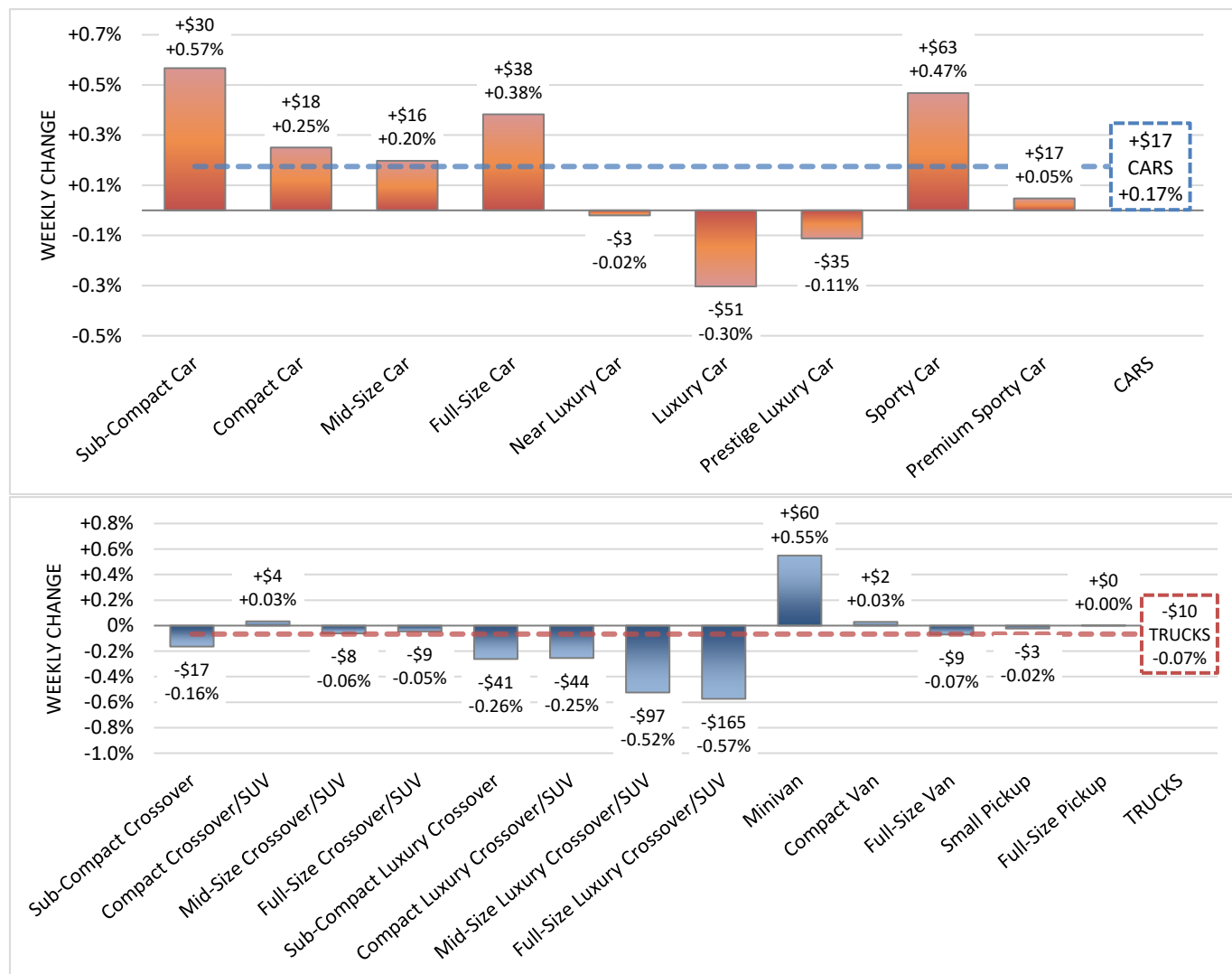




“Auto auctions are seeing high sales conversion rates with active buyers. Spring market is in full swing, and affordable cars have the strongest demand. Sub-Compact Cars led the market last week with the highest lift in valuation.”

Anil Goyal, Executive Vice President, Operations



Model Years: 2010-2016, Volume Weighted Wholesale Average Values, Weekly Change from 3/22/19 to 3/29/19

Spring Market Is Here!

