



SUMMARY

CONSTRUCTION

LIFT/ACCESS

AGRICULTURE

COMMERCIAL TRUCK

MARKET DATA: JANUARY 2018

EquipmentWatch remains the largest sales database on the planet with 20x the sales data of any other source.

\$35,337,662,994

RESALE

\$35,309,408,720

448,826 Assets

AUCTION

\$28,254,274

1,489 Assets

The *EquipmentWatch Market Report*™ is a monthly resource for the construction, lift/access, agriculture and commercial truck industries to make better-informed decisions by leveraging key **equipment values, market activity, age and usage metrics.**

How is the Price Stability INDEX calculated?

MARKET SUMMARY

For more detailed articles, visit [EquipmentWatch Intelligence](#) online.

MARKET ACTIVITY	YEAR OVER YEAR MARKET METRICS		MONTH OVER MONTH MARKET METRICS		PRICE STABILITY INDEX™
	VALUES	FLV	VALUES	FLV	
CONSTRUCTION \$18,103,194,811 MARKET VALUE 194,413 ASSETS	VALUES ▼ 9.4% FMV VOLUME ▲ 7.1% RESALE	▼ 11.1% FLV ▲ 93.0% AUCTION	VALUES ▼ 0.3% FMV VOLUME ▼ 3.3% RESALE	▼ 1.1% FLV ▼ 88.6% AUCTION	98.64 DEFLATED STABLE INFLATED
LIFT/ACCESS \$1,332,877,339 MARKET VALUE 42,396 ASSETS	VALUES ▼ 8.5% FMV VOLUME ▲ 12.9% RESALE	▼ 8.1% FLV 0.0% AUCTION	VALUES ▼ 0.6% FMV VOLUME ▲ 8.2% RESALE	▲ 0.9% FLV ▼ 87.0% AUCTION	98.85 DEFLATED STABLE INFLATED
AGRICULTURE \$12,958,576,974 MARKET VALUE 148,244 ASSETS	VALUES ▼ 1.5% FMV VOLUME ▲ 12.0% RESALE	▼ 1.4% FLV ▼ 5.4% AUCTION	VALUES ▲ 0.5% FMV VOLUME ▼ 5.2% RESALE	▲ 0.4% FLV ▲ 90.0% AUCTION	100.19 DEFLATED STABLE INFLATED
COMMERCIAL TRUCK \$2,943,013,870 MARKET VALUE 65,262 ASSETS	VALUES ▼ 10.6% FMV VOLUME ▼ 0.7% RESALE	▼ 6.7% FLV 0.0% AUCTION	VALUES ▼ 0.7% FMV VOLUME ▲ 9.3% RESALE	▼ 5.1% FLV ▼ 74.6% AUCTION	99.25 DEFLATED STABLE INFLATED



You are reading the **free version** of the EquipmentWatch Market Report™

The Premium Market Report is exclusively available to EquipmentWatch customers.

[Click here to see a sample of the Premium Market Report](#)

Subtype Trends • Brand Analysis • Regional Price Stability

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EMAIL US OR CALL 888.307.1713



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How is the Price Stability INDEX calculated?

CONSTRUCTION

OVERALL

TYPE TRENDS

BRAND TRENDS

REGIONAL TRENDS

MARKET ACTIVITY

\$18,103,194,811
MARKET VALUE

194,413
ASSETS

YEAR OVER YEAR

MARKET METRICS

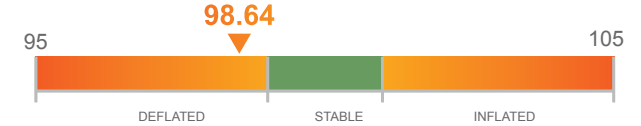
VALUES ▼ **9.4%** FMV ▼ **11.1%** FLV
VOLUME ▲ **7.1%** RESALE ▲ **93.0%** AUCTION

MONTH OVER MONTH

MARKET METRICS

VALUES ▼ **0.3%** FMV ▼ **0.1%** FLV
VOLUME ▼ **3.3%** RESALE ▼ **88.6%** AUCTION

PRICE STABILITY INDEX™



MARKET PERFORMANCE

Market activity on the auction channel in January 2018 was 93.0% higher than January 2017, but 88.6% lower than December 2017. Higher market activity year over year was due to the expected ramp up in infrastructure spending in 2018. Significantly lower market activity month over month was due to seasonality. Ritchie Brothers, which holds a commanding lead in auction market share in the United States and Canada, does not have auctions in January.

