



Trends & Insights  
For Africa

# KENYA USED VEHICLE PRICE INDEX

DEC 2020



**The most comprehensive price  
index for used cars in Kenya**

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Imported second-hand vehicles account for **85%** of Kenyan car purchases in Kenya

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## INTRODUCTION

Imported second-hand vehicles account for 85 percent of Kenyan car purchases. A used car is a vehicle that has previously had one or more retail owners. The growth of the internet has fueled the availability of information on the prices of used cars. Cheki is a trusted, reliable and cost-effective online marketplace for the most comprehensive range of quality vehicles. Cheki offers an advertising platform for users to buy and sell their cars, vans, trucks and other vehicles.

The Kenya Used Vehicle (KUV) Price Index report focuses on the prices of car listings in Kenya market. The purpose of the Kenya Used Car Index is to measure the average price change over time. By comparing prices and price trends for different months, quarters or years, users of this Price Index will be able to calculate the rate of inflation.

### The KUV Price Index report has the following information:

- ④ Trended price index
- ④ Listed vehicle by year of manufacture
- ④ Listed vehicles by body type
- ④ Top ten listed vehicles by model

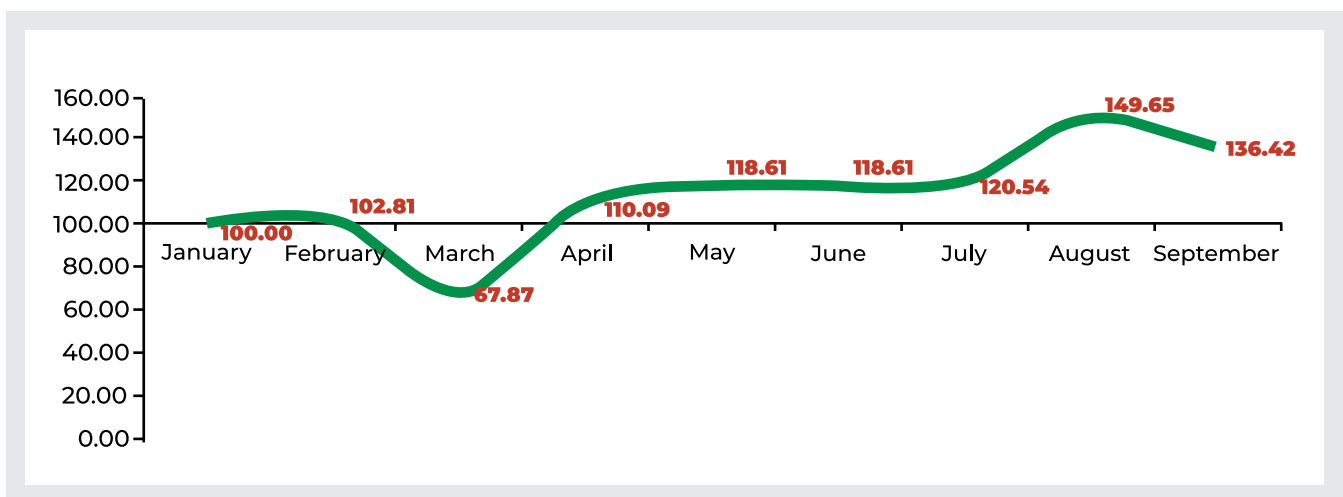




## KENYA USED VEHICLE PRICE INDEX

The KUV Price Index growth sustained a downward trend (Figure 1) from an index of 102.81 in February compared to an index of 67.87 in March based on fixed base Index. The price index stood at 110.09 in April with a growth of 42.22 from March. The Price Index maintained a slight change in July which stood at 120.54. A price increase was observed between July and August with a growth of 29.11 and stood at 149.25. A price decrease was observed between August and September from a price index of 149.25 to 136.42.

