



PRICE INDEX | JUNE 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 the year, the automotive industry has demonstrated impressive resilience, driven by strong consumer demand. Coupled with lower than usual inventory levels, this has yet again resulted in increased prices for both new and used vehicles compared to the previous year. In June 2023, the average price of a used vehicle remained steady compared to May at \$39,645, marking a 4.1% year-over-year rise. Average new vehicle prices, on the other hand, reached new record highs at \$66,288, reflecting a substantial 21.3% year-over-year increase”

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SUMMARY

Despite the Bank of Canada's latest interest rate hike in June, the Canadian economy has been displaying resilience, supported by strong market fundamentals, since the beginning of 2023. Based on the latest data from Bank of Canada, inflation seems to be reacting to the changes in the market by gradually declining to the coveted 2%. As we enter the second half of the year, concerns about a recession, at least for 2023, are steadily diminishing.

Recent research¹ conducted by AutoTrader in May 2023 to understand consumer intent regarding vehicle purchases and the impact of ongoing economic developments on Canadian automotive intenders reveals a significant increase in consumers' intention to buy both new and used vehicles. The overall intent has risen by 4 points, from 24 in October 2022 to 28 in May 2023. With more new vehicles reaching dealer lots and robust consumer demand, vehicle prices are responding to market dynamics, resulting in year-over-year price increases for both new and used vehicles.

In the first quarter, the availability of used vehicles was negatively affected by a steep decline in supply due to multiple drivers, including fewer lease returns and an increase in consumer-to-consumer sales that impacted availability at dealerships, along with an increase in exports to the U.S. Along with the improvement in new car availability, however, there has been a positive development in used inventory levels contributing to the stabilization of used vehicle prices in recent months.

Although inventory levels are still below pre-COVID levels, both new and used inventory has been increasing in recent months, experiencing a growth of approximately 5% since the end of Q1. Given the ongoing pent-up demand, we do not anticipate a substantial decline in vehicle prices anytime soon.