- Volume-weighted, overall car segment values increased by 0.17% last week. In comparison, the market values decreased by 0.25% on average during the prior 4-week period.
- Mainstream cars and Sporty Car segments showed a strong lift in values.
- Volume-weighted, overall truck segment (including pickups, SUVs, and vans) values decreased by just 0.07% last week. In comparison, the market values decreased by 0.36% on average during the prior 4-week period.
- In truck segments, Minivans showed the most lift in values while luxury SUVs showed the most declines.

Sentiment from the Industry

Key comments from industry observers:

"The market remains positive. Dealers are reporting a more active retail market, which has pushed more buyers and bidding at the auction." Mark in MI

"Several dealers stated that tax refunds are starting to flow into the market, which is welcome news." Greg in NV

"Everyone seemed happy as retail is gaining steam, especially in the used market. This was the best sale this year." Bob in MA

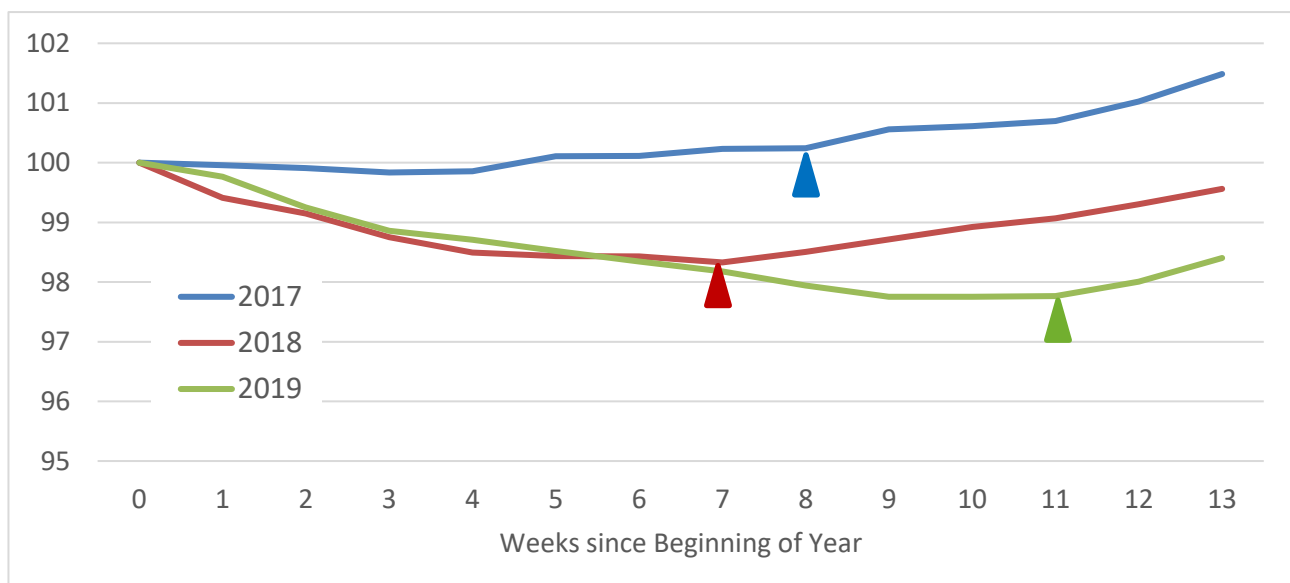
"One of the best sales I have ever witnessed. Out of the 95 vehicles consigned in the lane, only 2 failed to sell, and they all brought good money." Andrew in MD

"The lower end of the market is being driven up by buyers willing to pay over market value for specific models. Also, the sport cars and convertibles are getting hot." Terry in GA



Spring Market Inflexion Points

Weekly Trend of Used Vehicle Values Indexed to 100 at Beginning of Year



Source: [Black Book Visual Analytics](#)

The spring market is late this year, as values continued to decline in January and February. It is, however, attempting to make a strong comeback from Week 11 this year.

