

NAMA NEWS JANUARY 2019

Dear Colleagues,

Best year on record for motor auctions in 2018

2018 was a record year for the motor auction industry with unprecedented strength in both first time conversion rates and average values. The market was incredibly consistent throughout and we are optimistic that demand and prices will remain stable, and 2019 will mark another successful year for our sector.

Parliamentary Engagement Programme

Last year NAMA launched a Parliamentary Engagement Programme where we arranged for local MP's to visit motor auctions. The aim of the scheme was to encourage parliamentary engagement and raise awareness of the significant contribution that the motor auction industry makes to the economy of the UK. If you would like for us to arrange for your local MP to visit your site, please let us know.

NAMA Grading Appraiser Courses

We have dates available at Stephenson College for our Appraiser Courses. If you would like to book a space, please contact Susan Munslow on 01788 538 304.

PR and monthly newsletter

We would like to include more of our members 'good news stories' in the monthly newsletter, as well as sending regular press releases to trade contacts on key areas affecting your business. We would be particularly interested in reports from your business that might include record sales week's, sales with interesting vehicles or vendors, employee achievements, charity events or anything you would like to share with your fellow NAMA members or the wider automotive industry. Please email any stories you want included in the newsletter by the 20th of each month to our press officer rupal.rawal@rmif.co.uk

NAMA Convention and AGM 2019

The 2019 AGM is to be held at Pine Cliffs Resort, Algarve, Portugal on 17 and 18 May. Formal invites will be sent out shortly.

If you would like to be involved in the initiatives above or have any further queries, please let us know on 01788 538336 or email louise.wallis@rmif.co.uk.

Louise Wallis
Head of NAMA

2018 AUCTION MARKET

The overall used car market reached record highs in 2018, despite pressures in the new car market with the introduction of the Worldwide Harmonised Light Vehicle Test Procedure (WLTP) in September.

Auction activity was unprecedented in 2018, with both first time conversion rates and average values up. Conversion rates were extremely strong, and month on month 2018 consistently outperformed the last 2 years in this key selling metric.

Whilst used petrol values were the strongest performers, used diesel also continued to sell well, demonstrating that diesel still has a firm place in the used car market. Recent reports are beginning to suggest that there could be a shortage of diesel product in the used car market in the near future.

It was also positive to see that used electric vehicles are being more widely accepted, however with increasing demand, supply could be an issue.

Sales attendance at auctions remained high throughout the year, with professional buyers bidding competitively across all market sectors, both at auction and online.

The market was incredibly consistent throughout the whole of 2018.

NAMA is optimistic that demand and prices in the used car market will remain stable and 2019 will mark another successful year for the auction sector.

- <https://www.am-online.com/news/used-cars/2019/01/24/nama-predicts-strong-used-car-demand-in-2019>
- <https://www.motortrader.com/motor-trader-news/automotive-news/nama-reports-used-car-market-hitting-record-high-2018-24-01-2019>
- <https://www.tyrepress.com/2019/01/2018-best-year-ever-for-motor-auctions/>
- [https://forecourtrader.co.uk/news/fullstory.php/aid/16197/Used diesel car sales holding up well at auctions.html](https://forecourtrader.co.uk/news/fullstory.php/aid/16197/Used_diesel_car_sales_holding_up_well_at_auctions.html)

CTSI OPENS CONSULTATION ON CONSUMER LAW GUIDANCE FOR CAR DEALERS

The Chartered Trading Standards Institute (CTSI) is seeking relevant stakeholder views on draft business guidance covering the main consumer laws that apply to the car trade, particularly used car dealers.

CTSI would like to receive relevant views on the draft guidance. It has the aim of informing members of the car trade on the main areas of consumer law that apply to their business.

