



PRICE INDEX | MARCH 2023

The AutoTrader Price Index offers a monthly view of the Canadian automotive market by analyzing vehicle pricing associated with hundreds of thousands of new and used vehicle listings, bringing you the latest in pricing shifts and trends over time.

SUMMARY

Since the start of this year, the automotive market has shown remarkable strength with robust demand leading to higher prices for both new and used vehicles compared to the previous year. The average price of a used vehicle in March 2023 remained stable compared to last month, hovering just around \$39k, a 5% year-over-year increase. In contrast, new vehicle prices hit a record high of just below \$62k, representing a significant 17.4% year-over-year increase.

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SUMMARY

With the Bank of Canada indicating that interest rates will remain stable in the near future, coupled with high employment and household savings rates that exceed pre-COVID levels, various factors are contributing to the thriving automotive market in Canada. In addition, with more organizations requesting their employees to return to offices (84% of Canadians commute to work, according to Census 2021), there has been a surge in demand for cars.

In Q1, the automotive market was robust, driven by a high demand and limited supply of vehicles. Despite an increase in new car inventories since mid-2022, they have yet to reach pre-COVID levels. Consequently, new vehicle prices have continued to soar and have now reached an all-time high of just under \$62k, highlighting the persistent pent-up demand in the market.

Since the beginning of this year, there has been a decline in used inventory levels, likely due to the ongoing impacts of microchip and supply chain-related shortages in 2020 that have now affected the availability of used vehicles in the market 3 years later. The current CAD to USD exchange rate could also be increasing the amount of exports south of the Canadian border, further shortening the supply of used vehicles on Canadian lots. According to TRADER's transactional data sourced from DealerTrack in April 2023, Q1 financed used vehicle sales were 6.3% higher than the same period last year. In March 2023, the average price of a used vehicle was just above \$39k, indicating a 5% year-over-year increase. Unless there are significant changes to the current conditions of strong demand and limited supply, used car prices are not likely to decrease in the near future.





