

# ATD/NADA Official Commercial Truck Guide® Update

## Market Stable, Model Year Trends Developing

Retail pricing for the sleeper market overall rose unexpectedly in July, but this rise was not supported by newer model years. Trucks newer than four model years old continue to gradually decline in price. The wholesale market returned a solid performance despite historically high average mileage. Sales volume per dealership was moderate for the third month in a row. July's results suggest a market remaining stable at a high level.

### Retail Market

After a relatively flat first half, and in the face of mixed economic data, July's average pricing surprised on the upside. The average sleeper tractor retailed in July cost \$50,077, had 557,314 miles, and was 75 months old (see graph). This result is 1.2% above June, with mileage 2.6% higher. Age was higher by one month. This was only the second month in the past four years in which price crested the \$50,000 barrier.

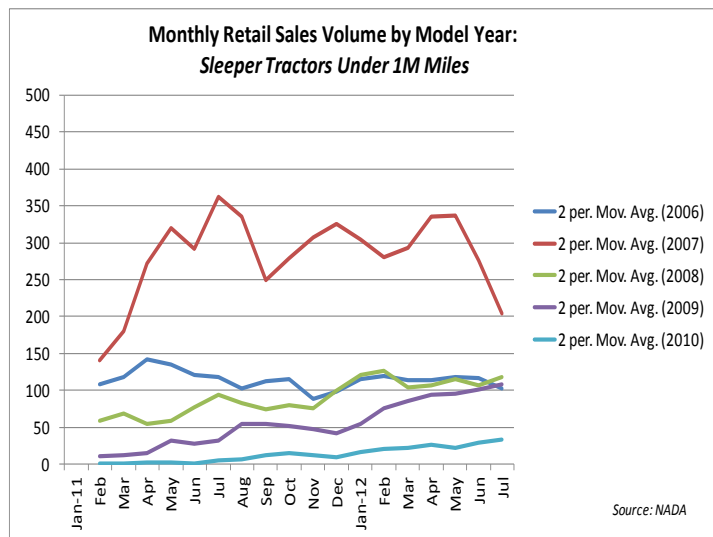
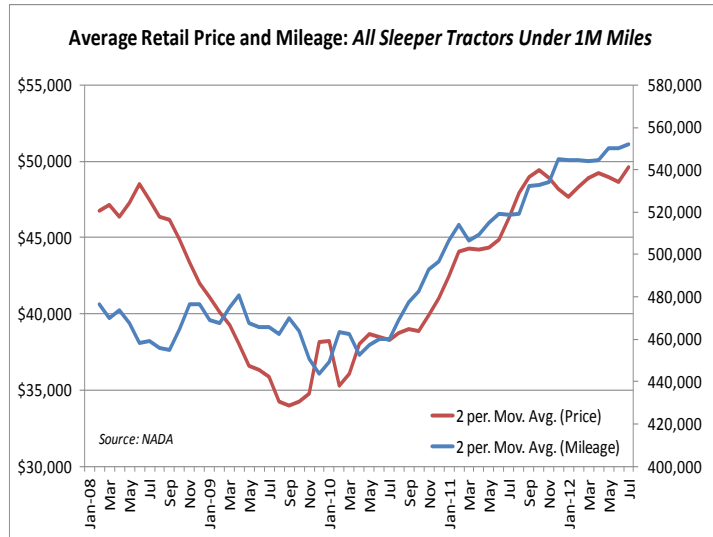
Compared to July of last year, this month's results were 5.2% higher on price, and 7.7% higher on mileage. Trucks sold in July of last year were six months younger.

Late-model trucks, particularly the 2009 and 2010 model years, have trended moderately downwards. This behavior is to be expected for the newest model years as they enter the

market in greater numbers (see "Monthly Retail Sales Volume" graph). At the same time, anecdotal evidence suggests a degree of resistance to DPF-equipped trucks in regions not directly impacted by port-related emissions regulations. Overall, 2009's continue to command strong money, and we do not foresee any change in pricing other than continued mild depreciation.

Slightly older trucks have followed a different pattern. 2008's have enjoyed steady pricing since February after declining throughout 2011. And the 2007 and even 2006 model years have not depreciated notably in at least 18 months. It is likely that the market has established a comfort level for the last of the pre-DPF trucks.

Bottom line – trucks with under 600,000 miles that meet trade terms will bring strong money, regardless of age. See the "Average Retail Price by Model Year" graph for detail.



## Commercial Truck Guide Update (continued...)

### Wholesale Market

Wholesale pricing for sleeper tractors remains predictable, tied tightly to mileage. The average sleeper tractor wholesaled in July cost \$30,014, had 680,041 miles, and was 96 months old (see graph). This result is 12.8% higher than June, with mileage 1.7% lower. Age was identical to June.

