

# The Equipment Report

---

 US Edition

October  
**2018**

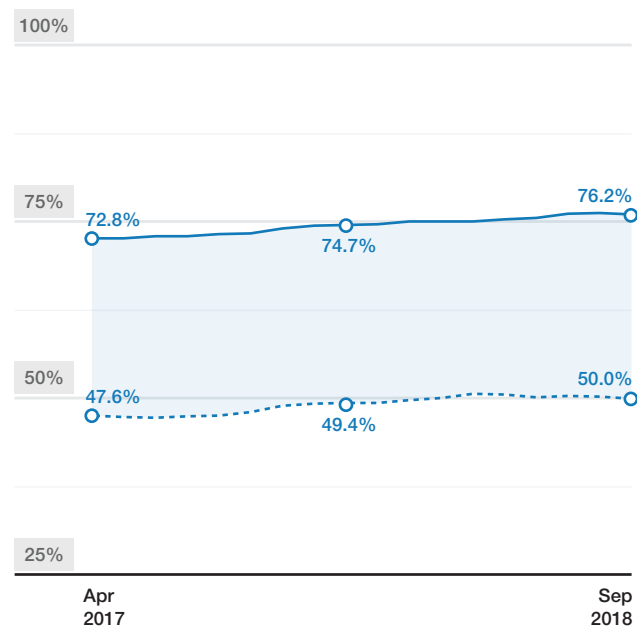


# Summary

FMV

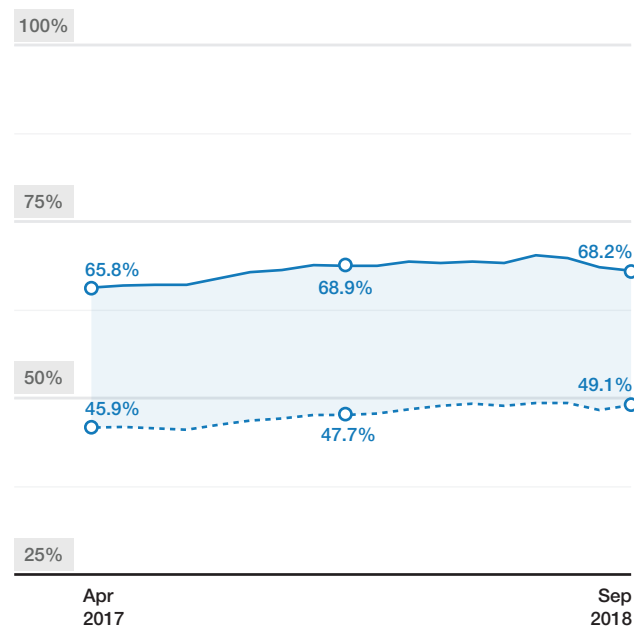
FLV

## General Construction Equipment



Both channels have shown consistent growth over the time period but flattened over the past few months.

## Heavy Earthmoving Equipment



Retail and auction values demonstrated moderate growth from 2017 through mid-2018. In the past few months Retail has demonstrated reduced value recovery in the secondary markets while Auction showed growth in the most recent month.

## Market Update

Retail and Auction used equipment values for heavy earthmoving equipment have shown softness over the past couple months. This has been driven primarily by performance of the Dozers and Wheel Loaders. General construction equipment has displayed flat performance over the recent market period.

2017 values showed sustained growth in used equipment values across both the auction and retail channels as compared to the lower market values observed in early 2016. This growth has continued into late 2018, driven by improved expectations for infrastructure spending and growing economic strength.

Since the market dropped in mid-2016, general construction equipment has recovered to peak levels within the most recent eighteen month period. This improvement has primarily been driven by Telehandlers which have shown material improvement across both the retail and auction channels. Heavy earthmoving equipment has similarly recovered since mid-2016, with both retail and auction values trending at high recovery levels.

Please see the Appendix page for value definitions, index methodology, and index constituents.

