



EUROPEAN  
RENTAL  
ASSOCIATION

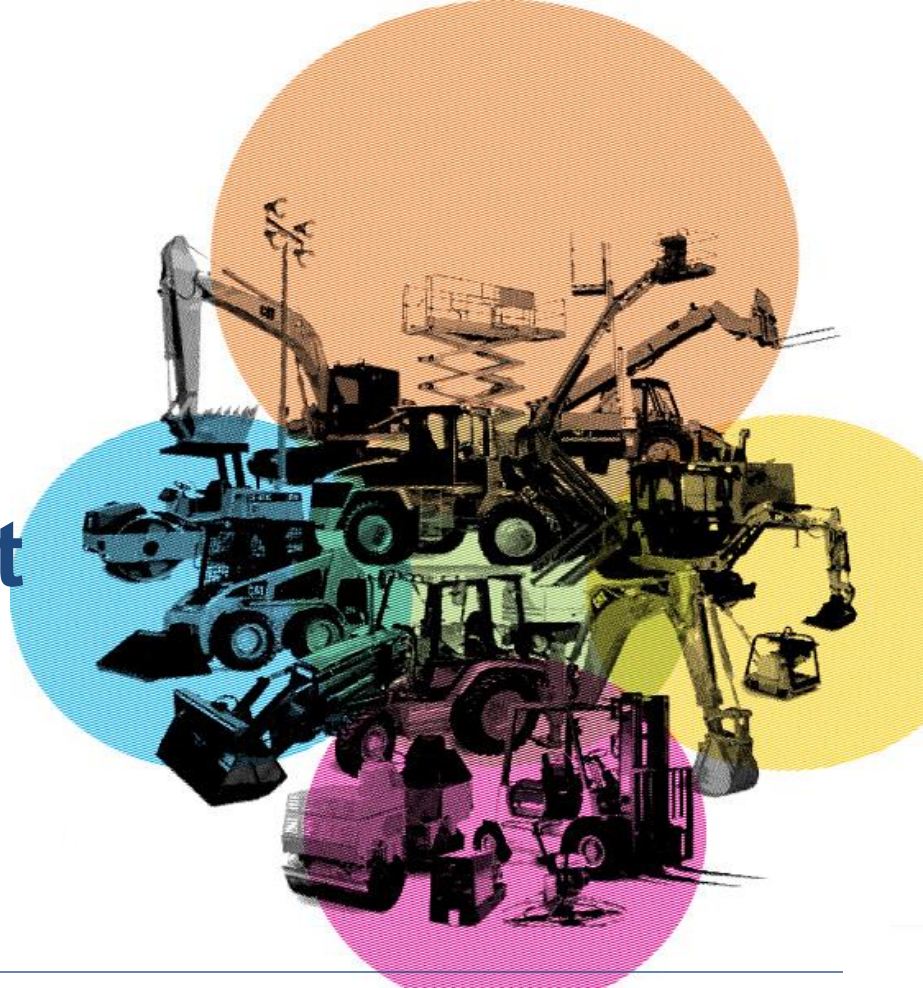
# Trends in the European equipment rental market

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ERA Secretary General



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1. Macro trends on construction impacting rental markets
2. ERA Market Report 2017 highlights
3. Rental penetration

## Europe on a growth path

### Growth is still solid, but softening

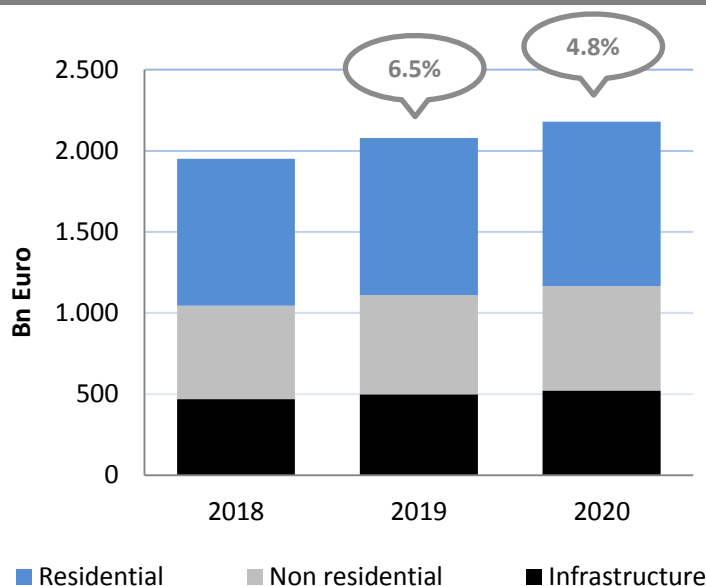
- A strong end to 2017 and good momentum at the start of this year support the forecast of 2.3% real GDP growth in 2018 for the Eurozone
- Nevertheless, recent data on inflation, output, and retail sales have been disappointing, and real GDP growth is projected to ease to 2.0% in 2019 and 1.8% in 2020
- Meanwhile, high inflation, a strengthening currency, and continued uncertainty about the path to Brexit mean UK growth is likely to slip from 1.8% last year to 1.4% this year