Compared to July of last year, this month's results were 11.8% higher on price, and 8.2% higher on mileage. Trucks sold in July were a whopping 20 months older than the same month year.

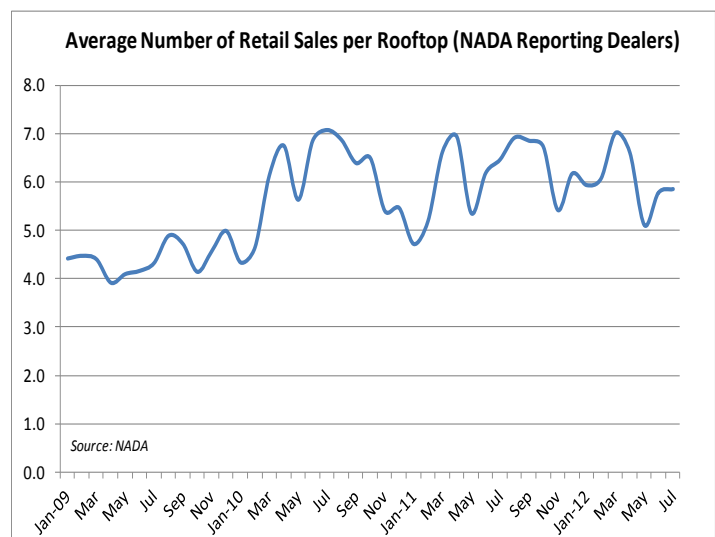
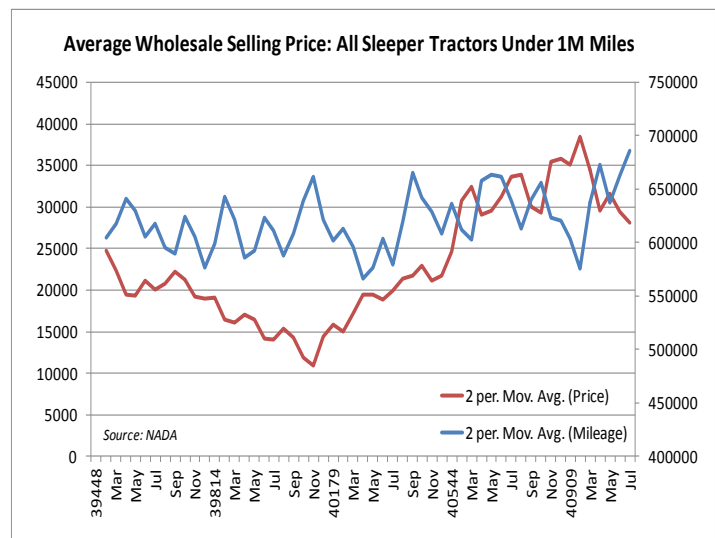
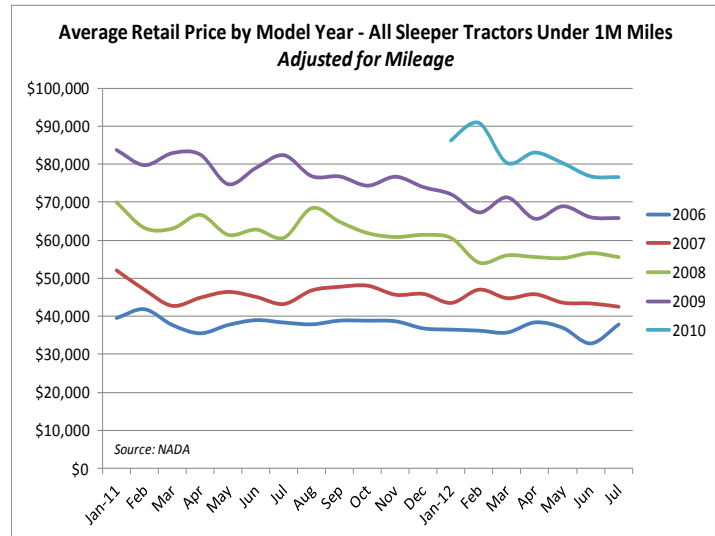
With a -0.95 correlation between price and mileage since January, we can fairly accurately predict where pricing will fall at a given mileage point. July's result was on the high side of what we would expect given the average mileage. The rule of thumb of trucks with under 650,000 miles performing well in the wholesale market may need to be revised upwards 5% or so.