Any reproduction, distribution, modification, retransmission, or publication of any content is strictly prohibited without the express written consent of Rouse Services LLC.

# Table of Contents

**General Construction Equipment**

4

**Heavy Construction Equipment**

5

**Other Equipment**

6

**Crane Summary**

7

**Auction Results**

8

**Appendix**

9

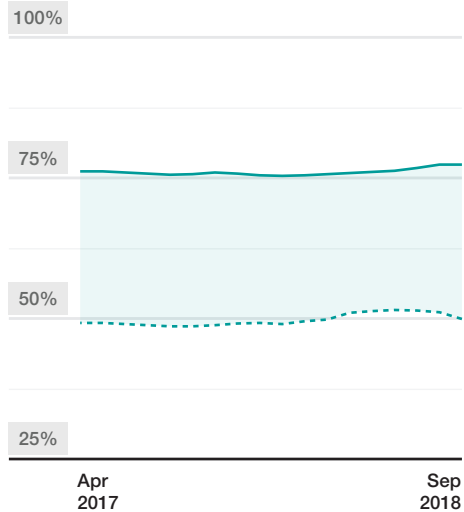
**Closing**

10

# General Construction Equipment

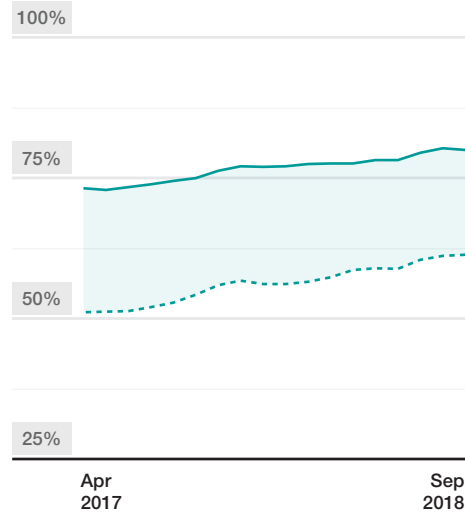
FMV Index      FLV Index

## Aerial



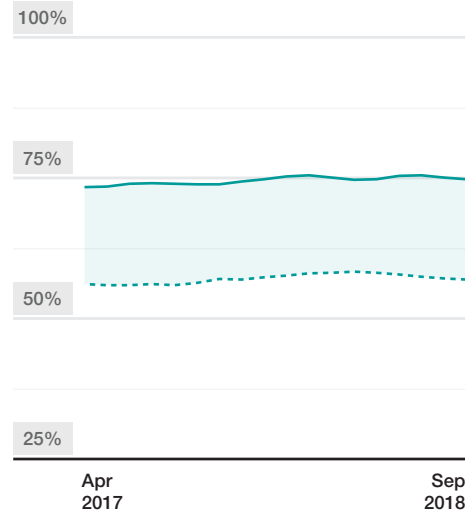
Retail values have leveled off after displaying improvement through mid-2018. Auction values have shown softness after a prolonged growth period.

## Telehandlers



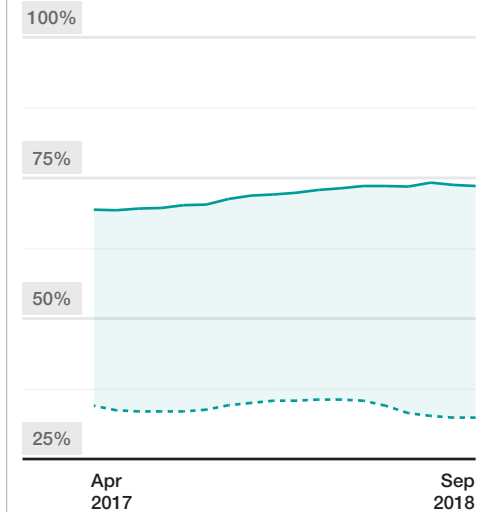
Both retail values and auction values are flat after a prolonged growth period.

