

**J.D. POWER**

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# COMMERCIAL TRUCK GUIDELINES

**INDUSTRY REVIEW**

November 2021

J.D. Power Valuation Services



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## SUMMARY

### No Letup in Price Increases

October was a strong month for pricing in all segments of the used truck market, and incoming November data suggests pricing is still increasing.

## CLASS 8 AUCTION UPDATE

Volume pulled back in October, due to fewer auctions on the calendar and the continuing shortage of trades. The market is still heavily weighted toward the seller, as evidenced by the results below:

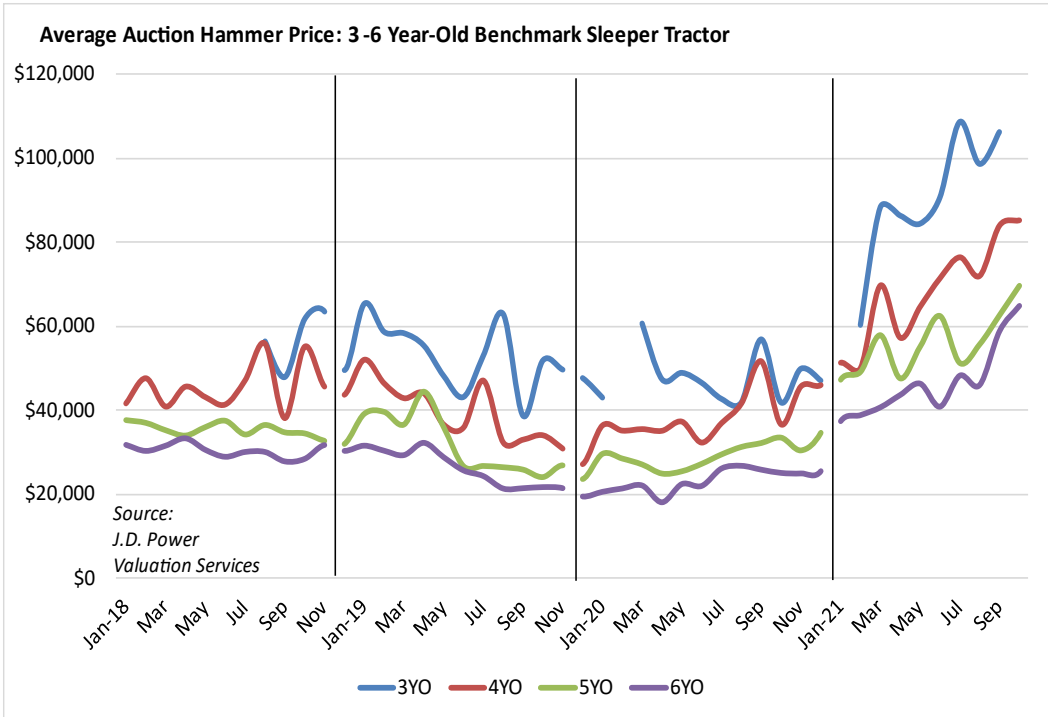
- Model year 2018: \$85,057 average; \$1,248 (1.5%) higher than September
- Model year 2017: \$69,449 average; \$6,974 (11.1%) higher than September
- Model year 2016: \$64,837 average; \$6,045 (10.3%) higher than September
- Model year 2015: \$44,520 average; \$3,636 (8.9%) higher than September
- Model year 2014: \$34,618 average; \$3,563 (11.5%) higher than September

The sense of urgency is as strong as ever in the auction lanes...