MARKETPLACE INDEX

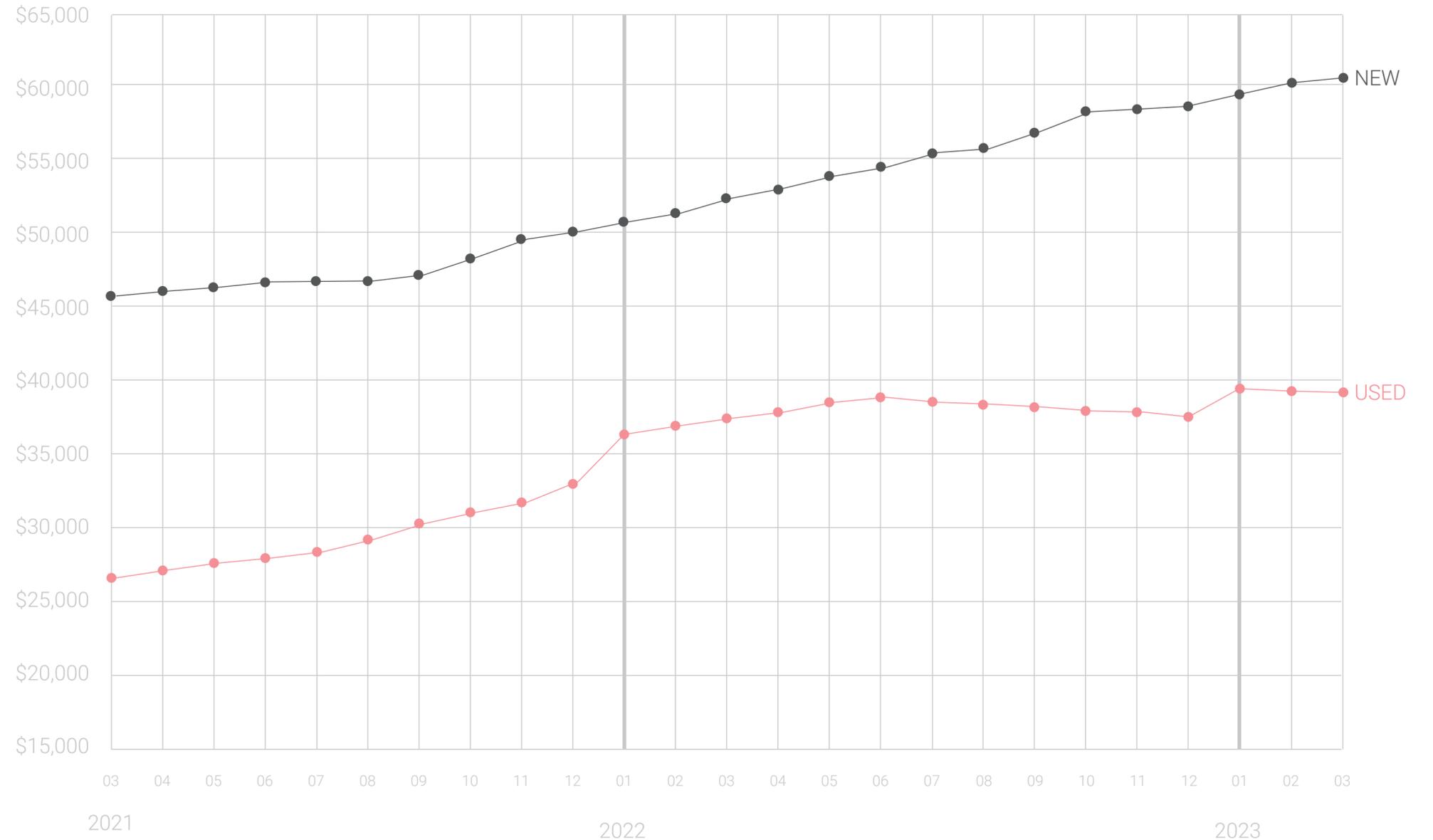
NATIONAL AVERAGE PRICES

Strong market, high prices

After witnessing signs of demand softening for used vehicles in the latter half of last year, we have observed a very strong market in 2023 so far. Given the shortage of vehicles due to COVID-related factors, vehicles are selling at a faster rate than they can be replaced, which has put pressure on prices. New vehicle prices have surged to unprecedented levels. Despite a rise in new vehicle inventory, the increase has been unevenly distributed at the OEM level, and total inventory available remains far lower than pre-pandemic levels. Nevertheless, new vehicle sales have grown in tandem with inventory levels, indicating pent-up demand. If demand continues to outstrip supply, we do not anticipate any significant fluctuations in new vehicle prices.

Methodology:

Based on average Canadian automotive pricing data (CAD \$) collected from hundreds of thousands of listings monthly on AutoTrader from March 1, 2020 to March 31, 2023. In addition to average pricing, year-over-year (YOY) and month-over-month (MOM) price changes have been identified. The average has been adjusted based on the make and age of the vehicles available on the market during the collection period. The adjustments mean that any fluctuations in inventory won't pull the average too far in one direction or another. Any changes under 0.1% have been denoted as 0.0%



