

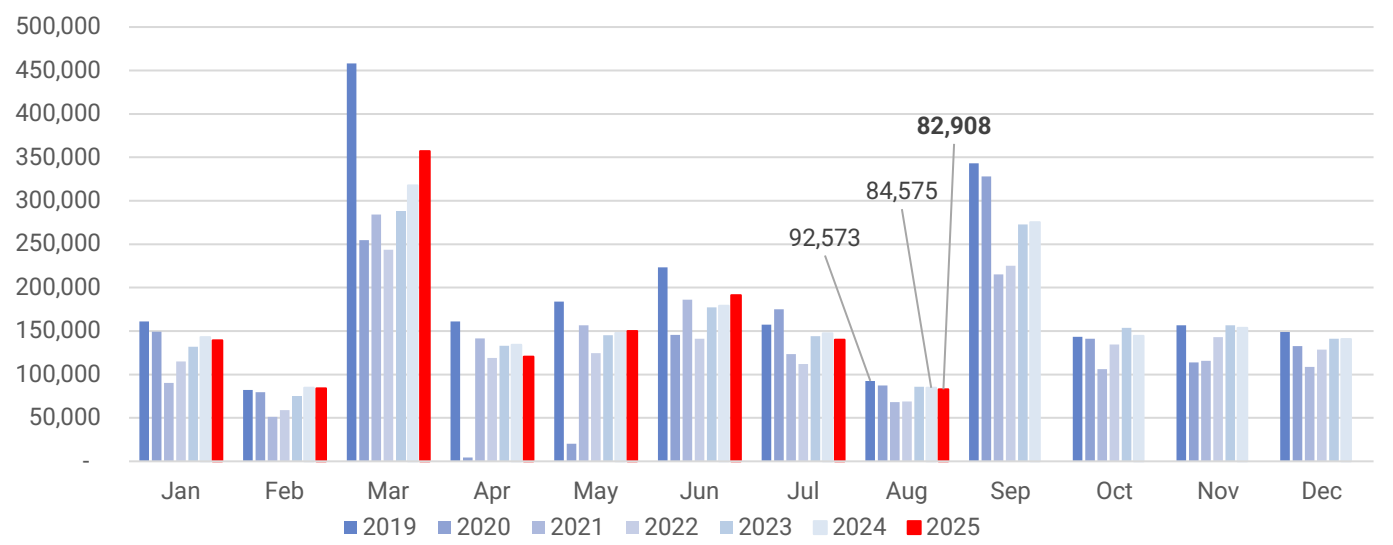
October 2025

# Car market overview

This summary outlines key trends across the UK's automotive sector, covering both new and pre-owned vehicle sales. New car registration data extends through August 2025, while used car insights reflect market conditions at publication. All figures are current as of 24th September 2025.

## New car sales

August saw UK new car registrations fall by 2.0% to 82,908 units compared to the same month last year, according to the Society of Motor Manufacturers and Traders (SMMT). It reflects the typical seasonal lull that defines the industry's slowest month, with August usually accounting for less than 5% of annual volumes as buyers hold off ahead of the September plate change.



Source: SMMT

Fleet purchases continued to dominate, making up 59.1% of all registrations despite a 4.6% drop in volume. Private buyers showed modest growth of 0.7%, while the business sector saw a 41.6% uplift—though in real terms, that's fewer than 500 additional units.

Year-to-date, private registrations are tracking 3.8% ahead of last year, holding a 38.4% share. Fleet is up 1.2%, maintaining its 59.1% share, while the smaller business channel is up 0.2%, with a 2.2% share.

As regular readers will know, we still benchmark year-to-date volumes against 2019. It might feel like a lifetime ago, but it remains the last "normal" year for meaningful comparisons. On that basis, private registrations are still 28% down versus the first eight months of 2019, while fleet has recovered more strongly but is still 7% behind.

The slow recovery in the private retail sector continues to highlight just how tough the current landscape is for many retailers, and why growing used car sales remains a key focus for many.

The electric transition continues to build momentum, helped by broader manufacturer line-ups, retailer discounting, and the return of government-backed incentives. BEV registrations rose 14.9%, taking a 26.5% market share—this year's strongest monthly performance and the fourth highest on record. It's a familiar August pattern, where lower overall volumes and a fleet-heavy mix tend to boost BEV share.

Plug-in hybrids outpaced even BEVs, surging 69.4% to claim 11.8% of the market. In contrast, traditional hybrids fell 13.9%, now holding 11.4%—a shift that reflects changing consumer preferences within the electrified segment.

