

**J.D. POWER**

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# COMMERCIAL TRUCK GUIDELINES

**INDUSTRY REVIEW**

October 2021

J.D. Power Valuation Services



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## SUMMARY

### All Segments Strong as 4<sup>th</sup> Quarter Begins

The sky's the limit for the Class 8 market, with auction pricing jumping notably and retail pricing continuing its record-breaking trajectory. The medium duty market was generally strong.

## CLASS 8 AUCTION UPDATE

Volume was up moderately in September, due to a combination of more auctions on the calendar and slightly more trucks returning off trade. This doesn't mean the market is changing, though, as pricing increased dramatically despite the uptick in volume. See below for detail:

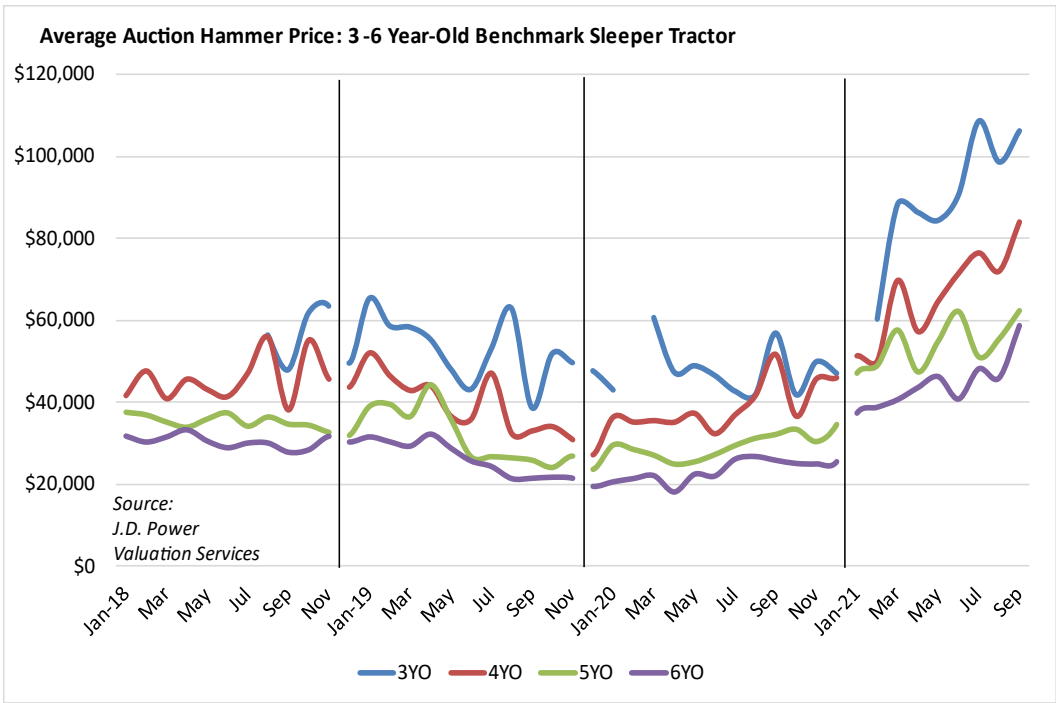
- Model year 2018: \$83,809 average; \$11,984 (16.7%) higher than August
- Model year 2017: \$62,475 average; \$6,894 (12.4%) higher than August
- Model year 2016: \$58,792 average; \$12,837 (27.9%) higher than August
- Model year 2015: \$40,884 average; \$101 (0.2%) higher than August
- Model year 2014: \$31,055 average; \$3,319 (9.7%) higher than August

Month-over-month, our benchmark group of 4-6 year-old trucks brought 18.3% more money. Compared to the first 9 months of 2020, this group is running 85.1% ahead, and compared to the same period of 2019, 62.1% ahead. Late-model trucks have appreciated 4.9% per month on average in 2021 to date.

