



**SUMMARY**

**CONSTRUCTION**

**LIFT/ACCESS**

**AGRICULTURE**

**MARKET DATA: August 2020**

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

**\$23,464,946,301**

RESALE  
**\$23,308,813,857**

259,909 Assets

AUCTION  
**\$156,132,444**

6,298 Assets

The *EquipmentWatch Market Report™* is a monthly resource for the construction, lift/access, and agriculture 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**

**\$13,024,241,055** **119,736**

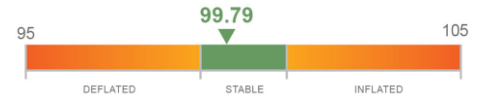
MARKET VALUE ASSETS

VALUES ▼ **2.4%** ▼ **10.2%**  
FMV FLV

VOLUME ▲ **14.5%** ▲ **9.9%**  
Resale Auction

VALUES ▼ **0.3%** ▼ **0.0%**  
FMV FLV

VOLUME ▲ **11.1%** ▲ **15.9%**  
Resale Auction



**LIFT/ACCESS**

**\$1,954,721,847** **60,252**

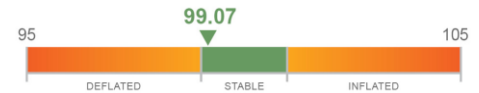
MARKET VALUE ASSETS

VALUES ▼ **5.0%** ▼ **12.4%**  
FMV FLV

VOLUME ▲ **162.2%** ▲ **24.2%**  
Resale Auction

VALUES ▼ **0.8%** ▲ **0.2%**  
FMV FLV

VOLUME ▲ **9.4%** ▼ **11.4%**  
Resale Auction



**AGRICULTURE**

**\$8,485,983,399** **86,219**

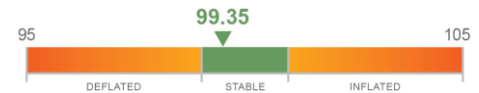
MARKET VALUE ASSETS

VALUES ▼ **4.5%** ▼ **15.9%**  
FMV FLV

VOLUME ▼ **10.1%** ▲ **339.9%**  
Resale Auction

VALUES ▼ **0.3%** ▲ **2.6%**  
FMV FLV

VOLUME ▼ **5.7%** ▲ **7.5%**  
Resale Auction





SUMMARY

**CONSTRUCTION**

LIFT/ACCESS

AGRICULTURE

How is the Price Stability INDEX calculated?

**CONSTRUCTION**

**OVERALL**

MARKET ACTIVITY

YEAR OVER YEAR

MONTH OVER MONTH

MARKET METRICS

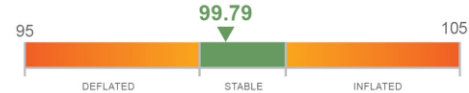
MARKET METRICS

PRICE STABILITY INDEX™

**\$13,024,241,055** **119,736**  
MARKET VALUE ASSETS

VALUES ▼ **2.4%** ▼ **10.2%**  
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VALUES ▼ **0.3%** ▼ **0.0%**  
FMV FLV  
VOLUME ▲ **11.1%** ▲ **15.9%**  
Resale Auction



**MARKET PERFORMANCE**

Both resale and auction channel volumes saw a year-over-year and month-over-month increase. While FMV and FLV were all down slightly compared to last August and last month, they have both improved from their low in April 2020, with FMV up 4.1% and FLV up 6.6% since then.

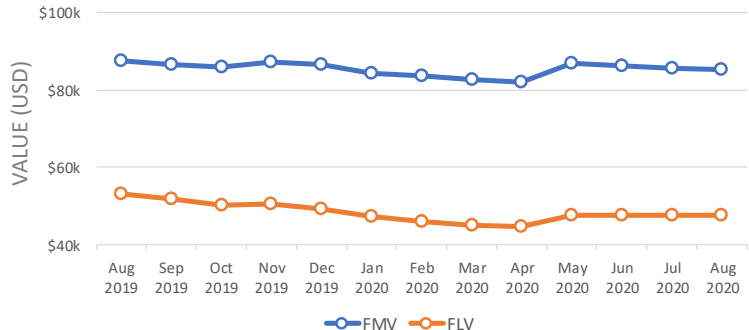
**MARKET HIGHLIGHTS**

- In the resale channel, average utilization has seen significant declines year-over-year (26.6%) and month-over-month (18.1%). It currently sits at its lowest point in the 13-month period.
- Despite the month-over-month drop (17.0%) in average utilization in the auction channel, the year-over-year increase of 1.4% reflects this channel's overall upward trend of average utilization.