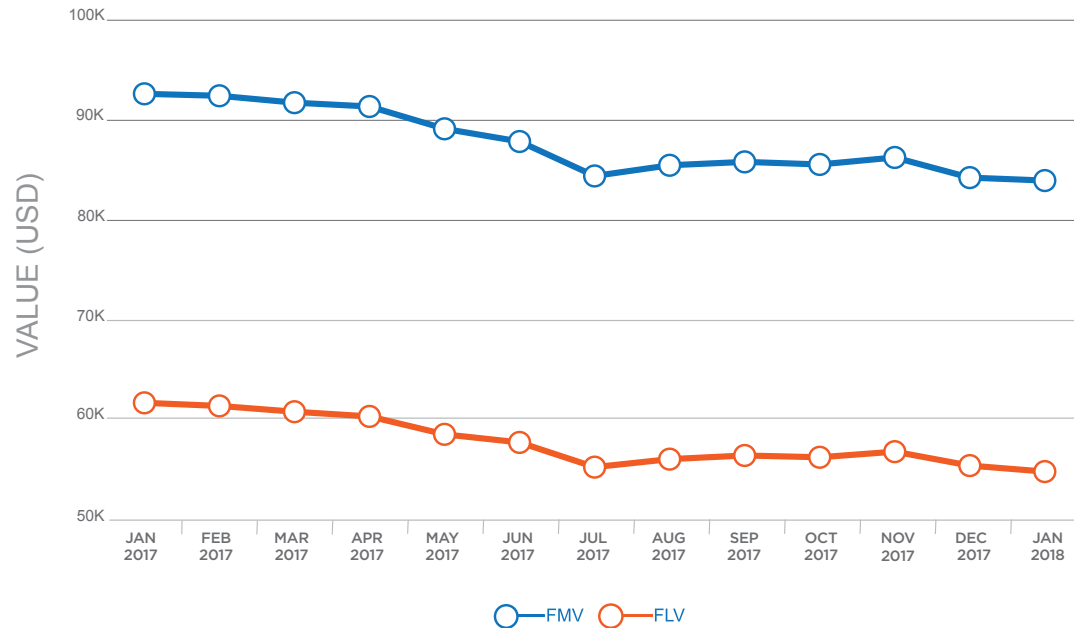
MARKET HIGHLIGHTS

- Assets with lower usage rates were sold or listed for sale in January 2018 on the resale channel, a sign that asset owners are beginning to prepare for the next construction season.
- Month over month and year over year average age on the resale channel went up by 11.3% and 6.2% in January 2018.
- Compared to January 2017, FMVs and FLVs decreased by 9.6% and 11.4% in January 2018.

MARKET FORECAST

Construction companies are preparing for the start of construction season, large investments in infrastructure are anticipated and construction sentiment is high, all of which line up for a good year to see values and market activity rise over the coming months. Ritchie Brothers, alone, is expected to see a 30% or higher increase in auctioned assets in February 2018 over those it held in February 2017.

FMV AND FLV TRENDS



	VOLUME CHANGE		AVERAGE AGE		USAGE	
MONTH OVER MONTH	▼ 3.3% RESALE	▼ 88.6% AUCTION	▲ 11.3% RESALE	▼ 7.4% AUCTION	▼ 0.8% RESALE	▼ 36.2% AUCTION
YEAR OVER YEAR	▲ 7.1% RESALE	▲ 93.0% AUCTION	▲ 6.2% RESALE	▼ 16.1% AUCTION	▼ 5.0% RESALE	▼ 8.8% AUCTION



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[How is the Price Stability INDEX calculated?](#)

LIFT/ACCESS

OVERALL TYPE TRENDS BRAND TRENDS REGIONAL TRENDS

MARKET ACTIVITY

\$1,332,877,339
MARKET VALUE

42,396
ASSETS

YEAR OVER YEAR

MARKET METRICS

VALUES ▼ **8.5%** FMV ▼ **8.1%** FLV

VOLUME ▲ **12.9%** RESALE **0.0%** AUCTION

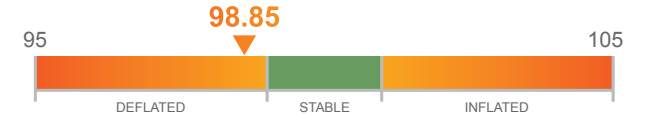
MONTH OVER MONTH

MARKET METRICS

VALUES ▼ **0.6%** FMV ▲ **0.9%** FLV

VOLUME ▲ **8.2%** RESALE ▼ **87.0%** AUCTION

PRICE STABILITY INDEX™



MARKET PERFORMANCE

Lift values were split in January, with FMV having a slight decrease and FLV having an almost 1% increase. Resale market activity increased by about 8%, while auction activity saw very large decreases in anticipation of the two busiest auction months.

