

# Q A R

**Quarterly Automotive Report**

Issue 1 | Q1 2024



**PicklesCars**



# Contents

Pickles remains firm leader	3
EVs doubled YoY	13
Utes leading COVID recovery	21
Hybrid resale hero?	27



# Pickles remains firm leader

## Overall used car values remain stable despite supply booming

The concept of supply and demand generally means that as supply grows, it doesn't necessarily correspond with demand, and pricing drops accordingly. However, Pickles' results for the first quarter of 2024 serve as a reminder that there can be more to that story.

As Australia's leader in asset remarketing across cars, trucks, industrial, and salvage, Pickles continues to eclipse the volume of its competition by at least 40 per cent in all major asset categories. This scale means Pickles is in a privileged position to bring clients the rawest of market intelligence and deep data analytics.

This first quarter shows a lot of promise for the months to come, on the back of a strong 2023, as the Australian automotive industry continues to normalise following COVID-related challenges.

## Pickles supply booming

The first quarter of 2024 was a key indicator of recovery, which saw more vehicles supplied to Pickles than any other quarter in the post-COVID era. This inflow totalled 17,110 vehicles, which also represents a gain of 20 per cent year-on-year, and the highest volume in four years. Within this outright supply growth was a 41 per cent uplift in the combined Fleet and Government segment.

Based on this first quarter success, Pickles expects to return to pre-COVID volume of 7,000 vehicles per month near the end of 2024, and is targeting 8,000 vehicles per month. Twelve months ago, a return to peak was expected mid-2025, but this early 2024 success has exceeded expectations.

In fact, SUV supply managed to return to pre-COVID levels at the end of Q3 2023, and by the end of Q1 2024 has climbed 10.4 per cent again.

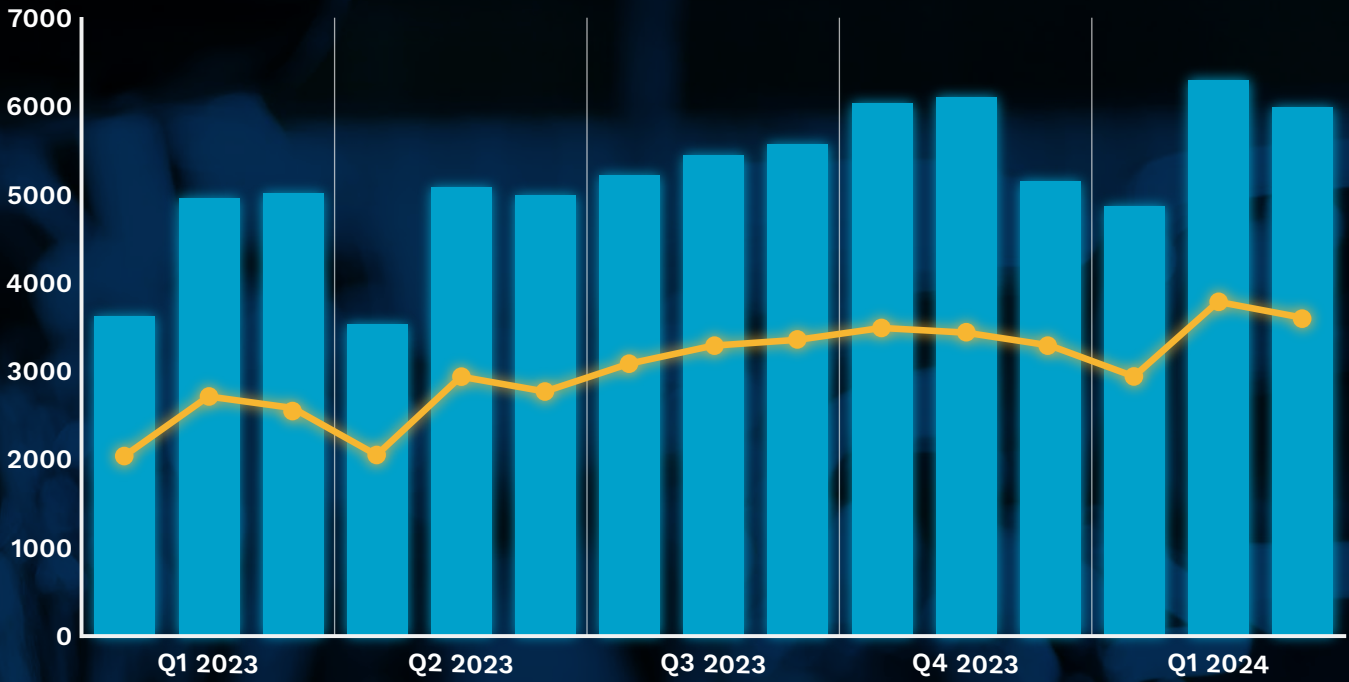


**“We expect this supply surge to continue month-on-month, because it corresponds with the ongoing boom in new-car deliveries.”**

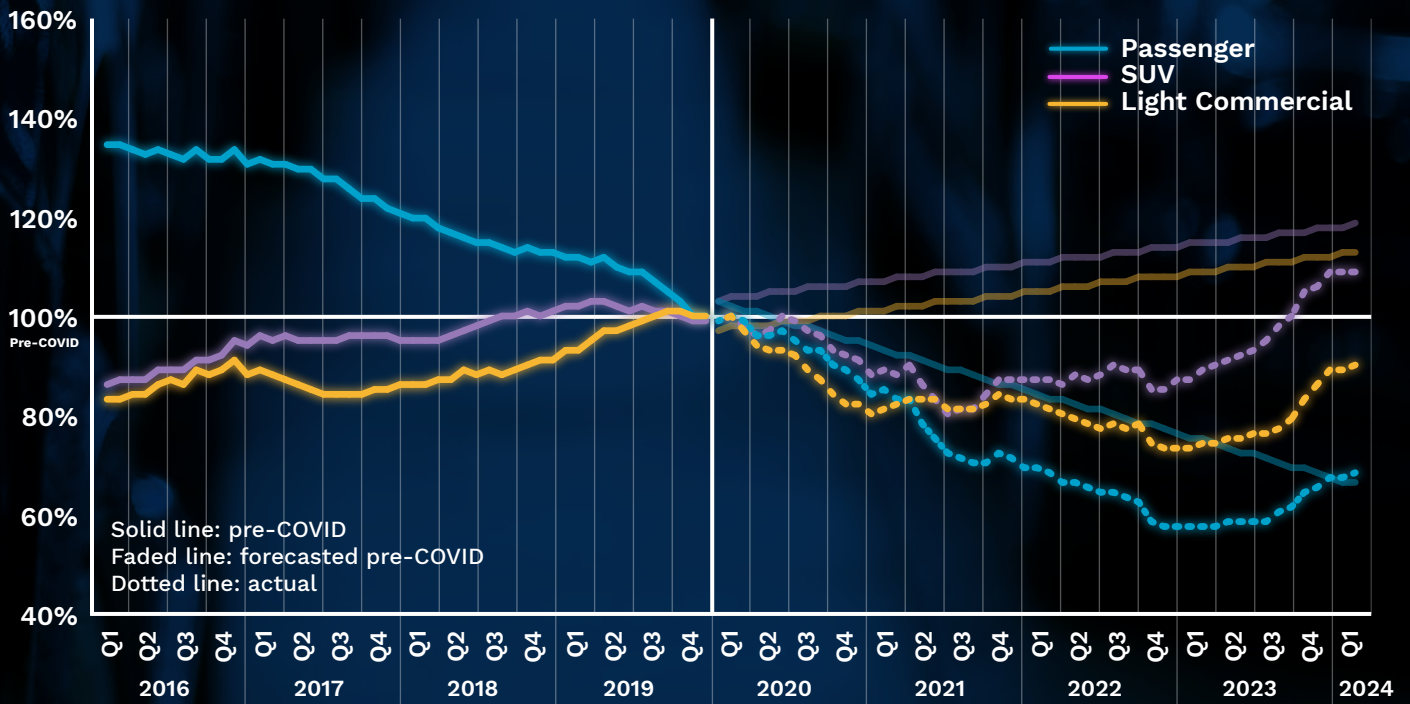
*– Fraser Ronald,  
Chief Commercial Officer*

### Vehicles Received

Overall Fleet + Govt



### Used Car Supply Index by VFACTS Class



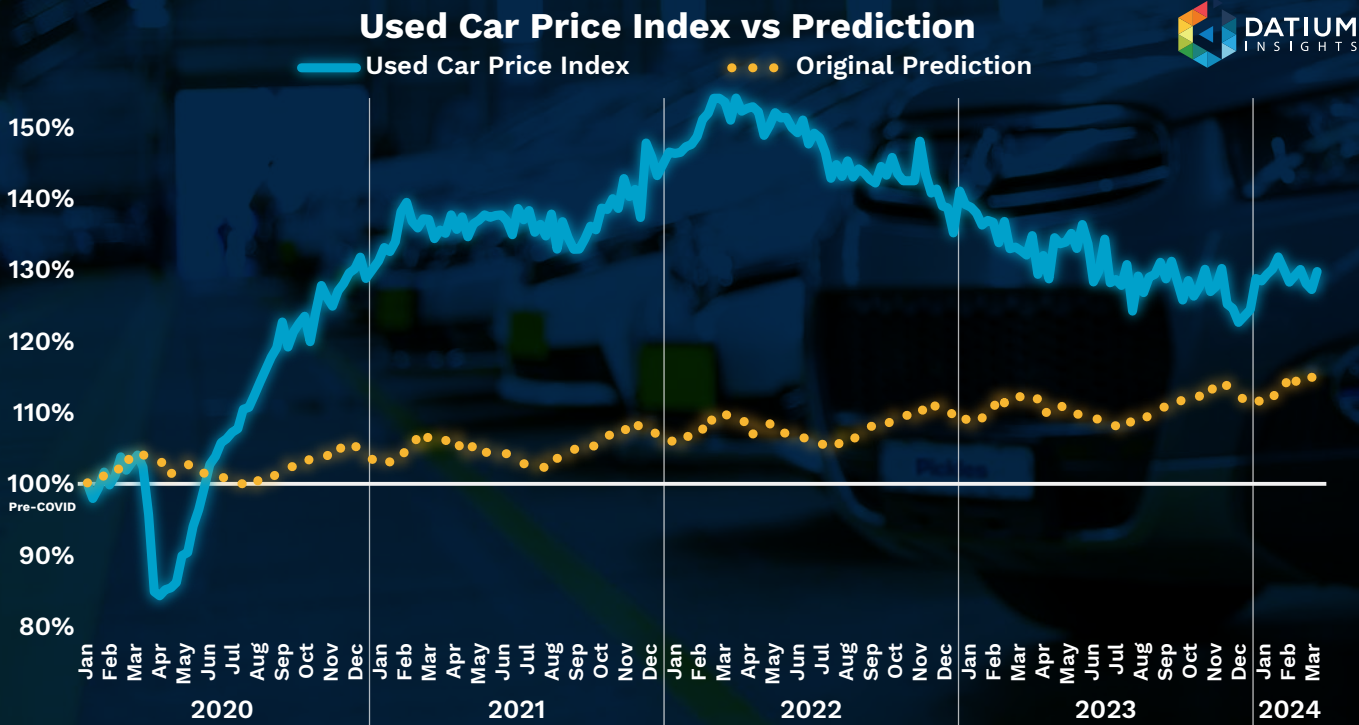
According to Pickles Chief Commercial Officer, Fraser Ronald; “This is a dynamic we expect to continue month-on-month, because it corresponds with the ongoing boom in Australian new car deliveries. A growing proportion of the new car market is being delivered to Pickles’ Fleet, Government, Rental, and Corporate customers, which in turn generates used vehicles supplied to Pickles.”