**Figure 1: Used Vehicle Price Index – Jan to September 2020**



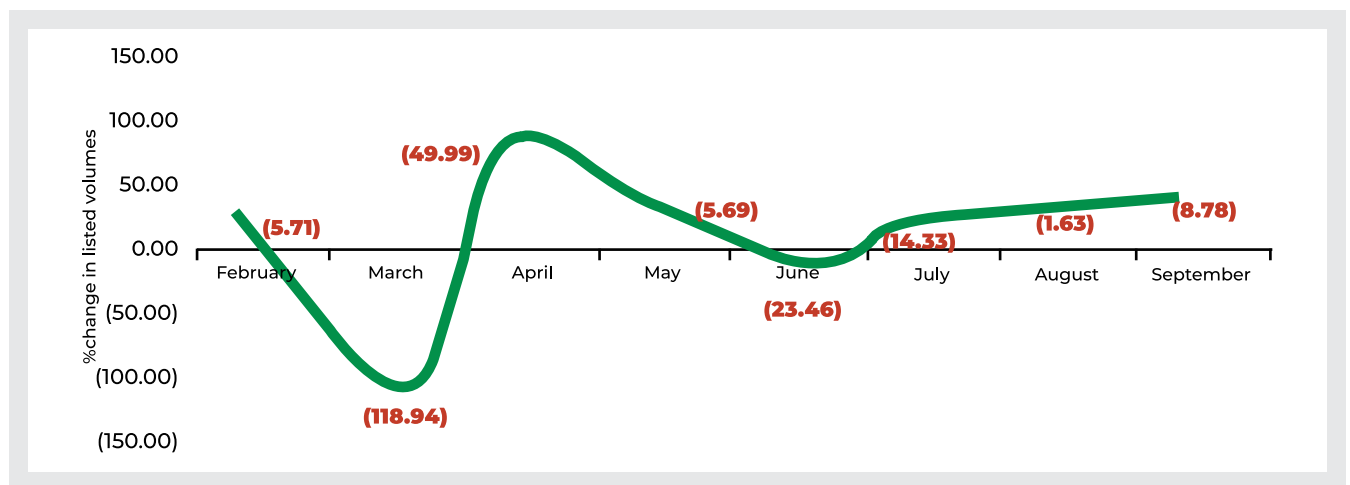
Qualitative research data shows that dealers in used cars were forced to cut prices between February and March in response to depressed demand in an economy reeling from the effects of the COVID-19 pandemic. It should also be noted that many Kenyans lost their source income and were not able to service bank loans. Sale of cars seized by banks could have increased supply in the market, further putting downward pressure on prices.



## LISTING VOLUMES TREND

In addition to a downward trend in prices, there was also a downward trend in the number of listings of vehicles during the month of March 2020. This is also attributed to the effects of COVID-19 pandemic.

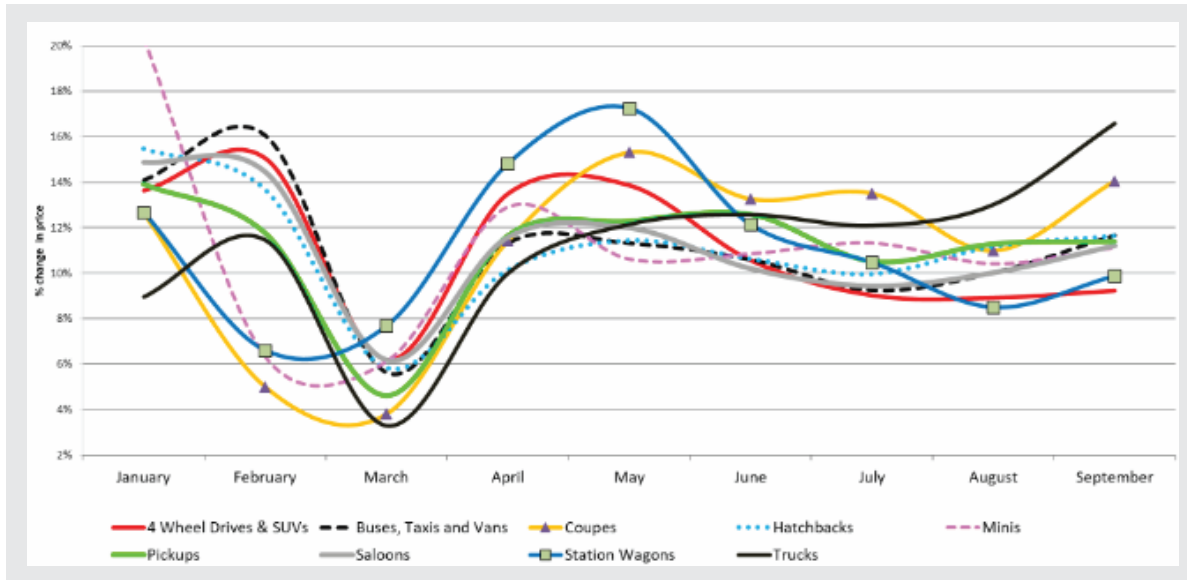
**Figure 2: Volumes % change - month on month**



