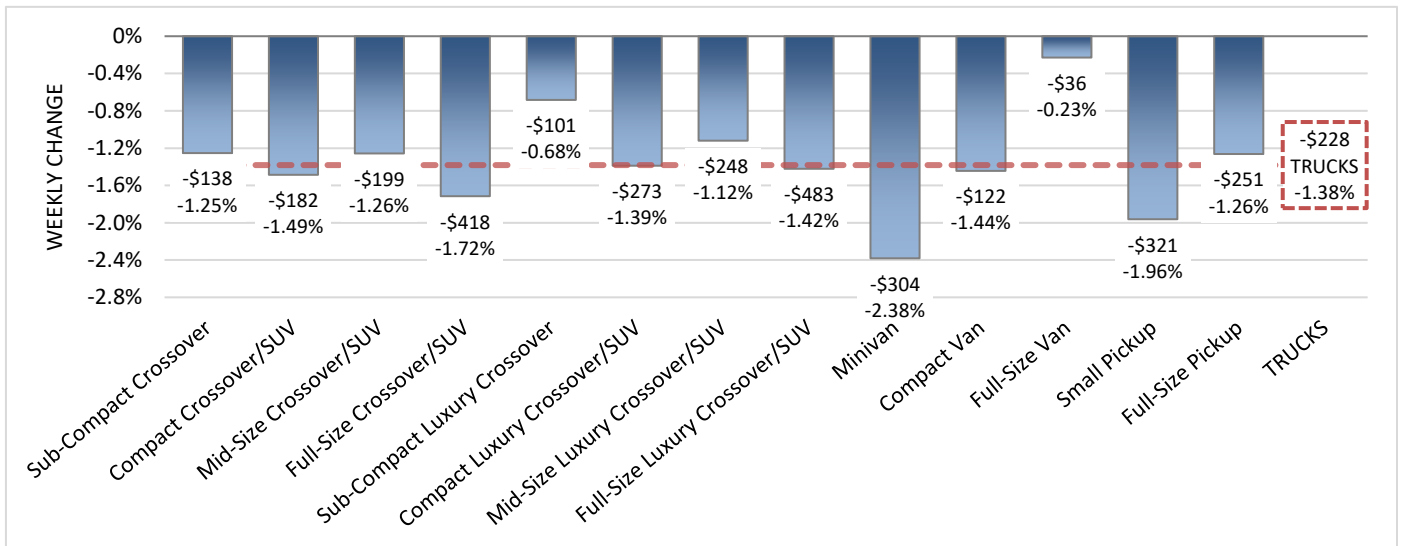
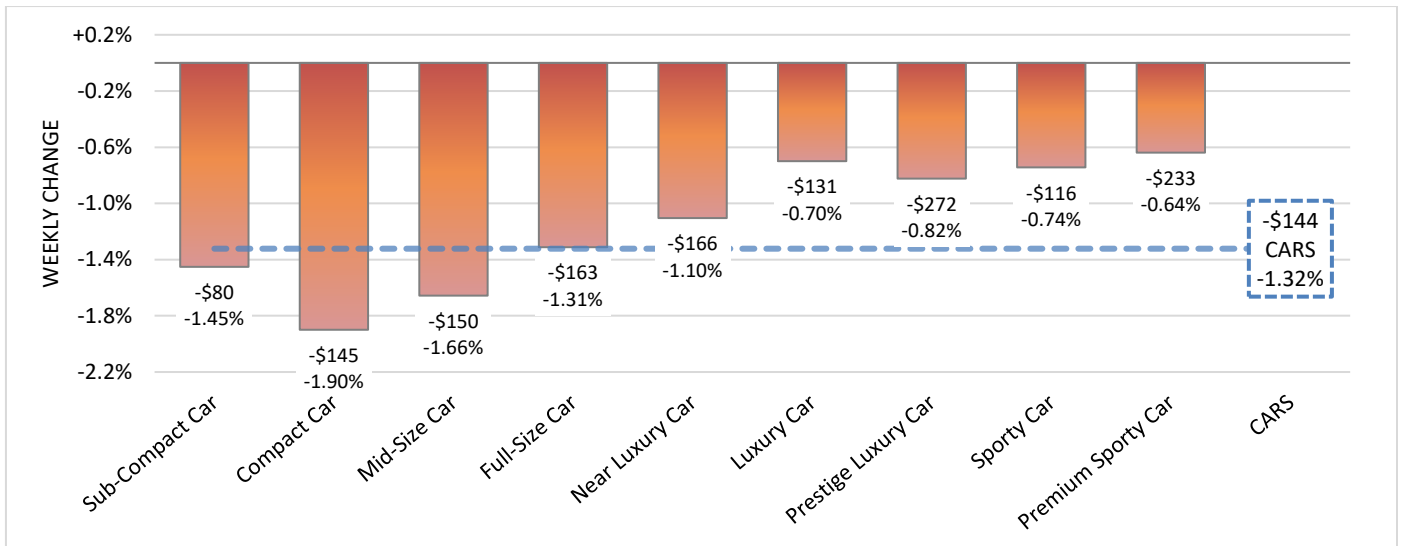


