



“Broader declines seen in the market last week as segments with larger declines included sub-compact cars, sporty cars, mid-size crossovers and full-size pickups.”

Anil Goyal, Senior Vice President of Automotive Valuation and Analytics



Model Years: 2008-2014, Volume Weighted Wholesale Average Values, Weekly Change from 9/23/16 to 9/30/16

Full-Size Pickups Start to Show Higher Decline

- Volume-weighted, overall car values decreased by 0.57% last week. This is lower than the average depreciation rate of 0.66% seen in the previous four weeks.
- In car segments, Sporty Cars, Prestige Luxury Car and Compact Car segments declined the most, dropping by 1.20%, 0.99% and 0.82%, respectively.
- Volume-weighted, overall truck values decreased by 0.58% last week. This is higher than the average depreciation rate of 0.43% seen in the previous four weeks.
- In truck segments, Full-Size Van, Mid-Size Crossover/SUV and Full-Size Pickup segments declined the most, dropping by 1.02%, 0.75% and 0.74%, respectively.

Sentiment from the Auction Lanes

Our editors and personnel attend about 60 auctions every week across the country to provide key insights:

“Lots of no-sales today, seems like the market has slowed down some.”

David from TX

“Not a good consignment here today and dealers were slow to buy anything but overall still a decent sale.” Doug from TN

“The market trend here is still steady and prices still a bit on the higher side.”

Frank from AZ

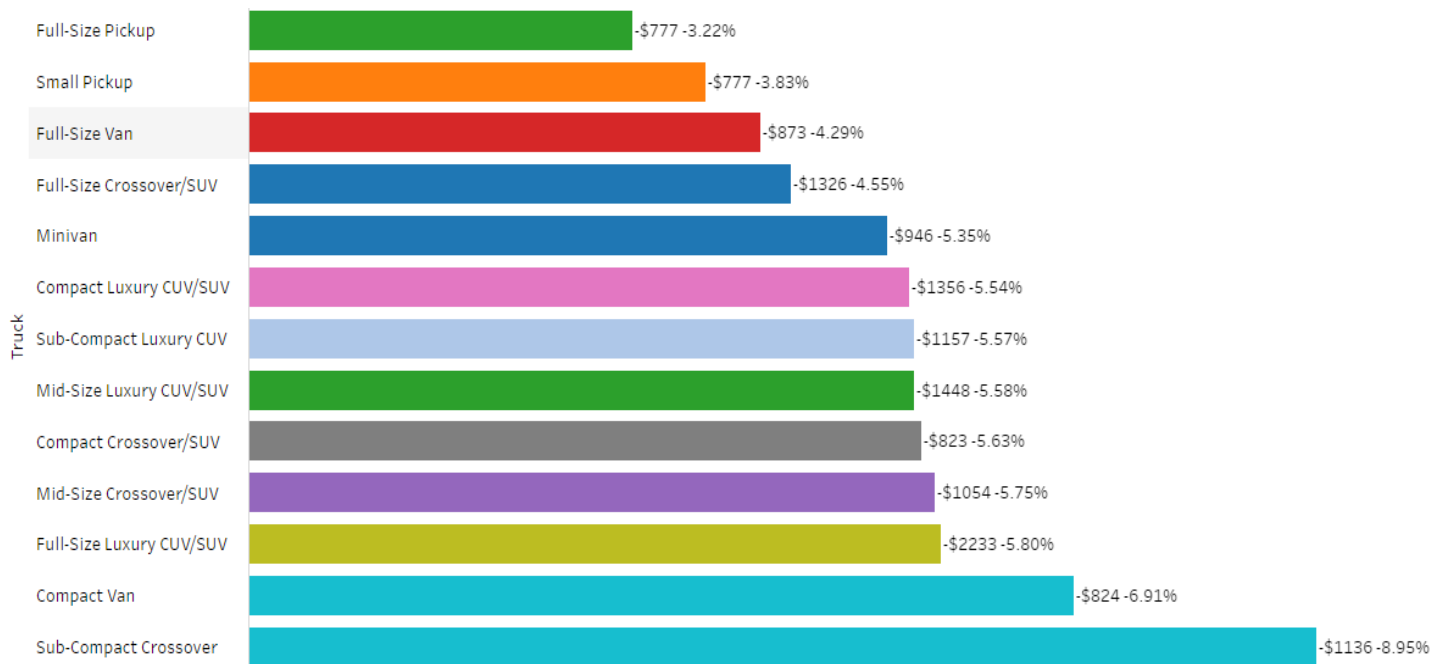
“Prices down a little but trucks and SUV’s still leading demand in this location.” Jim from WA