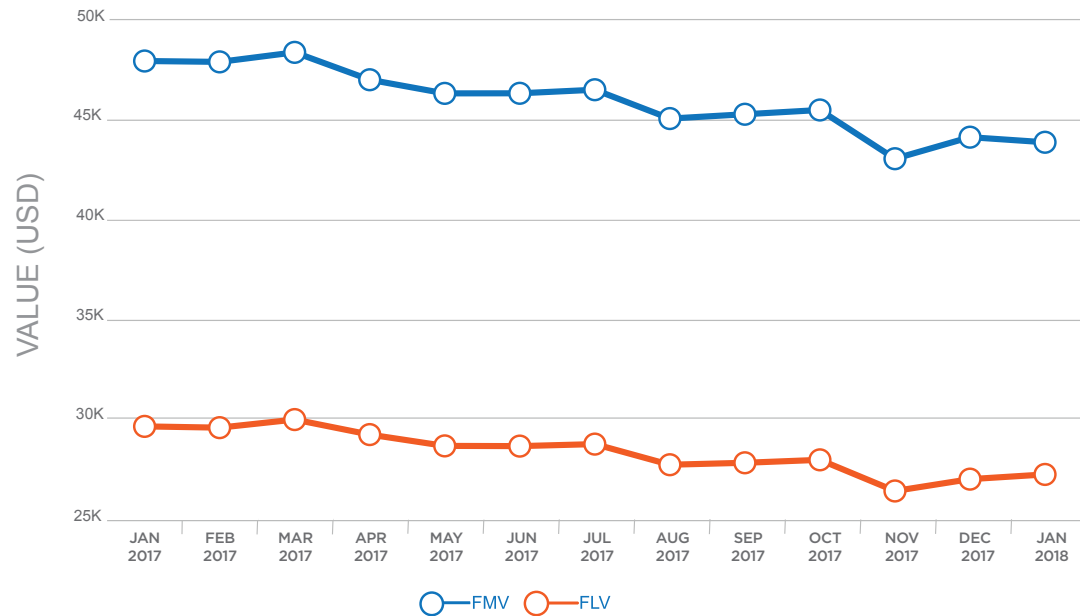
MARKET HIGHLIGHTS

- Year over year values for both the auction and resale channels have declined by about 8%, while market activity for both have increased greatly.
- The overall market value and the number of assets increased by about 24% and 19%, respectively, in January. This is due to the increase in resale activity from December to January.
- Average age and utilization increased in the resale channels, when compared to December, while they both decreased in the auction channels.

MARKET FORECAST

Looking forward to February data, we should see massive increases in auction market activity with the famous Ritchie Brothers Orlando events. FLV should decline due to the high activity, while FMV should remain even.

FMV AND FLV TRENDS



	VOLUME CHANGE		AVERAGE AGE		USAGE	
MONTH OVER MONTH	▲ 8.2% RESALE	▼ 87.0% AUCTION	▲ 6.8% RESALE	▼ 9.6% AUCTION	▲ 2.5% RESALE	▼ 20.4% AUCTION
YEAR OVER YEAR	▲ 12.9% RESALE	0.0% AUCTION	▲ 5.3% RESALE	▼ 8.3% AUCTION	▲ 12.5% RESALE	▼ 35.5% AUCTION



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AGRICULTURE

OVERALL TYPE TRENDS BRAND TRENDS REGIONAL TRENDS

MARKET ACTIVITY

YEAR OVER YEAR

MARKET METRICS

\$12,958,576,974 **148,244**
MARKET VALUE ASSETS

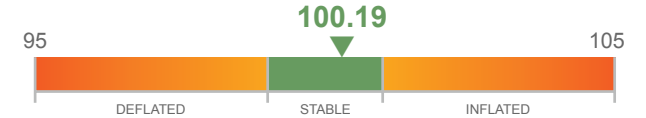
VALUES ▼ **1.5%** ▼ **1.4%**
FMV FLV
VOLUME ▲ **12.0%** ▼ **5.4%**
RESALE AUCTION

