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Residual Value Newsletter
January 2025



Canadian Residual Value Newsletter



January 2025

- Overview of changes to our RV Input Variables since the last publish in November 2024
- RV Input Variables influence the publish over publish changes to our values

Macroeconomic Indicators

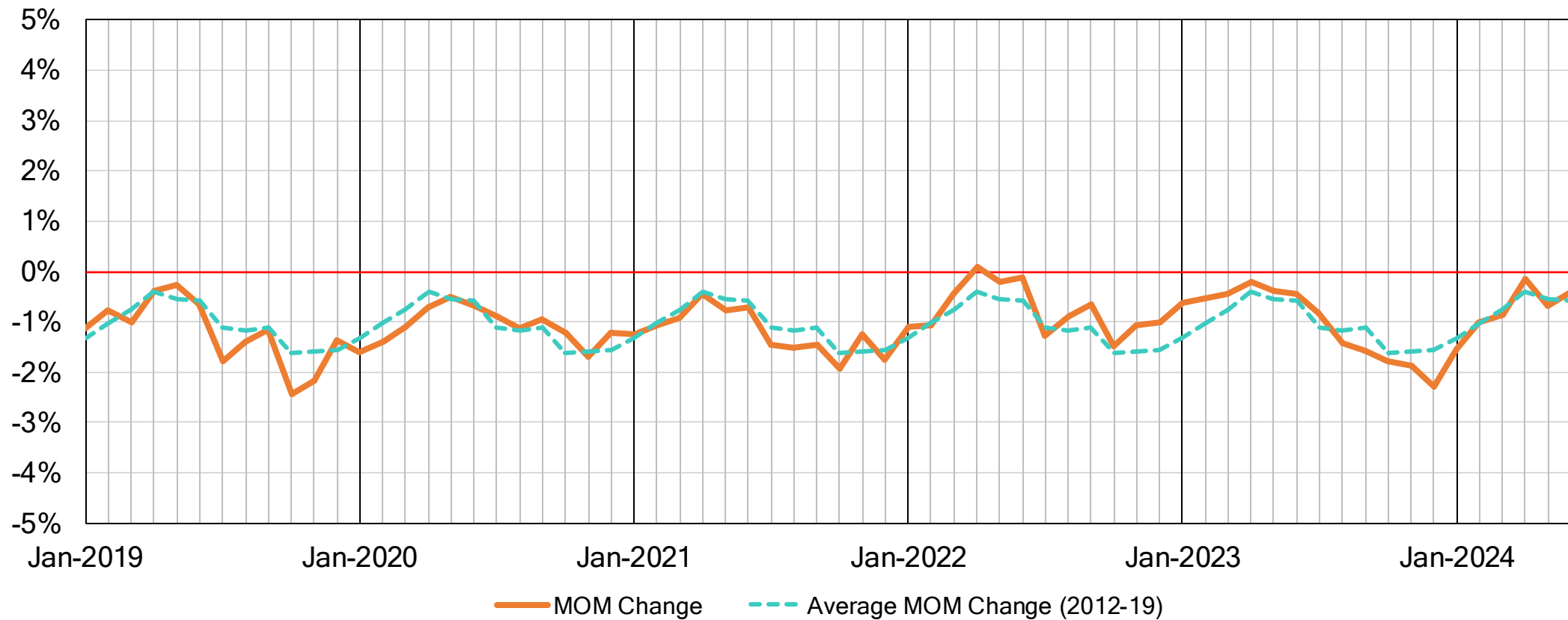
Changes versus our Prior (November) Publish

- Annual Inflation Rate continues to fall within range the Bank of Canada's 2% guidelines
- Bank of Canada Interest Rate has fallen to 3.25% since June 2024, with the latest 50 basis point decline announced in December 2024.
- Employment rose in December 2024 with hiring reported across a wide range of industries
- Housing starts have fallen, especially in BC and Ontario as high construction and development costs weigh on consumers and builders
- Rental costs are decreasing and the condo market, especially for 1-bedroom units, has weakened among consumers and investors.
- Effect of lower immigration targets and a cut in the number of foreign student visas are starting to impact some sectors of the economy