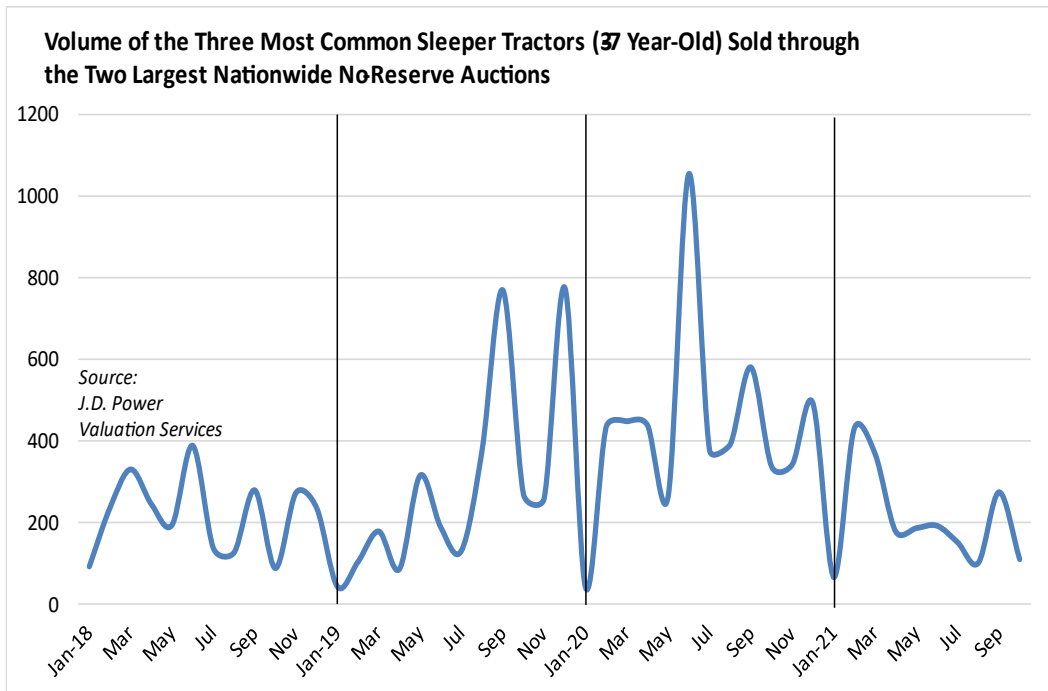
Month-over-month, our benchmark group of 4-6 year-old trucks brought 7.0% more money. Compared to the first 10 months of 2020, this group is running 89.9% ahead, and compared to the same period of 2019, 71.2% ahead. Late-model trucks have appreciated 5.6% per month on average in 2021 to date.

The sense of urgency is as strong as ever in the auction lanes, with buyers continuing to pay record pricing for desirable trucks. We'll be keeping our eye out for an increased number of model-year 2019 trucks in the auction lanes in upcoming months as those units turn 4 years old. Otherwise, expect similar conditions through the new year.

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



Late-model trucks have appreciated 5.6% per month on average in 2021 to date.



### CLASS 8 RETAIL UPDATE

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

The average sleeper tractor retailed in October was 73 months old, had 450,478 miles, and brought \$82,588. Compared to September, this average sleeper was one month newer, had 8,915 (1.9%) fewer miles, and brought \$4,381 (5.6%) more money. Compared to October 2020, this average sleeper was 5 months older, had 1,447 (0.3%) fewer miles, and brought \$38,734 (88.3%) more money.

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

- Model year 2020: \$134,178; \$3,430 (2.6%) higher than September
- Model year 2019: \$107,725; \$3,454 (3.3%) higher than September
- Model year 2018: \$86,401; \$1,150 (1.3%) higher than September
- Model year 2017: \$72,682; \$2,639 (3.8%) higher than September
- Model year 2016: \$55,904; \$157 (0.3%) higher than September

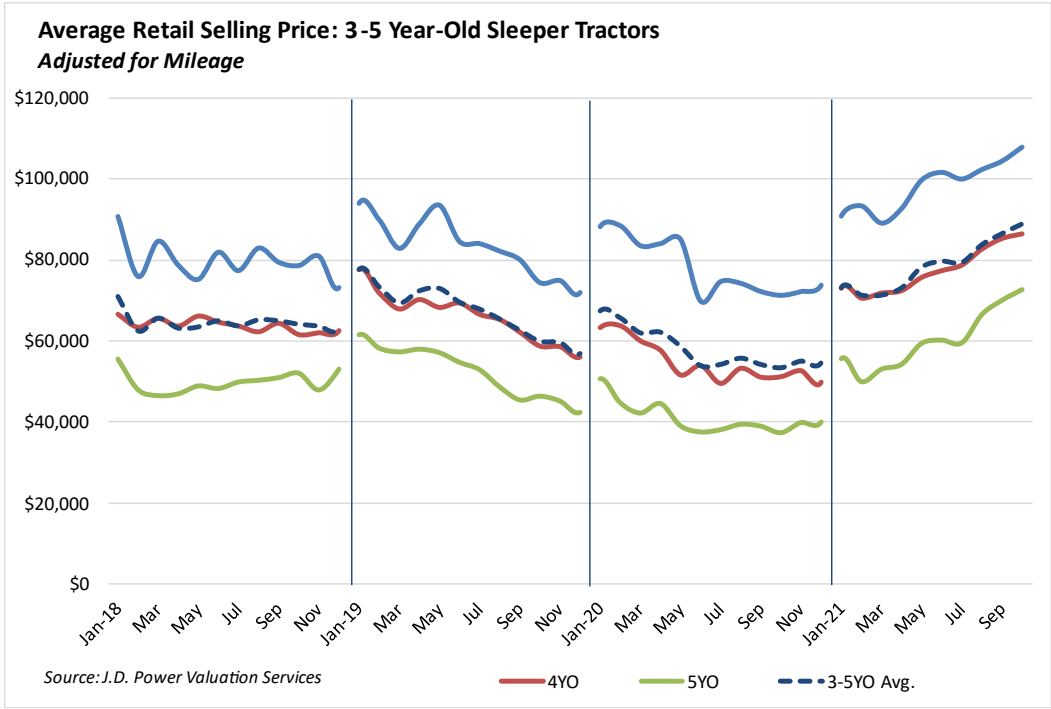
Month-over-month, late-model trucks brought 2.8% more money. In the first 10 months of 2021, late-model trucks were 33.9% ahead of the same period of 2020, and 13.7% ahead of the same period of 2019. On average, late-model trucks have appreciated 2.8% per month in 2021, and this figure is more like 5% for trucks with lower-than-average mileage.