Vehicle Highlight



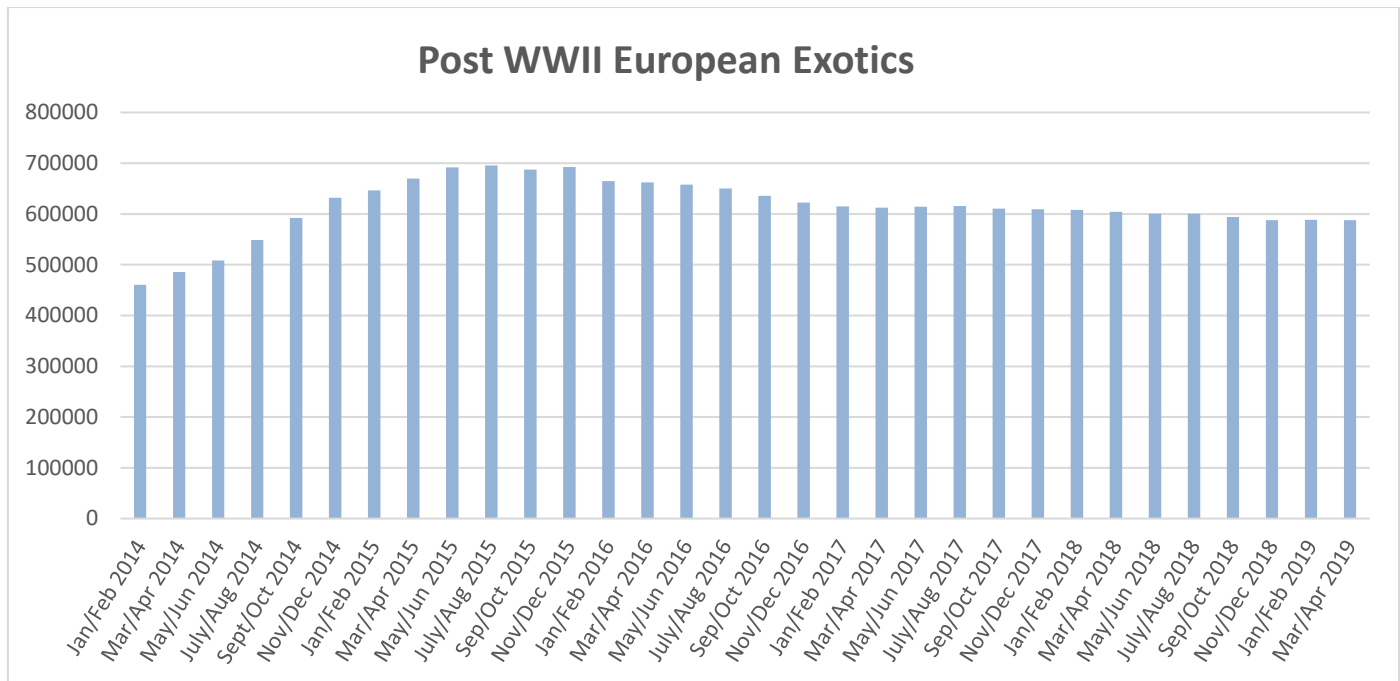
The All- New 2019 Lincoln Nautilus comes standard with a Turbocharged 2.0L I-4 engine capable of 250 hp and 280 lb-ft of torque. Previously known as the MKX, the Nautilus is available in four trim levels, the Base, Select, Reserve, and Black Label, all available as either FWD or AWD. MSRP for this Mid-Size Luxury Crossover SUV starts at \$41,335, including destination fees, and its main competition includes the Infiniti QX60, Cadillac XT5, Acura MDX, and Buick Enclave.

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

Amelia Island Auctions Top \$80,000,000

"The collectible car world has gotten off to a very good start in 2019. The first two months of the year saw well over \$500,000,000 in total sales, and the auctions held in association with the Amelia Island Concours d'Elegance added another \$80,000,000. Many observers noted that they were starting to see a generational shift, as younger collectors are beginning to enter the hobby, while some older ones are winding down their collections."

Eric Lawrence, Principal Analyst - Specialty Markets



- **RM Sotheby's** Amelia Island, Florida two day auction was quite successful, selling nearly 85% of all lots offered for a total of just over \$38,000,000, including the two most expensive cars of the week.
- **Gooding's** Amelia Island single day event had a slightly higher sales percentage, at 88%, and came in at just over \$22,000,000, with six vehicles selling for seven figures.
- **Bonham's** Amelia Island auction was also a well attended one day sale, and had a very similar sell through ratio to the other two at 84%. Their sales totaled nearly \$16,000,000, including several Brass Era vehicles.

Notable Recent Auction Sales Include:



Ferrari 275 GTB. Courtesy of RM Sotheby's.

