



# Monthly Market Intelligence

The latest insight from the UK's largest new and used car platform.

JANUARY 2025

 AutoTrader

# Early setbacks from adverse weather, but performance is improving

## NEW CAR REGISTRATIONS

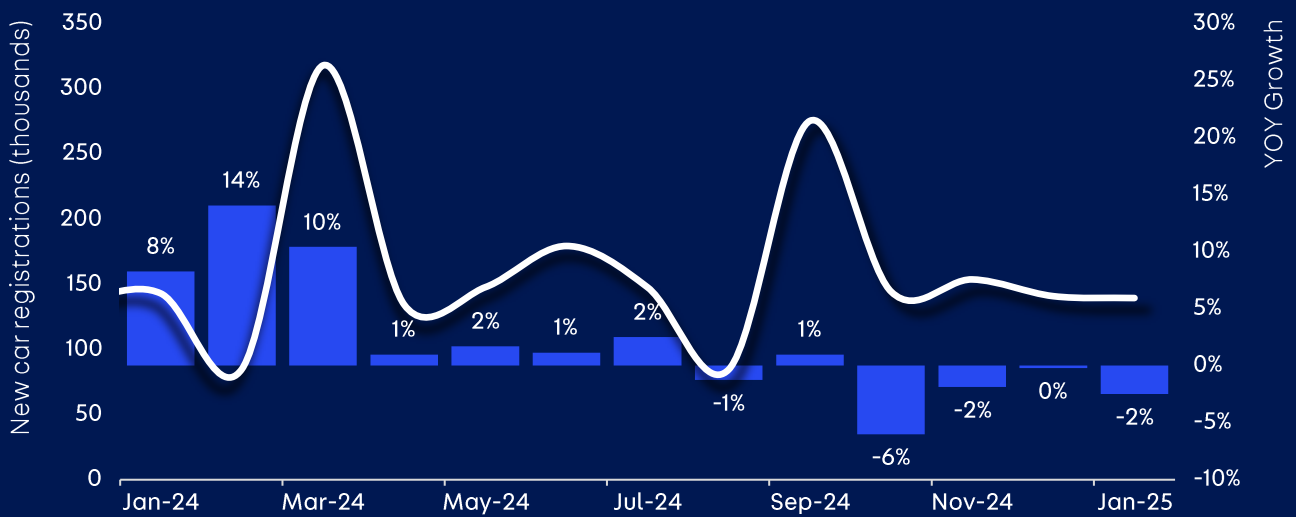
New car registrations saw the fourth consecutive month of decline in January as the volume of registrations fell 2%. Despite fleet channels driving growth in 2024, the volume of registrations contracted in January, falling -3.7%. Sales to private buyers fell -0.5% as challenging economic conditions and the shift to EVs continued to deter buyers. Registrations of EVs and plug-in hybrid cars defied the trend of the overall market as sales grew 42% and 6% respectively, although the expected tax increases for these fuel types threatens this growth. Push activity continues in the new car market as manufacturers aim to incentivise private buyers with steep discounts.

# 139,345

NEW CAR REGs. (SMMT)