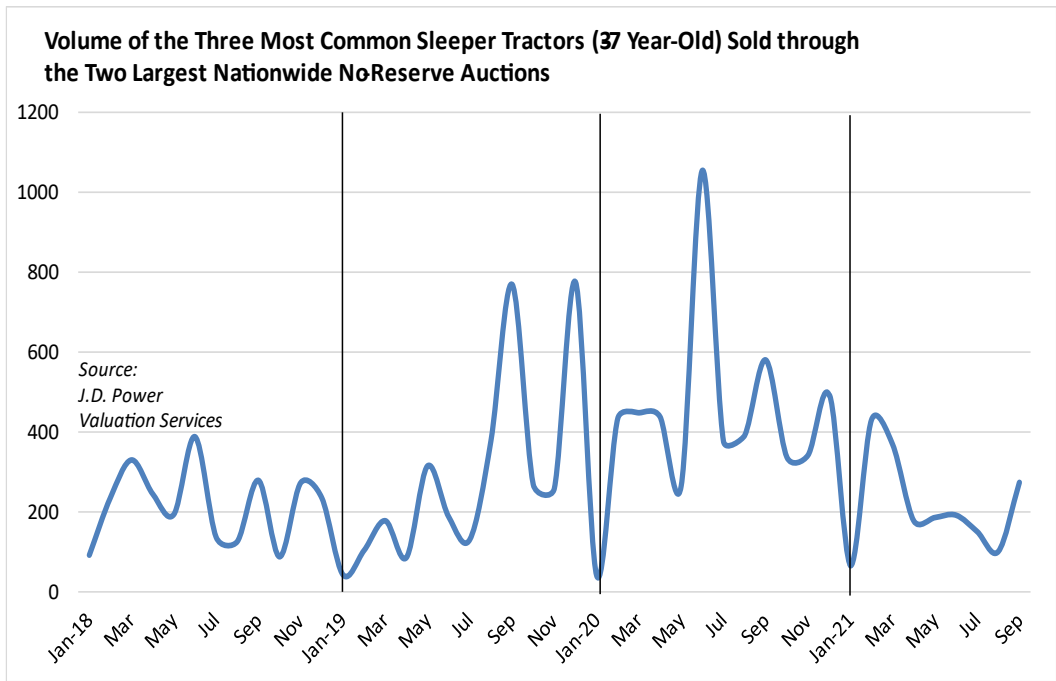
The sense of urgency is as strong as ever in the auction lanes, with buyers continuing to pay essentially retail pricing for desirable trucks. Expect the rest of the year to feel similar.

See the "Average Auction Hammer Price..." and "Volume of the Three Most Common Sleeper Tractors..." graphs for detail.

... pricing increased dramatically despite the uptick in volume.



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## CLASS 8 RETAIL UPDATE

Another month, another record for pricing. Supply of desirable trucks remains inadequate.

The average sleeper tractor retailed in September was 74 months old, had 459,393 miles, and brought \$78,207. Compared to August, this average sleeper was one month older, had 6,506 (1.4%) more miles, and brought \$3,788 (5.1%) more money. Compared to September 2020, this average sleeper was 5 months older, had 10,465 (2.2%) fewer miles, and brought \$36,141 (85.9%) more money.

Looking at trucks two to six years of age, September's average pricing was as follows:

- Model year 2020: \$130,748; \$11,196 (9.4%) higher than August
- Model year 2019: \$104,271; \$2,062 (2.0%) higher than August
- Model year 2018: \$85,251; \$2,608 (3.2%) higher than August
- Model year 2017: \$70,043; \$3,504 (5.3%) higher than August
- Model year 2016: \$55,747; \$3,565 (6.8%) higher than August