“This past week, we finally saw an uptick in sales rates on the lanes. At the start of the pandemic, we saw dealers tuning into digital sales as spectators, but they are starting to actively participate again.”
 Laura Wehunt, Vice President, Automotive Valuations



Model Years: 2012-2018, Volume Weighted Wholesale Average Values, Weekly Change from 4/24/20 to 5/1/20

COVID-19 Continues to Depress the Wholesale Market

- Volume-weighted, overall car segment values decreased by -1.32% this past week. This is consistent with the rate of depreciation that we saw the previous week of -1.31%.
- On the lanes, we are seeing the cheaper, rougher condition vehicles garner attention, but the newer, 0-2-year-old units, continue to struggle as new car incentives are putting pressure on the used market.
- Volume-weighted, overall truck segment (including pickups, SUVs, and vans) values decreased by -1.38% last week.
- Full-Size Vans continue to be the spot of strength with another week of the lowest weekly change. Earlier in the year, there was an influx of supply on the lanes, but now companies are expecting to hold onto the ones they’ve got as there is an expected shortage later this year due to COVID-19 manufacturing closures.

Sentiment from the Industry

Key comments from auction lanes and industry observers:

“We are still seeing the junk hold up well. We had the largest online bidder presence we’ve had since the crisis has been going on.” Thomas in FL

“EVs and hybrids are depreciating more right now with the low fuel prices.” Chris in NC