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SMMT notes that year-to-date, the new car market has grown 2.1% to 1.265 million units, and although this is a five-year high, it's still 16.7% below pre-pandemic levels. BEVs hold a 21.9% share, trailing the 28% target set under the 2025 ZEV Mandate. With the September plate change now underway—typically the second-busiest month of the year—accelerating EV uptake becomes increasingly important.

The Electric Car Grant, introduced in July, is already making an impact. Around 25% of BEV models now qualify, offering up to £3,750 off for vehicles meeting the highest sustainability standards, and £1,500 for those meeting basic criteria. Eligibility is capped at a £37,000 RRP, keeping the scheme focused on mainstream segments rather than the more expensive premium models. Combined with efforts to expand affordable and reliable charging infrastructure, the conditions are increasingly favourable for consumers willing to make the switch.

The top five registered models in August included two BEVs: the Tesla Model Y and Model 3, which came in third and fourth. The Ford Puma took the top spot, followed by the Kia Sportage in second and the VW Tiguan in fifth.

Looking just at BEV registrations, the two Tesla models led the way, with the Ford Explorer in third. The Audi Q4 and Q6 e-trons rounded out the list in fourth and fifth.

Finally, a quick look at daily rental and short-cycle registrations for August 2025 shows a decline of 43% compared to August 2024 and 20% below the same month in 2019. In contrast, year-to-date performance tells a more optimistic story. Volumes are tracking 42% ahead of 2024, with over 93% of last year's total already registered. September is typically a peak month for this channel—second only to March—and the past two years have seen year-on-year growth. We expect that trend to continue this year.

At the time of writing, early indications suggest that the new car market for September is tracking very slightly up on last year.

## Used car retail activity

Retailers at the start of September reported that consumer demand had slowed a little, which many expected after the school holidays. Retail activity over the summer had been fairly good overall, and the hope was that momentum would continue into autumn. However, by the end of the month, feedback from retail partners suggested a more mixed picture than anticipated as demand continued to slow down.

As used retail activity showed some signs of strain, we received reports of reduced daily sales across retailer networks. Some independents even adjusted their opening hours in response to lower footfall. Weekend activity held up better, but the overall trend pointed to a sharper slowdown than many had anticipated for this time of year.

September feedback often splits as franchised retailers shift focus toward delivering new cars and meeting targets, while non-franchised dealers work harder to stay competitive and attract buyers still active in the market. Some welcomed the slightly quieter period as an opportunity to rebuild stock levels and get their strategies aligned for the final quarter of the year.

The common theme across all retailer types remained stock acquisition—a significant challenge that's only intensifying. Buyers reported increased difficulty in sourcing quality vehicles, with pricing constraints often influenced by internal KPIs like desirability ratings or Cap percentage limits restricting their flexibility. Part-exchange deals were increasingly disrupted as customers turned to alternative selling channels, seeking better prices for their vehicles.

Buying teams have been working harder and longer to secure fewer vehicles, often resorting to sourcing lower-tier examples that require more preparation work. In the sub-£9k market particularly, clean cars are becoming virtually non-existent, with most requiring significant preparation work including paint repairs, servicing, MOT and mechanical work. Profit margins continue to come under pressure, with average margins being squeezed due to higher overheads, prep costs, and increased competition. Some retailers reported growing interest in prestige and BEV stock due to better margins, but overall, the pressure on acquisition continued to intensify.

Looking at the average retail days to sell, there was a mixed performance across dealer types in September compared to August. The overall market saw a slight increase from 40 to 41 days, suggesting a marginal slowdown in vehicle turnover.

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Franchised dealers showed the strongest improvement, with their average days to sell reducing from 35 to 34 days—a one-day improvement that's somewhat surprising given their typical focus shift toward new car sales during September's plate change month. Independents moved in the opposite direction, with their days to sell increasing from 50 to 52 days, reinforcing their position as the slowest-performing dealer type. This two-day deterioration aligns with the feedback about independents facing increased challenges in the current market environment. Supermarkets maintained their position as the strongest performers, holding steady at 32 days with no change from August. Their consistency demonstrates the operational advantages of their scale and pricing strategies.

Looking at the fuel type average retail days to sell performance data, there was a consistent pattern of slight deterioration across most categories from last month to this month. All conventional fuel types saw modest increases in the average days to sell. Diesel moved from 44 to 45 days, petrol from 40 to 41 days, while hybrid and PHEV vehicles remained the same as in August (37 days and 38 days respectively). BEVs also slowed slightly from 38 to 40 days.