This includes:

- practical steps on complying with fair trading laws for traders who market and sell cars
- interpretation of the legal obligations dealers owe to consumers before, during and after any dealings or contracts made with them

- guidance on the law as it applies to transparent and fair pricing
- information requirements for advertising and selling online
- options when disputes arise
- Auction sales: Consumers may have lower expectations when buying from an auction than through other sales channels, consequently they may have fewer reasonable expectations on the type of checks that sellers will have carried out prior to auctioning their vehicles.

The full document can be found here: <https://bit.ly/2TemWvX>

The consultation will close on Friday 15 February.

NAMA PARLIAMENTARY ENGAGEMENT PROGRAMME

Last year NAMA launched a Parliamentary Engagement Programme where we arrange for local MPs to visit motor auctions.

The aim of the scheme is to encourage parliamentary engagement and raise awareness of the significant contribution that motor auctions make to the economy of the UK. It is also an opportunity for MPs to obtain a better understanding of how auction houses are operated, the significance of the site to the local area, and the employment and business opportunities available in the sector.

We are actively engaging with government on the following policy issues which could be discussed with your local MP at these site visits:

- **Interchange Fee Regulations**
The removal of the 50p cap on transaction fees has resulted in a dramatic rise in the cost of taking payments. Also, earlier this year, the Government banned the right for businesses to apply surcharges and to not allow businesses to offset the additional cost. NAMA's findings suggest the combination of these changes will cost the motor auction industry almost £1.8 million a year.
- **Diesel**
Current government policy on diesel and clean air is confusing. It is important that clear and consistent policies are outlined to give auction customers certainty when buying and selling vehicles.
- **Brexit**
It is important for businesses including motor auctions, that the UK gets the best possible deal from the Brexit negotiations. Engagement with government is key to this and will help to ensure the sector remains buoyant.

If you are interested in hosting your local MP in 2019, please contact Louise Wallis on louise.wallis@rmif.co.uk

FALL IN NEW CAR MARKET WAKE UP CALL TO POLICY MAKERS AS ENVIRONMENTAL GOALS AT RISK

The UK new car market declined by -6.8% in 2018, with annual registrations falling for a second year to 2,367,147 units. A -5.5% decline in December capped a turbulent year of model changes, regulatory upheaval and continued anti-diesel policies, adding to the ongoing decline in consumer and business confidence.

Private, fleet and business registrations all fell in 2018, with the biggest losses felt in the fleet sector (down -7.3%), while private motorists and smaller business operators registered -6.4% and -5.6% fewer new cars respectively.

Demand also fell across all vehicle segments bar the dual purpose category, which grew by +9.1% to take a fifth of the market (21.2%). Despite registrations of superminis and lower medium cars falling by -2.5% and -9.4% respectively, these smaller vehicles remain the most popular – with a combined 58.7% market share.

The biggest volume decline was seen in the diesel sector, down -29.6% in 2018, with the volume loss equivalent to some 180% of the overall market's decline. Anti-diesel rhetoric and negative fiscal measures took their toll, with December marking the 21st consecutive month of decline for the fuel type – despite new emissions tests showing diesels deliver in the real world. Growth in registrations of petrol (+8.7%) and alternatively fuelled vehicles (+20.9%) replaced some of the loss but not enough to offset the full shortfall as many diesel owners adopt a 'wait and see' approach, keeping hold of their older, more polluting vehicles for longer.

In the AFV sector, petrol electric hybrids remained the most popular choice, up +21.3% to 81,156 units. Plug-in hybrids (PHEVs) also recorded a strong uplift (+24.9%) over the year, though the figures suggest growth is slowing following the removal of the Government's plug-in car grant for these vehicles in October.

Demand for PHEVs grew almost 30% in the first 10 months, but year on year increases fell to 3.1% and 8.7% in November and December respectively. Pure electric cars, meanwhile, grew 13.8% in the year but, with just 15,474 registered, they still make up only 0.7% of the market. Given the reduction in government incentives, the pace of growth of plug-in cars is now falling significantly behind the EU average.