### Risks to the forecast

- Eurozone setback: Political uncertainty remains in Europe

# Economic optimism has gained a little steam in construction

Total construction by segment (Bn Euro)



Source: IHS Markit

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## Residential

- Growth in housing construction in Europe will continue to be healthy for the next couple of years, propelled by rising incomes as well as the influx of refugees into the region.

## Non residential

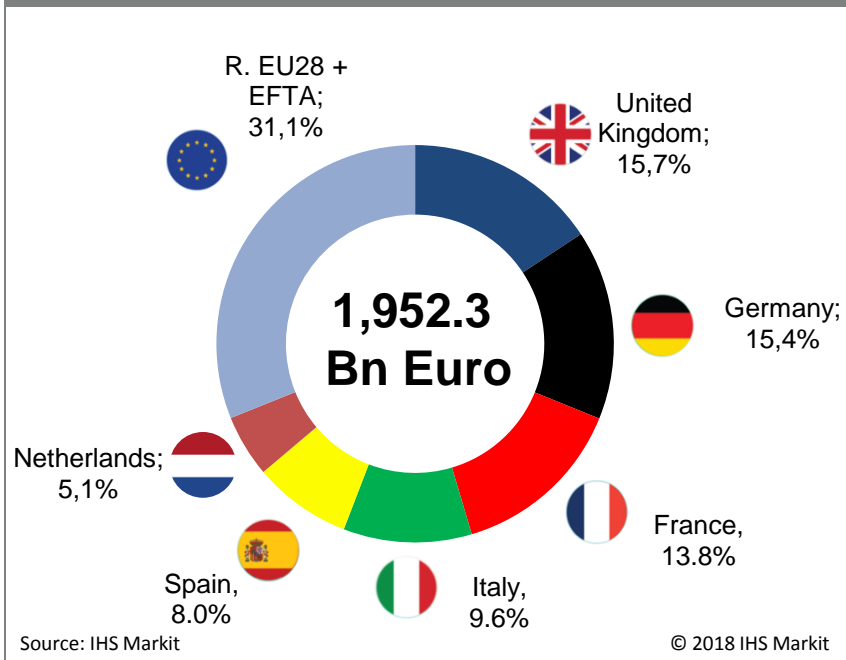
- Europe continues to recover, with an anticipated increase in non residential during 2017. However, many investors continue to move cautiously.

## Infrastructure

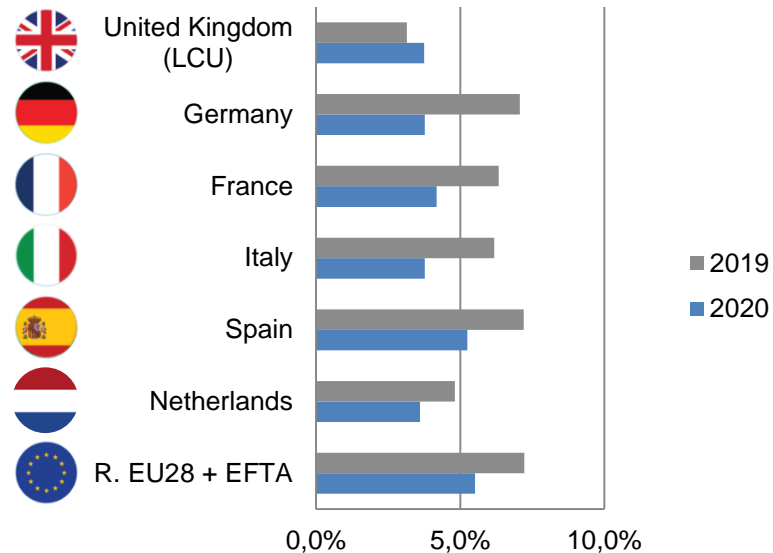
- European governments have made gains toward fiscal health, allowing a return to infrastructure investment. The recovery is likely to face headwinds from the uncertainty created by Brexit.

