



“Markets registered a slight uptick last week, even after car prices have been up for seven consecutive weeks.”

Anil Goyal, Executive Vice President, Operations



Model Years: 2011-2017, Volume Weighted Wholesale Average Values, Weekly Change from 4/26/19 to 5/3/19

Spring Market in Seventh Week

- Volume-weighted, overall car segment values increased by 0.08% last week. In comparison, the market values increased by 0.22% on average during the prior 4-week period.
- In car segments, Compact Cars showed the most lift in values while Prestige Luxury Cars showed the highest decline.
- Volume-weighted, overall truck segment (including pickups, SUVs, and vans) values increased by just 0.05% last week. In comparison, the market values increased by 0.10% on average during the prior 4-week period.
- In truck segments, Compact Vans showed the most lift in values while Full-Size Luxury SUVs showed the highest decline.

Sentiment from the Industry

Key comments from industry observers:

“The auction sold around 65% today which made for a really good sale. We had a good number of clean, front-line vehicles.” Gene in PA

“Retail is really strong here. Low consignment has resulted in more buyers than sellers.” Tim in IN

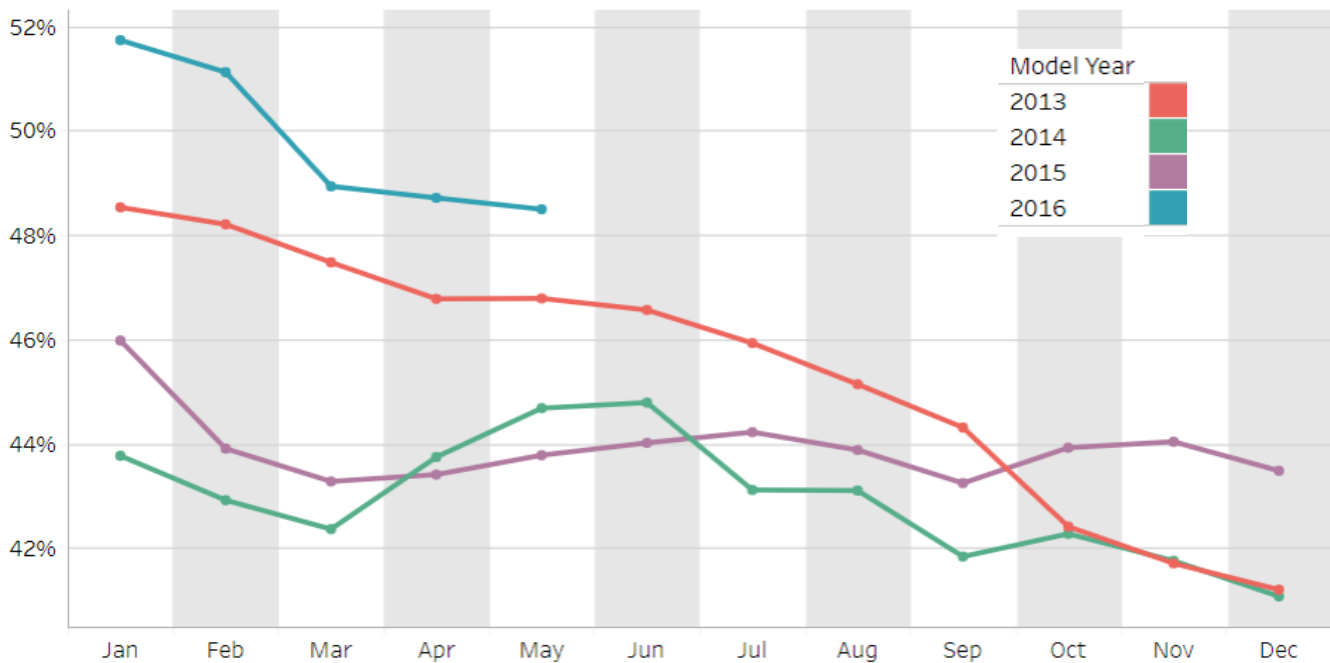
“Several dealers expressed frustration with the low number of units available. The truck values improved but the mid and full-size crossovers were definitely in demand.” Greg in NV