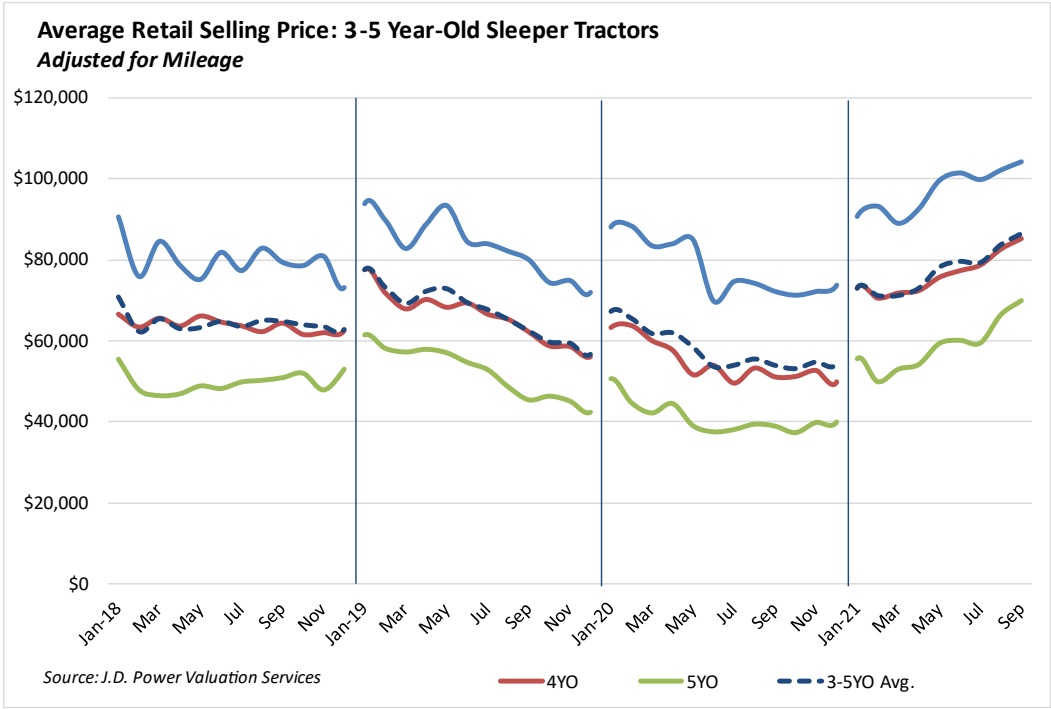
Supply of desirable trucks remains inadequate.

Month-over-month, late-model trucks brought 3.3% more money. In the first 9 months of 2021, late-model trucks were 30.6% ahead of the same period of 2020, and 10.4% ahead of the same period of 2019. On average, late-model trucks have appreciated 2.4% per month in 2021.

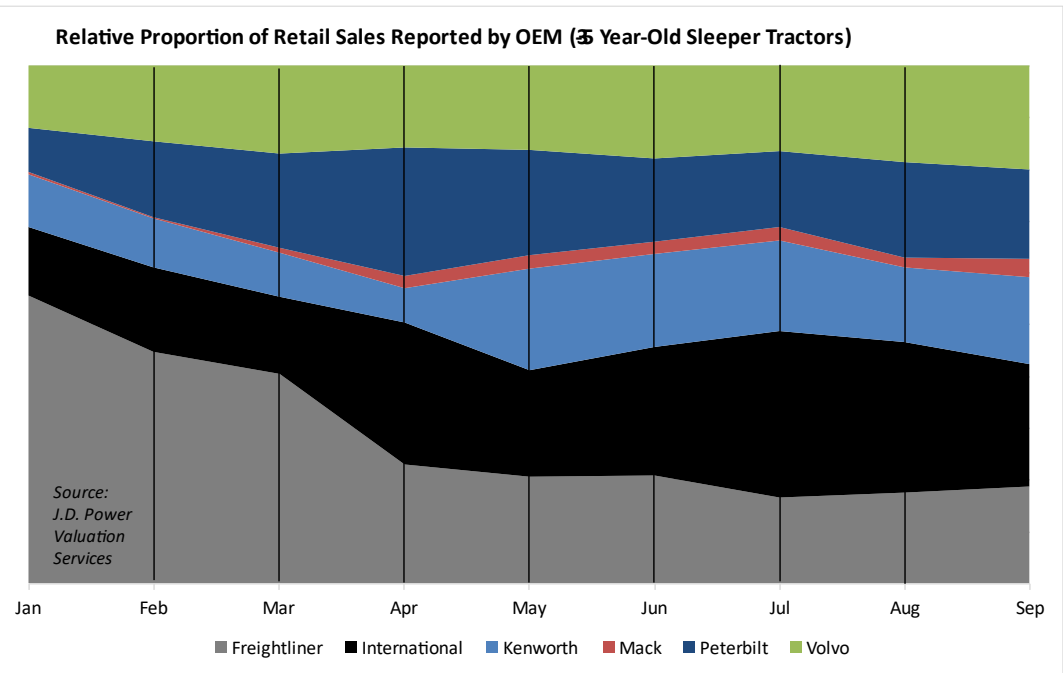
Retail inquiries were healthy in September, but many potential buyers walked away empty-handed as there were just not enough trucks available to sell. Dealers retailed an average of 4.4 trucks per rooftop in September, 0.4 truck lower than August. Year-over-year, the first 9 months of 2021 are running 0.8 truck ahead of the same period of 2020, and 0.8 truck higher than the same period of 2019.

