



SUMMARY

CONSTRUCTION

LIFT/ACCESS

AGRICULTURE

COMMERCIAL TRUCK

MARKET DATA: JUNE 2017

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

\$29,049,001,122

RESALE

\$28,790,506,606

389,966 Assets

AUCTION

\$258,494,516

10,846 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 \$13,543,697,533 MARKET VALUE 162,146 ASSETS	VALUES ▼ 1.0% FMV VOLUME ▲ 12.0% RESALE	▼ 4.0% FLV ▼ 13.1% AUCTION	VALUES ▼ 0.3% FMV VOLUME ▲ 30.2% RESALE	▼ 0.2% FLV ▲ 6.0% AUCTION	97.21 95 ——— 105 DEFLATED STABLE INFLATED
LIFT/ACCESS \$1,282,852,794 MARKET VALUE 43,281 ASSETS	VALUES ▼ 4.9% FMV VOLUME ▲ 12.4% RESALE	▼ 4.5% FLV ▼ 13.6% AUCTION	VALUES 0.0% FMV VOLUME ▲ 22.3% RESALE	0.0% FLV ▲ 38.2% AUCTION	100.04 95 ——— 105 DEFLATED STABLE INFLATED
AGRICULTURE \$11,487,697,248 MARKET VALUE 130,615 ASSETS	VALUES ▼ 2.2% FMV VOLUME ▲ 58.5% RESALE	▼ 2.9% FLV ▲ 6.6% AUCTION	VALUES ▼ 0.1% FMV VOLUME ▼ 16.8% RESALE	▼ 0.1% FLV ▲ 72.3% AUCTION	99.81 95 ——— 105 DEFLATED STABLE INFLATED
COMMERCIAL TRUCK \$2,734,753,547 MARKET VALUE 64,770 ASSETS	VALUES ▼ 6.1% FMV VOLUME ▲ 28.6% RESALE	▼ 6.8% FLV ▼ 3.2% AUCTION	VALUES ▲ 0.6% FMV VOLUME ▲ 50.7% RESALE	▼ 1.3% FLV ▲ 38.8% AUCTION	100.63 95 ——— 105 DEFLATED STABLE INFLATED



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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

\$13,543,697,533 **162,146**
MARKET VALUE ASSETS

YEAR OVER YEAR

MARKET METRICS

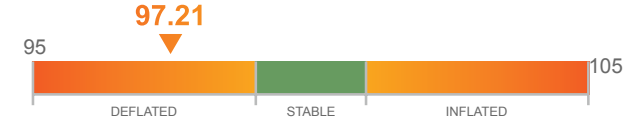
VALUES ▼ **1.0%** ▼ **4.0%**
FMV FLV
VOLUME ▲ **12.0%** ▼ **13.1%**
RESALE AUCTION

MONTH OVER MONTH

MARKET METRICS

VALUES ▼ **0.3%** ▼ **0.2%**
FMV FLV
VOLUME ▲ **30.2%** ▲ **6.0%**
RESALE AUCTION

PRICE STABILITY INDEX™



MARKET PERFORMANCE

In stark contrast from the last report, this month we saw a 30.2% increase in month over month in resale activity. Monthly auction activity also increased, but at a lower level of 6.0%. Despite the significant increases in market activity, the Price Stability Index™ value of 99.20 shows market prices were relatively stable.

