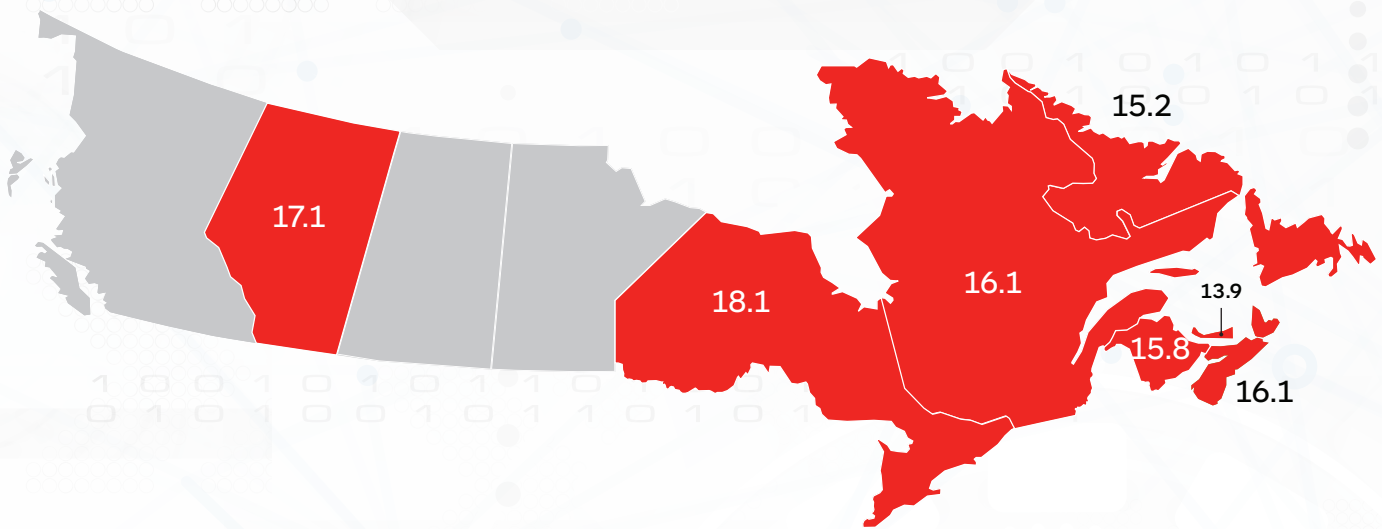


# Canada Average Length of Rental by Province

Q4 2023



Average Billed Days for Canada		
Q4 2022	Q4 2023	Change
17.0	16.4	-0.6



Average Billed Days for Canada by Province			
Province	Q4 2022	Q4 2023	Change
Alberta	15.7	17.1	1.4
New Brunswick	16.4	15.8	-0.6
Newfoundland and Labrador	14.3	15.2	0.9
Nova Scotia	18.0	16.1	-1.9
Ontario	19.5	18.1	-1.4
Prince Edward Island	15.3	13.9	-1.4
Quebec	17.7	16.1	-1.6

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

\*\*Data excludes the public carrier provinces of British Columbia, Manitoba and Saskatchewan

# Canada Overall

In Q4 2023, overall length of rental (LOR) for collision-related rentals in Canada was 16.4, a 0.6-day drop from Q4 2022. While this drop is not negligible, it still represents a significantly higher Q4 LOR. For comparison, Q4 2021 LOR was 12.8 days, while Q4 2020 LOR was 11.8 days.

Ontario had the highest LOR at 18.1 days, followed by Alberta at 17.1 days. Prince Edward Island (PEI) had the lowest LOR at 13.9 days. Although nationally the highest, Ontario's LOR dropped 1.4 days compared to Q4 2022, a drop also shared with PEI. Nova Scotia had the highest decline, down 1.9 days, followed by Quebec with a 1.6-day decline.