## LISTING VOLUMES TREND

An analysis has been done on the percentage change in price for the listed vehicles. There was a decline in the prices of all vehicles between the months of February and March 2020. Significantly large declines were recorded for pick-ups, 4-wheel drives and SUVs, saloons, hatchbacks, buses, vans and mini vehicles. The prices increased between April and May 2020, with the station wagons, coupes, and 4-wheel-drives/SUVs registering the highest variation.

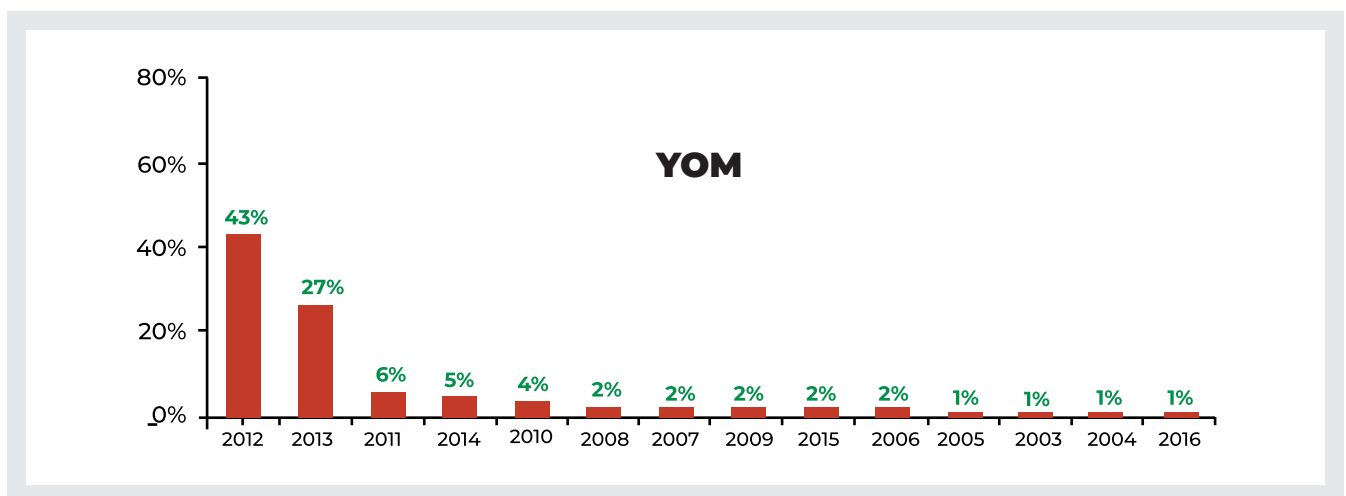
**Figure 3: Price changes by type of car body**



## LISTED VEHICLES BY YEAR OF MANUFACTURE

A majority of the used vehicles were manufactured within the last eight to nine years (i.e. between 2012 and 2011). Kenya eight-year age limit for importing used cars. It means that most of the cars on sale are older as they are cheaper than the newer models.

