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LAKIVE RESEARCH REPORT | CANADA · COST OF LIVING | NOVEMBER 2026

Ten Years of Car Prices in Canada 2016–2026

Cars feel far more expensive than they did a decade ago — and the average price really has jumped. But once inflation, the shift to trucks and SUVs, and the disappearance of cheap base trims are separated out, the like-for-like increase is much more modest than the headlines suggest.

$53,400
Average new-vehicle price, 2025
−0.6% y/y — first annual decline in years (DesRosiers)

+30.4%
Nominal rise, 2019 → 2025
About +8% after inflation

+35.2%
Vehicle CPI, 2015 → 2025
Quality-adjusted; all-items CPI +29.7%

≈ $39,000
Used listing peak, 2023
About double late-2020 (AutoTrader)

Published by Lakive (lakive.com) · November 21, 2026 · Data as of November 2026 · All figures in Canadian dollars
Interactive version: lakive.com/reports/canada-car-prices-2016-2026

1. Executive Summary

This report cross-checks three independent public price series — DesRosiers' average new-vehicle transaction price, the AutoTrader Price Index of listing prices, and Statistics Canada's CPI for the purchase of passenger vehicles — and adds manufacturers' base prices (MSRP) for six popular models.

The average transaction price rose 30.4% between 2019 and 2025, or about 8% after inflation. The quality-adjusted vehicle CPI rose 35.2% over 2015–2025, only modestly ahead of the 29.7% rise in overall prices. In 2025, transaction prices fell for the first time in years (−0.6%), and listing prices kept easing through the first three quarters of 2026. Entry-level sticker prices rose far faster than the averages — but much of that

reflects cheap base versions being discontinued and standard equipment being upgraded, not the same car simply costing more.

Key findings

The increase was concentrated in 2021–2023. The chip shortage cut Canadian light-vehicle production in 2021 to its lowest level since 1967; scarce supply plus inflation lifted transaction and listing prices together.

More than half of the rise in the average price is inflation. From 2014 to 2025 the transaction price rose 59.9% while overall CPI rose 31.2%. Most of the rest comes from a growing share of SUVs and pickups and richer equipment.

Like-for-like price growth was far more modest. From 2019 to 2025, the quality-adjusted vehicle CPI rose 22.3% versus 20.7% for all items — while the average transaction price rose 30.4%. That gap is the “mix effect”: Canadians buying bigger, better-equipped vehicles.

Entry-level buyers were hit hardest. Base sticker prices for the Honda Civic, Volkswagen Jetta and Ford F-150 rose 70%–95%, largely because manual and stripped-down versions disappeared and powertrains were upgraded.

2025–2026 is a rebalancing. Inventories have recovered and monthly payments have eased. The 2025 tariffs have not clearly shown up in new-vehicle prices; trade policy — and, after the October 2026 rate increase, financing costs — are the main uncertainties for 2027.

2. Four Different “Car Prices” — and Why They Can’t Be Mixed

Canadian sources use at least four different measures of the “average car price”, and in the same year they can differ by more than $10,000. Every figure in this report is labelled with its measure, and series are never spliced together.

A · Transaction price (ATP)

DesRosiers Automotive Consultants’ average actual selling price of new light vehicles, before taxes. This report’s primary series: $40,941 in 2019, $53,400 in 2025. It captures both price changes and changes in what people buy.

B · Listing price

AutoTrader Price Index, based on hundreds of thousands of dealer listings. Systematically higher than transaction prices: $63,439 for new vehicles in Q4 2025, $62,176 in Q3 2026. Useful for trends since 2020; not comparable with A.

C · Consumer Price Index

Statistics Canada's CPI for the purchase of passenger vehicles (Table 18-10-0005-01). Quality-adjusted: it tracks comparable vehicles, so it excludes the effect of buyers trading up. Usually rises less than A.

D · Base sticker price (MSRP)

