
The UK Access Rental Market in 2007

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Introduction

- **Market conditions**
- **Self-propelled**
- **Vehicle mounts**
- **Tracked machines**
- **Prospects**
- **Concerns/Opportunities**

Global growth

Manufacturers sales are booming

	2006	2005	Increase
Genie	\$1600m	\$1100m	+45%
JLG	\$1400m	\$1053m	+33%
Haulotte	\$685m	\$455m	+50%
Aichi	\$419m	\$344m	+22%
Skyjack	\$319m	\$252m	+26%
Snorkel	\$135m	\$96m	+41%

Big North American manufacturers expecting similar sales levels this year. European manufacturers are forecasting big growth in 2007 (30% typically.)

Self-propelled

- **7000-9000** new machines this year
 - 5-7000 scissors
 - 2-3000 booms
- Up around 25% on previous year. Manufacturers expecting another UK record in 2007 (+20% and would be more if there was capacity). (Rising sales also reflect larger population of machines – bigger replacement market.)
- Demand in US still means longish delivery times for some big US producers (6 months or more on some products).

Self-propelled

- Small electric scissor lift market still “very good”, but quieter than big surge 18 months ago fuelled by WAHR.
- Also now developing market in micro-scissors, with Pop-Up being one example: there will be more national rental companies investing in these machines. Big diesel booms also in high demand (80ft and above).

“We’re probably experiencing as strong a demand as we’ve ever seen.”



Self-propelled

- Pricing stable, except in certain highly competitive niches (cladding might be an example).
- Demand in market sufficient for price increases?
 - 'Anyone using rates to buy business at the moment is nuts.'*
- Manufacturers, in general, less generous on financial terms with customers: higher entry costs for new players.

Vehicle Mounts

Below 30 m: fleet size of **500-700** machines
- 3.5t GVW self-drive market remains the key trend in this sector: >150 units/yr likely in 2007 and one supplier thinks it could reach 500/yr 'without a doubt'.

'It's becoming the key battleground'

- Ascendant big outreach machine developed with Facelift generally recognised as a very good idea. One sided jacking, 13 m outreach/17 m height.

'A new industry standard platform.'

Vehicle Mounts

Van mounts: contract hire fleet about **1000** units

- Market very flat last year (Euro IV vans, digital tachograph issue, BT stopped buying), but signs that 'the corpse is stirring'. BT started buying again. Still Euro IV van delivery issues.

Above 30 m: fleet size of around **300** machines

- Still awaiting any influx of +72 m machines. Mammoth Platforms will be first above that height (In contrast with rest of Europe – Belgium, Spain, Germany, Russia, Italy.)

'Wait to see how wind turbine business develops before investing.'

Tracked Machines

- Market this year could be 200-300 units, compared to less than 50 three or four years ago. Driven by WAH regs (property maintenance, tree trimming, replacing scaffolding). Hire fleet in UK still small – 200 units?
- major suppliers include Teupen, Hinowa, CTE, Oil & Steel, Worldlift and Omme. (Ranger Equipment, APS etc.) Some re-rental available from suppliers.
- Key sizes – 15 m (half of market), then 20-23m, 30m, and first Teupen 50m models now entering UK.
‘Major rental companies holding back. Will wait for market to become more mature.’

Summary – UK Hire Market

- **Self-propelled rental fleet:**

~39-40,000 units

(average age around 5 years)

- **Vehicle mounted rental fleet (excluding vans):**

~800 units

Tracked machine rental fleet:

~200 units

- **Van mounted ‘contract hire’ fleet:**

~1000 units

Prospects

- **2008:** Nobody had anything negative to say about current market, and nobody had concerns for 2008. Demand strong in almost every region of UK and Ireland.
- **Growth** in powered access in the next few years likely to be above GDP level, mainly through expansion in non-construction sectors (property maintenance market, etc.)
- **Beyond 2008:** Some big rental companies apparently hold the view that demand will be buoyant through to 2012.

Prospects

- The **Olympics** is widely expected to fuel demand for aerial platforms, although few are willing to quantify the requirement.
- Possibility that Olympics could prompt a more immediate spike in demand, with developers keen to push projects through before the Olympic projects start.

Concerns

- **Oversupply?** High demand in US has choked back availability in Europe and UK – possibly a good thing. Utilisation currently at good levels, so oversupply not considered a problem by most.
- **US Slowdown?** Sudden fall in demand in US could result in increased supply to UK/Europe, and possibly on better financial terms. Return to the problem of the late 90s/early 2000? Manufacturers aware of risk, and say manufacturing done differently (easier to gear down.) Even so, still a risk. (US handler sales down, and some early signs of softening demand on West coast. But, ‘soft landing’ still most common prediction.)

Opportunities

- **Small machines:** Although initial surge in demand for small machines is over, customer demand still very high and wider choice of machines becoming available.
- **Crawler/Spider Machines** Market is growing fast and also offers diversification away from construction/building sector. Still not a volume product, but could offer good niche and/or re-rental opportunities.
- **Van Mounts** Could offer access rental companies an easy inroad to utility/local authority sector.

Opportunities

- **Brand Loyalty** Market becoming more mature – more customer loyalty to existing suppliers/brands. Opportunity to increase prices?

‘Existing customers have been expecting price increases.’

- **Websites** Powerful way to attract new customers (who will pay higher rates). One company generating ‘hundreds’ of new customers every month through website. Also good calling card for banks and other sources of finance.

‘People should be doing 100% more.’



Thank You

***Access International* would like to thank all the manufacturers, dealers and rental companies who provided information.**

