

---

# GUIDELINES

---

## NADA Commercial Truck Guide Industry Update

March 2015

---

- Supply of 3-5 year-old trucks continues to rise  
**Increased new truck deliveries results in higher trade volume**
- Pricing outlook less favorable  
**Does depreciation in wholesale channel predict retail pricing?**
- Severe weather likely influencing price and volume data



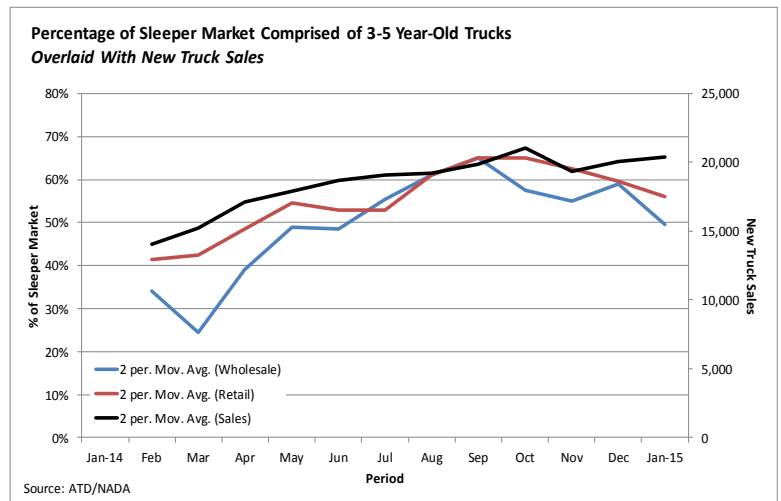
## TABLE OF CONTENTS

Commercial Truck Market Trends ..... 2  
 ATD/NADA Official Commercial Truck Guide Value Trends ..... 7  
 At NADA Used Car Guide ..... 8

# COMMERCIAL TRUCK MARKET TRENDS

## Market Summary

Three to five-year-old sleepers continue to represent an increasing proportion of the retail and wholesale markets, thanks to the continued influx of trade-ins resulting from increased new truck deliveries. This trend has resulted in notable depreciation in the wholesale channel, but retail pricing has so far held relatively stable. The wave of trades appears to have slowed down in the fourth quarter, but we expect this activity to rebound in upcoming months, with negative implications for pricing. See the “Percentage of Sleeper Market Comprised of 3-5 Year-Old Trucks” graph for detail.



## Sleeper Tractors – Retail

Looking at the sleeper market overall, January’s retail pricing was unexpectedly strong, with the ever-increasing volume of late model trucks pushing our universal average to a new record.

The average sleeper tractor retailed in January for \$62,246. This figure beats the previous record set in October 2014 by \$1,162 (or 1.9%). Month-over-month, January’s result was \$5,380 (or 9.5%) higher than December’s. Year-over-year, this month came in \$5,855 (or 10.4%) higher than January 2014. See “Average Retail Price and Mileage”

