

October 2023

Future used car market overview

Welcome to the latest version of our overview. Our aim is to bring you the best content and layout, making it easy to identify new and revised information. As always, any customer feedback would be appreciated: e-mail dylan.setterfield@cap-hpi.com

The content is structured as follows:

1. Forecast Changes
2. Market Conditions
3. Historic Forecast Accuracy
4. Forecast Methodology & Products
5. Sector Reforecast Schedule 2023/24

1. Forecast changes

The overall average change in new car forecasts between September and October is approximately -0.87% at 36/60, which is broadly in line with the normal expectation of the seasonal change for full year forecasts at this time of year.

Sector reforecasts

This month, we publish new reforecasts for the SUV sector.

At this review, there were some minor changes to our deflation assumptions, involving changes to the phasing of deflation, which are similar to those actioned for other sectors over recent months.

For all SUVs, year 1 improves by approximately +1%, year 2 worsens by -0.5% and year 3 worsens by around -1%, resulting in a +1% forecast increase at 12 months, +0.5% at 24 months and a -0.5% forecast reduction from 36 months onwards.

This reflects the fact that we are moving through time and is aligned to the overall expectations for the used market published elsewhere in this document and discussed in our customer webinars.

Average forecasts movements are displayed in the table below.

Car future editorial

By cap hpi

SIZE & FUEL TYPE	UNDERLYING FORECAST CHANGE	SEASONAL ELEMENT	OBSERVED CHANGE SEPT TO OCT
Small SUV Diesel	+1.0%	+0.5%	+1.5%
Small SUV Electric (BEV)	-3.2%	+0.1%	-3.1%
Small SUV Hybrid (HEV)	-0.4%	+0.1%	-0.3%
Small SUV Petrol	-1.7%	+0.1%	-1.6%
Small SUV Plug-In Hybrid (PHEV)	-0.1%	+0.1%	-0.0%
Medium SUV Diesel	-1.4%	+0.5%	-0.9%
Medium SUV Electric (BEV)	-3.5%	+0.1%	-3.4%
Medium SUV Hybrid (HEV)	-0.5%	+0.1%	-0.4%
Medium SUV Petrol	-1.1%	+0.1%	-1.0%
Medium SUV Plug-In Hybrid (PHEV)	-1.9%	+0.1%	-1.8%
Large SUV Diesel	-1.5%	+0.5%	-1.0%
Large SUV Electric (BEV)	-2.6%	+0.1%	-2.5%
Large SUV Hybrid (HEV)	-2.0%	+0.1%	-1.9%
Large SUV Petrol	-0.6%	+0.1%	-0.5%
Large SUV Plug-In Hybrid (PHEV)	-2.1%	+0.1%	-2.0%
Overall Average	-1.6%	-0.1%	-1.5%

As always, there is a lot of variation within this sector, which now accounts for almost a half of the current model generations. Despite the fact that battery electric vehicles have now performed better than traditional fuel types in the past two months, forecasts reduce by more than the overall average for all sizes of SUV. There are a number of reasons behind this, one of the principal ones being that there are some models which have taken longer to stabilise than we had originally assumed. This has been particularly problematic where current used values for the BEV already sit significantly behind the ICE equivalent and we have found ourselves in the position of setting future forecasts for electric models below comparable petrol or diesel versions, even where we feel a premium over ICE is deserved, because the magnitude of positive adjustments required are prohibitive. Conversely, reduced ICE used volumes are expected to prevent the level of reductions in petrol/diesel values which would be needed to reinstate the expected relationships.

It should also be noted that there are some BEV models where we retain significant negative adjustments in our forecasts as we believe they still have some way to fall.

The following ranges were changed from the default SUV Diesel/Petrol mileage assumptions to the generic low mileage assumption, the forecast impact being reductions at lower mileage which increase in magnitude as mileage decreases and incremental improvements at higher mileage as mileage increases:

MERCEDES-BENZ AMG G CLASS (18-)
 MERCEDES-BENZ G CLASS (19-) DIESEL
 MERCEDES-BENZ GLC COUPE (23-) Hybrid
 MERCEDES-BENZ GLC COUPE (23-)
 MERCEDES-BENZ GLE COUPE (23-) DIESEL
 MERCEDES-BENZ GLE COUPE (23-) Petrol Hybrid
 MERCEDES-BENZ GLE (23-) PETROL HYBRID
 MERCEDES-BENZ GLE (18-)
 MERCEDES-BENZ GLE (15-18) PETROL HYBRID
 MERCEDES-BENZ AMG GLE (15-18)

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The following ranges were changed from the default SUV Diesel/Petrol mileage assumptions to the generic high mileage assumption, the forecast impact being forecast improvements at lower mileage which increase in magnitude as mileage decreases and incremental reductions at higher mileage as mileage increases:

MINI COOPER S (10-18) DIESEL
MINI COOPER S (10-20)
VAUXHALL MOKKA (12-20)

Forecast changes this month

The focus of our Interproduct reporting remains split between cases where our forecast was too far below the used value and those where recent used value reductions have resulted in forecast values above (or too close to) the latest used value position. This month 68 ranges were considered, but in some cases, it was decided to make no changes to the forecasts.

In some of the examples below, there were no further changes to the 36-month position, but increases were made to the 12-month position in recognition of further strength in used values that is not expected to be sustainable beyond the 12-month point. Many of the battery electric ranges had seen extreme movements in used values (in several cases -40% or more in the last 12 months or less) and we were forced to re-evaluate our position. In some such cases we have not applied adjustments to reflect the most recent used value reductions as we expect some of them to be short term in nature and values to stabilise to some extent.