The figures come as SMMT publishes data showing the UK new car fleet average CO2 rose for a second successive year, by 2.9% to 124.5g/km. This is despite huge investment by manufacturers to deliver ever more efficient cars, with the average new or updated model emitting -8.3% less CO2 than that it replaced. While part of this fleet average CO2 increase was due to segment shift and the introduction of the new, more onerous WLTP test which produces higher figures, the move away from diesels is having a significant impact.

Diesels are, on average, 15-20% more efficient than petrol equivalents and so have a substantial role to play in addressing climate change. The hard won gains made by the sector since CO2 records began in 1997 (when the new car fleet average was 189.8g/km) are being undermined by the shift away from diesel and disappointing growth in alternatively fuelled vehicles. This only underscores the challenge both industry and government face in meeting ambitious climate change targets.

BEST SELLERS

DECEMBER 2018			YEAR-TO-DATE		
①	Ford Fiesta	5,719	①	Ford Fiesta	95,892
②	Volkswagen Polo	4,928	②	Volkswagen Golf	64,829
③	MINI	4,650	③	Vauxhall Corsa	52,915
④	Mercedes-Benz A-Class	4,284	④	Nissan Qashqai	50,546
⑤	Vauxhall Corsa	4,264	⑤	Ford Focus	50,492
⑥	Volkswagen Golf	4,224	⑥	Volkswagen Polo	45,149
⑦	Ford Focus	3,919	⑦	MINI	44,904
⑧	Vauxhall Astra	3,677	⑧	Mercedes-Benz A-Class	43,527
⑨	Ford Kuga	2,646	⑨	Ford Kuga	40,398
⑩	Nissan Qashqai	2,609	⑩	Kia Sportage	35,567

December	Total	Diesel	Petrol	AFV	Private	Fleet	Business
2018	144,089	42,463	92,731	8,895	54,732	83,120	6,237
2017	152,473	57,619	86,470	8,384	56,917	90,217	5,339
% change	-5.5%	-26.3%	7.2%	6.1%	-3.8%	-7.9%	16.8%
Mkt share '18		29.5%	64.4%	6.2%	38.0%	57.7%	4.3%
Mkt share '17		37.8%	56.7%	5.5%	37.3%	59.2%	3.5%

Year-to-date	Total	Diesel	Petrol	AFV	Private	Fleet	Business
2018	2,367,147	750,165	1,475,712	141,270	1,052,202	1,222,849	92,096
2017	2,540,617	1,065,942	1,357,782	116,893	1,123,860	1,319,193	97,564
% change	-6.8%	-29.6%	8.7%	20.9%	-6.4%	-7.3%	-5.6%
Mkt share '18		31.7%	62.3%	6.0%	44.5%	51.7%	3.9%
Mkt share '17		42.0%	53.4%	4.6%	44.2%	51.9%	3.8%

Image source: SMMT

GREY MATTERS MOST TO UK CAR BUYERS AS BLACK LOSES NUMBER ONE SPOT IN 2018

Grey becomes UK's favourite new car colour for first time since records began, with nearly half a million registered in 2018. 59% of new cars registered in black, grey or white – with a primary colour not making the top three for eight years.

Grey overtook black as the UK's favourite new car colour in 2018, according to the latest figures released today by the Society of Motor Manufacturers and Traders (SMMT).

Registrations of both colours were down on 2017 numbers, but grey's -1.1% drop to 495,127 was enough to see it topple black from the top spot as the colour fell -7.3% to 478,154. Just over one in five of 2018's 2.4 million new car registrations were painted grey.

In line with the new car market's performance in 2018, demand for most colours in the top 10 was down year on year, apart from orange and beige, which saw significant increases of +37% and +28%. Orange jumped up to seventh place, while beige made its first appearance in the top 10 since 2014 as a number of new and upgraded models had the colour as an option.

