JUNE 2024 COMMERCIAL VEHICLE MARKET UPDATE

SUMMARY

Auction volume and pricing in May 2024 was little changed for the third consecutive month. Retail volume recovered April's loss, with pricing moderately lower.

CLASS 8 AUCTION UPDATE

Auction volume of Class 8 sleeper tractors in May was very similar to April, which is typical. On a mileage-adjusted basis, pricing for these trucks changed very little. The market was more evenly weighted between low, average and high-mileage trucks than any other month this year.

Looking at late-model sleeper tractors, average pricing for our benchmark truck in May was:

- Model year 2021: $46,797; $3,376 (6.7%) lower than April
- Model year 2020: $35,246; $2,813 (8.7%) higher than April
- Model year 2019: $28,698; $1,949 (7.3%) higher than April
- Model year 2018: $29,083; $9,782 (50.7%) higher than April

The unusual jump in average price of model-year 2018 trucks was due mainly to a more favorable mix of specs in the dataset, which is unusual to see month over month and, therefore, not a parameter for which we adjust. Otherwise, in May, selling prices for four- to six-year-old sleepers were essentially unchanged for a third consecutive month, bringing 1.3% more money on average than April, and 1.8% more than March. Values for this age group are still about 7% lower than the strong pre-pandemic period of 2018 in nominal figures, or about 23% lower if adjusted for inflation. Current pricing is about 43% higher than the last market nadir in late 2019, or about 18% higher if adjusted for inflation. Depreciation in 2024 is averaging 4.3% per month. Pricing is now halfway between 2018 (strong) and 2019 (weak) levels in real numbers.

Capacity utilization still points to an oversupplied market. Spot and contract freight rates remain below 2019 in real numbers, although spot appears to have stabilized. May results, like April, are somewhat stronger than expected. For now, buyers seem content with pricing in the current supply/demand environment.

Volume of the Three Most Common Sleeper Tractors (3- to 7-Year-Old) Sold Through the Two Largest Nationwide No-Reserve Auctions

Source: J.D. Power Valuation Services
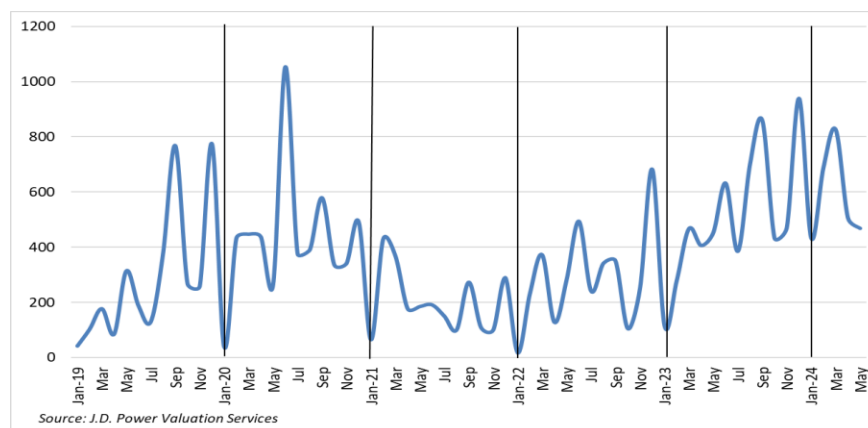
Average Auction Hammer Price: 3- to 6-Year-Old Benchmark Sleeper Tractor (Nominal Numbers)
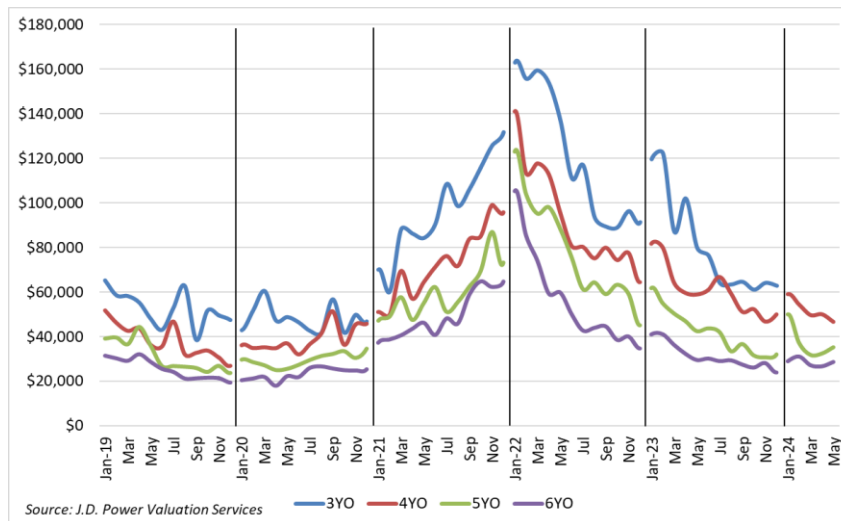
CLASS 8 RETAIL UPDATE

