

TIPS FROM THE PROS:

How to Evaluate the Age of Your Fleet the Right Way



Premier[®]
TRAILER LEASING



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A lot is riding on your semi-trailers

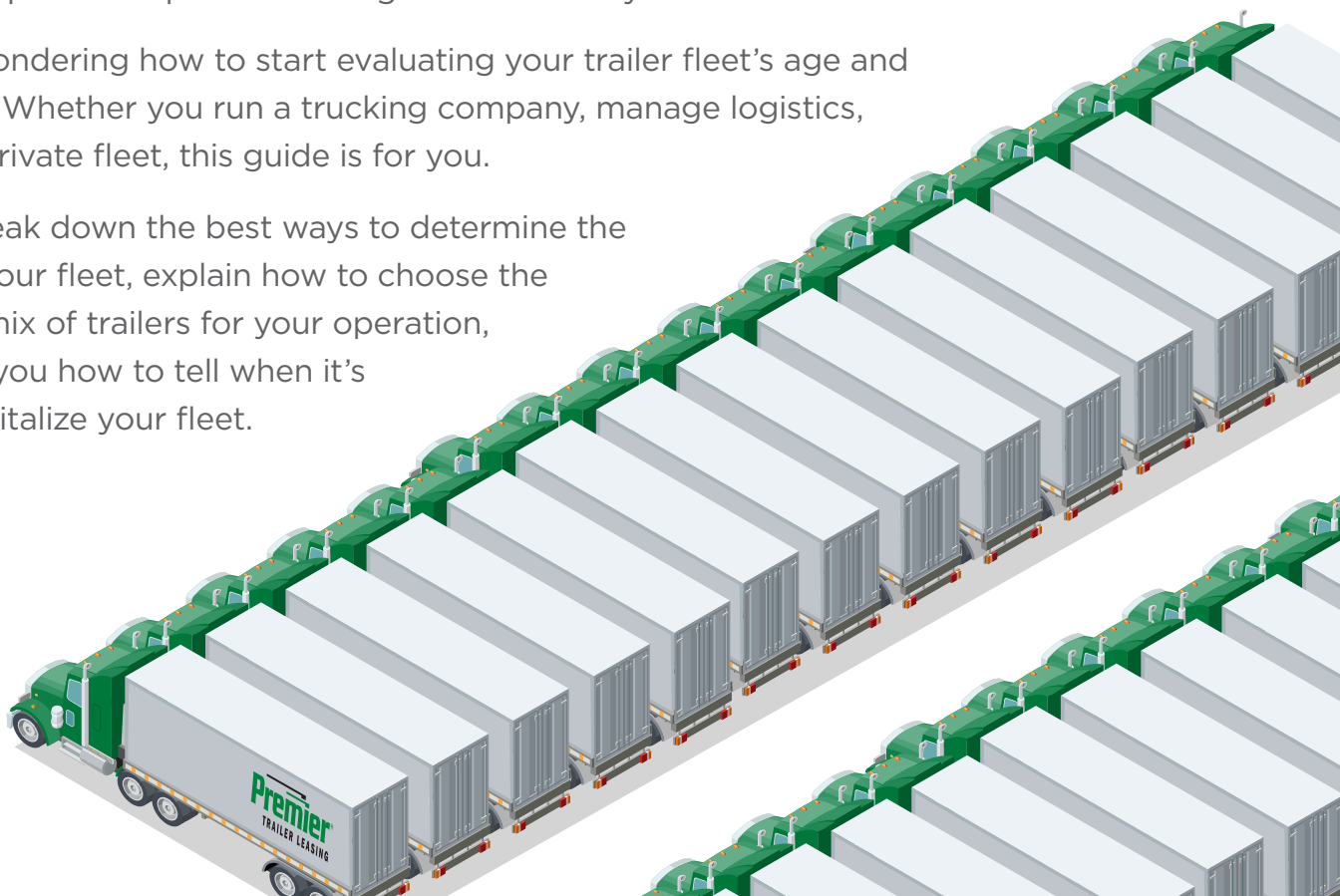


A lot is riding on your semi-trailers. Every slowdown, worn-out part, or malfunction can derail a delivery—and stop production for the world. It's a no-brainer: You need trailers to be in the best possible condition for your fleet to perform.

