Residual Value Newsletter
September 2026

Market Summary - Macroeconomic

Impacts to Latest Publish

Positive Factors

Strong employment growth in July reversed the majority of 2026 YTD job losses.

Resilience of the used EV market resulted in demand growth for off-lease models.

Negative Factors

Uncertainty around the future of CUSMA and the threat of further tariffs.

Continued high gas prices and inflation are affecting supply chains and consumer spending.

The Bank of Canada may raise interest rates later in 2026 to combat inflation.

Slower new-vehicle sales may lead to increased incentives to move stagnant inventory.

Net Impact: Negative overall sentiment, but renewed positivity around new-vehicle sales and more stable automotive and economic variables. Longer-term consistency is needed before the overall outlook improves.

Note to Clients

Enhancing Our Residual Value Forecasting Process

Why We're Enhancing Our Process?

- Recalibrating wholesale value reference points to better reflect used-vehicle supply gaps.
- Updating kilometer adjustments to align with more recent wholesale auction data.
- Improving the accuracy and consistency of residual value forecasts.

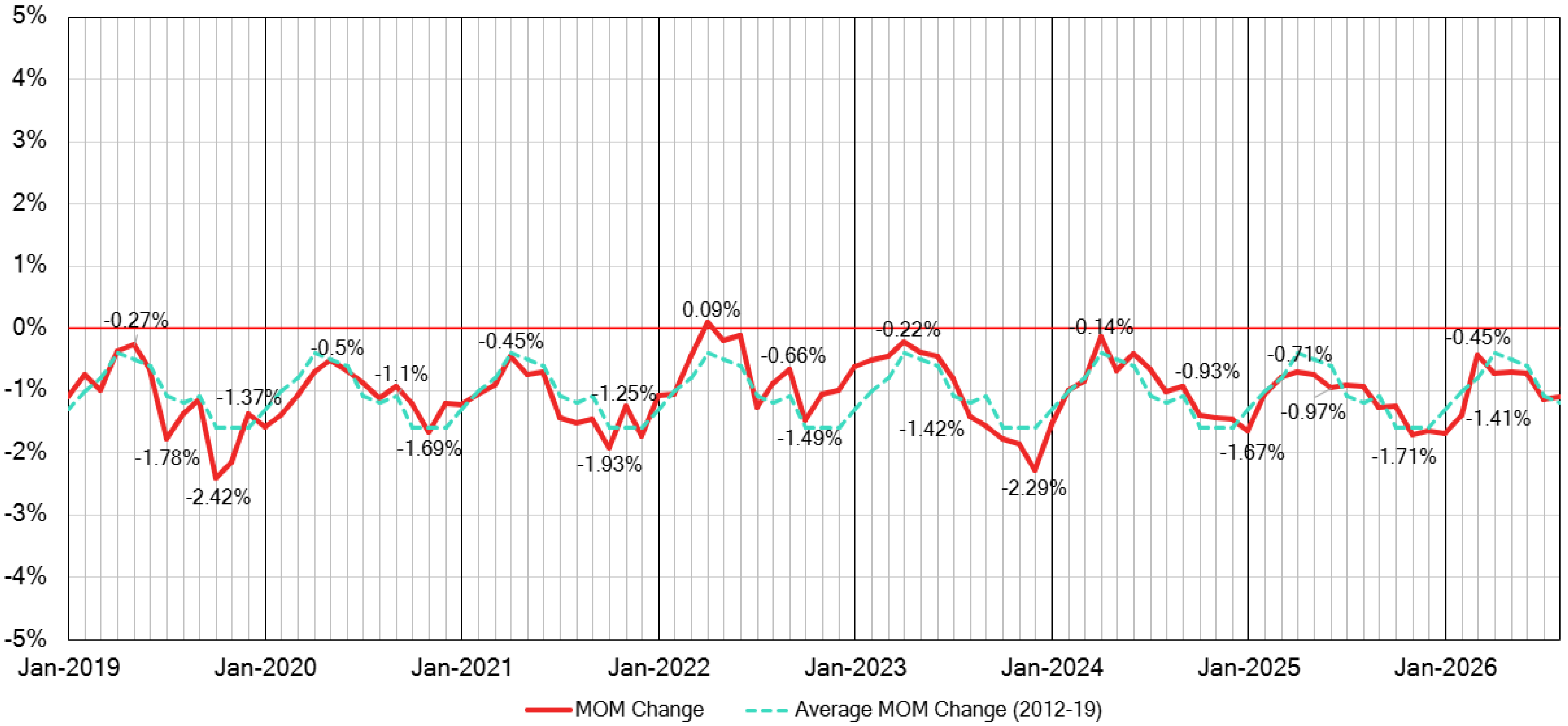
What This Means For Clients

- Residual values may experience adjustments as models are recalibrated.
- Kilometer adjustments will better reflect current wholesale market behaviour.
- Forecast movements may be more noticeable in certain vehicle segments.
- These changes are intended to improve accuracy, consistency and transparency.

We will continue to communicate significant valuation changes and the market factors driving them.

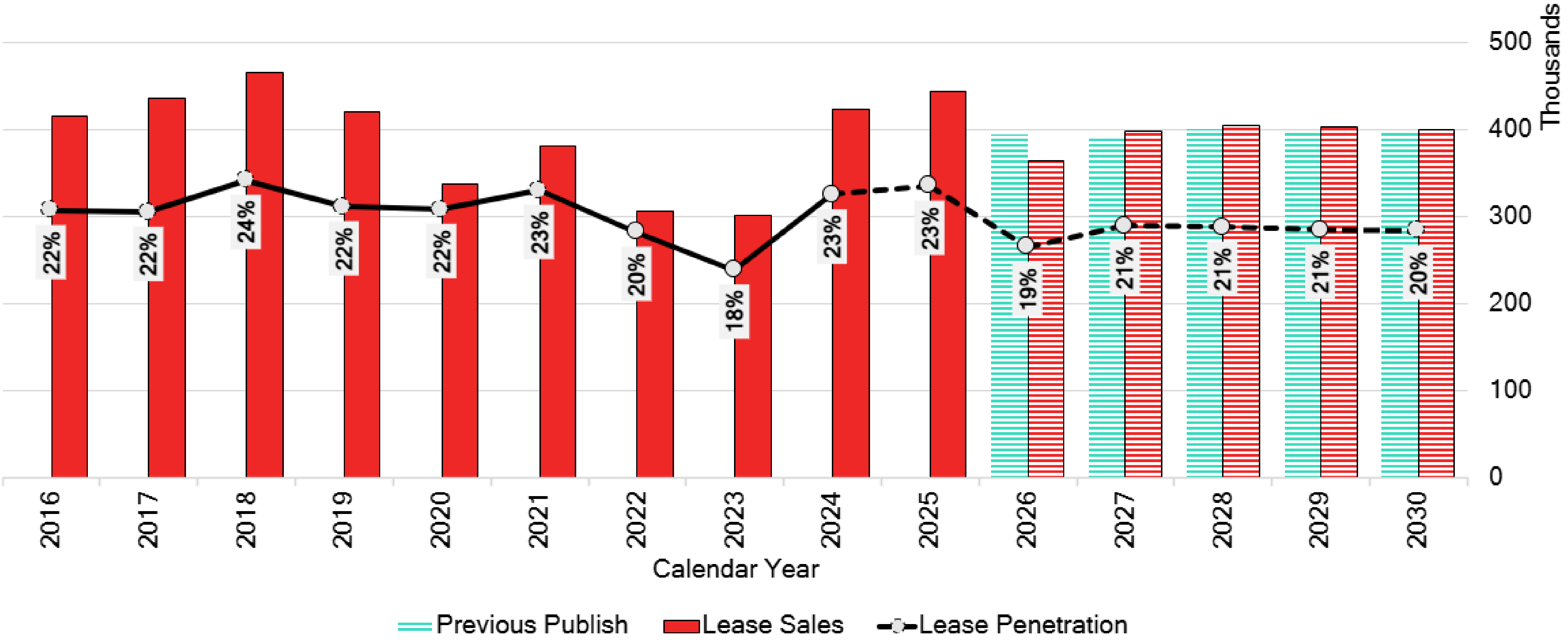
Month over Month Wholesale Price Changes