The BEV segment showed more pronounced variation between dealer types. Franchised dealers saw their BEV days to sell increase from 40 to 42 days, while independents only experienced a marginal increase from 49 to 50 days. Supermarkets maintained their robust performance at 27 days up just 1 day from last month, continuing to demonstrate their efficiency in moving electric vehicle stock. The performance gap in BEV sales between dealer types remains striking, car supermarkets are selling electric vehicles nearly twice as fast as franchised dealers, and almost half the time it takes independents, albeit there will be a difference in the age and price point of the vehicles they stock.

In summary, retailers have been reporting a fall in retail activity and sales throughout September, but they're still hungry for stock, which has surprised many given we're in September and the focus for many areas of the industry is delivering new cars and meeting targets.

## Used car remarketing activity

As mentioned above, retail activity held steady over the summer months, but it was the used wholesale market that really showed its strength, which has carried the same momentum going into September. Buyers have been busy trying to replenish stock, but the same old challenges and frustrations remain of finding the right cars, in the right condition, at the right price to suit forecourt and stocking strategies.

Auction conversion rates held up extremely well throughout September, averaging around 85%, or even more in some cases. Dealer and part-exchange sales increased with the second week of this month particularly standing out with some auction houses matching or achieving their best conversion rates of the year so far. Like in previous months, some vendors even recorded 100% success rates, which is highly unusual for this time of year. Auctions also reported strong physical and online attendances, driving solid performances across all levels in NAMA grades and mechanical reports.

Buyers have been out in force, with Independents and Supermarkets creating plenty of competition both in the halls and online. What caught a few people off guard was seeing franchised dealers back in the lanes—something you don't usually expect in September when their focus is typically on new car sales. It's probably an early sign that part-exchange volumes haven't been hitting the levels they had hoped for, forcing them to look elsewhere for stock. Interestingly, franchised dealers were actively buying older and lower graded stock, which also came as a real surprise to many.

We also observed notable shifts in behaviour among the volume buyers. Several auctions reported that a number of their larger clients had either pulled back or become more selective, having already secured direct deals with remarketers. It's clear they're managing stock levels more cautiously for now and perhaps focusing on maintaining balance rather than overstocking. Others appeared to be taking a breather too, using the time to sort through existing inventory and position themselves for the expected rise in volumes late in September and into October.

September has seen more buyers taking on damaged stock, including vehicles with mechanical faults like engine management lights and airbag lights—especially when fault codes had been provided. There has been a growing confidence in dealing with some known mechanical issues, as traders become more familiar with some fault codes and have therefore discovered either quick fixes or cheaper alternatives to main dealer repairs. Buyers have obviously

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had to adapt by looking down the grade chain just to acquire stock, further highlighting the ongoing supply challenges.

Direct remarketers and online platforms have also been reporting solid performance, with some seeing increased stock availability compared to recent months. As with traditional auctions, some buyers remained selective, so anything that fits their core retail profile of 3 to 5 years old continued to perform extremely well. The biggest challenge for many auctions has been getting vehicles in and out fast enough to meet demand.

Buyers have been proactive, ringing around vendors to secure additional volume and trying to pre-empt when stock flow would improve. The general view is that the market would continue in its current vein until October, when volumes are expected to start increasing as seasonal patterns kick in, though many believe any increase will be steady rather than dramatic.

One notable shift in this month's feedback was the absence of concern around BEV underperformance—a topic that had dominated conversations for much of the year. While BEVs may have not matched the strength seen in August, demand remained healthy despite increased volumes in the market. Many had voiced concerns about the level of supply expected to return in Q4, but continued consumer interest in the used sector helped ease those worries for now. In fact, some buyers were still actively enquiring with vendors and remarketers to see if any stock was being held back.

Three- to five-year-old EVs and anything priced below £15,000 within the trade has been reportedly selling the fastest, while Cap performance remained positive across the board.

