Canadian Automobile Dealers Association
Corporation des associations de détaillants d'automobiles

CADA

DATA REPORT 2022

Annual Profile of Canada's Franchised New-Car Dealerships

www.cada.ca

CADA DATA

INTRO

Tim Reuss
President & CEO

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Lead Economist

Welcome to the first CADA Data Report! This profile of Canada's franchised new car dealerships will be published by CADA on an annual basis and is intended to provide the recipients with a broad overview of the state of business of this key sector of Canada's economy which employs over 160,000 people across the country. We would like to thank our data partners (NCM Associates, J.D Power and DesRosiers Automotive Consultants) for their assistance. Over time, we will be adding additional data points to this report as they become available to us.

The 2022 CADA Data report features multiple data points spanning from new vehicle sales and ZEVs market share all the way to service and parts department productivity. Here are some of the numbers included in this report:

- Through the 3,430 automobile dealerships in Canada, 1,638,398 new vehicles were sold across the country in 2022.
- On average, dealerships wrote 8,238 repair orders.
- The total amount for service and parts sale is $30.6 billion.

The last year has been tumultuous for Canadian auto dealers. While the economy was still severely impacted by the lingering effects of the pandemic, the demand for both new and used vehicles increased. The average saving rate was higher than 2019 levels and led to a major discrepancy between the consumer demand and dealer's inventories. This unique dynamic resulted in a 9.1% decrease compared to 2021 numbers, with some provinces being more negatively affected than others. The first part of year was particularly tough, but the industry was able to string together multiple months of positive sales results at the end of 2022. It will be interesting to look at 2023 numbers as the pent-up demand is being met, slowly but surely, by the increase in overall inventories.

Along with supply chain disruptions and inventory shortages, dealers have also been impacted by the greater Canadian economic context. With the affordability crisis and the underlying rise in inflation, the Bank of Canada had to engage in quantitative tightening, which resulted in the major increase, over the year, of interest rates. The effects are clear: the average interest rate in new vehicle departments has gone from 3.30% in 2021 to 5.58% in 2022. Spending trends have also been modified with the average amount financed and average loan term length increasing steadily since the start of the pandemic and the general rise in costs of living.

2022 was also the year where we saw some significant growth within the ZEV and BEV market. Compared to 2020, ZEV new vehicle registrations have almost doubled from 3.5% to 8.70%. British Columbia and Quebec have shown positive results on that front too with, respectively, a 15.9% and a 10% provincial penetration market rate. The transition to electric vehicles will be a significant challenge and business opportunities for Canadian dealers – the CADA Data report is the ideal tool to track this transformation of our industry over the years.

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TOTAL NEW LIGHT-VEHICLE DEALERSHIPS

PROVINCE	DEALER COUNT
BRITISH COLUMBIA	408
ALBERTA (INCL. YUKON AND NWT)	394
SASKATCHEWAN	149
MANITOBA	116
ONTARIO	1210
QUEBEC	860
NEW BRUNSWICK	110
NOVA SCOTIA	125
NEWFOUNDLAND AND LABRADOR	65
PRINCE EDWARD ISLAND	21
CANADA	3,430

NEW LIGHT-VEHICLE DEALERSHIPS BY BRAND	
Acura	51
Alfa Romeo	16
Audi	50
BMW	50
Ford	432
GM	448
Honda	236
Hyundai	224
Infiniti	38
Jaguar Land Rover	30
Kia	198
Lexus	40
Maserati	13
Mazda	163
Mercedes-Benz	58
Mitsubishi	96
Nissan	209
Porsche	21
Stellantis	443
Subaru	95
Toyota	247
Volkswagen	145
Volvo	37
CANADA	3,430

SHARE OF OWNERS BY NUMBERS OF STORES OPERATED	
1 - 5	92.40%
6 - 10	4.49 %
11 - 25	2.28%
26 - 50	0.52%
Greater than 50	0.20%

