

July 2024

Future used car market overview

Welcome to the latest version of our overview. Our aim is to bring you the best content and layout, making it easy to identify new and revised information. As always, any customer feedback would be appreciated: e-mail dylan.setterfield@cap-hpi.com

The content is structured as follows:

- 1. Forecast Changes
- 2. Market Conditions
- 3. Historic Forecast Accuracy
- 4. Forecast Methodology & Products
- 5. Sector Reforecast Schedule 2024

1. Forecast changes

The overall average change in new car forecasts between June and July is approximately -1.09% at 36/60, which is broadly in line with the normal expectation of the seasonal change for full year forecasts at this time of year.

Sector reforecasts

This month, we publish new reforecasts for the Convertible, Coupe Cabriolet, Sports and Supercar sectors.

At this review, there were no changes to our deflation assumptions. There is considerable variation by model and fuel type regarding recent used value performance and subsequently on the forecast impact at this review. In particular, Convertible seasonality has been significantly distorted over the past 18 months to 2 years and it is therefore very difficult to interpret the sustainability of medium to large movements in used values (in both directions). When regarding the table below, it should also be remembered that some of the sector/fuel combinations contain very few vehicle ranges: Convertible Diesel (3), Convertible Electric (3), Sports Diesel (2), Sports Hybrid (2) and Supercar Hybrid (2). For convenience, the small number of Coupe Cabriolet ranges have been included in the summary for Convertible.

Average forecast movements are displayed in the table below.

SIZE & FUEL TYPE	UNDERLYING FORECAST CHANGE	SEASONAL ELEMENT	OBSERVED CHANGE JUNE TO JULY
Convertible Diesel	-0.2%	+0.2%	+0.0%
Convertible Electric (BEV)	-1.1%	-0.1%	-1.2%
Convertible Petrol	-1.5%	-0.1%	-1.6%
Sports Diesel	-1.3%	-2.1%	-3.4%
Sports Electric	-0.1%	-1.0%	-1.1%
Sports Petrol	-2.3%	-1.0%	-3.3%
Sports PHEV	+0.0%	-1.0%	-1.0%
Supercar Petrol	-0.5%	-0.1%	-0.6%
Supercar PHEV	+0.6%	-0.1%	+0.5%
Overall Average	-1.7%	-0.5%	-2.2%

Car future editorial

By cap hpi

The following generations had their mileage profiles changed to the generic low mileage profile this month (labelled in gold book iQ as "Luxury Executive Diesel") and now align with their main competitors and previous generations:

ASTON MARTIN VANTAGE (24-)

FORD MUSTANG CONVERTIBLE (24-)

Forecast changes this month

The focus of our Interproduct reporting has shifted slightly this month. While there is a lot of attention on those ranges where our forecasts were now above the latest used value position, there are an increasing number of generations which have seen an increase this month following positive used value performance. In some cases the 12 month position has improved, but we have retained our view at 36 months. This month, 75 current ranges were considered in total, but in some cases it was decided to make no changes to the forecasts; some of these are flagged for review of walk-up relationships and others appear likely to see increases in used values in the near future. There were also some SUV ranges which we considered best to leave until next month's sector review, when they can be re-evaluated alongside their competitors. Some of the ranges below were also reforecast during last month's analysis, but we were forced to take further action as a result of changes in either trade or retail data (or both).

The majority of the examples below involved changes at all ages of the forecast. In some cases, we have not applied adjustments to reflect the most recent used value reductions, as we expect some of them to be short term in nature and values to stabilise to some extent. There have been further significant disturbances to logical relationships and we are also closely monitoring retail data for signs of which elements are likely to be continued and which ones are likely to revert back to something more in line with normal expectations.

Interproduct Reporting Changes

ALFA ROMEO TONALE (22-)	HYUNDAI BAYON (21-)	MINI COUNTRYMAN (23-)
ALFA ROMEO TONALE (22-) Hybrid	HYUNDAI KONA (23-) Electric	PORSCHE PANAMERA (16-) HYBRID
AUDI A7 Petrol (19-) Hybrid	JAGUAR I-PACE (18-)	RENAULT CLIO (19-)
AUDI Q4 E-TRON ESTATE (21-)	KIA PICANTO (17-)	SEAT TARRACO (18-)
AUDI Q8 E-TRON (22-) Electric	LAND ROVER DISCOVERY (16-)	SKODA KAROQ (17-)
BMW I4 GRAN COUPE (21-) Electric	LEXUS RX (22-) HYBRID	TOYOTA BZ4X (21-) Electric
BMW X3 (17-)	MAZDA CX-30 (19-)	VAUXHALL CORSA (19-) ELECTRIC
DS DS4 (21-) Hybrid	MERCEDES-BENZ EQS (21-) Electric	VOLKSWAGEN ID.3 (23-) Electric
FIAT PANDA (12-)	MERCEDES-BENZ EQS ESTATE (22-) Electric	VOLKSWAGEN T-ROC (17-)
FISKER OCEAN (23-) Electric	MERCEDES-BENZ GLA (20-) DIESEL	VOLKSWAGEN T-ROC (17-) Diesel
FORD KUGA (19-)	MERCEDES-BENZ GLC (22-) DIESEL	
HONDA JAZZ (20-) HYBRID	MINI COOPER (24-)	

Further significant action was taken on FISKER OCEAN (23-) Electric following the announcement of Chapter 11 bankruptcy proceedings in the USA (underlying 36/60 forecast reduces by a further -12% at 36/60 and -29% at 12/20). Although there is still potential for the company to continue to trade, we have reflected increased probability of issues around future parts availability and lack of network support, also recognising the most recent reductions in used values.

Other Forecast Changes

BMW 3 SERIES (18-)

Premium for touring over saloon increased from £650 to £1,300, resulting in forecast increases.

BMW 3 SERIES (19-) HYBRID

Premium for touring over saloon increased from £650 to £1,300, resulting in forecast increases.

BMW 3 SERIES (18-) DIESEL

Premium for touring over saloon increased from £650 to £1,300, resulting in forecast increases.

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CITROEN BERLINGO MULTISPACE (18-) DIESEL

Premium for Flair trim over Feel increased from £950 to £1,425 and premium for Rip Curl over Flair removed (had previously been £350).

DACIA DUSTER (18-)

Penalty for Access trim increased from -£1,100 to -£1,275. Premium for Comfort trim over Essential [2022 trim] increased from £1,100 to £1,275 and premium for Expression trim over Comfort increased from £75 to £225, resulting in forecast increases for current vehicles.

