

Price Index

Q4 2025

The AutoTrader Price Index report delivers a quarterly overview of the Canadian automotive market by examining pricing data from hundreds of thousands of new and used vehicle listings nationwide. The report tracks changes in vehicle prices over time and offers in-depth analysis of consumer buying patterns, inventory availability, average monthly payments, and the most popular vehicles based on search and sales data. This comprehensive report provides valuable insights into the key trends and factors influencing Canada's automotive landscape.

Summary

Following the trends we observed during the third quarter with both new and used car sales slowing down on a year-over-year basis, the last quarter of the year was similar with a slight decline in estimated used car sales at -1.1% compared to the same quarter from the previous year. Overall, the year ended with positive year-over-year growth for used vehicles, though there are some material differences at the provincial level. Aligned with the softened demand, used car prices have decreased in the last two quarters, but ended the year at \$35,201, a 2.0% increase on a year-over-year basis. We estimate that used car prices are now approximately \$830 more expensive on average, partially due to tariffs and the corresponding rush during the first half of the year.

The new car market behaved similarly with sales slowing down in the last two quarters but ending the year on a 2.0% increase¹. New car prices rounded out the year at \$63,439, down by -2.7% on a year-over-year basis. The tariff-related pessimism from the beginning of the year didn't materialize, thanks to healthy inventory availability as well as the existing CUSMA agreement between the three countries in North America, but there are nuances at the OEM level both on the supply and demand side of the equation, which we believe will continue into 2026, assuming no major changes in our relationship with the U.S.

The very recent development of Chinese EVs in Canada will likely impact the market, but the implications won't be felt initially. We will monitor and inform the market as more details emerge.

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Canadian Automotive Market

Q4 2025 Update

Due to tariff-driven acceleration in both new and used car purchases during the first two quarters of the year, we observed a slight slowdown in the market during the final two quarters. However, although overall volumes are typically subdued in December due to the holiday season, the used car market experienced a strong uptick. We estimate it grew by 5.5% compared to the same period last year, ending the year on a high note. The increase in December was observed across the four largest provinces in the country.

Given the elevated level of purchases in the first half of 2025, 2026 may appear softer during the first two quarters. Nevertheless, we expect further growth in both the new and used car markets in 2026, assuming the economy continues to expand without a recession as economists expect, and that CUSMA is extended. This remains uncertain given the rapidly changing geopolitical environment.

Annual provincial trends present a nuanced picture across Canada. While Ontario and British Columbia recorded year-over-year sales growth, Alberta and Quebec experienced declines. These differences may partly reflect the varying impact of tariffs by province. Ontario's automotive sector appears relatively insulated for now, largely due to CUSMA, while Quebec's greater exposure to aluminum, metals, and manufacturing has increased its vulnerability. In Alberta, conditions in the energy sector play a more significant role. A timely resolution of ongoing trade disputes is critical to provide clarity for businesses and to limit further economic impact. Prolonged uncertainty would only intensify negative effects on the Canadian economy and, by extension, the automotive market.

As demand softened slightly, prices adjusted and declined over the last two quarters, although average used vehicle prices remain 2% higher year-over-year. We estimate that the tariff-driven buying rush increased average used car prices by approximately \$830.

Source: (1) Desrosiers Automotive Consultants, January 2026 New Light Vehicle Sales Report



Canadian Automotive Market

Q4 2025 Update

In addition, stronger new car sales during the first nine months of the year, with nearly half involving a trade-in, combined with reduced exports to the United States due to reciprocal tariffs, have resulted in a modest improvement in used car inventory. Even so, structural challenges linked to manufacturing disruptions from the COVID era remain and are unlikely to be resolved before 2027, assuming no major shifts in consumer demand.

The new car pricing environment is consistent with the recent quarters. Overall inventory levels have improved, but there is considerable variation across manufacturers, with some makes and models still in short supply. New vehicle supply appears healthy, with 77 days of inventory in the market, meaning it would take 77 days to sell all available stock at the current sales pace. New car prices declined again this quarter and are now down 2.7% year-over-year. This reflects both improved inventory availability for consumers and the ability of some manufacturers with higher stock levels to absorb a portion of tariff-related costs. However, prevailing market consensus suggests that without major changes in United States trade policy, upward pressure on new vehicle prices is inevitable, with differences continuing at the make/model level due to ongoing supply and demand imbalances.

Overall, the initial surge in activity driven by tariffs has moderated, and the market remains relatively stable for both new and used vehicles, with both segments recording year-over-year sales growth.