448

MOST LIGHT-VEHICLES DEALERSHIP BY BRAND

ONTARIO

1,210

PROVINCE WITH THE MOST NEW LIGHT-VEHICLE DEALERSHIPS

Source : CADA

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DEALERSHIP FINANCIAL TRENDS

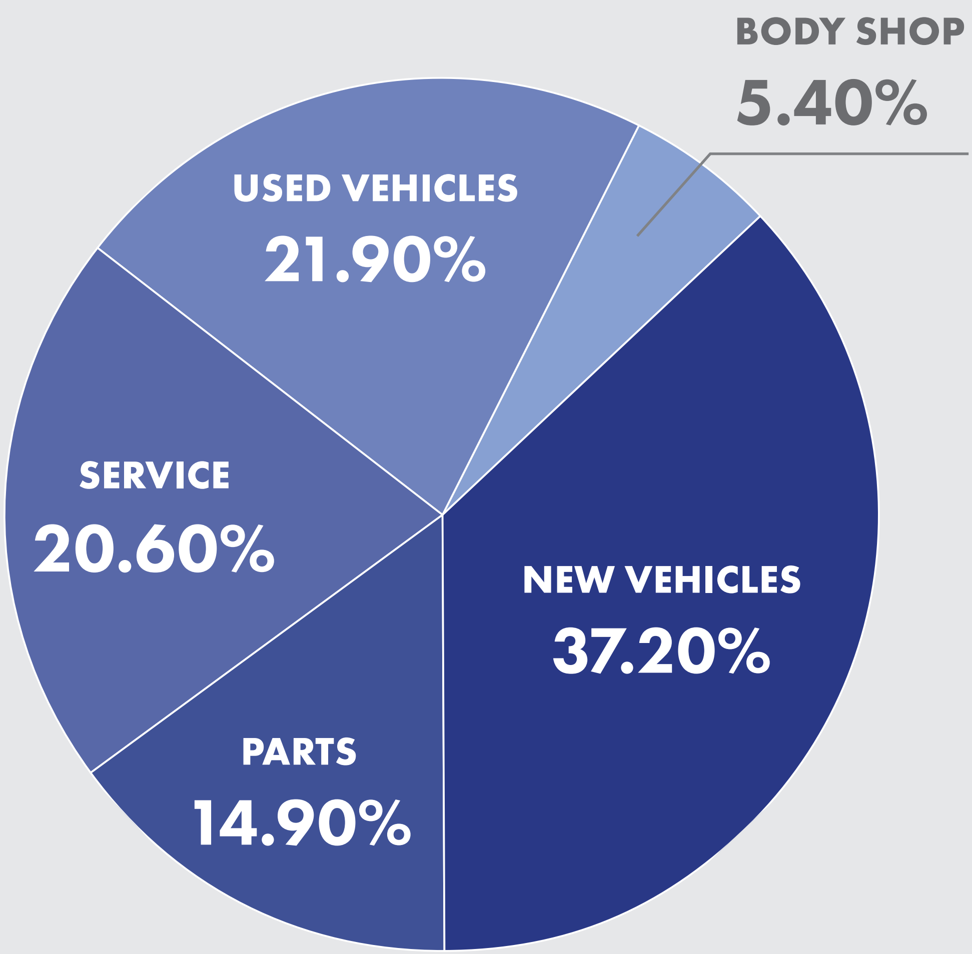
TOTAL SALES, AVERAGE PER DEALERSHIP 2022

$57,527, 455

CHANGE FROM 2021

20.60%

SHARE OF TOTAL DEALERSHIP GROSS



Source : CADA and NCM Associates

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NEW VEHICLE DEPARTMENT

PROVINCIAL SALES	2021	2022	% CHANGE
BRITISH COLUMBIA	185,637	161,470	-13.0
ALBERTA	193,622	177,353	-8.4
SASKATCHEWAN	42,559	40,819	-4.1
MANITOBA	47,893	43,077	-10.1
ONTARIO	650,100	607,707	-6.5
QUEBEC	400,844	357,030	-10.9
NEW BRUNSWICK	36,726	32,890	-10.4
PRINCE EDWARD ISLAND	7,987	6,850	-14.2
NOVA SCOTIA	44,383	37,293	-16.0
NEWFOUNDLAND	28,647	24,156	-15.7
TOTAL CANADA	1,638,398	1,488,645	-9.1

Source : Desrosiers Automotive Consultants

NEW REGISTRATION BY VEHICLE TYPE			
VEHICLE	YTD Q3 2020	YTD Q3 2021	YTD Q3 2022
Van	59,933	56,820	37,863
Passenger Cars	247,305	262,187	212,977
Pickup Trucks	276,626	261,535	264,585
Multi-purpose Vehicles	566,903	728,496	650,604
TOTAL	1,150,767	1,309,038	1,166,029

Source : Statistics Canada (2022)

ZEVs NEW VEHICLES REGISTRATIONS IN CANADA

2020	2021	2022
3.50%	5.40%	8.70%

Source : Statistics Canada (2022)

