

Executive Summary

WHY RENT?

Rental helps companies reduce their fixed costs and minimises the financial risks of owning equipment fleets.

By renting rather than owning, the user only pays for equipment when it is needed, and rental reduces the ongoing costs that come with equipment ownership, including maintenance, in-service inspections, repairs, transportation and storage.

Rental allows companies to cope with peak workloads without having to invest in extra equipment. It represents a low-risk way of obtaining equipment when market conditions are uncertain and allows companies to enter new markets or sectors without burdensome investments in machinery – capital that would otherwise be tied up in equipment can be channelled into a company's core business.

Finally, rental provides peace of mind as rental companies provide equipment that complies with regulations and is properly tested and certified.

WHAT CAN YOU RENT?

Equipment available for rental is remarkably diverse, spanning earthmoving machines, hand-held power tools, generators, site cabins, aerial work platforms, mobile cranes, heating and cooling equipment, forklifts, site toilets, traffic safety equipment and falsework, formwork and shoring equipment.

HOW DO YOU CHOOSE A RENTAL COMPANY?

Choosing a rental supplier that operates close to your site reduces transport costs. When renting small equipment, this proximity determines the choice of the rental company.

The fleet inventory should guarantee the immediate availability of equipment. Having relationships with a number of rental companies rather than a single supplier provides more guarantees.

The rental rate or price is the easiest thing to compare between suppliers. Rental companies will also offer particular pricing packages. Special offers for the weekend or long-term rentals can make a supplier more attractive.

Recently, online rental platforms have entered the market, acting

as intermediaries between rental companies and their customers. Whether or not it is a good idea to rent equipment via an online platform depends on a number of factors, such as the type of equipment requested, a customer's knowledge and the location of a job site.

A SUSTAINABLE OPTION

Rental is a fundamentally sustainable activity. By renting equipment, companies and individuals can contribute to a more sustainable world in various ways.

As an inherently circular model, rental satisfies the many principles of the shared economy, including shared usage, repairability, resource use, reusability and recyclability. It helps minimise the negative environmental impact of equipment, with the biggest reductions in carbon emissions

A SHORT HISTORY

Equipment rental emerged in the UK after the First World War and has now become a multi-billion euro business providing a wide range of construction and industrial equipment for customers primarily in Europe and North America. In Europe alone, there are over 17,000 equipment rental companies and the industry is now growing quickly in other areas of the world, including the Middle East, Latin America and Asia.

coming from the utilisation rate, equipment adequacy (using the right equipment for the job), transportation and maintenance.

Many European rental companies put significant efforts into their own Corporate Social Responsibility (CSR) and actively work on their contribution to the sustainable development goals (SDGs). Rental companies also work with sustainable supply chains to ensure that equipment is manufactured in a sustainable and responsible manner.

CONTRIBUTION OF RENTAL TO THE OVERALL ECONOMY

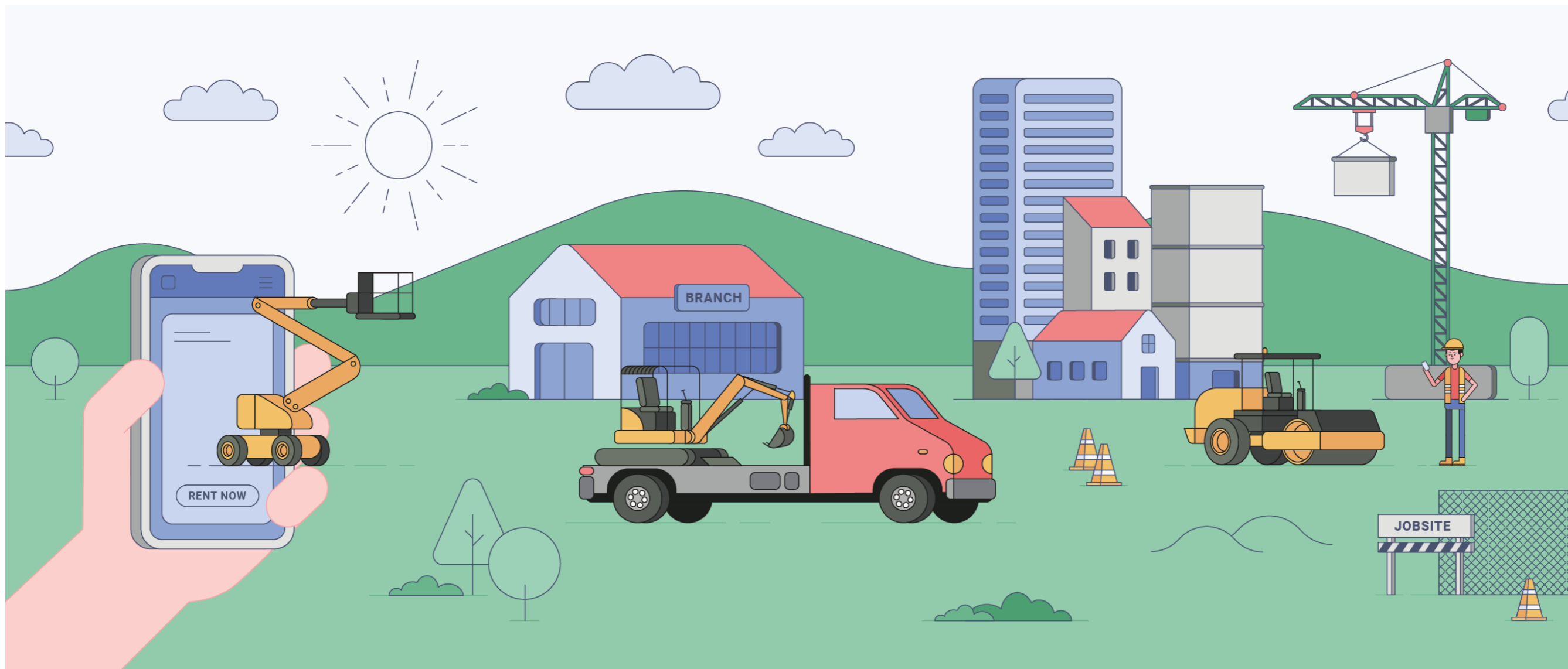
For more and more customers, rental offers a useful and economic solution to flexibly cover their demand for construction machines and equipment. The trend towards rental is not surprising, considering that rental allows flexibility, project-related budgeting and cost control, and eradicates the need for expensive investments in new machines.

