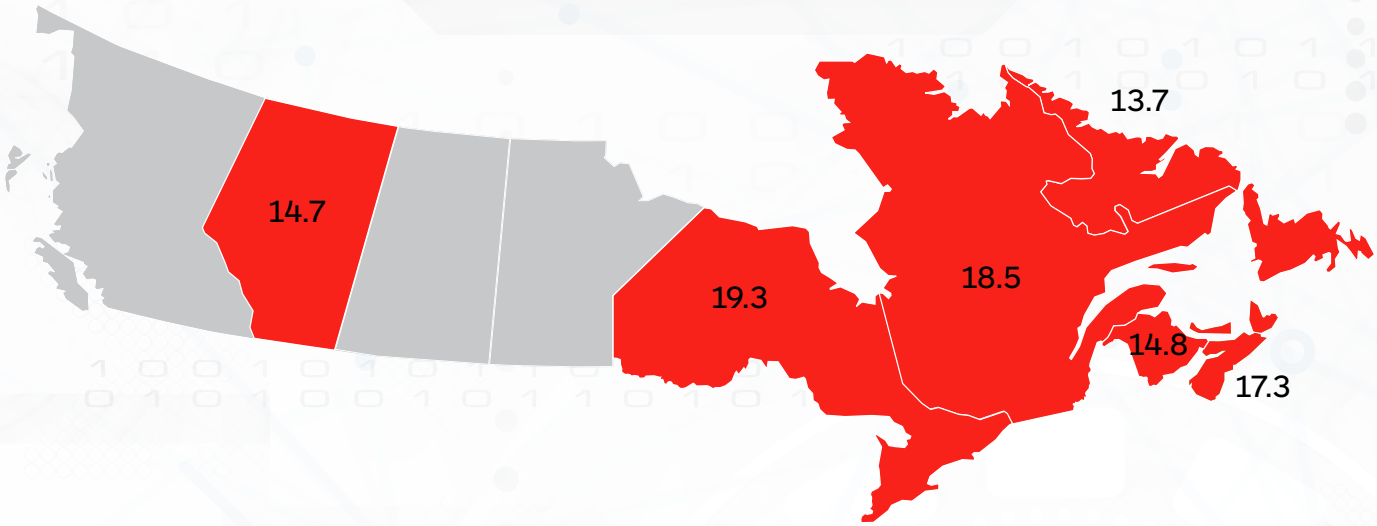
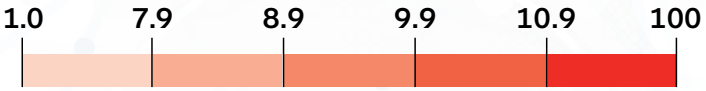
Canada Average Length of Rental by Province

Q3 2022



Average Billed Days for Canada		
Q3 2021	Q3 2022	Change
11.4	**16.5**	**5.1**



Average Billed Days for Canada by Province			
Province	Q3 2021	Q3 2022	Change
Alberta	11.6	14.7	3.1
New Brunswick	11.3	14.8	3.5
Newfoundland and Labrador	11.1	13.7	2.6
Nova Scotia	11.9	17.3	5.4
Ontario	12.5	19.3	6.8
Prince Edward Island	11.5	13.9	2.4
Quebec	10.6	18.5	7.9

* Source: Enterprise Rent-A-Car. Includes ARMS® Insurance Company Direct Billed Rentals.
** Data excludes the provinces of British Columbia, Manitoba and Saskatchewan.

Canada Overall

In Q3 2022, rentals associated with collision repairs averaged 16.5 days, a 5.1-day increase from Q3 2021. Ontario had the highest LOR at 19.3 days, a 6.8-day increase over Q3 2021, followed by Quebec at 18.5 days, which is up almost eight days from Q3 2021.

While all provinces saw increases, the national number was somewhat muted by Alberta's results. Despite several July tornadoes and an impressive hailstorm in August, Alberta's overall LOR was 14.7 days, which was a 3.1-day increase from last year. Newfoundland and Labrador had the lowest LOR at 13.7 days, followed by Prince Edward Island (PEI) at 13.9 days.

Ryan Mandell, Director of Claims Performance for Mitchell International, broke down some informational vehicle class data, saying, "Luxury vehicle frequency continues to increase with 14.56% of repairable vehicles in Q3 2022 being classified as a luxury make compared to 13.93% in Q2 2022 and 13.76% in Q3 2021. On average, we observe that from 2021-2022, luxury vehicle keys-to-keys cycle time is 2.3 days longer than common make vehicles."

"Trucks and SUVs increased their share of repairable claims volume in Q3 2022 to 59.12%, up from 58.64% in Q2 2022 and 58.43% in Q3 2021. On average, we observe that from 2021-2022, truck/SUV keys-to-keys cycle time is 1.1 days longer than passenger cars," said Mandell.