This expectation of ongoing supply growth is echoed by all Pickles Fleet, Government, Rental, and Corporate customers, and underpinned by their significant visibility of new vehicle supply.

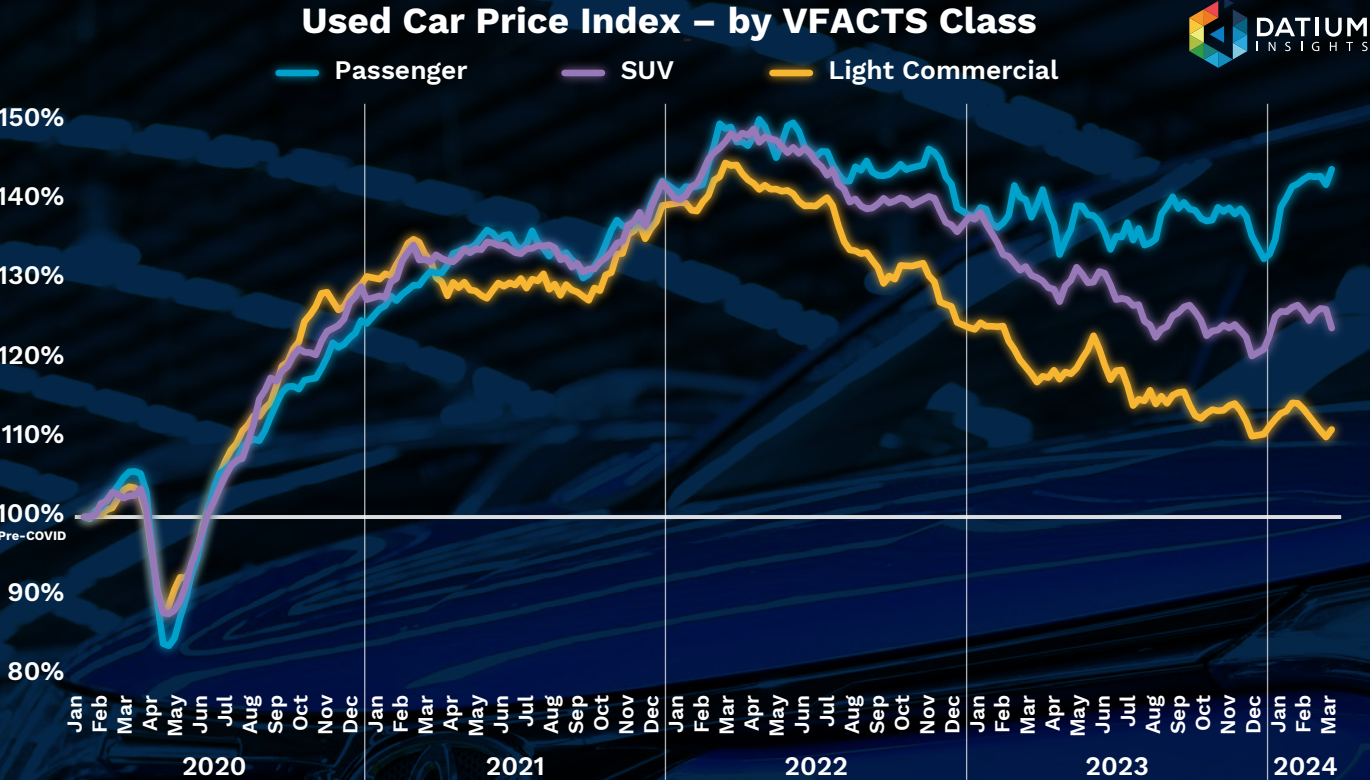
### Used values stabilising

Contrary to convention, this used vehicle supply growth isn’t driving values down across the board, and nor are the cost-of-living pressures Australia is currently experiencing. In fact, the past 10 months has seen general Pickles used car values stabilise and hover around 20 per cent greater than pre-COVID, after consistently declining since the beginning of Q2 2022.

Australian general used car values are still not expected to return to pre-COVID levels due to subsequent Consumer Price Index inflation, but the first quarter growth in supply will likely mean the expected plateau of 10-15 per cent higher than pre-COVID will be reached sooner than the late 2024 projected at the end of 2023.



Pickles is also observing some dislocation in values based on vehicle segment, age and fuel type. Since the first quarter 2022 peak in post-COVID used car values, light commercial values have fallen faster than SUV values, while passenger vehicle values are holding up better than light commercial and SUV segments.



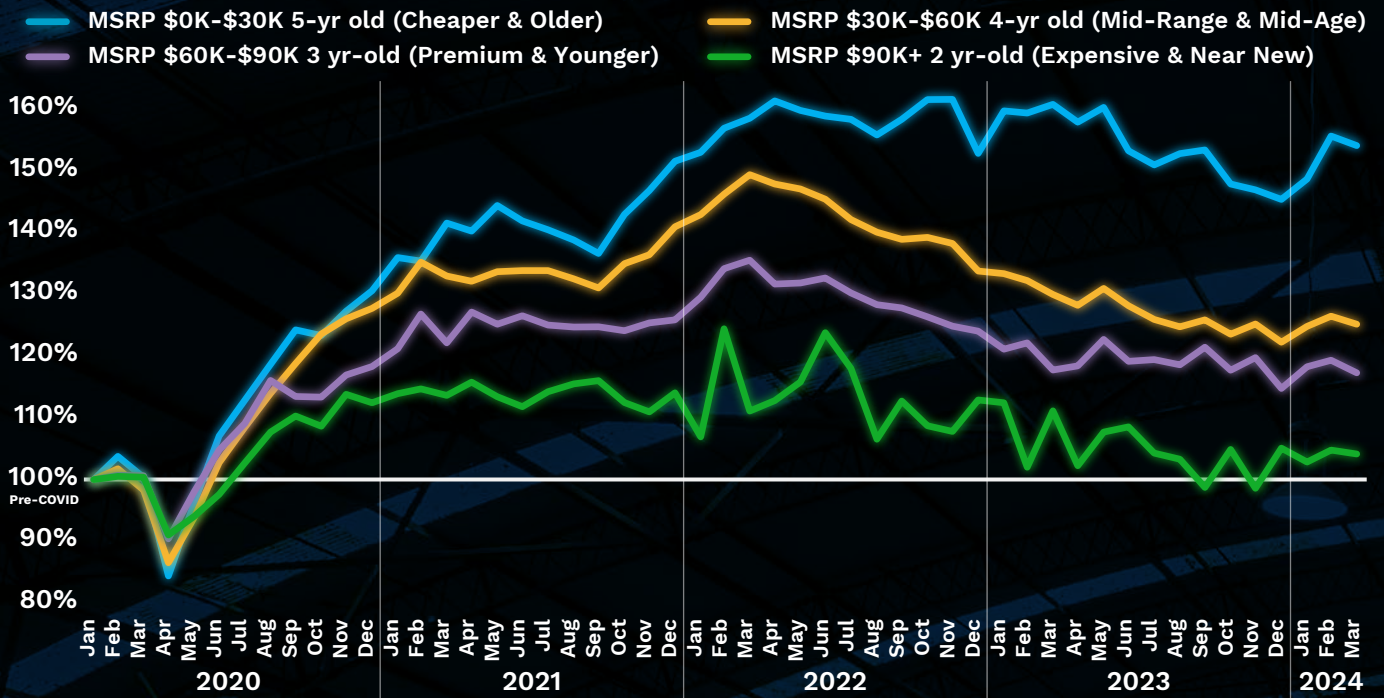
The relative decline of light commercial vehicle values is likely due to older vehicles with higher than normal kilometres travelled appearing on the market after being long-cycled by operators during the peak new-vehicle supply shortage period. Passenger vehicles of course represent a smaller proportion of overall supply, but also represent the lower end of the price scale.

Pickles considers the relative value retention of passenger vehicles to be a reflection of a ‘flight to value’ surge in demand for cheaper cars amid

cost-of-living pressure on consumers, resulting from high inflation and rising interest rates. Values of older and cheaper vehicles (\$0-\$30k/5yr+) almost matched peak post-COVID in March, whereas late model expensive vehicles (\$90k+/2yr) have almost returned to pre-COVID levels.

This cheaper vehicle demand surge could also be at least partially attributed to a lack of new vehicles available in this segment anymore. A key example being Toyota’s price-leading Yaris, which now has a new list price approaching \$30,000.