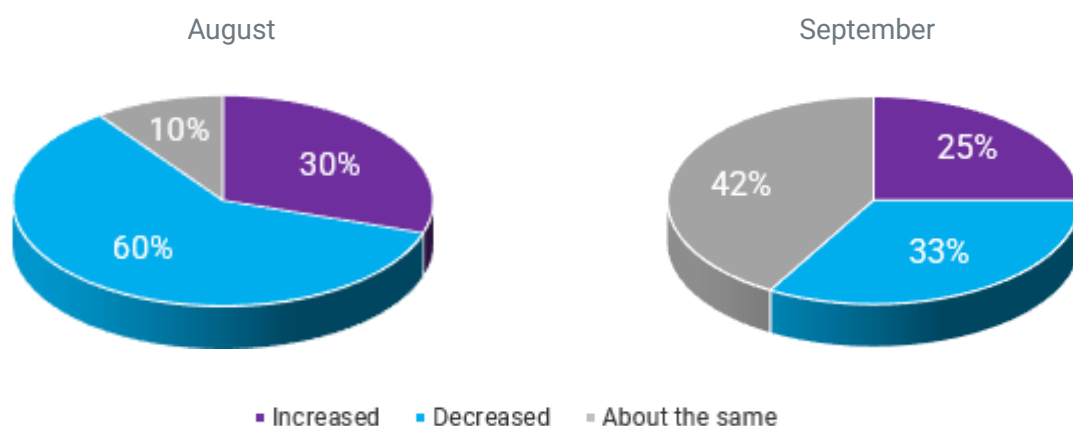
The average days in stock for auctions in September edged down slightly to 7.8 days, compared to 7.9 in August. Similarly, the average number of sales attempts dipped to 1.3, down from 1.4 last month. Small movements but still heading in the right direction.

BEVs continue to show signs of improvement when looking at the data by fuel type. Average days in stock for BEVs dropped to 12.2 days—the lowest it's been all year. That's backed up by the average number of sales attempts, which sits at 1.2. Positive signs that the market is moving in the right direction, with demand and conversions improving in this segment. At the time of writing, we've already received over 10% more sold transactional BEV records for this year than we did across the whole of 2024.

As we entered the final full week of September, some remarketers noted a slight softening in performance and activity. A few strategically lowered reserves to keep stock moving and better manage inventory levels, anticipating a modest increase in supply returning to the market. That said, sentiment remained positive, with most still upbeat about current market conditions.

Here are the results from September's auction survey:

## How do your current stock levels compare to last month?



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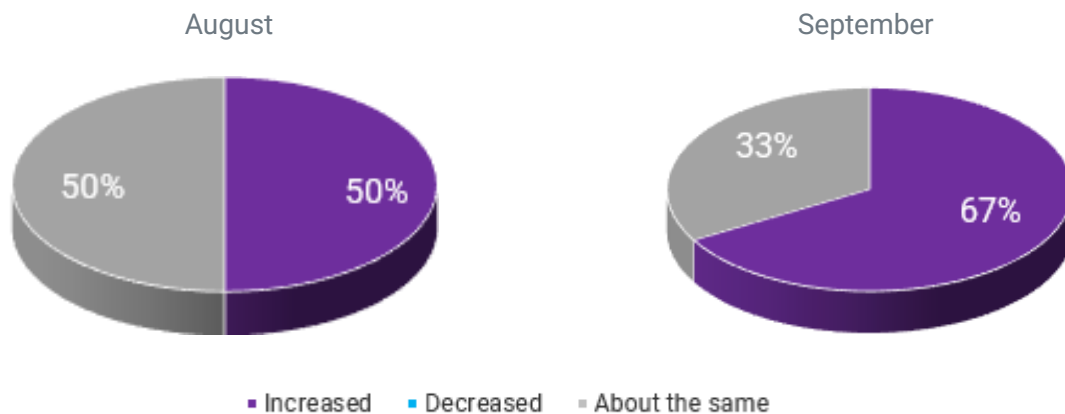
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In August, 60% of respondents reported decreased stock levels compared to the previous month, with only 30% seeing increases and 10% staying about the same. Fast forward to September, and the picture has become even more constrained: 42% now report stock staying about the same, 33% are seeing decreases, but only 25% are experiencing increases.

What's particularly telling is how the "about the same" category has jumped from just 10% to 42%. This suggests that while fewer people are seeing stock reductions compared to August, the overall supply situation has stabilised at these lower levels rather than improving. The fact that only a quarter of respondents saw stock increases in September (down from 30% in August) reinforces the ongoing supply challenges.

This data aligns with much of the feedback we've been hearing about buyers struggling to source adequate volumes and having to work harder to maintain stock levels. It also explains why conversion rates have remained strong, and competition has been fierce: when supply is this constrained, buyers can't afford to be too selective when quality stock is not readily available.