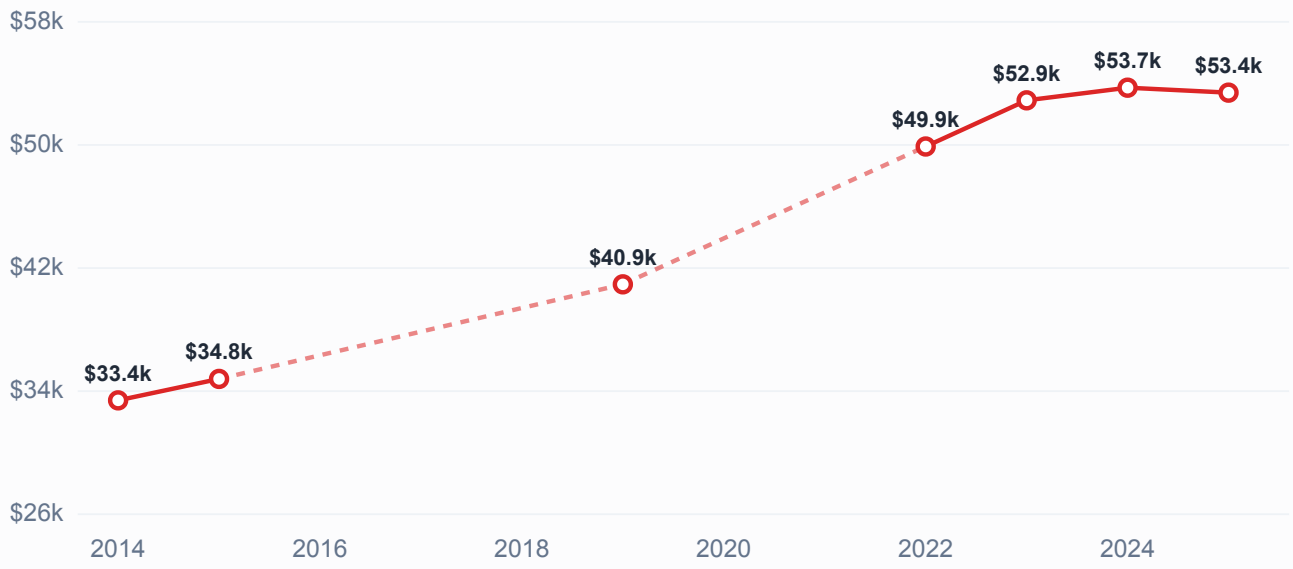
Manufacturer's suggested retail price of the cheapest trim, excluding freight, PDI and taxes. Very sensitive to whether a cheap base version still exists — a discontinued base trim makes the starting price jump even if comparable versions did not.

3. The Price Cycle: Surge, Peak and Easing

All three series trace the same cycle: a rapid climb from 2019 to 2023, a peak around 2023, a plateau in 2024 and a gentle decline in 2025–2026. Switch between measures below and select any point for its value and context.

Average new-vehicle transaction price (DesRosiers)

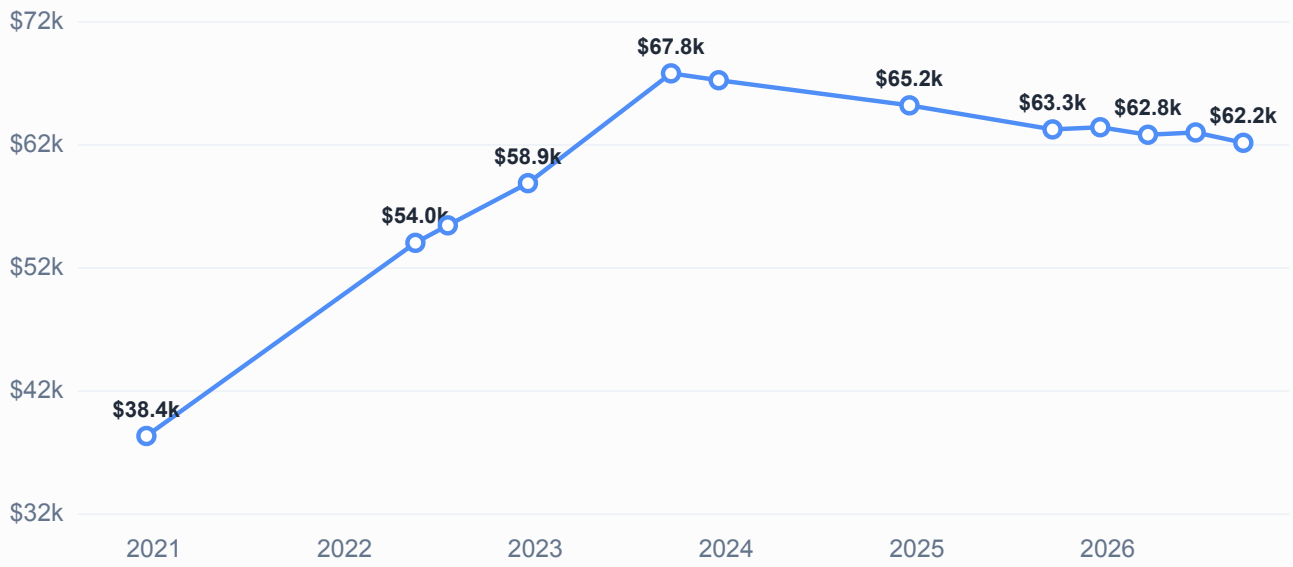
CAD, before taxes. Solid lines join consecutive published years; dashed segments span years with no public figure and are not interpolated. 2023 is a preliminary estimate; 2024 is derived.



