

OVERALL VIEW

Reduced new vehicle availability continues to impact Canadian vehicle pricing and increase demand for used cars.

WHAT IT IS

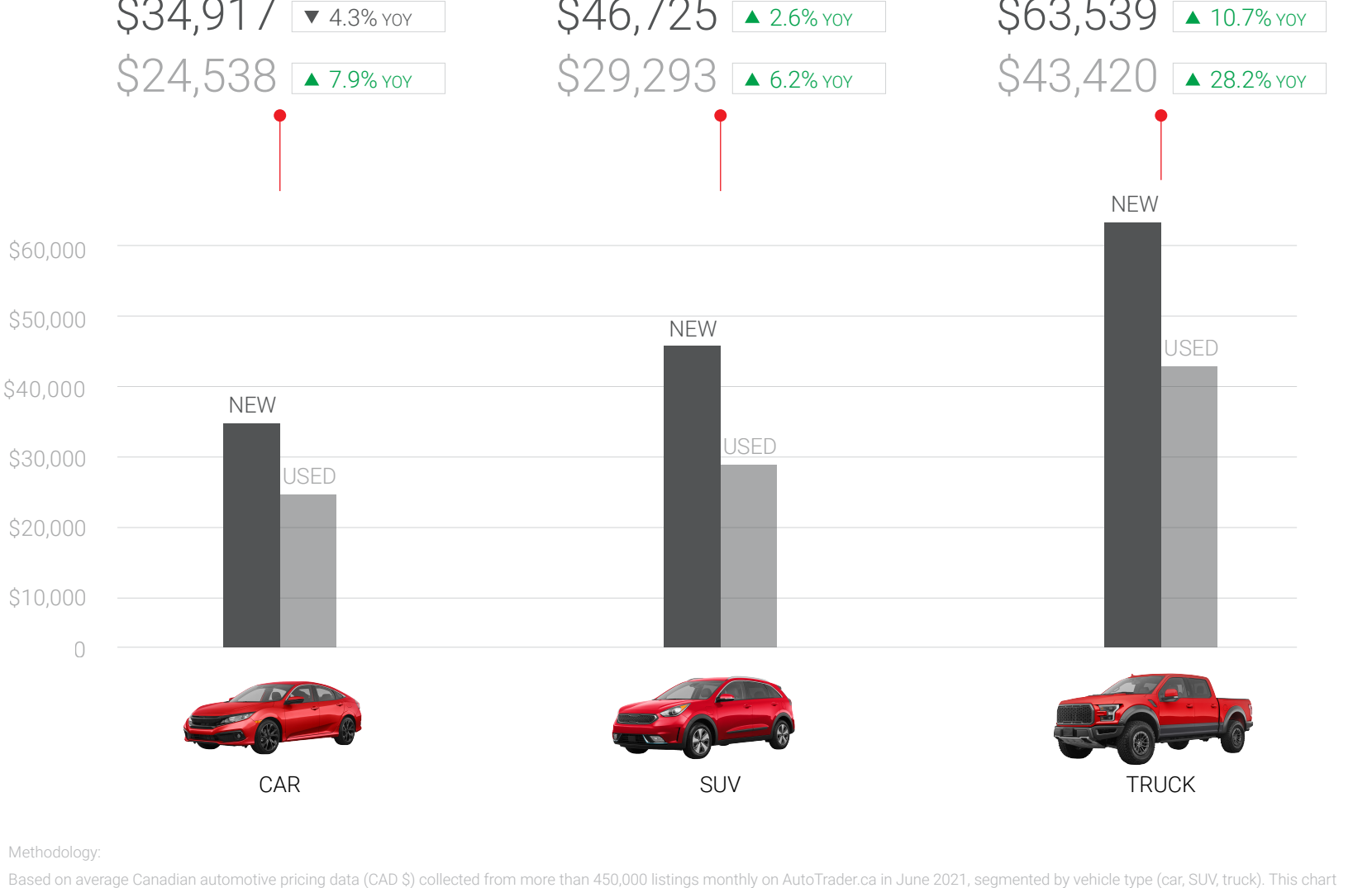
The AutoTrader.ca Price Index offers a monthly view of the Canadian automotive market by analyzing vehicle pricing data associated with over 450,000 new and used vehicle listings, bringing you the latest in pricing shifts and trends over time.