Interproduct Reporting Changes

ABARTH 500C/595C/695C (10-)	DS DS4 (21-) Hybrid	MERCEDES-BENZ CLA CLASS COUPE (19-)
AUDI A1 (18-)	FIAT TIPO (16-)	PORSCHE PANAMERA (16-)
AUDI A3 (20-)	FORD FOCUS (21-)	PORSCHE TAYCAN (19-) Electric
AUDI A3 (20-) HYBRID	HYUNDAI I30 (17-)	RENAULT MEGANE E-TECH (22-) Electric
AUDI S3 (20-)	JAGUAR F-TYPE (19-)	SKODA SCALA (19-)
BENTLEY FLYING SPUR (19-)	KIA XCEED (19-)	SKODA SUPERB (19-) Hybrid
BMW 2 SERIES GRAN COUPE (19-)	MAZDA 3 (19-)	TESLA MODEL 3
CITROEN C3 (16-)	MERCEDES-BENZ A CLASS (18-)	VAUXHALL CORSA (19-)
CITROEN C4 (20-)	MERCEDES-BENZ A CLASS (18-) DIESEL	VAUXHALL CORSA (19-) ELECTRIC
CITROEN C4 (20-) Electric	MERCEDES-BENZ AMG A CLASS (18-)	
DS DS4 (21-)	MERCEDES-BENZ CLA (20-) Hybrid	

Other Forecast Changes

AUDI E-TRON GT (21-) Electric

Premium for 96 kWh motors reduced from £2,575 to £1,300, resulting in forecast decreases.

KIA STONIC (17-) DIESEL

Premium for automatic and DCT transmission increased from £424 to £700, resulting in forecast increases.

LAND ROVER DISCOVERY SPORT (19-)

Premium for Dynamic HSE and R-Dynamic HSE trims reduced from £2,400 to £1,800, resulting in forecast decreases.

LAND ROVER DISCOVERY SPORT (19-) Diesel

Premium for Dynamic HSE and R-Dynamic HSE trims reduced from £2,400 to £1,800, resulting in forecast decreases.

LAND ROVER DISCOVERY SPORT (20-) Hybrid

Premium for Dynamic HSE and R-Dynamic HSE trims increased from £1,100 to £1,575, resulting in forecast increases.

MAZDA MX-5 (15-)

Penalty for 2.0 [160] engine relative to 2.0 [184] increased from £450 to £1,175, resulting in forecast decreases.

PEUGEOT 2008 (19-)

Premium for EAT8 transmission increased from £275 to £500, resulting in forecast increases.

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SKODA FABIA (14-18)

S trim penalty increased from -£275 to -£725, resulting in forecast decreases.

Seasonality changes

In line with our gold book methodology, all other model ranges outside of the other changes listed above, have had their forecasts moved forward from month to month by seasonal factors which are differentiated by sector and fuel type and are based on analysis of historical used value movements.

2. Market changes

The ban on sales of new ICE cars and LCVs moves from 2030 to 2035

This week, the UK government unexpectedly pushed the date for the phasing out of new petrol and diesel vehicles by five years to 2035. Although this action came as a surprise, we had already assumed that this would happen after the next general election, with the next government blaming the current administration for not doing enough to make 2030 a realistic proposition. Ultimately, we do not expect this to have any unanticipated impact on the used market for either BEVs or ICE vehicles, especially since the Zero Emission Mandate appears to be set to be implemented as originally planned from the 1st January 2024, requiring OEMs to meet a minimum proportion of 22% BEV (however, at the time of writing this is still to be confirmed by government).

Battery electric vehicles

The used market for BEVs is likely to remain extremely complex for some time. The high prices which were fuelled by extremely strong demand in the middle section of last year are a distant memory; increased used volume and a multitude of issues impacting demand combined to bring the 'perfect storm', resulting in the eye-watering decreases in used values in the past year, with several models falling in value by more than -40% and a handful more than -50%. It was not a surprise that values came down. If anything, the most surprising element was just how long values had remained strong during 2022, but the speed of reduction some months ago was brutal. In the past couple of months, many models have continued to stabilise or increase slightly in value as the used market starts to normalise – overall, price reductions for BEVs at 36/60 in August were slightly favourable to both petrol and diesel and September's advantage is set to be at least +1.2%.

Volume will continue to increase in the coming months, but many models already appear very attractively priced following the recent reductions and we expect the rate of used car price falls to continue to slow. Buyer demand in the used marketplace is back to previous levels and although some buyers remain selective, demand is considerably higher than it was a month or two ago and continuing to increase, especially for models at the lower end of the price spectrum. On average, trade prices for the majority of battery electric vehicles are now positioned below conventionally fuelled versions of the same model (where both fuel types are available). This is the case across all ages and by an average of -9.1% at 36/30. Extreme variation in remarketing performance persists; it is still fairly common for performance of individual BEV models against clean to vary between 80% and 120%.

Following the downward movement in prices, nearly new used values for almost all BEVs are now back below cost new but some models still appear to have further to fall, as indicated by our continuing negative editorial adjustments in our forecasts. However, in some cases we have now applied small positive adjustments in the expectation of a modest recovery in values and a realignment against ICE equivalents, or we have not applied the full used value reductions seen to date in our Interproduct reforecasts. Supply and demand for BEVs will continue to wax and wane over the longer term, but electricity prices are expected to continue to reduce, consumers retain the desire to reduce emissions and even in the minority of cases where there is a higher capital outlay, the cost of ownership situation will remain favourable under any sensible charging regime. Despite recent criticisms of the expansion of the ULEZ in London, there is still the prospect of new clean air zones (most recently in Glasgow) and updates and extensions to the existing schemes, further fuelling demand for lower emission vehicles. There are signs that retail prices are now reflecting some of the reductions in trade prices as aged stock is disposed of and these cheaper prices are also likely to further stimulate consumer demand.

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Remainder of the market

As expected, the negative price movement seen over the past few months continued into September and this month the market feels weaker than would be normal for the time of year, with the majority reporting business quieter than planned. We expect to see further reductions in used values for the remainder of the year and only slightly more than typical seasonal patterns. Concerns about stock shortages have been replaced with concerns about excess supply, but the increased new and used car supply is still expected to be broadly matched with core demand from 'needs purchasers' (with these buyers less likely to generate a part exchange). The ongoing cost-of-living squeeze is likely to continue to make itself felt for several more months, but many customers are buying out of necessity and the economic situation impacts on what they buy and not whether they make a purchase.

Interest rates are limiting retail consumer demand due to the cost of borrowing, with used car customers increasingly tending to be cash buyers, having secured cheaper funding outside of the retail network. Those dealers who are offering deposit contributions, combined with relatively low APR rates, are seeing the benefit and we expect this trend to continue. Interest rates are also having an impact on dealer profitability due to increased holding costs and many are expected to continue to run at stock levels considerably lower than they would have been historically, with vehicle values also remaining higher. With base rates staying level this month, the situation is certainly not expected to deteriorate in the near future.