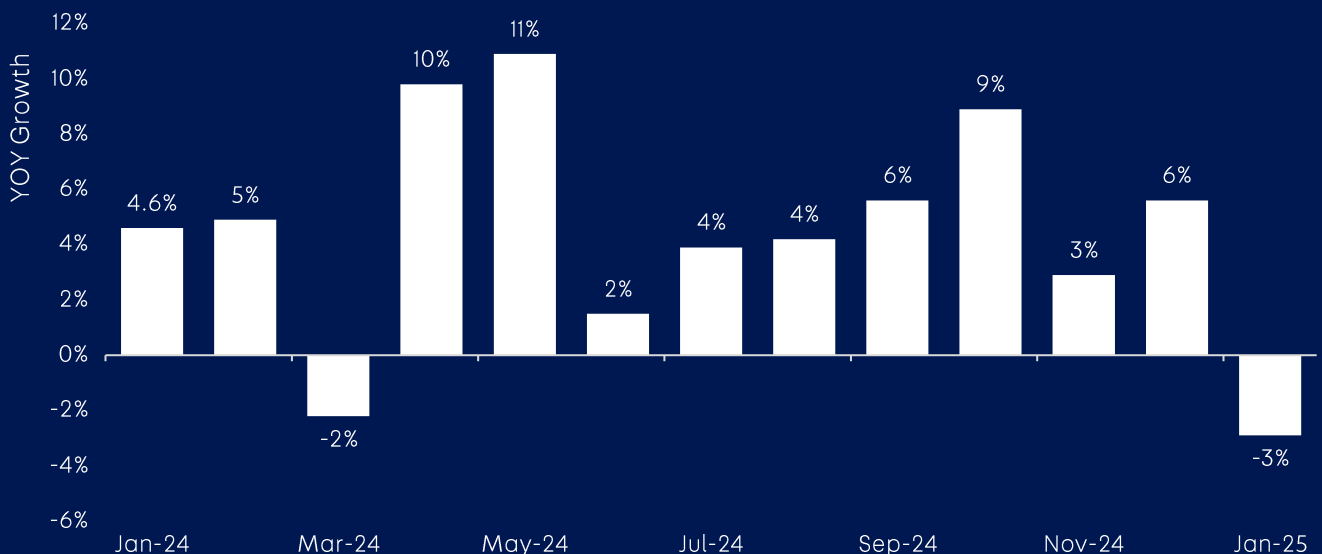
# -2%

(VS. JANUARY 2024)



## USED CAR SALES (YEAR-ON-YEAR)

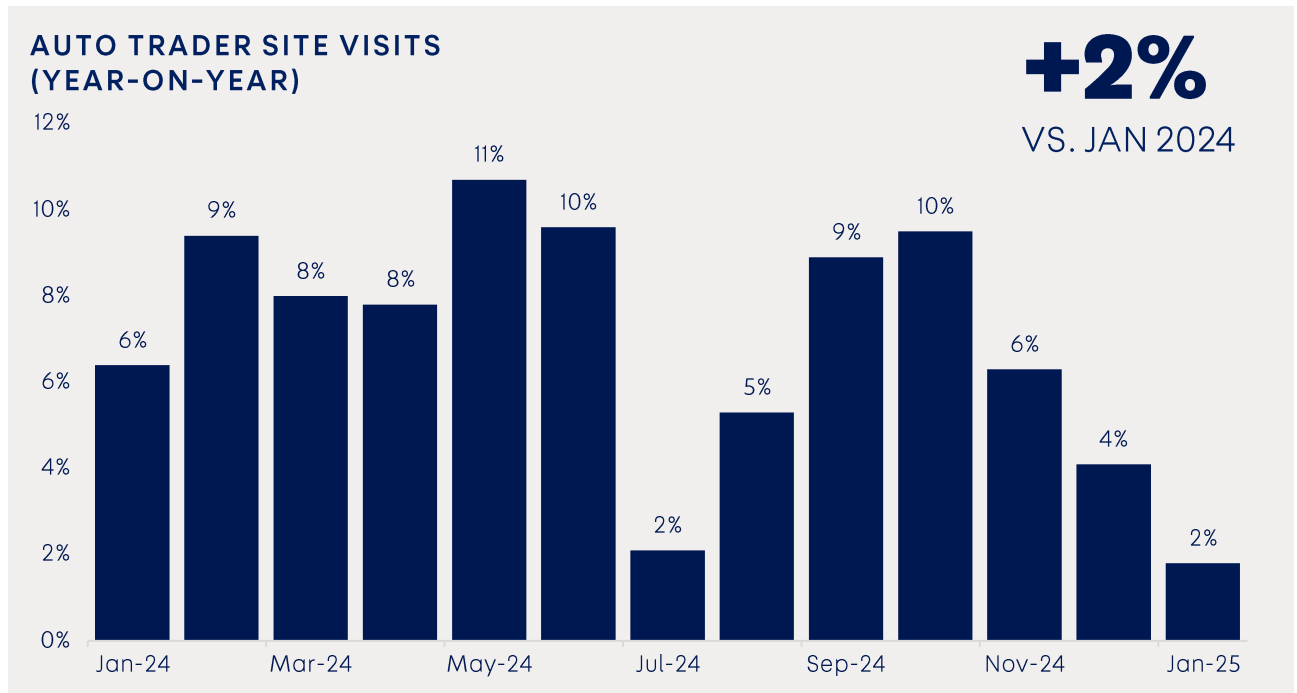
Used car sales contracted by -3% on a year-on-year basis in January due to the severe weather disruption in the first week of the year. Despite the significant decline in the first week (-26%), used car sales recovered strongly in the remainder of the month to offset the significant initial decline. Anecdotal evidence also confirms that sales performance recovered after the first week of disruption.



\*Data based on vehicles removed from Auto Trader. We assume that the vehicle is sold on the last day we saw it on our site. Strong historical correlation to official SMMT used car transactions and retailer data. Ongoing improvements to the data means historic figures may change slightly each month.

