Bi-annual leasing broker survey

Annual Data to December 2023

Prepared by Research and Insight Manager, Phil Garthside

December 2023

LEASING BROKER / SMALL FLEET 2023

- **In 2023 BVRLA broker fleet shrunk by 2.95% to 390,898 when compared to full year-end 2022.**
- **The total fleet declined by 2.6% from that declared at the end of June 2023.**
- **The fleet comprised of 294,921 cars and 95,977 vans.**
- **Whilst the overall fleet decreased, there was evidence of growth in business contract hire (BCH) for cars (8%) counteracted by a 6% fall in BCH for vans.**
- **New contracts for cars continued to fall, by 19% on last year, primarily due to a notable decline in PCH (39%) fleet. The number of new van contracts continued to fall, by 33%.**

Key Findings (Cars)	Vans
• The car fleet fell by 2.7% year-on-year during 2023 to 294,921. • New contracts continued to fall, by 19% in 2023, following last year's 18% decrease. • PCH represents 57% of the broker channel fleet, down from 61% last year. The overall PCH fleet declined by 10% year-on-year with the number of new additions falling by 39% or c16k units. • 41% of the BVRLA broker channel fleet and 56% of new contracts are BCH. The BCH fleet grew by 9% year-on-year with the number of new additions increasing by 7% over the same period. • Some BCH growth can be attributed to salary sacrifice as brokers are offering a salary sacrifice solution which is likely to be reported as BCH by funders. • Finance lease is a small proportion of the total car fleet at 3,896 units, increasing by 19% year on year.	• The LCV fleet declined by 3.6% in 2023 to 95,977 units. • The number of additions to the fleet are down from 24,294 seen in 2022 to 16,362 in 2023. This represents a fall of 33%, continuing the trend witnessed between 2021 and 2022. • 64% of the broker LCV fleet and 75% of new contracts are BCH. The BCH fleet fell by 6% year-on-year whilst the number of additions declined by 7%. • 29% of vans supplied via the broker channel and 19% of new LCV additions are finance leased. The finance lease fleet grew by 4% year-on-year although a 39% fall in new additions is evident. • PCH contracts fell by 13% in 2023, accounting for 6% of the BVRLA broker channel fleet. New additions fell dramatically by 86% to 793 units.

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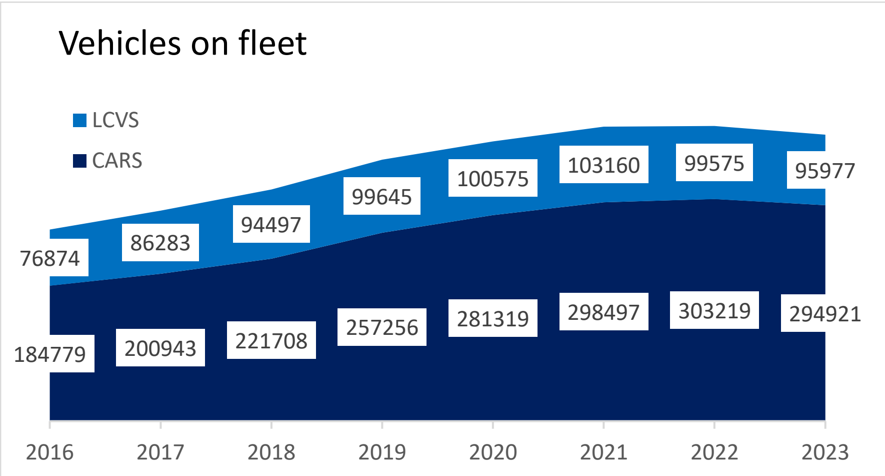
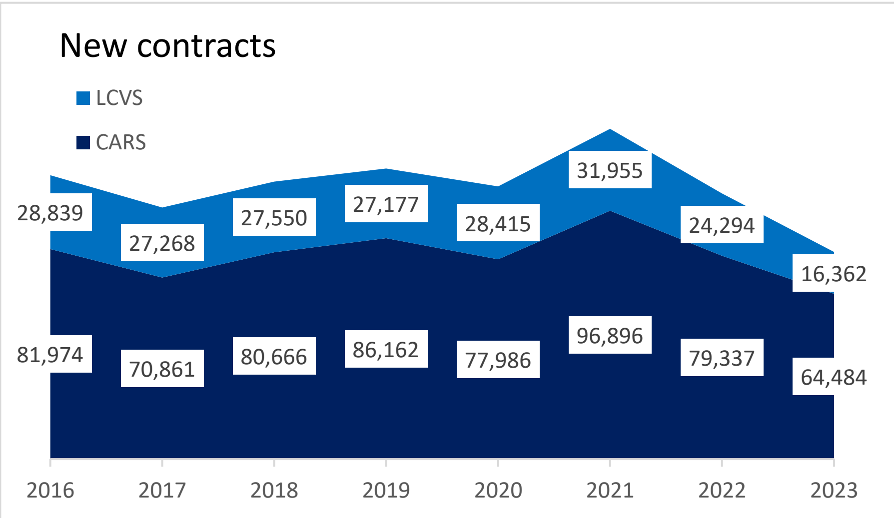
Research & Insight





