



# Manheim

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**2010 USED CAR MARKET REPORT EXAMINES LONG-TERM STRUCTURAL SHIFTS  
IN AUTOMOTIVE INDUSTRY, CRITICAL ROLE OF REMARKETING  
15th Annual Report from Manheim Consulting Analyzes Industry Trends**

ORLANDO, Fla. – Even as the economy as a whole and the U.S. automotive industry dealt with unprecedented challenges in 2009, the used vehicle market continued to provide stability and profit opportunities.

In addition, structural shifts created by the recession promise to have long-term ramifications in all corners of the remarketing industry, making it more important than ever for buyers and sellers to employ strategic remarketing practices across a variety of channels.

These and a host of other trends are analyzed in detail in the 15th annual edition of Manheim Consulting's *Used Car Market Report*, which was released today online and at the National Automobile Dealers Association annual convention in Orlando. The *UCMR* has long been considered the industry's most comprehensive compilation of information and analyses.

The *Report*, available online only (visit [www.manheim.com/consulting](http://www.manheim.com/consulting) for access), draws on Manheim's proprietary data as well as information from a variety of industry sources. Manheim Consulting chief economist Tom Webb presented highlights of the *Report* at Manheim's annual NADA news conference.

Of particular interest to franchised dealers attending the NADA event, Webb noted that while franchised dealers' new vehicle sales dropped 21 percent in 2009, their used vehicle sales fell by only 3 percent.

"Franchised dealers have long recognized the profit opportunity in used vehicles," he said. "In 2009, a well-run used vehicle operation often made the difference between survival and closure. Just as used vehicles are vitally important to franchised dealers, one of our goals with the *UCMR* is to illustrate how vitally important the remarketing industry is to the automotive industry as a whole and to the U.S. economy."

In addition to special sections on the used vehicle marketplace and the past, present and future of remarketing, the *Report* features interviews with key industry association leaders and chapters on all corners of the used vehicle industry, including dealers, rental, leasing, government and commercial fleets, repossessions, salvage and international remarketing.

Among the trends analyzed in the 2010 *UCMR*:

## NEW AND USED VEHICLE MARKETS

- The new vehicle sales cycle, from a peak of 17.4 million in 2000 to the 2009 trough of 10.4 million, represented a drop of 40 percent, a steep percentage but one that was not out of line historically: Plotting the annual change in GDP versus the change in new vehicle sales shows that 2009 was right on the trend line.
- While total used vehicle retail sales declined for the fourth consecutive year (to 35.5 million), the peak-to-trough decline was just 20 percent, reinforcing the truth that the used vehicle market is inherently more stable than the new vehicle market.

## AUCTIONS (IN-LANE AND ONLINE)

- Though auction volumes fell to their lowest level in a decade, it is expected that they will return to “normal” quicker than new and used vehicle sales due to the increased need for auction services by both buyers and sellers.
- Wholesale used vehicle prices rose 5.1 percent in 2009 due to reduced supply, stabilization in retail demand, and a fall in new vehicle inventory levels.
- Online sales activity grew dramatically despite the overall drop in auction activity: Manheim Simulcast volume increased 17 percent while OVE.com volume grew by more than 50 percent.
- Overall visits to Manheim.com, the portal to inventory across all of Manheim’s online channels, now stand at 900,000 visits per week.

## INSTITUTIONAL SELLERS

- New vehicle sales into rental fell by 25% to 1.1 million units in 2009. The shift towards “risk” vehicles (now more than 70% of purchases) continued and the average service life of rental units lengthened.
- New lease originations fell to 1.1 million, the lowest since leasing’s infancy in the early 1980s, but off-lease volumes rose to 2.7 million units.
- A modest decline in off-lease volumes in 2010 will be followed by steep declines in 2011 and 2012.
- Total vehicle repossessions reached a record high of 1.9 million in 2009, but will likely fall in 2010.
- Major commercial and government fleets purchased 588,000 new vehicles in 2009, down from 872,000 in 2008. Fleet purchases should recover in 2010, but remain well below historic peaks.

## SALVAGE

- An estimated 3.5 million vehicles were remarketed by salvage auctions, volume that was driven largely by a higher percentage of insurance claims being declared total losses.

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

Manheim is the world’s leading provider of vehicle remarketing services. Through its 130 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 visitors 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 2009, Manheim handled nearly 10 million used vehicles, facilitating transactions worth more than \$50 billion in value.

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