

## 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.

### Current seasonal price patterns have evolved



The market evolution means more complex seasonal auction price patterns. Previously, summer equated to higher auction prices and prices fell in winter. However, our experts reviewed historical annual sales data and found new seasonal price patterns changed due to specific economic factors.

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### 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.

02

### Seasonal demand comes from 3 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.

03

### 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.

04

### 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.

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### 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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**Need help managing your fleet's remarketing?**

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