



SUMMARY

CONSTRUCTION

LIFT/ACCESS

AGRICULTURE

COMMERCIAL TRUCK

MARKET DATA: OCTOBER 2017

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

**\$31,049,371,260**

RESALE  
**\$30,934,503,096**

403,895 Assets

AUCTION  
**\$114,868,164**

4,721 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	
<b>CONSTRUCTION</b> \$18,007,430,850 MARKET VALUE 233,301 ASSETS	▼ 4.1% FMV	▼ 6.1% FLV	▼ 0.3% FMV	▼ 0.3% FLV	95 ——— 105 99.75 DEFLATED — STABLE — INFLATED
	▲ 7.6% RESALE	▼ 21.1% AUCTION	▼ 4.9% RESALE	▼ 52.9% AUCTION	
<b>LIFT/ACCESS</b> \$1,173,547,021 MARKET VALUE 40,783 ASSETS	▼ 8.5% FMV	▼ 8.8% FLV	▼ 0.1% FMV	▼ 0.1% FLV	95 ——— 105 99.92 DEFLATED — STABLE — INFLATED
	▲ 15.5% RESALE	▲ 24.2% AUCTION	▼ 10.6% RESALE	▼ 55.4% AUCTION	
<b>AGRICULTURE</b> \$10,901,191,427 MARKET VALUE 127,588 ASSETS	▼ 2.1% FMV	▼ 1.8% FLV	▼ 0.2% FMV	▼ 0.2% FLV	95 ——— 105 99.84 DEFLATED — STABLE — INFLATED
	▼ 10.6% RESALE	▼ 16.3% AUCTION	▼ 1.5% RESALE	▼ 36.6% AUCTION	
<b>COMMERCIAL TRUCK</b> \$2,131,880,145 MARKET VALUE 47,116 ASSETS	▼ 3.5% FMV	▼ 0.6% FLV	▼ 0.7% FMV	▼ 0.7% FLV	95 ——— 105 99.24 DEFLATED — STABLE — INFLATED
	▼ 5.44% RESALE	▼ 28.7% AUCTION	▼ 26.9% RESALE	▼ 66.1% AUCTION	



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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**CONTACT OUR SALES TEAM**

**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**

**\$18,007,430,850** **233,301**  
MARKET VALUE ASSETS

**YEAR OVER YEAR**

**MARKET METRICS**

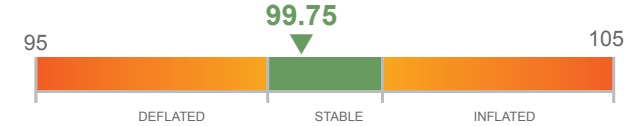
VALUES ▼ **4.1%** ▼ **6.1%**  
FMV FLV  
VOLUME ▲ **7.6%** ▼ **21.1%**  
RESALE AUCTION

**MONTH OVER MONTH**

**MARKET METRICS**

VALUES ▼ **0.3%** ▼ **0.3%**  
FMV FLV  
VOLUME ▼ **4.9%** ▼ **52.9%**  
RESALE AUCTION

**PRICE STABILITY INDEX™**



**MARKET PERFORMANCE**

Although overall market activity increased by 7.6% compared to October 2016, we saw a 28.2% dip in market activity in Florida and Texas, possibly an after-effect of hurricanes Irma and Harvey. Buyers in these states are holding on to their equipment, possibly due to higher demand or equipment has been damaged, and prices continue to be stable as can be seen from the Price Stability Index™ of 99.75.