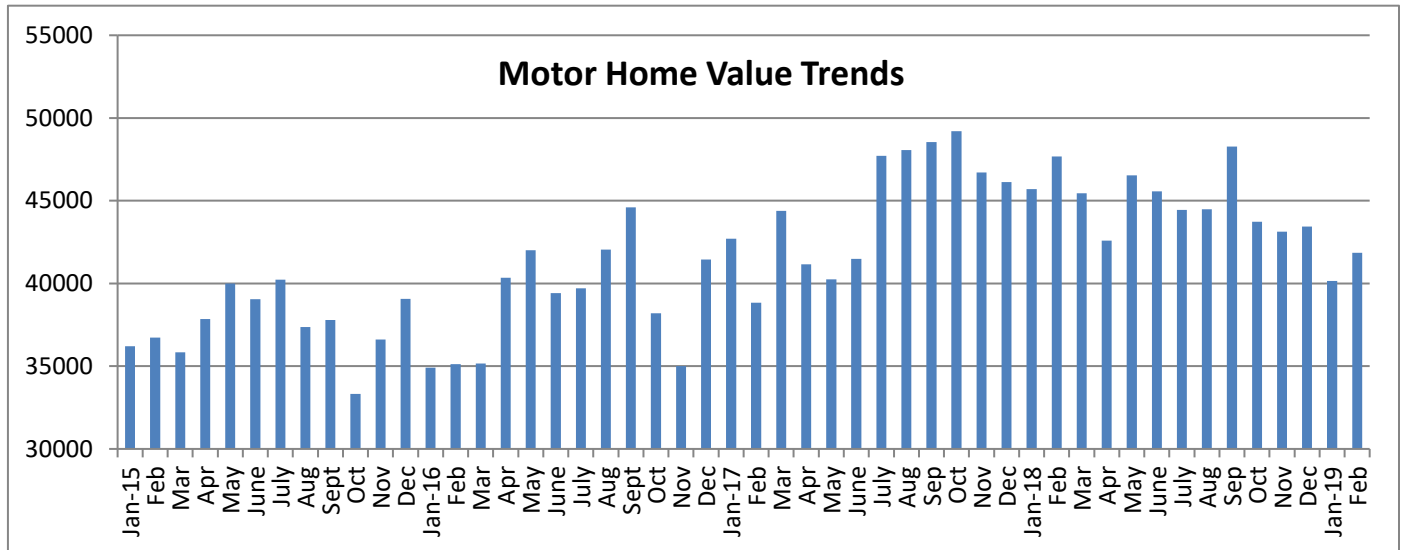
- 1965 Ferrari 275 GTB Coupe \$2,200,000 (RM Sotheby's)
- 1966 Shelby Cobra 427 Roadster \$1,800,000 (RM Sotheby's)
- 2015 McLaren P1 Coupe \$1,500,000 (RM Sotheby's)
- 2015 Porsche 918 Spyder \$1,187,500 (RM Sotheby's)
- 1930 Packard 734 Speedster \$1,765,000 (Gooding)
- 1993 Porsche 911 Carrera RS 3.8 Coupe \$1,132,000 (Gooding)
- 2011 Porsche 911 GT3 RS 4.0 Coupe \$582,000 (Gooding)
- 1930 Cadillac Series 452 Fleetwood Roadster \$1,187,000 (Bonhams)
- 1913 Mercer Type 35J Raceabout Roadster \$896,000 (Bonhams)
- 1998 Porsche Ruf 911 Turbo R Coupe \$626,500 (Bonhams)

RV Volume At Auctions Picks Up As Spring Arrives

“Now that spring is finally here, dealers are seeing an increase in floor traffic on their lots and strong interest at shows. We have noted an uptick in volume for the second month in a row at the wholesale auctions as dealers continue to fill out their inventories. Auction prices are mixed, with motorized units adding a little more than \$1,500, while towables dipped slightly. We expect towable values to firm up as the weather continues to improve.”