## Used Car Price Index by Vehicle Segment (Age & MSRP)

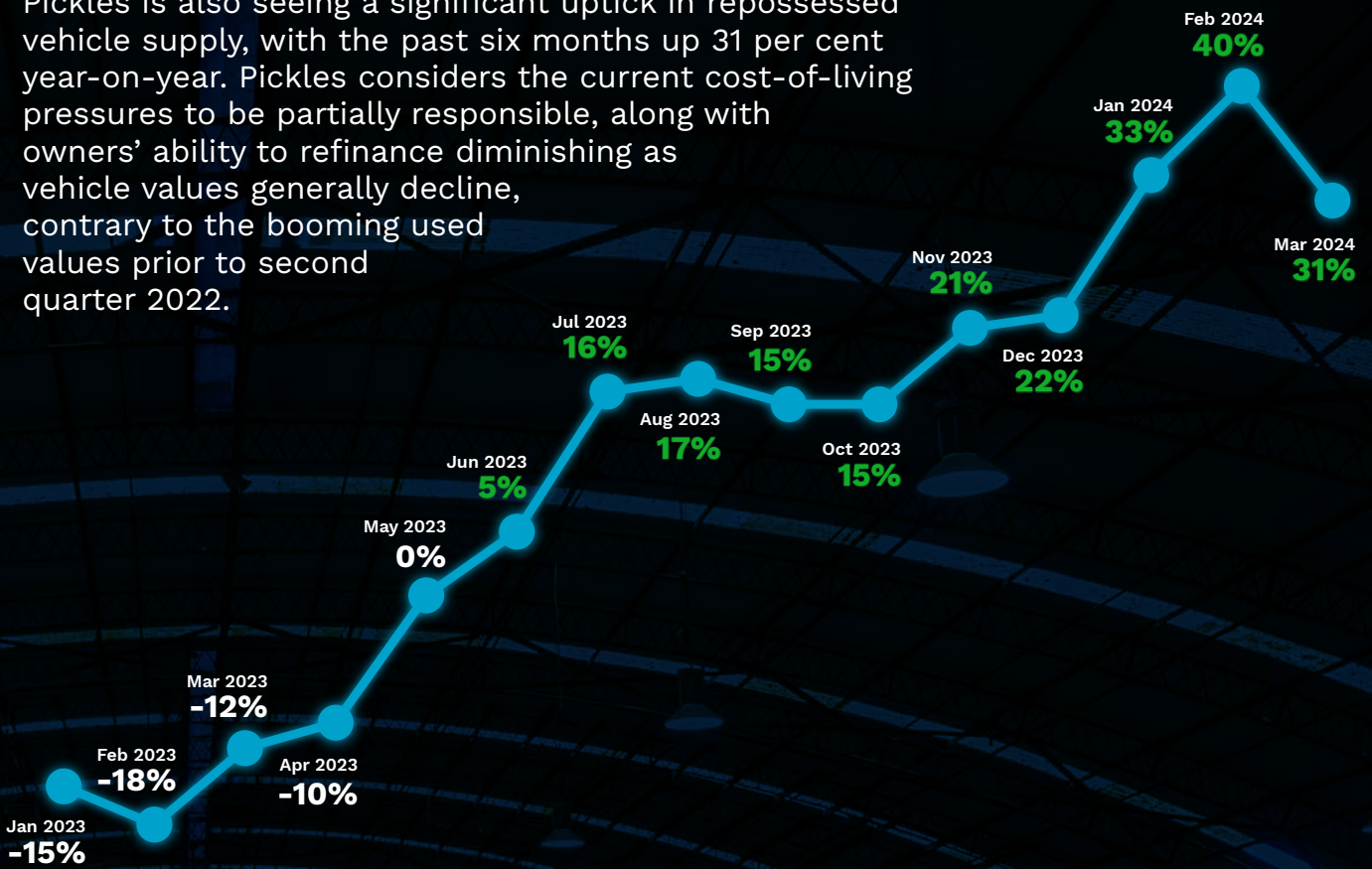


Pickles is in a privileged position to bring clients the rawest of market intelligence and deep data analytics.



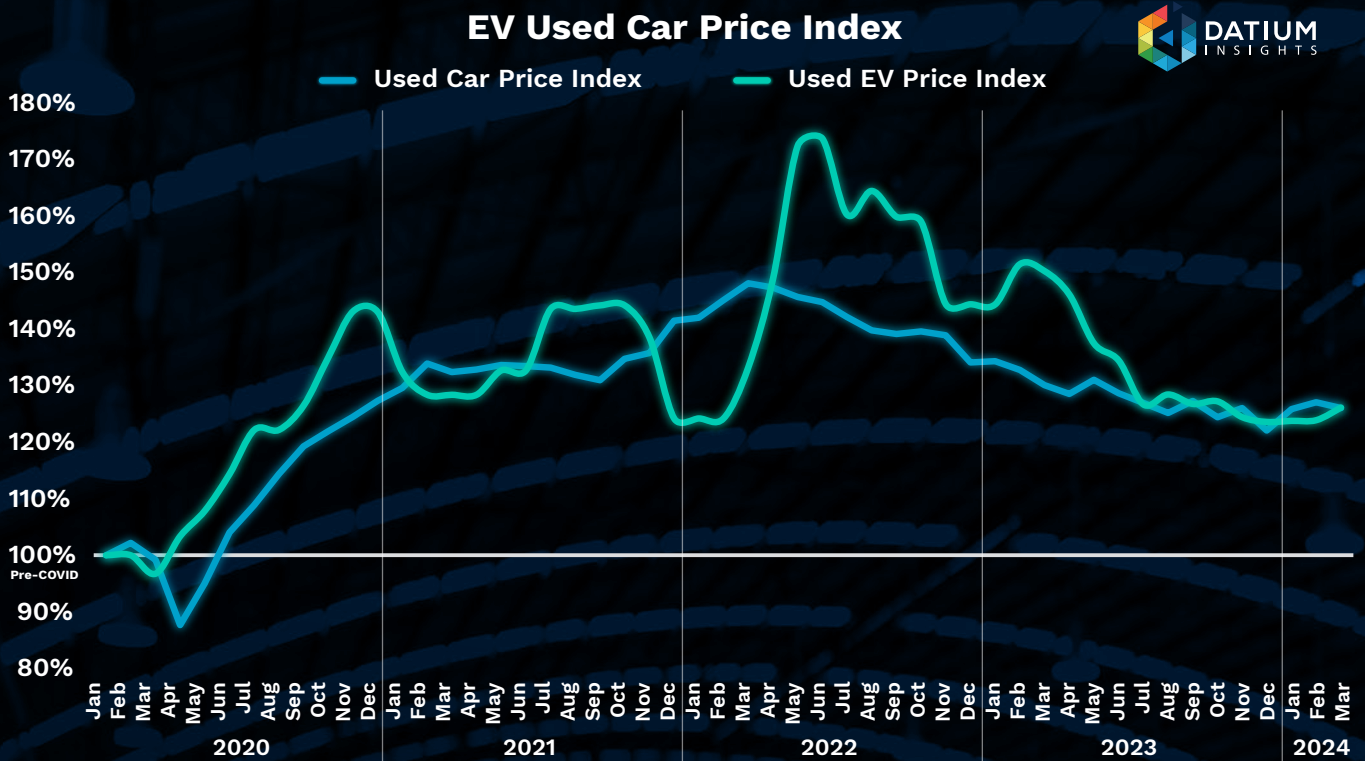
## Repossession Supply Growth

Pickles is also seeing a significant uptick in repossessed vehicle supply, with the past six months up 31 per cent year-on-year. Pickles considers the current cost-of-living pressures to be partially responsible, along with owners' ability to refinance diminishing as vehicle values generally decline, contrary to the booming used values prior to second quarter 2022.



## Electric Vehicle supply growth

Considering Australia’s boom in electric new vehicle sales in 2022 and 2023, Pickles is watching the EV space very carefully. Used EV volume relative to internal combustion engine (ICE) vehicles is still very low but growing, having effectively doubled year-on-year to the end of Q1 2024. The proportion of EVs may still be small, but there’s enough data to suggest EV values have become less volatile during the current financial year, and are currently close to aligning with ICE vehicles in terms of average residual value.



Regardless of scale, Pickles data represents the leading single-source of used EV values and ownership patterns in Australia, counting major state government entities and the vast majority of fleet operators among its customers. You’ll find a lot more on EVs [later in this report.](#)

New EV ownership is still skewing heavily toward fleet over private, but this is expected to shift in time, and will likely be accelerated by the implementation of the Federal Government’s proposed New Vehicle Efficiency Standard.

## Pickles on NVES

Pickles believes the Federal Government's proposed New Vehicle Efficiency Standard (NVES) will encourage an increase in new EV model availability, supply and adoption. This may just be the tipping point for adoption among general consumers (beyond early adopters). This would in turn grow used supply which would reduce used EV price volatility, and represent a net positive for EV adoption and Pickles customers.

NVES will likely impact the new ICE market, forcing some makes and models to either reduce volumes or even cease distribution in Australia, particularly those with lower sales volumes and higher emitting vehicles.

The recently adjusted NVES bill presented to Parliament should ensure buyer behaviour throughout 2025 is more balanced than was feared with the initial proposal. There is still some risk that used values will jump in accordance with new prices at the same time.

In the longer term, used ICE values will likely drop as the used car market migrates to EV, but Pickles considers this scenario to be more than a decade away.

## Pickles audience leadership

Pickles' leading status extends to its digital footprint, with Pickles.com.au continuing to attract more than twice as many potential buyers as its nearest competitor (SimilarWeb Total Visits, October 1 2023 - March 31 2024).

This scale spans Pickles Live and Online auctions, along with fixed price channels, which corresponds with the 'flight to value' trend detailed above.

In other words, more potential buyers are seeking cheaper cars amid cost-of-living pressures and the relative lack of cheaper cars remaining in the new market.

Consumer interest for utes, EVs and hybrids has also grown across each vehicle segment, representing a wholesale boost for the hottest automotive topics in Australia.

Pickles potential buyers are also more engaged, spending more time on Pickles.com.au, viewing more vehicles during each visit and are more likely to stay onsite than the competition, which suggests a better all-round experience for the Pickles audience.

Pickles visitors are also more likely to visit the site with their mobile device, which further speaks to the convenience of the Pickles consumer experience.

