

Motor vehicle sales in the time of COVID-19

Convergent Labs

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Unless stated otherwise, the data referenced in the report are sourced from Statistics Canada.

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Executive Summary

The adverse impact of COVID-19 has been felt on all facets of consumption of durable and other goods. Since the lockdown introduced in Canada in mid-March, sales of consumer goods, especially big-ticket items, declined considerably. The purchase of new and used motor vehicles was heavily impacted by the restrictions associated with COVID-19. The lockdown caused a temporary shutdown of most establishments involved in both the retail and wholesale business automobile sales. In general, auctions dominate the used wholesale automobile market while the retail component includes consumers procuring vehicles from used car dealers as well as private sales. During the lockdown, automobile auctions were suspended initially and later shifted to online platforms, which contributed to a significant initial decline in the sale of used vehicles in April. Data suggests that the drop in transactions was primarily caused by a shortage of inventory rather than a lack of interest, much like housing sales in the same period. A similar decline in the sale of new motor vehicles was simultaneously observed.

Recently reported data for the sale of new and used motor vehicles for the month of May support anecdotal reports that sales activity has already rebounded. Though Statistics Canada is yet to make the sales data available for June or July, industry estimates suggest a vigorous market activity for automobile sales in the month of June. Furthermore, data from OEMs also suggests a stronger-than-expected recovery of new car sales in June.

Although data on total sales for new and used vehicles are available, details about pricing are not readily available from Statistics Canada. Industry reports suggest that used motor vehicle prices have dropped by 10% to 15% on average relative to the pre-COVID-19 levels. These reports also indicate that SUV prices were more substantially impacted than other vehicle types. Subsequent reports, though, suggest a positive trend, indicating a recovery in prices for used motor vehicles.

It is essential to consider the causes of the sudden resurgence in motor vehicle sales, which was first observed in May 2020, continued in June, and will most likely carry into in July and August. A related question to consider is how long such demand, which is outpacing the supply, will last?

Starting in February, consumption declined because of COVID-19 and followed by a severe slowdown in March and April. Much of the planned consumption for these months was put on hold rather than forgone, resulting in pent-up demand over three months. Restrictions on mobility began to relax in May, allowing the consumers to visit dealerships in a limited fashion. While an influx of potential buyers descended upon used car dealerships, the disrupted wholesale market resulted in a mismatch between abnormally high pent-up demand and a lower than usual supply. This imbalance has been partially responsible for the recent increase in prices, which have since started to recover from the lows observed in April.

The other likely contributor to pent-up demand for used vehicles has been a sharp decline in the use of mass transit. Public transit ridership across Canada has plummeted with large transit systems operating at 10 to 30 percent of the installed passenger-carrying capacity. This has been further exacerbated by a higher uptake in teleworking, where at least knowledge economy workers are increasingly working from home. Short-term forecasts for public transit demand suggest that until such point a vaccine enabled immunity materializes, transit agencies will continue to operate at much lower capacities than they were initially designed for.

Because of health-related safety concerns, many former public transit riders have explored, at least temporarily, commuting by automobile, which is likely to have contributed to an additional demand for used automobiles. In the long run, apprehensions about public health safety on public transit will subside over time, and one is likely to see an eventual return to pre-COVID-19 transit ridership levels. In such circumstances, it is probable that some of the motor

vehicles sold during COVID-19 could return to the resale market in the future as some automobile stock might become redundant or surplus.

Industry insiders are of the view that the current constrained supply is unlikely to last beyond summer. The contributing factors to this opinion are (1) deferral of vehicle repossessions, (2) deferral of lease returns during the lockdown, and (3) financial troubles in the car rental industry. Most Canadian institutions have declared a moratorium on vehicle repossessions; however, these have been or are being lifted as the industry returns to normalcy. Repossession companies in Canada are expecting to be busier in the third quarter or later this year, with the inevitable result of contributing to the supply in the resale market. Compounding this supply increase will be an increase in lease returns resulting from deferral during the lockdown period because dealers were unavailable to receive the cars or initiate new leases. These were generally three-month extensions, which would push this extra volume into the July and August. Finally, the decline in airline travel and tourism has resulted in a reduction in demand for rental fleets such that one of the major rental operators, Hertz, which was already heavily leveraged, has filed for Chapter 11 bankruptcy protection. Some industry watchers are of the view that come September, during the standard corporate fleet turnover cycle coupled with the potential liquidation of large portions of some fleets will result in a larger than usual supply of used motor vehicles. Therefore, an increase in supply in the Fall and a moderate decline in demand caused by a return to regular demand cycles or a potential second wave of COVID-19 may result in weaker sales and prices.

In summary, the current market conditions for used motor vehicle sales are favourable to sellers until such time that additional supply hits the market in the Fall when the markets would likely favour buyers.

1. COVID-19 transforms mobility models

This report presents an analysis of the impact of COVID-19 on the sale of new and used vehicles in Canada. The decline in economic activity and consumption since mid-March has hit all sectors of the economy. The impact was even more pronounced on big-ticket item sales, where housing and vehicle sales plummeted in March and April. Housing markets and automobile sales have moved in parallel in North America for decades. Automobile purchases are part of the 'mobility bundle' where a change in location caused by the acquisition of or relocation to a new house is often accompanied by some rationalization of vehicle ownership, which usually results in buying a new or replacing an old vehicle (Lerman, 1976)¹. Since May 2020, the resale housing market has rebounded in step with the used car markets. What led to forecasts of dismal automobile sales in summer have been replaced with pleasantly surprised reporting of large sale volumes at the auction houses in Canada and the United States.

This report documents the critical developments since February that influenced new and used motor vehicle sales.

1.1 COVID-19 and mobility markets

Starting in mid-March, all sectors of the economy came to a halt once the government-imposed restrictions on mobility and face-to-face interactions. All travel, local travel within and between cities as well as international travel, declined precipitously. Non-essential international travel was suspended in March. Even as late as early August, most restrictions on foreign travel remained in effect and only in compelling or exceptional circumstances are individuals allowed to fly. The vehicle rental business, closely tied to international tourism, was the first to face the direct downstream consequences of a decline in travel. The most obvious example of the resulting economic hardship is evident from the Chapter 11 bankruptcy protection filing by Hertz².

¹ Lerman, Steven R. 1976. *Location, Housing, Automobile Ownership, and Mode to Work: A Joint Choice Model*. Department of Civil Engineering. Massachusetts Institute of Technology.

² <https://www.cbc.ca/news/business/hertz-bankruptcy-car-rental-1.5581850>.

Intraurban travel also declined as a result with streets and freeways presenting a deserted look in both March and early April. Whereas traffic volumes on urban arterials and freeways have increased considerably since April, public transit ridership continues to be exceptionally low. Cities known for higher use of public transit, such as New York City and Toronto, reported 80% plus declines in transit ridership³. In addition to the travel-related restrictions and a slowdown in the economy, many commuters have stayed away from public transit for fear of contracting the COVID-19.

Recent surveys have shown that commuters are increasingly reluctant to return to commuting by public transit.⁴ Instead, they have shown an interest in replacing their daily transit-based commutes with automobiles. Given that COVID-19 is notorious for communicability, with unusually long half-lives on hard surfaces, even ridesharing might not be a preferred alternative. Instead, many individuals have expressed an interest in acquiring an additional vehicle for the household to meet their commuting needs during COVID-19. This is one of the likely determinants of the significant rebound in used car sales in Canada, although the degree of influence is difficult to determine.

