

Price Index

Q3 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

After the first two quarters, when both new and used car sales were unusually strong due to the “tariff-rush” accelerating purchases, we observed a more subdued third quarter for both segments. More specifically, while new car sales grew by 2.5% year-over-year for the quarter¹, AutoTrader's estimated used vehicle sales shows that sales were down slightly by 1.4% on a year-over-year basis. Accordingly, used car prices began to normalize seasonally, recording three consecutive month-over-month declines.

In September, the average used car price was \$36,911, marking a 3.2% increase over the previous year.

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Canadian Automotive Market

Q3 2025 Update

As shown in last quarter's report, a substantial volume of car shoppers accelerated their vehicle purchases to avoid paying more due to the tariffs implemented by both the U.S. and Canada. Since March, average used vehicle prices have risen unseasonally, as expected, in response to increased demand. However, since the beginning of August, the market has slowed slightly for both new and used vehicles, resulting in a 1.4% year-over-year decline for the quarter in estimated used car sales.

Another contributing factor is the surge in used car demand that began at the start of Q3 last year following the much-anticipated interest rate cuts implemented in June 2024. As a result, comparing current data to this stronger period from last year amplifies the year-over-year decline due to the "base effect."

Provincial trends reveal a nuanced picture across Canada. While Ontario and British Columbia experienced year-over-year sales growth this quarter, Alberta and Quebec saw declines. These variations may partially reflect the distinct impact of tariffs on each province: Ontario's automotive sector appears to be comparatively insulated, at least for now largely due to CUSMA, whereas Quebec's heavier exposure to aluminum, metals, and manufacturing has heightened its vulnerability. In Alberta, energy sector dynamics play a greater role. Timely resolution of ongoing trade disputes is essential to provide business clarity and limit further economic impact; prolonged uncertainty will only amplify negative consequences for the Canadian economy as a whole and thus the automotive market.

Source: (1) Desrosiers Automotive Consultants, September 2025 New Light Vehicle Sales.

Canadian Automotive Market

Q3 2025 Update

With demand softening slightly, prices responded accordingly and declined over the quarter, though average used vehicle prices remain 3.2% higher year-over-year. Additionally, stronger new car sales through the first nine months (with nearly half involving a trade-in) and a reduction in U.S. exports driven by reciprocal tariffs have led to a modest improvement in used car inventory. Nevertheless, the structural challenges stemming from COVID-era manufacturing disruptions persist and are unlikely to resolve before 2027. In summary, a moderate increase in inventory paired with declining demand has resulted in month-over-month price decreases for used vehicles.

The new car pricing environment mirrors previous reports: inventory has improved overall, though there is significant variability at the OEM level, with some makes and models remaining scarce. New vehicle supply appears “healthy” with 64 days’ inventory in the market (i.e., at the current sales pace, it would take 64 days to sell all available stock). New car prices declined again this quarter, now down 4.9% year-over-year. This trend reflects both improved inventory for consumers and the ability of certain OEMs with higher stock levels to absorb some costs associated with tariffs. However, prevailing market consensus suggests that without major changes in U.S. trade policy, upward price pressure on new vehicles is inevitable, with nuances persisting at the make and model level due to ongoing inventory constraints. Based on research, however, we are seeing an increase in the new vehicle purchase intentions for the next 6 months, which may be related to the type of consumers who tend to buy these vehicles (more on this below).

Overall, the initial surge in activity driven by tariffs has eased, and the market remains relatively steady for both new and used vehicles.

