



Glass's New Car Market Trends
September 2005

 **eurotaxGLASS's**
Automotive Business Intelligence



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EXECUTIVE SUMMARY

This is the ninth 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 August 2005.

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

DIESEL CAR PRICE INFLATION UNDERMINES BENEFIT FOR OWNERS

With fuel price rises once again hitting the headlines, growing numbers of consumers and fleet car buyers are looking at diesel power as a way of reducing the running costs of their next vehicle. However, the list price of diesel-powered cars has increased at almost double the rate of petrol equivalents over the past five years, further increasing the period over which a diesel car must be run before it proves more economical.

This month's New Car Market Trends report shows that the list price of the typical petrol vehicle has risen by £351 since September 2000, compared to £677 for the average diesel.

In the popular lower-medium sector (Ford Focus, Vauxhall Astra, Toyota Corolla, etc), the price premium for a diesel-powered model over a petrol version with identical specification has now reached an average £1,100. After 3-years and 30,000 miles a petrol lower-medium car would still be cheaper to own, even when taking into account the higher residual value of the diesel. Not until the average annual mileage exceeds 20,000 would the economic benefits of the diesel begin to pay off for this type of car.

For upper-medium cars such as the Vauxhall Vectra and Ford Mondeo the picture is slightly better as there is a very small saving in pence-per-mile running costs. However, even at 20,000 miles per year the difference is only 1.4 pence per mile in favour of the diesel. Our whole life cost analysis shows that the smaller the car, the smaller the financial benefit of diesel. This is largely because the premium for buying a diesel car reduces as a proportion of the total price on bigger vehicles.



Headline figures

This New Car Market Trends report shows that list prices across the UK's new car market as a whole rose by 1.4%, year-on-year, to the end of August 2005, equivalent to a rise worth £180 on the average* car.

* the average car is defined on page 5 of this report

KEY SEGMENT PRICE CHANGES

List price inflation has been highest in the **upper-medium** sector (Toyota Avensis, Ford Mondeo, etc), with prices rising by 2.8% over the past 12 months, equivalent to an additional £454 on the average car. Prices also rose at an above average rate in the **lower-medium** segment (Vauxhall Astra, Toyota Corolla, etc), up 2.6%, year-on-year.

In the **compact executive** class (Audi A4, BMW 3 Series, etc), list prices rose at the below average rate of just 0.1%. In the **large executive** class (BMW 5 Series, Mercedes E-Class, etc) list prices fell marginally, by 0.1%, year-on-year. List prices of new **superminis** (Ford Fiesta, Volkswagen Polo, etc) also fell over the period, down 0.3%, or £27.

The biggest list price changes

The biggest single list price increase in pound note terms during August was for the BMW X5 4.8is, which had a rise of £550 rise to £57,690. The greatest list price drop was for the Ford Mondeo 2.0 TDCi 130 LX (Euro IV model), which saw saloon, hatchback and estate variants all subject to list price reductions of £595.



TOP 10 LIST PRICE CHANGES

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

BMW	3 Series	2.5 325i SE Touring Estate	£25,945	£25,580	1.43%	£365
BMW	3 Series	2.0TD 320d ES Touring Estate	£24,145	£23,810	1.41%	£335
BMW	3 Series	2.0TD 320d SE Touring Estate	£25,175	£24,840	1.35%	£335
BMW	X5	3.0i SE Station Wagon	£35,430	£34,980	1.29%	£450
BMW	X5	3.0d SE Station Wagon	£35,800	£35,350	1.27%	£450
BMW	X5	3.0i SE Station Wagon auto	£36,880	£36,430	1.24%	£450
BMW	X5	3.0d SE Station Wagon auto	£37,250	£36,800	1.22%	£450
BMW	X5	3.0i Sport Station Wagon	£37,380	£36,930	1.22%	£450
BMW	X5	3.0d Sport Station Wagon	£37,750	£37,300	1.21%	£450
BMW	X5	3.0i Sport Station Wagon auto	£38,830	£38,380	1.17%	£450

Top-10 percentage list price reductions

Ford	Mondeo	2.0TDCi 130 (SIV) LX Hatchback	£17,102	£17,697	-3.36%	-£595
Ford	Mondeo	2.0TDCi 130 (SIV) LX Saloon	£17,102	£17,697	-3.36%	-£595
Ford	Mondeo	2.0TDCi 130 (SIV) LX Estate	£18,102	£18,697	-3.18%	-£595
Ford	Mondeo	2.0TDCi 115 (SIV) LX Hatchback	£16,602	£16,947	-2.04%	-£345
Ford	Mondeo	2.0TDCi 115 (SIV) LX Saloon	£16,602	£16,947	-2.04%	-£345
Ford	Mondeo	2.0TDCi 115 (SIV) LX Estate	£17,602	£17,947	-1.92%	-£345
Ford	Mondeo	2.0TDCi 130 (SIII) LX Hatchback auto	£18,567	£18,917	-1.85%	-£355
Ford	Mondeo	2.0TDCi 130 (SIII) LX Estate auto	£19,567	£19,917	-1.76%	-£350
Ford	Mondeo	1.8 LX Hatchback	£15,587	£15,787	-1.27%	-£200
Ford	Mondeo	1.8 LX Saloon	£15,587	£15,782	-1.24%	-£195



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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