Vehicles on fleet	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
CARS	200,943	221,708	257,256	281,319	298,497	303,219	294,921
LCVs	86,283	94,497	99,645	100,575	103,160	99,575	95,977
	287,226	316,205	356,901	381,894	401,657	402,794	390,898

New contracts	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
CARS	70,861	80,666	86,162	77,986	96,896	79,337	64,484
LCVS	27,268	27,550	27,177	28,415	31,955	24,294	16,362
	98,129	108,216	113,339	106,401	128,851	103,631	80,846

Net additions	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
CARS	16,164	20,765	35,548	24,063	17,178	4,722	-8,298
LCVS	9,409	8,214	5,148	930	2,585	-3,585	-3,598
	25,573	**28,979**	**40,696**	**24,993**	**19,763**	**1,137**	**-11,896**

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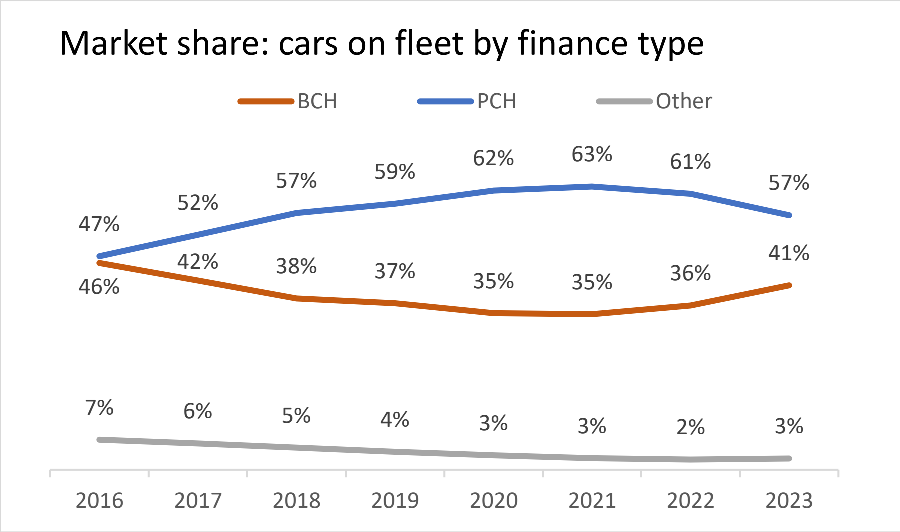
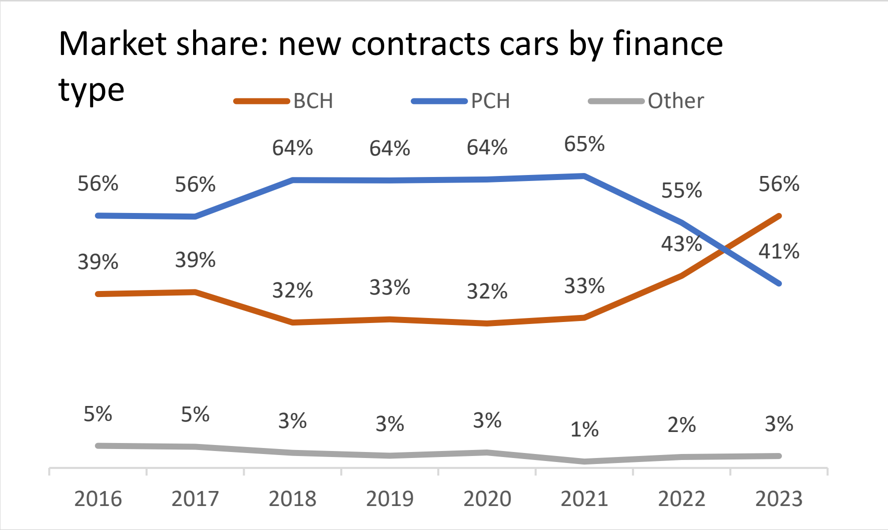
Cars on fleet	2017	2018	2019	2020	2021	2022	2023
BCH	84,338	84,404	95,024	97,841	103,104	110,607	120,733
Finance lease	4,616	4,134	3,789	3,092	2,815	3,166	3,896
Business other	610	500	522	332	317	330	370
Fleet management	0	0	0	829	627	654	518
PCH	104,828	126,451	151,979	174,383	187,741	185,777	166,800
Salary sacrifice	redacted	redacted	redacted	redacted	redacted	redacted	redacted
Personal other	6,501	6,219	5,919	4,820	3,880	2,685	2,228
ALL	**200,943**	**211,708**	**257,256**	**281,319**	**298,497**	**303,219**	**294,921**