“Demand seemed to be on anything \$10,000 or less in today’s auction.” Gene from PA

“Buyers said they were being selective with purchases today.” Richard from FL



Quarterly Depreciation in Truck Segments (7/1/16-10/1/16)



Overall, depreciation in trucks performed better than cars last quarter. Full-Size Pickup was the best performing segment with 3% quarterly depreciation. Sub-Compact Crossover was the worst performing segment with 8% quarterly depreciation.

Vehicle Highlight



2017 Volkswagen Jetta has a Base MSRP of \$18,715 including destination charge. Trim levels include S, SE, SEL and GLI. The base engine is a 150-hp 1.4-liter turbo; a 170-hp 1.8-liter turbo is standard with the SEL. A 2.0-liter turbo is standard in the hot-rod GLI. Close competitors include Mazda 3, Honda Civic, Chevrolet Cruze, Hyundai Elantra, Ford Focus and Kia Forte.

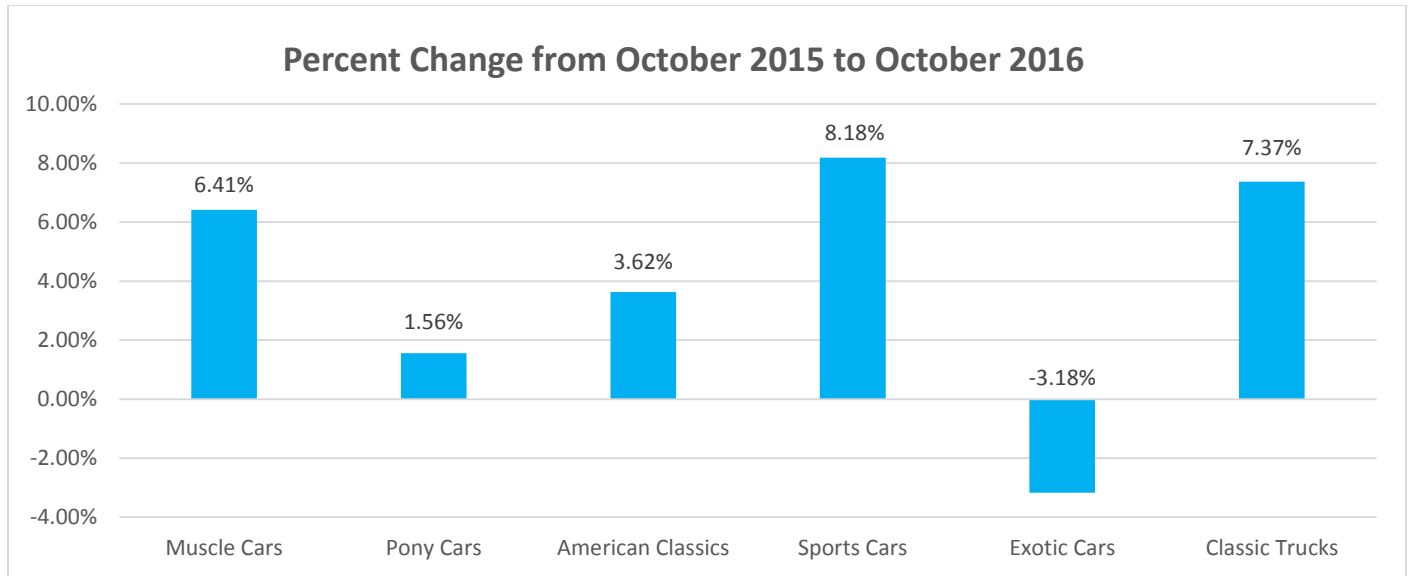
This week’s report includes our **Monthly Edition Supplement on Specialty Markets**.

Collectible Auctions Continue to Bring Big Money

“There were several auctions held in the weeks following Monterey, and most of them did quite well. Certainly sale prices are down a bit, especially on the exotics which had skyrocketed in the past year or so, but the best of the best, especially late model super cars, are still bringing very good money. It’s also important to note that many important collectibles are not being brought to auction by their owners while demand is considered soft.”