“The quality of the vehicles in many lanes was the best I have seen in a while.” Israel from TN



Compact Vans Three-Year Retention

Wholesale Values in MY+3 as Percent of Typically-Equipped MSRP



Source: [Black Book Visual Analytics](#)

Compact Vans have shown really strong performance this year. Model Year 2016 values are currently at 49% of MSRP, the strongest three-year retention seen in four years.

Vehicle Highlight



2019 Acura MDX is equipped with a 3.5L V6 engine producing 290 hp and 267 lb-ft of torque. The 2019 model year includes a new A-Spec appearance package, and performance enhancements. MSRP with destination starts at \$45,295 for the base model and \$53,795 for the Sport Hybrid. The key competitors to the MDX include the Lexus RX, INFINITI QX60, Audi Q7, and BMW X5.

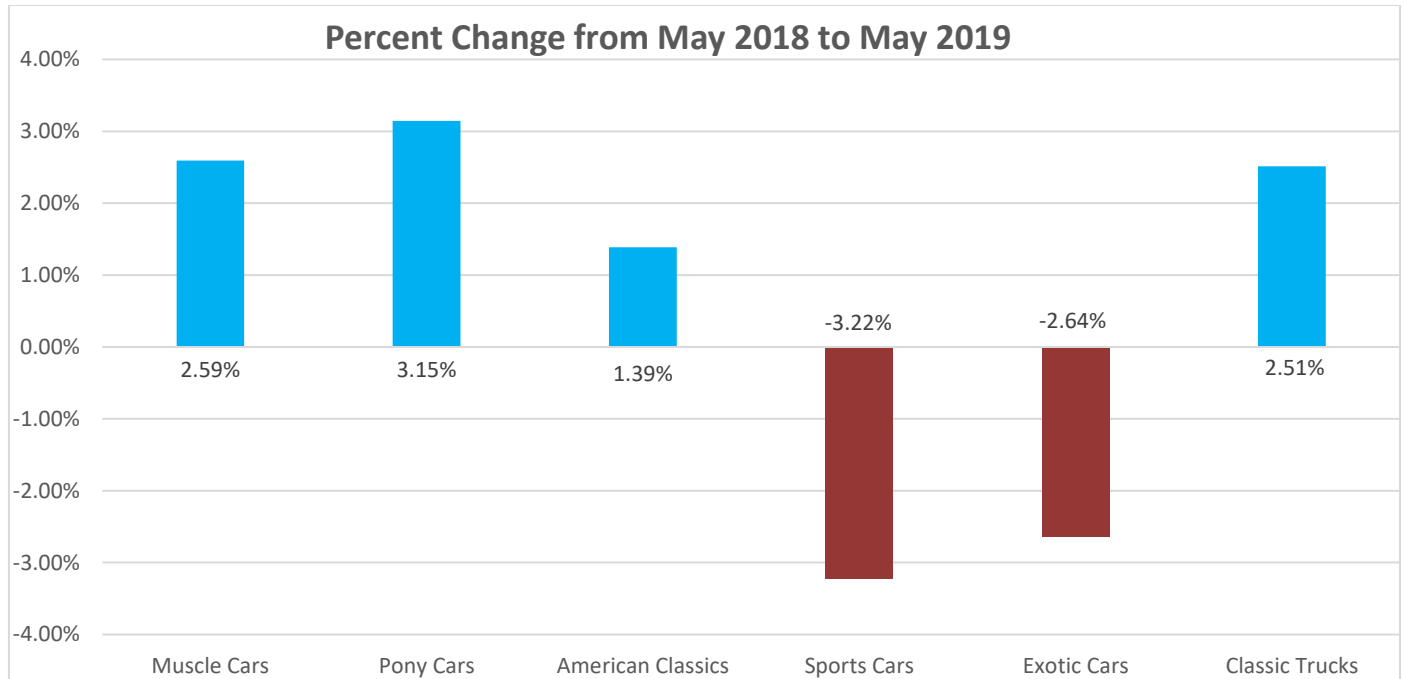
This week’s report includes our **Monthly Edition Supplement on Specialty Markets**.