2 to 6-year-old vehicles



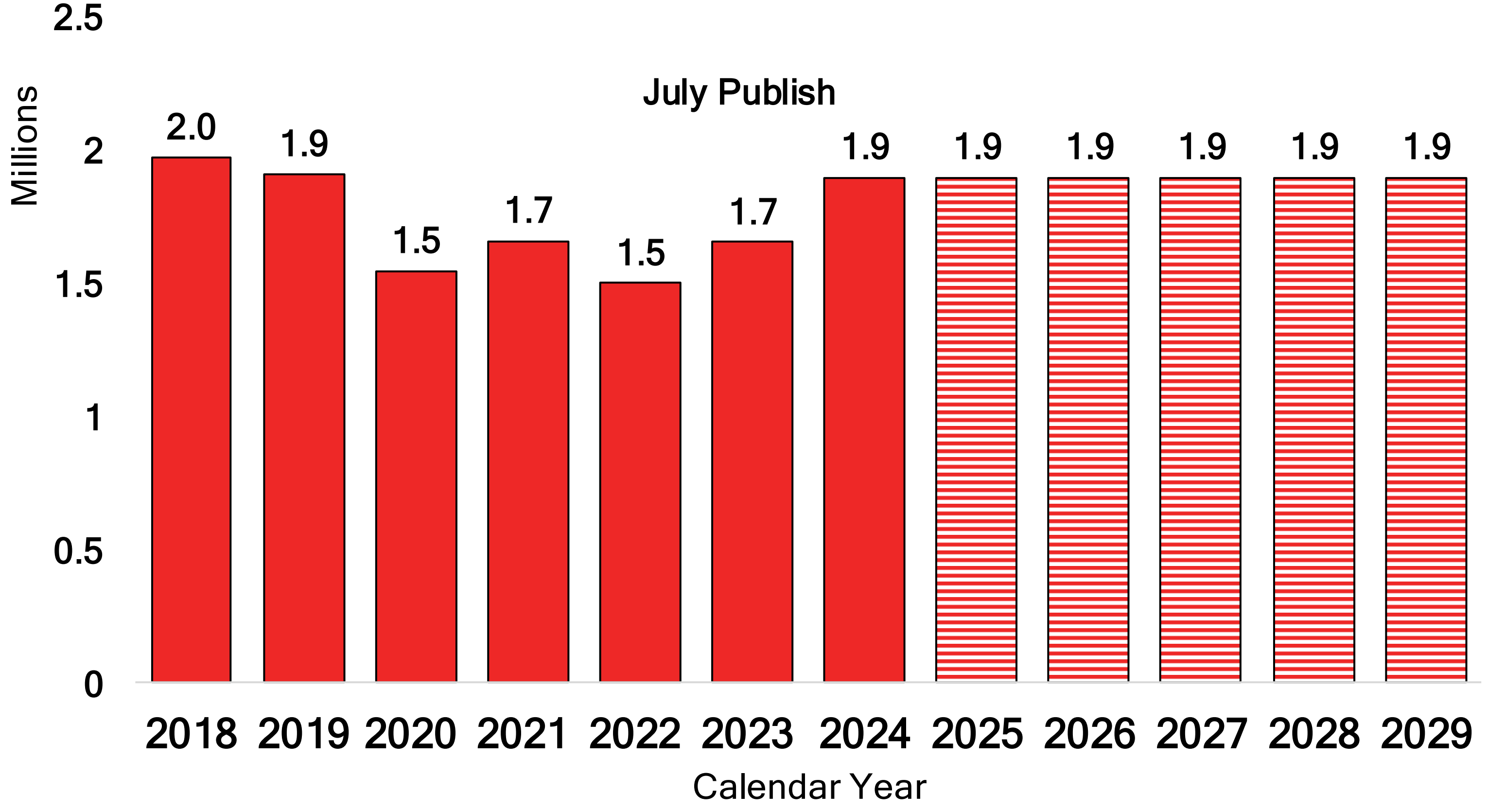
Market has been flat versus prior publish with diminishing depreciation for 2 to 6-year-old vehicles.