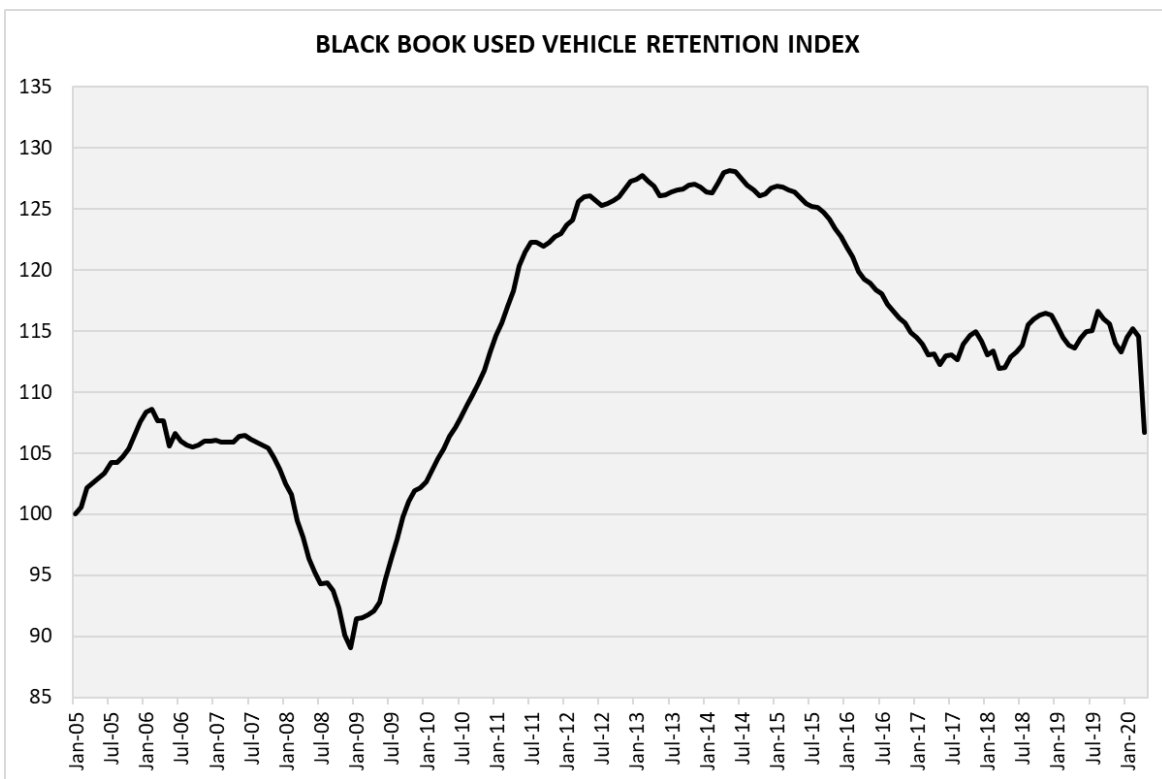
“There were many cases today where the dealers would step-up to the counter bid.” Terry in FL

“Bidding was active and constant today with a lot of sales.” Israel in PA

“Buyers didn’t hold back today, even when CRs were going below 3.0.” Todd in IL



Black Book Used Vehicle Retention Index



source: [Black Book Visual Analytics](#)

COVID-19 led to the largest single-month drop of our Black Book Retention Index since its creation in 2005. The April Index is the first full-month view of the impact that the pandemic is having on the wholesale market. This past month, it dropped -6.1% to 106.7, the lowest reading since May of 2010.

Vehicle Highlight

2020 Honda Accord offers three 4-cylinder engine options; 1.5T, 2.0T, and 1.5T Hybrid variant. Drivetrain options include a 6-speed manual transmission, a CVT, and a 10-speed automatic transmission. Standard features include automated emergency braking, lane-keep assist, and adaptive cruise control. MSRP with destination starts at \$24,975 and the key competitors include the Toyota Camry, Mazda Mazda6, and Hyundai Sonata.