Sources: DesRosiers via The Globe and Mail (2014), Auto Service World (2015, 2019), Canadian Auto Dealer (2022, 2025), The Car Guide / Auto Service World (2023). No public figure for 2016–2018 or 2020–2021.

Average new-vehicle listing price (AutoTrader Price Index)

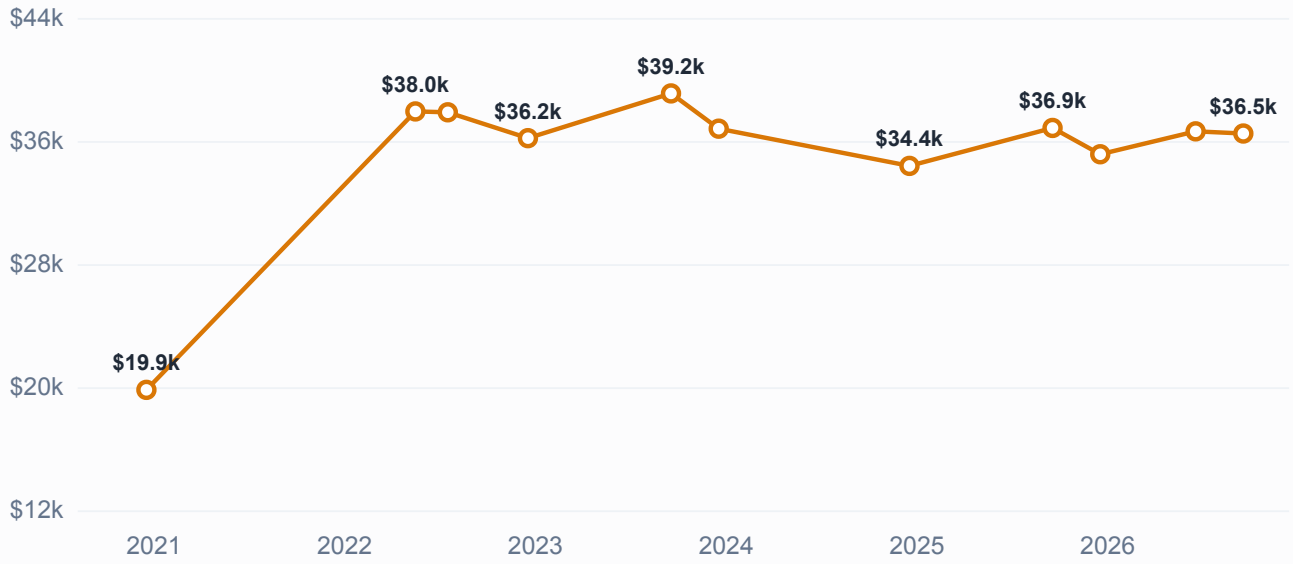
CAD. Dealer asking prices run well above transaction prices. Peaked at $67,817 in September 2023 and have eased since.



Source: AutoTrader Price Index reports. December 2020 is a median (earlier methodology); December 2022 is derived from December 2023 and its y/y change. Quarterly from 2025.

Average used-vehicle listing price (AutoTrader Price Index)

CAD. Elevated through 2022–2023 and close to $40,000 in summer 2023; lower since, but still well above pre-pandemic levels.



Source: AutoTrader Price Index reports. December 2020 is a median (earlier methodology); December 2022 is derived. August 2023 was higher than September, but the exact figure is not public.

About the 2016 baseline: DesRosiers' complete annual series is proprietary; free public sources disclose only some years (2014, 2015, 2019, 2022, 2023 and 2025, with 2024 derivable). No public figure exists for 2016–2018 or 2020–2021, and this report does not interpolate. Transaction-price comparisons therefore use 2015 and 2019 as baselines: the 2025 price is 30.4% above 2019, 53.5% above 2015 and 59.9% above 2014 in nominal terms — roughly +8%, +18% and +22% after adjusting for overall CPI.

Used vehicles: the most volatile segment of the pandemic

AutoTrader data show a median used listing price of $19,888 in December 2020. By May 2022 the average had reached $37,984 (+36.4% y/y), and in September 2023 it was $39,155 — below August, implying a summer-2023 peak near $40,000, roughly double the late-2020 level (the index switched from median to average in 2021, so "double" is indicative only). Prices then eased: $34,445 in December 2024 (−6.6%), $35,201 in Q4 2025 (+2.0%) and $36,549 in Q3 2026 (−1.0%). The cause was supply: with new-vehicle output curtailed, the flow of trade-ins and off-lease vehicles into dealers' used inventory dried up.