**Figure 4: Proportion of Listed Vehicle by Year of Manufacture**

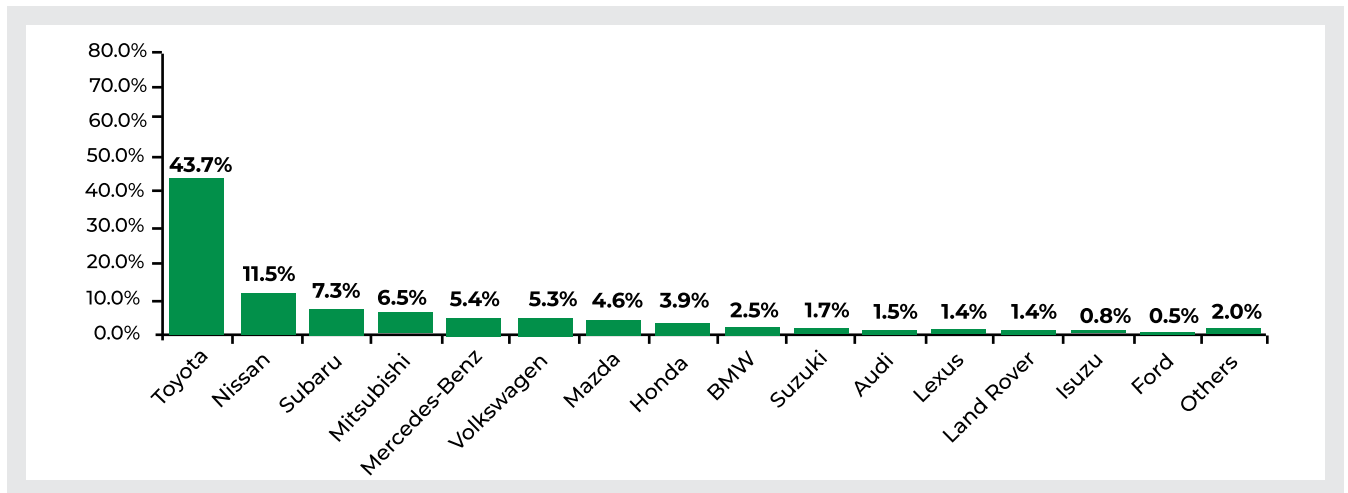




## LISTED VEHICLES BY MODEL

While Toyota is most listed vehicle in the market compared to other vehicle models. Nissan and Subaru's are a distant second and third.

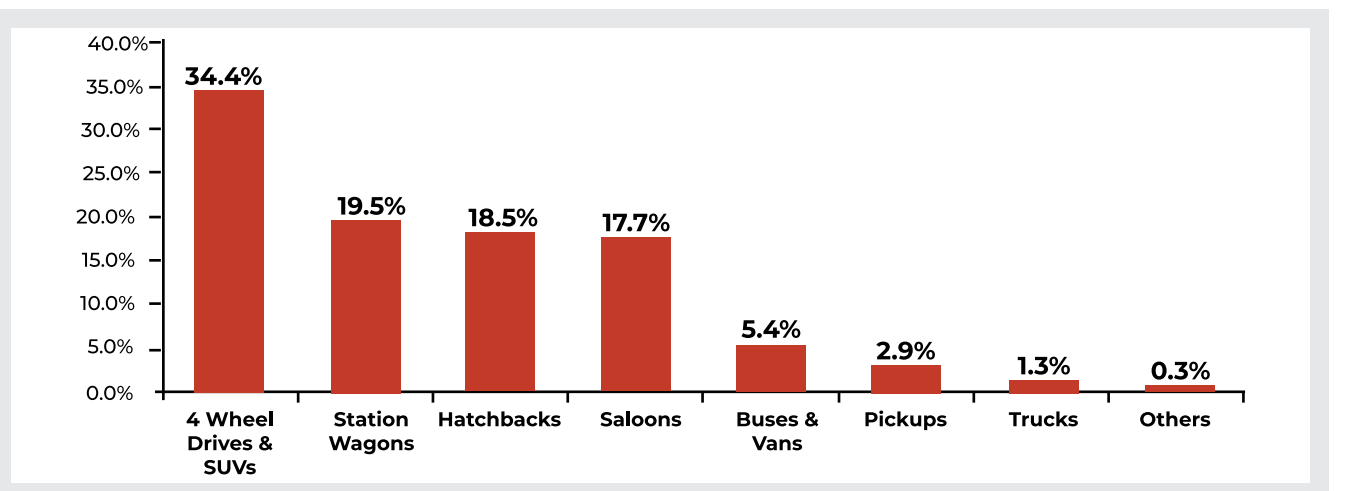
**Figure 5: Listed used vehicle models by numbers**



## LISTED VEHICLES BY BODY TYPE

The 4-wheel drives and SUV dominate the listed used vehicle market. Toyota has majority of 4-wheel drives. The supply of 4-wheel drives and SUVs could be driven by high demand for luxury cars by affluent consumers and profitable firms whose spending is not affected by the economic turmoil arising from COVID-19.