Spring Collectible Car Auctions Stay Strong

“So far, 2019 has been a great year for collectible vehicle auctions. It seems that every week we hear about another record setting performance. We’re seeing a significant surge in the interest in later model or nearly new exotics, especially if they are “as new” with little or no miles. Also interesting is the deepening interest in Resto-Mods, customized older vehicles with modern-day high-performance drivetrains.”



Eric Lawrence, Principal Analyst - Specialty Markets



- **RM Sotheby’s Fort Lauderdale, Florida** auction was quite successful, selling nearly 80% of all lots offered for a total of just over \$23,000,000. Their *Techno Classica Essen* auction, in Germany, saw an even better 85% sales rate with nearly \$20,000,000 in total sales, mainly high-end European collectibles.
- **Barrett-Jackson’s Palm Beach** event was primarily a “no-reserve” sale and the sales totals for all three days came in at just over \$30,000,000, with Resto-Mods and late model exotics doing especially well.
- **Mecum’s** two most recent outings, *Phoenix, Arizona* and *Houston, Texas*, both did well, bringing in \$39,000,000 and \$20,000,000 respectively. Sell-throughs were also good, at 85% and 75%.

Notable Recent Auction Sales Include:



Dodge Challenger Conv Hemi. Courtesy of Mecum.

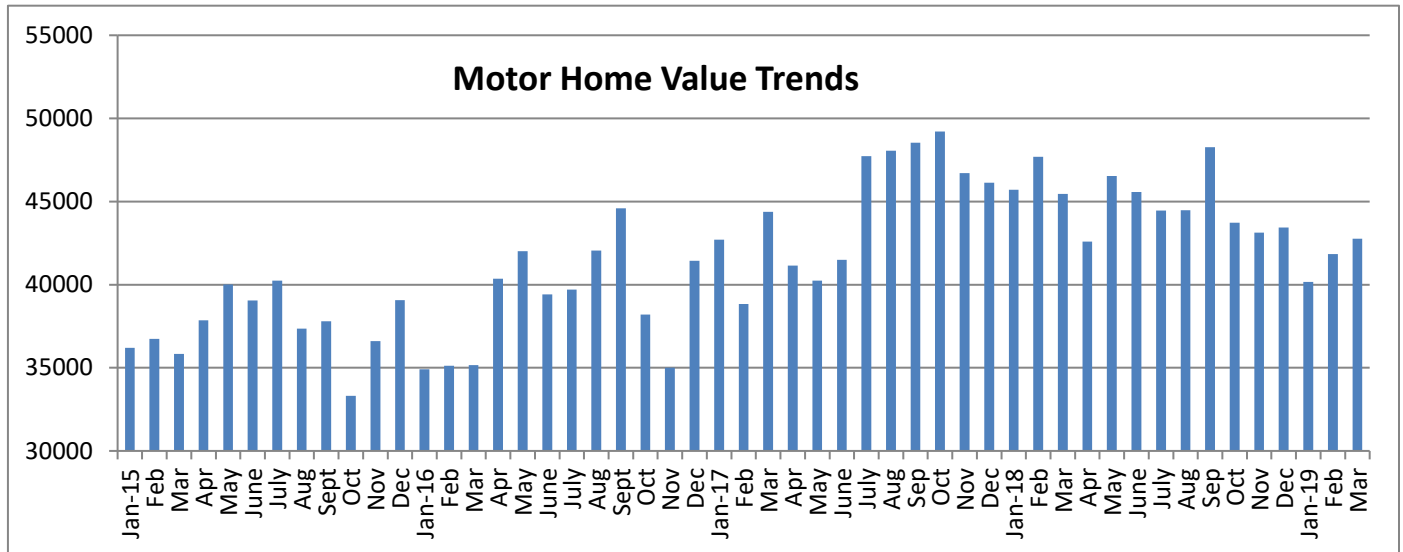
- 2015 Ferrari LaFerrari Coupe \$3,000,000 (RM Sotheby’s)
- 2017 Lamborghini Aventador SV Coupe \$478,500 (RM Sotheby’s)
- 2006 Ford GT Coupe \$286,000 (RM Sotheby’s)
- 1964 Aston Martin DB4 Coupe \$425,000 (RM Sotheby’s)
- 1947 Buick Custom Convertible \$412,500 (Barrett-Jackson)
- 2012 Lexus LFA Coupe \$352,000 (Barrett-Jackson)
- 2018 McLaren 720S Coupe \$325,000 (Barrett-Jackson)
- 2014 Ferrari F12 Coupe \$203,500 (Mecum)
- 1967 Shelby GT350 Fastback \$187,000 (Mecum)
- 1970 Dodge Challenger Conv 426 Hemi \$1,430,000 (Mecum)

