

# GUIDELINES

June 2015

- Retail market is mildly outperforming expectations  
5-year-old trucks bringing notably more money than a year ago
- Wholesale market contracted in mid-spring  
Volume and pricing down
- Competitive comparison of 3-5 year-old sleeper models  
Volvo VNL 730/780 leading segment



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# COMMERCIAL TRUCK MARKET TRENDS

## Market Summary

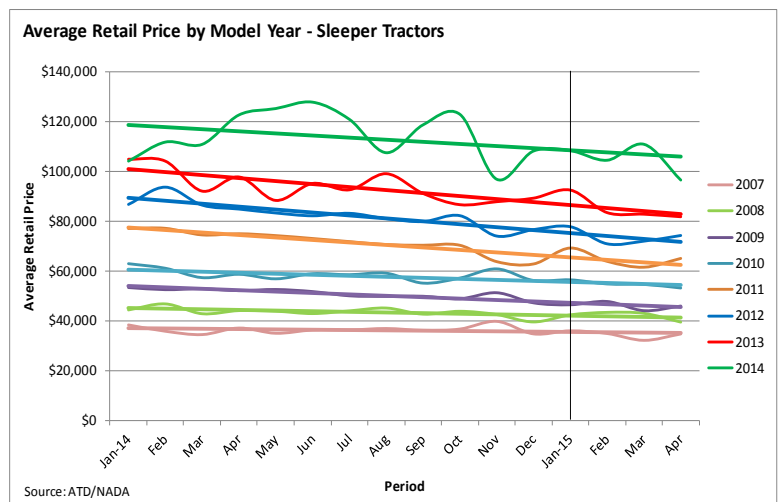
The retail market is mildly outperforming expectations, with only minor depreciation despite increased volume. The wholesale channel looks a bit less strong, perhaps predicting mild weakness going into the summer. A competitive comparison tracks model vs. model pricing performance. Medium duty trucks continue to improve across the board, although volume was down this month.

## Sleeper Tractors – Retail

Through the first four months of 2015, 3 and 4 year-old sleeper tractors performed mildly worse than the same period last year, while 5 year-old sleepers performed notably better. To be more specific on the numbers:

- 2013’s averaged \$85,062 through April 2015, a \$2,797 (or 3.2%) decrease over 2012’s this time last year.
- 2012’s averaged \$73,667 through April 2015, a \$2,179 (or 2.9%) decrease vs. 2011’s this time last year.
- 2011’s averaged \$64,851 through April 2015, a \$4,902 (or 8.2%) increase over 2010’s this time last year.

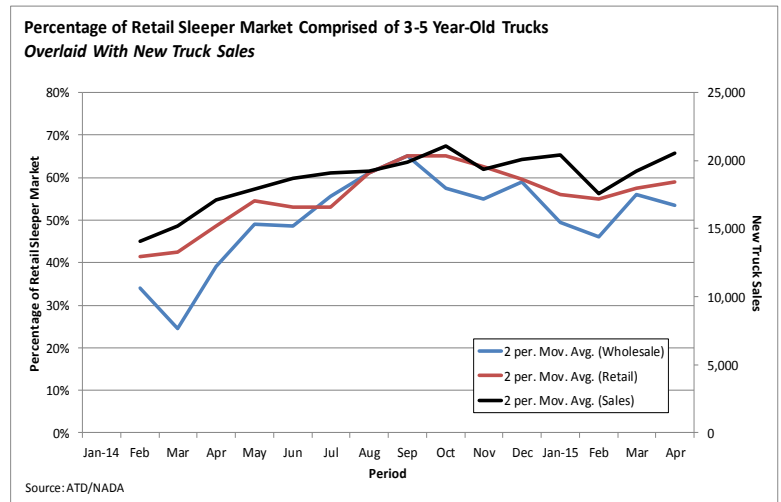
See “Average Retail Price by Model Year” graph for detail.



