



## **NAMA NEWS NOVEMBER 2018**

Dear Colleagues,

### **Energy Saving Trust used EV training**

NAMA in conjunction with the Energy Saving Trust is running a training course on used electric and plug-in vehicles. The course is designed for both auction staff and customers. The training session will be held on **Tuesday 11 December 2018 at Fleet Auction Groups Brindley Road site (Stephenson Industrial Estate, Coalville, Leicestershire, LE67 3HG)**. Please contact us if you or any of your colleagues wish to attend.

### **NAMA Grading Appraiser Courses**

A reminder that 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**

Following the NAMA executive meeting in Telford last month, it was discussed that we wanted 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 20<sup>th</sup> of each month to our press officer [rupal.rawal@rmif.co.uk](mailto:rupal.rawal@rmif.co.uk)

### **NAMA Convention and AGM 2019**

Finally, a reminder that 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](mailto:louise.wallis@rmif.co.uk).

**Louise Wallis**  
**Head of NAMA**

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## ENERGY SAVING TRUST USED EV TRAINING

NAMA members and customers are invited to attend Energy Saving Trust training on used electric and plug-in vehicles. The training gives an insight into these vehicles and how they should be handled, particularly focusing on how to handle batteries, charging information and health and safety.

This training has proved to be incredibly helpful to members who have taken it up and we would thoroughly recommend it.

The next training session will be held on **Tuesday 11 December 2018 at Fleet Auction Groups Brindley Road site (Stephenson Industrial Estate, Coalville, Leicestershire, LE67 3HG).**

The training will run from 11am - 2pm and is free of charge to attend. All NAMA members and their trade customers are welcome.

If you wish to attend, please email [Louise.Woods@rmif.co.uk](mailto:Louise.Woods@rmif.co.uk) with your delegate list.

Capacity is being allocated on a first come first server basis, so if you would like to attend please let us know as soon as possible.

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## AUCTION MARKET CONTINUES UPWARD TREND IN OCTOBER

It is encouraging to see that the wholesale used car market continued to grow strongly in October with a positive entry level and overall conversion rates of 82%.

The report shows in October:

- First time conversion rates decreased by just -1.3% to 82% from September to October.
- Diesel converted at 82.6%, up 0.8% on the same period last year
- There remains a significant gap between the average sale price of petrol and diesel cars at £3,862 for petrol and £7,119 for diesel
- The first time premium was up by £106 on the same period last year

This has been another very buoyant month for the used car market, with data so far this month indicating that the trend is due to continue into November.

The last 3 months have seen first time conversion rates and average values up. Conversion rates have been extremely strong this year and month on month 2018 has consistently outperformed the last 2 years in this key selling metric.

It has also been reported that sales attendance at auctions remained high during the month, with professional buyers bidding competitively across all market sectors, both at auction and online.

We believe both demand and prices in the used market will remain high for the remainder of 2018 and into the New Year.

*The full NAMA Car Auction report is available on request.*

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### **DEMAND IN USED CAR MARKET REMAINS STRONG IN Q3**

It is encouraging to see that the overall used car market has reached near record highs in Q3, despite disruption in the new car market with the recent introduction of the Worldwide Harmonised Light Vehicle Test Procedure (WLTP).

Despite a sales dip of -2.1% compared with the same period in 2017, there were 2,057,457 used transactions in Q3, with August the quarter's best-selling month.

Auction activity has been buoyant in 2018 so far, and it is believed that around 5.5% more cars have been sold compared to last year.

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### **NAMA PARLIAMENTARY ENGAGEMENT PROGRAMME**

This year NAMA has launched a Parliamentary Engagement Programme where we are arranging 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, please contact Louise Wallis on [louise.wallis@rmif.co.uk](mailto:louise.wallis@rmif.co.uk)

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## **NEW CAR MARKET FALLS IN OCTOBER AS INDUSTRY CALLS FOR POLICIES TO BOOST FLEET RENEWAL**

The UK new car market declined again in October, with 153,599 vehicles registered, according to figures released by the SMMT. Deliveries fell by -2.9% in the month, as model changes and backlogs at test houses conducting tough new WLTP emissions certification continued to cause shortages across some brands.

Declines were seen in both private and fleet sectors, with registrations down -1.0% and -5.2% respectively. Meanwhile, continuing uncertainty over government policy on diesel saw demand for these new, low emission vehicles fall by a further -21.3%. Registrations of petrol cars rose +7.1%, while the market for alternatively fuelled vehicles (AFVs) once again showed strong growth, up +30.7%, supported by new models.