NISSAN X-TRAIL (22-) Hybrid

Walk up correction: N-Trek variants increased by £200 at 36/60, following the receipt of additional specification information from the manufacturer.

SKODA ENYAQ COUPE (22-) Electric

Full review of battery relationships, aligning closer to latest estate variant and resulting in forecast increases for current vehicles.

VOLVO XC60 (17-)

Walk-up review of trim, engine transmission and facelift relationships, with varying forecast impact.

VOLVO XC60 F-PACE (17-) DIESEL

Walk-up review of trim, engine transmission and facelift relationships, with varying forecast impact.

VOLVO XC60 (17-) Hybrid

Walk-up review of trim, engine and facelift relationships, with varying forecast impact.

Seasonality changes

In line with our gold book methodology, all other model ranges outside of the other changes listed above, have had their forecasts moved forward from month to month by seasonal factors which are differentiated by sector and fuel type and are based on analysis of historical used value movements.

2. Market changes

Strength returns to the used market

Our initial expectation for June was for used car price reductions somewhere between those seen in April (-1.5%) and May (-0.9%). For the first week, values started to reduce slightly and it looked like this was going to be an accurate prediction, but the remainder of the month has seen somewhat stronger performance in most areas of the market. It looks like the final movement will now be a marginal decrease of just -0.1%. The variation by fuel type has continued, with petrol prices increasing (+0.2%), diesel and hybrid again close to the market average (both -0.2%), plug-in cars softening by -0.6% and electric cars once again the worst performing fuel type, but the -1.6% movement is far better than the -3.6% last month (and the -3.7% the previous month) and is actually in line with typical seasonality for the time of year.

Vendor feedback on BEVs has varied from week to week and views on individual models have been different between sellers and so again there is (predictably) significant variation within the BEV average; a handful of models have seen incredibly weak performance, with Fisker Ocean (see above), Vauxhall Corsa-e, Citroen C4X Electric and GWM Ora Funky Cat/03 all decreasing by more than -5%, but Kia EV6, Mini Cooper Electric and Polestar 2 all increasing in value over the month.

In July, we expect the strength to continue, with movements favourable to typically seasonality and somewhere between the movements seen over the past 2 months, softening slightly as we move towards the summer holiday period.

As previously explained, we are now past the period where bulging order banks at the largest fleets have been fulfilled, resulting in a short-term glut of used volume. This has now eased significantly and (as predicted) we are starting to see the benefit of reduced new car registrations through the pandemic, translating into lower levels of used car supply and subsequent improvements in used values.

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The ban on sales of new ICE cars and LCVs from 2035

The Zero Emission Mandate is being implemented as originally planned from the 3rd January 2024, nominally requiring OEMs to meet a minimum proportion of 22% BEV this year. It should be noted that there are detailed 'flexibilities' available to manufacturers and some have already indicated to us that they are planning to avail themselves of various different options, as they already know they will not meet the mandated proportion in 2024. Despite this, many manufacturers are still focussed on maximising BEV sales this year and this has resulted in excessively large new car price discounts in some cases – those models where large discounts and differential interest rates have combined to make new cars cheaper than used have (not surprisingly) resulted in significant reductions in used values.

Although some political parties have stated that they would either scrap the ZEV Mandate completely, or restore the deadline for new ICE sales to 2030, we consider the former unlikely to happen and the latter to have minimal impact unless the existing ZEV % targets by year are amended. If the ICE ban was brought back to 2030, it would be likely to have a minor, short-term (positive) impact on consumer retail demand, but limited influence on trade values.

Battery electric vehicles

The used market for BEVs is likely to remain extremely complex for some time. The high prices which were fuelled by extremely strong demand in the middle section of 2022 are a distant memory; increased used volume and a multitude of issues impacting demand combined to bring the 'perfect storm', resulting in the eye-watering decreases in used values which started over 18 months ago, with cumulative used value reductions on average for BEVs of -59.6% since September 2022. BEVs are now down -21.2% Year Over Year at 36/60; a minor increase in deflation compared to last month but far better than the -36% in September and expected to continue to improve. It was not a surprise that values came down in 2022/23. If anything, the most surprising element was just how long values had remained strong during 2022, but the speed of reduction when it came was brutal. Many models continued to stabilise or increase slightly in value towards the end of 2023 as the used market for BEVs outperformed other fuel types, but this year we have seen renewed falls, although this month's performance indicates that we may be moving into another period of relative stability. Variation by model has certainly increased and some models which appeared to have settled are now seeing renewed pressure, whilst others are unchanged. However, battery electric vehicles are still selling as quickly as other fuel types on dealer forecourts – dealer demand remains less strong than consumer demand, with some still steering clear of BEVs due to catching a cold when values dropped and the vast majority of independents still not stocking BEVs at all. There is clearly capacity for the used market to cope with plenty more BEVs.

Volume of BEVs will continue to increase in the coming months, but many models already appear extremely attractively priced following the previous reductions and we expect the rate of used car price falls to slow again. Buyer demand in the used marketplace is back to previous levels and although a small number of buyers remain selective, demand is considerably higher than it was a few months ago and is expected to remain robust, especially for models at the lower end of the price spectrum. On average, trade prices for the majority of battery electric models remain below conventionally fuelled versions of the same model (where both fuel types are available). This is the case again at all ages and by an average of -16% at 48/40 (another increase on last month, equivalent to more than £2,700 and the highest it has been) and this has now filtered through into retail prices; recent analysis showed retail adverts prices for BEVs to be -8.5% cheaper at 3 years old and -14% cheaper at 4 years old. At the younger age spectrum, current electric models being offered with significant new car price discounts (or very cheap leasing/PCP offers) are continuing to make the nearly new used market for these models highly unattractive, especially where differential interest rates are acting to make the monthly payment for used greater than new. Later in the year, we expect a number of models to have list prices realigned and discounts to reduce accordingly – we have seen this in a couple of cases recently.