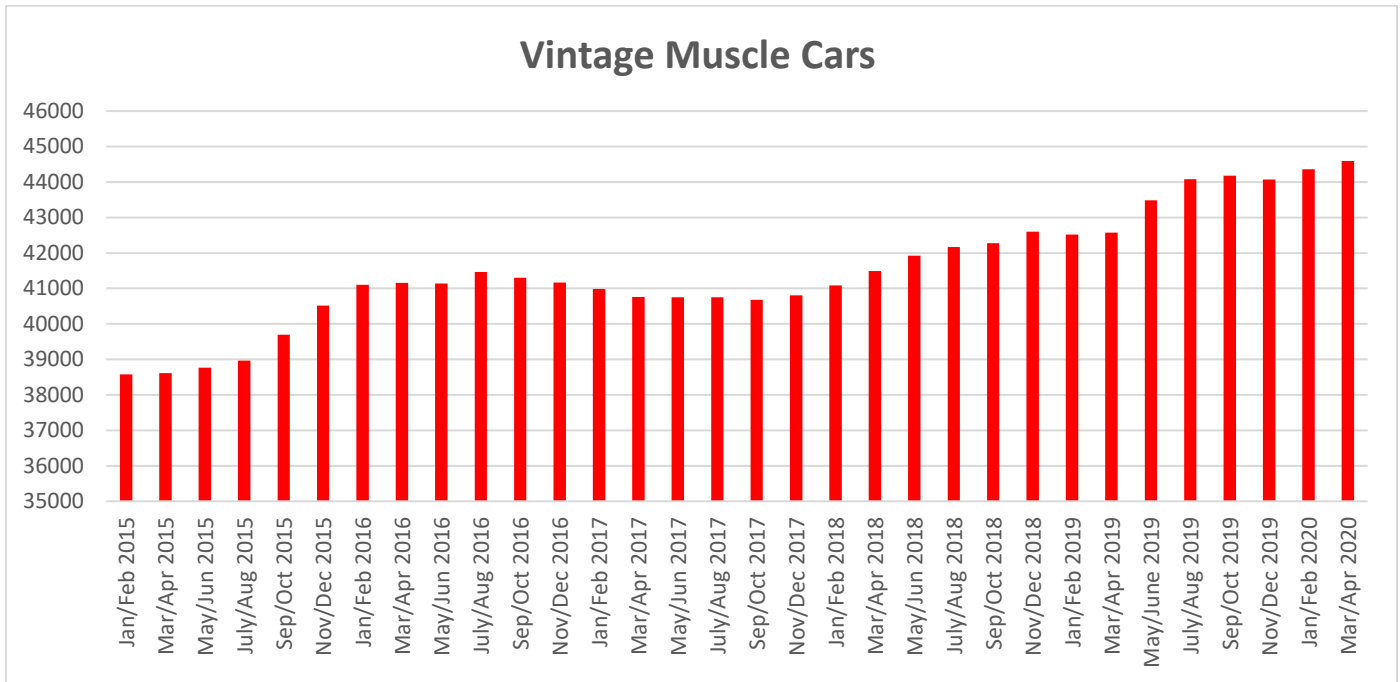


This week’s report includes our [Monthly Edition Supplement on Specialty Markets](#)

Auctions Add Online Only Collectible Vehicle Sales

“As we noted last month, many collectible vehicle events, including car shows, historic races, and auctions, have been either postponed or canceled. A few of the big auction houses have greatly enhanced their online sales capabilities, and have added new events or changed their previously scheduled physical auctions into virtual ones.”

Eric Lawrence, Principal Analyst - Specialty Markets



- **Barrett-Jackson** has announced they will be holding an online-only auction running from May 8th to the 17th. It will feature 75 hand-selected collectible vehicles and approximately 250 pieces of automobilia. The auction will be run on the Proxibid platform and will feature both reserve and no reserve options, which is unusual for Barrett-Jackson, which is usually almost all no reserve. Since this is one of the first online only collectible auctions, the option of a reserve price should reassure reluctant sellers.
- **RM Sotheby's** has announced two upcoming online only auctions: *Driving Into Summer*, running May 21st through 28th, and a replacement for their *Pebble Beach sale*, which was canceled when most major Monterey Peninsula events for August were called off. Both auctions will run on RM Sotheby's proprietary *Online Only* platform. *SHIFT/Monterey* will be held in the traditional time frame of August 6th through 15th and will feature approximately 150 higher end collectible vehicles.

Notable Recent Auction Sales Include:



1991 Lamborghini Diablo. Courtesy of Bring A Trailer.

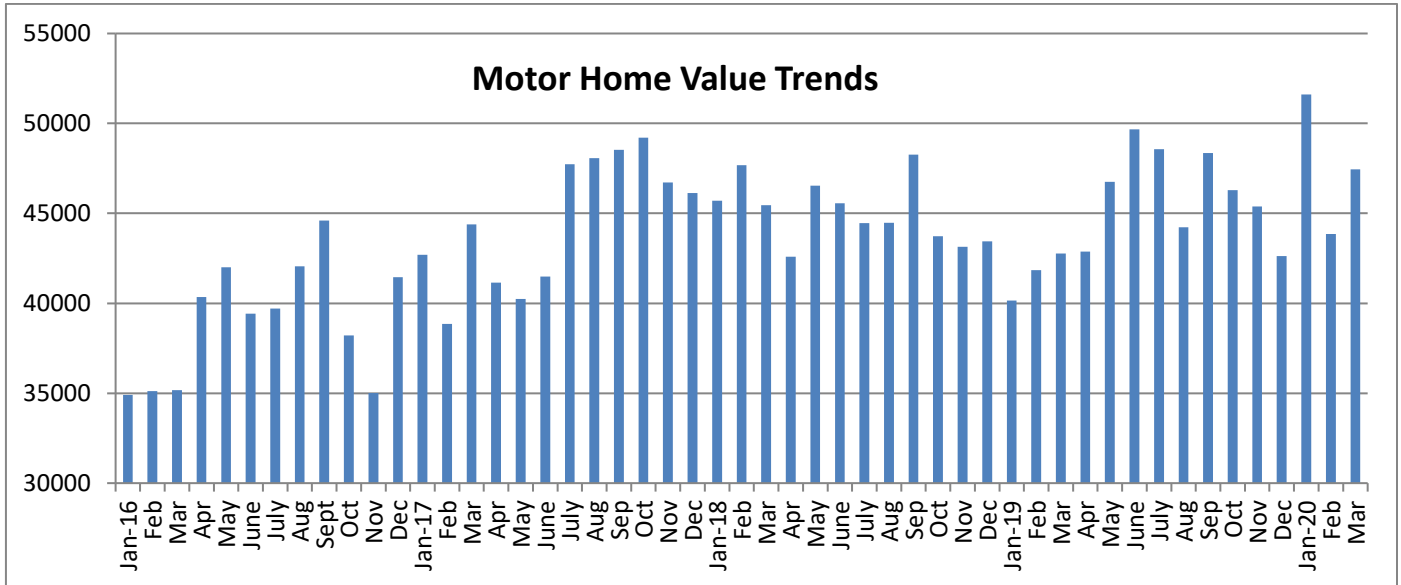
- 1972 Ringbrothers Custom K5 Blazer \$300,000 (Bring A Trailer)
- 1992 Ford Mustang LX 5.0 Coupe \$37,333 (Bring A Trailer)
- 1990 Nissan Skyline GT-R NISMO \$85,678 (Bring A Trailer)
- 1999 Acura NSX Zanardi Edition \$135,000 (Bring A Trailer)
- 1991 Lamborghini Diablo Coupe \$145,000 (Bring A Trailer)
- 2012 Ferrari FF Coupe \$125,000 (Bring A Trailer)
- 1952 Jaguar XK120 Roadster \$104,000 (Bring A Trailer)
- 1962 Porsche 356B Twin Grille Roadster \$265,000 (Bring A Trailer)
- 1966 Chevrolet Corvette Conv 427/435 \$102,000 (Bring A Trailer)
- 1972 Alvis Sabre Military Tank \$55,000 (Bring A Trailer)



