

COMPILED BY  
**GLASS'S**

# Auction Report - LCV

March 2013



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# NAMA used LCV market commentary for February

## Whole market - February compared to January

- The average price achieved at auction for all LCVs was 2% higher at £4,387.
  - The average number of entries needed to achieve a sale stood at 1.25.
  - The average number of days that LCVs remained on site shrank to 12.4.
  - In February, the total sales volume increased from 6,138 to 6,523 units (+6%).
  - The average mileage for LCVs fell back from 85,941 to 82,862 miles.
  - The average age of all LCVs sold at auction rose from 64.1 to 63.3 months.
  - At 80%, conversion rates leapt up by 5% when compared to January.
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### Comment:

In February, all the indicators listed above reaffirmed the positive messages that have been emerging from the auction scene over the past 12 months. Following a disappointing start to the year with January recording an 8% price fall, it was especially pleasing to note prices had risen by a solid 2% despite volumes having grown 6%.

Also telling is that on average any LCV sent to auction now spends just 12.4 days on site. This has to be good news in respect to both lowering overheads and managing the logistical headaches associated with having yards choked-up with stock awaiting sale. With conversion rates having hit 80% it is clear that demand remains buoyant with the expectation of even stronger performances to come. Providing that reserve prices are set sensibly, nearly every light commercial vehicle, regardless of its age, is capable of achieving a sale with little difficulty.

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## Mileage changes - by age

	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
<2 Years	24853	21465	19130	21656	27351	25843
2 - 4 Years	62014	64892	59129	59482	68411	66846
4.1 - 6 Years	81173	82633	82255	87638	89171	86386
Over 6 Years	98005	101935	99878	100857	109234	105017
Average	76960	79130	79101	79350	85941	82862

### Comment:

In February, the average mileage for those LCVs coming under the hammer fell back from the high point reached in January. At more than 82,000 miles, this average stands at an uncomfortably high level, however, there is unlikely to be any significant reduction over the short term.

As with the age profile for the majority of LCVs being de-fleeted, it is clear that the difficult financial backdrop faced by all businesses since 2008 has led them to keep vehicles for longer and work them much harder. Until registrations of light commercial vehicles have grown steadily for at least 6 months, it is unlikely that there will be much change in the profile of the used stock that is returning to the marketplace.

## Price changes - by age

	Sep-12	% Diff	Oct-12	% Diff	Nov-12	% Diff	Dec-12	% Diff	Jan-13	% Diff	Feb-13	% Diff
<2 Years	£10,065	6%	£10,145	1%	£11,300	1%	£11,200	-1%	£10,620	-5%	£9,385	-13%
2 - 4 Years	£5,990	4%	£6,280	5%	£6,235	5%	£6,300	1%	£6,035	-4%	£6,365	5%
4.1 - 6 Years	£4,095	5%	£4,230	3%	£4,210	3%	£4,275	2%	£3,955	-8%	£3,985	1%
Over 6 Years	£2,520	17%	£2,525	0%	£2,400	0%	£2,550	6%	£1,975	-29%	£2,075	5%

### Comment:

Following the across-the-board price falls recorded in January, February posted some encouraging improvements along with some continuing weakness, perhaps particularly surprising for those LCVs of less than 2 years of age. Speaking to trade buyers over recent weeks, this reflects their general mood of caution as they fear getting their fingers burnt with late year stock, at a time when manufacturers are offering big discounts on new models. Many independent dealers prefer, where practicable, to only purchase these high ticket LCVs once an order has been secured. Even then, they only wish to stand such late year vans and pick-ups in what is considered to be a safe level.

## Volume changes - by age

	Sep-12	% Diff	Oct-12	% Diff	Nov-12	% Diff	Dec-12	% Diff	Jan-13	% Diff	Feb-13	% Diff
<2 Years	226	-61%	331	32%	129	32%	154	16%	365	58%	431	15%
2 - 4 Years	1,844	-11%	1,918	4%	1,027	4%	1,061	3%	1,685	37%	1,625	-4%
4.1 - 6 Years	2,968	4%	3,342	11%	1,837	11%	1,534	-20%	2,208	31%	2,596	15%
Over 6 Years	1,365	10%	1,521	10%	1,089	10%	802	-36%	1,880	57%	1,871	0%
<b>Total</b>	6,403	-1%	7,112	11%	4,082	-43%	3,551	-13%	6,138	73%	6,523	6%

### Comment:

In February, the volume of used light commercial vehicles being de-fleeted increased by 6% which came on the back of January's 73% jump. At 6,523 units, this total is close to trend and can be readily absorbed by current demand. Of more concern are the sizeable and somewhat erratic fluctuations in LCV volumes that have ranged between +73% and -43%.

## Sales prices for first time entries compared to those achieved subsequently

	Price - 1st Entry	Price - 2nd Entry or Subsequent Entry
January	£4,390	£3,930
February	£4,550	£4,360

### Comment:

Although the average sale price at the 1st time of offering still holds a clear advantage, with stock shortages now biting, subsequent entry sales prices are closing the gap.

## Market Forecast:

With strong market sentiment across most sectors, it is pleasing to see that 2013 is shaping up to be a rewarding year for those remarketing light commercial vehicles through auction channels. Whilst there are challenges to be faced with shortages of the most desirable LCV stock that are increasingly impacting on the outcome at many sales, the strong results being consistently achieved for older lots should be fully acknowledged. However, before too long it is likely that the balance will have shifted even further in this direction with an even higher proportion of what's on offer being at the older, higher mileage end of things which will certainly test each auctioneer's skills fully.

