

## ***ERA Market Report 2020 update shows improved outlook for European rental, but greater regional differentiation***

***22 February, 2021 (Brussels, Belgium): The European Rental Association (ERA) is today releasing an update to its 2020 Market Report, covering the period 2019 to 2022 and with new year on year estimates for rental activity, construction and GDP in each of the 15 countries of the Market Report.***

Although the European equipment rental sector was severely impacted by the pandemic in 2020, companies were agile in adjusting their costs and adapting to the challenges. The overall impact of the pandemic in 2020, therefore, has proven to be less significant than what was expected in September last year.

Looking ahead, relative inertia in the construction sector and expected pro-cyclical policies from governments this year will result in a better-than-expected outlook for the equipment rental industry. The expectation is that any shock to private sector investments will be offset by more resilient segments, such as infrastructure and renovation. Economic uncertainty and limited CAPEX investments are also likely to support rental contracts.

Michel Petitjean, Secretary General of ERA, said:

“The impact of the first wave of the pandemic varied significantly across the different parts of Europe and related directly to the responses of each country to the sanitary crisis, especially lockdown measures. Although the second part of the year saw a recovery in most countries, estimating the whole of 2020 was difficult. This update gives a much clearer picture of the impact of the pandemic on the rental industry and how it relates to both construction activity and government policies.”

ERA estimated in [June 2020](#) that the northern and central regions of Europe had been more resilient than the southern region and the UK, but this update shows that the gap between the different regions of Europe is actually larger than expected.

**Northern Europe:** Rental activity in Denmark (-2.3% compared to -5.5%) and Sweden (-2.2% compared to -4.2%) is now estimated to have been much stronger in 2020 because of a better performance from the construction sector (-0.7% compared to -5.1% in Denmark and -1.5% compared to -4.5% for Sweden). In Finland, a better assessment for rental activity in 2020 (-4% compared to -5.3%) is due to an improved estimate for GDP (-4.8% compared to -6.8%).

**Western and central Europe** (excluding the UK): In this region, two countries performed better than expected. Due to a better performance from the construction sector, now estimated to have been -0.9% (previously -5.3%), the Netherlands shows rental activity of -2.3% compared to the previous estimate of -5.3%. Similarly, rental activity in Germany is estimated at -3.1%, compared to the previous -4.7% with construction activity now at +1.7% compared to the previous estimate of -2.8%.

**Southern Europe:** There is little variation in the estimates of rental activity in Italy and Spain, with Italy showing an increase of 1 percentage point and Spain a decrease of 0.3 percentage points. France represents a special scenario as the only major rental market showing lower rental activity than previously estimated, -15% compared to -14.3%. This is mainly due to construction activity being revised down from -7.6% to -10.1%. As a consequence of this large

decrease in rental activity in 2020, this update gives France the strongest growth in 2021 at +9.5%.

**The UK:** Considering the UK as a special case due to Brexit, the estimate for rental activity in 2020 shows an improvement, at -14.8% compared to the previous -16.3%. This is caused by a similar improvement in construction activity in this update, from -9% to -5.6%.

Similar estimates are shown in this ERA update for the years 2021 and 2022, although these are much more difficult to establish and, therefore, less reliable. The European construction sector is expected to recover slowly in 2021 following a collapse in 2020 caused by the pandemic. The recovery will, in part, be due to a mechanical base effect as well as resumption in activity. Consumption and trade are both expected to improve throughout 2021.

This update, developed in collaboration with IHS Markit, will be attached as an addendum to the ERA Market Report 2020 and sent to all companies and/or associations that have already received and/or purchased the report.

The [ERA Market Report 2020](#) is available digitally for ERA members (EUR 500) and for non-members (EUR 1,200). To order a copy, please contact the European Rental Association at [era@erarental.org](mailto:era@erarental.org).

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### **About ERA**

The European Rental Association was created in 2006 to represent national rental associations and equipment rental companies in Europe. Today, the membership includes over 5,000 rental companies, either directly or through 15 rental associations. ERA is active through its committees in the fields of Promotion, Sustainability, Statistics and Technical, and through its working groups, including the Future Group and the Cybersecurity Working Group.

Extensive information on ERA's activities, reports, and publications is available on the ERA website at <https://www.erarental.org>.