NATIONAL AVERAGE PRICE MARKETPLACE INDEX (CARS, SUVs, TRUCKS)



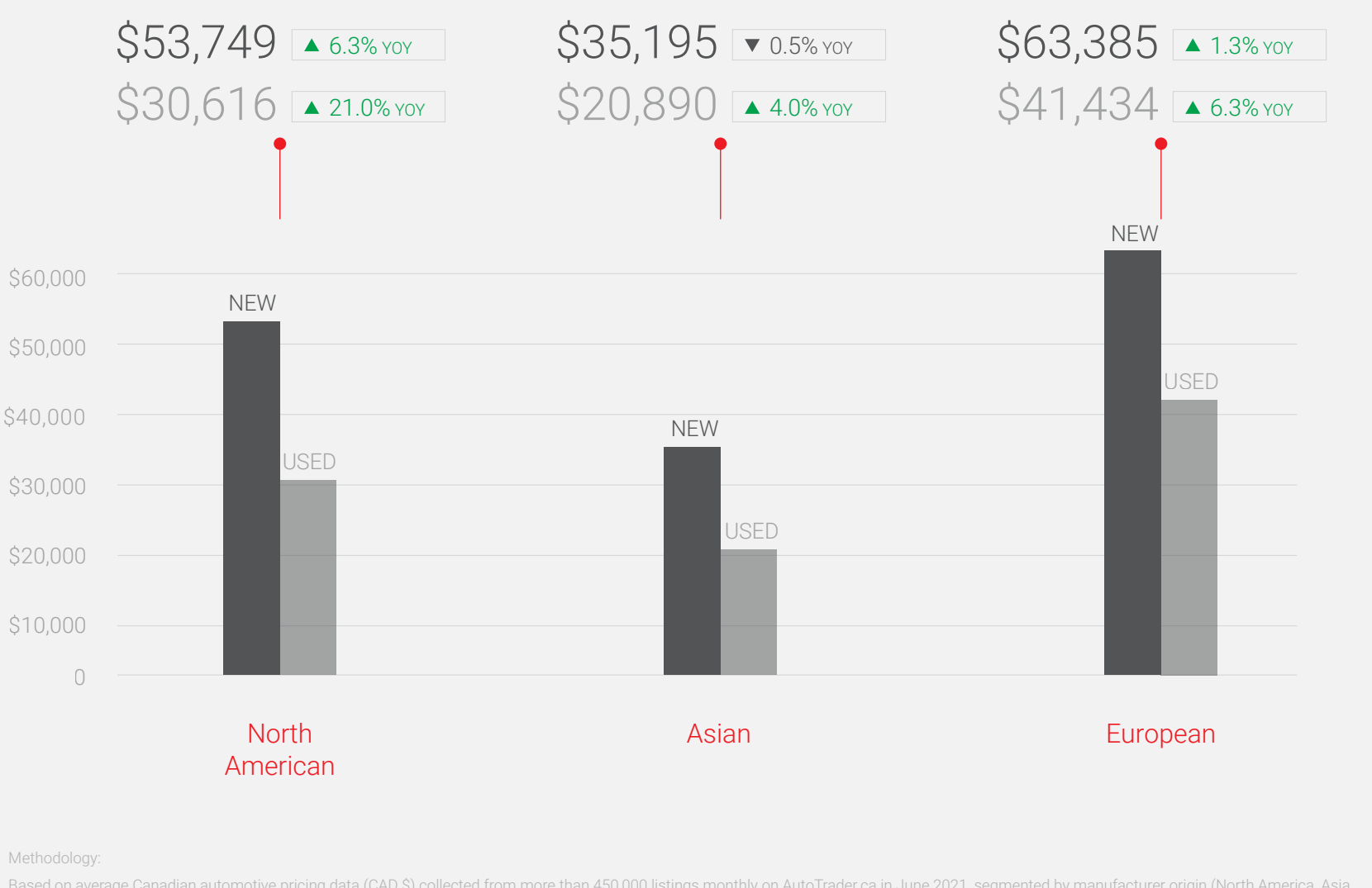
Methodology: Based on average Canadian automotive pricing data (CAD \$) collected from more than 450,000 listings monthly on AutoTrader.ca in June 2021. In addition to average pricing, year-over-year (YOY) price changes from June 1, 2020 to June 30, 2021, and month-over-month (MOM) price changes have 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%.

