



NATIONAL ASSOCIATION  
OF MOTOR AUCTIONS

## NAMA NEWS March 2021

Dear Colleague,

The most recent NAMA survey reveals a growing confidence in auction volumes and conversion rates which reflects the demand for vehicles is rising coming out of lockdown. The next NAMA survey is now live and we appreciate you taking the time to complete it, your feedback is extremely helpful.

Similarly, industry figures are revealing that used car sales are reaching typical trading levels and there is healthy pent-up demand for car retail.

This month's newsletter also features an update from the Chancellor, Rishi Sunak's "**Budget Plans**" for the UK, a legal update where MILS discuss the technicalities of '**Distance selling**' and a guidance document for the **capital allowance super-deduction**.

The next **NAMA Executive** meeting will take place on 20 April 2021 and is open to all NAMA members. If you have not already done so, please let us know if you would like to join us.

Unfortunately, this year's AGM in May has had to be postponed but we are looking to hold an event in the autumn, which will be a welcome opportunity for everyone to meet up again once more. Dates and venue will follow.

### Keeping in Contact

NAMA is here to support your business during the COVID-19 crisis and beyond. If you need support or advice, please do not hesitate to contact us. If you are interested in any issues raised in the newsletter and would like more information please let us know on 01788 538304 or email [louise.wallis@rmif.co.uk](mailto:louise.wallis@rmif.co.uk).

**Louise Wallis**

**Head of NAMA**

**Web:** [nama-uk.com](http://nama-uk.com)

**Twitter:** [@NAMA\\_Auctions](https://twitter.com/NAMA_Auctions)

**LinkedIn:** [National Association of Motor Auctions \(NAMA\)](https://www.linkedin.com/company/nama)

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## **AUCTION VOLUMES AND CONVERSION RATES PREDICTED TO INCREASE AS LOCKDOWN RESTRICTIONS START TO EASE**

A recent survey carried out by the National Association of Motor Auctions (NAMA), revealed that there is growing confidence that 1st time conversion rates and auction volumes will increase as the UK come out of lockdown.

The NAMA survey results follow a similar trend to last month's findings, with 1st time conversion rates continuing to perform well, with 55% of respondents favouring rates to increase over the next month and 36% expecting rates to remain the same. Further, 63% of respondents are expecting an increase to auction volumes over the next month. Increased auction volumes and 1st time conversion rates could indicate that consumer confidence is growing and demand for vehicles is rising.

Louise Wallis, Head of NAMA, commented: "The latest NAMA survey shows strong demand from dealers for forecourt stock. This is due to an expected rise in consumer sales post lockdown. The auction market is expected to remain strong over the next few months to fulfil this demand.

"Even though auction sites remain closed for sales, on-line activity had been able to ensure the wholesale market has remained strong and able to meet the demand of both auction buyers and sellers."

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## **CONFIDENT MARKET PERFORMANCE AS USED CAR SALES APPROACH TYPICAL TRADING LEVELS**

According to the latest data from Auto Trader, most retailers are now trading at around 90% of typical volumes. It marks a notable increase on the circa 80% recorded in February, and circa 60-70% levels in January.

This continued acceleration in sales is reflected on Auto Trader, which during the first week of March (1 – 7 March) saw a step-up in audience performance with 15.5 million cross platform visits: an increase of 5% week-on-week. It's now more accurate to compare the current performance against 2019 given the emerging impact of COVID-19 this time last year. Accordingly, visits during the first week of March were up 24% on the same period two years ago.

Advert views also increased 21% on 2019. This strong level of consumer engagement resulted in a circa 108% increase in the number of leads being sent to retailers, when compared with the first week of March 2019.

Serving as a further indication of the potential health of the market, an onsite survey conducted in February revealed that consumers' confidence in being able to afford their next car was at its highest level (8.75/10) since Auto Trader began tracking it in January 2020, surpassing the previous peak recorded in January (8.60/10) of this year. It's even ahead of confidence levels recorded pre-pandemic (8.11/10 in January 2020). 48% of those surveyed said they were more confident than they were a year ago, up from 45% in January 2021. This supports predictions that there may be a surge in retail spending from consumers when retailer forecourts fully re-open across the UK.

Source: [AutoTrader](#)

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## **HEALTHY PENT-UP DEMAND EXPECTED POST-LOCKDOWN FOR CAR RETAILERS – WHAT CAR?**

Online search data and car buyer survey data has led What Car? to assert that there is “healthy demand building in the market” ahead of April’s re-opening of showrooms across the UK.

