

**SUMMARY**

CONSTRUCTION

LIFT/ACCESS

AGRICULTURE

COMMERCIAL TRUCK

MARKET DATA: AUGUST 2016

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

\$32,860,117,695

RESALE

\$32,734,030,583

412,757 Assets

AUCTION

\$126,087,112

4,409 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™****CONSTRUCTION****\$15,622,183,482**

MARKET VALUE

174,032

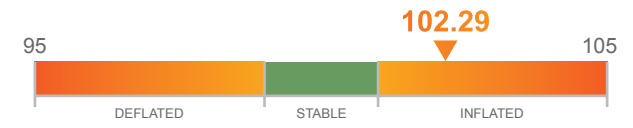
ASSETS

VALUES ▲ 1.1% ▼ 2.5%
FMV FLV

VOLUME ▲ 58.3% ▼ 8.6%
RESALE AUCTION

VALUES ▲ 0.5% ▼ 0.1%
FMV FLV

VOLUME ▲ 11.2% ▼ 28.9 %
RESALE AUCTION

**LIFT/ACCESS****\$1,419,233,414**

MARKET VALUE

45,060

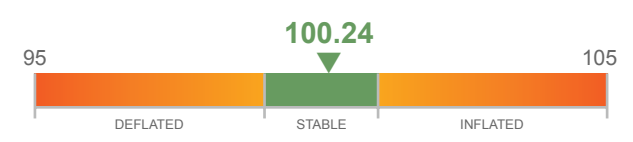
ASSETS

VALUES ▼ 0.1% ▼ 1.1%
FMV FLV

VOLUME ▲ 1.1% ▼ 12.2%
RESALE AUCTION

VALUES ▲ 0.2% ▲ 0.1%
FMV FLV

VOLUME ▲ 1.5% ▼ 51.8%
RESALE AUCTION

**AGRICULTURE****\$13,288,351,819**

MARKET VALUE

142,181

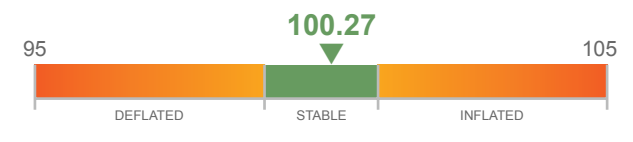
ASSETS

VALUES ▼ 6.9% ▼ 7.2%
FMV FLV

VOLUME ▲ 13.8% ▼ 41.8%
RESALE AUCTION

VALUES ▼ 0.3% ▼ 0.4 %
FMV FLV

VOLUME ▲ 18.0% ▼ 19.5%
RESALE AUCTION

**COMMERCIAL TRUCK****\$2,530,348,980**

MARKET VALUE

55,893

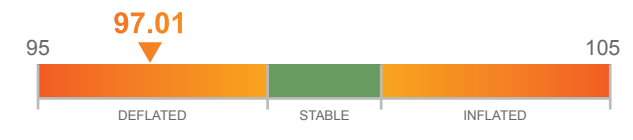
ASSETS

VALUES ▲ 2.3% ▲ 3.1%
FMV FLV

VOLUME ▼ 12.7% ▼ 41.8%
RESALE AUCTION

VALUES ▲ 1.2% ▼ 0.6%
FMV FLV

VOLUME ▲ 32.0% ▼ 41.1%
RESALE AUCTION





SUMMARY

CONSTRUCTION

LIFT/ACCESS

AGRICULTURE

COMMERCIAL TRUCK

How is the Price Stability INDEX calculated?

CONSTRUCTION

OVERALL

TYPE TRENDS

BRAND TRENDS

REGIONAL TRENDS

MARKET ACTIVITY

\$15,622,183,482
MARKET VALUE

174,032
ASSETS

YEAR OVER YEAR

MARKET METRICS

VALUES **▲ 1.1%** **▼ 2.5%**
FMV FLV

VOLUME **▲ 58.3%** **▼ 8.6%**
RESALE AUCTION

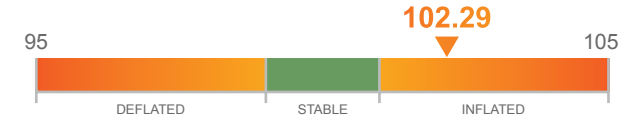
MONTH OVER MONTH

MARKET METRICS

VALUES **▲ 0.5%** **▼ 0.1%**
FMV FLV

VOLUME **▲ 11.2%** **▼ 28.9%**
RESALE AUCTION

PRICE STABILITY INDEX™



MARKET PERFORMANCE

Fair Market and Forced Liquidation values rose in the market for used construction equipment across North America in August. Combined with an 11.2% increase in resale market activity from July, this pushed the Price Stability Index™ to an Inflated value of 102.29.

