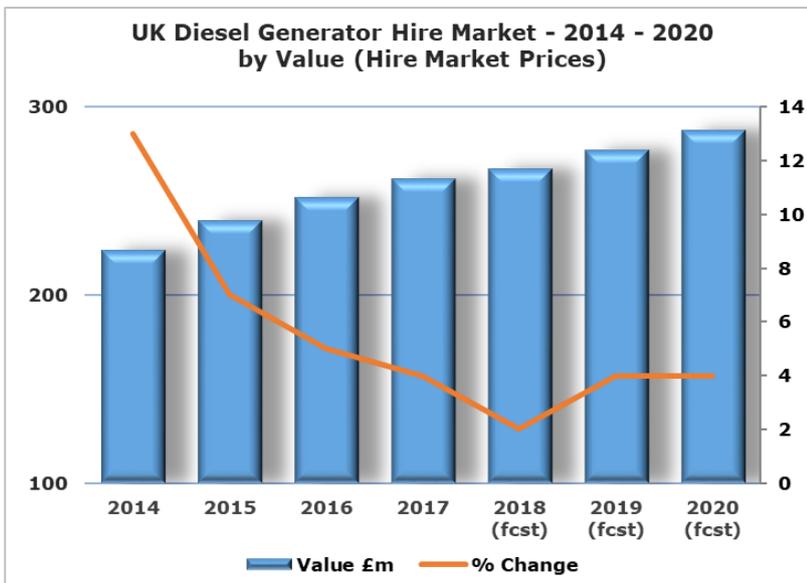


## 29% growth in the UK generator hire market since 2014

September 2018 – Cheltenham, UK



The market for diesel generator hire, which according to AMA's definition excludes ancillary products, has performed well in recent years, having experienced growth of 29% from 2014. Over this period, the market has benefitted from increasing demand across most many application areas including construction, events, infrastructure and industrial. Other drivers include rising power demand in several sectors, such as events and industrial, as well as 'critical' applications requiring more secure back-up support.

Source: AMA Research/Trade Estimates

The generator hire market is part of the larger construction equipment rental market that includes products typically hired out by plant and tool hire companies, such as earth moving, lifting, pumping, road-making, power and tools. It is estimated that the generator hire market accounts for only around 2% of the overall construction equipment rental market.

Opportunities in the generator hire market range from very large and infrequent situations to very small & recurring events. High value, one off sources of demand include major entertainment events and natural disasters; whilst other application areas include temporary construction usage and the need for power while a company's own equipment is repaired.

Construction is a key end-use sector, and accounts for around one third of the market. Generators are required in a number of applications, such as for powering site cabins and welfare facilities, as well as powering pumps, lighting, crushing plant, tower cranes and tools & equipment etc. Generators are often one of the first pieces of equipment to arrive on site and the last to leave.

The industrial sector is the largest non-construction sector and the second largest overall, with demand driven by sectors such as manufacturing, refining & processing, recycling & waste, and data centres. Infrastructure and events are also important sectors for generator hire, each accounting for a significant share of the market. Further demand comes from the public sector as well other sectors including extractive, agriculture, commercial, retail and landscaping.

By volume, generators with a rating of 21-350kVA hold the largest share and account for close to half of the market, with generators up to 20 kVA having the second largest share at around a third of the market. The former are typically used in construction and events as well as in small offices, industrial units or hospital departments.

In terms of distribution, the market continues to be dominated by large, national multi-branch organisations that have expanded through a combination of organic growth and acquisition. In addition, a wider range of outlets including builders' merchants, DIY multiples and garden stores now offer a hire service. Generator hire is also offered by both plant hire and tool hire companies, with the former focusing on larger generators with a higher generator rating and the latter focusing on smaller generators, typically up to around 20-25 kVA. Specialists can offer generators with a wider range of power ratings, up to around 2,000 kVA.

Prospects for the generator hire market into the medium-term remain relatively optimistic with the market forecast to experience annual growth rates of 4-5% following a slightly smaller increase of 2% in 2018. Going forward, construction sectors likely to be the main drivers of growth in the next 3-4 years are housing, infrastructure and entertainment & leisure.

The effect of the 'Brexit' negotiations on levels of confidence and investment remains the biggest risk factor to business confidence, which, if it falls further will have a direct effect on project starts. Additionally, any slowdown in non-construction activities, such as manufacturing or events, will negatively impact market value.

The '**Generator Hire Market Report - UK 2018-2022**' report is available now and can be ordered online at [www.amaresearch.co.uk](http://www.amaresearch.co.uk) or by calling 01242 235724.

### **Editors Note:**

Please include our web address on any press release or article published, and it would also be appreciated if a copy of the review or a link could be forwarded to AMA Research. If you would like to receive more information on the report, or would like to speak to the editor, then please contact:

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### **About AMA Research**

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