### Sales Volume

July's results were nearly identical to June's, at 5.9 trucks retailed per dealership rooftop (see graph). The second quarter of this year was weaker than the same period last year by 0.4 trucks per dealership or 6.7%. The decrease is attributable mainly to supply factors – namely, a lack of low- to average-mileage iron to sell. At the same time, the demand side can't be overlooked. The mild contraction in the manufacturing sector and the extremely cautious investment environment are probably having some impact. But market appetite for any truck with under 600,000 miles indicates that the demand side is the lesser of the two factors.

### Conclusion

After mixed results in May and June, we had considered July a critical month that would determine whether the market was in decline or just flattening out.



## Commercial Truck Guide Update (continued...)

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With late-model tractors continuing their gradual decline, pre-DPF iron holding steady, predictability in the wholesale markets, and little change in sales volume, we consider the used truck market stable.

Mixed domestic manufacturing activity and the ongoing political circus will ensure that business investment remains extremely conservative through the end of the year. However, we maintain that the low supply of low- to average-mileage used trucks will continue to support high pricing levels well into 2013.

Be sure to check our Commercial Vehicle Blog every few days at [www.nada.com/b2b](http://www.nada.com/b2b) for real-time updates on this and other data.

## NADA Guidebook Value Trends — Month-Over-Month

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

August 2012 v. September 2012

NADA Segment	2007MY	2008MY	2009MY	2010MY	2011MY*
Compact Car	↓ -3.4%	↓ -3.5%	↓ -3.1%	↓ -2.6%	↓ -2.0%
Compact Utility	↓ -2.8%	↓ -2.5%	↓ -2.2%	↓ -2.0%	↓ -1.9%
Large Pickup	↘ -1.3%	↘ -0.7%	↘ -0.5%	→ -0.3%	↘ -0.6%
Large SUV	↘ -1.1%	↘ -1.5%	↘ -1.1%	↘ -1.0%	→ -0.3%
Luxury Car	↓ -3.1%	↓ -2.6%	↓ -2.8%	↓ -3.5%	↓ -2.8%
Luxury Utility	↘ -1.7%	↓ -2.5%	↓ -2.5%	↓ -2.3%	↓ -2.7%
Mid-Size Car	↓ -4.2%	↓ -3.7%	↓ -3.5%	↓ -3.4%	↓ -2.8%
Mid-Size Utility	↓ -3.4%	↓ -2.6%	↘ -1.6%	↓ -1.9%	↘ -1.6%
Mid-Size Van	↓ -4.8%	↓ -4.1%	↓ -3.7%	↓ -2.3%	↓ -2.6%

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

### Monthly Change in Average ATD/NADA CTG Value: NADA Segment

August 2012 v. September 2012

NADA Segment	2006MY	2007MY	2008MY	2009MY	2010MY*
Commercial Van	→ 0.0%	→ 0.0%	→ 0.0%	→ 0.0%	→ -0.4%
Extended Hood	→ -0.5%	→ -0.1%	↘ -1.3%	↓ -2.3%	↓ -2.0%
Highway Aerodynamic	→ 0.0%	→ 0.3%	↘ -0.5%	→ -0.3%	↘ -0.6%
Highway Traditional	→ -0.4%	→ -0.1%	↘ -1.5%	↓ -2.1%	↓ -3.0%
Local/Delivery Daycab	→ -0.1%	→ -0.2%	→ -0.4%	↘ -0.7%	↘ -1.5%
Medium Duty Cabover	→ 0.0%	→ 0.0%	→ 0.0%	→ 0.0%	→ 0.0%
Medium Duty Conventional	→ 0.0%	↘ -1.5%	→ 0.0%	→ 0.0%	→ 0.0%
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.

## NADA Guidebook Value Trends — Year-Over-Year

### Annual Change in NADA Official Used Car Guide Value: September, 2011 v. 2012

NADA Segment	5YR	4YR	3YR	2YR	1YR	YoY Segment Change
Compact Car	-2.8%	-1.5%	-4.8%	-1.2%	-5.5%	-3.8%
Compact Utility	0.0%	0.7%	-2.4%	0.2%	-2.5%	-2.2%
Large Pickup	14.4%	8.7%	7.7%	3.5%	7.1%	6.7%
Large SUV	30.9%	14.4%	6.6%	2.3%	3.1%	7.3%
Luxury Car	6.5%	3.8%	-1.1%	1.3%	-2.2%	2.4%
Luxury Utility	4.2%	0.0%	2.6%	3.0%	-5.4%	-2.1%
Mid-Size Car	0.7%	1.5%	12.7%	-0.7%	-4.6%	1.4%
Mid-Size Utility	7.1%	4.7%	3.5%	2.7%	-0.9%	1.0%
Mid-Size Van	-4.8%	9.9%	-2.8%	-4.9%	1.5%	4.1%

\*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.

