

# Construction Rental Equipment Gains Ground

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Attendees at the ARA Show test out equipment. Photo: ARA

Do you expect to rent equipment this year? Among professional construction contractors who rented equipment in 2019, a majority expect to increase reliance on rental in 2020, according to a comprehensive survey of contractors released by the American Rental Association (ARA). The "Rental Customer Needs Study," conducted by RSG, an independent research firm for

ARA, found that 93% of professional contractors surveyed rented equipment in the last year. Of those who rented, 92% planned to rent as least as much as last year, while 52% expected to increase renting over the next year. (Data for the study came from surveys of various types of contractors including: residential building, specialty, non-residential and commercial building, landscape, utility, road and highway construction, site development/earthmoving, and more.)

Portable toilets, lifts and scaffolding, backhoes, dump trucks and mini excavators are the most popular rental items among contractors, the study found. Reasons contractors rented included:

- 45% said it made more financial sense than buying equipment;
- 43% said they needed equipment for immediate use and did not want to purchase; and
- 43% said they needed to use the equipment infrequently or only for a short time period.

Contractors who expect to rent more next year will do so because they plan to use what they currently rent more frequently, or they plan to take on more quick-turnaround projects, the study concluded. Additionally, more than 90% of survey participants said rental locations are doing an excellent job of providing their customers with satisfying rental experiences.

David Garton of [CASE Construction Equipment](#) commented, "With low interest rates and rising salaries and investments, people are buying and building with confidence across most sectors. However, there is doubt as to how long this will last." He continues, "Equipment rental, however, absolutely thrives in this environment of uncertainty. Contractors are busy—for now.... So rather than make investments in large capital goods, they can hedge their bets by renting equipment they need for now—with no strings attached. That way, if they need to, they can return it to the rental yard. No payments. No commitments—freeing up capital for other operating expenses, or to help weather a possible downturn."

Garton adds, "It's important for business owners to have an understanding of the market mix. Most people think of rental as mini excavators, skid steers and other small equipment, but the sales numbers in the rental industry are showing growth in demand for larger machines. You might look at that and say that it could be due to aging rental fleets needing to be replaced, but that's certainly not the case. They need the equipment. They need more and more excavators and dozers and other large earthmoving equipment in order to respond to the changing needs of the market. That means contractors are clearing land, they're starting big projects and the smaller equipment is used to finish up those projects once they're done, those smaller machines are used for landscaping, pools and things like that."



Tony Conant, ARA CEO, said “We invested in this study to better understand the evolving needs and preferences of contractors. It’s exciting that so many professional contractors are thinking of rental first for their equipment needs.”

The [ARA Show](#) will take place from February 9 – 12 at the Orange County Convention Center in Orlando, FL. [Toro](#) and Ditch Witch are co-sponsoring the Keynote Session, featuring Marcus Lemonis, chairman and CEO of Camping World.

Want to talk with fellow lawn care and landscape professionals about growing and operating your business? Join the discussions in the [Rental Equipment forum at www.expired-link.com](#).