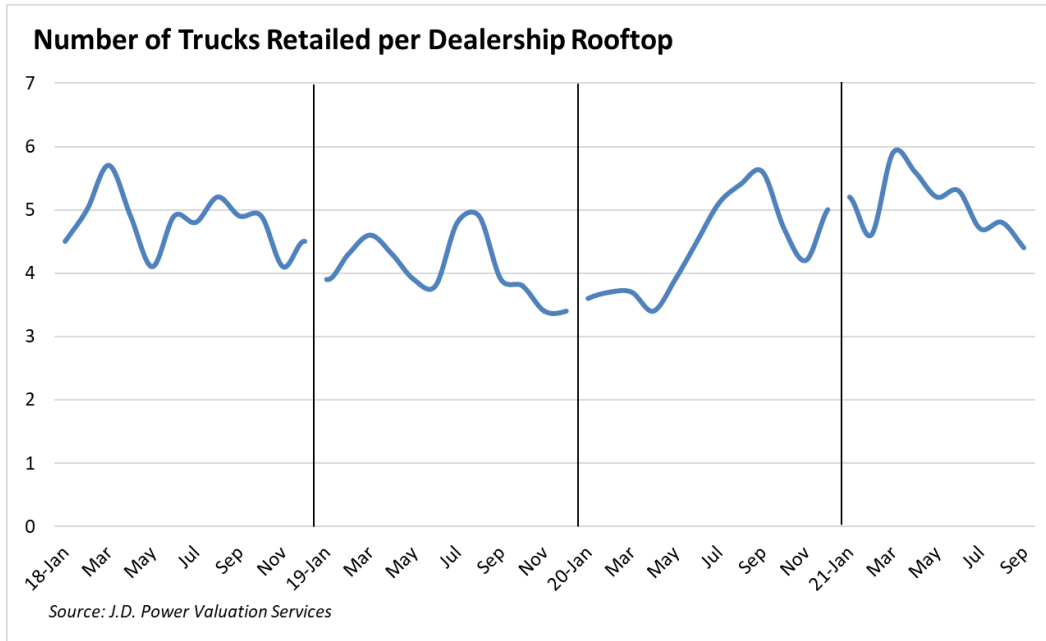
Strong used truck pricing into 2022 is essentially guaranteed. Subscribers to our residual value forecasts (not included here) saw a notable increase in 3, 4, and 5 year residuals. See the Forecast at the end of this document for additional thoughts.

*See graphs on next 2 pages for detail.*

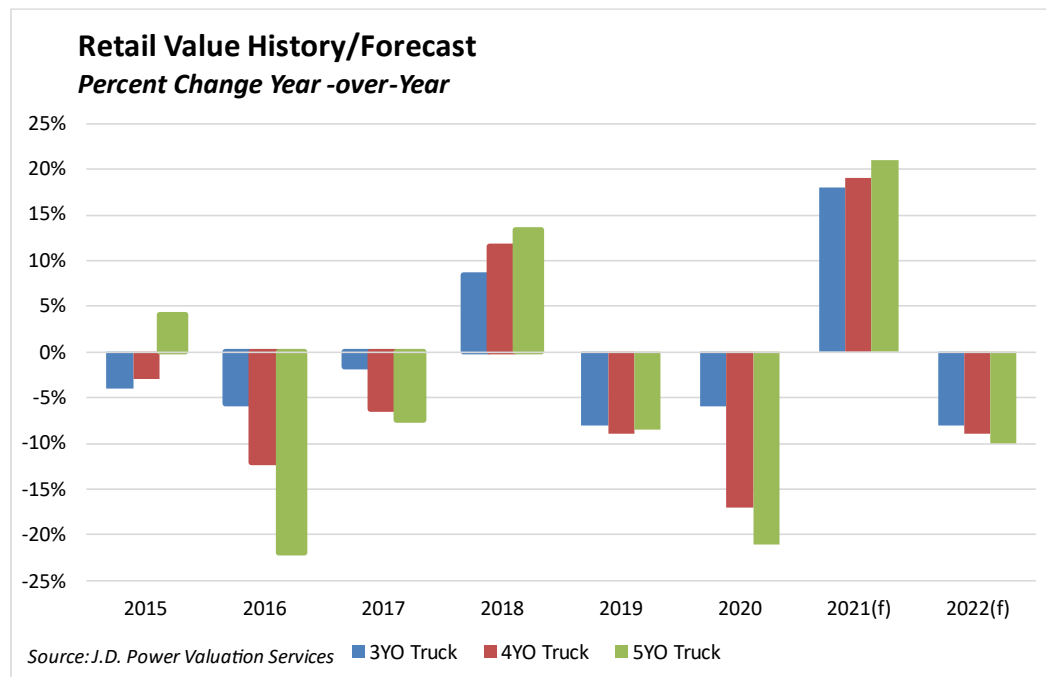


In the first 9 months of 2021, late-model trucks were 30.6% ahead of the same period of 2020, and 10.4% ahead of the same period of 2019.





