MARKET DATA: JULY 2020

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

$26,930,908,436

RESALE
$26,754,285,669
371,540 Assets

AUCTION
$176,622,767
8,941 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 $11,160,422,576 MARKET VALUE 107,984 ASSETS	VALUES ▼ 0.4% FMV ▼ 16.0% FLV VOLUME ▲ 7.9% RESALE ▲ 18.8% AUCTION	VALUES ▼ 0.6% FMV ▲ 1.2% FLV VOLUME ▼ 11.6% RESALE ▼ 58.2% AUCTION	99.40 (95 – 105) DEFLATED / STABLE / INFLATED
LIFT/ACCESS $1,784,166,794 MARKET VALUE 54,395 ASSETS	VALUES ▼ 6.8% FMV ▼ 15.4% FLV VOLUME ▲ 131.2% RESALE ▲ 100.4% AUCTION	VALUES ▼ 1.2% FMV ▲ 0.2% FLV VOLUME ▲ 26.4% RESALE ▼ 50.2% AUCTION	99.10 (95 – 105) DEFLATED / STABLE / INFLATED
AGRICULTURE $8,513,002,542 MARKET VALUE 93,229 ASSETS	VALUES ▼ 1.6% FMV ▼ 21.9% FLV VOLUME ▲ 22.9% RESALE ▲ 151.0% AUCTION	VALUES ▼ 0.4% FMV ▲ 3.4% FLV VOLUME ▲ 14.8% RESALE ▲ 43.6% AUCTION	99.49 (95 – 105) DEFLATED / STABLE / INFLATED
COMMERCIAL TRUCK $5,473,316,524 MARKET VALUE 124,873 ASSETS	VALUES ▼ 18.5% FMV ▼ 1.1% FLV VOLUME ▲ 26.7% RESALE ▼ 19.5% AUCTION	VALUES ▼ 0.6% FMV ▼ 0.2% FLV VOLUME ▲ 6.7% RESALE ▼ 76.3% AUCTION	99.69 (95 – 105) DEFLATED / STABLE / INFLATED

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CONSTRUCTION

OVERALL | TYPE TRENDS | BRAND TRENDS | REGIONAL TRENDS

How is the Price Stability INDEX calculated?

MARKET ACTIVITY

$11,160,422,576
MARKET VALUE

107,984
ASSETS

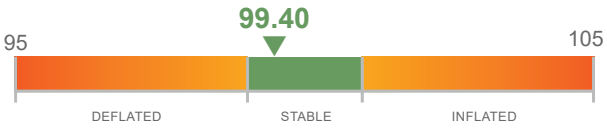
YEAR OVER YEAR MARKET METRICS

VALUES	▼ 0.4% FMV	▼ 16.0% FLV
VOLUME	▲ 7.9% RESALE	▲ 18.8% AUCTION

MONTH OVER MONTH MARKET METRICS

VALUES	▼ 0.6% FMV	▲ 1.2% FLV
VOLUME	▼ 11.6% RESALE	▼ 58.2% AUCTION

MONTH OVER MONTH PRICE STABILITY INDEX ™



MARKET PERFORMANCE

On both resale and auction channels, the month-over-month market activity decreased while year-over-year increased. No major impact was seen from the pandemic based on these year-over-year changes. The stiff drop in FLV market activity was likely due to seasonality, which is not unusual as July always has a drop from June.