In 2019, equipment rental companies and other companies providing rental services generated a total rental turnover of more than EUR 27.7 billion in these countries (EU-EFTA-UK), with the most recent estimates putting the number of rental companies at 17,725 and people employed in the industry at 144,810.

MORE INFORMATION

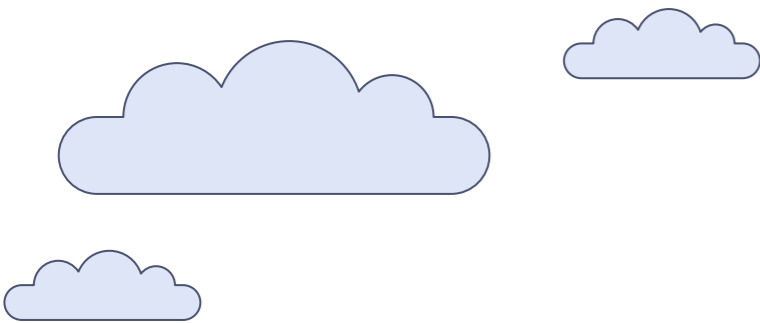
The European Rental Association (ERA) publishes a range of useful materials on its website (www.erarental.org), including easily accessible information about ERA and equipment rental industry, as well as the many valuable resources that ERA has produced over the years. Furthermore, the free-to-use and independent ERA TCO Calculator and ERA Equipment CO2 Calculator are the perfect tools for making the right economic and sustainable choices when using construction equipment.





Rental: a short introduction

Rental is a cost-effective, sustainable, risk-free and essential way of addressing construction equipment needs.



This brochure takes a comprehensive look at the equipment rental industry, covering the financial, operational and sustainability benefits of renting equipment, the kinds of equipment that can be rented, considerations when choosing a rental company and the contribution of the industry to the overall economy.

It describes how rental companies help their customers save money, outsource work and responsibility and thus focus on their core business, while providing a sustainable and environmentally sound option for fleet management. As rental is not just about equipment but also about providing services, it also outlines the services rental companies provide beyond merely delivering machines and equipment.

In short, this brochure is an essential guide to a forward-looking, sustainable and growing equipment rental industry.

About the success of Rental

Today, rental is a cost-effective, sustainable, risk-free and essential way of addressing construction equipment needs. Starting in the UK soon after World War I, the equipment rental market underwent strong development in North America after 1950. Rental is now an integrated part of the equipment distribution channel, which includes sales of new equipment – from straight sales to financial leases – long-term and short-term rentals and sales of used equipment. In contrast with the sales process which represents, for larger equipment especially, a single process between the vendor and the purchaser, rental activity represents a flow of repetitive transactions where the rental operator offers not only a large array of modern equipment and tools, but also services and training to the customer supported by new communication technologies.

Actually, rental is all about service through convenient locations, operating hours, equipment inventories and processes.

The European equipment rental industry has different origins depending on which geographical market is being discussed. These origins range from the branching out of equipment departments of some large contractors, mostly in the UK and Northern Europe, the development of pure rental players, mostly in France and Spain (also the dominant model in North America), up to the development of rental through large networks of equipment distributors, such as in Germany and Italy. It is, therefore, easy to understand why the European equipment rental industry is so diverse in its structure as well as in its strategies and operating models. In developing markets, customer needs are primarily related to the lack of capital expenditure, peak demand and emergencies. In mature markets, customer needs

are more sophisticated, including productivity improvement, transfer of financial risk, better cost management and environmental awareness.

Starting in the 2000s, the equipment rental industry has experienced a period of consolidation with the emergence of a number of large rental companies. Overall, however, the equipment rental industry still remains very fragmented, with the vast majority of rental companies operating a single depot of around 5 people.

This consolidation, coupled with strong development in information systems, has brought considerable progress in operating procedures and marketing techniques.