Retail sales per dealership remained subdued for another month due to the shortage of trucks to sell. Dealers retailed an average of 4.3 trucks per rooftop in October, 0.1 truck lower than September. Year-over-year, the first 10 months of 2021 are running 0.6 truck ahead of the same period of 2020, and 0.1 truck higher than the same period of 2019.

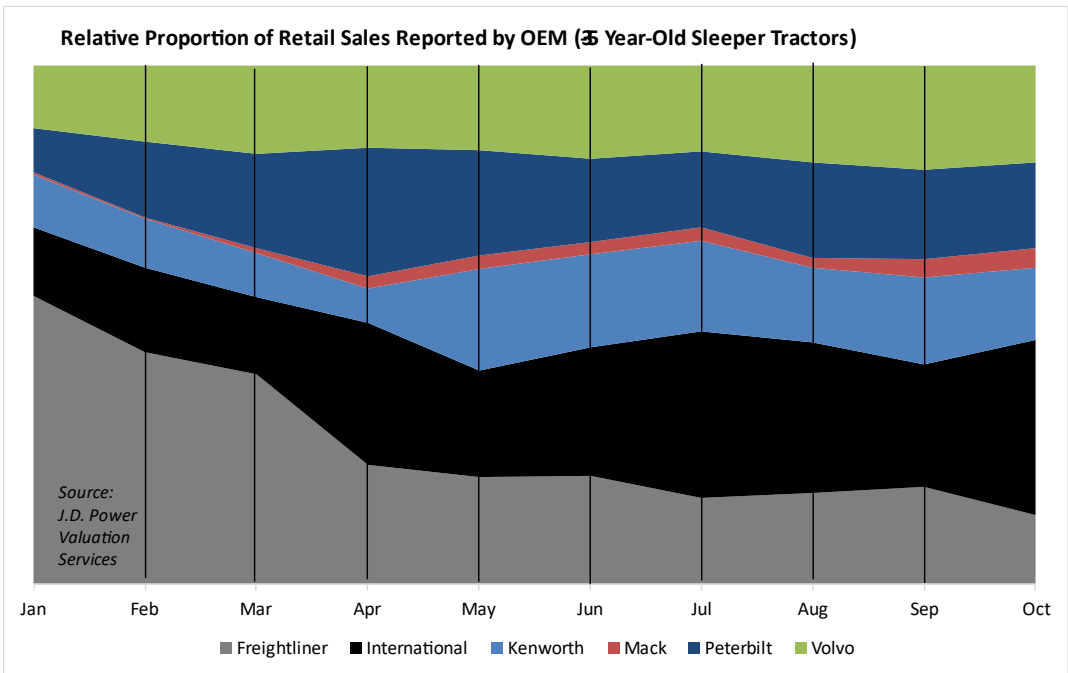
Strong used truck pricing into 2022 is essentially guaranteed. Subscribers to our residual value forecasts (not included here) saw a notable increase in 3, 4, and 5 year residuals. See the Forecast at the end of this document for additional thoughts.