Zero emission battery electric vehicles saw particularly impressive growth, up +86.9%, as 584 more people drove one home than in the same month last year. Hybrid and plug-in hybrid vehicles, which make up the majority of AFV sales due to their greater flexibility, also enjoyed strong uplifts, growing +31.0% and +19.1% respectively. However, this is not surprising given the announcement that the Plug-in Car Grant was to be cut for pure electric cars and withdrawn completely for plug-in hybrids – although, due to lead times, the full impact may not be seen for several months.

The figures come as SMMT publishes new industry forecasts for AFV demand, with registrations expected to grow +82.5% from 2017 levels by 2020. Similar growth (+88.3%) is projected for plug-in electric cars, with 92,620 new plug-in hybrid and battery electric cars expected to be sold in the same year – taking market share to around 4.0%. This is at the lower end of government's 3-7% stated ambition, with cuts to the Grant further undermining industry's ability to deliver this ambition.

In the year to date, the overall new car sector remains down -7.2% on the same period last year, albeit with more than two million new cars registered in the first 10 months of 2018. Pending no further market disruption, some pull-back is hoped for during the remainder of the year as current supply issues ease, enabling manufacturers to cater for pent up demand on certain models.

## BEST SELLERS

OCTOBER 2018			YEAR-TO-DATE		
①	Ford Fiesta	5,564	①	Ford Fiesta	84,980
②	Volkswagen Golf	3,765	②	Volkswagen Golf	55,927
③	Mercedes-Benz A-Class	3,339	③	Vauxhall Corsa	46,057
④	Volkswagen Tiguan	3,297	④	Nissan Qashqai	44,742
⑤	Ford Focus	3,283	⑤	Ford Focus	43,505
⑥	MINI	3,208	⑥	Volkswagen Polo	37,106
⑦	Ford Kuga	2,847	⑦	MINI	37,084
⑧	Nissan Qashqai	2,799	⑧	Ford Kuga	35,327
⑨	BMW 3 Series	2,773	⑨	Mercedes-Benz A-Class	35,139
⑩	Volkswagen Polo	2,753	⑩	Kia Sportage	31,338

October	Total	Diesel	Petrol	AFV	Private	Fleet	Business
2018	153,599	49,061	93,941	10,597	69,231	79,611	4,757
2017	158,192	62,366	87,720	8,106	69,913	83,955	4,324
% change	-2.9%	-21.3%	7.1%	30.7%	-1.0%	-5.2%	10.0%
Mkt share '18		31.9%	61.2%	6.9%	45.1%	51.8%	3.1%
Mkt share '17		39.4%	55.5%	5.1%	44.2%	53.1%	2.7%

Year-to-date	Total	Diesel	Petrol	AFV	Private	Fleet	Business
2018	2,064,419	656,273	1,286,540	121,606	928,337	1,054,532	81,550
2017	2,224,603	946,571	1,178,169	99,863	992,880	1,143,966	87,757
% change	-7.2%	-30.7%	9.2%	21.8%	-6.5%	-7.8%	-7.1%
Mkt share '18		31.8%	62.3%	5.9%	45.0%	51.1%	4.0%
Mkt share '17		42.6%	53.0%	4.5%	44.6%	51.4%	3.9%

*Image source: SMMT*

## BREXIT UPDATE

On Wednesday 14 November, after five hours of discussions, the Cabinet has backed the draft withdrawal agreement presented by the Prime Minister who described this as a "decisive step" in the progress of Brexit.

The draft agreement sets out how and when the UK will leave the EU and defines the relationship between the two parties for the years to come. Despite backing Theresa May's proposal, members of the Cabinet were pretty divided on the deal.

The approval of the agreement was followed by a number of resignations including: two members of the Cabinet, Dominic Raab, Brexit Secretary, and Esther McVey, Work and Pensions Secretary; two junior ministers: Suella Braverman, Brexit minister and Shailesh Vara, Northern Ireland minister; and two Parliamentary Private Secretaries: Ranil

Jayawardena, Ministry of Justice PPS and Anne-Marie Trevelyan, education PPS. Rehman Chishti, MP for Gillingham and Rainham, also announced his resignation as vice-chairman of the Conservative Party.

In the meantime, at a press conference in Brussels, Donald Tusk, President of the European council, said, "The EU is prepared for a final deal with the UK in November. We are also prepared for a no-deal scenario but of course we are best prepared for a no-Brexit scenario".

### **The Withdrawal Agreement**

The draft agreement outlines the terms of the UK's "divorce" from the EU over 585 pages. This is not a trade deal. The trade deal will be negotiated during the transition period, if all goes as planned.