NEW

\$61,821

▲ 2.1% MOM ▲ 17.4% YOY

USED

\$39,235

▼ -0.1% MOM ▲ 5.0% YOY



AVERAGE PRICE BY BODY TYPE

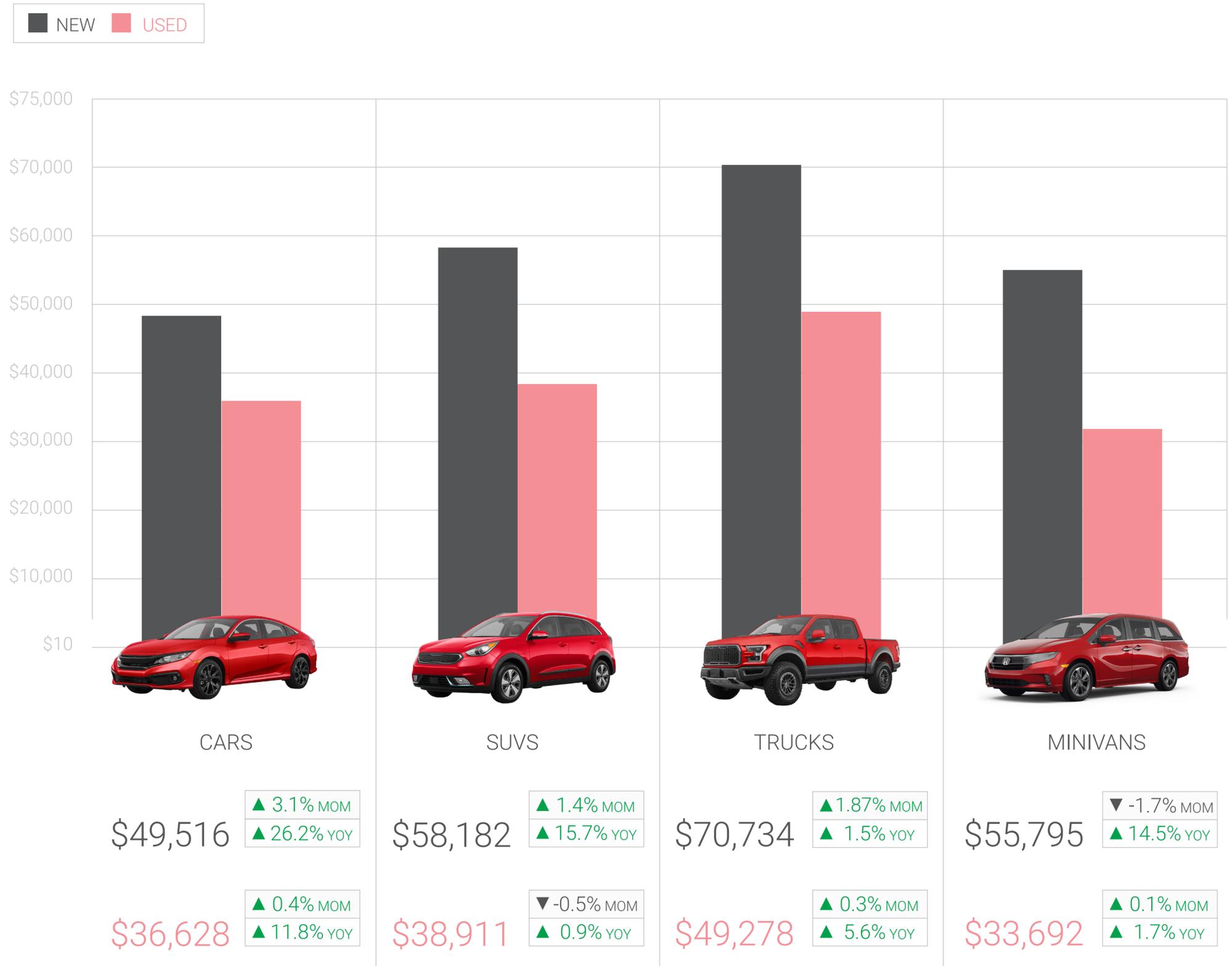
NATIONAL

Prices for larger vehicles are trending down while cars are still showing double digit year-over-year increases

The largest year-over-year price increases by body type can be seen in cars (as opposed to trucks, SUVs, or minivans), both for new and used. We believe this is due to cars generally being cheaper than their larger counterparts, and the fact that they tend to be more cost-efficient with lower gas consumption.

Methodology:

Based on average Canadian automotive pricing data (CAD \$) collected from hundreds of thousands of listings monthly on AutoTrader from March 1, 2020 to March 31, 2023. In addition to average pricing, year-over-year (YOY) and month-over-month (MOM) price changes have been identified. The average has been adjusted based on the make and age of the vehicles available on the market during the collection period. The adjustments mean that any fluctuations in inventory won't pull the average too far in one direction or another. Any changes under 0.1% have been denoted as 0.0%





AVERAGE PRICE BY ORIGIN

BY MANUFACTURER

Domestic vehicle availability impacting prices

Compared to their Asian and European counterparts, domestic vehicle prices posted modest increases. Used domestic vehicles are only 1.5% up from 2022 prices, whereas new domestic prices are only 6.9% up on a year-over-year basis.

