



# The Equipment Report

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 US Edition

*May* 2019

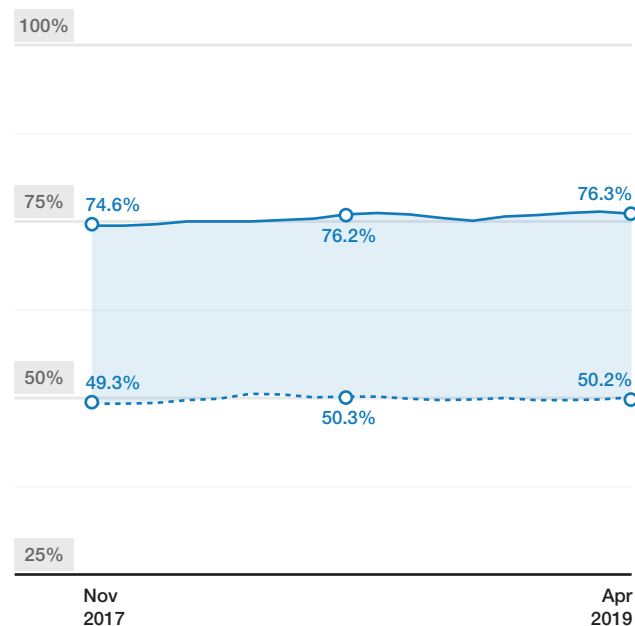


# Summary

FMV

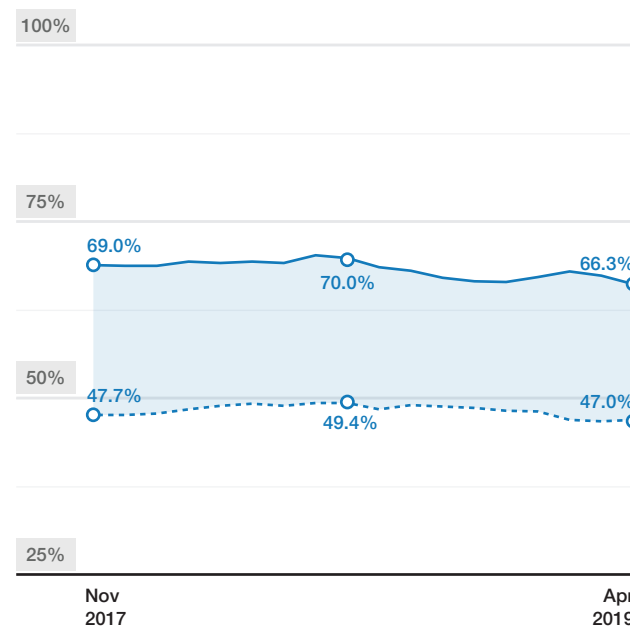
FLV

## General Construction Equipment



Both retail and auction values remain broadly flattish.

## Heavy Earthmoving Equipment



2019 has shown weakness in both the retail and auction setting, however, the most recent month's auction results show flat results.

## Market Update

Early 2019 General Construction values have ticked up with auction values remaining relatively flat. In comparison, Heavy Earthmoving Equipment has shown variability at retail and softness at auction as indicated by the notable Ritchie Bros. auction in Orlando, FL. The annual Orlando auction hosted by Ritchie Bros. displayed historic volumes but with a little bit of weakness observed overall. This weakness was notable for the Heavy Earthmoving Excavator and Dozer categories.

Since the market dropped in mid-2016, General Construction Equipment has recovered to peak levels, which has persisted over 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, but has recently shown softness across both channels.

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

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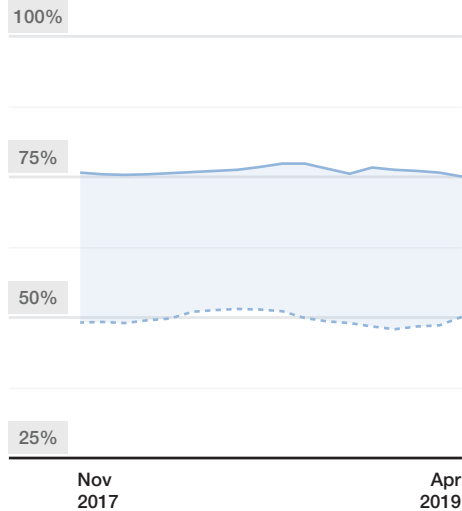
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# General Construction Equipment