An EU document available online summarises the areas that the Withdrawal Agreement covers. These include:

- **Common provisions**, setting out standard clauses for the proper understanding and operation of the Withdrawal Agreement.
- **Citizens' rights**, protecting the life choices of over 3 million EU citizens in the UK, and over 1 million UK nationals in EU countries, safeguarding their right to stay and ensuring that they can continue to contribute to their communities.
- **Separation issues**, ensuring a smooth winding-down of current arrangements and providing for an orderly withdrawal.
- A transition period, during which the EU will treat the UK as if it were a Member State, with the exception of participation in the EU institutions and governance structures.
- The **financial settlement**, ensuring that the UK and the EU will honour all financial obligations undertaken while the UK was a member of the Union.
- The overall **governance structure** of the Withdrawal Agreement, ensuring the effective management, implementation and enforcement of the agreement, including appropriate dispute settlement mechanisms.
- The terms of a **legally operational backstop** to ensure that there will be no hard border between **Ireland and Northern Ireland**.

In particular, the agreement suggests that if the transition period is extended beyond 2020, both parties will commit to a "backstop" solution, consisting of a single customs territory between the EU and the UK.

This means that Northern Ireland would stay aligned to some EU rules on things like food products and goods standards if no other solution can be found by the end of the transition period in December 2020.

This has been one of the most discussed points of the agreement, however, Theresa May has said that she does not want to have to use the backstop at all.

For more details, visit: [http://europa.eu/rapid/press-release MEMO-18-6422 en.htm](http://europa.eu/rapid/press-release_MEMO-18-6422_en.htm)

### **Trade**

Analysing the potential impacts on trade, Andrew Walker, BBC Economics Correspondent, says that in the immediate aftermath of Brexit, there will be "no change".

In fact, the transition or implementation period during which EU laws continue to apply ends on 31 December 2020 but can be extended. During the transition period, there will be further negotiations to establish the long-term relationship.

"The aim is trade in goods without tariffs or quantitative restrictions", Walker writes.

Read more: <https://www.bbc.co.uk/news/uk-politics-46208764>

### **What next?**

EU leaders are expected to sign off on the withdrawal agreement at an EU summit on 25 November. Then, Theresa May will have to get MPs to vote for it, which, according to BBC's political editor Laura Kuenssberg, could happen around 7 December.

Many MPs are sceptical about the Mrs May's Brexit plans, or openly hostile to them and the DUP has already said it is likely to vote against it. If the Prime Minister loses the vote the consequences are uncertain. She may seek to renegotiate with the EU but 'most expect her time in No 10 to end', BBC says. There could be a general election and/or a new prime minister.

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## **COX AUTOMOTIVE MARKET OVERVIEW – OCTOBER 2018**

### **Retail**

- WLTP continued to impact the supply of new cars to dealers, and while the demand for hybrid and plug-in vehicles looks strong, the figures are behind Government ambitions
- The retail market held steady across the board, with average sold prices of vehicles increasing 0.3% from September to £14,644 (up 2.1% YoY)
- Fastest selling market sectors in October were 4X4s and lower-medium cars - both averaging 35 days, while coupes were the slowest at 40 days
- Volumes and views decreased for diesel models while days in stock shortened by 1 day. Petrol vehicles days in stock increased by 3 days
- Consumer demand for used cars remained steady throughout October, with average days in stock down -3% month-on-month, and level year-on-year, at 37 days
- Franchise dealers saw average days in stock increase in October by 1 day year-on-year, up from 37 days to 38 days. Car Supermarkets saw average days in stock increased by 8 days year-on-year, up from 20 days to 28 days
- Independents averaged 45 cars in stock in October, compared with 44 in both September 2018 and October 2017
- Year on Year, Estates and Large vehicles saw the sharpest increase in consumer demand, selling on average 3 and 4 days quicker in October vs. October 2017

### **Wholesale**

- The wholesale average selling price of vehicles eased by 2% from September to £6,242, reflecting a change in the mix of stock going through the lanes
- Diesel wholesale prices declined marginally by -2.1% from September while petrol eased by -0.8% in October; an average of -£101 overall
- Dealers are gearing up to invest in their used car business in 2019 to counter falling new car sales, with four in five dealers reported having investment plans to support their used car business in 2019
- Dealer Auction reported increased volumes, up 16% year on year, with a 7.9% year-on-year increase in average selling price (£4,829)
- Attendance at all Manheim auctions nationwide was high, and we saw a greater willingness by dealers to travel further to obtain good stock
- Strong demand was also reported for high specification vehicles, with valued extras such as panoramic roofs, privacy, larger alloys and reversing cameras achieving in excess of cap clean
- Retail part-exchanges performed well, and the corporate and fleet market also achieved strong prices in the direct supply market
- Hybrids remain interesting, there is little appetite to purchase plug-in electric vehicles while logistical infrastructure remains low