## Light and Medium Earthmoving



Retail and auction values have shown an overall upward trajectory over the past 18 months, however, the most recent months are down across both channels.

## Support



Retail values have trended up over the past year but have recently shown softness, while auction values continue to dip after a flattened period.

Please see the Appendix page for value definitions, index methodology, and index constituents.

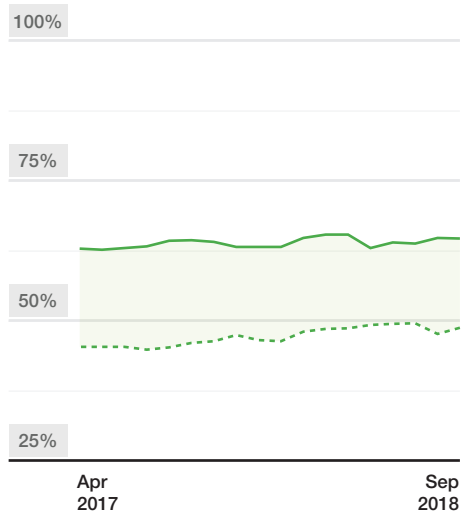
Any reproduction, distribution, modification, retransmission, or publication of any content is strictly prohibited without the express written consent of Rouse Services LLC.



# Heavy Earthmoving Equipment

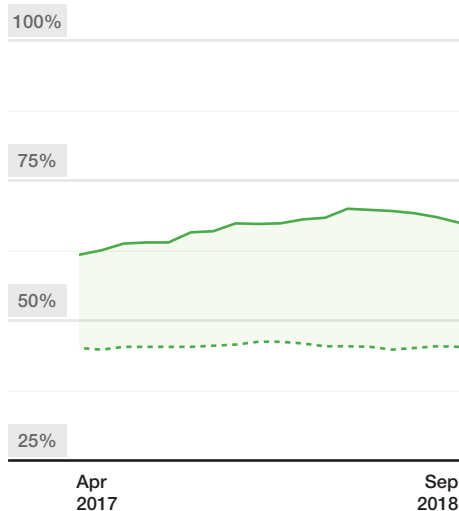
FMV Index ————— FLV Index - - - - -

## Excavators



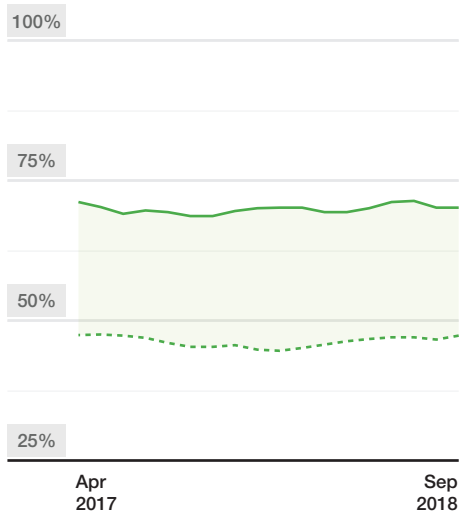
Retail values have had a stretch of period over period fluctuations, most recently showing upward movement. Auction values have shown strength in the most recent month.

## Dozers



Retail values have had a stretch of period over period declines, while auction values continue to be fairly flat.

## Wheel Loaders



Retail values are flat and auction values are slightly up after sporadic up and down movements.

## Articulated Trucks



Retail values have been down slightly for the past few months, while auction values have flattened after showing improvement over the recent market period.