Cars: New contracts	2017	2018	2019	2020	2021	2022	2023
BCH	27,761	26,146	28,550	25,126	32,432	33,996	36,251
Finance lease	1,198	857	768	698	703	1,116	1,074
Subscription	0	0	0	0	0	0	0
Business other	127	108	99	106	113	250	85
Fleet management only	0	0	0	566	8	98	18
PCH	39,740	51,812	55,275	50,158	63,095	43,413	26,517
Salary sacrifice	redacted	redacted	redacted	redacted	redacted	redacted	redacted
Personal other	2,035	1,743	1,470	1,332	545	464	156
ALL	**70,861**	**80,666**	**86,162**	**77,986**	**96,896**	**79,337**	**64,484**



NB: Salary sacrifice numbers have been redacted as it is unclear to funders how brokers position products. What a funder finances as a BCH may well be provided as a salary sacrifice by brokers. We are investigating how to resolve this.

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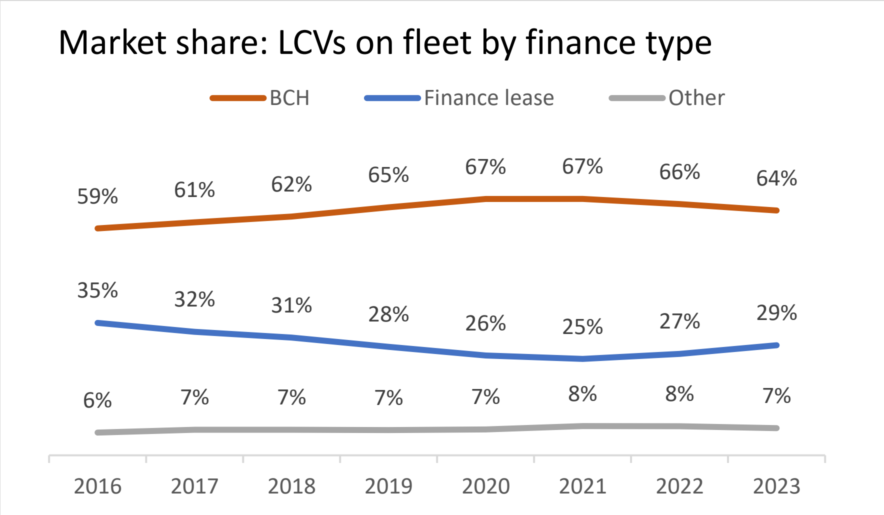
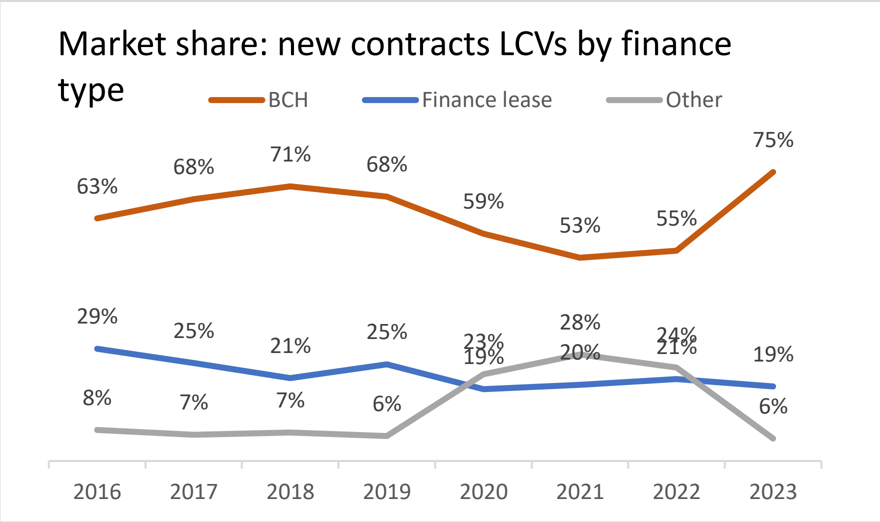
LCVs on fleet	2017	2018	2019	2020	2021	2022	2023
BCH	52,603	59,050	64,366	67,444	69,230	65,508	61,480
Finance lease	27,901	29,124	28,144	26,291	26,033	26,461	27,676
Subscription	0	0	0	0	0	0	0
Business other	2,833	2,704	2,633	1,840	1,604	1,317	1,399
Fleet management only	0	0	0	148	128	133	81
PCH	2,935	3,606	3,944	4,839	6,157	6,151	5,339
Salary sacrifice	redacted	redacted	redacted	redacted	redacted	redacted	redacted
Personal other	11	13	4	13	8	5	2
ALL	**86,283**	**94,497**	**99,091**	**100,575**	**103,160**	**99,575**	**95,977**



Market share: LCVs on fleet by finance type