Retail sales volume ticked up in May after a disappointing April, and month-over-month depreciation was in line with the historical average.

Overall, the average sleeper tractor retailed in May 2024 was 71 months old, had 438,344 miles and brought $59,760. Compared with April, this average sleeper was one month newer, had 13,912 (3.1%) fewer miles and brought $745 (1.2%) less money. Compared with May 2023, this average sleeper was one month newer, had 32,888 (7.0%) fewer miles and brought $12,304 (17.1%) less money.

May's average pricing for late-model trucks was as follows:

- Model year 2023: $130,115 $7,263 (5.3%) lower than April
- Model year 2022: $94,882; $485 (0.5%) lower than April
- Model year 2021: $71,885; $2,658 (3.6%) lower than April
- Model year 2020: $52,415; $3,453 (6.2%) lower than April
- Model year 2019: $42,809; $715 (1.6%) lower than April
- Model year 2018: $31,253; $3,020 (8.8%) lower than April

Three- to five-year-old sleeper tractors brought 2.9% less money in May 2024 than April, and 16.9% less than May 2023. Late-model sleepers are bringing money comparable to the last strong pre-pandemic period of early 2019 in nominal dollars, or about 19% less when adjusted for inflation. Compared with the last weak pre-pandemic period, late-model sleeper values are running 24% higher in nominal dollars or essentially equal money in real dollars. Depreciation in 2024 is averaging 2.8% per month, which is historically typical.

Our sample set of daycabs saw a substantial decrease in selling price in May compared with April, which was unexpected and illogical. For now, we attribute the decline to an unfavorable mix of models and specs in the dataset, and we expect June's result to recover this loss. Specifically, late-model daycabs brought 15.7% less money in May than April. Compared with May 2023, this segment brought 17.4% less money. May's unusual result pushed this year's average monthly depreciation to 3.2%.