NATIONAL AVERAGE PRICE BY BODY TYPE



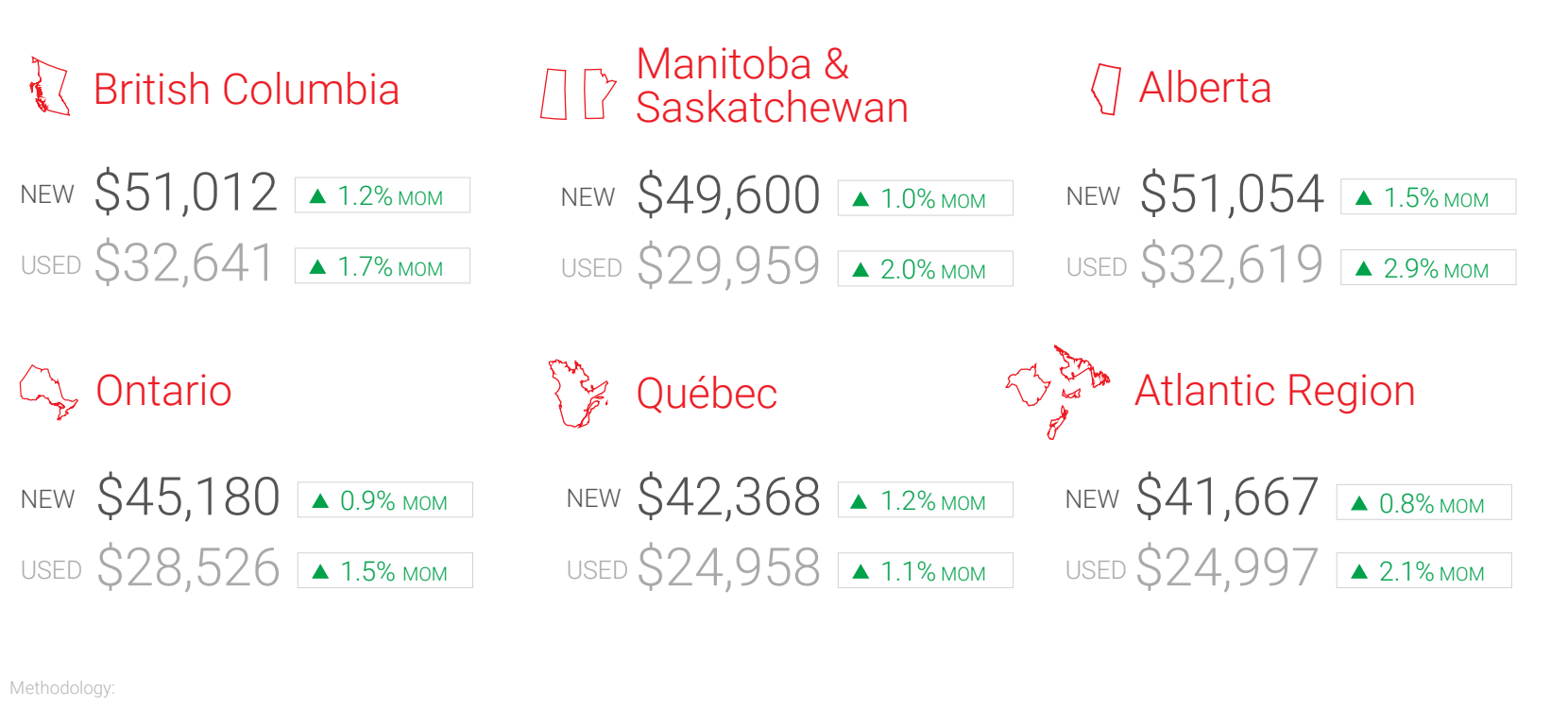
Methodology: Based on average Canadian automotive pricing data (CAD \$) collected from more than 450,000 listings monthly on AutoTrader.ca in June 2021, segmented by vehicle type (car, SUV, truck). This chart focuses on the average price of a vehicle. In addition to average pricing, year-over-year (YOY) price changes from June 1, 2020 to June 30, 2021 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 MANUFACTURER OF ORIGIN