Month over Month Wholesale Price Changes 2 to 6-year-old vehicles

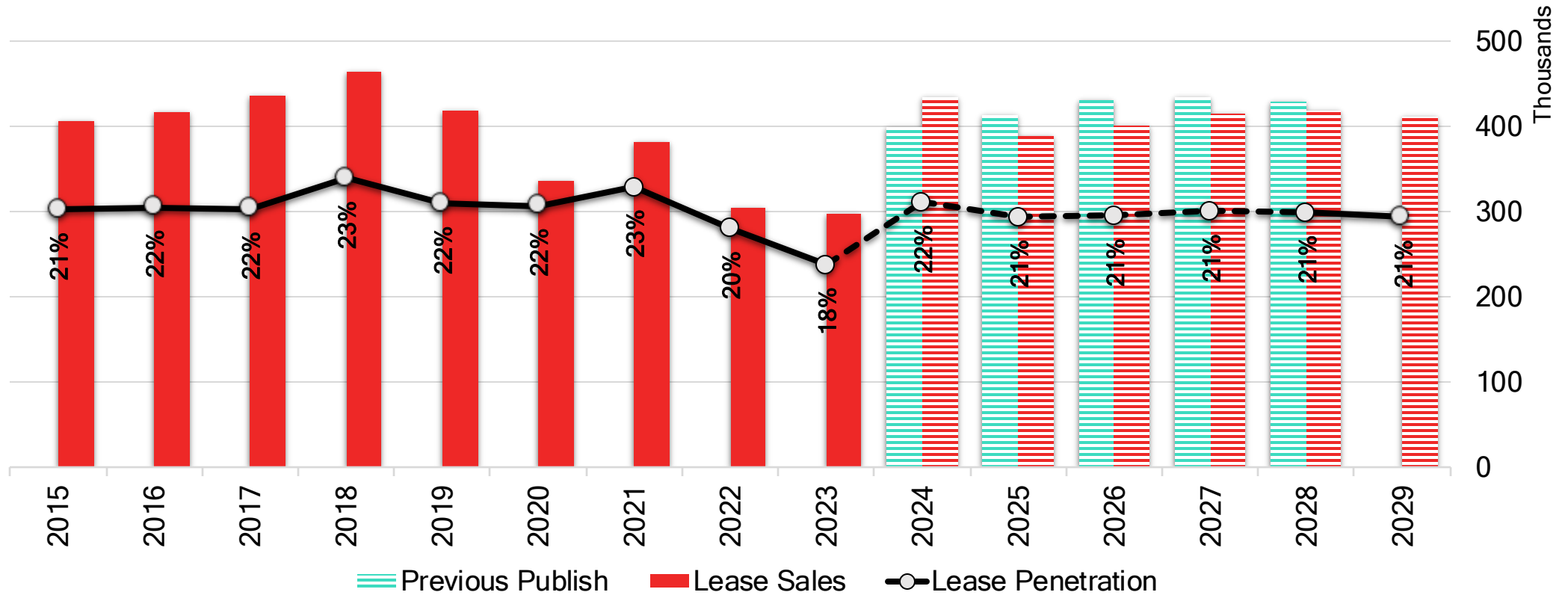
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Values improved slightly versus Prior Publish



