



SUMMARY

CONSTRUCTION

LIFT/ACCESS

AGRICULTURE

COMMERCIAL TRUCK

MARKET DATA: MAY 2018

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

\$31,921,013,563

RESALE
\$31,727,440,946

423,144 Assets

AUCTION
\$193,572,617

7,776 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 \$15,075,703,121 MARKET VALUE 177,781 ASSETS	▼ 6.5% FMV	▼ 8.0% FLV	▼ 0.7% FMV	▼ 1.4% FLV	99.81 DEFLATED STABLE INFLATED
	▲ 55.4% RESALE	▼ 1.1% AUCTION	▼ 6.2% RESALE	▲ 18.9% AUCTION	
LIFT/ACCESS \$1,119,355,950 MARKET VALUE 36,068 ASSETS	▼ 2.2% FMV	▲ 8.0% FLV	▲ 0.1% FMV	▲ 0.2% FLV	100.05 DEFLATED STABLE INFLATED
	▼ 5.5% RESALE	▲ 41.9% AUCTION	▲ 1.7% RESALE	▼ 8.0% AUCTION	
AGRICULTURE \$12,269,821,843 MARKET VALUE 138,489 ASSETS	▲ 4.5% FMV	▲ 5.4% FLV	▼ 0.4% FMV	▲ 1.5% FLV	99.59 DEFLATED STABLE INFLATED
	▼ 0.5% RESALE	▲ 21.7% AUCTION	▼ 7.5% RESALE	▼ 32.0% AUCTION	
COMMERCIAL TRUCK \$3,456,132,649 MARKET VALUE 78,582 ASSETS	▼ 12.0% FMV	▼ 2.8% FLV	▼ 1.6% FMV	▼ 0.8% FLV	98.52 DEFLATED STABLE INFLATED
	▲ 59.3% RESALE	▲ 48.7% AUCTION	▲ 12.4% RESALE	▲ 15.7% AUCTION	



Did you miss a previous Market Report?

Click any of the buttons below to download the report

May 2018

February 2018

April 2018

January 2018

March 2018

December 2017





SUMMARY

CONSTRUCTION

LIFT/ACCESS

AGRICULTURE

COMMERCIAL TRUCK

How is the Price Stability INDEX calculated?

CONSTRUCTION

OVERALL

TYPE TRENDS

BRAND TRENDS

REGIONAL TRENDS

MARKET ACTIVITY

\$15,075,703,121
MARKET VALUE

177,781
ASSETS

YEAR OVER YEAR

MARKET METRICS

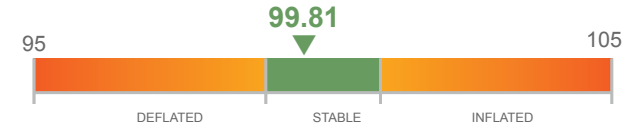
VALUES ▼ **6.5%** FMV ▼ **8.0%** FLV
VOLUME ▲ **55.4%** RESALE ▼ **1.1%** AUCTION

MONTH OVER MONTH

MARKET METRICS

VALUES ▼ **0.7%** FMV ▼ **1.4%** FLV
VOLUME ▼ **6.2%** RESALE ▲ **18.9%** AUCTION

PRICE STABILITY INDEX™



MARKET PERFORMANCE

Construction auction markets had a strong month in May 2018, with FLVs increasing by 2.0% from April 2018. Resale values remained relatively flat, only decreasing by -0.2% month over month.