Marketplace Index

National Average Prices

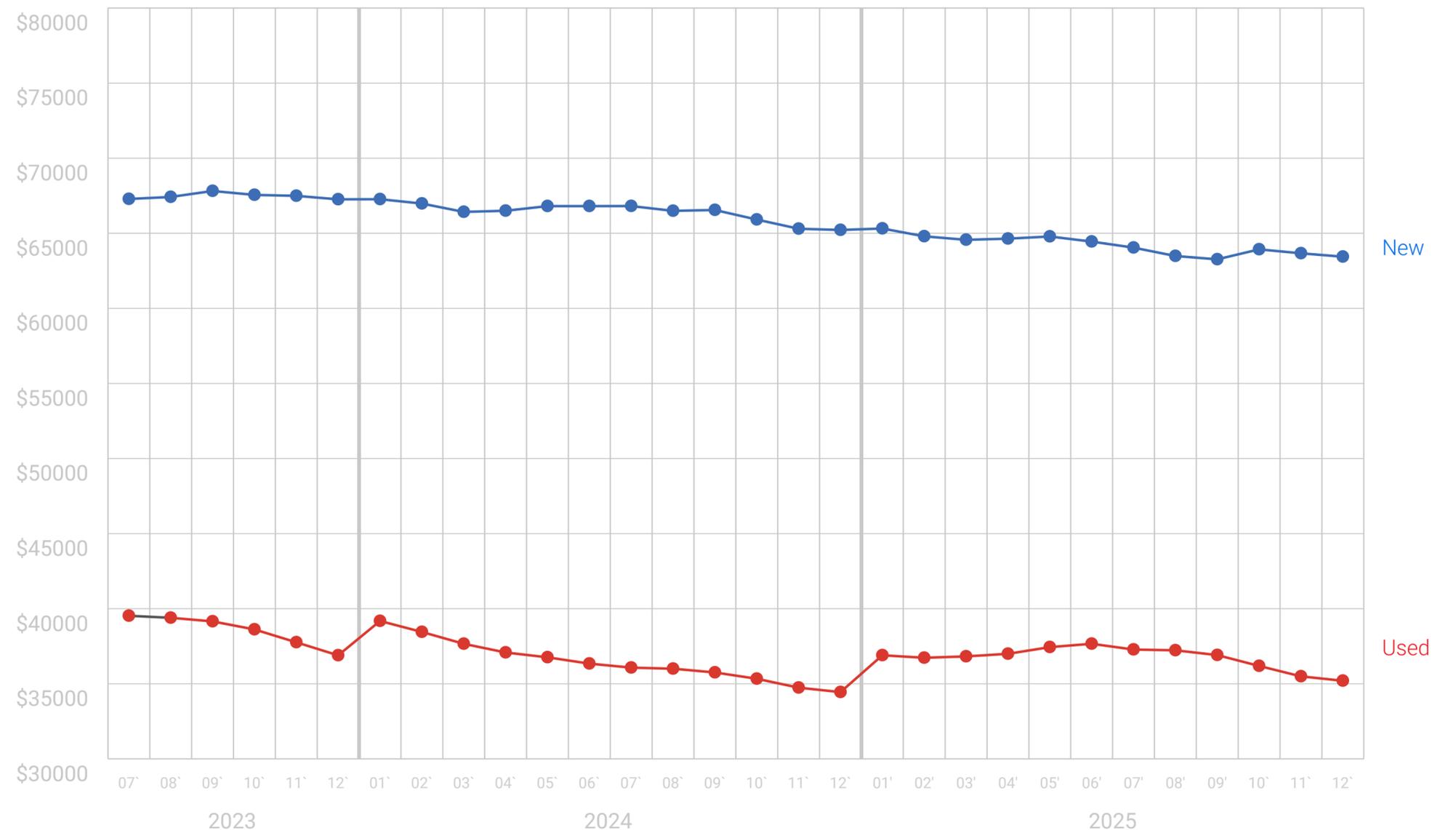
Used Car Price Trends are Back to “Normal” but Still Higher Than Last Year

Absent changes in the trade relationship with the U.S., higher new vehicle prices are likely to flow more quickly into the used market, as seen during COVID and the tariff-driven surge last year. If trade uncertainty persists into 2026, used vehicle prices could be affected next year. If relations normalize, an unlikely scenario, we would expect a gradual decline in used prices after the typical year over year increase we see in January. While forecasting remains difficult, it is increasingly clear that used car prices are unlikely to return to pre-COVID levels anytime soon due to tighter inventory, steady demand, population growth, electrification, and the shift toward larger vehicles. The eventual entry of Chinese EVs could place downward pressure on average prices down the road.

Statistics Canada data indicates that new BEV sales declined over the January to September period, with limited signs of a near-term rebound. Hybrids, by contrast, continued to gain traction due to their fuel efficiency, lower average cost, and lack of range anxiety.

Overall, vehicle markets have stabilized compared to earlier in the year. Inventory is improving, and prices are settling into a new normal, with future outcomes dependent on policy decisions, economic conditions, and supply and demand dynamics.

Source:
(2) <https://www150.statcan.gc.ca/n1/pub/71-607-x/71-607-x2021019-eng.htm>



New

\$63,439

▼ 0.4% MOM ▼ 2.7% YOY

Used

\$35,201

▼ 0.8% MOM ▲ 2.0% YOY

Methodology: Based on average Canadian automotive pricing data (CAD \$) collected from hundreds of thousands of listings monthly on AutoTrader from December 1, 2023 to December 31, 2025. 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%