Following the downward movement in prices, nearly new used values for almost all BEVs are now back well below cost new but some models still appear to have further to fall, as indicated by our continuing negative editorial adjustments in our forecasts. However, in some cases we have now applied small positive adjustments in the expectation of a modest recovery in values and a realignment against ICE equivalents, or we have not applied the full used value reductions seen to date in our Interproduct reforecasts. Supply and demand for BEVs will continue to wax and wane over the longer term, but consumers retain the desire to reduce emissions and even in the minority of cases where there is a higher capital outlay, the cost of ownership situation will remain favourable under any sensible

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charging regime. There is still the prospect of new clean air zones (for example in Glasgow) and updates and extensions to the existing schemes, further fuelling demand for lower emission vehicles. A short-term increase in fuel prices will also provide a temporary boost in levels of BEV interest. There are further signs that retail prices are now reflecting some of the reductions in trade prices as aged stock is disposed of and these cheaper prices are also likely to further stimulate consumer demand.

Remainder of the market

Interest rates are continuing to constrain retail consumer demand due to the cost of borrowing; several months ago, used car customers were increasingly tending to be cash buyers, having secured cheaper funding outside of the retail network, but some of the least competitive APR deals have since improved. These will continue to improve with the reductions in CPI inflation lowering expectations for future rates across the board. Those dealers who are offering deposit contributions, combined with relatively low APR rates, are seeing the benefit and we expect this trend to continue. Interest rates are also having an impact on dealer profitability due to increased holding costs and many are expected to continue to run at stock levels considerably lower than they would have been historically, with vehicle values also remaining higher. With base rates expected to stay level for at least the next couple of months, the situation is certainly not expected to deteriorate in the near future and should see a marked improvement once the first reduction in base rates occurs.

We expect the re-pricing of aged stock to continue and growth in demand to continue to be limited by the cost-of-living squeeze. Increasingly, we expect dealers to be disposing of overage cars, either through auction or within the trade, as they cut their losses and focus on current market opportunities.

There are ongoing constraints all across the supply chain and global supply chains remain fragile. Semi-conductor supply remains constrained, but availability for all manufacturers has improved significantly and is expected to result in continued improved new car registration performance through 2024. Longer term concerns regarding security of water and power supplies in Taiwan, plus the potential for invasion by China, result in an outlook where chips in general remain in relatively short supply until additional manufacturing capacity comes on stream. Further supply disruption seems inevitable and the timing of that disruption and location of the countries impacted is likely to be impossible to predict, but the level of disruption is expected to be less than seen over the past three to four years.

Prices have continued to soften for many of the elements which had been driving inflation, including most recently some essential food prices, although geopolitical concerns remain and it is hoped that lower year on year prices will continue to feed through into wider food prices over the coming months; CPI is expected to continue to reduce from the peak and is now on target. Container prices and shipping costs remain well below their previous highs, but the piracy risks in the Red Sea have continued to keep transport costs high as many vessels are diverted around the Cape of Good Hope. The global inflation outlook remains complex. Increases in base rates from central banks, including the Bank of England, are thought to be unlikely to have had any significant impact on inflation and appear to have more potential to limit growth. We expect continued reductions in inflation in the coming months to be a (direct or indirect) result of lower energy costs. Petrol and diesel prices in the UK had increased slightly a few months ago, but appear to have peaked around 10 weeks ago and are now expected to continue to slowly reduce. Even at their recent high point, they remained around -5% below the spike last September and nearly -22% below the peak in the summer of 2022.

In summary, our view is that:

- Numerous battery electric models have stabilised following very large decreases in used values in the past 12 months, whereas some ranges remain very weak and appear to still have some way to fall, with no common denominator or central theme governing how individual ranges are performing. Many models are now looking excellent value compared to ICE equivalents or competitors and although there is potential for some to increase from their current used value position, we have generally assumed that we will see further deflation in future and have applied negative editorial or future trends adjustments in most cases. There are small positive adjustments for the handful of models which have seen the heaviest falls and in these cases, values are expected to increase slightly over the next 12 months. Sizeable new car discounts may continue to put pressure on individual models where used values have not already been impacted.

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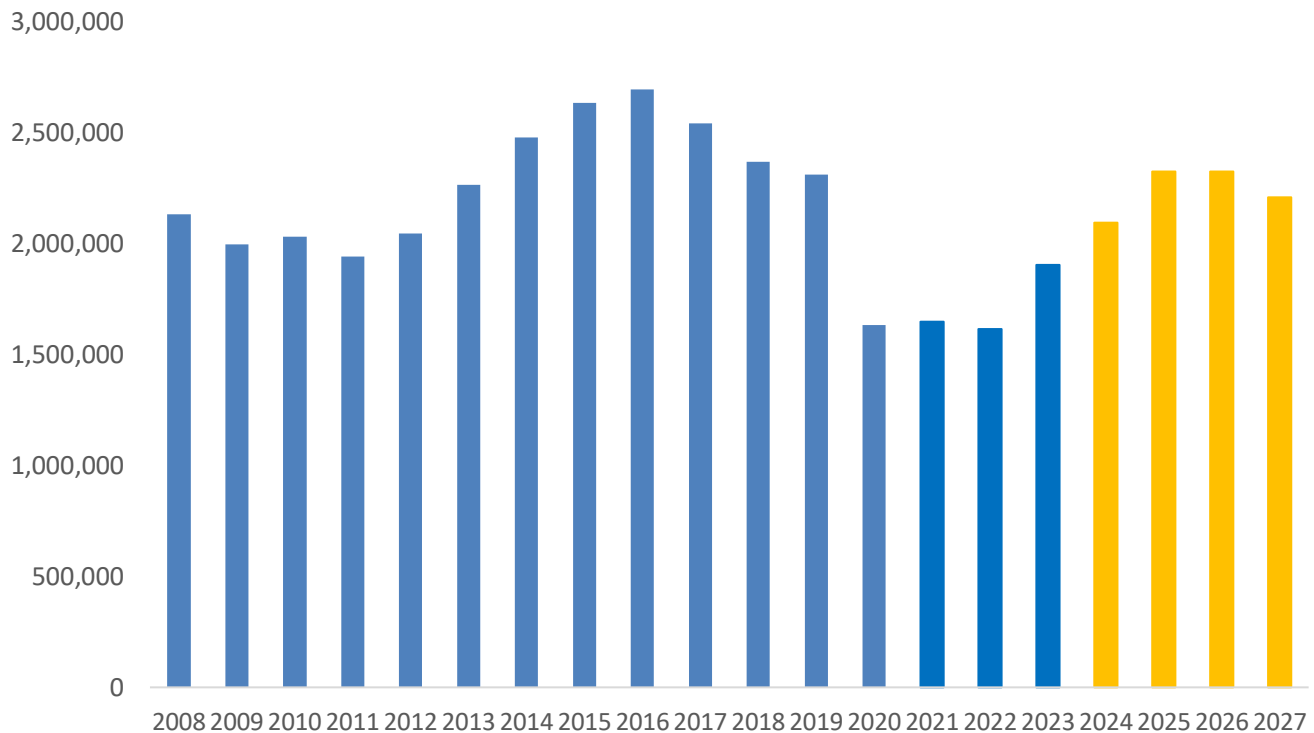
- The used car market in July is expected to remain robust, with movements favourable to typical seasonal patterns, with overall price reductions expected to be around -0.5% overall at 36/60. Condition continues to be key, with parts availability and refurb capacity continuing to reduce while costs inevitably increase and the cleanest vehicles are generally expected to continue to perform well. Retail demand will remain constrained over the short term as the reality of the cost-of-living squeeze continues to make itself felt and concerns remain over the impact of current interest rates on mortgage costs. Used car volumes are now starting to reduce as expected, with long overdue vehicles having largely disappeared from fleet order banks. Battery electric models are all still frequently re-assessed on an individual basis for short term forecast, but a handful are now allocated standard sector movements.
- Although the UK is probably not now in a technical recession (subject to revisions to GDP data), we remain in an environment of sluggish growth. As mentioned in our customer webinars, the negative economic impact of any slowdown is expected to be outweighed by the reduction in used car supply already guaranteed by the lower new car registrations from the start of the pandemic onwards. Used car prices are not generally correlated with GDP growth, partly because there is a substantial element of core “needs purchases” and also because reductions in consumer confidence and disposable income result in changes of used car buying, rather than preventing it; buyers may turn to older/smaller/higher mileage cars or turn to the used market instead of buying new.
- There are still a significant and increasing number of cases where logical relationships have been broken and an increasingly smaller number of cases where nearly new used values are above list prices. These are expected to resolve themselves in time, but not before further distortion from the severe used value reductions at the end of last year and the partial recovery this year. It is extremely hard to predict how retail demand will progress through the second half of 2024, especially given the complex economic situation, but in general an improvement is expected as CPI inflation continues to decrease and is likely to accelerate once interest rates start to come down again.
- New car supply issues have eased significantly for the vast majority of OEMs, but there remain an isolated number of cases of derivative-specific impacts within model ranges, or individual options which continue to be difficult to obtain.
- As we move further through 2024, we will start to see the positive impact of reduced used car supply as a result of around 2.7 million fewer cars registered through the course of the pandemic, particularly from fleets (approximately two thirds of the shortfall).