LCVs: New contracts	2017	2018	2019	2020	2021	2022	2023
BCH	18,488	19,593	18,606	16,731	16,825	13,241	12,248
Finance lease	6,921	5,923	6,814	5,287	6,316	5,162	3,162
Subscription	0	0	0	0	0	0	0
Business other	682	628	588	531	349	289	156
Fleet management only	0	0	0	9	2	17	3
PCH	1,177	1,404	1,165	5,856	8,463	5,585	793
Salary sacrifice	redacted	redacted	redacted	redacted	redacted	redacted	redacted
Personal other	0	2	4	2	0	0	0
ALL	**27,268**	**27,550**	**27,177**	**28,415**	**31,955**	**24,294**	**16,362**



Market share: new contracts LCVs by finance type

NB: Salary sacrifice numbers have been redacted as it is unclear to funders how brokers position products. What a funder finances as a BCH may well be provided as a salary sacrifice by brokers. We are investigating how to resolve this.

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MAINTAINED CONTRACTS

Of the total BVRLA broker fleet 37% is maintained. The proportion of maintained cars increased slightly to 38% and is higher than for vans at 25%. The number of maintained vans remained consistent with 2021 and 2022 levels.

For new additions, the portion of maintained BCH car contracts grew by 10 percentage points rising to levels last seen in 2017, whilst the portion of PCH maintained cars grew by 2 percentage points to over one-third notably higher than the levels seen in 2019.

For new additions to the van fleet, the number of maintained contracts increased by 2 percentage points for BCH contracts but fell by 2 percentage points for PCH.