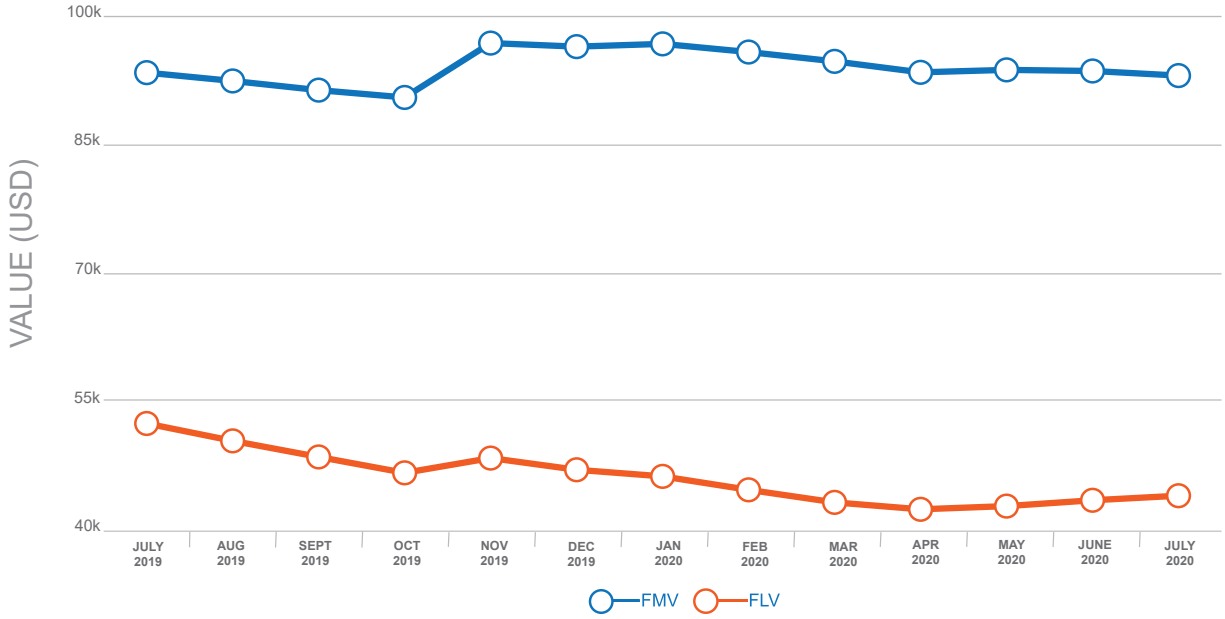
MARKET HIGHLIGHTS

- Average age dropped on both resale and auction channels when looking at month-over-month and year-over-year metrics.
- Average utilization on the resale channel increased both month-over-month and year-over-year while average utilization on the auction channel decreased.
- Average FMV decreased slightly for both month-over-month and year-over-year while average FLV increased month-over-month and decreased year-over-year.

MARKET FORECAST

Since March, there has not been any major impact to FLV market activity from the pandemic, which may continue in August with higher or stable changes.

FMV AND FLV TRENDS



	VOLUME CHANGE		AVERAGE AGE		USAGE	
MONTH OVER MONTH	▼ 11.6% RESALE	▼ 58.2% AUCTION	▼ 0.8% RESALE	▲ 1.7% AUCTION	▲ 1.4% RESALE	▼ 6.2% AUCTION
YEAR OVER YEAR	▲ 7.9% RESALE	▲ 18.8% AUCTION	▼ 8.5% RESALE	▼ 7.3% AUCTION	▲ 4.5% RESALE	▼ 7.4% AUCTION

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CONSTRUCTION
NEXT TYPE TRENDS

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LIFT/ACCESS

OVERALL | TYPE TRENDS | BRAND TRENDS | REGIONAL TRENDS

How is the Price Stability INDEX calculated?

MARKET ACTIVITY

$1,784,166,794
MARKET VALUE

54,395
ASSETS

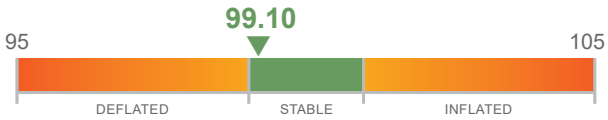
YEAR OVER YEAR MARKET METRICS

VALUES	▼ 6.8% FMV	▼ 15.4% FLV
VOLUME	▲ 131.2% RESALE	▲ 100.4% AUCTION

MONTH OVER MONTH MARKET METRICS

VALUES	▼ 1.2% FMV	▲ 0.2% FLV
VOLUME	▲ 26.4% RESALE	▼ 50.2% AUCTION

PRICE STABILITY INDEX ™



MARKET PERFORMANCE

From June to July, there was a 1.2% decrease in average FMV; this coincided with the increase in FMV market activity. The overall market value increased by about 10%, while the total number of assets increased by 24.7%.