Lease Penetration

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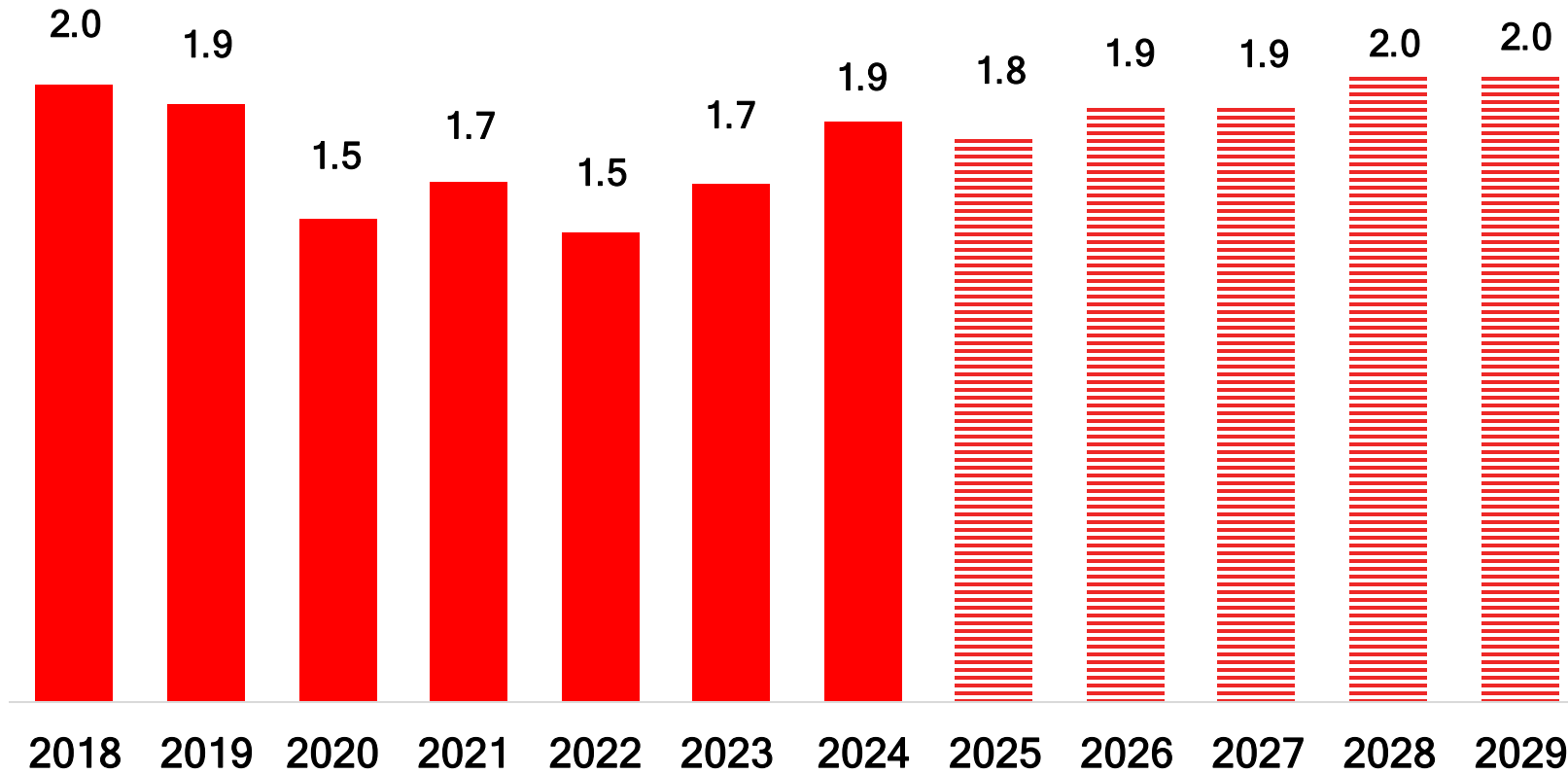


- Lease Penetration increased versus Prior Publish as customers search for affordable payments

New Vehicle Sales

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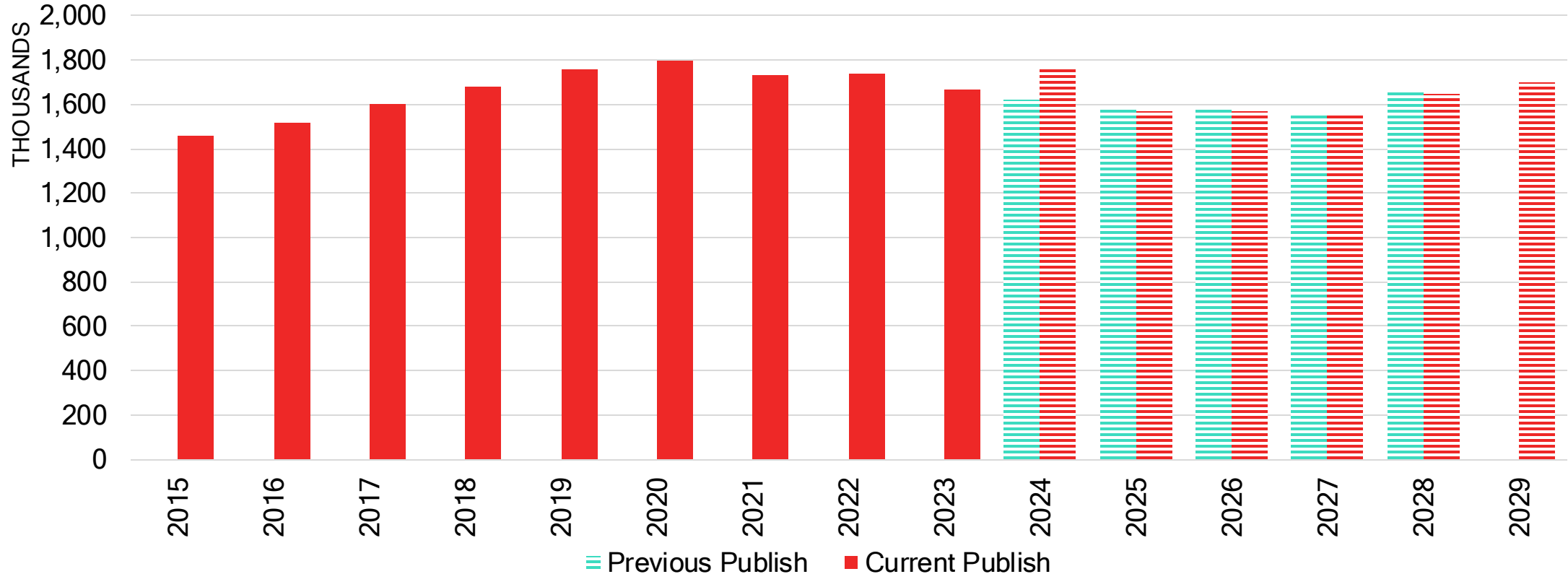
Light Duty Vehicle Sales