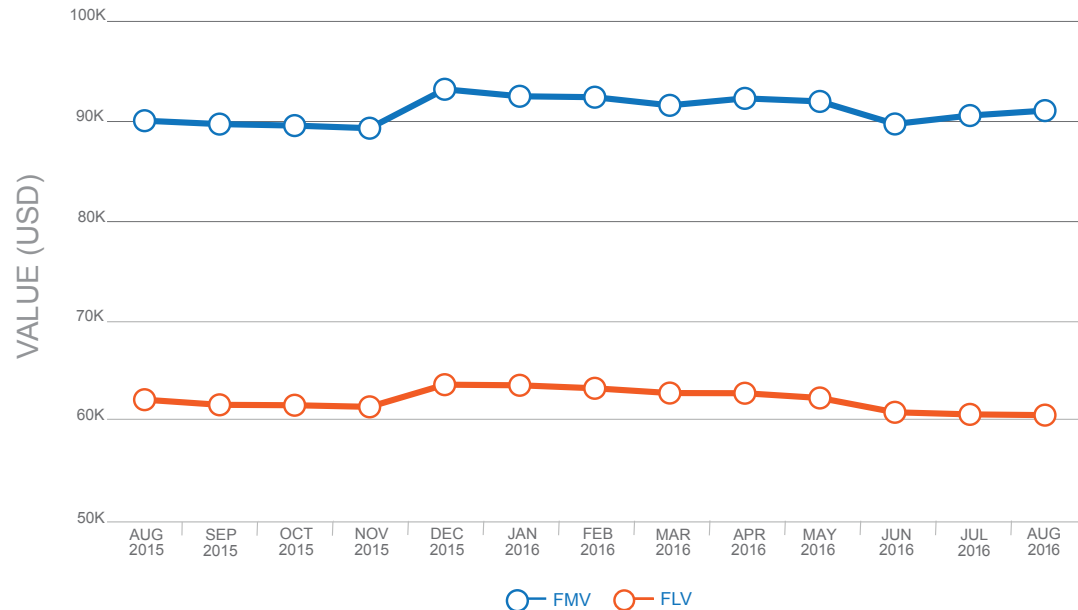
MARKET HIGHLIGHTS

- The average age of construction equipment on the resale and auction channels dropped by 1% and 8% (respectively) from July to August.
- Average usage for equipment on the resale channel was 8.1% lower than August 2015, but it was 13% higher than last year on the auction channel.
- Auction channels remained depressed in August, as the average FLV dropped slightly even though market activity, age, and usage all showed month-over-month declines.

MARKET FORECAST

With another surprising increase in FMV in August, the resale channel for used construction equipment has now seen sustained improvement in average values for two months in a row. Much of the variation can be explained by decreases in annualized usage, but there is also some evidence that confidence in the construction markets has improved.

FMV AND FLV TRENDS



MONTH OVER MONTH

VOLUME CHANGE

▲ 11.2% **▼ 28.9%**
RESALE AUCTION

AVERAGE AGE

▲ 11.2% **▼ 8.0%**
RESALE AUCTION

USAGE

▲ 1.9% **▼ 11.9%**
RESALE AUCTION

YEAR OVER YEAR

▲ 58.3% **▼ 8.6%**
RESALE AUCTION

▼ 4.5% **▼ 11.8%**
RESALE AUCTION

▼ 8.1% **▲ 13.0%**
RESALE AUCTION

CONSTRUCTION

NEXT

TYPE TRENDS



SUMMARY

CONSTRUCTION

LIFT/ACCESS

AGRICULTURE

COMMERCIAL TRUCK

CONSTRUCTION

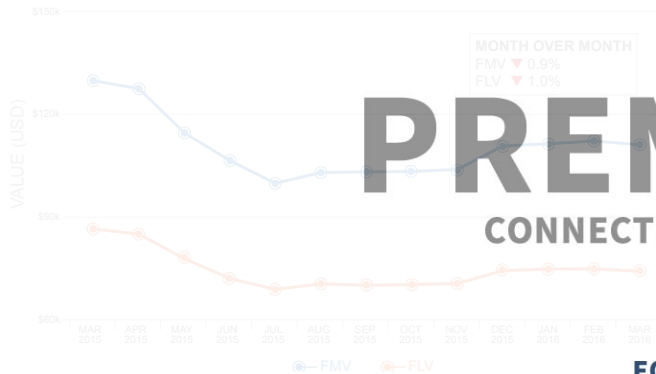
OVERALL

TYPE TRENDS

BRAND TRENDS

REGIONAL TRENDS

4-WD ARTICULATED WHEEL LOADERS

MARKET ACTIVITY
MONTH OVER MONTH

▼ 8.7%
RESALE

▲ 5.9%
AUCTION

USAGE TRENDS
MONTH OVER MONTH

▼ 14.8%
RESALE

▲ 21.3%
AUCTION

AGE TRENDS
MONTH OVER MONTH

▼ 1.0%
RESALE

▼ 1.0%
AUCTION

EQUIPMENT MANAGER
ESTIMATOR
RENTER/SELLER

SKID STEER LOADERS

MARKET ACTIVITY
MONTH OVER MONTH

▲ 1.4%
RESALE

▲ 175.4%
AUCTION

USAGE TRENDS
MONTH OVER MONTH

▼ 2.4%
RESALE

▲ 0.7%
AUCTION

AGE TRENDS
MONTH OVER MONTH

▼ 5.6%
RESALE

▲ 7.3%
AUCTION

PREMIUM ACCESS

CONNECTED TO YOUR WEB PACKAGE SUBSCRIPTION

QUALIFYING PACKAGES

FINANCE

INSURANCE

The Auction saw a 175% increase in activity, going from 138 units in February to 380 units in March.