RV Values Rise At Auctions For All Market Segments

“Spring has officially arrived, and many dealers have been reporting increased activity on their lots. Auction volume was up slightly over last month, with wholesale prices increasing as well. Used motorized values have risen for three months in a row, with three out of four up for towables. With shipments of some new units being a bit slower than in recent years, many dealers are using their used units’ lower price points as a way to attract additional buyers.”

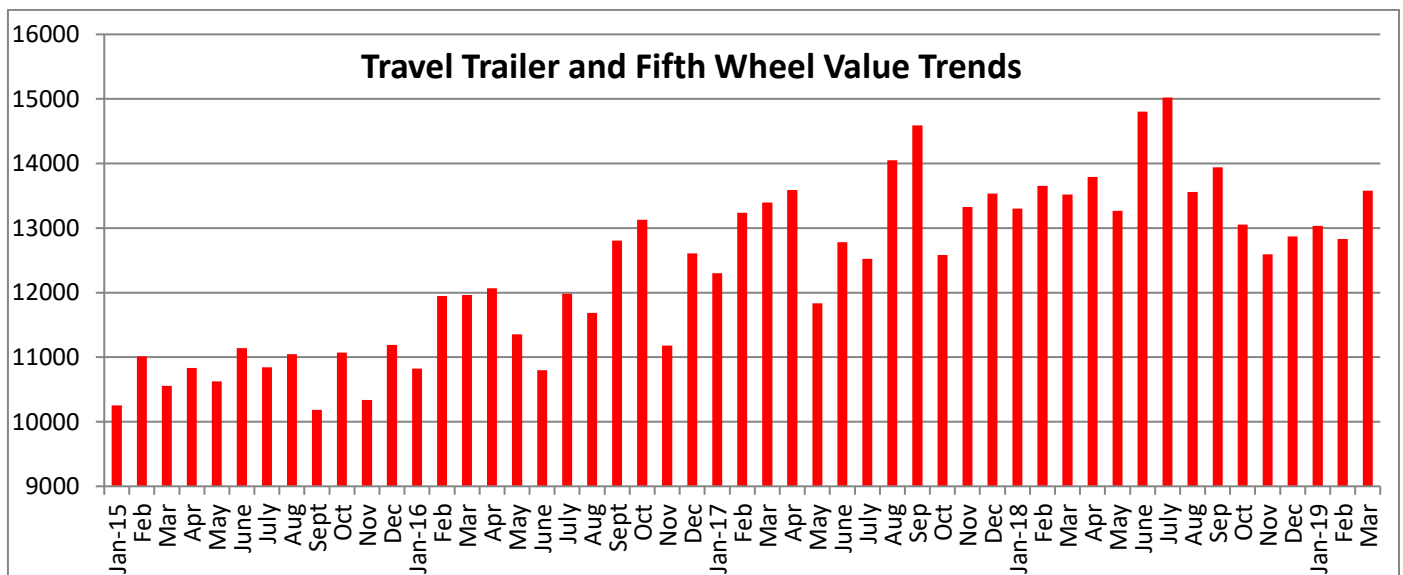


Eric Lawrence, Principal Analyst - Specialty Markets



For Motor Homes (including Class A, B, and C)

