

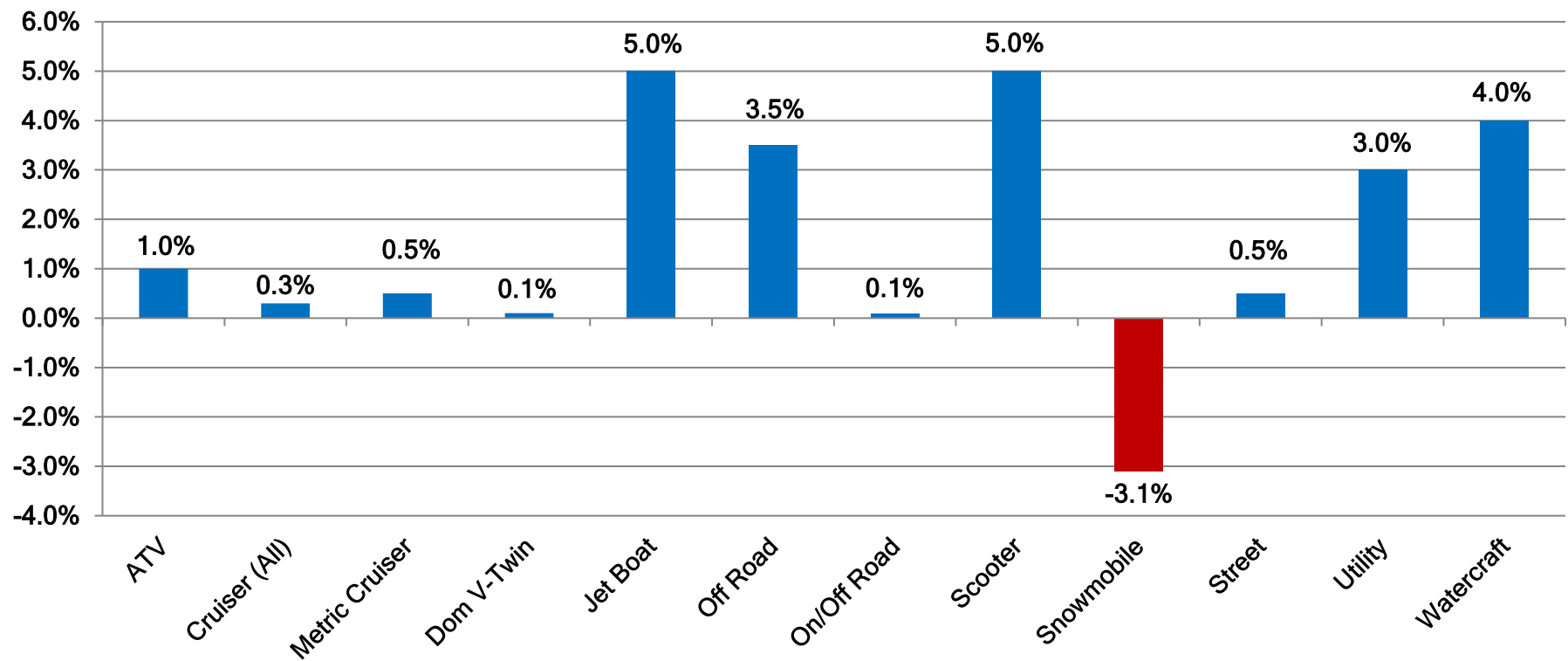
# Motorcycle & Powersports Market Update

## July 2021

“July normally marks the peak of both summer temperatures and Powersports prices, and this year appears to be no different. What is unique is that this peak in values comes on top of the past 18 months’ worth of steady increases in prices, though we are beginning to see signs that the pandemic fueled rise in values may be cresting.”

- Scott Yarbrough, Senior Analyst, Motorcycle & Powersports

### June to July Average Segment Change in Value



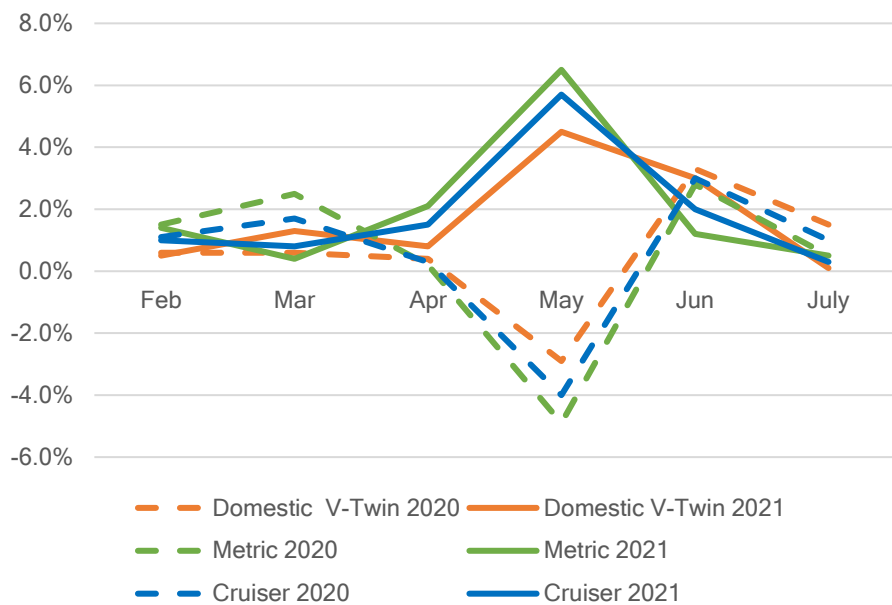
- Jet Boats, Scooters, and Personal Watercraft are our hottest segments this month. All three of these segments have two things in common; they see their strongest demand when the weather is warm, and they are popular rental units at vacation destinations.
- The Off-Road segments continue to see exceptional demand with the Dirt Bikes up 3.5% and Utility Vehicles up 3.0%.
- The on-road motorcycle segments are where we are seeing the first signs of prices softening. Both Cruisers and Street Bikes are up half a percent or less, while Dual Sports have barely changed in value at all. This may be the beginning of the end of our current “overheated” market conditions. In addition to the softening prices, several dealers have told us they have recently seen retail demand lessening as well.

