

J.D. POWER

# COMMERCIAL TRUCK GUIDELINES

Industry Update

## MAY 2018

---

- **Predicted influx of trades has not yet hit the market**

Stronger demand keeping depreciation to a minimum

---

- **Dealerships reporting better traffic**

Red-hot freight market helping to move iron

---

- **Medium Duty segments mixed**

Cabovers recover from a late-winter weakness

---

**J.D. Power Valuation Services [formerly  
NADA Used Car Guide] | [nada.com/b2b](http://nada.com/b2b)**

NADA Used Car Guide® and its logo are registered trademarks of National Automobile Dealers Association, used under license by J.D. Power.  
© 2018 J.D. Power. All Rights Reserved.



Licensed to J.D. Power

## TABLE OF CONTENTS

COMMERCIAL TRUCK MARKET TRENDS.....	2
J.D. POWER VALUATION SERVICES COMMERCIAL TRUCK VALUE TRENDS .....	6
AT J.D. POWER VALUATION SERVICES [FORMERLY NADA USED CAR GUIDE].....	7

## COMMERCIAL TRUCK MARKET TRENDS

### Pricing Stronger than Expected as Supply Remains Moderate

The volume of Class 8 trades has been lower than predicted, which means pricing has been more stable than expected. Medium duty segments were mixed, with cabovers recovering from a weak February and conventionals flat to downwards.

### Sleeper Tractors – Auction

Volume at the auctions we monitor remains lower than predicted. The number of trades entering the market had not yet ramped up to expected levels as of April. As such, pricing remains stable. Smaller auction houses continue to move more trucks than last year.

*April auction performance of our benchmark model was as follows:*

*Model year 2015: \$45,500 average; \$4,750 [11.7%] higher than March*

*Model year 2014: \$34,000 average; \$1,250 [3.5%] lower than March*

*Model year 2013: \$33,250 average; \$1,750 [5.6%] higher than March*

*Model year 2012: \$26,500 average; \$500 [1.9%] lower than March*

*Model year 2011: \$25,500 average; \$4,750 [22.9%] higher than March*

Year-over-year, trucks four to six years of age sold in the first four months of 2018 brought 20% more money than the same period in 2017. Demand has clearly picked up, but we still predict an accelerated volume of trades in upcoming months. This dynamic should keep depreciation at roughly 2% per month.

*See the “Volume of all Aerodynamic Sleeper Tractors Sold...” and “Average Selling Price: Benchmark Sleeper Tractor” graphs for detail.*

The volume of Class 8 trades has been lower than predicted, which means pricing has been more stable than expected. Medium duty segments were mixed, with cabovers recovering from a weak February and conventionals flat to downwards

## Sleeper Tractors – Retail

March’s pricing was flat to mildly upward compared to February. April looks to be another healthy month as supply remains in check.

The average sleeper tractor retailed in March was 76 months old, had 462,691 miles, and brought \$48,534. Compared to February, the average sleeper was two months older, had 4,467 [1%] more miles, and brought \$53 [0.1%] less money. Compared to March 2017, this average sleeper was 5 months older, had 21,237 [4.8%] more miles, and brought \$623 [1.3%] less money.

Looking at trucks three to five years of age, average pricing was as follows:

*Model year 2016: \$84,565; \$8,672 [11.4%] higher than February*

*Model year 2015: \$65,617; \$2,198 [3.5%] higher than February*

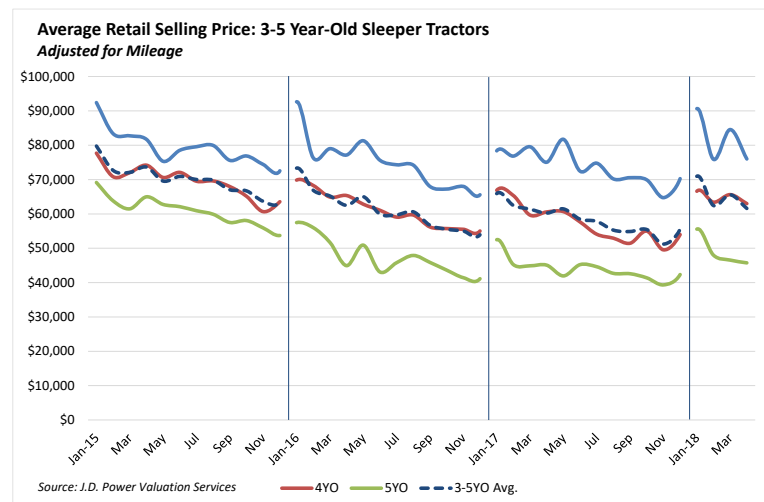
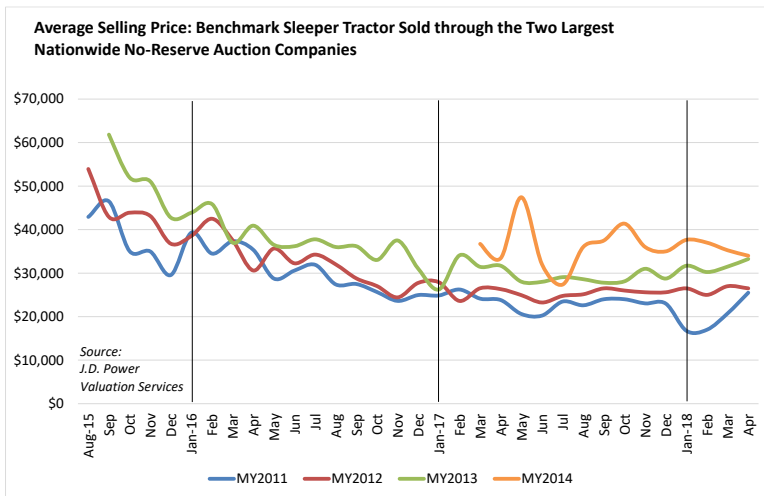
*Model year 2014: \$46,555; \$1,437 [3%] lower than February*

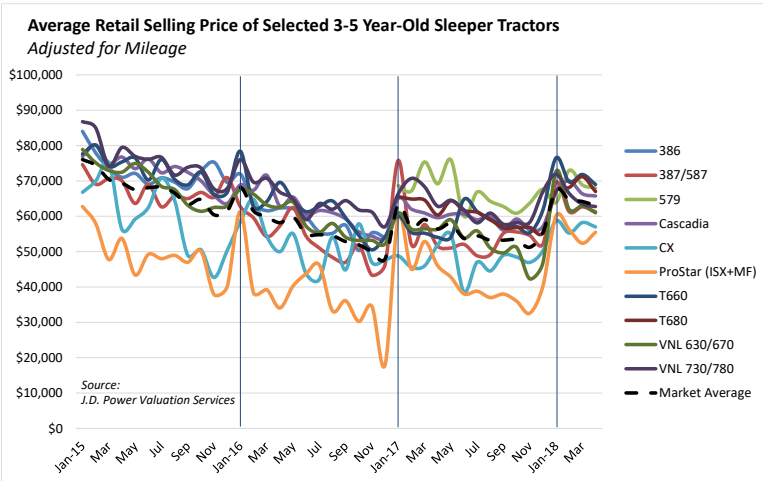
On a year-over-year basis, late-model trucks sold in the first quarter of 2018 brought 4.8% more money than in the same period of 2017.

*See the “Average Retail Selling Price: 3- to 5-Year-Old Sleeper Tractors” graph for detail.*

Looking at specific models, there was no notable comparative movement this month. Most models were generally stable and in-step with the larger overall market. See the “Average Retail Selling Price of Selected 3- to 5-Year-Old Sleeper Tractors” graph for detail.

Class 8 sales per dealership moved up solidly in March, coming in at 5.7 trucks per rooftop. This result is the highest in 10 months and is in line with predictions. Winter weather is behind us, the freight environment remains red-hot, and buyers are relatively optimistic about the economy, so expect more dealership traffic.





See “Number of Trucks Retailed per Dealership Rooftop” graph for detail.

Looking forward over the long term, new truck orders remain extremely high, which will add supply to a market already expected to increase in 2018. See the “Retail Value Forecast” graph for a look at how we see used truck pricing unfolding over the next four years.

## Medium Duty Trucks

Medium duty segments were mixed in March, with results more positive than negative following a weak February.

Starting with Class 3 – 4 cabovers, March’s average pricing came in at \$16,486. This figure is \$2,292 [16.1%] higher than February, yet \$5,989 [26.6%] lower than March 2017. March’s result splits the difference between January’s strength and February’s weakness. Demand should support pricing in upcoming months.