4. Year by Year: Transaction Prices vs CPI

Table 1 sets the transaction price beside the CPI. The transaction price reflects what buyers actually spend; the vehicle CPI reflects the pure price change of comparable vehicles. The difference between them is mostly the shift from cars to SUVs and pickups, and higher equipment levels.

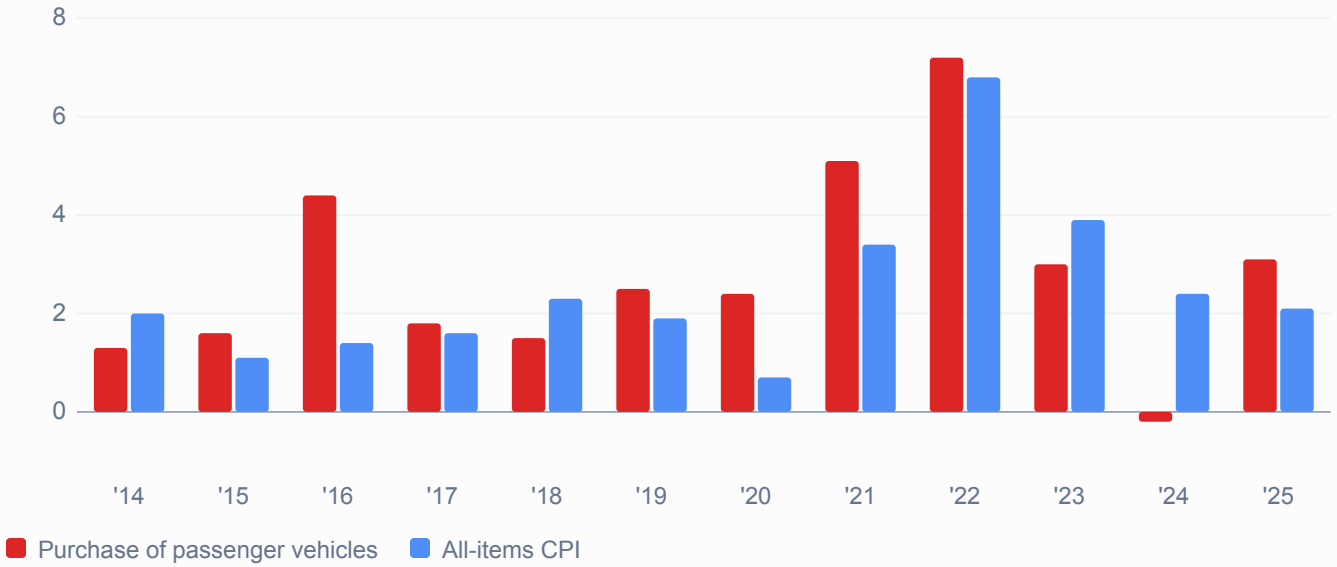
Table 1 · New-vehicle prices and CPI, Canada, 2014–2026

Year	Avg transaction price	vs 2019, nominal	vs 2019, real	Vehicle CPI, y/y	All-items CPI, y/y
2014	**$33,400**	—	—	**+1.3%**	+2.0%
2015	**$34,794**	—	—	**+1.6%**	+1.1%
2016	Not public	—	—	**+4.4%**	+1.4%
2017	Not public	—	—	**+1.8%**	+1.6%
2018	Not public	—	—	**+1.5%**	+2.3%
2019	**$40,941**	Base	Base	**+2.5%**	+1.9%
2020	Not public	—	—	**+2.4%**	+0.7%
2021	Not public	—	—	**+5.1%**	+3.4%
2022	**$49,900**	+21.9%	+9.6%	**+7.2%**	+6.8%
2023	**$52,900 ‡**	+29.2%	+11.9%	**+3.0%**	+3.9%
2024	**$53,722 †**	+31.2%	+10.9%	**−0.2%**	+2.4%
2025	**$53,400**	+30.4%	+8.0%	**+3.1%**	+2.1%
2026	Full-year figures not yet published (CPI annual review expected January 2027)				

Vehicle CPI = Statistics Canada CPI, purchase of passenger vehicles; red where it outpaced all-items CPI. “Real” columns deflate by the all-items annual average CPI (2019 = 136.0; 2025 = 164.2). ‡ 2023 is DesRosiers’ preliminary estimate to Q3 (up nearly 6% from end-2022); no final full-year figure is public. † 2024 is derived from the published 2025 figure ($53,400, −0.6%); it is consistent with the published 2024 segment prices (cars $45,813, light trucks $54,950) weighted at roughly 86% light trucks. The Globe and Mail cites $41,200 for 2019, within 1% of $40,941; the conclusions are unchanged.