RV Volume Drops as COVID Safety Measures Affect Auctions

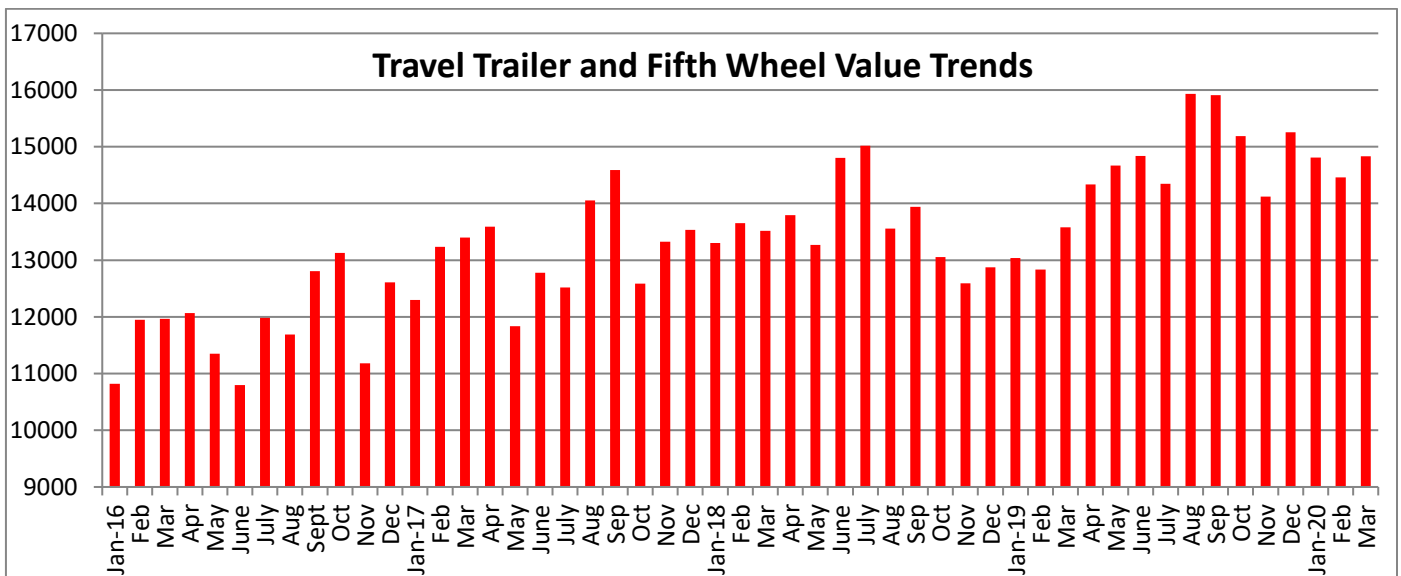
“The Coronavirus has had widespread effects on the RV industry, including manufacturing plants temporarily closing, dealerships working under strict social distancing guidelines, and potential buyers who have put off their purchase until later in the year. The results shown below reflect sales that include the early part of March, which was very strong and before many of the new regulations and other safety measures went into effect. We expect April sales data to reflect lower volumes and values.”

Eric Lawrence, Principal Analyst - Specialty Markets



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

- Average selling price was \$47,454, up \$3,600 (8.2%) from the previous month.
- One year ago, the average selling price was \$42,768.
- Auction volume was down 12.1% from the previous month. The average model year was 2013.



For Towables (including Travel Trailers and Fifth Wheels)

