

ARA Predicts North American Rental Growth to Increase



The American Rental Association (ARA) predicts good growth prospects for the North American rental industry through 2017; however, it has slightly reduced its estimate of growth for 2014.

The association and its consultant, IHS Global Insight, forecast that growth in North American rental revenues will accelerate over the coming two years, reaching 8.4% next year and 11.3% in 2015 before levelling off in 2016

and 2017.

The slowdown in US GDP—now forecast to be around 1.5% this year—impacted revenues slightly. North American revenues are now expected to reach \$38 billion this year, a 6.2% increase, although lower than the 7.3% forecast by ARA in May. The good news is that rental growth is outpacing GDP increases by a factor of four.

Christine Wehrman, ARA's executive vice president and CEO, said, "The industry remains vibrant, strong and will benefit even more in the coming years due to non-residential growth, supplemented with residential construction growth and the strong influence of the energy boom in North America. We expect revenue in the U.S. to grow 8.4 percent in 2014 and 11.3 percent in 2015."

ARA is also expecting investment by rental companies to grow in 2014, with expenditures in 2015 expected to exceed \$14 billion.