ATD/NADA Official Commercial Truck Guide® Update

2011 Year-End Wrap-up and 2012 Forecast

With all of our 2011 data now in the database, this edition will focus on year-over-year comparisons. We will examine the relative performance of the Class 8 and medium duty markets in the retail and wholesale channels, starting with general, 1000-foot views, and then narrowing our focus into individual segments. We'll start by looking at pricing, then sales volume, and wrap up with a summary and forecast.

Pricing – Class 8

Let's start with the segment that saw the most impressive gains – the Class 8 highway market. The general population of Class 8 sleeper tractors ended 2011 with an average retail selling price of $46,436 on average mileage of 523,272. That price was $8024 higher than 2010's average, despite mileage that was 52,639 higher (see graph). In percentage terms, 2011 retail prices were 17.3% higher than 2010's, despite a mileage increase of 10.0%. These trucks were also 4.4 months older in 2011 vs. 2010.

For reference, the average sleeper truck sold off a dealer's lot in 2011 was just under 6 years old, cost $46,436, and had 523,272 miles.

On the wholesale side, 2011 gains were even more impressive. Specifically, Class 8 sleepers averaged $31,036 in 2011, a whopping 36.0% increase over 2010's $19,870 average. Average mileage was closer than retail, with 2011's 636,780 result representing a 4.3% increase year-over-year (see graph). Trucks sold in 2011 were slightly younger than their 2010 counterparts, at 80.7 vs. 83.3 months.

For reference, the average sleeper truck sold at auction or through wholesale channels in 2011 was 6.7 years old, cost $31,036, and had 636,780 miles.

Now, let's dive a bit deeper into the data and focus strictly on 4 year old sleepers. This pool is represented by the 2008 model year in 2011, and the 2007 model year in 2010. Year-over-year results here are eye-opening. 2011's average retail price, at $63,660, was 27.2% higher than 2010's $46,313 result. Mileage was essentially identical, with 2011's 436,026 average only 290 miles lower than 2010's (see graph).

Let's split up the data further into aerodynamic sleepers vs. their traditionally-styled ("square-nose" or "owner-operator") counterparts. When comparing these segments, it is necessary to keep in mind that styling isn't the only difference between aerodynamic and long-nose trucks. Owner-operator trucks are typically equipped with multispeed transmissions, chrome accessories, and other equipment that their aerodynamic counterparts are not. For that reason, we have provided an adjusted figure for that segment, subtracting out the NADA Retail value for the major owner-operator equipment in order to ensure an apples-to-apples comparison. We have also included the unadjusted figures for reference.

On to the results. The retail price gap between the aerodynamic and adjusted owner-operator segments widened in 2011, from an average of 7% in 2010 to 12% in 2011. In dollar terms, owner-operator trucks brought an adjusted $2822 premium over aero trucks in 2010, which increased to $6233 in 2011 (see graph). Mileage and age were similar for both segments, so those factors did not influence the averages by an appreciable amount.

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For reference, the average owner-operator sleeper tractor retailed in 2010 was just under 6 years old, sold for $46,695, and had 488,476 miles. In 2011, that same truck was roughly the same age, retailed for $57,822, and had 539,411 miles.

To round out the Class 8 segment, we'll look at construction trucks. For this study, we're using retail data, since the level of detail is better from those sources. 2011's average of $65,611 was 7.4% higher than 2010, and this was on mileage 19% higher (at 262,562). Age of this segment was similar year-over-year, at about 8.5 years. See the graph for detail.

Pricing – Medium Duty

Now let's move away from the Class 8 market and look at medium duty trucks. We'll use two segments as benchmarks: Class 6 Conventionals and Class 3-4 Cabovers. These segments cover a very wide range of applications, and, as such, provide a good gauge for the medium duty market overall. We'll focus on auction and wholesale results, since the majority of our medium duty sales data comes from those channels.

Unlike the Class 8 market, there was no major upward movement in these medium duty segments. Class 3-4 Cabovers averaged $9360 in wholesale channels in 2011, which was 5.7% higher than 2010. Mileage averaged 132,919, or 11.7% higher than 2010 (see graph). These results are mildly encouraging, since higher prices combined with higher mileage is generally evidence of increasing demand.

