

ISSUE 01 2013

CARZONE MOTORING REPORT



Examining Trends in the
Irish Motoring Industry

Carzone.ie
Ireland's Ultimate Motoring Marketplace

CONTENTS

Introduction	03
Key Findings	04
Market Summary	06
Buying Guide	10
Selling Guide	11

In association with

cartell.ie
official vehicle records

INTRODUCTION

Welcome to the first ever Carzone Motoring Report, a bi-annual digital publication focusing on the state of the Irish car market and the opinions of thousands of motorists.

Carzone.ie is not only Ireland's Ultimate Motoring Marketplace with over 20 million visits generating over 900 million page impressions last year, it's also an authority on the used car market. Over 200 million searches for used cars were carried out on Carzone during 2012, which hints somewhat at the buoyancy of the used car market. Our analysts have crunched the vast data into digestible bite-sized chunks for this report.

Some of the analysis in this document was made possible by accessing Cartell.ie's database of vehicle transactions. Cartell.ie was the first company to offer car history checks in Ireland and continues to lead the industry. Its analysts enabled a detailed look at when buyers are most likely to buy (the first Tuesday of every February apparently!) and also at the increasing average age of cars in Ireland.

The final piece of the jigsaw, complementing the cold hard facts, is a motorist survey. We asked 1,308 car buyers a series of questions in a bid to understand how the economy is influencing buying and selling trends. The results make for interesting reading and they combine with the search data and that from Cartell.ie to paint a clearer picture of what's going on in the Irish car market.

As this is the first of such reports you can treat this document as a stake in the ground. To accurately track changes we will be publishing follow-on reports every six months, which will not only allow us to illustrate the progression of the motoring industry, but also perhaps help us predict the future.

We hope you find it as fascinating as we do.

WARREN CRAY
E-COMMERCE DIRECTOR

KEY FINDINGS FROM 2012

Fuel prices, road tax and the cost of insurance are forefront on Irish motorists' minds. However, people are also worried about being able to afford a car at all due to reduced pay and lack of employment.

>> Though most people in the used car market have bought a petrol car in the past year, they expect to buy a diesel next time to reduce fuel costs. This is supported by an overwhelming amount of searches for diesel cars (79.8%) in comparison to availability of these models (51.2%).

For the past three years, the busiest day for searches on Carzone.ie has been the **fourth Monday in January**.

Cartell.ie's data reveals that the busiest day of the year for used car transactions takes place on the **first Tuesday in February**.

>> **Irish car buyers seem to know what they want!** In over 71% of searches on Carzone.ie the make and model has been specified and surprisingly only 18% specify price or price range while 53% specify a year or year range.

2008 was the **most searched for year** in 2012 and remains the most searched for year in 2013.

>> A massive 63.5% of searches on Carzone.ie include the year of the car. During 2012 the most searched for year was 2008, followed by 2007 and then 2009. There's a distinct lack of stock for 2009 due to a collapse in the new car market.



KEY FINDINGS FROM 2012

(CONT.)

>> While new car sales for 2012 were relatively low at 79,498 units, 889,441 used cars changed hands.

The average age of a car in Ireland is 8.25 years - that's up from just 5 years old in 2001, revealing that **motorists are holding onto their cars for longer than ever.**

>> On average, motorists spend €3,745 per year running their car and they expect that to go up substantially in the next decade.

The **BMW 3 Series** is the most searched for car on Carzone.ie, followed by the Volkswagen Golf.

>> Irish motorists like to dream! There are a disproportionate number of searches for exotic sportscar brands such as Lamborghini, Ferrari, Aston Martin and Maserati.



There is some optimism. On average, used car buyers spent €5,000 to €10,000 on their current car, but believe **they'll spend more on its replacement.**

MARKET SUMMARY

FUEL & MOTOR TAX

Our search data, combined with your responses to the survey, clearly shows a desire amongst car buyers to drive down their fuel bills.

The top two financial concerns with regards to running a car are the **price of fuel** and **road tax**.