Methodology:

Based on average Canadian automotive pricing data (CAD \$) collected from hundreds of thousands of listings monthly on AutoTrader from March 1, 2020 to March 31, 2023. In addition to average pricing, year-over-year (YOY) and month-over-month (MOM) price changes have been identified. The average has been adjusted based on the make and age of the vehicles available on the market during the collection period. The adjustments mean that any fluctuations in inventory won't pull the average too far in one direction or another. Any changes under 0.1% have been denoted as 0.0%





AVERAGE PRICE (NEW)

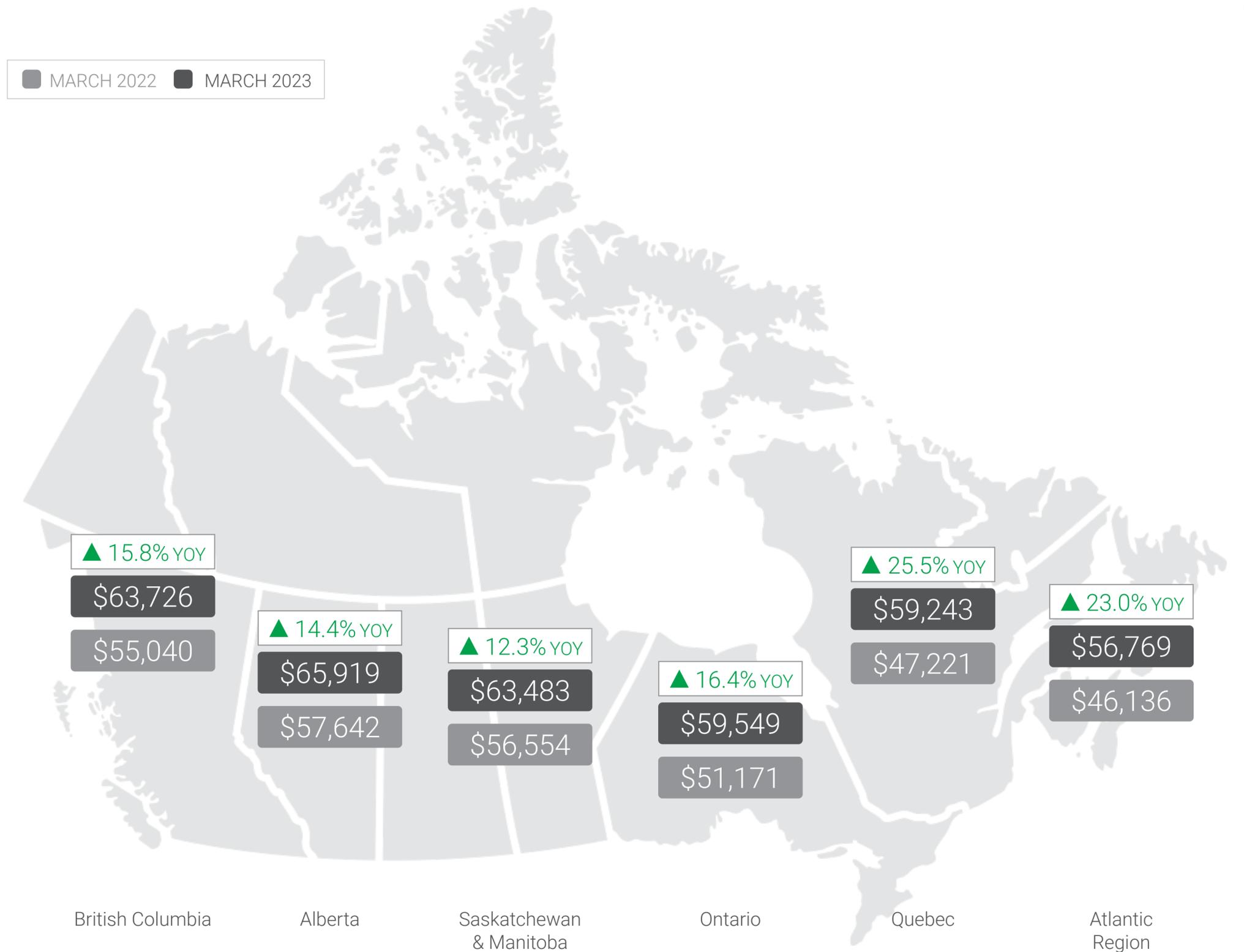
BY REGION

Sustained increase in new car prices across all regions

Quebec and the Atlantic regions grew a little more than average YoY, while Saskatchewan and Manitoba saw the slowest growth.

Methodology:

Based on average Canadian automotive pricing data (CAD \$) collected from hundreds of thousands of used vehicle listings monthly on AutoTrader in March 2022 and March 2023. The Atlantic region is defined as: Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland & Labrador. Due to limited population size, the territories are excluded, and Manitoba and Saskatchewan have been combined. The average has been adjusted based on the make and age of the vehicles available on the market during the collection period. The adjustments mean that any fluctuations in inventory won't pull the average too far in one direction or another. Any changes under 0.1% have been denoted as 0.0%.





AVERAGE PRICE (USED)