Class 6 Conventionals decreased slightly, with 2011's average of $13,002 5.3% behind 2010's average. Mileage for 2011 was 6.9% higher, at 164,959 (see graph). These results may be considered flat, since the minor decrease in price is most likely explained by the minor increase in mileage.

Sales Volume

In the Class 8 highway market, the past 3 years have been historically unusual in that pricing has been dictated by a shortage of late-model trucks with low to average mileage. As such, year-over-year comparisons of sales volume merely reflect the lack of supply rather than fluctuations in demand that we would note in more typical periods.

With that in mind, on the retail side, our reporting dealers sold an average of 6.9 trucks per rooftop in 2011, down from 7.5 in 2010 (see graph). On the wholesale side, our auction and wholesale totals for 2011 were down dramatically from 2010. The 2011 total was 29,282 data points, down a whopping 30.8% from 2010.

For reference, Class 8 trucks represented 20.7% of our total auction/wholesale data for 2011 (the remainder being medium duty). The Class 8 portion was 23.2% in 2010.

Summary

Starting with Class 8 highway tractors, the directional movement in price since the 3rd quarter of 2011 has been mildly downwards. Mileage has trended in the opposite direction. There is likely a price ceiling in place in the retail channel – there is apparent resistance to pay much more than mid to high $40's for a truck with mileage in the low to mid 500's.

Newer sleeper tractors are exhibiting a similar trend. Average retail selling price of 4-year-old sleeper tractors in 2011 crushed 2010, but that segment has also been moving slightly downward since the 3rd quarter.

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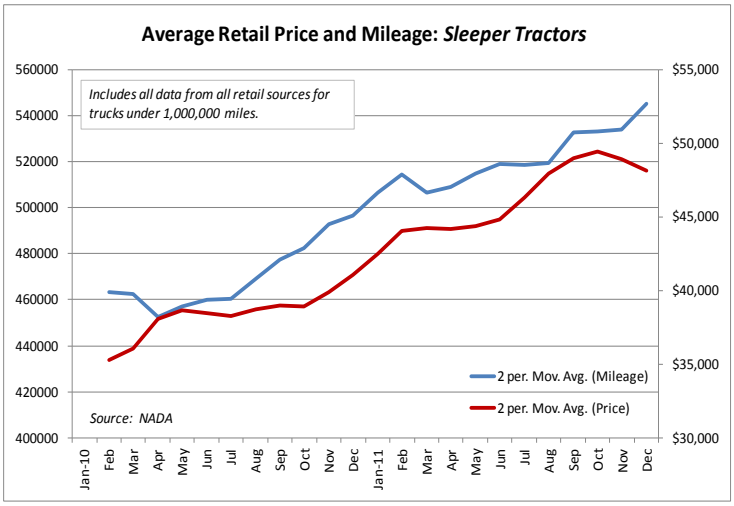
Again, there is apparent resistance to the price/mileage equation, which currently stands at low-$60's for a truck with mileage in the mid-400's.

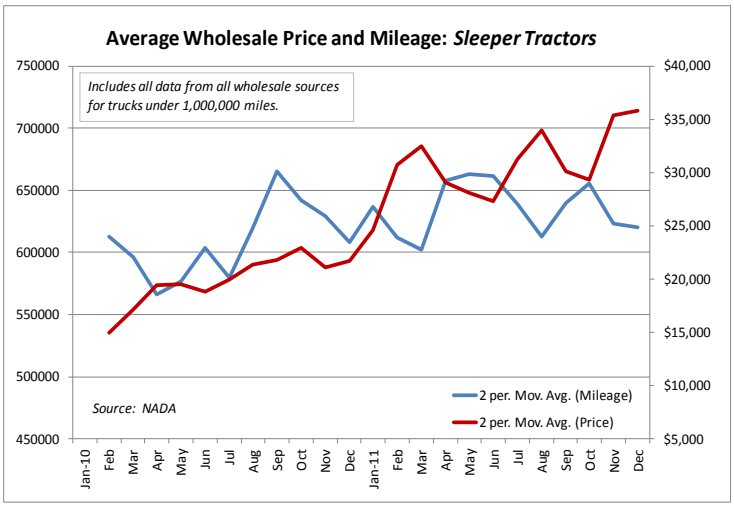
The wholesale Class 8 market is still showing strength, with a general upward trend in price that fluctuates as mileage nears 650,000. In other words, 650K seems to be a relatively clear delineation point at which buyers start to lose interest.