**Figure 6: Used vehicle by body type**







## TOP LISTED VEHICLES BY MODEL

The table below shows the top listed vehicle models make. Among them includes: Toyota, Nissan and Subaru models, 4 wheel drives and SUVs tops the list of used vehicle body type.

**Figure 7: Top ten listed vehicle models make (ranked from most popular to lowest)**

 TOYOTA	 NISSAN	 SUBARU	 MITSUBISHI	 Mercedes-Benz
Prado	X-Trail	Forester	RVR	C200
Harrier	Note	Outback	Outlander	E250
Land Cruiser	Dualis	Impreza	Pajero	C180
Vanguard	March	Legacy	Galant	E350
Vitz	Juke	XV	Colt	E200
Fielder	Tiida	Trezia	Canter	ML350
Hilux	Sylphy	Exiga	Mirage	B180
Axio	Murano	WRX STI	Fuso	E300
RAV4	Serena	Leone	Delica	C250
Premio	Bluebird	Pleo	Pajero Mini	S350

## CONCLUSIONS

**COVID-19 impact:** The KUV Price Index declined during the months of February and March 2020. This decline coincided with the arrival of COVID-19.

**Future trends:** The KUV Price Index has started declining from September 2020 and is expected to continue to this until January 2021. This is normal as the traders await the year to end and the cars get older.

**Price comparisons:** traders and consumers are encouraged to check the price actual prices from [www.cheki.co.ke](http://www.cheki.co.ke) in order to benchmark prices





## METHODOLOGY

The Index is developed by applying statistical analysis to a database of more than 151,000 used vehicle listed for a period of nine months (January to September 2020). The Laspeyres Price Index is an index formula used in price statistics for measuring the price development of the goods and services consumed in the base period. The Index commonly uses a base figure of 100, with periods of higher price levels shown by an index greater than 100 and periods of lower price levels by indexes lower than 100.

**Figure 8: Laspeyres Price Index Formulae**

$$\text{Laspeyres Price Index} = \frac{\sum (P_{i,t}) \times (Q_{i,0})}{\sum (P_{i,0}) \times (Q_{i,0})} \times 100$$

Where:

- **P<sub>i,0</sub>** is the price of the individual item at the base period\*
- **P<sub>i,t</sub>** is the price of the individual item at the observation period
- **Q<sub>i,0</sub>** is the quantity of the individual item at the base period

The Index is developed using six fixed motor vehicles quantitative variables namely: make, model, year of manufacture, engine size, fuel type and mode of transmission. This is after eliminating the outliers where the variable information is missing.

The price index is independent of underlying shifts in the characteristics of used vehicles being sold. It is increasingly recognized by both financial and economic analysts as the premier indicator of pricing trends in the used vehicle market but should not be considered indicative or predictive of any individual remarketer's results.

The Index is adjusted for mix of vehicle model, engine size, year of manufacture, fuel type and transmission mode.



## AUTHORS OF THIS REPORT

The Kenya Used Vehicle Price Index is initiative of TIFA Research and Cheki. The two firms have collaborated to publish this report on a regular basis. Below is an overview of the two companies.

### ABOUT TIFA RESEARCH

TIFA Research is an African based full market research company. Insight generation is in our DNA, we strive to ensure that we unearth great consumer insights. We leave no stone unturned. This is our brand promise. TIFA leverages on technology to enhance our data collection processes and analysis. TIFA uses mobile phone data collection methods that guarantee high quality data outputs, faster and cost effectively.

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### ABOUT CHEKI

Cheki is a trusted, reliable and cost-effective online marketplace for the widest range of quality vehicles. We don't sell cars directly, but offer an advertising platform for users to buy and sell their cars, vans, trucks and other vehicles. For car dealers, importers and individual sellers we provide a huge reach of serious buyers. We host a dedicated community of people who love cars, while still supporting even the first-time buyer in their purchasing decision.

[www.cheki.co.ke](http://www.cheki.co.ke)



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FOR ANY QUERIES OR COMMENTS ON THIS REPORT, PLEASE CONTACT;

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