Supply side factors

Our forecast for 2023 increased in the first half of the year from 1.86mm to 1.88mm and the final registration total came in at 1.90mm (up +16.5% vs. 2022, but still -18.7% down on 2019). Our initial forecast for 2024 is for a further improvement to 2.09mm (up around +10% on 2023 but -9.4% down on 2019). We expect that registrations will gradually increase to a pre-pandemic level of around 2.3 million registrations by 2025 (a year later than previously expected), but not returning to the peaks seen between 2014 and 2018 and still just below pre-pandemic levels. We also expect to see a reduction in registration levels from 2027 as increasing number of ICE models are discontinued as a result of the Zero Emission Vehicles Mandate.

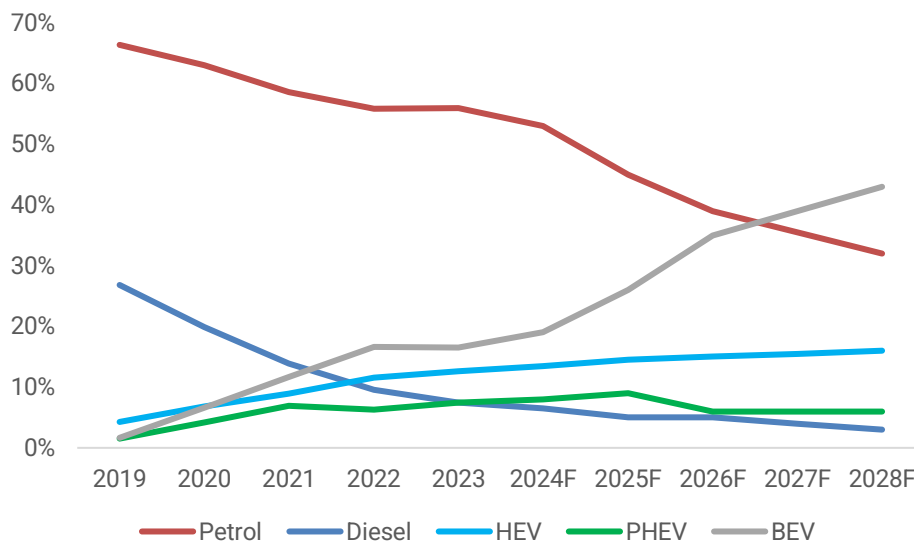
Car future editorial

By cap hpi



The chart below shows our latest forecast market share split by fuel type. Petrol and diesel volumes include mild hybrids. The decline in diesel will continue but is likely to slow down since it will remain the right choice for a hard-core minority of drivers and use cases. The timing of the eventual disappearance of diesel from the new car market will depend on when manufacturers cease to make individual models available to the UK market.

Our share split progression is updated below but remains under review. BEV share in 2023 remained flat, but this was significantly impacted by manufacturers holding off on a proportion of BEV registrations until 2024 (due to the implementation of the Zero Emission Vehicle Mandate) and also by Tesla registrations being around -66% down on the previous December (and -56% down in the final quarter). The likelihood of forced registrations of BEVs this year is still likely to vary significantly by OEM and there are a number of manufacturers who will need to take full advantage of the “flexibilities” available to them, as they will not achieve the 22% mandated level in 2024. Despite the increase in BEV share, we are still showing 2028 at 43% (well below ZEV Mandate levels of 52%) and our view is that the targeted share can only be achieved through the early discontinuation of a significant proportion of ICE models in the UK and lower overall levels of new car registrations.



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Growth will continue to be led by battery electric vehicles (BEVs) which became the dominant AFV type towards the end of 2022 as we expected and is forecast to be the largest fuel type in the market during 2027. Post-Covid driving patterns (shorter and fewer journeys due to the increase of home working and online meetings) are likely to add to demand. The government's proposal to ban new ICE cars from 2035 will also be part of this increase, provided enough vehicle supply is made available and investment in charging infrastructure keeps pace with demand.