>> Unsurprisingly that means more people are considering switching to a diesel car - **61.23%** of our respondents feel that way.

>> While searches on Carzone.ie confirm this desire, with **79.8%** being for diesel cars, only **51.2%** of the stock is diesel.

The apparent imbalance has a lot to do with the change to CO₂ emissions-based motor taxation in 2008. This favours efficient models, and diesel engines in particular, so new car sales since then have been predominantly diesel.

>> A telling **67%** of new cars sold between the start of 2009 and the end of 2012 were diesel and the trend increased year-on-year to **74% for 2012 alone**.

Before 2008, VRT and annual road tax were calculated according to engine size which encouraged buyers to opt for small capacity petrol cars.

Petrol cars therefore make up the majority of the fleet. This is backed up by Cartell.ie's data, revealing that only 33% of all cars on the road in Ireland are fuelled by diesel.

TOP BUYING TIP:

While diesel cars are more fuel efficient, most drivers that travel less than 20,000 kilometres per year are better off considering a (cheaper to buy) petrol model. That's especially the case when it comes to really small cars, as they're efficient anyway.



33% of
all cars on the
road are diesel

MARKET SUMMARY

BADGE ENVY

Search data compiled from 2012 clearly shows that Irish car buyers know what they want. The most popular models being a **BMW 3 Series** or a **Volkswagen Golf**.

>> An incredible **71.5%** of searches feature a specific make and model, while **53.4%** specify a year or year range.

Even allowing for the fact that the results can be sorted by various criteria, that's a lot of decisive buyers.

>> The **most popular year is 2008**, with 14% of searches, followed by 2007, then 2009.

Reflecting the poor sales of new cars in 2009, there's a distinct lack of vehicles from that year listed for sale. This appears to be encouraging buyers to stick with 2008 cars, as a brief snapshot at the end of January 2013 reveals that users of the site are still favouring 2008 models over those a year newer.

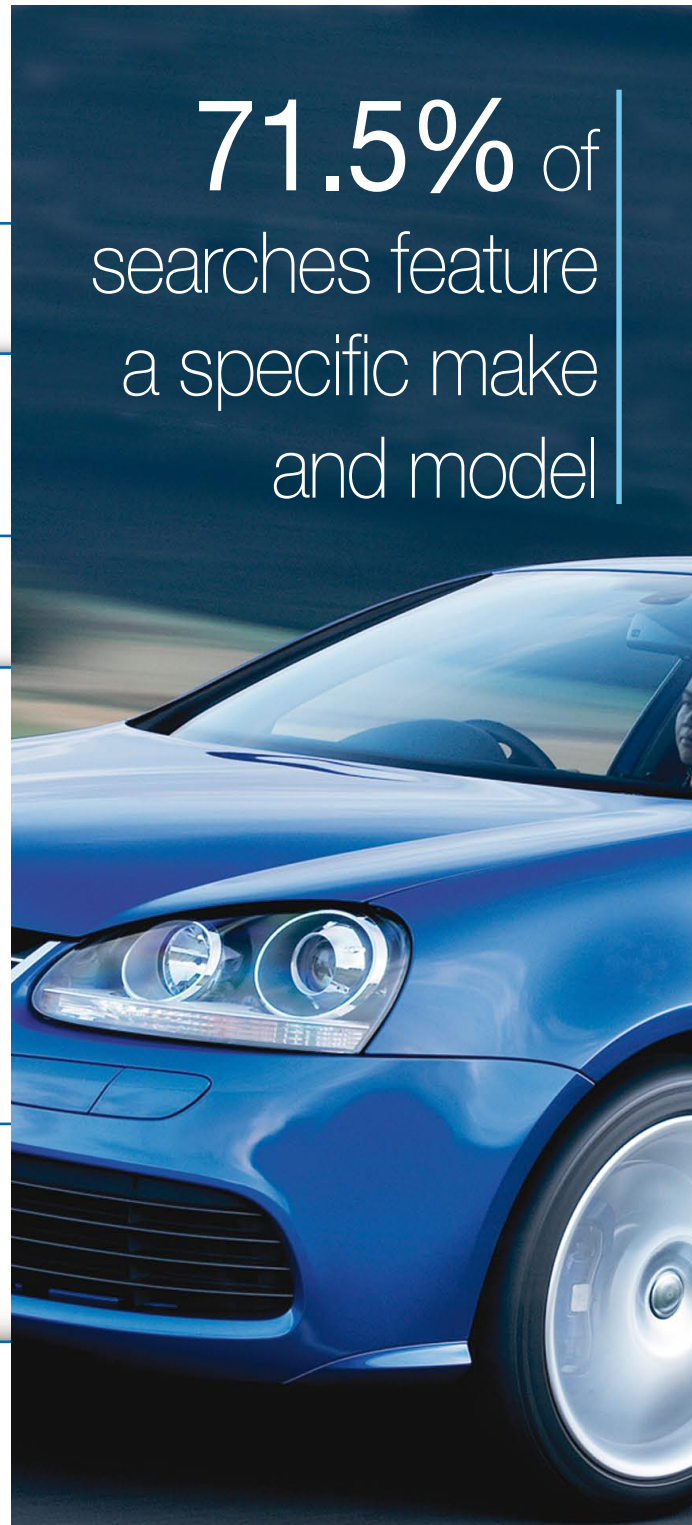
While the premium German brands appear to be getting all the attention in the mass market, Irish buyers seem to have an unerring optimism.