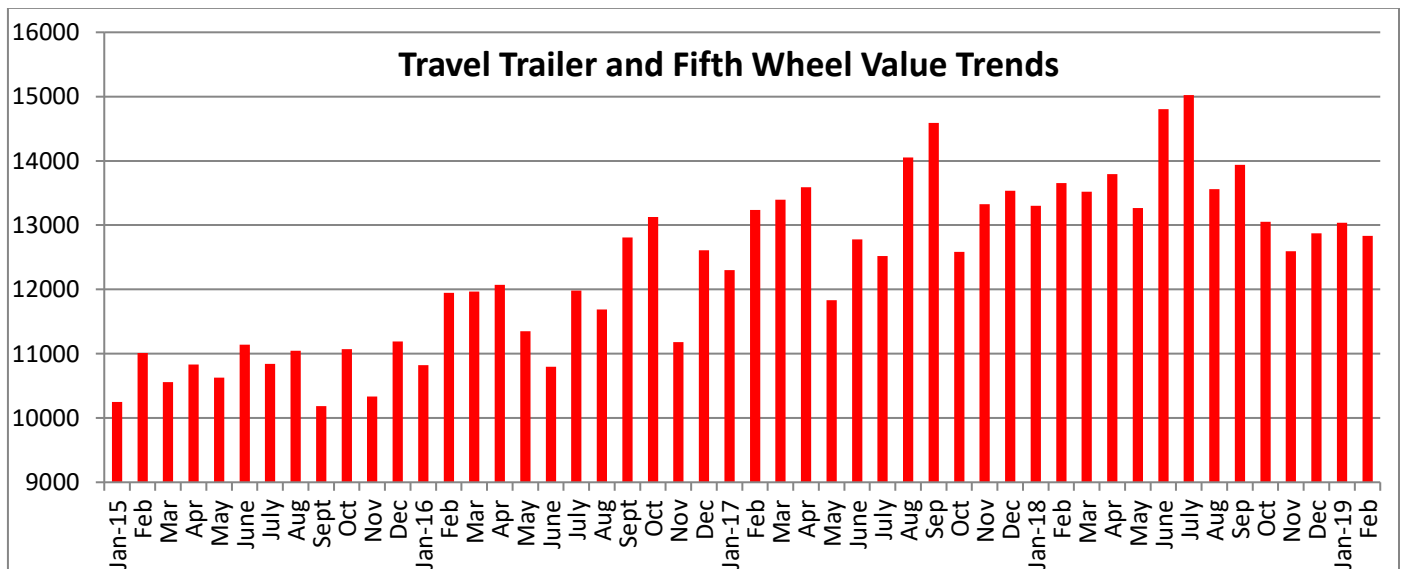


Eric Lawrence, Principal Analyst - Specialty Markets



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

- Average selling price was \$41,846, up \$1,688 (4.2%) from the previous month.
- One year ago, the average selling price was \$47,682.
- Auction volume was up 9% from the previous month. The average model year was 2012.



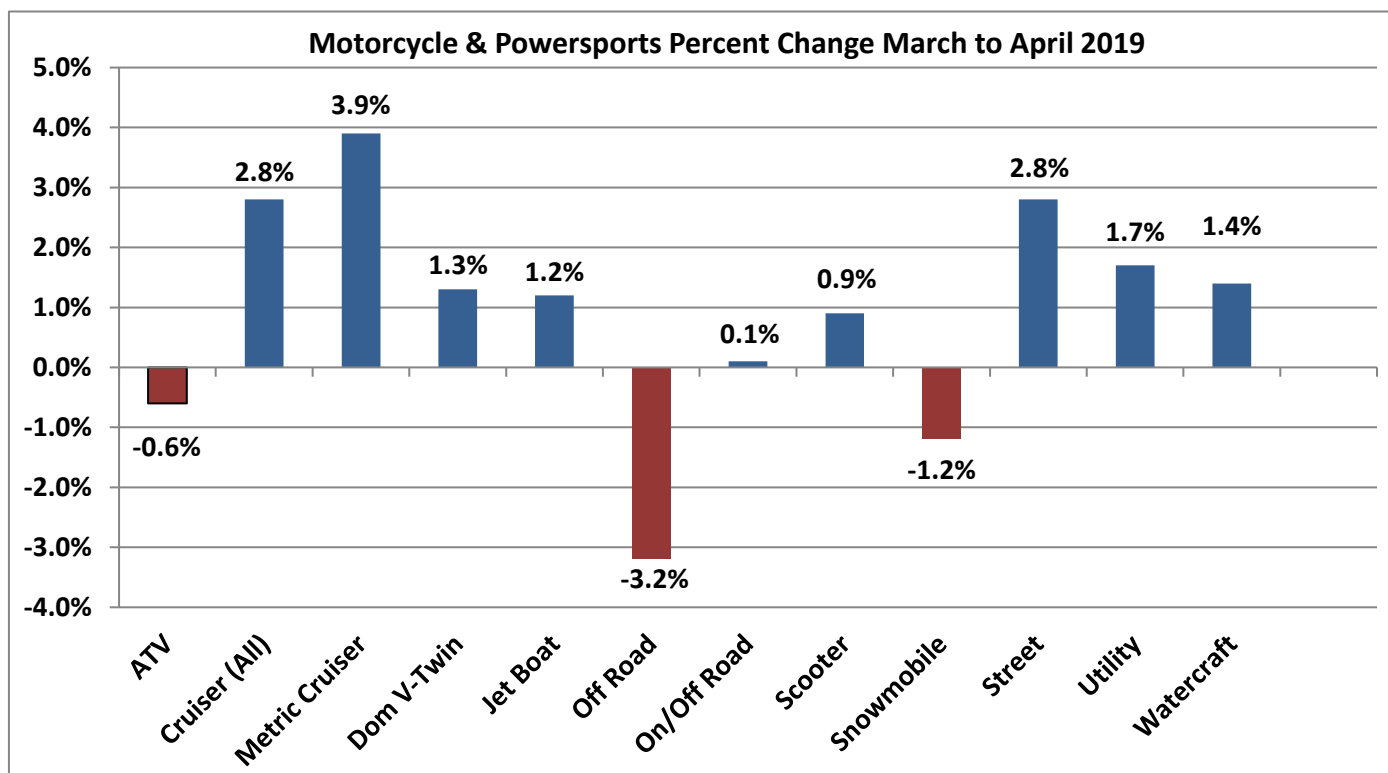
For Towables (including Travel Trailers and Fifth Wheels)