- Average selling price was \$42,768, up \$922 (2.2%) from the previous month.
- One year ago, the average selling price was \$45,453.
- Auction volume was up 2% from the previous month. The average model year was 2010.



For Towables (including Travel Trailers and Fifth Wheels)

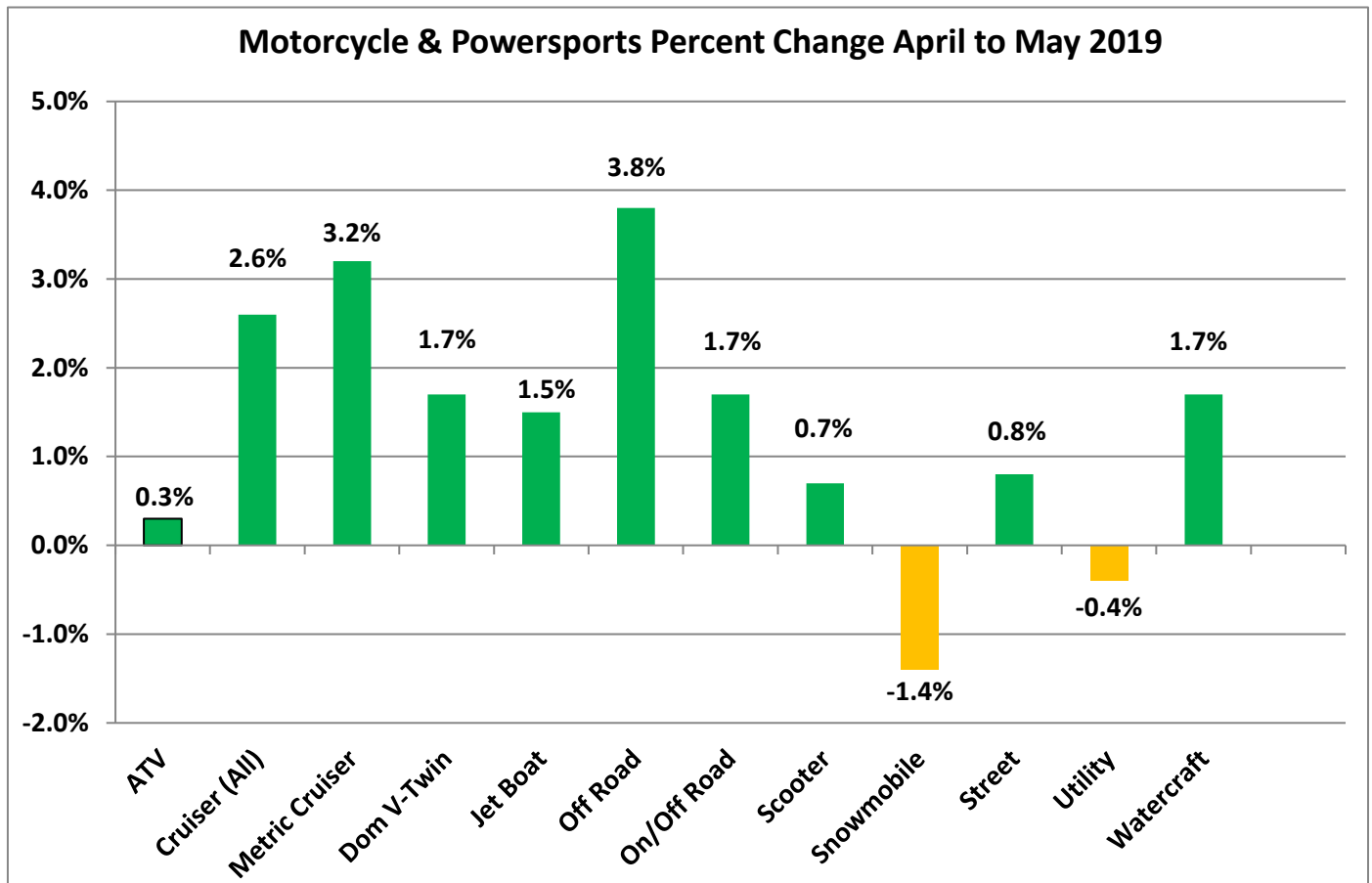
- Average selling price was \$13,577, up \$745 (5.8%) from the previous month.
- One year ago, the average selling price was \$13,519.
- Auction volume was up 4% from the previous month. The average model year was 2011.