# Main European construction markets

Total construction - 2018



Total construction growth

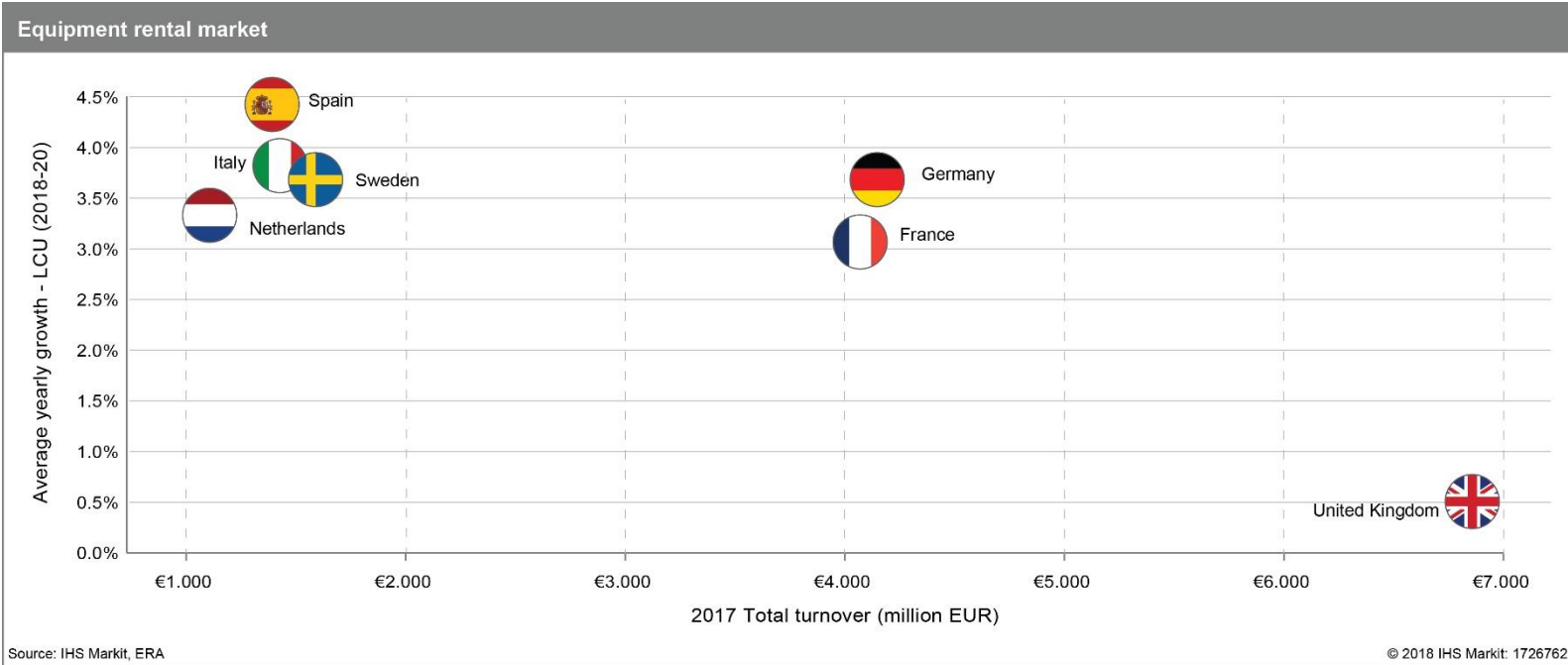


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## ERA Market Report 2017 highlights

