

QAR

Quarterly Automotive Report

Issue 5 | Q1 2025

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Key insights

Q1 delivers strength across the board

Used car prices jumped again in Q1 2025, with ICE vehicles up 6% and EV prices holding steady. Clearance rates hit a 12-month high, and hybrids led the charge across all fuel types. Despite expectations of a slowdown, the market outpaced forecasts and maintained strong buyer demand.

New car slowdown boosts used buyer demand

FCAI data confirms an ongoing slide in new cars for the quarter. As cost-of-living pressures persist, more Australians are turning to the used car market for value – and they're going straight to Pickles. End-user purchases are at a post covid peak of 31%, holding up prices and reshaping the auction landscape.

Dealers still hesitant on EVs – but the data says it's time to act

Private buyers now account for six in 10 used EV sales. Dealers remain cautious, but battery health data, stable pricing, and long warranties make a strong case for re-engagement.

Salvage EVs now in hot demand

Salvage EV sales have tripled in a year, driven by second-life battery makers and exporters. Used batteries are being repurposed for home energy storage, with exports rising to NZ and the Middle East.

Battery health myth busted

High mileage doesn't equal battery degradation. Pickles' testing shows EVs with 60,000+ kms often perform as well as lower-mileage models. Charging habits – not distance – are the key factor.

Pickles

Who we are

Pickles is Australia's leading used asset marketplace and largest auction group. Since 1964, we have been unlocking value for sellers while providing powerful purchasing experiences for buyers. Our auctions offer the biggest range of used items including motor vehicles, general goods, industrial, mining, oil & gas, agricultural, salvage and recreational assets, and more.

Where we are going

At Pickles, we're dedicated to shaping the future. Our vision is to be the first choice for anyone when buying and selling used assets in our market. Our purpose is to power trusted marketplaces where everybody wins. Our mission is to win customers for life by making their experience awesome.



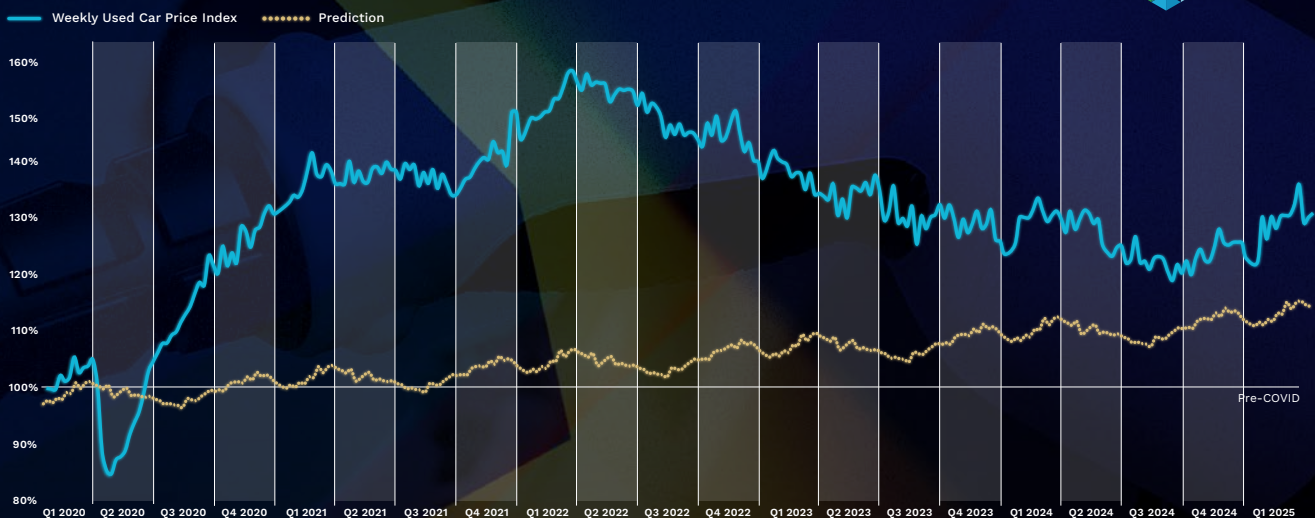
Q1 2025 market update:

Strong prices, stable volumes, & shifting buyer trends

The first quarter of 2025 delivered another period of strength for the used car market, with ICE vehicle prices climbing over 6%, EV values remaining largely stable, and clearance rates grew.

While volumes remained steady, buyer behaviour continued to evolve, with more private buyers purchasing directly through Pickles – a shift that is reshaping competition in the used car sector.

Used car price index vs. prediction



Used car prices continue to rise

Key pricing trends (Q1 2025):

- ICE vehicles: Prices climbed from \$24,500 in Q4 2024 to \$26,000 in Q1 2025 (+6% QoQ).
- Compared to Q1 2024, used ICE prices are 5.3% higher year-on-year.
- Used EV prices: Remained stable, dipping slightly from \$37,500 to \$36,400 (-2.4%).
- All fuel types strengthened during Q1, with hybrids remaining the most resilient.

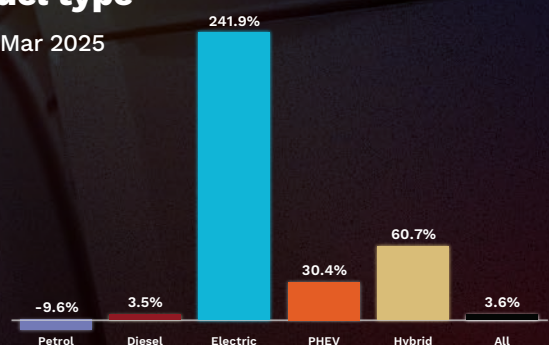
While used car prices have climbed, this trend has been largely supported by supply constraints, particularly in ex-government and fleet vehicles, where returns have slowed. Overall, volumes sold nationally lifted 3.6% YoY and the used market is outpacing early 2025 projections, reinforcing confidence among sellers and buyers alike.

“Used prices have remained high due to a combination of tight stock and strong demand from buyers actively shopping the Pickles marketplace,” says Chris Shaw, General Manager, Motor Vehicles.