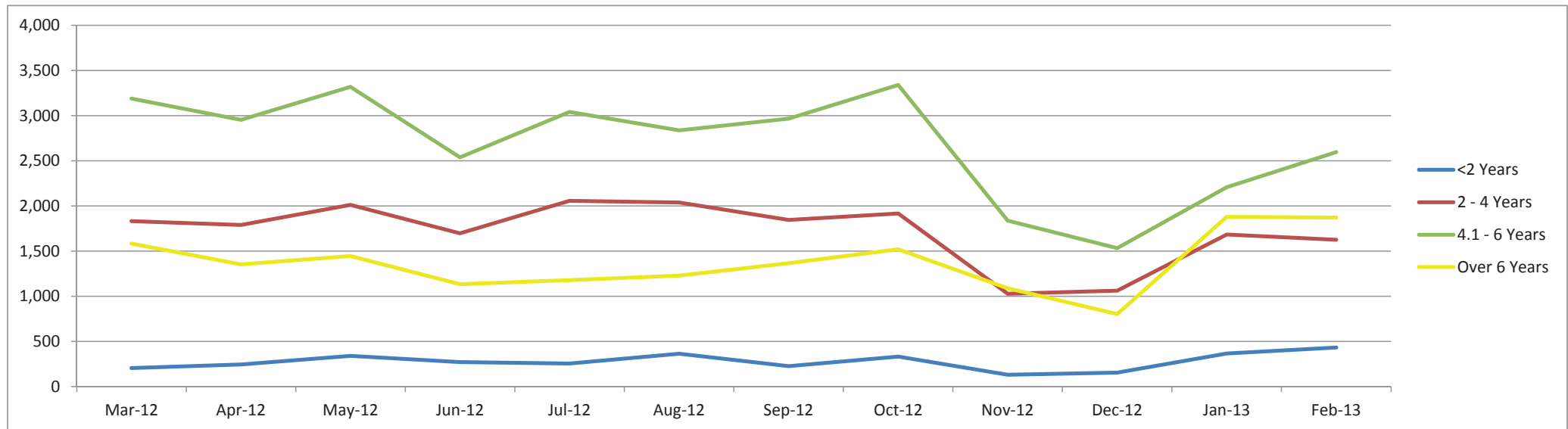
It's undeniable that the performance of late year LCVs has been disappointing, especially as this is the one sector that most would have instinctively expected to now be soaring. As already suggested, some dealers are reluctant to take on too much of this heavy stock at a time when business confidence is in the doldrums. They have come to appreciate it often proves difficult to price such late year models accurately. Dealer discounts on new LCVs can quickly transform what looked to be cheap vans last week into today's overpriced stock. On a far more positive note, the underlying strength that has become apparent within the LCV market over recent times has provided a solid foundation for 2013, from which hopefully, we can all build upon as the year progresses.

# Whole Market Summary

	Mar-12		Apr-12		May-12		Jun-12		Jul-12		Aug-12		Sep-12		Oct-12		Nov-12		Dec-12		Jan-13		Feb-13	
<b>Average Age in Months</b>	58.1		57.6		57.4		57.7		57.6		58.7		58.9		59.1		60.5		59.7		64.1		63.3	
<b>Average No. of Entries</b>	1.31		1.33		1.35		1.45		1.37		1.36		1.34		1.24		1.30		1.29		1.34		1.25	
<b>Conversion Rate</b>	76%		75%		74%		69%		73%		74%		75%		81%		77%		78%		75%		80%	
<b>Average No. Days on Site</b>	17.8		16.3		14.5		16.2		14.0		14.0		13.8		11.7		12.9		12.9		14.7		12.4	
		<b>% Diff</b>		<b>% Diff</b>		<b>% Diff</b>		<b>% Diff</b>		<b>% Diff</b>		<b>% Diff</b>		<b>% Diff</b>		<b>% Diff</b>		<b>% Diff</b>		<b>% Diff</b>		<b>% Diff</b>		<b>% Diff</b>
<b>Average Mileage All Ages</b>	75,538	2%	75,752	0%	74,751	-1%	75,339	1%	78,366	4%	77,076	-1.7%	76,960	0%	79,130	3%	79,101	3%	79,350	0%	85,941	8.3%	82,862	-4%
<b>Average Sales Prices All Ages</b>	£4,580	-4%	£4,710	2.8%	£4,680	-1%	£4,560	-3%	£4,425	-3%	£4,445	0%	£4,550	2%	£4,690	3%	£4,500	3%	£4,700	4.4%	£4,315	-8%	£4,387	2%
<b>Sales Volumes All Ages</b>	6,809	-4%	6,338	-7%	7,115	11%	5,641	-26%	6,532	14%	6,468	-1%	6,403	-1%	7,112	10%	4,082	10%	3,551	-13%	6,138	73%	6,523	6%