The consumer magazine said that leads to its New Car Buying service were up 11.8% week-on-week during March, with online traffic to the new car deals pages of the What Car? website up 18.1% against the first two weeks of February.

Its latest industry research of 2,946 in-market buyers found consumers are beginning to accelerate their new car purchases.

Nearly a quarter (22.9%) of participants taking part in What Car?’s weekly industry study are now looking to make a purchase in the next three months, while 15.2% are set to buy in the next four weeks – only 19.5% are looking to buy in more than six months’ time.

Rachael Prasher, the managing director at What Car?, said: “We saw similar trends emerge as we neared the end of the first lockdown, last June. Buyers began moving their purchase decisions forward, shifting from the research phase to the active purchase stage by contacting dealers on our New Car Buying platform.

“Our metrics are once more pointing towards healthy demand building in the market. This will be very positive for the industry, as it looks to recover from a poor first quarter.”

News of the market’s growing momentum comes less than four weeks ahead of the April 12 re-opening of car showrooms in England and comes a day after Scottish First Minister,

Nicola Surgeon told retailers North of the border that scheduled showroom visits could re-start on April 5.

Auto Trader reported earlier this week that its data indicated that the used car sector was currently trading at around 90% of its usual volumes for the time of year.

The National Association of Motor Auctions (NAMA), meanwhile, has indicated that conversion rates at remarketing centres across the UK are expected to remain strong as car retailers begin to re-stock their forecourts in anticipation of pent-up demand.

Source: [AM Online](#)

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## **CHANCELLOR RISHI SUNAK ANNOUNCES BUDGET PLANS**

*On 3 March, Chancellor Rishi Sunak unveiled his budget plans to the UK for 2021 – here is a summary of the key parts for NAMA members:*

### **Business rates holiday extension**

- The full business rates holiday will be extended until June, rates will be discounted by two thirds for the following nine months.

### **Furlough Extension**

- The Chancellor has announced the furlough scheme will be extended until the end of September. Employees will continue to receive 80% of their wages until the scheme ends; businesses will be asked to contribute 10% in July and 20% in August and September as the scheme is gradually phased out.

#### **Apprenticeships**

- Apprentice incentive payments will be doubled to £3,000.

### **Corporation Tax and ‘Super deduction**

- In 2023 the rate of corporation tax, paid on company profits, will increase to 25%. In addition to the announcement about the corporation tax, the Chancellor has unveiled a ‘super deduction’ tax relief aimed at supporting business investments. For the next two years, businesses will be able to claim 130% of their new “machinery cost” as a tax cut.

## Fuel duty freeze

- Fuel duty was frozen for another year, after concluding that reliance on cars as transport safety measure during the pandemic is still too great.

## Personal allowance

- Rates of income tax, national insurance and personal tax thresholds will remain frozen.

See also: <https://www.gov.uk/government/news/budget-2021-sets-path-for-recovery>

See also: <https://www.nama-uk.com/press-room/press-releases/nama-reacts-to-budget-2021>

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## CAPITAL ALLOWANCE SUPER-DEDUCTION – MHA & NFDA GUIDANCE FOR DEALERS

The capital allowance super-deduction was announced in the Budget on 3 March 2021 and immediately caught the attention of headline writers as a good thing for businesses and a way to encourage investment. There are however a number of areas that Dealers should consider, in particular which assets and expenditure they can and should claim the super-deduction for, in order to maximise their post-tax profits and plan their cash flow accordingly.

MHA, in conjunction with NFDA, has prepared guidance for dealers including a summary of the new capital allowance reliefs, things dealers should be mindful of, what types of investments qualify and aspects dealers should consider when making a claim.

[Download here the guidance MHA has prepared for dealers.](#)

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## MILS LEGAL UPDATE

### Distance Selling Guide

Download the full document [here](#)

### Introduction



During the pandemic the motor industry has increasingly sold vehicles online and at a distance. Despite this and the fact that the Regulations have been in place since 2013, there are still a number of members with questions regarding how they work and what they are required to do. With society starting to open up again it is more important than ever that members understand the regulations and how they apply.

This document covers:

- What distance selling is
- Who the regulations apply to
- When the regulations apply
- What protection the regulation provides
- What happens if the correct information is not provided
- FAQ's
- Conclusion

*Motor Industry Legal Services*

*Motor Industry Legal Services (MILS Legal Ltd) provides fully comprehensive legal advice and representation to UK motor retailers for one annual fee. It is the only law firm in the UK which specialises in motor law and motor trade law. MILS currently advises over 1,000 individual businesses within the sector as well as the Retail Motor Industry Federation (RMI) and its members.*

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## **NEWS FROM NAMA MEMBERS**

**Sales at Aston Barclay up 12.6% in February**  
*March 2021*

*Source: Motor Trader*



**Aston Barclay** sold 12.6% more used cars in February than January.

It also took two fewer days on average for used cars to sell at auction, which Aston Barclay said shows dealers have been back in the market again to replace sold stock.

