

## OCTOBER 2023 COMMERCIAL VEHICLE MARKET UPDATE

### CLASS 8 AUCTION UPDATE

The auction environment in September 2023 is characterized by a very substantial number of trucks sold combined with depreciation milder than the prior month but still higher than is historically typical.

Looking at three- to seven-year-old trucks, average pricing for our benchmark truck in September was:

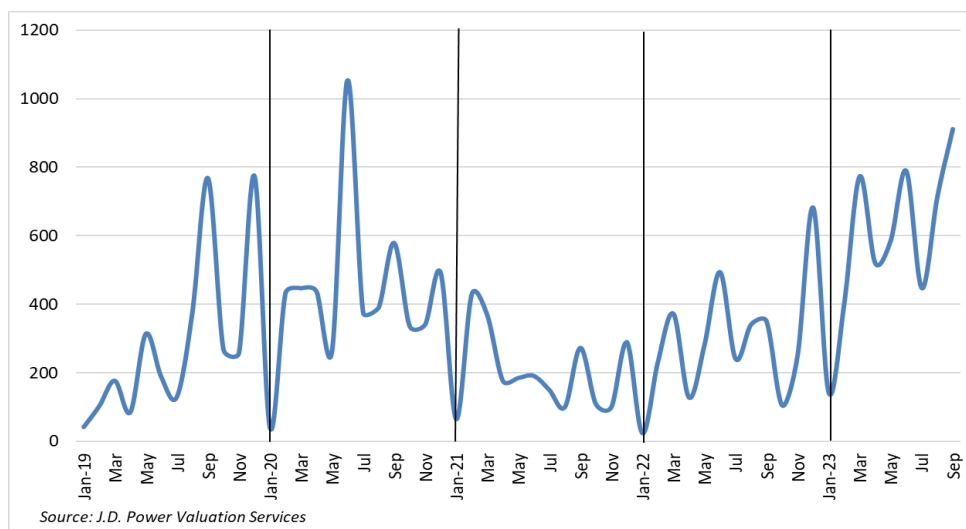
- Model year 2021: \$64,556; \$1,181 (1.9%) higher than August
- Model year 2020: \$51,281; \$8,262 (13.9%) lower than August
- Model year 2019: \$36,710; \$3,241 (9.7%) higher than August
- Model year 2018: \$27,535; \$1,897 (6.4%) lower than August
- Model year 2017: \$20,043; \$2,093 (9.5%) lower than August

Due to the increasing number of trucks with missing titles, unverified mileage and other issues, it is necessary to apply more subjective judgment as to which trucks to eliminate from our averages. As such, individual model years outlined above may show month-over-month swings not necessarily representative of actual market conditions. However, we are confident in the macro generalizations shown in the next paragraph. Of course, more detailed and focused analysis is available in our consulting products.

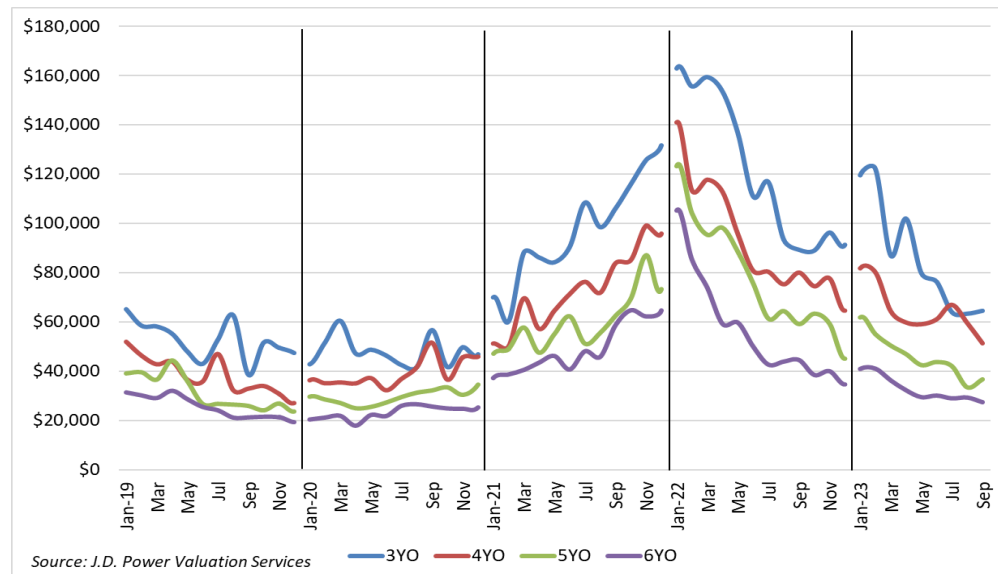
The late-model segment continued to depreciate in September, with four- to six-year-old trucks bringing 5.6% less money than in August, and 37.1% less money than September 2022. In the first nine months of 2023, late-model sleepers brought 37.6% less money than the same period of 2022. Monthly depreciation in 2023 is averaging 4.8%. The newest model years available in the marketplace are about even with the strong pre-pandemic period of 2018 in nominal figures, or just more than 20% less if adjusted for inflation.