>> Though most of you that bought a used car in the past year **paid between €5,000 and €10,000**, you also state that you expect to spend **twice as much next time** around.

There is considerable interest in exotic brands, with surprisingly strong interest in Lamborghini, Ferrari, Aston Martin and Maserati (in that order).

Needless to say, the stock levels of these cars don't seem to match the 'demand'. While the average BMW or Volkswagen attracts in the region of 250 to 350 searches per month, there are 2,294 searches for every Lamborghini in the database monthly! **Cartell.ie confirms that there are just 17 Lamborghinis registered in Ireland, 71 Ferraris, 115 Aston Martins and 100 Maseratis.**

71.5% of searches feature a specific make and model



MARKET SUMMARY

BUYING HABITS

While new car buyers are keen to have the latest registration plate, hence causing a clear peak in annual sales, you'd expect that used vehicle sales are less predictable.

>> However, analysis of transaction data for the past five years by Cartell.ie confirms that, consistently, the **first or second Tuesday of every February is the busiest day of the year** for used car sales.

Several factors are thought to influence this.

First up, as most new car sales take place in the first months of the year, there's usually good stock of traded-in used models available.

Why Tuesday? Probably because buyers use Monday to sort out payment, raising bank drafts etc.

>> Alongside this, Carzone's own data reveals that the busiest day for car searches every year is the fourth Monday in January.

It appears that buyers are making their decisions quickly. When the search data is further analysed that's perhaps no surprise, as a large number of searches (37%) include make, model and year.

It would appear that Irish buyers clearly know what they're looking for!

TOP BUYING TIP:

Buy on condition, mileage and history over year of registration

4th Monday
in January is the
busiest for car
searches



MARKET SUMMARY

BUYING HABITS

It appears that we don't waste our employer's time by searching during work time.

While searches are quite spread out during the day, there's a clear increase in traffic later on, with a peak between **8pm and 10pm** for desktop users.

>> When they turn their computers off it appears they can't help themselves, as mobile users of the Carzone App and website are at their most active between **10pm and midnight**.

TOP BUYING TIP:

Buck the trend and you could be in a stronger position to haggle on the price. In the week running up to Christmas Day, for instance, few cars are sold.

Most buyers seem to favour trade sellers when they search online.

>> This is backed up by the fact that about 35% of our surveyed users bought their current car from a private seller and 58% bought their current car from a franchise or an independent dealer.

Yet 48% say they'll sell their car privately online.

