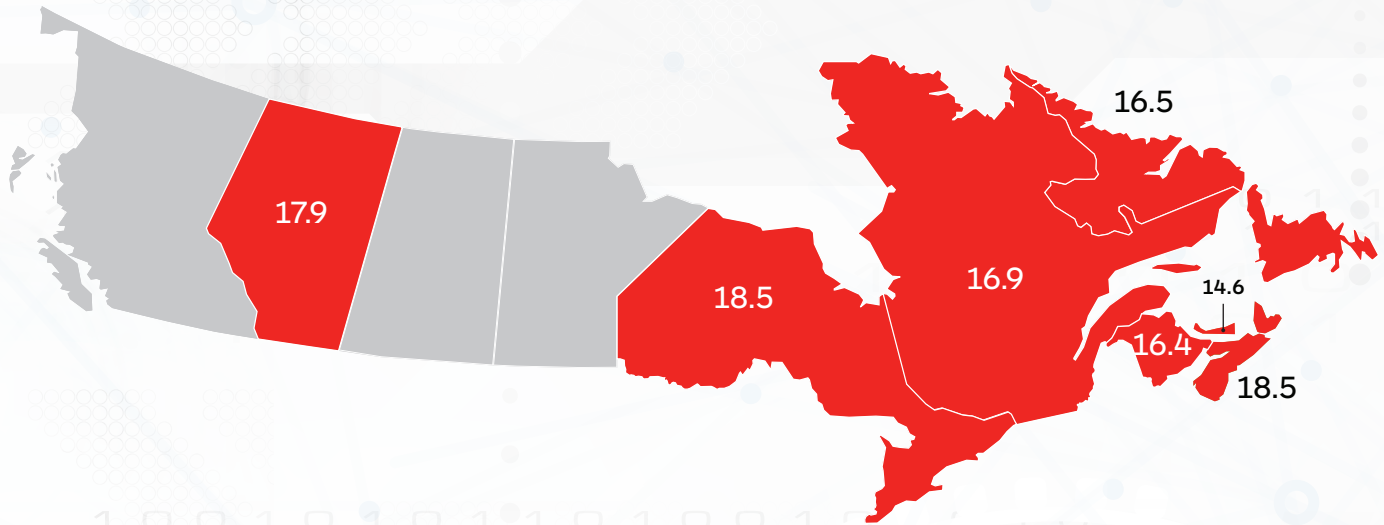


Canada Average Length of Rental by Province

Q1 2024



Average Billed Days for Canada		
Q1 2023	Q1 2024	Change
18.1	17.1	-1.0



Average Billed Days for Canada by Province			
Province	Q1 2023	Q1 2024	Change
Alberta	18.2	17.9	-0.3
New Brunswick	18.0	16.4	-1.6
Newfoundland and Labrador	16.5	16.5	0.0
Nova Scotia	18.9	18.5	-0.4
Ontario	19.7	18.5	-1.2
Prince Edward Island	20.5	14.6	-5.9
Quebec	18.8	16.9	-1.9

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

Canada Overall

Overall length of rental (LOR) for collision-related rentals in Canada was 17.1 days, a 1.0-day decrease from Q1 2023; this is after the 0.6-day year-over-year decrease seen last quarter.

Ryan Mandell, Director of Claims Performance for Mitchell International, observed: “Overall repairable claims volume fell by 4.67 percent in Q1 2024 compared to Q1 2023 based on similar trends seen in the U.S. (mild weather and higher total loss frequency), 20.12 percent compared to 19.2 percent in Q1 2023. We expect to see average severity continue to rise despite the mild weather in Q1, as we are already seeing Q1 2024 results nearing the final numbers from Q1 2023 (\$5,170 in Q1 2024 vs \$5,190 in Q1 2023). As supplements are finalized and these numbers mature over the course of the next 3-6 months, the Q1 2024 number will continue to grow.”

Ontario and Nova Scotia tied with the highest LOR at 18.5 days. Nova Scotia’s results were a 0.4-day drop from Q1 2023, while Ontario was down 1.2 days. Alberta’s LOR was 17.9 days, followed by Quebec with 16.9 (which was a 1.9-day decrease). Of note, Prince Edward Island had the lowest overall LOR at 14.6 days, a significant 5.9-day decrease from Q1 2023.

