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ARA forecast continues to project steady growth
Equipment and event rental industry revenue to surpass $60 billion in North America this year

(May 6, 2019) Moline, IL.: The new five-year forecast from the American Rental Association (ARA) updated on May 2 calls for equipment and event rental revenues in North America to surpass $61.3 billion in 2019, including $55.8 billion in the United States and $5.3 billion in Canada, up 5.0 percent compared to 2018.

Similar steady growth is expected in each of the successive years of the forecast to reach $69.8 billion in revenue by 2022.

The current figures, which are updated quarterly, project slightly less growth than what was forecast in February, but continues to forecast similar steady growth, outpacing the overall economy.

“The equipment and event rental industry is growing and continues to expand faster than the overall economy. The outlook continues to be positive,” says John McClelland, Ph.D., ARA vice president for government affairs and chief economist.

In the U.S., equipment and event rental revenue is expected to grow another 4.2 percent in 2020, 4.3 percent in 2021 and 4.7 percent in 2022 to reach $63.5 billion.

Scott Hazelton, managing director, IHS Markit, the forecasting firm that compiles data and analysis for the ARA Rentalytics subscription service as part of a partnership with ARA, says the trend for the equipment and event rental industry is slightly slower growth than previously forecast, but that growth is steady.

“The outlook for the equipment rental industry calls for expected growth, although at reduced rates. The maturing economy, combined with trade issues, offers more limited opportunities to the construction and manufacturing sectors, while the stimulus from tax cuts to both consumers and business is fading,” Hazelton says.

“Even so, we expect moderate growth of more than 5 percent in 2019, and 4 percent in 2020 and 2021. In the United States, not one state has a decline in construction, general tool or party and event rental revenue and there are no signs of recession. However, weakness in core markets suggest that any forecast risk is on the downside and our forecast has evolved lower over the past six months,” he says.
“There also is potential upside from an infrastructure bill. The exact gain to rental would depend upon the size, time span and composition — such as transportation vs. technology infrastructure — of the bill, but something on the scale proposed by the President and Congressional leaders last week has to potential to boost equipment rental revenue by up to 10 percent from its baseline,” he says.

In Canada, rental revenue is forecast to grow 2.5 percent in 2019 to total nearly C$5.6 billion and then continues to expand with revenue increases of 4.4 percent in 2020, 5.6 percent in 2021 and 3.7 percent in 2022 to total more than C$6.3 billion.

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About ARA: (www.ARArental.org) The American Rental Association, Moline, Ill., is an international trade association for owners of equipment and event rental businesses and the manufacturers and suppliers of construction/industrial, general tool and party/event rental equipment. ARA members, which include more than 10,500 rental businesses and more than 1,000 manufacturers and suppliers, are located in every U.S. state, every Canadian province and more than 30 countries worldwide. Founded in 1955, ARA is the source for information, advocacy, education, networking and marketplace opportunities for the equipment and event rental industry throughout the world.

ARA Contact: Tracy Johannsen (tracy.johannsen@ararental.org); 800.334.2177, ext. 270