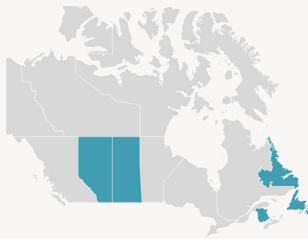


Light-duty trucks: Factors contributing to the transformation of the light-duty vehicle fleet



Context

Share of light-duty trucks in new vehicle sales



Saskatchewan: 45,5%
New Brunswick: 46,9%
Newfoundland: 46,7%
Alberta: 43,6%

79%

of new vehicles sold in Canada are light-duty trucks

- higher
- heavier
- gas guzzling
- expensive



What are the effects on the environment, on public safety, on public spaces and the financial health of households?

Analysis of the demand

Traditional light-duty truck buyers

Literature 1984-2000

- Households with above-average income
- More likely to be male (primary owner)
- Families
- Outskirts of major centres or in rural areas

POTENTIAL EXPLANATORY FACTORS

Economic fundamentals

Household income
Interest rates
Fuel prices

Public Policy

GHG regulations
Urban sprawl
Trade agreements

Psychological and sociological factors

Lifestyle
Perception of road safety
Rebound effect

Industry practices

Vehicle supply (CUV)
Long-term financing
Marketing and advertising

Diversification of demand

- More female homeowners
- More urban households
- Both more young households and more older households
- Both more affluent and less affluent households

Demand diversification

Evolution of the socio-demographic profile of light-duty truck owners 1999-2019

More women owners

- Women are showing increasingly similar buying behaviours to men.
- Women ages 35-44 had the highest market share in 2019 at 35%.

Difference between regions

- The share of light-duty trucks in Montreal and surrounding areas is lower than elsewhere in the province.
- In Northern Quebec, the share of light-duty trucks reaches 90%.

Both more young households and especially older

Number of SUVs/CUVs

- 55 years +
- 25-54 years



Impact of household affluence

- A 10% increase in household income leads to a 17% increase in demand for vehicles.

Key findings

Persistence of motorization

Someone who owns an SUV at age 18 is likely to own one at age 55 too.

18 y/o



40 y/o



Lower emission standards for light-duty trucks

since the time that they were used predominantly for commercial purposes (which no longer the case).



Traditional use



Current use

The "SUV Effect"

Higher risk-taking on the road as drivers of these vehicles feel more confident, causing more potential accidents of a more serious and deadly nature.



Supply diversification

Attraction from a diversity of buyers

Supply and demand heterogeneity



Improved energy efficiency

Demand is even higher



Perception that large vehicle = safer

Public policies have played in favour of promoting greater safety on the road according to the weight of the vehicle.