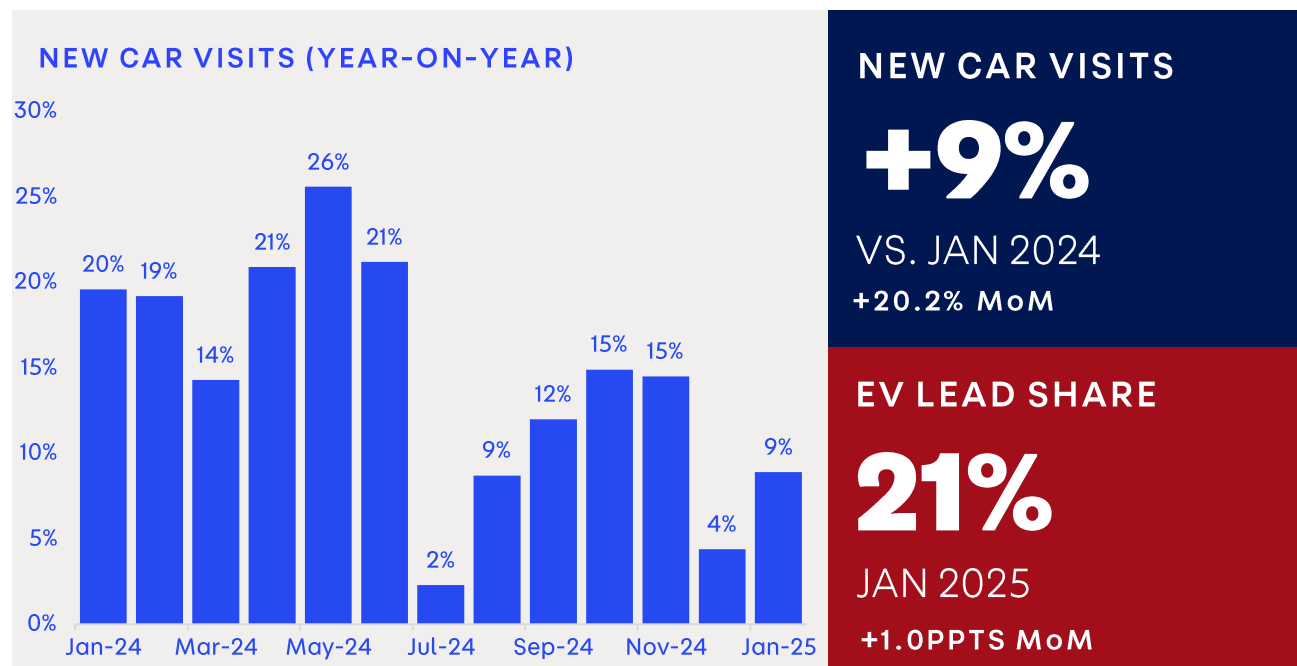
## AUTO TRADER AUDIENCE

Site visits to Auto Trader increased **2% in January**, despite the weather disruption during the first week of the year and the seasonal drop in consumer confidence reported by GfK because of public concerns about the economic situation. The modest growth in site visits signifies the underlying robustness of buyer demand as 92% of consumers on site reported confidence in their ability to afford their next car<sup>1</sup>.



## NEW CAR ACTIVITY

New car visits rebounded in January, increasing **9% year-on-year** after the seasonal dip in activity throughout the festive period. As manufacturers prepare for the biggest quarter of new car registrations, almost four in five new cars advertised on Auto Trader offered savings off the RRP, with the average discount at the highest level for a January since 2020. As the government's EV mandate ramps up in 2025, discounts for EVs, averaging 11.4%, were the highest of any fuel type, 2.7ppts higher than petrol cars.