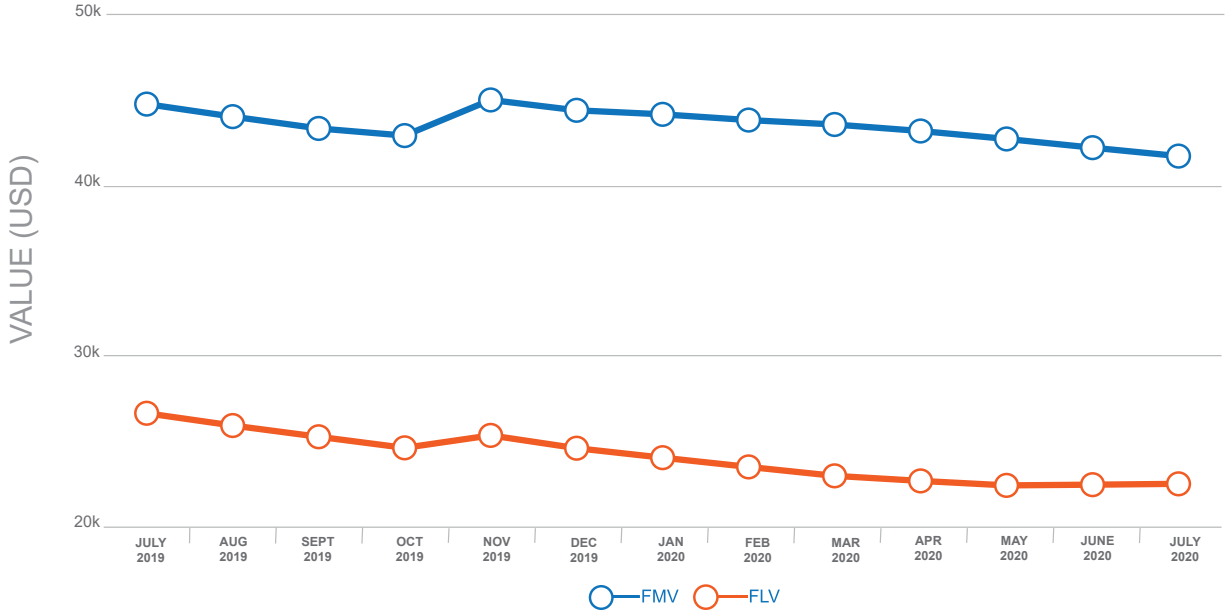
MARKET HIGHLIGHTS

- FMV market activity increased by 26.4% from June to July as well as year-over-year (131.2%).
- Average age on the resale channel decreased month-over-month as well as year-over-year, dropping by -1.4% and -6.6%, respectively.
- Average utilization on both channels increased month-over-month as well as year-over-year.

MARKET FORECAST

Market activity could continue to increase next month and average FMV could continue to decline like it has been recently.

FMV AND FLV TRENDS



	VOLUME CHANGE		AVERAGE AGE		USAGE	
MONTH OVER MONTH	▲ 26.4% RESALE	▼ 50.2% AUCTION	▼ 1.4% RESALE	▲ 5.2% AUCTION	▲ 4.8% RESALE	▲ 14.0% AUCTION
YEAR OVER YEAR	▲ 131.2% RESALE	▲ 100.4% AUCTION	▼ 6.6% RESALE	▼ 11.9% AUCTION	▲ 3.7% RESALE	▲ 6.4% AUCTION

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AGRICULTURE

OVERALL | TYPE TRENDS | BRAND TRENDS | REGIONAL TRENDS

How is the Price Stability INDEX calculated?

MARKET ACTIVITY

$8,513,002,542
MARKET VALUE

93,229
ASSETS

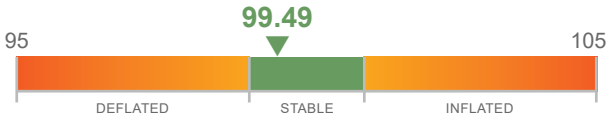
YEAR OVER YEAR MARKET METRICS

VALUES	▼ 1.6% FMV	▼ 21.9% FLV
VOLUME	▲ 22.9% RESALE	▲ 151.0% AUCTION

MONTH OVER MONTH MARKET METRICS

VALUES	▼ 0.4% FMV	▲ 3.4% FLV
VOLUME	▲ 14.8% RESALE	▲ 43.6% AUCTION

MONTH OVER MONTH PRICE STABILITY INDEX ™



MARKET PERFORMANCE

When looking at month-over-month trends, average FMV dropped slightly from June to July while year-over-year average FMV is down 1.6%. The overall number of assets and the overall market value had large increases in July, rising by 14.0% and 26.1%, respectively.