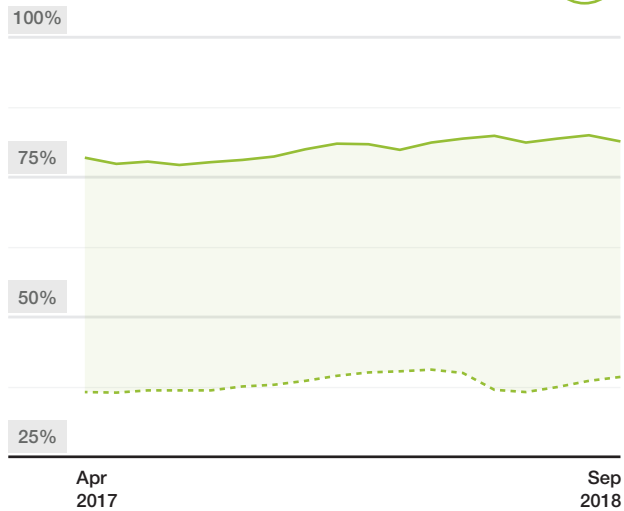
Please see the Appendix page for value definitions, index methodology, and index constituents.

Any reproduction, distribution, modification, retransmission, or publication of any content is strictly prohibited without the express written consent of Rouse Services LLC.

# Other Equipment

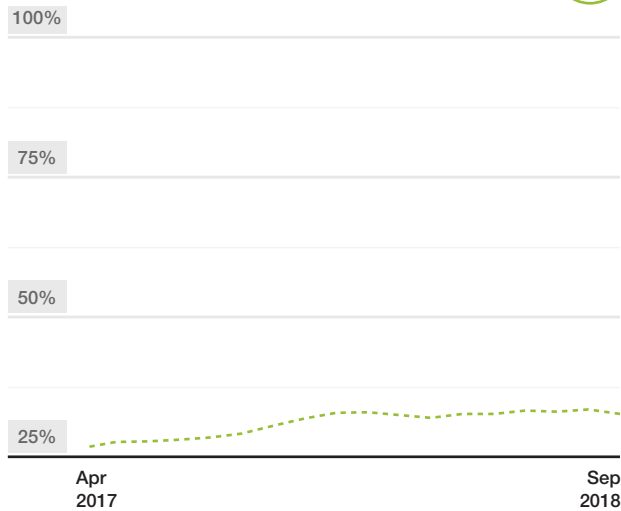
FMV Index      FLV Index

## Forklift Trucks



Retail values are down slightly after a period of growth while auction values are up over the past few months.

## Truck Tractors



Auction values are flat to slightly down, preceded by a period of steady growth pattern.

Please see the Appendix page for value definitions, index methodology, and index constituents.

Any reproduction, distribution, modification, retransmission, or publication of any content is strictly prohibited without the express written consent of Rouse Services LLC.

