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CARZONE MOTORING REPORT



Examining Trends in the
Irish Motoring Industry

Carzone.ie
Ireland's Ultimate Motoring Marketplace

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Introduction

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

With over 100 million searches for used cars carried out in 2014, Carzone.ie remains at the forefront of bringing high-quality used cars and happy buyers together. Carzone.ie is not only Ireland's Ultimate Motoring Marketplace with over 20 million visits last year, it's also an authority in the used car market and the search data allows an incredibly detailed look at buying trends.

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 data reveals that there were more than a million used vehicle transactions in 2014 and there will be even more in 2015.

Complementing this was a survey of 1,404 Irish drivers of all ages and backgrounds. We asked them to tell us about their car buying and selling preferences, how they feel about the economy, what their biggest financial worries are and, for this report, when and how they learned to drive. The answers are encouraging in many ways, though the lack of interest in ongoing driver assessment is worrying given the number of collisions and deaths on our roads still.

To add a bit of fun to the survey we asked users to tell us what fun and/or embarrassing things they've gotten up to in their cars. The answers ranged from stern and serious to downright outrageous, but they're highly amusing - and yet they also help paint a picture of the Irish motoring landscape, one that nobody else has managed to do in such detail.

There's no doubt that there's buoyancy in the car market now in Ireland, both from a new and a used perspective. We'll continue to monitor the trends.

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KEY FINDINGS

The key findings from the last six months of 2014 and the first quarter of 2015



01 Used car transactions topped one million for the first time in 2014.

02 The Volkswagen Golf remains one of the most important models to the Irish market.

It's the most searched for car on Carzone.ie overtaking the BMW 3 Series.

It has been the best-selling new car in Ireland since 2013.

03 Nissan's Qashqai model is gaining in popularity, jumping up three places to the seventh most searched for car on Carzone.ie. The Qashqai was the second best-selling new car in Ireland for 2013 and 2014.

04 While 2008 is still the most searched for model year, data from the first quarter of 2015 reveals that nearly as many site users are interested in cars that are just three to four years old.

05 Colour preferences have not changed in the past three years, with black by far the most searched for colour on Carzone.ie .

06 The top three financial concerns of Irish motorists when it comes to running a car are fuel costs, road tax and insurance costs. This has not changed in three years and is reflected in the continued popularity of diesel cars.

07 Motorists are spending 3.5% more on their cars running costs now than they did in 2012 and a considerable 64% expect that to rise further in the coming decade.

08 The new car market is buoyant. With 96,282 new cars registered in 2014 the market jumped 29% and figures for the first quarter of 2015 reveal another 29% gain.