The decline in wholesale used car transactions observed first in mid-March, and continuing in April, was fueled by the closure of used car auction sites. Once the auctions were reopened online, sales activity in Canada resumed significantly. At the same time, some have argued that the recent increase in sales of used cars during June and early July is simply a result of pent-up demand that went unfulfilled in February, March, and April. The same is being seen for new vehicle sales. According to DesRosiers Automotive Consultants, new vehicle sales in June 2020 in Canada were lower by 16.2% year-over-year. The year to date volumes suggested that 336000 fewer vehicles were sold in Canada by June 2020 compared to the year before. Industry reports indicate that new car sales in Canada dropped by 40% to 70% earlier in March and April.

This report recognizes several striking similarities between housing markets and automobile sales. For instance, the current increase in housing prices is supported by a lack of listings such that the demand for housing outstripped the supply of homes available for sale, especially in high demand areas of the greater Toronto area. Similarly, used car sales and prices have stabilized, and in some markets even increased to nearly pre-COVID 19 prices, because of the constrained supply of used cars. Across Canada, the inventory of available used vehicles was constrained by stranded inventory, either on closed dealer lots or inability to trade-in or return leased vehicles due to the COVID-19 lockdown. The scenario of a constrained supply of used cars will continue to last until such time that new car sales reach their long-term equilibrium values that will result in higher supply for used car vehicles subsequently. As a result, some analysts believe that the wholesale prices will stabilize in Canada by 2023 once new-car transactions return to their long-term equilibrium values.

Although concerns around the spread of COVID-19 have not subsided, with some parts of the world, including the United States, reporting an increase in the number of confirmed cases and deaths⁵, green shoots of economic recovery are becoming increasingly visible. Recent nonfarm payroll report in the United States and the jobs report in Canada showed signs of economic recovery with job gains in both countries expected to continue into Summer and Fall.⁶

Although economic indicators are certainly looking brighter than initially feared, the flipside to the recovery story is the lasting damage done to the economy. The Conference Board of Canada estimates that there will be 1.1 million fewer jobs in 2020 than the year before. These job losses will translate directly into lesser consumer spending. Automobile purchases are big-ticket items whose volumes are correlated with changes in employment numbers and consumer confidence. Although the economy is re-engaging laid-off employees at an increasing rate, the adverse economic shock

³ <https://torontosun.com/news/local-news/ttc-ridership-slowly-recovering-from-covid-19>.

⁴ <https://globalnews.ca/news/6936256/coronavirus-ttc-public-transit-vaccine-covid-19/>.

⁵ <https://www.nytimes.com/interactive/2020/08/12/us/covid-deaths-us.html>.

⁶ <https://www.bls.gov/news.release/empsit.nr0.htm>.

from COVID-19 will be felt for several years. If we are indeed past the worst of it, the harm inflicted by the economic slowdown on new-car sales is already apparent.

The shift from public transit to cars is likely to be concentrated in the affordable and slightly older models where the purchase of a used vehicle may not have a large impact on a household's cashflow. Since the intent for such purposes is to have the flexibility to commute via private automobile in circumstances where health or other concerns limit or prohibit travel by public transit, a more utilitarian buying approach is understandable.

2. Auto sales in Canada: A statistical snapshot

We present a review of the new and used automobile sales in Canada. We rely on two distinct data sources from Statistics Canada. Table: 20-10-0001-01 presents the time series data for new motor vehicle sales differentiated by place of manufacturing and type of vehicle.⁷ A monthly breakdown of the number of new vehicles sold is covered in the time series, which is updated with a lag. Hence, the latest data available to date corresponds to transactions up until May 2020. The other data set is reported in Statistics Canada's Table: 20-10-0008-01, which is part of the monthly time series on retail trade in Canada⁸. The data set documents monthly transactions in dollar amounts reported by used and new car dealers. The time series is updated with a lag, such that July 2020 reports the transactions recorded up to May 2020. The data set reports transactions for provinces and populous cities across Canada.

2.1 New car registrations/sales

Figure 1 presents recent new motor vehicle sales (comprising cars and trucks) in Canada by place of manufacturing differentiated as made in North America or overseas. The decline in sales starting in March and the sharp recovery in May is evident from the figure. Both North American and overseas manufactured vehicles registered an increase in sales in May. New motor vehicle sales increased by more than 100 percent in May over the last month reaching 109,213 sales. Canadian assembled vehicles accounted for 73 percent of the sales. The resurgence observed in May strengthened even further in June as has been reported by the OEMs and the advance reporting of retail trade statistics for June by Statistics Canada. Figure 1 also indicates a downward sloping trend in sales since March 2019. To understand the cyclical nature of new motor vehicle sales, one must review the long-term time series presented in Figure 2.

⁷ <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=2010000101>

⁸ <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=2010000801>

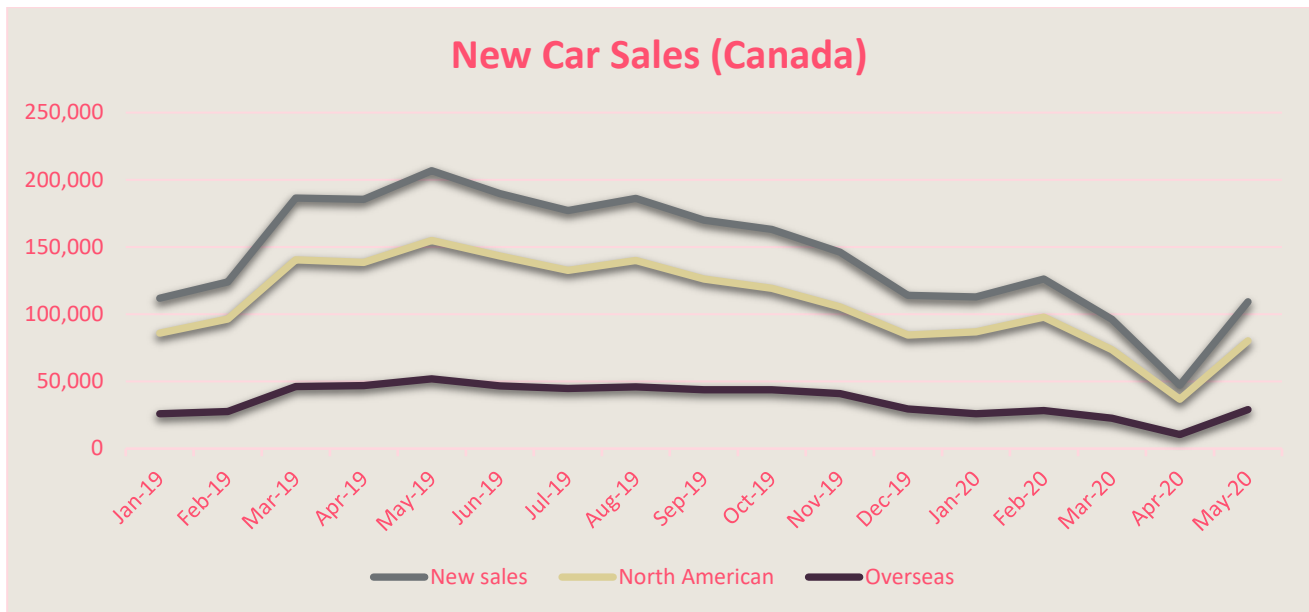


Figure 1: New motor vehicle sales by place of manufacturing as of January 2019

Figure 2 illustrates that new motor vehicle sales report a seasonal pattern such that the sales peak in May or June followed by a gradual decline until January of the next year. Since the summer of 2010, the sales peak observed in May or June of the following year was consistently higher than the peak observed in the previous year. This trend continued until 2018 as the peak observed in May 2019 was lower than the corresponding peak observed earlier in May 2018. The new car sales in May 2019 at 206,769 were considerably less than 220,268 sales in May 2018. From the figure, one can infer that 2019 was already a slower year than in previous years. The industry was hoping for a more robust recovery in February 2020 to make up for the lower sales in 2019. However, COVID-19 related lockdown and other restrictions delivered much lower sales in February, March, and April of 2020. Also noteworthy is the fact that the decline in sales observed in March 2020 was much more extreme than the slowdown seen during the Great Recession in 2009.