Marketplace Index

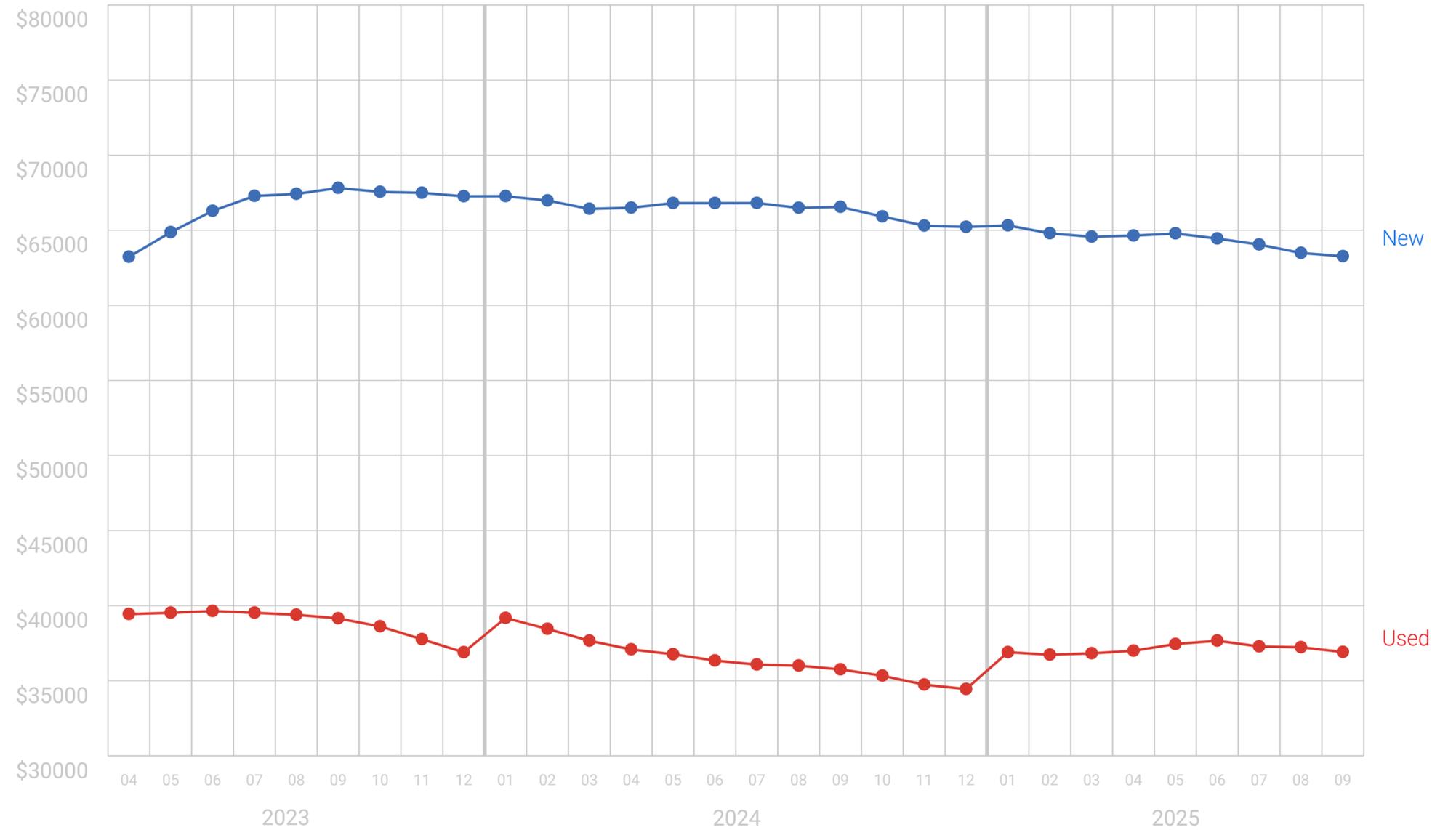
National Average Prices

Used Car Prices May Have Peaked for Now

The average interest rate for new vehicles is now at its lowest since July 2022, and average new vehicle prices have continued to fall this year, currently sitting at \$63,264, more than \$1,000 lower than the previous quarter. Looking ahead, there may be upward pressure on new vehicle prices if some manufacturers can no longer absorb tariff-driven costs, particularly for certain makes or models, which could lead some buyers to shift their attention to the used market. However, the ultimate impact on used car prices is not straightforward. If demand for used vehicles rises significantly and inventory remains tight, prices could climb. At the same time, the broader trend has been for used car prices to ease as supply conditions improve, and seasonal demand slows, meaning some further moderation in prices is still possible in the coming months. Much will depend on the availability of both new and used vehicles, ongoing trade policy developments, and broader economic conditions, so visibility remains limited.

Turning to the EV market, continued uncertainty prevails as policymakers determine the next phase of EV incentives. Based on the current sales figures², Canadian consumers are not ready to embrace EVs at scale without government support, and EV sales have accordingly registered double-digit declines year-over-year since March. BEV (battery electric vehicle) prices have also fallen – new BEVs are down 4.5% to \$69,748, and used BEVs by 1.8% to \$47,953³ – reflecting both weaker demand and the conclusion of federal incentives in January. As a result, sales of zero-emissions vehicles (ZEV) have dropped for five straight months.

Ultimately, while the acute “tariff-rush” in vehicle purchases has faded, the market for both new and used vehicles remains steadier than it was at the start of the year. Inventory levels are improving and prices (though not returning to pre-pandemic levels) are stabilizing into what is now the new normal. The road ahead will depend on further policy changes, economic trends, and the interplay of supply and demand across both the new and used segments.



New

\$63,264

▼ 0.3% MoM ▼ 4.9% YoY

Used

\$36,911

▼ 1.0% MoM ▲ 3.2% YoY



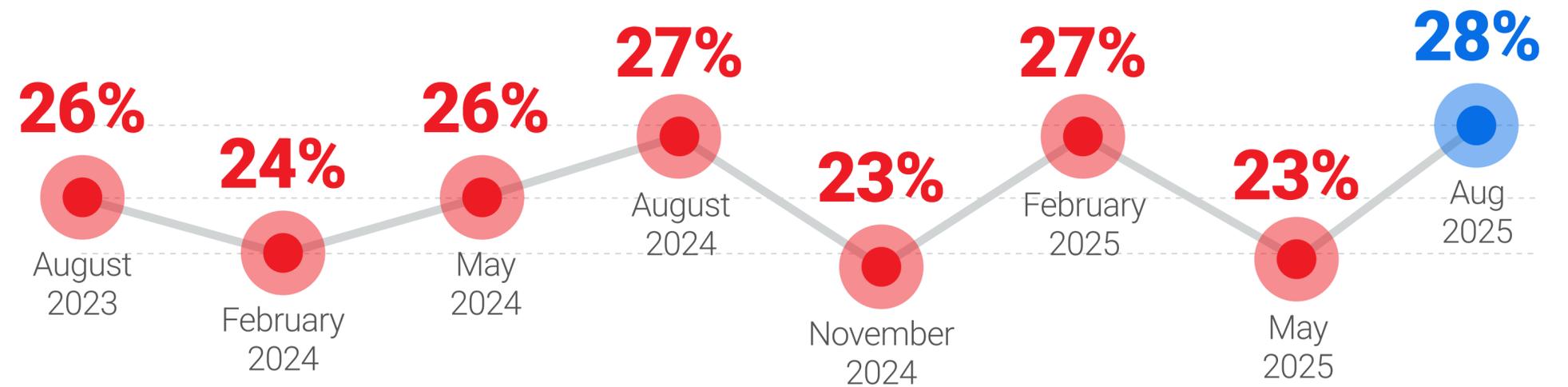
Source: (2) <https://www150.statcan.gc.ca/n1/daily-quotidien/250514/dq250514c-eng.htm>
 (3) BEV prices: Vehicle price calculation methodology was revised this quarter for greater accuracy; prices may differ from prior reports.

Methodology: Based on average Canadian automotive pricing data (CAD \$) collected from hundreds of thousands of listings monthly on AutoTrader from September 1, 2023 to September 30, 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%.

Vehicle Purchase Intent

Based on the results from the research we commissioned to Dig Insights, we are seeing an uptick in overall vehicle purchase intentions for the next six months, which partly conflicts with the “short-term market consensus.” The increase in the overall purchase intentions is being driven primarily by new car intenders (not shown on graph), pointing to a renewed sense of purchase readiness among consumers showing interest in newer vehicles.