All cars on contract

38%

Upward trend

2020	2021	2022
35%	35%	36%

New car contracts

44%

Upward trend

2020	2021	2022
35%	31%	36%

All LCVs on contract

25%

Level trend

2020	2021	2022
28%	25%	25%

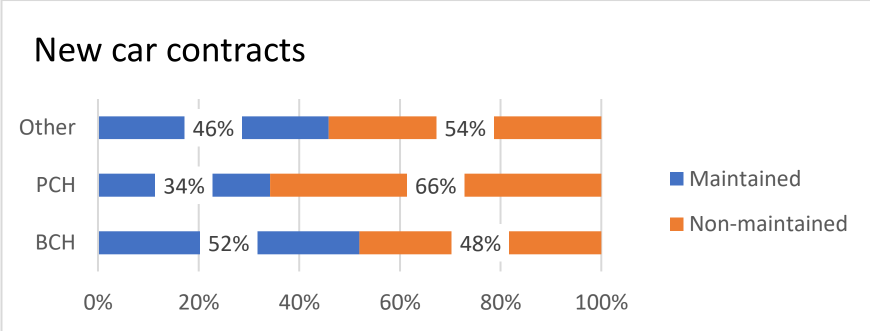
New LCV contracts

32%

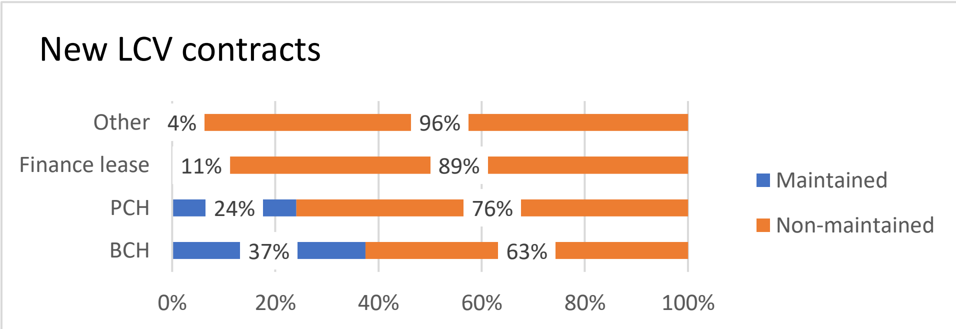
Upward trend

2020	2021	2022
12%	10%	27%

New car contracts	2019	2020	2021	2022	2023
BCH maintained	48%	44%	41%	42%	52%
PCH maintained	29%	29%	27%	32%	34%



New LCV contracts	2019	2020	2021	2022	2023
BCH	35%	38%	38%	35%	37%
PCH	16%	36%	32%	26%	24%
Finance lease	0%	33%	6%	8%	11%
Other	0%	83%	23%	23%	4%



REGULATED CONTRACTS

49% of the overall fleet is regulated.

In total, 42% of new cars registered via brokers are regulated down slightly from 54% in 2022. Just 3% of BCH contracts in 2023 were regulated down from 5% in 2022, while in total 97% of PCH contracts were regulated. The proportion of regulated PCH contracts is once again starting to rise to levels not seen since 2020.

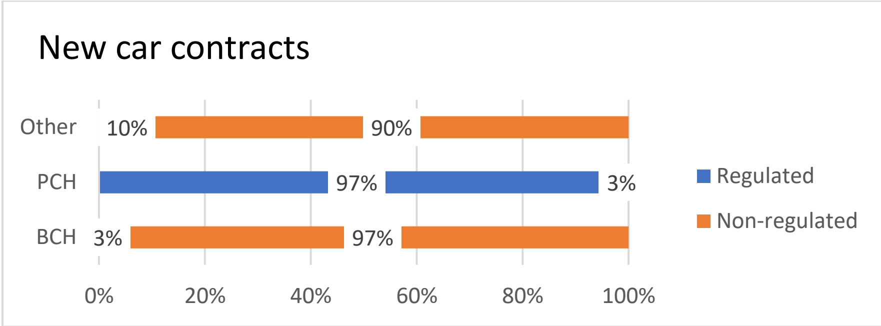
For vans, 21% of new additions are regulated, down from 29% in 2022. Consistent with previous years, all PCH contracts were regulated in 2023. While only 20% of BCH registrations were regulated in 2023, this represents a significant increase after a number of years of falling regulated BCH registrations.