MONTH OVER MONTH

MARKET METRICS

VALUES ▲ **0.5%** ▲ **0.4%**
FMV FLV
VOLUME ▼ **5.2%** ▼ **90.0%**
RESALE AUCTION

PRICE STABILITY INDEX™



MARKET PERFORMANCE

FMV and FLV increased marginally in January 2018 compared to December 2017. However, they both decreased around 1.5% compared to last year. Similar to last year's trend for market activity, volume on the auction channel was down in January 2018 when compared to December 2017. The resale channel showed an increase in market volume during the same time period.

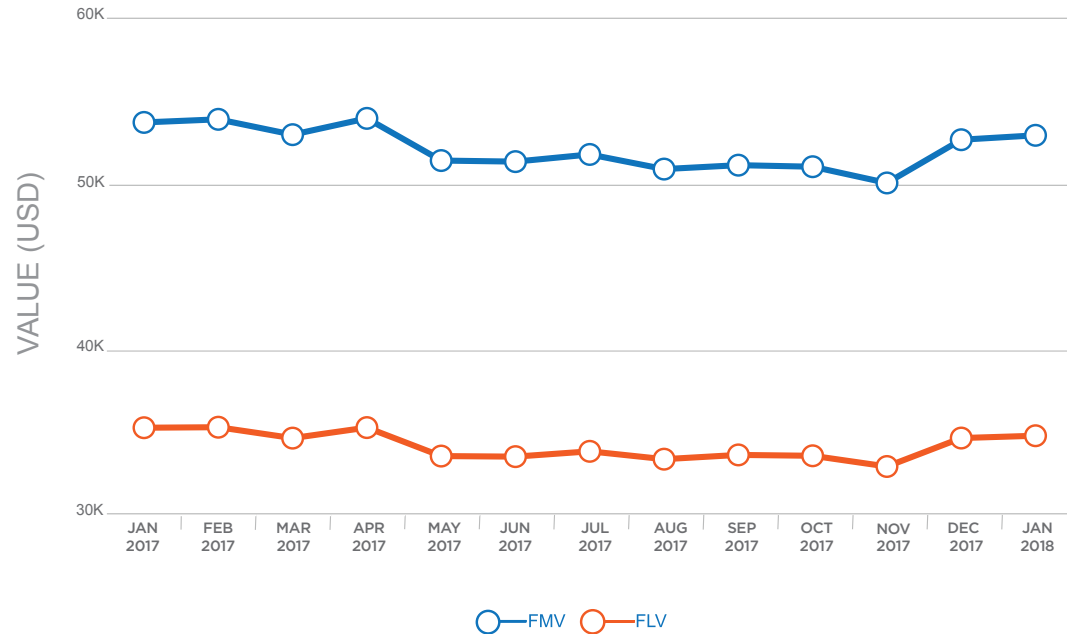
MARKET HIGHLIGHTS

- Seasonality had a large impact on values last month with an even larger impact on volume.
- Compared to January 2017, average age in January 2018 increased across both channels. The resale channel saw the largest impact on average age, with an increase of 10%.
- Compared to December 2017, average usage for January 2018 decreased on the resale channel, but compared to January 2017, usage increased across both channels. Next month, expect a decrease in usage on the auction channel due to market saturation..

MARKET FORECAST

Within the coming months, expect increases in FMV and FLV. Market activity on the resale channel will decline due to consumers substituting equipment on the resale channel in favor of auction.

FMV AND FLV TRENDS



	VOLUME CHANGE		AVERAGE AGE		USAGE	
MONTH OVER MONTH	▲ 0.5% RESALE	▼ 90.0% AUCTION	▲ 10.2% RESALE	▲ 24.4% AUCTION	▼ 9.3% RESALE	▲ 66.4% AUCTION
YEAR OVER YEAR	▲ 12.0% RESALE	▼ 5.4% AUCTION	▲ 9.8% RESALE	▲ 6.1% AUCTION	▲ 10.3% RESALE	▼ 18.9% AUCTION



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COMMERCIAL TRUCK

OVERALL

TYPE TRENDS

BRAND TRENDS

REGIONAL TRENDS

How is the Price Stability INDEX calculated?