FMV Index

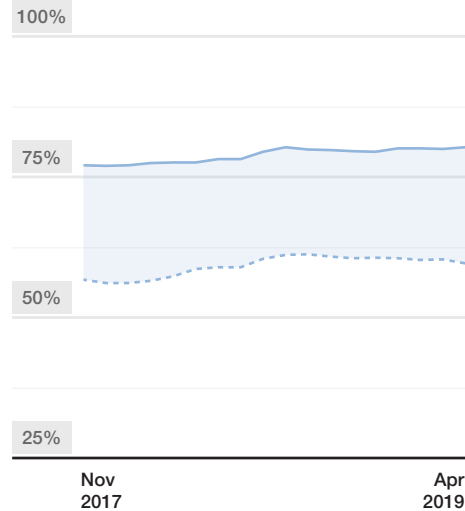
FLV Index

## Aerial



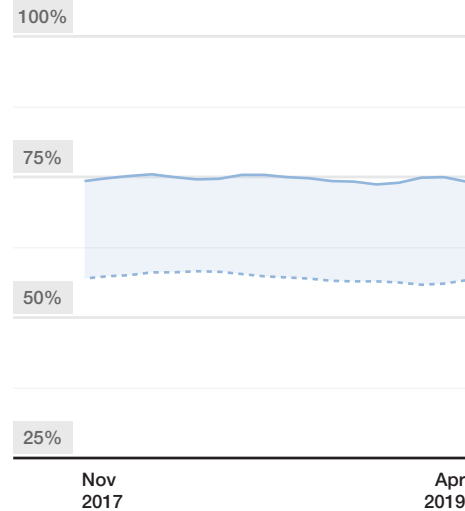
Retail values are softening while auction has shown recent strength.

## Telehandlers



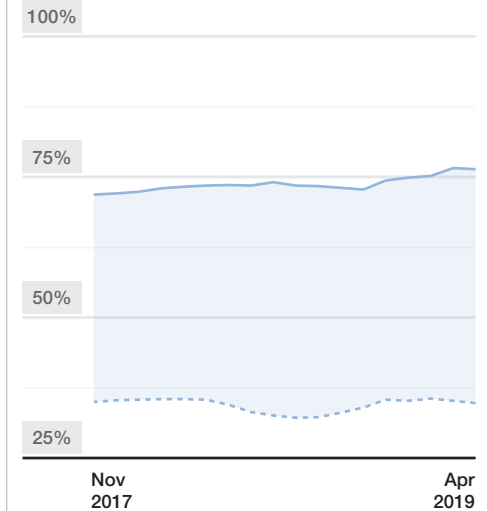
Retail and values are flat while auction values are softening after a period of prolonged growth. However, Telehandlers remain one of the strongest performing product categories.

## Light and Medium Earthmoving



Retail values have dipped after a period of strengthen while auction values are slightly up after some prolonged periods with little fluctuations.

## Support



Retail values are flat after a period of strength while auction is slipping.

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

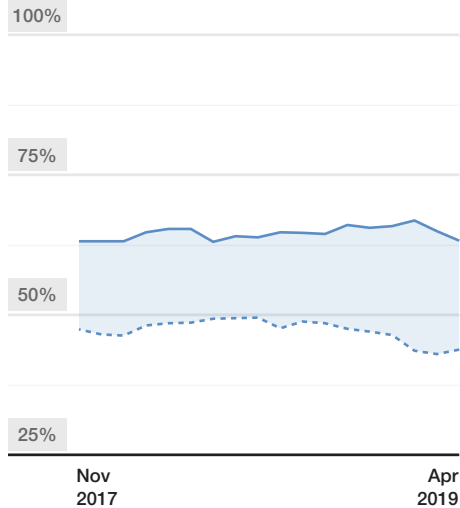
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# Heavy Earthmoving Equipment