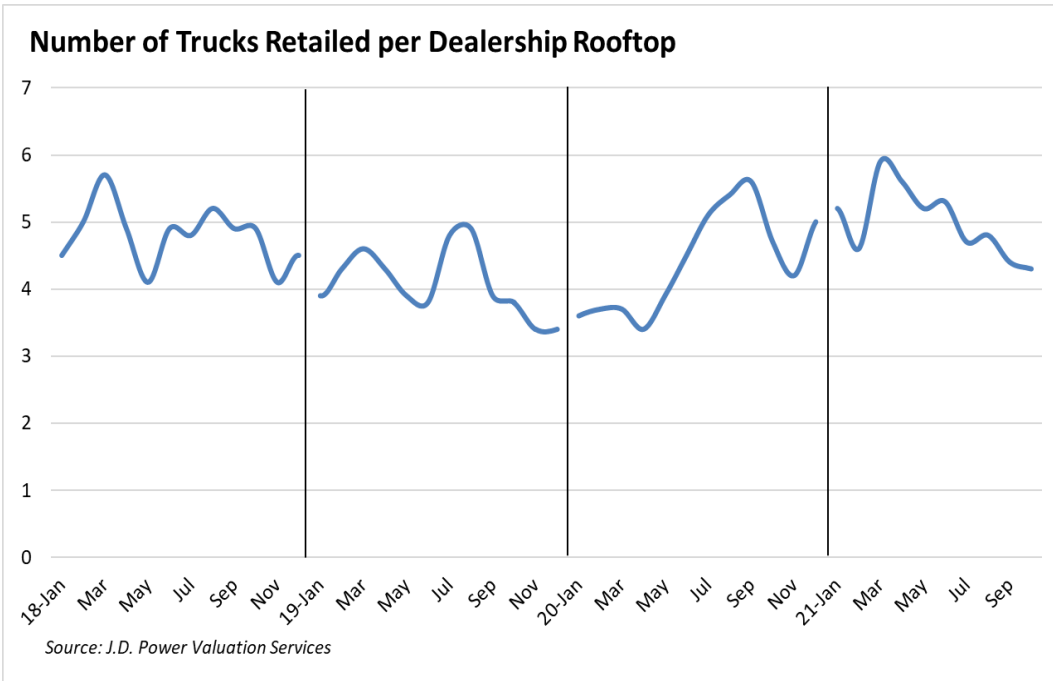
*See graphs on next 2 pages for detail.*

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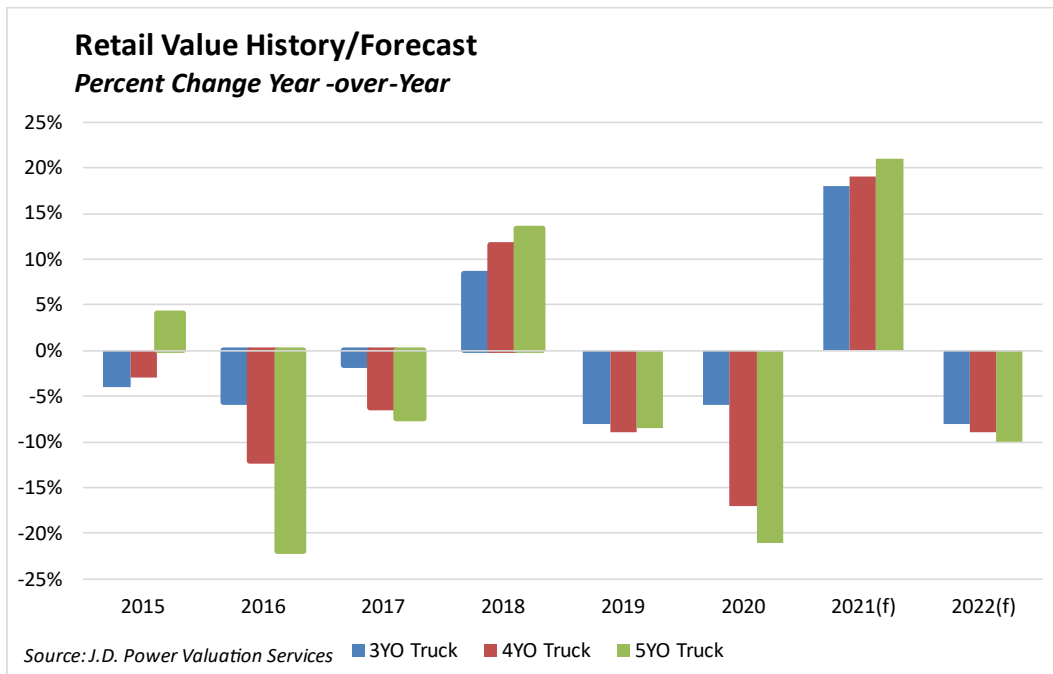


In the first 10 months of 2021, late-model trucks were 33.9% ahead of the same period of 2020, and 13.7% ahead of the same period of 2019.





Retail sales per dealership remained subdued for another month...