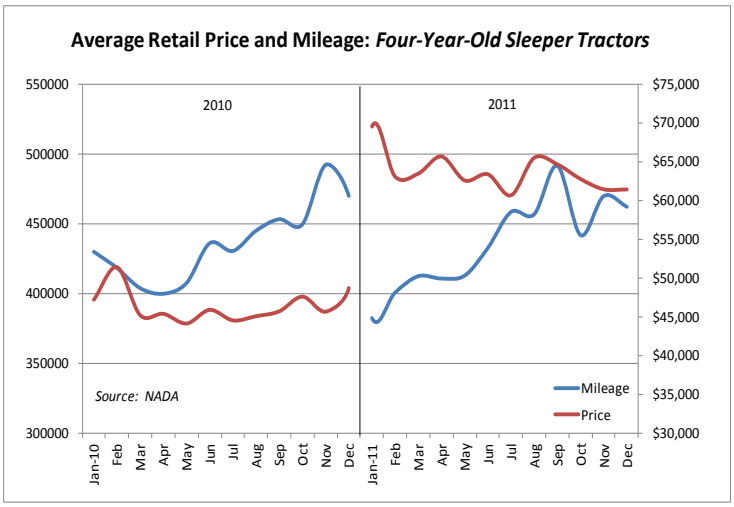
Looking at specific Class 8 segments, owner-operator trucks are bringing a premium, even in this era when fuel economy is of primary importance. The widening gap between these two types (in favor of owner-operator) is likely due to a number of factors such as the fluctuating market for sleeper trucks in general, the trend towards regional hauling (which reduces the emphasis on fuel economy over a long-haul), and the relative condition of higher-mileage trucks in the aerodynamic segment.

Construction trucks might finally be starting to lift off from the bottom. As the domestic economy finally starts to show signs of sustained recovery in more than just the industrial sector, these trucks may finally enjoy increased demand. Currently, mining and raw materials are keeping the segment alive. Commercial and infrastructure construction could potentially be the next driver of growth in this market.

A broader economic recovery will also expand demand for all types and classes of medium duty trucks. Looking back, the rebound in the industrial sector that drove Class 8 demand starting in late 2009 was simply not relevant to most medium duty segments. Urban rentals, light construction, residential services, and the other sectors that medium duty trucks serve have remained depressed since the downturn began. Looking forward, however, a sustained increase in consumer spending, decreased unemployment, and expansion of credit are all factors that could ignite an increase in demand for most medium duty segments.