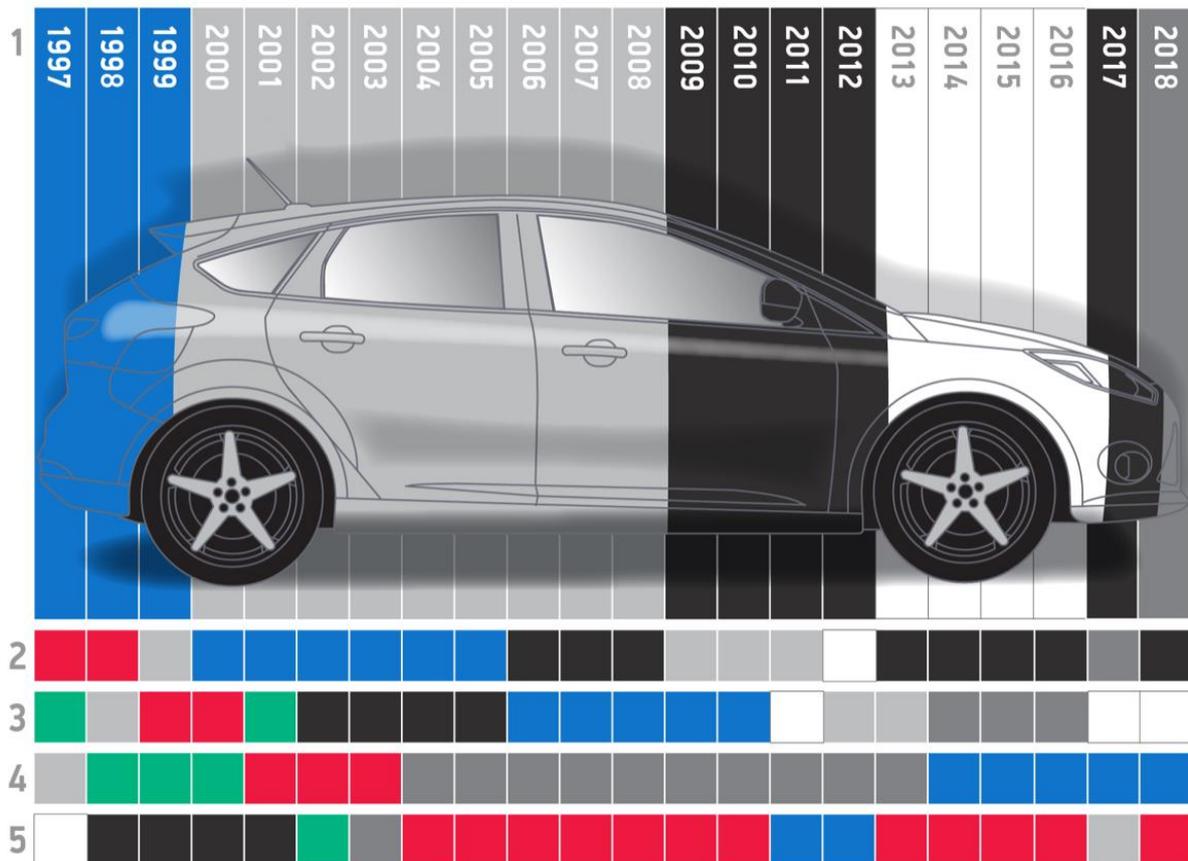
Once the nation's long-standing favourite, silver falls out of top five with its lowest popularity rating since late 1990s.

The top three colours maintained a strong grip on the chart – 59% of new cars registered in the UK in 2018 were grey, black or white. It's been nine years since a primary colour last sat in the top three¹, but blue maintained its solid fourth position, while red knocked silver down a place to introduce more colour to the top five.

Cream saw the biggest overall percentage drop, with just 559 drivers opting for the colour during 2018, down -34%. Meanwhile, although nearly 7,000 motorists tried to bring a bit of sunshine to UK roads, demand for yellow cars also fell by a third (-34%). White has been the biggest loser in recent years, with more than 132,000 fewer cars registered in white last year than in 2015 when it reached its peak.