## Segment Spotlights & Industry News

### Cruiser Performance

The Cruiser segment is following last year's valuation trends pretty closely at this point. The biggest difference is from the initial shock the coronavirus caused, reflected in the sharp drop in values last spring that was not present this year. We have seen a drop in demand and values that may be a sign the pandemic market is finally starting to end.

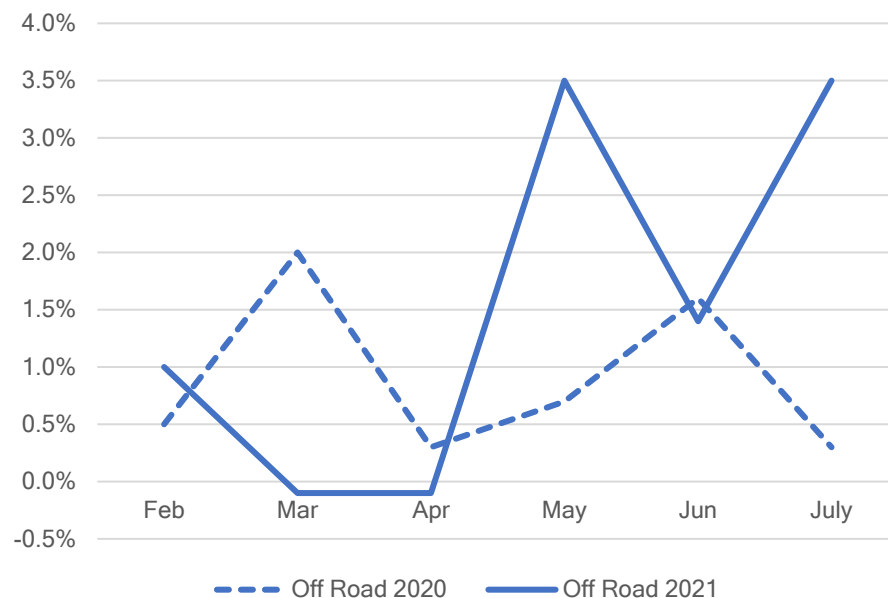
Cruiser 2020 vs 2021 Segment Performance



### Dirt Bike Performance

As we have mentioned numerous times over the past 18 months or so, the Dirt bikes have been exceptional performers, and continue to increase in value again this month. Other than the negligible drop in prices for March and April, they have increased in value every month since the pandemic began last spring.

Off-Road 2020 vs 2021 Segment Performance



- The Motorcycle Industry Council (MIC) Retail Sales Reporting system which tallies new motorcycle retail sales from 14 leading manufacturers showed a 34.6% increase in Scooter sales for the first quarter of 2021 compared to the same period last year. Off-Road bikes saw a 45.4% increase in new unit retail sales versus the first quarter of 2020.
- AIMExpo announced that their next show will be held in Las Vegas Jan 19-21, 2022. The show will be co-located with Tucker Powersports annual expo and training event for Powersports Dealers. After the past 18 months of virtual meetings, it is safe to say nearly everyone is looking forward to meeting in person again.
- The Powersports Industry is still experiencing shortages of product at nearly all levels. In particular, OEMs are still struggling with supply chain issues which limit new unit shipments, and dealers are shifting that unit demand to the used side, creating shortages there as well.

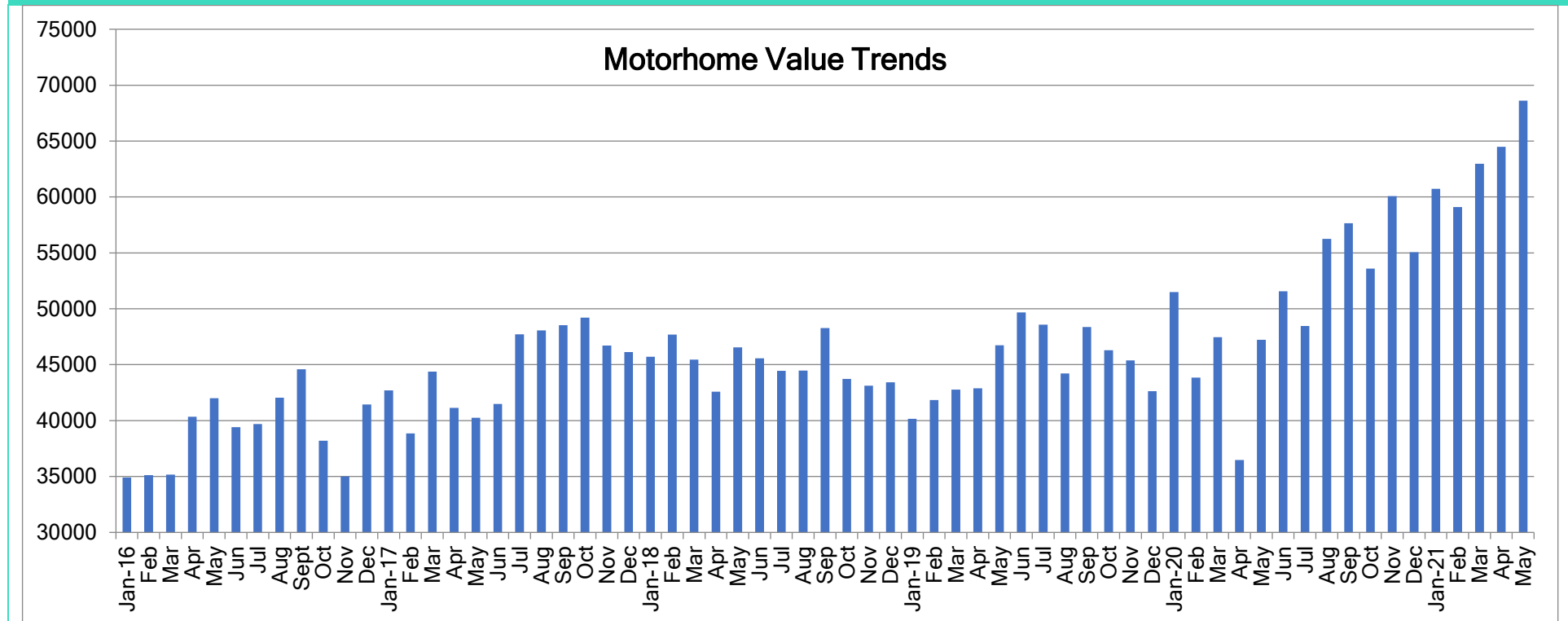
# Recreational Vehicles Market Update

## July 2021

“The values of used RVs sold at wholesale auctions rose across the board once again last month. Consumer demand continues to be red hot, and dealer inventories remain far below average. Auction volumes dropped noticeably last month, which is probably due to the ongoing lack of lender repossessions and dealers holding on to trade-ins that they would have normally sent to the auction.”