We expect the re-pricing of aged stock to continue and growth in demand to be limited by the cost-of-living squeeze. Increasingly, we expect dealers to be disposing of overage cars, either through auction or within the trade, as they cut their losses and focus on current market opportunities. It is currently very difficult to determine where the market will be in 12 months' time, due to the increases in used car volume being delayed to such an extent that they start to merge into the period of reduced supply from lower new car registrations through the pandemic – we are now three and a half years on from the first UK impacts of Covid-19.

There are ongoing Covid-related impacts all across the supply chain and global supply chains remain fragile. Semiconductor supply remains constrained, but availability for the majority of manufacturers has improved significantly and is expected to result in continued improved new car registration performance through the remainder of 2023. Longer term concerns regarding security of water and power supplies in Taiwan, plus the potential for invasion by China, result in an outlook where chips in general remain in relatively short supply until additional manufacturing capacity comes on stream. Further supply disruption seems inevitable and the timing of that disruption and location of the countries impacted is likely to be impossible to predict, but the level of disruption is expected to be less than seen over the past two to three years.

Prices have continued to soften for many of the elements which had been driving inflation, including fuel, gas and electricity and it is hoped that this will feed through into food prices over the coming months; CPI continues to reduce from the peak. Container prices and shipping costs remain well below their previous highs, but the global inflation outlook remains complex and recent oil price increases have slowed reductions in inflation across the globe. Increases in base rates from central banks, including the Bank of England, are thought to be unlikely to have any significant impact on inflation and appear to have potential to limit growth. We expect continued reductions in inflation in the coming months to be a (direct or indirect) result of lower fuel and energy costs – despite increases in the past month, petrol and diesel prices in the UK remain below where they were last year.

In summary, our view is that:

- Numerous battery electric models have now stabilised following very large decreases in used values in recent months, whereas a small number remain very weak and appear to still have some way to fall, with no common denominator or central theme governing how individual ranges are performing. Many models are now looking excellent value compared to ICE equivalents or competitors and although there is potential for some to increase from their current used value position, we have generally assumed that we will see further deflation in future and have applied negative editorial or future trends adjustments in most cases. There are small positive adjustments for the handful of models which have seen the heaviest falls.

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- The used car market in October is expected to continue to perform close to typical seasonal movements, albeit with a continuation of the differences seen by age, price point and fuel type. Condition continues to be key, with parts availability and refurb capacity continuing to reduce and clean vehicles are expected to continue to perform well. Retail demand will remain constrained over the short term as the reality of the cost-of-living squeeze continues to make itself felt and concerns remain over the impact of increasing interest rates on mortgage costs. Used car volumes will continue to slowly increase in the coming months, as fleets receive replacements for some long overdue vehicles. For most sectors, our short-term forecasts show negative movements for the remainder of the year, now slightly unfavourable to typical seasonality, although dealers are expected to continue paying good money for the best condition cars and for those at an attractive price point for a quick retail sale. Battery electric models are all currently frequently re-assessed on an individual basis for short term forecast, but some are now allocated standard sector movements.
- As mentioned in our customer webinars, the negative economic impact of any potential recession is expected to be outweighed by the reduction in used car supply already guaranteed by the lower new car registrations from the start of the pandemic onwards. Used car prices are not generally correlated with GDP growth, partly because there is a substantial element of core “needs purchases” and also because reductions in consumer confidence and disposable income result in changes of used car buying, rather than preventing it; buyers may turn to older/smaller/higher mileage cars or turn to the used market instead of buying new.
- There are still a significant number of cases where logical relationships have been broken and where nearly new used values are above list prices. These will resolve themselves in time, but values are not expected to go down as fast as they have increased. It is extremely hard to predict how retail demand will progress through the remainder of 2023, especially given the complex economic situation. However, we still expect a gradual market adjustment over the next several months and certainly not a ‘mirrored’ fall from the earlier high point.
- The used value increases on some models have effectively set a new market and may not return to previous levels, but even in these cases we have tended to apply significant negative editorial adjustments during our Interproduct and sector reviews.
- The effects of the new car supply issues (including the semi-conductor shortage) remain varied and subject to frequent change for many OEMs, but most manufacturers are now experiencing significant improvements in supply on many models, which we expect to continue. There remain an isolated number of cases of derivative-specific impacts within the same model range, or individual options which continue to be difficult to obtain.
- One-year-old vehicles will remain in relatively short supply for the foreseeable future. However, despite the prolonged shortages of nearly new stock, the trend until recently had been for three-year-old cars to outperform the one-year-old market and they did not increase by as large a proportion, therefore deflation is expected to be less than for three-year-old cars during the market adjustment. Towards the end of 2023 we expect to see increasing levels of discounts and forced registration activity from the manufacturers, which will combine to restrain the typical positive start to the year in 2024 and limit the scope for used value increases, particularly on newer models and at younger vehicle ages.
- As we move past the final quarter of 2023, we will start to see the positive impact of reduced used car supply as a result of more than 2.3 million fewer cars registered through the course of the pandemic, particularly from fleets.