¹ Macro Insight research, AutoTrader, May 2023





MARKETPLACE INDEX

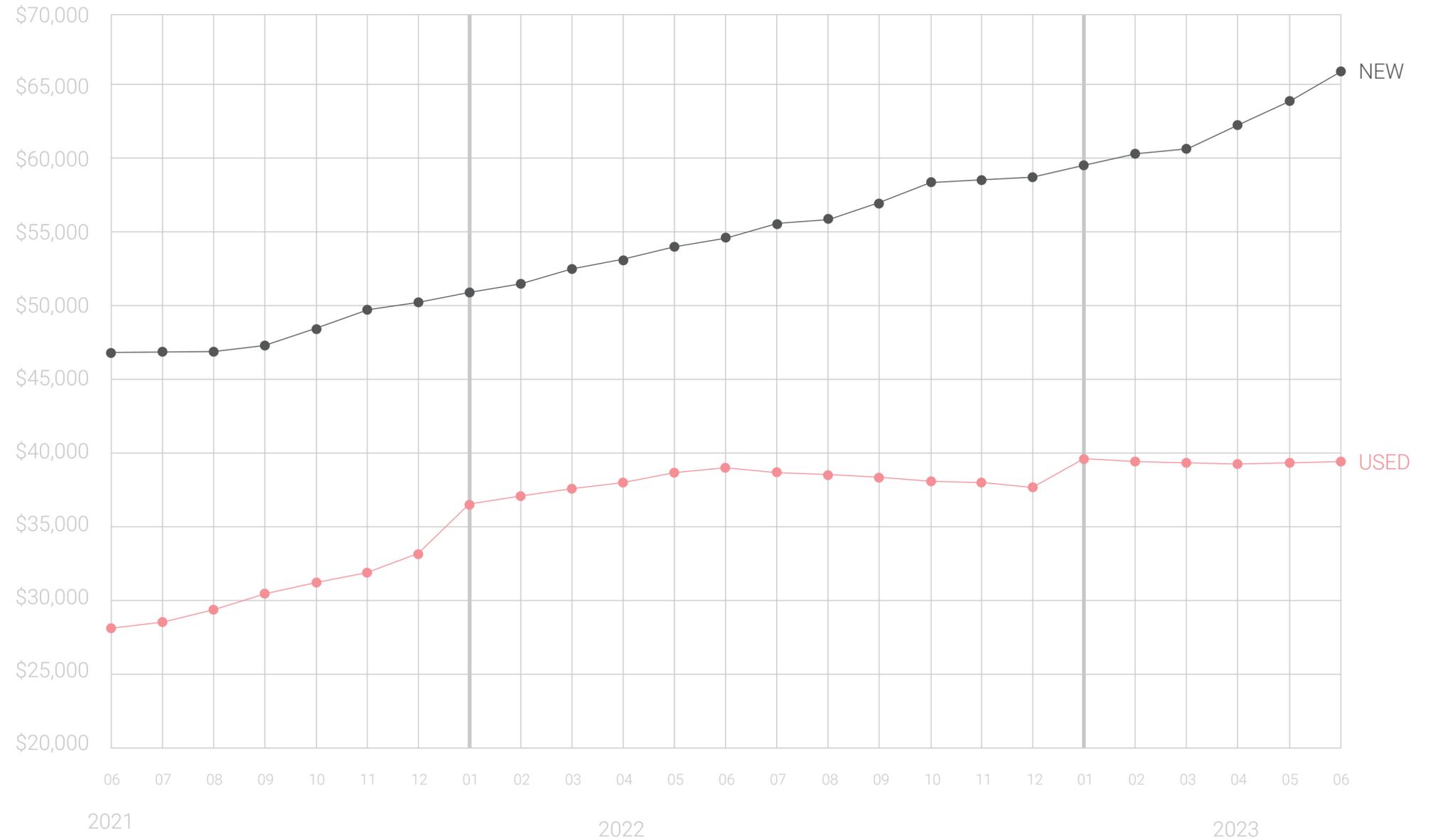
NATIONAL AVERAGE PRICES

More inventory, more demand, high prices

New vehicle prices have surged to record-breaking levels. Despite an increase in new vehicle inventory, overall availability remains well below pre-pandemic levels and remains inconsistent among different auto manufacturer. New vehicle sales, however, have been keeping pace with inventory levels, indicating a substantial pent-up demand in the market. If demand continues to exceed supply, we anticipate that new vehicle prices will not experience significant fluctuations. Used vehicle prices are hovering just below the \$40K mark since the beginning of the year. Although used inventory levels have improved in the past couple months, given the robust demand, it might take a while to see a meaningful softening in used prices.

Methodology:

Based on average Canadian automotive pricing data (CAD \$) collected from hundreds of thousands of listings monthly on AutoTrader from June 1, 2021 to June 30, 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