YoY sales growth by fuel type

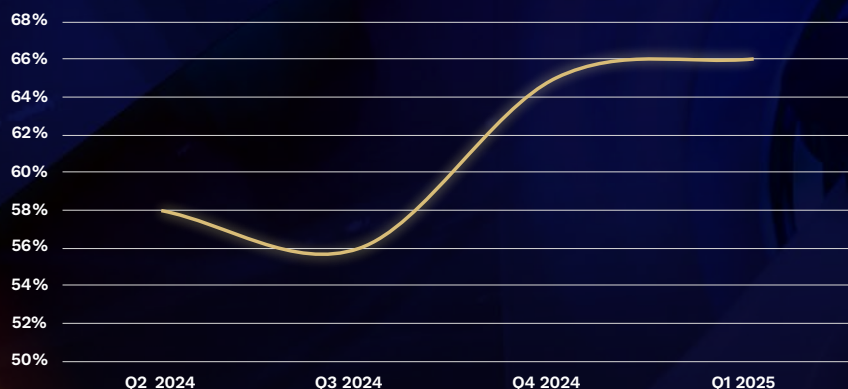


Jan - Mar 2025



Auction clearance rates on the rise

Auction clearance rate by quarter



Consistently rising clearance rates indicate that buyers are acting with confidence, particularly in the light commercial and SUV categories. Likewise, sellers are embracing a strong market with realistic reserve expectations.

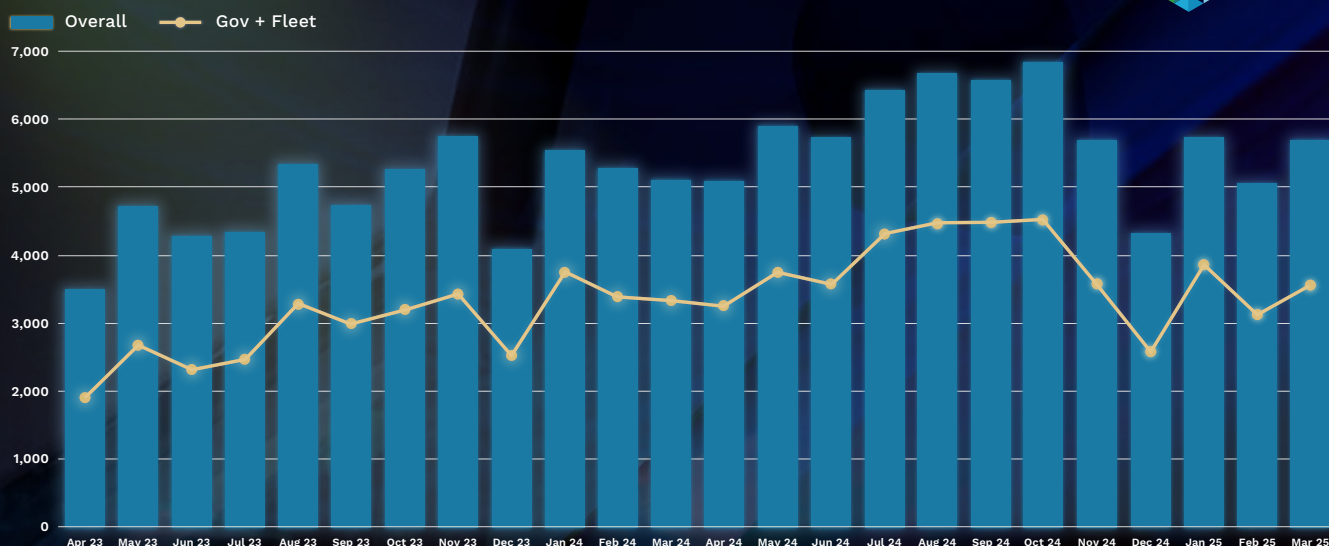
“The biggest shift we’re seeing is a growing proportion of direct buyers, rather than dealers dominating sales,” Shaw notes.

Stock volumes holding steady

Q1 2025 stock insights:

- Total stock on hand remained stable, with 7,700 assets held at the end of Q4 2024 and 7,500 at the end of Q1 2025.
- Lower Government and Fleet returns contributed to a slight decline in overall stock volumes.
- New car deliveries have remained sluggish, mirroring trends seen at the tail end of 2024.
- With supply stabilising, clearance rates and pricing strength suggest that demand is balancing out available stock, keeping competition high.

Motor vehicles sold



Fuel types: hybrids leading the way

In line with the overall market trend, all fuel types strengthened in Q1 2025, with hybrids continuing to outperform.

Key fuel type trends:

- Hybrid vehicles remain the most resilient, likely driven by buyer hesitancy to transition fully to EVs. Buyers want fuel efficiency and environmental benefits while maintaining the convenience of petrol power.
- Diesel vehicles performed particularly well, driven by strong demand in the light commercial segment.
- The used light commercial market saw improved asset quality, with a higher proportion of lower-mileage vehicles entering the auction space.
- The end of steep monthly price drops in the used EV market helped restore trade buyer confidence, with values remaining stable through Q4 2024 and Q1 2025.

“Hybrids continue to outperform as many buyers sit in the middle of the EV transition. Diesel vehicles, particularly utes and commercial stock, also saw strong demand, partly due to a lower volume of aged lease returns,” Shaw explains.

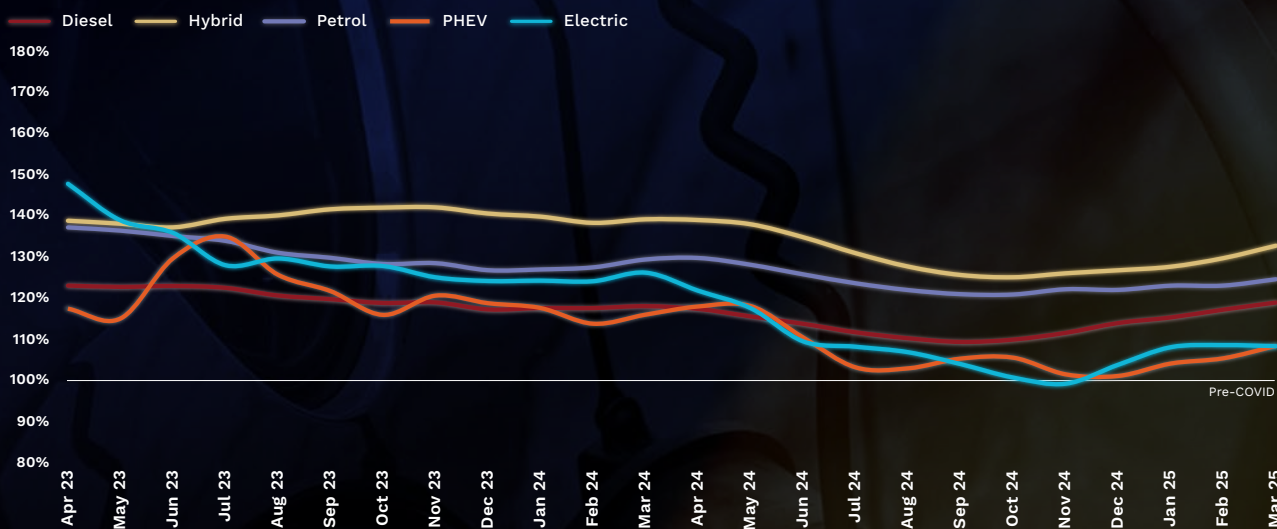
“Hybrids continue to outperform as many buyers sit in the middle of the EV transition.”