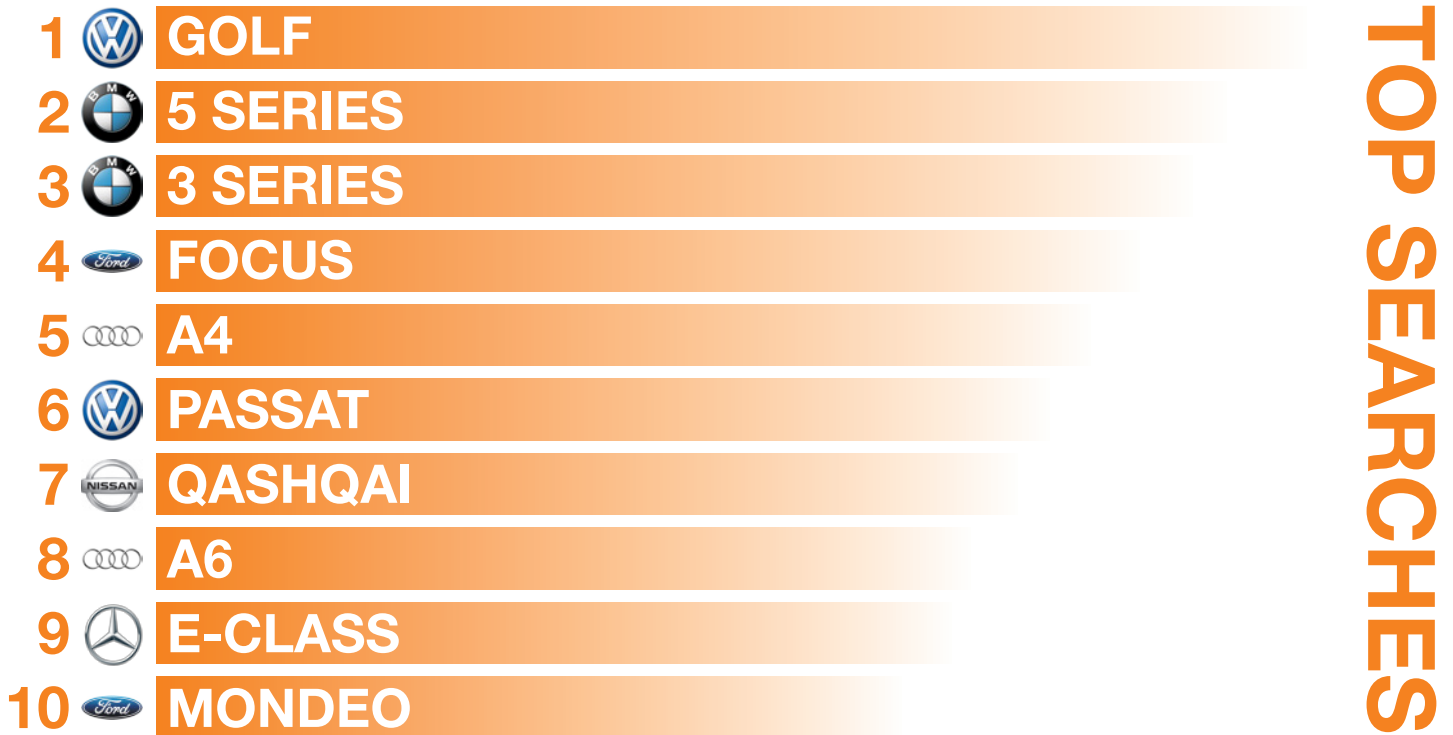
09 A total of 89% of Irish drivers have learned to drive by the age of 24 though 43% claim to have learned by the age of 18.

10 Most learner drivers are taught by a qualified driving instructor (41%), while parents are responsible for teaching 30%. Despite that, a considerable portion (13%) teach themselves how to drive.

11 According to Cartell.ie, 2015 could be a bumper year for used car transactions. Based on the rate for the first quarter, the total for the year could exceed 1.2 million.

12 Although marginally more used petrol vehicles changed hands in 2014 (51%) than diesel, those importing vehicles clearly favoured diesel, as it accounted for 83% of imports. This shows a clear imbalance in the supply and demand chain for good diesel used vehicles.

Stability rules the roost for car buyers



It's clear from delving into the Carzone.ie search data that buying and search habits have stabilised over the past year with very little obvious deviation in search patterns. Saying that, there has been an increase in overall searches on the site, revealing that more people are considering buying a car as the country obviously moves further away from recession. This is supported by Carzone.ie's transaction data, revealing that a massive million used car transactions (1,048,541) were carried out in 2014 for the first time.

Within the site search data we discover that the most searched for car on Carzone.ie is the Volkswagen Golf, as it has been since it overtook the BMW 3 Series back in 2013. At the start of last year we witnessed the larger 5 Series also moving up the popularity charts above its 3 Series relation and that trend remained until the end of 2014 and into the first quarter of 2015.

But below the top three there appear to be changes afoot for 2015 - if the data from the first few months is anything to go by. The Ford Focus displaces the Audi A4 from fourth spot, while the Audi A6 is demoted from sixth in 2014 to eighth in 2015. That's partly due to an increase in the number of searches for the Volkswagen Passat (moving it up a place to sixth and likely to be due to the arrival into Ireland of an all-new model at the start of the year), but more significant is the jump in popularity of the Nissan Qashqai, moving from 10th spot at the end of 2014 to an impressive seventh position. Notably, the Qashqai is also the third best-selling new car up to the end of March.

Other changes in the top 20 include a three-place jump for the Ford Mondeo to 10th (again probably sparked by the arrival of an all-new model in the showrooms) and a four-place jump to 12th spot for the Skoda Octavia. Curiously, the BMW X5 managed to

sneak into 20th place for the last six months of 2014, but it's back down in 30th place now again and the only full-sized SUV in the top 20 is the evergreen Hyundai Santa Fe. Saying that, the Land Rover Discovery makes an appearance in 21st place, followed by Kia's Sportage - which seems to be gaining popularity with age.