# Sales Volumes by Age Band

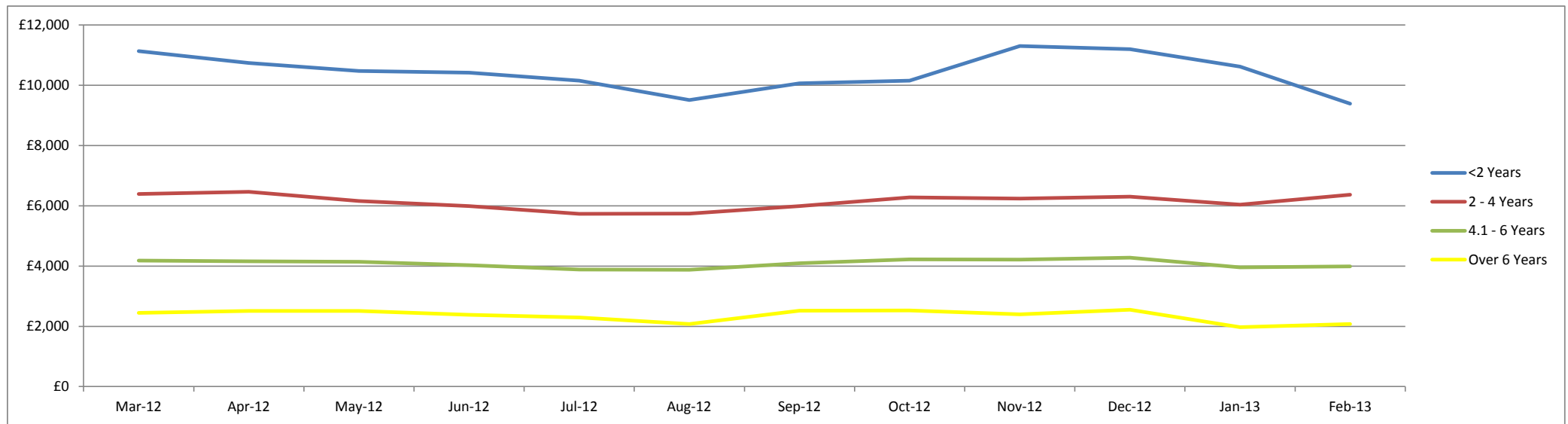
	Mar-12	% Diff	Apr-12	% Diff	May-12	% Diff	Jun-12	% Diff	Jul-12	% Diff	Aug-12	% Diff	Sep-12	% Diff	Oct-12	% Diff	Nov-12	% Diff	Dec-12	% Diff	Jan-13	% Diff	Feb-13	% Diff	Total
<2 Years	204	-60%	244	16%	339	28%	271	-25%	255	-6%	363	30%	226	-61%	331	32%	129	32%	154	16%	365	58%	431	15%	3,312
2 - 4 Years	1,832	-23%	1,789	-2%	2,011	11%	1,698	-18%	2,058	17%	2,038	-1%	1,844	-11%	1,918	4%	1,027	4%	1,061	3%	1,685	37%	1,625	-4%	20,586
4.1 - 6 Years	3,191	1%	2,955	-8%	3,320	11%	2,540	-31%	3,041	16%	2,838	-7%	2,968	4%	3,342	11%	1,837	11%	1,534	-20%	2,208	31%	2,596	15%	32,370
Over 6 Years	1,582	27%	1,352	-17%	1,445	6%	1,132	-28%	1,178	4%	1,229	4%	1,365	10%	1,521	10%	1,089	10%	802	-36%	1,880	57%	1,871	0%	16,446
<b>Total</b>	<b>6,809</b>	<b>-</b>	<b>6,340</b>	<b>-7%</b>	<b>7,115</b>	<b>12%</b>	<b>5,641</b>	<b>-21%</b>	<b>6,532</b>	<b>16%</b>	<b>6,468</b>	<b>-1%</b>	<b>6,403</b>	<b>-1%</b>	<b>7,112</b>	<b>11%</b>	<b>4,082</b>	<b>-43%</b>	<b>3,551</b>	<b>-13%</b>	<b>6,138</b>	<b>73%</b>	<b>6,523</b>	<b>6%</b>	<b>72,714</b>