**[ COMMERCIAL TRUCK MARKET TRENDS *continued* ]**

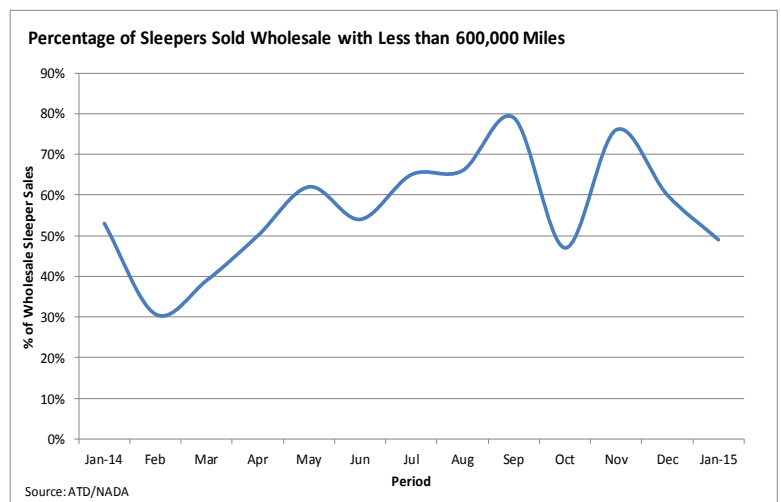
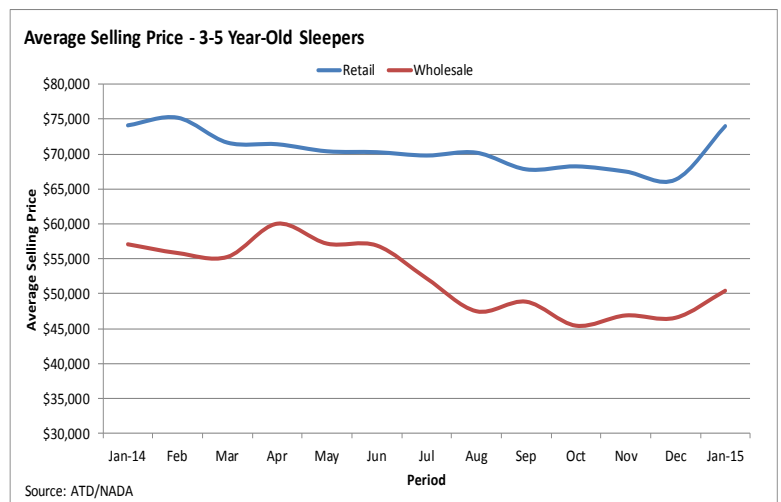
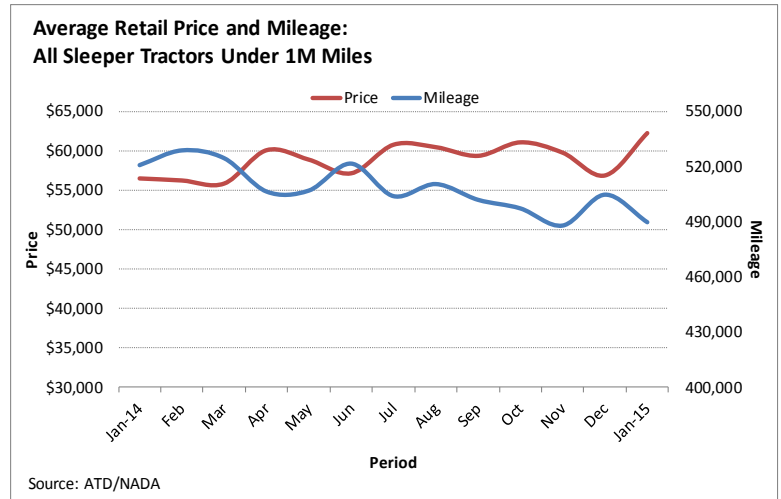
graph for detail.

Keep in mind that our universal average includes all model years, so the increased proportion of younger trucks entering the marketplace is responsible for the higher average. For a better feel of where market pricing is heading, we need to look at the performance of 3-5 year-old trucks. This cohort now comprises more than half of the trucks in our sleeper database—53% in January—up from 43% in January of 2014. So far, year-over-year comparisons are essentially identical, with this group averaging \$74,020 in January vs. \$74,120 in January 2014, for a \$100 (or 0.1%) decrease. Keep in mind that we consider the new model year to begin in January, so a 3 year-old truck is now represented by the 2013 model year.

From the first to fourth quarters of 2014, 3-5 year-old trucks lost 8.5% of their value on average. We expect depreciation for this cohort to be closer to 10-12% by the end of 2015, based on a less favorable supply-demand relationship. See “Average Selling Price – 3-5 Year-Old Sleepers” graph for detail.