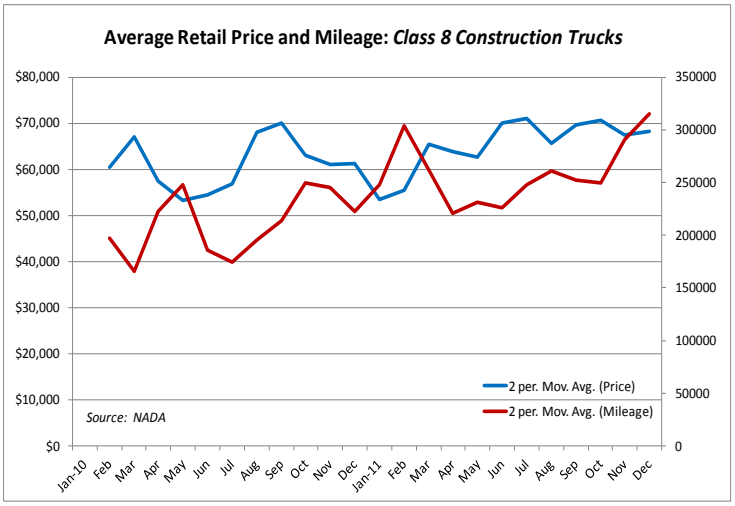




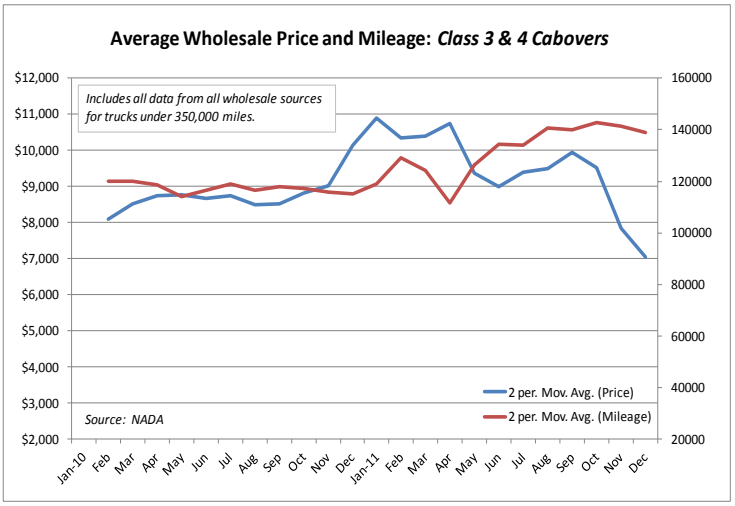
Commercial Truck Guide Update (continued…)

Forecast

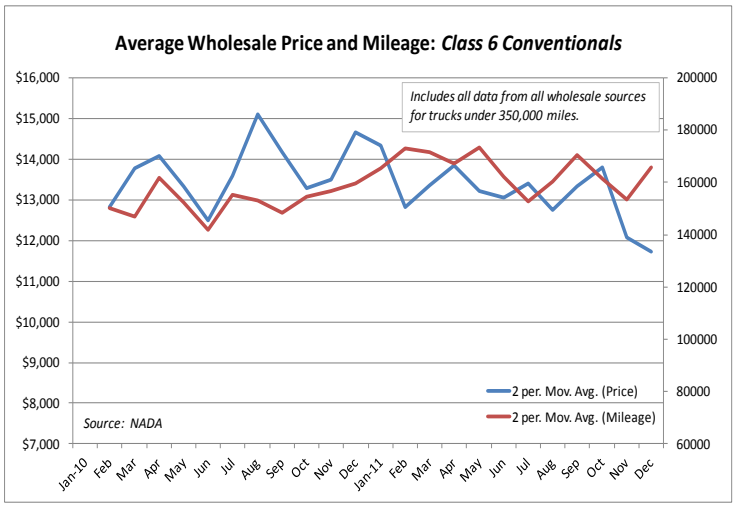
So here are the key points. For Class 8 sleeper tractors, look for prices to remain at high levels in both the retail and wholesale channels. However, with mileage of available trucks at historic highs, don't expect much more in the way of upward movement. The low build rate of 2008-2011 model year trucks will guarantee a low supply of late-model trucks for at least the remainder of 2012. After that, the 2014-2018 emissions/economy rules will become the next story as they begin to influence purchasing decisions of new and used trucks.



For construction trucks, if you are involved in the mining/raw materials/natural resources sector, expect business to continue at a solid pace. Look for mild upticks in demand as business slowly opens up in the broader construction industry.