48%

will sell their car privately online



BUYING GUIDE

Our findings lay bare the facts surrounding the used car market, and while they make interesting reading, they could also help buyers with their next purchase.

Along with the tips provided throughout this document, we've compiled a checklist to help ease the task of buying a used car. Admittedly it can be a daunting experience the first time, and there are pitfalls to be aware of, but for every disappointed buyer there are thousands of happy drivers.

1. FOCUS ON YOUR REAL NEEDS

Do you have a family? Then get a family car. A business person that wants to uphold a professional image? Then choose a compact executive or luxury model. If you need to transport lots of passengers, the practical world of the MPV awaits. Whatever your requirements there is a car out there ideally suited to you and your lifestyle. Talking of which, work out where you will actually use the car, as a model that is naturally at home in the city may not be quite so suited to long motorway slogs.

TOP TIP: CONSIDER A CHEAPER PETROL CAR OVER DIESEL IF YOU DON'T COVER MORE THAN 20,000 KMS PER YEAR.

2. SET A BUDGET - FOR EVERYTHING

It seems obvious, but it's easy to get caught up in the excitement of buying a new car - usually the second most expensive purchase after a house. Becoming irrationally and emotionally attached to a prospective automotive suitor can see you suddenly overspending - so decide on a budget long before you start searching for cars, and stick to it. Remember also that the costs don't stop when you have taken possession of the vehicle - there's insurance to think about for a start, along with annual road tax and maintenance.

TOP TIP: ALLOW A LITTLE EXTRA IN YOUR BUDGET TO COVER AN INSPECTION, CAR HISTORY CHECKS AND MISCELLANEOUS COSTS THAT MAY ARISE.

3. SHOP AROUND

Once you've decided which makes and models would suit both your lifestyle and financial situation, make a short list of examples to actually go and view. If needs be look at 'worse' examples first, as this will give you a good basis to judge which one is the best of the bunch. Compare and contrast with other examples at the same price point and spend some time researching any problems that individual models may be famed for - using anything you find to your advantage.

TOP TIP: IT'S WORTH CHECKING WITH YOUR LOCAL MECHANIC OR FRIENDS TO GET THEIR OPINION OF CERTAIN CARS THEY'VE HAD EXPERIENCE OF.

4. INVEST IN A FULL INSPECTION

An independent expert will be able to look over the car, take it for a drive and offer a full report as to its condition and any future work required. This can be arranged with specialist garages or even the AA, the latter of which will also provide a guarantee. It may not be cheap, usually costing upwards of €250, but offers peace of mind and potential bargaining points for the buyer. If the seller is reluctant to allow an inspection be aware they may be hiding something.

TOP TIP: IF AN INSPECTION REVEALS A POTENTIAL ISSUE, DON'T BE AFRAID TO WALK AWAY FROM THE DEAL. IT'LL BE MONEY SAVED IN THE LONG RUN.

5. DRIVE YOUR CAR

It's important to drive any prospective purchase before handing over money - check to see if the vendor's insurance, or your own, covers this. Drive the car from cold if possible, pay attention to how quickly the engine starts, if there is any smoke, strange noise or wayward handling and braking. Try and drive the car on a typical route for your intended use and make sure there are no fluid leaks and that all electrics are fully working.

TOP TIP: NEVER AGREE TO INSPECT A CAR IN THE DARK OR WHEN IT IS WET, AS ISSUES WITH THE BODYWORK AND WHEELS MAY NOT BE VISIBLE.

6. PLAY THE HAGGLING GAME

Most sellers will have included a small margin in the price so be prepared to offer less than a car is advertised at. Ignore sob stories and don't let emotions get in the way of making the deal - selling and buying a car should be treated as a business transaction. Offer a realistic amount and when you are close to agreeing offer your hand to shake on the deal encouraging the vendor to accept. Leave a small deposit (unless taking it away that day) and obtain a receipt for all financial transactions.