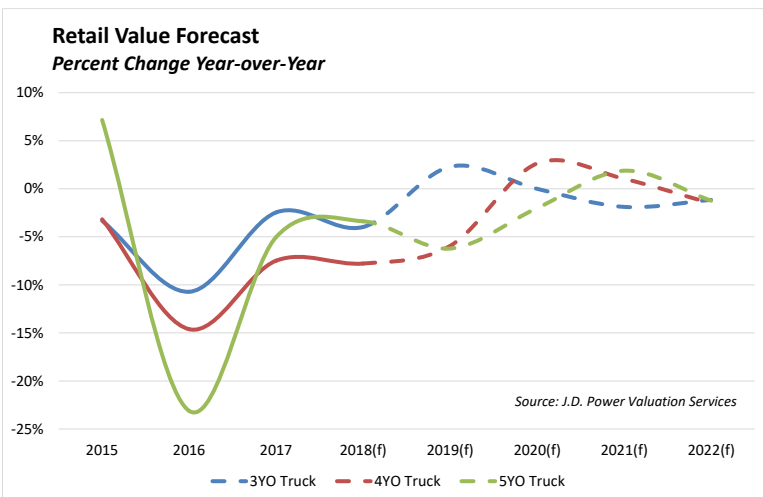
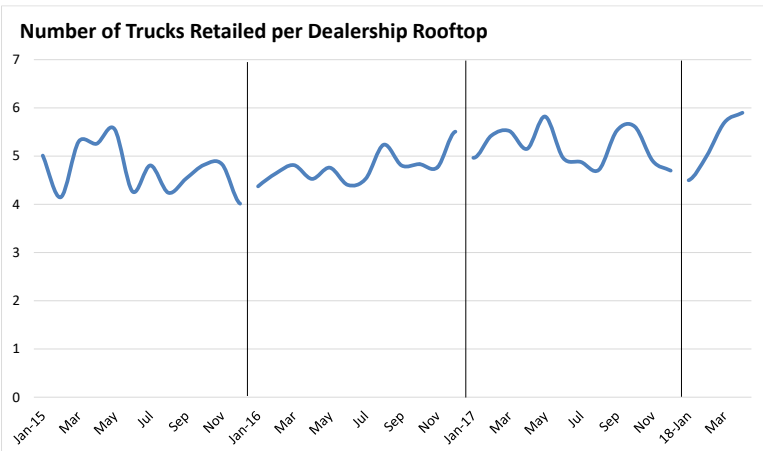
See the “Average Wholesale Selling Price: 4- to 7-Year-Old Class 3-4 Cabovers” graph for detail.

Class 4 conventionals lost ground for a second month, while Class 6 conventionals were essentially flat.

Specifically, Class 4’s averaged \$18,921 in March. This figure is \$1,369 [6.7%] lower than February, and \$2,139 [10.2%] lower than March 2017. Class 6’s averaged \$19,945 in March. This figure is \$112 [0.6%] lower than February, and \$1,377 [7.4%] higher than March 2017.

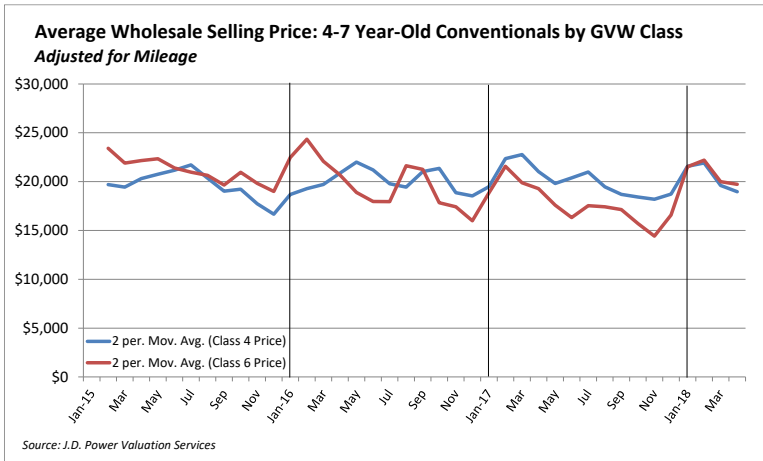
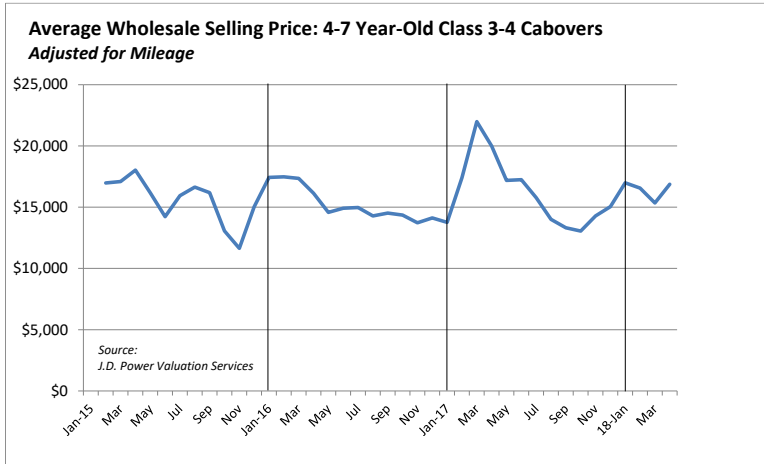
Class 4 weakness this month was due to a relatively large number of lower-priced trucks impacting the average. We do not expect major depreciation in this segment through the Summer.