- 1.86 million light vehicles were sold in 2024

Used Vehicle Supply

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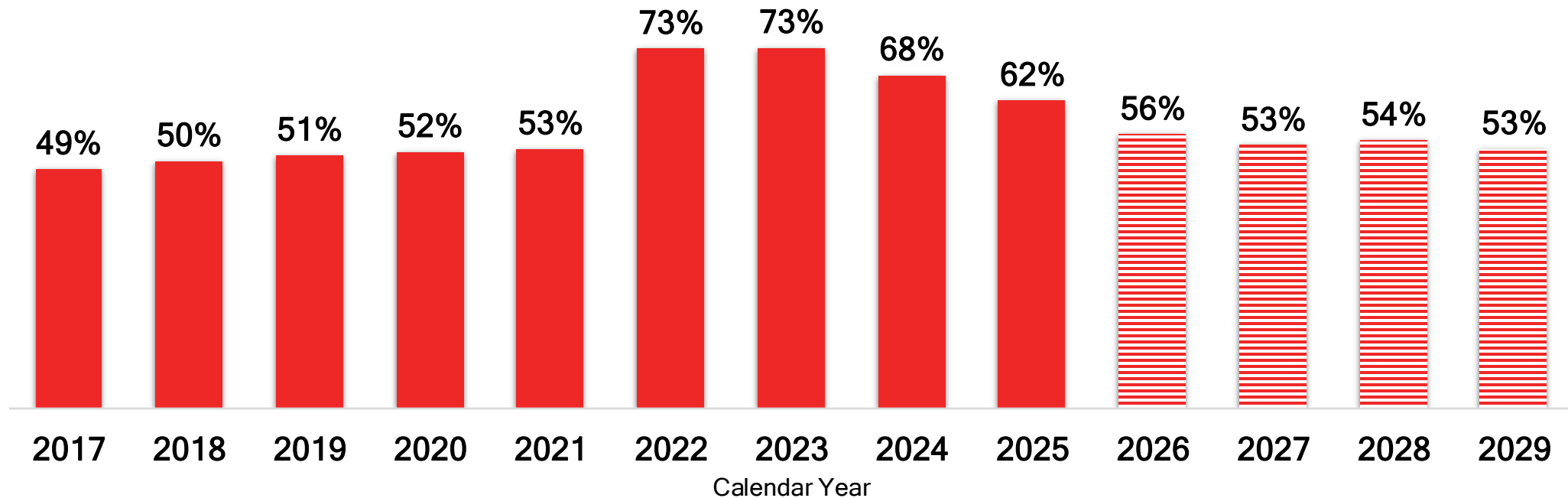
- Increased versus Prior Publish as new vehicle inventories and new vehicle sales increase

Average Retention of a 4-year-old Vehicle

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Average Retention of 4-Year-Old Vehicle

January Publish



- Expected to trend downward to pre-pandemic levels by 2027



INTELLIGENT DECISIONS

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