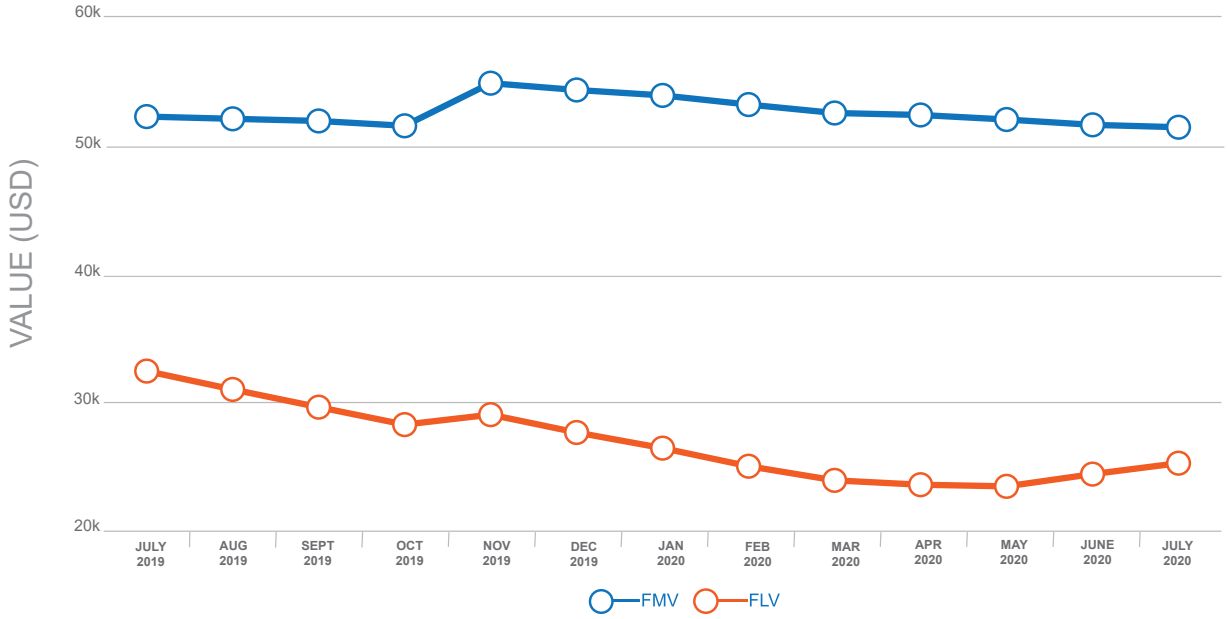
MARKET HIGHLIGHTS

- FMV market activity was up by 14.8% from June to July and 22.9% from last year. FLV market activity also showed increases in these metrics, rising by 43.6% month-over-month and yearly activity increasing drastically by 151%. This indicates that multiple equipment types are in high demand across both channels.
- Year-over-year verage age metrics fell -11.1% on the auction channel and -3.8% on the resale channel. Month-over-month metrics also showed a decline across both channels. This indicates newer equipment types may be increasing in popularity.
- When comparing year-over-year average utilization metrics, we see a decline of -22.3% on the resale channel and a decline of -23.1% on the auction channel. This is quite a drastic change when comparing these metrics in the prior report where they both showed significant growth.

MARKET FORECAST

We could see some fluctuations, both positive and negative, across both channels as we prepare for the end of the current harvesting season and the beginning of a new planting season. As the temperature continues to rise in the latter months, some farmers may be interested in newer equipment models that provide relief from the elements, which may increase demand of equipment on both channels.

FMV AND FLV TRENDS



	VOLUME CHANGE		AVERAGE AGE		USAGE	
MONTH OVER MONTH	▲ 14.8% RESALE	▲ 43.6% AUCTION	▼ 2.9% RESALE	▼ 7.2% AUCTION	▼ 23.5% RESALE	▼ 12.5% AUCTION
YEAR OVER YEAR	▲ 22.9% RESALE	▲ 151.0% AUCTION	▼ 3.8% RESALE	▼ 11.1% AUCTION	▼ 22.3% RESALE	▼ 23.1% AUCTION

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NEXT TYPE TRENDS

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COMMERCIAL TRUCK

OVERALL | TYPE TRENDS | BRAND TRENDS | REGIONAL TRENDS

How is the Price Stability INDEX calculated?

MARKET ACTIVITY

$5,473,316,524
MARKET VALUE

124,873
ASSETS

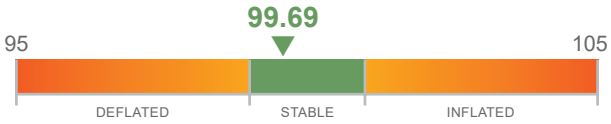
YEAR OVER YEAR MARKET METRICS

VALUES	▼ 18.5% FMV	▼ 1.1% FLV
VOLUME	▲ 26.7% RESALE	▼ 19.5% AUCTION

MONTH OVER MONTH MARKET METRICS

VALUES	▼ 0.6% FMV	▼ 0.2% FLV
VOLUME	▲ 6.7% RESALE	▼ 76.3% AUCTION

MONTH OVER MONTH PRICE STABILITY INDEX ™



MARKET PERFORMANCE

The overall market value continued to increase from June to July, rising by 6.5% while the total number of assets increased by about 7.0% over the same time period.