Overall prices in February softened across the board with fleets having seen prices reduce by 9.4% in line with CAP HPI predictions over the last five months.

The sweet spot for the wholesale used market remains at between £8-12,000 with demand for any used car in this price band remaining strong.

The market should also not lose sight that used cars are still commanding higher prices than they were in Q1 2020.

Aston Barclay is seeing the number of used cars it is selling continuing to increase during early March, which is starting to create a shortage as the March new car market sends just a trickle of part exchanges into auction.

“There are lots of new car orders in the pipeline particularly within the leasing sector, but many cars are experiencing four to six months between an order and delivery.

“Combined with a shortage of dealer part exchanges we are predicting a used car shortage once the market re-opens,” said Martin Potter, Aston Barclay’s managing director – Customer.

“There is likely to be a pent-up demand in April similar to when the market re-opened in June 2020. That spells good news for prices, but supply will take a few months before it catches up with demand.

Dealer part exchanges will increase in line with the renewed retail activity once dealers are back open, but it will be Q3 before the volumes from fleets and manufacturers return back to full strength,” he added.

View the full article [here](#)

**CD Auctions offers logistics service for dealers**  
8 March 2021



*Source: Motor Trader*

**CD Auction Group** has partnered with Reemaq to launch a logistics service for dealers.

The service allows dealers to manage transport moves and administration on one app-driven platform.

The app manages end to end transport moves using an audited network of plated drivers, transporters and inspect and collect services.

Users access national network suppliers who bid for each move based on the best time and cost.

Andy Pearce, operations director of CD Auction Group, said: “As digital remarketing experts, we are always looking for new ways to use technology to make operations more efficient for our customers. The Reemaq Moves service will drive down overall delivery costs and improve service.”

The service covers all types of vehicle movement, from a single vehicle to transporters.

“Our new logistics service has the power to reduce costs significantly. Modelling suggests some customers will save hundreds of pounds for load movements and benefit from reduced administration thanks to automated and integrated systems combined with one point of contact,” said Pearce.

View the full article [here](#)

### **CD Auction Group aims to be carbon neutral by 2023**



22 March 2021

Source: *Motor Trader*

**CD Auction Group** has announced plans to be carbon neutral by 2023. The company has already moved 60% of its company fleet to alternative fuelled vehicles (AFV). CD auction aims to have 100% of its company cars as AFV by 2025. The move follows new investment in charging infrastructure at its sites across the country as it prepares to handle a rapid increase in the volume of electric vehicles.

Andy Pearce, operations director at CD Auction Group, said: “We have ambitious plans to reduce our impact on the environment over the next few years. CD Auctions is taking wide-ranging steps from minimising our waste streams to carbon offsetting to ensure we can take the lead in our sector.”

CD Auctions has partnered with Project Zero to introduce a carbon offsetting scheme to reduce its carbon footprint to zero. The programme includes a rigorous measurement of carbon outputs and a wide range of energy-saving measures. The company has also undertaken training of its employees to ensure its technicians are qualified on the latest EV technologies.

View the full article [here](#)



### **Hagerty Reveals The Hottest Cars Of The Pandemic**

Hagerty Manager of Valuation John Wiley spoke with HotCars.com about the classics that have seen values and demand skyrocket during the pandemic.

With time on their hands during pandemic lockdowns to let their automotive fantasies run wild, buyers are gravitating to classic cars in the under-\$50,000 category, according to Hagerty Valuation Services. Hagerty compiled a list of the most popular cars of the pandemic, and, when looking at prospective buyers, "Boomers are the most numerous in terms of policy quotes, however, Gen X has almost caught up to them," says Manager John Wiley.

Read the full article [here](#)

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## Your NAMA membership benefits

- NAMA Grading Scheme
  - NAMA Vehicle Appraiser Training scheme
  - Lobbying and engagement with Government
  - Legal services
  - HR and employment advice
  - COVID-19 Guidance
  - Health and Safety advice
  - Dedicated helpline and online member area
  - Discounted rates for commercial services
  - Alternative Dispute Resolution (ADR)
  - Finance and Insurance advice
  - Monthly newsletter
  - Regular member meetings
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## NAMA ON SOCIAL MEDIA



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**2021 DATES FOR YOUR DIARY**

**NAMA Executive Meeting – 20 April 2021**