See the graphs on the next page and the Forecast section at the end of this document for additional analysis.

Volume of the Three Most Common Sleeper Tractors (3- to 7-Year-Old) Sold Through the Two Largest Nationwide No-Reserve Auctions



Average Auction Hammer Price: 3- to 6-Year-Old Benchmark Sleeper Tractor (Nominal Numbers)



## CLASS 8 RETAIL UPDATE

A major spike in the number of model-year 2022 trucks sold in September 2023 skewed our universal averages, so these figures are not representative of actual market movement. With that in mind, the average sleeper tractor retailed in September was 67 months old, had 416,680 miles and brought \$71,681. Compared with August 2023, this average sleeper was four months newer, had 31,872 (7.1%) fewer miles and brought \$7,115 (11.0%) more money. Compared with September 2022, this average sleeper was two months newer, had 20,080 (4.6%) fewer miles and brought \$33,266 (31.7%) less money.

September's average pricing for two- to six-year-old trucks was as follows:

- Model year 2022: \$117,771; \$6,763 (5.4%) lower than August
- Model year 2021: \$86,568; \$1,403 (1.6%) lower than August
- Model year 2020: \$69,539; \$3,067 (4.2%) lower than August
- Model year 2019: \$56,641; \$1,059 (1.8%) lower than August
- Model year 2018: \$48,470; essentially identical to August

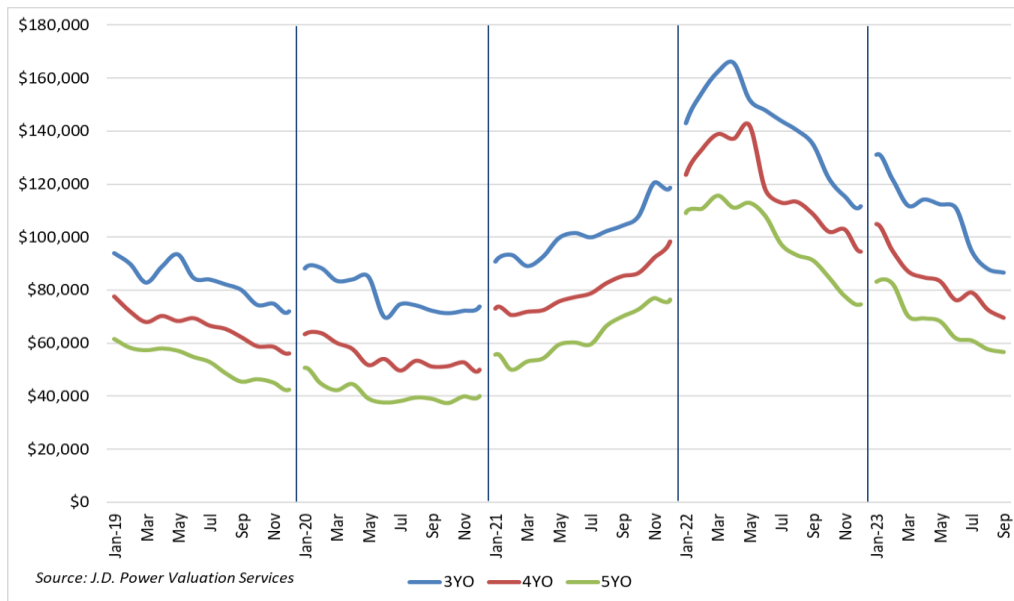
The market continues to absorb greater numbers of low-spec, high-mileage trucks which negatively affects the averages above. Trucks with mileage lower than average are performing somewhat better, especially if mileage is under 300,000.