– **Chris Shaw**

General Manager, Motor Vehicles



Used car price index by fuel type



Seasonality & market outlook

Looking ahead, Q2 is expected to follow a typical seasonal pattern, with slower trading after Easter and ANZAC Day.

What to expect in Q2 & beyond:

- Lower trading activity in Q2 & Q3 – reflecting traditional seasonal slowdowns.
- A correction in used car prices – after Q1's peak (~\$26,000 per car).
- Price recovery in Q4 – historically, the market strengthens towards the end of the year.

With supply stabilising, clearance rates and pricing strength suggest that demand is balancing out available stock, keeping competition high.

Key factors could disrupt these trends:

- If new car supply remains low, the current shortage of used cars will persist, keeping prices firm.
- Economic uncertainty is driving more buyers towards used over new, particularly with cost-of-living pressures in play and a potential change of federal government.
- NVES and US tariff implications could also distort the market.

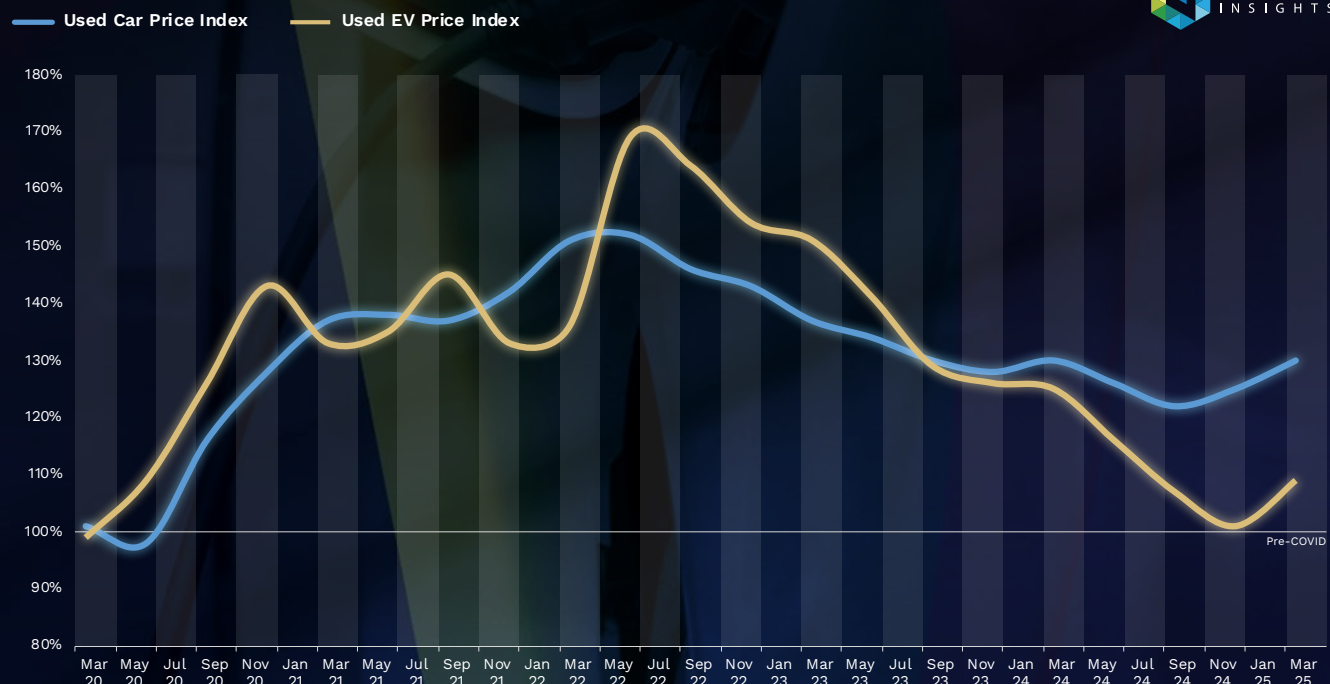
"Market activity has followed a fairly traditional pattern, but new car supply constraints and economic conditions could keep used demand stronger than expected," Shaw says.

Used EV market: stability & buyer shifts

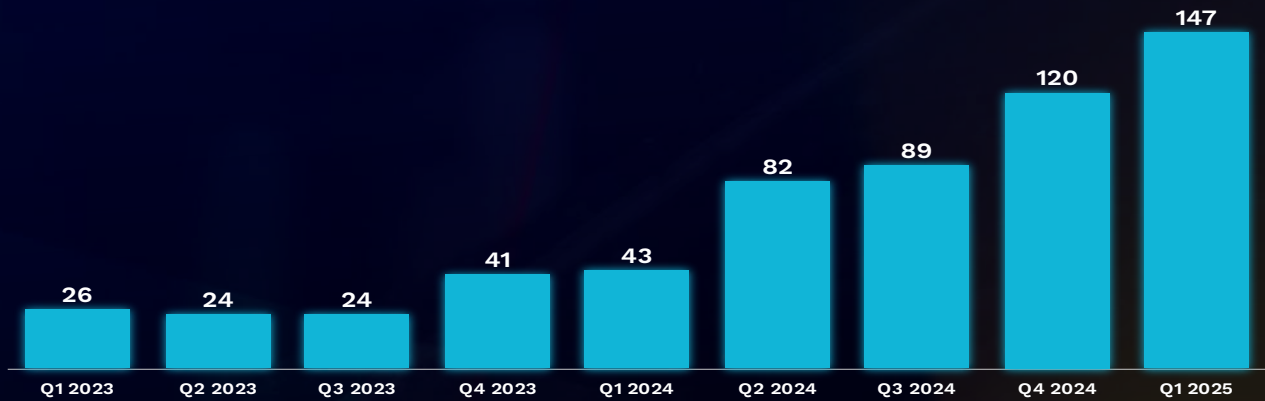
Key Q1 EV trends:

- Used EV volumes increased ~20% across Pickles nationally, average used EV prices remained largely stable.
- Trade buyer confidence improved, with price stability reducing dealer reluctance.
- Private buyers remained the dominant buyer type, accounting for ~60% of EV purchases.