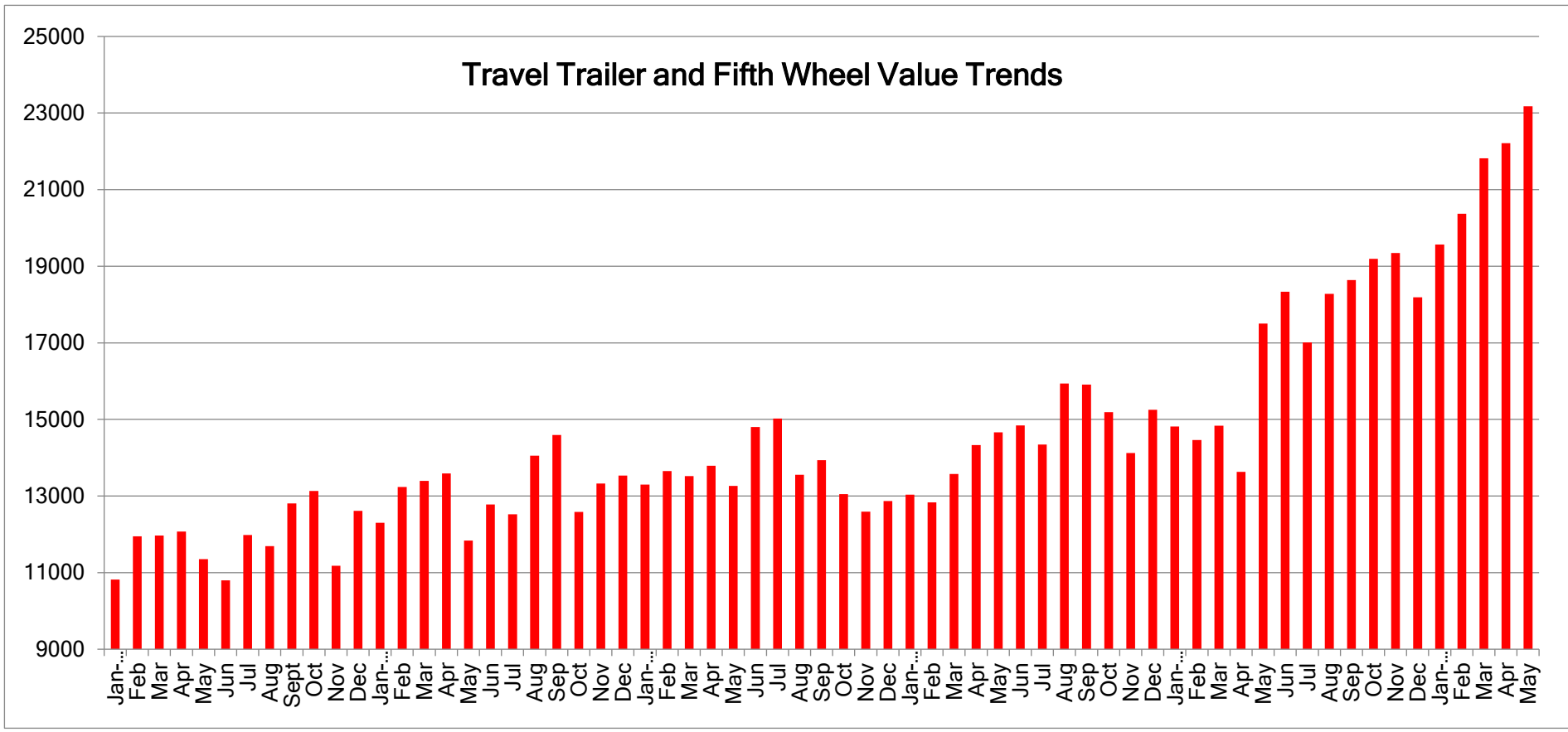
*Eric Lawrence, Principal Analyst, Specialty Markets*

### Wholesale RV Values Set All Time Records



For Motorhomes (including Class A, B, and C)

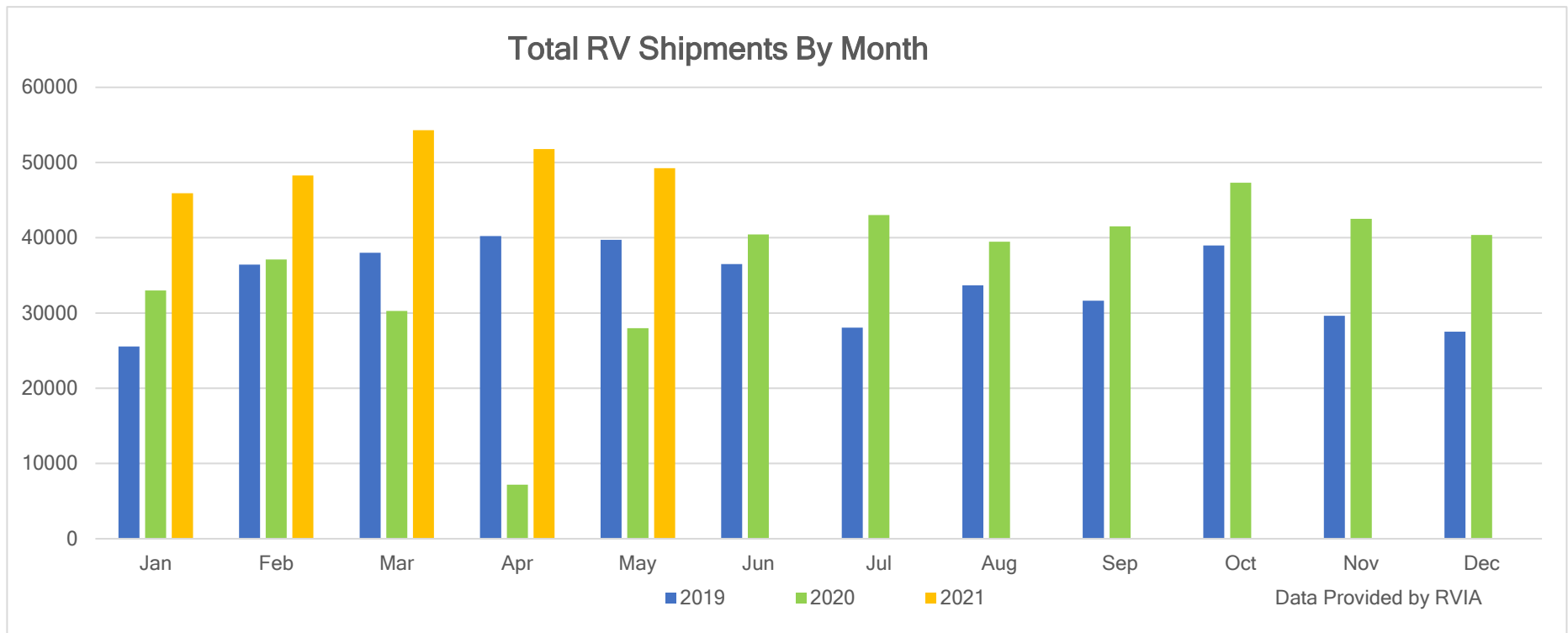
- Average selling price was \$68,623, up \$4,149 (6.4%) from the previous month.
- One year ago, the average selling price was \$47,220.
- Auction volume was down 17.6% from the previous month.
- The average model year was 2011.