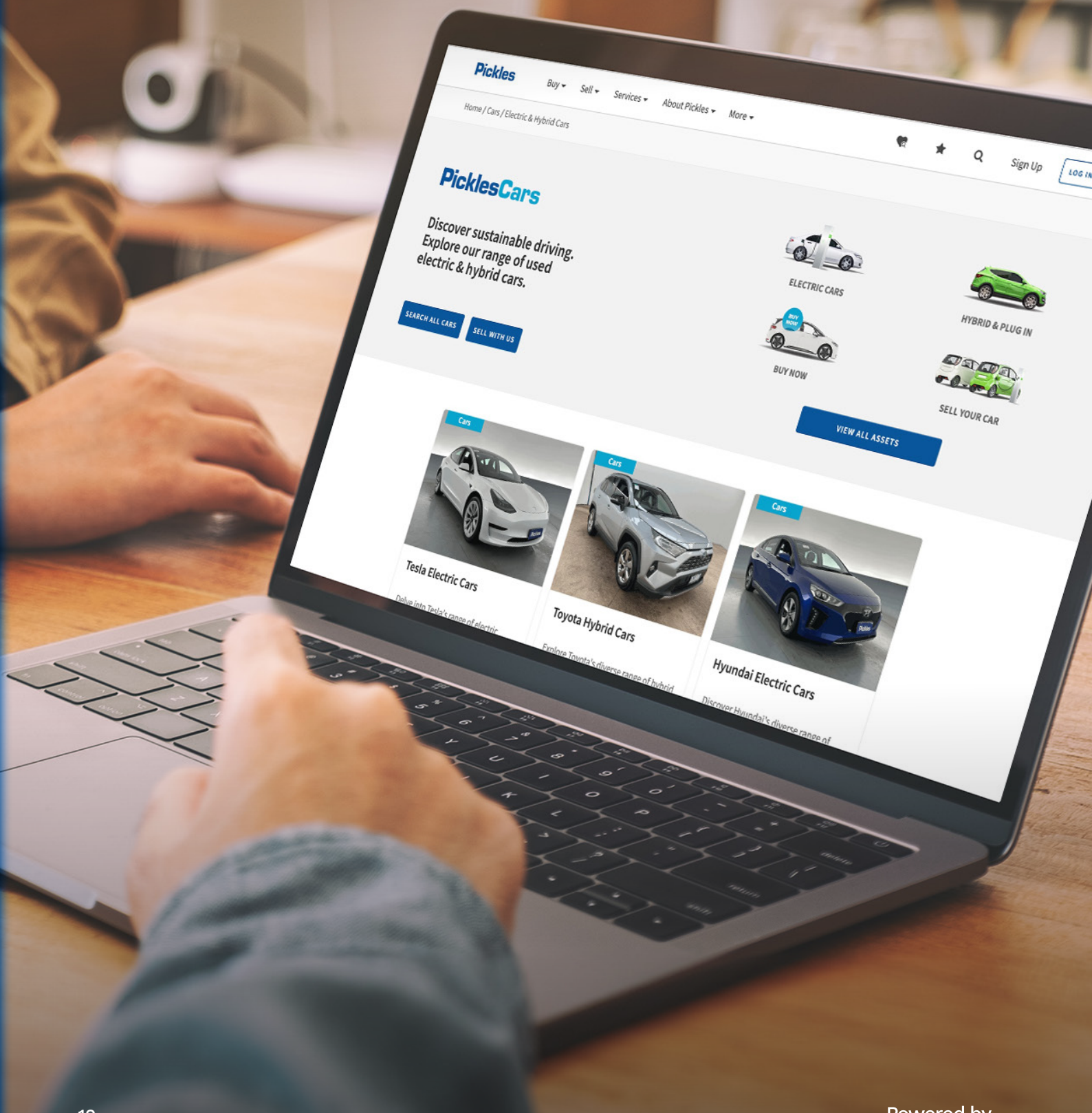
### Visits Over Time



Source: SimilarWeb Total Visits, October 1 2023 - March 31 2024

Pickles also maintains a clear lead in terms of social media presence over its nearest competitor, engaging significantly more potential buyers across the key platforms of [Facebook](#), [Instagram](#), [LinkedIn](#), and [TikTok](#). Each of these platforms has experienced steady growth over the past twelve months, reaching an ever-broadening variety of potential buyers looking for their next car.

Ready to roll into an electric future?  
Check out the full range of electric and  
hybrid vehicles available at Pickles [here](#).





# EVs doubled YoY

**2023 price stabilisation continued, while Pickles offers unique EV-buyer opportunity**

The first quarter of 2024 has seen Pickles electric vehicle volume effectively double year-on-year, representing an early reflection of the new car EV sales boom Australia experienced in 2022 and 2023.

However, a more interesting pattern of supply and values is expected throughout the rest of the year.

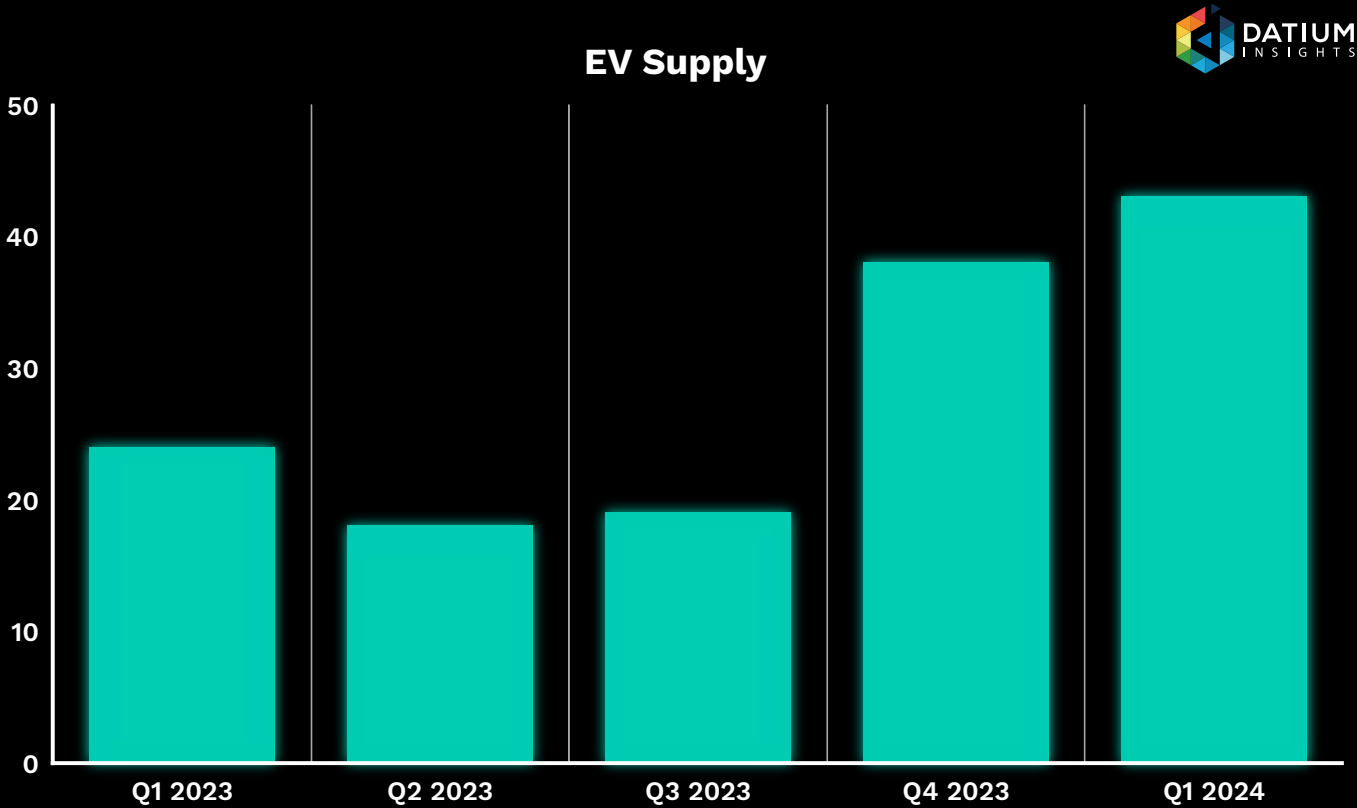
**Pickles represents the leading single-source of used EV values and ownership patterns in Australia.**

Because Pickles is the leading reseller of electric vehicles in the Australian market, this generates data commensurate with delivering deep market insights better than any other organisation.

Pickles also combines several factors to offer buyers a unique opportunity to adopt electric vehicles that's not found in the new-car market.

## EV supply has doubled, but where to from here?

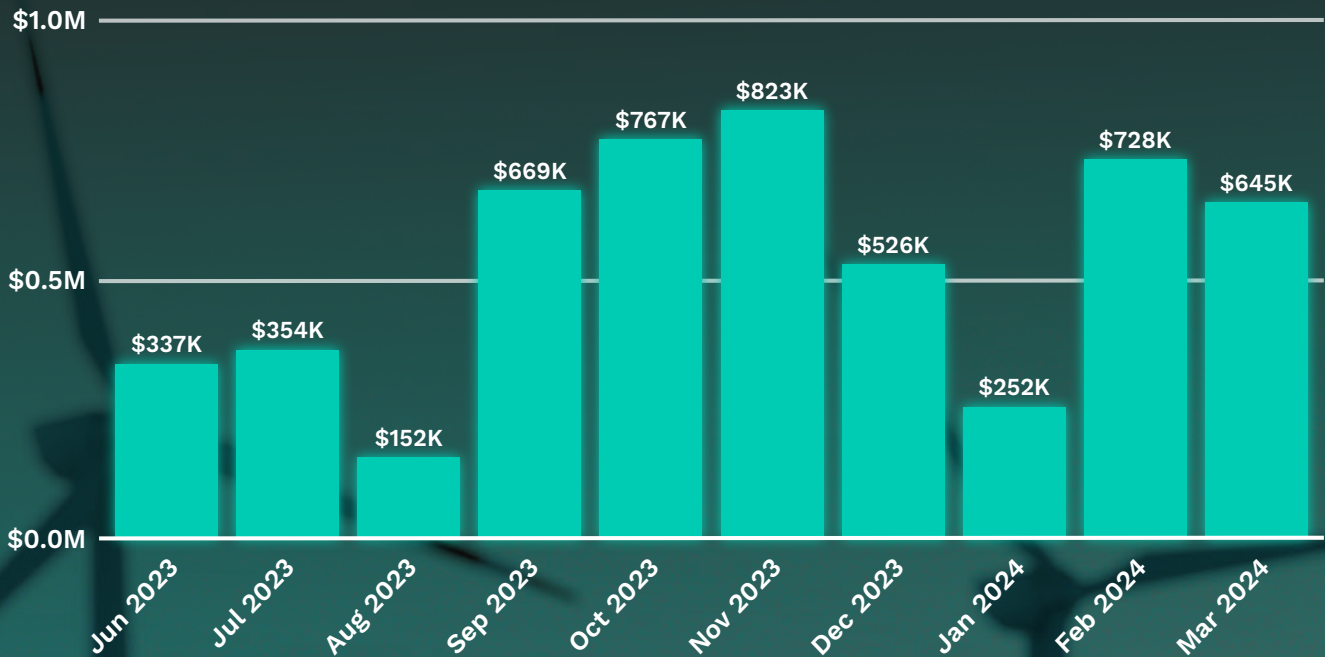
EVs still represent a minor percentage compared to internal combustion engine (ICE) vehicles passing through Pickles, but monthly volume has effectively doubled year-on-year from an average of 8.7 vehicles in Q1 2023, to an average of 14.3 vehicles in Q1 2024. This is on the back of an overall 2023 average of just 8.1 vehicles per month.



According to Pickles General Manager, Motor Vehicles, Brendon Green; “This is a sign of the early adopters among Pickles Fleet, Government, Rental, and Corporate customers reaching lease maturity.”

Gross sales figures of EVs have also grown by around 60 per cent over the past seven months year-on-year, with the relative surge in supply clearly overcoming the emergence of several cheaper models among this supply.

## EV Gross Sales



This volume trajectory is not expected to continue immediately though, with Mr Green projecting it will now steadily climb through the year to reach 30-40 EVs per month by the end of 2024.

With the vast majority of Pickles EV volume coming via Fleet, Government, Rental, and Corporate customers, it will still be at least two years before the full effect of the 2022-23 new car EV sales boom is reflected in Pickles supply. Incidentally, new EV sales have continued to flourish through Q1 2024, up 32 per cent over Q1 2023, despite expectations of new EV demand tapering off this year.