However, running only brand-new trailers isn't always the best option. Especially when prices skyrocket, it's a good idea to examine (and reexamine) the age of your fleet, determine the right mix of older and newer trailers, and source a combination that will reliably move your cargo from point A to point B at the greatest ROI for your business.

Are you wondering how to start evaluating your trailer fleet's age and condition? Whether you run a trucking company, manage logistics, or lead a private fleet, this guide is for you.

We will break down the best ways to determine the health of your fleet, explain how to choose the right age mix of trailers for your operation, and show you how to tell when it's time to revitalize your fleet.



Every Trailer Serves a Purpose At Any Age



Let's start with the obvious: In general, the fewer miles your trailer has seen, the less maintenance it will require. But buying, renting, or leasing new isn't always an option—and can be downright unwise in some cases.

Every trailer has a use, whether it's been on the road just a few years, is decades old, or is somewhere in between. In this section, we look at the pros and cons of trailers with different age ranges so you can identify the right mix for your fleet.



New Builds: Pros and Cons of Trailers 0-5 Years Old

As a general rule, trailers under five years old will be the most reliable and efficient. These marvels will be stocked with the latest technology, are built to meet the newest standards, and lack the wear and tear of some older units. However, high costs can make it unreasonable to rely only on new trailers. Here are a few pros and cons of new trailers:

+ **Pro: They are versatile.**

New trailers are capable of hauling most, if not all, types of loads. That gives your operation the flexibility to handle your customer's demands—no matter the job.

+ **Pro: Maintenance costs are lower.**

Fewer miles means less wear and tear. That can be a big boost for your operation's bottom line. According to the 2021 Heavy Duty Trucking (HDT) Fact Book, the cost per mile for maintenance and repairs in the U.S. has increased by [39 percent](#) since 2008. And every second a trailer is down, it isn't on the road making money.

Refrigerated [trailer technology](#) can also keep maintenance costs low. For instance, some new trailers include sensors that flash error codes when maintenance is needed. That way, a driver can quickly relay codes to a tech, who can show up to the trailer prepared for a quicker fix.

+ **Pro: Technology helps you keep up with compliance.**

[Regulations are constantly changing](#), and there seems to be more and more red tape every year. New trailers include technology that makes it easier to meet the [Department of Transportation \(DOT\) standards](#), avoid fines, and keep your reputation sharp.



Every trailer has a use, whether it's been on the road just a few years, is decades old, or is somewhere in between.

+ **Pro: New trailers can improve efficiency.**

New and young trailers can get cargo where it needs to go faster and with less fuel. It's another area in which technology makes a big difference. For instance, with trailer tracking technology, you can pinpoint where a trailer is located at any time so drivers don't waste time searching for a trailer on the lot.

Another example of [trailer tech](#) is [load sensors](#). If you have a drop program, [cargo sensors](#) alert you when trailers aren't unloaded on time. If unloading takes longer than intended, you can easily see when to start charging the customer and send them a clear invoice.

✗ **Con: Upfront costs are high.**

Buying, renting, or leasing new trailers is typically a bigger investment, and prices have risen sharply in recent years. According to Sandhill Global, semi-trailer asking prices [jumped by 63 percent](#) in May 2022 compared to 2021.

✗ **Con: They depreciate faster.**

Just like new automobiles, new trailers start depreciating as soon as they hit the road. If you own a new fleet, there's always a risk of going "underwater" on your assets—or having the principal amount outpace its value—before you pay them off that leasing can avoid.



New and lightly used trailers work best for long haul, valuable loads, and especially important deliveries. That may include valuable goods, temperature-sensitive products, or time-sensitive runs. They are also a good option if your loads vary and you want to remain flexible with your customers' requirements.

Cartage Trailers: Pros and Cons of Trailers 6-10 Years Old

Middle-aged trailers lack the flash of new trailers, but they can still be a reliable, cost-effective option. When they're well-maintained (like ours here at Premier), they can even deliver similar value to newer equipment at a much lower cost. Here are a few pros and cons of middle-aged trailers:

+ Pro: Depreciation is slower.