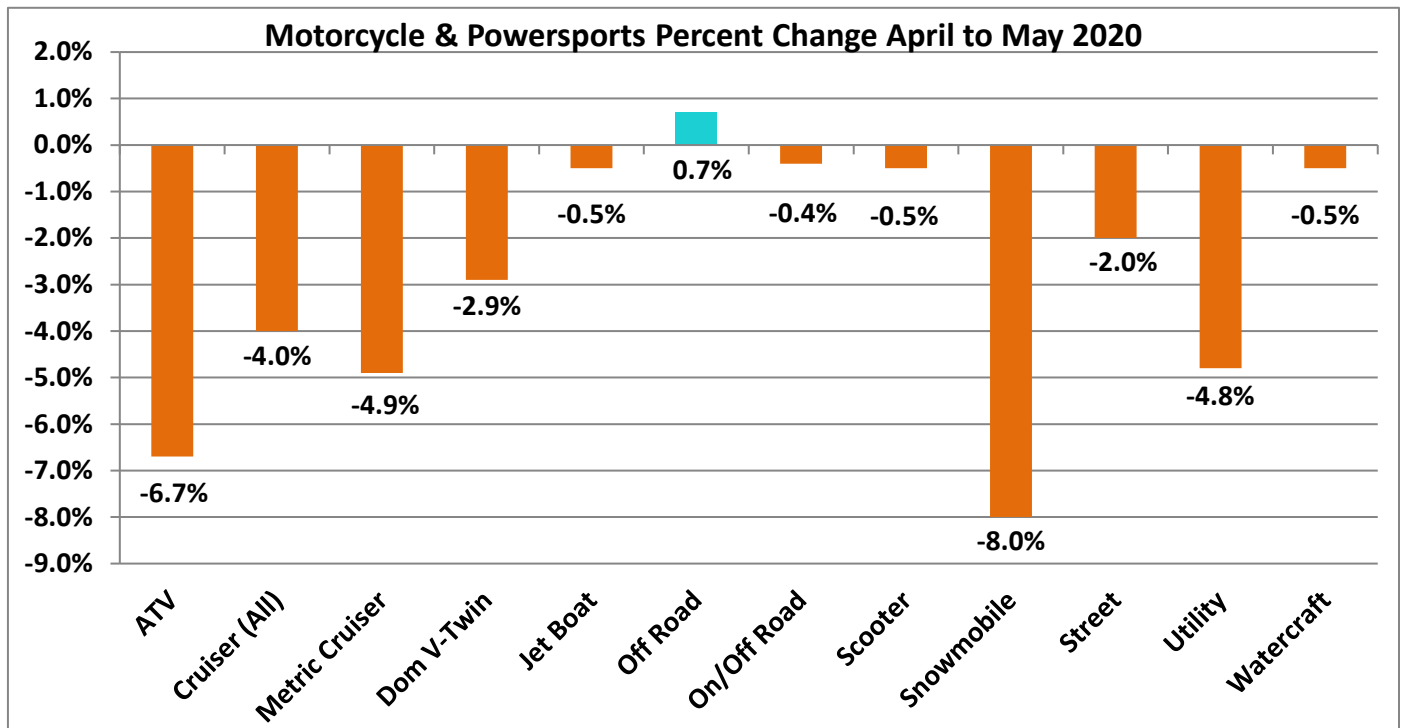
- Average selling price was \$14,834, up \$372 (2.5%) from the previous month.
- One year ago, the average selling price was \$13,577.
- Auction volume was down 17.8% from the previous month. The average model year was 2013.



Powersports Values Expected to Decline

“While local conditions vary considerably across the country, the Powersports market as a whole is doing better than might be expected at the moment. The COVID-19 inspired stay-at-home orders in place nationwide have had generally negative impacts on vehicle pricing, but overall declines among the major segments average only about 3%.”