COMPACT TRACK LOADERS

MARKET ACTIVITY
MONTH OVER MONTH

▼ 2.5%
RESALE

▼ 5.9%
AUCTION

USAGE TRENDS
MONTH OVER MONTH

▼ 8.8%
RESALE

▲ 11.4%
AUCTION

AGE TRENDS
MONTH OVER MONTH

▼ 4.8%
RESALE

▲ 11.9%
AUCTION

YEAR OVER YEAR

▼ 7.5%
RESALE

▲ 12.5%
AUCTION

TRACTOR-LOADER-BACKHOES

MARKET ACTIVITY
MONTH OVER MONTH

▼ 44.5%
RESALE

▲ 51.8%
AUCTION

USAGE TRENDS
MONTH OVER MONTH

▼ 9.8%
RESALE

▲ 13.7%
AUCTION

AGE TRENDS
MONTH OVER MONTH

▼ 9.8%
RESALE

▲ 10.3%
AUCTION

YEAR OVER YEAR

▼ 12.3%
RESALE

▲ 13.8%
AUCTION

CONTACT OUR SALES TEAM TO LEARN MORE

OR REQUEST A LIVE PRODUCT DEMONSTRATION

(April 2016 data shown here as an example only)

The Resale channel saw an 8.7% decrease in activity while the Auction channel deviated and increased activity by 5.9% through March.

The average compact track loader at auction in March was about 2.4 years older than the average on the Resale channel.



SUMMARY

CONSTRUCTION

LIFT/ACCESS

AGRICULTURE

COMMERCIAL TRUCK

LIFT/ACCESS

OVERALL

TYPE TRENDS

BRAND TRENDS

REGIONAL TRENDS

How is the Price Stability INDEX calculated?

MARKET ACTIVITY

\$1,419,233,414
MARKET VALUE

45,060
ASSETS

YEAR OVER YEAR

MARKET METRICS

VALUES ▼ **0.1%** FMV ▼ **1.1%** FLV

VOLUME ▲ **1.1%** RESALE ▲ **12.2%** AUCTION

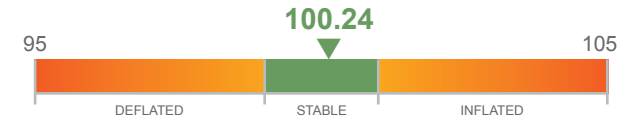
MONTH OVER MONTH

MARKET METRICS

VALUES ▲ **0.2%** FMV ▲ **0.1%** FLV

VOLUME ▲ **1.5%** RESALE ▼ **51.8%** AUCTION

PRICE STABILITY INDEX™



MARKET PERFORMANCE

After a strong overall increase in values in July, August saw values remain flat across both channels. Resale activity increased by about 1% over the past month, while auction activity declined by over 50%.