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 continues to enjoy strong pricing across-the-board. Cabovers were basically on par with last month, while conventionals saw healthy increases month-over-month.

Starting with Class 3-4 cabovers, our benchmark group averaged \$23,022 in October. This figure is \$482 (2.1%) lower than September, but \$9,679 (92.2%) higher than October 2020. The first 10 months of 2021 are running 65.8% higher than the same period of 2020, and 31.21% 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.

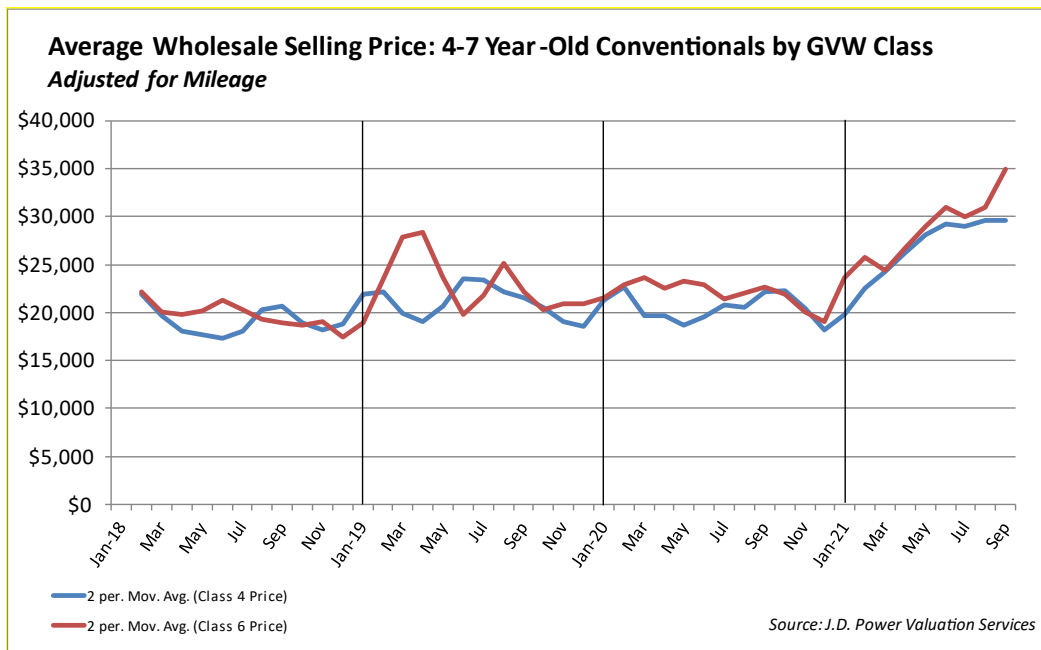


Cabovers were basically on par with last month, while conventionals saw healthy increases month-over-month.

Looking at Class 4 conventionals, average pricing for our benchmark group was \$29,618, \$732 (2.5%) higher than September, and \$7,943 (36.6%) higher than October 2020. The first 10 months of 2021 are now running 31.0% ahead of the same period of 2020, and 27.7% higher than the same period of 2019. Trucks in this segment have appreciated an average of 3.6% per month so far in 2021.

Class 6 conventional pricing averaged \$38,707 in October, \$2,256 (6.2%) higher than September, and \$17,970 (86.7%) higher than October 2020. The first 10 months of 2021 are running 37.3% ahead of the same period of 2020, and 29.8% higher than the same period of 2019. Trucks in this group have gained an average of 4.8% per month so far in 2021.

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



## FORECAST

One of the best aspects of the Used Truck Association Convention is the opportunity to talk to a wide cross-section of buyers and sellers. Two observations and takeaways were particularly interesting.

First, model-year 2019 deliveries were about 30% higher than model-year 2018 deliveries. 2019’s turn 4 years old in January. We’ve seen an incremental increase in the number of 2019’s sold in recent months, but demand for these trucks is still outstripping supply. This model year’s higher build could become more meaningful later in 2022 assuming economic conditions start returning towards historical trend.

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Second, any “shadow inventory” of unseated fleet trucks waiting for drivers is most likely negligible at this point. The expansion of the driver pool combined with the all-time-high value of a used truck means there’s no rationale for holding idle inventory. Eliminating this unknown makes it easier to interpret truck utilization data.

Otherwise, shipping backlogs and parts shortages have remained as critical as ever, instead of improving somewhat as we had predicted earlier in the year. This factor combined with superheated consumer spending are keeping used truck pricing in the stratosphere.

*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).*

# J.D. POWER®

## 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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