One possible explanation for this upward shift is that recent stock market gains may have bolstered financial confidence among some households, making big-ticket purchases like new vehicles feel more attainable. Although this link cannot be confirmed at present, previous research supports a well-established connection between income levels and vehicle type preferences. This renewed financial optimism may help explain why overall intentions are moving upward, suggesting that broader economic improvements are encouraging buyers to re-enter the market rather than delaying purchase decisions.



Methodology:

Vehicle Purchase Intention Research Conducted by AutoTrader with DIG Insights, Between Aug 1-6, 2025, with a Representative National Sample of 1,675 Canadians Aged 17-74.

Average Monthly Payments (New)

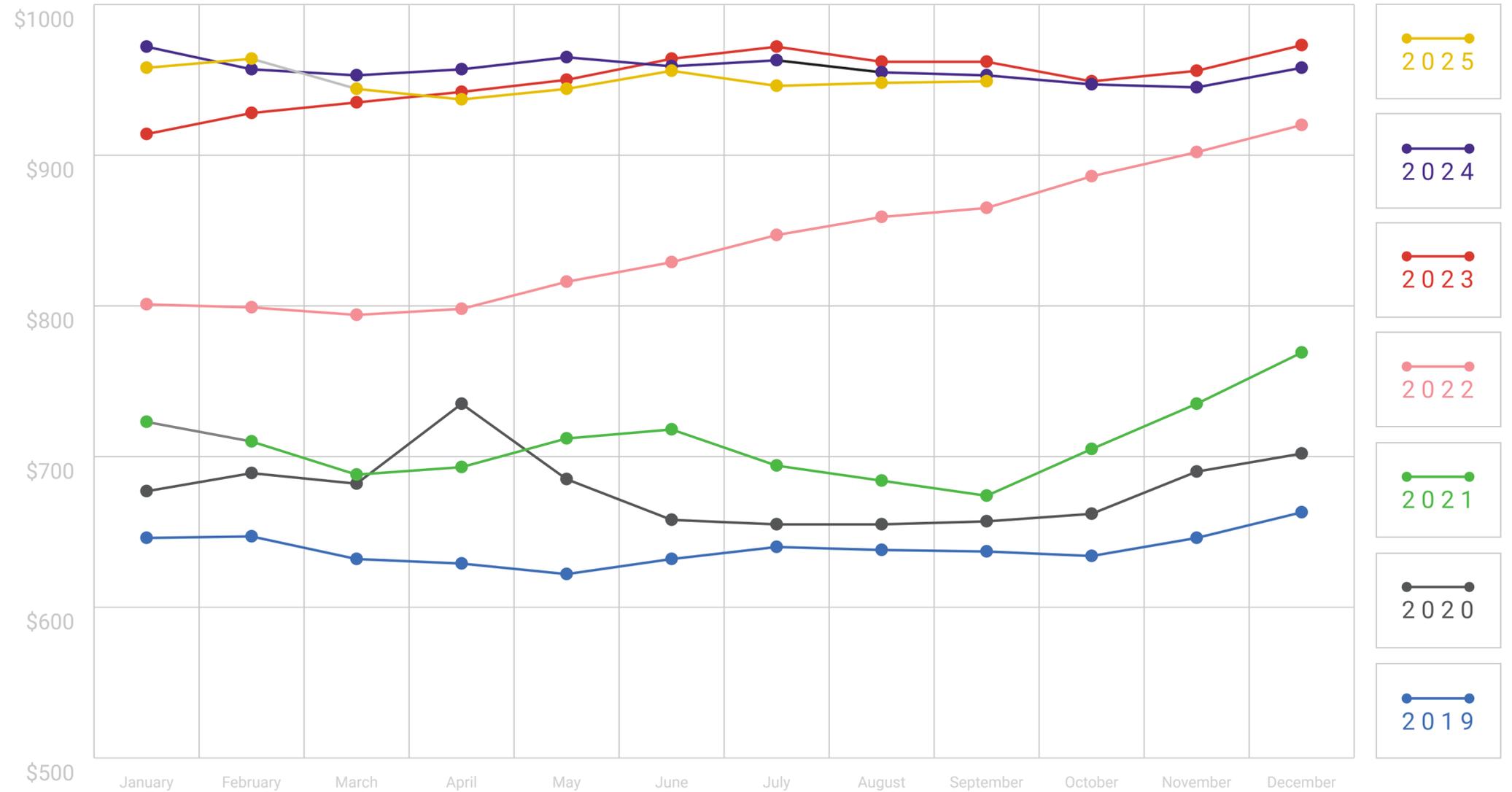
Monthly Payments Remain Stable

There was no material difference in monthly payments for new vehicles, which continue to hover just below the \$950/month mark. The declines in new car interest rates and thus monthly payments are primarily coming from manufacturers with greater inventory availability, while certain brands with lower inventory levels continue to show higher interest rates. If the much-anticipated increase in new car prices materializes, there could be some upward impact on monthly payments on the new side.

Source: Dealertrack Canada, a Division of TRADER Corporation, September 2025.

Methodology:

Based on average Canadian automotive pricing data (CAD \$) collected from hundreds of thousands of listings monthly on AutoTrader from September 1, 2023 to September 30, 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 (Used)