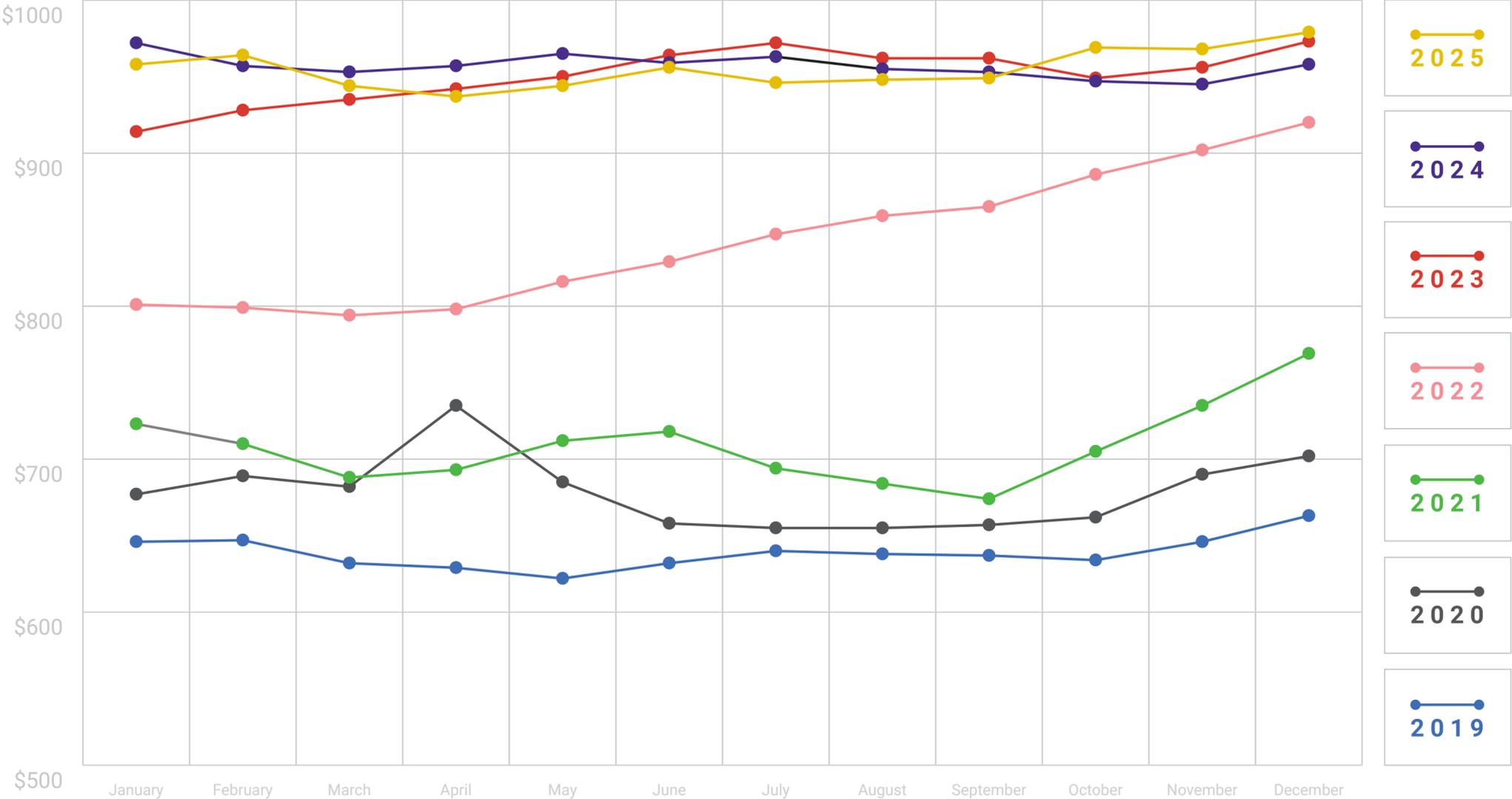
Average Monthly Payments (New)

New Car Monthly Payments Remain Stable Amid Inventory Differences

Although there was no material difference in monthly payments for new vehicles, which continue to hover just below the \$1,000 mark, based on the transactional data we have internally, they hit the highest levels recorded. If new car prices climb due to the trade unclarity with the United States, we may see an increase in monthly payments to over \$1,000, which would be a first in Canada.

Source: (4) Dealertrack Canada, a Division of TRADER Corporation, December 2025.

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Average Monthly Payments (Used)

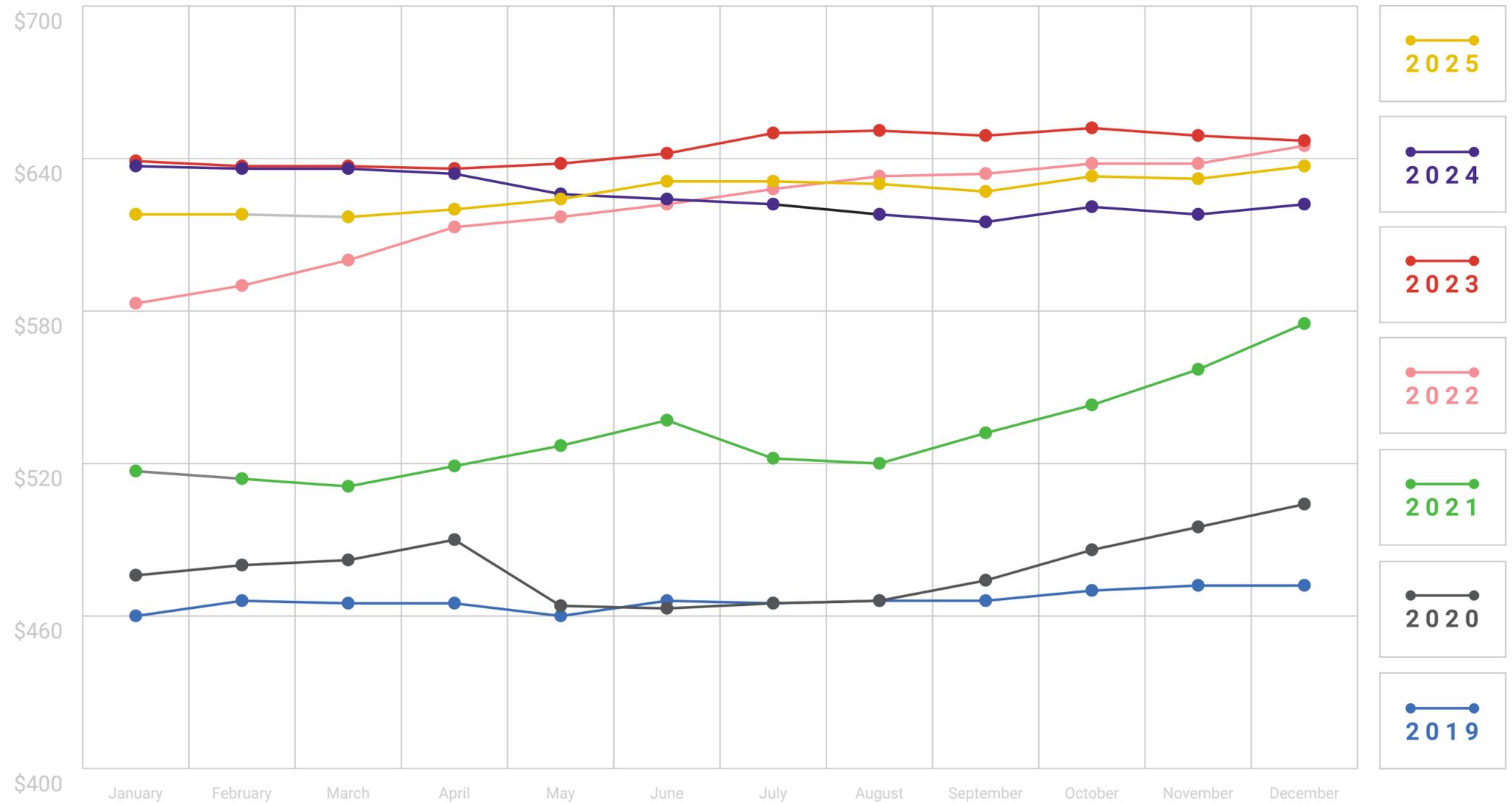
Used Car Payments Hold Steady but Remain Above Last Year

