down 3.1% from May.

### **Used and Wholesale Vehicle Market Forecast and Outlook for Second Half**

During the [2023 Cox Automotive Mid-Year Review](#) last month, the Industry Insights team announced that performance in the first half led to [mixed revisions](#) to the vehicle sales and vehicle values forecasts. The Cox Automotive forecast for total used-vehicles sales has been revised down slightly, to a 2% decline year over year, with used retail declining 1%.

End-of-year expectations for the Manheim Used Vehicle Value Index have been downwardly revised mainly based on the decreases already seen year to date. Instead of being up 1.6%, Cox Automotive now forecasts the MUVVI will be down 1.1% year over year in December.

### **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 [press.manheim.com](https://press.manheim.com).



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