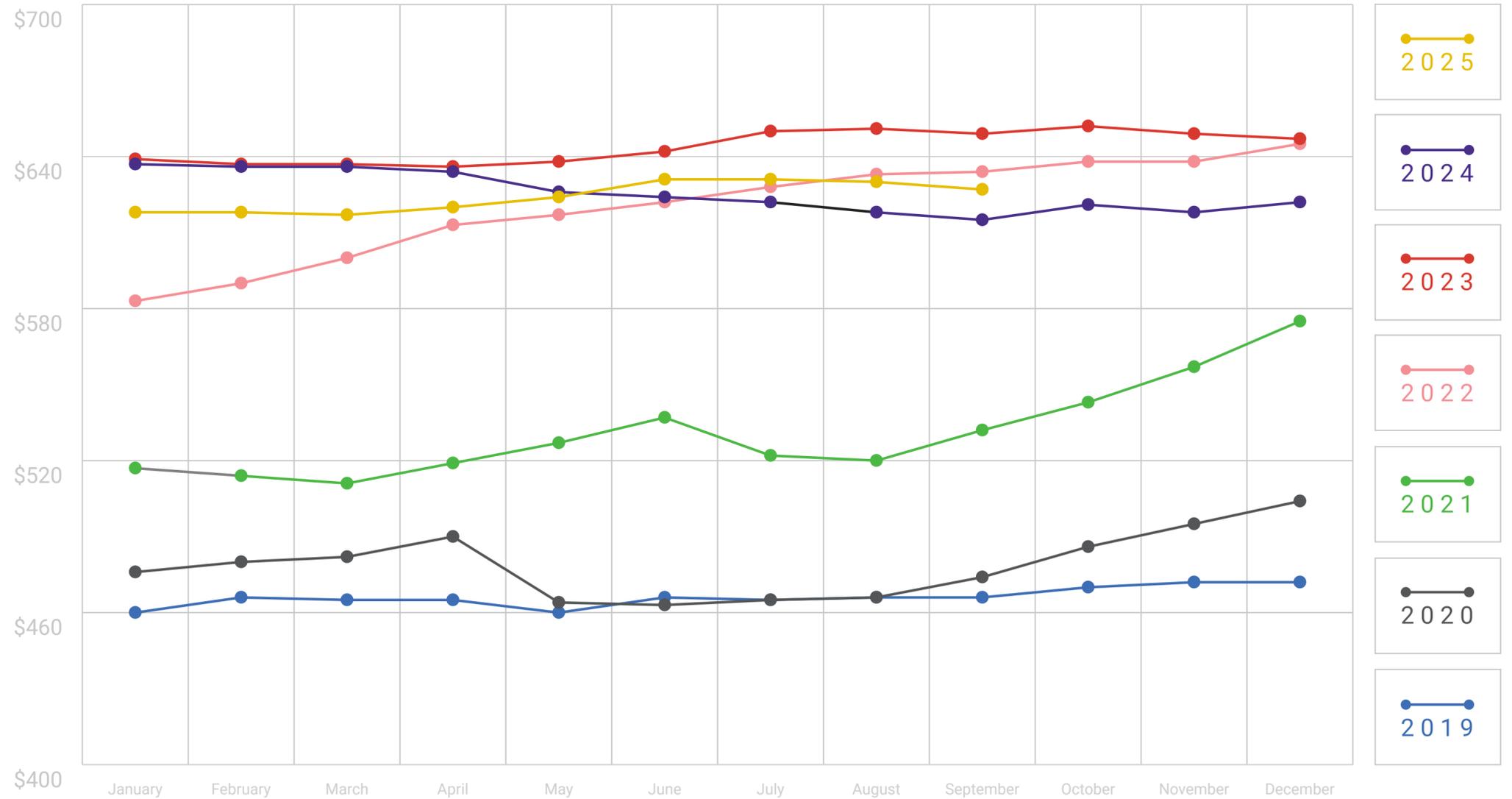
Payments Hold Steady but Remain Above Last Year

Used car monthly payments are currently at \$627/month, which is slightly higher than that of last year⁴. With more interest rate cuts expected in the future, there may be some declines in monthly payment amounts. Overall, there was no material difference in monthly payments for used vehicles this period.

Source: Dealertrack Canada, a Division of TRADER Corporation, September 2025.

Methodology:

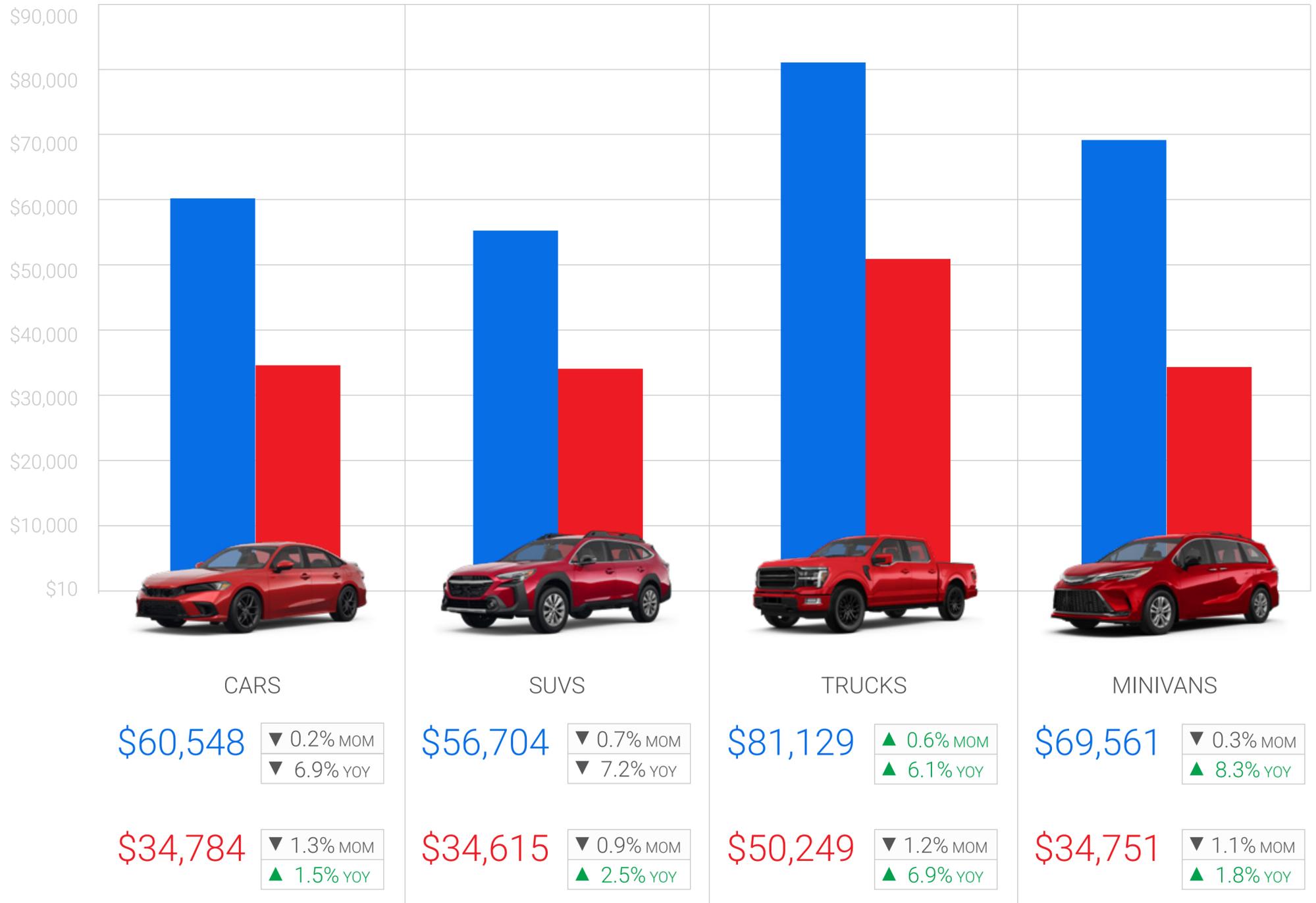
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Average Price By Body Type