MARKET ACTIVITY		YEAR OVER YEAR MARKET METRICS		MONTH OVER MONTH MARKET METRICS		PRICE STABILITY INDEX™	
\$2,943,013,870 MARKET VALUE	65,262 ASSETS	VALUES ▼ 10.6% FMV	▼ 6.7% FLV	VALUES ▼ 0.7% FMV	▼ 5.1% FLV		
		VOLUME ▼ 0.7% RESALE	0.0% AUCTION	VOLUME ▲ 9.3% RESALE	▼ 74.6% AUCTION		

MARKET PERFORMANCE

FMV dropped only 0.7% during January, but was still 10.6% below last January. The FLV change was slightly more consistent month over month and year over year, down 6.7% for the year and 5.1% since December as most of the yearly change was from last month.

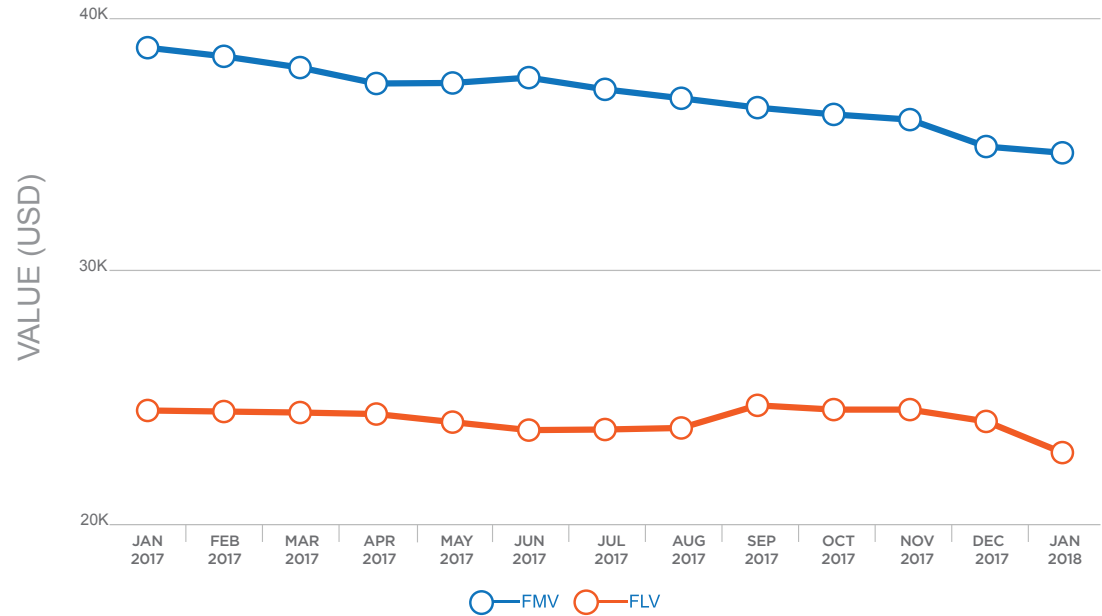
MARKET HIGHLIGHTS

- Average usage on the resale channel was down 3.3% month over month and 17.4% year over year despite increases in average age.
- The year over year decrease of 0.7% indicated stable activity on the resale channel as the month over month increase was 9.3%.
- As average age increased on the resale channel, it came as no surprise that FMV was down for the month.

MARKET FORECAST

The auction channel typically slows down in activity during January, but picks up in February. Expect an increase in volume.

FMV AND FLV TRENDS



	VOLUME CHANGE		AVERAGE AGE		USAGE	
MONTH OVER MONTH	▲ 9.3% RESALE	▼ 74.6% AUCTION	▲ 8.3% RESALE	▼ 22.8% AUCTION	▼ 3.3% RESALE	▼ 13.4% AUCTION
YEAR OVER YEAR	▼ 0.7% RESALE	0.0% AUCTION	▲ 4.7% RESALE	▲ 35.5% AUCTION	▼ 17.4% RESALE	▲ 51.0% AUCTION



APPENDIX

INTRODUCTION

The EquipmentWatch Market Report is a compilation of a wide array of EquipmentWatch's data, designed to bring you an in-depth look at used equipment markets over the last month.