This two year period is also expected to apply to EVs acquired by consumers via novated leasing on the back of the Federal Government's FBT exemption scheme for zero and low

emission vehicles, which commenced in July 2022. Vehicles from this scheme will also expand the private proportion of Pickles EV supply.

Regardless of scale, the data Pickles is able to generate from this EV supply represents the leading single-source of used EV values and ownership patterns in Australia, counting major state government entities and the vast majority of fleet operators among its customers.

There are some key distinctions between Pickles EV and ICE supply, with the average sold price of EVs currently being almost double that of ICE vehicles.

EVs also continue to be short cycled relative to ICE vehicles, reaching Pickles at half the age and one third the kilometres travelled on average.



This is a reflection of the relatively limited variety of EV models available to date, particularly in terms of light commercial and larger SUV body types, relative inability to travel bulk kilometres conveniently, and corresponds with the higher price point of EVs from new. These elements will all slowly converge with ICE as the EV industry matures.



**ICE**

**70,720**  
Assets sold

**106,518**  
Avg. odometer (km)

**5.5**  
Avg. asset age

**\$25,286**  
Avg. sold price

**EV**

**142**  
Assets sold

**33,117**  
Avg. odometer (km)

**2.9**  
Avg. asset age

**\$42,747**  
Avg. sold price

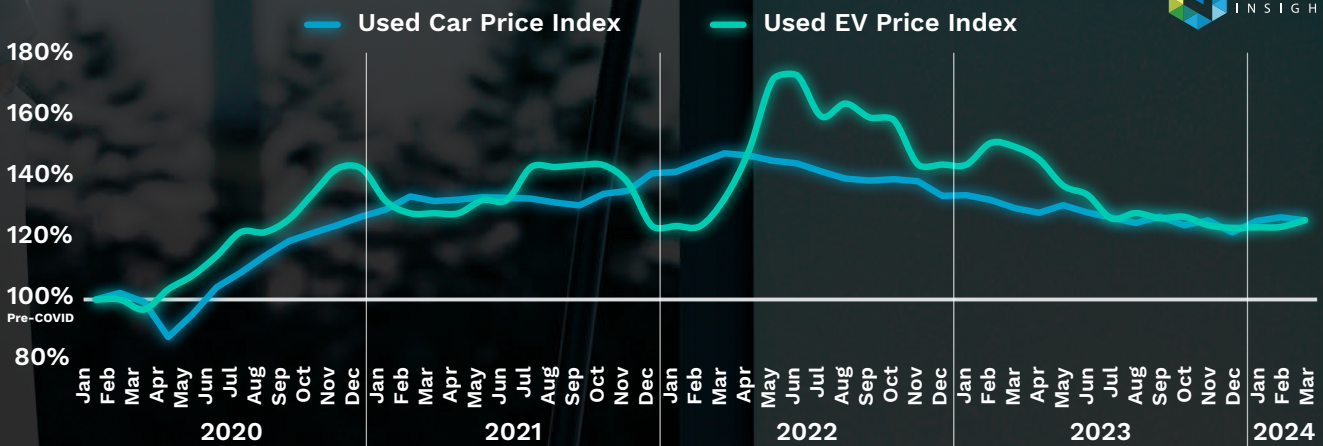
Q1 2023 - Q1 2024 (inclusive)

## Used EV values have finally stabilised

EVs demonstrated significant used price volatility compared to ICE vehicles through the COVID period and much of the post-COVID period, due to very low supply and a limited model mix, alongside the boom in ICE used values. Pickles saw ICE models reach a peak of 50 per cent uplift post-COVID, while EVs peaked at 70 per cent, but the latter fluctuated throughout.

This volatility has stabilised significantly since mid-2023, and in fact aligned with ICE in terms of post-COVID normalising due to the increase in supply and breadth of model availability. EVs from brands like Hyundai, MG, BYD, Audi, Nissan and Lexus are starting to arrive at Pickles alongside the volume-trailblazing Tesla. This expansion of model availability includes a variety of new brands and lower prices from new, which is in turn lowering the average sold price of Pickles EV supply.

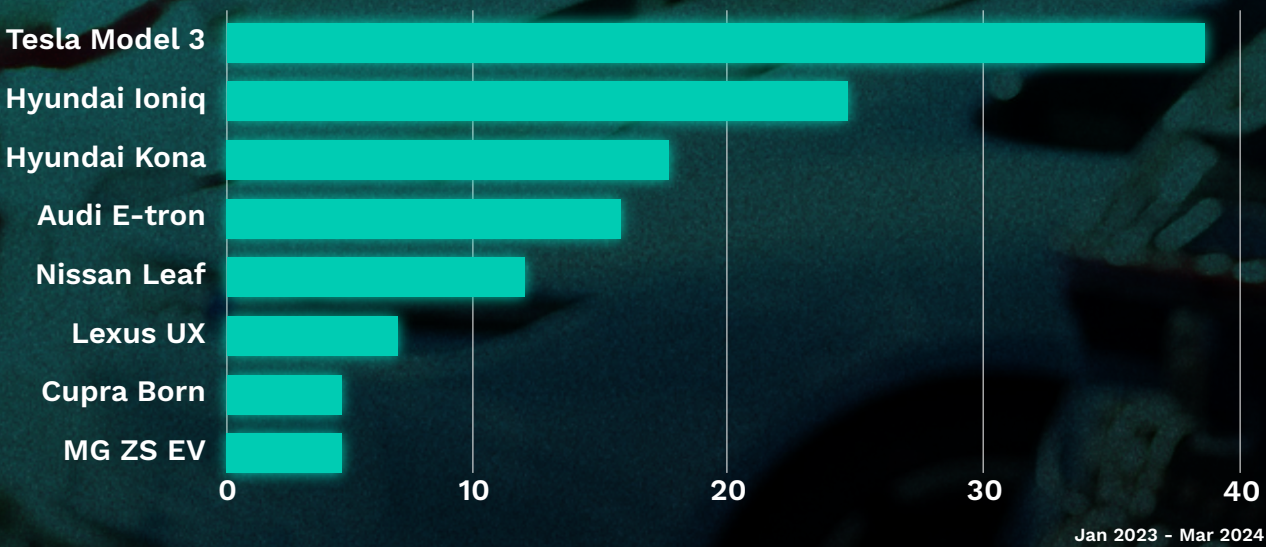
### EV Used Car Price Index



### EV Average Sold Price



### EV Assets Sold by Model



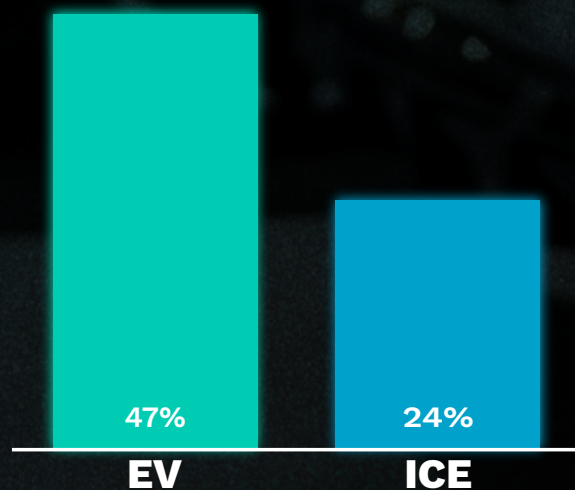
Mr Green expects the used EV price index to once again diverge from ICE, with EVs expected to decelerate toward pre-COVID levels faster than ICE given the EV market is still a long way from reaching the scale and maturity of ICE.

He explains that the used dealer network is also still building confidence in buying used EVs, applying pricing and the process of making sales.

This contributes to a significantly higher proportion of used EVs being purchased by private consumers through Pickles than ICE, with 47 per cent of EV buyers being end users, compared to 24 per cent for ICE vehicles.



### Vehicles Bought by End Users





“A huge amount of Australians want to adopt EVs, but don’t have the budget to buy new. They may well have \$20,000 - \$40,000 to spend on a used EV from Pickles.”

– *Brendon Green,  
General Manager, Motor Vehicles*

## What does Pickles offer EV buyers?

Beyond the appeal of EVs reaching Pickles at half the age and less than one third the kilometres travelled of ICE vehicles, these vehicles also represent a cheaper entry point for EV-curious consumers.

According to Mr Green; “There’s a huge amount of Australians who want to adopt EVs, but they don’t have the budget to buy new, or undertake a novated lease regardless of FBT exemption. But they may well have \$20,000-\$40,000 to spend on a used EV from Pickles.”

Mr Green also explains that the confidence of these buyers is being boosted by long battery warranties offered by manufacturers, which are generally much longer than that applied to the rest of the vehicle. He also finds that fewer moving parts on EVs instil a confidence that there’s less things that can go wrong.

Pickles is investing heavily in growing this confidence further by developing a VIN-specific battery health assurance process to address state-of-health concerns.

Key information desired by used buyers is actual measurement of battery degradation for the vehicle being considered, previous charging behaviour (ie, proportion of previous charges being via fast charging), and a revised range calculation in kilometres based on these elements.

Mr Green offers one early positive tidbit from the testing process: “What we are seeing initially is that batteries don’t appear to be degrading as fast as what the general public is fearing.”

This testing phase will span vehicles supplied to Pickles in most major capital cities, and has been underway since October 2023. It is expected to continue for a further six months before the consumer product is ready to be launched.

Pickles is developing a VIN-specific battery health assurance process to address state-of-health concerns.

## NVES will be good news for EVs

Further assurance for EV buyers is set to arrive with the Federal Government's proposed New Vehicle Efficiency Standard (NVES).

While its impact on conventional ICE vehicles is still unclear, it's likely all good news for EV buyers.

Pickles believes the NVES will encourage an increase in new EV model availability, supply and adoption. This may just be the tipping point for adoption among general consumers (beyond early adopters).

This would in turn grow used supply which would further reduce risk of used EV price volatility, and represent a net positive for EV adoption and Pickles customers.

You'll find further explanation of Pickles' thoughts on NVES at [the beginning of this report](#).

Ready to drive into insights? [Watch](#) vehicle expert, **Brendon Green**, discuss QAR findings!





# Utes leading COVID recovery

## Utes have caught up, but at what cost?

Utes continue to be among the hottest items on Australian roads, with the ongoing new car market boom accompanied by continuing Pickles supply growth in the first quarter after the COVID-related supply shortage.

While new-ute demand will still exceed supply for some time to come, this isn't propping up used values. The relative age of current Pickles light commercial ute supply is seeing post-COVID values decelerate faster than passenger vehicles or SUVs.

The emergence of new ute brands and models is bringing more depth to this value retention story, and the implementation of the Federal Government's proposed New Vehicle Efficiency Standard (NVES) will bring another dimension to the market.

