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Manheim Reports Strong Finish to 2015 for Used Car Market

Strong Used Vehicle Values in Q4 of 2015 Continue Longest Stretch of Wholesale Price Stability in Index's 20-Year History

ATLANTA – Wholesale used vehicle prices increased in December signifying the sixth increase out of the previous seven months. Illustrating continued strength and stability, this brought the Manheim Used Vehicle Value Index – a measure of wholesale prices adjusted for mix, mileage and season – to a reading of 125.7 in December. This represents an increase of 1.5 percent from a year ago and is the Index's highest level in more than four years.

On an average annual basis, the Manheim Index rose 1.2 percent in 2015, after a 2014 increase of 1.5 percent. In 2012 and 2013, the Index declined by 1 percent and 1.8 percent respectively. These four consecutive years with annual price movements of less than 2 percent represent the longest stretch of wholesale price stability in the Index's 20-year history.

"A variety of macro-economic and industry factors have contributed to the ongoing stability and strength we're experiencing," said Tom Webb, Chief Economist for Cox Automotive. "We also have to give credit to better and more efficient marketing practices that have enabled commercial consigners to anticipate and respond to – and ultimately minimize – impending swings in wholesale pricing."

Despite the recent interest hike by the Federal Reserve and analysts expecting further increases in 2016, it is predicted the availability and cost of retail credit will remain favorable for both the new and used vehicle markets throughout the year. Additionally, a favorable economic outlook and continued job growth have added to both lender and consumer confidence.

Compact cars were once again a weak segment in December in terms of wholesale pricing, while vans and trucks showed continued strength.

Fourth quarter wholesale pricing for vehicle segments included:

- **Compact Car** prices were down 7.2 percent in December from a year ago and continued to underperform the overall market due to fierce price competition in the new vehicle market, as well as shifting consumer preferences.

- **Pick-ups and Vans** – in stark contrast to the compact car segment – were particularly strong due to higher pricing in the new truck market and low gas and diesel prices, with vans representing an increase of 6.2 percent over last year and trucks coming out on top with an increase of 11.8 percent.
- **Midsize Cars** again remain one of the weaker segments, seeing little movement from last year at this time with an extremely modest 0.2 percent gain.
- **Luxury Car** values showed some strength in December, but are down 1.6 percent compared with the same period last year and will likely face higher wholesale volumes in early 2016.
- **SUVs and CUVs** rose a modest 1.8 percent compared with last December, but within that segment full-size SUVs were up a strong 8.1% thanks to lower gas prices and favorable lending and leasing terms.

“To round out 2015, new and used vehicle sales increased for the sixth consecutive year with new car and light-duty truck sales reaching a record 17.5 million,” said Webb. “Also as a proof point to strength in the industry and continued growth, CPO sales totaled 2.55 million, up 9.1%, which made 2015 the fifth consecutive year of record sales.”

Visit Manheim’s [website](#) to access to a variety of company publications, white papers and blog entries.

About Manheim (www.manheim.com)

Manheim is the leading global provider of vehicle remarketing services, connecting buyers and sellers of used vehicles to the largest wholesale used-vehicle marketplace. The company helps dealer and commercial customers achieve results by providing physical and digital auction channels, data analysis, financing, transportation and mobile products and solutions.

Manheim pioneered in-lane vehicle auctions and has been an innovator in both digital and mobile auction platforms. Manheim registers nearly 7 million used vehicles annually, facilitating transactions representing nearly \$46 billion in value. Manheim’s research and consulting arm, Manheim Consulting, provides industry-leading market intelligence and publishes the widely recognized annual Used Car Market Report. The company offers dealer financing through [NextGear Capital, Inc.](#) and transportation services through [Ready Auto Transport](#).

Headquartered in Atlanta, Manheim has more than 20,000 employees in 122 worldwide sites and generates annual revenues of more than \$2.5 billion. A subsidiary of Cox Enterprises, Manheim participates in “Go Green with Manheim,” the company’s sustainability program.

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