National

■ New ■ Used



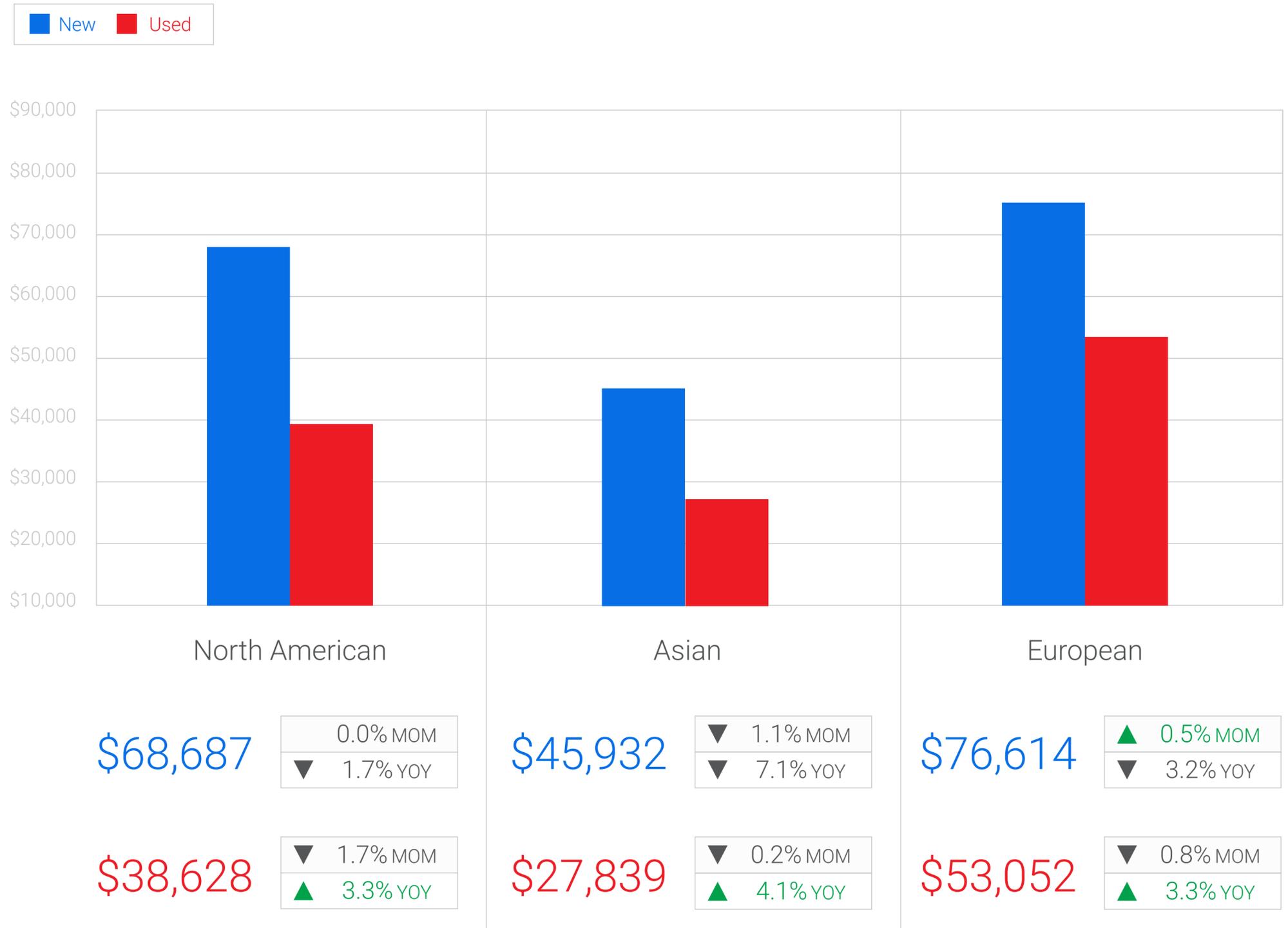
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Average Price By Origin