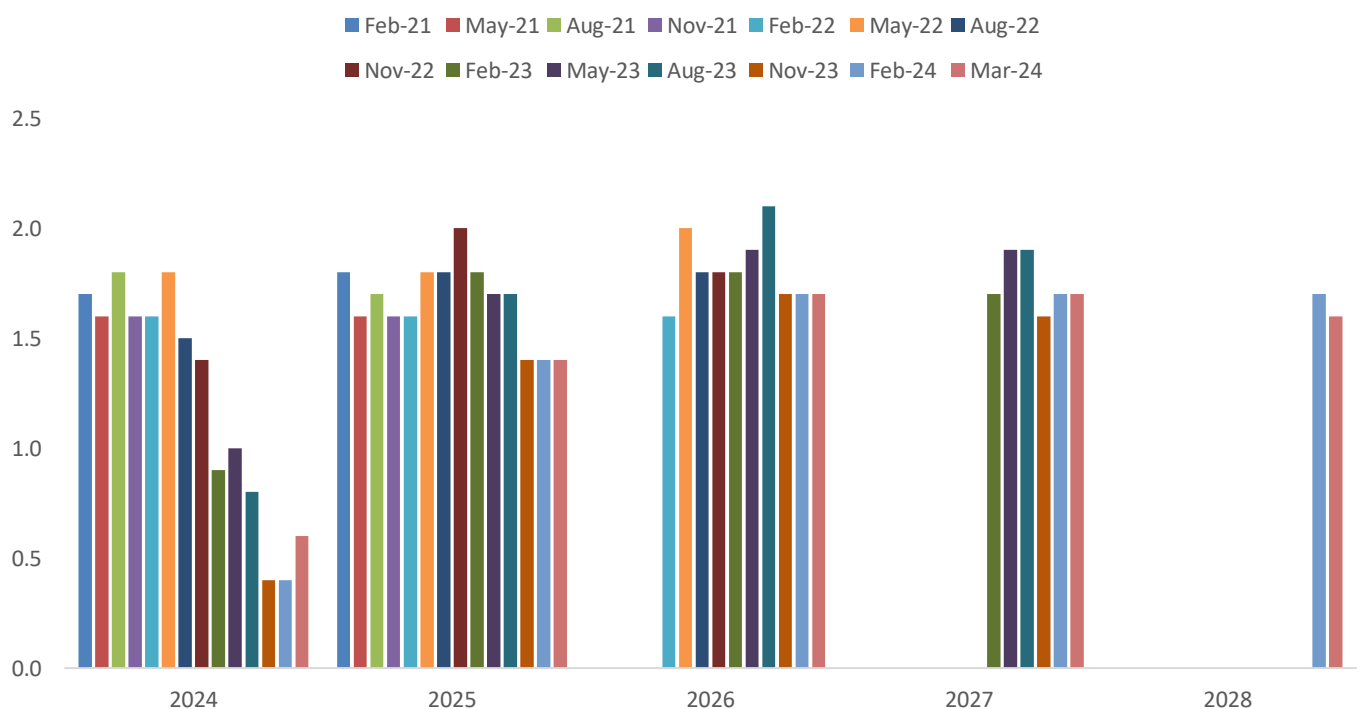
Demand side factors

Latest medium-term independent forecasts for the UK economy were published in May and the new forecasts see an upgrade in expected growth for this year from +0.4% to +0.6%, but are unchanged in their outlook for GDP for 2025 to 2027, with a slight deterioration in outlook for 2028 from +1.7% to +1.6%. The last forecast published by the OBR was worse than the previous outlook but favourable in comparison to the independent forecasts, especially in the outer years.

The damage done by successive interest rate rises from the Bank of England seems to have finally been recognised by the Monetary Policy Committee and base rates are expected to remain at their current level in the short term, before slowly reducing. The average independent forecast for the next 12 months is for interest rates to reduce from the current level of 5.25% down to 4.7% and then down to 3.6% by the end of 2025.

The chart below shows the latest GDP forecasts to 2027, alongside previous forecasts.

Independent GDP Forecasts



The latest independent unemployment forecasts have now reverted back to show unemployment rates fairly flat throughout the period and no longer expecting an increase to 4.9% in 2028 – broadly similar to the previous May forecast.

CPI inflation is now back on target (now 2.0% from a peak of 11.1%). Electricity wholesale prices increased in March and early April, but peaked at the same time as oil prices and have reduced over the last 30 days, with OFGEM having already announced a further reduction in the price cap from 1st July and relatively little change expected from 1st October. Over the next couple of months, wholesale electricity prices are likely to resume their previous downward trajectory and may approach historic levels by the end of this year. The BoE continue to be wary of "second order

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effects”, in particular the levels of wage awards, with a view that CPI will only briefly remain on target before increasing again. The previous increases were driven by a combination of increased fuel and energy costs, everyday household goods, food and clothing, and ongoing labour market imbalances. Although indications from the BoE are that we remain at the peak, they have been at pains to point out that base rates will come down slower than they went up. Concerns remain that rates have been raised too far and too fast, damaging UK growth, but it is clear that the central bank are currently in no mood to lower rates significantly in the immediate future. The Bank of England also retain concerns around service costs fuelling further inflation, (partly due to the impact of wage settlements), although thankfully the dangers of secondary effects that are harmful to growth going forward also now appear to have been recognised.

The Bank of England survey had previously shown a continued trend for precautionary saving, but they are now factoring in lower level of household saving than had previously been assumed, with amounts built up during the pandemic assumed to now be being spent to fend off the cost-of-living situation.

3. Historic forecast accuracy

Since the introduction of gold book at the end of 2013, we have been able to track the accuracy of historic forecasts against current (black book) values. This tracking is longest for 12-month forecasts (tracked since January 2015) and shortest for 60-month forecasts (tracked since January 2019).

Overall, we are satisfied that accuracy results have generally been within the +/- 5% target agreed with customers, but recognise that results were affected by the unexpected strength of petrol values, which started in 2017 as a result of anti-diesel press, but which fell away since late 2018, as we had predicted. Diesel forecast accuracy has historically been within target, while petrol forecast accuracy fell outside of target during this period of strong values. There was a brief deterioration in accuracy in 2020 when business resumed after the first lockdown and values benefitted from the release of pent-up demand, but we were back on target as the market readjusted. In 2021, our historic forecast accuracy was severely impacted by the strength of the used market after dealerships re-opened in April as COVID restrictions started to be lifted. The record-breaking strength in used values on resumption of business (at a time when we would normally expect to see depreciation in each month) resulted in a significant shift in accuracy. For longer forecast durations, this will have an impact for a long time to come.