Since 2010, new and used motor vehicle sales have evolved such that the sale of trucks outnumbered the purchase of new passenger cars.⁹ Before 2010, passenger car sales were more frequent than the sale of new trucks. Figure 3 illustrates that starting in 2010, truck sales continued to increase year-over-year, whereas sales of passenger cars have declined gradually. This is due in large part to the utility that pickup trucks bring coupled with a higher demand for trucks in rural areas that cover much of the country. The May 2020 recovery is also significantly more pronounced for trucks than for new passenger cars. There could be several triggers for why trucks have been outselling passenger cars. The most plausible explanation is the decline in fuel prices, which reduce the operating costs for trucks who rank lower on fuel efficiency, the delayed demand caused by a slow start of the construction season and the latent pickup truck demand that has been dormant during the lockdown. The post-COVID-19 recovery, if and when it takes place, will also be influenced by the price of fuel where sustained lower fuel prices are likely to continue to favour the sale of trucks over cars.

Motor vehicle sales are differentiated by the location such that local economic conditions and consumer preferences determine sales volume and type. Whereas trucks outsold passenger cars in Ontario as of 2010 (Figure 4), the same is not valid for Québec, where the sale of passenger cars remained the dominant type until 2016, after which the sale of trucks took over (Figure 6). The May 2020 Recovery in Québec is also more pronounced for trucks than it is for

⁹ Statistics Canada defines trucks to “include minivans, sport-utility vehicles, light and heavy trucks, vans, and buses.”

passenger cars. A comparison between Québec and Ontario reveals that the sale of trucks accelerated year-over-year in Ontario at a much faster pace than it did in Québec.

The sales pattern in British Columbia resembles that of Ontario. Trucks started to outsell cars in 2010, and the gap widened over time such that the sale of trucks increased over the years while the sale of new cars experienced a gradual decline (Figure 5).

The difference in local market tastes and preferences for new vehicle sales is evident in Alberta, where trucks have always outsold passenger cars (Figure 7). Alberta's economy is dependent upon extractive industry. Mining has been the dominant economic sector in the province, and hence the sale of larger sized vehicles has been more pronounced in Alberta. Since 2016, sales of new trucks have been 3 to 4 times the sale of new passenger cars. Interestingly, whereas May 2020 rebound has been more pronounced in Ontario and Québec, the same is not valid for Alberta, where May 2020 sales show modest recovery for trucks and new passenger cars, possibly owing to the economic difficulties presented by the current low cost of fuel.