BATTERY ELECTRIC VEHICLES PROVINCIAL MARKET PENETRATION, TOP 3 (2022)		
PROVINCE	NEW REGISTRATIONS	MARKET SHARE
British Columbia	7,508	15.9%
Quebec	9,784	10.0%
Ontario	9,720	6.3%

Source : Statistics Canada (2022)

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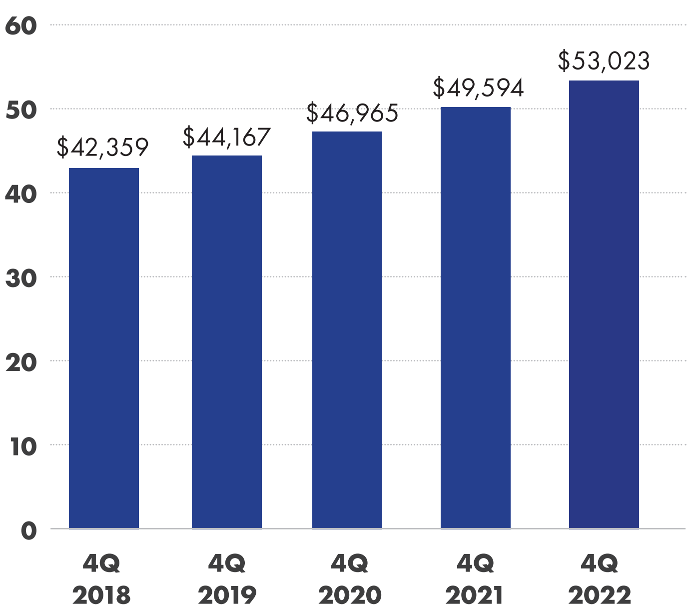
NEW VEHICLE DEPARTMENT