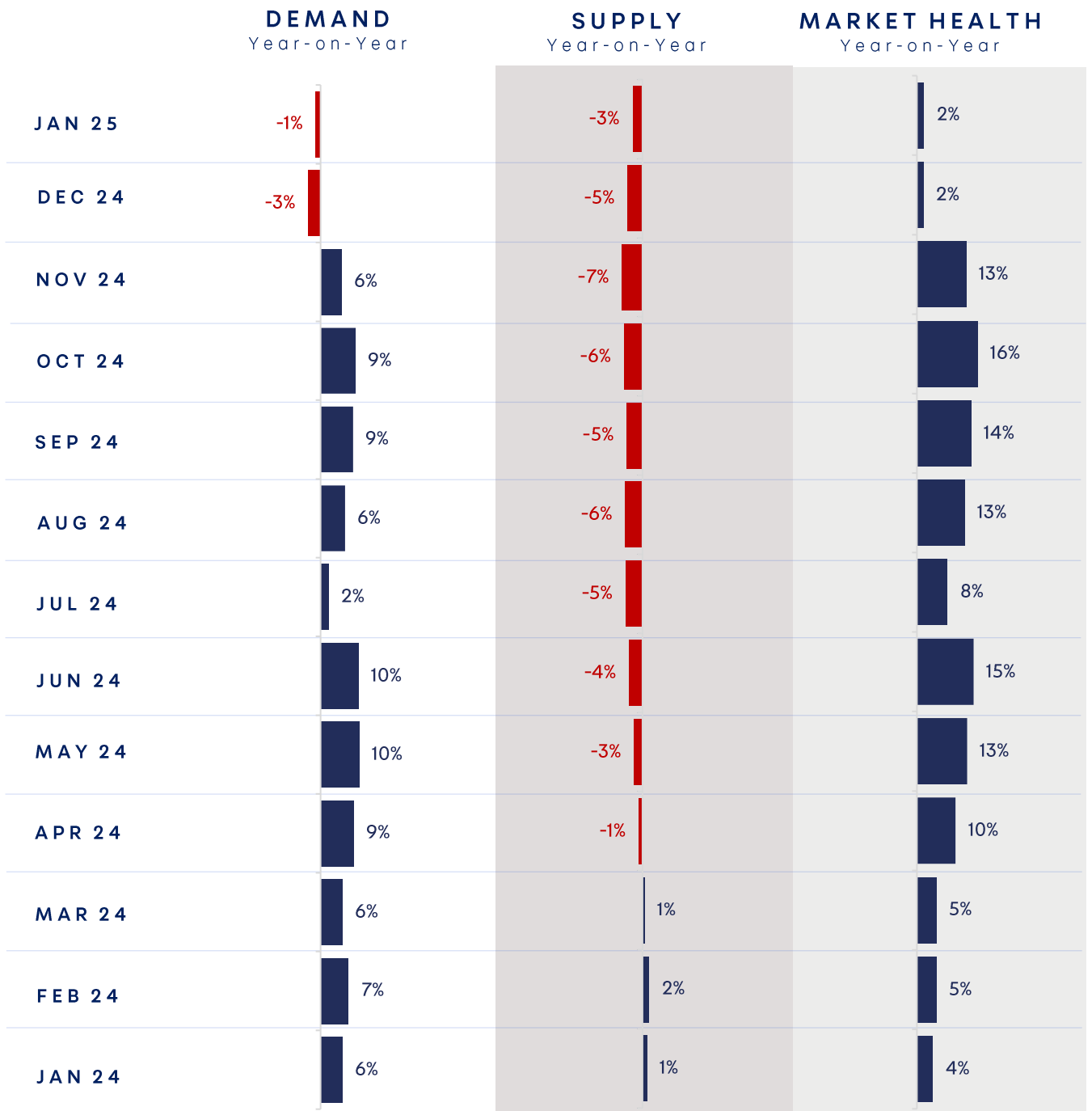


# USED CAR MARKET HEALTH

Market health for used cars was 2% ahead of last year in January as the weather conditions seen in the first week impacted consumer demand. Despite demand falling in the first week, the recovery in subsequent weeks meant demand for used cars remained higher than the supply available on retailer forecourts. Although demand has fallen year-on-year, it is important to note the decline comes after a year of consistent growth, so is compared to a high base. Regardless, vehicles continue to move quickly, selling on average every 38 days, three days faster than January 2024 and four days faster than in 2023.



The Market Health metric shows the ratio of supply vs. demand compared to the previous year