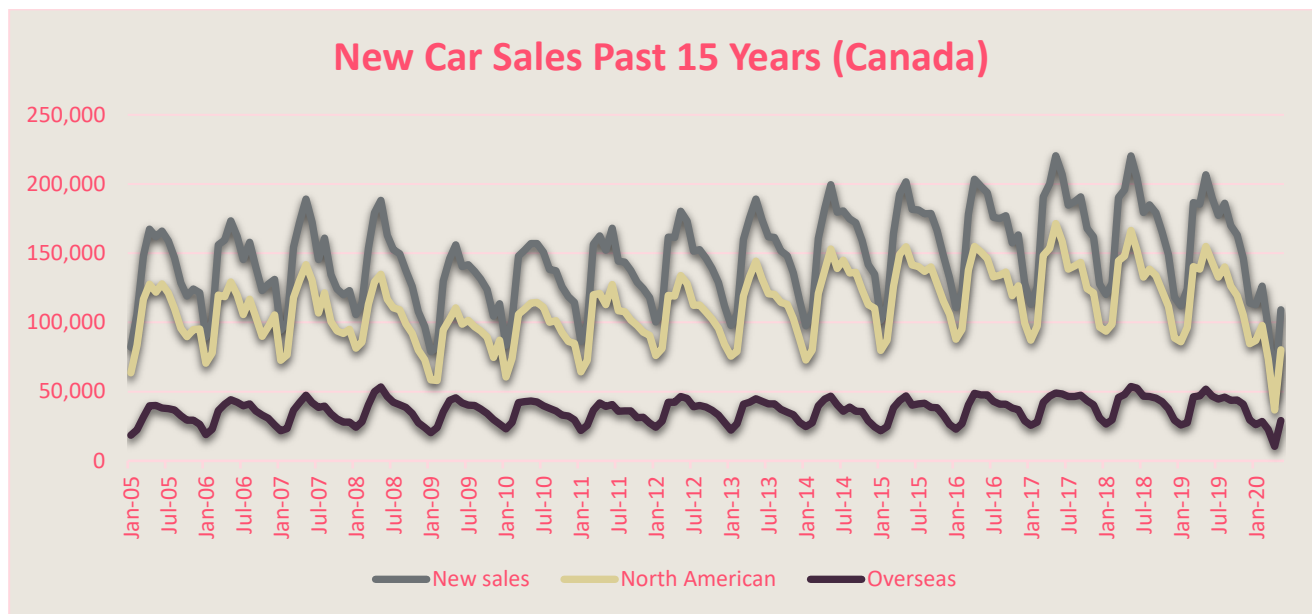


Figure 2: New motor vehicle sales by place of manufacturing

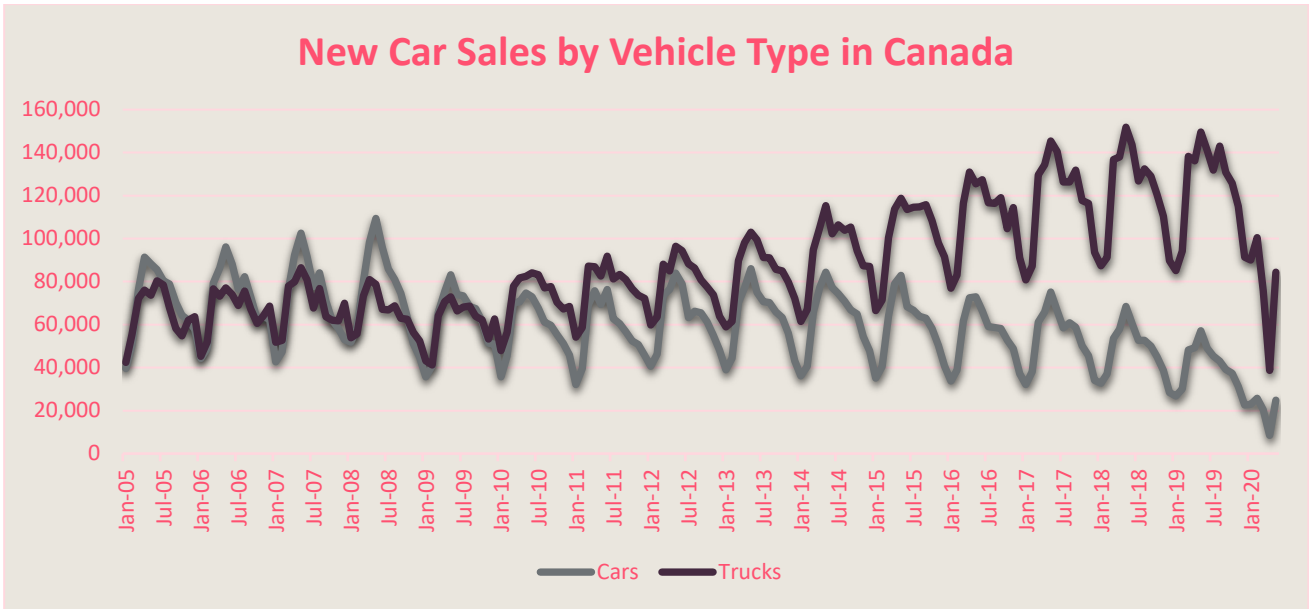


Figure 3: New motor vehicle sales in Canada differentiated by vehicle type

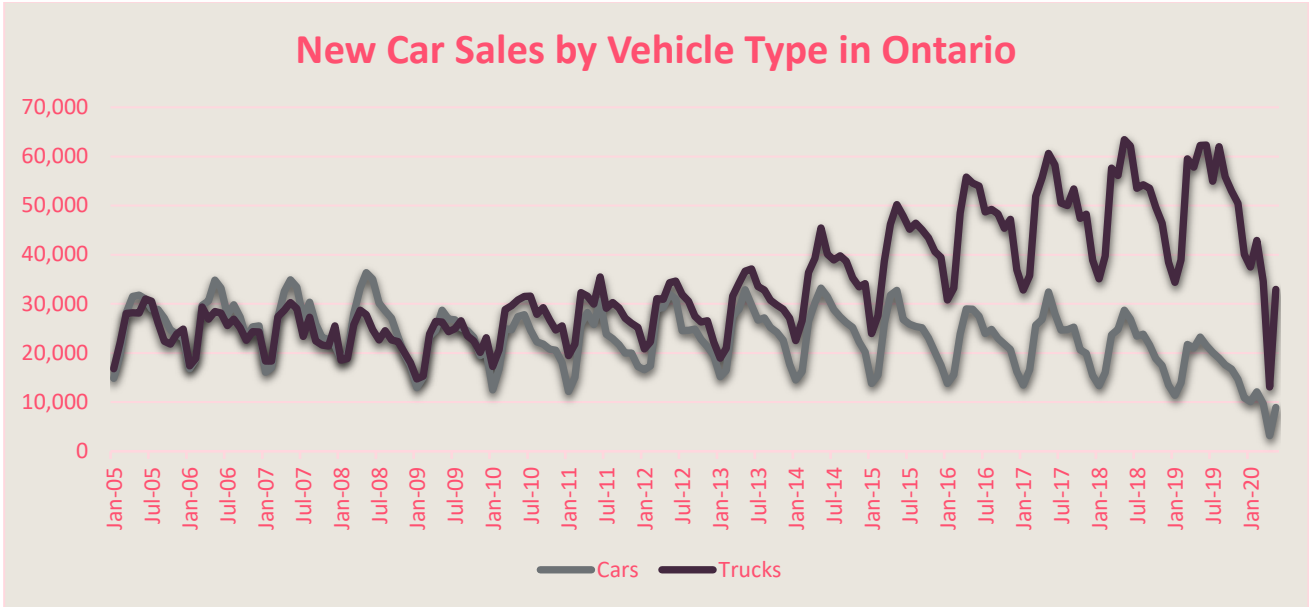


Figure 4: New motor vehicle sales in Ontario differentiated by vehicle type

New Car Sales by Vehicle Type in British Columbia

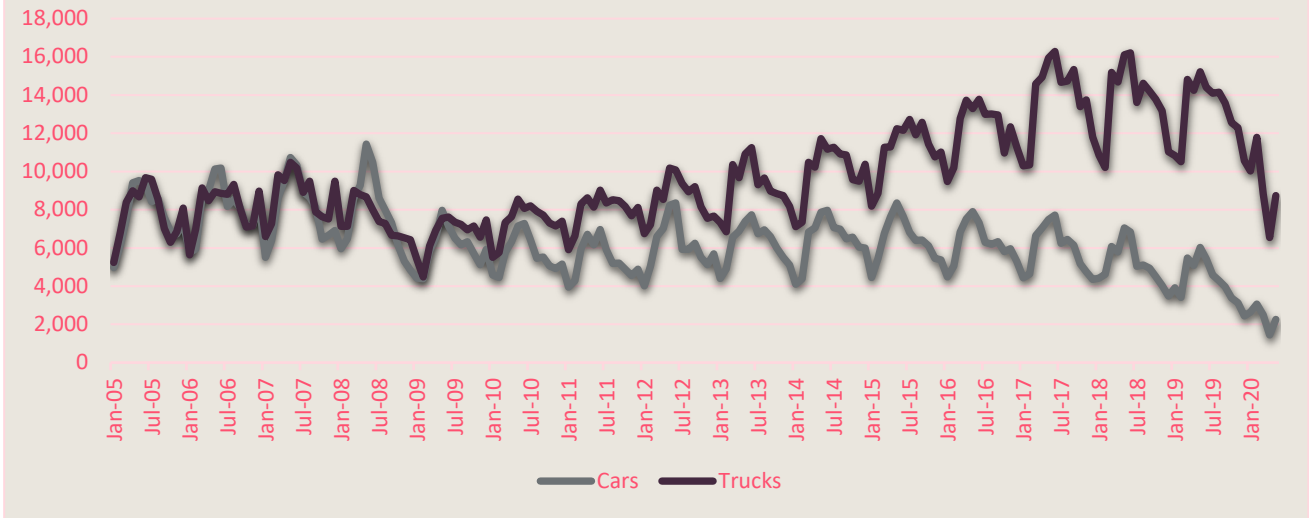


Figure 5: New motor vehicle sales in British Columbia differentiated by vehicle type