Otherwise, three- to five-year-old trucks brought an average of 2.5% less money than August, and 36.4% less than August 2022. The first nine months of 2023 averaged 31.8% less money than the same period of 2022. Monthly depreciation in 2023 is currently averaging 3.5%. Late-model sleepers are roughly at parity with the last strong pre-pandemic period of 2018 in nominal dollars, or about 20% less when adjusted for inflation.

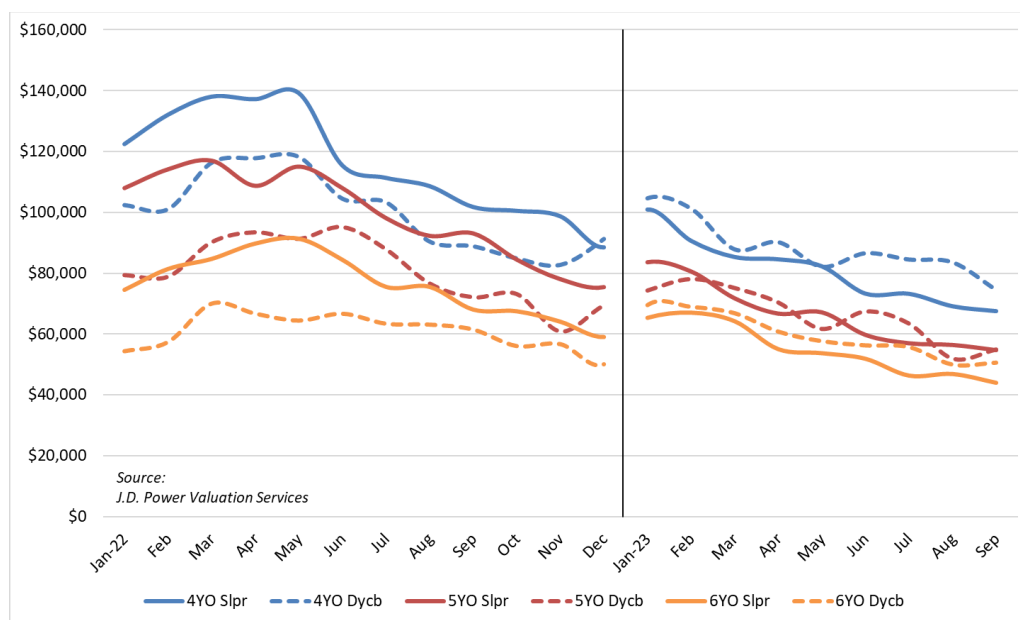
Daycabs continue to return better residuals than aerodynamic sleepers in 2023, bringing equal or better money after only 3-4 years of age. Daycabs are averaging 3.1% per month depreciation in 2023 to date. As in the sleeper segment, a larger volume of lower-spec trucks is cycling through the market.

See the graphs on the next page and the Forecast section at the end of this document for additional analysis.

Average Retail Selling Price: 3- to 5-Year-Old Aero Sleeper Tractors, Adjusted for Mileage (Nominal Numbers)