EV used car price index



EV assets sold



Who's buying used EVs?

Pickles' unique used EV data set reveals clear buyer patterns:

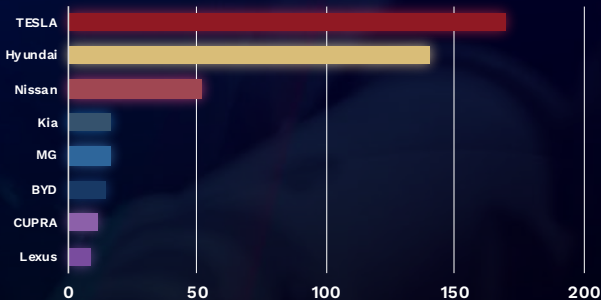
- 43% of used EVs were purchased by a privately registered male.
- One-third of used EVs were sold into Metro Melbourne.
- 30% of buyers were aged 31-40.
- 4% of buyers were aged 71-80, highlighting broadening EV adoption.

Top 5 used EV brands in Q1 2025:

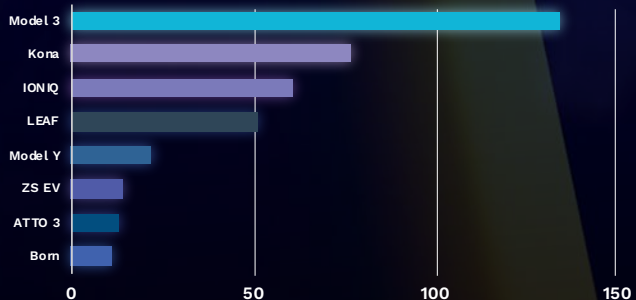
- Tesla – still leads but losing used market dominance.
- Hyundai – gaining traction.
- Nissan – maintaining a strong presence.
- Kia / MG / BYD – in a tight race for fourth place.

“Used EV buyers are no longer just early adopters – this market is now driven by mainstream buyers looking for value,” Shaw says.

EV assets sold by make



EV assets sold by model



In summary

Q1 2025 delivered exceptional pricing, improved clearance rates, and stable volumes, setting a positive tone for the year.

Looking ahead, while Q2 may see a seasonal dip, underlying demand, tight supply, and changing buyer behaviours could soften the expected slowdown.

Shaw adds: “Hybrids continue to outperform as many buyers sit in the middle of the EV transition. Direct purchasing through Pickles is growing, and that’s playing a major role in keeping the market competitive.”

With trusted platforms like Pickles driving engagement, the used car sector is expected to remain strong despite economic fluctuations.

A changing market:

Buyer shift supports strong used car prices

The latest FCAI new car sales data confirms an ongoing slowdown in new car sales. While sales have eased from their post-pandemic peak, suggesting a more balanced market, they appear to be tracking below overall expectations.

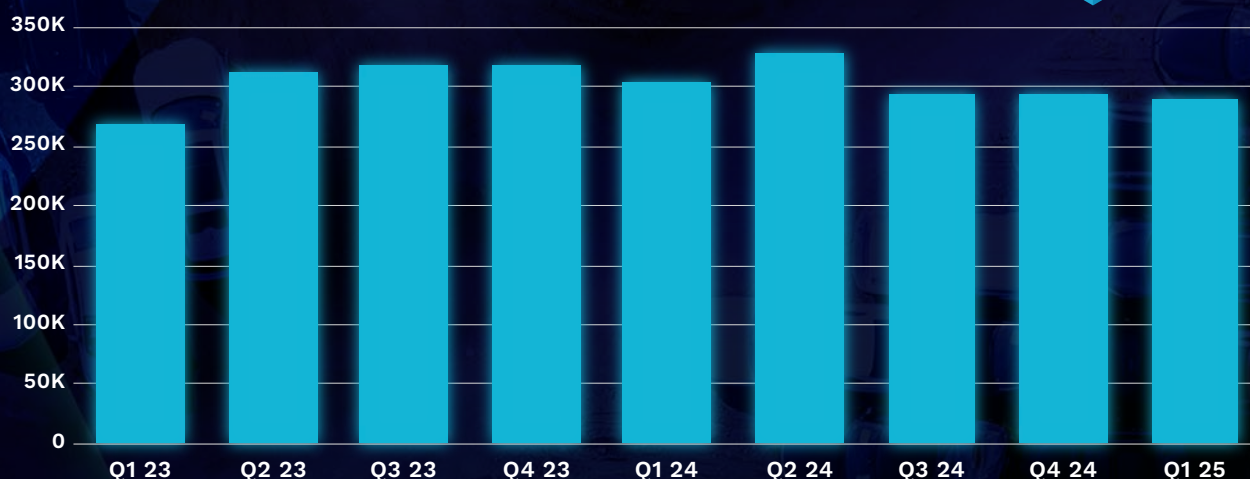
The rising cost-of-living pressures continue to shape buyer behaviour. Despite government measures such as modest tax cuts and energy rebates, many Australians remain financially stretched. For example, a recent budget introduced a \$5 per week tax cut,

which families and small businesses have dismissed as insufficient in the face of rising expenses. With affordability top of mind, more buyers are looking for value in the used car market – a trend that is becoming increasingly evident at Pickles.

“We’re seeing a significant shift in purchasing behaviour,” says Fraser Ronald, Chief Commercial Officer.

“As financial pressures mount, more buyers are turning to Pickles for reliable, high-quality used vehicles.”

Australian new car sales



Pickles drives demand that supports strong resale values

The growing share of end-user buyers is supporting healthy used car prices. Rather than vehicles being purchased primarily by dealers and wholesalers, a growing proportion are now going directly to the general public. The data indicates in 2024, ~17,200 or 31% of vehicles were purchased by private buyers across public auctions and fixed price channels compared to ~13,300 in 2023.

This shift reflects growing consumer confidence in purchasing used vehicles directly from reputable sources like Pickles.

“As financial pressures mount, more buyers are turning to Pickles for reliable, high-quality used vehicles.”