Total Lease Penetration



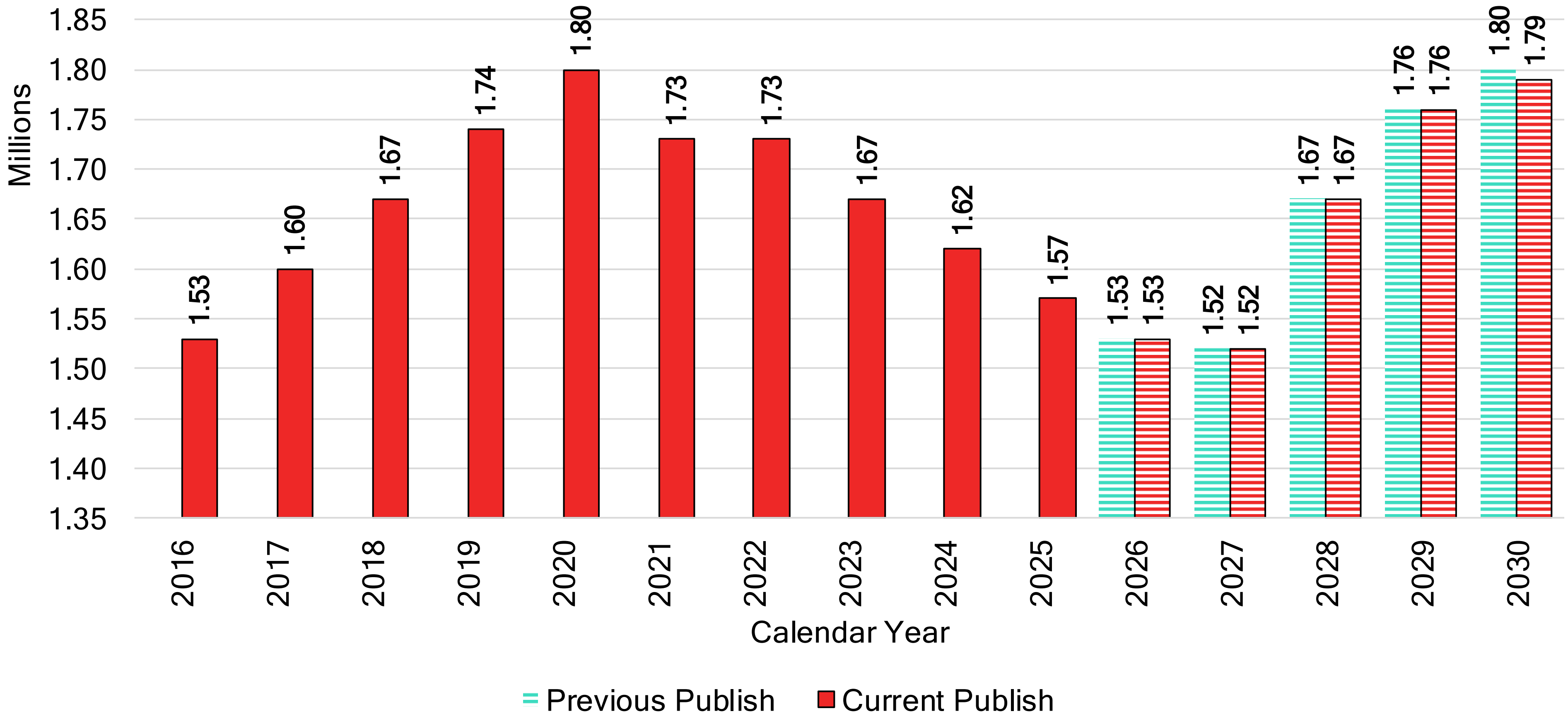
Dropping slightly versus Prior Publish as OEM's move to Finance and Cash offers for 2026MY clear-out.