TOP TIP: DON'T BE OVER EAGER IN TERMS OF RUSHING TO SEE A CAR 'BEFORE IT'S SOLD' - THERE WILL BE PLENTY MORE IN THE MARKET.

7. CROSSING THE T'S & DOTTING THE I'S

This is possibly the most important part of buying a car - get this wrong and it could end in tears. Ensure that the VIN (Vehicle Identification Number) matches that on the car's log book and the address is the same as the location of the vehicle itself. It's also worth doing a full history check with Cartell.ie. to make sure the car isn't subject to outstanding finance or an insurance write-off. If it all checks out then fill in the necessary paperwork for the vendor to send off and before you drive the car away make sure you have suitable insurance cover.

TOP TIP: REDUCE THE CHANCES OF BUYING A STOLEN CAR BY ASKING TO DO THE TRANSACTION AT THE SELLER'S HOME AND ASK THEM FOR ID AND PROOF OF INSURANCE.

SELLING GUIDE

Buyers will find plenty of information to help them along, but it's often forgotten that these same motorists are usually selling a car as well, and while it's theoretically a simpler transaction, there's much the seller can do to maximise their car's value.

1. PRICE IT RIGHT

The first thing you'll need to do is price your car correctly. A quick check on the internet to see what similar vehicles are selling for is a good place to start. It pays to know the market and remember, although haggling is part of the process, don't set your advertised price too far above your minimum or you'll get no interest.

2. BE HONEST AND GIVE DETAILS

Make it clear from the outset the exact make and model you are offering, as well as any special trim or specification designation. Modern cars are better equipped than ever before, so prioritise any listed extras – leave out power steering, but mention satnav and air conditioning if fitted. It's also important to mention any remaining NCT or road tax, as well as any recent expenditure, like a cam belt change or new tyres, as buyers will see this as one less future expense.

3. DON'T HURRY THE PHOTOS

A picture can tell a thousand words so make sure your images count. Take photos with a clear background (think sky and grass, not housing estate) and in good weather with plenty of light. Try and keep the sun behind the camera and include a shot of every angle – front, back and both sides – as well as the engine bay, interior and any special features. Ensure your shots are in focus and if there is any damage mentioned in the advert consider showing this as well - there's no point hiding it, as this will irritate a potential buyer that turns up to view the car.

4. PREPARE THE CAR FOR SALE

There's a reason that the cars in professional adverts look immaculate – they've been valeted inside and out. You don't have to go to the expense of having it cleaned by a professional, but you should give it a basic wash before you take any pictures and before a buyer views the car if it has got dirty again. It's important to pay particular attention to the interior, especially if it's a family car subjected to pets or sticky-fingered children.

5. MAKE THOSE FIXES

Things like stone chips or kerbed alloy wheels can really let down a car's appearance, but are usually cheap and easy to sort. If the tyre tread is running low consider replacing them and make sure all of the fluids (oil, water, screen wash) are topped up as necessary. It's also worth gathering all of the car's paperwork together and singling out any larger bills to show that the car has been maintained properly – a large history folder points to a well-looked after car.

6. THINK LIKE A BUSINESS PERSON

Expect lots of questions, either over the phone, email or in person. Make sure you have the facts correct – when does the tax run out, were there any advisories on its last NCT and how many owners has it had? Most buyers will likely want to test drive the vehicle so make sure that either your or their insurance covers them for this – otherwise offer them passenger rides only. Never leave the buyer alone with the car and its keys either and turn the engine off if swapping drivers on a test drive.

7. SEALING THE DEAL

Expect a bit of haggling but be clear to yourself what is an acceptable amount to receive for the car. Other buyers will come along if this one doesn't want to pay your minimum. Make sure you are happy with the method of payment as well, be it cash on collection, cheque or bank transfer. Ensure all funds have cleared before you release the car. It's wise to write a receipt for both the buyer and seller, signed by both, and fill in all the official paperwork, sending off the relevant parts and informing your insurance company that you have sold the car to another party. We'd advise you to ask the buyer for ID.

CARZONE MOTORING REPORT