Scott Yarbrough, Senior Analyst - Motorcycle & Powersports



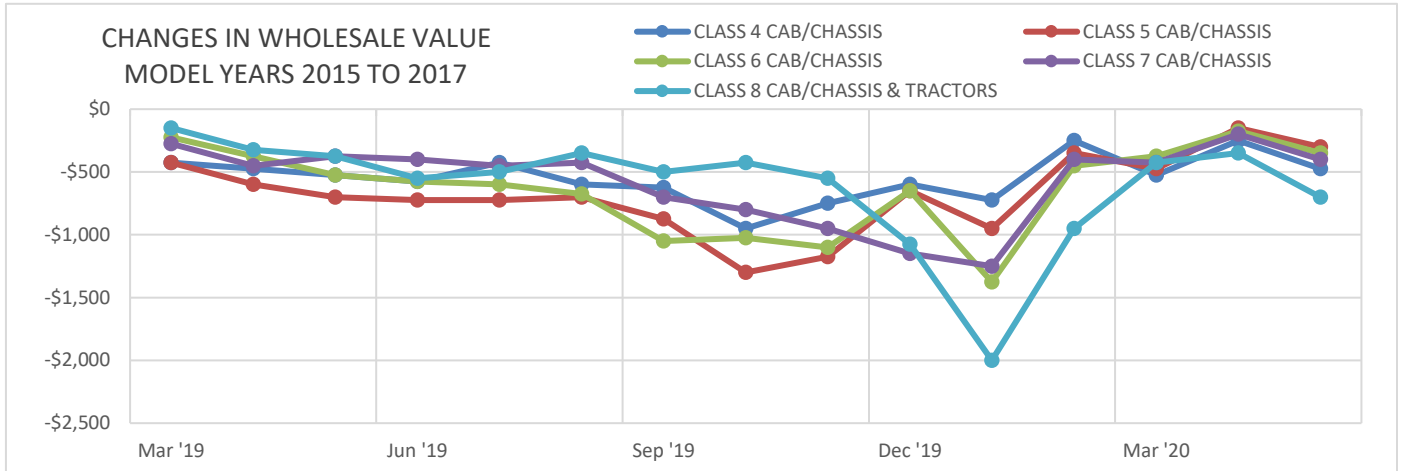
- Business activity nationwide is down substantially across the sales, service, and parts departments at most dealerships. Reports in the Powersports industry trade publications generally suggest drops in revenue of around 20% are common for most dealerships versus the same time last year.
- Manufacturers are offering support to dealerships with new and innovative shopping and delivery services, enhanced incentive programs, and floorplan assistance in many cases to help them move inventory and weather the financial strains they are under.
- For some dealers lucky enough to be in areas with open spaces, they have seen increases in demand for off-road bikes, watercraft, and other outdoor recreational units. Though only a minority of the total dealer base, some are seeing business levels at or above normal. For the vast majority though, sales, service, and parts are down significantly.
- All of the major Powersports auctions are up and running, although in online only formats. Market liquidity remains good for those dealers looking to adjust inventory levels. In an odd twist of fate, at the same time demand has been reduced significantly, decreases in repossessions due to the coronavirus, as well as dealers sitting on inventory that might normally have been consigned, has led to less draconian reductions in price than might otherwise have been expected.

Increased Depreciation for All Medium and Heavy-Duty Segments

“Used supply continues to increase as demand and values took a more aggressive downward turn this past month as we continue to feel the effects of COVID-19.”



Josh Giles - Principal Automotive Analyst



- Many auctions have resumed operation with safety measures in place. The majority of the locations remain online only with no buyer fees.
- The impact COVID-19 has had on the country and the industry is like nothing we have ever experienced. We are nowhere near the end of this crisis; however, there are some positive signs. We're seeing an increase in auction activity across the country and OEMs are planning on resuming production over the next month. These are all positive signs following weeks of discouraging conversations.
- Wholesale prices over the next couple of months will likely continue an increased depreciation trend as the oversupply of units continues to outpace freight demand.
- Construction and Medium Duty units are also increasing in depreciation; however, not at the rate to which we are seeing Over the Road and Regional Tractors depreciate.

DATE	Construction/Vocational			Over the Road Trucks & Tractors			Regional Tractors			MODEL YEARS
	Value	\$ Change	% Change	Value	\$ Change	% Change	Value	\$ Change	% Change	
05/01/20	51,837	-460	-0.9%	30,876	-989	-3.1%	24,956	-793	-3.1%	2009-2016
04/01/20	52,297	-261	-0.5%	31,865	-382	-1.2%	25,748	-292	-1.1%	2009-2016

- 2009-2016 HD Construction/Vocational segment dropped an average of \$460 (0.9%) in April, compared to the \$261 (0.5%) average depreciation in March.
- 2009-2016 HD Over the Road Tractor segment dropped an average of \$989 (3.1%) in April, compared to \$382 (1.2%) average depreciation in March.
- 2009-2016 HD Regional Tractor segment dropped an average of \$793 (3.1%) in April, compared to the average drop of \$292 (1.1%) in March.

DATE	Medium Duty			MODEL YEARS
	Value	\$ Change	% Change	
05/01/20	20,617	-210	-1.0%	2009-2016
04/01/20	20,827	-104	-0.5%	2009-2016

- Older Medium Duty Models (2009 - 2016) dropped an overall weighted average of \$210 (1.0%) in April, compared to the \$104 (0.5%) drop in March.