This Appendix is designed to answer your questions regarding this report. Here we define and illustrate how we think about values, market activity, age, Usage, and regional influence for the most common types of equipment seen on used markets across North America.

OUR DATA

Selection Criteria for OEMs and Subtypes

EquipmentWatch tracks Resale and Auction prices and activity for over 15,000 models across 389 manufacturers throughout North America. With over \$800 billion in collected equipment transactions, EquipmentWatch is your primary source for intelligence regarding used equipment markets.

The data in this report is divided into four distinct equipment markets: Construction, Lift/Access, Agriculture, and Commercial Trucks. For each market, we selected the top equipment types based on their market share from January 2015 to December 2015. They're listed in the table to the right.

Construction	Lift/Access	Agriculture	Commercial Trucks
4-Wd Articulated Wheel Loaders	Electric Self Propelled Scissor Lifts	Track Tractors	Heavy Duty: Conventional - Sleeper (Heavy Tractor)
Articulated Frame Graders	I.C. Pneumatic Tire Lift Trucks	Balers	Heavy Duty: Conventional - Day Cab (Heavy Tractor)
Articulated Rear Dumps	I.C. Self Propelled Telescopic Boom Aerial Lifts	Combines	Heavy Duty: Conventional - Day Cab (Heavy Cab Chassis)
Compact Track Loaders	I.C. Self-Propelled Articulating Boom Aerial Lifts	Corn Headers	Medium Duty: Conventional - Day Cab (Cab Chassis)
Crawler Mounted Compact Excavators	Telescoping Boom Rough Terrain Lift Trucks	Wheel Tractors	Medium Duty: Cabover - Day Cab (Cab Chassis)
Crawler Mounted Hydraulic Excavators	I.C. Cushion Tire Lift Trucks	Planters	Medium Duty: Crew (Cab Chassis)
Large Generator Sets			
Single Drum Vibratory Compactors			
Skid Steer Loaders			
Standard Crawler Dozers			
Tandem Vibratory Compactors			
Tractor-Loader-Backhoes			



APPENDIX

We have also limited the scope of the EquipmentWatch Market Report to the following brands in each market:

Construction	Lift/Access	Agriculture	Commercial Truck
Bobcat	Caterpillar	Deere	International
Case	Genie	Case IH	Freightliner
Caterpillar	JLG	New Holland	Volvo
Deere	Sky Trak	Massey Ferguson	Kenworth
Komatsu	Skyjack	Challenger	Peterbilt
Volvo	Hyster	Kubota	Hino

THE EQUIPMENTWATCH PRICE STABILITY INDEX™

Academic justification

The EquipmentWatch Price Stability Index™ is a new metric for understanding used equipment markets for used heavy equipment. It measures resale price capacity based on the movement of market prices and market activity among the equipment types and manufacturers presented above.

Methodology and Calculation

The EquipmentWatch Price Stability Index™ is based on the Laspeyres Index, one of the many economic indices used to monitor changes in prices over time. To calculate it, we use the framework provided by the Laspeyres Index:

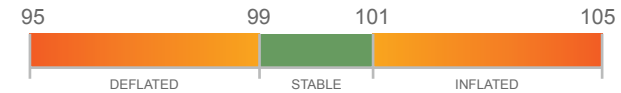
$$P_L = \frac{\sum(p_{c,t_n}) * (q_{c,t_0})}{\sum(p_{c,t_0}) * (q_{c,t_0})}$$

This equation sums the product of prices in the current month and quantity of the previous month and divides that by the product of prices in the previous month and quantity in the previous month.

We have modified this method to track the change in prices for each equipment type from month-to-month against the change in market activity for each equipment type month to month.

Interpretation

The EquipmentWatch Price Stability Index™ can be thought of as an index of price capacity. In more formal terms, it measures how efficiently used markets adjust to equilibrium given previous adjustments in prices and market activity. There are three primary ranges in the EquipmentWatch Price Stability Index™, as noted below:



When the EquipmentWatch Price Stability Index™ is higher than 101, that indicates that equipment is valued at a higher level than expected, given last month's prices and amount of market activity. We categorize this range as "Inflated".

When the EquipmentWatch Price Stability Index™ is lower than 99, it indicates that equipment is valued at a lower level than expected, given last month's prices and market activity. We categorize this range as "Deflated".