Vehicle prices vs overall inflation (annual average change, %)

Red: CPI “purchase of passenger vehicles”. Blue: all-items CPI. Vehicle prices outpaced inflation sharply in 2016 and 2020–2022; 2024 was the only annual decline in the period.



Source: Statistics Canada, Table 18-10-0005-01 (annual averages, 2002=100), retrieved November 2026.

Ten-year result: Compounding the official annual averages, the vehicle CPI rose **35.2%** from 2015 to 2025 (index 95.8 → 129.5), against **29.7%** for all items (126.6 → 164.2). That is consistent with The Globe and Mail’s 2025 summary that car prices rose “about 33%” in roughly a decade. Since 2019, the gap is narrower still: vehicle CPI +22.3% vs all items +20.7%.

5. Popular Models: 2016 vs 2026 Base Prices

Averages describe the market but cannot answer “how much more does the same car cost?” This section compares the base MSRP of six representative models. Entry-level mainstream models rose much faster than both the average price and the CPI; luxury and long-running models rose least. The steepest increases largely reflect discontinued cheap versions and upgraded powertrains and equipment.

Lowest-trim sticker price: 2016 vs 2026 models (CAD)

Grey: 2016 model year. Red: 2026 model year (F-150: 2025). Manufacturer's suggested retail price of the cheapest trim, excluding freight, PDI and taxes.

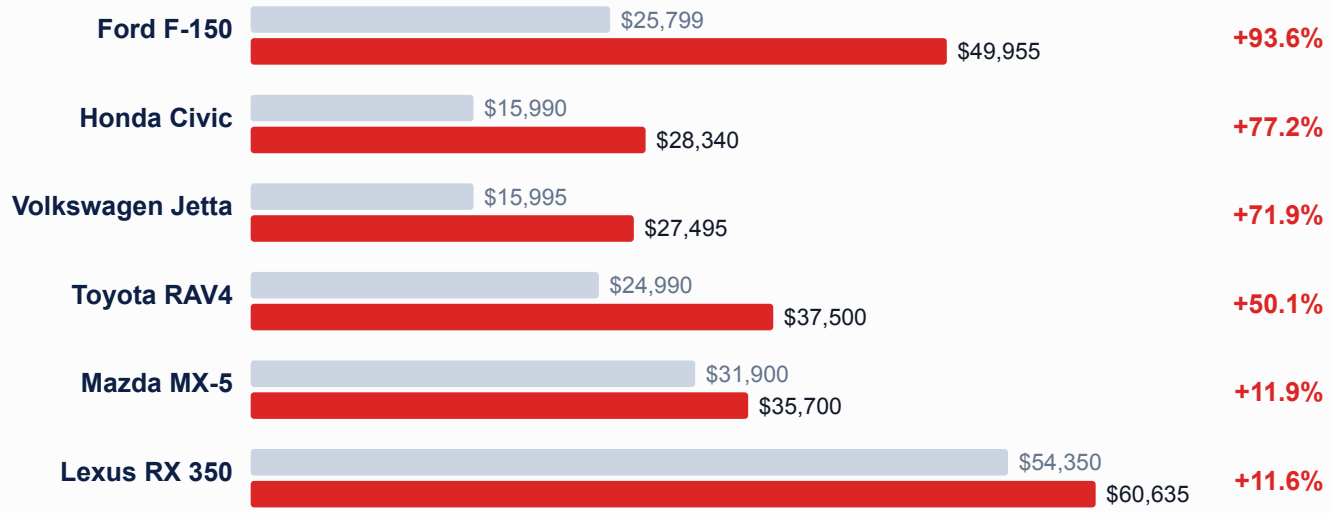


Table 2 · Lowest-trim MSRP, selected models

Model	2016	2026	Change	Per year	Comparability
Ford F-150	$25,799	$49,955	**+93.6%**	+7.6%	XL regular cab 4x2; base engine changed from 3.5L V6 to 2.7L EcoBoost. 2026 price not confirmed — 2025 model shown (§).
Honda Civic	$15,990	$28,340	**+77.2%**	+5.9%	2016 base DX manual discontinued; 2026 base is LX with CVT.
Volkswagen Jetta	$15,995	$27,495	**+71.9%**	+5.6%	2016 Trendline was a manual; 2026 Trendline is automatic (¶).
Toyota RAV4	$24,990	$37,500	**+50.1%**	+4.1%	2016 LE was FWD gasoline; 2026 is an all-new generation, hybrid AWD across the range.
Mazda MX-5	$31,900	$35,700	**+11.9%**	+1.1%	Same generation since 2016 — the most like-for-like comparison.
Lexus RX 350	$54,350	$60,635	**+11.6%**	+1.1%	Some sources list the 2016 model at $53,950 (+12.4%).

