



NAMA NEWS SEPTEMBER 2018

Dear Colleagues,

Grading Working Group

- This month we held our Grading Working Group where it was agreed to finalise the development of our audit programme - more details of this will be available shortly. Over the next few weeks we will be sending out a new grading point's matrix and instructions on how to implement it to all members who have completed and returned a grading licence.

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.

NAMA Executive Committee meeting - Tuesday 16 October 2018

- Our next NAMA Executive Committee meeting is fast approaching. This will be an open meeting for all NAMA members including associates and we would encourage as many people to attend as possible. If you would like to attend please let us know. The meeting is being hosted by Wilson's Auctions, Trench Lock 2, Telford, Shropshire, TF1 5YL.

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

Tel: 01788 538336

Email: louise.wallis@rmif.co.uk

AUCTION ACTIVITY PICKS UP IN AUGUST

It is encouraging to see that auction activity in August remained stable with over 4% more cars sold. We are expecting to see fresh auction stock coming in in late September, and anticipate that strong hammer prices and conversion rates will continue well into next month as more volume is expected due to plate change activity.

The report published today shows in August:

- Average sale price has risen by £136 from July and £600 from August 2017.
- There remains a significant gap between the average sale price of petrol and diesel cars at £4,064 for petrol and £7,739 for diesel, indicating that each one has a different model mix.
- The first time premium was £145, down on last month's figure of £173. Premiums for first time sales for both petrol and diesel cars were both down by £124 and £197.
- First time conversion rates increased by 3.3% to 79.4% from July to August, and decreased -3.3% on the same period last year.
- Diesel converted at 79.2%, up 2.5% on last month, and petrol up 4.1% at 79.9%.

This has been another very strong month for the used car market with both first time conversion and average values up. 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.

With the Worldwide Harmonised Light Vehicle Test Procedure (WLTP) now in action, and anecdotal lack of certain model availability in the new sector, 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.

POLITICAL EDITOR ROBERT PESTON ANNOUNCED AS GUEST SPEAKER AT RMI ANNUAL DINNER

Political Editor Robert Peston will be the guest speaker at this year's Retail Motor Industry Federation (RMI) Annual Dinner, on Thursday 11 October at the InterContinental Park Lane, London.

Robert Peston currently hosts the politics and current affairs show 'Peston on Sunday', and previously worked for the Sunday Telegraph, Financial Times and was formerly the BBC's Economics Editor.

Guests can look forward to an evening of fine dining and stimulating discussions, and the opportunity to network with fellow colleagues.

We look forward to seeing you all there!

For more information or to make a booking, please contact Sarah O'Connell on 0207 307 3580 or email sarah.oconnell@rmif.co.uk

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

BANK OF ENGLAND AGENTS' SUMMARY OF BUSINESS CONDITIONS - 2018 Q3

This publication includes a summary of economic reports compiled by the Bank of England's Agents between early June and late August 2018. It generally makes comparisons with activity and prices a year earlier.

This publication also includes a summary of information gathered by the Bank's Decision Maker Panel survey.

- Consumer spending growth ticked up, boosted by the warmer weather, but remained modest.
- Rising uncertainty, mostly related to concerns around Brexit, contributed to a slight softening in investment intentions.
- Export and domestic manufacturing output growth slowed modestly, but remained above average.
- Recruitment difficulties remained elevated; average pay settlements were a little higher than a year ago.

Full report available here: [Agents' summary of business conditions 2018 Q3](#)

UK NEW CAR MARKET RISES IN AUGUST AS ONE IN 12 BUYERS GOES ELECTRIC

The UK new car market enjoyed a boost in August, as year-on-year demand rose 23.1%, according to the latest figures published by the SMMT. 94,094 new cars were registered in the month as the market responded to regulatory changes, with cost-savvy buyers taking advantage of some compelling deals in what is always one of the year's smallest months.

Demand was up across the board, with consumers and fleets boosting year-on-year registrations by 23.3% and 19.7% respectively, while the smaller business sector rose 166.4%, equivalent to an uplift of around 1,500 units against August last year. Superminis remained the most popular buy, followed by small family and dual purpose cars, with the luxury saloon and city car segments recording the most notable growth, up 120.8% and 39.6%.

Meanwhile, the UK's growing range of hybrid, plug-in hybrid and pure electric cars continued to attract buyers, with a record one in 12 people choosing one. Demand surged by a substantial 88.7%, with the sector accounting for 8.0% of the market – its highest ever level – as billions of pounds of manufacturer investment help deliver more ultra-low and zero emission models to the market.