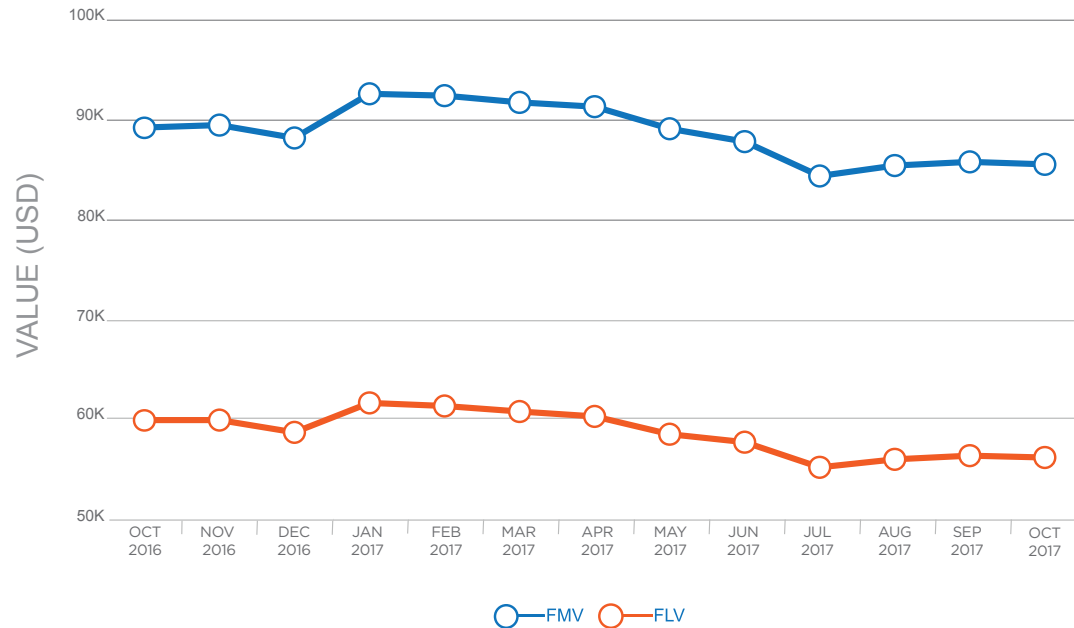
**MARKET HIGHLIGHTS**

- The small decrease in values since September 2017 of 0.30% and 0.31% in the auction and resale channels is consistent with stable values.
- Average age in the auction and resale channels went up in the high single digits compared to October 2016.
- Interestingly, overall usage was trending up in October 2016 and is now trending down in October 2017.

**MARKET FORECAST**

We expect prices to continue to be stable in November 2017 and perhaps slightly deflated in December 2017 as it is one of the slowest months for the industry.

**FMV AND FLV TRENDS**



	VOLUME CHANGE		AVERAGE AGE		USAGE	
<b>MONTH OVER MONTH</b>	▼ <b>4.9%</b> RESALE	▼ <b>52.9%</b> AUCTION	▼ <b>0.1%</b> RESALE	▲ <b>7.1%</b> AUCTION	▼ <b>4.3%</b> RESALE	▼ <b>1.7%</b> AUCTION
<b>YEAR OVER YEAR</b>	▲ <b>7.6%</b> RESALE	▼ <b>21.1%</b> AUCTION	▲ <b>9.8%</b> RESALE	▲ <b>8.4%</b> AUCTION	▼ <b>0.4%</b> RESALE	▲ <b>1.2%</b> AUCTION



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**LIFT/ACCESS**

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**LIFT/ACCESS**

**OVERALL** TYPE TRENDS BRAND TRENDS REGIONAL TRENDS

How is the Price Stability INDEX calculated?

**MARKET ACTIVITY**

**\$1,173,547,021**  
MARKET VALUE

**40,783**  
ASSETS

**YEAR OVER YEAR**

**MARKET METRICS**

VALUES ▼ **8.5%** FMV ▼ **8.8%** FLV

VOLUME ▲ **15.5%** RESALE ▲ **24.2%** AUCTION

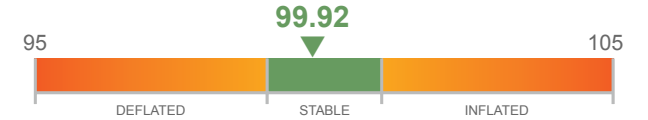
**MONTH OVER MONTH**

**MARKET METRICS**

VALUES ▼ **0.1%** FMV ▼ **0.1%** FLV

VOLUME ▼ **10.6%** RESALE ▼ **55.4%** AUCTION

**PRICE STABILITY INDEX™**



**MARKET PERFORMANCE**

FMV and FLV in the Lift/Access market had a slight decrease in October when compared to September data, with a 0.1% drop. Overall volume decreased in October, with both channels having a 10.6% and 55.4% decrease, respectively.