Scots bucked the national trend, putting white on top, but in Northern Ireland and Wales the grey mood was prevalent. Blue made a podium appearance in all three countries as buyers opted for a splash of colour. Meanwhile English drivers made the most of the 118 different colours available on the market, registering 116 of them in 2018, while just 53 different colours were registered in Northern Ireland.

CHANGING TASTE IN CAR COLOURS: TOP 5 1997-2018



BREXIT: JANUARY 2019 UPDATE

What's Next for Brexit?

Not much can be done until Parliament votes on whether to ratify the Brexit deal negotiated by the Prime Minister. This vote, widely known as the 'meaningful vote', was due to take place on 11 December. However, the Prime Minister pulled the vote after it became apparent that it would not be approved. The Prime Minister has moved the vote to the 15th January, hoping to use the extra time to convince enough MPs to back the deal.

It remains unclear if, or how, the Prime Minister will get her deal through the Commons. With her allies in the DUP insisting that they cannot support the deal due to the backstop arrangement, as well as many Conservatives openly rebelling against her, the Prime Minister appears to lack the numbers to get the deal ratified.

What does the Deal Mean for Britain?

If approved, the UK will move into a transition period on the 29 March 2019, lasting until 31st December 2020. During this period, the UK will remain within the Single Market and Customs Union, a move which is designed to minimise economic impact while Westminster and Brussels work out the practicalities of their future relationship. However, the UK will not

remain in the decision-making bodies which govern the Single Market and Customs Union, meaning that the UK will be a 'rule taker' for a time.

The Northern Ireland 'backstop' provides an economic safety net which protects the Irish Common Travel Area and the UK's trading relationship with the EU in the event that a formal agreement is not reached before 29 March.

The backstop places the UK in a temporary Customs Union but isolates Northern Ireland from Great Britain by keeping it in the Single Market. In this arrangement, the UK cannot negotiate its own international trade deals, and cannot leave the arrangement unilaterally.

Other stipulations are made on issues including fishing, the jurisdiction of the European Court of Justice, and a political declaration on the future relationship, which is a non-binding statement of intent from both sides on what they want future UK/EU cooperation to look like after the transition period.

What if Parliament Rejects the Deal?

Following an amendment passed by MPs on 9 January 2019, the Government will now have to publish its 'plan B' within three days of the deal's rejection. This opens the door for the government to pursue alternatives to leaving with no deal, although it is difficult to predict which way the government will want to go.

The most widely debated alternative is a referendum, either on the deal or on the decision to leave altogether. Given the time frame between now and the 29 March, the chances of a second referendum are diminishing, especially when there is no clear consensus on what the question would be – for perspective, the 2016 EU referendum took 56 weeks to organise, from bill stage to voting day. Realistic predictions for an emergency referendum suggest it could take at least 21 weeks to produce.

Labour leader Jeremy Corbyn has also suggested that he will push for a general election by holding a vote of no confidence in the Prime Minister – what happens after that depends entirely on which party wins, and by what majority.

There is also the possibility that Article 50 could be extended. An extension would have to be approved by the 27 other EU member states, and Theresa May has warned that this would invalidate the Brexit deal and talks would have to be reopened, although it is unclear if the EU have told her this directly. The UK can even halt the Article 50 process altogether, without the agreement of other member states.

The scenario which both sides seem to want to avoid is a 'No Deal' exit, meaning that the UK would leave the EU, the Single Market and Customs Union on 29 March 2019 without a transition period in which to negotiate a new trade agreement with the EU.

What Happens if We Leave with No Deal?

Default WTO tariffs will immediately apply to any goods which cross the UK border, in any direction. Of course, the UK is free to sign trade deals that change this and can drop tariffs on imports so that businesses are not discouraged from selling their goods here – but the UK will not have control over tariffs placed by other states, including the EU, on British imports.