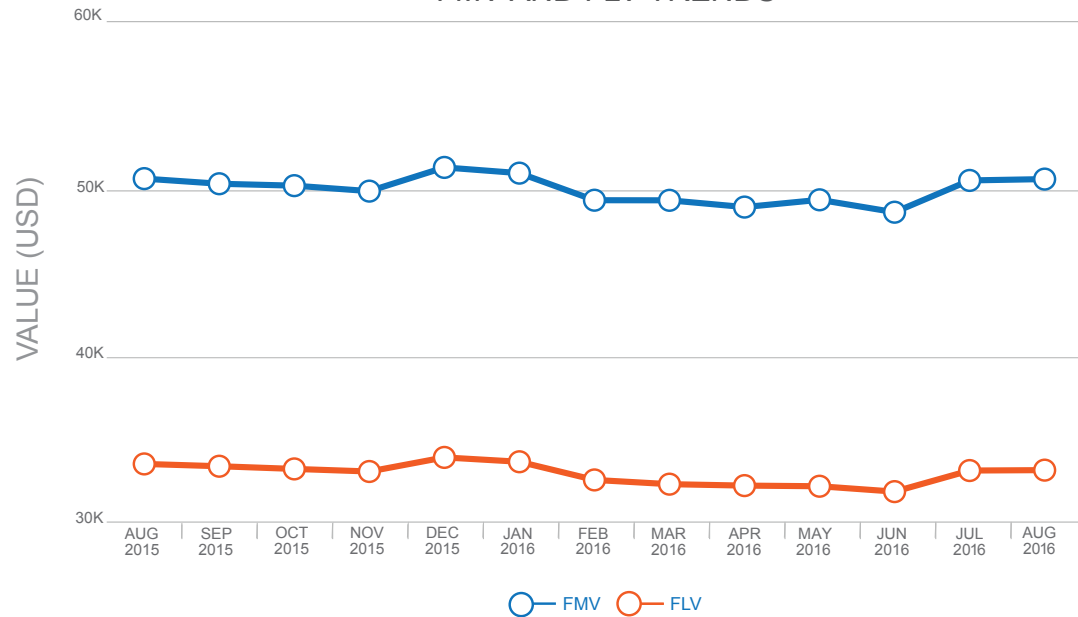
MARKET HIGHLIGHTS

- Auction market activity decreased by over 50% as compared to July, and is down over 12% as compared to last year.
- Fair market values and market activity remained flat as compared to July.
- Average utilization is up across both channels over the past year, almost 19% on the resale channel and about 28% on the auction channel.

MARKET FORECAST

Look for values and market activity to remain about even over the next month.

FMV AND FLV TRENDS



MONTH OVER MONTH

VOLUME CHANGE

▲ **1.6%** RESALE ▼ **51.8%** AUCTION

AVERAGE AGE

▼ **1.95%** RESALE ▼ **5.3%** AUCTION

USAGE

▲ **1.1%** RESALE ▲ **14.7%** AUCTION

YEAR OVER YEAR

▲ **1.1%** RESALE ▼ **12.2%** AUCTION

▲ **1.7%** RESALE ▲ **2.4%** AUCTION

▲ **18.9%** RESALE ▲ **28.3%** AUCTION

LIFT/ACCESS

NEXT

TYPE TRENDS



SUMMARY

CONSTRUCTION

LIFT/ACCESS

AGRICULTURE

COMMERCIAL TRUCK

LIFT/ACCESS

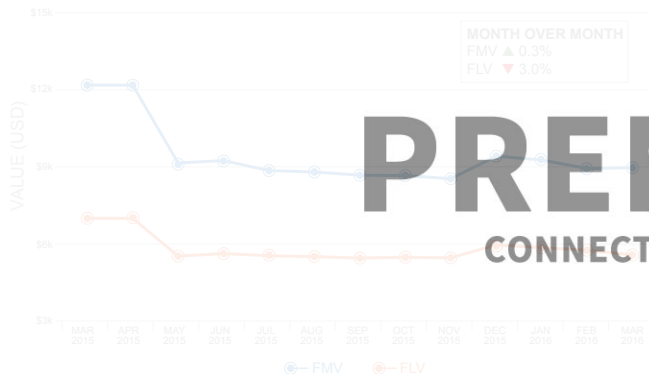
OVERALL

TYPE TRENDS

BRAND TRENDS

REGIONAL TRENDS

ELECTRIC SELF PROPELLED SCISSOR LIFTS



Electric Scissor Lifts have seen large decreases in value in FMV and FLV over the past 13 months; this could be due to a large supply. Auction activity increased by a large amount compared to last month.

MARKET ACTIVITY
MONTH OVER MONTH

▼ 22.7%
RESALE ▲ 178.7%
AUCTION

USAGE TRENDS
MONTH OVER MONTH

▼ 0.8%
RESALE ▲ 1.4%
AUCTION

▼ 7.1%
RESALE ▲ 0.4%
AUCTION

AGE TRENDS
MONTH OVER MONTH

▼ 0.8%
RESALE ▲ 1.3%
AUCTION

EQUIPMENT MANAGER
ESTIMATOR
RENTER/SELLER

I.C. CUSHION TIRE LIFT TRUCKS



Usage increased on both channels while age declined on the Resale channel and increased on the Auction channel. Auction activity rose 500% since February, from 3 transactions in March.

MARKET ACTIVITY
MONTH OVER MONTH

▼ 75.6%
RESALE ▲ 500%
AUCTION

USAGE TRENDS
MONTH OVER MONTH

▲ 5.4%
RESALE ▲ 134.4%
AUCTION

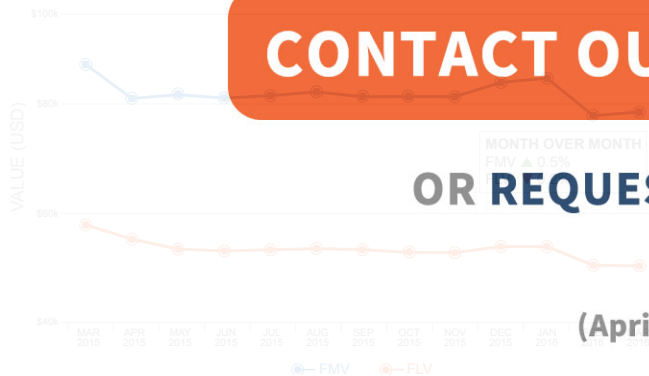
▲ 16.7%
RESALE ▲ 4.8%
AUCTION

AGE TRENDS
MONTH OVER MONTH

▼ 12.0%
RESALE ▲ 63.6%
AUCTION

▼ 9.3%
RESALE ▲ 4.7%
AUCTION

I.C. PNEUMATIC TIRE LIFT TRUCKS



The average age of these lift trucks on the Resale channel dropped to 7.8 years, while the average age on the Auction channel rose to 9.9 years in March

