

AUGUST USED CAR MARKET SEES BUDGET SAVVY BUYERS TURNING TO HYBRIDS

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The August edition of the Automotive Insight Report (AIR) shows softening used car sales with the exception of hybrids, which are proving popular for cost conscious buyers.

The monthly used car market data published by the AADA and Autograb shows a jump in the listings of used cars by 4.9% to 299,147 while sales declined by 3.6% to 206,804.

Despite the increase in supply, the average days to sell have continued to decrease, reaching a new low of 42.7 over the past 12 months, indicating sellers are motivated and buyers are ready to snap up a good deal.

“In line with the new car sales trends, demand has decreased for used cars, with all states, except South Australia and Tasmania, recording a drop in sales,” said AADA CEO James Voortman.

“Western Australia saw the largest increase in used car supply, with listings up by 15.1%. In contrast, the Australian Capital Territory and Northern Territory were the only regions with a tightening market, recording significant supply drops of 15.4% and 14.9%, respectively,” Mr Voortman said.

“Supply of used cars increased across all vehicle categories, with SUVs and LCVs showing the highest growth, rising by 6.8% and 10.2%, respectively. This surge could partially explain the greater decline in retained values of SUVs and LCV – utes relative to passenger counterparts, leading sellers to keep their vehicles for shorter periods,” he said.

“There are some correlations to the new car market in terms of popularity of hybrid vehicles with hybrids experiencing an increase in sales, while petrol, diesel and electric all experienced a drop in sales,” Mr Voortman said.

“In comparison to July, the used EV market is now facing an oversupply, with sales seeing the largest drop among all fuel types, down 8.3% to 1,637. This may result in more competitive pricing, shaping buyer preferences as disposable incomes erode,” he said.

“Retained values continue to decline with every vehicle segment across every age category experiencing a drop in value for the month,” he said.

Small vehicles and performance vehicles in the passenger segment continue to hold their value the best, with the Toyota 86 replacing the Toyota Corolla for the top position at 98.4% in the 2-4 year old category and the Toyota Yaris maintaining the lead at 94.8% in the 5-7 year old category. In the SUV category, the Suzuki Jimny continues to dominate, holding the top spot in both the 2-4 (114.0%) and 5-7 year old (116.4%) SUV categories.

HIGHLIGHTS FROM THE AIR FOR AUGUST

- 206,804 vehicles were sold in August, a decrease of 3.6% compared to the previous month.
- Western Australia recorded the highest jump in supply of used cars, rising by 15.1% to 31,015 whereas South Australia and the Northern Territory were the only two states where demand increased, by 0.3% and 1.8% respectively.
- 299,147 used cars were listed for sale in August, an increase of 4.9% from the previous month.
- Sales were weakest in ACT (-29.1%) and Northern Territory (-37.4%), reflecting a significant drop in sales compared to last month.
- Average time to sell a used car is 42.7 days, the lowest it has been over the past 12 months.
- Retained values continue their gradual decline with passenger vehicles holding their value best in the 2-4 year age bracket (81.1%) as well as for the older 5-7 year category (67.3%).
- The Ford Ranger remains Australia's best-selling used car, followed by the Toyota Hilux.

View the [August AIR](#) here.

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For further information please contact:

Urmika Deb

Policy and Communications Officer

Australian Automotive Dealer Association Ltd.

E: media@aada.asn.au

M: +61 426 855 320