- Average selling price was \$12,832, down \$203 (1.5%) from the previous month.
- One year ago, the average selling price was \$13,655.
- Auction volume was up 7% from the previous month. The average model year was 2010.

Powersports Market Beginning To Warm Up

“Entry-level, affordable, and mid-range units lead the way as the Powersports market enters spring. Warmer weather has brought most segments of the market significant increases in value, which is a welcome development as the retail selling season is upon us.”

Scott Yarbrough, Senior Analyst - Motorcycle & Powersports

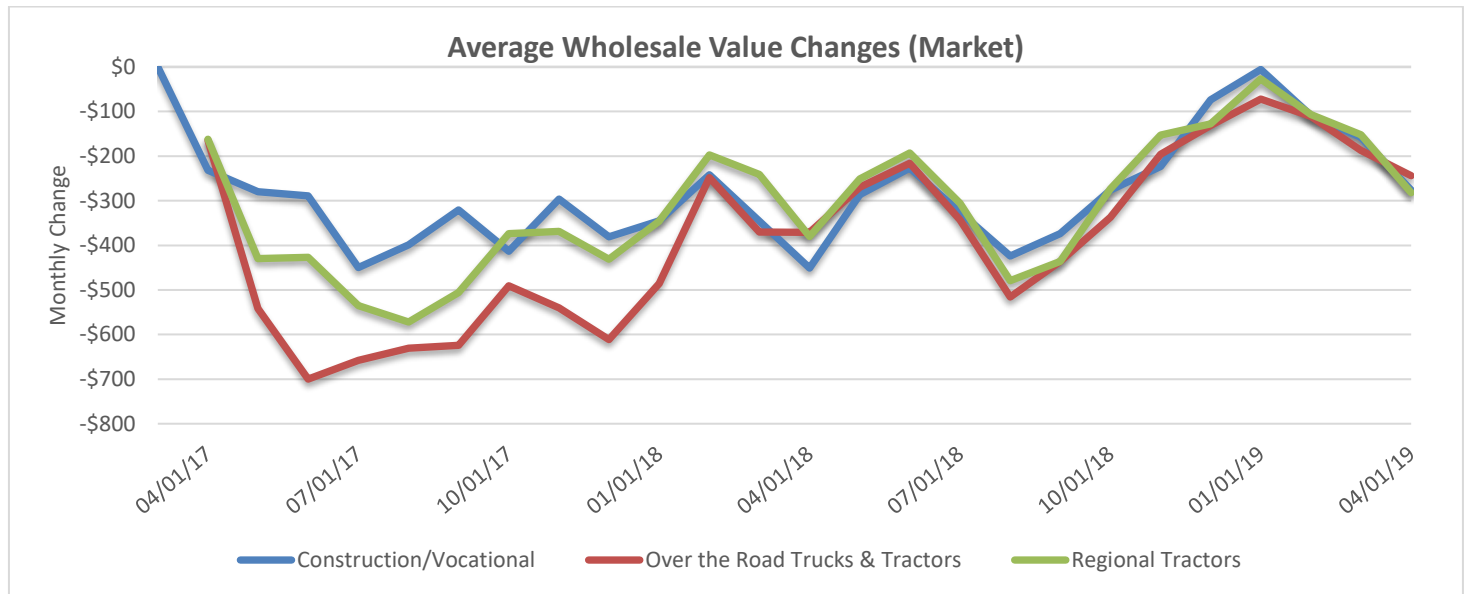


- Metric cruisers and street bikes see some of the largest month to month changes we have observed in a while. Metric cruisers are up nearly 4 percent, while the street bikes are up a similarly healthy 2.8 percent.
- The domestic V-Twin cruisers are up as well, but by about half as much as their metric counterparts, and within the segment, smaller bikes are outperforming the larger touring units.
- Metric cruisers, street bikes, and the smaller to medium sized V-Twins all share one thing in common: they are cheaper than their larger heavy cruiser and touring class brethren. This part of the market has been relatively stronger value retention wise for a while now, which is likely a result of changing demographics from the baby boomers beginning to age out of the market.
- For the off-road segments, which have not fared too well recently, it is a bit of a mixed bag. The dirt bikes are down 3.2%, while the ATVs are seeing a minor drop, and the utility vehicles are up nearly 2%. Snowmobiles have started to head south value wise, having never shown much strength this winter. The watercraft and jet boat segments are each up, but by fairly modest amounts.

Largest Depreciation in Many Months for Most Truck Segments

“As more Over the Road Trucks dropped in wholesale value, a few others held their own while a couple actually went up.”

Charles Cathey – Senior Analyst



- We are beginning to see a trend of trucks staying in service longer than we have seen in the past.
- As more and more veteran units come into the market with higher miles and more wear and tear than the supply of past years, average depreciation is increasing.