– **Fraser Ronald**
Chief Commercial Officer

Why buyers trust Pickles

More Australians are choosing Pickles as their go-to used car marketplace, driven by three key factors:

- **Transparency & Quality Assurance:** Buyers have access to detailed condition reports, high-resolution images, and real market insights, allowing them to make informed decisions.
- **Confidence in Online Transactions:** More buyers are bidding remotely and buying interstate, trusting Pickles' secure transaction processes and logistics support.
- **Established Reputation:** With decades of experience, Pickles has built a trusted platform known for reliability and integrity.

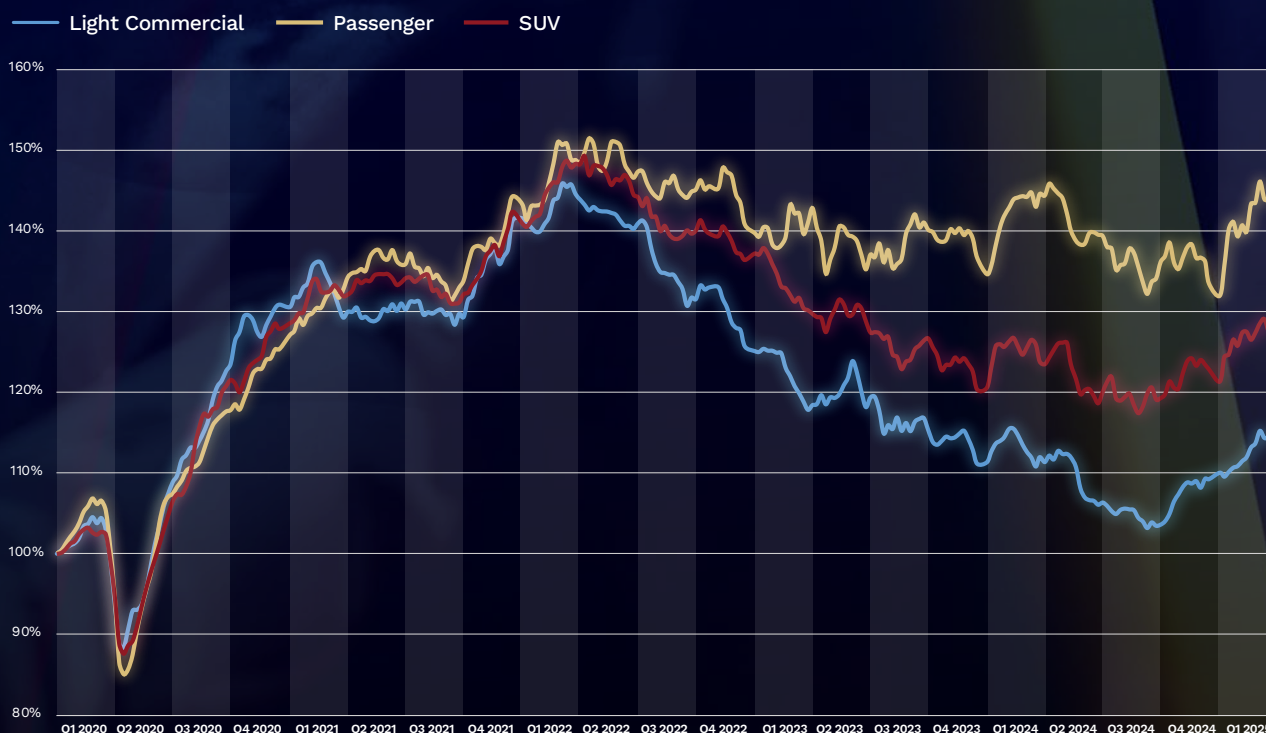
"Buyers are more comfortable than ever purchasing online, and Pickles is leading the way in making that process seamless and secure," Ronald notes.

Looking ahead

Ronald adds: "The data shows that buyers are becoming more discerning. They want value when buying their next ute, SUV or passenger car, and they're turning to Pickles to find it."

As market conditions continue to evolve, Pickles remains well-positioned to support both buyers and sellers, offering a trusted platform that delivers real value in an ever-changing automotive landscape.

Used car price index by VFACTS class



Dealer reluctance to purchase used EVs: time to reconsider?

Quarter after quarter, private buyers continue to outpace dealers in purchasing used EVs. Despite thousands of dealers transacting with Pickles annually, the shift toward used EVs remains sluggish within the trade sector.

Over the past 12 months, Pickles' top 10 trade buyers collectively purchased more than 7,000 ICE vehicles. In contrast, just 26 of the nearly 400 used EVs sold in the same period went to this group – comprising major independent dealers, wholesalers, and OEM-backed retailers.

So, what's holding them back? We asked, and here's what they said:

"I'm nervous about price volatility. It's been unpredictable over the past two years, and I've been caught out before."

"My dealer principal has restricted me from buying used EVs at this stage."

"Buyers have more questions about EVs, and we don't have visibility on battery health before purchase."

"Interest has only really started to pick up in the last six months."

Is price volatility still an issue?

It's a valid concern – but the numbers point to a turning point.

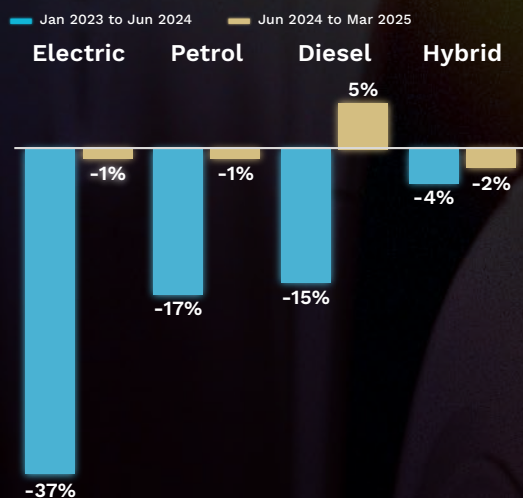
Between January 2023 and June 2024, used EV prices dropped by 37%, according to the Datium price index – a decline of around \$15,300 on average.

But over the past nine months, the market has stabilised.