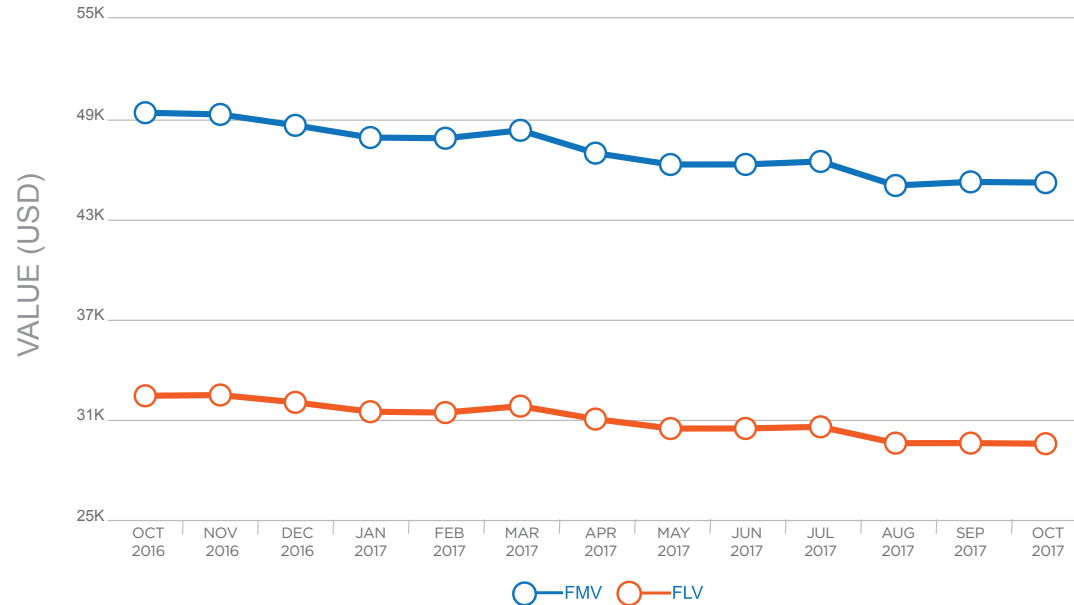
**MARKET HIGHLIGHTS**

- The Price Stability Index™ was stable again for October, with a score of 99.92. This was the fifth month in a row that the Lift/Access market has been stable.
- Overall average age and utilization decreased slightly in October, as compared to September.
- The overall Market Value and number of assets decreased by about 1.7% on the resale channel and 2.3% on the auction channel compared to September 2017.

**MARKET FORECAST**

As we look forward to November, we expect to see values decrease more than they did for October. Volume should continue to decrease as well. We expect the Price Stability Index™ to be deflated next month for the first time since May.

**FMV AND FLV TRENDS**



	VOLUME CHANGE		AVERAGE AGE		USAGE	
<b>MONTH OVER MONTH</b>	▼ <b>10.6%</b> RESALE	▼ <b>55.4%</b> AUCTION	▼ <b>0.7%</b> RESALE	▼ <b>5.1%</b> AUCTION	▼ <b>1.4%</b> RESALE	▲ <b>17.8%</b> AUCTION
<b>YEAR OVER YEAR</b>	▲ <b>15.5%</b> RESALE	▲ <b>24.2%</b> AUCTION	▲ <b>6.7%</b> RESALE	▼ <b>5.5%</b> AUCTION	▲ <b>7.1%</b> RESALE	▲ <b>12.5%</b> AUCTION



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LIFT/ACCESS

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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**

**\$10,901,191,427** MARKET VALUE  
**127,588** ASSETS

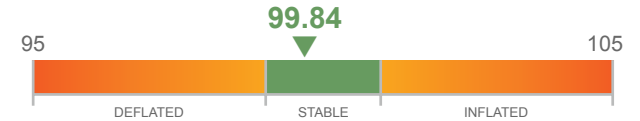
VALUES ▼ **2.1%** FMV ▼ **1.8%** FLV  
VOLUME ▼ **10.6%** RESALE ▼ **16.3%** AUCTION

**MONTH OVER MONTH**

**MARKET METRICS**

VALUES ▼ **0.2%** FMV ▼ **0.2%** FLV  
VOLUME ▼ **1.5%** RESALE ▼ **36.6%** AUCTION

**PRICE STABILITY INDEX™**



**MARKET PERFORMANCE**

Fourth quarter FMVs and FLVs in agricultural equipment usually did not see large changes on the downside or upside. In October 2017 we did not see evidence to the contrary given that prices were stable.