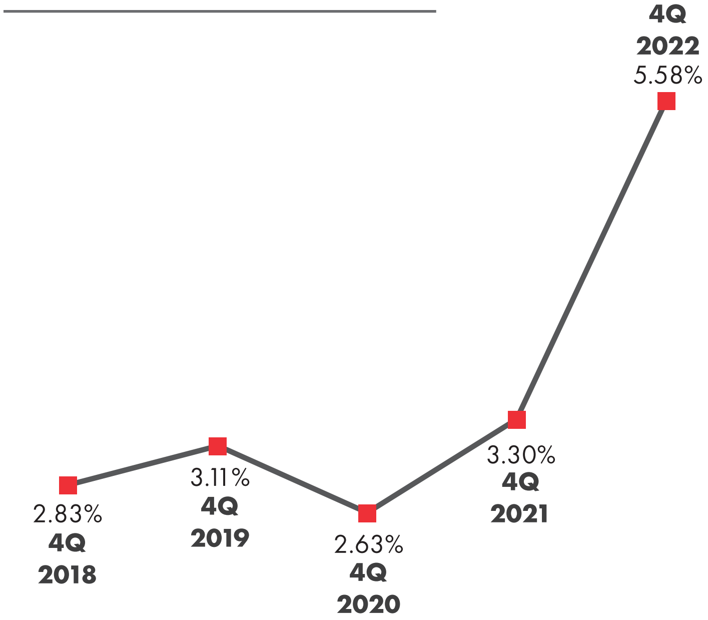
J.D. POWER

Data provided by J.D. Power

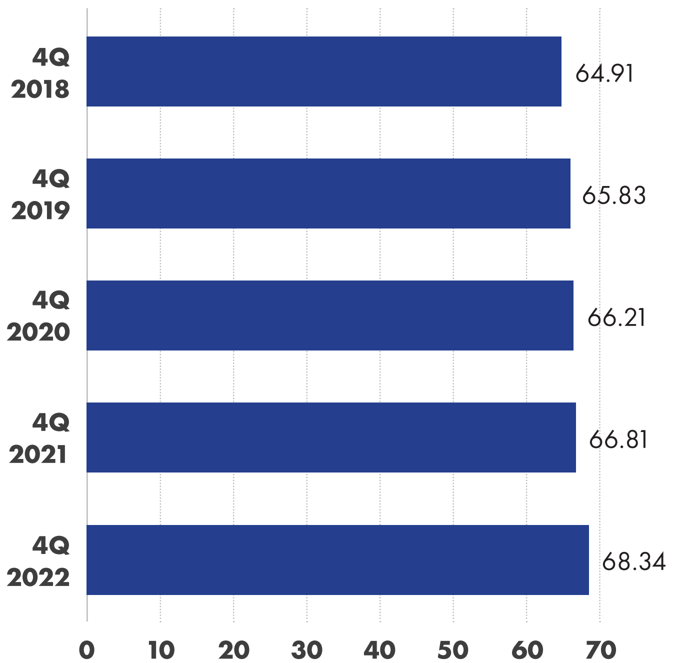
AVERAGE AMOUNT FINANCED



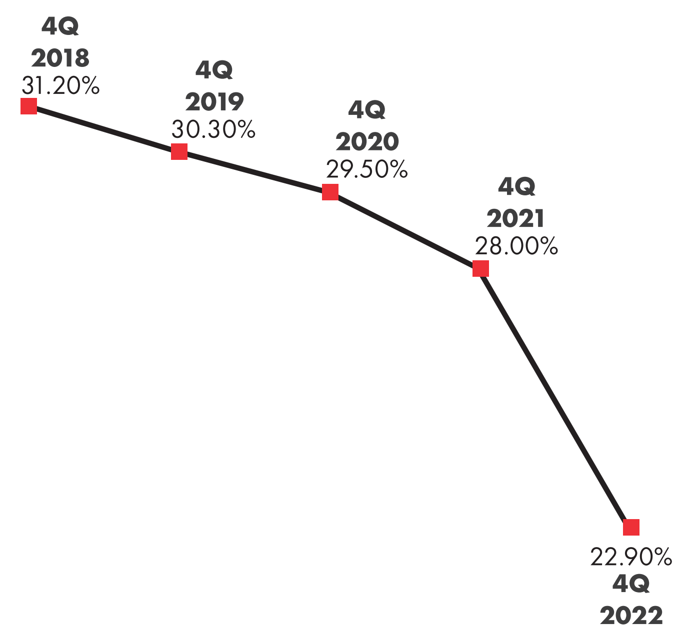
AVERAGE INTEREST RATE



AVERAGE LOAN TERM IN MONTHS



CONSUMER LEASING OF THE NEW VEHICLES



Source : J.D. Power

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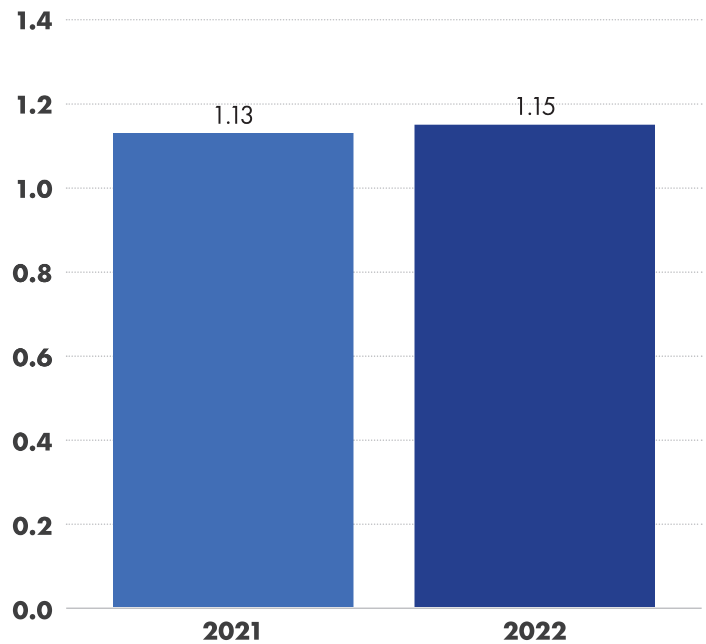
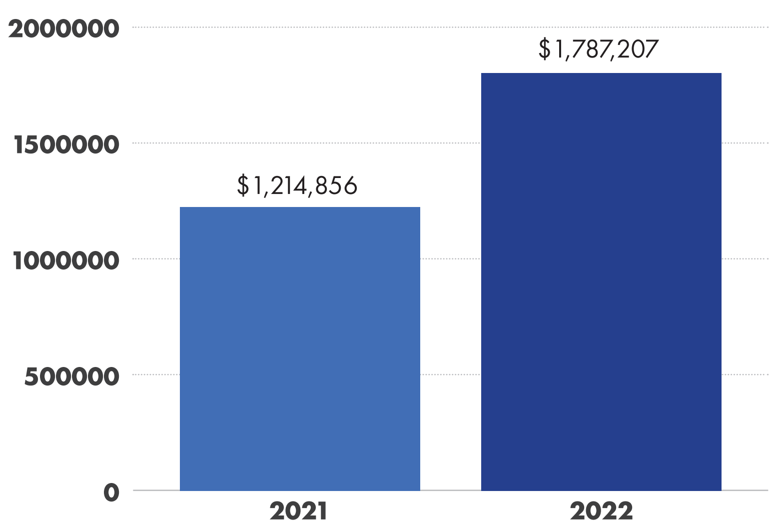
USED VEHICLE DEPARTMENT