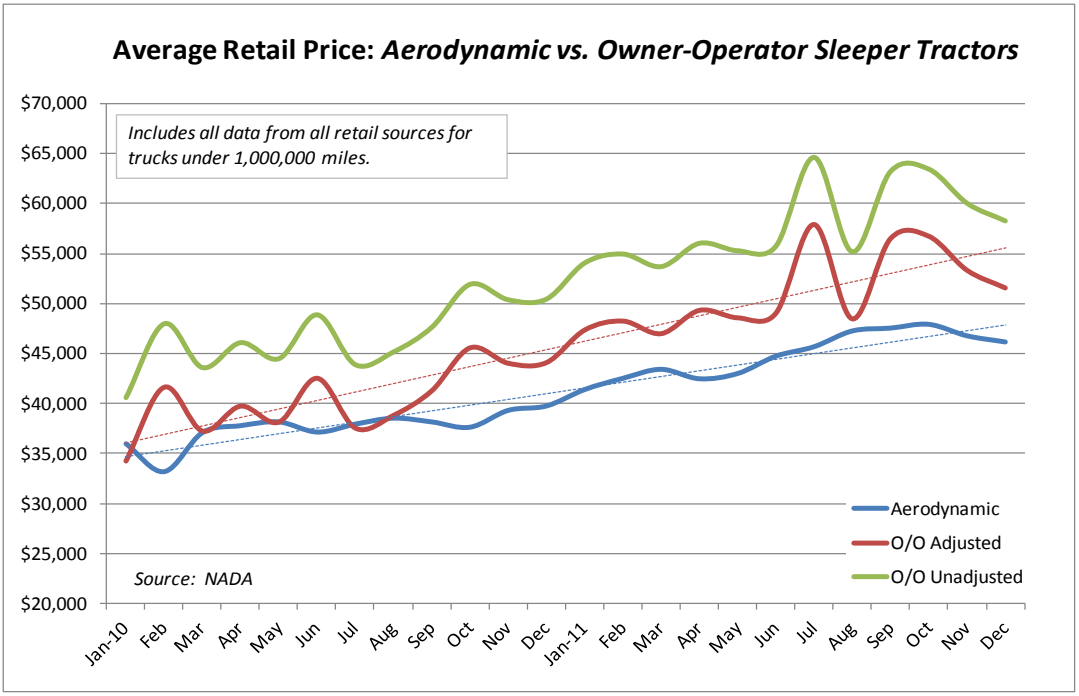
On the medium duty side, demand may increase for box trucks, but there is ample supply. As such, it would be safe to bet on mild upward movement, with lower-mileage trucks bringing a premium. Heavier weight classes will follow a similar pattern, with demand for light construction and residential services picking up gradually in 2012. Again, the first trucks to see an improvement in price will be those with the lowest mileage. Expect these to be cherry-picked out of the market early on.

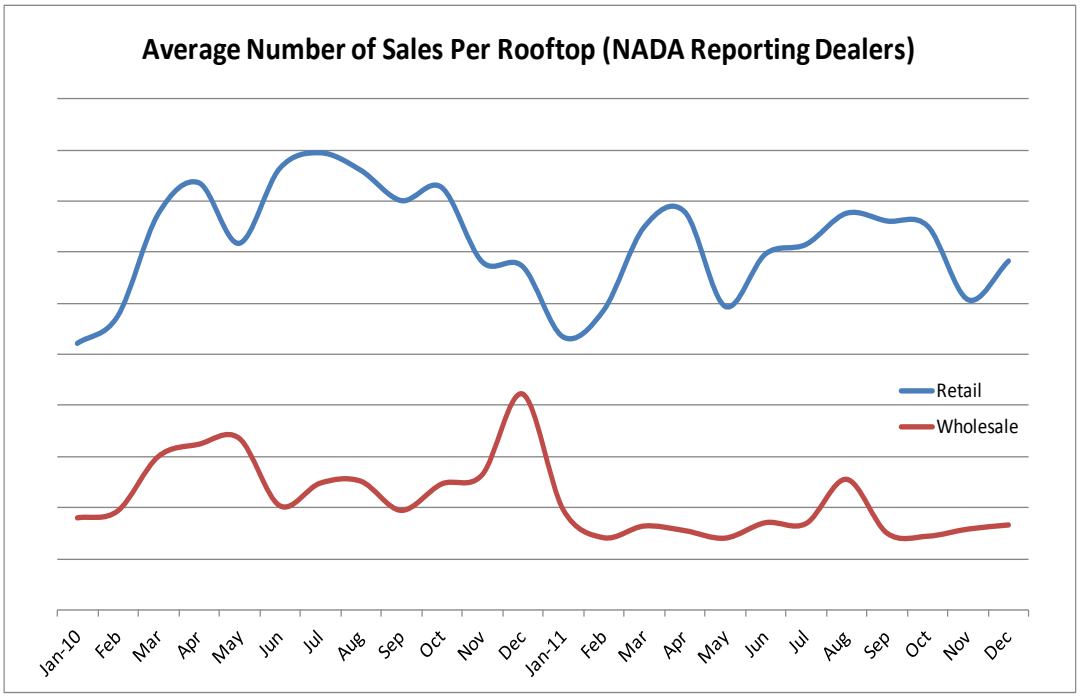


2012 should be a year of recovery in a broader range of economic sectors. We're likely not going to see a bounce, but we should see a gradual liftoff in sectors that have stayed flat since 2008.

Thanks for reading. For regular updates on this data, check my blog every few days at www.nada.com/b2b.