## [ COMMERCIAL TRUCK MARKET TRENDS *continued* ]

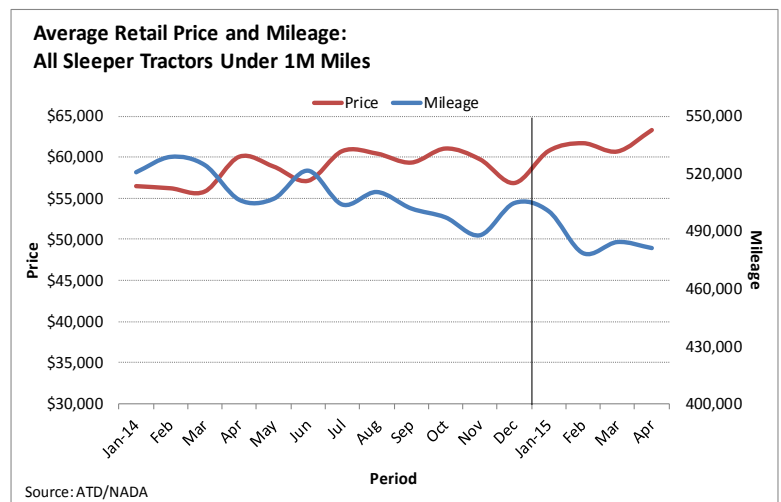
The continually increasing supply of 3 and 4 year-old sleeper tractors is the main factor behind their depreciation in 2015. Trucks that are 5 years of age perform better than their year-ago counterparts since essentially all 2011's are equipped with SCR emissions technology (unlike 2010 models). In addition, 2011 models sold retail averaged less than 500,000 miles, and are at a somewhat more attainable price point than newer trucks.

In April, 3-5 year-old units comprised 60% of our total sleeper database, up from 58% in March and 52% last April. The acceleration in new truck deliveries that started in the second quarter of 2014 is the main factor behind the increased supply. See "Percentage of Sleeper Market Comprised of 3-5 Year-Old Trucks" graph for detail.



Looking at the market overall, the average used sleeper tractor retailed in April was 72 months old, had 481,164 miles, and brought \$63,325. Month-over-month, this truck was 2 months newer, had 3,170 (or 0.7%) more miles, and brought \$2,611 (or 4.3%) more money. Year-over-year, this average sleeper was 1 month newer, had 25,835 (or 5.1%) fewer miles, and brought \$3,345 (or 5.6%) more money. See "Average Retail Price and Mileage" graph for detail.

You may have noticed that we have de-emphasized the importance of these universal averages. Through the first quarter of 2014, the age mix of trucks entering the secondary market was relatively stable, making the universal average a useful benchmark for gauging the relative value of individual trucks over time. Starting around that time, the age of trucks entering the used changed notably due to the influx of late-model trades, and age was no longer an apples-to-apples comparison. As such, the universal average remains useful for gauging the relative value of the market overall, but for a quick "rule of thumb" check on the value of individual trucks, we recommend our average price by model year data.



## [ COMMERCIAL TRUCK MARKET TRENDS *continued* ]

### Sleeper Tractors – Wholesale

The wholesale channel performed less strongly than the retail channel in April, with volume down and pricing generally flat to downwards. The age mix of trucks sold increased considerably in April, with 3-5 year-old trucks comprising only 41% of our total wholesale database. However, 2015 is still running way ahead of 2014, averaging 50% vs. 37% through the first 4 months of each year. Decreased volume is typical for the spring, but consistently lower pricing could predict mild weakness in the retail channel in upcoming months.

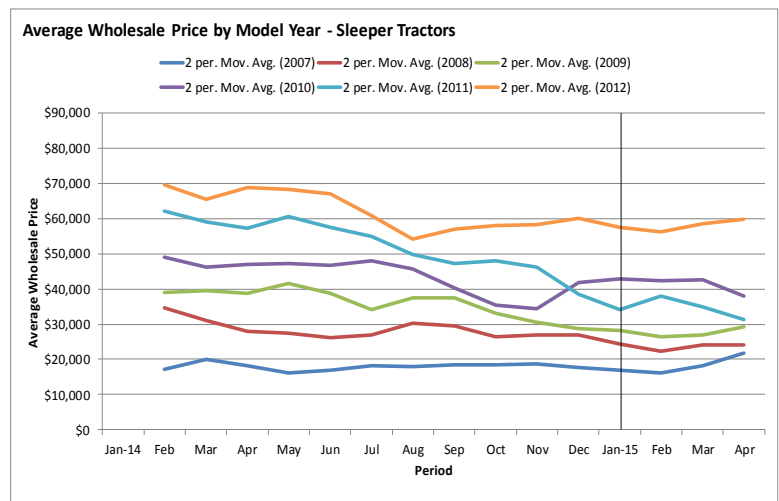
Through the first four months of 2015, 3 year-old sleeper tractors are performing similarly to same-period last year, 4 year-old trucks are performing mildly worse, and 5 year-old trucks are performing notably worse. Specifically:

- 2013's averaged \$69,760 through April 2015, a \$650 (or 0.9%) increase over 2012's this time last year.
- 2012's averaged \$57,957 through April 2015, a \$1,672 (or 2.8%) decrease vs. 2011's this time last year.
- 2011's averaged \$34,684 through March 2015, a \$13,344 (or 27.8%) decrease vs. 2010's this time last year.

See "Average Wholesale Price by Model Year" graph for detail.

Trucks of the 2013 model year are now relatively common in the wholesale channel, outselling all but 2011's in the last two months. We can expect to see volume of these late-model trucks ramp up going forward as fleets continue to take delivery of new iron.

The 2011 model year remains disproportionately represented by the International ProStar, with that model representing 45% of all 2011's reported sold in April. This is the main factor behind the year-over-year decline in average 2011 pricing. However, supply was more balanced for the 2012 and 2013 model years, contributing to less ProStar-related impact



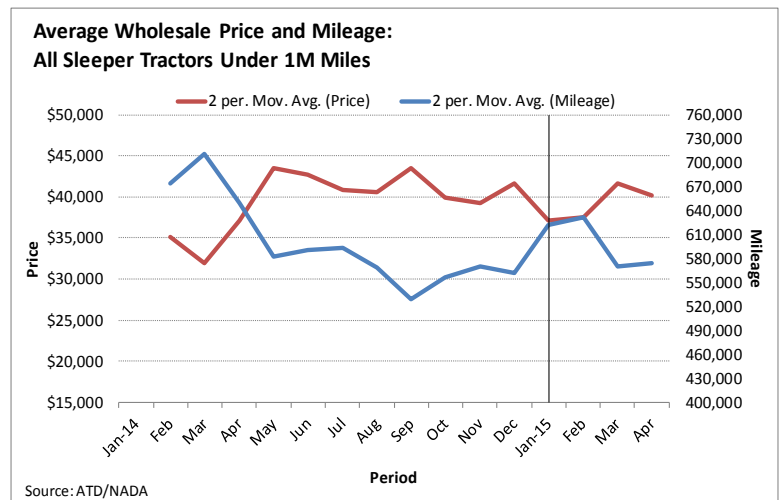
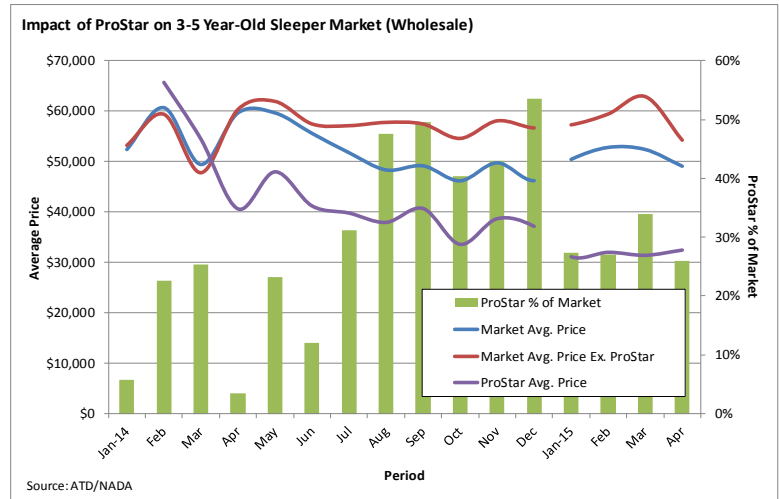
## [ COMMERCIAL TRUCK MARKET TRENDS *continued* ]

overall. See “Impact of ProStar on 3-5 Year-Old Sleeper Market (Wholesale)” graph for detail.