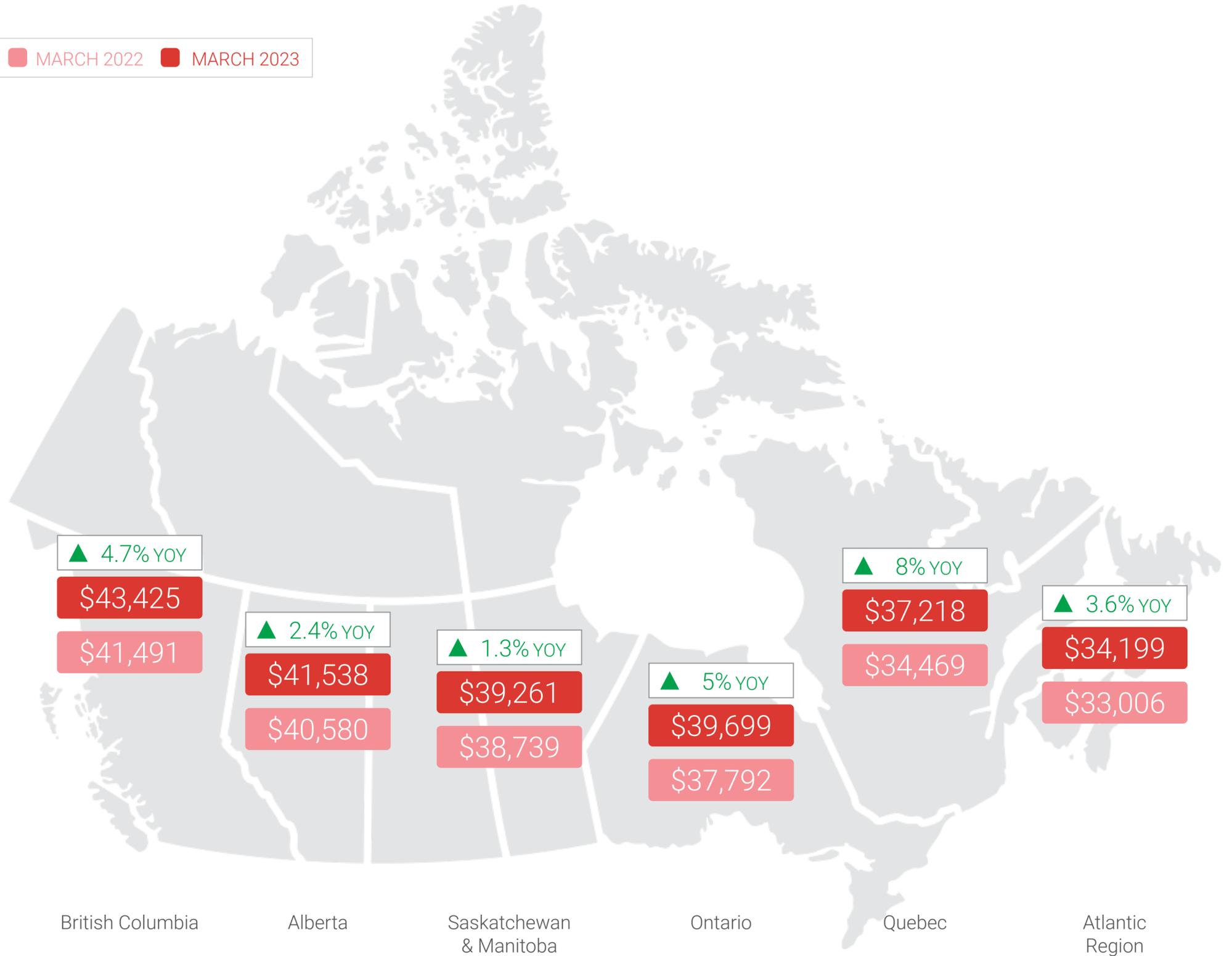
BY REGION

Methodology:

Based on average Canadian automotive pricing data (CAD \$) collected from hundreds of thousands of used vehicle listings monthly on AutoTrader in March 2022 and March 2023. The Atlantic region is defined as: Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland & Labrador. Due to limited population size, the territories are excluded, and Manitoba and Saskatchewan have been combined. The average has been adjusted based on the make and age of the vehicles available on the market during the collection period. The adjustments mean that any fluctuations in inventory won't pull the average too far in one direction or another. Any changes under 0.1% have been denoted as 0.0%.



■ MARCH 2022 ■ MARCH 2023





VEHICLE INVENTORY (NEW)