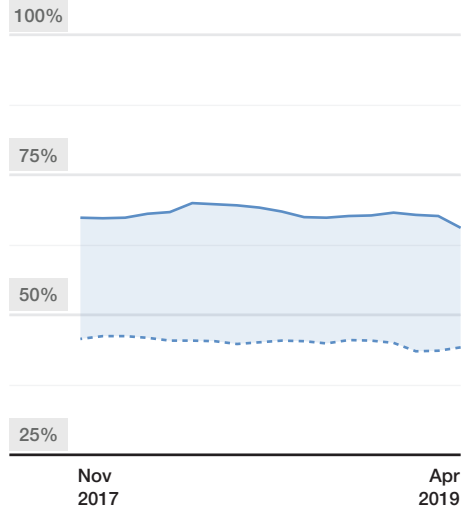
FMV Index      FLV Index

## Excavators



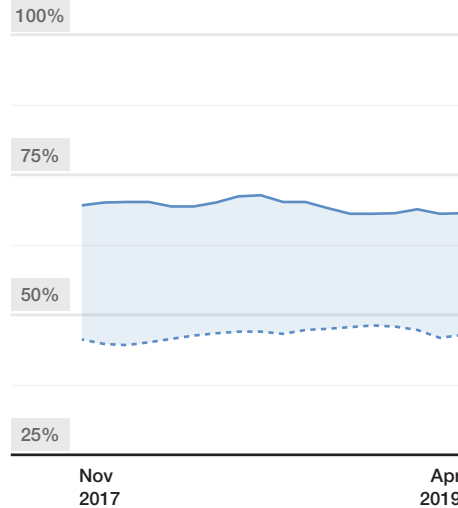
Retail values have shown a sharp decline and auction values have appeared to have leveled off after a period of decline.

## Dozers



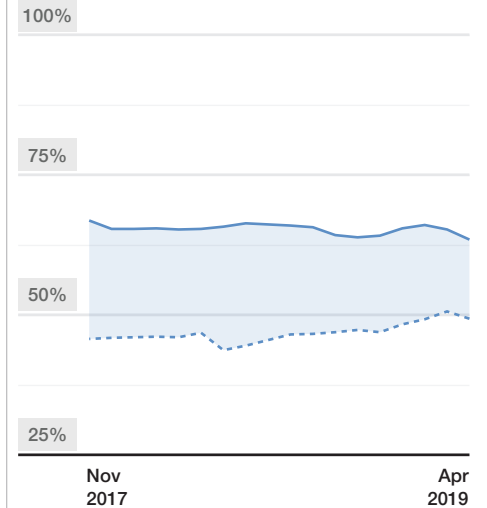
Retail values have dipped moderately over the recent period while auction values are fairly flat.

## Wheel Loaders



Retail values have are fairly flat while auction values are flat after recent softness.

## Articulated Trucks



Both retail and auction values have dipped in the recent period.

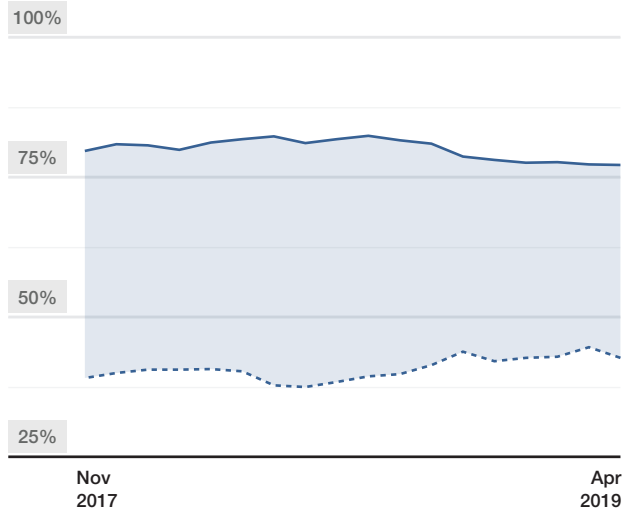
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# Other Equipment

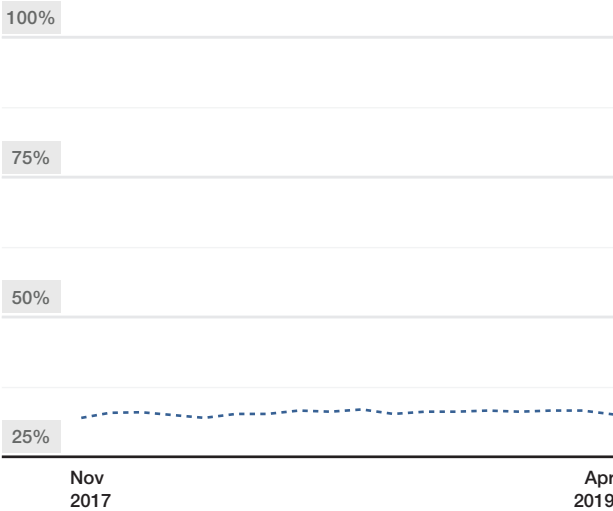
FMV Index      FLV Index

## Forklift Trucks



Retail values are flat and auction values have weakened after a fluctuation towards the back half of 2018.