§ Ford's 2026 Canadian MSRP could not be confirmed from the manufacturer or an authoritative database; the table uses the 2025 equivalent trim from The Car Guide, so the change covers 2016 → 2025 (annualized over 9 years). Another source lists the 2016 base at $25,299. ¶ Jetta uses the 2026 Trendline list price and excludes Volkswagen Canada's $1,000 increase of May 1, 2026; including it, the change is about +78%. The 2016 RAV4 is also listed at $25,240 (+48.6%). For reference, all-items CPI rose about

2.6% a year over the period. The Globe and Mail also notes the Honda CR-V base rising from $27,690 (2019) to $36,475 (2025), +32%.

Why base prices overstate like-for-like increases

A base-price comparison measures “the cheapest version on sale that year” — and the products themselves changed over the decade:

Discontinued base trims. The cheapest 2016 Civic was the manual DX ($15,990); the cheapest 2026 Civic is the LX with a CVT. The Jetta’s manual entry model is also gone. The cheapest version didn’t get more expensive — it stopped being sold.

New powertrains. Every 2026 RAV4 is an all-wheel-drive hybrid, against a front-drive gasoline base model in 2016; the F-150’s base engine moved from a naturally aspirated V6 to a turbocharged V6.

Regulation and standard equipment. Backup cameras have been mandatory on new light vehicles in Canada since May 2018, and automatic emergency braking and lane-keeping assistance have become standard on mainstream models.

Full redesigns. The RAV4 entered its sixth generation for 2026; new generations usually come with a higher starting price.

By contrast, the MX-5 has been the same generation since 2016 and rose only about 12% in ten years — less than overall inflation — while the RX 350 was already priced at a premium a decade ago and rose by a similar amount. Where the product is genuinely comparable, the price increase is broadly in line with what the vehicle CPI shows.

6. What Drove Prices Up

No single factor explains the increase. Ranked by strength of evidence and impact: general inflation is the base; the chip shortage was the direct trigger of the 2021–2022 surge; the shift to light trucks is the long-run force lifting the average; and exchange rates, regulation and equipment, electrification, interest rates and tariffs each added pressure at different times.

01 General inflation explains a little over half

+31.2% All-items CPI, 2014 → 2025

Over the same period the average transaction price rose 59.9% in nominal terms — about 22% after adjusting for inflation. In other words, more than half of the headline increase reflects the general rise in prices; the remainder comes from what Canadians buy (bigger vehicles, richer equipment) rather than from like-for-like price increases.

02 The chip shortage triggered the 2021–2022 spike

>40% Drop in Canadian light-vehicle production, 2019 → 2021

According to DesRosiers, production fell from close to 2 million units in 2019 to about 1.4 million in 2020 and just over 1.1 million in 2021 — the lowest since 1967. Statistics Canada attributed part of 2022's 7.2% rise in vehicle prices to the ongoing semiconductor shortage. With supply tight, dealers cut incentives and buyers spilled over into the used market.

03 The mix shifted toward trucks and SUVs

81.2% → 87.2% Light-truck share of new sales, 2021 → Jan–Sep 2026

Light trucks (SUVs, pickups, vans) cost more: in 2024 they averaged $54,950 against $45,813 for passenger cars. Even with no price change on any single model, this shift lifts the average — and it is the main reason transaction prices outpaced the quality-adjusted CPI. Notably, average car prices rose faster than truck prices between 2015 and 2024 (+60% vs +43%), as inexpensive small cars left the market.

04 A weaker dollar raised the cost floor

1.325 → 1.397 USD/CAD annual average, 2016 → 2025

The Canadian dollar lost about 5% against the US dollar over the decade, briefly passing 1.44 per US dollar in late 2024 and early 2025. Much of what is sold in Canada — vehicles and parts — is priced in US dollars. Statistics Canada explicitly linked 2019's 2.5% rise in vehicle prices to the weaker loonie.

