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Residual Value Newsletter
September 2025



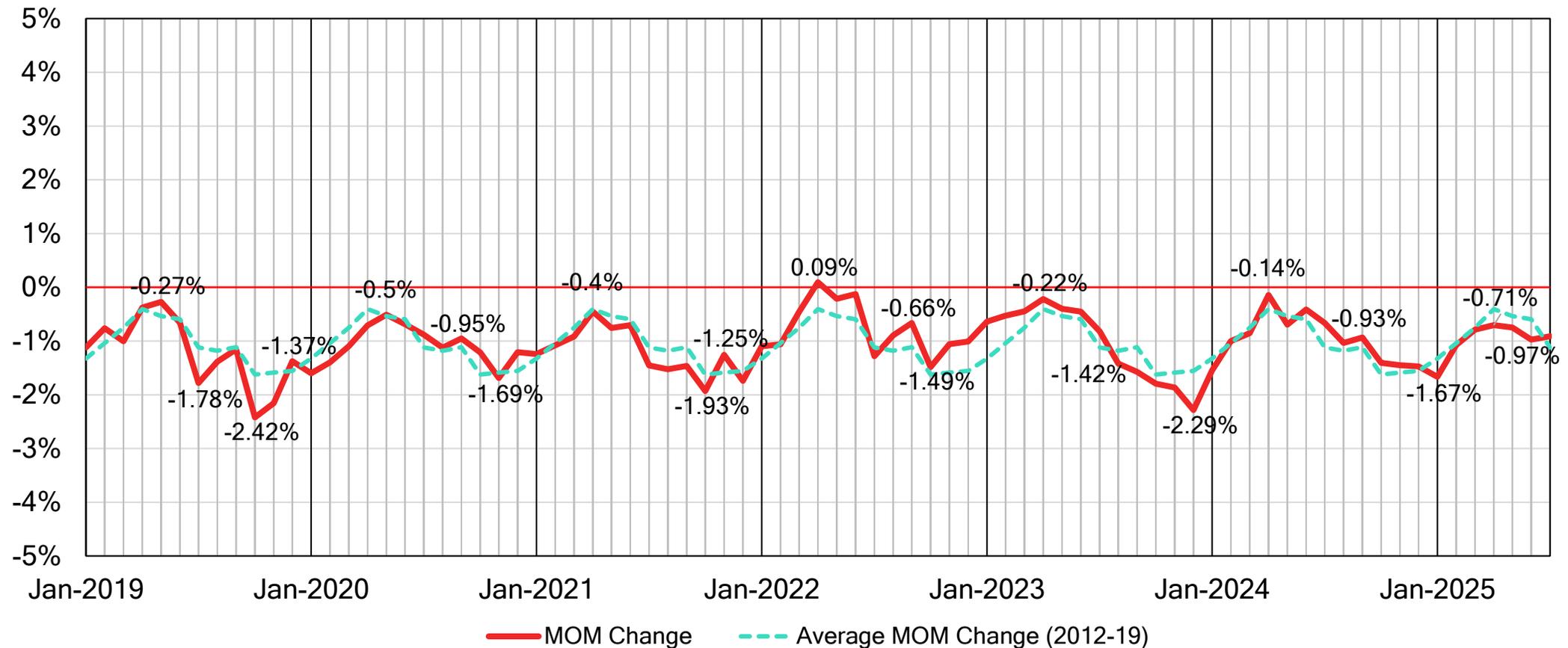
Market Summary

September 2025

- Trade uncertainty continues to weigh down the overall economy with Statistics Canada reporting a decline in GDP of 0.1% in May
- Inflation eased to 1.7% in July, down from 1.9% in June, helped by a continued decline in the price of gasoline as the elimination of the carbon tax maintains downward pressure on prices at the pump
- Unemployment stayed flat at 6.9% in July, despite a loss of 41,000 jobs, as the effect of lower levels of immigration resulted in fewer people looking for work
- Canada's trade deficit continues to hit record levels as a drop in exports to the US has not been made up with higher sales to Europe and Asia
- The Bank of Canada held rates at 2.75% in July but continued weak job growth might prompt a drop at the next meeting to be held in September
- 35% tariffs on non-CUSMA (Canada United States Mexico Agreement) exports came into effect at the beginning of August after the US and Canada failed to reach an updated trade and security agreement