Eric Lawrence, Director of Specialty Markets



- RM Sotheby’s quickly followed up their Monterey sale with a very successful auction in London. Total sales came in just under \$30,000,000, and seventy-six percent of the eighty-six vehicles on offer were declared sold. One of the highlights of the sale was *The Porsche Collection*, a group of rare, low mileage, one owner cars, many of which set records. Vintage Aston Martins were also well represented and sold quite well.
- Mecum also had a quick turnaround from their Monterey sale, hosting their first ever Louisville Auction at the Kentucky Exposition Center. Total sales came in at \$13,400,000 on the sale of 440 vehicles, primarily muscle cars and American classics. Pre-auction estimates put the number of expected cars at around one thousand, so that equates to a sell through percentage of around 50%, similar to their recent results in California.



Notable Sales Include:

- 1995 Porsche 911 GT2 Coupe \$2,476,320 (RM Sotheby’s)
- 1960 Aston Martin DB4 GT \$3,226,720 (RM Sotheby’s)
- 1960 Ferrari 250 GT Cabriolet Ser II \$1,725,920 (RM Sotheby’s)
- 1963 Aston Martin DB4 Ser V Conv \$1,275,680 (RM Sotheby’s)
- 1970 Chevrolet Chevelle LS6 Conv \$280,000 (Mecum)
- 1970 Ford Boss 429 Coupe \$255,000 (Mecum)
- 2005 Ford GT Coupe \$250,000 (Mecum)
- 1989 Porsche 911 Speedster \$145,000 (Mecum)
- 1970 Pontiac GTO Judge Convertible \$132,000 (Mecum)
- 1967 Shelby GT500 Fastback \$112,500 (Mecum)

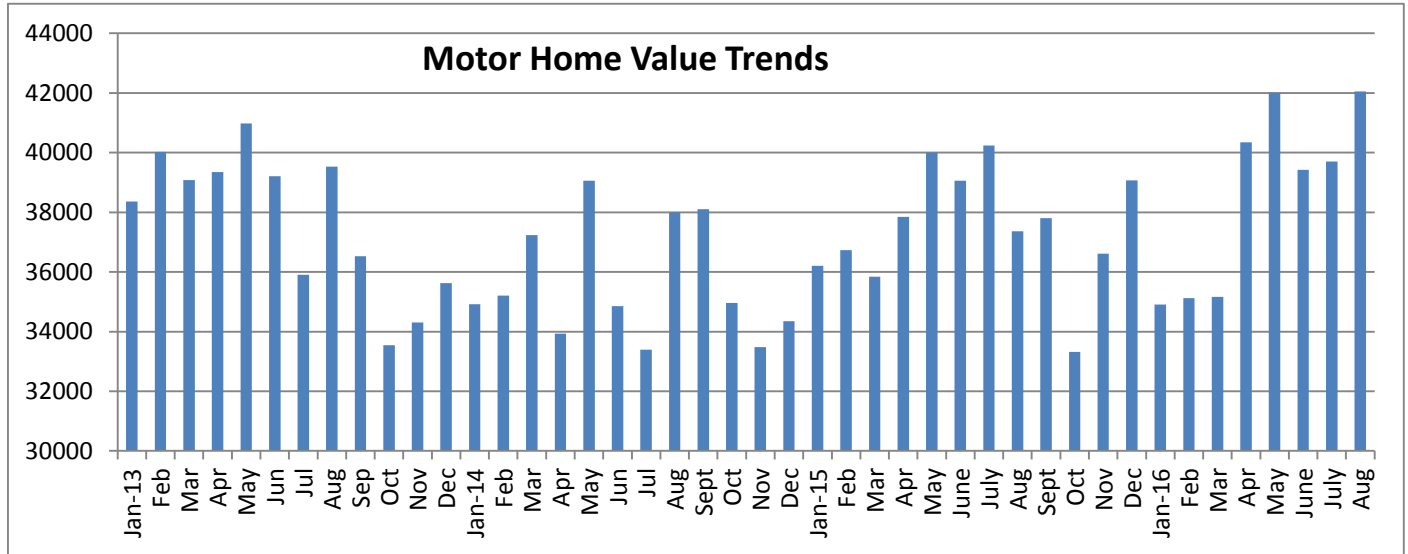
Photo Courtesy of RM Sotheby’s

Auction Values Mixed as Fall Approaches

“Last month towables made a big jump in values, and this time it was motorized’s turn. Auction volume was up substantially on the motorized side, which tells me that consigners were making every effort to move units and get them off their books as we head into fall. Sales percentages looked good across the board, and there were plenty of nice late model units for dealers to bid on. Towable volume was relatively steady from last month, as were prices.”