\$66,288

▲ 2.2% MOM ▲ 21.3% YOY

USED

\$39,645

▲ 0.3% MOM ▲ 4.1% YOY



AVERAGE PRICE BY BODY TYPE

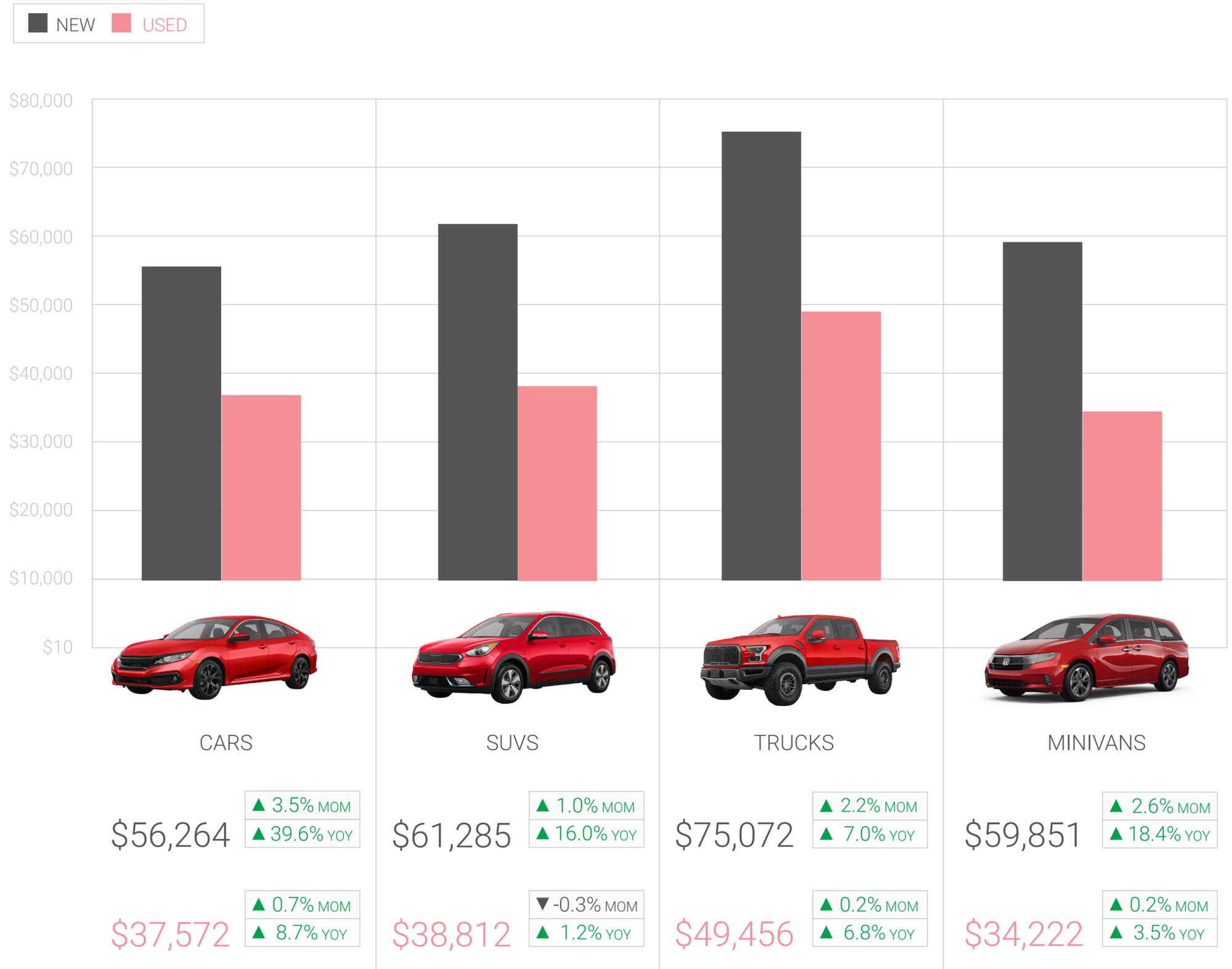
NATIONAL

Used SUV prices are below last year's levels

Reflecting the results of our previous report, we have once again observed substantial year-over-year price increases in the car segment, surpassing those of trucks, SUVs, or minivans, both for new and used vehicles. This trend can be attributed to cars generally being more affordable compared to larger vehicle types, along with their reputation for being fuel efficient, resulting in higher demand for them. Analyzing the prices of used vehicles based on their body types, we have noted a second consecutive monthly decline in used SUV prices, with a decrease of 0.3% in June compared to May. Consequently, the prices of used SUVs are currently only 1.2% higher than those observed in June 2022.

Methodology:

Based on average Canadian automotive pricing data (CAD \$) collected from hundreds of thousands of listings monthly on AutoTrader from June 1, 2021 to June 30, 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