**Sleeper Tractors – Wholesale**

Unlike the retail channel, the January wholesale channel was characterized by an older, higher-mileage mix of trucks selling through auction and dealer-to-dealer channels. Sales volume of trucks with under 600,000 miles appears to have peaked in the latter half of 2014, dropping at the end of the year. This group is mainly represented by the 2010-2012 model years. See “Percentage of Sleepers Sold Wholesale with Less than 600,000 Miles” graph for

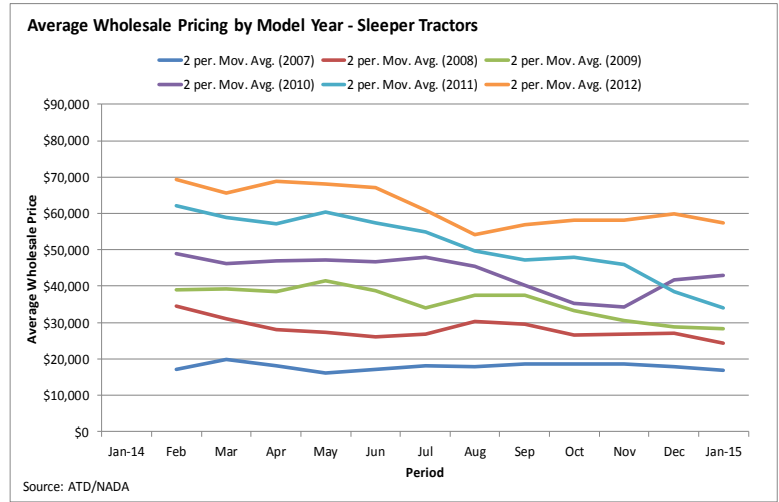


**[ COMMERCIAL TRUCK MARKET TRENDS *continued* ]**

detail.

Pricing for trucks with 400-600K depreciated mildly, approximately 5% from the 1st quarter to the 4th. Those with under 400K dropped more notably, about 23% in the same period. The 2011 and 2012 model years have been hit hardest in terms of depreciation.

Looking at the 3-5 year-old cohort, those trucks lost an average of 17.4% of their value from the first to fourth quarters of 2014. As in the retail channel, we expect depreciation to accelerate moderately in 2014, probably reaching 20% by year's end. See "Average Wholesale Pricing by Model Year" graph for detail.



**Competitive Comparison – 3-Year-Old Sleeper Tractors (Retail)**

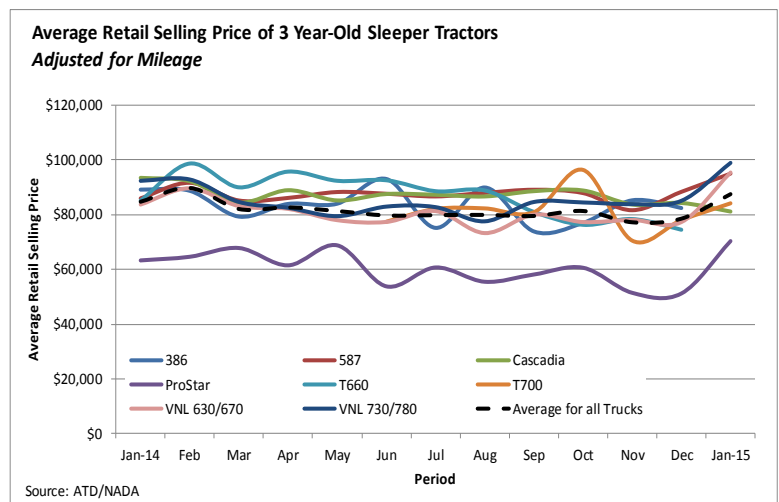
As of January, we consider a "3 year-old" truck to be model year 2013, and "4 year-old" to be model year 2012.

In the 3 year-old cohort, this month's average pricing of \$87,476 was \$2,619 (or 3.1%) higher than January of 2014.

