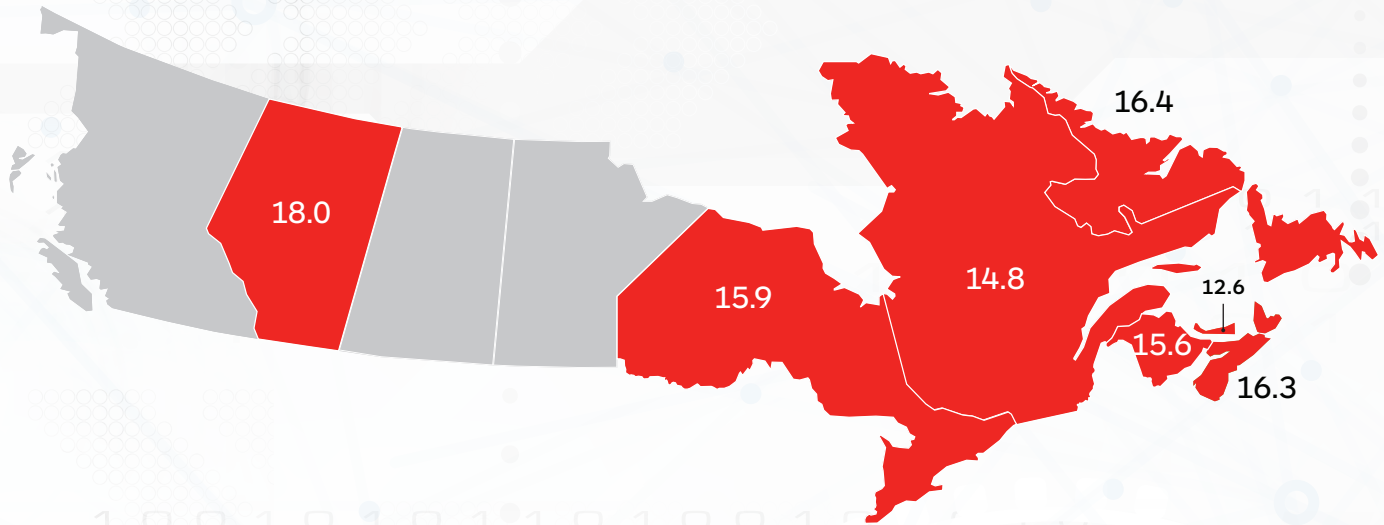


Canada Average Length of Rental by Province

Q4 2024



Average Billed Days for Canada		
Q4 2023	Q4 2024	Change
16.4	15.4	-1.0



Average Billed Days for Canada by Province			
Province	Q3 2023	Q3 2024	Change
Alberta	17.1	18.0	0.9
New Brunswick	15.8	15.6	-0.2
Newfoundland and Labrador	15.2	16.4	1.2
Nova Scotia	16.1	16.3	0.2
Ontario	18.0	15.9	-2.1
Prince Edward Island	13.9	12.6	-1.3
Quebec	16.1	14.8	-1.3

*Source: Enterprise Rent-A-Car. Includes ARMS® Insurance Company Direct Billed Rentals.

*Provincial-level data for the crown carrier provinces of British Columbia, Manitoba and Saskatchewan is not displayed.

Canada Overall

Overall length of rental (LOR) for collision-related rentals in Q3 2024 was 15.1 days, a 1.2-day decline from Q3 2023. This mirrors the decline seen in the United States in Q3 2024, which also observed a 1.2-day decline – to 16.3 days.

Alberta saw the highest LOR at 16.3 days, which was a 0.1-day increase compared to Q3 2023. Given that the August 2024 hailstorm was estimated to have caused almost \$3 billion CAD in losses (the second-costliest weather event in Canada's history, according to the Insurance Bureau of Canada), this slight increase seems fortunate, though the complete picture may ultimately be reflected in Q4 2024's results. Ontario was second highest at 16.2 days, but their results represented a 1.8-day decrease. Prince Edward Island had the lowest LOR at 13.6 days, a significant 6.0-day drop from Q3 2023. Quebec was next-lowest at 15.3 days, a 1.9-day decline from Q3 2023.

When compared to Q3 2021, when overall LOR was 11.4 days, results are still significantly higher than 2021.

We asked John Yoswick, editor of the weekly CRASH Network newsletter, to share any insights: “A CRASH Network survey has found that only 23% of shops in Canada said they were fully staffed, and the average backlog of work was 5.9 weeks (twice what it is in the United States), though this is down from 6.6 weeks at the start of 2024.”

Ryan Mandell, Director of Claims Performance for Mitchell International, observed a factor regarding repairable claim volume: “Average first-party deductibles continued to rise in the third quarter of 2024, with Canada coming in at \$646 (up 9.3% compared to Q3 2023 and 2.5% compared to Q2 2024).”

Drivable

Drivable LOR in Canada was 12.1 days, a minor 0.2-day drop from Q3 2023.

Ontario had the highest drivable LOR at 13.3 days, a 0.6-day drop. Alberta was close behind at 13.0 days, a 0.2-day increase. Quebec had the lowest drivable LOR at 9.6 days, a 0.3-day decline from Q3 2023.

Non-Drivable

Canada's non-drivable LOR was 26.5 days in Q3 2024, a 6.2-day drop from Q3 2023. While this decline is significant, it is still significantly elevated compared to Q3 2021's results of 18.6 days.

Newfoundland & Labrador had the highest LOR at 36.6 days, followed by Alberta at 30.4 and Nova Scotia with 30.0. As mentioned, Alberta's Q4 2024 results will reflect residual impacts from Q3 2024's storms. Quebec had the lowest non-drivable LOR at 21.6 days. Of note was Prince Edward Island's results of 28.7 – representing a 20.3-day decline from Q3 2023.

Total Loss

LOR for rentals associated with a total loss claim was 20 days in Q3 2024, a 4.5-day decline from Q3 2023. New Brunswick had the highest total loss LOR at 24.3 days, up one-half day from Q3 2023.

Mandell also remarked: “Total loss frequency is also increasing as vehicle values continue to gradually cool, with Canada ending Q3 2024 at 28.8% (heavy CAT activity impacted this number significantly), which is up from 19.6% in Q3 2023.”

Summary

As the numbers reflect, LOR has continued to decline from 2023's highs but remains higher than it was pre-pandemic.

As we enter the final quarter of 2024, positive signs include lessening backlogs and lowered supply chain challenges. While these positives are encouraging, other challenges remain. Significant weather events were prominent in Q3 2024, including flooding, severe weather, and hailstorms. We have also been

tracking economic factors impacting customer behavior, such as increased premiums, higher deductibles, and claim-filing aversion – what impact, if any, will this have on our industry and subsequent results?

As always, Enterprise is committed to partnering with insurers, repairers, and suppliers on all the issues impacting repair times and LOR. Through foundational support provided by the Enterprise Mobility Foundation, Enterprise is spearheading the Collision Engineering program, aimed at developing a new generation of highly skilled, motivated and passionate collision repair professionals to fill essential roles within the collision repair industry.

For more information, visit www.beacollisionengineer.com.