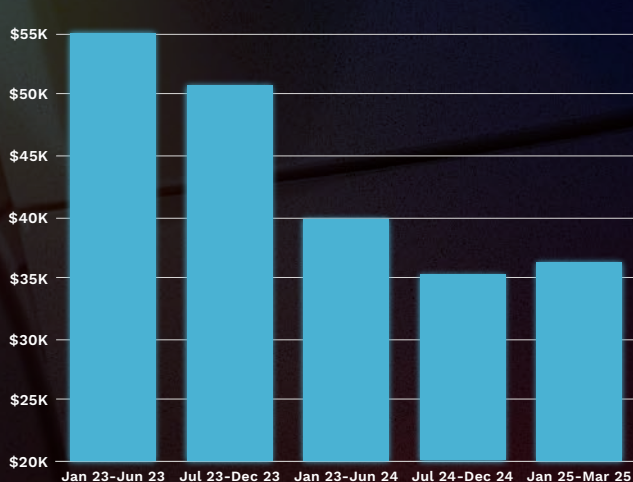
From July 2024 to March 2025, Pickles' used EV index shows a price movement of just -1%, with the average used EV now priced just over \$36,000.

Notably, December and January marked the first price increases in three years, driven by renewed buyer demand. For comparison, diesel vehicle prices shifted by 5% over the same period – yet demand from trade buyers remained strong.

Change in price index



Average EV prices



Battery health: the data tells a different story

Concerns about EV battery degradation are understandable, but they don't match the reality. Of the 400 used EVs Pickles has tested, the average State of Health sits at an impressive 96.3%. That's a clear indicator that battery longevity isn't the deal-breaker some dealers assume it to be.

To address this uncertainty, Pickles is introducing State of Health scores directly from each vehicle's battery management system – giving dealers full transparency before they place a bid.

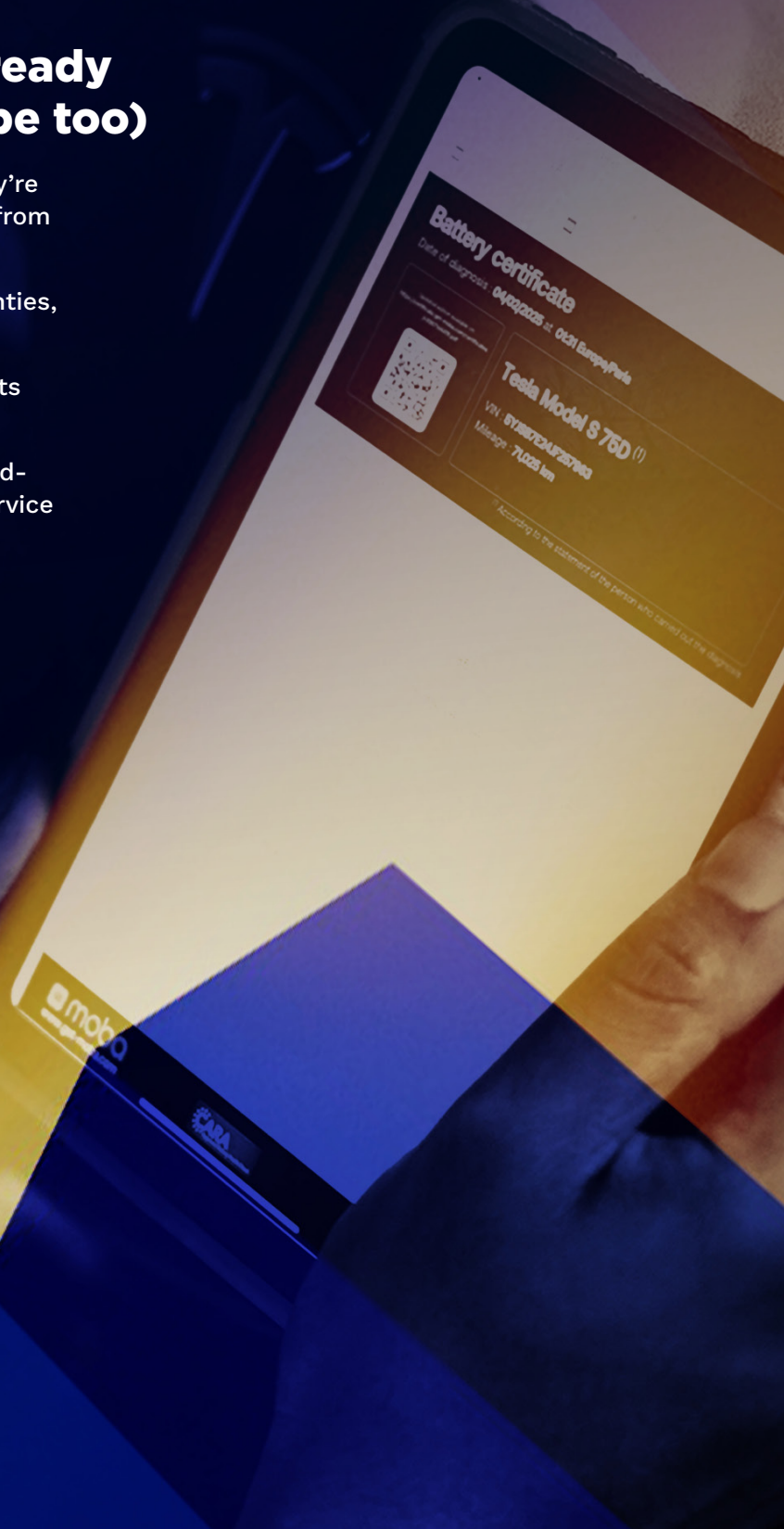
Why used EV buyers are ready (and why dealers should be too)

Used EV buyers aren't just bargain hunters. They're savvy, well-researched, and ready to transition from ICE vehicles. Feedback shows that:

- They understand long EV manufacturer warranties, which reduce risk.
- They research extensively to find an EV that fits their lifestyle.
- They understand that EVs have fewer wear-and-tear components, reducing reliance on full-service histories – but many ex-fleet and government vehicles still come with well-documented maintenance records.

With higher interest rates and the rising cost of living, buying a new EV is out of reach for many Australians. But used EVs offer an attractive alternative, often at nearly 50% off their original price, with the first owner absorbing the bulk of depreciation.

Dealers who move now will be well-positioned to capitalise on the rising demand. Private buyers already account for six out of every 10 used EVs sold at Pickles auctions.