- For Towables (including Travel Trailers and Fifth Wheels)
- Average selling price was \$23,176, up \$962 (4.3%) from the previous month.
  - One year ago, the average selling price was \$17,506.
  - Auction volume was down 13.6% from the previous month.
  - The average model year was 2015.

## Industry Highlights

According to the RVIA, the total number of RVs shipped in May reached 49,241, the highest amount ever for the month, and an increase of 75% over May 2020, which was still ramping up production after COVID shutdowns. Towables totaled 44,471 units and motorhomes accounted for 4,770. Truck Campers came in at 401 and Folding Camping Trailers reached 624.



- RV rentals are booming, including dealer-based operations and peer-to-peer sites.
- Winnebago reported fiscal third quarter revenues of \$960 million, up nearly 140% from the same period last year, and 14% higher than last quarter. Gross profit was \$169 million and operating income was \$102 million.
- RV Retailer announced the acquisition of dealerships in Wyoming, Georgia, and Indiana, bringing their total to 58.
- Lazydays purchased Burlington RV Superstore in Sturtevant, Wisconsin, which serves the Chicago and Milwaukee markets.
- Camping World announced it will be opening two new RV SuperCenters in Ohio, located in Sunbury and Madison.
- Thor announced third fiscal quarter earnings of nearly \$3.5 billion, up 105% over 2020.
- Statistical Surveys, Inc. reported that April RV registrations came in at 62,301, a record for the month.

“We’re in the middle of summer now, and life has returned to normal for many of us. People are going to collectible car auctions in person, and the results are impressive. Everyone is getting excited about the Pebble Beach Concours d’Elegance coming up in mid August, and the associated auctions conducted in Monterey by RM Sothebys, Mecum, Gooding, Bonhams, and Russo and Steele.”

- Eric Lawrence, Principal Analyst, Specialty Markets

## Auction Activity

- **RM Sotheby’s** first ever auction in *Milan, Italy*, held in mid-June at the Palazzo Serbelloni, was a boutique event consisting of nineteen specially selected significant automobiles, of which thirteen were declared sold for a total of just under \$14 million. Their *Passion of Elegance* sale was another boutique event, this one a single-owner collection of twenty-six Rolls-Royce and Bentley motor cars held in Liechtenstein. All lots were declared sold for a total of roughly \$12 million.
- **Gooding** has been very successful with their *Geared Online* auctions. Their May sale realized just over \$16 million from the sale of 84 of 87 lots, resulting in a 97% sell through rate, with five cars selling in excess of \$1 million. Their June sale was focused on the UK, and included fourteen vehicles, twelve of which sold for a total of just over \$7 million.
- **Barrett-Jackson’s** *Las Vegas* auction was held in mid-June at the new West Hall of the Las Vegas Convention Center. Their “no reserve” format included over 700 vehicles and the total sales came in at over \$48 million. They noted that sixty-five new world records were set (some due to celebrity ownership) and that they sold four automotive NFTs.
- **Mecum’s** inaugural *Tulsa, Oklahoma* auction was held at the River Spirit Expo. Of the 660 cars that crossed the block, 539 found new homes, resulting in an 82% sell through rate and a final total of \$21.2 million. The top three sellers were all First-Generation Ford GT Coupes (2005-06), selling for between \$280,000 and \$330,000.
- **Bonhams’** Bonmont Sale was held June 20<sup>th</sup> in Cheserex, Switzerland. Forty-eights lots were offered, forty-four of which were declared sold for a total of just over \$11 million. The vehicles offered ranged from late model supercars such as the McLaren P1 and Ford GT to classic Aston Martins and Bugattis.