By virtue of handling the vast majority of government fleet contracts, Pickles data is able to depict Australian used ute value and ownership patterns better than any other organisation.



## Pickles ute supply climbing

Pickles has seen first quarter light commercial ute supply grow by 3.8 per cent over the fourth quarter of 2023, and there’s a lot more growth to come.

This has been directly driven by the escalating recovery of new car supply by enabling fleet operators to finally turn over cars with extended lease periods due to the COVID-related new car supply shortage.

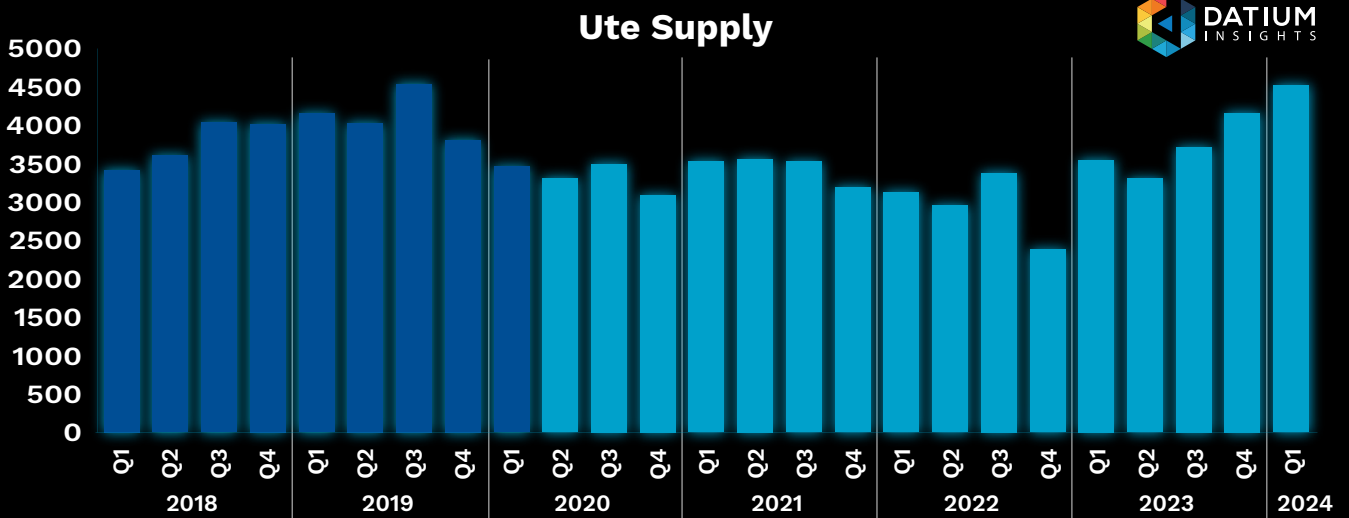
This in turn created the used ute supply shortage that was felt most by Pickles between mid-2021 and the beginning of 2023.

Pickles Q1 2024 ute supply is now 22.5 per cent greater than pre-COVID, and actually the highest since Q3 2019. Coupled with the ongoing new-ute market recovery, this current used ute supply growth will continue for some time to come.

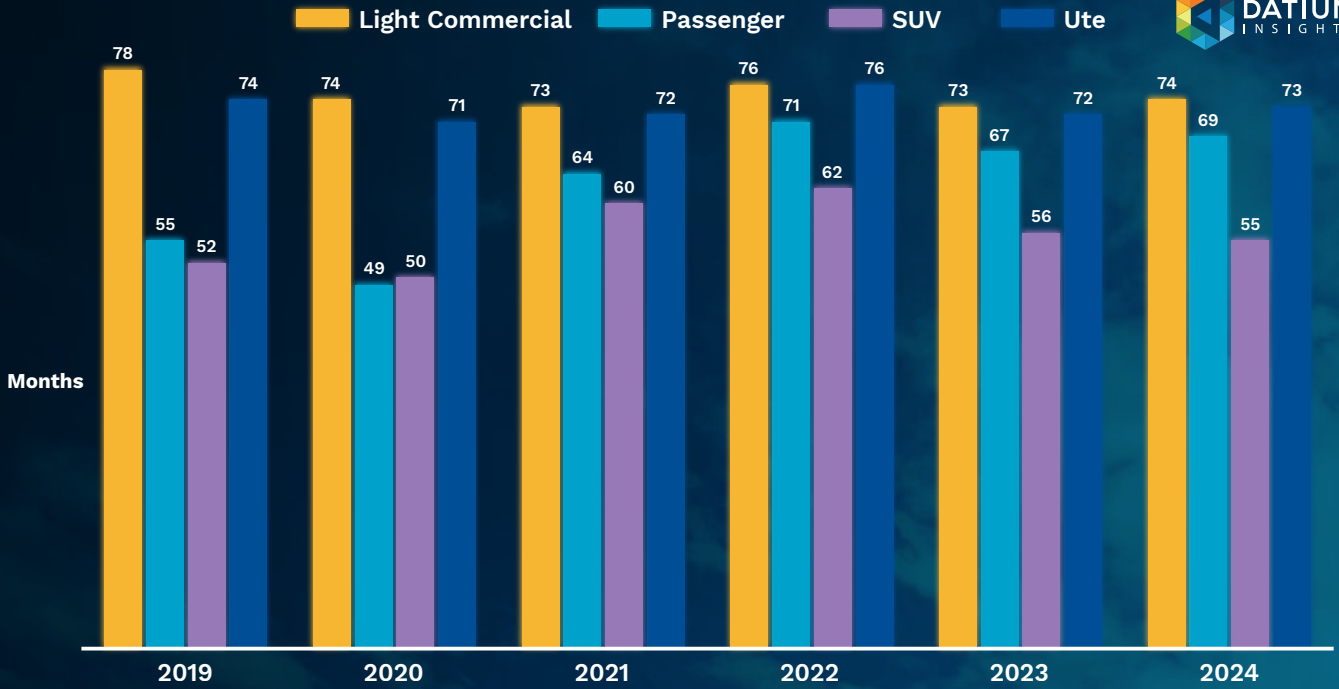
“We’ve seen a higher proportion of more heavily used utes in the past six months, and we expect this to continue through 2024.”

– *Brendon Green,*  
General Manager, Motor Vehicles

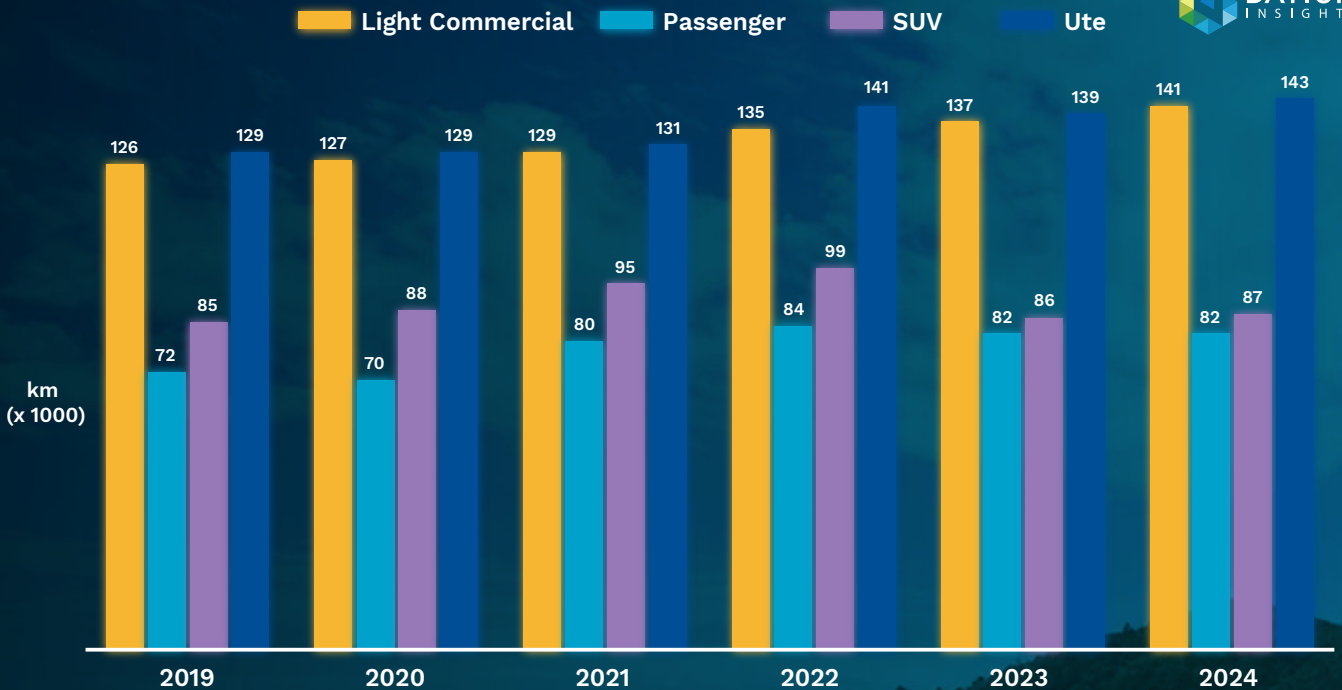
According to Pickles General Manager, Motor Vehicles, Brendon Green; “Pickles is still experiencing relatively older utes with higher kilometres coming through from lease extensions due to supply shortages, which simply couldn’t be replaced by new vehicles sooner. The past six months has seen a higher proportion of these more heavily used utes in particular, and we expect this trend to continue through the rest of 2024.”