We've not seen a change in the top six searched-for car brands in a while, and while all was stable at the end of 2014, Volkswagen overtook BMW for top spot in the first quarter of the year, with over two million specific searches for Volkswagen cars. BMW was in second followed by Audi, Ford, Toyota and Mercedes-Benz. Hyundai overtook Opel for eighth place, while Skoda, Honda, Renault, Mitsubishi and Lexus all gained in popularity.



TOP TIP:

Don't follow the herd in terms of colour or car choice and you could find yourself in a stronger bargaining position.

Since Carzone.ie started compiling these motoring reports in 2012 the most searched for model year on the site has been 2008, the year Ireland's car tax system moved over to emissions-based ratings. We initially expected the popular year to move forward gradually, but up until the end of 2014 there was no change, as buyers were keen to move into the new taxation system, but clearly on a limited budget. This is supported by answers from our survey respondents, as, of those that had bought a used car in the past six months, 34% went for a car that was between five and ten years old. However, our site search data from the start of 2015 indicates that change may be on the way - in line with optimism

in the economy in general. The most searched for year in the first quarter of 2015 was still 2008, but crucially it was only marginally ahead of 2012 and 2011, indicating that site users are now considering three- to four-year old cars once more.

One thing that shows no sign of changing is the colour palette on Irish roads, as black is, overwhelmingly, the most searched for colour across the board. It accounted for just over 24% of all colour searches for the last six months of 2014, a full 10% more than the next most popular colour - white. As before, silver, blue, red and grey take the runner-up spots. Looking at it on a model-by-model basis there is evidence

that white is gaining ground, as there were nearly as many buyers searching for the BMW 5 Series, Volkswagen Golf, Audi A4 and Audi A3 in white as there were in black, while those interested in the Mercedes-Benz C-Class and Opel Insignia actually favoured white.

There's surprising uniformity even across the counties, with just a few anomalies. Site users in Cavan and Laois, for example, favour blue for their cars; Monaghan motorists like white; red is the most popular colour in Leitrim and Sligo; and those in Carlow and Wicklow put silver above black on their wish list.

What are your motoring concerns?

Site search data is all well and good, but there's nothing like hearing from our users, which is why the survey is so invaluable. This time around we received 1,404 entries within the allotted time and as ever the data is illuminating. One of the first things to jump out at us from the responses was the shift to diesel. Now in one way, that's not surprising, as there's been increased focus on diesel power since 2008 to reduce emissions of greenhouse gases - and some 70% of the new car market is now diesel. On top of that, our users have told us they want to keep costs down and are interested in diesel. But this is the first time that more of our users that bought a used car in the past six months went for diesel over petrol. We expect that

balance to firmly tip in the favour of diesel over the next few reports.

Backing that theory up, the top three financial concerns of our survey respondents when it comes to running a car are fuel costs, road tax and insurance costs. This hasn't changed in the past three years and will continue to drive sales towards diesel cars for some time to come. Saying that, when we asked our respondents why they sold their car, the majority (45%) said they just wanted a change - while only 19% indicated it was to reduce costs. Most motorists opt for part exchanging their car (47%), with just 29% sell privately online. Some 65% said they chose their selling method to save time, clearly prioritising

that above getting a good price, as only 19% of respondents prioritised that. In contrast, 36% of sellers said the biggest obstacle was not getting the price they wanted.

Finally, we asked our users how much they spend per year on running costs - including insurance, tax, fuel, repairs and servicing. The average figure came out as €3,878.90, up from €3,744.64 in 2012. A massive 64% of respondents expect to spend more on motoring in the next decade and they have fears that those trying to afford a car in two years' time will struggle with the cost of the car first and foremost, closely followed by fuel costs.



TOP TIP:

Make sure you know the cost of insurance and tax before you commit to buying a car.

How's the new car market doing?

Car dealers and manufacturers are smiling again as new vehicle sales surge ahead. Last year, new car sales finished up at 96,282 units, up 29% on the year before and an encouraging sign for things to come. Not only that, but commercial vehicle sales also bubbled, often taken as a more important barometer as to how the economy is doing.

