



News Release

May 24, 2018

For immediate release

Canadians unclear about true cost of owning a vehicle

OTTAWA – Two-thirds (67%) of Canadians don't know the cost of owning and operating a common vehicle for a year, according to a recent Canadian Automobile Association (CAA) poll.

"In most households, transportation costs are the second-biggest monthly expense," says Jeff Walker, Chief Strategy Officer, CAA National. "There are several expenses often overlooked when considering purchasing a new vehicle, such as fuel, insurance, maintenance, and licence and registration, which all can add up quickly."

To help Canadians understand the real cost of their vehicle, CAA has released a comprehensive driving costs calculator that displays annual operating and ownership costs of tens of thousands of vehicles available on Canadian roads. For the first time, the tool includes electric vehicles in addition to internal combustion engine and hybrid cars.

"More and more people are buying or considering buying low or zero emission vehicles," says Walker. "CAA's Driving Costs Calculator helps Canadians compare the long-term costs, including environmental costs, of owning an electric or hybrid versus a gas vehicle."

On average, the cost of owning and operating a compact gas-powered car is \$3,300. CAA asked Canadians to estimate the cost of operating a compact car for a year and more than a quarter (26%) couldn't even offer an estimate, one in five (20%) underestimated the annual cost by nearly \$1,000 or more, and 21% over estimated the cost by more than \$1,700.

A common cost overlooked by most drivers is depreciation, which can nearly double the cost of ownership.

"Depreciation is the loss in value your car incurs over time," says David Wurster, President of Vincentric, a transportation data company that provides the data that powers the CAA Driving Costs Calculator. "In the first year of ownership your vehicle's value drops on average 30%; and between 60 to 70% in the first five years. That is important if you are thinking of reselling your vehicle in the first five years."

CAA's Driving Costs Calculator can be accessed at caask.ca/carcosts.

A few things Canadians may not know about the cost of their vehicle:

- Excluding depreciation, fuel tends to be the most costly annual expense for drivers, costing on average \$1,500 for a compact vehicle.
- Routine scheduled maintenance costs can range from \$500 to \$700 a year. That includes oil changes, replacing air filters and more. This doesn't include replacing old tires or purchasing winter tires.
- In some provinces, insurance companies may give you a discount if you install winter tires. You can save up to 5% on your insurance premium.
- The average car emits 15,000 to 25,000 kg of greenhouse gas over five years. Drivers can adjust how they drive to help reduce the environmental impact of their vehicle, which also saves money on gas. To learn more visit caask.ca/ecodriving.
- Nearly 1 in 4 Canadians ranked depreciation as the least expensive aspect of owning a vehicle. Depreciation is actually the most expensive cost associated with owning a vehicle, accounting for about half the ownership cost.

Findings are based on a CAA poll of 1,530 Canadians carried out in March. A probability sample of the same size would yield a margin of error of +/-2.5%, 19 times out of 20.

About CAA

CAA is a federation of eight Clubs providing over six million Members with exceptional emergency roadside service, complete automotive and travel services, member savings and comprehensive insurance services. CAA also advocates on issues of concern to its members, including road safety, the environment, mobility, infrastructure and consumer protection.

About Vincentric

Vincentric provides data, knowledge, and insight to the automotive industry by identifying and applying the many aspects of automotive value. Vincentric data is used by organizations such as Canadian Automobile Association, Business Fleet Magazine, Cars.com, Chevrolet, Mercedes-Benz, Nissan, and Toyota as a means of providing automotive insight to their clientele in the US and Canada. Vincentric, LLC is a privately held automotive data compilation and analysis firm headquartered in Bingham Farms, Michigan USA.

For further information, please contact:

Kristine D'Arbelles
Senior Manager, Public Affairs
CAA National
613-796-9404
kdarbelles@national.caa.ca

Christine Niemczyk
Director, Corporate Communications
CAA Saskatchewan
(306) 791-4327
christine.niemczyk@caask.ca