Price Index

Q2 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

Both the used and new car markets have shown robust performance since early March, primarily due to the "pull-forward" effect of tariffs. Consumers, anticipating higher prices and tighter inventories, have accelerated their vehicle purchases. While new car inventories provided some buffer — preventing significant price increases for new vehicles — used car prices have moved atypically since March. Increased demand and limited supply have led to four consecutive months of rising prices, placing used car prices above last year's levels.

In June, the average used car price reached $37,664, marking a 3.6% increase over the previous year. In contrast, new car prices declined by 3.5% year-over-year, averaging $64,445.

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Canadian Automotive Market

Q2 2025 Update

Owing to the large consumer audience and inventory volumes on AutoTrader, we effectively anticipated the surge in demand, and, consequently, the rise in used car prices, even before the tariffs were officially implemented. AutoTrader research from February 2025 indicated that demand for both used and new vehicles was "pulled forward" as consumers sought to get ahead of expected price increases. The memory of pandemic-related price hikes remains fresh (used car prices rose by 21.7% in 2021 alone), and it's clear that consumers are still influenced by those experiences.

Although there was a slight drop in demand in Q2 vs Q1, estimated used car sales rose by 1.8% for the quarter and 2% on a year-to-date basis. Provincial data shows that, apart from Quebec, which experienced a softening in demand in recent months, all major provinces have seen year-over-year growth.

New car sales were also robust, with third-party data indicating a 5.6% year-to-date increase.[1] However, we expect some softening in the second half of the year in the new car segment, as anticipated price increases and declining inventory levels for certain manufacturers begin to take effect. Our "same store" inventory data shows that new car inventory has declined in recent months. The primary factors driving this trend include:

- **Demand:** High demand resulting in depleting inventory levels
- **Availability:** Inventory availability varying by OEM (some high-demand models are not reaching Canada due to tariffs)
- **Market Uncertainty:** Resulting in some dealers to base their 2025 orders on 2024 volumes, or to underestimate demand and, consequently, order fewer vehicles
- **Vehicle Production:** North American production levels overall are projected to decrease by 6.1% year-over-year[2]

The situation for used inventory mirrors that of new vehicles. While there has been some improvement in availability — largely due to trade-ins from strong new car sales and reciprocal tariffs that have reduced used vehicle exports to the U.S. — used inventory remains constrained. This is compounded by ongoing effects from pandemic-era production and supply chain challenges, as well as a reduced number of lease returns, with an estimated 1.5 million fewer vehicles sold between 2020 and 2023.

Source: (1) Desrosiers Automotive Consultants, Monthly light vehicle sales, June 2025. (2) Global Data, Q2 Forecast, 2025.