**MARKET FORECAST**

Going into September, we expect to see an increase in activity, particularly in the auction channel. We are likely to also see a slight month-over-month dip in values paired with that increased volume.

**FMV AND FLV TRENDS**



	VOLUME CHANGE		AVERAGE AGE		USAGE	
<b>MONTH OVER MONTH</b>	▲ 11.1%	▲ 15.9%	▲ 0.2%	▲ 1.8%	▼ 18.1%	▼ 17.0%
	Resale	Auction	Resale	Auction	Resale	Auction
<b>YEAR OVER YEAR</b>	▲ 14.5%	▲ 9.9%	▼ 0.4%	▲ 2.4%	▼ 23.6%	▲ 1.4%
	Resale	Auction	Resale	Auction	Resale	Auction



SUMMARY

CONSTRUCTION

**LIFT/ACCESS**

AGRICULTURE

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

**LIFT/ACCESS**

**OVERALL**

MARKET ACTIVITY	YEAR OVER YEAR		MONTH OVER MONTH		
	MARKET METRICS		MARKET METRICS		PRICE STABILITY INDEX™
<b>\$1,954,721,847</b> MARKET VALUE	<b>60,252</b> ASSETS	VALUES ▼ <b>5.0%</b> FMV	VALUES ▼ <b>0.8%</b> FMV	VALUES ▲ <b>0.2%</b> FLV	
		VOLUME ▲ <b>162.2%</b> Resale	VOLUME ▲ <b>9.4%</b> Resale	VOLUME ▼ <b>11.4%</b> Auction	

**MARKET PERFORMANCE**

Lift activity in both the resale and auction channels has increased year-over-year (162.2% and 24.2%, respectively) and generally over the past year the trend for activity has been upward.

Year-over-year FMV and FLV were down (5.0% and 12.4%, respectively), while month-over-month values were relatively flat.

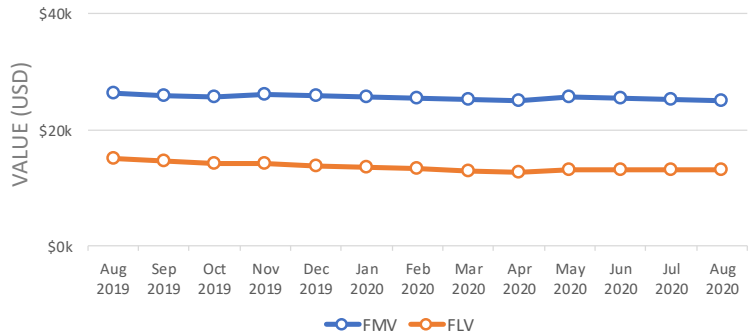
**MARKET HIGHLIGHTS**

- In the resale channel, overall average utilization increased over the 13-month period, highlighted by the 81.3% year-over-year jump.
- Over the same period, auction average utilization has remained essentially flat, with small month-over-month (4.5%) and year-over-year (3.5%) declines.

**MARKET FORECAST**

As is the case with Construction, going into September, we expect to see an increase in activity, particularly in the auction channel. We are likely to also see a slight month-over-month dip in values paired with that increased volume.

