



## 2023 Q1 in Review | A Quarterly Recap of Retail Rental Rate Trends

**Number of Participating Rental Companies: 506**

**Number of Equipment Types Covered: 301**

**Total number of rates collected: 1,691,927**

## First Quarter in Review:

Stability in Q4 2022 led to increases in daily rental rates in Q1 2023, especially for some of the more popular equipment types. The biggest increase in average daily rental rates was for the Telescoping Boom Rough Terrain Lift Trucks which saw increases in both Q4 and now Q1 2023. Same with Crawler Mounted Compact Excavators, which saw average rental rates climb 3.98% over two quarters in a row. Gains were seen in daily rates for 4-Wd Articulated Wheel Loaders, Single Drum Vibratory Compactors, and Electric Self-Propelled Scissor Lifts as well. Average weekly rates increased for Crawler Mounted Hydraulic Excavators, Standard Crawler Dozers, 4-Wd Articulated Wheel Loaders, Telescoping Boom Rough Terrain Lift Trucks, and Single Drum Vibratory Compactors. Compact Track Loaders saw the largest weekly rate drop, at -4.04%, followed closely by the Skid Steer Loaders, which dropped by -3.68%.

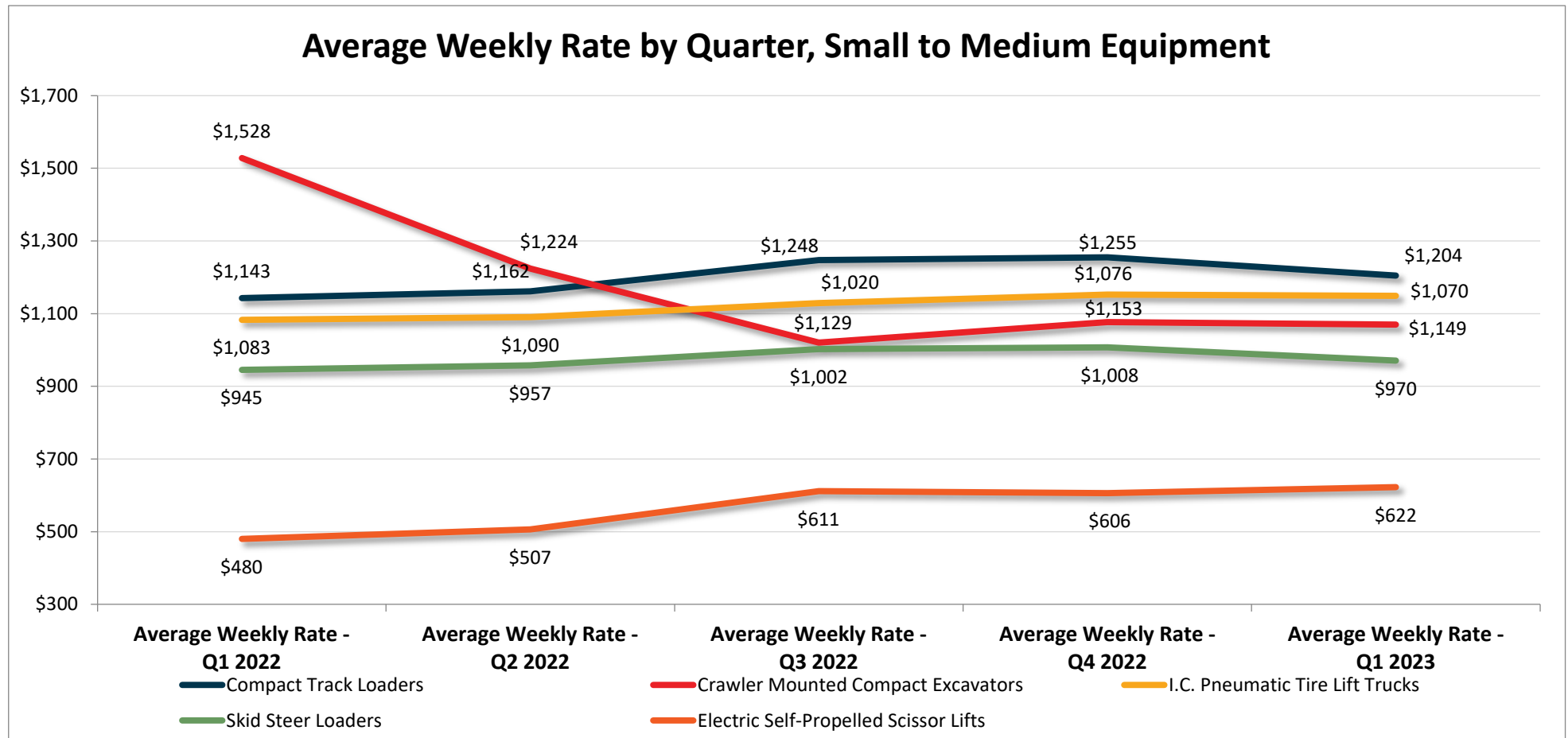
Equipment Type	Daily		Weekly		Monthly	
	Average Rental Rate	Average Change from Previous Quarter	Average Rental Rate	Average Change from Previous Quarter	Average Rental Rate	Average Change from Previous Quarter
Crawler Mounted Hydraulic Excavators	\$919	4.81%	\$2,501	2.45%	\$6,467	0.70%
Standard Crawler Dozers	\$792	-0.31%	\$2,294	0.07%	\$6,211	-0.57%
4-Wd Articulated Wheel Loaders	\$843	2.16%	\$2,368	1.48%	\$6,338	0.50%
Telescoping Boom Rough Terrain Lift Trucks	\$674	5.77%	\$1,725	5.57%	\$4,041	4.54%
Single Drum Vibratory Compactors	\$630	1.95%	\$1,838	1.71%	\$4,749	0.74%
I.C. Pneumatic Tire Lift Trucks	\$426	-0.38%	\$1,070	-0.63%	\$2,684	-0.92%
Compact Track Loaders	\$421	-2.32%	\$1,204	-4.04%	\$2,916	-5.49%
Crawler Mounted Compact Excavators	\$403	1.32%	\$1,149	-0.33%	\$2,823	-1.62%
Skid Steer Loaders	\$330	-1.33%	\$970	-3.68%	\$2,355	-3.52%
Electric Self-Propelled Scissor Lifts	\$283	2.78%	\$622	2.66%	\$1,316	2.10%