# Crane Summary

## Crane Market Conditions

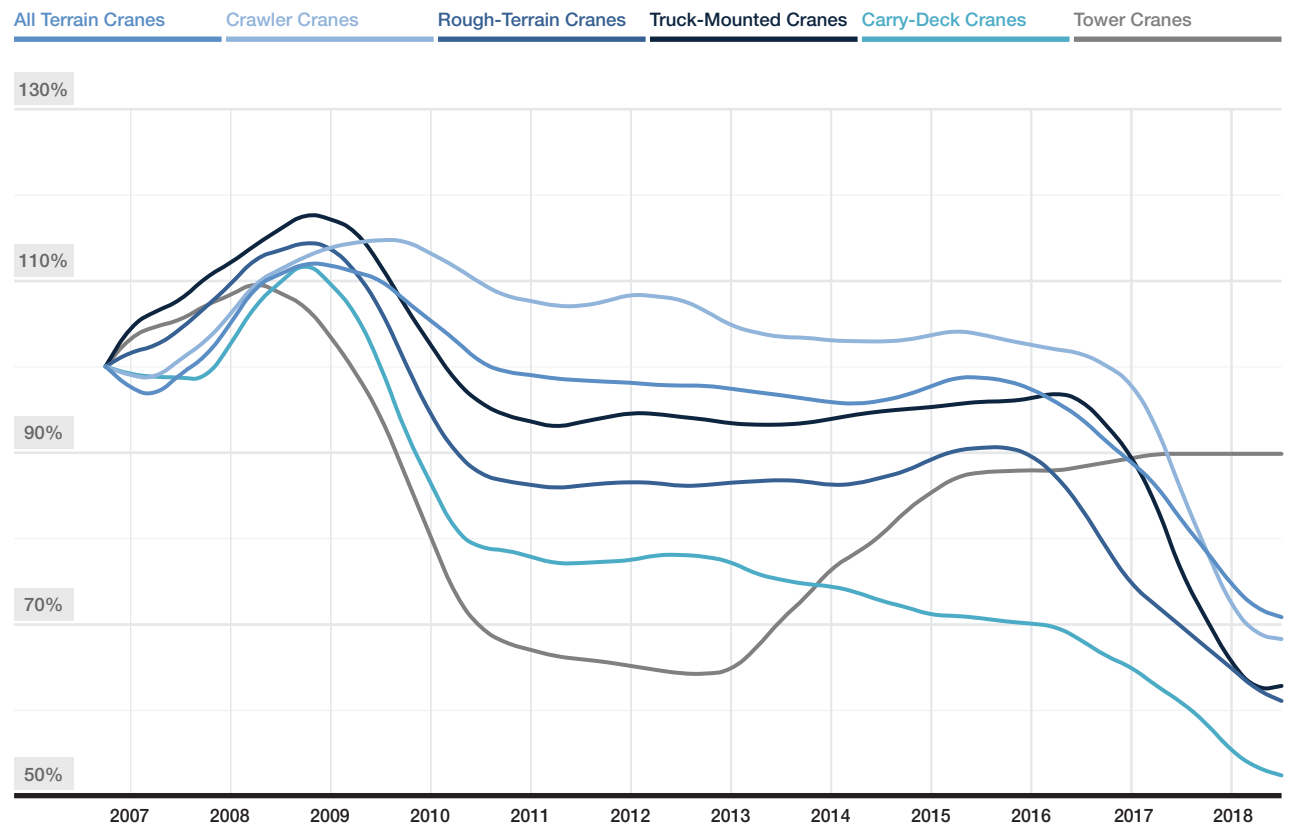
Oil price declines throughout 2014 and 2015 resulted in a substantial and prolonged downward shift in utilization and rental rate achievement for crane rental companies driven by a sharp decline in oil and gas project work. Rouse did not observe material downward pressure on equipment values for mobile cranes until 2016, and this trend accelerated throughout 2017 with weaker price achievement in the secondary markets.

Near the end of 2017 and through early 2018, crane values began to show signs of stabilization. As the year has progressed, the all-terrain, crawler, and truck-mounted categories seem to have bottomed, while rough-terrain cranes have displayed a bit of softness in the used equipment market in Q3 2018.

In Q3, crane rental companies continue to report healthy utilization for All-Terrains and Crawlers, while Rough-Terrains have continued a flat utilization trend. Manufacturers have responded to the increased demand with orders extending into 2019 and Q3 sales increases y/y, but supply chain challenges have hindered their ability to meet demand. The market also has not fully recovered on rental rate. These market drivers have contributed to used crane values appearing to have bottomed for All-Terrains and Crawlers, with Rough-Terrains showing continued weakness.