By Manufacturer



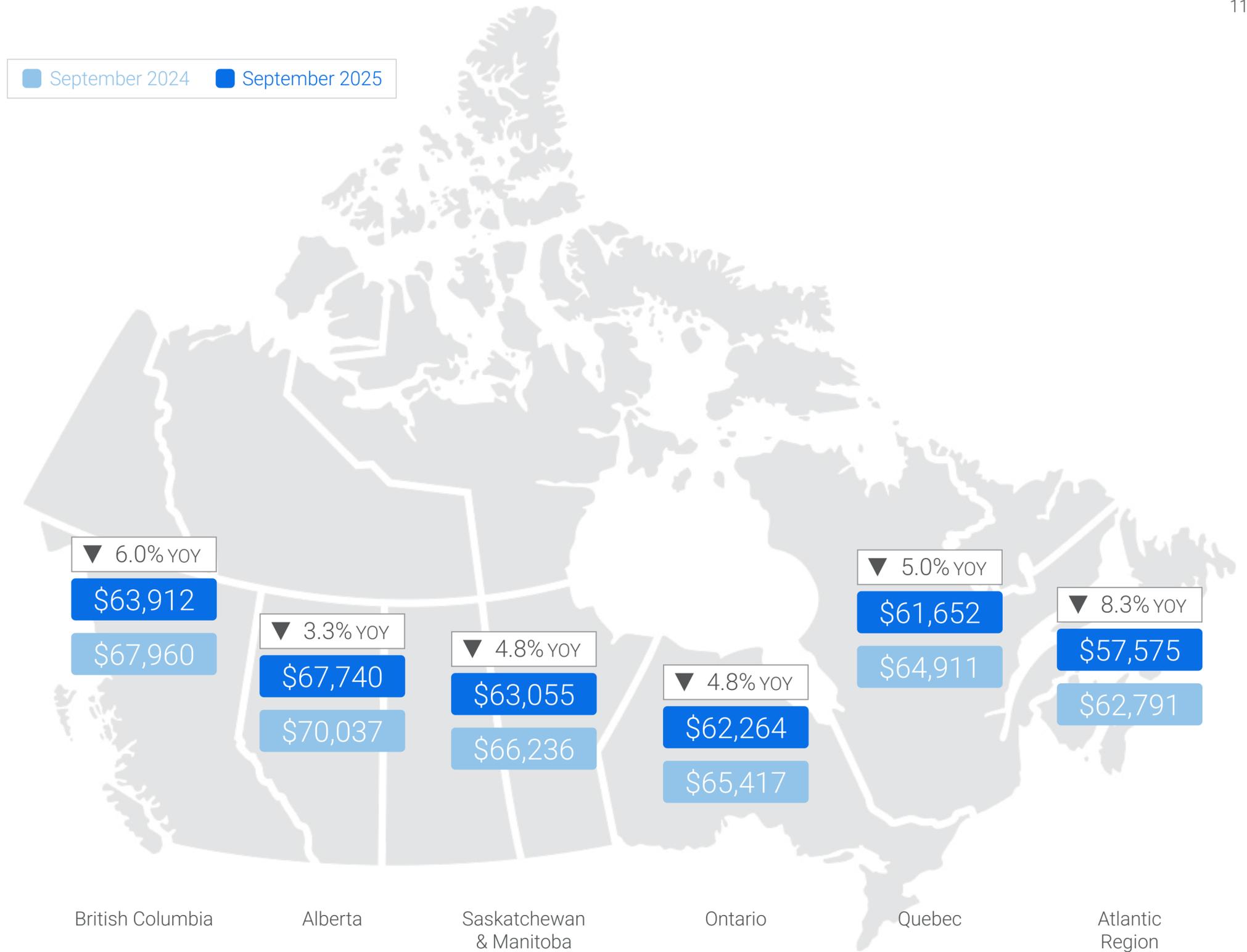
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Average Price (New)

By Region



Methodology:

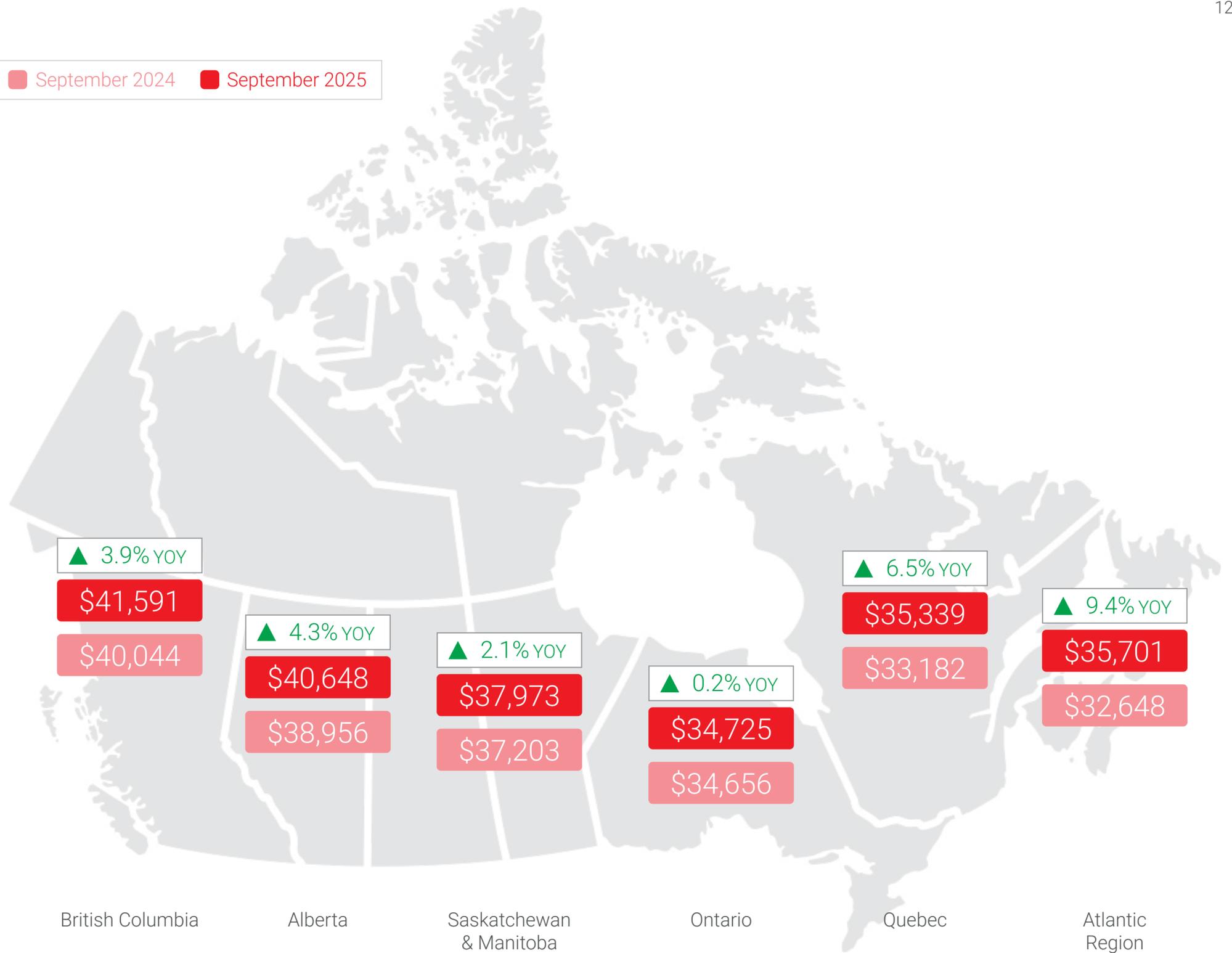
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Average Price (Used)