As for the market overall, a much older mix of trucks were sold in April. The average used sleeper tractor wholesaled this month was a whopping 90 months old — a 19-month increase over March, and a 15-month increase over April 2014. Fewer new trucks sold — not more old trucks — were the factor here. The ProStar, Volvo VNL64T 730, and Kenworth T660 were the highest volume, late-model trucks represented last month. These models were present in notably fewer numbers in April.

In terms of price and mileage, the average sleeper tractor sold in April brought \$35,651 and had 632,377 miles. Month-over-month, this truck brought \$9,187 (or 20.5%) less money and had 117,452 (or 22.8%) more miles. Year-over-year, this average truck brought \$6,484 (or 15.4%) less money and had 33,142 (or 5.5%) more miles.

Despite the drastic month-over-month change, 2015 is not running notably behind 2014 on average. See “Average Wholesale Price and Mileage” graph for detail.



### Competitive Comparison: 3-5 Year-Old Sleeper Tractors (Retail)

Trucks that are 3-5 years-old continue to dominate the retail landscape, making up 57% of our total retail database in 2015 so far (compared to 45% for same-period 2014).

Volatility by model in the first quarter has given way to a bit more stability as volume steadily increases. Increased volume has led to mild depreciation, with the first 4 months of 2015 running \$1,255 (or 1.7%) behind same-period 2014 on average.

Volvo’s VNL 730/780 continues to lead the market, continuing a trend that started about three quarters ago. Unlike some other makes, Volvo’s proprietary D13 powertrain performs similarly to Cummins’ ISX in the used market, with Volvo’s iShift automated

## [ COMMERCIAL TRUCK MARKET TRENDS *continued* ]

transmission the most well-accepted in the market.

The Freightliner Cascadia also performs strongly, running about 5% behind the 730/780. Like Volvo, Freightliner’s proprietary Detroit DD13 and DD15 engines perform on par with the Cummins ISX.

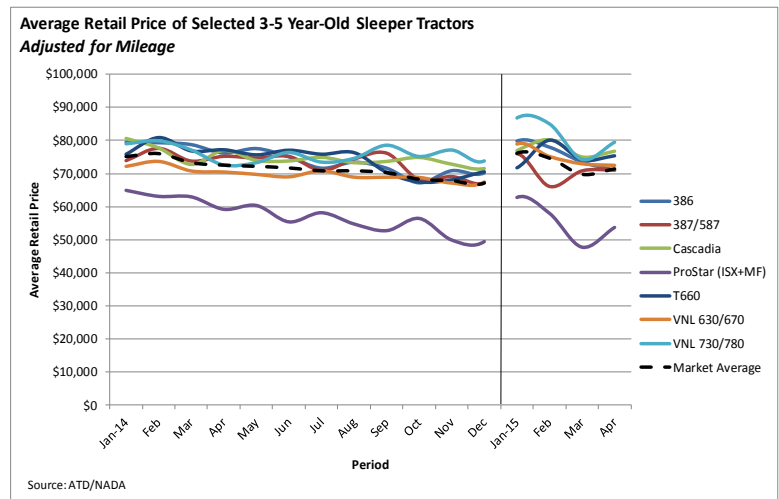
The Kenworth T660 and Peterbilt 386 are bringing essentially equal money, running about 2% behind the Cascadia. ISX-powered T660’s and 386’s perform mildly better than PACCAR MX-powered units.

International’s ProStar is running about 24% behind the market average in this cohort.

The MaxxForce engine was the sole available power plant (for all intents and purposes)

for the 2012 and 2013 model years, impacting this model’s value. International has made major investments to address the issues with this engine and its emissions systems on a national scale, and the majority of the ProStars in service have now had these upgrades performed. As such, it is likely that the marketplace is still working through a learning curve on the improved reliability of this model, and pricing is perhaps lagging where it should be.

See the “Average Retail Price of Selected 3-5 Year-Old Sleeper Tractors” graph for detail.



### Medium Duty—Class 4 and 6 Conventionals

Class 4 volume remained healthy in April, but Class 6 volume was notably down. Pricing was up for both segments, with a lower-mileage mix of Class 6’s responsible for upward movement in that class.