Powersports Market Heats Up Across The Board

“The Powersports market sees steady gains for May as we enter the height of the spring selling season. Most segments are up, but by smaller amounts than last month, with entry-level, mid-size, and sport bikes seeing the greatest demand.”



Scott Yarbrough, Senior Analyst - Motorcycle & Powersports



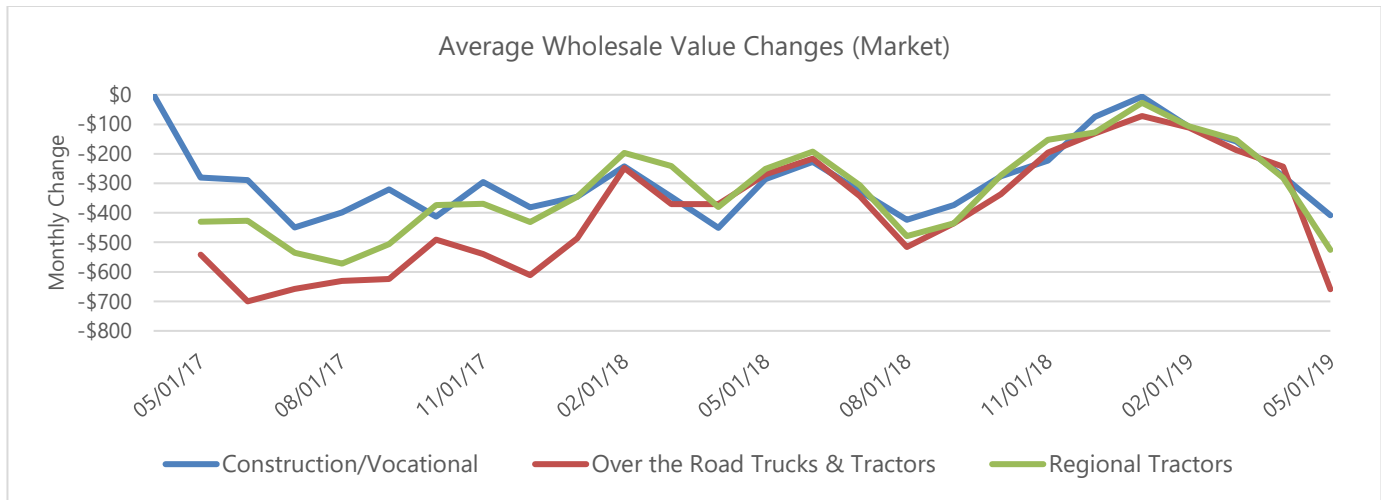
- The one really big gainer this month is the Off-Road segment, up nearly 4%. The off-road segments as a whole (Off-Road, ATV, and Utility Vehicles) have been underperformers of late, and the dirt bikes are the last of these units to see sizeable gains this spring, as the ATVs and Utility Vehicles saw significant increases in value last month.
- Also, much like last month, the smaller and mid-sized bikes continue to be in greater demand than their more expensive stablemates, with entry level cruisers and sport bikes highly sought after at the auctions. On a somewhat related note, we have seen increased interest in the entire sport bike category lately. These units had been a little soft recently compared to years past, but seem to be gaining strength at the moment.
- Dual Sports also have a bit of unique story this month, while the overall segment is up a little over 1.5%, the gains are mainly concentrated in the 2016 and up models, with the older ones mostly flat, or even down a tiny bit.