Marketplace Index

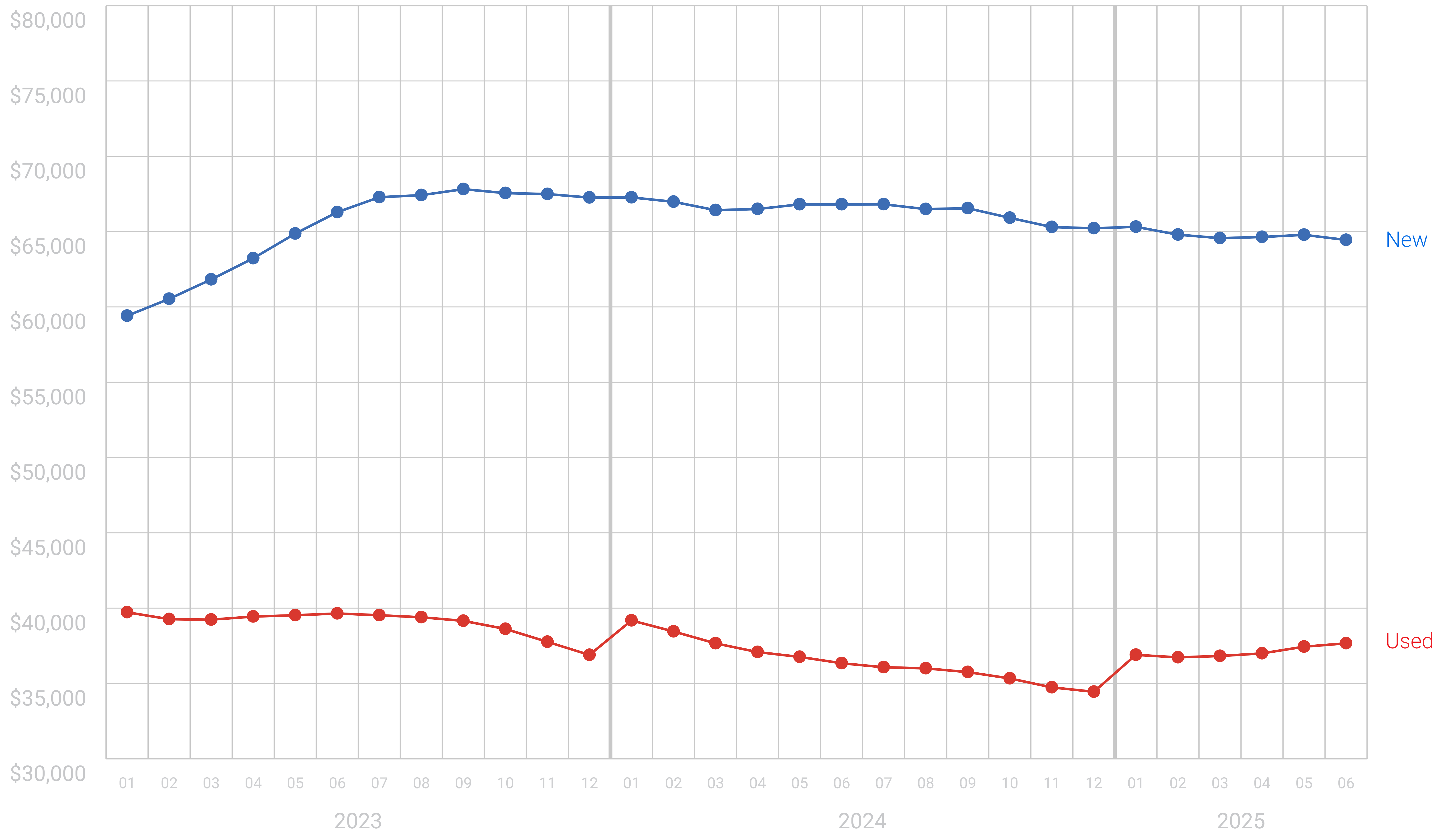
National Average Prices

Used Car Prices Are Above Last Year's Levels

Due to increased tariff-related demand, used car prices have been rising since March, which is contrary to typical seasonal trends, where prices start higher and decline throughout the year. Given ongoing supply constraints and heightened demand, we don't expect to see any major changes to used car prices.

The average interest rate for new vehicles remains steady, while prices have dropped slightly to $64,445.[1] With declining inventory levels, we anticipate some upward pressure on new vehicle prices in the near term. However, price movement will depend on availability, demand, and the impact of tariffs at the make and model level. If Canada and the U.S. manage to reach a trade deal by the end of July, as targeted by both governments, the anticipated new car price increases may not materialize. Given the current market fluidity, the outlook remains uncertain.

Battery Electric Vehicle (BEV) prices have declined year-over-year. New BEVs are down 9.9% to $66,891, and used BEVs are down 7.9% to $44,077. The end of the federal incentive program in January has caused confusion and dampened demand, an outcome we cautioned the industry about. As expected, there are significant year-over-year declines in Zero Emission Vehicle (ZEV) sales in Canada, 44.9% in March[2] and 28.5% in April.[3] Although the government has announced that the iZEV program will return in some form, the timing and scope of its reinstatement will shape the remainder of the year. If these changes do not materialize, the ZEV market is likely to face continued challenges. Furthermore, even if incentives are reintroduced, differing policy directions between the U.S. and Canada could influence availability, demand, and pricing, adding further nuance to the ZEV landscape. The ZEV puzzle hasn't been solved yet.



New

$64,445 ▼ -0.5% MOM ▼ -3.5% YOY

Used

$37,664 ▲ 0.6% MOM ▲ 3.6% YOY

Source:
(1) Subvented New Car Interest Rates from Dealertrack Canada, a Division of TRADER Corporation.
(2) New Motor Vehicle Sales, Statistics Canada, March 2025.
(3) New Motor Vehicle Sales, Statistics Canada, April 2025.

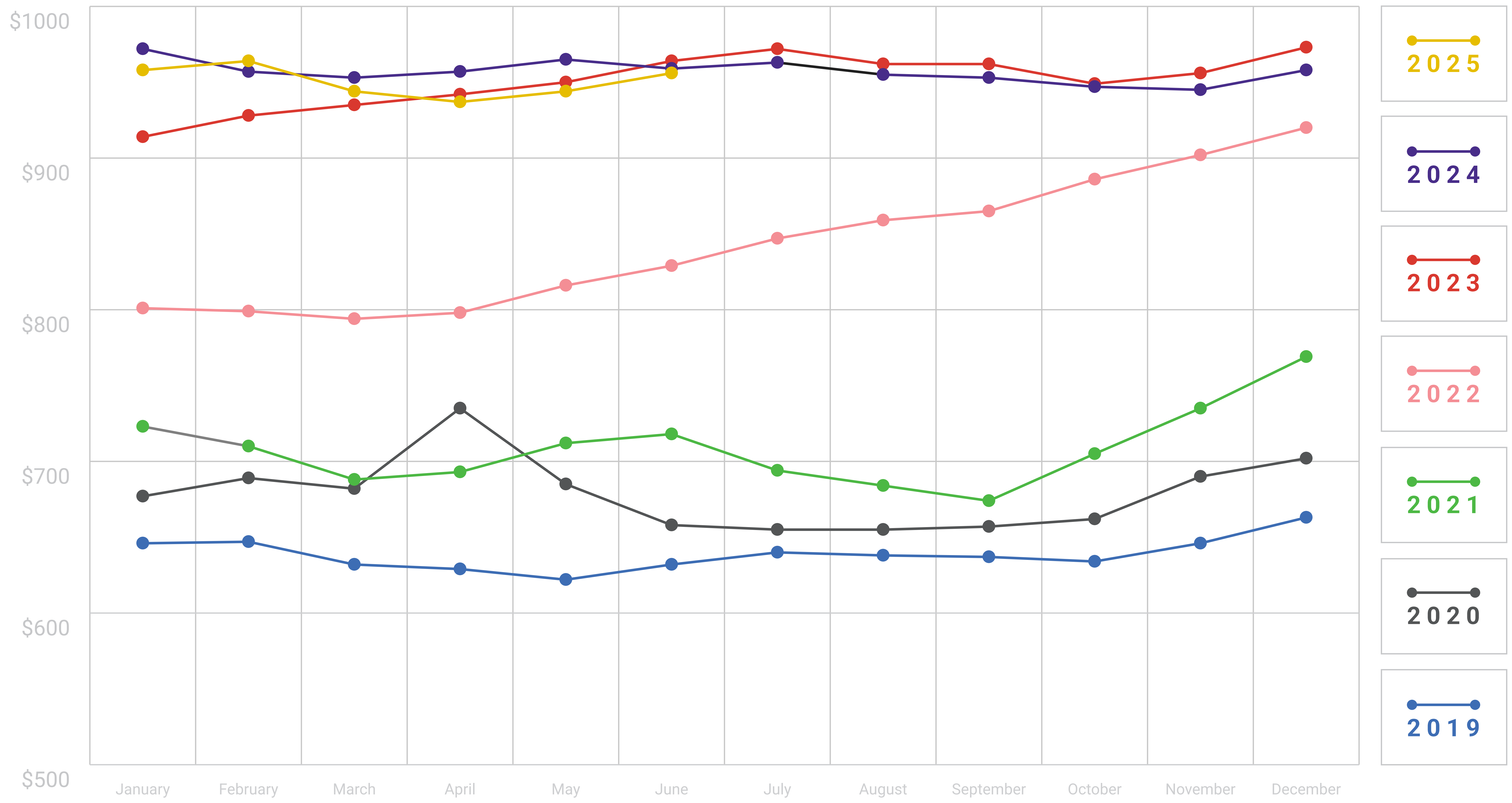
Methodology: Based on average Canadian automotive pricing data (CAD $) collected from hundreds of thousands of listings monthly on AutoTrader from January 1, 2023 to June 30, 2025. In addition to average pricing, year-over-year (YOY) and month-over-month (MOM) price changes have been identified. The 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 (New)

