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Equipment rental revenue growth continues to outpace economy
ARA’s new forecast shows steady increases over the next five years

(Feb. 18, 2019) MOLINE, IL.: The latest five-year forecast from the American Rental Association (ARA) calls for equipment and event rental revenues in North America to surpass $61.5 billion in 2019, including $55.8 billion in the United States and $5.7 billion in Canada, up 5.3 percent compared to 2018.

Similar steady growth is expected in each of the successive years of the forecast to reach nearly $70.9 billion in revenue by 2022.

The current figures, which are updated quarterly, project slightly less growth than what was forecast in October, reflecting different factors that have slightly slowed the projected growth of the U.S. economy.

“This remains a strong forecast for a growing industry that continues to expand faster than the overall economy,” 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 4.8 percent in 2020, 5 percent in 2021 and 4.8 percent in 2022 to reach $64.4 billion.

Rental penetration — the percentage of total construction equipment in use in the United States that is owned by equipment rental companies — increased to 53.5 percent in 2018, up from 53.0 percent in 2017.

“Rental operators are anticipating another good year but have remained disciplined around adding inventory. The effect of better fleet management is that minor fluctuations in the business cycle will not be overly disruptive to the rental industry,” McClelland says.

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 real gross domestic product (GDP) growth in the U.S. is expected to be 2.5 percent in 2019 compared to 2.9 percent in 2018, resulting in the mild softening of the near-term growth outlook.

“The slightly lower increases projected in the new forecast are the result of slightly lower economic expectations. IHS Markit has lowered its GDP outlook marginally for 2019 and 2020, but this is not due to worries about a dramatic decline in the economy, but a recognition that trade policy has had some negative consequences, particularly in the manufacturing sector, and that the stimulus from tax cuts is wearing off for both consumers and businesses,” Hazelton says.
“The global economy, with a few exceptions, also continues to slow. Yet, domestic employment gains in the U.S. remain strong and while purchasing manager indexes have retreated, they remain in expansion territory. The outlook still is positive,” he says.

In Canada, rental revenue is forecast to grow 4.6 percent in 2019 to total nearly $5.7 billion and then continue to expand with revenue increases of 5.8 percent in 2020, 4.8 percent in 2021, and 2.8 percent in 2022 to total nearly $6.5 billion.

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**About ARA:** ([www.ARArental.org](http://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.

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