The model with the largest increase year-over-year was the Volvo VNL 630/670, with an \$11,723 (or 14.0%) increase. Close behind was the Peterbilt 587, with a \$9,032 (or 10.5%) increase. The International ProStar turned in a surprisingly strong result for that model, coming in \$7,064 (or 11.1%) higher. Volvo's 730/780 was the final model to increase year-over-year, coming in \$6,568 (or 7.1%) higher. See "3 Year-Old" graph for detail.

In the 4 year-old cohort, this month's average pricing of \$76,447 was \$1,610 (or 2.1%) lower than January 2014's.

Volvos performed particularly well, with the VNL 730/780 coming in \$7,882 (or 10.1%) higher, and the 630/670 right behind with a \$6,403 (or 9.2%) increase. The T700 also performed well year-over-



## COMMERCIAL TRUCK MARKET TRENDS *continued*

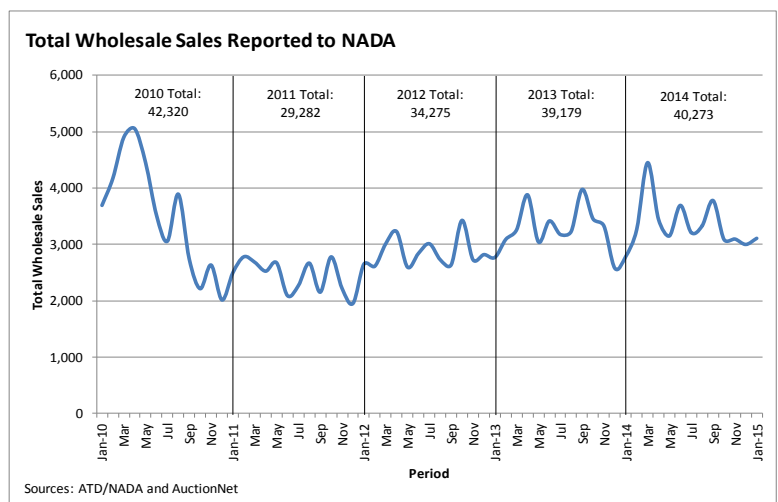
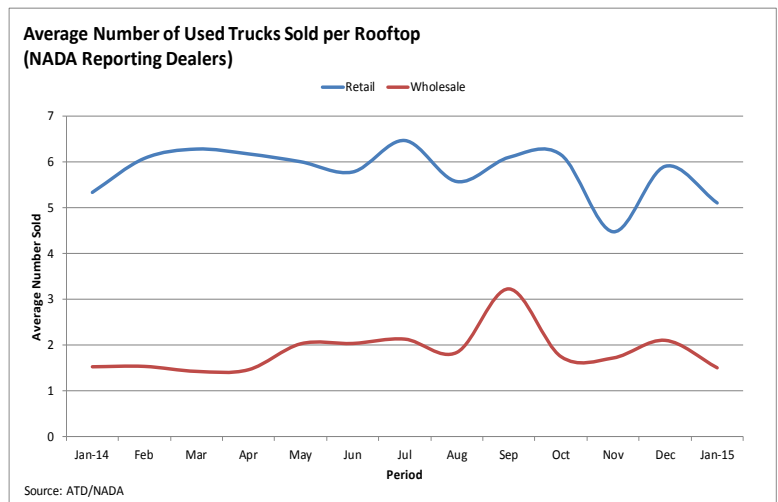
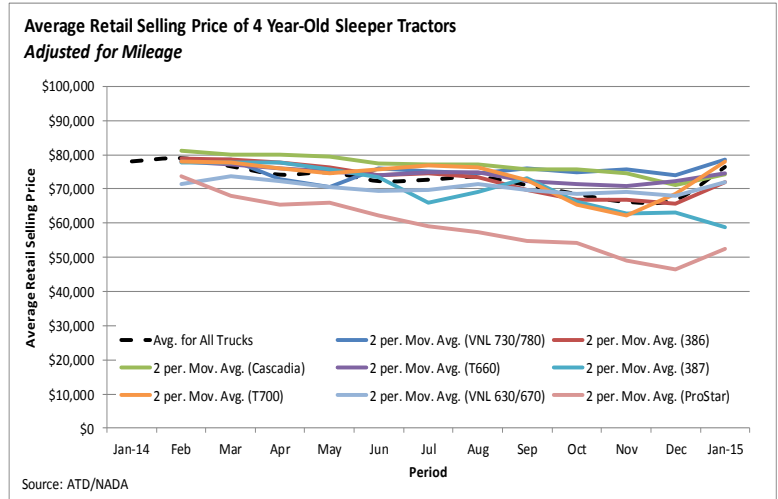
year, with a \$4,532 (or 5.9%) increase. The remaining model to turn in a higher price was the 386, coming in \$1,158 (or 1.5%) higher. See “4 Year-Old” graph for detail.