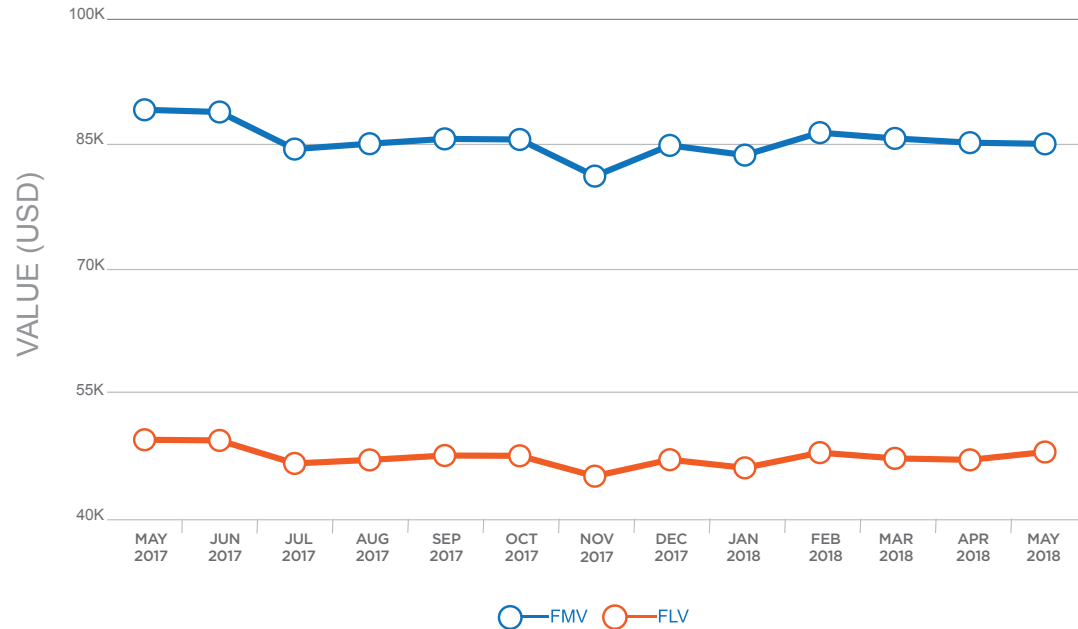
MARKET HIGHLIGHTS

- When comparing May 2018 to the same time last year, overall FMV and FLV have dropped by 6.5% and 8.0%, respectively. Resale market activity has increased by over 55% year over year.
- Overall average age and utilization increased in resale markets, while auction had the opposite trend with both decreasing month over month.
- The overall number of construction assets was up again in May, increasing by almost 14%. Overall market value decreased by over 3% month over month.

MARKET FORECAST

Values usually drop in June with the start of summer, and we should expect to see that seasonal trend continue this year.

FMV AND FLV TRENDS



	VOLUME CHANGE		AVERAGE AGE		USAGE	
MONTH OVER MONTH	▼ 6.2% RESALE	▲ 18.9% AUCTION	▲ 2.9% RESALE	▼ 2.4% AUCTION	▲ 0.5% RESALE	▼ 12.5% AUCTION
YEAR OVER YEAR	▲ 55.4% RESALE	▼ 1.1% AUCTION	▲ 1.5% RESALE	▼ 11.4% AUCTION	▼ 5.1% RESALE	▼ 6.5% AUCTION



SUMMARY

CONSTRUCTION

LIFT/ACCESS

AGRICULTURE

COMMERCIAL TRUCK

How is the Price Stability INDEX calculated?

LIFT/ACCESS

OVERALL

TYPE TRENDS

BRAND TRENDS

REGIONAL TRENDS

MARKET ACTIVITY

\$1,119,355,950
MARKET VALUE

36,068
ASSETS

YEAR OVER YEAR

MARKET METRICS

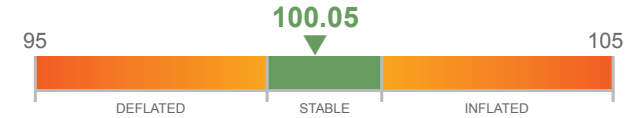
VALUES ▼ **2.2%** FMV ▲ **8.0%** FLV
VOLUME ▼ **5.5%** RESALE ▲ **41.9%** AUCTION

MONTH OVER MONTH

MARKET METRICS

VALUES ▲ **0.1%** FMV ▲ **0.2%** FLV
VOLUME ▲ **1.7%** RESALE ▼ **8.0%** AUCTION

PRICE STABILITY INDEX™



MARKET PERFORMANCE

Lift FMVs and FLVs had slight increases from April to May, while year over year FLVs have increased by 8% and FLVs have decreased by -2.2%. The overall index was stable again for the fifth straight month.

