

# Drivers switch to subscription rentals as car prices soar

Soaring car prices and order time lags are prompting drivers to switch to long-term car rentals, according to car hire business Sixt.

The firm says the number of customers using its [subscription service](#) has doubled since the pandemic as drivers look to hire companies for a car to cover their day-to-day needs rather than for one-off events like holidays.

Tim Vettters, managing director at Sixt rental said: “We see a very strong trend of people using our cars on a long term business – it is for us a significant shift.

“I think people get used to the idea of buying in a subscription service, like [Netflix](#) and Amazon or even buying diapers.”

“Most of the industry struggles to get cars, so if we do get cars they’re more expensive... we have to ask our customers for higher prices to cover costs.”

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Car ownership fell 0.2% in 2021, the first consecutive annual decrease in ownership in over 100 years, according to the Society of Motor Manufacturers and Traders (SMMT).

In May, [Tesla](#) boss [Elon Musk](#) warned [the company may stop taking orders for new cars](#) as mounting supply chain disruption was leading to delivery times of up to a year.

Susannah Streeter, senior investment and markets analyst at Hargreaves Lansdown, said: "It's little surprise subscription vehicle rental services are becoming more popular given the trends affecting the motoring sector.

"More motorists may also be baulking at the escalating costs of cars and their environmental footprint and are opting to rent for the road instead, particularly for what used to be a second vehicle for the household."

SMMT data released in May showed UK engine production in the first four months of 2022 fell to 537,355, a 19.2% drop on the same period in 2021.

42% of manufacturers say they are experiencing global supply chain disruption, according to the Office for National Statistics Business Insights survey.

Sixt is the sixth largest car rental company in the UK with a 14% market share, according to Statistica figures. The company has 57 branches in the UK with a combined fleet of over 10,000 vehicles.