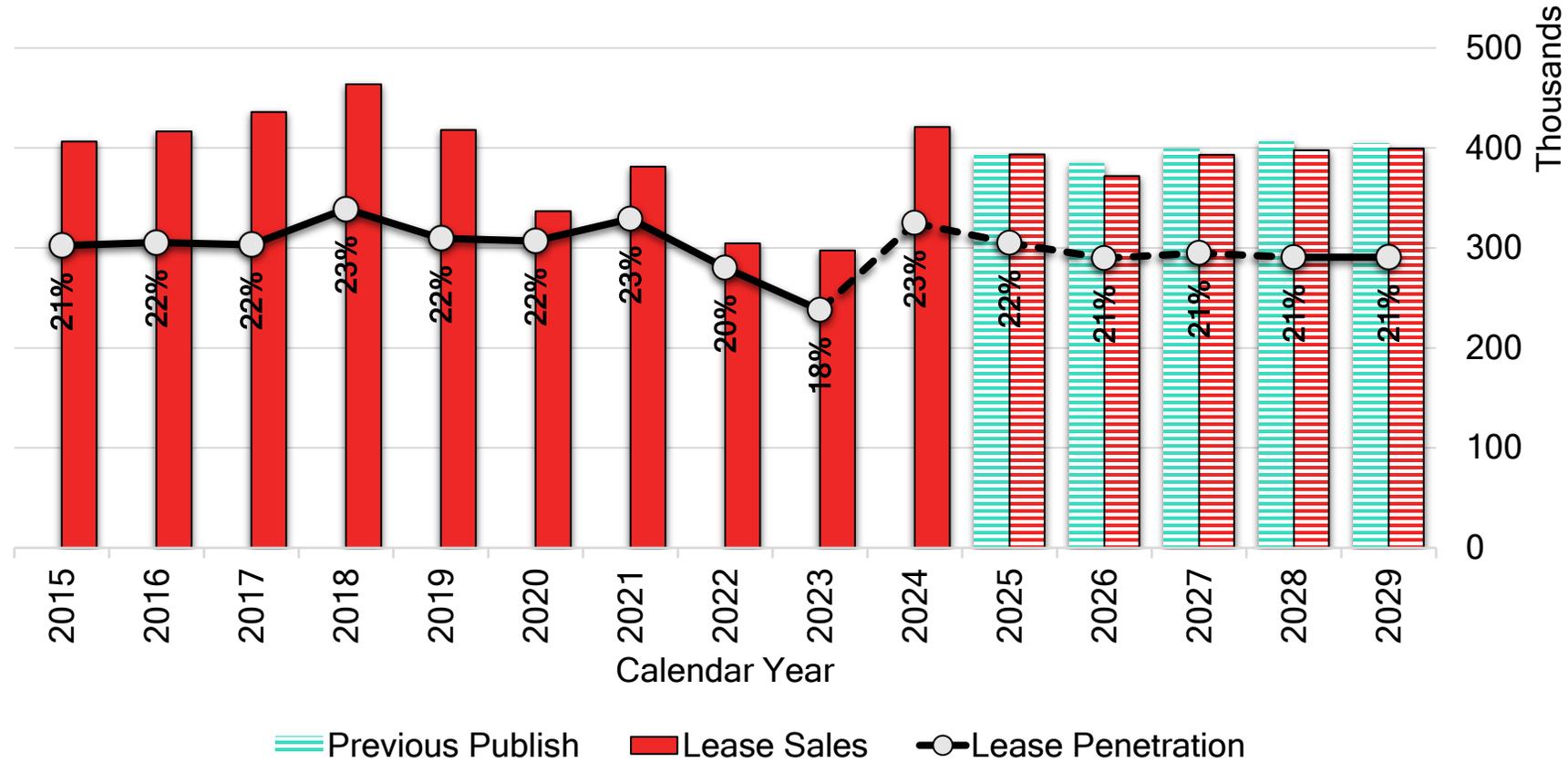
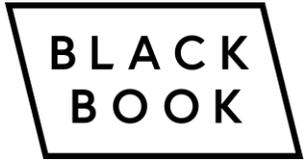
Month over Month Wholesale Price Changes 2 to 6-year-old vehicles