Uptick in Monthly Payments for New Vehicles

Monthly payments for new vehicles are on the rise, aligning with increased sales activity and ongoing supply constraints.[1] Provided there are no major changes in market dynamics, this upward trend is expected to continue, driven by strong demand and limited availability.

Source: (1) Dealertrack Canada, a Division of TRADER Corporation, June 2025.



Methodology:
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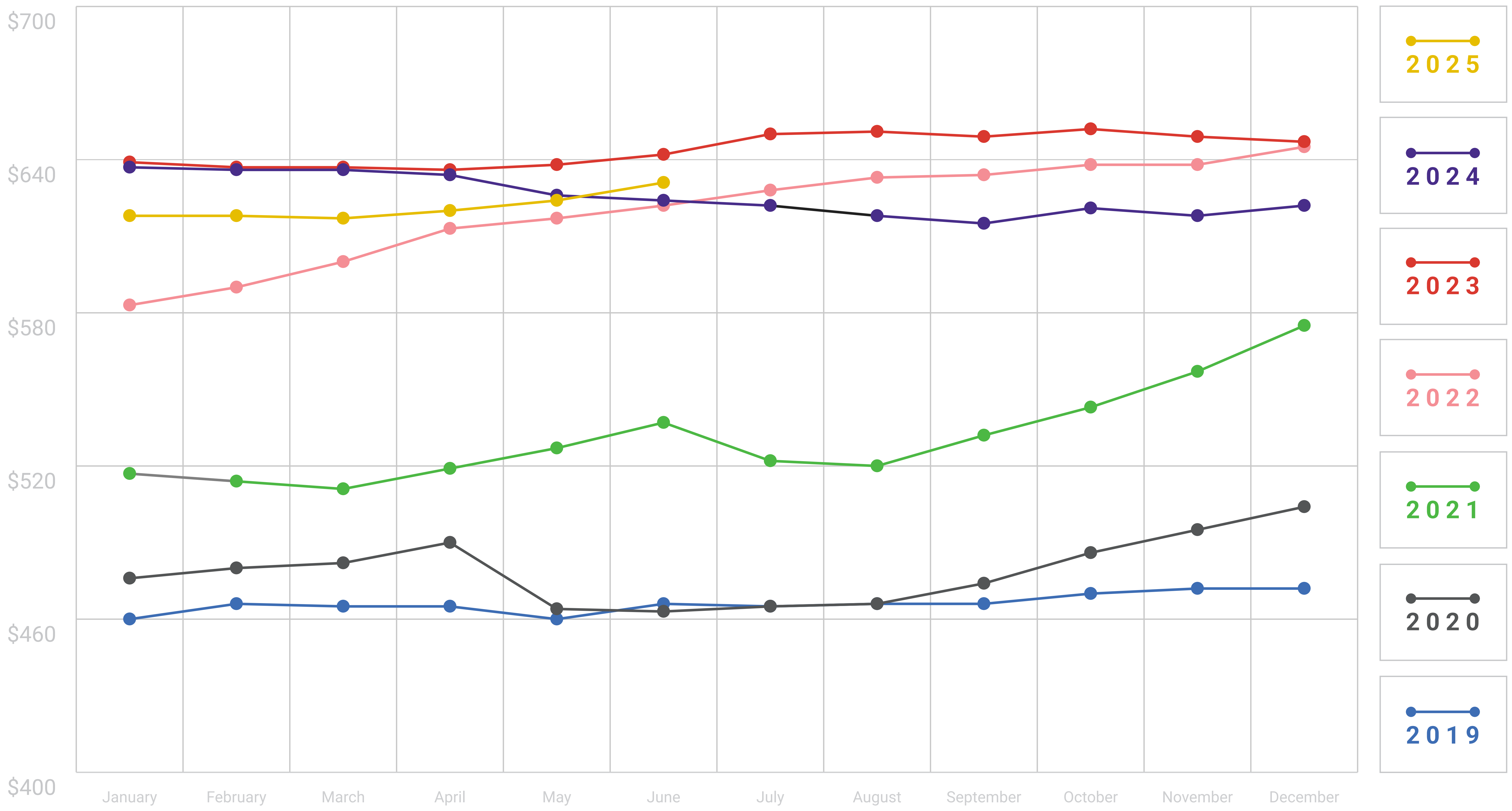
Average Monthly Payments (Used)

Uptick in Monthly Payments for Used Vehicles

We are observing that as used vehicle sales activity increases, monthly payment amounts are also rising.[1] Unless there are major changes in the market environment, this pattern is likely to remain steady. With demand remaining strong and the supply of used vehicles constrained, it is expected that monthly payments will continue to trend upward.

