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North America rental revenue expected to exceed $71 billion in 2023

(Aug. 19, 2019) MOLINE, IL.: The new five-year forecast from the American Rental Association (ARA) updated in August calls for equipment and event rental revenues in North America to surpass $71 billion in 2023, including $64.7 billion in the United States and $6.4 billion in Canada.

The latest forecast is ARA’s first to project rental revenue for 2023. The current figures, which are updated quarterly, also project slightly less growth for 2019 through 2022 than what was forecast in May.

“The market for the equipment and event rental industry remains positive, but there definitely are signs that the U.S. economic growth is slowing and this projected slowdown is reflected in our latest forecast,” says John McClelland, Ph.D., ARA vice president for government affairs and chief economist.

“Trade tensions and a slowdown in the global economy are headwinds for the economy with the risk of a recession happening in the U.S. within the next 12 months at about 35 percent,” McClelland says.

For 2019, equipment and event rental revenue in the U.S. now is expected to be $55.7 billion, up 5 percent over 2018, with growth in 2020 and 2021 at 3.8 percent; 4.1 percent in 2022; and 3.3 percent in 2023 to top $64.7 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 U.S. economy continues to decelerate this year as the stimulus from prior tax and budget incentives diminish.

“This has been exacerbated by still ongoing uncertainty over trade and tariff policy, particularly with China, and concern over the strength of the global economy. This uncertainty is likely to persist into 2020, and become further complicated by the Presidential election cycle. The result is a modest reduction in our near-term economic outlook, particularly for the construction and manufacturing segments on which rental depends. We have slightly lowered our expectation for rental revenue growth, but we are not expecting a downturn,” Hazelton says.

In Canada, rental revenue is forecast to grow 2.1 percent in 2019 to total nearly $5.5 billion and then continues to expand with revenue increases of 4.9 percent in 2020, 5.0 percent in 2021, 3.6 in 2022 and 2.2 percent in 2023 to reach $6.4 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.

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