### Annual Change in ATD/NADA Commercial Truck Guide Value: September, 2011 v. 2012

NADA Segment	5YR	4YR	3YR	2YR	YoY Segment Change
Commercial Van	15.4%	17.9%	-20.6%	9.4%	2.4%
Extended Hood	15.9%	26.0%	3.4%	-6.2%	6.0%
Highway Aerodynamic	7.7%	35.3%	8.7%	2.1%	8.2%
Highway Traditional	17.8%	24.5%	4.0%	1.2%	11.3%
Local/Delivery Daycab	21.9%	38.0%	10.0%	2.8%	10.3%
Medium Duty Cabover	15.2%	11.4%	-5.0%	N/A	3.9%
Medium Duty Conventional	25.8%	27.2%	15.3%	-1.0%	12.6%
Vocational/Construction	20.0%	38.8%	7.4%	N/A	13.6%

\*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.

## NADA Guidebook Value Trends — Year-To-Date

### YTD Change in NADA Official Used Car Guide Value: January — Sept 2012

NADA Segment	2007MY	2008MY	2009MY	2010MY	2011MY*	YTD Segment Change
Compact Car	-7.0%	-7.3%	-6.0%	-5.0%	-6.2%	-6.1%
Compact Utility	-12.0%	-11.3%	-10.8%	-8.7%	-7.7%	-9.5%
Large Pickup	-6.5%	-6.7%	-3.7%	-3.1%	-3.2%	-4.5%
Large SUV	-5.3%	-5.7%	-4.2%	-3.6%	-4.1%	-4.4%
Luxury Car	-11.0%	-10.1%	-11.7%	-11.5%	-9.7%	-10.0%
Luxury Utility	-13.4%	-12.8%	-14.3%	-12.4%	-10.3%	-12.3%
Mid-Size Car	-6.6%	-5.9%	-5.9%	-4.7%	-6.4%	-5.9%
Mid-Size Utility	-12.5%	-10.9%	-8.9%	-8.1%	-7.5%	-9.3%
Mid-Size Van	-15.7%	-12.3%	-12.9%	-11.0%	-9.6%	-11.8%

### YTD Change in ATD/NADA Commercial Truck Guide Value: January — Sept 2012

NADA Segment	2006MY	2007MY	2008MY	2009MY	2010MY*	YTD Segment Change
Commercial Van	-10.4%	-8.5%	-13.3%	-1.9%	2.0%	-7.1%
Extended Hood	0.1%	1.7%	-6.9%	-14.9%	-11.2%	-4.7%
Highway Aerodynamic	-5.0%	-4.0%	-10.4%	-12.4%	-10.9%	-8.5%
Highway Traditional	0.9%	3.5%	-6.1%	-11.3%	-12.2%	-3.6%
Local/Delivery Daycab	0.4%	0.4%	-5.9%	-8.4%	-10.7%	-5.4%
Medium Duty Cabover	-11.1%	-6.3%	-3.6%	-5.3%	N/A	-4.7%
Medium Duty Conventional	-1.3%	-4.9%	-2.5%	-7.1%	0.8%	-1.1%
Vocational/Construction	0.0%	0.0%	-4.3%	-4.2%	N/A	1.8%

## At NADA Used Car Guide

### NADA Market News

NADA has added a Certified Pre-Owned (CPO) valuation to its used vehicle retail value effective September 1, 2012. Business professionals now have a guide to the typical premium added to the retail value when a given vehicle is initially sold by a franchised dealer under a manufacturer's certification program. NADA guidebooks and select online products will include the CPO value as an "ADD" in the Optional Equipment listing to the Retail value only. The CPO premium takes into account the warranty extension provided for the vehicle as well as the vehicle meeting the individual CPO program requirements of multi-point inspection, minimum age, maximum mileage, etc. For more information on CPO values go to [www.nada.com/b2b](http://www.nada.com/b2b).

NADA's most recent white paper titled *Volatility in Used Vehicle Depreciation: Historical Trends & Future Outlook* provides insight into how and why used vehicle depreciation has changed in the past, and gives background on the prediction that overall market depreciation will increase mildly over the next few years. If you are interested in downloading a copy of the latest NADA white paper, please visit our web site at [www.nada.com/b2b](http://www.nada.com/b2b).

### On the Road

Don't miss the National Auto Auction Association (NAAA) Annual Conference in Orlando, FL from October 1<sup>st</sup> through 5th.



### 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](http://www.nada.com/b2b).

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#### Key:

- ↑ When value change is  $\geq 1.75\%$
- ↗ When value change is  $> .5\%$  and  $< 1.75\%$
- When value change is  $\geq -.5\%$  and  $\leq .5\%$
- ↘ When value change is  $> -1.75\%$  and  $< -.5\%$
- ↓ When value change is  $\leq -1.75\%$