By Region

September 2024 September 2025



Methodology:

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Top Searched Vehicles

National (Q2 Ranks In Brackets)

1. Ford F-150 (#1)		New \$74,501	Used \$42,379
2. Porsche 911 (#4) ▲		\$214,997	\$202,560
3. Toyota RAV4 (#5) ▲		\$42,557	\$32,805
4. Honda Civic (#6) ▲		\$39,287	\$17,515
5. Chevrolet Corvette (#2) ▼		\$146,828	\$87,282
6. Ford Mustang (#3) ▼		\$65,137	\$42,205
7. BMW 3 Series (#7)		\$71,438	\$30,472
8. Honda CR-V (#8)		\$44,987	\$28,709
9. Toyota Tacoma (#10) ▲		\$61,938	\$45,371
10. Mercedes C-Class (#11) ▲		\$73,712	\$36,393

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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. Honda Civic Sedan



7. Ford Escape



8. Toyota Corolla



9. GMC Sierra 1500



10. Hyundai Elantra

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Vehicle Inventory (New)

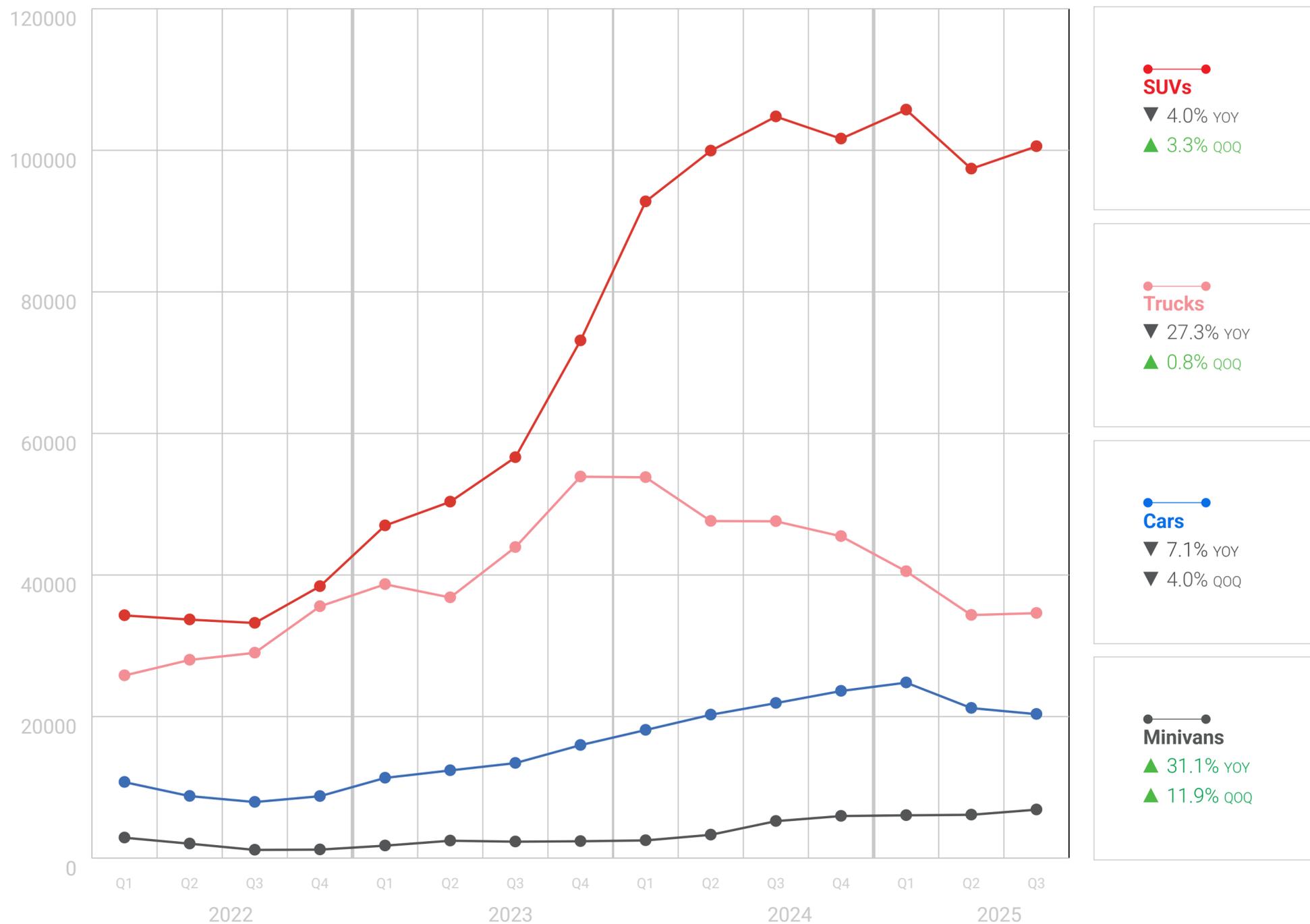
By Quarter

Inventory is Slightly Up, But the View is Nuanced

Both new and used vehicle inventory have increased in the last quarter, however, used inventory is still on the lower side, due to the pandemic-related challenges (i.e., 1.5M fewer new cars were sold between 2020 and 2023, which in turn has had an impact on used vehicle availability).