Starting with Class 4’s, the average 4-7 year-old unit wholesaled in April had 106,182 miles and brought \$21,110. Month-over-month, this truck had 572 (or 0.5%) more miles and brought \$1,604 (or 8.2%) more money. Year-over-year, the average truck had 10,390 (or 8.9%) fewer miles and brought \$4,892 (or 30.2%) more money.

The average 4-7 year-old Class 6 conventional wholesaled in April had 127,346 miles and brought \$28,302. Month-over-month, this truck had 36,101 (or 18.7%) fewer miles and

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

brought \$4,587 (or 24.0%) more money. Year-over-year, the average truck had 1,540 (or 1.2%) more miles and brought \$1,452 (or 5.4%) more money. See “Average Wholesale Selling Price: 4-7 Year-Old Conventionals” graph for detail.

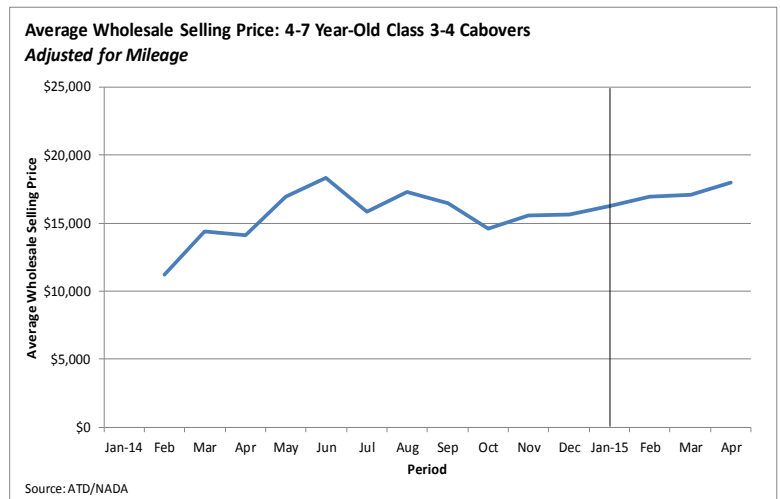
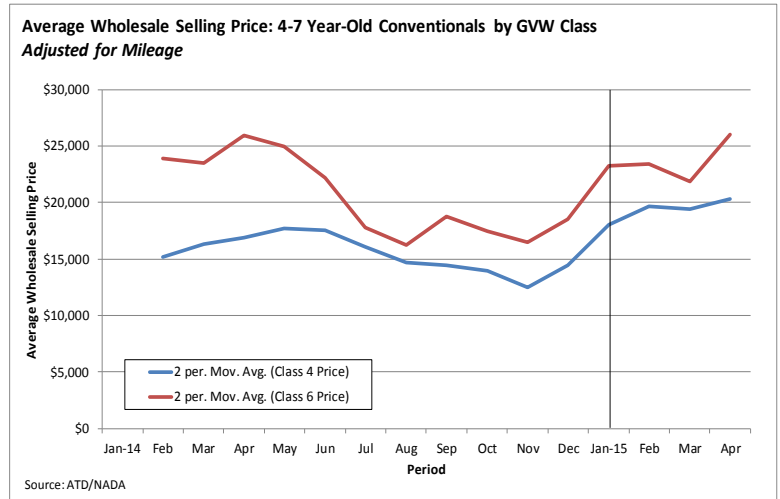
Comparisons over time look favorable except in the category of volume, particularly for Class 6’s. However, the 4-7 year-old age bracket does not include the higher-build 2008 model year, which was included in 2014’s cohort. We continue to consider the conventional market in gradual improvement, despite April’s weak volume.

**Medium Duty—Class 3 and 4 Cabovers**

Volume was down for cabovers in April, although pricing continues to improve. A lower-mileage mix of trucks is largely responsible for the higher average pricing.

In April, the average 4-7 year-old cabover sold wholesale for \$18,716 and had 84,975 miles. Pricing was up by \$1,390 (or 8.0%) month-over-month, and an impressive \$5,404 (or 40.6%) year-over-year. Mileage was 28,585 (or 25.2%) lower month-over-month, and 21,415 (or 20.1%) lower year-over-year. See “Average Wholesale Selling Price – 4-7 Year-Old Cabovers” graph for detail.