## Truck Tractors



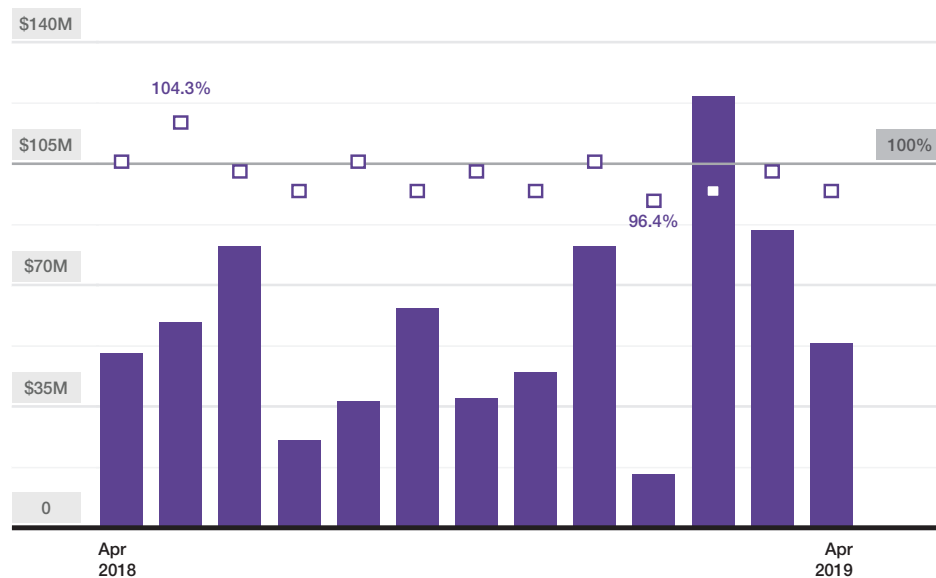
Auction values remain flat, following a consistent trend for several months.

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

# Auction Results

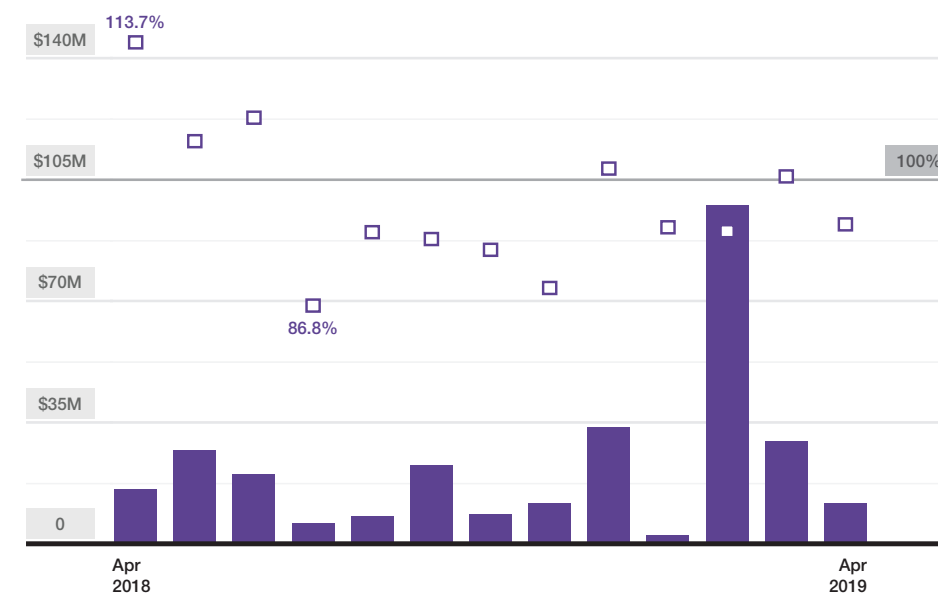
Auction Proceeds  
FLV Recovery

## General Construction Equipment Results



Auction achievements were slightly below prior month's market benchmark for General Construction equipment.