Seeing as results in Canada are approaching, or in some cases exceeding, the comparative U.S. results, we asked John Yoswick, Editor of the weekly U.S. CRASH Network newsletter, to offer some findings around staffing, parts availability and repair backlogs. He said, "a CRASH Network survey in June of U.S. repair shops found the vast majority (85%) are currently looking to fill at least one position in their facility, up from 79% a year ago. Body technicians, including helpers, remain the most needed positions in shops. Most shops (67%) are currently searching for at least one body technician (up 5 percentage points from three years ago, pre-pandemic) and 38% of shops are looking to hire a body helper (up 7 percentage points from both a year ago and three years ago)."

Yoswick added some additional insights, "More than 400 shops responded to the backlog survey questions, with fully 85% of those shops scheduling out two weeks or more. Only one in 100 shops said they have no backlog and can schedule new work in immediately; only two regions in the country had an average backlog of less than a month."

Drivable

Canada's drivable LOR was 11.9 days, up 2.8 days from Q3 2021. Ontario had the longest drivable LOR at 14.4 days, which was also the highest year-over-year increase at 4.4 days. Prince Edward Island recorded the lowest at 8.4 days, which was a half-day drop from Q3 2021. New Brunswick (8.8 days) and Newfound and Labrador (9.4) were the next lowest.

Non-Drivable

The largest impact to LOR in Canada has been with non-drivable claims. In Q3 2022, LOR was 31.4 days, an increase of 12.8 days from Q3 2021. In comparison, the U.S. average LOR for non-drivable rentals was 27.2 days, which was up 5.3 days from Q3 2021. PEI's non-drivable LOR was 39.1 days, followed by Nova Scotia at 37.6 days – these were increases of 19.1 and 19.0 days, respectively. Ontario's LOR was 33.7 days, with only Alberta (29.1) and Quebec (26.9) coming in under 30 days total.

Mandell observed, “non-drivable vehicles continue to be more prevalent with 16.02% of repairable vehicles being classified as such in Q3 2022 compared to 15.81% in Q2 2022 and 15.8% in Q3 2021.”

The repair backlog that Yoswick and CRASH Network noted earlier have an outsized impact on non-drivable repairs. Yoswick noted, “Shops continue to struggle with high levels of work-in-progress (WIP): jobs stalled because of parts delays or other issues or non-drivable vehicles waiting in the queue.” Yoswick added, “Among 350 shops responding to CRASH Network’s “Business Perspectives” survey in September, the average shop repairs 80 cars per month and currently has 51 jobs in process, or 64% of their typical monthly volume. Although that is only slightly higher than the average 62% work-in-progress the same survey found in June, it signals that most shops continue to be loaded up with work waiting to be completed.”

“Overall, nine out of 10 shops have 24% or more of their monthly volume in process, but one in four shops have 80% or more of their monthly volume in process, and one in 10 are approaching 120%,” Yoswick concluded.

Total Loss

Total Loss LOR was 23.8 days in Q3 2022. New Brunswick’s LOR was the highest at 30.7 days, while Newfoundland and Labrador was lowest at 17.7 days. New Brunswick’s results represent an increase of 15.5 days over Q3 2021, which is the largest year-over-year increase. Quebec’s Q3 LOR was 11.7 days higher, coming in at 26.3 days, while Ontario’s mark of 25.1 days was 8.7 days higher than Q3 2021.

When asked about repairability and total loss mixes, Mandell observed, “Overall repairable volume grew by 0.64% in Q3 2022 compared to Q2 2022 and by 11.16% compared to Q3 2021. The increase in repairable volume is not only being driven by growth in kilometers traveled but also by the lower relative frequency of total loss outcomes due to higher vehicle ACVs. Total Loss frequency stands at 15.7% in Q3 2022, up only slightly from 15.6% in Q2 2022 but down significantly from 19.3% in Q3 2021.”

Summary

The results for the third quarter of this year are significant, as it appears many of the factors affecting everyone in the collision industry – including technician staffing, ever-changing parts availabilities, new and used vehicle pricing, inflationary pressures, and new claims processes – are becoming prevalent. The entire industry will play a part in ensuring all collision-related businesses are aligned, not just to offer procedural solutions, but to ensure our mutual customers receive safe and proper repairs, an excellent experience, and peace of mind.

Enterprise remains steadfastly committed to working with its insurer, repairer, and supplier partners across Canada to coordinate information and evaluate current processes affecting LOR. Through foundational support provided by the Enterprise Holdings Foundation, Enterprise is spearheading the Collision Engineering Program in the U.S., in partnership with Ranken Technical College, to attract and develop entry-level talent to fill essential roles within the collision repair industry. For more information, visit www.beacollisionengineer.com.