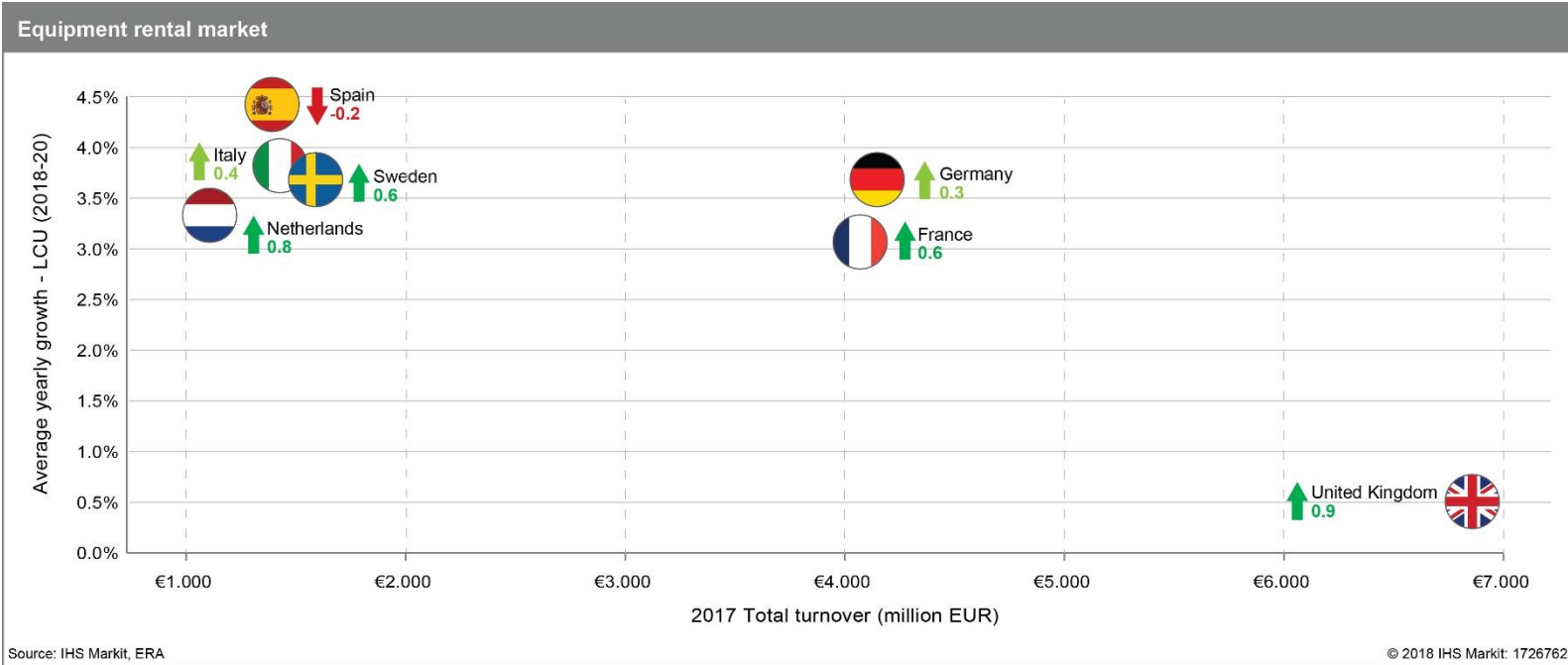
- In the EU-28 and EFTA countries, companies providing rental services generated a total rental turnover of more than **EUR24.5 billion** in 2016.
- For the 15 countries equipment rental industry, an estimate shows an increase of **3.1% for 2017** and a forecast an increase of **2.5% for 2018**, both at a constant exchange rate.
- In Europe, the equipment rental market has seen **growth in all the countries under analysis** despite many economic challenges.