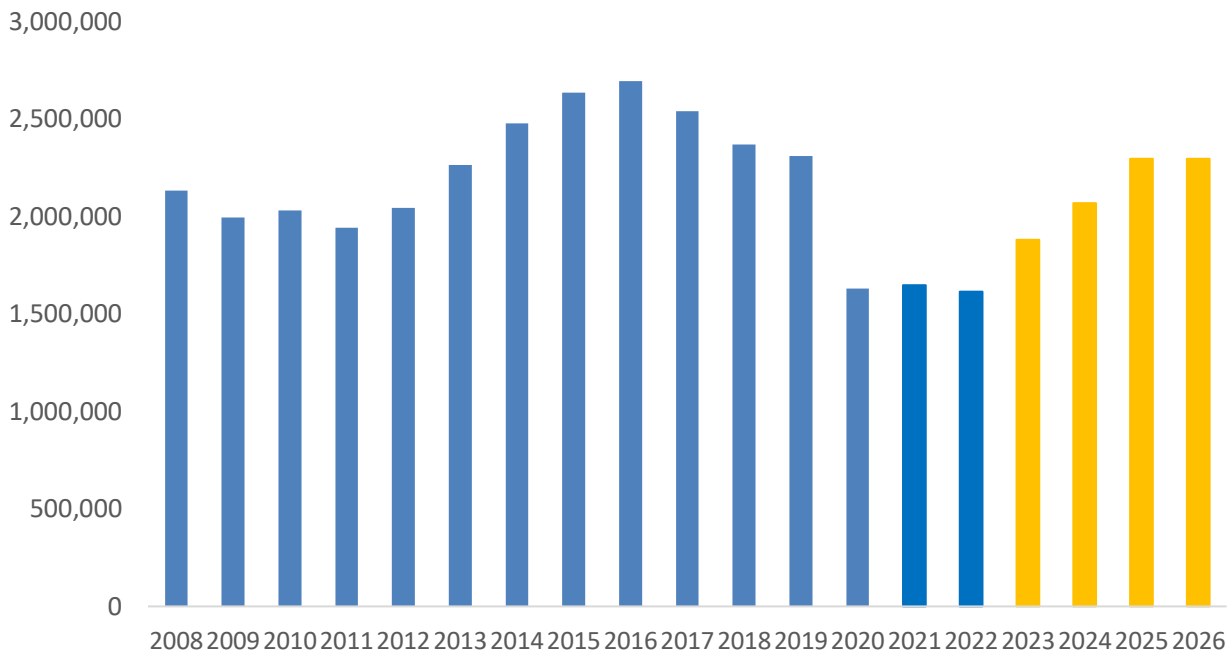
Supply side factors

Our original forecast for 2022 was an improvement to just under 1.9mm. Following the disruption of the key month of March due to the war in the Ukraine, this was again revised down to a fraction below 1.8mm (an improvement of +9% vs. 2021, but -22% vs. 2019), and following further unforeseen disruption, our final forecast for 2022 was reduced to 1.63mm in July, -1.2% down on 2021. The SMMT forecast reduced to 1.60mm in August and was then further reduced to 1.566mm in November. The final new car registration result for 2022 was just over 1.614mm.

Following analysis of this year’s data, our forecast for 2023 increased a couple of months ago from 1.856mm to 1.880mm (up +16.5% vs. 2022, but still -18.7% down on 2019). We expect that registrations will gradually increase to a pre-pandemic level of 2.3 million registrations by 2025 (a year later than previously expected), but not returning to the peaks seen between 2014 and 2018.

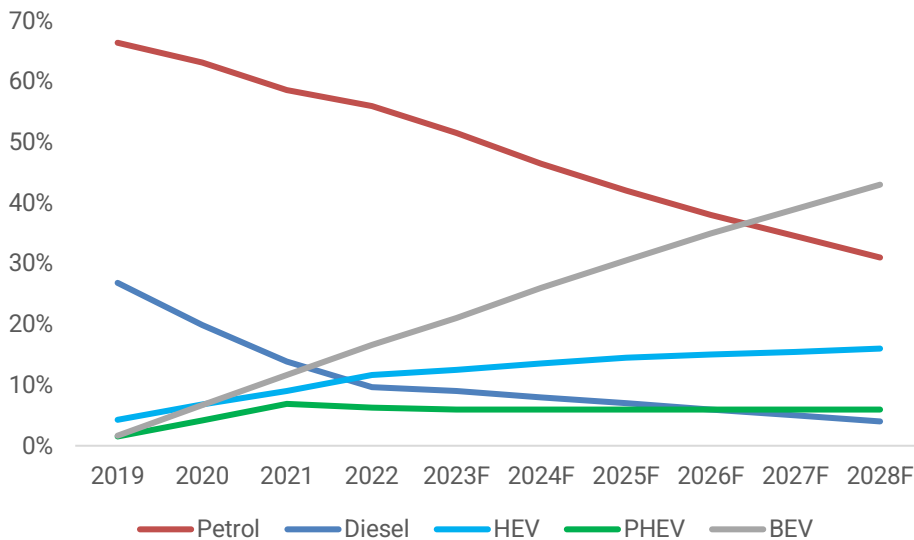
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The chart below shows our latest forecast market share split by fuel type. Petrol and diesel volumes include mild hybrids. The decline in diesel will continue but is likely to slow down since it will remain the right choice for a hard-core minority of drivers and use cases. The timing of the eventual disappearance of diesel from the new car market will depend on when manufacturers cease to make individual models available to the UK market.

Our share split progression is also currently under review, with the main consideration being whether the BEV share needs to be reduced slightly based on the current year's registration data and we await confirmation of the details of the ZEV mandate before finalising estimates for 2024.



Growth will continue to be led by battery electric vehicles (BEVs) which became the dominant AFV type towards the end of 2022 as we expected and is forecast to be the largest fuel type in the market by the end of 2027. Post-Covid driving patterns (shorter and fewer journeys due to the increase of home working and online meetings) are likely to add to demand. The government's proposal to ban new ICE cars from 2030 will also be part of this increase, provided enough vehicle supply is made available and investment in charging infrastructure keeps pace with demand. The main difference to our previous forecast is a reduction in PHEV volume in the outer years as OEMs look to be changing future product plans, in some cases introducing self-charging hybrids to ICE ranges instead of PHEVs to conserve precious battery supplies.