## Heavy Earthmoving Equipment Results



Auction achievements were below the prior month's market benchmark for Heavy Earthmoving equipment.

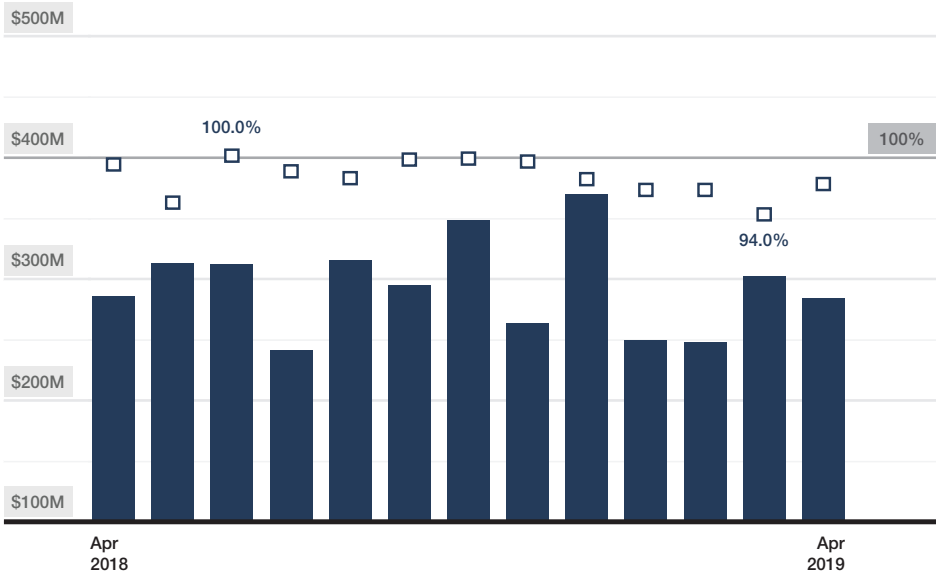
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# Retail Results

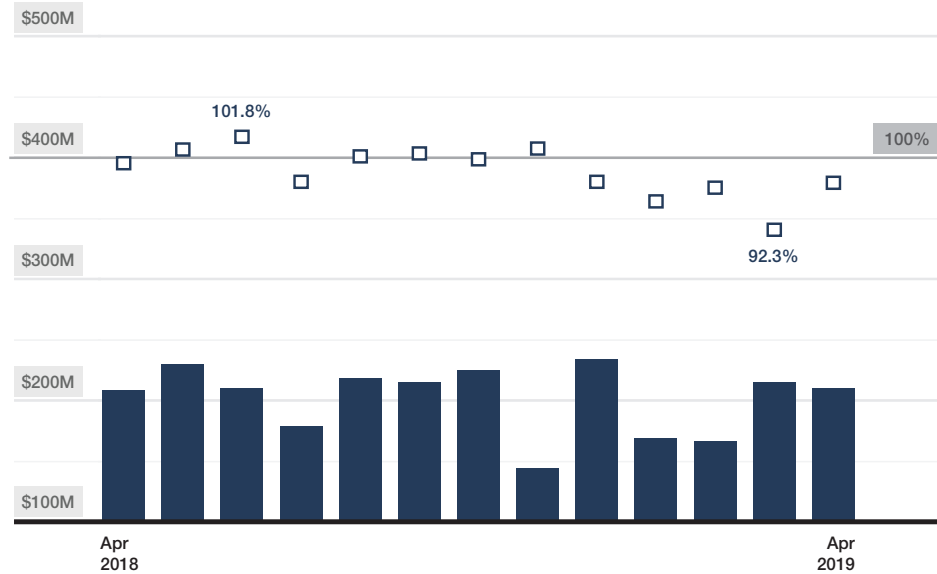
Retail Proceeds  
FMV Recovery

## General Construction Equipment Results



Retail achievements underperformed the prior month's market benchmark for General Construction equipment.

## Heavy Earthmoving Equipment Results



Retail achievements underperformed the prior month's market benchmark for Heavy Earthmoving equipment.

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



# 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

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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

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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.

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## Rouse Sales

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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.

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## Rouse Analytics

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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.

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