Source: (1) Dealertrack Canada, a Division of TRADER Corporation, June 2025.



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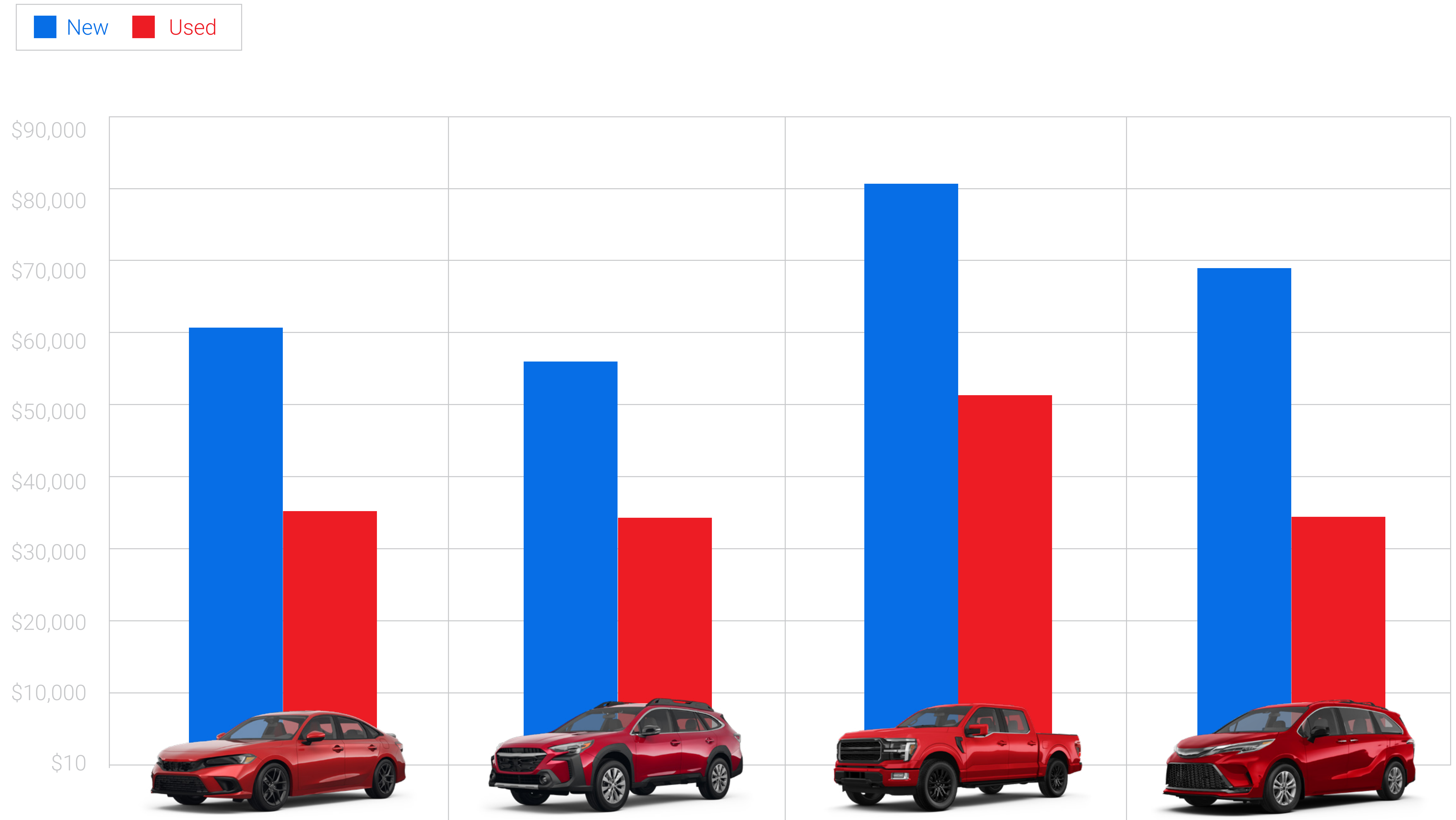
Average Price By Body Type

National



	CARS	SUVS	TRUCKS	MINIVANS
New	$61,589 — 0.0% MOM; ▼ -6.9% YOY	$58,439 — ▼ -0.8% MOM; ▼ -5.4% YOY	$80,255 — ▲ 0.3% MOM; ▲ 6.1% YOY	$69,005 — ▼ -0.7% MOM; ▲ 2.8% YOY
Used	$35,682 — ▲ 1.2% MOM; ▲ 1.8% YOY	$35,436 — ▲ 0.1% MOM; ▲ 1.8% YOY	$51,809 — ▲ 0.7% MOM; ▲ 10.9% YOY	$34,875 — ▲ 0.5% MOM; ▲ 2.7% YOY