New Car Sales by Vehicle Type in Quebec

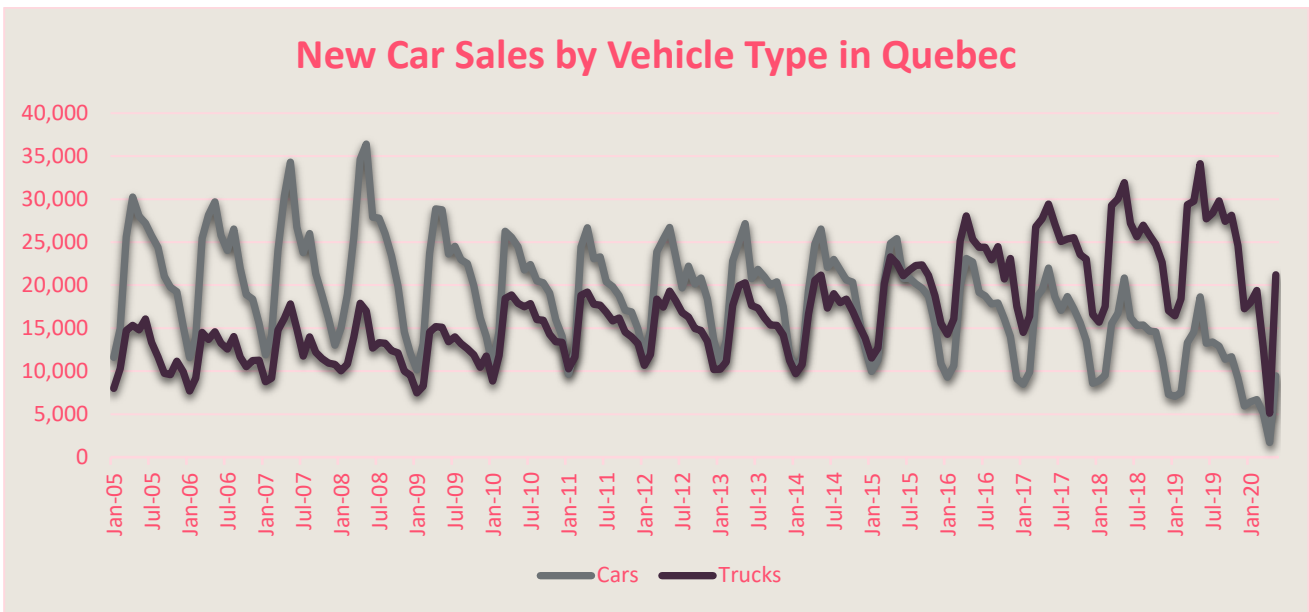


Figure 6: New motor vehicle sales in Quebec differentiated by vehicle type

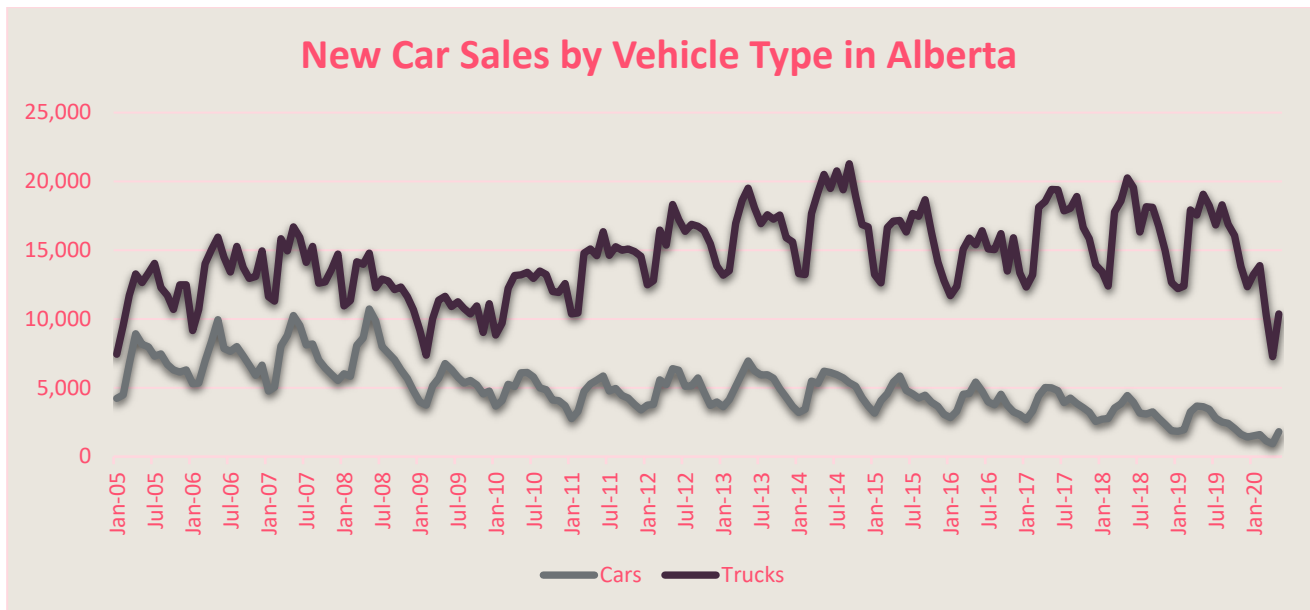


Figure 7: New motor vehicle sales in Alberta differentiated by vehicle type

3. The new and used car spend

Statistics Canada documents motor vehicle sales reported by new and used car dealers. The automobile dealership sales data is covered by Statistics Canada as part of retail sales data about automobiles and automobile parts. The latest data available to date is for May 2020.

2.2 Retail sales

Retail sales in Canada have been increasing steadily over the years. Interestingly, retail sales show only a moderate decline during the Great Recession of 2009 with an increase starting in 2010. The recent decline in retail sales, despite the earlier bump in retail sales in March motivated by panic buying, is noticeable in Figure 8 where sales in April 2020 were significantly lower than the year before. However, the recovery in May 2020 is also apparent where the retail sales jumped to \$46.2 billion from \$34.9 billion a month earlier.

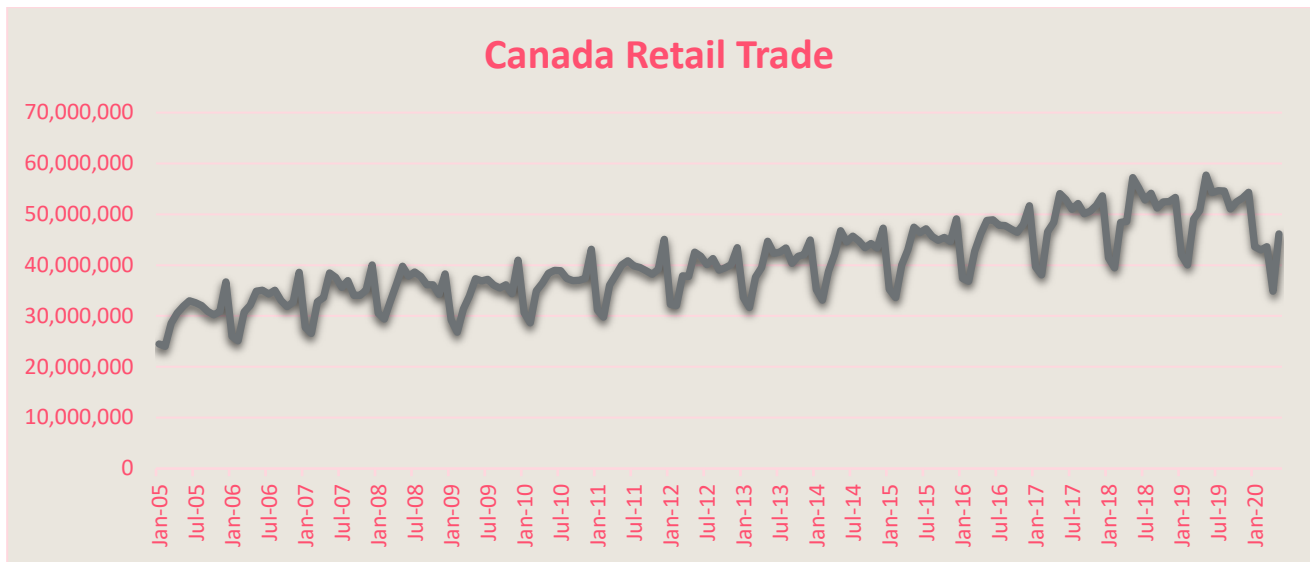


Figure 8: Retail trade in Canada. Values in unadjusted \$(x 1,000)

2.2 Motor vehicle sales reported by new and used car dealers

Figure 9 presents motor vehicle sales reported by the new and used car dealers. The y-axis on the left represents the total transaction amount in dollars for new motor vehicle sales, and the y-axis on the right represents the amount of used motor vehicle sales. The dollar amounts are unadjusted for seasonality or inflation. From under \$8 billion in new monthly motor vehicle sales in 2005, the number increased to over \$12 billion in 2019 at its peak. The used motor vehicle sales moved in step with the new vehicle sales, albeit at a much lower rate, reaching a monthly peak volume of \$1.2 billion.

The pandemic's impact on motor vehicle sales is apparent in Figure 9. The decline in motor vehicle sales reached a low point in April, which is usually the month when motor vehicle sales start to accelerate as the weather improves. The decline in sales volume observed for both new and used motor vehicles observed in April reversed dramatically in May, such that new motor vehicle sales increased by 72 percent in May over the last month. Used motor vehicle sales jumped by a massive 92% in May 2020.

Hereafter we present a breakdown of motor vehicle sales activity at the provincial and metropolitan levels for populous places in Canada. In Ontario, Canada's most populous province, motor vehicle sales started to increase after the Great Recession in 2010 and lasted until 2019 (Figure 10). New motor vehicle sales recorded a peak of over \$5 billion in monthly sales while used motor vehicle sales reported a high of \$500 million in monthly sales in 2019. The seasonal variation in automobile sales suggests that the sales activity peaks in spring and summer and declines during winter with a subsequent resurgence in March and April. Because of the pandemic related lockdown in March 2020, new and used motor vehicle sales in Ontario recorded a small decline in March, followed by a precipitous drop in sales in April. The sales activity in Ontario follows the recovery observed earlier for Canada such that new motor vehicle sales rebounded in May with an 82% increase in Ontario. Interestingly, used motor vehicle sales activity in May increased by only 44% in Ontario compared to the month before. This suggests that the higher recovery seen for used motor vehicles for Canada is fuelled by a resurgence in sales in provinces other than Ontario.