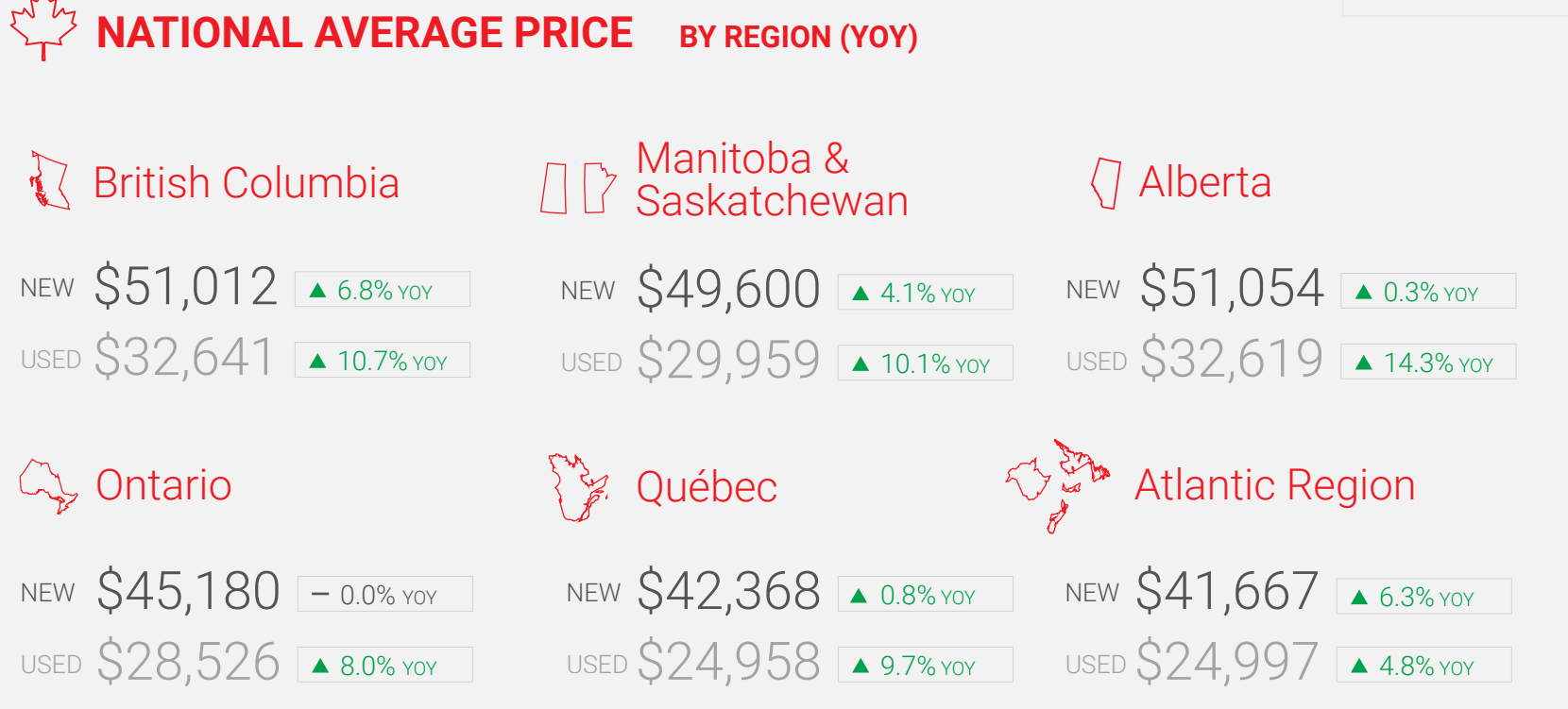
Methodology: Based on average Canadian automotive pricing data (CAD \$) collected from more than 450,000 listings monthly on AutoTrader.ca in June 2021, segmented by manufacturer origin (North America, Asia, Europe). In addition to average pricing, year-over-year (YOY) price changes from June 1, 2020 to June 30, 2021 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%.

NATIONAL AVERAGE PRICE BY REGION (MOM)



Methodology: Based on average Canadian automotive pricing data (CAD \$) collected from more than 450,000 listings monthly on AutoTrader.ca in June 2021. 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. 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%.

