6 Aspects of **remarketing & seasonality**

Used-vehicle secondary market price patterns show that auction prices are influenced by seasonal factors. Understanding the concepts below can help you leverage seasonal trends to maximize resale value for your company.

1 Current seasonal price patterns have evolved

The evolution of the market means more complex seasonal auction price patterns. It was previously thought that summer equated to higher prices and that auction prices fell in the winter. However, our remarketing experts reviewed historical annual sales data and discovered new seasonal price patterns that changed due to specific economic factors.

2 Seasonal demand comes from three main factors

You may find a change in demand in the auction lanes due to: (1) tax season when refunds are a source of down payments, (2) weather extremes that limit retail and related auction activity, and (3) times leading up to major holidays that also impact auction activity levels.

3 Supply and demand drives prices

Although demand for used vehicles remains steady, wholesale auction supplies are continually increasing with the influx of vehicles coming off lease. Due to the higher penetration of vehicles in the auction lanes, sales prices are cooling off from the record highs of previous years.

4 Big data leads to seasonal patterns

Pricing patterns occur when data is available and transparent, resulting in links between transactions across auctions and time periods. If these trends are aligned to repeating or calendar-based variables, seasonal trends emerge.

5 Certain quarters yield better results

LeasePlan sales data showed late Q1 and early Q2 auction sales historically realized an average of 5 percent higher price over the annual baseline. On the flip side, Q3 sales resulted in the lowest price with an average sales price around 2 percent below the baseline.

6 Holding vehicles is not beneficial

Alignment of replacement timing does not mean “holding” a grounded vehicle for sale for an extended period of time, as time-only depreciation lowers the vehicle value by around 1 percent per month. It also introduces additional risk into the equation and quickly offsets any seasonal benefit.

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Want more detail on seasonality? Contact a LeasePlan expert at 1-855-588-3677 or online at www.leaseplan.ca.