Quarterly change in rates for the top ten equipment types by volume. These retail rental rates are an overall average by equipment type and are derived from average rates advertised by distributors throughout the United States and Canada. All rates included were either publicly advertised online or obtained through exclusive rental house partnerships.



## Marketplace Analysis: Average Weekly Rate Trends

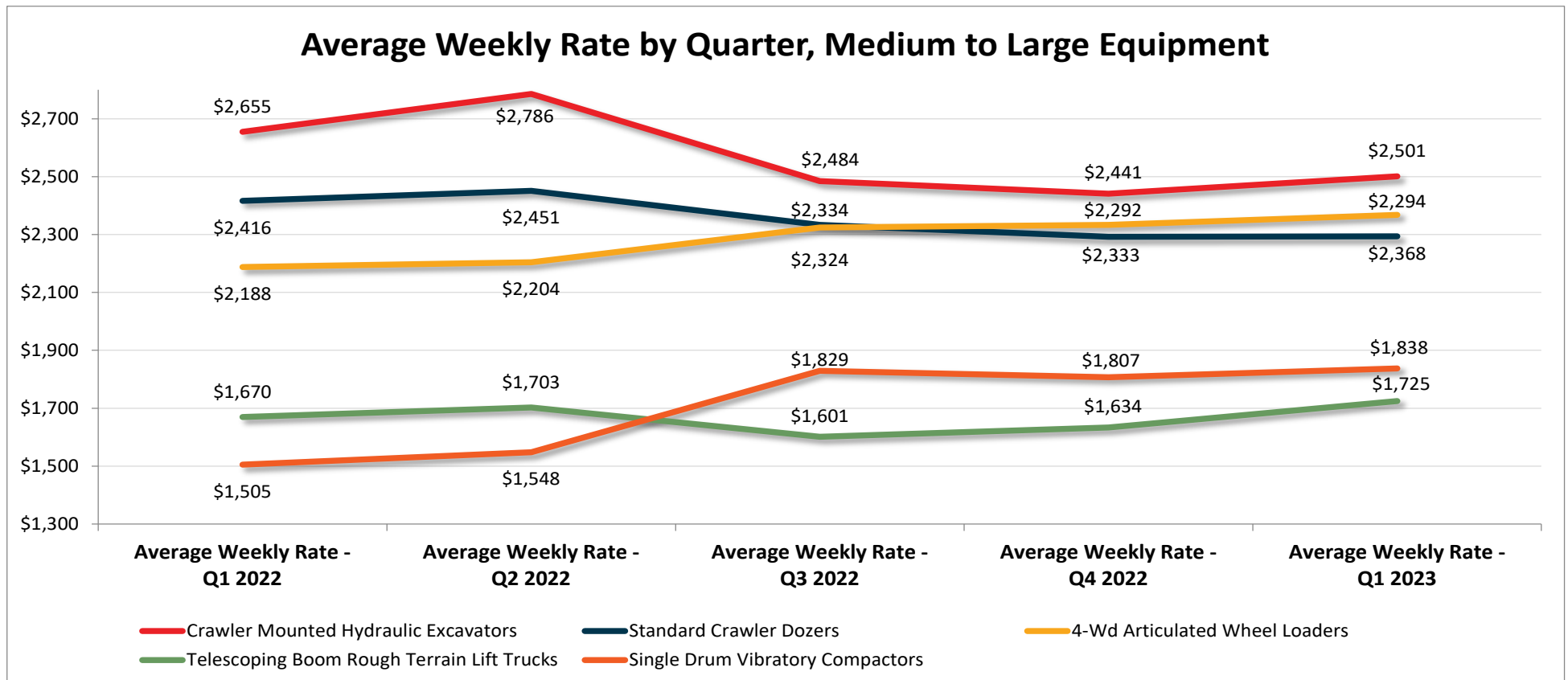
After a market correction mid-2022, rates for Crawler Mounted Compact Excavators have stabilized. In fact, the market stability established in Q3 and Q4 has continued for most types of small and medium equipment, with only modest to slight decreases in Skid Steer Loaders and Compact Track Loaders. I.C. Pneumatic Tire Lift Trucks decreased nominally, while the only nominal gain in average weekly rates came from Electric Self-Propelled Scissor Lifts.





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Medium to large equipment rates saw modest increases across the board, with Crawler Mounted Hydraulic Excavators and Telescoping Boom Rough Terrain Lift Trucks seeing the largest increase from \$2,441 to \$2,501 and \$1,634 to \$1,725 respectively. The biggest year-over-year increase came from Single Drum Vibratory Compactors for which rates have increased from \$1,505 this time last year to \$1,838 this year. Overall, rates were stable with slight increases happening for 4-Wd Articulated Wheel Loaders and Standard Crawler Dozers.





## Marketplace Analysis: Regional Variance

Here we can see the regional variance in weekly rental rates for the top ten types of equipment. Decreases were highest in regions N, L, J, and M (these regions also saw decreases in Q4 last year). The top three regions with the highest increases were the same as last quarter - H, E, and G. Rates have started to decrease, ever so slightly, in Regions B and D, with Regions A and K relatively stable.