Middle-aged trailers will depreciate at a slower rate than their brand-new counterparts, providing a cost advantage to you.

+ Pro: Age can be deceptive.

If an older trailer is well-maintained or has low service miles, it may be in the same working condition as newer equipment.

+ Pro: They can lift your bottom line.

If middle-aged trailers are serviced often, they can accomplish jobs meant for newer trailers at a fraction of the up-front cost.

✗ Con: They're susceptible to breakdowns and disruptions.

If middle-aged trailers aren't well-maintained, they can fail and cause costly interruptions and repairs.



Middle-aged trailers in good condition can be a great option for shorter runs, lighter loads, or less demanding hauls.

Older Trailers: Pros and Cons of Trailers Over 11 Years Old

Older trailers may not be a fleet manager's top choice, but they can still carry immense value if they are well-maintained. In addition to handing you significant cost advantages, these trailers can haul local loads or shift storage duties away from newer units. Here are a few pros and cons to consider:

+ Pro: Old equipment can be used for storage.

By using older equipment for storage, you can extend your warehouse space and put low-cost trailers to good use. Don't have older trailers available? Renting older trailers to add warehouse space is a cost-effective alternative to adding to your rent.

+ Pro: They carry low costs.

Older trailers are a low-cost option that can buy you time when the [trailer market jumps](#).

✗ Con: They could lose jobs.

You could be turned away at the yard or pulled from the highway if trailers aren't well-maintained and up to DOT standards.

✗ Con: Maintenance can outweigh the trailer's value.

If insulation fails on reefers or dry van floors start to break down, the maintenance can cost more than the trailer is worth.



Older trailers can save a company money, especially if new trailer costs surge the way they have in recent years. They can be a good option for storage or light, local runs if maintained well.

Warning Signs of an Outdated Fleet: Where to Look



Are you worried your fleet is aging or starting to push its limits? Be sure to track repair costs. When maintenance costs overshadow the trailer's value, it's likely time to rotate it out or repurpose it for storage.

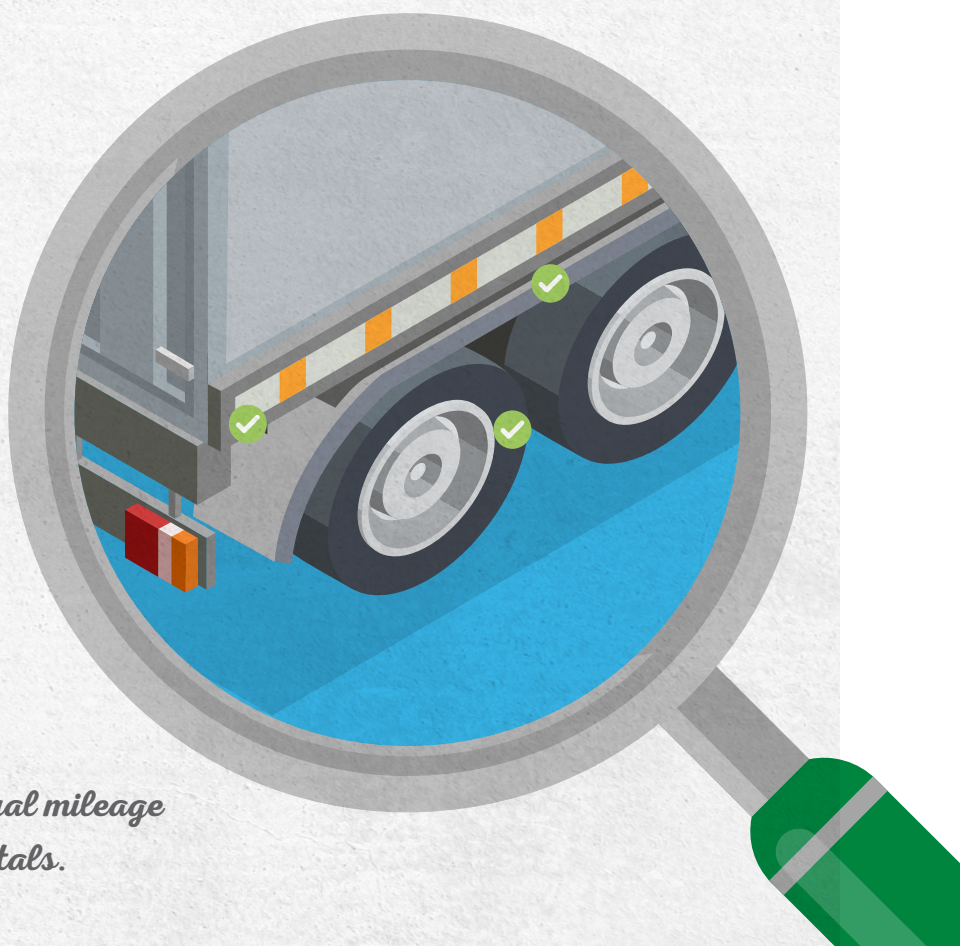
Not sure where to look first? Here's a quick list of trailer components to pay special attention to:

- ✓ Airbags
- ✓ Brake Components
- ✓ ABS Valves
- ✓ Rotten Doors
- ✓ Crossmembers
- ✓ Upper Coupler

Once these high-cost components start wearing down, it may be time to reevaluate your trailer's role.

DID YOU KNOW

Leased and rented trailers are not only constantly maintained, but also tend to have lower annual mileage since they stay idle between rentals.



How to Evaluate Your Fleet's Age



As we mentioned earlier, the age and condition of a fleet can affect everything from fuel efficiency to the likelihood of disruptions to its overall performance. Keeping an eye on a fleet's age is important because you want to avoid sending a failing trailer out on the road at all costs. When a trailer goes down or gets turned away at the yard, your operation can lose much-needed revenue.

To evaluate the age of your fleet, start by taking an inventory of your trailers. When you have a clear idea about which equipment is heading on which runs, use these guidelines to monitor the fleet's age and condition:

- ✓ Use the trailer's vehicle identification number (VIN). This will give you an idea of its age.
- ✓ Monitor the trailer's overall condition.
- ✓ Complete your federally mandated inspection every year.



How to Know When It's Time to Retire Your Trailers



Your trailers won't last forever. Any time you can identify a failing trailer and retire it, you prevent disruptions that carry significant costs—and keep production running smoothly. Here are the red flags that signal it may be time to retire a trailer:

- ✓ **The five-year milestone:** Much like automobiles, trailers tend to wear down and require more attention once they pass the five-year mark. Check in at the five-year mark for over-the-road applications and look at important components more closely.
- ✓ **Reefer insulation degrades 1-3% per year:**
As soon as insulation starts wearing down, it can put cargo in danger—and risk ruining valuable loads.
- ✓ **The trailer's floor:** Keep an eye on the condition of the floor of trailers. When the floor wears down, it often costs more to replace it than to buy a new trailer.
- ✓ **Overall maintenance:** Track repair costs and compare them to the trailer's value. Watch out for trailers that run into frequent repairs that exceed their value.



How to Get More Value Out of Your Trailer



It is possible to [extend the life of trailers](#), but it requires hard work—and extensive maintenance resources. The only way to keep trailers running in top condition is to conduct rigorous and consistent maintenance.

However, many shippers and carriers can't provide intense on-site maintenance, and few have access to nationwide facilities. As a result, it's easy to let older owned trailers fall behind compliance, wear down, and halt operations.

This is where leasing or renting from a trustworthy company—like Premier—can add value. Premier runs frequent maintenance on trailers, so the trailers you lease or rent are in top condition and ready to meet compliance standards, even if they're older. These trailers are also maintained for you and can be repaired at facilities nationwide.

Leasing companies that are meticulous about maintenance can extend a trailer's life by many years. Here are a few ways top leasing companies widen the lifespan of trailers:

- ✓ They check them every time they come in and leave.
- ✓ They refurbish trailers that have signs of wear.
- ✓ They have shops and connections nationwide, where they can easily and quickly repair leased or rented equipment.