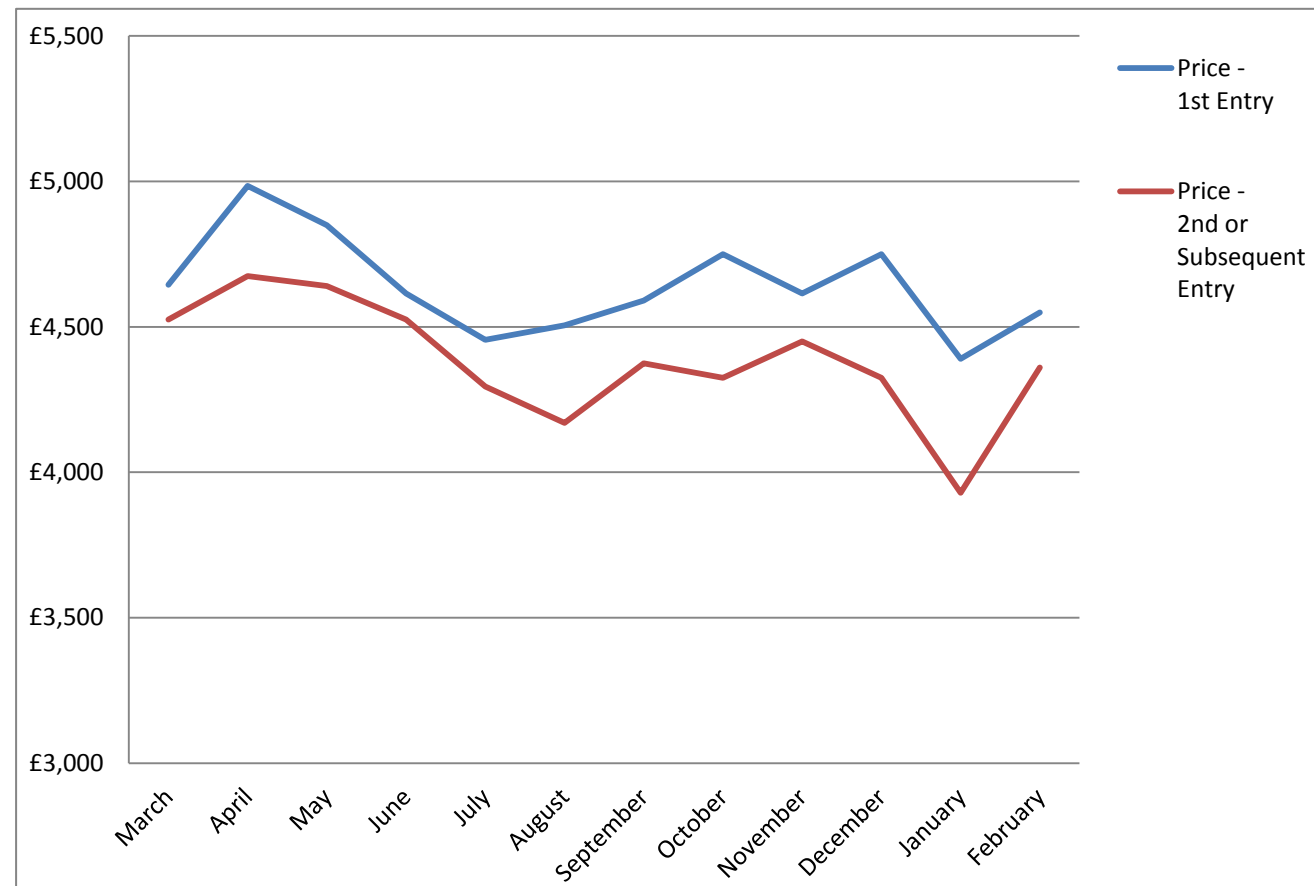
# Sales Prices by Age Band

	Mar-12	% Diff	Apr-12	% Diff	May-12	% Diff	Jun-12	% Diff	Jul-12	% Diff	Aug-12	% Diff	Sep-12	% Diff	Oct-12	% Diff	Nov-12	% Diff	Dec-12	% Diff	Jan-13	% Diff	Feb-13	% Diff
<2 Years	£11,130	8%	£10,735	-4%	£10,475	-2%	£10,415	-1%	£10,155	-3%	£9,505	-7%	£10,065	6%	£10,145	1%	£11,300	1%	£11,200	-1%	£10,620	-5%	£9,385	-13%
2 - 4 Years	£6,395	7%	£6,465	1%	£6,155	-5%	£5,990	-3%	£5,730	-5%	£5,740	0%	£5,990	4%	£6,280	5%	£6,235	5%	£6,300	1%	£6,035	-4%	£6,365	5%
4.1 - 6 Years	£4,180	6%	£4,160	0%	£4,140	0%	£4,030	-3%	£3,885	-4%	£3,880	0%	£4,095	5%	£4,230	3%	£4,210	3%	£4,275	2%	£3,955	-8%	£3,985	1%
Over 6 Years	£2,450	1%	£2,510	2%	£2,510	0%	£2,385	-5%	£2,290	-4%	£2,080	-10%	£2,520	17%	£2,525	0%	£2,400	0%	£2,550	6%	£1,975	-29%	£2,075	5%



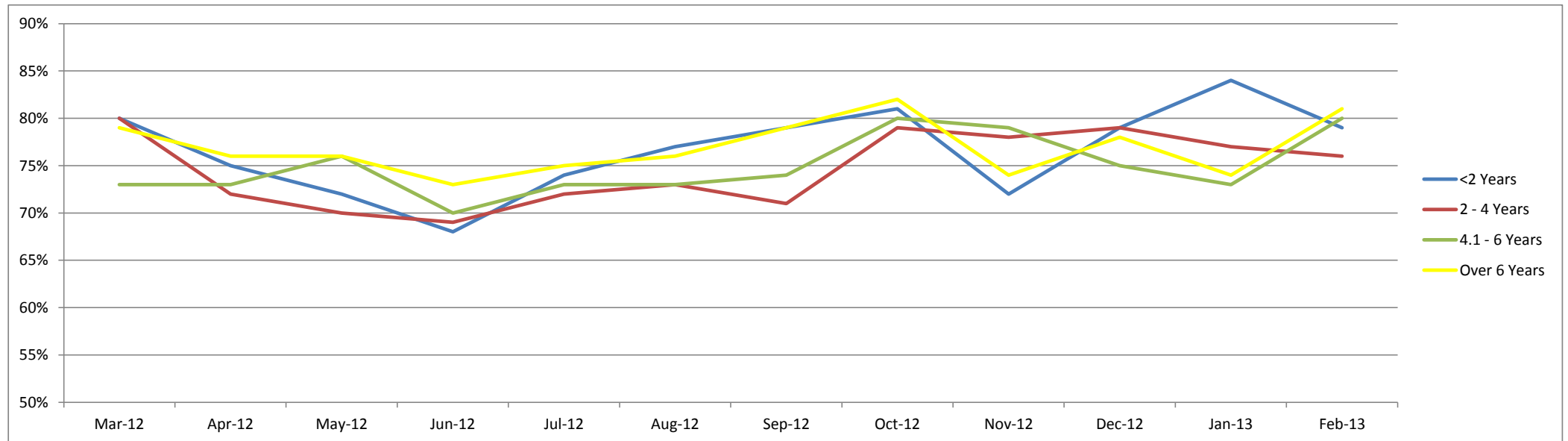
# Sales Price Compared to Number of Entries (all ages)