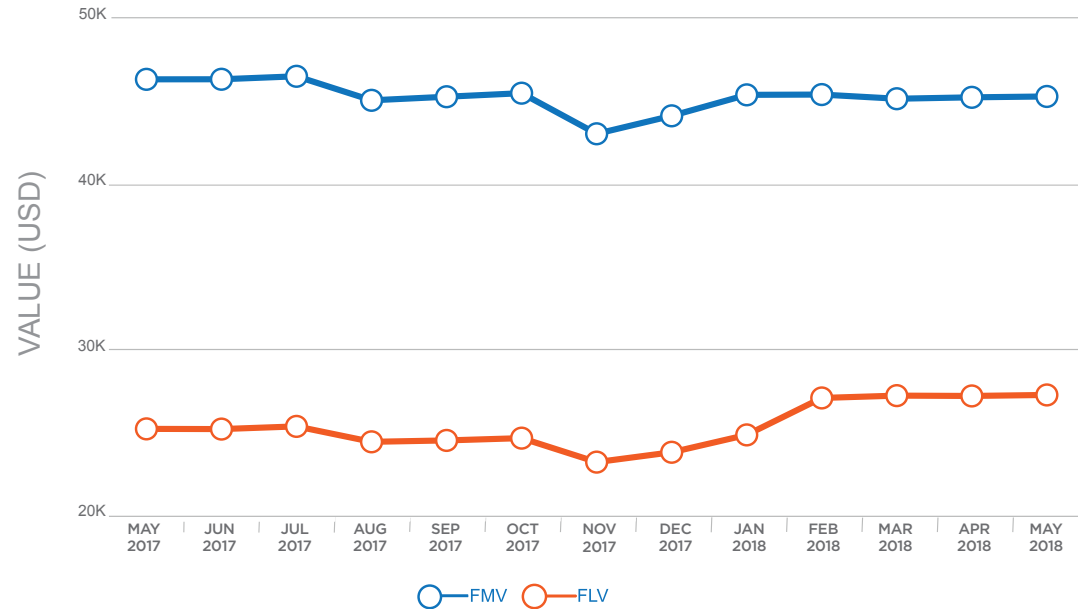
MARKET HIGHLIGHTS

- The overall lift market value increased by over 1% from April to May while the overall number of assets increased by over 8%.
- Resale market activity increased by 1.7% from April to May, while auction market activity decreased by -8%. Year over year resale market activity is down -5.5% with auction up about 42% from last May.
- Average age increased in both channels from April to May, while average utilization decreased in both channels.

MARKET FORECAST

When looking forward to June, we should see FMVs and FLVs remain even or slightly decrease with the start of summer. Market activity should increase across both channels.

FMV AND FLV TRENDS



	VOLUME CHANGE		AVERAGE AGE		USAGE	
MONTH OVER MONTH	▲ 1.7% RESALE	▼ 8.0% AUCTION	▲ 0.8% RESALE	▲ 13.1% AUCTION	▼ 2.5% RESALE	▼ 10.3% AUCTION
YEAR OVER YEAR	▼ 5.5% RESALE	▲ 41.9% AUCTION	▲ 1.5% RESALE	▼ 0.5% AUCTION	▲ 7.9% RESALE	▼ 8.3% AUCTION



SUMMARY

CONSTRUCTION

LIFT/ACCESS

AGRICULTURE

COMMERCIAL TRUCK

How is the Price Stability INDEX calculated?

AGRICULTURE

OVERALL TYPE TRENDS BRAND TRENDS REGIONAL TRENDS

MARKET ACTIVITY

YEAR OVER YEAR

MARKET METRICS

\$12,269,821,843 MARKET VALUE
138,489 ASSETS

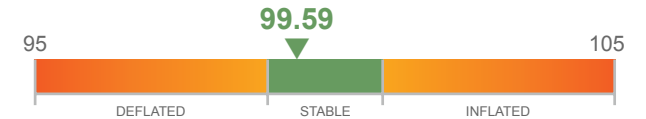
VALUES **▲ 4.5%** FMV **▲ 5.4%** FLV
VOLUME **▼ 0.5%** RESALE **▲ 21.7%** AUCTION

MONTH OVER MONTH

MARKET METRICS

VALUES **▼ 0.4%** FMV **▲ 1.5%** FLV
VOLUME **▼ 7.5%** RESALE **▼ 32.0%** AUCTION

PRICE STABILITY INDEX™



MARKET PERFORMANCE

Year over year, both Ag FMV and FLV are trending slightly better than last year despite a slight downturn in FMV figures for the month. Both resale and auction channels contracted this month—mildly in the former and more considerably in the latter. Nevertheless, resale is down a mere 0.5% from last year, and auction is up by 21.7%.