John Yoswick, editor of the weekly *CRASH Network* newsletter, offered some insights based on data he’s received: “Our January survey of shops in Canada found a higher average backlog than in the U.S., at 6.6 weeks. While we don’t have historical survey comparisons for Canadian shops, there are very likely parallels in what we’re observing in the U.S.”

Yoswick added: “The continued decline in LOR in Q1 2024 aligns with the decline we’ve seen with repair shops’ backlog of work in the same timeframe. On a national basis, the average U.S. backlog reached a two-year low in January – just shy of four weeks. That’s down by nearly two full weeks since the high of 5.8 weeks in the first quarter of 2023. But the average backlog remains significantly higher than the same period in January 2020 (2.1 weeks) and

January 2021 (1.6 weeks).”

“The percentage of shops in January that said they could schedule a job within two weeks (33 percent) was virtually unchanged from Q4 of 2023 but was 20 points higher than a year earlier when just 13 percent of shops could schedule new work within two weeks,” continued Yoswick. He also observed that a backlog decline of any percentage between October and January is notable: “The first quarter is traditionally the busiest of the year, and in the eight-year history of backlog tracking through the ‘Who Pays for What?’ surveys, there had never been a decline in backlog between October and January. That might suggest the drop in backlog is more dramatic than the 1.3-day decline (compared to Q4 of 2023) reflects.”

Drivable

Drivable LOR was 12.6 days, which was only a 0.1-day decrease from Q1 2023 (12.7).

Ontario had the highest drivable LOR at 14.1 days, which was a modest 0.3-day decrease. Alberta came next at 13.8 days, which was a 0.7-day increase.

Prince Edward Island had the lowest LOR at 9.7 days, a 3.7-day decrease from Q1 2023 (13.4). Quebec had the next lowest at 10.0 days, down a full day from Q1 2023.

Non-Drivable

LOR for rentals associated with non-drivable claims was 31.2 days in Q1 2024, with all provinces save Quebec seeing results of 30 days or higher. However, this did represent an overall 1.4-day drop from Q1 2023.

Nova Scotia’s LOR of 35.7 days was the highest, while Quebec had the lowest LOR at 23.7 days. Prince Edward Island’s results of 33.0 days represented a 7.4-day decrease from Q1 2023. Only Newfoundland and Labrador saw a non-drivable increase.

Mandell added insights regarding calibration frequency, which adds time to the repair process: “Calibration frequency in January 2024 increased to 12.61 percent compared to 9.32 percent in January 2023.”

Total Loss

Overall total loss LOR was 24.6 days, a 1.5-day drop from Q1 2023. Prince Edward Island had the highest total loss LOR with 32.1 days, a 4.1-day increase, which is in contrast to their lower results in drivable and non-drivable claims.

Alberta had an overall total loss LOR of 23.7 days, which was a 2.9-day decrease from Q1 2023.

We also asked Mandell for additional insights regarding total losses: “Used vehicle values finally began to stabilize in Canada about halfway through 2023, which is resulting in lower total loss market values and, therefore, higher total loss frequency. The average total loss market value in Canada increased by 3.13 percent compared to Q1 2023, but is down by 0.73 percent compared to Q4 2023. Canada reached its used vehicle price peak in Q2 2023 (compared to the U.S. which saw the same peak in Q4 2022), which is why we have not seen the same decline vs Q1 2023 that the U.S. saw. We expect to see used vehicle prices continue to fall on both sides of the border.”

Summary

The LOR results for the first quarter of 2024 are encouraging but are still quite high compared to the results from Q1 2021 – Canadian LOR was a full six days lower (11.1 vs 17.1). With the complexity of vehicle repairs only increasing, for both internal combustion engine (ICE) and battery electric vehicles (BEV) models, the entire industry must play a part in ensuring all collision-related businesses are aligned – not just for procedural solutions, but to ensure our mutual customers receive safe and proper repairs, an excellent experience and peace of mind.

Enterprise is committed to partnering with insurers, repairers and suppliers on each one of these issues.

Through foundational support provided by the Enterprise Mobility Foundation, Enterprise is spearheading the Collision Engineering Program, designed to attract and develop entry-level talent to fill essential roles within the collision repair industry. For more information, visit www.beacollisionengineer.com.