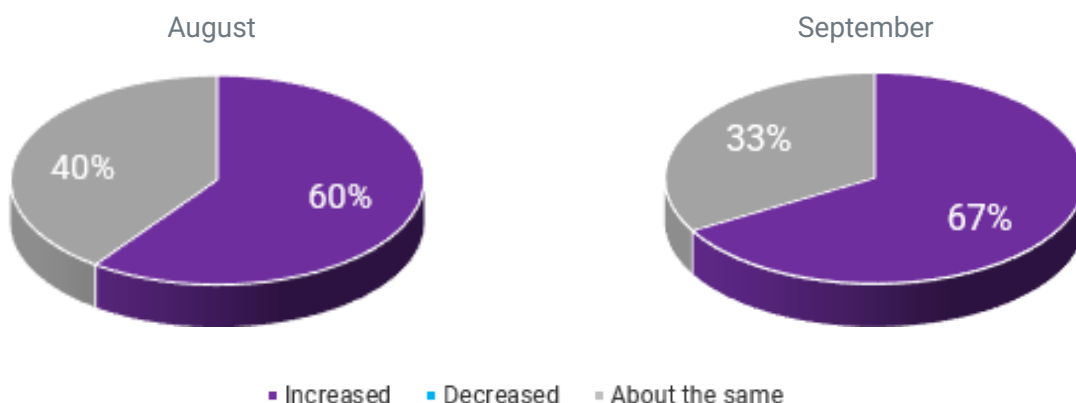
## How does your current overall demand compare to last month?



The demand picture is still very encouraging. August was evenly split: 50% saw increased demand, 50% stayed the same, with nobody reporting a decrease. September ramped up significantly, with 67% now seeing increased demand and 33% holding steady. Still zero decreases. That's a big jump from half to two-thirds experiencing stronger demand, and the complete absence of any decreases across both months shows genuine underlying strength in the wholesale market.

This explains the strong conversion rates and fierce competition we've been seeing. When two-thirds of the market has rising demand, but stock remains tight, you get exactly the pricing pressure and competitive bidding environment that's been dominating online and in the halls.

## How do your conversion rates compare to last month?



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Conversion rates show the same positive trajectory as demand. August had 60% reporting increased conversions with 40% staying the same. September pushed even higher, with 67% seeing increased conversions and 33% holding steady.

Again, no decreases reported in either month, which reinforces just how strong the wholesale market has been. The jump from 60% to 67% experiencing improved conversions aligns perfectly with the demand data and explains why many auction houses were reporting some of their best performance of the year.

We also asked our auction partners how does your current demand for Hybrid & BEV compare to last month? The feedback was overwhelmingly positive. A striking 58% of respondents reported increased demand compared to last month, with the remaining 42% noting stable levels—no one reported a decline. This reinforces the growing momentum in the EV sector and reflects strong consumer appetite.

Looking ahead, we asked what respondents expect to happen with stock levels next month. Encouragingly, 42% anticipate an increase, while 50% expect volumes to hold steady. Only a small minority foresee a decline. Overall, it points to a stable, optimistic, and seasonal outlook as we head into Q4.

## Used cars – trade values

With trade performance holding firm, it's no surprise that values have risen throughout September in Cap Live. At the benchmark profile of three years and 60,000 miles, average values increased by 0.2%.

Compared to previous years, this September's movement can be seen as a positive. If we exclude the COVID years (2020 and 2021), the average seasonal movement from September into October sits at -0.2%. That figure includes 2023 sharp drop of 1.9%, which was well outside the norm and came at a time when the market was under real pressure. Strip out both the COVID affected years and 2023, and the average movement is actually flat. So, seeing a 0.2% increase this time around is a welcome and a clear sign that the market is holding up better than many expected. It also helps ease concerns that values might follow the sharp declines seen in Q4 in 2023.

This positive adjustment at the three-year-old point continues the stable trend we've seen throughout the year. Every month in 2025 has shown a more positive movement at the 3-year/60,000-mile benchmark than the seasonal average—apart from March, which was level. The summer months have been particularly strong, with actual movements up to 0.6% above seasonal norms.

October's 0.2% increase has largely been driven by the continued constrained supply (as highlighted in the auction survey above), especially for vehicles aged between three and five years a key retail age to stock. It all points to a used market that's held firm through 2025, with summer performance standing out as a positive.