SALES RATIO USED/NEW



TOTAL USED VEHICLE INVENTORY ($)



INVENTORY AGEING ANALYSIS	2021	2022
0 - 30 days	47.90%	35.40%
31 - 60 days	28.20%	26.60%
61 - 90 days	15.30%	17.50%
91+ days	14.20%	26.90%

IMPORTANT NOTE : CALCULATION DOES NOT ADD UP TO 100% DUE TO LIMITED TIME OVERLAPS

Source : CADA and NCM Associates

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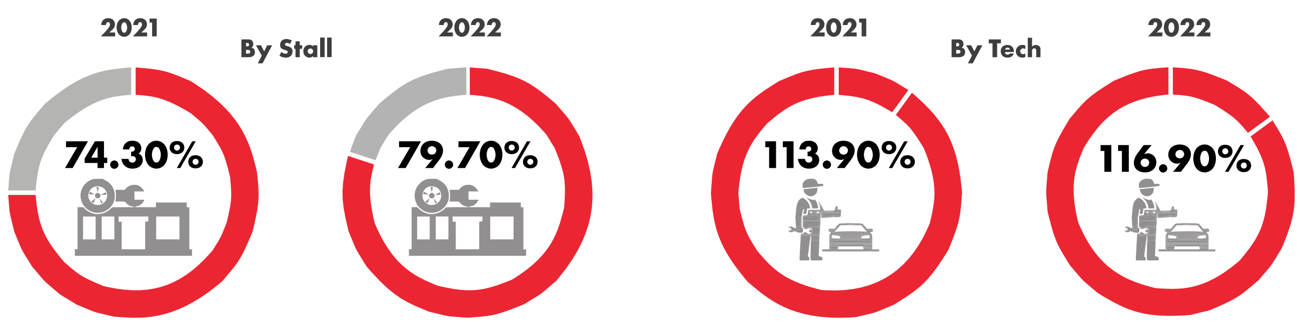
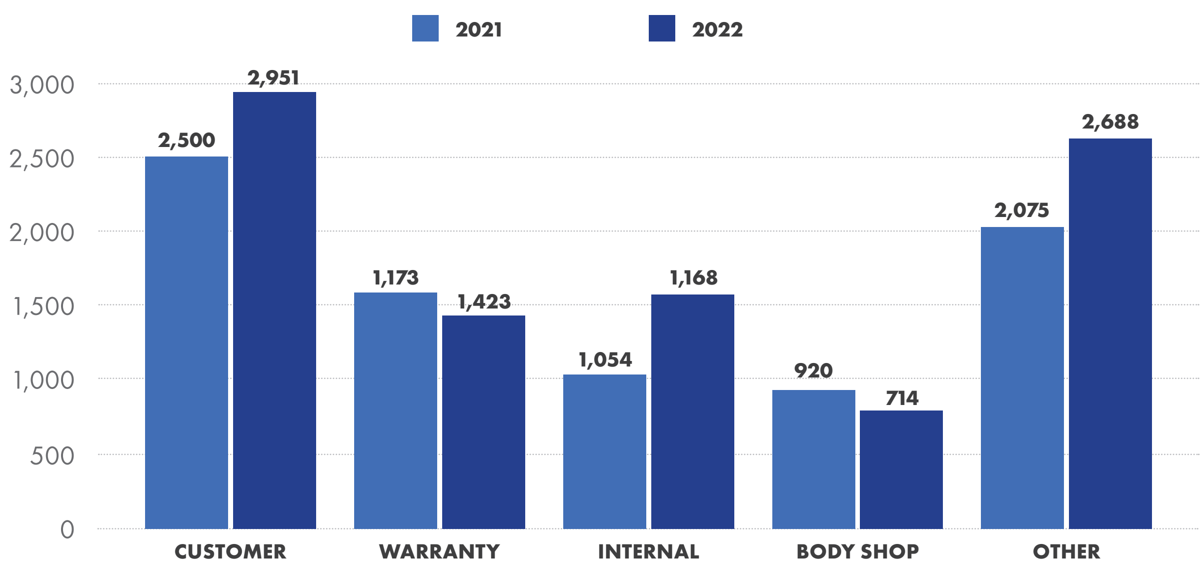
SERVICE AND PARTS DEPARTMENT