## **Funding**

- Wholesale stock funding remained steady across the board, with the average cost per unit decreasing just 0.07% to £7,697 from September
- Average holding days remained level with September at 59 days – two days more than experienced in October 2017
- The average age of funded units decreased to 5.8 years from 5.9 years in the same period last year whereas mileage increased from 59,496 to 60,769

## **Dealers**

- The Market Overview Survey cited 37% of dealers report margin pressures and 77% cited the current demand for used vehicle stock either the same or worsening compared to 2017
- The Market Overview Survey indicated dealers support the data indicating the strength of the used vehicle market, with half reporting decrease in overage stock
- 29% of dealers responding to the Market Overview Survey indicated sourcing stock will toughen whereas 60% cite no change and 29% are positive about the economy in the final months of 2018

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## **NAMA MEMBERS IN THE NEWS**

### **Aston Barclay raises £1,400 in special Donington Park Remembrance Day dealer sale**

Aston Barclay chose its weekly Tuesday dealer auction at Donington Park to host a special Remembrance Day sale to commemorate 100 years since the signing of the Armistice.

It raised £1,400 for the Royal British Legion and the Royal Marine's charity as it donated £5 for every car sold for the likes of Robins & Day, West Way Nissan and Vantage Motor Group.

Ollie Ollerton, former UK Special Forces and star of Channel 4's SAS Who Dares Wins joined the Aston Barclay team by auctioning off some of the cars on the day.

Like many automotive companies Aston Barclay employs a number of ex-servicemen at all levels of its business and is proud to celebrate its support for veterans and serving soldiers and their families.

Aston Barclay chose Donington Park for the sale for its close association with both wars. It was a military vehicle depot during the Second World War which stopped racing between 1939 and 1945, while nearby Donington Park hall was requisitioned for use as a prisoner of war camp in the First World War.

"I commend Aston Barclay's continued commitment to support the forces, both veterans and serving soldiers during its special Remembrance Day sale. It's a company I am proud to work alongside," said Ollie Ollerton.

Aston Barclay's CEO Neil Hodson, himself an ex-serviceman said: "We would like to thank everybody for their support of the sale on the day. Not only did we raise money for two great charities, but it was a wonderful way to thank our own ex-forces employees for serving our country so well over the years."



*Picture Caption: Neil Hodson second left and Ollie Ollerton far right help the Royal British Legion raise money at the sale.*

### **BCA to increase truck auctions at Glasgow**

British Car Auctions (BCA) is to expand its Scottish business with additional sales planned for sites in Glasgow, Edinburgh, Livingstone and Kinross.

A new facility in Glasgow is due to be constructed next year after the existing site was introduced to light and heavy commercial vehicle sales every Tuesday and Friday.

Following these changes record levels of bidding were achieved in September.

Stuart Pearson, chief operating officer for BCA UK remarketing, said: “BCA Glasgow has been operating at near capacity. The establishment of a dedicated commercial vehicle centre allows us to optimise the sales programme and provide our commercial vehicle customers with more opportunity to buy or sell stock every week. BCA is investing to ensure we offer the best facilities to support the significant growth opportunity that exists in the Scottish market.”

Full Press Release: <https://bit.ly/2R0TloF>

### **Wilson's Auctions invests £250k into its Ayrshire site**

Wilson's Auctions, one of the UK's largest independent auction company, has invested £250,000 into its Dalry site with the addition of a 20,000 sq ft undercover facility.

The launch of the car storage unit, which can hold up to 200 vehicles, is a welcome addition to the 38-acre site, allowing preparation of the vehicles to be carried out under cover ahead of the auction company's many car auctions.

The Dalry site has the capacity to hold thousands of cars, plant and machinery and the new investment will allow more cars to go through each auction and has resulted in new staff across sales, administration, valeting, appraisers and drivers. The extension comes as Wilson's Auctions marked its 20th anniversary in business as well as being named Family Business of the Year at the Ayrshire Business Awards.

Investment by the Scottish Government in the new A737 Dalry Bypass, creating a direct link between Glasgow and North Ayrshire, is expected to bring benefits to the business.

Full Press Release: <https://bit.ly/2A98pcB>

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## **2019 DATES FOR YOUR DIARY**

### **NAMA AGM 2019**

17 - 18 May

Pine Cliffs Resort, Algarve, Portugal

### **NAMA National Executive**

Tuesday 22 January

Tuesday 2 April

Tuesday 9 July

Tuesday 15 October

201 Great Portland Street

### **NAMA Grading Working Group**

TBC