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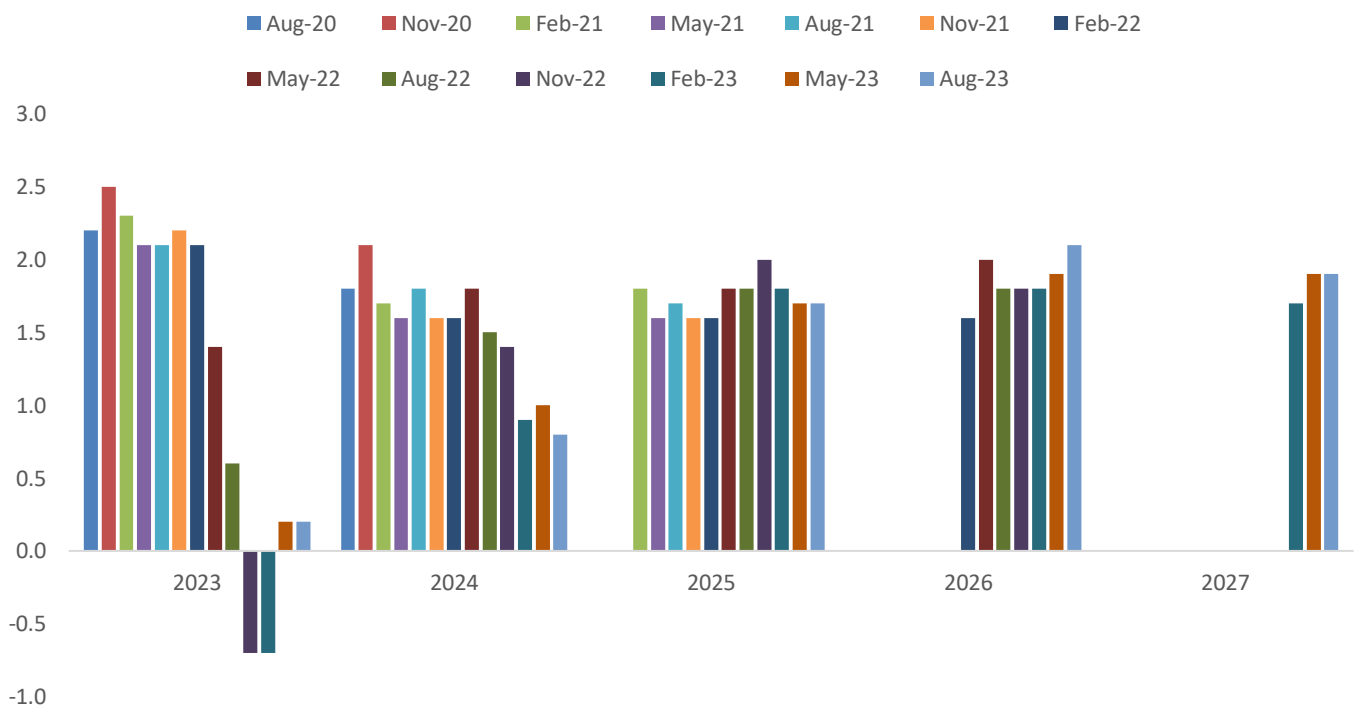
Demand side factors

Latest medium-term independent forecasts for the UK economy were published in August and the new forecasts showed no change in the outlook for GDP for 2023 (+0.2%). There was a slight worsening for the view of 2024 (from +1.0% to +0.8%), and a slight improvement for 2026 (2.1% vs 1.9%), with 2025 and 2027 unchanged. The Bank of England estimate for annual GDP growth in Q3 2023 is +0.8%, but more pessimistic in Q3 2024 and Q3 2025 at just +0.3%, more pessimistic than the outlook had been in May and significantly worse than the independent forecasts.

The new independent forecasts now imply that the short and shallow recession previously suggested will almost certainly be avoided altogether. However, from a practical perspective, it matters little whether the UK officially dips into recession or not; growth will be low by historic standards and a reduction in CPI inflation is a world away from prices actually reducing.

The chart below shows the latest GDP forecasts to 2027, alongside previous forecasts.

Independent GDP Forecasts



There has been a significant shift in views on the future employment situation. The latest independent unemployment forecasts now show unemployment rates increasing throughout the period to 4.8% in 2027 – the May forecasts had been reasonably flat for the next few years and peaking at 4.2% in 2024.

Despite CPI inflation remaining stubbornly high, falling this month from +6.8 to +6.7% (and from a peak of +11.1%), the BoE do not expect it to come back below target until 2025 and the average independent prediction for the end of 2023 is +4.5%. The previous increases were driven by a combination of increased fuel and energy costs, everyday household goods, food and clothing, and ongoing labour market imbalances. Thankfully, base rates remained level and we are likely to be very close to the peak, maybe even already there, although previous comments from the Bank of England inferred further increases. Although they are still forecast to remain low by historical standards, today's ratio of household debt to wages means that serious problems will be caused at a much lower base rate than was true in the past. There are also concerns that raising rates too quickly could make the risk of recession worse, particularly since the persistent high inflation has been primarily driven by energy prices and their indirect consequences, rather than business or consumer behaviour. The number of rate rises over such a short space of time are also potentially fuelling further inflation due to the impact on mortgage costs, also leading to increases in rental

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prices and increasing wage demands, leading to increased business costs being passed on to consumers. The Bank of England's concerns are around wage demands and service costs, although others are worried about secondary effects that are harmful to growth going forward.

The Bank of England survey had previously shown a continued trend for precautionary saving, but they are now factoring in lower level of household saving than had previously been assumed, with amounts built up during the pandemic assumed to now be being spent to fend off the cost-of-living situation.

3. Historic forecast accuracy

Since the introduction of gold book at the end of 2013, we have been able to track the accuracy of historic forecasts against current (black book) values. This tracking is longest for 12-month forecasts (tracked since January 2015) and shortest for 60-month forecasts (tracked since January 2019).

Overall, we are satisfied that accuracy results have generally been within the +/- 5% target agreed with customers, but recognise that results were affected by the unexpected strength of petrol values, which started in 2017 as a result of anti-diesel press, but which fell away since late 2018, as we had predicted. Diesel forecast accuracy has historically been within target, while petrol forecast accuracy fell outside of target during this period of strong values. There was a brief deterioration in accuracy in 2020 when business resumed after the first lockdown and values benefitted from the release of pent up demand, but we were back on target as the market readjusted. In 2021, our historic forecast accuracy was severely impacted by the strength of the used market after dealerships re-opened in April as COVID restrictions started to be lifted. The record-breaking strength in used values on resumption of business (at a time when we would normally expect to see depreciation in each month) resulted in a significant shift in accuracy. For longer forecast durations, this will have an impact for a long time to come.

Therefore, the tracking charts below all show the same general patterns, with the difference to target being less for 12-month forecasts (reforecast most recently); and being more for longer term forecasts (reforecast less recently).

Details are shown below for 12 and 36 months, but all details are available on request.