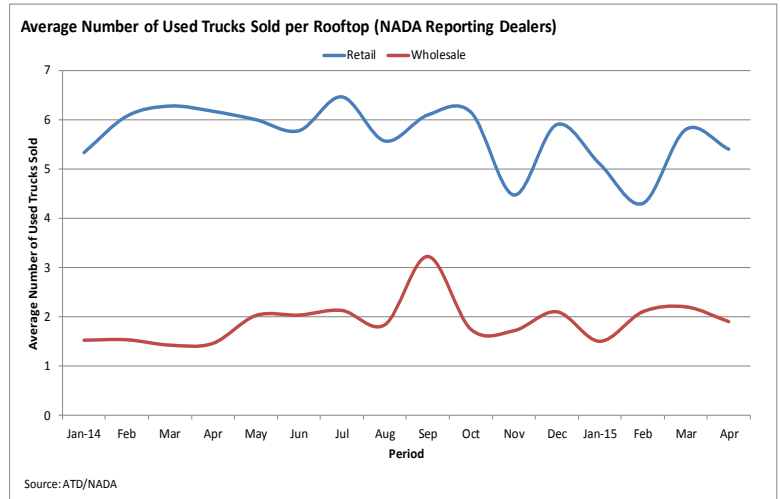
Despite April’s low volume, there were more than 2.5 times the number of 4-7 year-old class 3 and 4 cabovers reported sold in the first quarter of 2015 compared the same period of 2014. This segment continues to recover.



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

**Sales Volume**

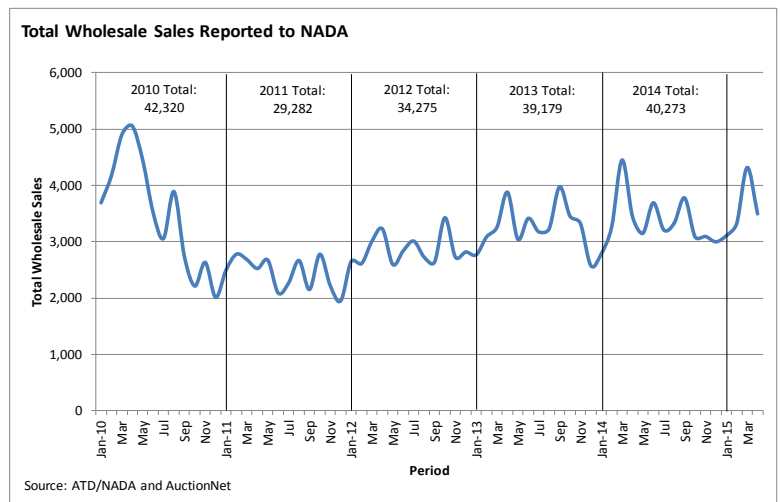
Retail volume continues to lag 2014 mildly, with April’s retail sales per rooftop coming in at 5.4. This result is 0.4 truck lower than March, and 0.8 behind April 2014. Judging by pricing, demand for used trucks has not let up to any notable degree, so at this point there does not appear to be any clear factor behind the mildly lower volume. See “Average Number of Used Trucks Sold per Rooftop” graph for detail.



Wholesale volume contracted in April, which is typical for the spring. 2015 continues to just edge out 2014, averaging 77 more trucks through the first 4 months of the year. See “Total Wholesale Sales” graph for detail.

**Outlook**

While 2013 model year trucks are making an ever-greater impact on the used truck landscape, there are still plenty of 2010’s returning to the market. These model years, along with 2011’s and 2012’s, will continue to dominate the market and contribute to the mild depreciation we forecast going forward.



April’s wholesale results were of mild concern, and May’s results will help to shape our pricing expectations for upcoming months.