See the “Average Wholesale Selling Price: 4- to 7-Year-Old Conventional by GVW Class” graph for detail.



## Forecast

We expect the supply of used trucks to increase noticeably as the second quarter unfolds. Demand has improved quite a bit in recent months, which will keep depreciation at around the 2% level—on average—by year’s end.



## ATD OFFICIAL COMMERCIAL TRUCK GUIDE TRENDS

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

April 2018 vs. May 2018

Commercial Truck Segment	2012MY	2013MY	2014MY	2015MY	2016MY*
Commercial Van	↘ -0.9%	↘ -0.4%	↘ -0.5%	↘ -0.8%	↘ -0.9%
Extended Hood	↘ -1.0%	↘ 0.0%	↘ 0.0%	↘ 0.0%	↘ -0.5%
Highway Aerodynamic	↘ -1.9%	↘ -2.1%	↘ -1.7%	↘ -3.5%	↘ -4.7%
Highway Traditional	↘ -0.2%	↘ 0.0%	↘ 0.0%	↘ 0.0%	NULL
Local/Delivery Daycab	↘ -0.4%	↘ -0.9%	↘ -0.9%	↘ -2.0%	↘ -3.7%
Medium Duty Cabover	↘ 0.0%	↘ 0.0%	↘ 0.0%	↘ 0.0%	↘ 0.0%
Medium Duty Conventional	↘ -1.2%	↘ -0.6%	↘ -1.5%	↗ 3.4%	↗ 2.6%
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

May 2017 vs. May 2018\*

Commercial Truck Segment	5YR	4YR	3YR	2YR	Segment Change
Commercial Van	-1.4%	-5.1%	9.1%	2.8%	-7.9%
Extended Hood	8.4%	0.1%	9.3%	-1.7%	-3.3%
Highway Aerodynamic	15.5%	7.0%	7.4%	2.1%	-8.4%
Highway Traditional	6.1%	3.1%	NULL	NULL	-10.3%
Local/Delivery Daycab	11.1%	2.0%	7.3%	7.3%	-3.9%
Medium Duty Cabover	-2.0%	-12.3%	-11.7%	-4.8%	-11.9%
Medium Duty Conventional	17.2%	14.0%	9.6%	-0.3%	-0.7%
Vocational/Construction	14.0%	11.9%	1.0%	5.7%	-2.1%

\*Calculations are based on vehicle age, i.e. values for 1-year-old vehicles in CY2017 are compared against values for 1-year-old vehicles in CY2016.

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

January 2018 — May 2018

Commercial Truck Segment	2012MY	2013MY	2014MY	2015MY	2016MY*	Segment
Commercial Van	-6.8%	-5.2%	-4.2%	-3.0%	-3.2%	-4.1%
Extended Hood	-1.0%	0.0%	-7.3%	-2.1%	-4.1%	-3.2%
Highway Aerodynamic	-2.8%	-7.8%	-8.8%	-6.8%	-10.1%	-7.5%
Highway Traditional	-0.2%	0.0%	-6.4%	-3.7%	NULL	-2.9%
Local/Delivery Daycab	-1.2%	-2.7%	-4.7%	-5.1%	-9.8%	-4.3%
Medium Duty Cabover	-5.9%	-6.3%	-10.0%	-9.0%	-5.7%	-7.4%
Medium Duty Conventional	-1.2%	-0.6%	-2.0%	1.4%	-0.5%	0.1%
Vocational/Construction	-2.9%	-2.8%	-2.3%	-2.3%	-1.3%	-2.5%

## AT J.D. POWER VALUATION SERVICES (FORMERLY NADA USED CAR GUIDE)

### What's New

J.D. Power is pleased to offer a new **Residual Values** product suite designed to help manufacturers, captive finance companies, and lenders make informed decisions on residual setting, lease support, and risk management. This benchmark product incorporates industry-leading data from three trusted sources. Coupled with a seasoned team of data scientists and analysts, the product suite's sophisticated valuation forecast methodology provides a fresh, reliable approach based on objective expertise and complete transparency.