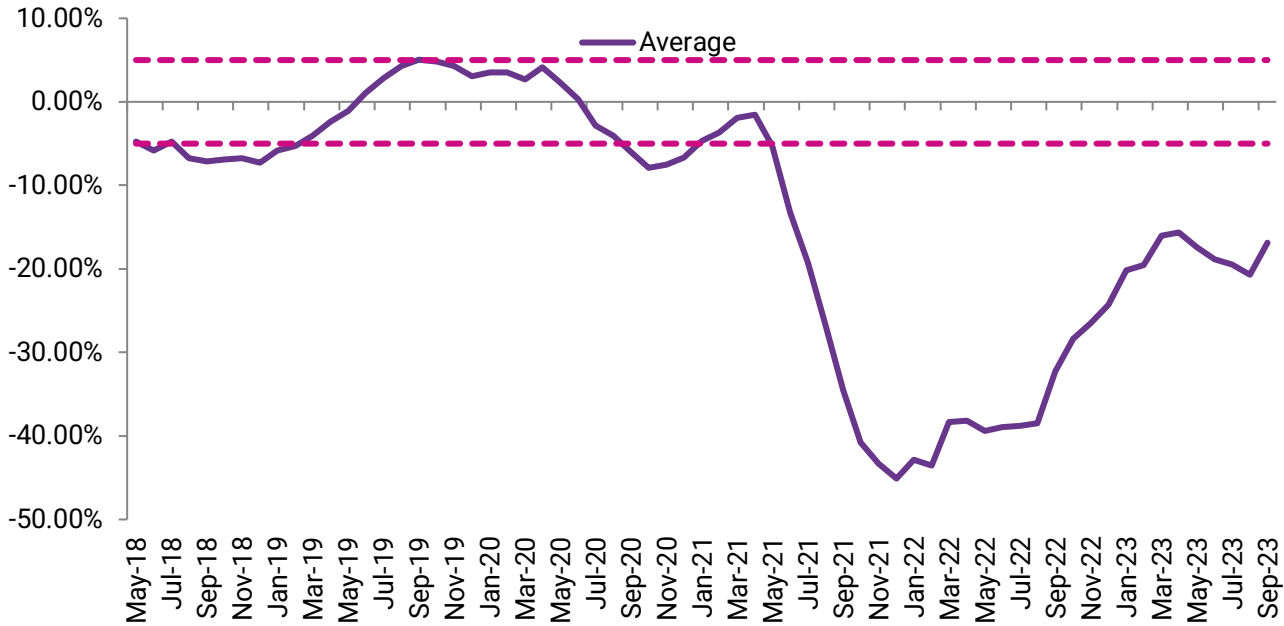
12-month results

Since measurement started our 12 month used forecasts have averaged -8.6% less than used values across all vehicle ids, and the most recent results show September 2022 12/20 forecasts being -16.8% less than September 2023 12/20 used values.

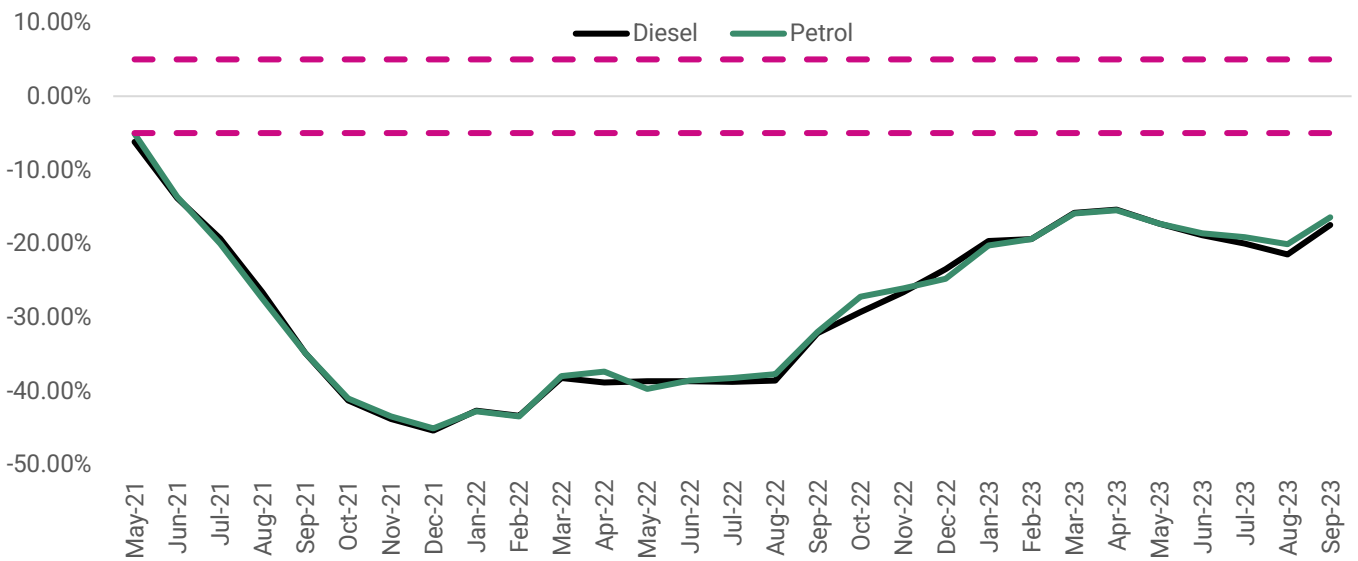
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Overall results:



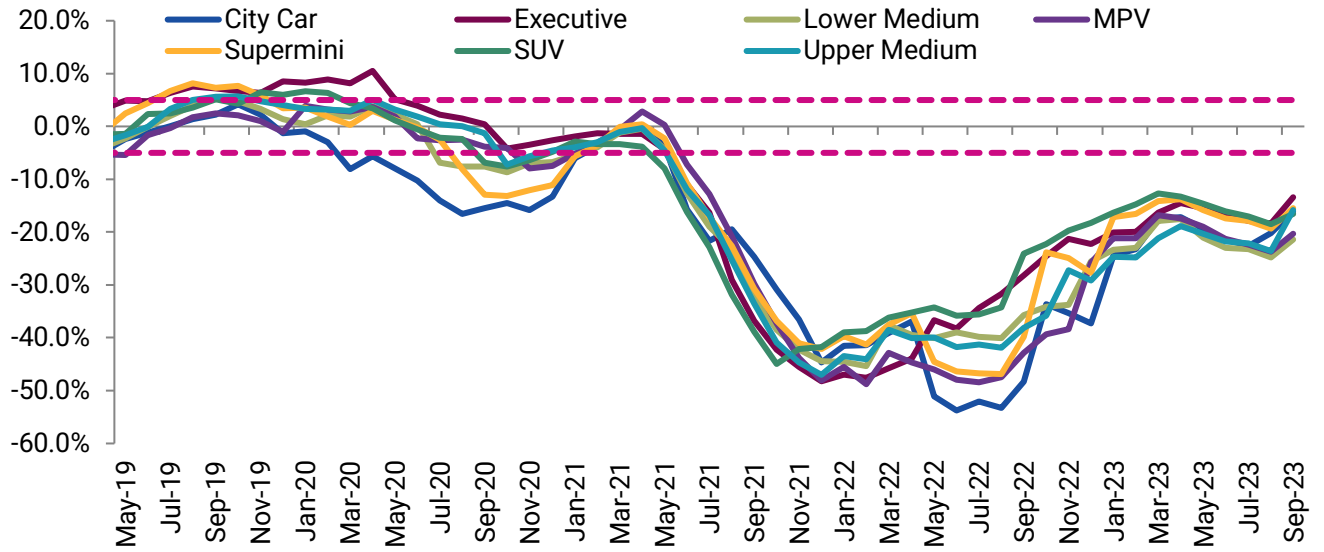
Fuel type results



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Sector results



The most recent results for the main sectors are as follows:

September 23	Average of Diff (%)
City Car	-16.1%
Executive	-13.4%
Lower Medium	-21.4%
MPV	-20.3%
Supermini	-15.5%
SUV	-16.6%
Upper Medium	-15.9%
Grand Total	-16.8%

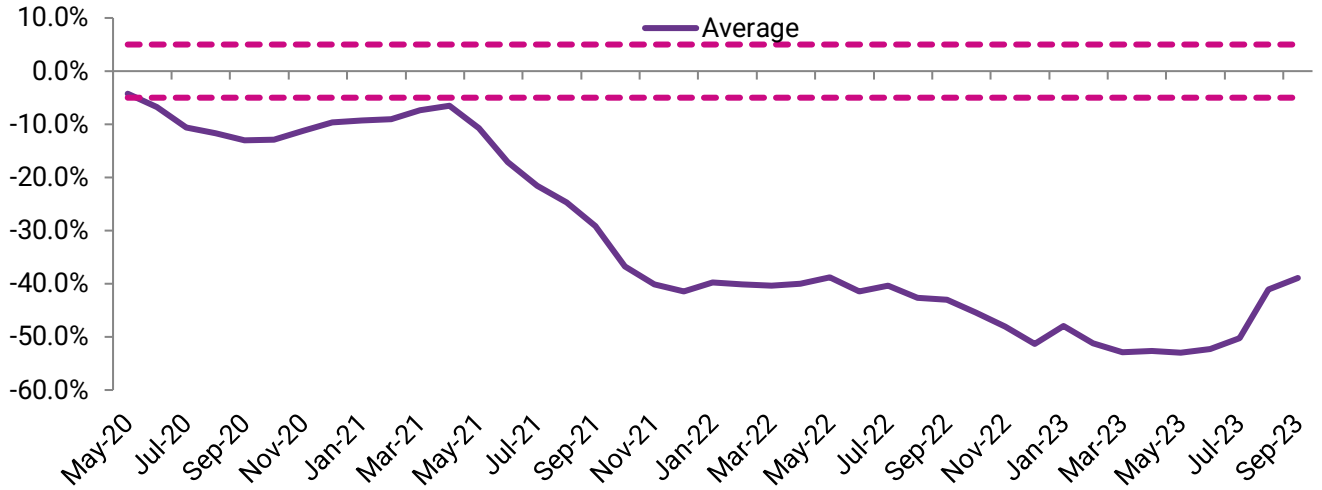
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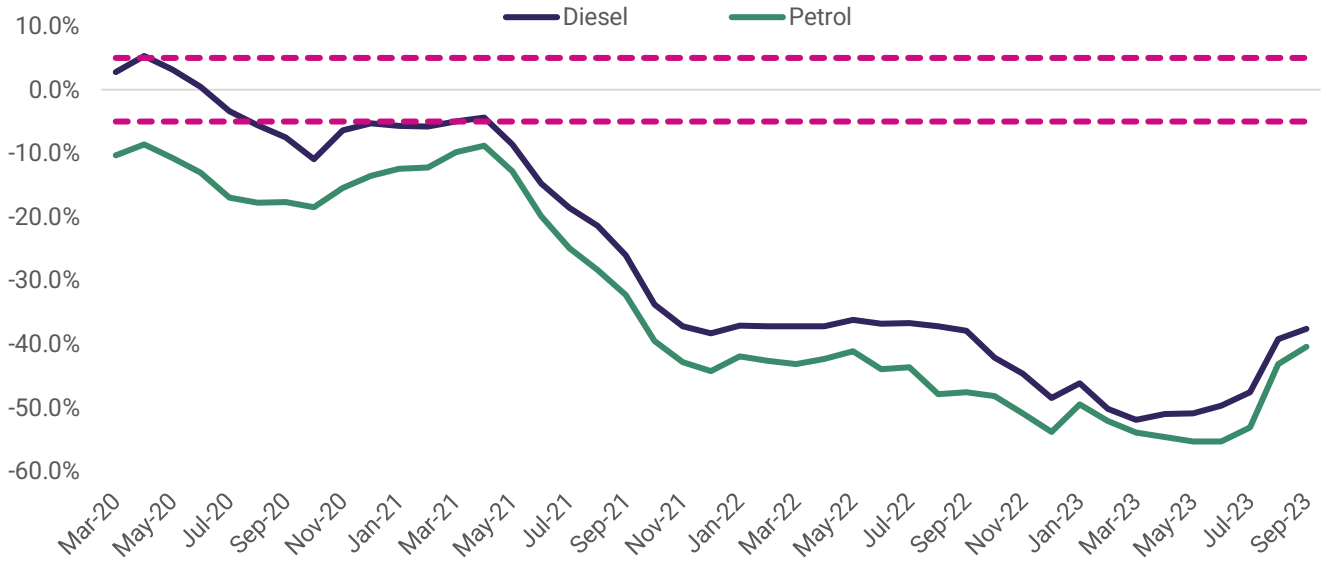
36-month results

Since measurement started our 36 month used forecasts have averaged -17.5% less than used values across all vehicle ids, and the most recent results show September 2020 36/60 forecasts being -39.0% less than September 2023 36/60 used values (unsurprising given record-breaking increases in used values through 2021).