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

June 2015 v. May 2015

NADA Segment	2009MY	2010MY	2011MY	2012MY	2013MY*
Commercial Van	↑ 6.9%	↑ 6.8%	↑ 7.2%	↓ -1.8%	↑ 17.1%
Extended Hood	→ 0.0%	→ 0.0%	→ 0.0%	→ 0.0%	→ 0.0%
Highway Aerodynamic	↘ -1.0%	↘ -1.2%	↓ -1.8%	↘ -0.9%	↓ -3.4%
Highway Traditional	→ 0.0%	→ 0.0%	→ 0.0%	→ 0.0%	→ 0.0%
Local/Delivery Daycab	→ -0.4%	↘ -1.1%	→ -0.1%	↘ -0.5%	↘ -0.9%
Medium Duty Cabover	→ 0.0%	↓ -2.0%	→ 0.0%	→ -0.4%	→ 0.0%
Medium Duty Conventional	↘ -0.8%	→ -0.2%	↘ -0.7%	→ -0.4%	↘ -0.5%
Vocational/Construction	↓ -7.8%	↓ -7.1%	↓ -5.7%	↘ -0.6%	→ 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	15.5%	17.5%	18.7%	8.6%	12.7%
Extended Hood	5.0%	4.4%	-5.5%	9.2%	2.9%
Highway Aerodynamic	0.8%	4.5%	-1.7%	4.5%	0.4%
Highway Traditional	4.3%	8.2%	-0.9%	9.1%	3.4%
Local/Delivery Daycab	0.4%	4.4%	-11.6%	7.1%	9.4%
Medium Duty Cabover	13.1%	10.2%	-4.4%	4.3%	5.5%
Medium Duty Conventional	12.8%	-8.6%	1.2%	2.6%	2.2%
Vocational/Construction	10.2%	3.0%	0.3%	-6.3%	10.5%

\*Calculations are based on vehicle age, i.e. values for 1-year-old vehicles in CY2015 are compared against values for 1-year-old vehicles in CY2014.

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

NADA Segment	2009MY	2010MY	2011MY	2012MY	2013MY*	Segment
Commercial Van	4.3%	5.5%	5.9%	-8.7%	12.0%	2.5%
Extended Hood	-3.7%	-5.6%	-5.6%	-10.3%	-8.8%	-6.0%
Highway Aerodynamic	-3.7%	-7.3%	-11.8%	-12.9%	-10.2%	-9.7%
Highway Traditional	-4.4%	-8.1%	-5.6%	-10.7%	-8.7%	-8.3%
Local/Delivery Daycab	-3.3%	-5.6%	-5.8%	-8.7%	-8.9%	-4.6%
Medium Duty Cabover	-7.1%	-14.7%	-9.5%	-12.4%	N/A	-8.8%
Medium Duty Conventional	-2.6%	-5.1%	-11.2%	-9.5%	-9.3%	-6.9%
Vocational/Construction	-9.7%	-14.2%	-10.0%	-6.1%	-8.9%	-8.0%

## AT NADA USED CAR GUIDE

### What's New

The NADA Appraisal Suite is launched! Tired of the back and forth? Turn your entire appraisal process into something your customers can truly understand. Select NADA Appraisal, starting at \$99/month with an annual subscription, or upgrade to NADA AppraisalPRO to include additional market data from trusted industry sources. Both provide you with an official appraisal document, backed by NADA, which gives customers the confidence to sign. Learn more at [nada.com/appraisal](http://nada.com/appraisal) or call 866.974.6232.

### On the Road

Doug Ott will attend the League of Southeastern Credit Unions and Affiliates June 17 – 19 in Orlando, FL.

Mike Stanton and Jim Dodd will be in attendance at the National Independent Auto Dealers Convention in Las Vegas, June 22 – 25.

### 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 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 automotive/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 about solutions for your business and [nada.com/usedcar](http://nada.com/usedcar) to stay abreast of the latest used and new vehicle market trends.

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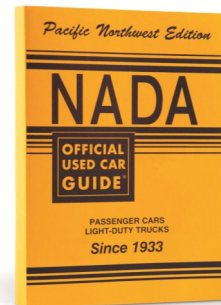
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## NADA CONSULTING SERVICES

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.

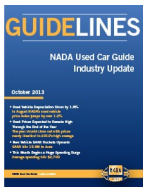
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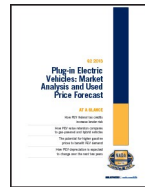
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## ADDITIONAL RESOURCES



### 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.

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