## Average Age of Vehicles



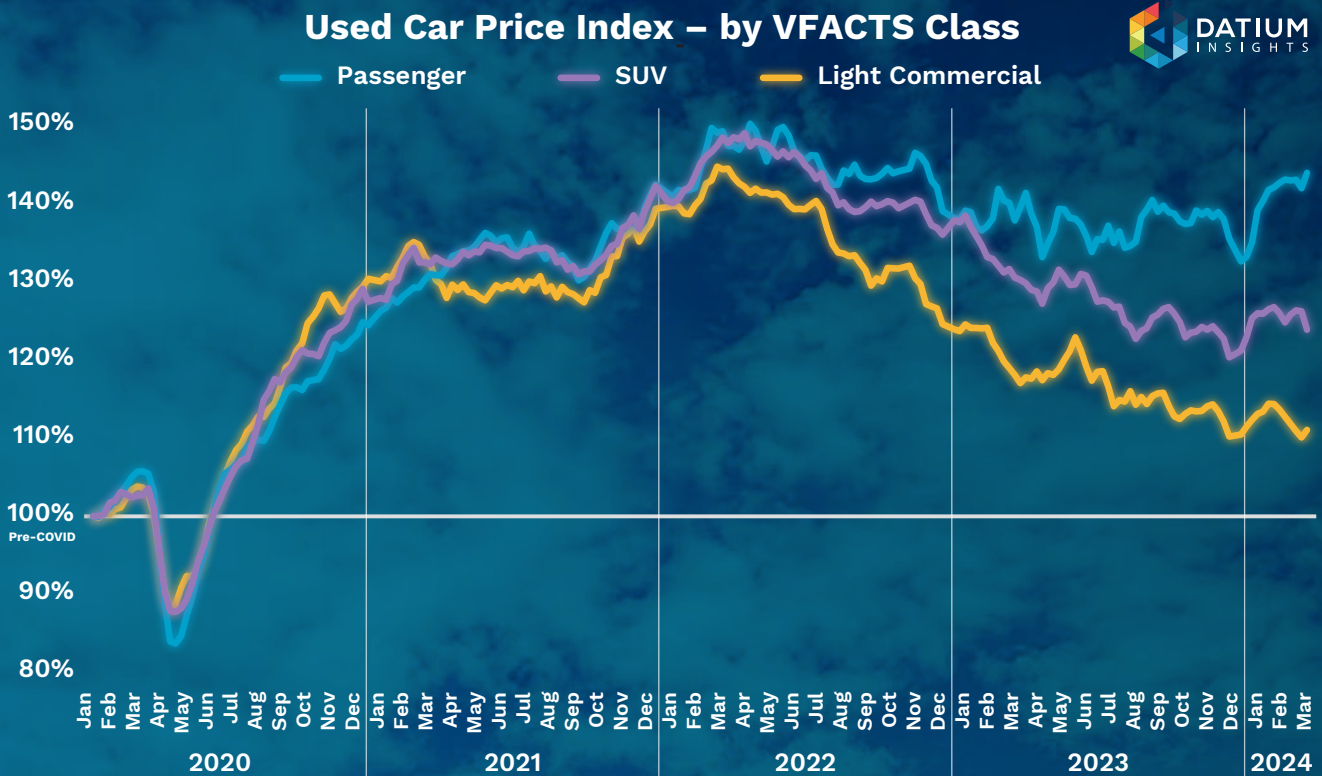
## Average Odometer





## Used ute pricing normalising faster than passenger vehicles or SUVs

Despite supply having recovered healthily and still being outstripped by demand, light commercial ute values are actually decelerating faster toward pre-COVID levels than passenger vehicles and SUVs.



Pickles attributes this largely to the ute supply’s relatively high age and usage mentioned above, and while ute values are dropping faster than passenger vehicles and SUVs, the rate of decline for all of these vehicle segments has stabilised somewhat.

While lower usage examples are still preferred by buyers, higher age and mileage are more acceptable to used ute buyers than passenger vehicles or SUVs. This is because of their reputation for overall longevity garnered by their fundamental engineering as workhorses.

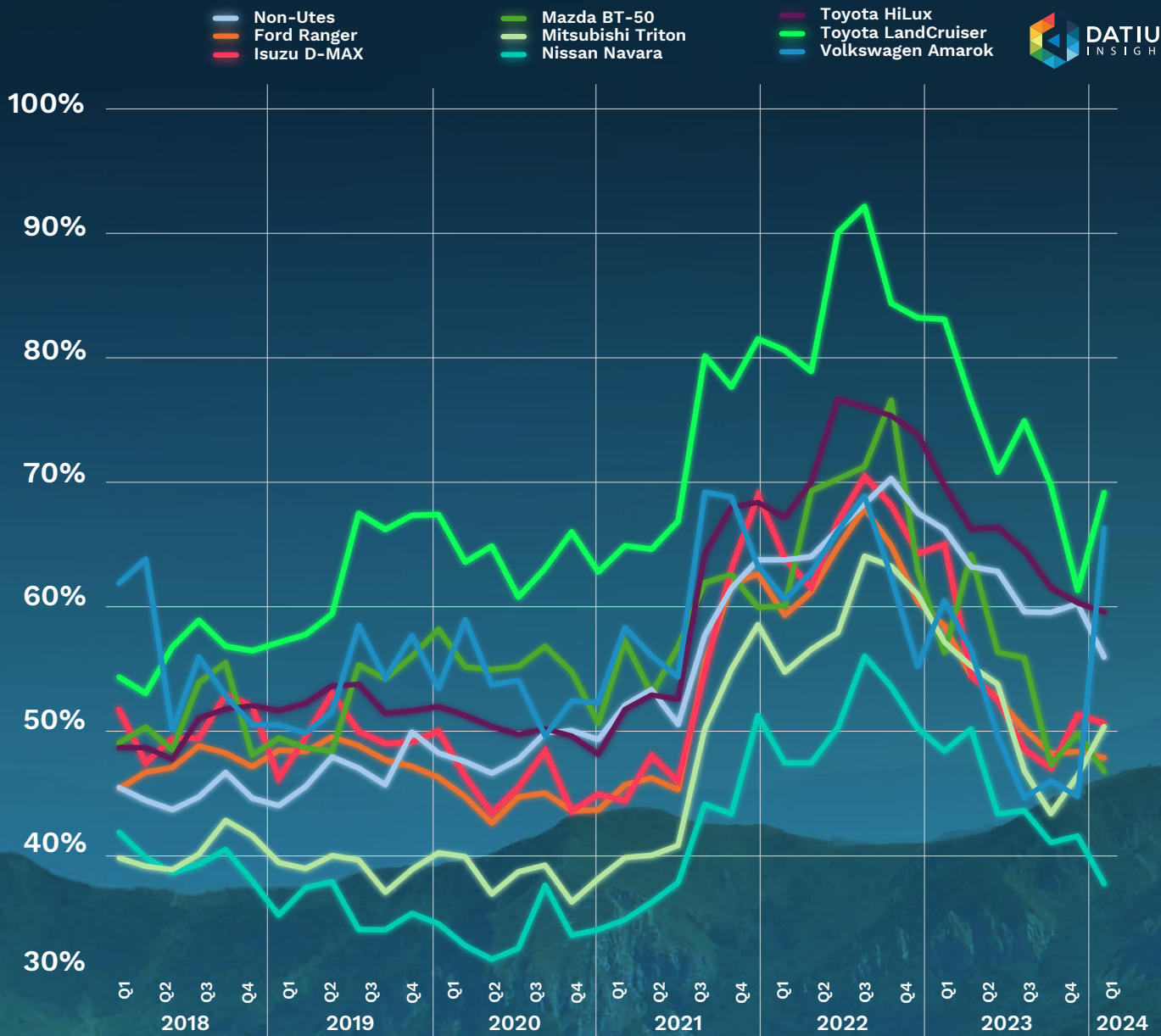
Also like these other vehicle segments, ute pricing is expected to soften further during the second quarter due to the customary ‘winter dip’ experienced by the whole automotive industry.



## Ute resale values therefore defying convention

With light commercial ute values decelerating toward pre-COVID levels faster than passenger vehicles and SUVs, this defies the traditional convention of utes tending to hold their value better than other segments of motor vehicle. Pickles projects the used ute segment will be the first sector to reach ‘new normal’ prices post-COVID, estimated at 10-15 per cent higher than pre-COVID.

**Average Pickles Resale Values – by Key Ute Models**



## What will NVES mean for utes?

The Federal Government's proposed New Vehicle Efficiency Standard (NVES) will likely represent a net gain for electric vehicles, but there is still significant uncertainty when it comes to conventional vehicles including light commercial utes.

Widespread electrification of ute models is still a long way off, and will follow that of passenger vehicle and SUV segments. Therefore, relatively large, generally diesel-consuming utes will likely be impacted regardless of the actual timing and implementation of NVES.

Pickles considers NVES is likely to force some ute brands or models to either reduce volumes or cease distribution in Australia, particularly those with lower sales volumes and higher emitting vehicles.

If the price of a new ute increases, it will push used ute prices up accordingly. This is despite the recently adjusted NVES bill presented to Parliament, which should ensure buyer behaviour throughout 2025 is more balanced across the whole market than was feared with the initial proposal.

Mr Green notes that any value boost for used utes would encourage operators to hang onto utes longer than intended, resulting in further lease extensions.

In the longer term, used ICE ute values will likely drop as the used ute market migrates to EV, but Pickles considers this scenario to be more than a decade away.

You'll find further explanation of Pickles' thoughts on NVES at the [beginning of this report](#).



A close-up, black and white photograph of a car's front grille. The word "HYBRID" is prominently displayed in a metallic, three-dimensional font on the grille. The grille has a honeycomb pattern, and the lighting creates strong highlights and shadows, emphasizing the texture and the badge.

**HYBRID**

# Hybrid resale hero?

## Hybrids are boasting better resale than anything

While much of the automotive industry is watching used values return to near pre-COVID levels, those turning over conventional hybrid vehicles through Pickles are enjoying yields close to the post-COVID peak.

This situation isn't likely to change anytime soon, with ongoing wait times for new models signifying that conventional hybrid demand will exceed supply for some time yet.

It's important to note that this value retention is specific to non-plug-in hybrids, given the market's relative scale and familiarity with the conventional hybrid option, built over more than a quarter of a century since Toyota launched the first Prius. Plug-in hybrids are still trying to find their feet among the spectrum of electrification options, amid pure EVs now experiencing mainstream sales success.

Given Pickles handles the vast majority of government fleet contracts, Pickles data represents the leading barometer of used hybrid values and ownership patterns in Australia.