1966 Ferrari 275 GTB

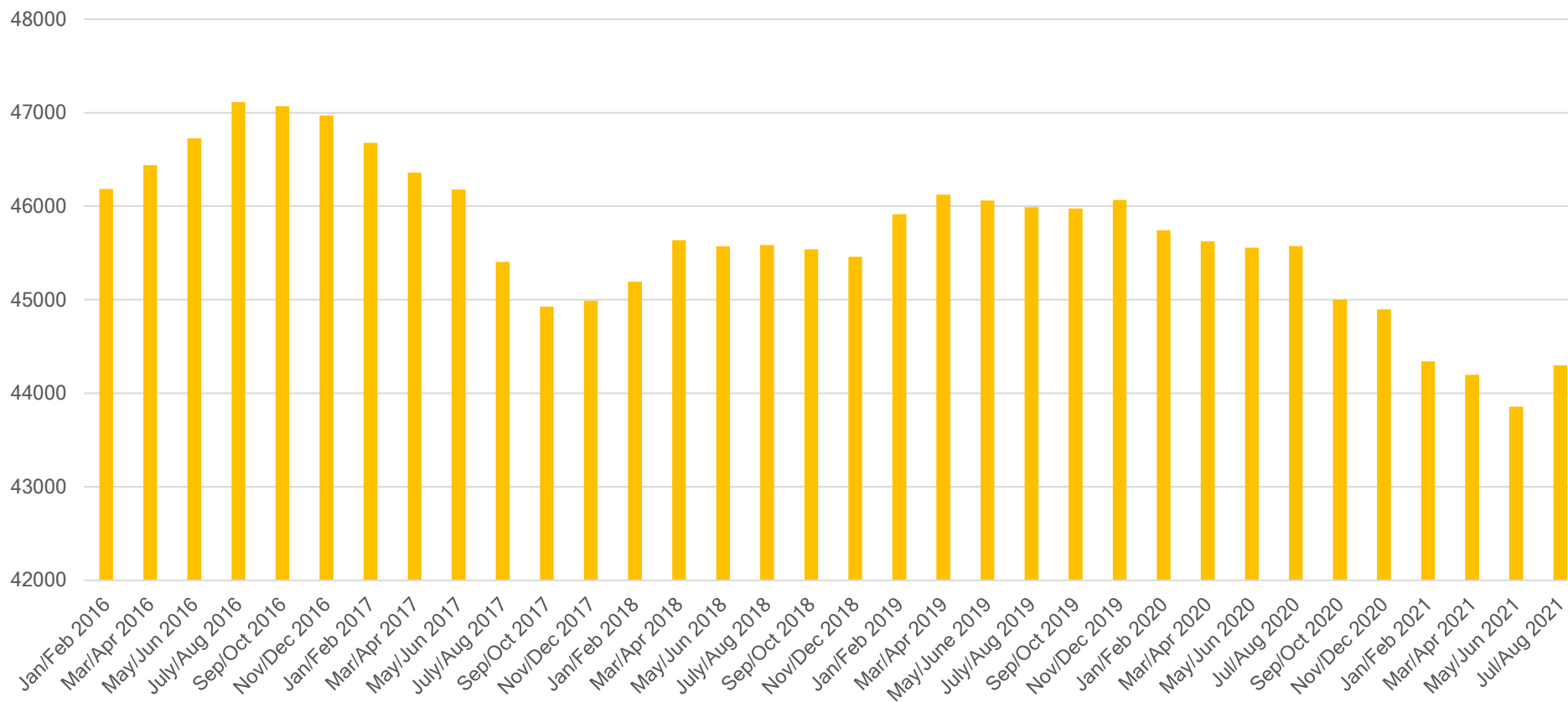
Courtesy of RM Sotheby's

### *Notable Recent Auction Sales Include:*

- 1966 Ferrari 275 GTB \$2,675,000 (RM Sotheby’s)
- 1963 Ferrari 250 GT/L Lusso Coupe \$1,750,000 (RM Sotheby’s)
- 1957 Mercedes 300SL Roadster \$1,245,000 (RM Sotheby’s)
- 1957 BMW 507 Roadster Series II \$2,200,000 (Gooding)
- 1968 Meyers Manx Dune Buggy \$59,400 (Gooding)
- 2015 McLaren P1 Coupe \$1,567,500 (Barrett-Jackson)
- 1965 Shelby Cobra 289 Roadster \$907,500 (Barrett-Jackson)
- 1994 Toyota Supra “Fast and Furious” Coupe \$550,000 (Barrett-Jackson)
- 1957 Ford Thunderbird F-Code Roadster \$203,500 (Mecum)
- 1970 Plymouth AAR Cuda Coupe \$132,000 (Mecum)