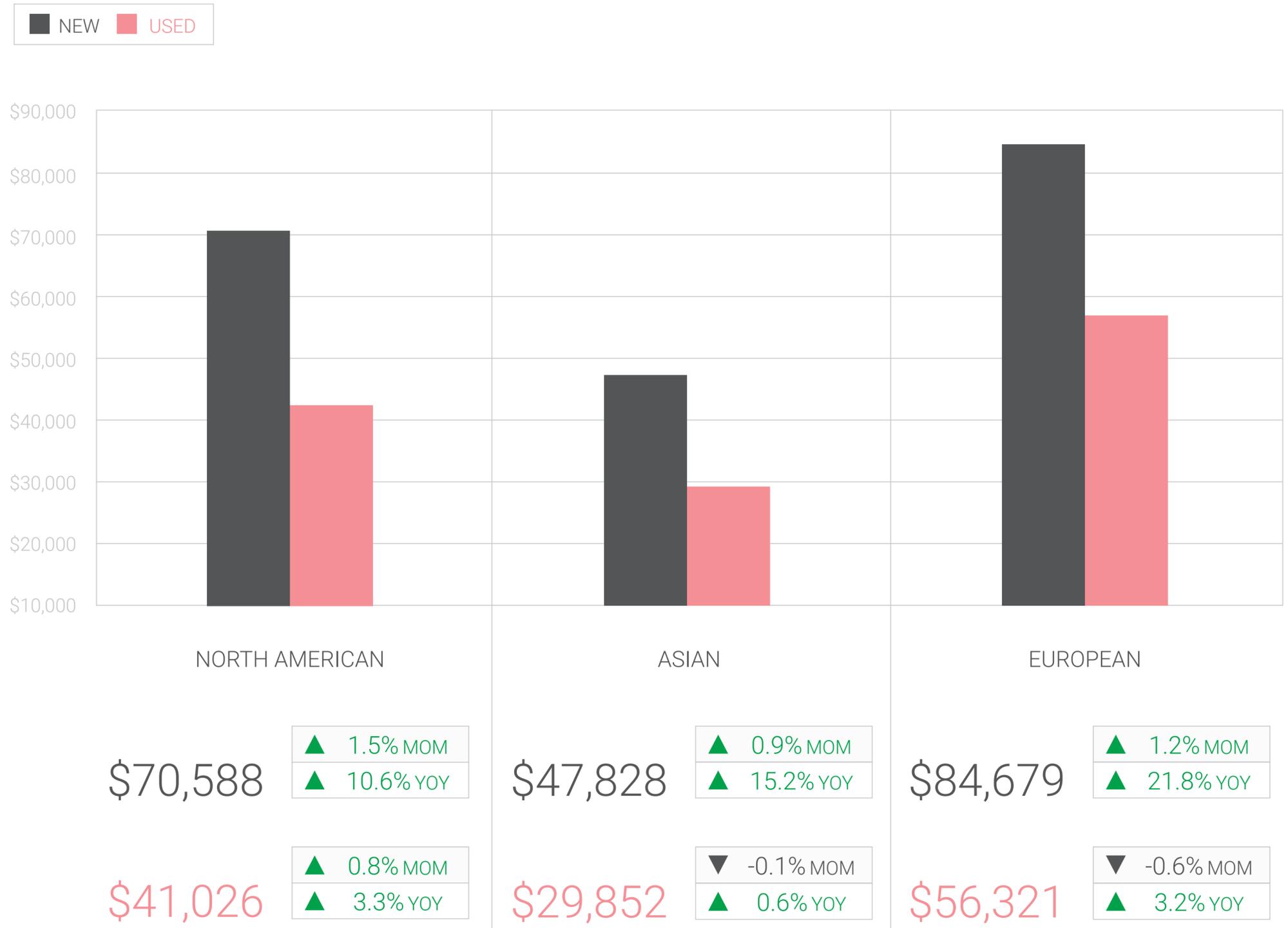
BY MANUFACTURER

Used Asian vehicles are almost at last year's prices

Compared to their Asian and European counterparts, new domestic vehicle prices posted a relatively modest increase at 10.6% on a year-over-year basis. On the used side, Asian vehicles are only 0.6% up compared to their prices in June 2022.

Methodology:

Based on average Canadian automotive pricing data (CAD \$) collected from hundreds of thousands of listings monthly on AutoTrader from June 1, 2021 to June 30, 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%