Region	States/Provinces in Region	Variance
N	New Brunswick, Newfoundland & Labrador, Nova Scotia, Ontario, Prince Edward Island, Quebec	-0.1845
L	Northwest Territories, Nunavut, Yukon	-0.1639
J	Hawaii	-0.1046
M	Alberta, British Columbia, Manitoba, Saskatchewan	-0.0842
B	Delaware, Maryland, Pennsylvania, Virginia, West Virginia	-0.0114
D	Illinois, Indiana, Michigan, Ohio, Wisconsin	-0.0027
A	Connecticut, Massachusetts, Maine, New Hampshire, New Jersey, New York, Rhode Island, Vermont	0.00201
K	Alaska	0.02446
I	California, Nevada, Oregon, Washington	0.04153
C	Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee	0.05904
F	Arkansas, Louisiana, Oklahoma, Texas	0.0633
E	Iowa, Kansas, Missouri, Nebraska	0.09494
G	Arizona, Colorado, New Mexico, Utah	0.09538
H	Idaho, Minnesota, Montana, North Dakota, South Dakota, Wyoming	0.17061



*These regional rate modifiers represent the regional deviation from the average for a select group of equipment categories. In the instances where there may be insufficient data for a region within an equipment category the modifier shown is based on a comparison of all equipment categories. Canadian data was collected and converted into U.S. dollars using the current exchange rate of 0.802 USD to CAD.*



## Marketplace Analysis: Percent Change in Regional Variance from Q4 2022 to Q1 2023

Overall, the Southern states showed average rate increases across the board. The table below details the changes in a percentage variance between Q4 last year and the first quarter of 2023. The largest change was in region E, where the variance was -.44%. However, several other regions, Region D and A respectively have each seen increases, even nominally, after seeing a dip in Q4. Region F saw the largest increase in variance, at 2.46%. The variances in eight regions—C, G, H, A, I, A, K, and L were less than 1%.