All cars on contract 59%

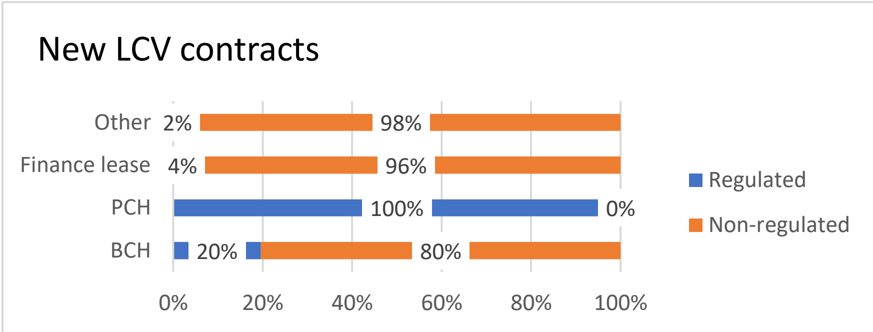
New car contracts 42%

All LCVs on contract 19%

New LCV contracts 21%



Cars new contracts	2019	2020	2021	2022	2023
BCH	10%	7%	10%	5%	3%
PCH	99%	100%	93%	95%	97%
Other	61%	50%	40%	26%	10%



LCV new contracts	2019	2020	2021	2022	2023
BCH	17%	16%	14%	9%	20%
PCH	100%	100%	100%	100%	100%
Finance lease	25%	23%	29%	9%	4%
Other	12%	12%	35%	3%	2%

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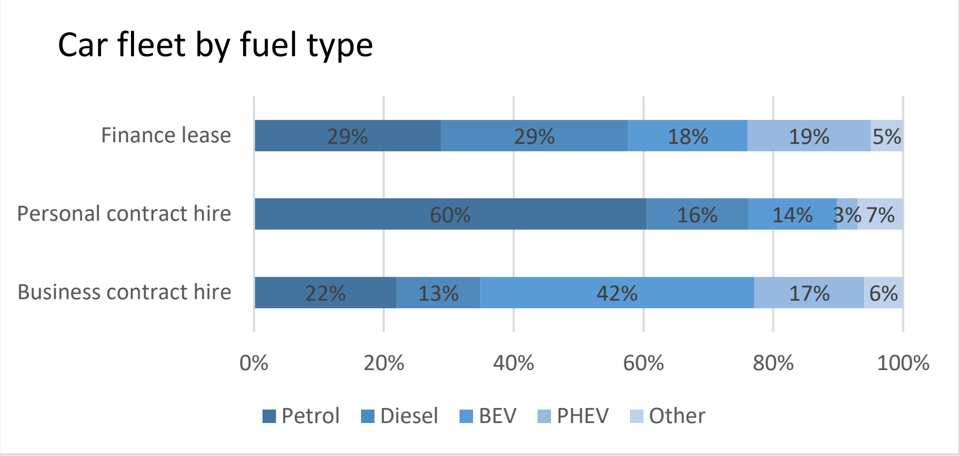
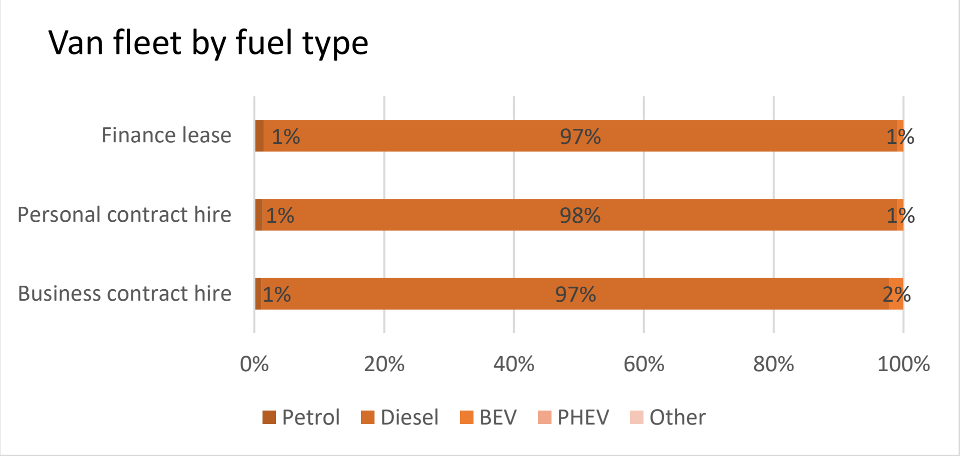
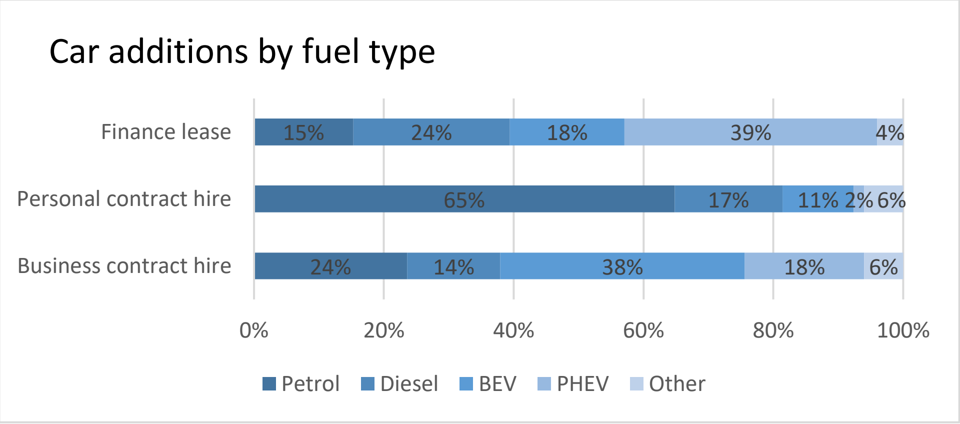
FUEL TYPE