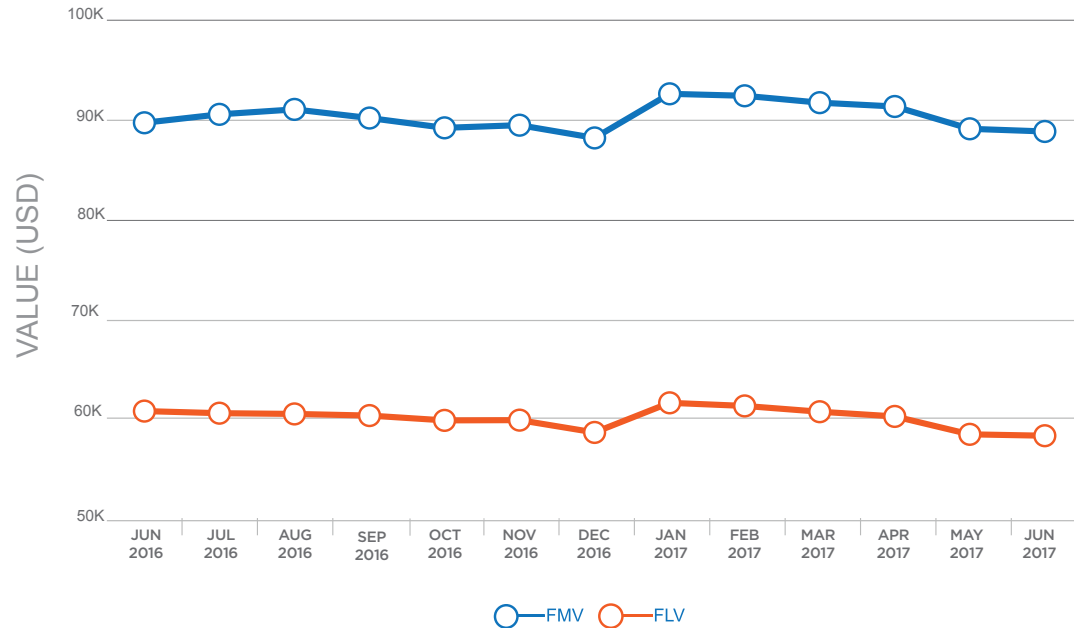
MARKET HIGHLIGHTS

- The increase in market activity also affected the year over year increase, which was 12.0%.
- FLV and FMV decreased at very small rates.
- Construction equipment values continue to follow a downward trend that has existed for several months. However, this trend appears to be slowing down.

MARKET FORECAST

As was the case last summer, we expect to continue to see a small dip in FMVs and FLVs this summer. Though market expectations of growth in the construction industry have been revised down, we continue to expect an increase in market activity for the remainder of the year. This forecast remains unchanged from our previous Market Report, and we continue to monitor for signs of change.

FMV AND FLV TRENDS



	VOLUME CHANGE		AVERAGE AGE		USAGE	
MONTH OVER MONTH	▲ 30.2% RESALE	▲ 6.0% AUCTION	▼ 0.4% RESALE	▼ 4.1% AUCTION	▲ 0.8% RESALE	▲ 11.1% AUCTION
YEAR OVER YEAR	▲ 12.0% RESALE	▲ 13.1% AUCTION	▲ 0.9% RESALE	▲ 4.3% AUCTION	▲ 0.4% RESALE	▲ 13.1% AUCTION



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

LIFT/ACCESS

OVERALL TYPE TRENDS BRAND TRENDS REGIONAL TRENDS

MARKET ACTIVITY	YEAR OVER YEAR MARKET METRICS		MONTH OVER MONTH MARKET METRICS		PRICE STABILITY INDEX™	
	VALUES	VALUES	VALUES	VALUES	PRICE STABILITY INDEX™	
\$1,282,852,794 MARKET VALUE	▼ 4.9% FMV	▼ 4.5% FLV	▲ 22.3% RESALE	▲ 38.2% AUCTION	95	105
43,281 ASSETS	▲ 12.4% RESALE	▼ 13.6% AUCTION				

MARKET PERFORMANCE

Lift values remained almost exactly the same in June, as compared to May, increasing by only a few dollars. Volume increased in both channels by a large amount, increasing by 22.3% in resale markets and 38.2% in auction markets.