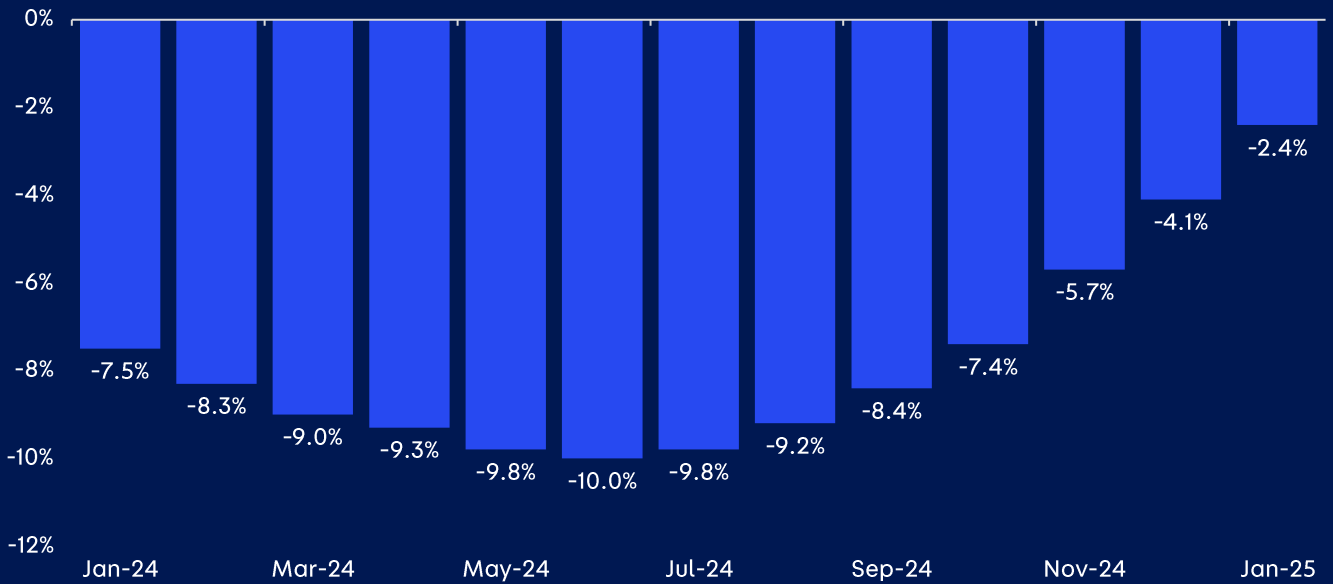


# USED CAR RETAIL PRICE GROWTH

Used car prices continued to improve in January, with like-for-like prices falling to be within 2% on a year-on-year basis. As consumer demand continues to outpace falling vehicle supply, the pricing improvements seen last year have continued into 2025, reflecting retailer confidence in the market. In recent months, all vehicle segments have seen prices increasing, reflecting the positive market health and fast average stock turn – especially where supply is constrained such as vehicles aged 3-5-years-old which saw prices grow +0.3% year-on-year.

## YEAR-ON-YEAR USED CAR RETAIL PRICE GROWTH

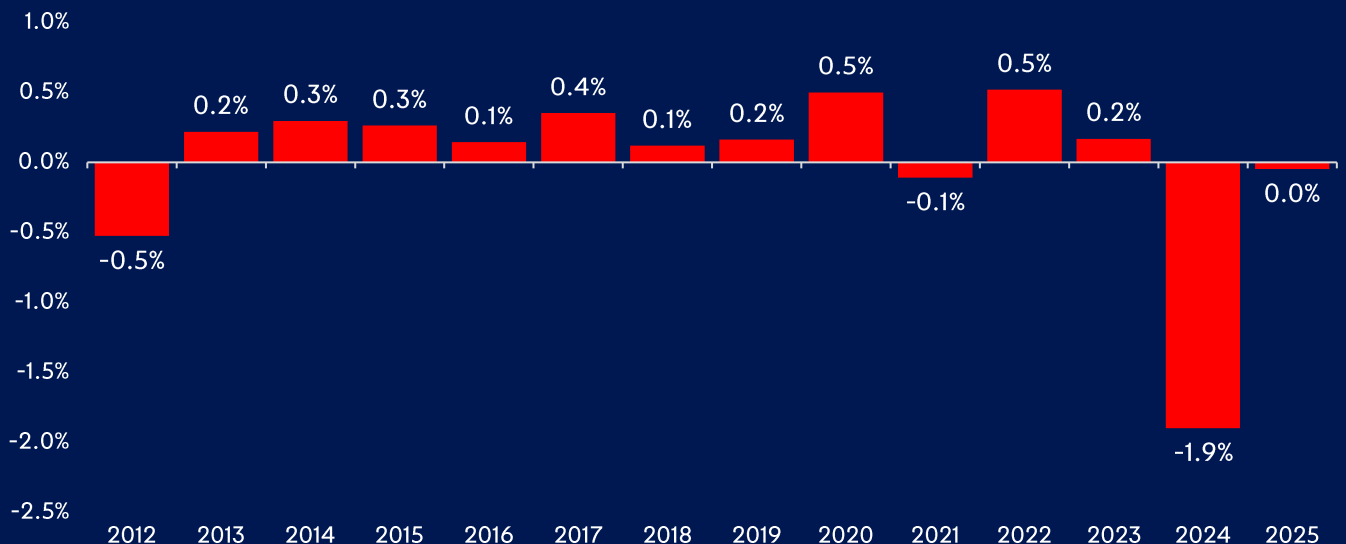
Like-for-Like Basis



On a month-on-month basis, used car retail prices remained flat, moving broadly in line with seasonal pricing movements from December to January. Price movements for all fuel types were consistent with seasonal trends and notably, electric cars saw the most significant change as prices improved +0.9% despite supply and demand dynamics in which supply for the fuel type exceeds consumer demand. These EV price movements are reflective of growing retailer confidence in pricing used EVs following historical uncertainty.