Commercial Truck Guide Update (continued…)





Guidebook Value Trends — *Month-Over-Month*

Monthly Change in Average *Official Used Car Guide* Value: *NADA Segment*

January 2012 v. February 2012

NADA Segment	2007MY	2008MY	2009MY	2010MY	2011MY*
Compact Utility	-0.1%	-0.5%	-0.4%	-0.2%	0.0%
Entry Subcompact	1.6%	1.0%	-0.1%	0.5%	0.3%
Intermediate Compact	0.3%	0.3%	0.4%	0.4%	0.2%
Intermediate Mid-Size	0.1%	0.3%	0.5%	0.6%	0.3%
Intermediate Subcompact	0.0%	0.0%	0.0%	0.0%	-0.1%
Large Car	0.0%	0.1%	0.5%	0.8%	1.3%
Large Pickup	0.0%	-0.1%	0.1%	-0.2%	0.0%
Large SUV	0.2%	0.0%	0.3%	0.5%	0.3%
Large Van	0.0%	-0.2%	-1.0%	-1.7%	-2.3%
Luxury Compact Utility	1.5%	0.0%	0.0%	-0.5%	-0.1%
Luxury Large	0.0%	-0.1%	0.0%	0.0%	0.0%
Luxury Large Truck	0.1%	-0.1%	0.0%	-0.1%	1.3%
Luxury Mid-Size	-0.2%	-0.3%	-0.4%	-0.1%	-0.2%
Luxury Mid-Size Utility	0.1%	0.1%	0.2%	0.1%	0.0%
Luxury Sport	0.0%	0.0%	0.0%	0.0%	0.0%
Mid-Size Pickup	0.7%	0.0%	0.3%	-0.2%	-0.1%
Mid-Size Utility	-0.1%	0.0%	0.0%	0.3%	0.3%
Mid-Size Van	-1.6%	-1.2%	-1.8%	-1.9%	-1.1%
Near Luxury	-0.5%	-0.6%	-0.5%	-0.3%	-0.5%
Premium Luxury Large	0.0%	0.0%	0.0%	0.0%	0.0%
Sport	-0.1%	0.0%	-0.1%	0.1%	0.0%
Upper Compact	0.3%	1.3%	0.5%	0.2%	-0.3%
Upper Mid-Size	0.5%	0.1%	0.5%	0.5%	-0.9%
Upper Sport	0.0%	0.0%	0.0%	0.0%	-0.7%

**Value movement can be influenced by newly valued vehicles. See the last page of "Guidelines" for data key.*

Monthly Change in Average CTG Value: *NADA Segment*

January 2012 v. February 2012

NADA Segment	2006MY	2007MY	2008MY	2009MY	2010MY*
Commercial Van	0.0%	-0.5%	-0.6%	0.0%	N/A
Extended Hood	0.9%	1.1%	-0.1%	-0.5%	0.0%
Highway Aerodynamic	-0.3%	0.2%	-0.2%	-1.5%	0.2%
Highway Traditional	0.9%	1.1%	0.0%	-0.5%	0.0%
Local/Delivery Daycab	0.5%	0.8%	0.0%	-0.1%	0.1%
Medium Duty Cabover	0.0%	0.0%	0.0%	N/A	N/A
Medium Duty Conventional	-0.3%	-3.2%	-0.7%	-2.0%	-1.7%
Vocational/Construction	0.0%	0.0%	0.0%	0.0%	N/A