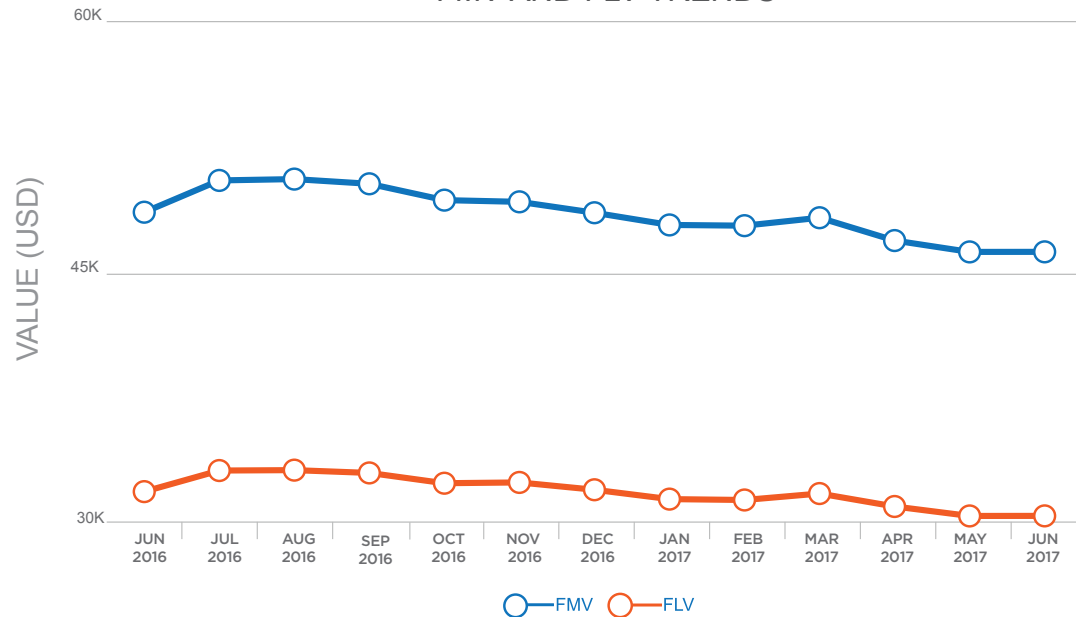
MARKET HIGHLIGHTS

- The Price Stability Index™ was about as stable as it can get, with a score of 100.04. The large increase in volume across both channels caused the rise from last month
- The overall Market Value and number of assets increased by about 2.5% and 7.2%, respectively, when compared to May.
- Average age decreased across both channels while average utilization remained relatively even in June, as compared to May

MARKET FORECAST

Looking forward to July, we should expect to see the same trends for values that we saw this month. We don't anticipate volume for July increasing by as large amount as this month.

FMV AND FLV TRENDS



	VOLUME CHANGE		AVERAGE AGE		USAGE	
MONTH OVER MONTH	▲ 22.3% RESALE	▲ 38.2% AUCTION	▼ 1.7% RESALE	▼ 8.9% AUCTION	▲ 0.5% RESALE	▼ 0.7% AUCTION
YEAR OVER YEAR	▲ 12.4% RESALE	▼ 13.6% AUCTION	▲ 3.8% RESALE	▼ 11.7% AUCTION	▼ 0.5% RESALE	▼ 0.01% AUCTION



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How is the Price Stability INDEX calculated?

AGRICULTURE

OVERALL TYPE TRENDS BRAND TRENDS REGIONAL TRENDS

MARKET ACTIVITY

YEAR OVER YEAR

MARKET METRICS

\$10,768,750,055 MARKET VALUE
130,319 ASSETS

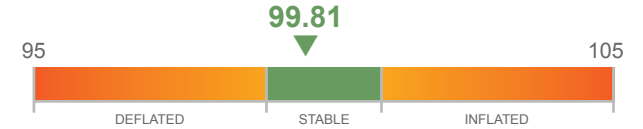
VALUES ▼ **2.2%** FMV ▼ **2.9%** FLV
VOLUME ▲ **58.5%** RESALE ▲ **6.6%** AUCTION

MONTH OVER MONTH

MARKET METRICS

VALUES ▼ **16.8%** FMV ▲ **72.3%** FLV
VOLUME ▼ **0.1%** RESALE ▼ **0.1%** AUCTION

PRICE STABILITY INDEX™



MARKET PERFORMANCE

Average prices for the resale channel have remained stable year over year and month over month. The Price Stability Index™ mirrors this information with an index value of 99.81.