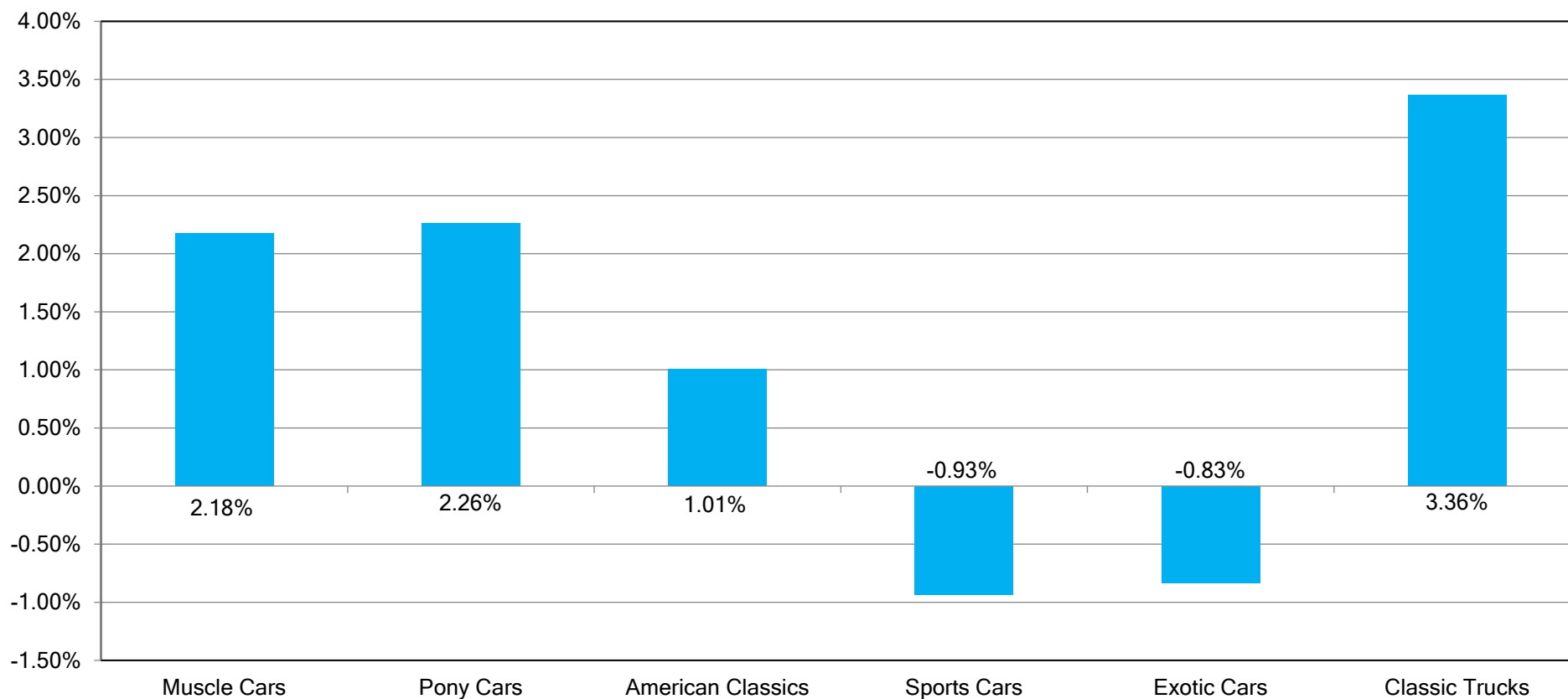
## Market Trends

## Vintage American Post War Classics



The **Vintage American Post War Classics** segment represents “big American iron” produced from the mid-1940s up through the mid-1970s. This encompasses a wide range of vehicles, and the prices can correspondingly range from the mid-teens up to the low six figures. A few representative examples would include 1953-54 Buick Skylark, late 1950s Cadillac Eldorado (Seville and Biarritz), 1955-57 Chevrolet Bel Air, Ford Crown Victoria, Lincoln Mark III, Chrysler 300 Letter Series, and Pontiac Bonneville. These vehicles have been squarely at the heart of the hobby for decades, but shifting tastes have led to a gradual decline in their values as older collectors age out of the hobby and are replaced with younger ones who grew up being interested in different cars. They have risen a little during the post-COVID boom that is affecting the values of all collectible vehicles.

## Percent Change from June 2021 to July 2021



The changes by vehicle segment type were mixed last month. Muscle Cars, Pony Cars, American Classics, and Trucks all increased, while European Sports Cars and Vintage Exotics declined slightly. As we are coming out of COVID (hopefully) there has been a lot of pent-up consumer demand. All of the “fun” categories are seeing increases, including Boats, Motorcycles/Powersports, RVs, and collectible cars and light trucks. European Sports Cars had skyrocketed during the past several years, so a slight correction is to be expected as the market settles. The Vintage Exotic segment is always well represented at the Monterey auctions in August at Pebble Beach, so we’ll be keeping a close eye on them to see which way that segment is moving.



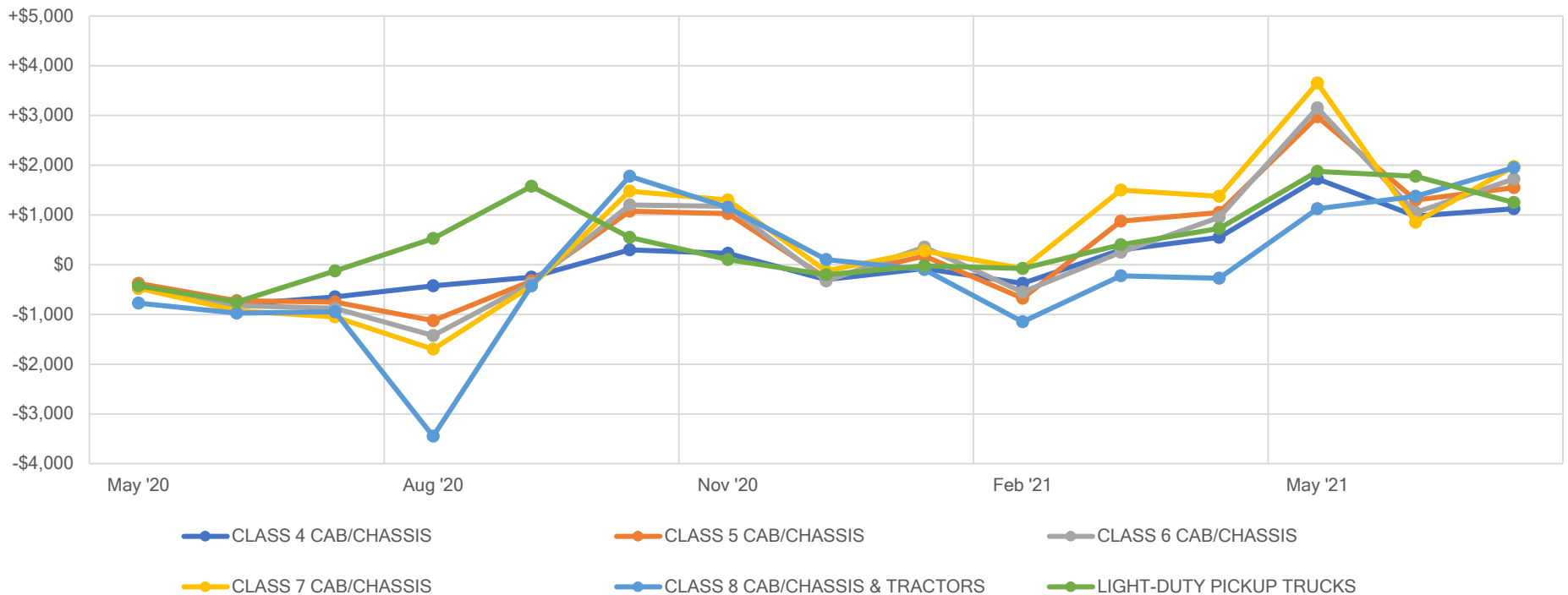
# Medium and Heavy-Duty Truck & Commercial Trailer Market Update July 2021

“Remarketing and retail transactions continue to strengthen following the Fourth of July. We hope everyone had a wonderful and safe holiday weekend. We continue to have delays in new model production due to supply chain issues. There are not enough trucks, nor commercial trailers, to keep up with freight and construction demand. There are also not enough drivers and operators to occupy the units that are available to haul freight. Since January of this year, prices have been on an increasing trend with the exception of some light duty models. Based on conversations with OEMs and remarketers we expect to see continued stability through the remainder of 2021 and the majority of 2022. This market has been in desperate need of new equipment for over fifteen months. Any increase in production will be gobbled up by pent up demand, having very little impact on used pricing.”