We find the evidence for the above statement in the sales activity observed for Québec, which is Canada's second-most populous province (Figure 11). After a significant decline in motor vehicle sales in April, the resurgence was far more pronounced in May in Québec with new motor vehicle sales activity increasing by 173% in May over the past month and used motor vehicle sales rising by 279% in May over the sales observed in April. Though the increase in May in Québec-

based sales relative to April seems much higher than what we observed for Ontario, the substantial increase observed in Québec is also an artifact of a greater decline observed earlier in April. Nevertheless, despite the resurgence, new and used motor vehicle sales levels found in Ontario were still lower in May than the levels observed in 2015, whereas sales figures in Québec have rebounded to levels seen in the past year.

The motor vehicle sales activity in Alberta, Canada’s fourth most populous province with an economic base rooted in the extractive sector, shows stagnant motor vehicle sales activity since 2015 (Figure 12). The global drop in oil prices resulted in a slowdown of the provincial economy, which directly impacted discretionary and big-ticket items spending in the province. Hence, starting in 2015, the motor vehicle sales activity did not report an increasing trend up until 2019 when sales of used and new motor vehicles show a declining trend.

In contrast, British Columbia, Canada’s third most populous province, shows an increasing motor vehicle sales activity after the Great Recession (Figure 13). The sales activity resembles that of Ontario.

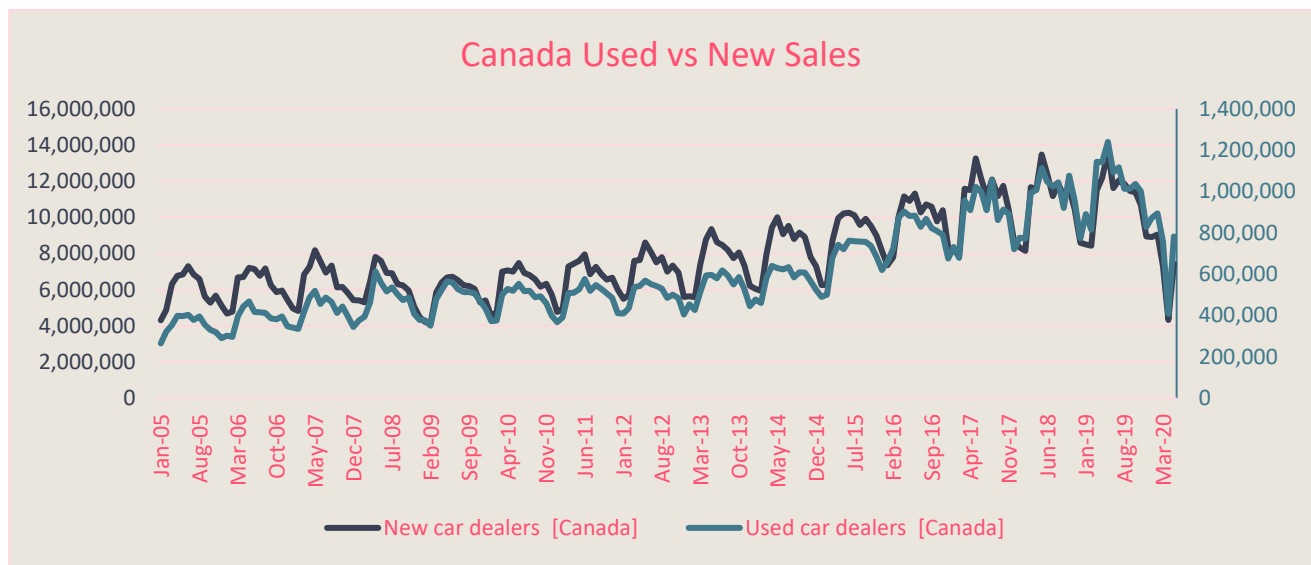


Figure 9: Automobile sales reported by new and used car dealers in Canada. Values in unadjusted \$(x 1,000)

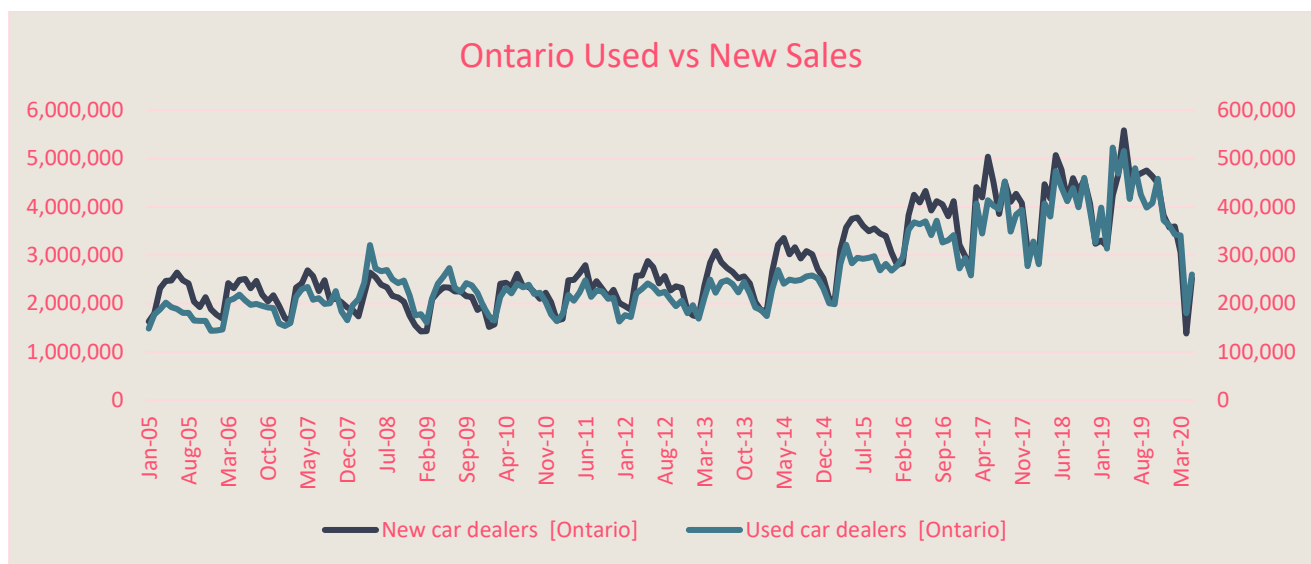


Figure 10: Automobile sales reported by new and used car dealers in Ontario. Values in unadjusted \$(x 1,000)