### About J.D. Power

J.D. Power is a global leader in consumer insights, advisory services, and data and analytics to help clients measure and improve the key performance metrics that drive growth and profitability. J.D. Power's industry benchmarks, robust proprietary data, advanced analytics capabilities, and reputation for independence and integrity has established the company as one of the world's most well-known and trusted providers of consumer and market insights for more than a dozen industries. Established in 1968, J.D. Power is headquartered in Costa Mesa, California, and has 17 global locations serving North/South America, Asia Pacific, and Europe.

### About J.D. Power Valuation Services (formerly NADA Used Car Guide)

J.D. Power Valuation Services (formerly NADA Used Car Guide) is a leading provider of vehicle valuation products, services and information to businesses. Its team collects and analyzes over 1 million combined automotive and truck wholesale and retail transactions per month, and delivers a range of guidebooks, auction data, analysis and data solutions. J.D. Power acquired NADA Used Car Guide in 2015, forming a powerful combination that brings the automotive industry rich data sets, strong analytics and over 130 years of market experience. Residual Values is the first product to be launched by J.D. Power Valuation Services.

#### Commercial Truck Market Analysis

**Chris Visser**  
703.610.7067  
[Chris.Visser@jdpa.com](mailto:Chris.Visser@jdpa.com)

#### Director Sales and Customer Service

**Dan Ruddy**  
703.749.4707  
[Dan.Ruddy@jdpa.com](mailto:Dan.Ruddy@jdpa.com)

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

**Steve Stafford**  
703.821.7275  
[Steve.Stafford@jdpa.com](mailto:Steve.Stafford@jdpa.com)

#### Automotive Dealers, Auctions, Insurance, Credit Unions, Fleet, Lease, Rental Industry, Government

**Doug Ott**  
703.749.4710  
[Doug.Ott@jdpa.com](mailto:Doug.Ott@jdpa.com)

#### Director Business Development

**James Gibson**  
703.821.7136  
[James.Gibson@jdpa.com](mailto:James.Gibson@jdpa.com)

#### Media Relations

**Ryan Morris**  
202.826.4029  
[Ryan.Morris@jdpa.com](mailto:Ryan.Morris@jdpa.com)

**J.D. Power Valuation Services (formerly NADA Used Car Guide)** 8401 Greensboro Drive, Suite 1000 | McLean, VA 22102 | 800.544.6232 | [nada.com/b2b](http://nada.com/b2b)

NADA Used Car Guide® and its logo are registered trademarks of National Automobile Dealers Association, used under license by J.D. Power.

© 2018 J.D. Power. All Rights Reserved.

## CONSULTING SERVICES

J.D. Power Valuation Services' 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 J.D. Power Valuation Services' analytics team, which maintains and advances its 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.

### VP Vehicle Analysis & Analytics

**Jonathan Banks**

703.610.7008

[Jonathan.Banks@jdpa.com](mailto:Jonathan.Banks@jdpa.com)

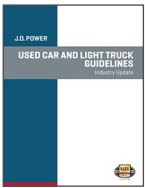
### Senior Analyst and Product Manager

**Chris Visser**

703.610.7067

[Chris.Visser@jdpa.com](mailto:Chris.Visser@jdpa.com)

## ADDITIONAL RESOURCES



### Guidelines

Updated monthly with a robust data set from various industry sources and J.D. Power Valuation Services' proprietary analysis, *Guidelines* provides the insight needed to make decisions in today's market.



### Perspective

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



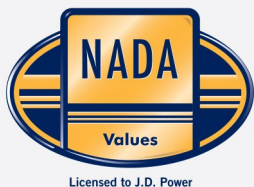
### White Papers

J.D. Power Valuation Services' 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.



### 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.



### Read our Blog

[nada.com/commercialtruck](http://nada.com/commercialtruck)



### Follow Us on Twitter

[@NADAValues](https://twitter.com/NADAValues)



### Find Us on Facebook

[Facebook.com/NADAUsedCarGuide](https://Facebook.com/NADAUsedCarGuide)



### Watch Us on YouTube

[Youtube.com/NADAUsedCarGuide](https://Youtube.com/NADAUsedCarGuide)

Disclaimer: J.D. Power Valuation Services [formerly 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 by visiting [www.nada.com/b2b](http://www.nada.com/b2b), you agree not to reprint, reproduce, or distribute Guidelines without the express written permission of J.D. Power.

**J.D. Power Valuation Services (formerly NADA Used Car Guide)** 8401 Greensboro Drive, Suite 1000 | McLean, VA 22102 | 800.544.6232 | [nada.com/b2b](http://nada.com/b2b)

NADA Used Car Guide® and its logo are registered trademarks of National Automobile Dealers Association, used under license by J.D. Power.

© 2018 J.D. Power. All Rights Reserved.