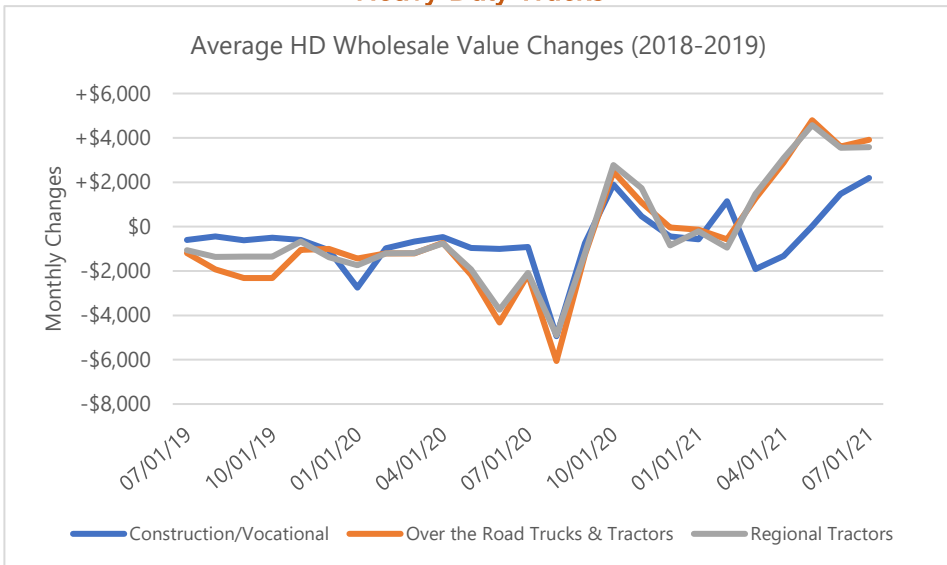
- Josh Giles, Principal Automotive Analyst, Vehicle Valuations & Residuals

## Commercial Truck Market Update

CHANGES IN WHOLESALE VALUE  
MODEL YEARS 2016 TO 2018

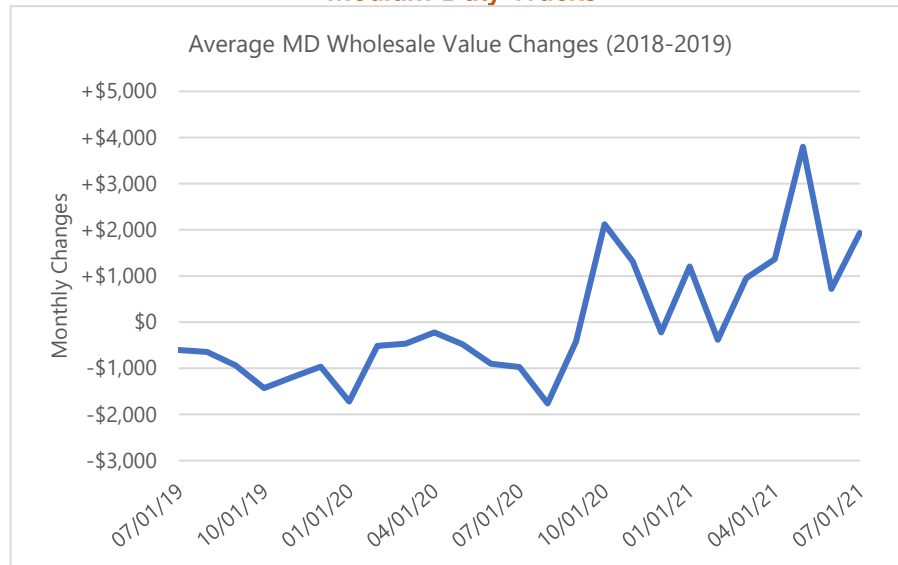


### Heavy-Duty Trucks



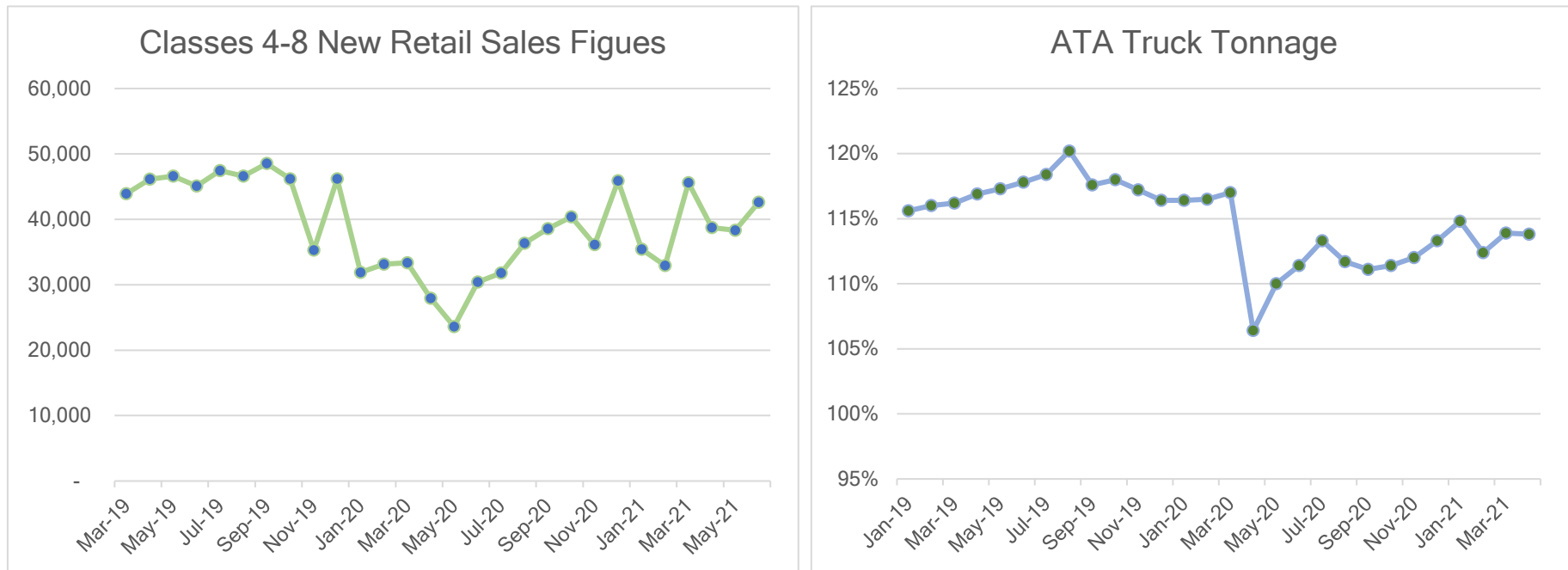
- The chart above shows the monthly adjustment trends for each segment within the Heavy-Duty market.
- Continued improvements in freight demand mixed with limited inventory on new and used trucks remain the driving forces behind the price increases.
- We are seeing continued strength in all segments with Regional and Over the Road tractors increasing the most.
- Since the beginning of this year highway tractor values have increased a combined 28.7%.
- Heavy-Duty Construction units remain stable; however, we have not seen as much of an increase in this segment compared to road tractors and medium duty trucks.