Used car monthly payments currently average \$637⁴, which is 2.4% higher than last year. With no expectation of a significant decline in vehicle prices, limited prospects for meaningful interest rate cuts, and assuming consumer demand remains broadly stable, we expect monthly payments to remain elevated but largely steady in 2026.

Source: (4) Dealertrack Canada, a Division of TRADER Corporation, December 2025.

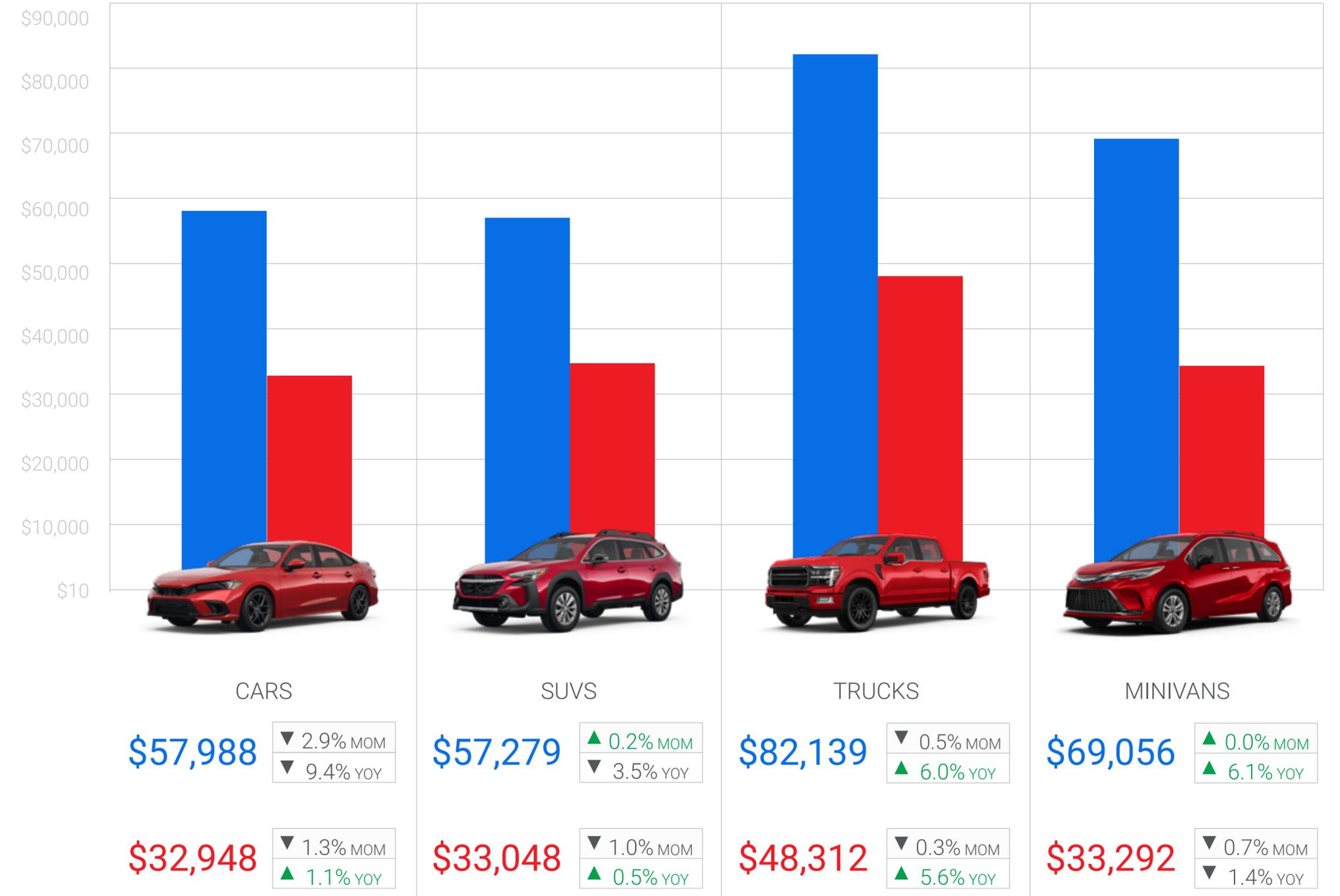
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Average Price By Body Type National