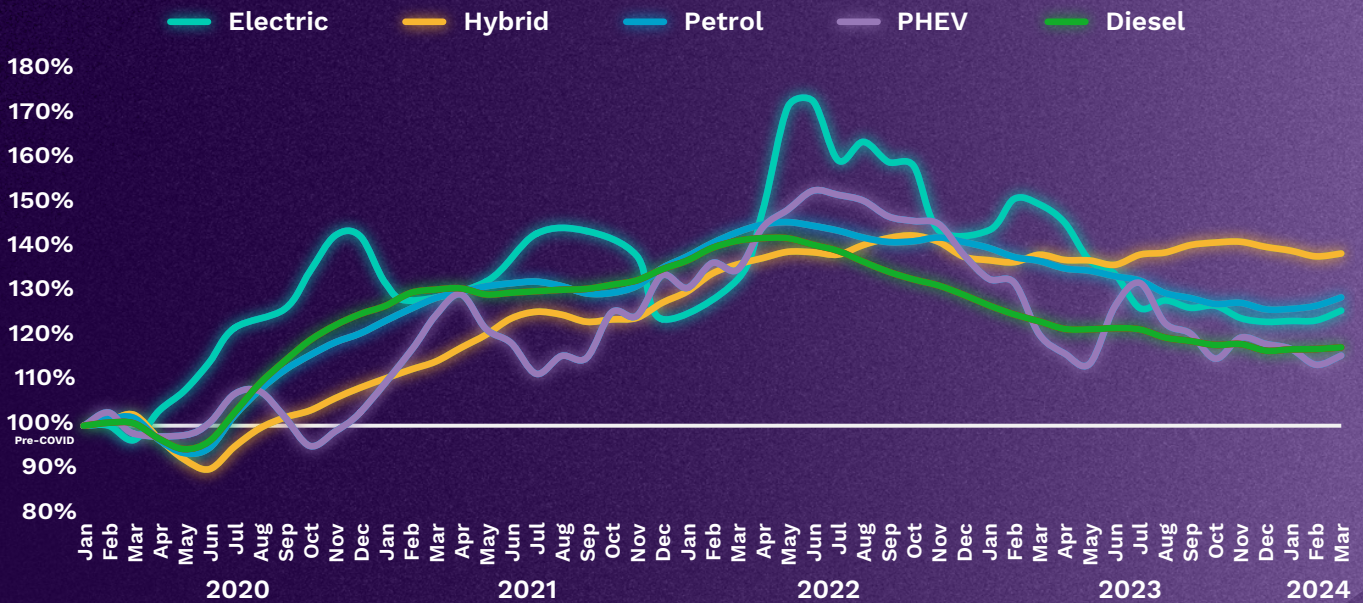
## Used hybrid values are still near post-COVID peak

Unlike petrol, electric, plug-in hybrid and diesel models which have collectively decelerated towards their pre-COVID value norm, values of conventional hybrid vehicles have remained close to their peak post-COVID level since late 2022.

Pickles considers this largely due to ongoing wait times for new conventional hybrid models. A key example of this was the waiting lists that stretched well beyond 12 months for popular new models like hybrid versions of the Toyota RAV4, Corolla, and Camry.



Price Index by Fuel Type



According to Pickles General Manager, Motor Vehicles, Brendon Green; “Until these wait times change significantly, we’re going to see conventional hybrid used values remain at inflated levels.”

“This demand is also driven by the much easier ownership transition from internal combustion engine (ICE) vehicles to conventional hybrids, than from ICE to EV. Consumers are able to have the peace of mind from going ‘electric’ without

having to find somewhere to charge their vehicle and then wait for that charge. There are less barriers to entry to feel good about your choice of vehicle.”

Sitting between conventional hybrids and EVs in terms of electrified functionality, plug-in hybrid models are far less broadly available than conventional hybrids, and carry new-car price premiums similar to pure EVs. Buyers are evidently choosing to spend similar money

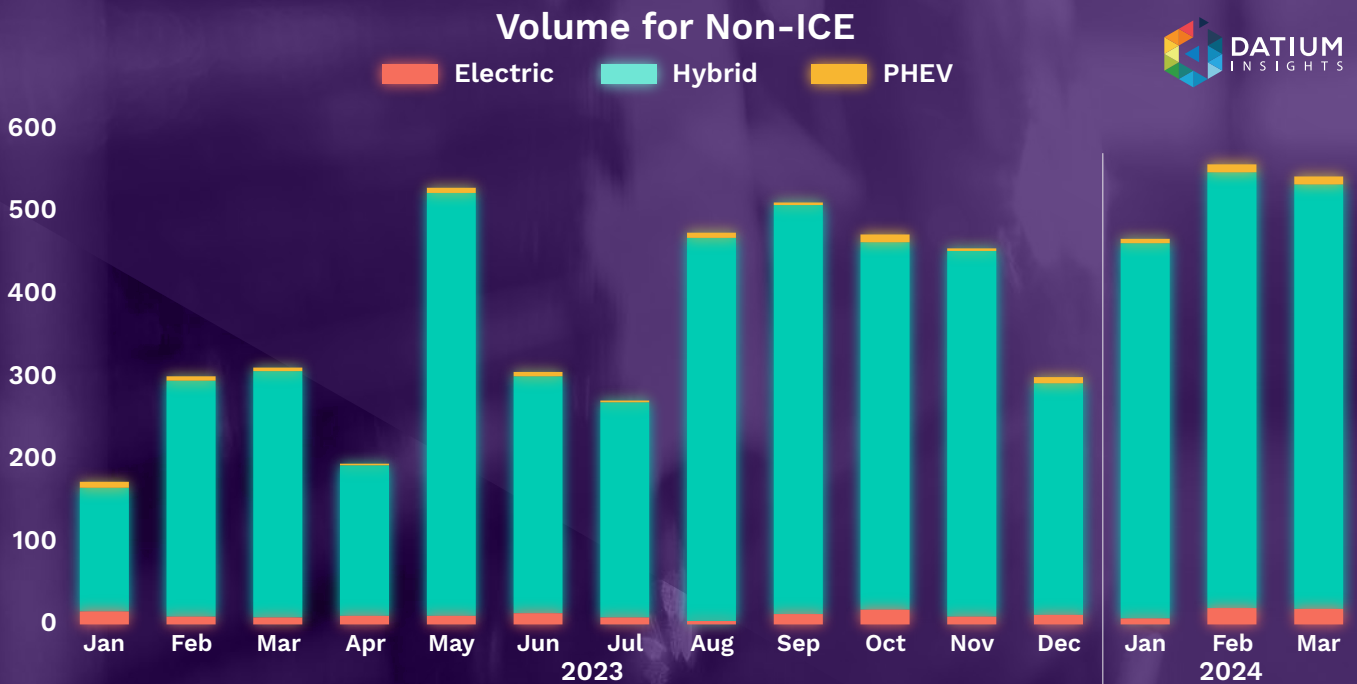
**“Until new-car wait times change significantly, we’re going to see hybrid used values remain at inflated levels.”**

*– Brendon Green,  
General Manager, Motor Vehicles*

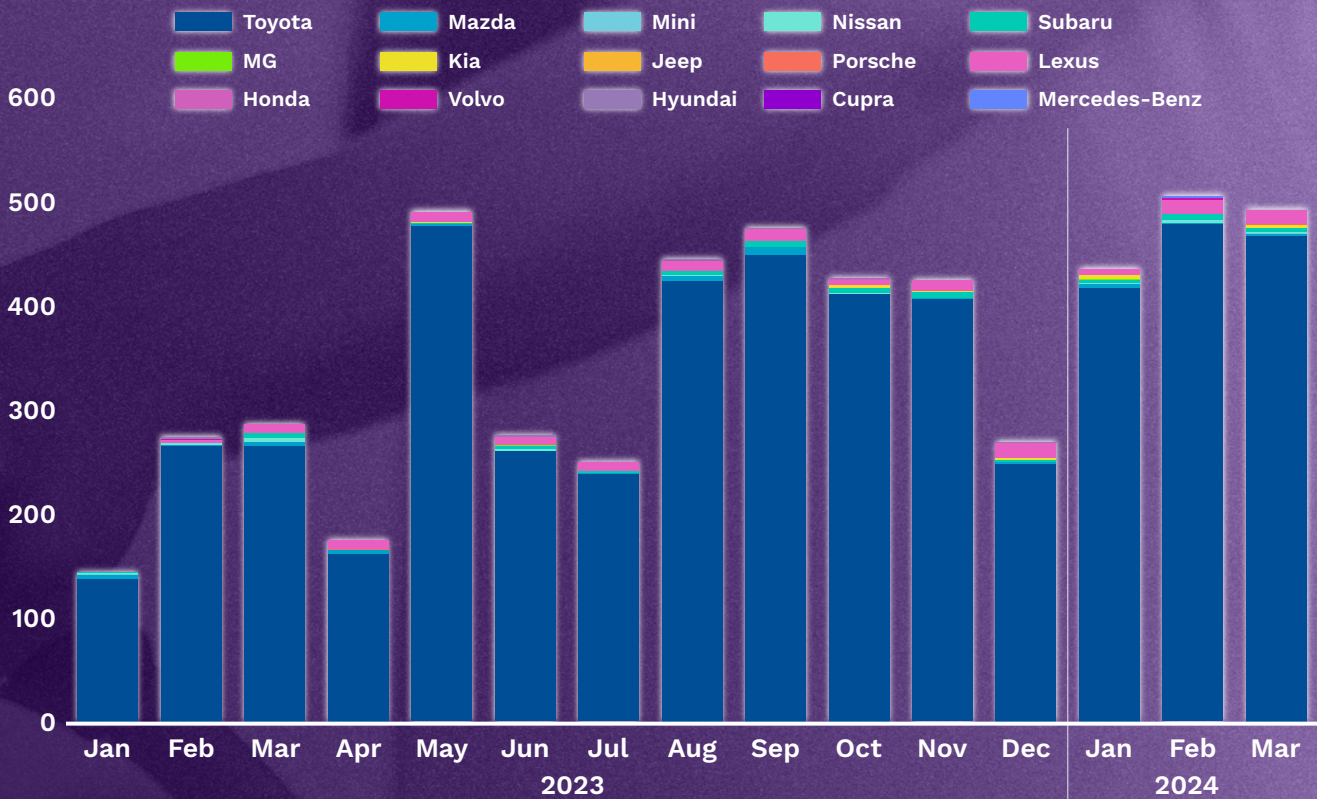
on the full EV experience, given the relatively miniscule volumes to date of plug-in hybrids compared to EVs and conventional hybrids on both the new and used markets.

Against Pickles expectations of used values across the overall used car market stabilising at 10-15 per cent above pre-COVID levels within 2024, Pickles considers values of conventional hybrids will continue to exceed pre-COVID levels until well into 2025. That is, unless new vehicle supply can catch up with demand.

Toyota continues to be the dominant brand among the used hybrid market, despite several new conventional hybrid models arriving on the market in recent years. This reflects Toyota’s ongoing leadership of the hybrid new-car market, but Toyota stands out particularly among Pickles supply given the brand’s popularity among fleet operators.



## Hybrid Volume by Make



### NVES will be good news for hybrids

The hybrid market is set to experience further stimulation with the Federal Government’s proposed New Vehicle Efficiency Standard (NVES).

While its impact is likely to be less than the outright positivity set for EVs, due to hybrids still consuming some conventional fuel, this impact will be more positive than general ICE vehicles because of the intrinsic efficiency advantage of hybrids.

The actual benefits for hybrid buyers are still unclear, particularly due to uncertainty of the wider impact on non-electrified models.

Pickles believes the NVES will encourage an expansion of new hybrid model availability, supply and adoption. This would in turn grow used supply through Pickles.

You’ll find further explanation of Pickles’ thoughts on NVES at the [beginning of this report](#).

Thanks for reading Australia's industry-leading resource,  
direct from the industry leaders in used vehicles.

Don't miss more insights from resident  
vehicle expert, Brendon Green.  
[Watch the QAR video story.](#)

Ready to roll into an electric future?  
Check out the [full range](#) of electric  
vehicles available at Pickles.

# Pickles

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