### Sales Volume

It appears the largest wave of trade-ins peaked mid to late 2014, with new truck sales since then likely representing increased expansion. One-for-one replacement is largely a thing of the past. At the same time, the severe weather much of the country has been suffering since December is a major factor influencing volume, so we will refrain from identifying any fundamental changes for at least another month.

January’s retail sales per rooftop fell back down to a relatively weak 5.1 trucks—for a 0.8 truck decrease month-over-month—and a 0.2 truck decrease year-over-year. January can be a weak month for the retail environment, particularly when harsh weather is a factor. We expect volume to pick back up based on the continually-increasing supply combined with healthy demand. See “Average Number of Used Trucks Sold per Rooftop” graph for detail.

Wholesale customers were braver than retail customers, heading out to the auctions and trading with their colleagues to a greater extent this month. Specifically, January’s wholesale total of 3,107 was higher than last month by 109 units (or 3.6%), and beat January 2014’s result by 322 units (or 11.6%). Healthy activity in the wholesale environment generally points to healthy demand in the retail channel. See “Total Wholesale Sales Reported to NADA” graph for detail.



## [ COMMERCIAL TRUCK MARKET TRENDS *continued* ]

### Outlook

Depreciation will be more notable in the first half of 2015 due to increased supply. The wholesale channel will bear the brunt of this lower pricing, while retail pricing for lower-mileage trucks will remain high. Going forward, the proportionally-higher price of new trucks has caused a permanent shift in dynamics supporting increased demand.

Be sure to read our blog twice each week for real-time updates on this and other market data, at [www.nada.com/b2b](http://www.nada.com/b2b).

## [ ATD/NADA OFFICIAL COMMERCIAL TRUCK GUIDE® TRENDS ]

### Monthly Change in ATD/NADA Commercial Truck Guide Value

March 2015 v. February 2015

| NADA Segment             | 2009MY  | 2010MY  | 2011MY  | 2012MY  | 2013MY* |
|--------------------------|---------|---------|---------|---------|---------|
| Commercial Van           | ➡ 0.0%  | ➡ 0.0%  | ➡ 0.0%  | ➡ -0.1% | ➡ 0.0%  |
| Extended Hood            | ⬇ -1.6% | ➡ 0.0%  | ➡ -0.1% | ⬇ -1.5% | ➡ -0.5% |
| Highway Aerodynamic      | ➡ 0.3%  | ⬇ -0.9% | ⬇ -3.8% | ⬇ -2.4% | ⬇ -0.9% |
| Highway Traditional      | ➡ -0.2% | ⬇ -2.3% | ➡ 0.0%  | ➡ 0.0%  | ➡ 0.0%  |
| Local/Delivery Daycab    | ➡ -0.1% | ➡ -0.2% | ⬇ -0.7% | ➡ -0.5% | ⬇ -0.9% |
| Medium Duty Cabover      | ➡ -0.2% | ➡ 0.0%  | ➡ 0.0%  | ➡ 0.0%  | ➡ 0.0%  |
| Medium Duty Conventional | ➡ 0.0%  | ➡ 0.0%  | ➡ 0.0%  | ➡ 0.0%  | ➡ 0.0%  |
| Vocational/Construction  | ➡ 0.0%  | ➡ 0.0%  | ➡ 0.0%  | ➡ 0.0%  | ➡ 0.0%  |

\*Value movement can be influenced by newly valued vehicles.