	Price - 1st Entry	Price - 2nd or Subsequent Entry
March	£4,645	£4,525
April	£4,985	£4,675
May	£4,850	£4,640
June	£4,615	£4,525
July	£4,455	£4,295
August	£4,505	£4,170
September	£4,590	£4,375
October	£4,750	£4,325
November	£4,615	£4,450
December	£4,750	£4,325
January	£4,390	£3,930
February	£4,550	£4,360



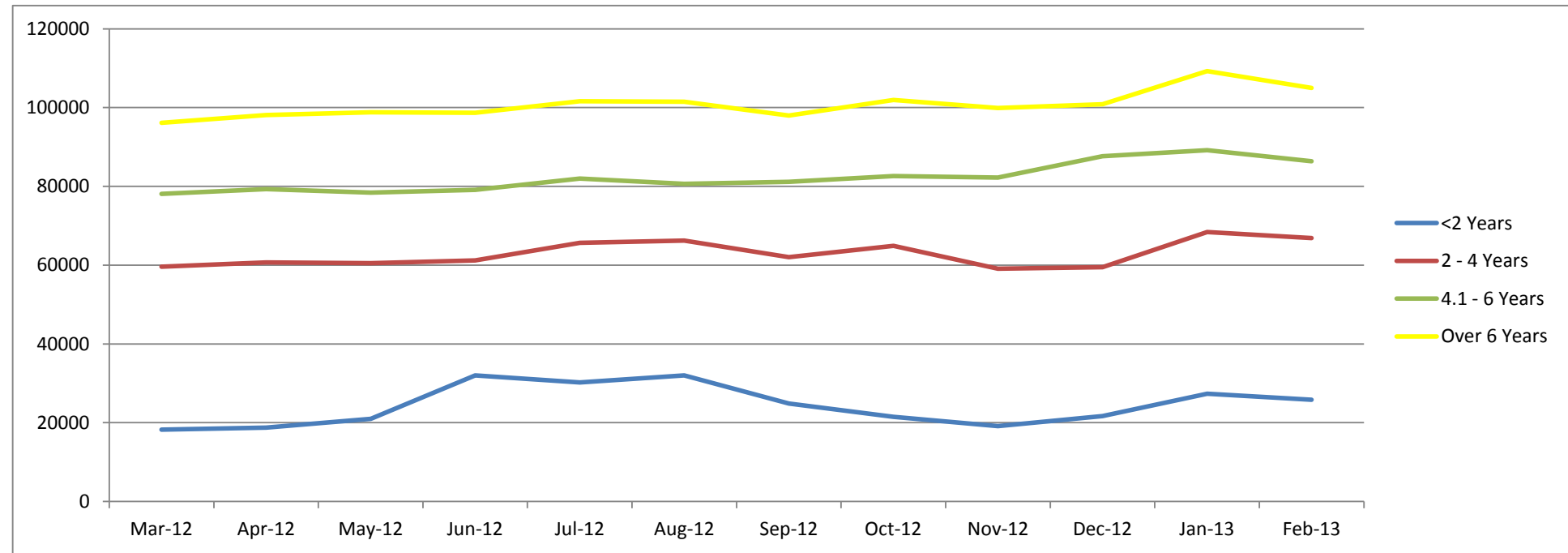
# Conversion Rate By Age Band

	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
<2 Years	80%	75%	72%	68%	74%	77%	79%	81%	72%	79%	84%	79%
2 - 4 Years	80%	72%	70%	69%	72%	73%	71%	79%	78%	79%	77%	76%
4.1 - 6 Years	73%	73%	76%	70%	73%	73%	74%	80%	79%	75%	73%	80%
Over 6 Years	79%	76%	76%	73%	75%	76%	79%	82%	74%	78%	74%	81%