## MONTH-ON-MONTH USED CAR RETAIL PRICE GROWTH: JANUARY

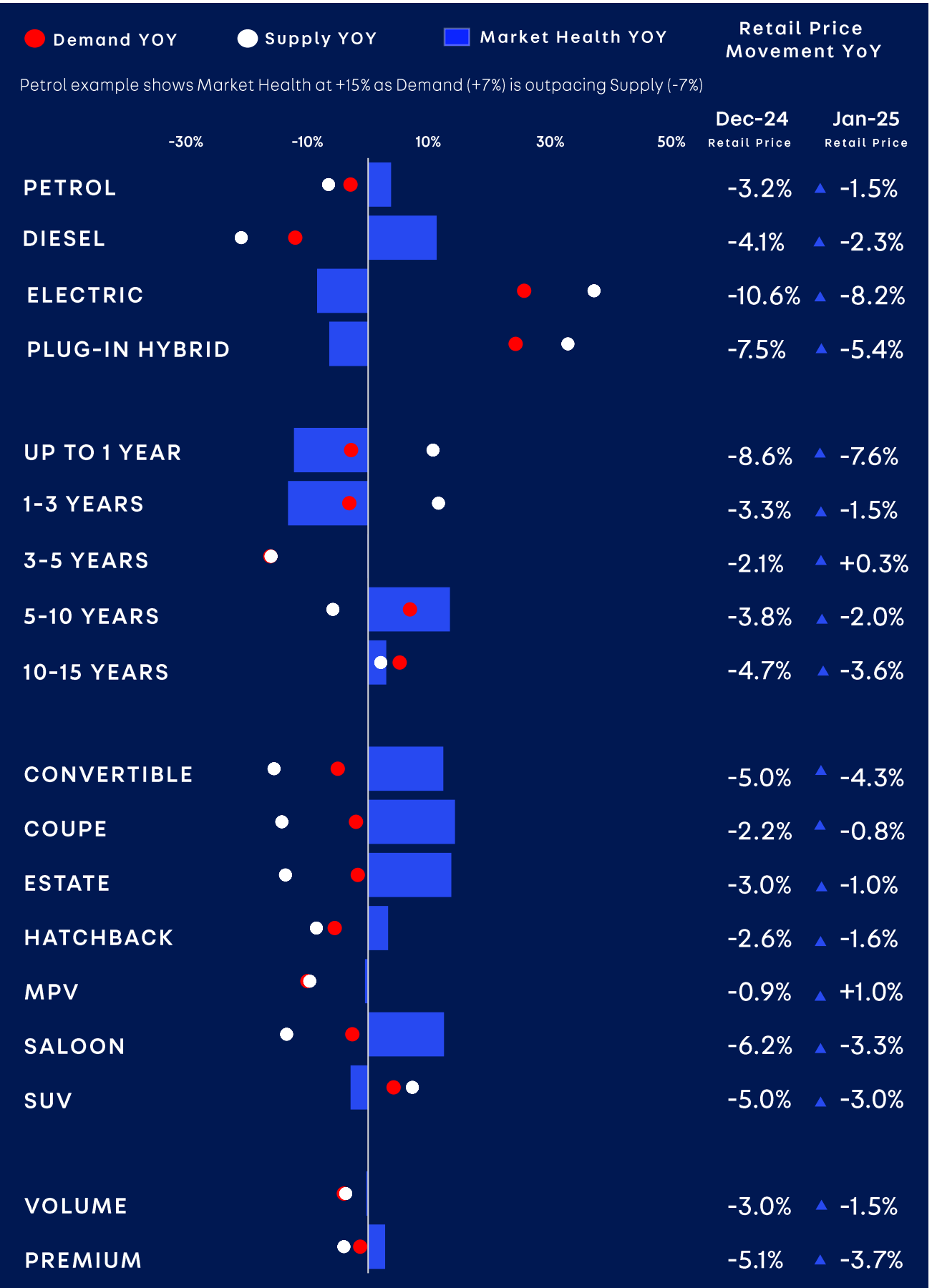
Like-for-Like Basis



Retail price observations. Year on year like-for-like pricing. Removes the impact of stock mix shift to reflect true value adjustments

# DEMAND, SUPPLY, MARKET HEALTH & PRICE MOVEMENT (YOY GROWTH)

Charts show Market Health (blue bar), Demand (red) and Supply (white), with pricing movements. The monthly movement of retail prices is illustrated by blue/red arrows.