There are also 'non-tariff barriers' to contend with, such as product standard checks, licence checks, foreign exchange controls and so on. These processes place an administrative burden on the businesses which must comply with them and makes cross-border trade much slower. The UK could agree a mutual recognition of standards and licences with its trade partners to avoid this, but until that happens governments are entitled to insist that these checks are carried out.

It is unlikely that this arrangement would be permanent, as it is generally in everyone's interest to seek more favourable trading terms than these. Nonetheless, businesses will have to adapt to a new regulatory environment.

Are We Prepared for a No Deal Brexit?

Whitehall began releasing technical notices and other Brexit guidance in August 2018 – this form of preparation began to accelerate in December 2018. This included the publication of further technical notices and guidance to businesses, assistance to ports and traders to help them prepare their supply chains and additional funding for government departments.

The government estimates that it will send over 80,000 emails to businesses and business groups and write letters to 140,000 firms updating them on what they should do to continue trading in a No Deal scenario. The Department for Transport has even simulated No Deal lorry traffic jams to test the preparedness of customs infrastructure. Despite the effort that the civil service has made to prepare the UK for a No Deal Brexit, it is uncharted territory and could present unforeseen challenges.

If you have a query about how technical notices and other No Deal Brexit preparations may apply to your business, please get contact with enquiries@rmif.co.uk.

KIA E-NIRO WINS WHAT CAR? 2019 CAR OF THE YEAR

The Kia e-Niro electric vehicle (EV) has been voted the What Car? 2019 Car of the Year.

The success for an electric car could mark a tipping-point for the technology in 2019 with Audi, Honda and Mercedes-Benz, all planning to launch new electric models in 2019.

Electric vehicles were high on the agenda at the awards which saw the introduction of three new categories, recognising the best models in the Plug-in Hybrid, Sports SUV and Pick-up markets. These awards were won by the Volvo XC90 T8, Cupra Ateca and Volkswagen Amarok respectively.

Last year's overall winner, the Volvo XC40, returned to be named Family SUV of the Year for a second year running, while the Skoda Octavia continued its run of success in the Family car category, and the Peugeot 5008 reclaimed the crown for the best Large SUV.

Kia also won the City Car category with the Kia Picanto taking the prize for the second year running.

What Car? editor Steve Huntingford said: "The demand for electric cars has grown exponentially in recent years, and 2019 is shaping up to be the biggest year yet.

“Most of the leading manufacturers have plans for new EVs, and the fact that the Kia e-Niro was able to beat all its petrol and diesel rivals to win the 2019 What Car? Car of the Year Award shows how far this technology has developed.

“The e-Niro stood out because it addresses the key issues of cost and range that have traditionally prevented many motorists from taking the plunge into EV ownership. Here is a spacious and practical family SUV that demands very few compromises.”

2019 Award Winners:

- CITY CAR – Kia Picanto
- SMALL CAR – Volkswagen Polo
- FAMILY CAR – Skoda Octavia
- SMALL SUV – Seat Arona
- FAMILY SUV – Volvo XC40
- LARGE SUV – Peugeot 5008
- LUXURY SUV – Audi Q7
- MPV – Citroën Berlingo
- ESTATE CAR – Skoda Superb Estate
- HOT HATCH – Honda Civic Type R
- CONVERTIBLE – Mercedes Benz S-Class Cabriolet
- COUPÉ – Audi A5 Coupe
- SPORTS CAR – Alpine A110
- PERFORMANCE CAR – Alfa Romeo Giulia Quadrifoglio
- SPORTS SUV – Cupra Ateca
- ELECTRIC CAR – Kia e-Niro
- HYBRID – Hyundai Ioniq
- PLUG IN HYBRID – Volvo XC90 T8
- EXECUTIVE CAR – BMW 3 Series
- PICK UP – Volkswagen Amarok
- LUXURY CAR – BMW 5 Series
- READER AWARD – Honda Urban EV
- SAFETY AWARD – Mercedes-Benz A-Class
- TECHNOLOGY AWARD – Hyundai
- CAR OF THE YEAR – Kia e-Niro