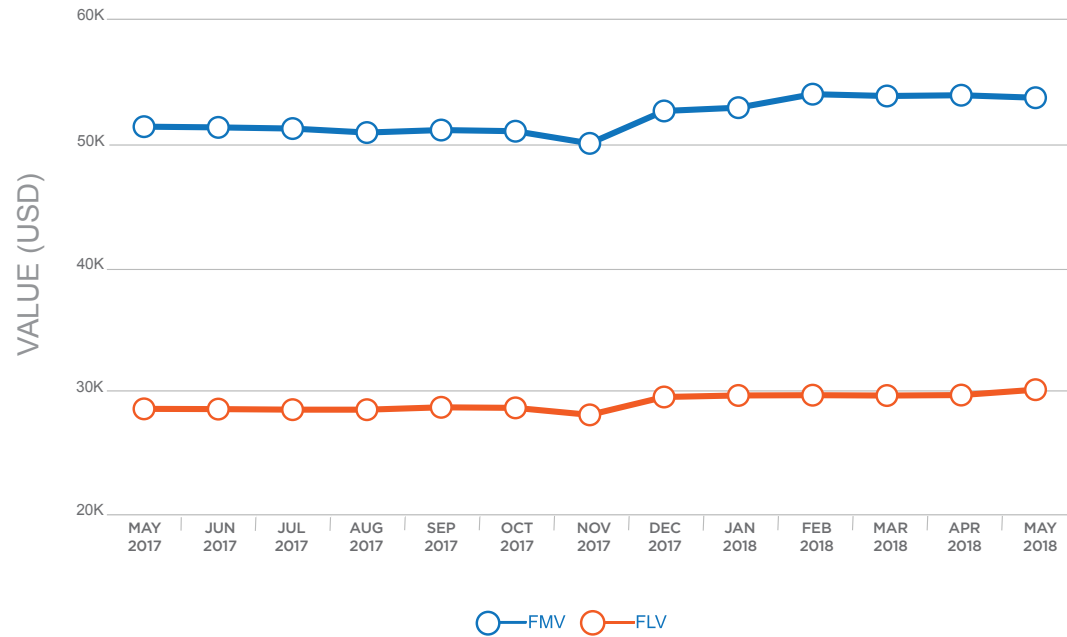
MARKET HIGHLIGHTS

- There has been an overall decrease in volumes with a considerable drop in FLV figures for the month. Despite this, FLV values are still up from last year.
- In both the resale and auction channels there is a compelling negative change in equipment utilization this month indicating a relatively younger stock of available assets.
- The average age of equipment in the resale channel shifts upwards negligibly. This figure increases modestly in the auction channel from last month while maintaining an overall decline year over year.

MARKET FORECAST

If last year's numbers are any indication of what to expect from market behavior in the next several months, anticipate a gradually declining trend for both FMV and FLV figures until November.

FMV AND FLV TRENDS



	VOLUME CHANGE		AVERAGE AGE		USAGE	
MONTH OVER MONTH	▼ 7.5% RESALE	▼ 32.0% AUCTION	▲ 0.4% RESALE	▲ 11.8% AUCTION	▼ 29.5% RESALE	▼ 35.6% AUCTION
YEAR OVER YEAR	▼ 0.5% RESALE	▲ 21.7% AUCTION	▲ 2.5% RESALE	▼ 2.5% AUCTION	▼ 24.8% RESALE	▼ 11.5% AUCTION



SUMMARY

CONSTRUCTION

LIFT/ACCESS

AGRICULTURE

COMMERCIAL TRUCK

COMMERCIAL TRUCK

OVERALL

TYPE TRENDS

BRAND TRENDS

REGIONAL TRENDS

How is the Price Stability INDEX calculated?

MARKET ACTIVITY

\$3,456,132,649
MARKET VALUE

78,582
ASSETS

YEAR OVER YEAR

MARKET METRICS

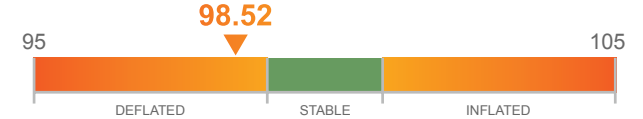
VALUES ▼ **12.0%** FMV ▼ **2.8%** FLV
VOLUME ▲ **59.3%** RESALE ▲ **48.7%** AUCTION

MONTH OVER MONTH

MARKET METRICS

VALUES ▼ **1.6%** FMV ▼ **0.8%** FLV
VOLUME ▲ **12.4%** RESALE ▲ **15.7%** AUCTION

PRICE STABILITY INDEX™



MARKET PERFORMANCE

The FMV decrease of 1.6% for the month was driven by the 2014 and 2013 model year trucks. Other than the medium duty cabover trucks, the average model year on the market is a 2013 for commercial trucks. As the volume of these model years increases due to the popularity in that age group, the FMV dropped.