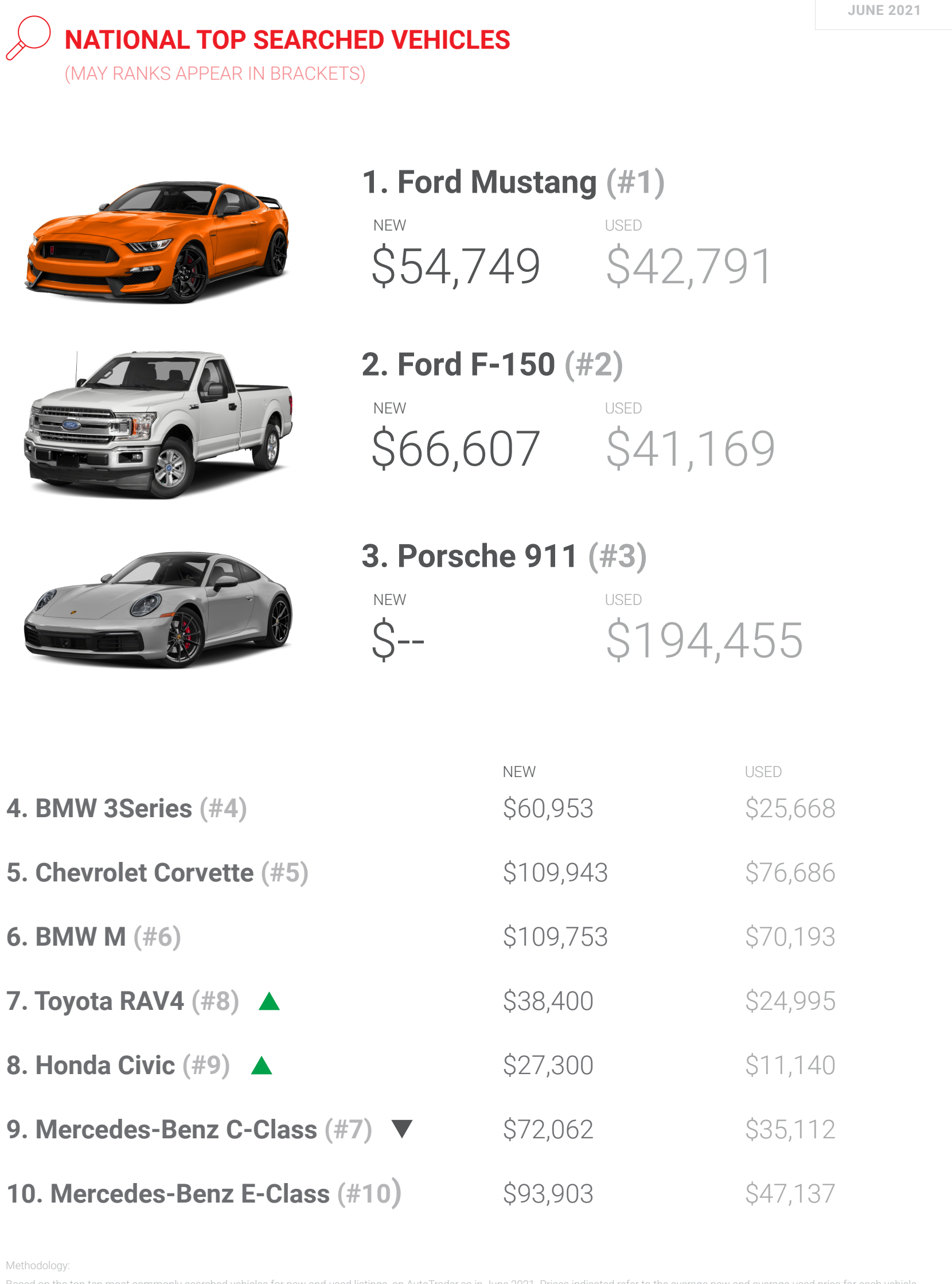
NATIONAL AVERAGE PRICE BY REGION (YOY)



Methodology: Based on average Canadian automotive pricing data (CAD \$) collected from more than 450,000 listings monthly on AutoTrader.ca in June 2021. 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. In addition to average pricing, year-over-year (YOY) price changes from June 1, 2020 to June 30, 2021 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%.

NATIONAL TOP SEARCHED VEHICLES

(MAY RANKS APPEAR IN BRACKETS)



Methodology: Based on the top ten most commonly searched vehicles for new and used listings, on AutoTrader.ca in June 2021. 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.