## Rouse Crane OLV Index

By Crane Type



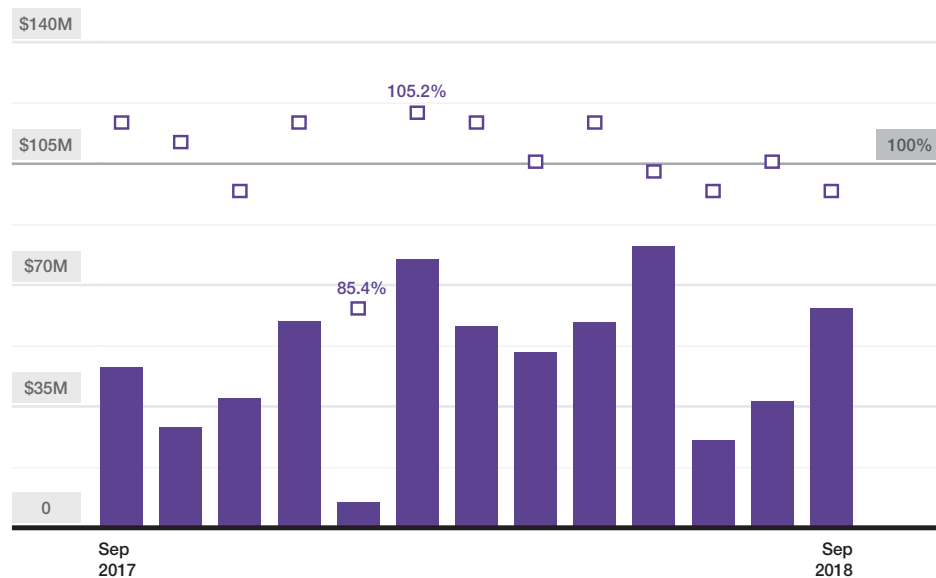
Please see the Appendix page for value definitions, index methodology, and index constituents.

Any reproduction, distribution, modification, retransmission, or publication of any content is strictly prohibited without the express written consent of Rouse Services LLC.

# Auction Results

Auction Proceeds  
FLV Recovery

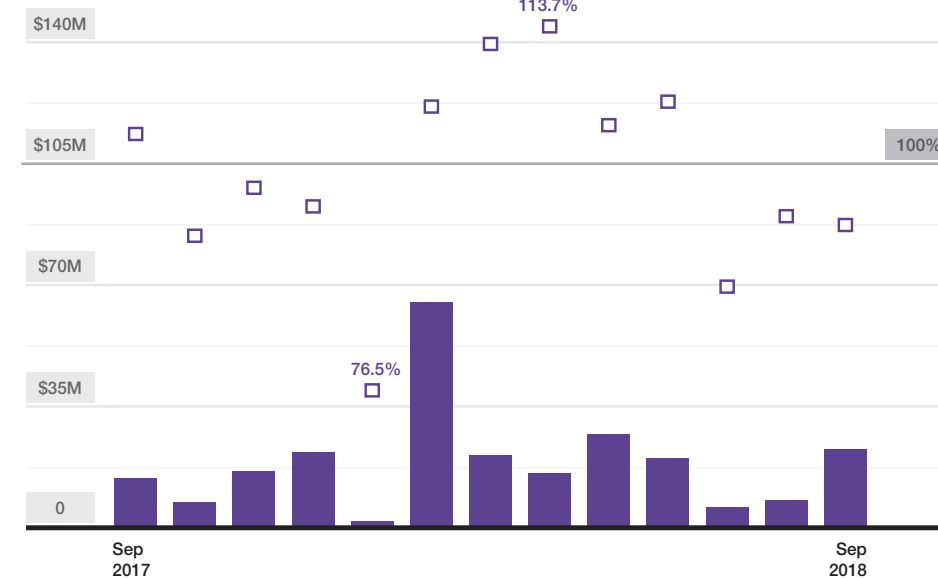
## General Construction Equipment Results



Auction values are down slightly and have been flat to low over the past few months. September displayed significant volume and increased when compared to same month year over year.

Please see the Appendix page for value definitions, index methodology, and index constituents.

## Heavy Earthmoving Equipment Results



Auction values for Heavy Earthmoving Equipment underperformed the preceding month's published values and have shown weakness after a few strong months. Volume is up significantly month over month.



# Appendix

## Glossary

**Fair Market Value (“FMV”):** A professional opinion of the estimated most probable price expressed in terms of currency to be realized for property in an exchange between a willing buyer and a willing seller, with equity to both, neither being under any compulsion to buy or sell, and both parties fully aware of all relevant facts as of the effective date of the report. Additionally, this value is not discounted for assembling, cleaning, security, advertising, brokerage, or other disposal costs, if any.