Strong used truck pricing into 2022 is essentially guaranteed.



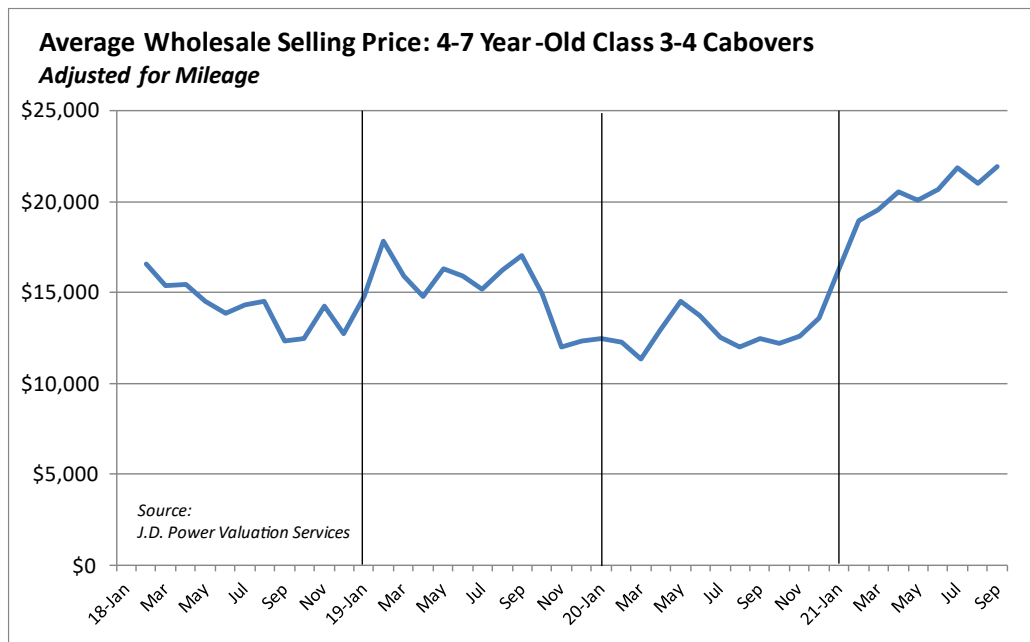
Note our residual value forecasts (available by subscription, not included here) provide a much more detailed analysis of future pricing.

## MEDIUM DUTY TRUCKS

The medium duty market was generally strong for another month, with cabovers and heavier conventionals bringing higher pricing month-over-month but lighter conventionals pulling back a bit.

Starting with Class 3-4 cabovers, our benchmark group made up the ground lost in the previous two months and then some, returning the highest average pricing so far this year at \$23,504. This figure is \$3,155 (15.5%) higher than August, and \$11,129 (89.9%) higher than September 2020. The first 9 months of 2021 are running 63.1% higher than the same period of 2020, and 26.1% higher than the same period of 2019. Trucks in this segment have gained an average of 2.2% per month in value so far in 2021.

See the “Average Wholesale Selling Price: 4-7 Year-Old Class 3-4 Cabovers” graph for detail.