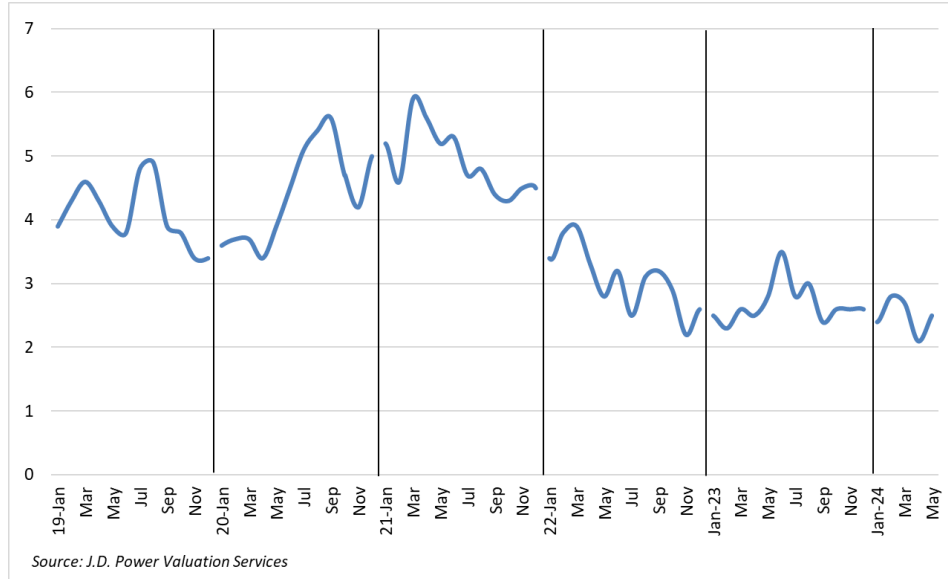Average Retail Selling Price: 3- to 5-Year-Old Sleeper Tractors, Adjusted for Mileage (Nominal Numbers)
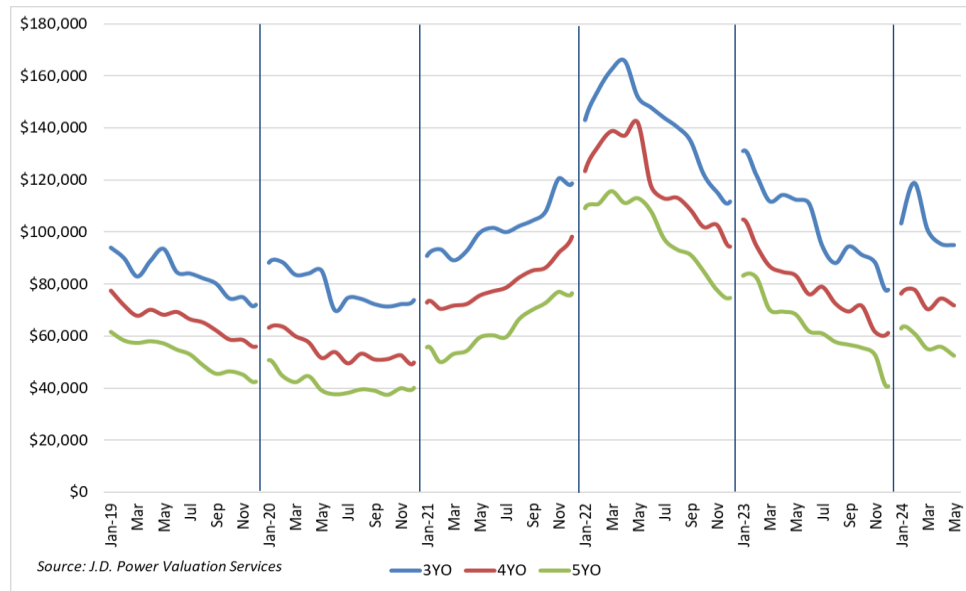
Avg. Retail Selling Price: 4- to 6-Year-Old Aerodynamic Sleepers and Daycabs, Adj. for Mileage (Nominal Numbers)
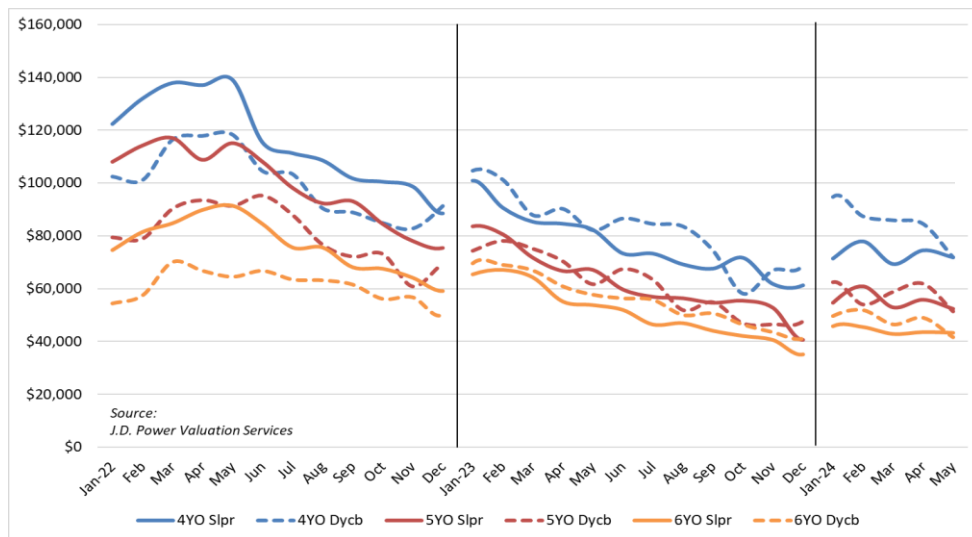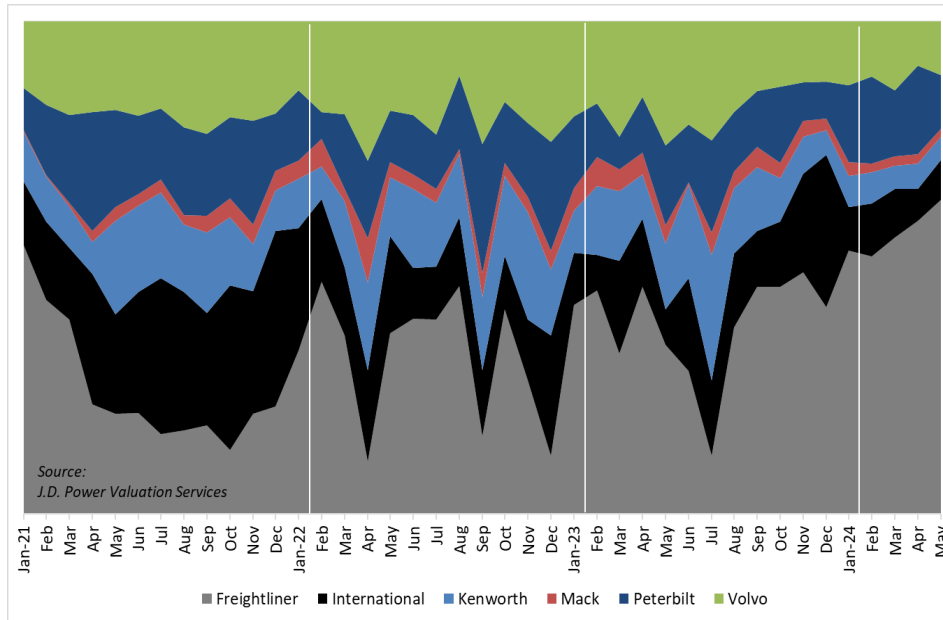

May's retail sales volume recovered most of the loss from April, averaging 2.5 trucks per rooftop. This figure is 0.4 truck higher than April, and in line with volumes seen since the market correction began in mid-2022. At this point, we consider April's drop an anomaly.

Market trends that begin in the auction channel generally take about three months to show up in the retail channel. If that rule of thumb holds true, retail pricing should be stabilizing as we speak. However, the market in general is still defined by oversupply, and the traditional retail buyer is facing a difficult lending and insurance environment. The worst of the correction is behind us, but pricing pressure is still more downward than upward.

Number of Trucks Retailed per Dealership Rooftop

Source: J.D. Power Valuation Services

Relative Proportion of Retail Sales Reported by OEM (3- to 5-Year-Old Sleeper Tractors)

*Source:
J.D. Power Valuation Services*

Legend: ■ Freightliner ■ International ■ Kenworth ■ Mack ■ Peterbilt ■ Volvo

This monthly update is a broad and general sample of J.D. Power analytical capabilities. For information about our valuation products, residual forecasting, make and model benchmarking, raw data and other services, contact Chris Visser at chris.visser@jdpa.com, visit our website at jdpowervalues.com or download our MarketValues app.