**FMV AND FLV TRENDS**



	VOLUME CHANGE		AVERAGE AGE		USAGE	
<b>MONTH OVER MONTH</b>	▲ 9.4% Resale	▼ 11.4% Auction	▼ 3.6% Resale	▲ 10.8% Auction	▼ 13.0% Resale	▼ 4.5% Auction
<b>YEAR OVER YEAR</b>	▲ 162.2% Resale	▲ 24.2% Auction	▼ 4.0% Resale	▲ 2.0% Auction	▲ 81.3% Resale	▼ 3.5% Auction

NEXT **AGRICULTURE**



SUMMARY

CONSTRUCTION

LIFT/ACCESS

**AGRICULTURE**

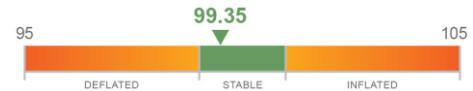
How is the Price Stability INDEX calculated?

AGRICULTURE		OVERALL		
MARKET ACTIVITY	YEAR OVER YEAR		MONTH OVER MONTH	
	MARKET METRICS		MARKET METRICS	

**\$8,485,983,399** **86,219**  
MARKET VALUE ASSETS

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Resale Auction

VALUES ▼ **0.3%** ▲ **2.6%**  
FMV FLV  
VOLUME ▼ **5.7%** ▲ **7.5%**  
Resale Auction



**MARKET PERFORMANCE**

Auction channel volume increased substantially year-over-year (339.9%). Volume in August 2019 was relatively low, but nonetheless we have observed activity in this channel picking up starting in June 2020.

While FMV and FLV were both down year-over-year (4.5% and 15.9%, respectively), and relatively flat month-over-month, FLV has actually been improving since its low point in April 2020. Since April, FLV have risen 8.5%.

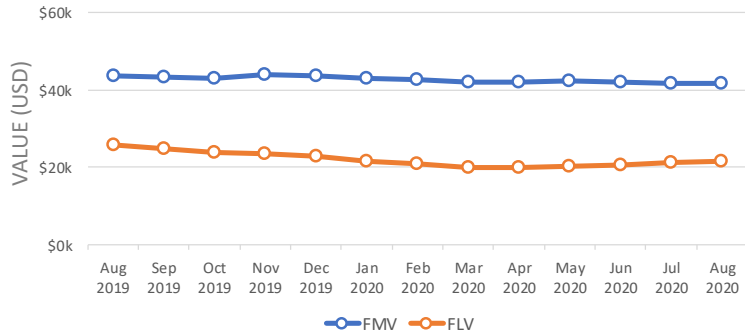
**MARKET HIGHLIGHTS**

- Average age has increased year-over-year on both the resale channel (2.8%) and auction channel (13.0%). This reflects a gradual average age increase we have observed in both channels over the 13-month period.

**MARKET FORECAST**

We are likely to see volume increases in both the resale and auction channels over the next two months due to the seasonal transition.

**FMV AND FLV TRENDS**



	VOLUME CHANGE		AVERAGE AGE		USAGE	
<b>MONTH OVER MONTH</b>	▼ 5.7%	▲ 7.5%	▼ 0.7%	▼ 1.9%	▲ 14.4%	▼ 1.6%
	Resale	Auction	Resale	Auction	Resale	Auction
<b>YEAR OVER YEAR</b>	▼ 10.1%	▲ 339.9%	▲ 2.8%	▲ 13.0%	▲ 4.0%	▼ 0.1%
	Resale	Auction	Resale	Auction	Resale	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 three distinct equipment markets: Construction, Lift/Access, and Agriculture.

For each market, we include most of the equipment types and manufacturers that we track. We remove only those types and manufacturers with very low volumes to keep analysis meaningful but also allow for dynamic seasonal market changes.

**Construction****150+ manufacturers****125+ equipment types****Lift/Access****70+ manufacturers****25+ equipment types****Agriculture****100+ manufacturers****30+ equipment types**



**APPENDIX**

**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:

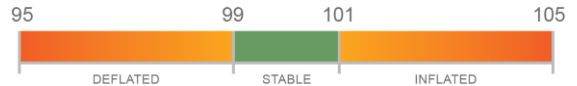
$$P_L = \frac{\sum(p_{c,t_n}) * (q_{c,t_0})}{\sum(p_{c,t_0}) * (q_{c,t_0})}$$

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 Summary

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.

### 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.

### FAQS

#### 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.

### 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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