- With the average supply of units reaching rougher conditions, the market is starting to look more volatile.

| DATE | Construction/Vocational | | | Over the Road Trucks & Tractors | | | Regional Tractors | | | MODEL YEARS |
|----------|-------------------------|-----------|----------|---------------------------------|-----------|----------|-------------------|-----------|----------|-------------|
| | Value | \$ Change | % Change | Value | \$ Change | % Change | Value | \$ Change | % Change | |
| 04/01/19 | 95,388 | -727 | -0.8% | 77,610 | -946 | -1.2% | 68,052 | -840 | -1.2% | 2016-2017 |
| 03/01/19 | 96,115 | -264 | -0.3% | 78,556 | -537 | -0.7% | 68,892 | -361 | -0.5% | 2016-2017 |

- 2016-2017 HD Construction/Vocational segment decreased an average of \$727 (0.8%) in March, compared to the average drop of \$264 (0.3%) in February.
- 2016-2017 HD Over the Road Tractor segment dropped an average of \$946 (1.2%) in March, compared to the average drop of \$537 (0.7%) in February.
- 2016-2017 HD Regional Tractor segment dropped an average of \$840 (1.2%) in March, compared to the average depreciation of \$361 (0.5%) in February.

| DATE | Construction/Vocational | | | Over the Road Trucks & Tractors | | | Regional Tractors | | | MODEL YEARS |
|----------|-------------------------|-----------|----------|---------------------------------|-----------|----------|-------------------|-----------|----------|-------------|
| | Value | \$ Change | % Change | Value | \$ Change | % Change | Value | \$ Change | % Change | |
| 04/01/19 | 48,904 | -276 | -0.6% | 33,843 | -244 | -0.7% | 26,252 | -282 | -1.1% | 2008-2015 |
| 03/01/19 | 49,180 | -158 | -0.3% | 34,087 | -187 | -0.5% | 26,534 | -152 | -0.6% | 2008-2015 |

- 2008-2015 HD Construction/Vocational segment dropped an average of \$276 (0.6%) in March, compared to the \$158 (0.3%) average depreciation in February.
- 2008-2015 HD Over the Road Tractor segment dropped an average of \$244 (0.7%) in March, compared to \$187 (0.5%) average depreciation in February.
- 2008-2015 HD Regional Tractor segment dropped an average of \$282 (1.1%) in March, compared to the average drop of \$152 (0.6%) in February.

Increased Depreciation on Medium Duty Units Since January

"Auction prices continue a downward trend as demand slows and new and used inventory increases."

