



Glass's New Car Market Trends
April 2005

 **eurotaxGLASS's**
Automotive Business Intelligence



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EXECUTIVE SUMMARY

This is the fourth issue of Glass's New Car Market Trends report, a monthly analysis of the UK's new car market produced by Glass's Market Intelligence Service. This issue of the Report covers new car list price changes up to and including March 2005.

Key findings of Glass's New Car Market Trends Report for April 2005

UPPER MEDIUM SEGMENT LEADS MODEST NEW CAR PRICE INCREASES Weakening demand sees market-wide price inflation up only 0.6 per cent

The list price of volume brand upper medium market segment family cars (Ford Mondeo, Renault Laguna, Vauxhall Vectra, etc rose by 2.2%, year-on-year, to the end of March – more than for any other vehicle segment. This rate of increase is in stark contrast to the UK's new car market as a whole, which has experienced only a slight rise of just 0.6% over the past year, worth an average of just £79 more per vehicle. March was the third month in a row to see a slowdown in year-on-year new car price rises.

The change in registration plate in March inevitably brought some added impetus to the UK's new car market, but sales activity so far in 2005 still remains down on last year. This makes the continued easing back in list price inflation look possible for several months to come although we should not rule out the distinct likelihood that one of the major manufacturers will increase prices which would encourage others to follow suit.



SECTOR-BY-SECTOR PRICE CHANGES

The list prices of superminis fell by 1.7% over the 12 months ending in March. One key factor influencing this fall is the greater availability of smaller, more affordable diesel engines. Until recently, those wanting diesel power in a supermini had to opt for relatively expensive, larger-capacity powerplants that were originally developed for mid-sized hatchbacks and upper-medium family cars.

The 2.2% rise in list prices, year-on-year, for upper medium cars comes as a consequence of price increases across more than half of all models in the sector – many by between £300 and £500. This follows a prolonged period of virtually static pricing for most volume-brand family cars.

Compact MPVs (Ford Focus C-MAX, Renault Mégane Scenic, etc) match the 2.2% year-on-year list price rise affecting upper medium models, although this is partly attributable to the arrival of several models at the upper end of the pricing spectrum, including the Toyota Corolla Verso and Honda FRV. In addition, Mazda's lower-priced Premacy has been withdrawn from sale (in anticipation of the arrival of the Mazda5).

The new premium-priced BMW X3 has helped lift average list prices for SUVs, with year-on-year rises in this sector now at 1.6%. Without the influence of this particular model the average price would actually have decreased by around £200, thanks to the arrival of several low-priced Korean models.

Once again, list price rises are less marked among the prestige brands. In the compact executive sector (Audi A4, Mercedes C-Class, etc), list prices have risen by just 0.1%. In the large executive car sector, prices have fallen by 1.1% over the past year.

The biggest list price changes

The single biggest price rise in pound note terms during March was for the Audi Allroad 2.7T quattro Limited Edition Estate, which increased by £970 (2.9%) to £34,080. The biggest fall in list price was for the Volkswagen Phaeton 3.0TDI V6 4Motion, which experienced an 11% drop, worth £4,495, to £36,312.



TOP 10 CHANGES

Manufacturer	Range	Model	Old Price	New Price	£ Change	% Change
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Top 10 list price increases

Audi	Allroad	2.5TDI quattro Limited Edition Estate	£29,360	£30,260	£900	3.07%
Audi	Allroad	2.7T quattro Limited Edition Estate	£33,110	£34,080	£970	2.93%
Audi	Allroad	2.5TDI quattro Limited Edition Estate Auto	£30,760	£31,660	£900	2.93%
Audi	Allroad	2.7T quattro Limited Edition Estate Auto	£34,510	£35,480	£970	2.81%
Hyundai	Terracan	2.9CRDT Station Wagon	£17,874	£18,374	£500	2.8%
Hyundai	Terracan	2.9CRDT Station Wagon Automatic	£18,724	£19,224	£500	2.67%
Mercedes-Benz	E-Class	2.2TD E220 CDI Classic Saloon	£27,060	£27,720	£660	2.44%
Mercedes-Benz	C-Class	2.1TD C200 CDI Classic Saloon	£22,150	£22,670	£520	2.35%
Mercedes-Benz	E-Class	2.2TD E220 CDI Classic Saloon Automatic	£28,510	£29,170	£660	2.31%
Mercedes-Benz	E-Class	2.2TD E220 CDI Classic Estate	£28,860	£29,520	£660	2.29%

The only list price reduction

Volkswagen	Phaeton	3.0TDI V6 5seat 4Motion Saloon	£40,807	£36,312	-£4,495	-11.02%
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METHODOLOGY

The list price of the 'average' new car referred to in the monthly Glass's New Car Market Trends report is based on analysis of over 1,000 models across key UK vehicle segments. The data is weighted by sales volumes to ensure the results are representative of the true market trend.

For more information about Glass's New Car Market Trends Report or to discuss how Glass's Market Intelligence Service can help your business, please contact:

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