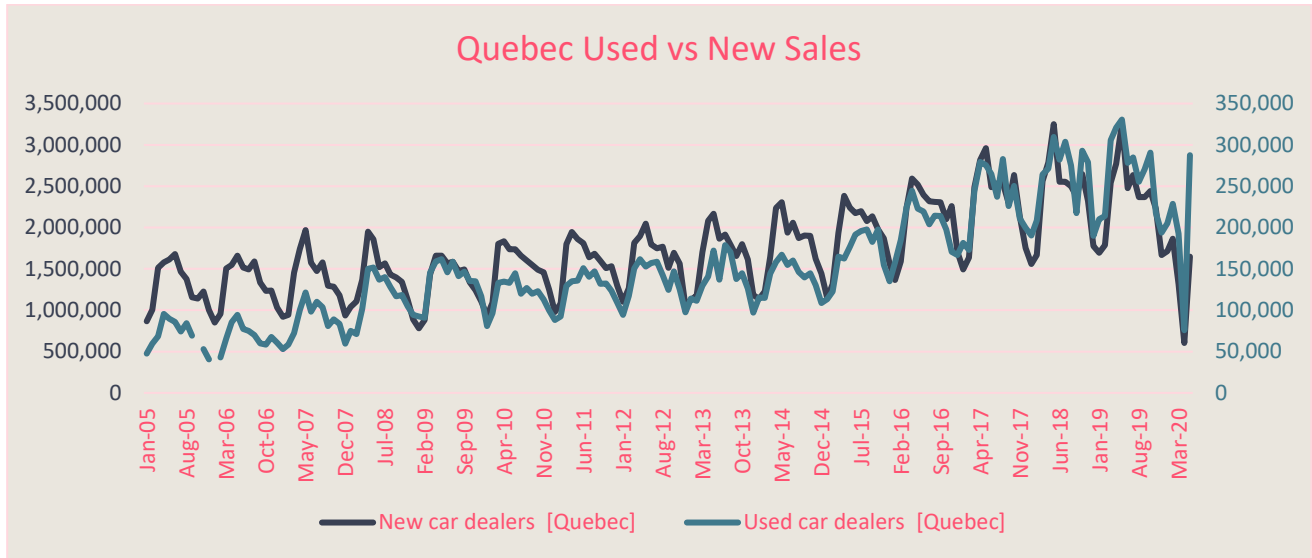


Figure 11: Automobile sales reported by new and used car dealers in Quebec. Values in unadjusted \$(x 1,000)

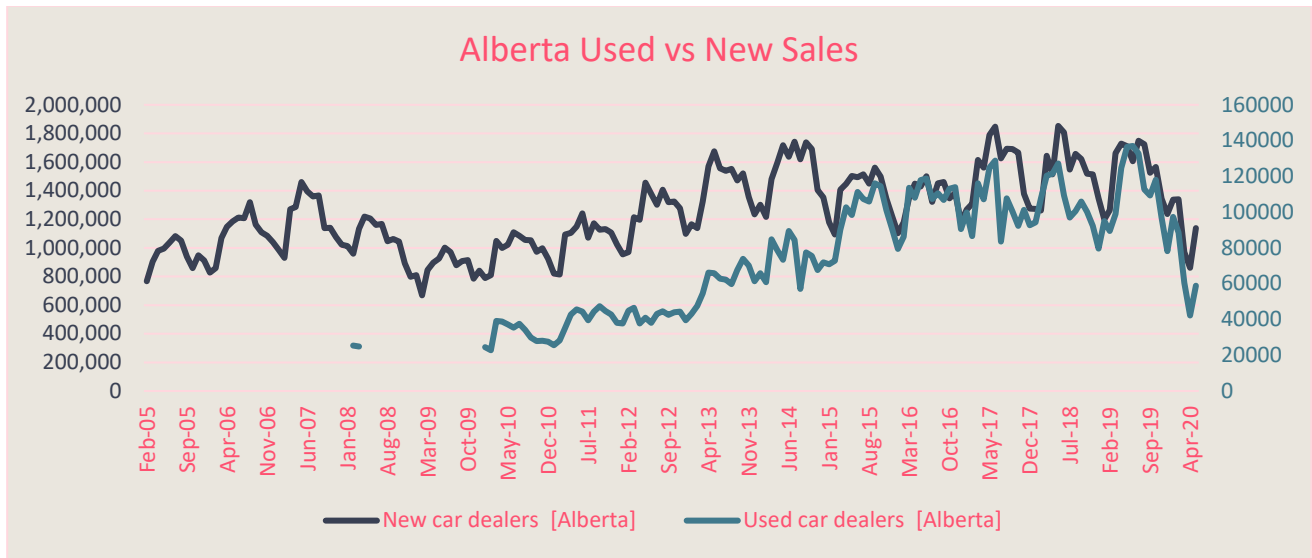


Figure 12: Automobile sales reported by new and used car dealers in Alberta. Values in unadjusted \$(x 1,000)

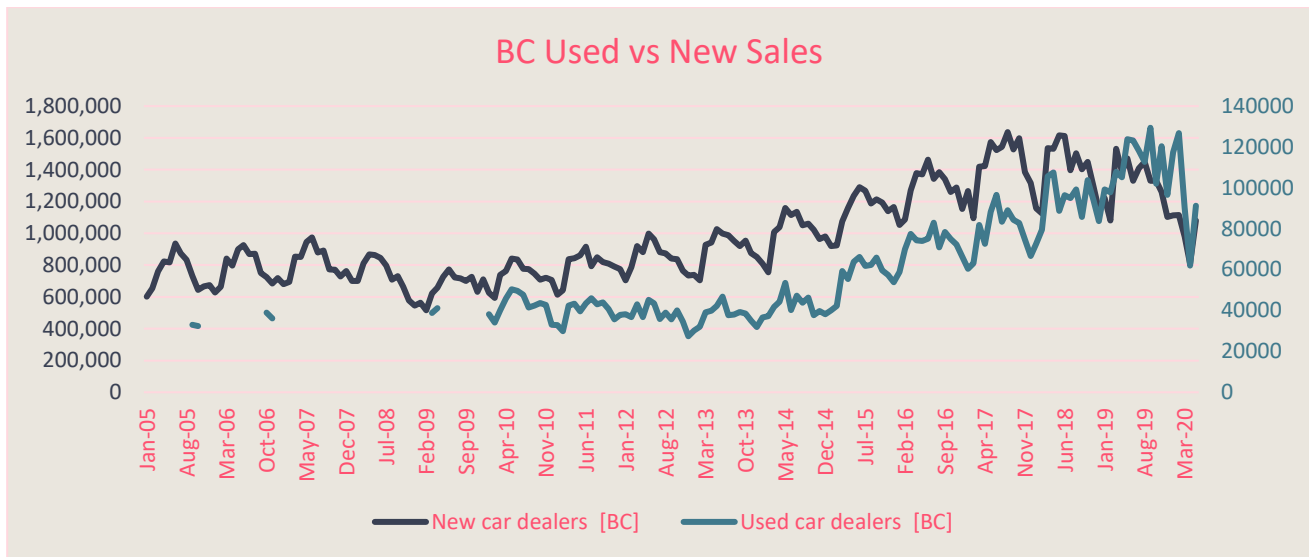


Figure 13: Automobile sales reported by new and used car dealers in British Columbia. Values in unadjusted \$(x 1,000)

Lastly, we present a review of motor vehicle sales in Canada’s two most populous cities, namely Toronto and Montréal. New motor vehicle sales in Toronto followed the national trends of an increase in sales starting in 2012 up until 2019. The decline in sales in the latter part of 2019 was expected because of seasonal trends. However, the drastic decline in new and old motor vehicle sales are also noticeable in Toronto (Figure 14). The May 2020 rebound in Toronto seems modest, similar to the trends observed in Ontario.

In comparison, the rebound in new and used motor vehicle sales in Montréal in May 2020 is far more pronounced than the trends seen in Toronto (Figure 15). The resurgence in sales is more pronounced for used motor vehicles in Montréal than new motor vehicle sales.