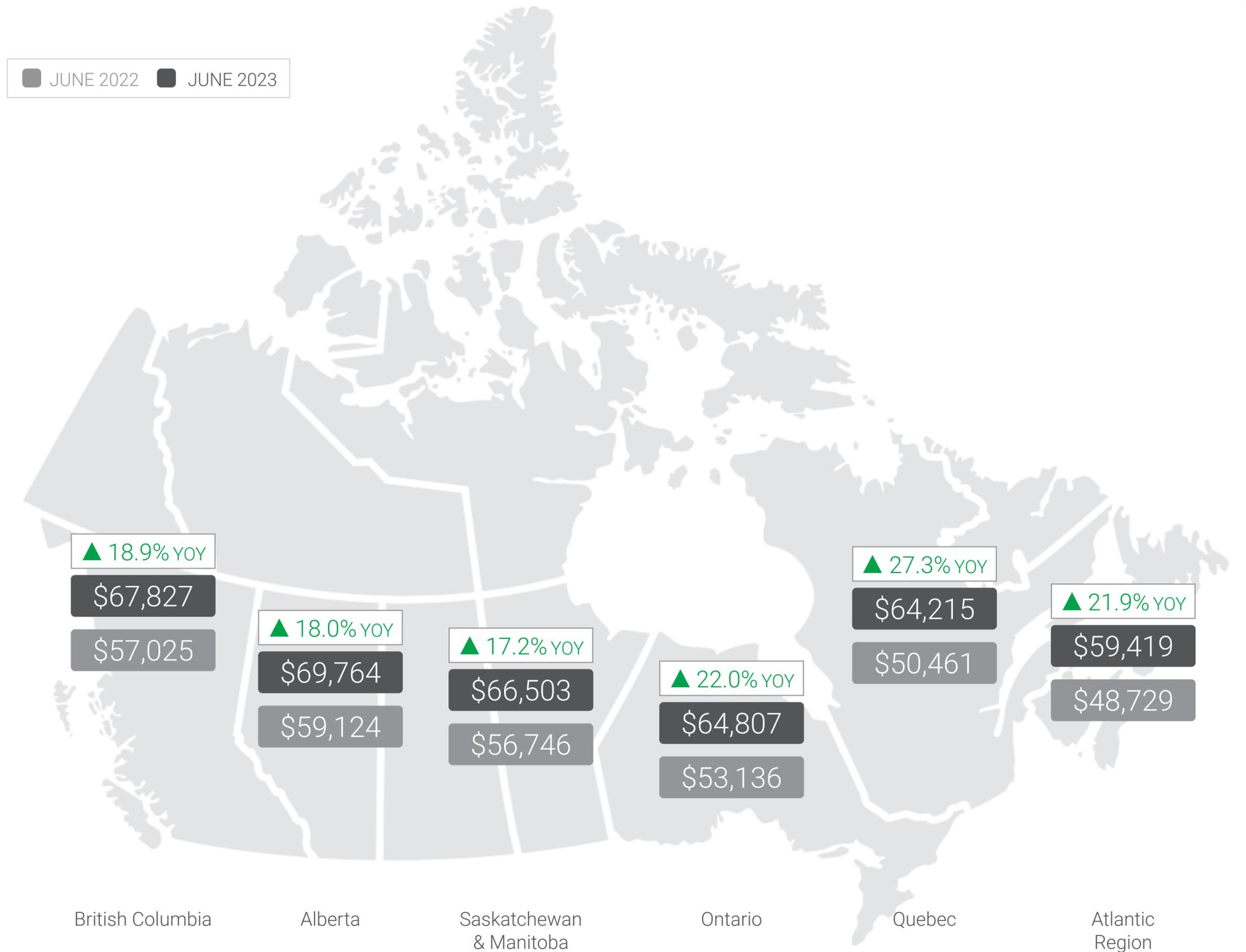


AVERAGE PRICE (NEW)

BY REGION

Methodology:

Based on average Canadian automotive pricing data (CAD \$) collected from hundreds of thousands of used vehicle listings monthly on AutoTrader in June 2022 and June 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)