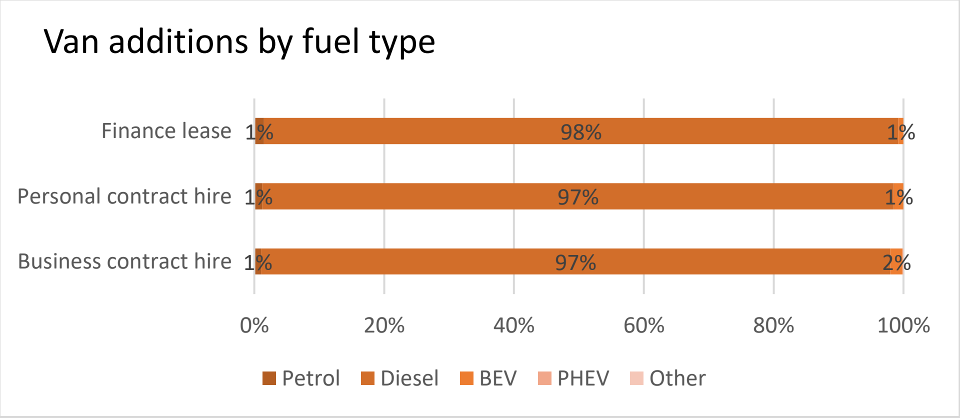
Cars by fuel type: 25% of the BVRLA broker car fleet is BEV. 42% of the BCH car fleet is BEV, rising from 33% in 2022, with a further 17% being plugin hybrids. This means that 59% of the BCH fleet are plug in cars, rising from 48% in 2022. For PCH cars petrol is still the fuel of choice, with just 17% being plugins. For fleet additions, a drop in BEVs was seen across BCH, PCH and finance lease contracts, while PHEVs accounted for an increased 39% of finance lease contracts, from 16% in 2022.

Vans by fuel type: The van fleet is still universally fuelled by diesel engines.









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