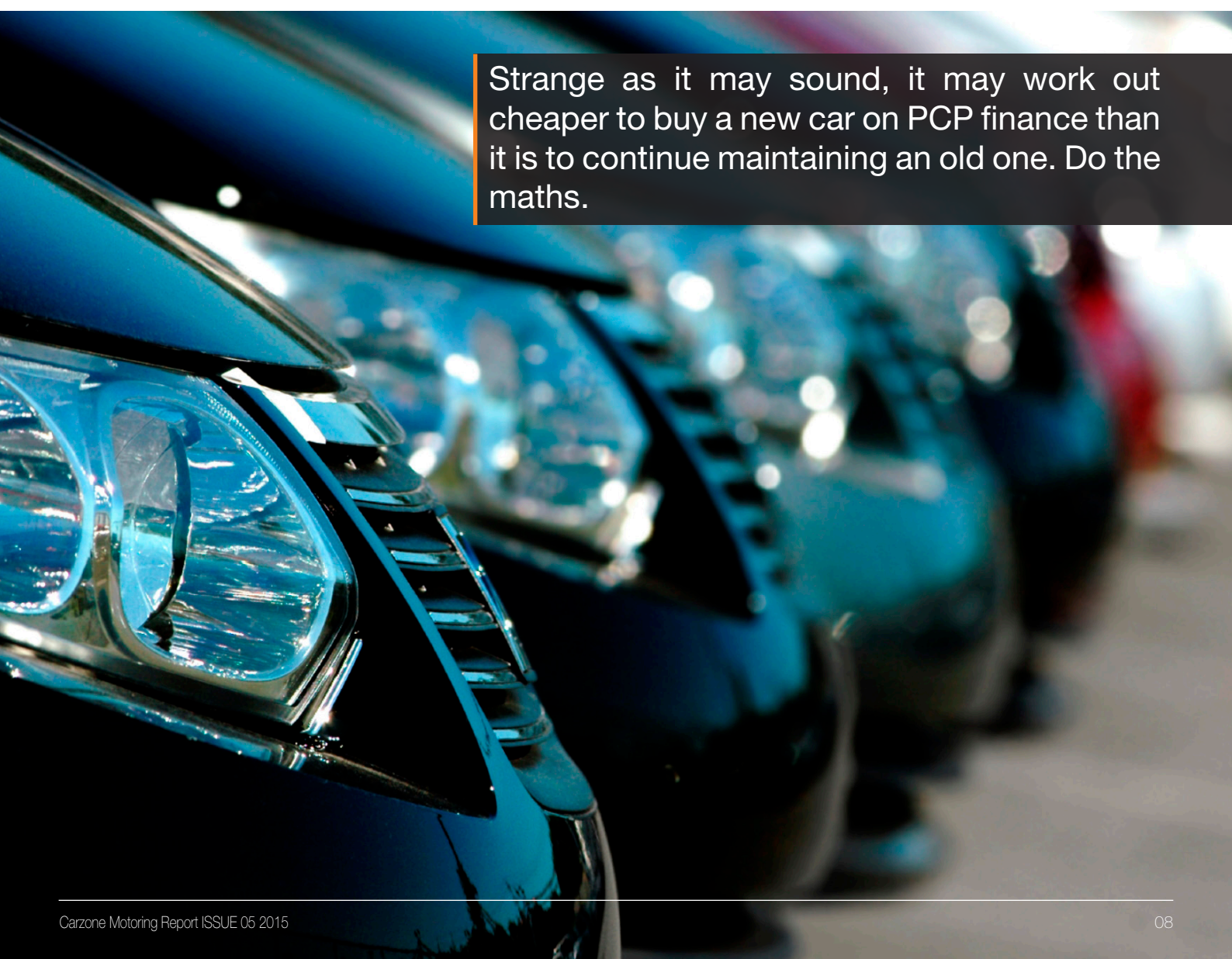
Comparing the first quarter of this year with that of 2014, things are looking rosy, as with 64,538 registrations already in the bag, the numbers are a further 29% higher

than the same period last year. Many are predicting a bumper year, well in excess of 100,000 cars - if not quite at the dizzying heights of 2008, when 151,444 new models were registered.

Top of the new car sales charts is the Volkswagen Golf, accounting for 5% of the whole market. The Ford Focus, launched in considerably enhanced format in the New Year, isn't far behind in second place, while the Nissan Qashqai, Toyota Corolla, Skoda Octavia and Ford Fiesta round out the top six. Naturally, sales of all of these are up on the same period in 2014,

but only the new Volkswagen Passat and Toyota Yaris are outperforming the overall sales increases in percentage terms.