New Vehicle Sales



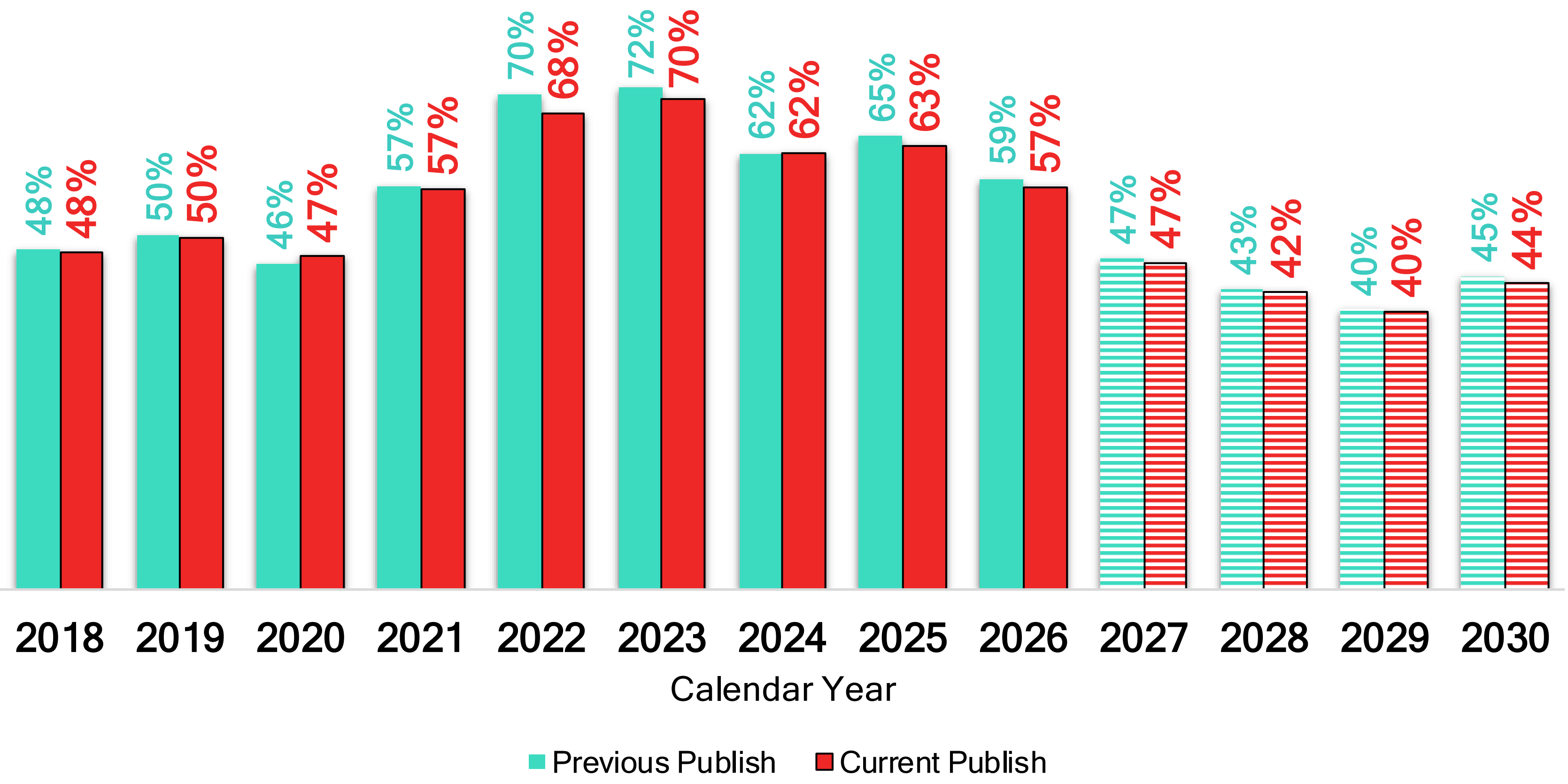
Sales forecast is unchanged versus prior publish, with the expectation that 2026 improves over 2025.

Used Vehicle Supply



Forecast for 2026 unchanged versus prior publish, as longer-term projections weaken.

Average Retention of a 4-year-old Vehicle



Minimal depreciation over Prior Publish as elevated levels registered earlier in 2026 without greater negativity projected for the used car market. Retention is still forecast to drop below pre-pandemic levels.

Average Impact to Publish Values

Due to revised Mileage Adjustments the impacts for each RV type are as follows:

New RV's previously received an increased positive adjustment that has been reduced, resulting in a larger negative adjustment registered in this publish.

Used RV's previously received an increased negative adjustment that has now been reduced, resulting in a smaller negative adjustment registered in this publish.

RV% change in September-October vs. July-August Publish

RV Type	M12	M24	M36	M48	M60
Used	-0.46%	-0.41%	-0.36%	-0.32%	-0.28%
New	-2.82%	-2.39%	-2.26%	-1.89%	-1.38%

INTELLIGENT
DECISIONS

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