In the year to date, the overall market remains down by -4.2%, in line with forecasts after a turbulent first eight months. However, demand remains at a high level with more than 1.5 million new cars featuring the latest in advanced safety, emissions and convenience technology joining British roads so far in 2018.

BEST SELLERS

AUGUST 2018		YEAR-TO-DATE		
①	Ford Fiesta	4,552	① Ford Fiesta	67,189
②	Volkswagen Golf	4,180	② Volkswagen Golf	49,692
③	Volkswagen Polo	3,207	③ Nissan Qashqai	34,910
④	Ford Kuga	1,902	④ Ford Focus	34,045
⑤	BMW 3 Series	1,847	⑤ Vauxhall Corsa	32,821
⑥	SEAT Leon	1,506	⑥ Volkswagen Polo	29,081
⑦	Honda Jazz	1,490	⑦ MINI	26,945
⑧	Suzuki Swift	1,390	⑧ Ford Kuga	26,462
⑨	Nissan Qashqai	1,374	⑨ Mercedes-Benz A-Class	23,795
⑩	Kia Sportage	1,321	⑩ Mercedes-Benz C-Class	22,783

August	Total	Diesel	Petrol	AFV	Private	Fleet	Business
2018	94,094	27,986	58,619	7,489	41,438	50,157	2,499
2017	76,433	30,309	42,156	3,968	33,597	41,898	938
% change	23.1%	-7.7%	39.1%	88.7%	23.3%	19.7%	166.4%
Mkt share '18		29.7%	62.3%	8.0%	44.0%	53.3%	2.7%
Mkt share '17		39.7%	55.2%	5.2%	44.0%	54.8%	1.2%

Year-to-date	Total	Diesel	Petrol	AFV	Private	Fleet	Business
2018	1,571,986	508,901	972,016	91,069	696,391	819,311	56,284
2017	1,640,241	713,455	855,289	71,497	718,922	859,714	61,605
% change	-4.2%	-28.7%	13.6%	27.4%	-3.1%	-4.7%	-8.6%
Mkt share '18		32.4%	61.8%	5.8%	44.3%	52.1%	3.6%
Mkt share '17		43.5%	52.1%	4.4%	43.8%	52.4%	3.8%

Image source: SMMT

BEN'S AUTOMOTIVE INDUSTRY MENTAL HEALTH FUNDRAISER IS BACK!

Save the date and sign up now – Hats on 4 Ben – World Mental Health Day

- Ben invites everyone in the automotive industry to join in with its Hats on campaign for the third year – that's a hat-trick!
- Wear a hat to work on 10 October & donate £2 to help transform mental health support across the industry
- Sign your company up now at www.hatson4ben.co.uk

Ben, an independent charity and dedicated partner to the automotive industry, providing support for life for its people and their family dependents, reveals the details of this year's automotive industry mental health fundraiser!

The campaign looks a little different this year after a design refresh which more clearly shows that Ben is here for the automotive industry, providing support for life to its people. The new name – Hats on 4 Ben – more clearly reflects that the campaign is run by Ben, for Ben, and now takes place on World Mental Health Day. The aim is still exactly the same – to raise money for Ben and help transform mental health support across the automotive industry.

Ben is calling on everyone in the industry to sign their companies up and get their colleagues involved in this fantastic day.

How Hats on 4 Ben works:

SIGN UP – we'll send you a fundraising pack and everything you need to make Hats on 4 Ben a success in your business. Visit www.hatson4ben.co.uk

TELL EVERYONE – use our tools to promote the event across the business so everyone marks 10th October in their diary

DONATE – everyone taking part donates £2 to Ben through JustGiving or by dropping their donation into a collection box. We make it easy for you to bank the cash after the event. Visit www.hatson4ben.co.uk/donate to find out more.

GET INVOLVED – appoint a couple of Hatters to get everyone wearing a hat on 10th October and donating to the Hats on 4 Ben campaign. Post your hat selfies to social media on the day using #HatsOn4Ben. Now in its third year, Ben hopes the campaign will be even bigger and better, raising more funds to support its life-changing work helping industry colleagues with issues like anxiety and depression. Every £2 donation will help Ben start the conversation about mental health.

Mental health issues can impact anyone at any time, with 1 in 4 people affected each year. Ben has seen a sharp increase in automotive industry people asking for help with their mental health each year so is focusing on raising awareness and support to help those who are struggling.

Sign up now!