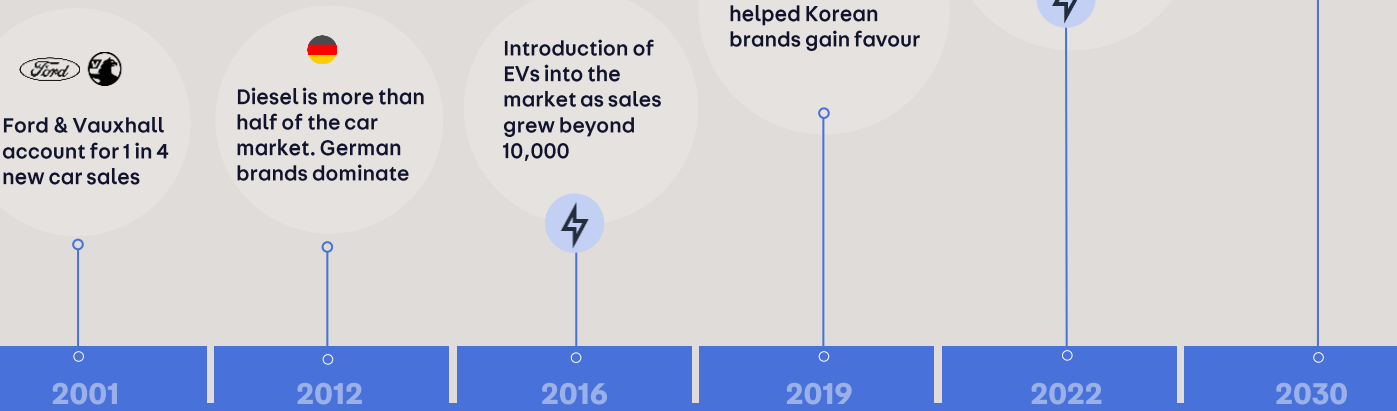
In focus this month

# New Chinese brands: Accelerating 2030?

The UK car market is used to change – the entire brand landscape has altered over the decades with more choice and buyer openness. With consumer loyalty in decline, particularly among EV buyers, the market is open to change. These factors suggest that the brand landscape will once again see significant change.

## UK BRAND LANDSCAPE

Popular brands by market share



**8 in 10**

EV buyers chose a different brand from their previous vehicle

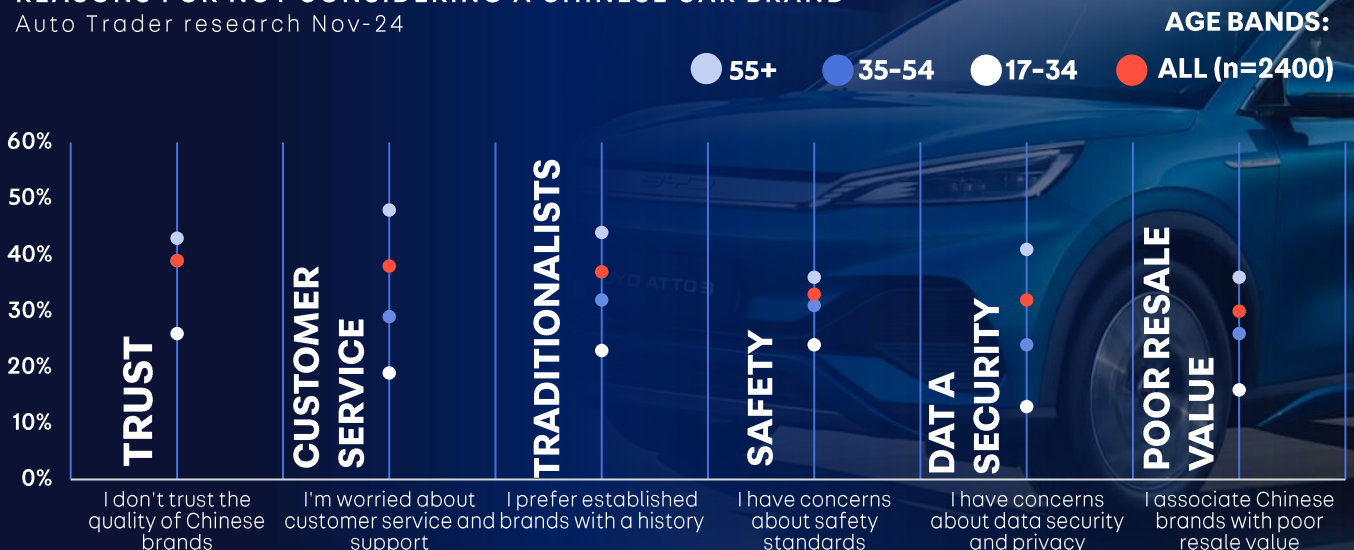
**2 in 5**

Consumers are open to buying from a new Chinese brand

There is a clear opportunity for Chinese brands among certain buyers. 17-34-year-olds will be attracted by innovative technology and competitive prices<sup>1</sup> while older drivers have quality, safety and security fears to overcome.