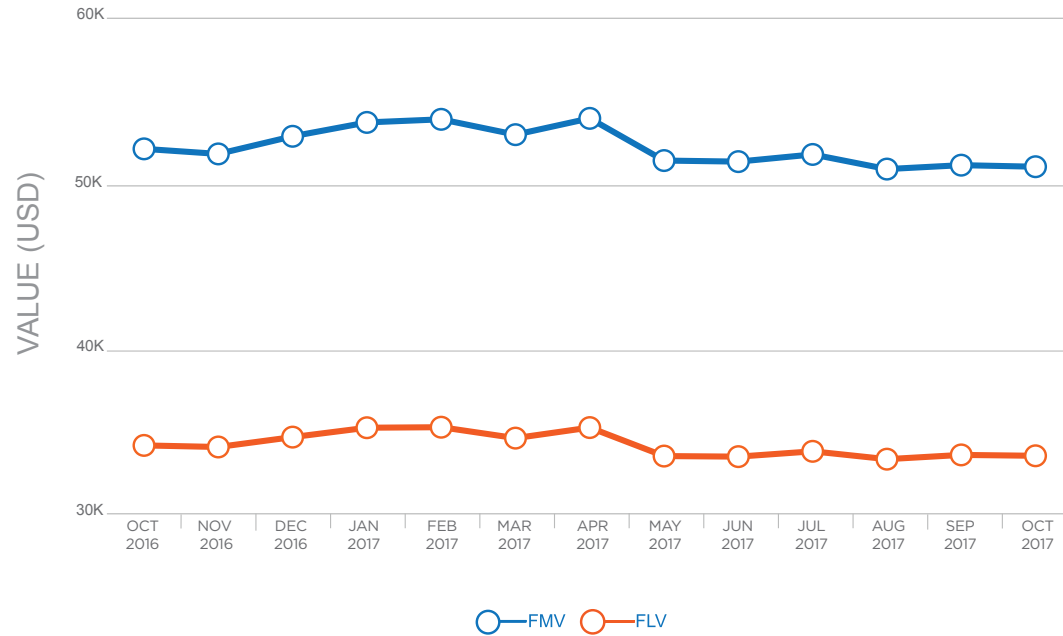
**MARKET HIGHLIGHTS**

- Though average FMV was stable, resale market activity has dropped 10.6% since October 2016.
- FLVs have decreased significantly compared to September 2017 and October 2016, but it is not out of the norm to see such erratic behavior on the auction channel.
- Despite values being relatively unchanged, we are seeing heavy equipment with significantly lower utilization rates on the auction and resale channels.

**MARKET FORECAST**

It's likely that values will continue to remain free of variance through the remainder of 2017. We expect to see a rebound in average usage on both channels.

**FMV AND FLV TRENDS**



	VOLUME CHANGE		AVERAGE AGE		USAGE	
<b>MONTH OVER MONTH</b>	▼ 1.5% RESALE	▼ 36.6% AUCTION	▲ 1.7% RESALE	▼ 1.0% AUCTION	▼ 12.4% RESALE	▼ 22.2% AUCTION
<b>YEAR OVER YEAR</b>	▼ 10.6% RESALE	▼ 16.3% AUCTION	▲ 16.2% RESALE	▼ 5.2% AUCTION	▼ 1.5% RESALE	▼ 26.2% AUCTION



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LIFT/ACCESS

AGRICULTURE

**COMMERCIAL TRUCK**

**COMMERCIAL TRUCK**

**OVERALL**

TYPE TRENDS

BRAND TRENDS

REGIONAL TRENDS

How is the Price Stability INDEX calculated?

MARKET ACTIVITY	YEAR OVER YEAR		MONTH OVER MONTH			
	MARKET METRICS		MARKET METRICS		PRICE STABILITY INDEX™	
<b>\$2,131,880,145</b> MARKET VALUE	<b>47,116</b> ASSETS	VALUES ▼ <b>3.5%</b> FMV	▼ <b>0.6%</b> FLV	VALUES ▼ <b>0.7%</b> FMV	▼ <b>0.7%</b> FLV	95 <b>99.24</b> 105 DEFLATED STABLE INFLATED
		VOLUME ▼ <b>5.4%</b> RESALE	▼ <b>28.7%</b> AUCTION	VOLUME ▼ <b>26.9%</b> RESALE	▼ <b>66.1%</b> AUCTION	

**MARKET PERFORMANCE**

In 2014 and 2015 the truck market had large volume increases prior to October resulting in a drop at the start of the fourth quarter. In 2016 the resale channel increased 5.6% in October, clearly an outlier since this year resale volume was down 26.9%.