MARKET ACTIVITY
MONTH OVER MONTH

▼ 71.5%
RESALE ▲ 36.8%
AUCTION

USAGE TRENDS
MONTH OVER MONTH

▼ 5.6%
RESALE ▲ 16.0%
AUCTION

▼ 6.2%
RESALE ▲ 5.6%
AUCTION

AGE TRENDS
MONTH OVER MONTH

▼ 6.1%
RESALE ▼ 2.6%
AUCTION

I.C. SELF PROPELLED TELESCOPIC BOOM AERIAL LIFTS



Telescopic Boom Lifts remained steady in value across both channels with activity decreasing in the Resale channel. Values for both channels are down significantly compared to last March.

MARKET ACTIVITY
MONTH OVER MONTH

▼ 30.0%
RESALE ▲ 270.3%
AUCTION

USAGE TRENDS
MONTH OVER MONTH

▲ 7.3%
RESALE ▼ 2.9%
AUCTION

▲ 9.9%
RESALE ▲ 4.0%
AUCTION

AGE TRENDS
MONTH OVER MONTH

▼ 5.7%
RESALE ▲ 6.4%
AUCTION

▲ 2.6%
RESALE ▲ 15.5%
AUCTION

CONTACT OUR SALES TEAM TO LEARN MORE**OR REQUEST A LIVE PRODUCT DEMONSTRATION****(April 2016 data shown here as an example only)**



SUMMARY

CONSTRUCTION

LIFT/ACCESS

AGRICULTURE

COMMERCIAL TRUCK

AGRICULTURE

OVERALL

TYPE TRENDS

BRAND TRENDS

REGIONAL TRENDS

How is the Price Stability INDEX calculated?

MARKET ACTIVITY

YEAR OVER YEAR

MARKET METRICS

\$13,288,351,819
MARKET VALUE

142,181
ASSETS

VALUES

▼ **6.9%**
FMV

▼ **7.2%**
FLV

VOLUME

▲ **13.8%**
RESALE

▼ **41.8%**
AUCTION

MONTH OVER MONTH

MARKET METRICS

VALUES

▼ **0.3%**
FMV

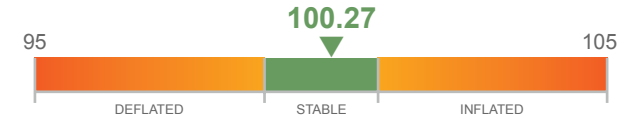
▼ **0.4%**
FLV

VOLUME

▲ **18.0%**
RESALE

▼ **19.5%**
AUCTION

PRICE STABILITY INDEX™



MARKET PERFORMANCE

Both FMV and FLV were down month over month and year over year for August. Volume increased above last month and this time last year for the resale channel, but the auction channel has continued to drop. Average age increased significantly for auction since August 2015 resulting in the only increase in average usage for the market this month.