Region	States/Provinces in Region	Q4-2022 Average	Q1-2023 Average	Change
E	Iowa, Kansas, Missouri, Nebraska	\$1,670	\$1,663	-0.44%
L	Northwest Territories, Nunavut, Yukon	\$1,270	\$1,270	-0.01%
K	Alaska	\$1,556	\$1,556	-0.01%
B	Delaware, Maryland, Pennsylvania, Virginia, West Virginia	\$1,501	\$1,502	0.05%
I	California, Nevada, Oregon, Washington	\$1,578	\$1,582	0.26%
A	Connecticut, Massachusetts, Maine, New Hampshire, New Jersey, New York, Rhode Island, Vermont	\$1,518	\$1,522	0.28%
H	Idaho, Minnesota, Montana, North Dakota, South Dakota, Wyoming	\$1,773	\$1,778	0.28%
G	Arizona, Colorado, New Mexico, Utah	\$1,651	\$1,664	0.80%
C	Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee	\$1,595	\$1,609	0.86%
J	Hawaii	\$1,346	\$1,360	1.07%
D	Illinois, Indiana, Michigan, Ohio, Wisconsin	\$1,493	\$1,515	1.45%
N	New Brunswick, Newfoundland & Labrador, Nova Scotia, Ontario, Prince Edward Island, Quebec	\$1,216	\$1,239	1.86%
M	Alberta, British Columbia, Manitoba, Saskatchewan	\$1,359	\$1,391	2.39%
F	Arkansas, Louisiana, Oklahoma, Texas	\$1,576	\$1,615	2.46%





## Fourth Quarter 2022 Conclusions & First Quarter 2023 Outlook

- Buoyed by an overall strong 2022 (with some market volatility and uncertainty thrown in) and a continued backlog of projects, many in the rental market expect good things from 2023. As is evident in this Q1 report, overall rental rates have stabilized, with modest increases offsetting any market corrections that happened in 2022. According to Michael Roth of the Rental Equipment Register, “Demand is high, rental customers are, for the most part, busy, there’s a lot of work in the books, and federally funded infrastructure projects are getting going.” In fact, the Associated Builders and Contractors Construction Confidence Index increased in January indicating expectations of growth over the next six months.<sup>2</sup>
- As noted in the last **EquipmentWatch Market Report**, large-scale manufacturing and infrastructure projects will be the key drivers for construction activity in 2023. Manufacturing-related construction spending jumped by 53.6% since January of 2022, with the CHIPS Act being a major reason for the spike. Transportation spending increased by 9.2%.<sup>1</sup> However, outside of those segments, persistently high costs (including equipment costs) contributed to a slowdown in nonresidential construction spending. The only slight hiccup in the overall market optimism comes from the residential construction market, with higher interest rates giving investors pause.<sup>3</sup>
- On the other hand, demand generated by the Infrastructure Investment and Jobs Act is expected to be robust heading into 2023. According to Dodge Construction Network, civil construction starts will reach \$281 billion in 2023. Some states already saw surges in highway and bridge construction last year, notably, the Carolinas, Georgia, and Texas, accounting for the uptick in rental rates throughout the South. As more projects pick up steam, spending will impact some areas more than others.<sup>4</sup>

<sup>1</sup> [Rental Expectations -- Which Way Will the Rental Industry Go in 2023? | Rental Equipment Register \(rermag.com\)](#)

<sup>2</sup> [ABC's Construction Backlog Indicator Down to Start 2023; Contractor Confidence Rises | News Releases](#)

<sup>3</sup> [Rental Expectations -- Which Way Will the Rental Industry Go in 2023? | Rental Equipment Register \(rermag.com\)](#)

<sup>4</sup> [Sector watch: 'A lot of money on the table' for civil construction this year](#)