We thought it would be of benefit to share some thoughts from the US, which has experience similar challenges to Canada. John Yoswick, editor of the weekly *CRASH Network* newsletter, offered some insights on the fourth quarter: "Some decline in LOR in Q4 2023 lines up with some easing we saw in shops' backlog of work during that period. The national average backlog in October dropped slightly to 4.1 weeks, down from 4.3 weeks in July. After drops the prior two quarters as well, shop backlog by last fall had fallen by a total of 1.7 weeks over nine months and was about 1.1 weeks lower in Q4 than the same period in 2022."

Yoswick added: "In other good news for the industry, shops continue to have fewer jobs in-process within their shops, reducing production challenges. We measure work-in-process as the number of jobs (car count) a shop has in-progress compared to that shop's typical monthly job count. More than 300 shops shared that in Q4 2023 they had work-in-process that, on average, was equal to 68% of their typical monthly volume. That was up 4 points from the prior quarter, but still 10 percentage points lower than a year earlier. It will be interesting in the coming weeks to see what happens with backlog in Q1 2024. Historically, backlog has always risen between October and January. But if the overall trend of declining backlog continues – or if any increase is smaller than typical in past years – that may suggest

that the multi-year logjam at shops is really starting to clear, and LOR will likely fall further. We'll know more in February."

From a parts perspective, Ryan Mandell, Director of Claims Performance for Mitchell International, shared: "In Canada, alternative parts utilization (APU) percentage rose to 27.7%, up from 24.8% in Q4 2022, which is a trend we are watching across North America. As aftermarket delivery times are typically under 24 hours, this has an impact on the parts procurement cycle time. We are also seeing a greater frequency of repair operations than in Q4 2022 (24.6% compared to 23.0%), suggesting that potentially when parts are not available, shops are more likely to repair the part than wait for an extended period of time for a replacement to become available."

## Drivable

Drivable LOR was 12.6 days in Q4 2023, a slight increase (+0.2) from Q4 2022. Ontario had the highest drivable LOR overall at 14.0 days, but that was a half-day drop from Q4 2022. Alberta was close behind at 13.9 days, but these results represented a 1.8-day increase. Quebec had the lowest drivable LOR at 9.9 days, which was also 0.5 days lower than Q4 2022.

## Non-Drivable

Non-drivable LOR across Canada was 30.9 days, exactly the same as it was in Q4 2022. Ontario was tops again at 33.8 days, a 0.4-day decrease from Q4 2022. Alberta was next-highest at 31.7 days, which conversely was a 2.8-day increase. Quebec had the lowest non-drivable LOR at 23.5 days, a 1.3-day drop from Q4 2022. Nova Scotia had the largest decline in LOR, dropping 1.5 days.

## Total Loss

For rentals associated with total losses, LOR was 23.6 days, a 1.8-day decline from Q4 2022. A large

gap exists between top and bottom; PEI recorded the highest LOR at 32.5 days, a 2.7-day increase, while Newfoundland and Labrador had the lowest at 16.7 days, a 1.1-day drop. Ontario (24.0) and Quebec (20.6) saw large declines, at 3.7 days and 4.1 days respectively. Alberta's LOR (22.9) rose slightly, while Nova Scotia and New Brunswick had significant rises at 4.9 days and 2.9 days, respectively.

Mandell also shared: "Total loss frequency has increased in Canada, going from 19.2% in Q4 2022 to 20.8% in Q4 2023. Canadian used vehicle values are just starting to decline; total loss frequency numbers will remain elevated as long as OEM supply chains remain under pressure, which may worsen in the wake of the UAW strikes, forcing insurers to write off vehicles when replacement parts are not readily available."

## Summary

The LOR results for the fourth quarter demonstrate impacts from supply chain disruptions, parts delays, collision repair backlogs and technician shortages, though the decrease is encouraging. For comparison, the U.S. LOR in Q4 2023 was 17.7 days, 1.3 days higher than Canada. But the U.S. saw a full day decline from Q4 2022, outpacing Canada's 0.6-day decline.

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. Enterprise is thrilled to expand its longtime partnership with Ford Motor Company, through its philanthropic arm, the Ford Fund, to expand the program and help address this ongoing industry challenge. For more information, visit [www.beacollisionengineer.com](http://www.beacollisionengineer.com).