Wholesale Prices Fall on Regional and Over the Road Tractors

“Whether the need for late model used over the road and regional units is becoming satisfied or not, the miles they are showing on their ECM alone is really affecting their value.”



Charles Cathey – Senior Analyst – Heavy Duty Truck and Trailer



- As new trucks continue to slowly enter the market, the units returning have much higher mileage than you would see on a normal fleet of trucks.
- Most segments showed a bit more depreciation than what we experienced in March, but late model, long nose road tractors posted the largest drop of all.
- Traditionally, “long and tall” units retained their values better than most units; however, as individuals and small fleets recognize the economic benefits of switching to more aero models, we have seen a drop in “long and tall” wholesale values.

DATE	Construction/Vocational			Over the Road Trucks & Tractors			Regional Tractors			MODEL YEARS
	Value	\$ Change	% Change	Value	\$ Change	% Change	Value	\$ Change	% Change	
05/01/19	94,744	-644	-0.7%	76,190	-1420	-1.8%	66,793	-1259	-1.8%	2016-2017
04/01/19	95,388	-727	-0.8%	77,610	-946	-1.2%	68,052	-840	-1.2%	2016-2017

- 2016-2017 HD Construction/Vocational segment decreased an average of \$644 (0.7%) in April, compared to the average drop of \$727 (0.8%) in March.
- 2016-2017 HD Over the Road Tractor segment dropped an average of \$1420 (1.8%) in April, compared to the average drop of \$946 (1.2%) in March.
- 2016-2017 HD Regional Tractor segment dropped an average of \$1259 (1.8%) in April, compared to the average depreciation of \$840 (1.2%) in March.

DATE	Construction/Vocational			Over the Road Trucks & Tractors			Regional Tractors			MODEL YEARS
	Value	\$ Change	% Change	Value	\$ Change	% Change	Value	\$ Change	% Change	
05/01/19	48,496	-408	-0.8%	33,184	-659	-1.9%	25,727	-525	-2.0%	2008-2015
04/01/19	48,904	-276	-0.6%	33,843	-244	-0.7%	26,252	-282	-1.1%	2008-2015

- 2008-2015 HD Construction/Vocational segment dropped an average of \$408 (0.8%) in April, compared to the \$276 (0.6%) average depreciation in March.
- 2008-2015 HD Over the Road Tractor segment dropped an average of \$659 (1.9%) in April, compared to \$244 (0.7%) average depreciation in March.
- 2008-2015 HD Regional Tractor segment dropped an average of \$525 (2.0%) in April, compared to the average drop of \$1282 (1.1%) in March.

Wholesale Prices Continue to Drop as New and Used Supply Increases

“Used truck prices continue to fall as an increase in new and used inventory continues to add downward pressure on the overall market.”