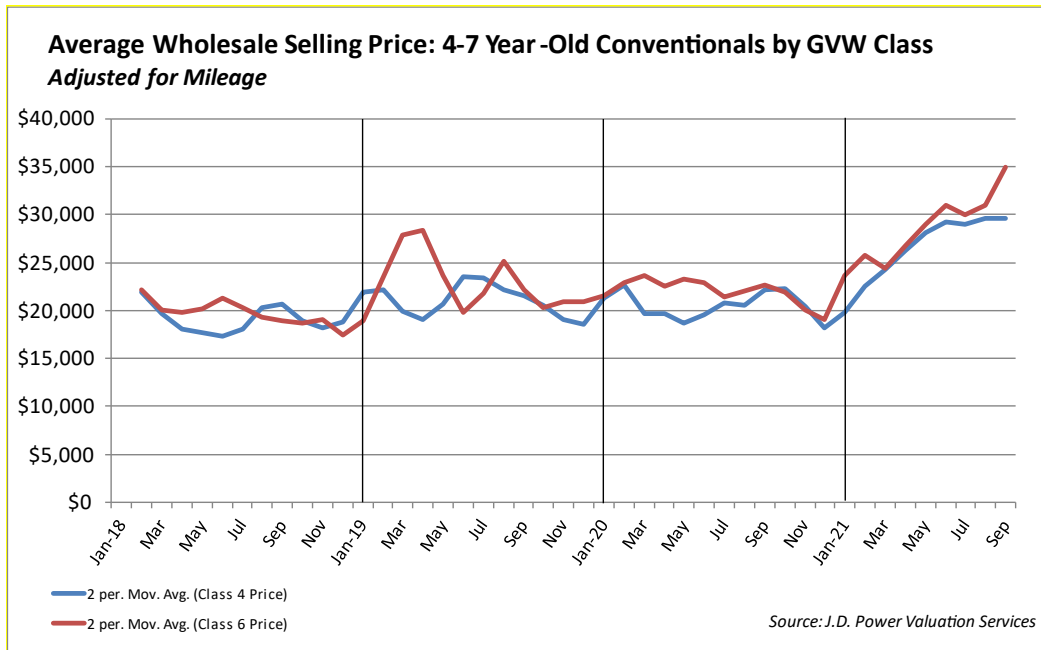
The medium duty market was generally strong for another month...

Looking at Class 4 conventionals, average pricing for our benchmark group was \$28,886, \$1,455 (4.8%) lower than August, but \$6,088 (41.2%) higher than September 2020. The first 9 months of 2021 are now running 30.3% ahead of the same period of 2020, and 24.7% higher than the same period of 2019. Trucks in this segment have appreciated an average of 3.5% per month so far in 2021.

Class 6 conventional pricing averaged \$36,451 in September, \$2,965 (8.9%) higher than August, and \$13,349 (57.8%) higher than September 2020. The first 9 months of 2021 are running 32.2% ahead of the same period of 2020, and 24.7%

higher than the same period of 2019. Trucks in this group have gained an average of 4.2% per month so far in 2021.

See the “Average Wholesale Selling Price: 4-7 Year-Old Conventionals by GVW Class” graphs for detail.



**FORECAST**

As of this writing in mid-October, shipping backlogs and parts shortages are as bad as they’ve ever been, and mainstream media outlets are already talking about critical conditions leading into the holidays. Inflation - and the Fed’s response to it - is probably the biggest factor on our minds at the moment. In terms of the used truck market, we expect conditions to remain hot into next year, barring any unforeseen economic changes.

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For further information about J.D. Power’s residual forecasting, make and model benchmarking, raw data products, and other services, contact Chris Visser at [chris.visser@jdpa.com](mailto:chris.visser@jdpa.com).



## About J.D. Power

J.D. Power is a global leader in consumer insights, advisory services, and data and analytics to help clients measure and improve the key performance metrics that drive growth and profitability. J.D. Power's industry benchmarks, robust proprietary data, advanced analytics capabilities, and reputation for independence and integrity has established the company as one of the world's most well-known and trusted providers of consumer and market insights for more than a dozen industries. Established in 1968, J.D. Power is headquartered in Troy, Michigan, and has 17 global locations serving North/South America, Asia Pacific, and Europe.

## About J.D. Power Valuation Services (formerly NADA Used Car Guide)

J.D. Power Valuation Services, formerly NADA Used Car Guide, is a leading provider of vehicle valuation products, services and information to businesses. Its team collects and analyzes over 1 million combined automotive and truck wholesale and retail transactions per month, and delivers a range of guidebooks, auction data, analysis and data solutions. J.D. Power acquired NADA Used Car Guide in 2015, forming a powerful combination that brings the automotive industry rich data sets, strong analytics and over 130 years of market experience.

## Commercial Truck Consulting Services

J.D. Power Valuation Services leverages its database of retail, wholesale, and auction transactions to provide residual value forecasting, inventory analysis, competitive model positioning, and other used truck market metrics. Consulting products are customized to each customer's specific needs. Contact Chris Visser to discuss J.D. Power's capabilities.

### Commercial Truck Market Analysis

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