From wreck to resource:

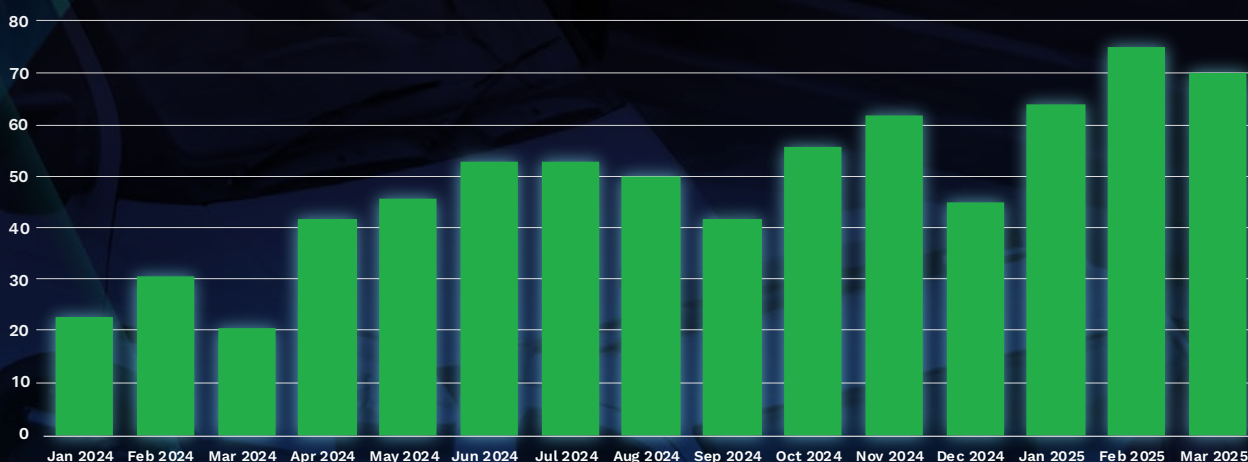
The surprising demand for salvage EVs

Australia's EV market has grown significantly in recent years, and with it, the number of used EVs hitting the secondary market. But what happens when an EV is written off?

As the country's leading salvage auction house, Pickles sells over 150,000 salvage vehicles annually on behalf of many major insurers. While the vast majority are ICE vehicles, the rise in new EV sales is driving a shift. In the past 12 months alone, salvage EV sales have tripled, and we anticipate selling around 650 this financial year.

Salvage vehicles are cars that have been written off by insurers, typically due to accident damage and/or theft recovery. These vehicles still contain high-value components like batteries, drivetrains, and panels.

Salvage EV sales



A changing buyer landscape

Traditionally, salvage buyers have been wreckers – dismantling written-off vehicles to sell undamaged parts – or enthusiasts repairing wrecks for personal use. Today, two new buyer groups have emerged, and existing buyers are pivoting within the EV salvage space, intensifying competition at auctions:

Second-life battery manufacturers:

With over four million Australian homes now equipped with solar panels, demand for battery storage is booming. Second-life battery manufacturers are capitalising on this trend by repurposing EV batteries into home and industrial energy storage solutions.

These salvaged batteries are increasingly being used to store excess solar energy, extending their useful life long after the car has been written off.

Vehicle exporters:

Overseas markets – including New Zealand and the Middle East – are recognising the value of Australian salvage EVs. Exporters are acquiring written-off vehicles to either:

- Repair and resell them for road use.
- Dismantle them for parts, similar to how wreckers operate in Australia.

With local supply limited in some regions, international buyers are turning to Australian auctions to meet growing demand.

Traditional parts recyclers:

While ICE vehicles remain a key focus for many buyers, salvage EVs are presenting new opportunities:

- Targeting specific EV brands to specialise in OEM parts and component recycling.
- Responding to rapidly increasing demand for replacement batteries.

Enthusiasts:

These end users are highly competitive in salvage auctions and are now focusing on:

- Retrofitting drivetrains, components and batteries into collectible cars.
- Building EV race cars.
- Undertaking EV project builds.

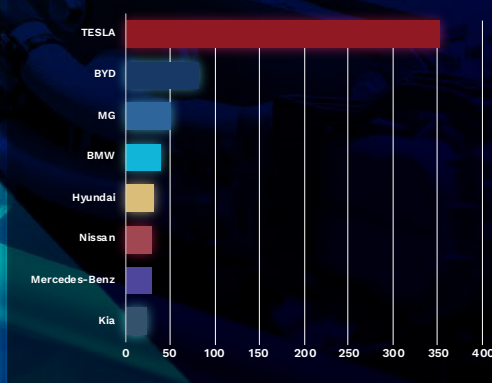
What are they buying?

The salvage EV market mirrors the broader fleet and government EV sales – but with a twist.

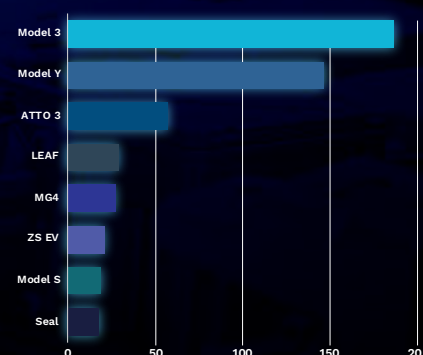
- Tesla continues to dominate, simply due to the sheer number of them on the road.
- BYD and MG models are gaining traction due to their lower upfront cost, which makes them more likely to be written off when insurers apply their repair cost vs. salvage value formula.



Salvage EVs sold by make



Salvage EVs sold by model



The numbers tell the story

The appeal of salvage EVs is clear when compared to their ICE counterparts:

	Price Tag	Average Age	Average Odo. Reading
Salvage EVs:	\$9,000 - \$14,000	2.5 Years	Under 15,000 kms
Salvage ICE vehicles:	\$2,500 - \$6,500	12 Years	130,000 kms

With EV salvage values significantly higher than those of ICE vehicles, it's no surprise that new buyer segments are entering the market.

The bigger picture

If you've ever owned or managed an EV that was written off, there's a strong chance its battery is now helping power a home or business, contributing to the growing shift toward sustainable energy solutions.

As EV adoption accelerates, so too will demand in the salvage sector. The question is no longer whether there's a market for written-off EVs – it's who will win the race to secure them.

Does higher mileage equal faster battery degradation?

Battery degradation has long been a concern among EVs owners and prospective buyers. Many assume that high mileage leads to significant battery wear, but the latest results from Pickles' Battery Assurance Program tell a different story.

With over 400 battery tests completed, the data is reassuring for used EV buyers. The average State of Health (SoH) score sits at an impressive 96.3%, even though these vehicles average 29 months old and 29,300 km on the odometer.

"The data challenges long-held myths about EV battery life," says Brendon Green, General Manager, Automotive Solutions at Pickles.

"The idea that high mileage alone causes rapid degradation just doesn't hold up when EVs are charged correctly."