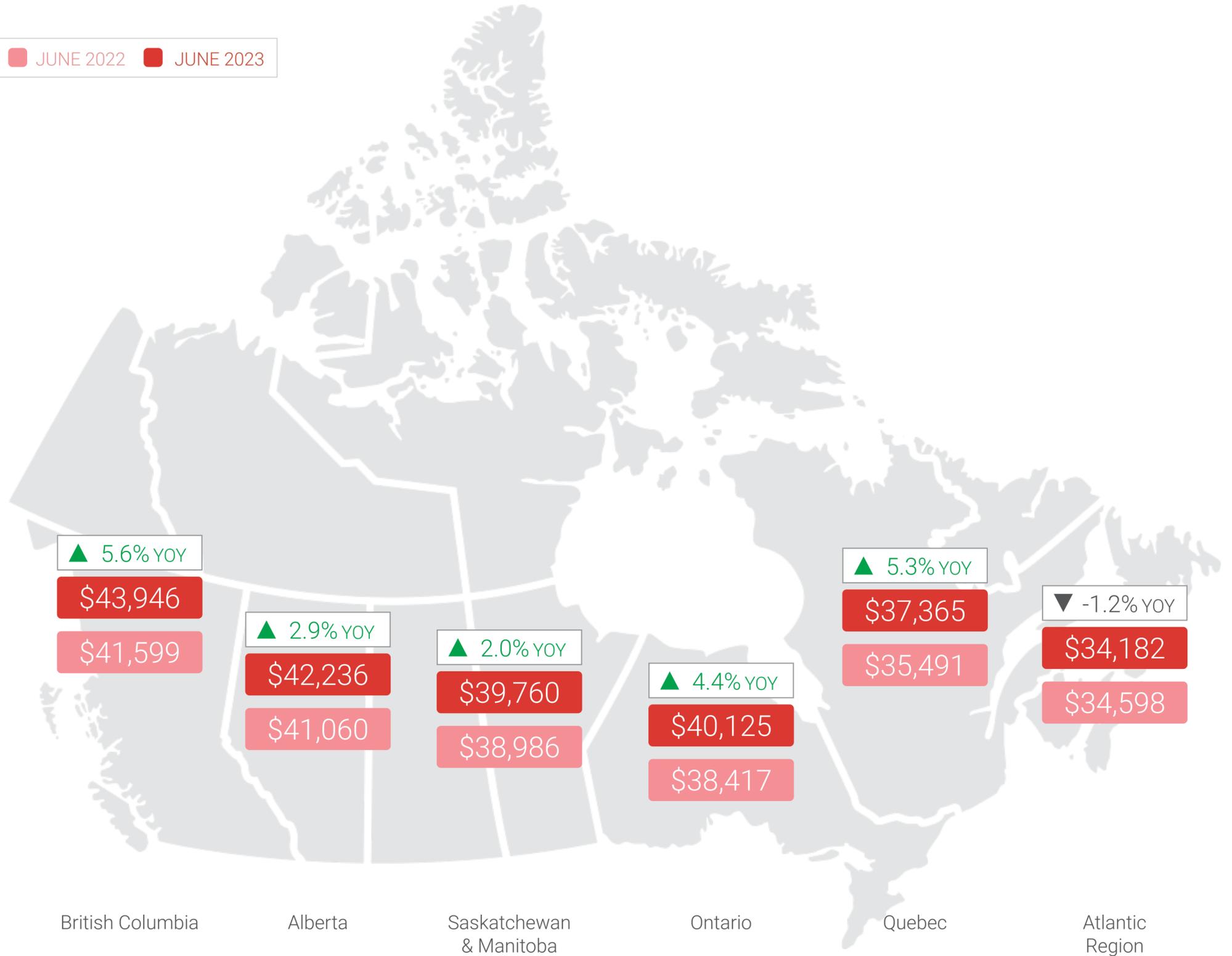
BY REGION

Methodology:

Based on average Canadian automotive pricing data (CAD \$) collected from hundreds of thousands of used vehicle listings monthly on AutoTrader in June 2022 and June 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%.



■ JUNE 2022 ■ JUNE 2023





TOP SEARCHED VEHICLES

NATIONAL (MAY RANKS IN BRACKETS)

Methodology:

Based on the top ten most commonly searched vehicles for new and used listings, on AutoTrader in June 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 May 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)		\$78,928	\$45,873
2. Porsche 911 (#3) ▲		\$246,000	\$188,844
3. Ford Mustang (#2) ▼		\$65,710	\$44,539
4. Honda Civic (#4)		\$34,287	\$18,885
5. BMW 3 Series (#5)		\$66,541	\$31,870
6. Toyota RAV4 (#6)		\$43,112	\$35,079
7. Chevrolet Corvette (#7)		\$113,721	\$94,875
8. Mercedes C-Class (#8)		\$81,006	\$42,573
9. Jeep Wrangler (#9)		\$65,246	\$45,685
10. Honda CRV (#11) ▲		\$44,321	\$32,244