Josh Giles - Principal Automotive Analyst

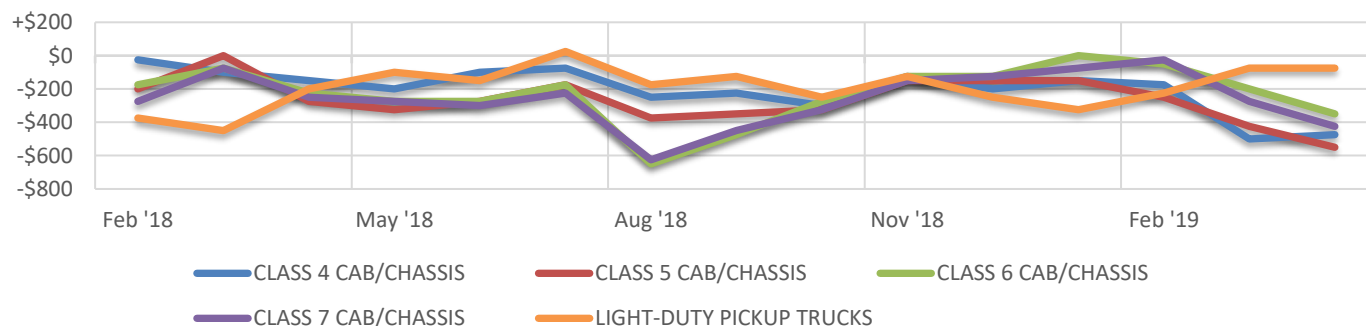


| DATE | Medium Duty | | | MODEL YEARS |
|----------|-------------|-----------|----------|-------------|
| | Value | \$ Change | % Change | |
| 04/01/19 | 48,406 | -463 | -0.9% | 2016-2017 |
| 03/01/19 | 48,975 | -319 | -0.6% | 2016-2017 |

| DATE | Medium Duty | | | MODEL YEARS |
|----------|-------------|-----------|----------|-------------|
| | Value | \$ Change | % Change | |
| 04/01/19 | 21,015 | -285 | -1.3% | 2008-2015 |
| 03/01/19 | 21,301 | -136 | -0.6% | 2008-2015 |

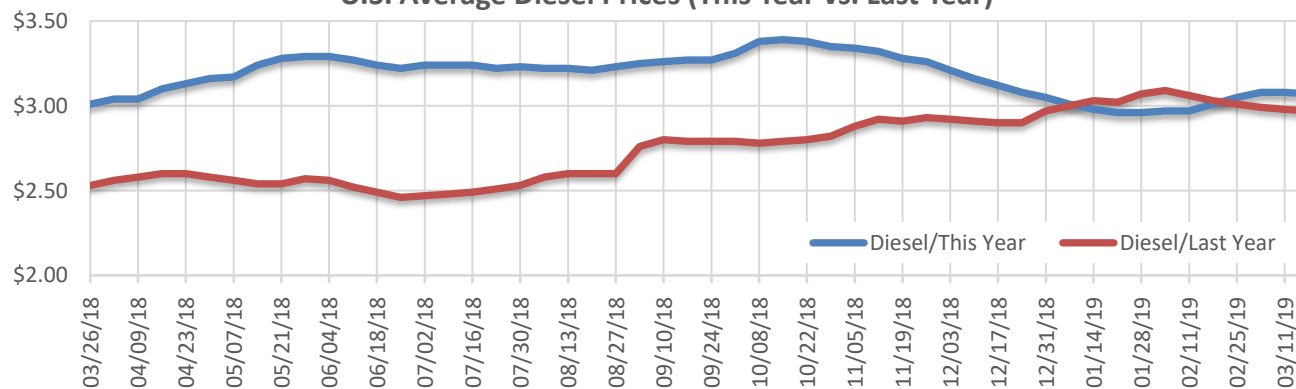
- Late Model Units (2016 – 2017) dropped an overall weighted average of \$463 (-0.9%) in March. This is \$144 more than last month's adjustment of \$319 (0.6%) and the largest downward adjustment for this segment since September of last year.
- Older Models (2008 – 2015) dropped an overall weighted average of \$285 (1.3%) in March, which is the largest monthly depreciation seen since August of last year.

CHANGES IN WHOLESALE VALUE MODEL YEARS 2014 TO 2016



- The Light-duty truck segment stabilized during March mostly due to the increased demand normally seen during the spring market.
- Auction prices over the past couple of months have continued a downward trend as demand in many areas has leveled off, while new and used supply continue to increase.
- Units in Classes 6 through 7 have increased in depreciation since the first of the year and we expect this trend to continue for the next couple of months as new inventory is also helping keep downward pressure on the market.
- Fuel prices are also taking a negative turn as prices have increased \$0.06 (0.10%) in just four weeks.

U.S. Average Diesel Prices (This Year vs. Last Year)



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