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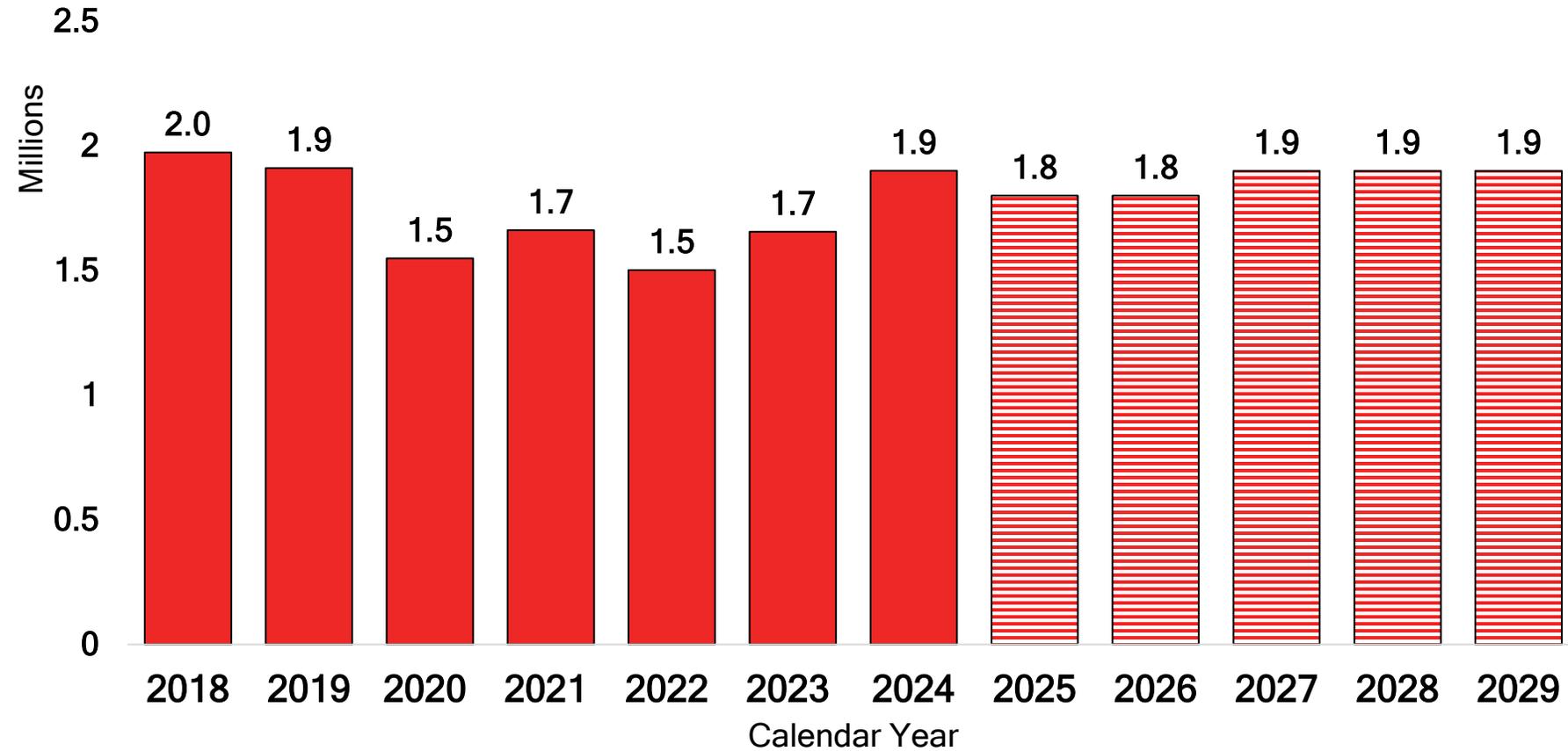
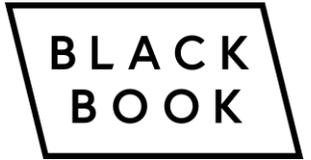
- Values dropped slightly versus Prior Publish as wholesale buyers pull back