■ New ■ Used

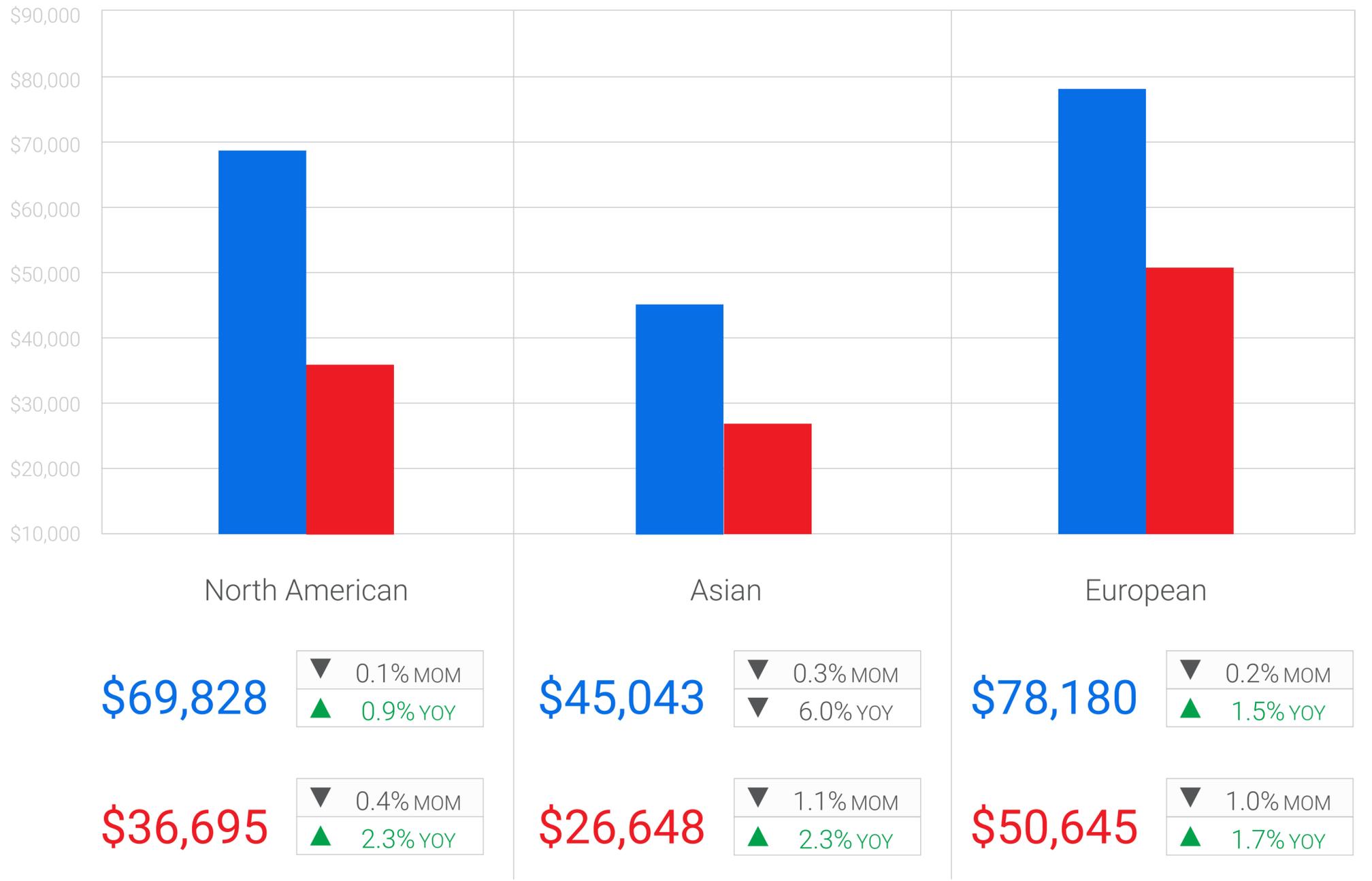


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Average Price By Origin

By Manufacturer

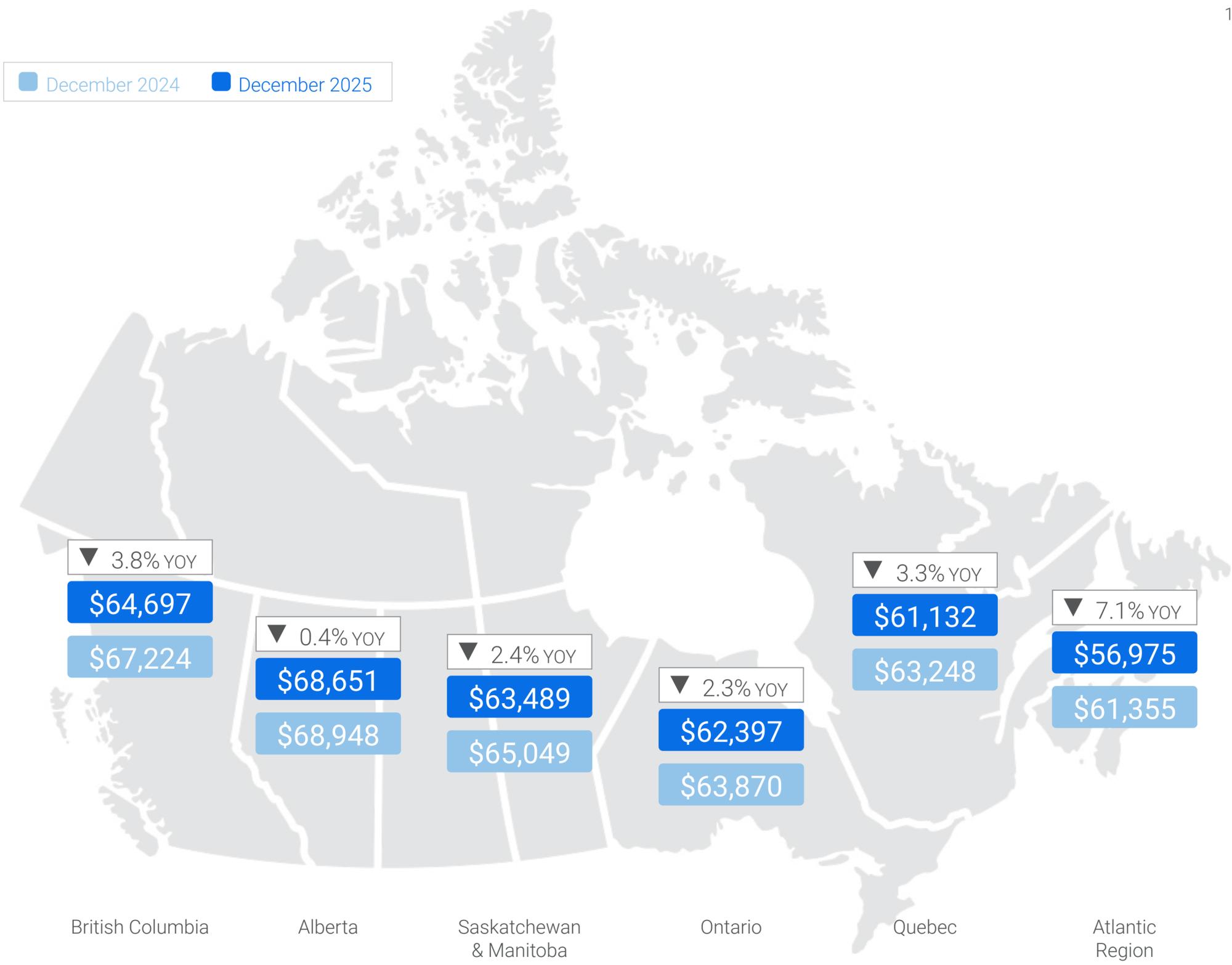