Visit: www.hatson4ben.co.uk

COX AUTOMOTIVE MARKET OVERVIEW – AUGUST 2018

Retail

- Overall, with a year on year reduction in days in stock, vehicles sold on average 3% quicker in August 2018 vs August 2017 (down two days to 38 days), while the average sold prices of vehicles held steady at £14,370 (up 4.4% on August 2017)
- Despite ongoing media pressures, diesel vehicles continued to sell well (six days faster than the same period last year), while petrol vehicles remained on forecourts for an average of 27 days (the same as last year)
- In contrast, hybrids sold two days slower (41 days) than last year
- Both franchised and independent dealers saw a decrease in days in stock in August 2018 vs last year whilst supermarkets saw an increase in days in stock of 5 days vs last year

Wholesale

- Diesel vehicles continued to make ground despite ongoing market pressures, as average wholesale prices increased by 3.4% on 2017 at £8,335. Petrol also remained positive, up 6.1% to £4,730
- Dealer Auction reported the average selling price of vehicles remained steady at £4,607 whilst volumes increased 11%
- Vendors have been willing to sell vehicles for less to offload stock during the month of August but could toughen in September as demand increases
- The market is holding steady and volumes coming through the lanes continue to interest buyers, especially car supermarkets who have been tempted by the varied mix of brands on offer

- Supply shortages in the new car market, caused by the pressure of the WLTP regulations, will help increase demand in used cars for the short to medium term, potentially beyond year-end

Dealers

- 43% of dealers report margin pressures as half indicate stock availability toughening compared to the same period in 2017
- Nearly half of dealers indicate a reduction on consigned stock as WLTP forces registration activity and a third report used car average reduction
- 32% of dealers support indications that sourcing 'ready to retail' stock will toughen and mixed opinion towards the economy in the final quarter of the year

DEMAND FOR USED ELECTRIC VEHICLES CONTINUES TO RISE

Strong demand for electric vehicles (EVs) saw values rise 0.9% in September, while average used values remained static, says Cap HPI.

Particular strength has been seen for pure battery electric cars with values increasing for as diverse models like the Renault Zoe, BMW i3 and Tesla Models S and X.

At three years and 60,000 miles, average used values didn't move in September, while newer cars have increased by a negligible 0.1% at the six month and one-year points. Older cars have dropped slightly, but the 0.3% decrease at five-years-old is again negligible.

With retail demand unlikely to dissipate anytime soon and supply lower than normal, there is the potential for prices not to drop by as much as they have done at this point in previous years.

The average drop during October over the last 4-years was 1.7% at the 3-year point, with it being as high as 2.2% in 2015. Last year it was just -1.2% and this year there is the possibility it will not even drop by that amount.

It is fair to predict a strong, stable used car market over the coming weeks, although as always supply and demand dynamics need to be viewed at a micro level and the valuations editors producing black book live will as always be looking at the finite details within both trade and retail data throughout the month.

City cars saw values rise at one-year-old, by 0.4%, on average, but older, higher mileage three-year-old cars were not as desirable and fell by 0.3%.

SUVs can increase in value due to winter approaching, this year, with the flow of stock into the market not being heavy in September, and demand being healthy, average values have stayed level or indeed increased slightly.

Volume models such as the Ford Ecosport and Vauxhall Mokka went up in value during September, both being particularly desirable as used cars since they first came to market.

There was an interesting dynamic regarding supply into the used car market. On the one hand, late-plate volumes were higher than normal due to the August pre-registration activity – although this was not prevalent among all manufacturers.

Almost to counter this volume, with new car registrations in September being lower than in previous years, the volume of fleet returns and consumer's part-exchanges has been far lower than previously.

Volumes of pre-registered cars do not tend to be remarketed through the auction halls, so numbers there have generally been lower.”

Source: Fleet News

UK WAGES RISE FASTER THAN EXPECTED

Wages saw faster than expected growth in the three months to July, as they continued to outstrip rising prices.

Excluding bonuses, wages grew by 2.9%, according to figures from the Office for National Statistics (ONS), well above the inflation rate.

Earnings have now outstripped inflation for four months.

Unemployment continued to fall, dropping by 55,000 to 1.36 million, with the jobless rate remaining at 4%, its lowest level for over 40 years.

The number of people in work was unchanged at 32.4 million.

The ONS said the labour market was "robust" with the number of people in work "still at historically high levels".

With the number of people in work little changed, employment growth has weakened. Meanwhile, earnings have grown faster than prices for several months, especially looking at pay excluding bonuses. The inflation rate for the three-month period to July was 2.4%, with the rate for just July slightly higher at 2.5%.

The Bank of England raised its key interest rate for only the second time in a decade last month. The current interest rate of 0.75% is the highest since March 2009.

Source: BBC

DATES FOR YOUR DIARY

NAMA Executive Meeting, Wilsons Auctions, Telford

Tuesday 16 October 2018 (All members)