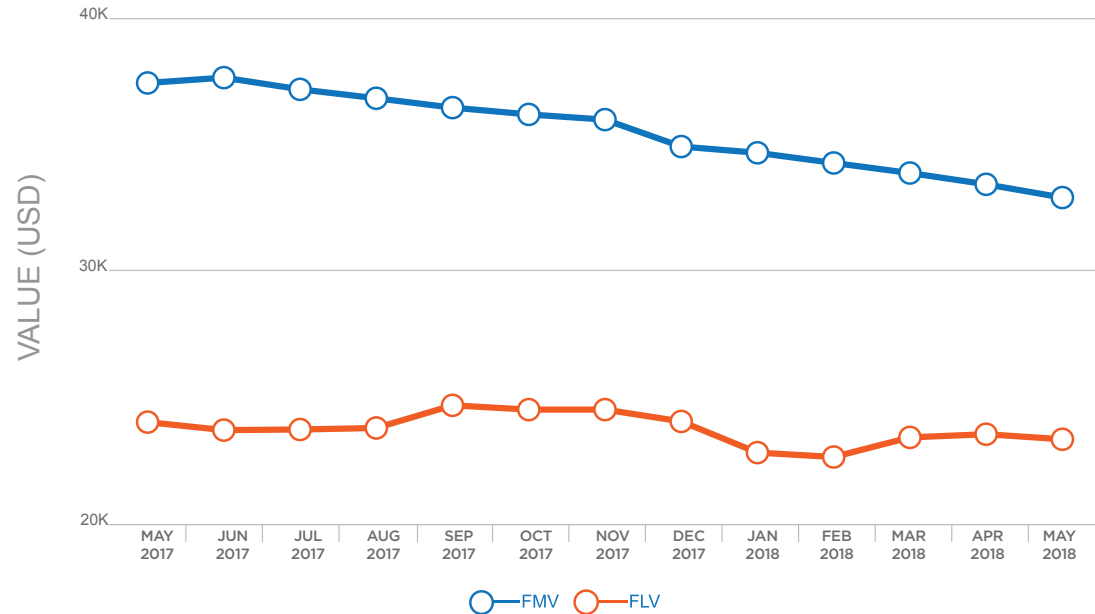
MARKET HIGHLIGHTS

- Even though the average age dropped 0.8% on the resale channel from April, it was up 1.1% from last year with a 3.1% drop in average usage year over year as older trucks with less mileage are available this year.
- Due to the 22.2% increase in average age on the auction channel and the 22.8% increase in average usage, it was not surprising that FLV dropped 2.8% year over year with much older and higher mileage trucks sold.
- The volume for both channels increased above April and last May bringing both FMV and FLV down.

MARKET FORECAST

Expect FMV to increase above where it was last month for models 2013 and older, with smaller drops than recently seen on the newer model years.

FMV AND FLV TRENDS



	VOLUME CHANGE		AVERAGE AGE		USAGE	
MONTH OVER MONTH	▲ 12.4% RESALE	▲ 15.7% AUCTION	▼ 0.8% RESALE	▲ 0.8% AUCTION	▲ 0.7% RESALE	▲ 4.5% AUCTION
YEAR OVER YEAR	▲ 59.3% RESALE	▲ 48.7% AUCTION	▲ 1.1% RESALE	▲ 22.2% AUCTION	▼ 3.1% RESALE	▲ 22.8% 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:

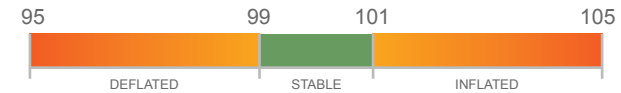
$$P_L = \frac{\sum(p_{c,t_n}) * (q_{c,t_0})}{\sum(p_{c,t_0}) * (q_{c,t_0})}$$

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, PA, 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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