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Average Price (New) By Region

December 2024 December 2025

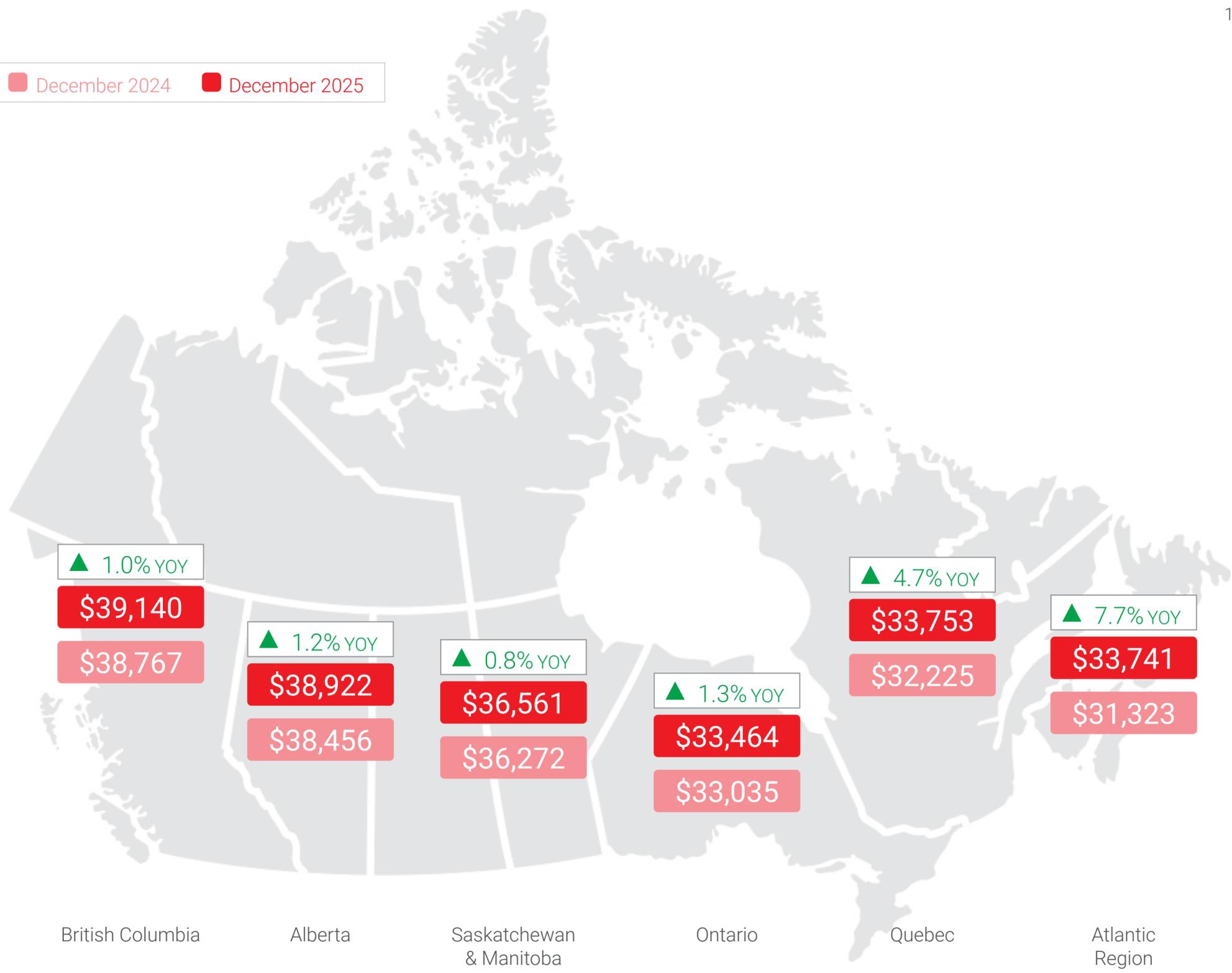


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Average Price (Used) By Region