**Value movement can be influenced by newly valued vehicles. See the last page of "Guidelines" for data key.*

Guidebook Value Trends — *Year-Over-Year*

NADA Used Car Guide Value Change: *February, 2011 v. 2012*

NADA Segment	5YR	4YR	3YR	2YR	1YR	YoY Segment Change
Compact Utility	13.1%	12.9%	11.0%	10.4%	4.1%	9.2%
Entry Subcompact	33.4%	31.1%	20.8%	11.2%	10.5%	16.0%
Intermediate Compact	10.1%	14.8%	11.2%	14.5%	17.0%	15.6%
Intermediate Mid-Size	16.2%	8.9%	3.6%	7.1%	12.2%	12.4%
Intermediate Subcompact	3.4%	13.5%	10.9%	9.3%	7.8%	7.5%
Large Car	10.4%	13.1%	3.4%	8.7%	6.4%	11.1%
Large Pickup	10.8%	7.4%	5.8%	2.4%	6.8%	5.2%
Large SUV	21.9%	8.4%	2.6%	-0.8%	-0.6%	2.7%
Large Van	12.7%	13.5%	6.5%	6.6%	4.2%	9.5%
Luxury Compact Utility	10.3%	5.5%	21.9%	11.3%	6.2%	4.8%
Luxury Large	26.3%	19.5%	16.1%	8.9%	25.1%	25.0%
Luxury Large Truck	13.7%	17.6%	14.0%	7.9%	9.9%	8.7%
Luxury Mid-Size	17.9%	8.6%	6.8%	8.0%	15.0%	19.3%
Luxury Mid-Size Utility	13.8%	13.5%	14.5%	12.5%	10.0%	12.7%
Luxury Sport	26.9%	14.4%	14.7%	13.1%	28.4%	25.0%
Mid-Size Pickup	9.9%	8.9%	19.5%	3.3%	0.4%	7.7%
Mid-Size Utility	13.4%	10.2%	7.8%	6.7%	4.3%	5.9%
Mid-Size Van	6.4%	23.3%	14.3%	9.3%	11.7%	16.7%
Near Luxury	16.3%	14.2%	4.7%	20.8%	15.0%	23.9%
Premium Luxury Large	27.3%	18.4%	17.4%	17.2%	13.4%	36.5%
Sport	26.6%	11.3%	10.2%	8.7%	3.9%	13.3%
Upper Compact	12.5%	6.4%	9.6%	7.3%	10.2%	9.8%
Upper Mid-Size	10.5%	6.8%	24.7%	3.5%	0.1%	9.8%
Upper Sport	22.6%	15.4%	12.4%	24.4%	3.1%	22.9%

**Calculations are based on vehicle age. I.e. Values for 1 year old vehicles in CY2011 are compared against values for 1 year old vehicles in CY2010.*

ATD/NADA Commercial Truck Guide Value Change: *February, 2011 v. 2012*

NADA Segment	5YR	4YR	3YR	2YR	YoY Segment Change
Commercial Van	25.6%	33.6%	-11.8%	-1.7%	9.6%
Extended Hood	15.8%	33.7%	22.9%	6.2%	25.1%
Highway Aerodynamic	14.7%	39.7%	21.1%	4.7%	14.6%
Highway Traditional	19.2%	31.2%	19.7%	7.7%	13.5%
Local/Delivery Daycab	17.3%	37.2%	18.4%	7.9%	17.5%
Medium Duty Cabover	34.9%	27.3%	5.4%	N/A	15.8%
Medium Duty Conventional	28.8%	30.2%	13.7%	11.9%	15.0%
Vocational/Construction	20.3%	48.2%	12.6%	N/A	18.0%

**Calculations are based on vehicle age. I.e. Values for 1 year old vehicles in CY2010 are compared against values for 1 year old vehicles in CY2009.*