PROVINCIAL SALES	AVERAGE DEALERSHIP	ALL DEALERS
Total service and parts sales	$8,946,769	$30,687,417,670
Total employees average	41.2	
Total Parts and accessories inventory	$430,197	$1,475,575,710
Total number of repair orders written	8,328	28,565,040
Total service and parts sales per customer repair order	$436	
Number of service technicians (including body)	27	92,610
Total service and parts sales by warranty repair order	$427	
Parts to Labor ratio	0.79	

SHOP PRODUCTIVITY



AVERAGE DEALERSHIPS' TOTAL SERVICE AND PARTS SALES (IN THOUSANDS)



Source : CADA and NCM Associates

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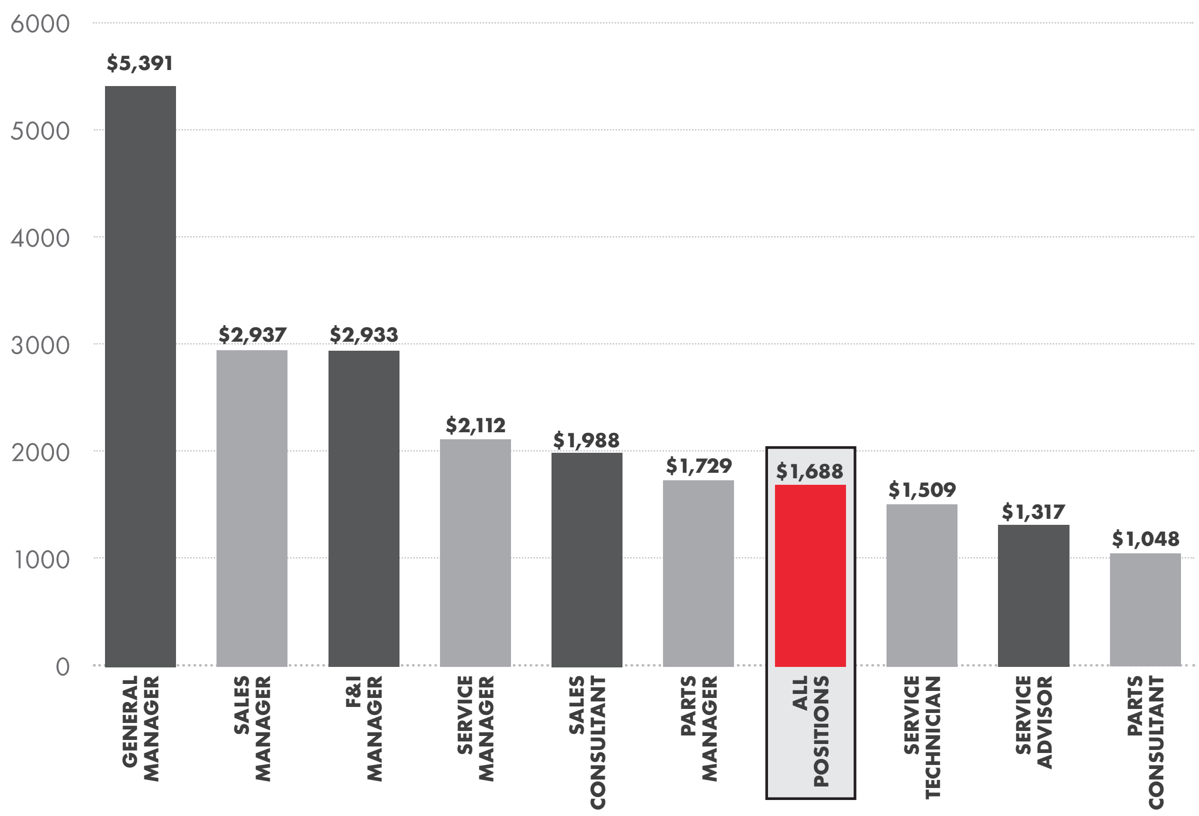
EMPLOYMENT DATA