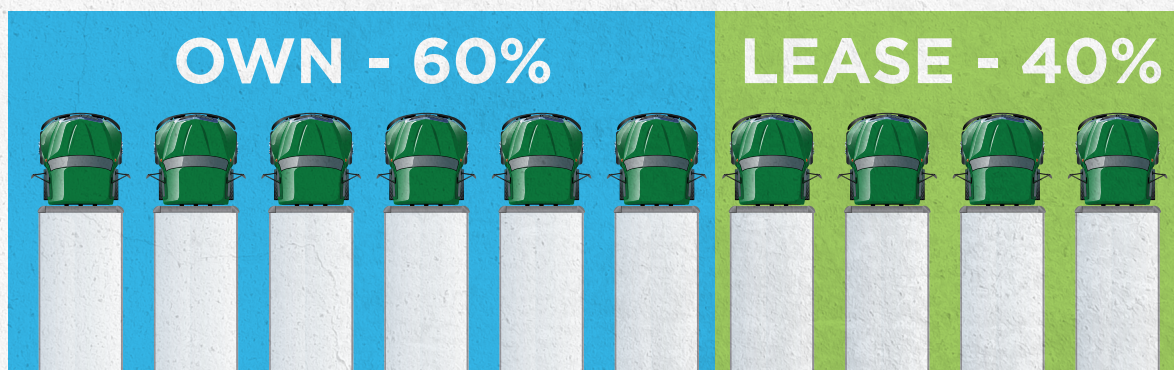
Designing the Perfect Fleet Mix



There isn't a one-size-fits-all ratio of trailers. Each operation is different, and your business will have unique use cases that others might not.




Still, there are a few tactics we've seen businesses use to determine the [right mix of trailers](#). Here's how top-performing businesses find their perfect fleet mix:

- ✓ **Start with a 60/40 split.** This means owning around 60 percent of the fleet and leasing 40 percent. Splitting up the fleet this way gives you needed flexibility and financial liquidity, so if demand or production drop off, you won't be in as much danger of going "underwater" with a bank. It also allows you to bring in new assets regularly without tying up capital. Again, a 60/40 split won't be a perfect solution for every business, but it can be a good start if you're unsure how to set up your fleet.
 - ✓ **Begin inspections early and often.** As a general rule, it's a good idea to inspect new trailers every six months and older trailers every 90 days. Depending on what you find, you can adjust your fleet mix from here.
- Partner with a trustworthy leasing company.** Large trailer leasing companies like Premier have a deep understanding of the equipment. They follow needed repair standards, can guarantee trailers will always be compliant and maintained, and provide access to various trailers so you can scale your fleet up or down quickly. If you need a newer trailer, companies that lease or rent trailers can help you swap out an older trailer for a newer model within their fleet.



Trailer Ages: The Pros and Cons



AGE	PROS	CONS
	<ul style="list-style-type: none"> • They are versatile. • Maintenance costs are lower. • Technology helps you keep up with compliance. • New trailers can improve efficiency. 	<ul style="list-style-type: none"> • Upfront costs are high. • They depreciate faster.
	<ul style="list-style-type: none"> • Depreciation is slower. • Age can be deceptive. • They can lift your bottom line. 	<ul style="list-style-type: none"> • They have higher maintenance needs. • They're susceptible to breakdowns and disruptions.
	<ul style="list-style-type: none"> • Old equipment can be used for storage. • They carry low costs. 	<ul style="list-style-type: none"> • They could lose jobs. • Maintenance can outweigh the trailer's value.

REVITALIZE YOUR FLEET

The best way to squeeze the most value out of your fleet is to evaluate its age and strategically select the best mix of trailers for your situation. Supply chain issues and the pandemic have pushed trailer prices higher and forced many fleet managers to hang on to older equipment longer. That means now is the perfect time to reassess your fleet, shuffle assets, and determine a ratio that provides long-term advantages for your operation.

Are you ready to start revitalizing your fleet? We're here to help you get started. [Contact Premier Trailer Leasing](#) to tap into our industry pros' expertise and learn about availability for trailers of all ages, including brand-new ones.

Contact Us >



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