VEHICLE INVENTORY (NEW)

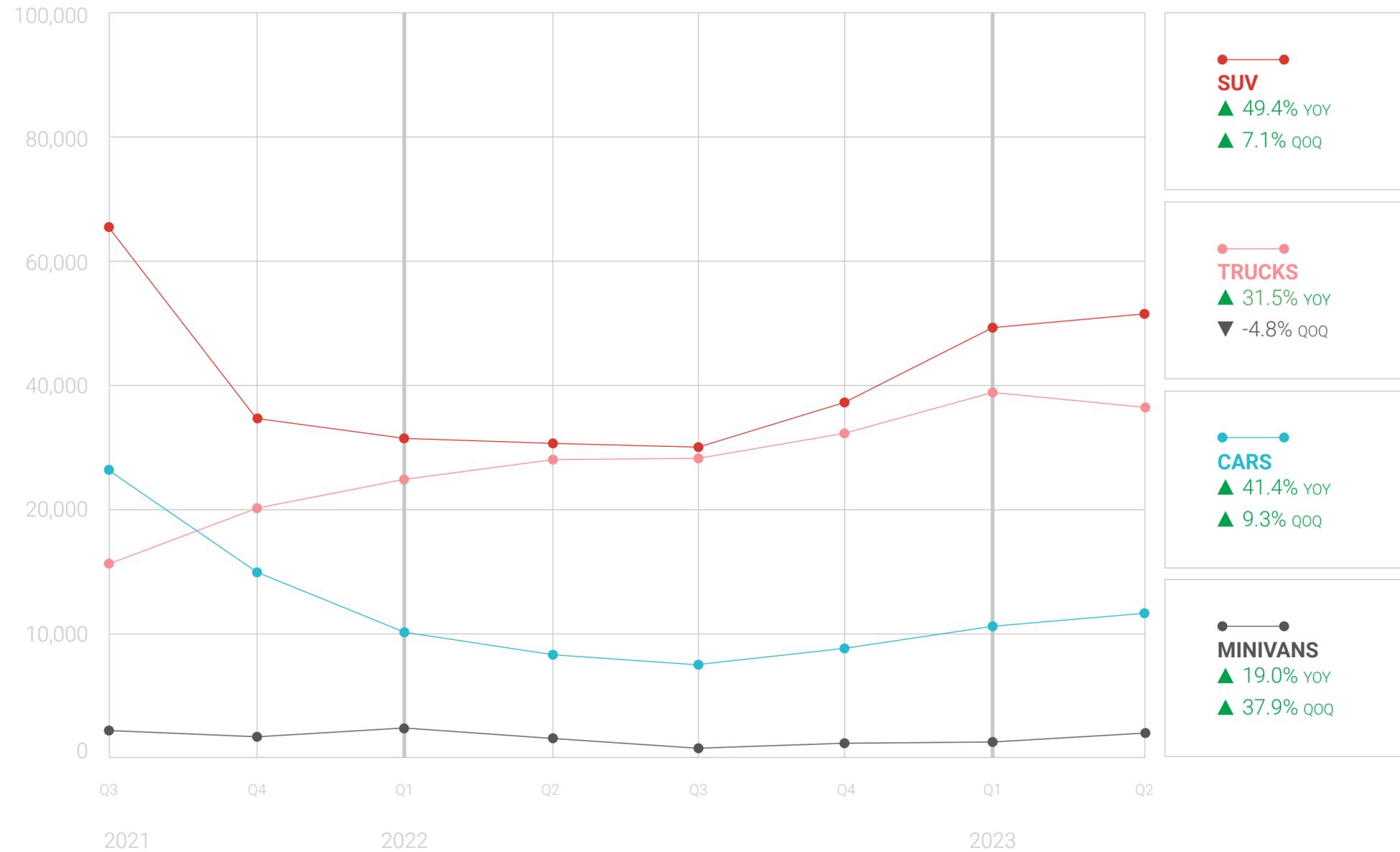
BY QUARTER

All segments are improving in availability

All types of new vehicle inventories showed a double digit increase in second quarter of 2023 on a year-over-year basis. 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)