JUNE SUMMARY

AutoTrader.ca continues to closely monitor Canadian car pricing trends month-over-month and year-over-year, leveraging robust data from over 450,000 new and used vehicle listings on the marketplace. Throughout the second quarter of 2021, both new and used car prices gradually increased, contrary to the trends experienced in previous years. The average price for a used vehicle in June increased by 9.5% year-over-year to \$28,322, while the average new vehicle price increased 1.6% year-over-year to \$46,713.

As we have observed since the beginning of COVID-19, the mismatch in supply and demand has kept prices more buoyant this year. Driven partly by new macroeconomic norms born out of the global pandemic, including a supply demand mismatch prompted by the global microchip shortage, we expect these norms will continue to play a significant role in the next few quarters. We will continue to monitor these pricing behaviours and report our findings.

SUPPLY AND DEMAND MISMATCH PERSISTS INTO SECOND QUARTER OF 2021

The average price of a new vehicle in June was \$46,713, which is up by 1.6% year-over-year. Meanwhile, the average price of a used car in Canada settled at \$28,322, up 9.5% year-over-year. Along with the steady demand in the market, the lack of new vehicle inventory is impacting both the new and used vehicle market. This, combined with the increased volume of vehicles going down south of the border, a decrease in maintenance/service appointment, and manufacturers making up for initial production delays, appears to have resulted in a decline in used vehicle trade ins, which is also driving up the prices.

A trend that did not exist in recent years was observed when examining average used car prices for the first half of the year. Historically, prices have started on the high side in the beginning of the year and gradually decline thereafter. For example, from January to June 2020, the average price of used cars declined by 1.6% in 2020, however in 2021, prices increased 2.8% in the same timeframe. It is likely that the impact of the pandemic, which contributed to global inventory shortages and a rise in consumer demand, is the primary reason for this new trend.

NEW CAR PRICES DECREASE WHILE TRUCK AND SUV PRICES EXPERIENCE STEADY INCREASE

When looking further into pricing by vehicle body styles, the only segment that saw a decline were cars, which were down by 4.3% (\$34,917). New SUVs showed a steady year-over-year increase in June by 2.6% (\$46,725) and truck prices increased by a significant 10.7% (\$63,539). A potential cause of this pricing behaviour is larger vehicles like compact and subcompact SUVs and trucks are receiving more consumer interest, and therefore market share over the last few years compared to cars.

Looking at used vehicles, the most prominent trend was a steady increase in used truck prices. Another large increase was recorded for used trucks, which rose a staggering 28.2% year-over-year at \$43,420, a trend that has been ongoing since July of last year. Used SUV prices saw an increase of 6.2% (\$29,293), while used car prices also showed a notable increase of 7.9%, averaging \$24,538.

A recent study conducted by AutoTrader.ca to understand the consumer's purchase intent by body type indicates that SUVs have the highest consideration as 42% of consumers surveyed plan to buy an SUV for their next purchase. Further, 33% of current car owners, voiced their intent to switch to SUVs as well, which reinforces a greater consumer interest in larger vehicles.

NORTH AMERICA MANUFACTURERS SEE LARGEST AVERAGE PRICE INCREASE

In terms of data by manufacturer of origin, all used North American, Asian and European vehicles experienced year-over-year increases of 21% (\$30,616), 4.0% (\$20,890), and 6.3% (\$41,434).

On the new car side, Asian vehicles were the only vehicles that experienced a slight decline in average vehicle price dropping 0.5% year-over-year (\$35,195) while North American and European manufacturers are up by 6.3% (\$53,749) and 1.3% (\$63,385) respectively.

ALBERTA HAS HIGHEST AVERAGE NEW VEHICLE PRICE DUE TO HIGH INTEREST TRUCK SEGMENT

The story is similar but more subdued on the new side. While prices remained flat in Ontario holding steady at \$45,180, average vehicle prices increased throughout the country, ranging from a 0.3% increase in Alberta (\$51,054) to a 6.8% increase in British Columbia (\$51,012) compared to the same time last year. Consumers will experience the highest new car prices in Alberta, potentially due to higher-than-average interest in trucks, which tend to sell for higher prices than other segments in that region.

Used vehicle prices are up in all regions, ranging from the lowest increase of 4.8% in Atlantic Canada (\$24,997) to the highest increase of 14.3% in Alberta (\$32,619).

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