Methodology:
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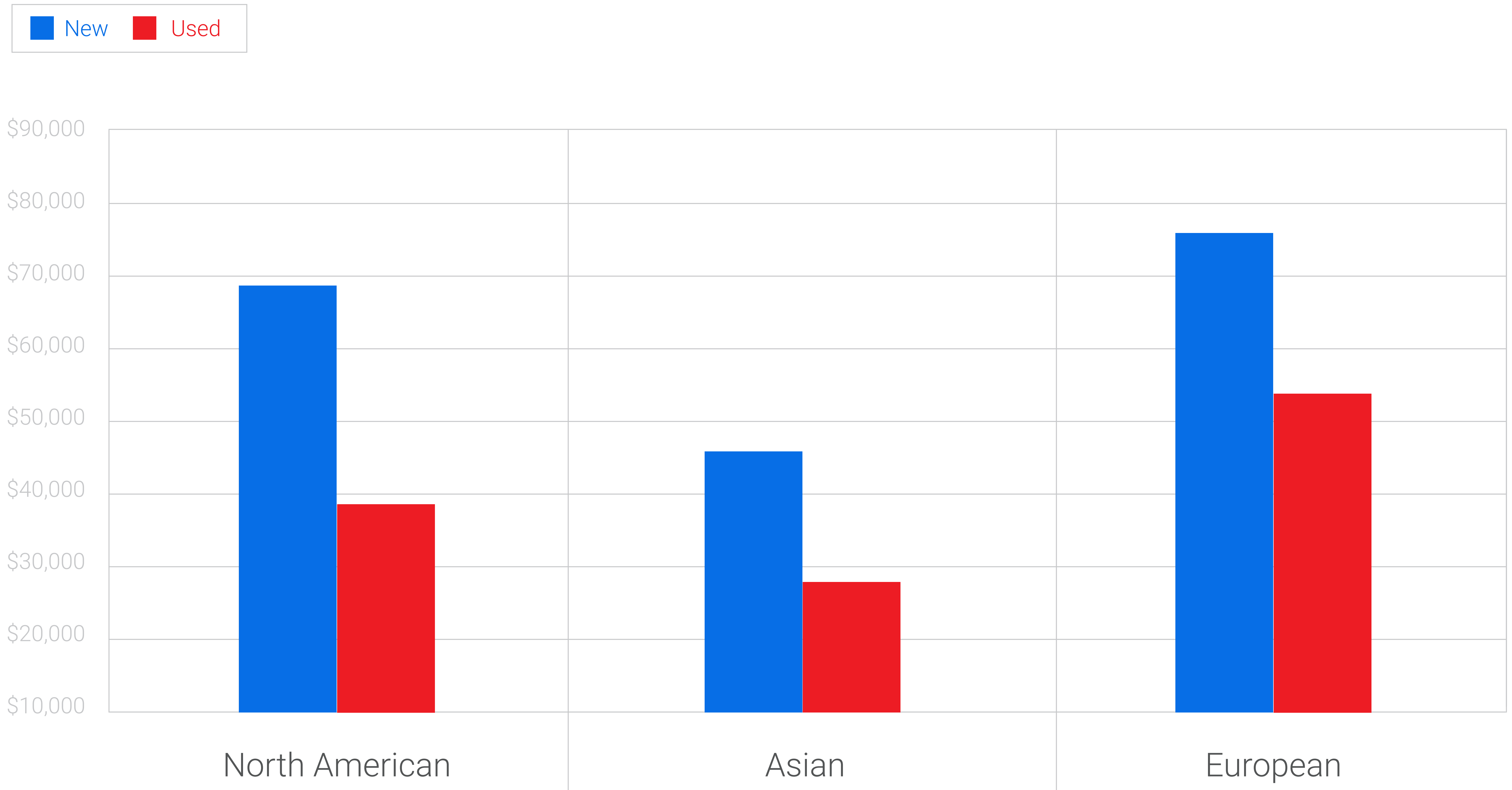
Average Price By Origin

By Manufacturer



	North American		Asian		European	
New	$69,165	▼ -0.4% MOM 0.0% YOY	$47,192	▼ -0.9% MOM ▼ -4.3% YOY	$77,548	▲ 0.2% MOM ▼ -6.0% YOY
Used	$39,770	▲ 0.6% MOM ▲ 4.7% YOY	$28,015	▲ 0.6% MOM ▲ 3.9% YOY	$54,228	▲ 0.7% MOM ▲ 3.5% YOY