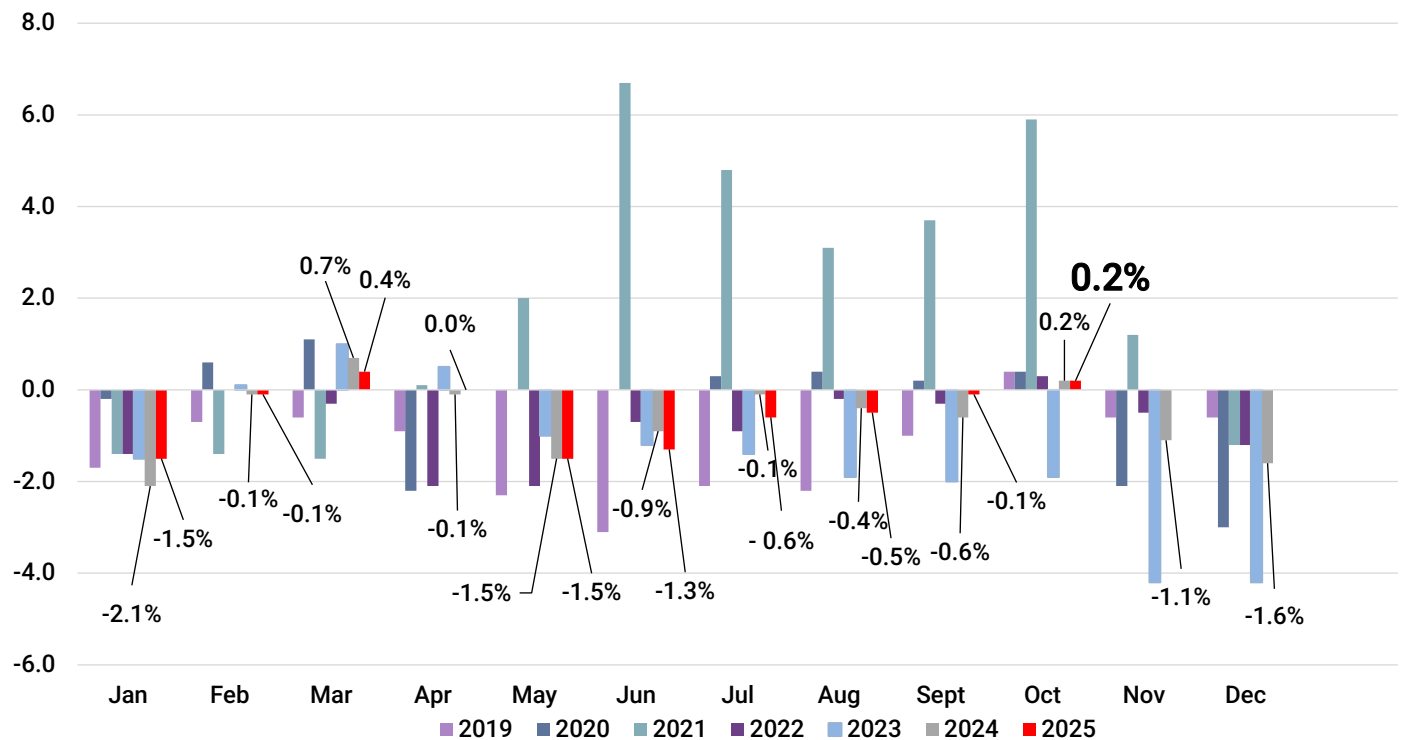
Looking at the cumulative movements over the past three months, values at the 3-year point have only dropped by 0.4% on average. That's stronger than the same period last year, which came in at -0.8%, and a full 5.4% better than 2023. Many still view 2016 as the last "normal" year in the used market, and between July and October that year, values fell by 5.8%—a sharp contrast to what we're seeing now. It's another clear sign of just how stable things have been lately.



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## Monthly percentage movements in Live valuations (3-years, 60k miles) – October 2025 figure depicts September 2025's Cap Live



At the 1-year, 10,000-mile mark, values show a negligible decline of just 0.1%. The strongest performance is seen in the 5-year, 80,000-mile profile, which records a positive movement of 0.3%. Meanwhile, older high-mileage vehicles also show an increase, albeit a modest one at 0.1%.

Analysis of trade price movements by price banding shows that vehicles priced between £5,000 and £20,000 remain the most sought-after segment of the market. Specifically, values increased by 0.3% in the £5,000–£10,000 band, 0.5% in the £10,000–£15,000 range, and 0.2% in the £15,000–£20,000 bracket. In contrast, all other price bands either remained flat or experienced a slight decline. Vehicles in the £5,000–£20,000 range are particularly attractive, allowing retailers to de-risk their inventory, opting for two lower-priced units over one high-value vehicle helps mitigate exposure if market conditions soften in the coming months.