# European equipment rental forecasts (2018-19) – more than 1 Bn Euro markets

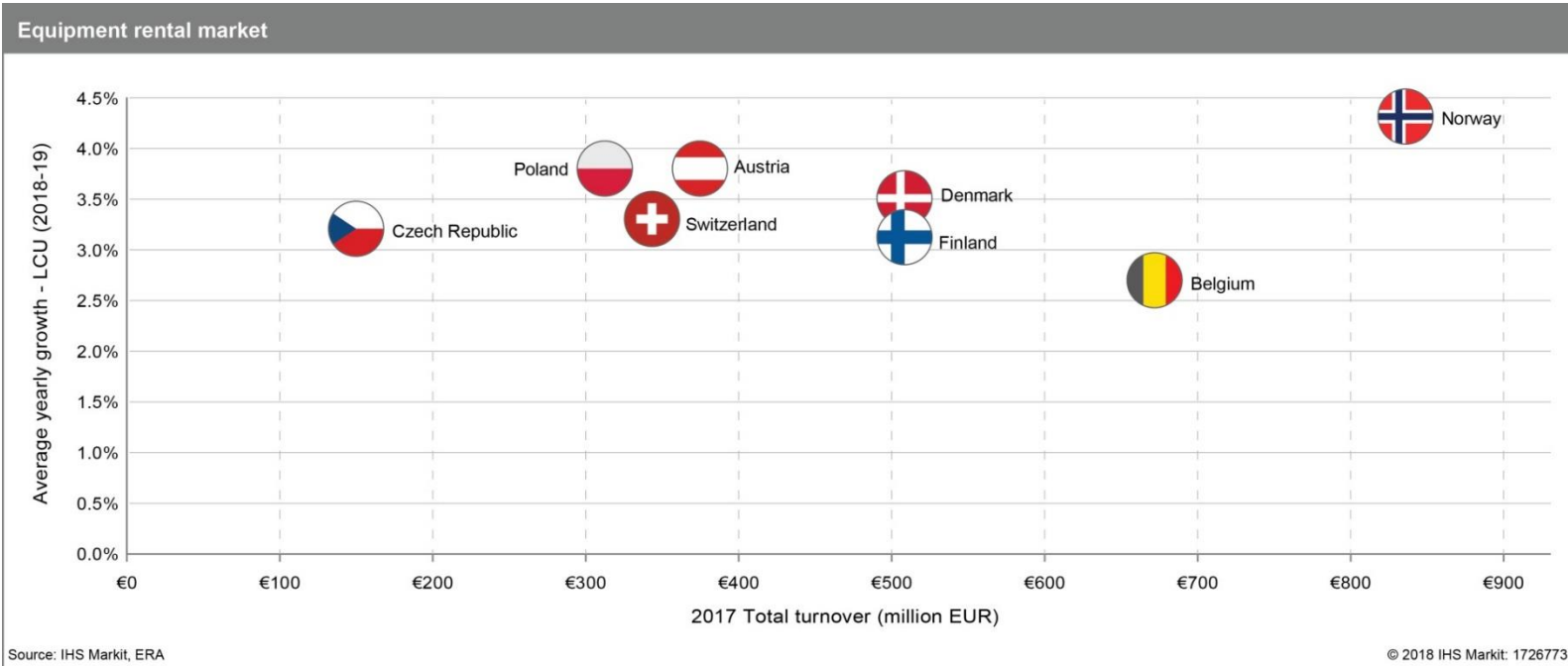




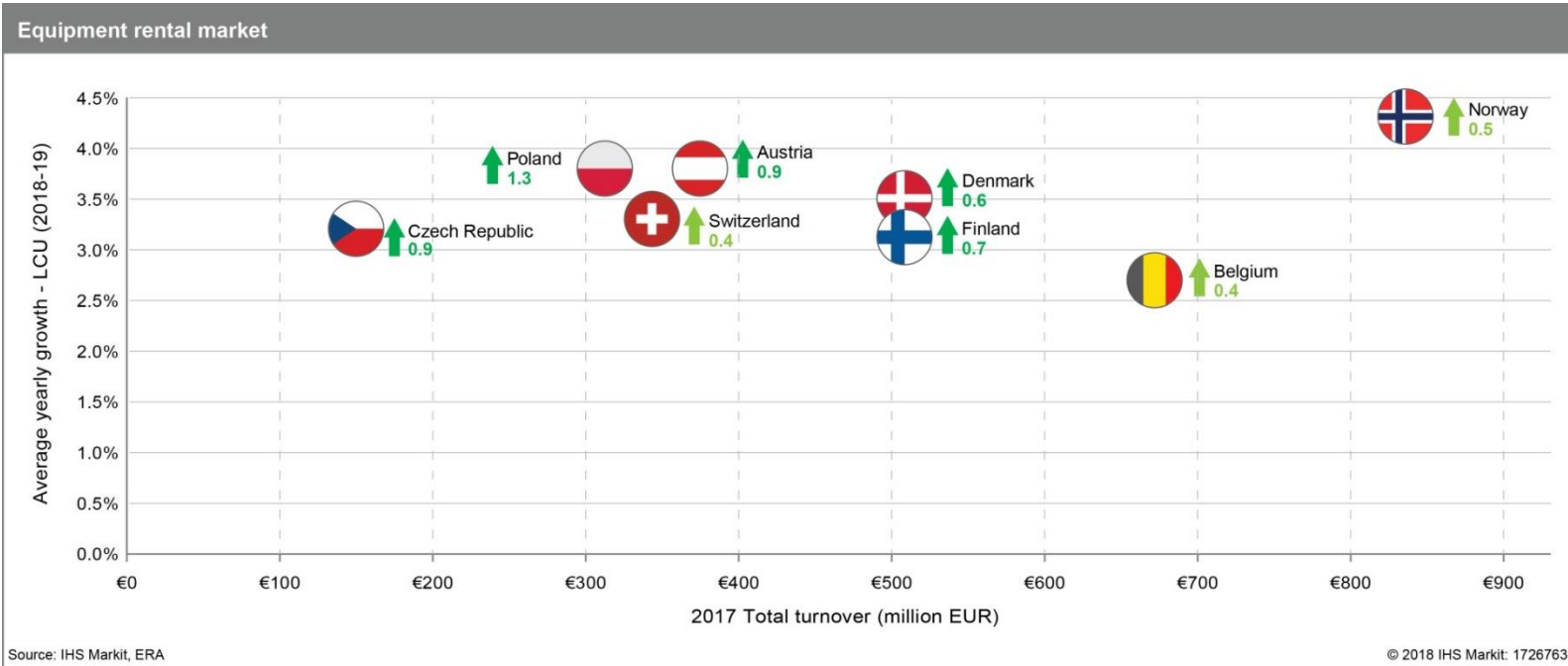
# European equipment rental forecasts major changes – more than 1 Bn Euro markets