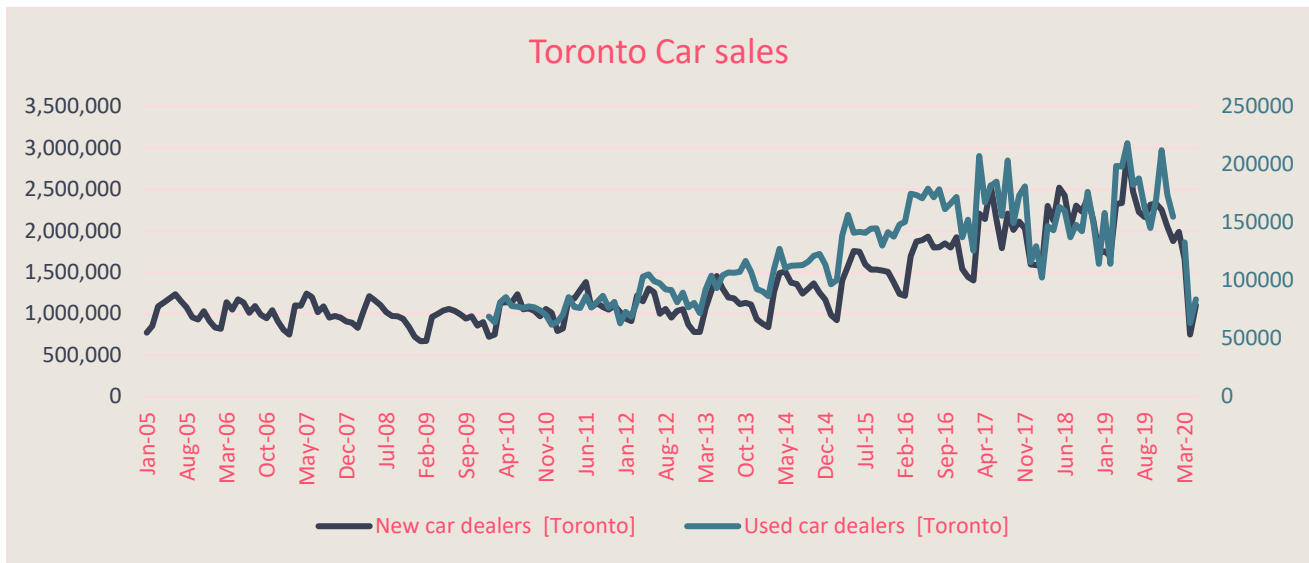


Figure 14: Automobile sales reported by new and used car dealers in Toronto. Values in unadjusted \$(x 1,000)

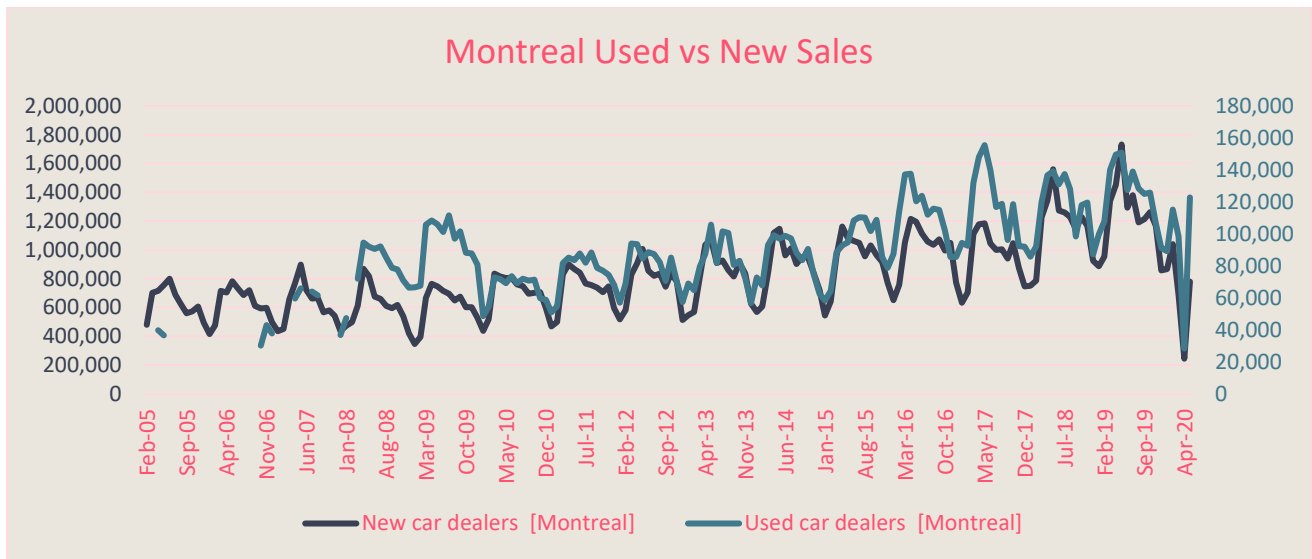


Figure 15: Automobile sales reported by new and used car dealers in Montreal. Values in unadjusted \$(x 1,000)

Concluding Remarks

Economic indicators suggest a recovery is in the offing. The tide of job losses has given way to job creation. Restrictions on mobility are gradually being relaxed. Businesses that were shut are now being reopened while those that were operating under stricter conditions are being allowed to operate under relaxed conditions. Retail sales are rising once again, with sales activity presenting a contrasting picture of resilience and revival. At the same time, financial markets have exhibited relative stability. Purchase of big-ticket items, such as housing, has taken off in Canada with July sales outstripping forecasts of a decline or lacklustre performance. The demand for housing has far exceeded the supply, resulting in upward pressure on housing prices. Business confidence can be gauged by the launch of new luxury products and consumer confidence indexes. Microsoft Corporation announced the launch of its signature dual-screen smartphone in early August at a price point that would be deemed high even for inflationary periods.

At the same time, mobility markets are struggling. International travel collapsed in March and April and is moving slowly to recover the lost market shares. Intercity and urban travel by public and private modes are still far below pre-pandemic levels. The new and used vehicle sales are tied directly to economic activity and travel intensity. The drop in international travel has impacted the fleet leasing business with major car rental companies reported substantial declines in sales. Any reduction in the demand for car rental fleets will lower the demand for leased vehicles. A major bankruptcy in the car rental business usually increases the supply of used vehicles coming off the leases. At the same time, health and safety concerns about public transport imply an increase in the demand for travel by private modes of travel, which would drive growth in the demand for vehicles in the short run.

The data reviewed for new and used vehicle sales in national and subnational markets in Canada suggests that the decline in sales observed in March and April has reversed. Primarily due to pent-up demand, new and used vehicle sales registered a strong recovery in May, which is the latest data available from Statistics Canada. Inadequate inventory levels are supporting a seller's market. However, later in the Fall, with the expected increase in the inventory of used vehicles, buyers will have more choice while the pressure on prices is also likely to ease. At the same time, new vehicle sales in Canada are dominated by light trucks. The prospects of low fuel prices over the short to midterm suggest that the sale of light trucks is likely to lead the recovery. Lastly, low interest rates would keep consumers' borrowing costs for some time.

The institutional and individual response to COVID-19 has induced some longer-term behavioural changes, most noticeable of which is a marked increase in working from home or teleworking. Recently released data from Statistics Canada indicated that at the peak of lockdown, more than 50 percent of the workforce, which was not absent from work was operating remotely. This is a significant increase of over 12 percent of the workers operating remotely before COVID-19. Over time and with relaxed social distancing restrictions, many workers currently operating from home will return to work. However, some workers, facilitated by their employers, will continue working from home either partially or wholly. This shift in work culture is likely to lower the demand for urban travel and, ultimately, the need for new and used vehicles. While these shifts in work culture are certain, their magnitude is not. Even with an expected decline in urban travel, a resurgence in economic activity will support an overall increase in the demand for new and used motor vehicles supported by replacement of obsolete vehicles and new demand necessitated by demographic growth. For retail and wholesale vehicle current and potential owners, the primary takeaway should be that demand for vehicles is high at the current time with inadequate supply to meet this demand. As such, current used vehicle market conditions are favourable to sellers. For buyers, Fall will be more suitable because new supply is likely to hit the market in large numbers.

Convergent Labs

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