2021 ANNUAL COMPENSATION BY KEY POSITIONS - ALL DEALERSHIPS					
	NATIONAL AVERAGE	BOTTOM QUARTILE	NATIONAL MEDIAN	TOP QUARTILE	TOP 10%
ALL POSITIONS	**$87,798**	**$46,730**	**$70,290**	**$104,996**	**$155,365**
GENERAL MANAGER/ OPERATOR	$280,348	$167,348	$239,284	$350,000	$493,261
SALES MANAGER	$152,730	$114,638	$141,638	$176,631	$228,125
F&I MANAGER	$152,511	$105,555	$144,667	$184,986	$239,054
SERVICE MANAGER	$109,809	$86,997	$105,000	$128,260	$156,103
PARTS MANAGER	$89,883	$70,784	$86,547	$105,043	$130,408
SALES CONSULTANT	$103,350	$66,009	$89,074	$123,238	$169,929
SERVICE ADVISOR/WRITER	$68,477	$52,367	$65,704	$81,705	$99,137
SERVICE TECHNICIAN	$78,485	$60,084	$75,588	$94,881	$114,785
PARTS CONSULTANT	$54,503	$43,680	$53,215	$63,162	$73,867

2021 WEEKLY EARNINGS BY KEY POSITION



Source : CADA and Statistics Canada (2021)

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URBAN VS. RURAL DEALERSHIP RETENTION

2021 NATIONAL RETENTION AND TURNOVER - URBAN DEALERSHIPS					
	ANNUALIZED TURNOVER	ONE YEAR RETENTION	THREE YEAR RETENTION	MEDIAN TENURE	AVERAGE TENURE
ALL POSITIONS	**36%**	**75%**	**54%**	**6.5**	**3.4**
GENERAL MANAGER/ OPERATOR	10%	92%	81%	10.4	12.8
SALES MANAGER	21%	84%	62%	4.6	6.9
F&I MANAGER	31%	82%	58%	3.7	5.7
SERVICE MANAGER	23%	85%	66%	6.5	9.9
PARTS MANAGER	20%	88%	78%	8.7	12.2
SALES CONSULTANT	45%	73%	44%	2.6	5.2
SERVICE ADVISOR/WRITER	40%	70%	50%	3.0	5.3
SERVICE TECHNICIAN	24%	87%	71%	6.1	8.9
PARTS CONSULTANT	29%	77%	57%	3.7	6.9

2021 NATIONAL RETENTION AND TURNOVER - RURAL DEALERSHIPS					
	ANNUALIZED TURNOVER	ONE YEAR RETENTION	THREE YEAR RETENTION	MEDIAN TENURE	AVERAGE TENURE
ALL POSITIONS	**33%**	**76%**	**54%**	**7.0**	**3.6**
GENERAL MANAGER/ OPERATOR	6%	94%	81%	8.1	10.7
SALES MANAGER	19%	87%	62%	4.8	7.1
F&I MANAGER	31%	76%	51%	3.2	5.4
SERVICE MANAGER	18%	86%	70%	7.0	9.8
PARTS MANAGER	11%	90%	72%	7.8	12.0
SALES CONSULTANT	40%	76%	44%	2.8	5.4
SERVICE ADVISOR/WRITER	39%	73%	47%	2.7	4.9
SERVICE TECHNICIAN	25%	85%	69%	6.2	9.5
PARTS CONSULTANT	26%	78%	58%	4.2	7.7

Source : CADA and Statistics Canada (2021)