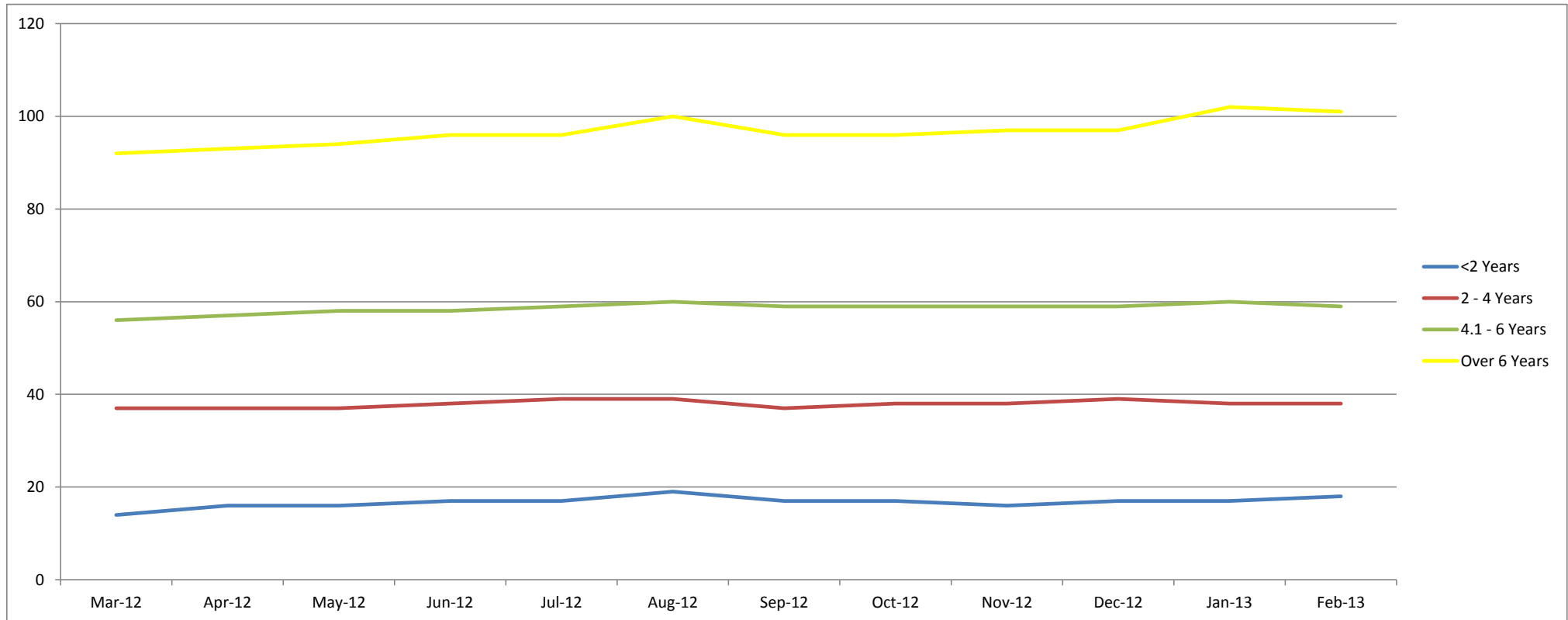
# Recorded Mileages By Age Band

	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
<2 Years	18228	18748	20993	32038	30195	31997	24853	21465	19130	21656	27351	25843
2 - 4 Years	59637	60725	60492	61200	65666	66246	62014	64892	59129	59482	68411	66846
4.1 - 6 Years	78104	79331	78395	79105	82005	80658	81173	82633	82255	87638	89171	86386
Over 6 Years	96154	98131	98830	98690	101583	101465	98005	101935	99878	100857	109234	105017
<b>Average</b>	<b>75538</b>	<b>75752</b>	<b>74751</b>	<b>75339</b>	<b>78366</b>	<b>77067</b>	<b>76960</b>	<b>79130</b>	<b>79101</b>	<b>79350</b>	<b>85941</b>	<b>82862</b>