When the EquipmentWatch Price Stability Index™ is between 99 and 101, it is typically demonstrating that equipment prices and market activity are moving appropriately towards market equilibrium. We categorize this range as "Stable".

It is important to note that a higher rating on EquipmentWatch Price Stability Index™ does not necessarily imply that used markets are better than a lower rating. For some, price inflation is desirable; for others, it is undesirable. However, all parties involved in buying or selling equipment on used markets can use the EquipmentWatch Price Stability Index™ to easily understand how prices in a particular region or equipment channel are moving relative to the previous month.



APPENDIX

SECTION GUIDES

The Introduction

In the top left, we exhibit a tally of the estimated market value of market activity last month in the Resale channel and Auction channel.

In the main table, we display market activity and assets for each market, along with month over month and year over year changes in Fair Market Value and Forced Liquidation Value.

Overall Trends

This page is an overview of each channel. The graph highlights an overall FMV and FLV trend line for all of the equipment types and manufacturers in the report for the last 13 months. It also displays very general month over month and year over year trends across the entire channel.

Type Trends

This page subsets the analysis of the previous page across each of the key equipment types in this report.

Brand Trends

This page shows some of the key month over month trends for the manufacturers represented in this report, including equipment values, Usage, market activity, and age trends.

Regional Trends

This page shows the EquipmentWatch Price Stability Index™ for each of the 14 regions, using the same calculation method as the EquipmentWatch Price Stability Index™ shown on the first page of the report. The states and provinces which make up each region are listed in the table to the right.

Note that due to regional disparity in market activity, some regions with very little or no market activity in the last month are excluded from the analysis. These are marked with “NA” on the map.

Country	Region	State/Province
USA	A	CT, DE, MA, ME, NH, NJ, NY, RI, VT
USA	B	MD, P, VA, WV
USA	C	AL, FL, GA, KY, MS, NC, SC, TN
USA	D	IL, IN, MI, OH, WI
USA	E	IA, KS, MO, NE
USA	F	AR, LA, OK, TX
USA	G	AZ, CO, NM, UT
USA	H	ID, MN, MT, ND, SD, WY
USA	I	CA, NV, OR, WA
USA	J	HI
USA	K	AK
CAN	L	NT, NU, YT
CAN	M	AB, BC, MB, SK
CAN	N	NB, NL, NS, ON, PE, QC

FAQS

Why did you limit the equipment types in this report?

EquipmentWatch tracks market activity for over a hundred unique equipment types each month. For each channel, we selected the most popular equipment types, based on the frequency of appearance on the resale and auction channels.

Why are there only 24 manufacturers in this report?

EquipmentWatch tracks market activity for almost 400 unique manufacturers each month. For each market, we selected the top 6 manufacturers. As the markets shift and prominence on used markets changes, we will adjust our selections accordingly.



APPENDIX

Why don't you use OLV?

Orderly Liquidation Value, or OLV, is a third major category of values. These are the values of an asset given a single seller and multiple potential buyers given a long or indefinite timeframe in which to dispose. Given the lack of clarity around the time dimension, we have chosen not to make assumptions about the orderly liquidation process. However, OLV is typically between FLV and FMV in gross value.

IMPORTANT DEFINITIONS

Fair Market Value (FMV): the value of an asset sold to a single buyer under no compulsion.

Forced Liquidation Value (FLV): the value of an asset sold at a properly advertised and conducted auction in which the seller is under compulsion to sell on an as-is, where-is basis as of a specific date.

Market Activity: A measure of the total number of observations collected by EquipmentWatch, including publicly-available dealer listings, auction results, and final sales data.

Meter Reads: A measure of Usage that varies by equipment market. For most equipment types, this represents engine hours at the time of observation.

Age: the age of an asset, based on model year and the year of observation.

ABOUT EQUIPMENTWATCH

EquipmentWatch is the trusted source for heavy equipment data and intelligence. EquipmentWatch produces the leading database information products for the construction equipment industry and is the world leader in heavy construction research and serves more than 15,000 professional, high-volume users of construction and lift-truck data. Our online and print products are valuable tools in decisions surrounding the purchase, valuation, operation, and disposal of equipment.

For nearly 50 years, EquipmentWatch has served contractors, equipment manufacturers, dealers, rental companies, lenders and insurers, and government agencies involved in heavy civil construction.

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