# European equipment rental forecasts (2018-19) – less than 1 Bn Euro markets



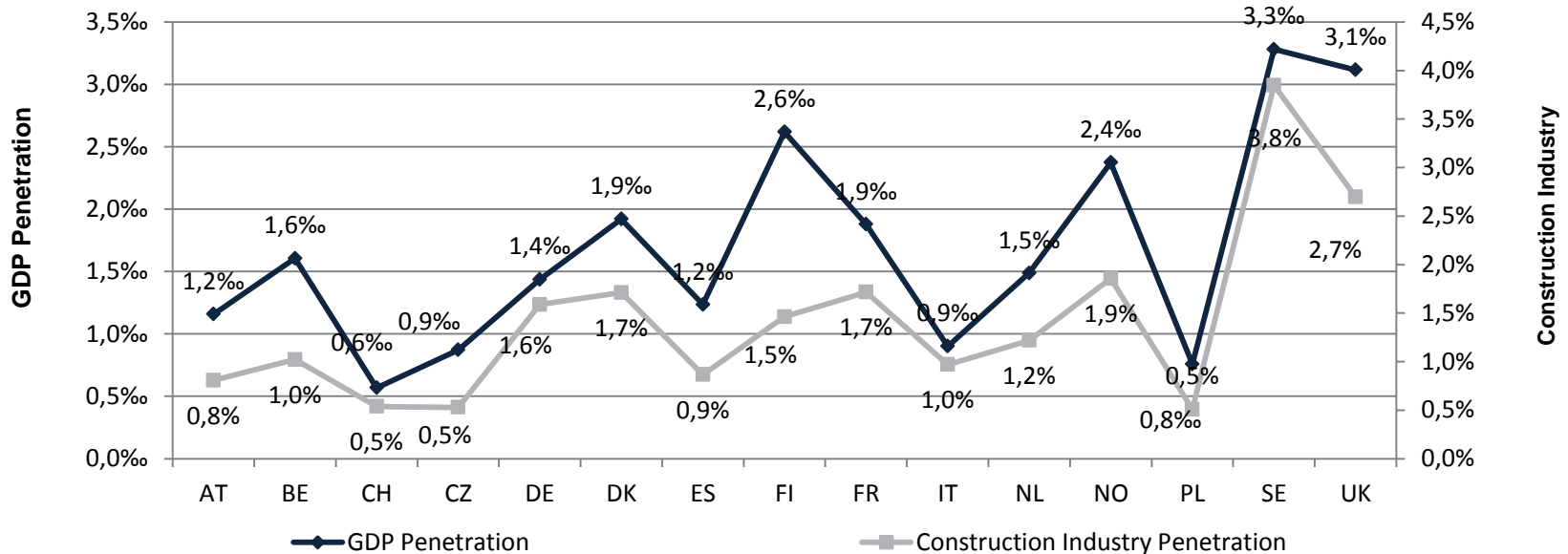
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## Penetration Rates 2017 against GDP and/or Construction

Penetration Rates 2017



Source: ERA, IHS Markit

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Thank You!

Questions?