



# Manheim

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## **MANHEIM CONSULTING UNVEILS 2011 MID-YEAR USED CAR MARKET REPORT**

*Used Vehicle Market a Bright Spot During First Half of 2011*

**ATLANTA** – Despite the pressures of an uncertain world economy and natural disasters that disrupted the automotive industry, the used vehicle market proved to be a bright spot during the first half of 2011. Retail used car sales volumes and dealer profitability increased, and the Manheim Used Vehicle Value Index climbed to a new record high.

These and other industry trends are analyzed in depth in Manheim’s Mid-Year edition of the Used Car Market Report, the definitive source of information and trends that shape the wholesale and retail used vehicle markets. The Report, which also includes industry commentary from Manheim Consulting chief economist Tom Webb and an interview with Manheim senior vice president Sue Boehlke on the way customers are using digital technology, was released today by Manheim Consulting.

The Mid-Year UCMR is available online at [www.manheim.com/consulting](http://www.manheim.com/consulting). For the first time, those who purchase the Report (\$99) not only will be able to download a PDF of the Report, but also will receive access to a free app which allows them to view the Report on iPhones, iPads and Android devices.

“It is fair to say that few of us have ever witnessed a period like the first half of 2011,” Manheim president Sandy Schwartz writes in the Report’s introductory letter. “Early in the year, it seemed that the economy was following a predictable, if slow, recovery path. Credit was easier, and as more customers could afford to buy a used vehicle amid tight supply, wholesale prices moved higher. In the second quarter, we witnessed the combined impact of high fuel prices and the Japanese earthquake and tsunami on the used vehicle markets.”

In addition to chapters on dealers, used vehicle suppliers, the used vehicle industry, and a review and outlook, the Report includes three case studies into online and in-lane sales activity. Among the trends discussed in the Report:

## **RETAIL SALES**

- New vehicle sales were up 13% in the first half of 2011 over the same period last year, for an annualized sales rate of 12.6 million. A 17% increase in commercial fleet sales was offset by a 5% decline in rental sales.
- Total used vehicle sales were up 3.5% in the first half of the year compared to last year, including an 8.5% rise in Certified Pre-Owned vehicle sales – on pace for a record year. Over the first six months of the year, the 18.6 million used vehicle sales were composed of:
  - 6.7 million franchised dealer sales
  - 6.8 million independent dealer sales
  - 5.1 million private party sales

## **THE WHOLESALE MARKET**

- Wholesale used vehicle prices continued to rise in the first half of 2011 – the Manheim Used Vehicle Value Index (which is a mix-, mileage- and seasonally adjusted measurement of wholesale prices) reached a new high in May and retreated only slightly in June.
- The total volume of wholesale transactions declined by nearly 10% in the first half of 2011. Total National Auto Auction Association-auction volume is expected to dip below 8 million vehicles for the year.
- Dealers continued to emphasize faster inventory turns in the first half of 2011. For many, that meant stocking fewer units, buying vehicles more frequently and utilizing more sources. As a result, dealers accounted for nearly 55% of auction volume sold in the first half of the year, up from 44% over the same period a year ago.

## **ONLINE, DIGITAL ACTIVITY**

- Manheim has seen a steady increase in the number of online bidders and the number of vehicles they purchase. The largest gains have come via OVE.com, which saw a 10% increase in buyers from January – June, 2011, compared with January – June, 2010.
- Visitor traffic to Manheim.com continued to increase in the first half of the year, with some months at or above 5 million visits.
- AutoTrader.com visitor traffic set a record at 17.4 million in January 2011, up more than 9% from a year ago.

## **RENTAL MARKET**

- In the first half of 2011, rental companies purchased 788,400 units, down 5% from last year. However, the industry will increase its purchases in the second half of the year and in 2012, leading to an eventual increase in the supply of rental risk vehicles across all remarketing channels.

## **LEASING AND REPOSSESSIONS**

- Total repossessions peaked at 1.9 million units in 2009 and declined by 19% in 2010 to 1.55 million units. Results for the first half of 2011 suggest that repossessions will fall by a similar percentage this year. That would push repossessions to 1.3 million units, their lowest level in more than a decade.

- After falling to a cyclical low of 1.1 million in 2009, new vehicle lease originations grew by more than 50% in 2010 to 1.7 million units. In the first half of 2011, that growth continued with an estimated 25% increase in originations. The full-year total is on pace to exceed 2.2 million units.

## **FLEETS**

- Commercial and government fleets bought a combined 388,508 vehicles in the first half of the year, up 11.1% from last year.
- The average auction value of a mid-size commercial fleet vehicle at auction was more than \$9,700 in the first half of 2011, up 18% from 2010. At the same time, the average mileage declined 7% to just less than 65,000 miles.

### **About Manheim ([www.manheim.com](http://www.manheim.com))**

Manheim is the world's leading provider of vehicle remarketing services. Through its 122 worldwide wholesale operating locations, Manheim impacts every stage of a used vehicle's life cycle, helping commercial sellers and automobile dealers maximize the full value of their vehicles. Drawing from its auction transaction volume, Manheim Consulting publishes the annual Used Car Market Report, the definitive source of data for the used car industry. Manheim Consulting offers a wide range of services including custom analytics, business optimization and macro economic analysis.

Manheim is the online vehicle remarketing leader, connecting buyers and sellers to the world's largest, most comprehensive wholesale marketplace through its extensive in-lane and online offerings. Manheim.com receives nearly 900,000 visits each week.

Additionally, Manheim offers services including reconditioning, certification, inspections, dealer financing, title management and marshaling, among others. Through its wide array of services and technologies, industry publications, customer support and educational offerings, Manheim gives its customers maximum control over how they buy and sell vehicles, helping them to conduct business in the most efficient way possible. In 2010, Manheim handled nearly 10 million used vehicles, facilitating transactions worth more than \$50 billion in value.

Headquartered in Atlanta, Manheim is a subsidiary of Cox Enterprises, a leading communications, media and automotive services company.

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