With the above in mind, it's no surprise to see that the best-performing sectors have been some of the smaller vehicle groups, with Superminis and MPVs seeing values increase by 1%, while City Cars follow closely at 0.8%. Notable movers within these segments at the 3-year point include the Ford Fiesta (+2%/£200), Hyundai i20 (+2%/ £210), and the Abarth 500/595/695 (+3%/ £360).

Among the other mainstream sectors, Upper Medium values remained stable, while Lower Medium values increased in line with the overall market, rising by 0.2%. SUVs, which represent the largest sector in terms of disposal data, saw a modest increase of 0.1%. There was some nuance in performance by SUV size: Small SUVs were the strongest, posting average gains of 0.4%; Large SUVs followed with a rise of 0.2%; while Medium SUVs remained level.

The poorest-performing sector in September at the 3-year-old mark was Executive, with average values declining by 0.4%. This was followed by Convertibles, which fell by 0.3% and have started to show signs of softening, particularly towards the end of the month. Luxury Executive also recorded a reduction of 0.2%.

A full list of movements by sector, age, and mileage profile, along with some notable movers, can be found at the end of this overview.

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Hybrid vehicles came out as the top-performing fuel type, with an average movement of 0.5%. This was followed by strong demand for both traditional fuel types, with diesel values increasing by 0.3% and petrol by 0.2%, respectively. PHEVs were the only fuel type to show a reduction in values at the 3-year-old point, easing back by 0.2%, while BEVs remained level.

Focusing on BEV performance across different age profiles, values actually increased by 0.8% at the 5-year, 80,000-mile mark, while at the 1-year, 10,000-mile point, they declined by 0.6%. Used BEVs within this younger age banding can still be perceived as expensive, particularly when compared to some of the enhanced new car offers that were available in the lead-up to and during September.

In stark contrast, and returning to movements by trade price banding, BEVs recorded their strongest value increases in the £5,000–£15,000 range, with rises of 0.9% and 1.0%, respectively. This reflects solid demand for more affordable used electric vehicles, which continue to appeal to cost-conscious buyers seeking excellent value for money without the premium price tag. Among the best-performing models at the 3-year-old point were the Mini Cooper (+6.1%), Volkswagen ID.3 (+4%), Jaguar I-Pace (+3.8%), and Fiat 500 (+1.8%).

BEVs priced above £20,000 showed declines, with the steepest drop of -1.1% in the £30,000–£50,000 bracket. This further suggests that higher-priced, nearly new examples of used BEVs may be struggling to compete with attractive new car incentives and offers currently available in the market.

Understandably, there's been a lot of attention on Jaguar and Land Rover's used market performance following the recent cyber-attack, which continues to disrupt operations across their business. While there were initial concerns that the incident might impact consumer demand and wholesale activity, particularly due to delays in service centres and parts supply, the positive momentum seen before the attack appears to have continued. With new car registrations affected, many franchised retailers have shifted their focus to used stock, helping to maintain demand and keep sales moving.

Jaguar saw values increase across all reported age and mileage profiles, with average rises of 1.3% at 1 year/10,000 miles and 1.2% at 3 years/60,000 miles. Land Rover followed a similar trend, showing positive movements across all profiles, with increases of 1.4% at 1 year and 1.1% at the 3-year-old mark. Notable movers at 3 years old include the Land Rover Discovery Sport Diesel (+2%), Land Rover Discovery (+2%), and Jaguar E-Pace (+3%).

In summary, September saw a stable and positive month for used vehicle values, with mainstream sectors leading demand and BEVs showing continued improved performance.

## What next?

Last month, our prediction was:

*"Vehicle numbers will increase as the month goes on, with trade-ins and fleet/rental returns coming back to market. However, this extra supply is unlikely to push prices down much during September. We expect to see the same pattern as recent years, with the average movement staying roughly flat".*

October is expected to bring more volume into the wholesale market, driven by fleet returns and part-exchanges following September's new car activity. While that could apply some pressure to used values, it's unlikely to mirror the sharp drop we witnessed two years ago. In 2023, values fell by 4.2% in October, sparking a major realignment that continued through the final quarter. Last year saw values move throughout the month in Cap Live to end up at -1.1% for November monthly values, and the seasonal average (excluding 2020 and 2021) sits at -1.5%, we anticipate this year will be close to that seasonal average, if not stronger. That said, the impact will vary depending on model and derivative, and any short-term oversupply could still cause temporary dips. As ever, remarketers will need to stay disciplined to help keep pricing stable.