05 Regulation and equipment: the same nameplate, more car

May 2018 Backup cameras become mandatory on new light vehicles

DesRosiers' Andrew King attributed 2023's price increases to the chip shortage, a rising share of EVs, the shift to light trucks and general inflation. Mandatory backup cameras, the spread of driver-assistance systems and emissions-driven turbocharging and hybridization are all built into today's prices. This factor is hard to isolate, but it explains why nameplate sticker prices rose faster than the CPI.

06 Electrification: up first, then down

$49,500 EV and gasoline vehicles at price parity, Q1 2026 (J.D. Power)

EVs cost more than comparable gasoline models, and their rising share lifted average prices in 2022–2024. In 2025, Quebec's average transaction price fell 1.7%, which DesRosiers attributed mainly to weaker sales of expensive EVs. By Q1 2026, J.D. Power found EV and gasoline vehicles selling at the same average price, and AutoTrader's average new-EV listing price was down 10% year over year by June 2026. A $5,000 federal EV incentive for vehicles priced under $50,000 returned in 2026.

07 Interest rates hit affordability, not sticker prices

0.25% → 5.00% Bank of Canada policy rate, Mar 2020 → Jul 2023

Higher rates did not stop the 2021–2023 price run-up, which was driven by supply. But they squeezed affordability: S&P Global Mobility puts Canada's average vehicle age at 10.5 years, up from 9.7 in 2020. After cuts to 2.25% by late 2025, the average new-vehicle monthly payment fell to $914 in Q3 2026 — down 3.7% and the lowest since 2023 (AutoTrader). The Bank raised its rate to 2.50% on October 28, 2026, a reminder that financing relief is not guaranteed.

08 Tariffs: not yet visible in new-vehicle prices

25% US tariff on imported vehicles from April 3, 2025

On April 9, 2025, Canada imposed a 25% counter-tariff on US-built vehicles that do not meet CUSMA rules of origin, and kept the auto measures when it lifted most counter-tariffs in September 2025. DesRosiers judged the price effect limited: other automakers' US-built vehicles fell from 9% of Canadian sales in Q1 2025 to 7% in Q2. AutoTrader data show new listing prices falling in 2025 while used prices edged up. The first price increase explicitly tied to tariffs and inflation came on May 1, 2026, when Volkswagen Canada raised the Jetta and Tiguan by $1,000 and the Atlas and Atlas Cross Sport by $600.

7. Outlook 2026–2027: Prices Stabilizing, Trade Policy the Wild Card

As of Q3 2026, the main indicators point to stable-to-softer prices. DesRosiers' transaction price fell 0.6% in 2025. AutoTrader's new listing price was down 2.7%, 2.2% and 1.7% year over year in the first three quarters of 2026; used listings were down 2.6% and 1.0% in Q2 and Q3; and the average new-vehicle monthly payment is at its lowest since 2023. Supporting factors include recovered inventories, interest rates well below their 2023 peak, the return of a federal EV incentive and price competition from the new quota for China-made EVs.

Jan 16, 2026

Canada resets its China EV policy

A preliminary arrangement with China gives a quota of 49,000 China-made EVs a year at the 6.1% most-favoured-nation tariff, replacing the 100% surtax in place since October 2024. The quota took effect on March 1 and is set to rise gradually (to 70,000 by 2030).

May 1, 2026

First tariff-linked price increase

Volkswagen Canada raises prices on several models by $600–$1,000, citing inflation and tariffs.

Jul 1, 2026

CUSMA not renewed on schedule

According to Scotiabank, the three countries did not complete renewal by July 1; the agreement remains in force and moves to annual reviews, prolonging uncertainty for North American auto supply chains.

Sep 2026

Buyers expect increases before they appear

In an AutoTrader tariff survey (n = 1,167), 81% of those planning to buy within six months intended to do so before January; 85% expected new-vehicle prices to rise because of trade uncertainty and 73% expected used prices to rise. Price data do not yet show it.

Oct 28, 2026

Bank of Canada raises its rate to 2.50%

The first increase since 2023 ends the period of falling financing costs that had pushed monthly payments to multi-year lows.

2027

Base case: steady volumes, flat prices

Scotiabank forecast about 1.84 million light-vehicle sales for 2026 (June) and a rise to about 1.9 million in 2027 (July), flagging oil prices and trade policy as major uncertainties. If trade relations hold, prices are likely to return to normal seasonal patterns; if new tariffs land, pressure would concentrate around model-year changeovers and early-year price resets.

