

June/July 2023 Kontos Kommentary

Current Used Vehicle Market Conditions

Summary

Average wholesale used vehicle prices fell significantly in June and those declines continued into July. Combined with May's declines, average wholesale prices are now about \$2,000 below their April peaks.

Retail used vehicle sales and Certified Pre-Owned (CPO) sales were solid in June but continue to be well below pre-pandemic levels.

Wholesale Market Trends*

According to ADESA US Analytical Services' monthly analysis of auction industry used vehicle prices by vehicle model class, wholesale prices in June averaged \$15,181 — down 5.8% compared to May, down 12.3% relative to June 2022, and up 32.9% versus pre-pandemic/June 2019, as seen below.

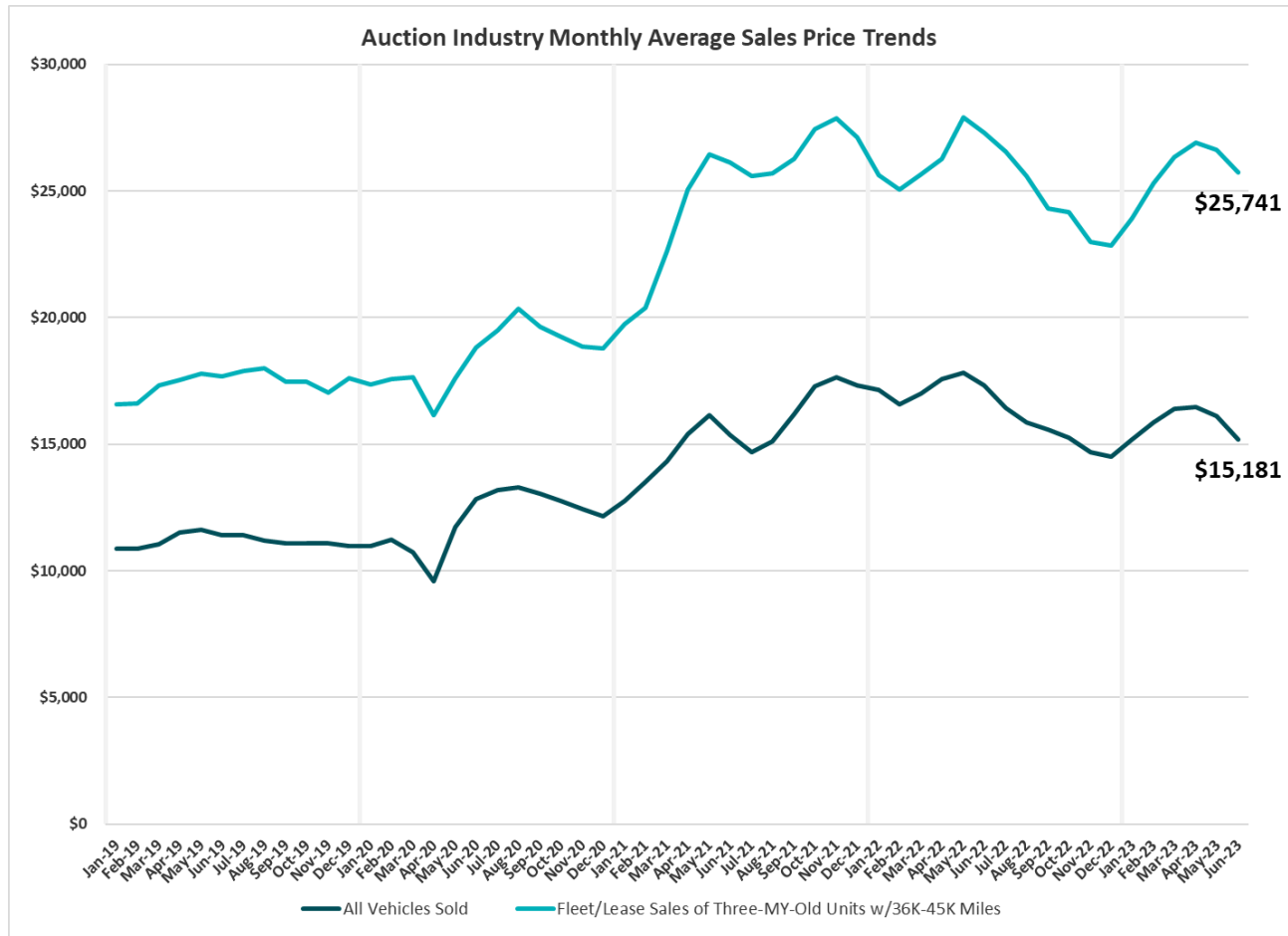
Wholesale Used Vehicle Price Trends

	Average Prices (\$/Unit)				Latest Month Versus:		
	Jun-23	May-23	Jun-22	Jun-19	Prior Month	Prior Year	Pre-pandemic
Total All Vehicles	\$15,181	\$16,119	\$17,308	\$11,427	-5.8%	-12.3%	32.9%
Total Cars	\$10,828	\$11,425	\$12,988	\$8,689	-5.2%	-16.6%	24.6%
Compact Car	\$8,138	\$8,709	\$9,516	\$6,550	-6.6%	-14.5%	24.2%
Midsized Car	\$9,103	\$9,739	\$11,016	\$7,477	-6.5%	-17.4%	21.7%
Fullsize Car	\$9,982	\$10,445	\$11,308	\$7,921	-4.4%	-11.7%	26.0%
Luxury Car	\$15,921	\$16,227	\$19,540	\$13,463	-1.9%	-18.5%	18.3%
Sporty Car	\$20,938	\$21,942	\$24,335	\$14,961	-4.6%	-14.0%	40.0%