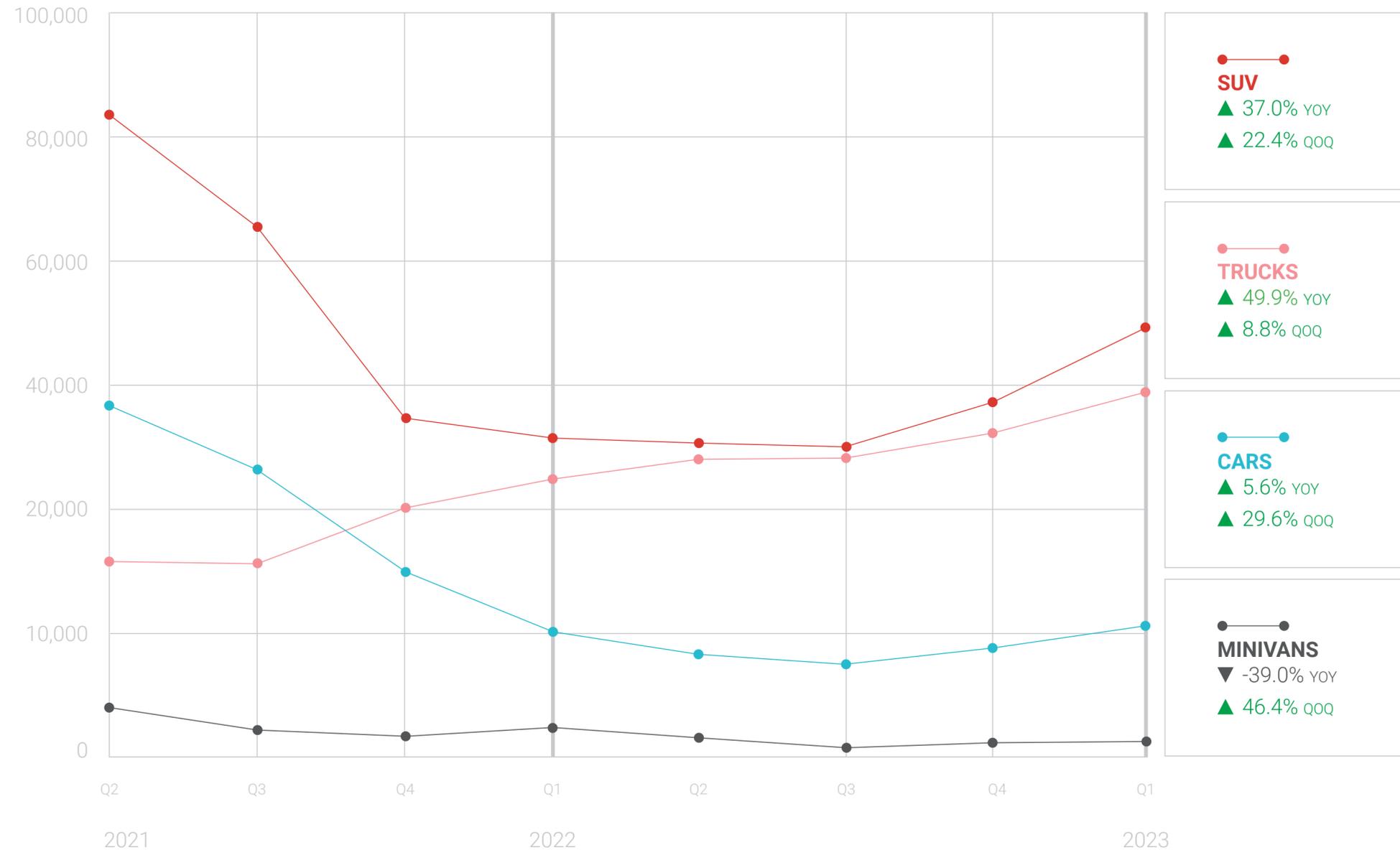
BY QUARTER

New inventory levels keep increasing

Except for minivans, all types of new vehicle inventories showed an increase in Q1. Despite these increases, inventory levels are still down compared to pre-COVID levels.

Methodology:

This data is the average of the total number of used automotive listings for the quarter on AutoTrader segmented by vehicle type (car, SUV, truck, minivan). Based on total listings, the data will be analyzed on a year-over-year and quarter-over-quarter basis to identify overall inventory availability in the market. Given that AutoTrader is the largest automotive marketplace in Canada, the data represents a snapshot of the overall Canadian automotive market.





VEHICLE INVENTORY (USED)