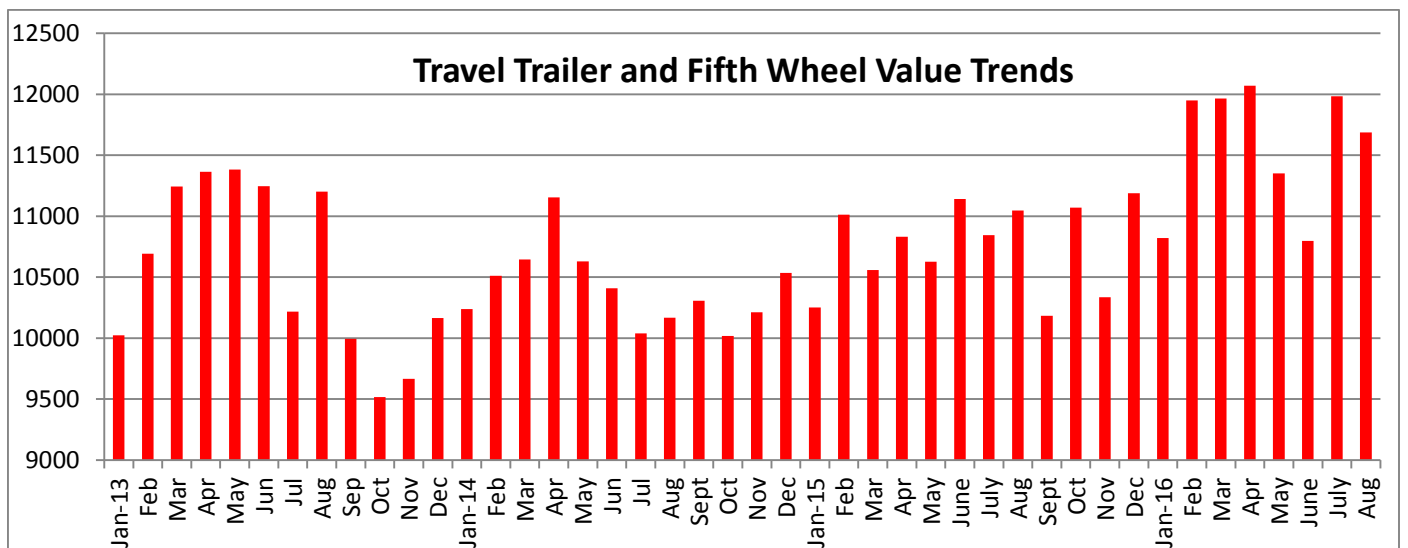


Eric Lawrence, Director of Specialty Markets



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

- Average selling price was \$42,052, up \$2,351 (5.9%) from previous month
- One year ago, the average selling price was \$37,363
- Auction volume was up 34% from previous month



For Towables (including Travel Trailers and Fifth Wheels)