Overall results:



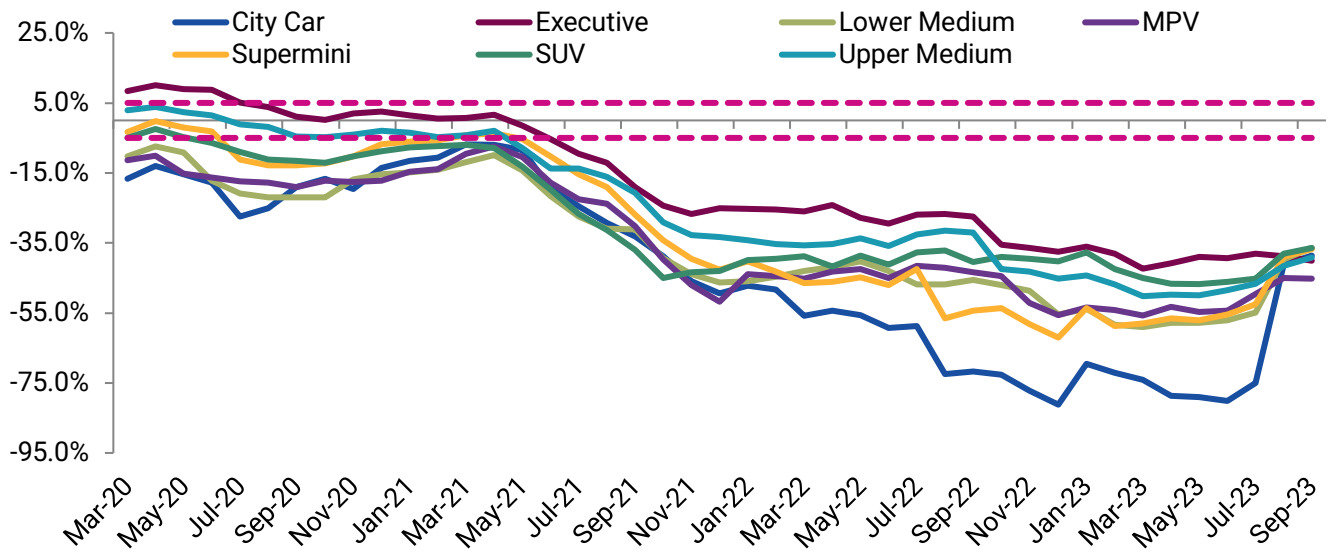
Fuel type results:



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Sector results:



The most recent results for the main sectors are as follows:

September 23	Average of Diff (%)
City Car	-38.7%
Executive	-40.2%
Lower Medium	-36.5%
MPV	-45.1%
Supermini	-36.8%
SUV	-36.5%
Upper Medium	-39.1%
Grand Total	-39.0%

4. Forecast methodology and products

Overview and gold book iQ

Our values take current month used values as a starting point (uplifted for model changes where necessary), are moved forward according to age/sector/fuel specific year on year deflation assumptions regarding future used car price movements and are then subjected to additional adjustments by the Editorial Team. Finally, the values are moved forward by the next month's seasonality adjustments which are differentiated by sector and fuel type and are based on analysis of historical used value movements.

All these assumptions and adjustments are available for scrutiny to our customers through our gold book iQ product: complete transparency in automotive forecasting.

Changes may be actioned wherever there is reason to do so outside of the sector reforecast process and we continue our monthly Interproduct analysis with our used value colleagues exactly as before.

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Short term forecast (0-12 months)

Our short-term forecast product, (covering 0-12 months) was launched in 2014. This is a live, researched product with a dedicated editor and filled a gap in our historical forecast coverage.

Forecast daily feed

In December 2017 we introduced a daily feed of forecasts for new models launched onto the market, so that customers do not have to wait until the next month to receive these forecasts.

Forecast output

Individual forecasts are provided in pounds and percentage of list price for periods of twelve to sixty months with mileage calculations up to 200,000. Each forecast is shown in grid format with specific time and mileage bands highlighted for ease of use.

All forecast values include VAT and relate to a cap hpi clean condition and in a desirable colour. Values are for a "naked" vehicle and do not reflect any added option content.

Parallel imports

Particular care must be taken when valuing parallel imports. Vehicles are often described as full UK specification when the reality is somewhat different. These vehicles should be inspected to ensure that the vehicle specification is correct for the UK. Parallel imports that are full UK specification and first registered in the UK can be valued the same as a UK-sourced vehicle.

Grey imports

cap hpi gold book does not include valuations for any grey import vehicles, (i.e., those not available on an official UK price list)

5. Reforecast calendar 2023/2024

We previously accelerated our calendar of sector reforecasts, to ensure that forecasts for all sectors incorporate the latest views of the future market in this fast-changing environment. The table below shows our revised future schedule of sector reforecasts:

Monthly Product	Sector 1	Sector 2	Sector 3	Sector 4
Nov-23	City Car	Supermini		
Dec-23	Upper Medium	Executive	Large Executive	Luxury Executive
Jan-24	Lower Medium	MPV		
Feb-24	Convertible	Sports	Supercar	
Mar-24	SUV			
Apr-24	City Car	Supermini		
May-24	Upper Medium	Executive	Large Executive	Luxury Executive
Jun-24	Lower Medium	MPV		
Jul-24	Convertible	Sports	Supercar	
Aug-24	SUV			
Sep-24	City Car	Supermini		
Oct-24	Upper Medium	Executive	Large executive	Luxury Executive