Total Lease Penetration



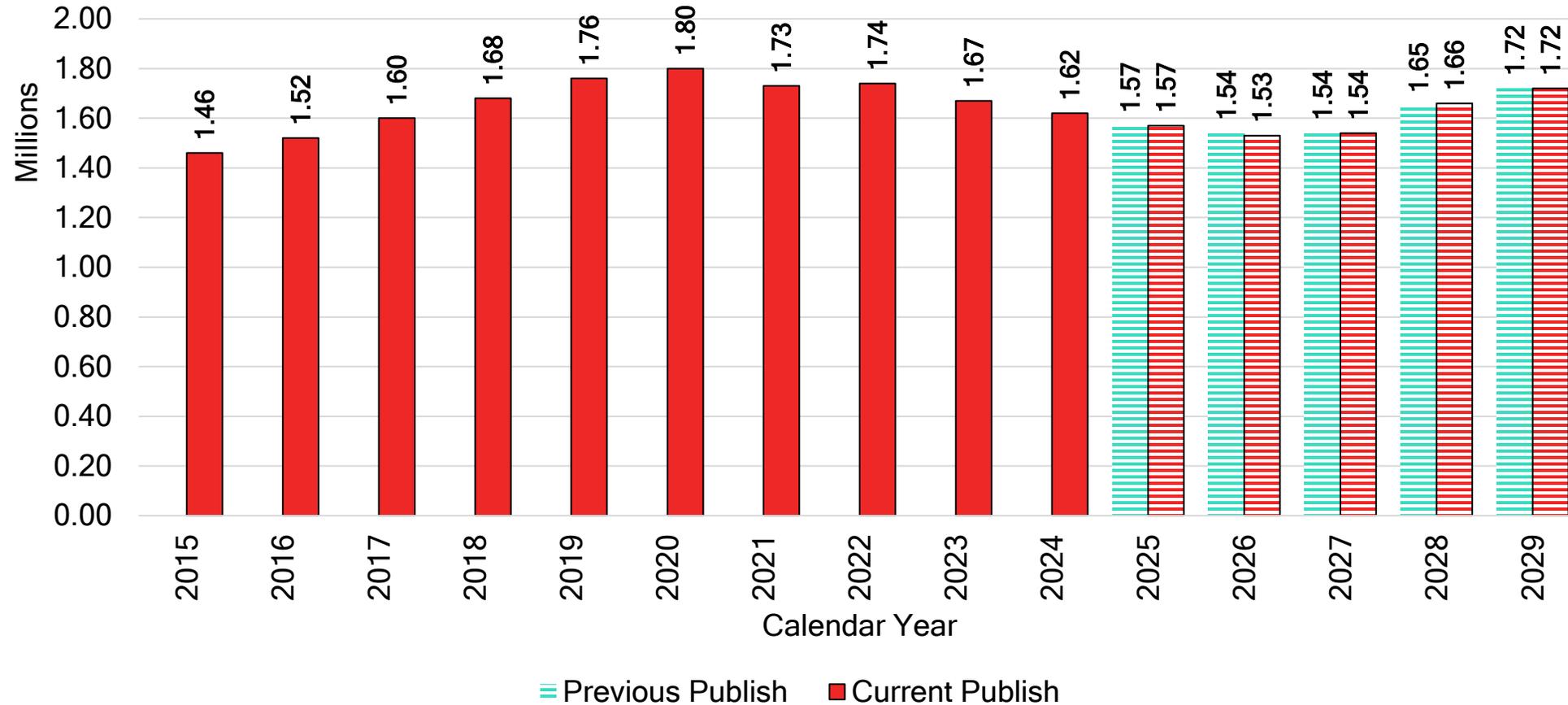
- CY25 Lease Penetration increased slightly versus Prior Publish as consumers search for lower payments