Total Trucks	\$18,002	\$19,129	\$20,228	\$13,644	-5.9%	-11.0%	31.9%
Mini Van	\$11,100	\$11,948	\$12,371	\$8,626	-7.1%	-10.3%	28.7%
Fullsize Van	\$19,926	\$20,925	\$25,042	\$13,135	-4.8%	-20.4%	51.7%
Compact SUV/CUV	\$12,717	\$13,525	\$15,121	\$10,689	-6.0%	-15.9%	19.0%
Midsized SUV/CUV	\$16,065	\$17,054	\$18,519	\$12,599	-5.8%	-13.3%	27.5%
Fullsize SUV/CUV	\$22,329	\$24,431	\$21,719	\$14,764	-8.6%	2.8%	51.2%
Luxury SUV/CUV	\$24,800	\$26,187	\$29,179	\$19,419	-5.3%	-15.0%	27.7%
Compact Pickup	\$20,056	\$20,994	\$21,343	\$11,047	-4.5%	-6.0%	81.5%
Fullsize Pickup	\$23,641	\$24,910	\$25,106	\$17,246	-5.1%	-5.8%	37.1%

Average prices have continued to decline in July and stood at \$14,469 for the week ending July 16.

*Source: Analysis in this section is based on over six million annual sales transactions from over 250 of the largest U.S. wholesale auto auctions, including those of ADESA US as well as other auction companies. ADESA US Analytical Services segregates these transactions to study trends by vehicle model class, sale type, model year, etc.

Further insights on wholesale price trends can be gained by holding constant for auction sale type, model-year age and mileage (the upper line in the following graph, which represents “Late-Model” units), as well as price trends for all vehicles sold (the lower line in the graph below).