December 2024 December 2025



Methodology:
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Top Searched Vehicles

National (Q3 Ranks In Brackets)

		New	Used
1. Ford F-150 (#1)		\$78,408	\$40,571
2. Porsche 911 (#2)		-	\$194,823
3. Toyota RAV4 (#3)		\$41,643	\$31,553
4. Honda Civic (#4)		\$38,822	\$17,303
5. BMW 3 Series (#7) ▲		\$75,916	\$29,222
6. Chevrolet Corvette (#5) ▼		\$137,449	\$89,587
7. Honda CR-V (#8) ▲		\$45,372	\$27,402
8. BMW X5 (#11) ▲		\$114,780	\$50,955
9. Ford Mustang (#6) ▼		\$65,120	\$42,780
10. Toyota Tacoma (#9) ▼		\$61,274	\$43,839

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Top Sold Used Vehicles on AutoTrader.ca

National



1. Ford F-150



2. Toyota RAV4



3. Honda CR-V



4. RAM 1500



5. Nissan Rogue



6. Ford Escape



7. Honda Civic Sedan



8. GMC Sierra 1500



9. Toyota Corolla



10. Hyundai Elantra

Methodology:

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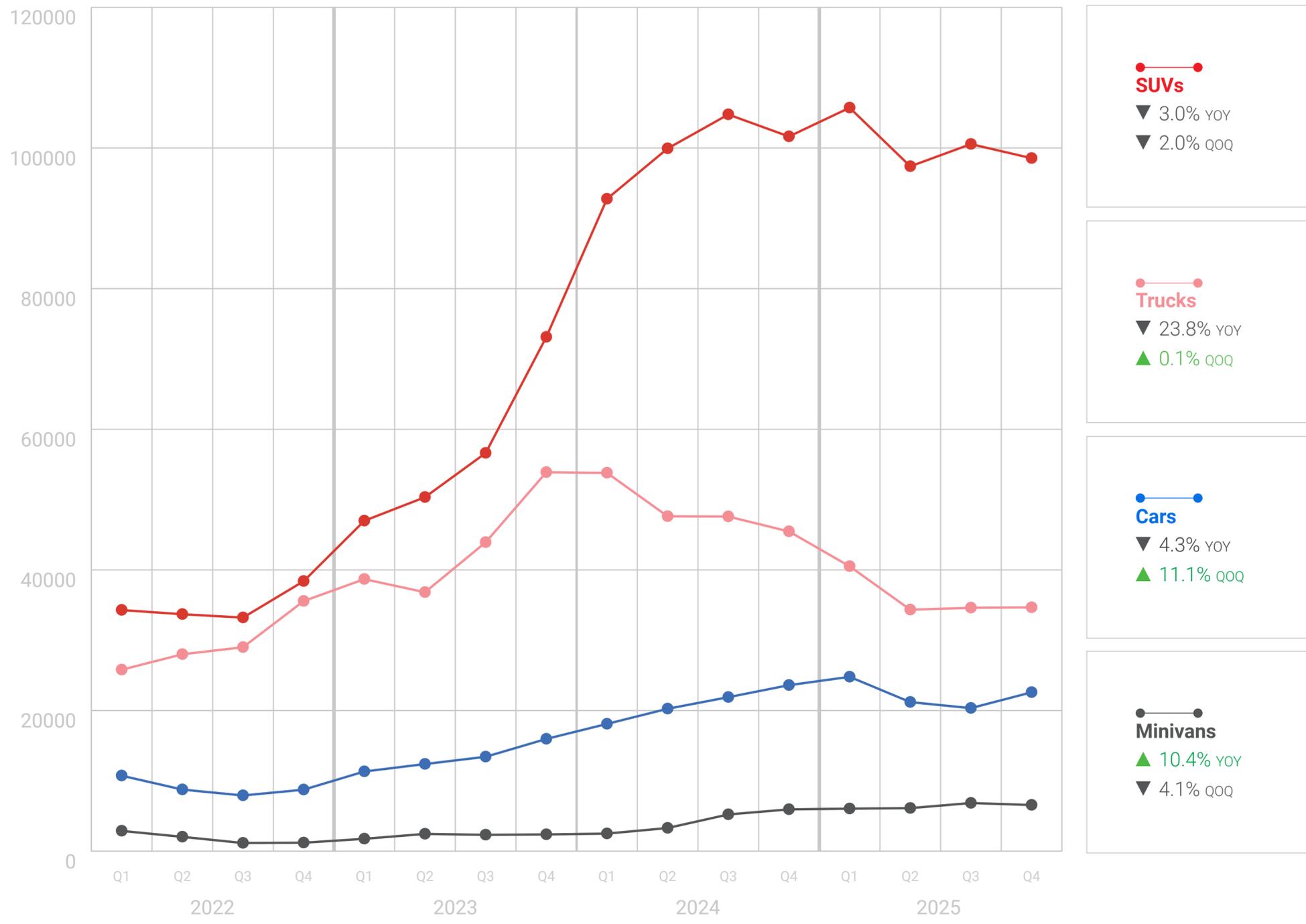
Vehicle Inventory (New)

By Quarter

Inventory is Slightly Up, But the View is Still Nuanced at the OEM Level

In the absence of significant macroeconomic shifts, inventory levels generally build toward the end of the year with more new models coming and demand decreasing relative to the beginning of the year, and this year proved consistent with that historical trend.