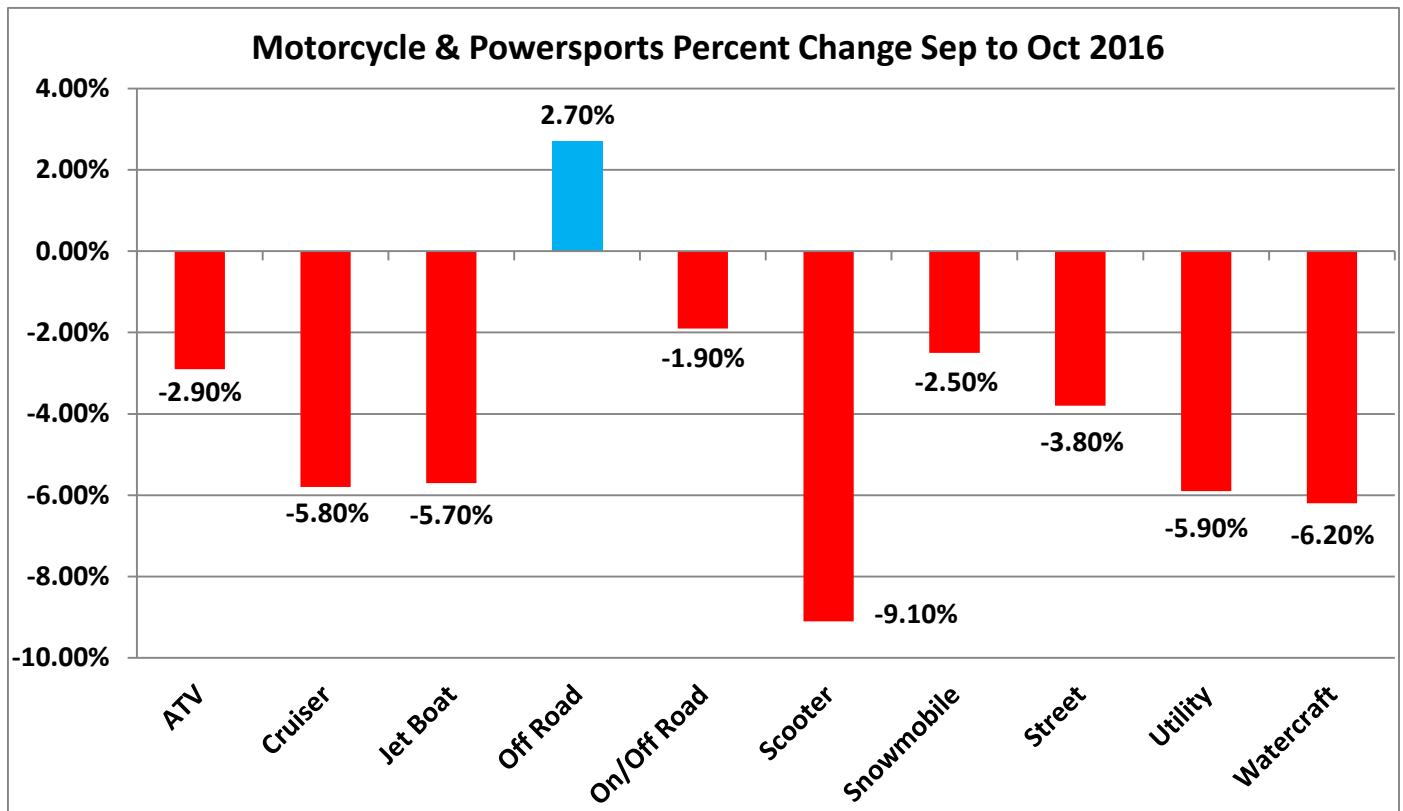
- Average selling price was \$11,688 down \$296 (2.4%) from previous month
- One year ago, the average selling price was \$11,046
- Auction volume was down 4% from previous month

Powersports Market Sees Broad Declines

“Very similar to September, most segments in the Powersports market are down again this month, but by lesser amounts in most cases. With the arrival of new models from many manufacturers, and the end of the summer riding season, prices have dropped for all of the on-road and watersport categories.”