Methodology:
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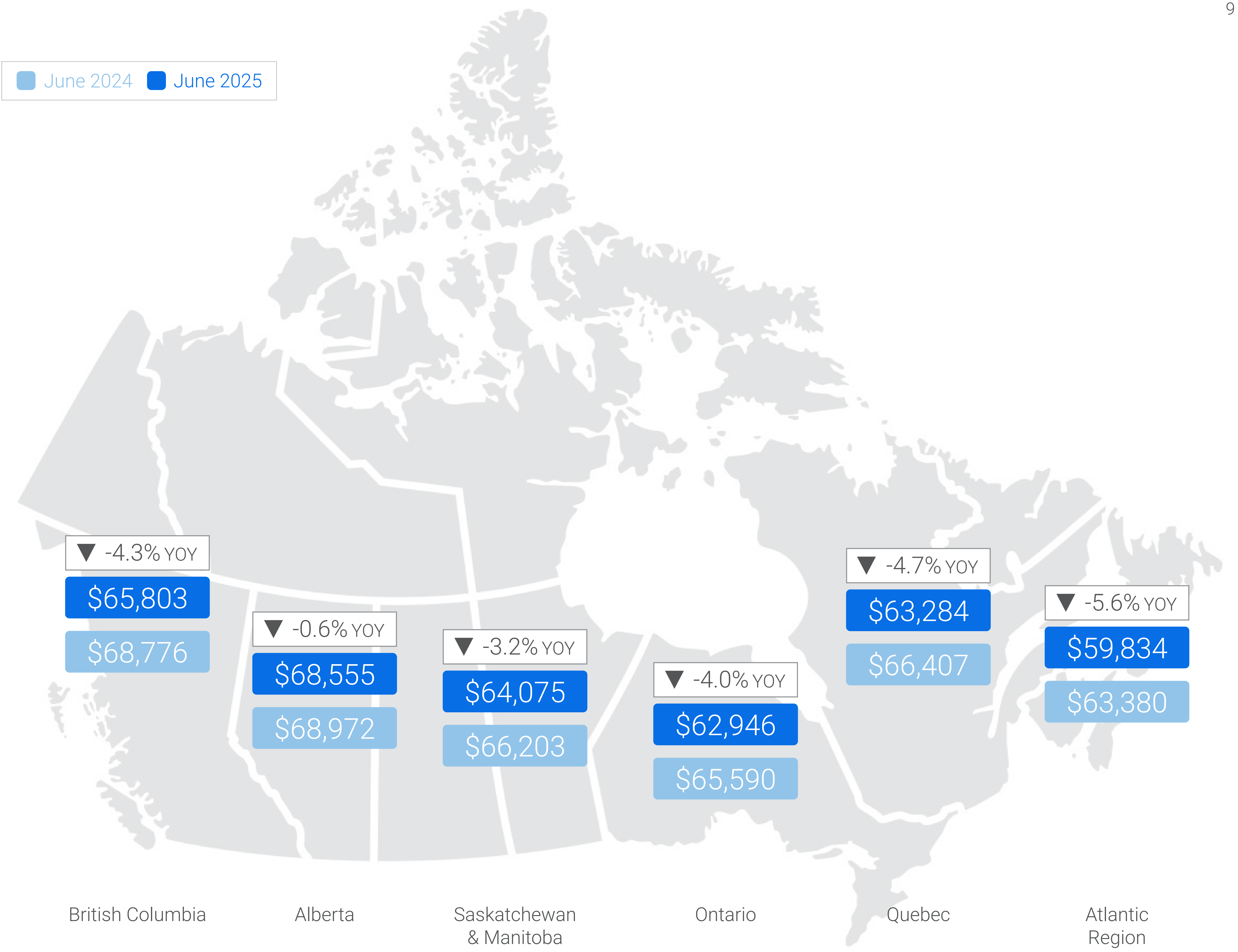
Average Price (New)

By Region

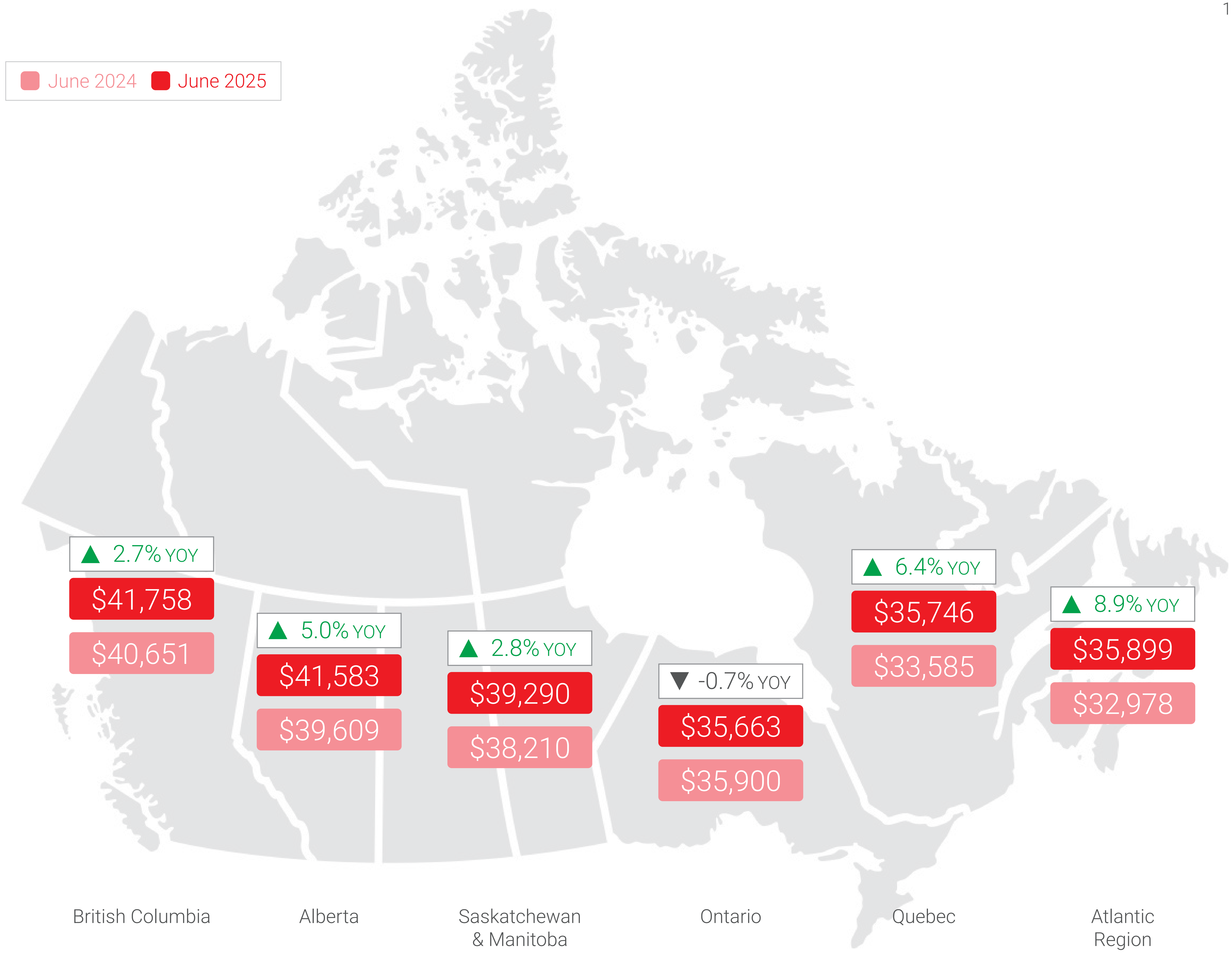


Methodology:

Based on average Canadian automotive pricing data (CAD $) collected from hundreds of thousands of used vehicle listings monthly on AutoTrader in June 2024 and June 2025 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



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Top Searched Vehicles

National (Q1 2025 Ranks In Brackets)

		New	Used
1. **Ford F-150** (#1)		$77,165	$43,898
2. **Chevrolet Corvette** (#4) ▲		$138,663	$89,459
3. **Ford Mustang** (#2) ▼		$64,159	$43,015
4. **Porsche 911** (#3) ▼		$—	$205,568
5. **Toyota RAV4** (#6) ▲		$41,932	$33,920
6. **Honda Civic** (#5) ▼		$38,750	$17,547
7. **BMW 3 Series** (#7)		$71,647	$30,975
8. **Honda CR-V** (#8)		$43,973	$29,048
9. **Jeep Wrangler** (#9)		$66,017	$41,103
10. **Toyota Tacoma** (#10)		$63,881	$45,984

Methodology:

Based on the top ten most commonly searched vehicles for new and used listings, on AutoTrader in June 2025. 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 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.

Top Sold Used Vehicles on AutoTrader.ca

National

1. Ford F-150

2. Toyota RAV4

3. Honda CR-V

4. Honda Civic Sedan

5. RAM 1500

6. Ford Escape

7. Nissan Rogue

8. Toyota Corolla

9. Hyundai Elantra

10. Mazda CX-5

Methodology:

Based on site analytics from AutoTrader.ca.

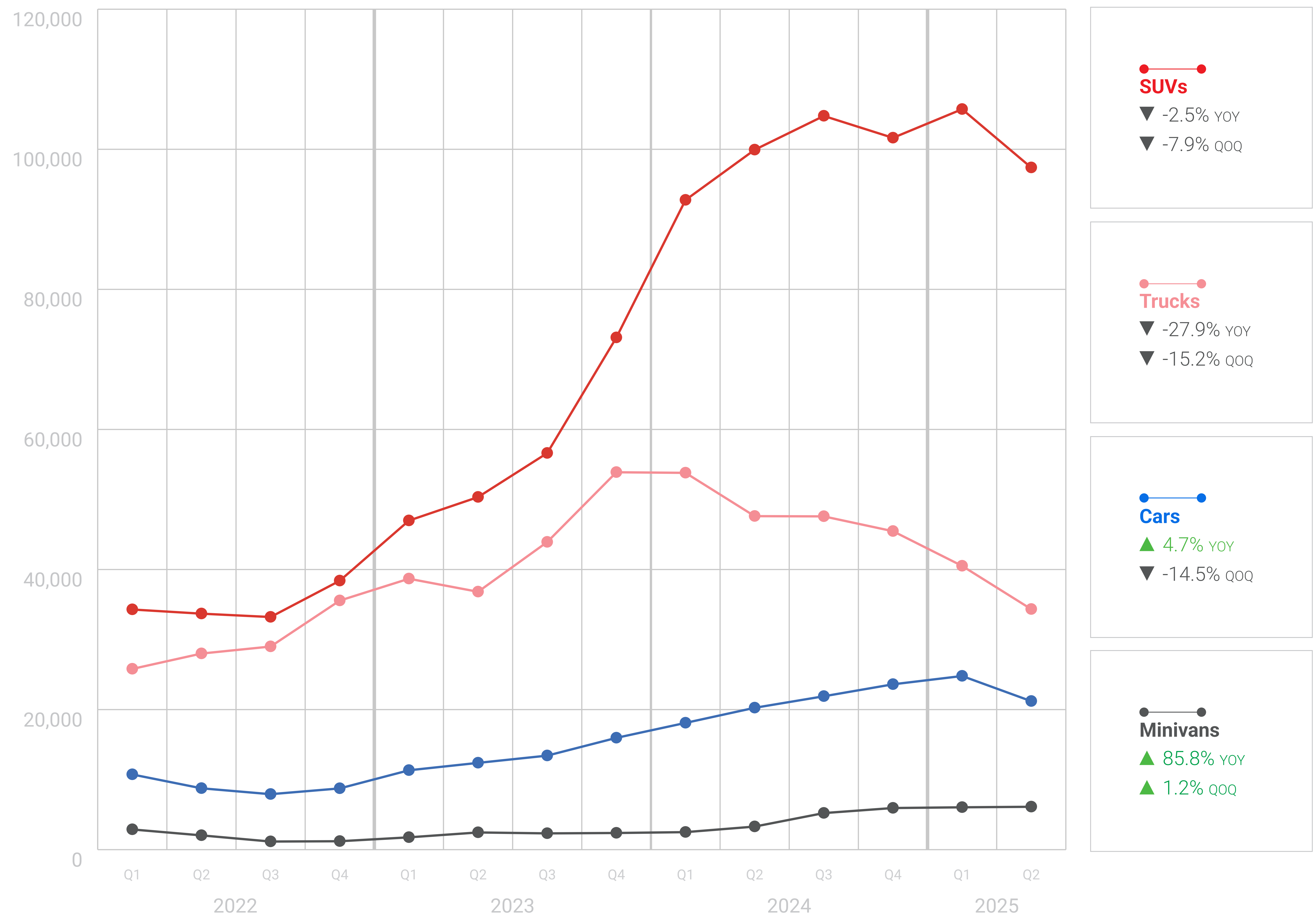
Vehicle Inventory (New)