Therefore, the tracking charts below all show the same general patterns, with the difference to target being less for 12-month forecasts (reforecast most recently); and being more for longer term forecasts (reforecast less recently). Details are shown below for 12 and 36 months, but all details are available on request.

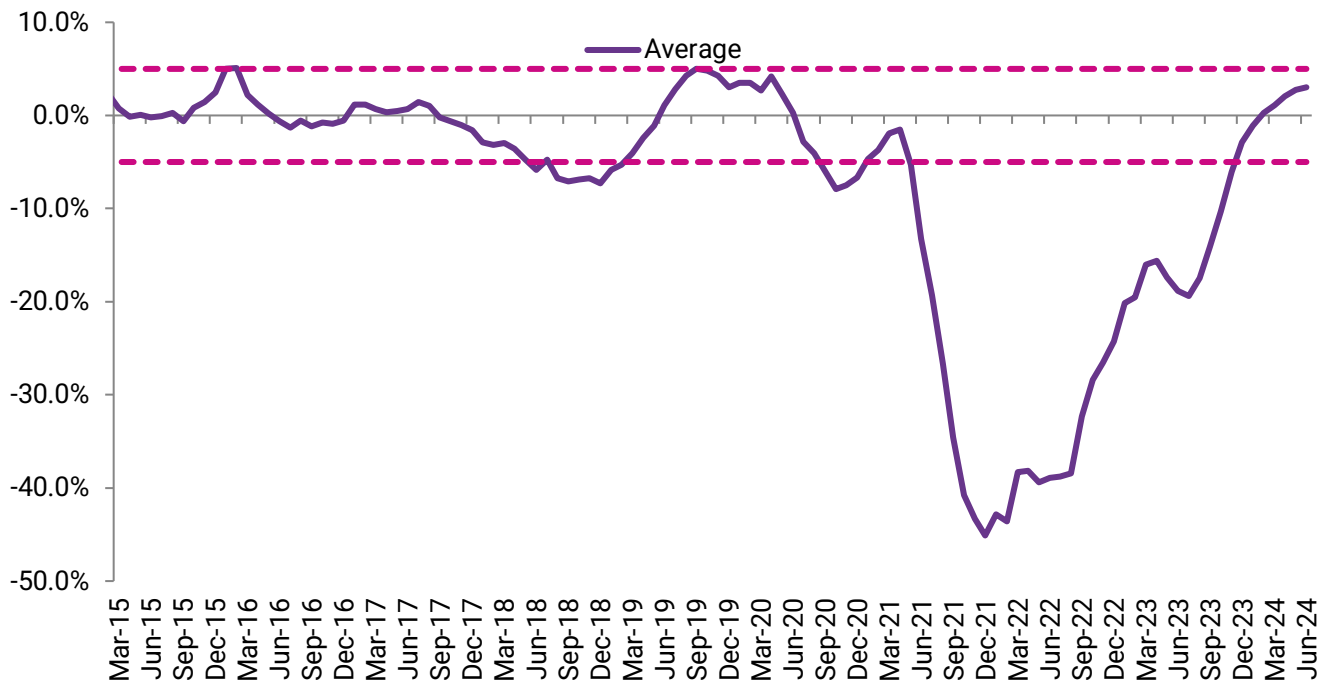
12-month results

Since measurement started our 12 month used forecasts have averaged -7.9% less than used values across all vehicle ids, and the most recent results show June 2023 12/20 forecasts being +3.0% higher than June 2024 12/20 used values

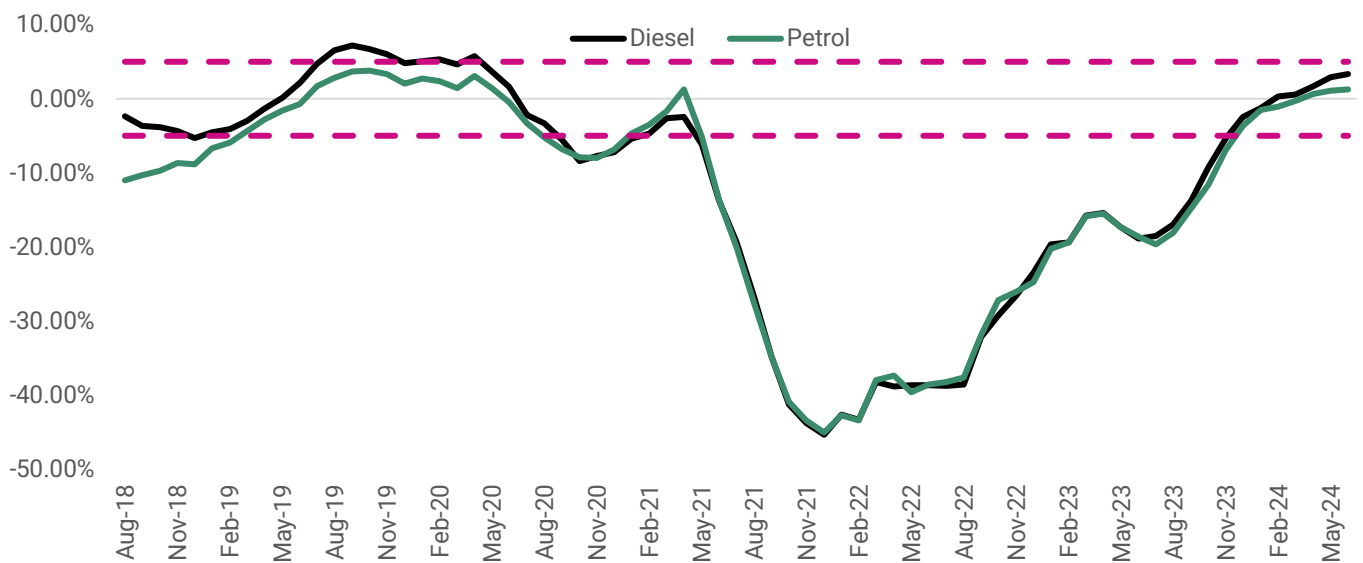
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Overall results