### Annual Change in ATD/NADA Commercial Truck Guide Value

| NADA Segment             | 5YR   | 4YR   | 3YR   | 2YR   | Segment Change |
|--------------------------|-------|-------|-------|-------|----------------|
| Commercial Van           | 12.9% | 11.0% | 30.7% | -3.9% | 10.9%          |
| Extended Hood            | 11.2% | 11.8% | 3.0%  | 18.7% | 13.2%          |
| Highway Aerodynamic      | 7.3%  | 15.3% | 10.7% | 11.9% | 12.3%          |
| Highway Traditional      | 10.9% | 14.6% | 11.1% | 19.4% | 13.9%          |
| Local/Delivery Daycab    | 7.6%  | 10.9% | -3.3% | 16.4% | 17.7%          |
| Medium Duty Cabover      | 32.5% | 22.4% | 10.0% | 12.3% | 19.5%          |
| Medium Duty Conventional | 16.9% | 2.9%  | 11.7% | 12.8% | 11.2%          |
| Vocational/Construction  | 24.2% | 14.5% | 6.8%  | 2.9%  | 15.5%          |

\*Calculations are based on vehicle age, i.e. values for 1-year-old vehicles in CY2014 are compared against values for 1-year-old vehicles in CY2013.

### YTD Change in ATD/NADA Commercial Truck Guide Value

| NADA Segment             | 2009MY | 2010MY | 2011MY | 2012MY | 2013MY* | Segment |
|--------------------------|--------|--------|--------|--------|---------|---------|
| Commercial Van           | 0.0%   | -0.1%  | -0.1%  | -1.1%  | -1.0%   | -0.3%   |
| Extended Hood            | -1.6%  | 0.0%   | -0.1%  | -1.5%  | -0.5%   | -0.3%   |
| Highway Aerodynamic      | 0.3%   | -0.9%  | -3.8%  | -2.4%  | -0.9%   | -1.7%   |
| Highway Traditional      | -0.2%  | -2.3%  | 0.0%   | 0.0%   | 0.0%    | -0.8%   |
| Local/Delivery Daycab    | -0.1%  | -0.2%  | -0.7%  | -0.5%  | -0.9%   | 0.3%    |
| Medium Duty Cabover      | -0.2%  | 0.0%   | 0.0%   | 0.0%   | N/A     | -0.4%   |
| Medium Duty Conventional | 0.0%   | 0.0%   | 0.0%   | 0.0%   | 0.0%    | 0.0%    |
| Vocational/Construction  | 0.0%   | 0.0%   | 0.0%   | 0.0%   | 0.0%    | 0.0%    |

## AT NADA USED CAR GUIDE

### What's New

NADA Online delivers values from 10 different NADA guidebooks including commercial trucks. Starting at \$385 per year, NADA Online is comprehensive, easy to use and includes mobile web access free with your subscription. And since it's web-based, there is no software to install and your whole staff can use it at the same time without the need for additional user licenses.

If you're looking for a small number of commercial vehicle values, the Official Commercial Truck Guide Online Mini-Pack provides three values online for \$40.

### On the Road

#### March Events:

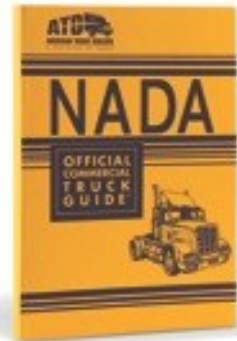
Chris Visser will attend the Mid-America Trucking Show in Louisville, March 25 – 27.

#### April Events:

On April 21, Chris Visser will be presenting a used truck market update at the Bear Marketing Group Management Seminar in Nashville, TN.