## REASONS FOR NOT CONSIDERING A CHINESE CAR BRAND

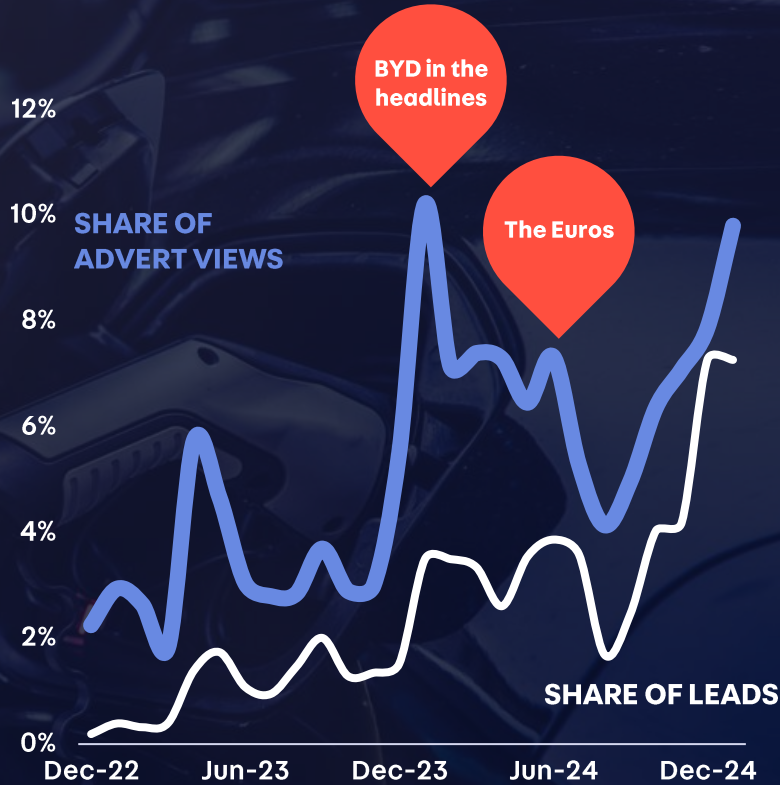
Auto Trader research Nov-24



Consumers are increasingly interacting with new entrants but conversion to leads is relatively low, reflecting consumer concerns. Retailers will be key to improving consumer awareness and providing the reassurance buyers require.

## NEW CHINESE ENTRANTS SHARE OF NEW EV MARKET

Based on stock advertised on Auto Trader



**188**

BRANDS STOCKING A NEW ENTRANTS IN JANUARY 2025

**154↑**  
YEAR-ON-YEAR

These brands are already responding. The number of brands stocking a new entrant has increased from 34 in January 2024 to 188 in January 2025 as the brands continue to build their physical presence in the UK.

Consumers are already comparing these new entrant vehicles to those from Western brands and competition for consumer demand is intensifying. Successful new entrant brands will need a clear product roadmap, aftersales support and marketing investment to make ground and establish themselves in the UK market.

### COMPETITOR SETS

Example: 12% of users that viewed a Tesla Model 3 also viewed a BYD Seal



	BYD Seal	Tesla Model 3	BMW i4	Hyundai IONIQ 6	KIA EV6	Volvo EC40	Ford Mustang Mach-E	Polestar Polestar 3	MG MG4
BYD Seal	100%	12%	15%	25%	21%	17%	15%	15%	10%
Tesla Model 3	14%	100%	19%	22%	18%	18%	16%	16%	10%
BMW i4	8%	8%	100%	16%	14%	16%	14%	11%	5%
Hyundai IONIQ 6	3%	3%	4%	100%	7%	6%	5%	3%	2%
KIA EV6	8%	6%	10%	21%	100%	14%	12%	10%	6%
Volvo EC40	1%	1%	2%	4%	3%	100%	3%	3%	1%
Ford Mustang Mach-E	6%	6%	11%	15%	13%	15%	100%	9%	5%
Polestar Polestar 3	5%	5%	6%	9%	8%	14%	7%	100%	2%
MG MG4	7%	6%	6%	11%	10%	8%	9%	5%	100%

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