Scott Yarbrough, Motorcycle & Powersports Editor



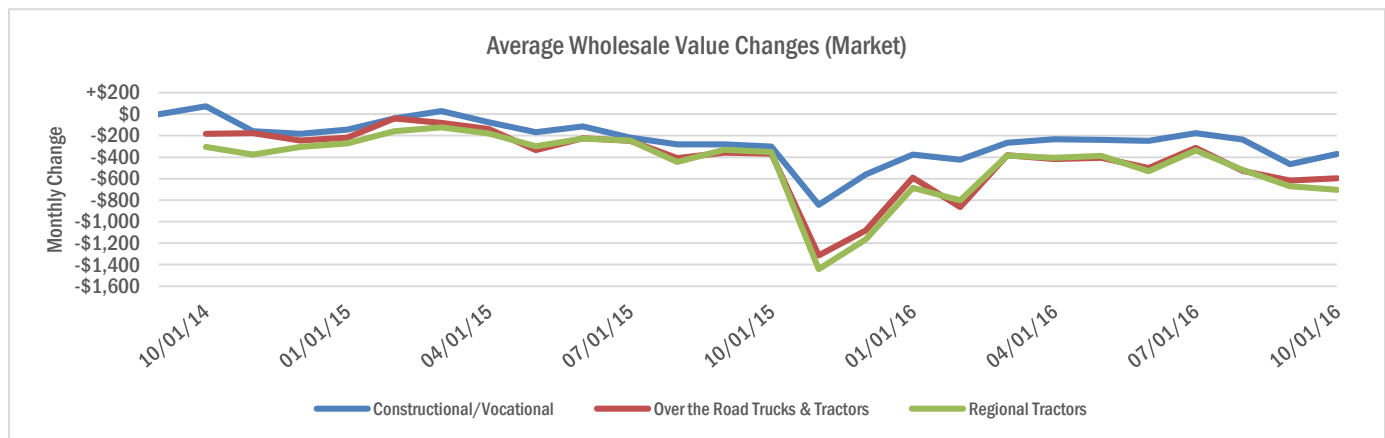
- The only segment to see increases in value this month is Off-Road bikes, which are up by 2.7%.
- ATVs are down a bit this month, with a drop of 2.9%, while the Utility Vehicles are down a more substantial 5.9%. These types of units typically perform well in the fall.
- Cruisers are down 5.8% for the entire segment, but domestic V-Twins are only down about half that amount, with a roughly 3% decrease in values.
- Snowmobiles are down a touch at -2.5%, but should start appreciating shortly as cooler weather arrives in many areas of the country.
- Scooters saw a major 9.1% drop, not completely unusual for this time of the year, as many of these units are removed from rental service at resort areas and tourist destinations at the end of summer and hit the wholesale market en-masse.

Vocational Segment Stays Strong!

“The used Long Haul and Short Haul Tractor Story remains the same. The strength of the Construction/Vocational Segments is helping stabilize the entire market.” Charles Cathey, Editor – Heavy Duty Truck Data



Depreciation for all Late Model Segments dropped across the board in September. This is much different than the trend we witnessed from August to September when Over the Road and Regional Tractor’s depreciation increased. Value retention for the older Over the Road Tractors stabilized in September, while the depreciation on Regional Tractors increased slightly. Depreciation for the older Construction/Vocational group has returned to a more normal level. However, as road and construction work increases across the country these units should level off and retain their values much better. Units needed for these construction jobs are primarily coming from the pre-emission age group. As these units become more scarce, we anticipate their values to improve.



DATE	Constructional/Vocational			Over the Road Trucks & Tractors			Regional Tractors			MODEL YEARS
	Value	\$ Change	% Change	Value	\$ Change	% Change	Value	\$ Change	% Change	
10/01/16	85,919	-734	-0.8%	72,218	-865	-1.2%	61,743	-1104	-1.8%	2014-2015
09/01/16	86,653	-898	-1.0%	73,083	-1428	-1.9%	62,847	-1586	-2.5%	2014-2015

- 2014-2015 HD Construction/Vocational segment dropped an average of \$734 (0.8%) in September compared to the average decline of \$898 (1.0%) in August.
- 2014-2015 HD Over the Road Tractor segment dropped an average of \$865 (1.2%) in September compared to the average drop of \$1428 (1.9%) in August.
- 2014-2015 HD Regional Tractor segment dropped an average of \$1104 (1.8%) in September compared to the average depreciation of \$1586 (2.5%) in August.

DATE	Constructional/Vocational			Over the Road Trucks & Tractors			Regional Tractors			MODEL YEARS
	Value	\$ Change	% Change	Value	\$ Change	% Change	Value	\$ Change	% Change	
10/01/16	43,045	-371	-0.9%	34,263	-596	-1.7%	25,676	-704	-2.7%	2006-2013
09/01/16	43,416	-466	-1.1%	34,859	-617	-1.7%	26,380	-671	-2.5%	2006-2013

- 2006-2013 HD Construction/Vocational segment dropped an average of \$371 (0.9%) in September compared to the \$466 (1.1%) in August.
- 2006-2013 HD Over the Road Tractor segment dropped an average of \$596 (1.7%) in September compared to \$617 (1.7%) average depreciation in August.
- 2006-2013 HD Regional Tractor segment dropped an average of \$704 (2.7%) in September compared to the average drop of \$671 (2.5%) in August.