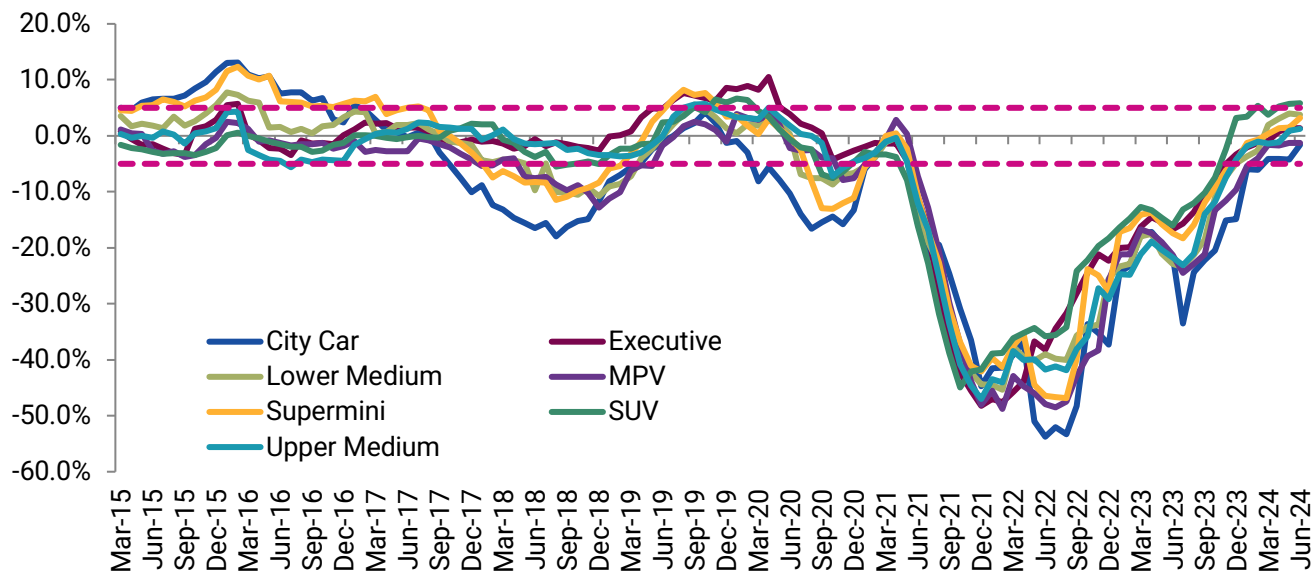
Fuel type results



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Sector results



The most recent results for the main sectors are as follows:

June 24	Average of Diff (%)
City Car	-1.6%
Executive	1.4%
Lower Medium	3.8%
MPV	-1.3%
Supermini	3.1%
SUV	5.8%
Upper Medium	1.3%
Grand Total	+3.0%

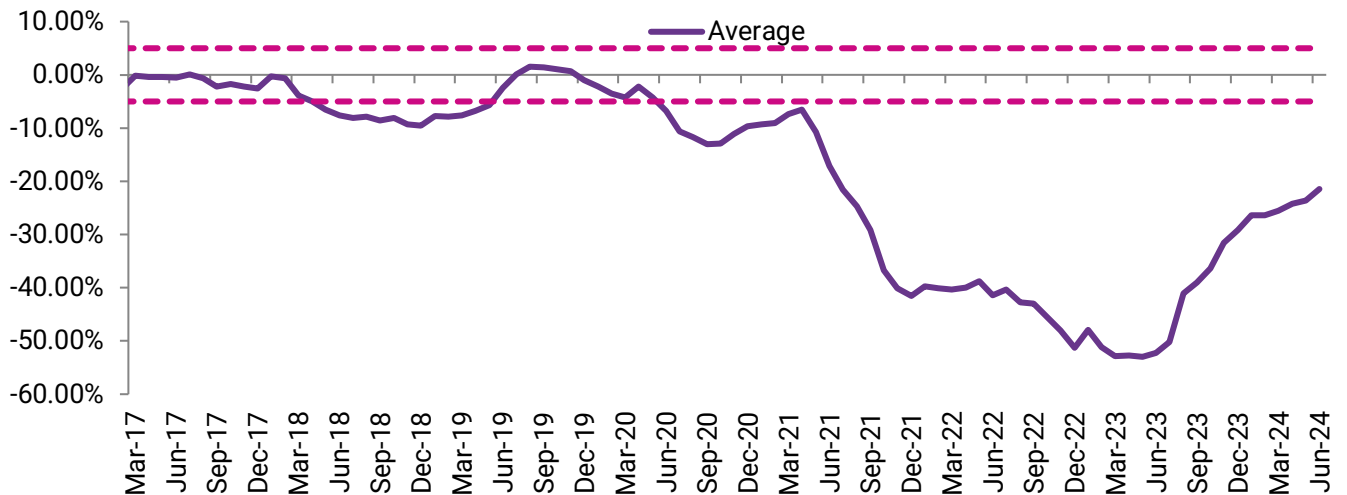
Car future editorial

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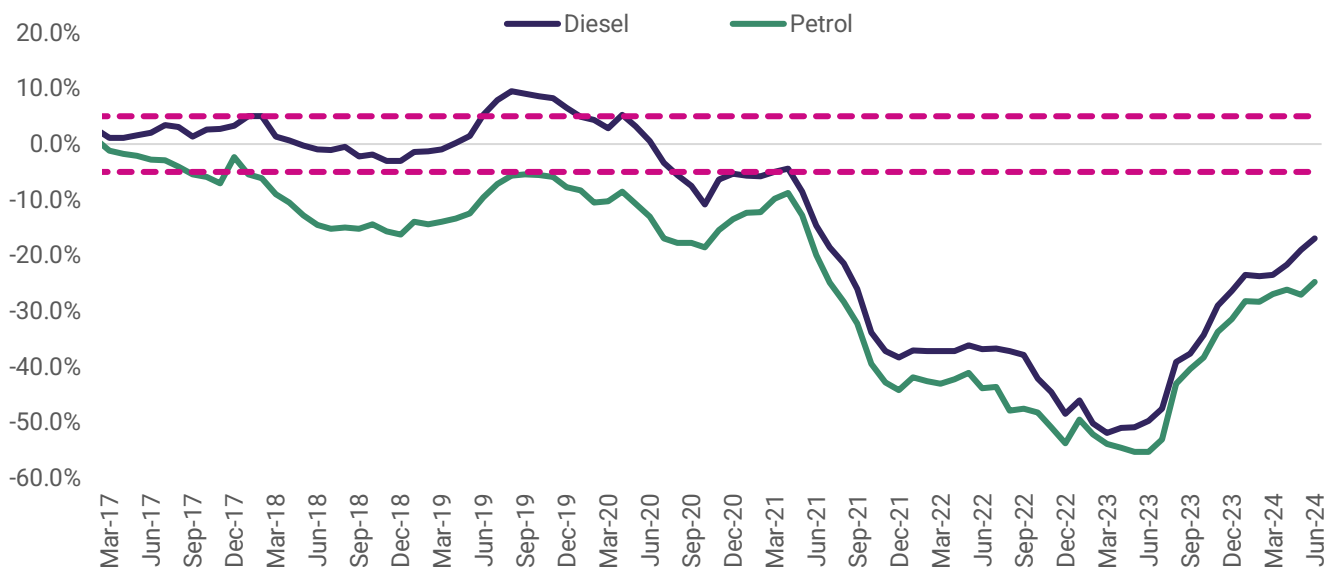
36-month results