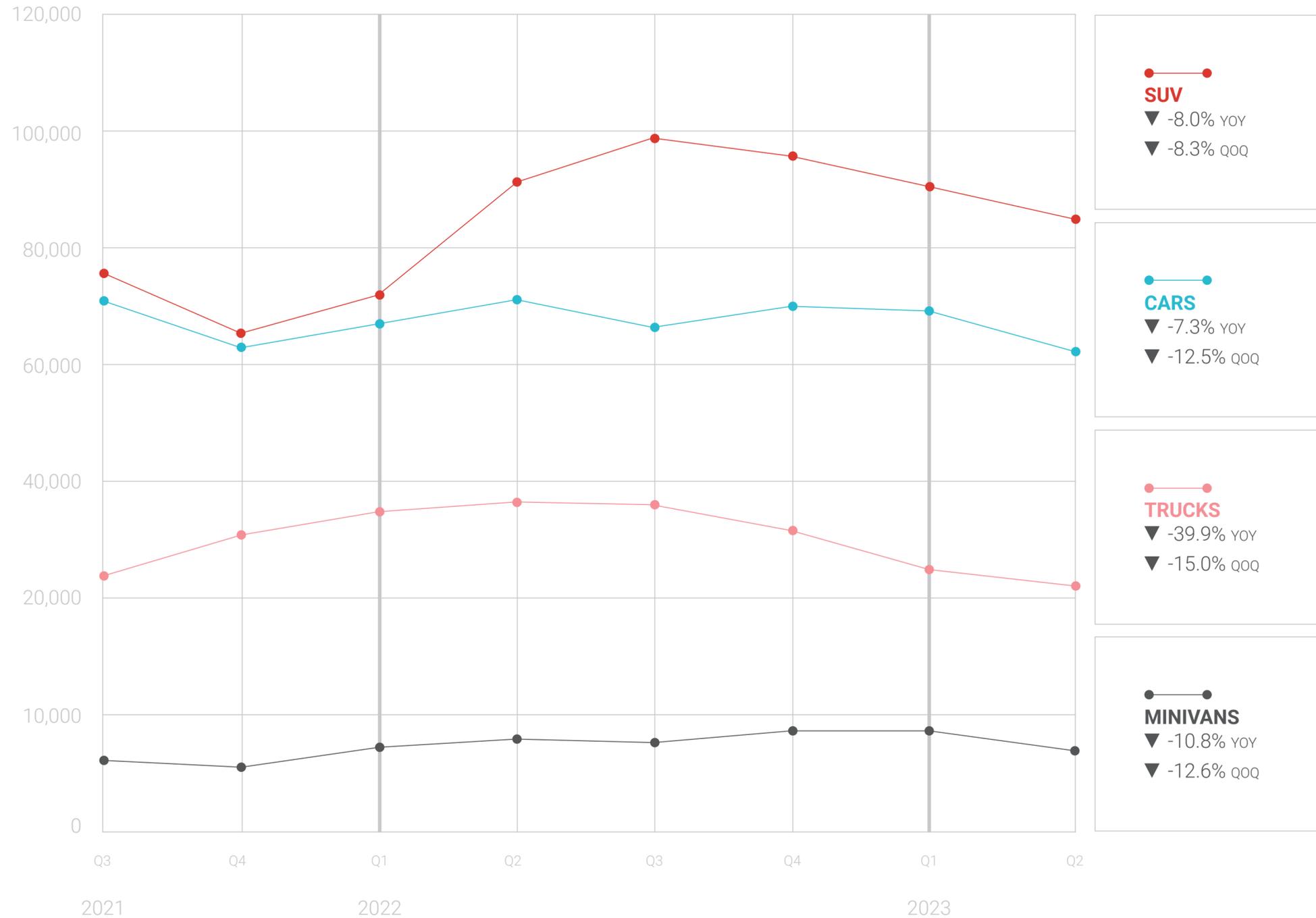
BY QUARTER

Although improved since the end of last quarter, used vehicles availability is below last year's levels.

Coupled with robust demand, the impact of COVID-related manufacturing challenges are still being felt in the market, leading to a decrease in the availability of used cars

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.





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