A few observations:

- **Demand:** Slightly lower demand, resulting in fewer sales, hence the “increase” in inventory levels.
- **Operational Improvements:** OEMs and dealerships are getting used to operating in the complex tariff environment, which may be impacting the intake of new inventory on their lots.
- **Supply:** New car inventory is very nuanced. Certain brands have a lot of availability, while others have tighter inventory due to increased demand and/or tariff impact, as some high-demand models are not reaching Canada due to tariffs. If you are a car shopper in the market for a new vehicle, make sure to understand what the supply is for the brand(s) you are interested in. Although there will be differences at the OEM level, shoppers might see the relationship between availability and lower payments through higher incentive programs.
- **Seasonality:** We normally see an organic increase in inventory levels at this time of year, with more new models coming onto the market.



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Vehicle Inventory (Used)

By Quarter

Although there has been a slight uptick in used car inventory, it remains tight, which is a trend highlighted in recent reports. The primary factors influencing current market dynamics are as follows:

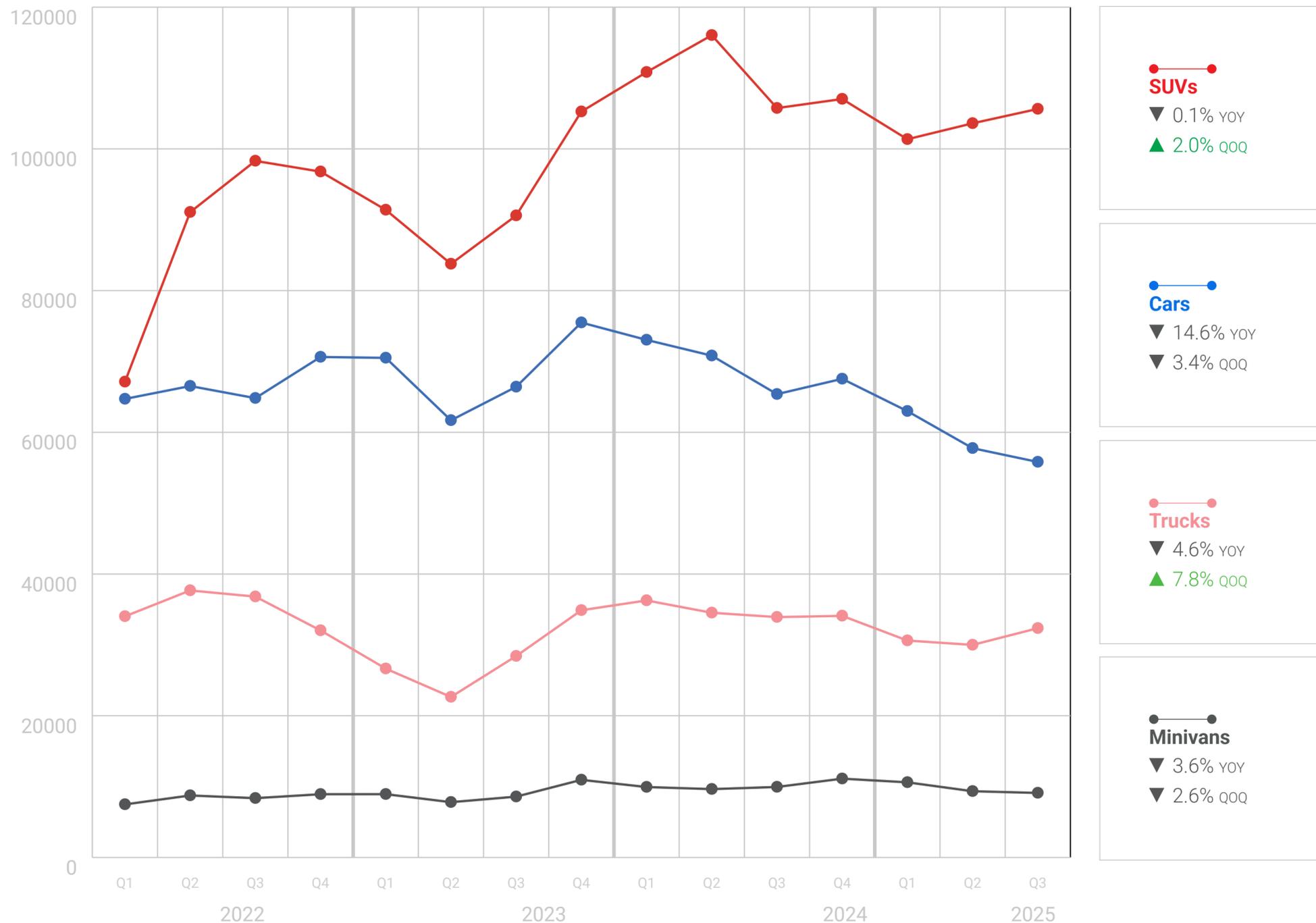
Factors Reducing Inventory

- **Lower New Vehicle Production and Sales (2020-2023):** Limited production and sales during this period have tightened the supply of used cars, especially as fewer vehicles are returning off-lease.

Factors Increasing Inventory

- **Rise in New Car Sales and Trade-Ins:** Higher new car sales have generated more trade-ins, increasing the number of used vehicles entering the market. Inventory composition has shifted, with a greater share of 1- to 4-year-old vehicles, as approximately half of new car buyers trade in an existing vehicle.
- **Reciprocal Tariffs Limiting Exports:** Reciprocal tariffs have reduced used car exports, helping retain more inventory domestically. Anecdotal evidence suggests the majority of exported vehicles are “made in the U.S.” due to tariff exemptions for this segment.
- **Demand** A slight decline in demand has resulted in fewer cars being sold, which has supported inventory levels and eased price pressures.

Unless there are significant changes to these underlying drivers, no major shifts in used car availability are expected in the short term, at least until 2027.



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