Since measurement started our 36 month used forecasts have averaged -18.5% less than used values across all vehicle ids, and the most recent results show June 2021 36/60 forecasts being -21.4% lower than June 2024 36/60 used values (unsurprising given record-breaking increases in used values through 2021).

Overall results:



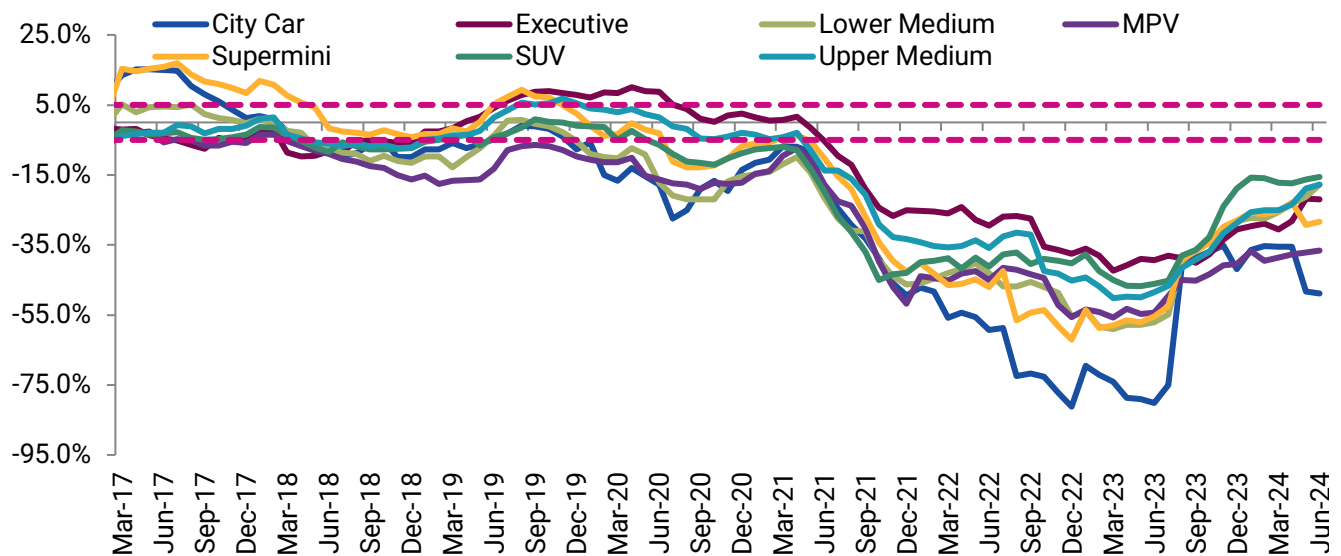
Fuel type results:



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Sector results:



The most recent results for the main sectors are as follows:

June 23	Average of Diff (%)
City Car	-48.9%
Executive	-22.0%
Lower Medium	-17.8%
MPV	-36.6%
Supermini	-28.3%
SUV	-15.5%
Upper Medium	-17.8%
Grand Total	-21.4%

4. Forecast methodology and products

Overview and gold book iQ

Our values take current month used values as a starting point (uplifted for model changes where necessary), are moved forward according to age/sector/fuel specific year on year deflation assumptions regarding future used car price movements and are then subjected to additional adjustments by the Editorial Team. Finally, the values are moved forward by the next month's seasonality adjustments which are differentiated by sector and fuel type and are based on analysis of historical used value movements.

All these assumptions and adjustments are available for scrutiny to our customers through our gold book iQ product: complete transparency in automotive forecasting.

Changes may be actioned wherever there is reason to do so outside of the sector reforecast process and we continue our monthly Interproduct analysis with our used value colleagues exactly as before.

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Short term forecast (0-12 months)

Our short-term forecast product, (covering 0-12 months) was launched in 2014. This is a live, researched product with a dedicated editor and filled a gap in our historical forecast coverage.

Forecast daily feed

In December 2017 we introduced a daily feed of forecasts for new models launched onto the market, so that customers do not have to wait until the next month to receive these forecasts.

Forecast output

Individual forecasts are provided in pounds and percentage of list price for periods of twelve to sixty months with mileage calculations up to 200,000. Each forecast is shown in grid format with specific time and mileage bands highlighted for ease of use.

All forecast values include VAT and relate to a cap hpi clean condition and in a desirable colour. Values are for a “naked” vehicle and do not reflect any added option content.

Parallel imports

Particular care must be taken when valuing parallel imports. Vehicles are often described as full UK specification when the reality is somewhat different. These vehicles should be inspected to ensure that the vehicle specification is correct for the UK. Parallel imports that are full UK specification and first registered in the UK can be valued the same as a UK-sourced vehicle.

Grey imports

cap hpi gold book does not include valuations for any grey import vehicles, (i.e., those not available on an official UK price list)

5. Reforecast calendar 2024/25

We previously accelerated our calendar of sector reforecasts, to ensure that forecasts for all sectors incorporate the latest views of the future market in this fast-changing environment. The table below shows our revised future schedule of sector reforecasts:

Monthly Product	Sector 1	Sector 2	Sector 3	Sector 4
Aug-24	SUV			
Sep-24	City Car	Supermini		
Oct-24	Upper Medium	Executive	Large executive	Luxury Executive
Nov-24	Lower Medium	MPV		
Dec-24	SUV			
Jan-25	Convertible	Sports	Supercar	
Feb-25	City Car	Supermini		
Mar-25	Upper Medium	Executive	Large Executive	Luxury Executive
Apr-25	Lower Medium	MPV		
May-25	Convertible	Sports	Supercar	
Jun-25	SUV			
Jul-25	City Car	Supermini		