As we head into the final quarter, there's always a degree of caution in the air, shaped by 2023's market realignment which saw values fall by 10.5% between October and December. That said, the outlook for the remainder of 2025 feels far more stable and in line with what happened last year.



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Unlike 2023, we're not expecting a wave of large-scale defleeting, although there will be an increase in BEV volumes returning to the market. With retailers keen to replenish stock and many holding less inventory than in years past, the need to secure vehicles when they become available seems to be driving buyers to pay the money required to capture stock, even if it's on a little-and-often basis.

The upcoming Autumn Budget at the end of November may influence consumer sentiment and business confidence, but for now, the outlook points to a more balanced end to the year.

As we move towards year-end, Cap Live will continue to monitor used car pricing closely. These final months often bring unpredictable shifts, and we'll keep providing sharp, timely updates to reflect what's happening in the market.

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## Current used valuations October 2025 - average value movements

	1 YR/10K	3 YR/60K	5 YR/80K	10 YR/100k
City Car	1.2%	0.8%	0.1%	(0.5%)
Supermini	0.6%	1.0%	0.4%	(0.2%)
Lower Medium	(0.1%)	0.2%	0.2%	0.5%
Upper Medium	(0.4%)	(0.0%)	0.5%	0.8%
Executive	(0.3%)	(0.4%)	(0.0%)	1.0%
Large Executive	0.2%	0.1%	0.3%	(0.6%)
MPV	0.7%	1.0%	0.5%	(0.8%)
SUV	(0.3%)	0.1%	0.4%	0.2%
Convertible	(0.3%)	(0.3%)	(0.7%)	(2.5%)
Coupe Cabriolet	0.0%	0.0%	(2.3%)	(1.6%)
Sports	(0.1%)	0.3%	0.6%	0.5%
Luxury Executive	(0.2%)	(0.2%)	(0.5%)	(0.8%)
Supercar	(0.3%)	0.1%	0.1%	(0.3%)
<b>Overall Avg Book Movement</b>	<b>(0.1%)</b>	<b>0.2%</b>	<b>0.3%</b>	<b>0.1%</b>

( ) Denotes negative percentages

	1 YR/10K	3 YR/60K	5 YR/80K	10 YR/100k
MPV Small		(3.9%)	(2.1%)	(0.9%)
MPV Medium	0.9%	1.2%	0.5%	(1.0%)
MPV Large	0.5%	0.9%	0.7%	(0.2%)
SUV Small	(0.1%)	0.4%	0.5%	(1.3%)
SUV Medium	(0.3%)	(0.0%)	0.3%	0.4%
SUV Large	(0.4%)	0.2%	0.6%	0.6%

( ) Denotes negative percentages

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## Notable Movers 1-yr 20k

	MIN £	MAX £	AVG £
AUDI Q2 (16- )	(500)	(350)	(429)
FIAT PANDA (12-25)	(300)	(175)	(235)
JAGUAR XF (15-24)	(300)	(250)	(270)
LAND ROVER DISCOVERY (16- ) DIESEL	800	1,000	940
LAND ROVER RANGE ROVER VELAR (17- )	(1,100)	(700)	(880)
MERCEDES-BENZ E CLASS (16-24) DIESEL	300	400	350
MINI COOPER (19-24) Electric	850	950	900
SKODA KODIAQ (16-24)	550	700	616
VOLKSWAGEN ID.3 (20-24) Electric	550	750	632
VOLVO XC60 (17- ) DIESEL	700	700	700

( ) Denotes negative value

## Notable Movers 3-yr 60k

	MIN £	MAX £	AVG £
FIAT 500L (13-22)	(325)	(250)	(283)
FORD MUSTANG (15-24)	1,200	1,400	1,222
HONDA CIVIC (16-22)	150	400	232
KIA E-NIRO (18-23) Electric	300	600	375
MAZDA MX-5 (15- )	200	300	260
MINI COUNTRYMAN (17-24)	350	650	479
PEUGEOT 108 (14-23)	(350)	(150)	(250)
POLESTAR 2 (19- ) Electric	(550)	(450)	(512)
SUZUKI S CROSS (13-22)	(300)	(200)	(250)
VOLKSWAGEN TOURAN (15-22) DIESEL	300	350	337

( ) Denotes negative value