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Plant Hire Market Report - UK 2012-2016 Analysis

New AMA report reviews the plant hire market in the UK and considers future prospects.

"The UK plant hire market is estimated to be worth some £2.22 billion (excluding all ancillary revenues) in 2011. Following significant decline in 2009, market performance in 2010/11 has been variable, reflecting variable trends of different hire product groups and the wide range of end use sectors – including, for example, private commercial construction, housebuilding, industrial, and infrastructure – though 2011 has shown marginal recovery.

Although the UK plant hire market is relatively fragmented, the trend towards a higher level of concentration continues, reflecting a mix of acquisitions, business closures and a certain amount of restructuring – with the leading 6 hire companies now accounting for around 30% of the market."

A brief summary of the report is included on the following page.

Priced at £675, the report is currently available from AMA Research Ltd, Telephone 01242 235724 or e-mail at sales@amaresearch.co.uk.

Editors Note:

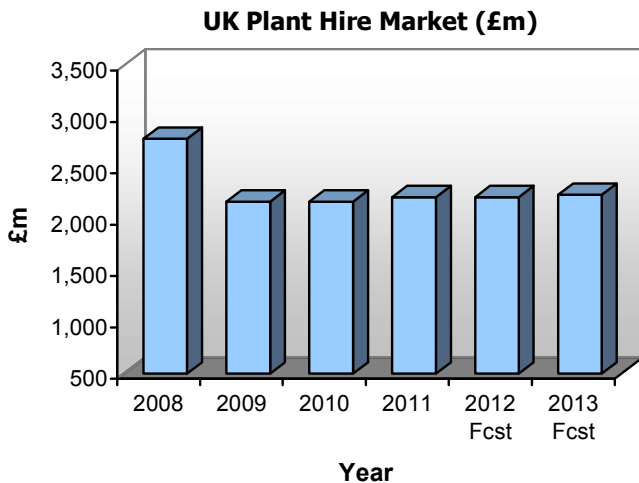
Attached is a summary of the report. Please use brief extracts if you wish, **but we would request that references to company market shares are not published without our prior permission.**

If you would like to receive an editorial review copy or would like to speak to an author of this report, please contact Andrew Hartley or Chris Moore on (01242) 235724.

Please include our web address and telephone number on any review printed, it would also be appreciated if a copy of the review could be forwarded to AMA Research. Thank you.

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The UK plant hire market is estimated to be worth some **£2.22 billion** (excluding all ancillary revenues) **in 2011**. Market performance since 2008 has been volatile, reflecting variable trends of different hire product groups and the wide range of end use sectors – including, for example, private commercial construction, housebuilding, industrial, and infrastructure. However, in overall terms, the market has declined by around 25% from its peak in 2007.

Anecdotal evidence indicates that while the overall construction market remains flat, certain plant hire sectors are performing better than others including excavators, powered access and telehandlers reflecting a

wider range of hire opportunities in the housebuilding and events sector. This has contributed to flat or marginally positive market conditions at best in 2011 and the sector continues to remain relatively fragmented due to the high number of specialist operators with different competitors in different hire product sectors.

Earth moving equipment, estimated to be the largest product sector, accounts for around 37% of hire turnover, while lifting accounts for around 36%, pumping, crushing and screening plant 7%, road making 6%, compressor/generating sets 5%, and others/non-mechanical 9%.

Positive niche sector construction influences include life extension projects for the ageing power generation asset base, while nuclear power station decommissioning projects provide hire opportunities in the short, medium and long term. Uncertainty in the plant hire industry caused by the cancellation or deferment of construction projects continues to impact negatively on plant hire companies in the UK, while anecdotal evidence indicates that rising equipment prices are prompting increases in hire rates which will also tend to add some value to the market.

However, regional growth opportunities will continue to underpin certain rental sectors, such as new road construction, coastal defence work, wind turbines, construction of the new Forth Road Bridge, Crossrail etc..

Current forecasts indicate that the UK construction equipment rental market is likely to grow very slowly through to 2016, reaching an estimated value of around £2.4 billion. While the length and severity of the slowdown is uncertain, it is forecast that the market will be relatively flat in 2012/13, reflecting low levels of activity in construction and manufacturing, while medium to long term growth rates of around 2-3% through 2014-2016 reflect growing demand from the infrastructure sector, in addition to forecast steady recovery in housebuilding and RMI work.

Key factors underpinning long term market growth include health and safety issues, environmental and energy efficiency legislation, major utility and infrastructure projects etc. If confirmed, investment of over £100bn in electricity generation by 2025 (National Policy Statement on Energy) will provide significant long term motivation for the UK plant hire industry.

Although the UK plant hire market is relatively fragmented, the trend towards higher levels of concentration continues, reflecting a mix of acquisitions, business closures and a certain amount of restructuring – with the leading 6 hire companies now accounting for around 30% of the market.

AMA Research's report "**Plant Hire Market Report – UK 2012-2016 Analysis**" is available in hard copy or electronic format for £675 and can be ordered online at www.amaresearch.co.uk or by calling 01242 235724.