New Vehicle Sales



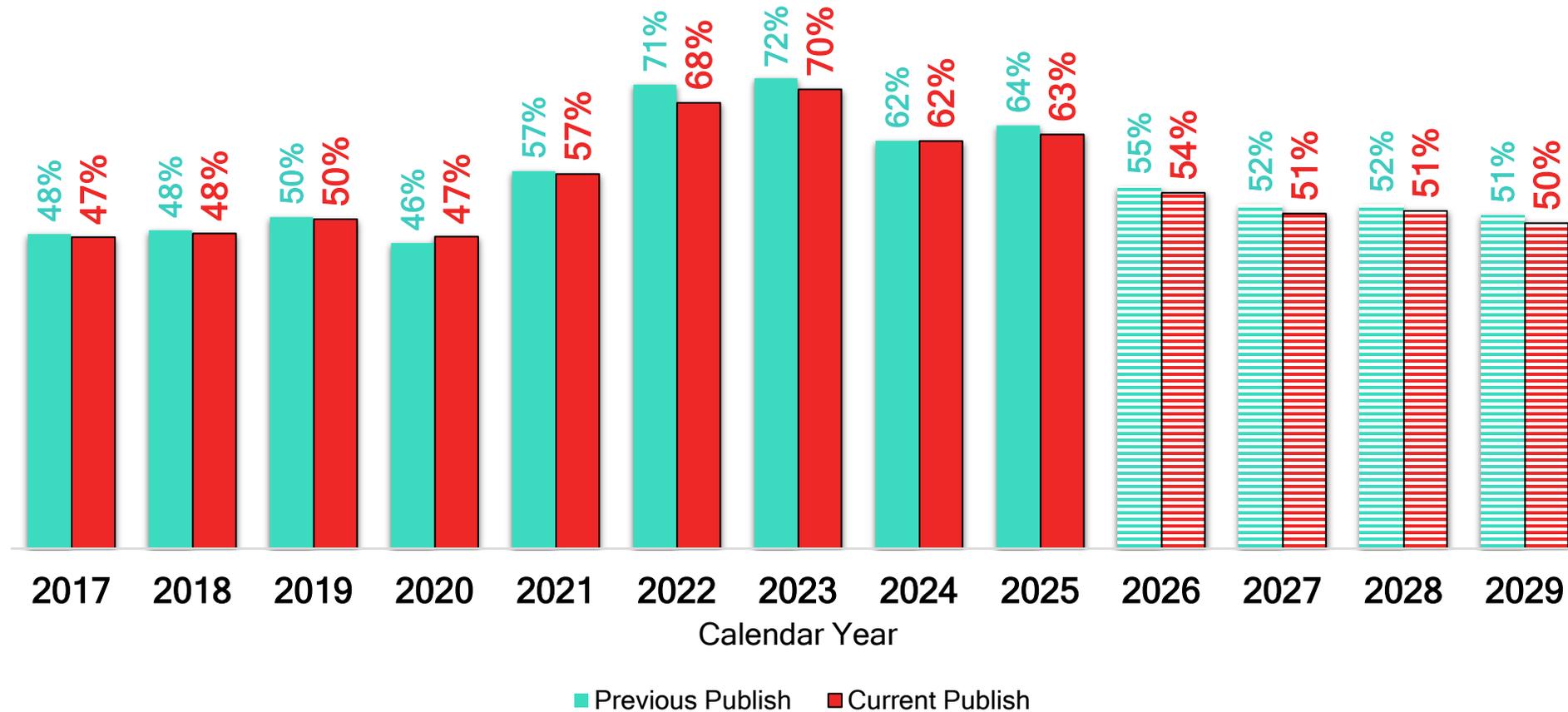
- 2025CY forecast unchanged from Prior Publish

Used Vehicle Supply



- Forecast for 2026-2029 dropped by 100K versus July due to slower growth in new vehicle sales

Average Retention of a 4-year-old Vehicle



- 2025 retention dropped slightly as the overall market continues its decline
- Downward trend continues through 2029





INTELLIGENT
DECISIONS

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