**Forced Liquidation Value (“FLV” or “AUCTION”):** The estimated gross amount expressed in terms of money that the Equipment will typically realize at a properly conducted public auction when the seller is compelled to sell as of a specific date within a 60 to 90 day period. This amount does not account for Equipment make ready costs or transportation of the Equipment to the auction site. All Equipment to be sold piecemeal, “as is where is” with the purchaser being responsible for removal of the assets at purchaser’s own risk and expense.

**Value Index:** Each monthly data point in any given value index represents the average recovery, as a percentage of cost, for ten different model years of equipment ranging from new to nine years old, with each year weighted equally.

**Chart Constituents:** Each chart represents a composite value index that is equally weighted amongst its respective constituents.

**FLV Recovery:** The FLV recovery represents the aggregate performance of individual auction sales in any given month measured against the prevailing Rouse FLVs at the time of the sale. For example, an auction sale that took place in the month of July would be compared to the Rouse FLV for the same make-model-year equipment that was effective as of June 30th.

## Equipment Index

Chart	Constituents
General Construction Equipment	Aerial   Telehandlers   Light/Medium Earthmoving   Support
Aerial	Telescopic Booms   Articulating Booms   Scissor Lifts
Telehandlers	Telehandlers
Light/Medium Earthmoving	Backhoe Loaders   0-179 HP Dozers   0-74,999 Lb Excavators   Skid Steer Loaders   0-189 HP Wheel Loaders   Track Loaders
Support	Air Compressors   Generators   HVAC   Lighting Equipment
Heavy Earthmoving Equipment	75,000+ Lb Excavators   180+ HP Crawler Dozers   190+ HP Wheel Loaders   Articulated Trucks   Motor Graders
Excavators	75,000+ Lb Excavators
Dozers	180+ HP Crawler Dozers
Wheel Loaders	190+ HP Wheel Loaders
Articulated Trucks	Articulated Trucks
Forklift Trucks	Forklift Trucks
Truck Tractors	Truck Tractors

# Closing

## About Rouse

---

Rouse is the construction equipment industry's leading information services company. We deliver the most accurate and reliable information in the rental and construction industries. Our powerful suite of services includes valuations, used equipment sales support and rental metrics benchmarking. Rouse Services provides the knowledge you need to make more informed business decisions.

## Rouse Appraisals

---

Rouse Appraisals provides rental companies, construction equipment dealers, and their investors and lenders with the most accurate appraisals and equipment valuation information available. On an annual basis, Rouse Appraisals values approximately \$40 billion of equipment, tracks more than 30,000 unique make / models, and analyzes nearly \$10 billion of retail, auction, and trade-in sales of used equipment.

### Contact

Raffi Aharonian  
[Raffi.Aharonian@rouseservices.com](mailto:Raffi.Aharonian@rouseservices.com)  
310-363-7525

## Rouse Sales

---

Rouse Sales helps rental companies and fleet owners optimize their used equipment selling programs. Rouse offers web and mobile solutions for the key components of an effective used equipment sales program, including current Retail and Auction equipment values, customized listings websites, and sales force enablement and quoting tools. Rouse clients sell more than \$2B of used equipment each year using the Rouse Sales platform.

### Contact

Doug Rusch  
[douglas.rusch@rousesales.com](mailto:douglas.rusch@rousesales.com)  
310-363-7489

## Rouse Analytics

---

Rouse Analytics collects nightly information on over \$20 billion in rental invoices per year and over \$50 billion of fleet from more than 150 participating rental companies and dealers and uses this information to provide them with comparisons of their rental rates, utilization and other key performance metrics to industry benchmarks at a local market level. Metrics used are calculated according to the American Rental Association's Rental Market Metrics™ standards.

### Contact

Phil Mause  
[phil.mause@rouseanalytics.com](mailto:phil.mause@rouseanalytics.com)  
310-363-7513