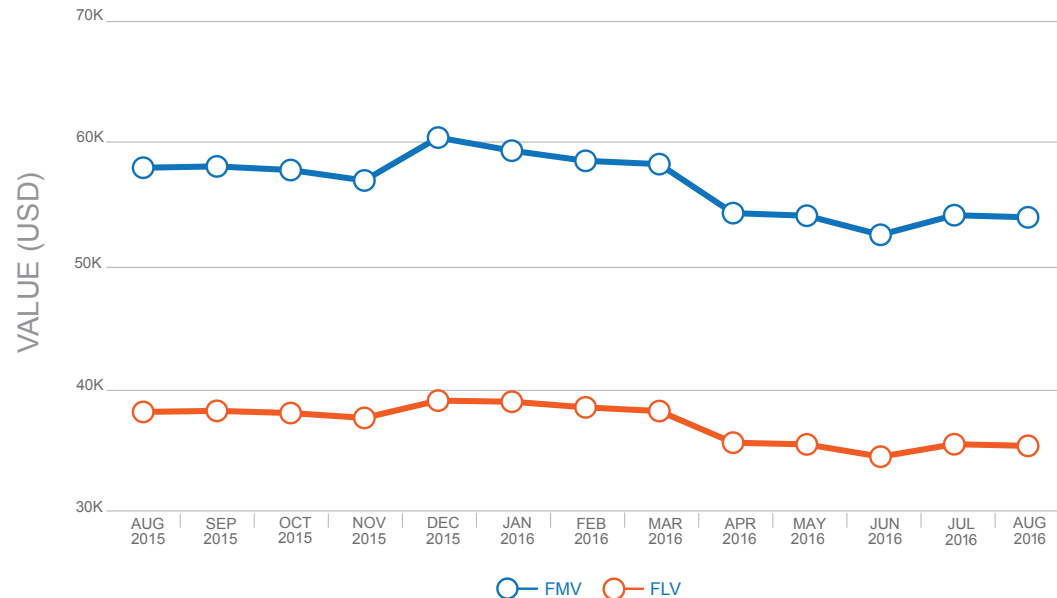
MARKET HIGHLIGHTS

- While FMV and FLV showed small drops during August, volume changed much more significantly with an increase in resale and drop in auction.
- Despite fluctuations in FMV throughout the past 12 months, August 2016 fell nearly 7% below 2015.
- Average usage was also down from July on both the resale and auction channels almost identical percentage points.

MARKET FORECAST

As summer is coming to an end and the colder weather begins, expect volume to continue an upward incline with relatively stable pricing.

FMV AND FLV TRENDS



	VOLUME CHANGE		AVERAGE AGE		USAGE	
MONTH OVER MONTH	▲ 18.0% RESALE	▼ 19.5% AUCTION	▼ 0.5% RESALE	▲ 1.6% AUCTION	▼ 16.5% RESALE	▼ 15.1% AUCTION
YEAR OVER YEAR	▲ 13.8% RESALE	▼ 41.8% AUCTION	▲ 4.3% RESALE	▲ 37.3% AUCTION	▼ 17.7% RESALE	▲ 5.2% AUCTION