> **The decade in one paragraph:** 2016–2019 brought slow increases under mild inflation. In 2020–2023, the pandemic, the chip shortage and easy money combined: new-vehicle transaction prices rose almost 30% in four years and used listing prices briefly doubled. In 2024–2026 the market rebalanced and prices peaked and eased. Net result: quality-adjusted vehicle prices are up 35.2%, slightly ahead of overall inflation; actual spending per new vehicle is up 30% on 2019 and 53% on 2015 in nominal terms. Base prices of mainstream entry models rose 70%–95% — the main source of the sense that “cars keep getting more expensive” — but much of that reflects disappearing entry versions and better-equipped products.

8. What This Means for Households and Newcomers

For people comparing Canadian cities, vehicle costs are part of the cost-of-living picture, especially outside the transit-rich cores of Toronto, Montréal and Vancouver. Three points stand out from the data:

The “entry ticket” rose most. The cheapest new cars rose much faster than the average, so budgets built on pre-2020 sticker prices are likely to be too low.

Financing matters as much as price. Monthly payments fell through 2026 as rates came down; the October 2026 rate increase means that relief may not continue.

Used is no longer automatically cheap. Used listing prices remain well above pre-pandemic levels, narrowing the traditional gap with new vehicles.

Lakive's **city calculator** and **city comparisons** put these costs alongside housing, taxes and income by occupation.

9. Limitations and Data Gaps

The following gaps are stated openly and are not filled with estimates:

No free public source gives the average new-vehicle transaction price for 2016–2018 or 2020–2021 (DesRosiers' full series is proprietary), so the cumulative transaction-price change since 2016 cannot be computed precisely; 2015 and 2019 are used as baselines.

The 2023 transaction price ($52,900) is a preliminary estimate to Q3, and 2024 ($53,722) is derived. Figures implied by The Globe and Mail's 2025 reporting put the latest annual price at about $53,100, within about 1% of this report's figure.

Ford's 2026 Canadian MSRP for the F-150 could not be confirmed from the manufacturer, so Table 2 uses the 2025 model; sources differ on whether the published 2026 Jetta price includes the May 2026 increase.

The exact month of the used-price peak is unknown: September 2023 ($39,155) is confirmed to be below August, but August's figure is not public.

2026 data are incomplete: no full-year transaction price yet, and Statistics Canada's annual CPI review is expected in January 2027.

J.D. Power's Q1 2026 transaction price ($49,500) uses a different methodology from DesRosiers and is not part of the main series.

10. Methodology and Sources

Figures marked "calculated", "derived" or "estimated" are arithmetic derivations from published data. Real (inflation-adjusted) values deflate by Statistics Canada's all-items annual average CPI. CPI annual changes and cumulative figures are computed from the official annual index values in Table 18-10-0005-01 rather than from narrative summaries. Transaction and listing prices exclude taxes; MSRPs exclude freight, PDI and taxes.

Statistics Canada, Table 18-10-0005-01 — Consumer Price Index, annual average (retrieved November 2026)

Statistics Canada, The Daily — annual CPI reviews, 2016–2025

Canadian Auto Dealer — DesRosiers: vehicle prices dip after years of growth (2025 ATP $53,400, −0.6%), April 2026

Canadian Auto Dealer — DesRosiers: 2015 and 2024 car / light-truck prices, May 2025

Canadian Auto Dealer — DesRosiers: 2022 ATP $49,900, light-truck share 83.9%, May 2023

Auto Service World — DesRosiers: 2019 ATP $40,941, 2015 $34,794

The Globe and Mail — “The price of cars is too damn high” (2014 ATP, CR-V pricing), 2025

The Car Guide — 2023 average price and light-truck share; Auto Service World — Q3 2023 estimate

AutoTrader Price Index — Q3 2026 and earlier editions

Canadian Auto Dealer — DesRosiers: 2021 production lowest since 1967, January 2022

Canadian Auto Dealer — DesRosiers: light trucks 87.2% of sales, Jan–Sep 2026

Bank of Canada — policy interest rate (Valet series V39079)

Bank of Canada — annual average exchange rates; FRED series AEXCAUS

Blakes — Canada–U.S. tariffs: where do we stand

Auto123 — Volkswagen Canada price increase effective May 1, 2026

Auto123 — J.D. Power: EV and gasoline transaction prices equal, Q1 2026

Global Affairs Canada — Electric vehicle imports from China

Scotiabank Economics — Global Auto Report, June and July 2026

Auto Service World — S&P Global Mobility: Canadian average vehicle age

Model pricing — Honda Canada, Toyota Canada, Mazda Canada and Lexus Canada media releases; The Car Guide and AutoTrader research pages for 2016 Civic, RAV4, MX-5, RX 350, Jetta and F-150 pricing

This report is based on publicly available data as of November 2026 and is provided for research and informational purposes only. It is not purchasing, financial or investment advice.

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