



Retail pricing becoming more volatile as shortages ease

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Under normal circumstances, September would be a month of celebration and investigation for the industry as a whole with new car registrations taking priority over the used car business within retailers nationwide.

However, 2020 has been a unique year so far and this time September has been a month fighting to sustain the recovery that started in June when the retailer doors opened for business once again, as the Cazana Monthly Pricing Insight report states.

After several months of hard-fought new car business and impressive used car sales, the new car market posted a dip of 4.4% over the previous year which for many came as something of a surprise given the positive start at the beginning of the month and this performance has left the year to date registration total 33.2% behind activity in 2019.

Amidst the plethora of incentives for new cars lay the aftermath of the suspension of new car production earlier in the year. Availability issues for certain products, specifically in the VAG and Ford ranges, meant that certain key models were hard to find whilst at the same time preparations for the finalisation of RDE2 legislation and CAFE targets resulted in some models being offered at very appealing prices.

However, as the month progressed, so did the level of registrations with the Fleet sector finishing on a notable 5.8% down on 2019 and the private car sector a more respectable 1.1% lower.

Meanwhile in the used car market, performance was a lot better and the strong demand



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from the used car buyer continued to bring positive news to the retailers who were able to focus on used car sales better than in the same period in previous years.

Despite the challenges, still evident in the logistics supply chain, used cars were still finding their way to the forecourts to satisfy demand and pricing remained firm on the face of it.