By Quarter

New Inventory Levels Are Gradually Eroding

We have seen a decline in new car inventory levels, primarily driven by the following factors:

- **Demand:** High demand resulting in depleting inventory levels
- **Availability:** Inventory availability varying by OEM (some high-demand models are not reaching Canada due to tariffs)
- **Market Uncertainty:** Resulting in some dealers to base their 2025 orders on 2024 volumes, or to underestimate demand and, consequently, order fewer vehicles
- **Vehicle Production:** North American production levels overall are projected to decrease by 6.1% year-over-year



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 car inventory remains tight, a trend highlighted in recent reports. The primary factors influencing the current market dynamics are as follows:

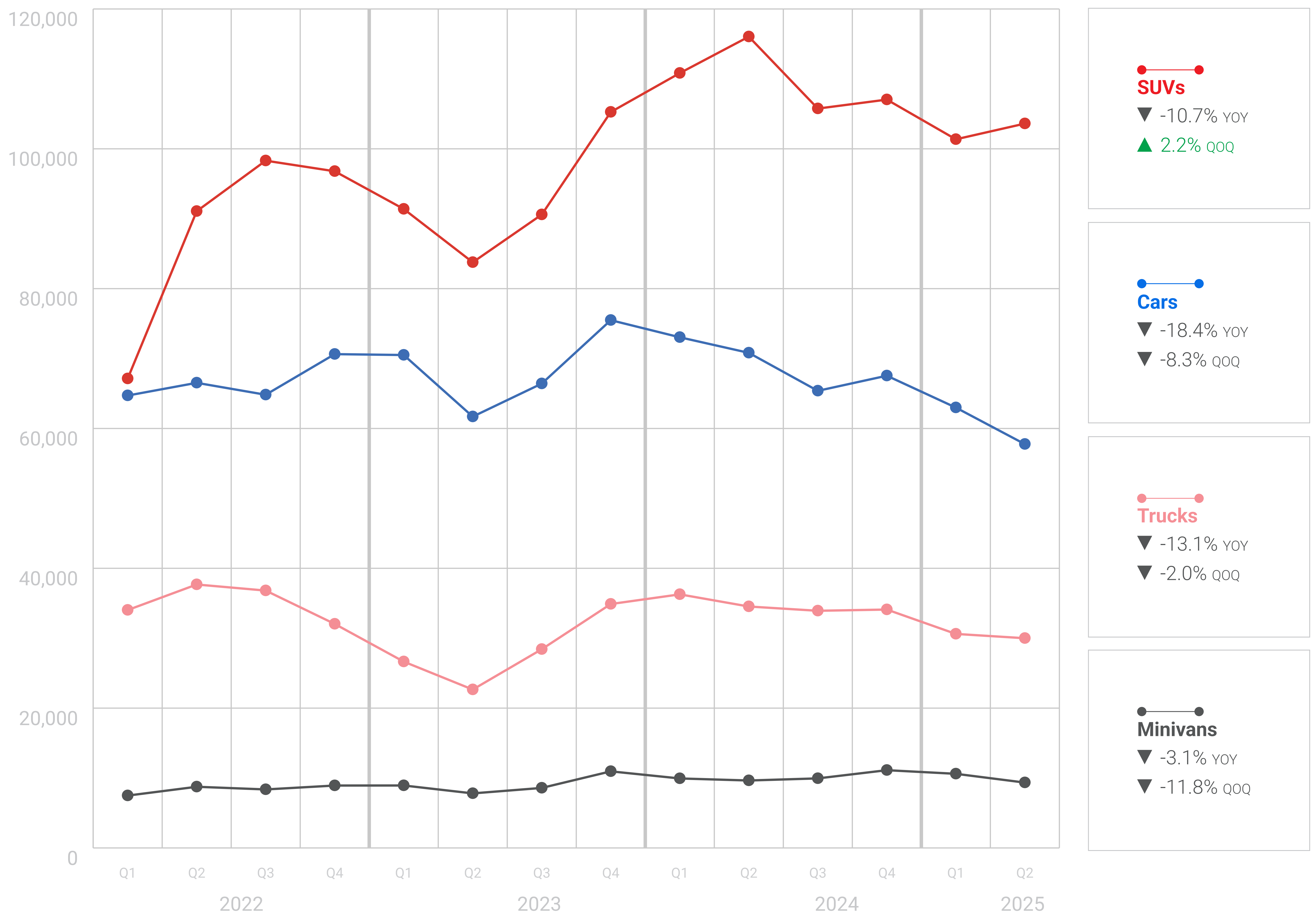
Factors Reducing Inventory

- **Lower New Vehicle Production and Sales (2020-2023):**
  The limited production and sales of new vehicles during this period are now tightening the supply of used cars, particularly as fewer vehicles are returning from lease.
- **Increased Demand for Used Vehicles:**
  Recent months have seen heightened demand for used vehicles, further exhausting available inventory.

Factors Increasing Inventory

- **Rise in New Car Sales and Trade-Ins:**
  Higher new car sales have led to more trade-ins, increasing the number of used vehicles entering the market.
- **Reciprocal Tariffs Limiting Exports:**
  Reciprocal tariffs have resulted in fewer used cars being exported, helping to retain more inventory domestically.

Despite a general decline in used car inventory supply, a modest uptick has recently occurred. Unless there are significant changes to these underlying drivers, no major shifts in used car availability are expected in the short term.



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