WHAT CAR? INSIGHT REPORT JANUARY 2019

This month the What Car? Insight report highlights include:

- An interview with Darren Edwards, CEO of the Sytner Group
- A look at What Car?'s most popular new car reviews and first drives this month
- An overview of the most popular brands and models in What Car? lease searches
- Total registration figures and market share rankings for each manufacturer in 2018
- The latest batch of True MPG results compared against WLTP figures

- The top 20 most popular used car reviews this month
- Alternatives being considered by potential buyers of the Audi A1 Sportback and Jaguar E-Pace
- Cars and brands generating the most New Car Buying leads via whatcar.com

[To download a copy of the full report please click here](#)

NAMA MEMBERS IN THE NEWS

Santander provides wholesale finance for dealers at Aston Barclay

Santander Consumer Finance (SCF) is launching a wholesale finance facility for selected dealers at auction group Aston Barclay.

The facility enables dealers to purchase stock at Aston Barclay's six auction centres in person or online and then charge the cost to their wholesale facility with Santander.

Santander agreed a long-term remarketing contract with Aston Barclay last year to sell its used stock, which includes voluntary terminations and ex-PCP and PCH cars, at its Prees Heath, Shropshire auction

Full Press Release: <https://bit.ly/2FXRhLq>

City Auction Group completes Rockingham development

City Auction Group is launching an all-new dual lane, together with redeveloped inspection, valeting and presentation bays at its Rockingham facility, following a six-figure investment in the auction site over the last three months.

The complete operational aspects of the business are now situated within the City Auction Group Arena, inside the race circuit to further enhance the inspection, tactical refurbishment and presentation standards, prior to corporate sellers' preferred remarketing route to market. This will deliver significant time and cost savings, as the auction firm moves up a gear, it said.

Full Press Release: <https://bit.ly/2TiNwnO>

Sytner's car supermarkets extend Manheim remarketing partnership

The Sytner Group's Car Supermarket Division has extended its long-standing remarketing partnership with Manheim for a further two years, including the launch of a new sales programme in Leeds.

Manheim Leeds will offer up to 100 vehicles each week from the Sytner Car Supermarket Division, which includes both the CarShop and The Car People brands.

Full Press Release: <https://bit.ly/2sHUKpE>

BCA launches new buyer app for dealers

BCA has launched a new app for dealers allowing them to track multiple vehicles in real time

The app also notifies dealers in advance before bidding begins so they do not miss any sales.

It is free to download in Google Play and Apple App Store. It offers a quick search for vehicles by make, model, auction centre, sale date and vendor.

Users can view all the vehicles they want to bid on in one screen with a simple vehicle tracking feature and benefit from real-time running orders and vehicle notifications.

Buyers can also access detailed vehicle information, including BCA Assured reports, vehicle grades and guide pricing.

Full Press Release: <https://bit.ly/2RQFJkk>

Aston Barclay opens new auction 'super centre' in Wakefield

Aston Barclay is to launch its new 78,000 square feet auction super centre in Wakefield on 28 January.

The site is set to host 15 dealer and fleet auctions per month with the capacity to sell 50,000 used vehicles annually.

The centre, situated on an 18-acre site, features two glass-fronted auction halls with interactive screens and offers air conditioned storage for 200 cars and external parking for 2,500 cars.

It also includes an inspection building with imaging bay and turntable to capture each car's condition when it arrives on site.

Full Press Release: <https://bit.ly/2ADwObk>

2019 DATES FOR YOUR DIARY

NAMA AGM 2019

17 - 18 May

Pine Cliffs Resort, Algarve, Portugal

NAMA National Executive

Tuesday 2 April

201 Great Portland Street

Tuesday 9 July

NAMA Grading Working Group

Thursday 11 April

Stephenson College, Coalville