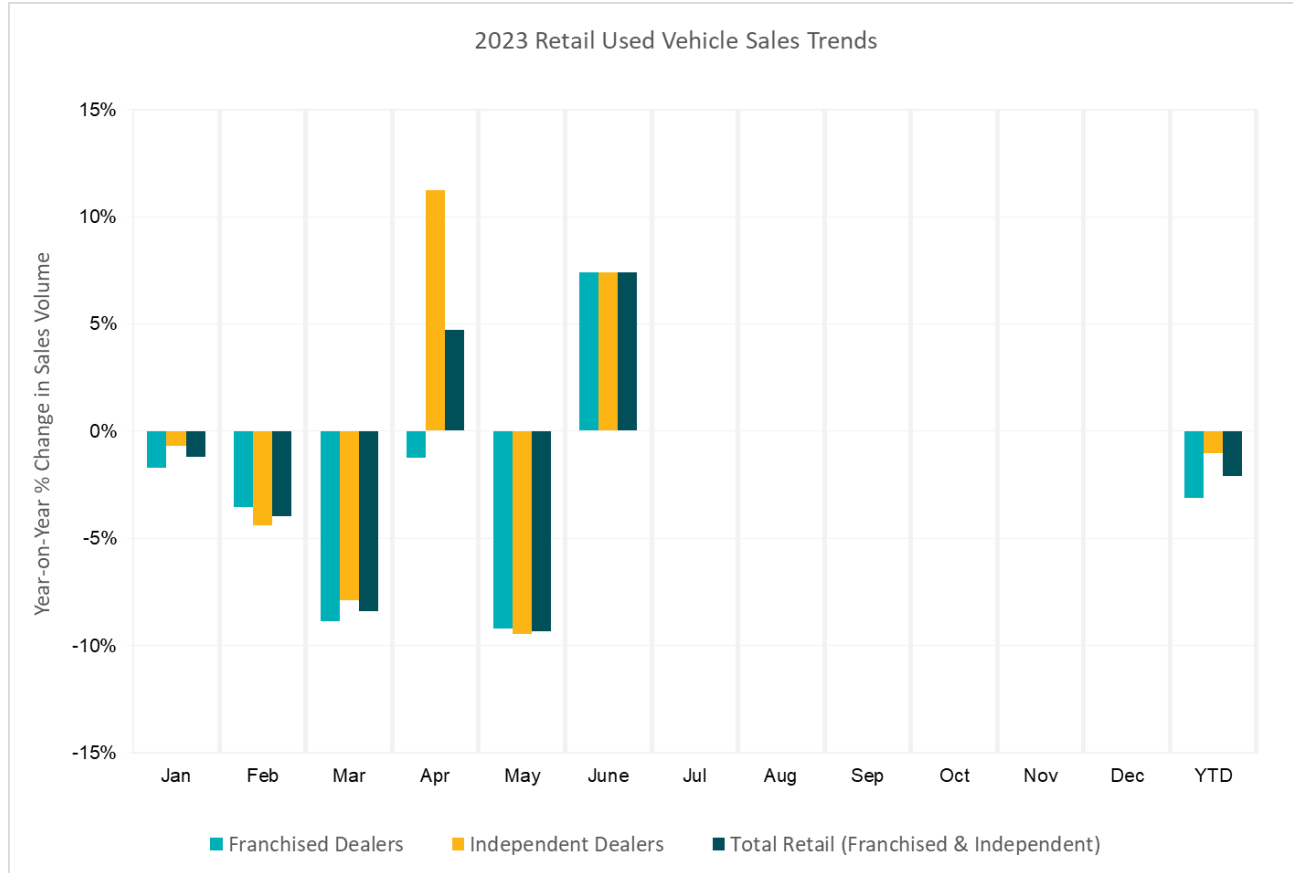
Both groups had more precipitous price declines in June compared to those in May. Note too that the spring/tax season peak this year was in April, whereas it was in May last year.

Average prices for “Late-Model” used vehicles as defined here have continued to decline in July and stood at \$25,157 for the week ending July 16.

A [spreadsheet](#) with historical data broken out by model class for the table and graph in this section has been provided with this report for your convenience in tracking these trends.

Retail Market Trends

The following graph and table summarize data on retail used vehicle and CPO sales through June based on ADESA US Analytical Services’ analysis of data from NADA and Motor Intelligence, respectively.



YTD Jun	Franchised	Independent	Total Retail	CPO Sales
2019	7,892,050	7,239,053	15,131,103	1,403,510
2020	6,577,166	6,301,621	12,878,788	1,239,445
2021	7,765,762	7,514,175	15,279,937	1,463,635
2022	6,754,072	6,696,927	13,451,000	1,217,194
2023	6,544,269	6,627,921	13,172,190	1,295,520

Var - Amt				
vs. 2019	(1,347,781)	(611,132)	(1,958,913)	(107,990)
vs. 2020	(32,897)	326,299	293,402	56,075
vs. 2021	(1,221,493)	(886,254)	(2,107,747)	(168,115)
vs. 2022	(209,803)	(69,006)	(278,810)	78,326

Var - %				
vs. 2019	-17.1%	-8.4%	-12.9%	-7.7%
vs. 2020	-0.5%	5.2%	2.3%	4.5%
vs. 2021	-15.7%	-11.8%	-13.8%	-11.5%
vs. 2022	-3.1%	-1.0%	-2.1%	6.4%

As the graph shows, June retail used vehicle sales moved in a positive direction. However, year-to-date sales in total and for CPO units remain down considerably from stronger sales in 2021 and pre-pandemic.

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