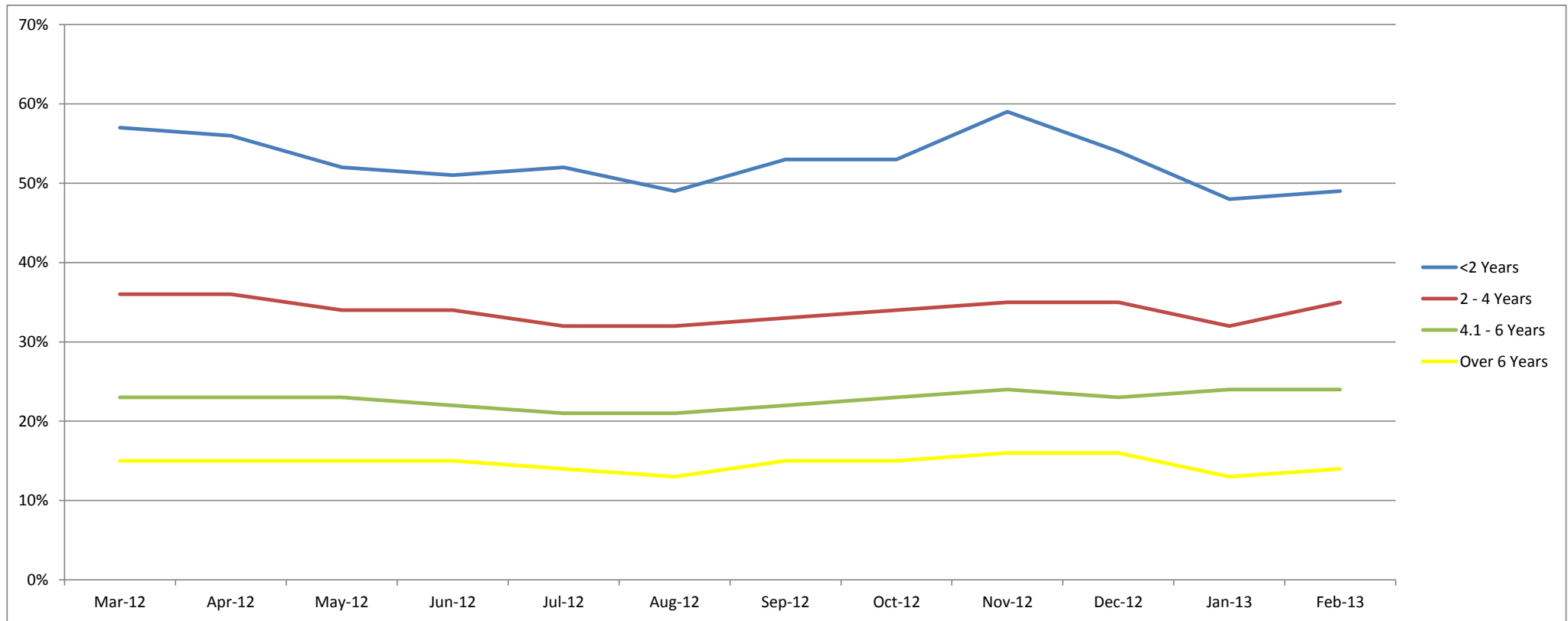
# Average Age In Months By Age Band

	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
<2 Years	14	16	16	17	17	19	17	17	16	17	17	18
2 - 4 Years	37	37	37	38	39	39	37	38	38	39	38	38
4.1 - 6 Years	56	57	58	58	59	60	59	59	59	59	60	59
Over 6 Years	92	93	94	96	96	100	96	96	97	97	102	101



# Average % of List Price By Age Band

	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
<2 Years	57%	56%	52%	51%	52%	49%	53%	53%	59%	54%	48%	49%
2 - 4 Years	36%	36%	34%	34%	32%	32%	33%	34%	35%	35%	32%	35%
4.1 - 6 Years	23%	23%	23%	22%	21%	21%	22%	23%	24%	23%	24%	24%
Over 6 Years	15%	15%	15%	15%	14%	13%	15%	15%	16%	16%	13%	14%



## <2 Years Summary by Weight Band

	<2 Years	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
SMALL LCV (<2.6)	Average age in months	15	16	16	17	16	20	15	16	16	18	17	17
	Recorded mileage	15824	16165	21554	25679	22081	28527	18951	15284	19501	26375	21006	21459
	Conversion rate	83%	81%	77%	67%	67%	77%	83%	71%	63%	91%	80%	77%
	Sales volumes	49	76	85	64	70	92	42	117	45	44	114	166
	Sales prices	£8,170	£7,410	£7,092	£7,069	£6,623	£5,920	£8,136	£7,351	£8,220	£6,400	£7,465	£6,152
	% New Price	56%	53%	49%	48%	48%	45%	54%	51%	53%	46%	46%	45%
MEDIUM LCV (2.6 - 3.495)	Average age in months	14	16	16	17	17	18	17	16	17	18	18	19
	Recorded mileage	19293	19745	17785	24286	22479	24428	23062	19922	20626	21807	25872	23042
	Conversion rate	83%	91%	67%	56%	71%	77%	71%	83%	67%	71%	84%	84%
	Sales volumes	108	108	141	128	114	170	128	142	62	57	123	140
	Sales prices	£11,453	£11,538	£11,024	£11,104	£11,148	£10,432	£11,403	£11,446	£11,817	£13,264	£10,728	£9,522
	% New Price	58%	57%	55%	55%	56%	53%	55%	57%	58%	62%	49%	47%
LARGE LCV (3.5)	Average age in months	15	16	17	19	20	20	19	19	13	14	17	18
	Recorded mileage	21051	26465	27010	52873	61518	59512	39014	38946	20797	17845	40432	45595
	Conversion rate	77%	77%	71%	77%	67%	77%	91%	100%	77%	91%	88%	74%
	Sales volumes	35	38	93	58	51	76	44	59	7	42	94	73
	Sales prices	£12,461	£11,529	£11,450	£11,147	£10,252	£9,921	£10,901	£11,104	£13,840	£11,075	£11,634	£11,557
	% New Price	48%	43%	44%	42%	39%	37%	41%	42%	51%	45%	42%	42%

## 2-4 Years Summary by Weight Band

2 - 4 Years		Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
SMALL LCV (<2.6)	Average age in months	37	37	38	38	39	38	38	38	38	38	38	38
	Recorded mileage	52389	55008	57566	56613	56232	52946	55771	55771	57363	566626	65701	65186
	Conversion rate	77%	71%	71%	77%	77%	77%	83%	83%	83%	91%	77%	85%
	Sales volumes	556	723	610	697	663	586	559	559	378	361	519	544
	Sales prices	£4,465	£4,232	£4,187	£4,030	£3,968	£4,109	£4,272	£4,272	£4,148	£4,284	£4,131	£4,230
	% New Price	34%	32%	32%	30%	30%	32%	32%	32%	32%	32%	30%	32%
MEDIUM LCV (2.6 - 3.495)	Average age in months	37	37	37	37	39	39	37	37	38	38	38	38
	Recorded mileage	62065	61530	60057	56928	63562	64818	57681	61819	57633	57042	67458	62648
	Conversion rate	77%	77%	71%	71%	77%	71%	71%	77%	71%	77%	78%	76%
	Sales volumes	740	797	849	703	924	875	795	866	435	450	673	554
	Sales prices	£6,983	£6,998	£6,836	£6,707	£6,437	£6,270	£6,602	£6,936	£7,171	£7,284	£6,220	£6,796
	% New Price	37%	37%	36%	36%	34%	33%	36%	37%	37%	38%	33%	37%
LARGE LCV (3.5)	Average age in months	37	38	36	38	39	38	36	37	40	40	36	38
	Recorded mileage	76703	79020	79660	83990	94981	91855	87787	92776	70912	77913	82303	87146
	Conversion rate	83%	77%	71%	62%	63%	67%	67%	71%	83%	63%	73%	62%
	Sales volumes	292	289	305	268	306	354	366	331	129	168	354	339
	Sales prices	£7,299	£7,144	£7,372	£6,864	£6,390	£6,568	£6,893	£6,641	£7,157	£6,536	£6,826	£6,746
	% New Price	29%	28%	29%	26%	24%	25%	26%	25%	28%	26%	27%	27%