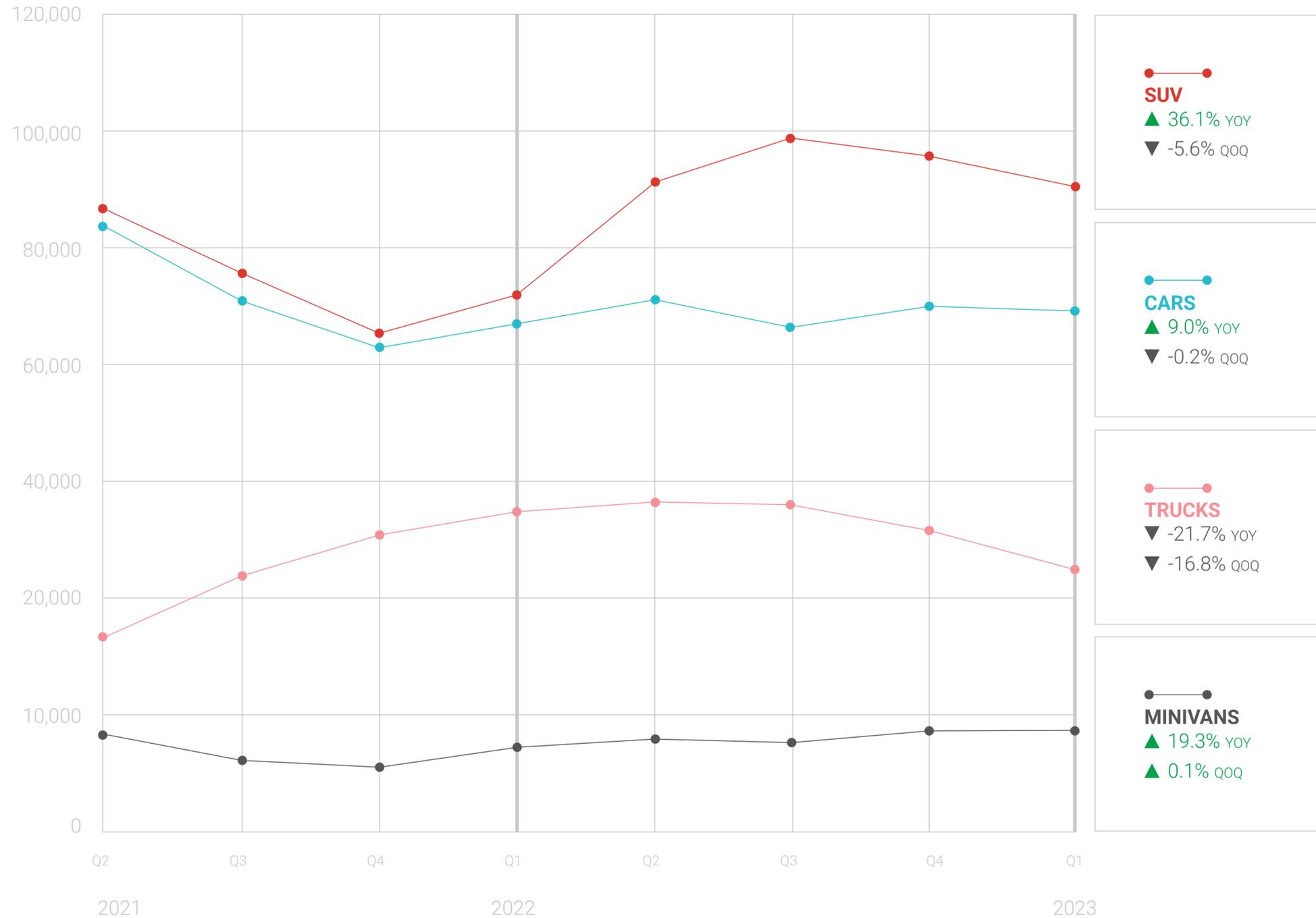
BY QUARTER

Used inventory levels have been declining since the beginning of the year

Except for minivans, inventory of all types of used vehicles showed a decline on a quarter-over-quarter basis. Supply is clearly unable to keep up with demand.

Methodology:

This data is the average of the total number of used automotive listings for the quarter on AutoTrader segmented by vehicle type (car, SUV, truck, minivan). Based on total listings, the data will be analyzed on a year-over-year and quarter-over-quarter basis to identify overall inventory availability in the market. Given that AutoTrader is the largest automotive marketplace in Canada, the data represents a snapshot of the overall Canadian automotive market.





TOP SEARCHED VEHICLES

NATIONAL (FEBRUARY RANKS IN BRACKETS)

Methodology:

Based on the top ten most commonly searched vehicles for new and used listings, on AutoTrader in March 2023. Prices indicated refer to the average new and average used price for each vehicle, averaged across all trim levels. Rankings for the month of February 2023 appear in brackets for reference. The average has been adjusted based on the make and age of the vehicles available on the market during the collection period. The adjustments mean that any fluctuations in inventory won't pull the average too far in one direction or another.



		NEW	USED
1. Ford F-150 (#1)		\$76,791	\$45,088
2. BMW 3 Series (#2)		\$68,542	\$32,146
3. Honda Civic (#3)		\$34,712	\$18,164
4. Toyota RAV4 (#4)		\$41,192	\$34,442
5. Ford Mustang (#6) ▲		\$63,199	\$43,888
6. Porsche 911 (#5) ▼		\$ —	\$183,292
7. Mercedes C-Class (#7)		\$77,417	\$43,194
8. Jeep Wrangler (#8)		\$63,733	\$45,438
9. Mercedes E-Class (#9)		\$107,301	\$60,733
10. Honda CRV (#11) ▲		\$44,398	\$32,384



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