### About NADA Used Car Guide

Since 1933, NADA Used Car Guide has earned its reputation as the leading provider of vehicle valuation products, services and information to businesses throughout the United States and worldwide. NADA's editorial team collects and analyzes over one million combined automotive and truck wholesale and retail transactions per month. Its guidebooks, auction data, analysis and data solutions offer truck, finance, insurance and government professionals the timely information and reliable solutions they need to make better business decisions. Visit [nada.com/b2b](http://nada.com/b2b) to learn more.



#### Senior Analyst and Product Manager

Chris Visser  
800.248.6232 x4731  
[cvisser@nada.org](mailto:cvisser@nada.org)

#### Automotive Dealers, Auctions, Insurance

Dan Ruddy  
800.248.6232 x4707  
[druddy@nada.org](mailto:druddy@nada.org)

#### Credit Unions, Fleet, Lease, Rental Industry, Government

Doug Ott  
800.248.6232 x4710  
[dott@nada.org](mailto:dott@nada.org)

#### Business Development Manager

James Gibson  
800.248.6232 x7136  
[jgibson@nada.org](mailto:jgibson@nada.org)

#### Financial Industry, Accounting, Legal, OEM Captive

Steve Stafford  
800.248.6232 x7275  
[sstafford@nada.org](mailto:sstafford@nada.org)



## NADA CONSULTING SERVICES

NADA's market intelligence team leverages a database of nearly 200 million transactions and more than 100 economic and market-related series to describe the factors driving current trends to help industry stakeholders make more informed decisions. Analyzing data at both wholesale and retail levels, the team continuously provides content that is both useful and usable to dealers, financial institutions, businesses and consumers.

Complemented by NADA's analytics team, which maintains and advances NADA's internal forecasting models and develops customized forecasting solutions for clients, the market intelligence team is responsible for publishing white papers, special reports and the Commercial Vehicle Blog. Throughout every piece of content, the team strives to go beyond what is happening in the industry to confidently answer why it is happening and how it will impact the market in the future.

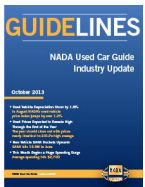
### Senior Director, Vehicle Analysis & Analytics

Jonathan Banks  
800.248.6232 x4709  
[jbanks@nada.org](mailto:jbanks@nada.org)

### Senior Analyst and Product Manager

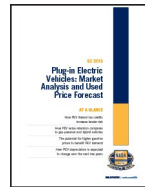
Chris Visser  
800.248.6232 x4731  
[cvisser@nada.org](mailto:cvisser@nada.org)

## ADDITIONAL RESOURCES



### Guidelines

Updated monthly with a robust data set from various industry sources and NADA's own proprietary analytical tool, *Guidelines* provides the insight needed to make decisions in today's market.



### White Papers

NADA's white papers and special reports aim to inform industry stakeholders on current and expected used vehicle price movement to better maximize today's opportunities and manage tomorrow's risk.



### NADA Perspective

Leveraging data from various industry sources and NADA's analysts, *NADA Perspective* takes a deep dive into a range of industry trends to determine why they are happening and what to expect in the future.



### Commercial Vehicle Blog

Written and managed by Senior Analyst Chris Visser, the Commercial Vehicle Blog analyzes market data, lends insight into industry trends and highlights relevant events.

### Connect with NADA



Read our Blog  
[nada.com/commercialtruck](http://nada.com/commercialtruck)



Follow Us on Twitter  
[@NADAUsedCarGde](https://twitter.com/NADAUsedCarGde)



Find Us on Facebook  
[Facebook.com/NADAUsedCarGuide](https://Facebook.com/NADAUsedCarGuide)



Watch Us on YouTube  
[Youtube.com/NADAUsedCarGuide](https://Youtube.com/NADAUsedCarGuide)

Disclaimer: NADA Used Car Guide makes no representations about future performance or results based on the data and the contents available in this report ("Guidelines"). Guidelines is provided for informational purposes only and is provided AS IS without warranty or guarantee of any kind. By accessing Guidelines via email or the NADA website, you agree not to reprint, reproduce, or distribute Guidelines without the express written permission of NADA Used Car Guide.