AGRICULTURE

NEXT

TYPE TRENDS



SUMMARY

CONSTRUCTION

LIFT/ACCESS

AGRICULTURE

COMMERCIAL TRUCK

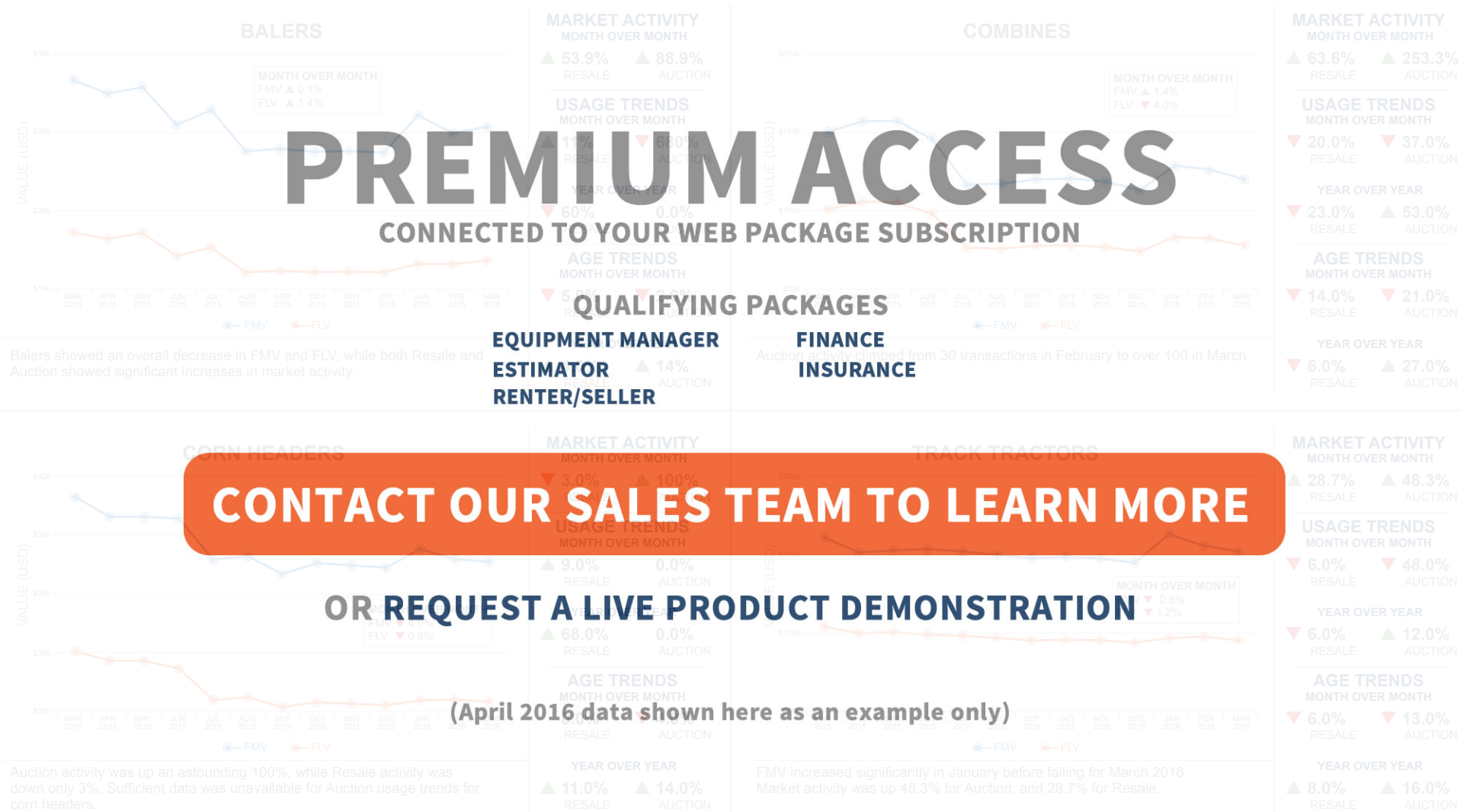
AGRICULTURE

OVERALL

TYPE TRENDS

BRAND TRENDS

REGIONAL TRENDS



CONTACT OUR SALES TEAM TO LEARN MORE

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(April 2016 data shown here as an example only)



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

\$2,530,348,980
MARKET VALUE

55,893
ASSETS

YEAR OVER YEAR

MARKET METRICS

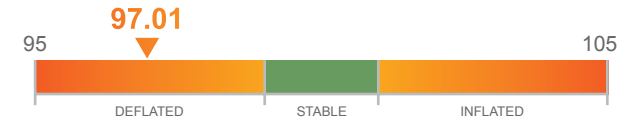
VALUES	▲ 2.3% FMV	▲ 3.1% FLV
VOLUME	▼ 12.7% RESALE	▼ 41.8% AUCTION

MONTH OVER MONTH

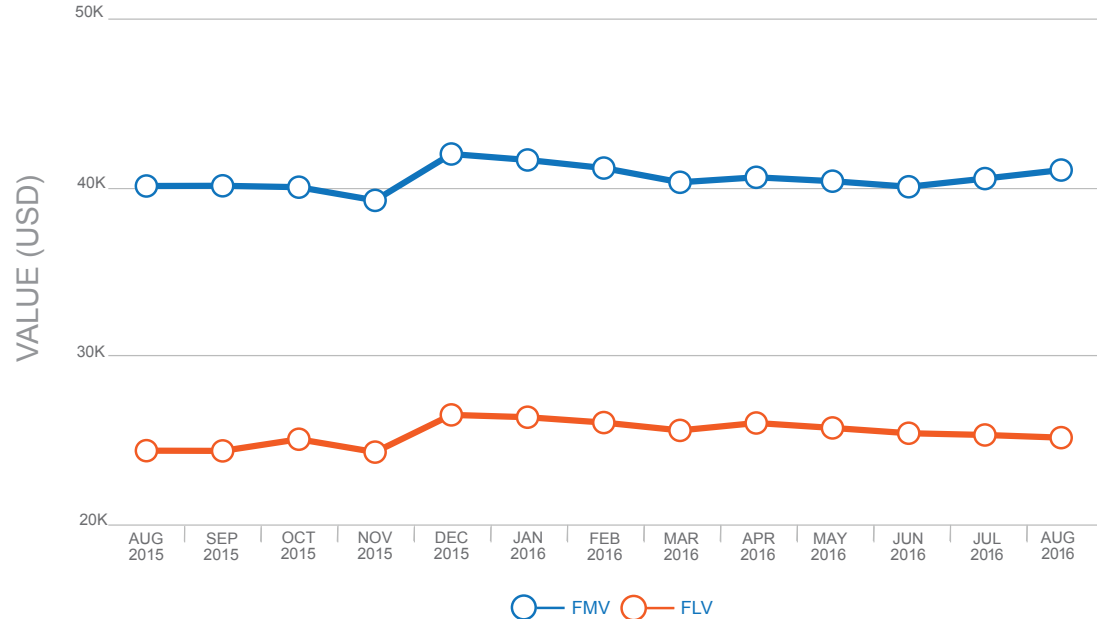
MARKET METRICS

VALUES	▲ 1.2% FMV	▼ 0.6% FLV
VOLUME	▲ 32.0% RESALE	▼ 41.1% AUCTION

PRICE STABILITY INDEX™



FMV AND FLV TRENDS



MARKET PERFORMANCE

FMV was up during August as volume increased well above July, but FLV dropped only slightly with an even larger drop in volume. Age was down for the entire truck market over the last month as well as August 2015. Average usage increased for the resale channel both month over month and year over year, yet auction average usage decreased.

MARKET HIGHLIGHTS

- Even though average age decreased at similar rates between the resale and auction channels from July, average usage increased for resale and dropped for auction.
- The increase in resale volume over last month may seem high, but it was still a slow month in comparison to the same time last year.
- The only price decrease for the overall market average was on FLV from July with a small -0.6% drop.

MARKET FORECAST

If August to September prices follow 2015 markets, expect minimal changes in both FMV and FLV between now and the end of September.