Guidebook Value Trends — *Year-To-Date*

NADA Used Car Guide Value Change: *January — December 2011*

NADA Segment	2006MY	2007MY	2008MY	2009MY	2010MY*	YTD Segment Change
Compact Utility	-6.7%	-5.9%	-4.0%	-3.4%	-6.4%	-4.5%
Entry Subcompact	6.8%	5.1%	1.0%	1.1%	-12.7%	2.2%
Intermediate Compact	-3.3%	-3.0%	-1.8%	-1.6%	-11.1%	-2.2%
Intermediate Mid-Size	-4.0%	-4.1%	-5.1%	-8.3%	-14.5%	-5.7%
Intermediate Subcompact	-4.3%	-1.5%	-4.0%	-3.9%	-13.0%	-3.5%
Large Car	-3.6%	-5.0%	-7.5%	-9.5%	-14.0%	-6.4%
Large Pickup	-11.0%	-10.2%	-8.5%	-7.9%	-4.4%	-9.2%
Large SUV	-15.3%	-14.0%	-10.4%	-11.1%	-10.0%	-12.1%
Large Van	-5.3%	-4.0%	-5.3%	-6.2%	-8.4%	-5.3%
Luxury Compact Utility	-6.4%	-7.5%	-8.2%	0.7%	-1.9%	-1.3%
Luxury Large	-6.4%	-3.4%	-9.8%	-11.5%	-11.3%	-8.7%
Luxury Large Truck	-11.4%	-10.7%	-8.2%	-8.6%	-5.9%	-9.2%
Luxury Mid-Size	-7.3%	-8.9%	-9.8%	-10.3%	-9.7%	-9.4%
Luxury Mid-Size Utility	-10.0%	-9.3%	-9.4%	-8.3%	-3.4%	-8.2%
Luxury Sport	-7.4%	-5.6%	-9.7%	-9.4%	-7.1%	-8.5%
Mid-Size Pickup	-3.9%	-4.9%	-4.9%	-3.3%	-5.6%	-4.3%
Mid-Size Utility	-12.3%	-12.1%	-9.1%	-8.6%	-7.5%	-10.1%
Mid-Size Van	-11.2%	-9.3%	-7.0%	-4.7%	-6.3%	-8.6%
Near Luxury	-8.7%	-8.7%	-9.6%	-8.9%	-8.6%	-9.1%
Premium Luxury Large	-10.4%	-10.5%	-10.9%	-13.9%	-8.4%	-11.8%
Sport	-4.1%	-4.3%	-3.5%	-3.6%	-9.9%	-3.8%
Upper Compact	-4.5%	-8.0%	-6.0%	-9.9%	-5.6%	-7.6%
Upper Mid-Size	-7.8%	-13.0%	-4.7%	-7.1%	-9.7%	-8.6%
Upper Sport	-5.1%	-4.6%	-4.6%	-9.2%	-8.8%	-6.5%

**May 2011 through current period.*

ATD/NADA Commercial Truck Guide Value Change: *January — December 2011*

NADA Segment	2005MY	2006MY	2007MY	2008MY	2009MY	YTD Segment Change
Commercial Van	-3.1%	-1.3%	-4.5%	-3.1%	-7.1%	-3.1%
Extended Hood	6.2%	-1.5%	-7.5%	-1.2%	-5.0%	2.0%
Highway Aerodynamic	7.7%	-0.5%	-10.6%	-5.4%	-8.6%	-5.6%
Highway Traditional	8.3%	-1.6%	-8.0%	-3.9%	-7.7%	-4.2%
Local/Delivery Daycab	3.8%	-0.5%	-4.7%	-0.8%	-6.3%	-0.4%
Medium Duty Cabover	10.9%	6.1%	6.8%	0.0%	N/A	4.6%
Medium Duty Conventional	3.0%	2.5%	-0.1%	-0.4%	4.5%	0.2%
Vocational/Construction	0.1%	0.2%	-0.1%	0.5%	0.0%	5.0%

At NADA Used Car Guide

Are you using the **NADA VIN Scanner**? If not, the VIN Scanner application is free to subscribers of NADA AppraisalPRO and NADA Online. It simplifies the vehicle decoding process by giving users the ability to scan and retrieve NADA vehicle values—including features like automatic adjustments for mileage and accessories—more efficiently and faster than ever before. The VIN Scanner app is available for download to Android and iPhone mobile devices. For more information, go to www.nada.com/mobile or call 866.974.NADA.

On The Road

NADA Used Car Guide is a sponsor of the **Conference of Automotive Remarketing (CAR)** from March 14-15, 2012 at Caesars Palace in Las Vegas.

NADA Executive Auto Analyst, Jonathan Banks will be a panelist at the **Forecast of Residual Values: 2012 -2013** session. Jonathan along with other industry experts will provide a forecast of residual values and key trend predictions for the wholesale resale market for the upcoming year.

About NADA Used Car Guide

Over a 79-year history, NADA Used Car Guide has earned its reputation as the leading provider of market-reflective vehicle valuation products, services and information to businesses throughout the U.S. and worldwide. NADA's editorial team collects and analyzes over one million combined wholesale and retail automotive-related transaction prices per month. Its guidebooks, auction data, analysis, and data solutions offer automotive, financial, insurance, and government professionals the timely information and reliable solutions they need to make better business decisions. Visit www.nada.com/b2b.

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Key:

- When value change is >= 1.75%
- When value change is > .5% and < 1.75%
- When value change is >= -.5% and <= .5%
- When value change is > -1.75% and < -.5%
- When value change is <= -1.75%