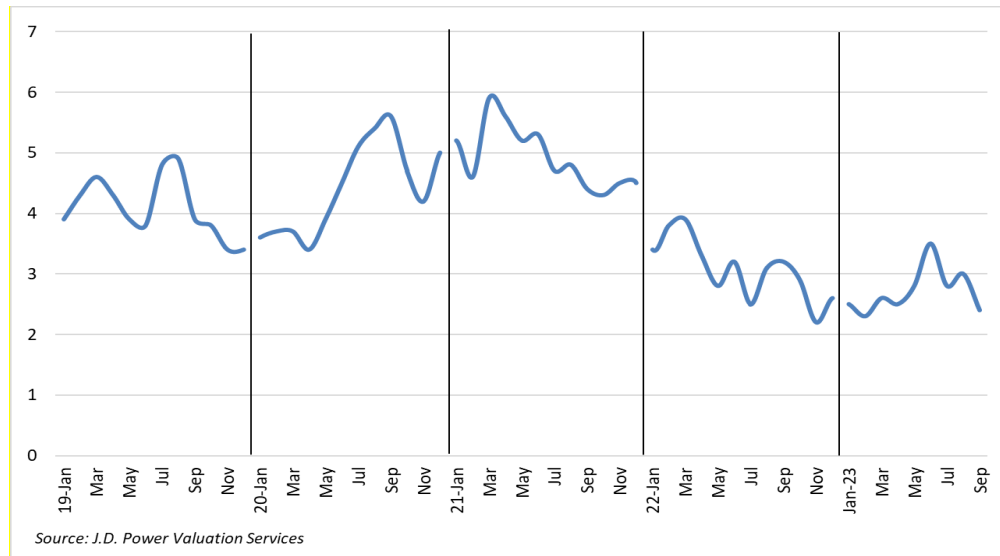


Avg. Retail Selling Price: 4- to 6-Year-Old Aerodynamic Sleepers and Daycabs, Adj. for Mileage (Nominal Numbers)

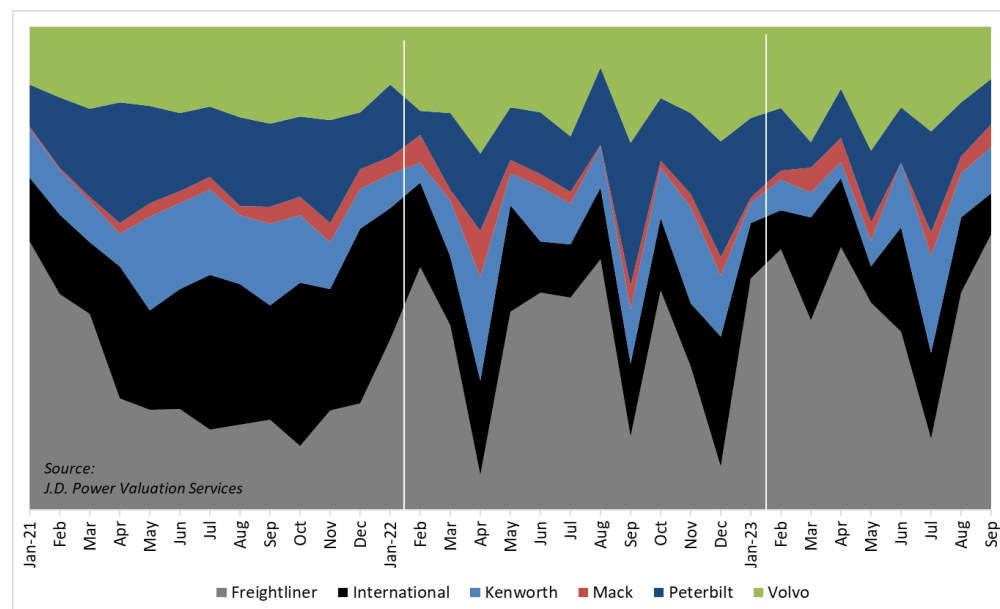


September's retail sales per dealership averaged a disappointing 2.4 trucks per rooftop, 0.6 less than August and the lowest result in seven months. October is typically a stronger month than September, but potential buyers will continue to contend with negative equity, high interest rates and tougher credit requirements into next year.

Number of Trucks Retailed per Dealership Rooftop



Relative Proportion of Retail Sales Reported by OEM (3- to 5-Year-Old Sleeper Tractors)



## **MEDIUM DUTY UPDATE**

Due to a change in our data collection processes, we are no longer providing a complimentary medium duty update. We will continue to provide custom market analysis on a consulting basis by request.

## **FORECAST**

Class 8 auction pricing is still roughly 20% higher than the lowest month of 2019 (in real figures), which was the weakest point pre-pandemic. The closer pricing gets to that level, the more depreciation should relax. Assuming some degree of pre-holiday demand followed by typically flat pricing in January 2024, we're looking at the second quarter of 2024 before depreciation returns to a historically typical level.

*Our residual forecast products incorporate all possible scenarios and provide a detailed look at how we see the market unfolding in the next five years. For further information about J.D. Power 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).*