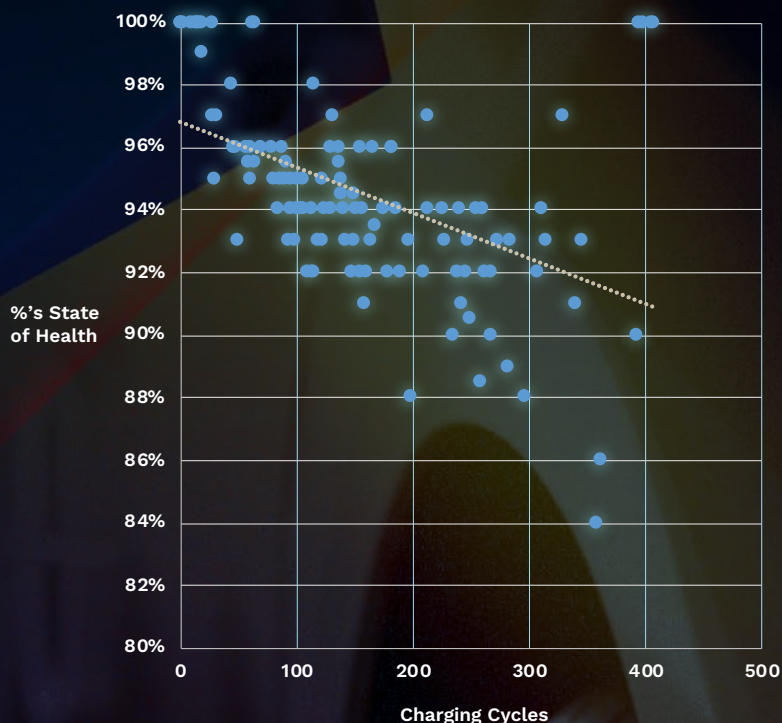
– **Brendon Green**

General Manager, Automotive Solutions



It's not just about mileage – it's how you charge

Avg battery health vs. number of charging cycles



Battery degradation is influenced more by charging habits than by the number of kilometres driven.

Rapid charging, frequent deep discharges below 20%, and consistently charging to 100% can accelerate battery wear. However, when charged correctly, even high-mileage EVs maintain strong battery health.

"Battery health isn't about how far you drive – it's about how you charge. We're seeing EVs with tens of thousands of kilometres still scoring over 95% SoH because their owners follow good charging practices," Green explains.

A tale of two Teslas: mileage vs. battery health

To put this into perspective, let's compare two Tesla Model Y vehicles that both scored an identical 97% SoH – despite a staggering 78,000 km difference in mileage.

Vehicle	Model Y	Model Y
Age	8 months	13 months
SoH	97%	97%
Odometer	4,200 kms	82,000 kms
Number of charge cycles	28	329
Avg. kms between charges	151	250
Avg. days between charges	8.6 days	1.2 days

Despite being charged almost daily, the higher-mileage Tesla retained its battery health because its charging followed manufacturer recommendations.

This directly challenges the assumption that frequent charging automatically leads to degradation – how you charge matters far more than how often you charge.

Debunking the degradation myth

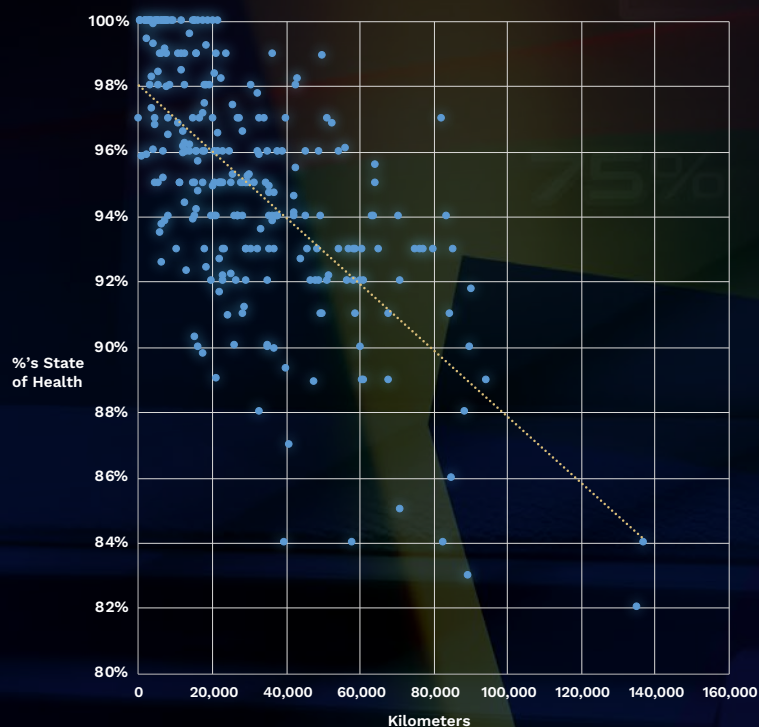
Pickles' data continues to debunk the myth that high mileage equates to rapid battery deterioration.

Key findings:

- Most used EVs sold by Pickles have under 50,000 km.
- EVs with 50,000–100,000 km still score over 93% SoH.
- Some EVs with just 10,000 km have similar battery health scores to those with 60,000–80,000 km.
- Some vehicles maintain 100% SoH even after 20,000 km.

“EV batteries are proving to be far more durable than expected,” Green adds. “We’re only just starting to see EVs cross the 100,000 km mark, but early indicators show that battery life won’t be a barrier to the used EV market.”

Avg. battery health vs. mileage



What this means for buyers

In the coming months, Pickles will display each vehicle's State of Health score on auction listings, giving buyers greater confidence when bidding on EVs.

- More transparency for buyers.
- Increased competition in the used EV market, including trade buyers.
- Higher resale values as uncertainty around battery life decreases.
- More buyers shifting from new EVs to used, capitalising on near-new cars at lower prices.

"The used EV market is at a tipping point. As transparency around battery health improves, we expect both private and trade buyers to embrace the used EV market. The numbers speak for themselves," says Green.

Looking forward

For too long, uncertainty around battery degradation has held some buyers back from purchasing a used EV. But real-world data proves these concerns are largely unfounded. With most EVs maintaining strong battery health well beyond 50,000 km, there's never been a better time to consider buying used.

The next phase of the EV transition is here, and Pickles is leading the way in the used car market.

Find your next EV

Pickles houses a wide range of quality used electric & hybrid vehicles to help you go green.

SEARCH NOW



Pickles

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