MONTH OVER MONTH

YEAR OVER YEAR

VOLUME CHANGE

AVERAGE AGE

USAGE

▲ 32.0% RESALE	▼ 41.1% AUCTION	▼ 28.4% RESALE	▼ 23.1% AUCTION	▲ 5.1% RESALE	▼ 4.1% AUCTION
▼ 12.7% RESALE	▼ 41.8% AUCTION	▼ 12.7% RESALE	▼ 12.4% AUCTION	▲ 10.6 RESALE	▼ 18.3% AUCTION

COMMERCIAL TRUCK

NEXT

TYPE TRENDS



SUMMARY

CONSTRUCTION

LIFT/ACCESS

AGRICULTURE

COMMERCIAL TRUCK

COMMERCIAL TRUCK

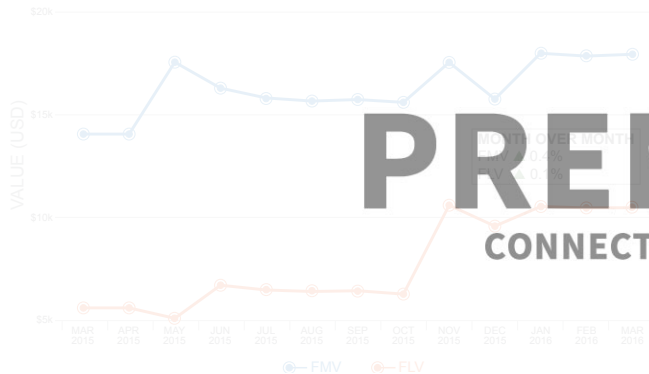
OVERALL

TYPE TRENDS

BRAND TRENDS

REGIONAL TRENDS

MEDIUM DUTY CABOVER DAY CAB CHASSIS

MARKET ACTIVITY
MONTH OVER MONTH

▼ 61.1%
RESALE

▲ 16.7%
AUCTION

USAGE TRENDS
MONTH OVER MONTH

▼ 6.4%
RESALE

▲ 26.0%
AUCTION

AGE TRENDS
MONTH OVER MONTH

▼ 1.0%
RESALE

▲ 9.5%
AUCTION

EQUIPMENT MANAGER
ESTIMATOR
RENTER/SELLER

The drop in usage between February 2016 and March 2016 coincides with the drop in average age for the month.

MEDIUM DUTY CONVENTIONAL
DAY CAB CHASSISMARKET ACTIVITY
MONTH OVER MONTH

▼ 44.9%
RESALE

0.0%
AUCTION

USAGE TRENDS
MONTH OVER MONTH

▼ 6.8%
RESALE

▲ 31.0%
AUCTION

AGE TRENDS
MONTH OVER MONTH

▲ 7.6%
RESALE

▲ 5.3%
AUCTION

AGE TRENDS
MONTH OVER MONTH

▲ 3.0%
RESALE

▼ 16.5%
AUCTION

AGE TRENDS
MONTH OVER MONTH

▲ 15.4%
RESALE

▼ 12.9%
AUCTION

This was the largest month over month drop on FMV on the truck market, mirroring the activity.

HEAVY DUTY CONVENTIONAL
DAY CAB CHASSISMARKET ACTIVITY
MONTH OVER MONTH

▼ 13.0%
RESALE

▲ 44.6%
AUCTION

USAGE TRENDS
MONTH OVER MONTH

▼ 10.4%
RESALE

▼ 8.0%
AUCTION

AGE TRENDS
MONTH OVER MONTH

▲ 12.0%
RESALE

▲ 14.1%
AUCTION

AGE TRENDS
MONTH OVER MONTH

▲ 22.0%
RESALE

▼ 25.6%
AUCTION

Despite month over month decreases for both FMV and FLV, both channels showed notably large year over year changes.

HEAVY DUTY CONVENTIONAL
DAY CAB TRACTORMARKET ACTIVITY
MONTH OVER MONTH

▼ 31.5%
RESALE

▲ 160.1%
AUCTION

USAGE TRENDS
MONTH OVER MONTH

▼ 12.5%
RESALE

▲ 18.0%
AUCTION

AGE TRENDS
MONTH OVER MONTH

▼ 4.7%
RESALE

▲ 12.0%
AUCTION

AGE TRENDS
MONTH OVER MONTH

▲ 2.0%
RESALE

▲ 15.5%
AUCTION

AGE TRENDS
MONTH OVER MONTH

▲ 0.3%
RESALE

▲ 3.0%
AUCTION

This is the most popular subtype on both the Resale and Auction channel with the highest average usage of all subtypes on the Auction channel.

CONTACT OUR SALES TEAM TO LEARN MORE

OR REQUEST A LIVE PRODUCT DEMONSTRATION

(April 2016 data shown here as an example only)



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:

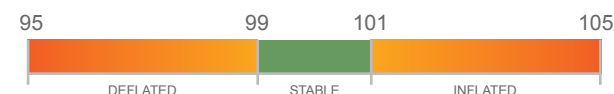
$$P_L = \frac{\sum(p_{c,t_n}) * (q_{c,t_0})}{\sum(p_{c,t_0}) * (q_{c,t_0})}$$

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, MY, 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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