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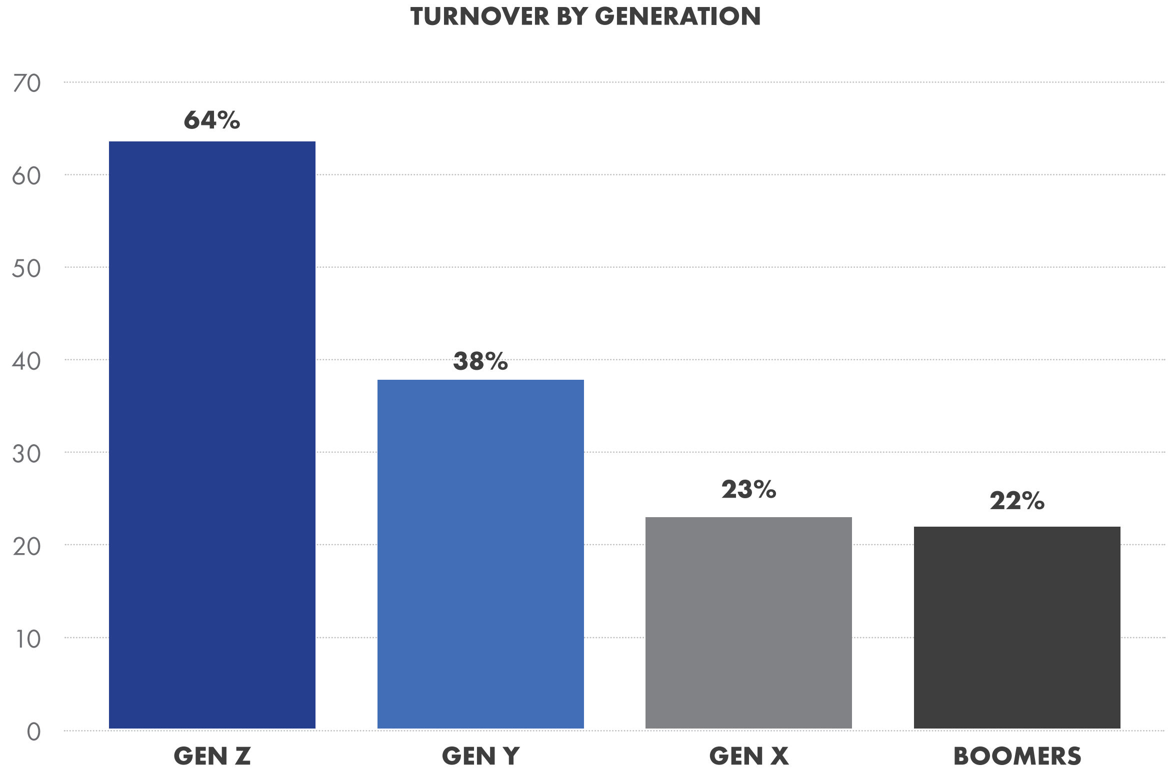
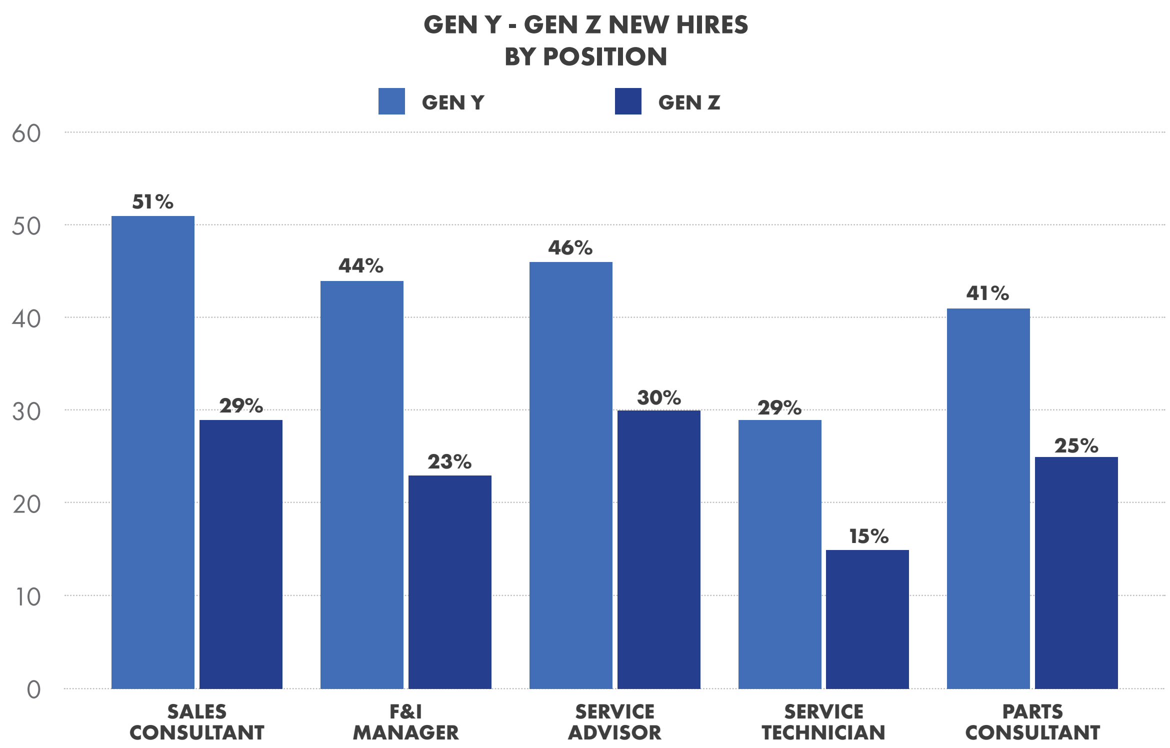
EMPLOYMENT DATA AGE DIVERSITY





Source : CADA and Statistics Canada (2021)

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