The fundamental forces shaping the market have not materially changed since the previous report and continue to evolve largely as anticipated. Some moderation in demand has resulted in slightly lower sales volumes, contributing to a modest increase in available inventory. At the same time, manufacturers and dealers have adjusted their operations to account for tariffs, improving overall efficiency. On the supply side, conditions differ considerably by brand, with tighter availability in some cases and more ample stock in others, which in turn has led to higher incentive activity where inventory levels allow for it.



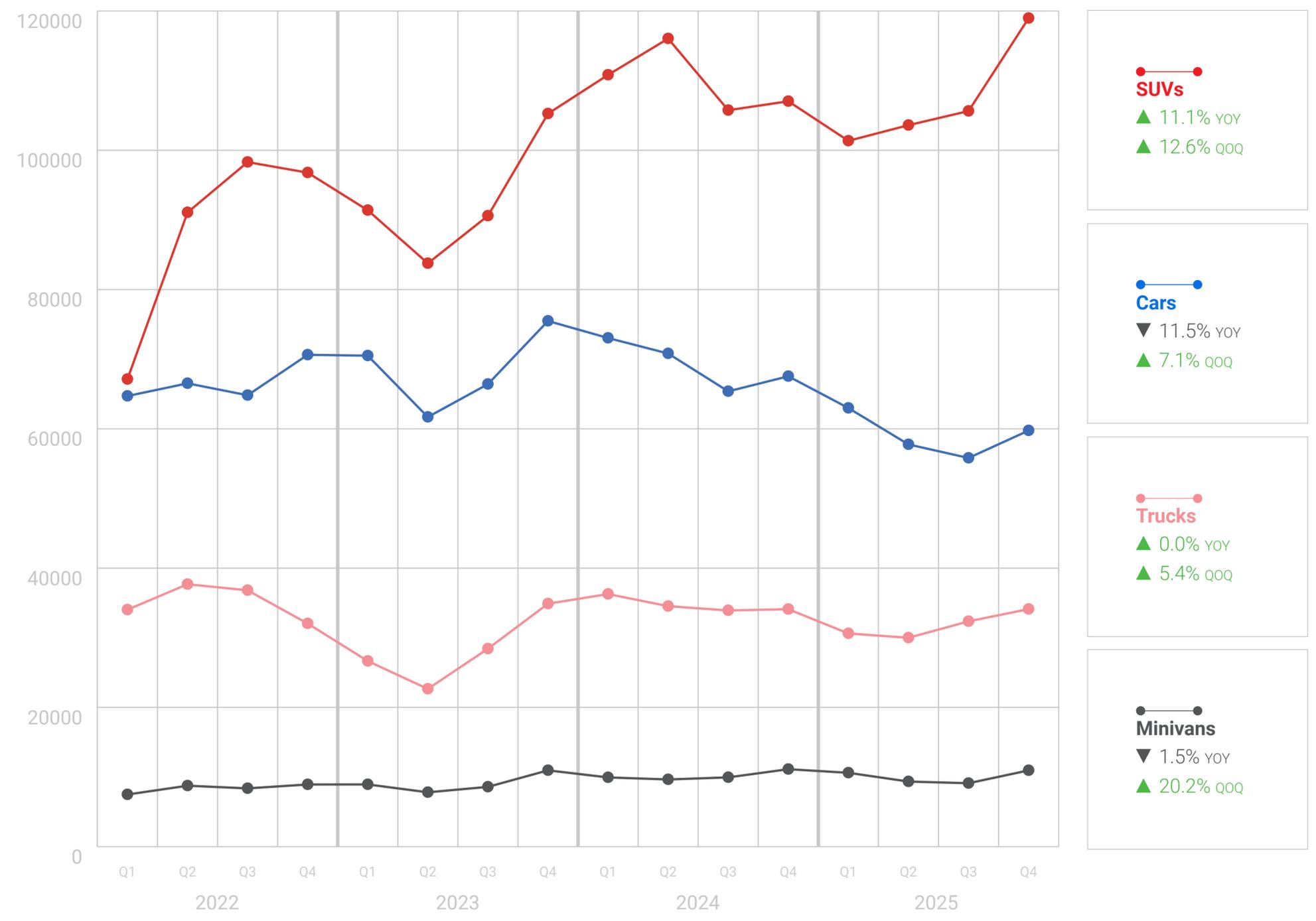
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Vehicle Inventory (Used)

By Quarter

While used vehicle inventory has shown modest improvement, overall supply conditions remain tight, in line with recent findings. The current market balance reflects several counteracting forces. On the demand side, reduced new vehicle production and sales between 2020 and 2023 continue to suppress off-lease volumes, limiting the flow of used vehicles into the market. At the same time, stronger new car sales are contributing to an increase in trade-ins, which is gradually adding inventory, primarily in the one- to four-year-old segment. Trade dynamics are also playing a role, as reciprocal tariffs have curtailed used vehicle exports, resulting in more vehicles staying within the domestic market. U.S made models are still being exported as they are subject to CUSMA. Unless there are material changes to these underlying factors, used vehicle supply is expected to remain constrained through at least 2027.



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