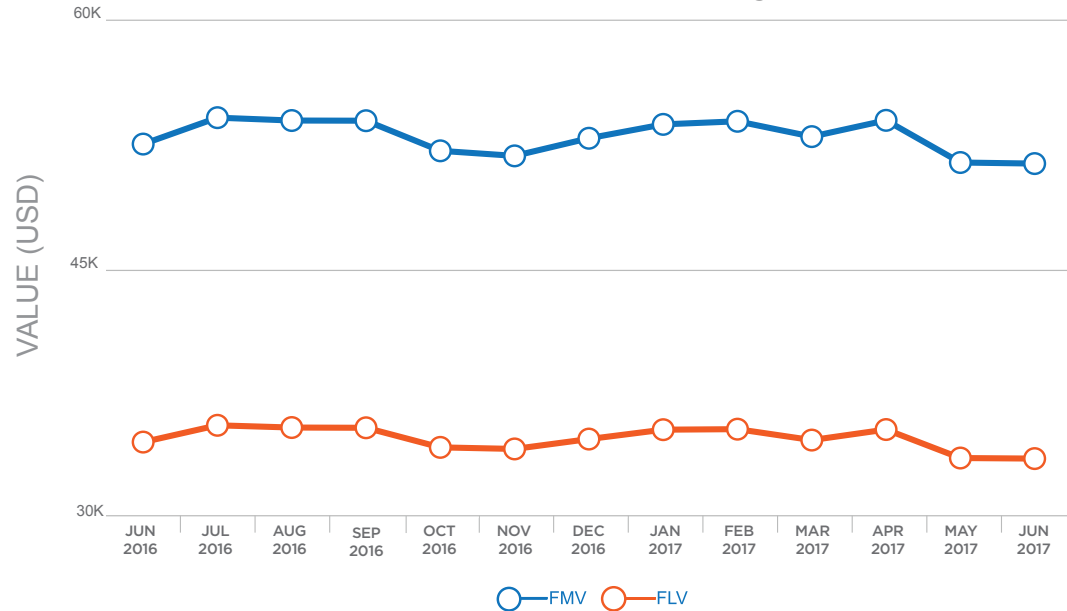
MARKET HIGHLIGHTS

- Average age in the auction channel was down by 13.51% since May and up 9.63% since June last year while the resale channel remained relatively flat.
- Average meter hours in the resale channel were down month over month and year over year.
- The resale channel experienced a large increase in market activity since June 2016 of 58.52% and 72.31% increase in monthly market activity in the auction channel.

MARKET FORECAST

In track with seasonality trends, we expect FMVs and FLVs to increase in the third quarter. Current values are at about the same level now as same time last year.

FMV AND FLV TRENDS



	VOLUME CHANGE		AVERAGE AGE		USAGE	
MONTH OVER MONTH	▼ 16.8% RESALE	▲ 72.3% AUCTION	▼ 0.5% RESALE	▼ 13.5% AUCTION	▼ 14.2% RESALE	▼ 23.7% AUCTION
YEAR OVER YEAR	▲ 58.5% RESALE	▲ 6.7% AUCTION	▲ 0.9% RESALE	▲ 9.6% AUCTION	▼ 7.7% RESALE	▲ 24.8% AUCTION



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OVERALL

TYPE TRENDS

BRAND TRENDS

REGIONAL TRENDS

How is the Price Stability INDEX calculated?

MARKET ACTIVITY

\$2,734,753,547
MARKET VALUE

64,770
ASSETS

YEAR OVER YEAR

MARKET METRICS

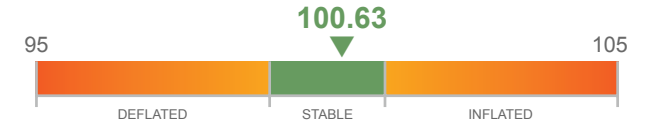
VALUES ▼ **6.1%** FMV ▼ **6.8%** FLV
VOLUME ▲ **28.6%** RESALE ▼ **3.2%** AUCTION

MONTH OVER MONTH

MARKET METRICS

VALUES ▲ **0.6%** FMV ▼ **1.3%** FLV
VOLUME ▲ **50.7%** RESALE ▲ **38.8%** AUCTION

PRICE STABILITY INDEX™



MARKET PERFORMANCE

As predicted, the FMV increased for the month of July at a rate of 0.6%. Coinciding with the FMV increase, the volume was also up on the resale channel both month over month and year over year.

