The Banger Is Dead. Long Live The Banger!

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Low cost PCP deals see motorists switch into newer cars – but banger market is booming

Thousands of car buyers are switching out of their bangers to newer cars to take advantage of low cost PCP deals, reports motor trade bible Glass's – but at the same time the banger market is exploding with values and volumes rising.

Rupert Pontin, head of valuations at Glass's, said: "We are seeing something interesting going on. Since the start of 2013, the number of cars over 10.5 years old being sold at auction has increased by around 50%. We believe this is because large numbers of buyers are selling their bangers and signing up to low-cost new and used car PCP deals to get behind the wheel of a newer model.

"However, instead of this flood of bangers entering the market leading to a collapse in values, they have actually increased quite substantially. The average auction price for a 10.5 year-plus car in January 2013 was £725 but in June of this year, it was £875. Enough new buyers are entering the market to soak up the extra volume and the banger market is actually in excellent health.

"Partially this is as a result of improving economic conditions – more people are feeling confident about buying and running a car at the entry level – but also the quality of older cars on sale is improving all the time. We see many bangers going through auction in excellent condition at very reasonable prices and, for many people, they make extremely sensible purchases.

"It is very much a case of 'The banger is dead. Long live the banger!'"

Rupert said that the question for the medium term was how many more people would opt for a PCP deal on a newer car and whether banger values would continue to increase over time.

"The number of people switching into PCPs does not really show any sign of slowing down and this means that the volume of older vehicles on the market will continue to grow. At some point, this will lead to oversupply and falling values but it is quite difficult to predict exactly when."

About Glass's

Glass's is the largest vehicle data provider in Europe, offering products and solutions that are invaluable at every stage of a vehicle's lifecycle. These include key valuation, technical and fleet management data, estimating, bodyshop and dealer management systems and web-based services. Founded in 1933 by William Glass, the first Glass's Guide to Car Values – widely referred to as the used car dealer's bible – was published in July of that year.

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