### Medium-Duty Trucks



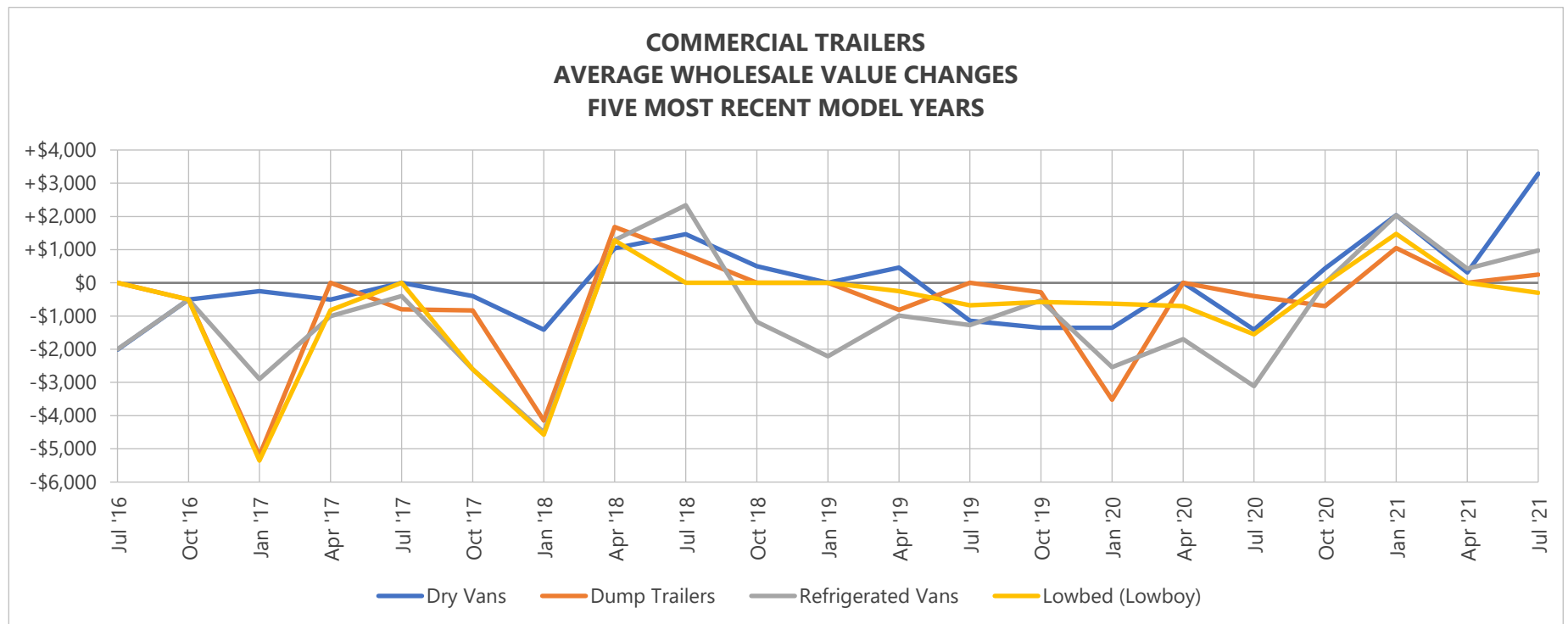
- The chart above illustrates the monthly adjustment trend for Medium Duty trucks.
- We continue to see price increases in all Medium Duty truck classes thanks to slow production and increasing demand.
- Since the beginning of this year Medium Duty Truck values have increased a combined 19%.
- Dry vans and box trucks have grown in demand as production delays continue to limit the number of new trucks being delivered.
- Due to the production delay's, fleets are keeping their units in service longer, which equates to higher mileage, worse conditioned units being sold at auction.

## Retail Sales and Freight Demand



- According to data gathered from the Federal Reserve Economic Data (FRED), new retail sales grew 10.4% from May to June. The month prior (April 2021 -May 2021) new retail sales dropped 1.08%.
- Three months in a row of stable retail sales is encouraging and could be a sign that OEMs and their vendors have corrected any issues and that equipment and parts are consistently being delivered.
- In addition, the ATA Truck Tonnage Index is reporting consistent numbers over the past few months indicating that freight demand has been on a stable and positive trend with minimal issues.
- These are all very positive signs for the overall market and the US Economy. We expect retail sales and freight demand to continue a slow increase as suppliers and OEMs continue to work together to meet customer demand.
- New and Used truck values will continue to slowly rise through the rest of this year. We are expecting a slow recovery, so prices will remain stable through the first half of 2022.

## Commercial Trailer Market Update



- Commercial Trailer OEMs are experiencing the same supply chain delays as everyone else and are not able to produce enough new trailers to keep up with the growing demand. Fleets need new inventory to replace their aging equipment. Repair shops need parts to keep units on the road. Remarketers need inventory to sell.
- As a result, we expect to see continued strength and stability in new and used pricing for the remainder of 2021 through Q3 of 2022.
- Dry Vans have increased more than any other commercial trailer segment since January with an increase of 37.4%.
- Dump Trailers have stabilized, increasing 3.4% since January.
- Refrigerated Van prices have increased 11.2% so far this year.
- Lowboys have increased 2.6% since January of this year.
- Recent auction and retail sales figures indicate continued stability in used pricing. This market should continue on an upward trend through the remainder of this calendar year as commercial trailer production remains idled and freight demand grows.

## About Black Book

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