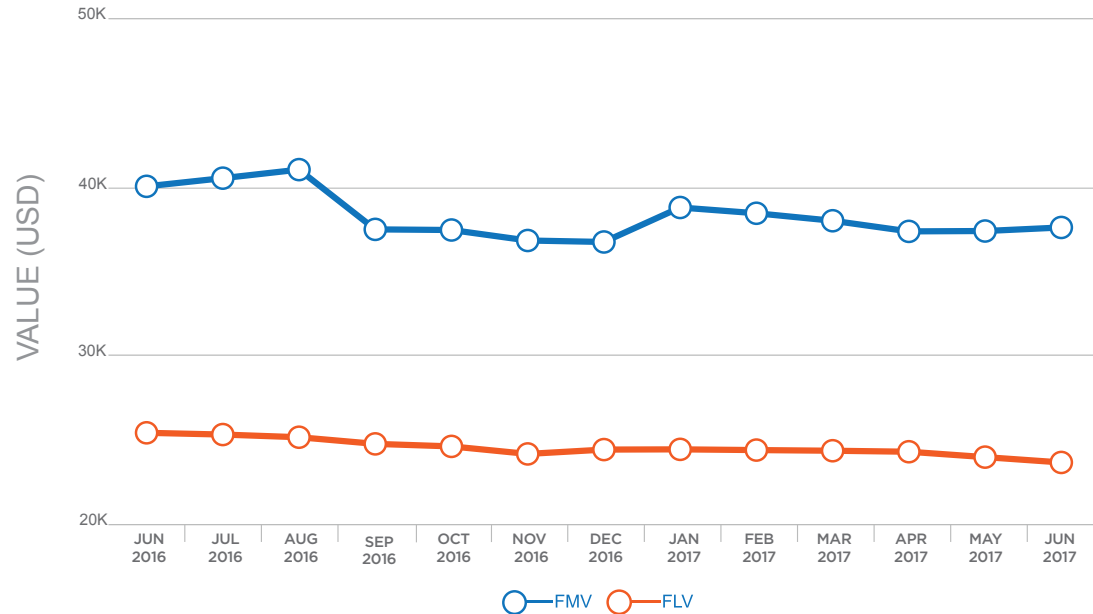
MARKET HIGHLIGHTS

- The average age on both resale and auction channels increased well above May and last June as the average age sits around 7 years for the resale channel and 10 at auction.
- Average usage increased for the auction channel at a much higher rate than resale despite the large increases for both channels in age.
- FLV was down both month over month and year over year as it has been on a steady decline since January

MARKET FORECAST

Expect FMV to continue increasing into July as the summer month's bring higher prices and more volume throughout the resale channel.

FMV AND FLV TRENDS



	VOLUME CHANGE		AVERAGE AGE		USAGE	
MONTH OVER MONTH	▲ 50.7% RESALE	▲ 38.8% AUCTION	▲ 7.2% RESALE	▲ 14.4% AUCTION	▲ 0.7% RESALE	▲ 24.3% AUCTION
YEAR OVER YEAR	▲ 28.6% RESALE	▼ 3.2% AUCTION	▲ 19.8% RESALE	▲ 12.0% AUCTION	▲ 4.8% RESALE	▲ 39.9% 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:

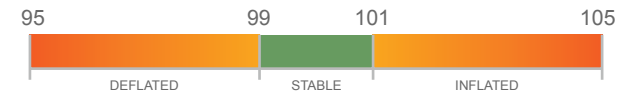
$$P_L = \frac{\sum(p_{c,t_n}) * (q_{c,t_0})}{\sum(p_{c,t_0}) * (q_{c,t_0})}$$

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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