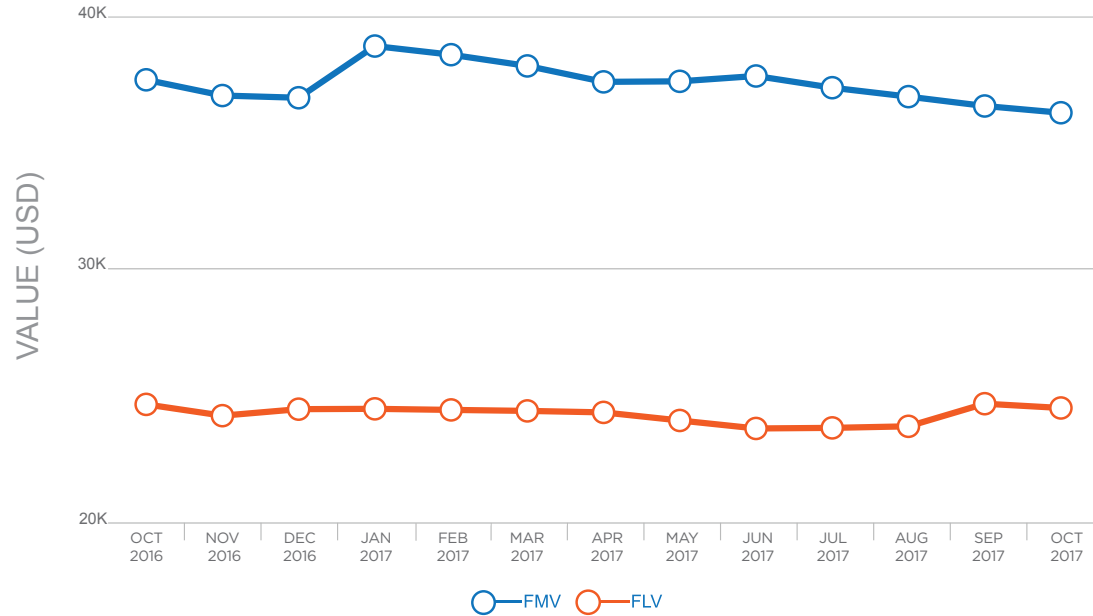
**MARKET HIGHLIGHTS**

- FMV continued with a slow drop in October 2017, likely due more to the impact of heavy duty trucks than medium duty trucks.
- Average age on the resale channel barely changed, but the auction channel had an increase which resulted in a significant increase over last year's average age.
- Despite average age increases on the auction channel, the average usage dropped 19.4%. This was quite interesting considering there was not a significant shift in the market share between heavy and medium duty trucks for the month.

**MARKET FORECAST**

Past years have shown significant increases in resale volume as last year had nearly a 20% increase, so expect the trend to continue.

**FMV AND FLV TRENDS**



	VOLUME CHANGE		AVERAGE AGE		USAGE	
<b>MONTH OVER MONTH</b>	▼ <b>26.9%</b> RESALE	▼ <b>66.1%</b> AUCTION	▼ <b>0.1%</b> RESALE	▲ <b>2.7%</b> AUCTION	▼ <b>7.1%</b> RESALE	▼ <b>19.4%</b> AUCTION
<b>YEAR OVER YEAR</b>	▼ <b>5.4%</b> RESALE	▼ <b>28.7%</b> AUCTION	▲ <b>5.9%</b> RESALE	▲ <b>41.6%</b> AUCTION	▼ <b>4.3%</b> RESALE	▲ <b>9.9%</b> 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:

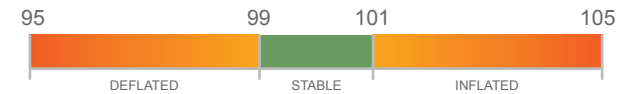
$$P_L = \frac{\sum(p_{c,t_n}) * (q_{c,t_0})}{\sum(p_{c,t_0}) * (q_{c,t_0})}$$

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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