Consistent Depreciation Trend



“Medium Duty trucks have depreciated at a consistent rate this past month.”

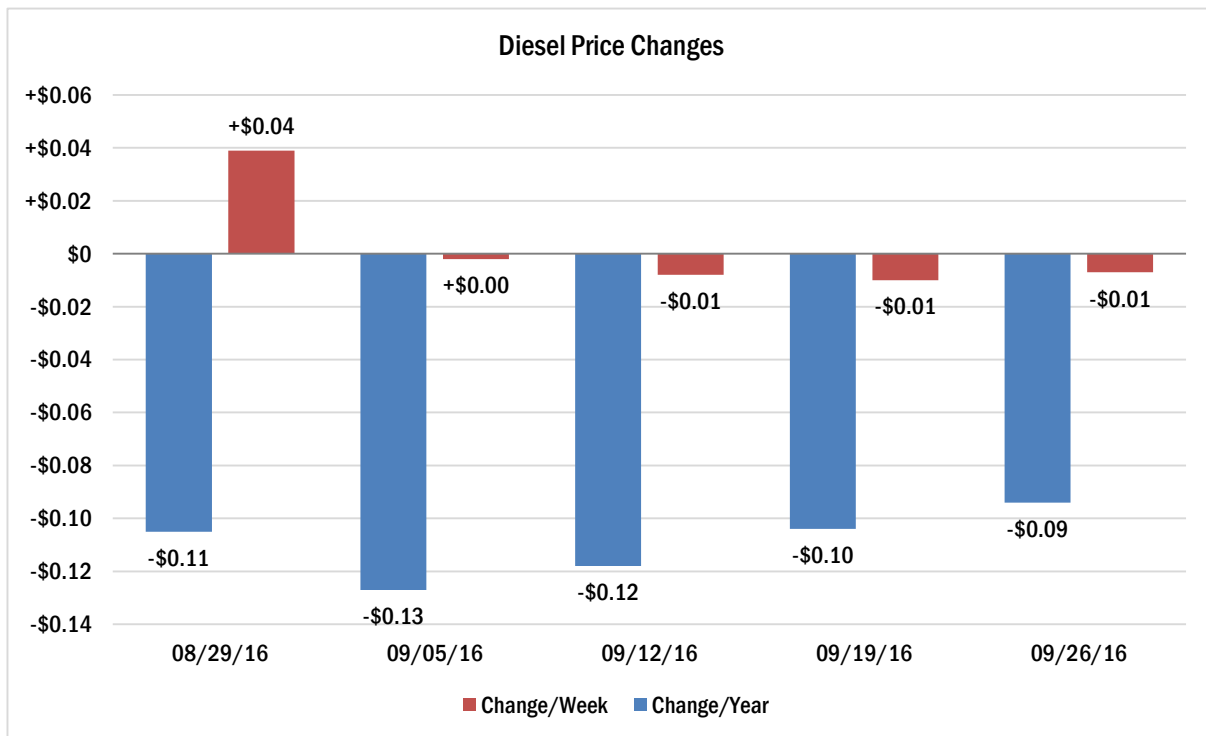
Bret Swanson, Editor – Medium Duty Truck Data

We saw both groups of trucks in the Medium Duty wholesale market decline at a very similar rate this past month as to the previous month. This past month, the 4 to 11 year old models came down on average, \$280 or 1.4%. In August, that average decline for this group was, \$289 or 1.4%. The 2 to 3 year old models dipped just a bit more this past month than the previous month. The average amount of decline was \$500 or 1.1% for September. For August, that average decline was \$478 or 1.1%.

DATE	Medium Duty			MODEL YEARS
	Value	\$ Change	% Change	
10/01/16	19,665	-280	-1.4%	2006-2013
09/01/16	19,945	-289	-1.4%	2006-2013

DATE	Medium Duty			MODEL YEARS
	Value	\$ Change	% Change	
10/01/16	44,374	-500	-1.1%	2014-2015
09/01/16	44,874	-478	-1.1%	2014-2015

Diesel prices have taken an upward turn this past month. The national average price per gallon now stands at \$2.38. This is still better than last year’s average price of \$2.49 per gallon making diesel \$.09 lower than this time last year.



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