Reflecting renewed investment in petrol engine technology, it seems that petrol power is slowly coming back into favour among new car buyers. It's a subtle shift for now, but the share of new cars sold in the first quarter of 2015 was 28%, up from 25% for the whole of 2014. Hybrid and electric cars also increased their market share, but the gains are tiny still.



Strange as it may sound, it may work out cheaper to buy a new car on PCP finance than it is to continue maintaining an old one. Do the maths.

Our first time in the driving seat...

The theme of this year's survey was learning to drive. We asked a series of questions to help us paint a picture of the learning experience for our users. First up was the age we learned to drive at. As a nation, we don't hang about, as 89% of motorists learned to drive before they were 24, though the majority (a claimed 43%) said it was before the age of 18, which is impressive. Unsurprisingly, most were taught by either a qualified driving instructor (41%) or a parent (30%), though an eye-opening 13% of respondents say they

taught themselves to drive. While we associate learner drivers with really small cars, it turns out that more learned how to drive in family cars in the Volkswagen Golf class, at 35%.

Irish motorists should be proud of the fact that 63% of you passed your driving test the first time - and 91% within two attempts. Just five of our respondents took five or more sittings to obtain their licence, while a worrying 20 indicated they don't remember how many times they tried.

It seems there's little or no appetite for continuing driver testing and assessment. A massive 87% of respondents have had no further training or instruction since they passed their test and when asked if drivers should be periodically retested throughout their lives the majority (40%) suggested that no further testing should be done.

89% of motorists learned to drive before they were 24

43% claim to learned to drive before they were 18

41% were taught to drive by a qualified driving instructor

63% passed their driving test first time

TOP TIP:

The rules and regulations for obtaining a driving licence has changed in recent years. Consult with the National Driver Licence Service to ensure you know the process.

Trends in used car transactions

Data provided by the vehicle history experts at Cartell.ie reveals an extremely high level of activity in the used car market for 2014 and an increase again for the first quarter of 2015. The headline figure is over one million used car transactions in a year for the first time - counting the 12 months of 2014. While a transaction is defined as a vehicle sale, be it dealer-to-dealer, dealer-to-private or private-to-private (and includes all vehicle types and tax classes), the increase is highly significant and the numbers for the first quarter of 2015 are even more encouraging for the industry.

Up to the end of March, some 303,754 used vehicle transactions were recorded. If that rate continues throughout 2015 then we're in for a record 1.2 million transactions.

The greater Dublin region accounts for nearly a third of all transactions, at 317,018 during 2014 and hatchbacks make up 40% of all the transactions.

A considerable 70,295 vehicles were imported in 2014 and despite a strong Pound vs. the Euro, the rate of imports for the first three months of the year is at a similar level. It's thought that extra demand in the used market is outweighing the poor currency exchange rate. Interestingly, while marginally more petrol vehicles changed hands in 2014 (51%) than diesel, those importing vehicles clearly favoured diesel, as it accounted for 83% of imports.



Our favourite driving moments!

For the first time in our survey we threw in a couple of wildcard questions, intended to get more personal responses from Irish motorists, to help us understand the Irish motorist in more depth. The level of response was overwhelming. Over 1,300 survey respondents told us what was the most fun they had ever had in a car and it's a shame there isn't the room to print all the answers here, as it's highly entertaining. They can be split into several distinct categories. The first we'll not label, but here are a few of the quotes:

"Driving to Clare from Cork with my girlfriend, the engine overheated a few times on the way. When left it cool down we were able to drive further. Fun times waiting for it to cool down..."

"That would be unprintable."

"Lowering the passenger seat..."

"Courting"

"Getting frisky with my husband and being caught by the guards!"

"You would have to ask my wife that one!"

It seems a considerable number of Irish people have 'courted' in their cars!

A massive number of people recalled great trips with family and friends and clearly time spent in the car with other people is considered quality time - and not just on holiday. Here are a few great quotes:

"Driving to see Munster win a Heineken cup in Cardiff."

"Bringing back my little daughter from her first day in play school. She never really talked before that day, and she never stopped after that."

"Had an unreliable car. Had a deck of cards

and blanket and radio. Every time I broke down we sat on the side of the road playing cards until the car was fixed. Met some lovely people. God be with the days."

"Driving on a Beach in Donegal with friends on a lovely summer's day. My seats got ruined with dripping ice cream cones and crisps but everyone chipped in to clean up next day... Totally worth it."