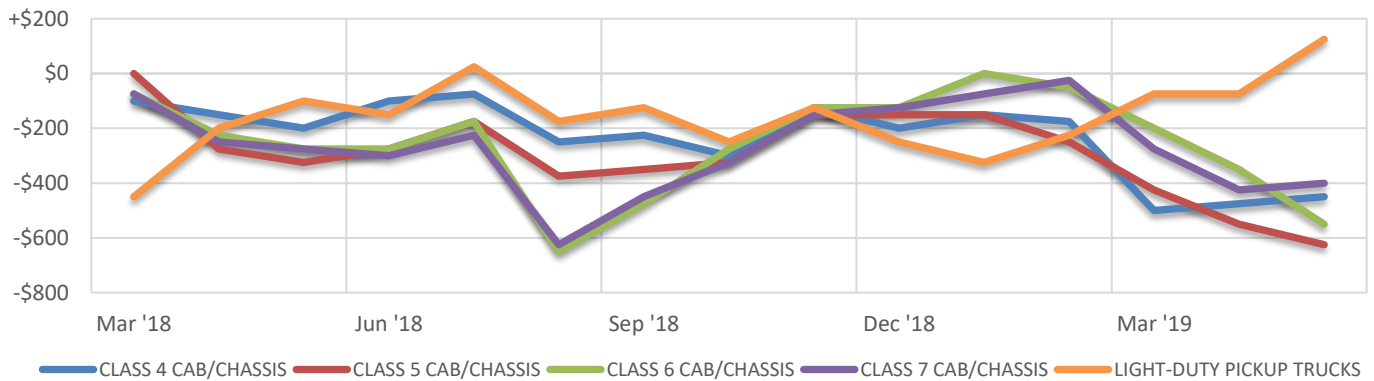
Josh Giles - Principal Automotive Analyst

DATE	Medium Duty			MODEL YEARS
	Value	\$ Change	% Change	
05/01/19	47,890	-500	-1.0%	2016-2017
04/01/19	48,406	-463	-0.9%	2016-2017

DATE	Medium Duty			MODEL YEARS
	Value	\$ Change	% Change	
05/01/19	20,700	-315	-1.5%	2008-2015
04/01/19	21,015	-285	-1.3%	2008-2015

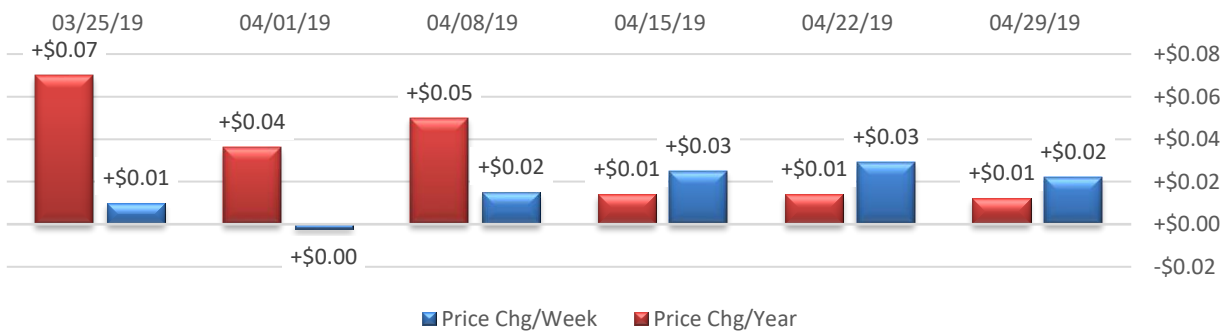
- Late Models (2016 – 2017) dropped an overall weighted average of \$500 (-1.0) in April. This is \$37 more than the \$463 (0.9) depreciation seen in March.
- Older Models (2008 – 2015) dropped an overall weighted average of \$315 (1.65%) in April, which is \$30 more than March’s depreciation of \$285.

**CHANGES IN WHOLESALE VALUE
MODEL YEARS 2014 TO 2016**



- The spring market mixed with increased demand for light duty commercial units helped increase wholesale prices on Light-duty trucks and vans.
- Auction prices over the past couple of months have continued a downward trend as demand for many units in class 4-7 continue to slow.
- Units in class 4 (2016-2014 MY) dropped an average of \$450 in April compared to \$475 seen in March. Class 5 units depreciated \$625 in April compared to March’s drop of \$550. Units in Class 6 dropped \$550 in April compared to the \$350 drop seen in March. Class 7 units depreciated \$400 in April compared to March’s drop of \$425.
- New and used supply continues to grow as reports are indicating that retail sales for all truck classes are lower than what were seen in January.

Diesel Price Changes



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