## 4.1-6 Years Summary by Weight Band

4.1 - 6 Years		Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
SMALL LCV (<2.6)	Average age in months	57	58	59	60	60	61	58	58	59	58	60	62
	Recorded mileage	66221	65246	66392	66061	69604	70918	69880	72878	73976	76247	80038	82579
	Conversion rate	71%	71%	77%	71%	77%	77%	77%	83%	83%	83%	78%	89%
	Sales volumes	1081	973	1084	800	942	805	770	801	553	416	576	626
	Sales prices	£2,718	£2,674	£2,826	£2,720	£2,639	£2,622	£2,762	£2,824	£2,846	£2,909	£2,640	£2,634
	% New Price	21%	20%	21%	21%	20%	20%	21%	21%	23%	22%	22%	23%
MEDIUM LCV (2.6 - 3.495)	Average age in months	56	56	57	57	59	60	59	59	59	59	59	58
	Recorded mileage	80185	81608	80590	80197	83051	79338	80454	81410	82637	88049	86950	78487
	Conversion rate	77%	77%	71%	71%	77%	71%	77%	77%	77%	71%	71%	79%
	Sales volumes	1250	1151	1316	1020	1271	1245	1392	1597	761	589	893	1105
	Sales prices	£4,764	£4,645	£4,617	£4,497	£4,306	£4,230	£4,378	£4,491	£4,709	£4,649	£4,225	£4,388
	% New Price	25%	25%	25%	24%	23%	23%	23%	24%	25%	24%	25%	27%
LARGE LCV (3.5)	Average age in months	56	57	58	58	59	60	58	59	59	59	60	59
	Recorded mileage	93267	97750	93489	96517	101102	96745	99139	98951	96938	101788	105168	106365
	Conversion rate	71%	71%	77%	62%	63%	67%	67%	77%	77%	71%	72%	75%
	Sales volumes	687	635	716	571	637	622	633	731	381	398	575	672
	Sales prices	£4,641	£4,705	£4,471	£4,364	£4,079	£4,216	£4,304	£4,380	£4,445	£4,209	£4,088	£3,747
	% New Price	18%	18%	18%	17%	16%	17%	17%	17%	18%	17%	19%	17%

## >6 Years Summary by Weight Band

	>6 Years	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
SMALL LCV (<2.6)	Average age in months	90	90	92	93	94	96	95	95	97	95	107	106
	Recorded mileage	88678	91150	89841	91088	93170	92628	88579	92551	93118	95236	106554	98343
	Conversion rate	91%	83%	83%	77%	77%	77%	83%	83%	77%	71%	74%	86%
	Sales volumes	572	433	472	387	388	422	444	470	339	249	799	855
	Sales prices	£1,625	£1,605	£1,578	£1,526	£1,447	£1,378	£1,602	£1,582	£1,415	£1,556	£1,149	£1,236
	% New Price	13%	13%	13%	12%	12%	11%	13%	13%	12%	12%	10%	11%
MEDIUM LCV (2.6 - 3.495)	Average age in months	92	94	95	97	97	100	94	96	96	96	95	94
	Recorded mileage	98539	98402	99712	100060	102525	101029	96537	102470	100359	100836	109007	107589
	Conversion rate	77%	77%	71%	71%	71%	77%	77%	83%	77%	83%	76%	82%
	Sales volumes	478	453	483	417	405	398	479	552	438	289	566	507
	Sales prices	£2,939	£2,834	£2,963	£2,805	£2,721	£2,582	£3,032	£2,880	£3,010	£2,981	£2,182	£2,335
	% New Price	17%	17%	17%	17%	16%	15%	17%	17%	17%	17%	14%	15%
LARGE LCV (3.5)	Average age in months	90	89	92	94	95	97	93	95	93	96	100	96
	Recorded mileage	110561	114375	119576	119663	117003	118785	122848	122012	126352	114113	128133	131620
	Conversion rate	77%	83%	77%	67%	77%	77%	71%	77%	71%	77%	69%	80%
	Sales volumes	328	251	282	169	231	221	214	277	133	119	260	238
	Sales prices	£2,436	£2,482	£2,274	£2,012	£2,094	£2,098	£2,413	£2,408	£2,371	£2,297	£2,205	£2,113
	% New Price	11%	12%	11%	10%	10%	10%	11%	11%	10%	10%	11%	10%