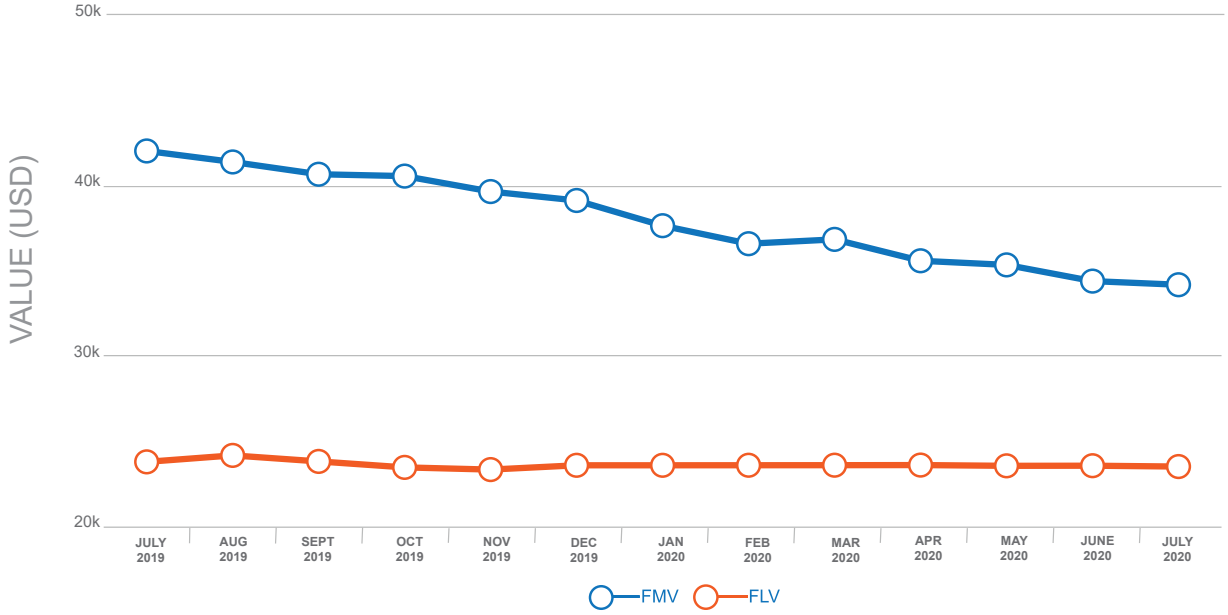
MARKET HIGHLIGHTS

- From June to July, average FMV and FLV remained relatively stable; however, when compared to July 2019 average FMV decreased by 18.5%.
- Both channels saw a month-over-month increase in average age; resale increased by 2.7% and auction by 9.2%.
- Average utilization also increased from June to July on the resale and auction channels, rising by 0.9% and 6.1%, respectively.

MARKET FORECAST

When looking towards August, we could see overall market activity to continue to increase, while average values could remain stable.

FMV AND FLV TRENDS



	VOLUME CHANGE		AVERAGE AGE		USAGE	
MONTH OVER MONTH	▲ 6.7% RESALE	▼ 76.3% AUCTION	▲ 2.7% RESALE	▲ 9.2% AUCTION	▲ 0.9% RESALE	▲ 6.1% AUCTION
YEAR OVER YEAR	▲ 26.7% RESALE	▼ 19.5% AUCTION	▼ 3.3% RESALE	▲ 12.5% AUCTION	▼ 2.9% RESALE	▲ 7.1% AUCTION

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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 2019 to December 2019. 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			

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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:

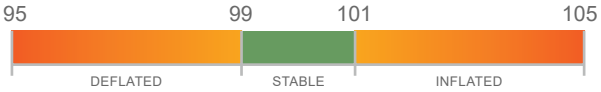
$$P_L = \frac{\sum(p_{c,t_n}) * (q_{c,t_0})}{\sum(p_{c,t_0}) * (q_{c,t_0})}$$

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.

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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.

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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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