"A few weeks ago went on a road trip to Athlone but went on the wrong road nearly got to Cork. Four of us never laughed so much and we got talking about 50 Shade of Gray and it went downhill from there."

We also asked people what's the most embarrassing thing that has ever happened to them in a car. A lot of the answers tie in neatly with our 'learning to drive' theme, as they involve stalling the car, not being able to select first gear, selecting reverse instead, flooding the engine, etc.

Our favourite is this gem: "When I was doing my test, my instructor went to close his door and the handle came off in his hand. Luckily he laughed about it but just made me more nervous driving him around!"

Others involve driving blunder that caused damage and not just embarrassment:

"Rolling backwards and running into another car but thinking they ran into me."

"Took my eye off the road and went into the car in front of me."

"Clipped a mirror when I was overtaking in traffic."

"Reversed into fire engine that was parked with lights flashing."

"Crashed in to a school bus. All the kids were laughing at me out the window."

But there are plenty of humorous answers that we can all cringe at:

"The roof on my first car leaked when I turned to the left when it rained, but only on the passenger side. So picked up my new girlfriend at the time to head out one night and it lashed rain and I was turning left a lot and she got drowned. This relationship did not last long as you would expect."

"I hit my face off the window trying to look for oncoming traffic."

"Breaking down at a toll booth on the Autostrada in Italy, in August (holiday time) causing a 200-car tailback..."

"I was pulling out of a parking space when I saw a very attractive young lady who started pointing at me and smiling. I wasn't sure if she knew me or why she was doing this so I stopped the car thinking (or hoping) she might have been interested in chatting to me. She was interested in chatting to me alright... to tell me that I had left a litre of milk, some bananas and a chicken curry on top of my car while I proceeded to drive away! Oops!"

"Driving on a Garda's foot at a random check point. Thankfully he was ok and saw the funny side."

"Getting pulled over for speeding and I was wearing a fancy dress outfit... tarts and vicars and I wasn't dressed as a vicar."

"Had extension ladder resting on the dash and protruding out the back of my estate. I carefully reversed car towards garage wall using my wing mirrors, forgot ladder was in car and put ladder through windscreen. (To think I clicked for people not to be retested in earlier question)."

Buying Guide

To complement 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. Even if you're an experienced purchaser of used cars it's worth brushing up on your knowledge.

1. NARROW DOWN YOUR REQUIREMENTS LOGICALLY

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. And if you need to transport lots of passengers, the practical world of the MPV awaits. Whatever your needs there will be 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: estate cars are often overlooked in favour of more expensive SUVs and MPVs, even though they regularly have more space.

2. DO YOUR SUMS

It seems obvious, but it's easy to get caught up in the excitement of buying a car and then forget about another cost. 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 for a start, along with annual road tax and maintenance.

TOP TIP: budget for a car history check - it could be the best money you've ever spent.

3. TAKE YOUR TIME TO DO THE RESEARCH

Once you've decided on the types of car that would suit both your lifestyle

and financial situation, make a short list of makes and models, search Carzone.ie for the ones you like the look of and then go and view as many as possible. 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, but be wary of throwaway comments by people that may not be speaking from personal experience.

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 they may be hiding something and our advice is to look for another car.

TOP TIP: if an inspection reveals a potential issue, don't be afraid to walk away from the deal, no matter how much you like the car. It'll be money saved in the long run.

5. TEST DRIVE THE CAR FOR AS LONG AS POSSIBLE

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 unusual smoke from the exhaust, strange noises 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 the electrics are fully working. Don't be fobbed off by the seller either.

If something isn't right and the seller doesn't want to sort it out then walk away.

TOP TIP: don't turn on the stereo in the car when you're test driving it as it'll drown out any unwanted noise from the suspension and engine.

6. DON'T BE AFRAID TO HAGGLE

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 and you're not there to make a new friend. 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 on the market.

7. DO THE BORING PAPERWORK PROPERLY

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 identification and proof of insurance.

Selling Guide

Buyers will find plenty of information to help them along, but it's oft forgotten that these same people 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 and speed up the process.

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 examples 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. Be wary of benchmarking your car's value against those offered by dealers, as they usually charge a little more to include warranty cover etc.

2. BE HONEST AND GIVE DETAILS

Make it clear from the off 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, but your shadow out of the frame, 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 advertisement 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 advertisements 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 young 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, brake fluid, etc.) 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, was 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 identification too and perhaps have a friend or family member along as a witness.

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