

Rental Update

A Quarterly Recap of Retail Rental Rate Trends

 **EquipmentWatch™**
BY FUSABLE

2023 Q4 in Review

- **Number of Participating Rental Companies: 507**
- **Number of Equipment Types Covered: 239**
- **Total number of rates collected: 2,114,375**



Fourth Quarter in Review



Construction Equipment: The behemoths of construction saw a dip, with Crawler Mounted Hydraulic Excavators stumbling with a -1.78% dip in daily rates, while Standard Crawler Dozers defiantly soared with a 1.93% rise. A tale of contrasts, indeed. 4-WD Articulated Wheel Loaders, playing it cool, showed a slight dip of -0.32%. Lift/Access Equipment: Telescoping Boom Rough Terrain Lift Trucks faced a bumpy ride, down by -2.27%. Meanwhile, Electric Self-Propelled Scissor Lifts drifted downwards, declining by -1.46%. It's not all grim though; Single Drum Vibratory Compactors showed resilience, dipping just -0.98%. Agriculture Equipment: In the world of ag equipment, Crawler Mounted Compact Excavators and Skid Steer Loaders both took a hit, down by -1.85% and -2.97% respectively. Compact Track Loaders, however, showed vigor, rising by 0.87%

Equipment Type

Equipment Type	Daily		Weekly		Monthly	
	Avg. Rental Rate	Avg. Change from Previous Quarter	Avg. Rental Rate	Avg. Change from Previous Quarter	Avg. Rental Rate	Avg. Change from Previous Quarter
Crawler Mounted Hydraulic Excavators	\$898	-1.78%	\$2,508	-0.89%	\$6,640	-0.43%
Standard Crawler Dozers	\$734	1.93%	\$2,221	1.52%	\$6,312	1.58%
4-Wd Articulated Wheel Loaders	\$798	-0.32%	\$2,307	-0.04%	\$6,322	0.35%
Telescoping Boom Rough Terrain Lift Trucks	\$672	-2.27%	\$1,728	-2.07%	\$4,064	-1.23%
Single Drum Vibratory Compactors	\$615	-0.98%	\$1,833	-0.58%	\$4,815	-0.41%
I.C. Pneumatic Tire Lift Trucks	\$430	-1.09%	\$1,089	-0.95%	\$2,710	-0.69%
Compact Track Loaders	\$459	-0.49%	\$1,315	-0.39%	\$3,225	0.87%
Crawler Mounted Compact Excavators	\$421	-1.85%	\$1,215	-1.71%	\$2,991	0.04%
Skid Steer Loaders	\$352	-2.97%	\$1,045	-2.77%	\$2,516	-0.31%
Electric Self-Propelled Scissor Lifts	\$289	-1.46%	\$636	-1.53%	\$1,337	-0.80%

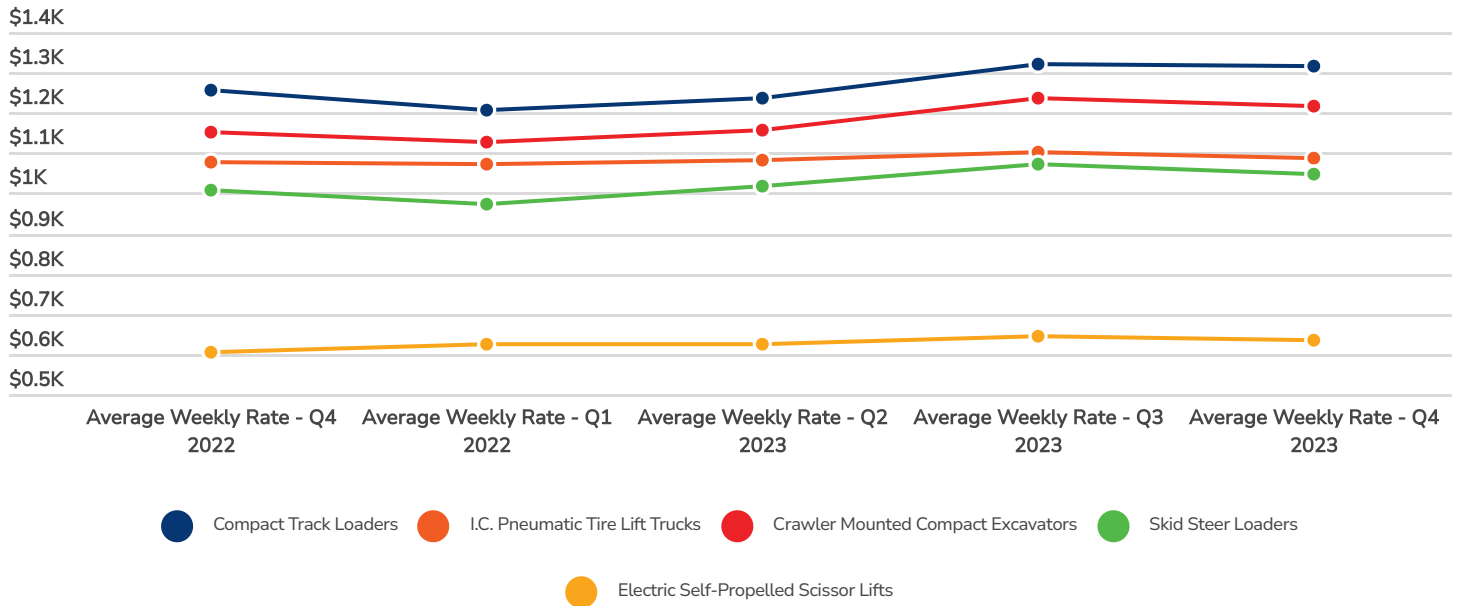
Quarterly change in rates for the top ten equipment types by volume. These retail rental rates are an overall average by equipment type and are derived from average rates advertised by distributors throughout the United States and Canada. All rates included were either publicly advertised online or obtained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

Marketplace Analysis: Average Weekly Rate Trends



After a peak in 3rd Quarter, the average weekly rate for smaller to medium equipment stalled out or even dipped at the end of the year. Skid steer loaders took the biggest dip in weekly rates, falling from \$1,074 in Q3 to \$1,045 in Q4. While the quarter took a slight dip, average weekly rental rate gains year over year remain steady and strong for all small to medium equipment types.

Average Weekly Rate by Quarter, Small to Medium Equipment

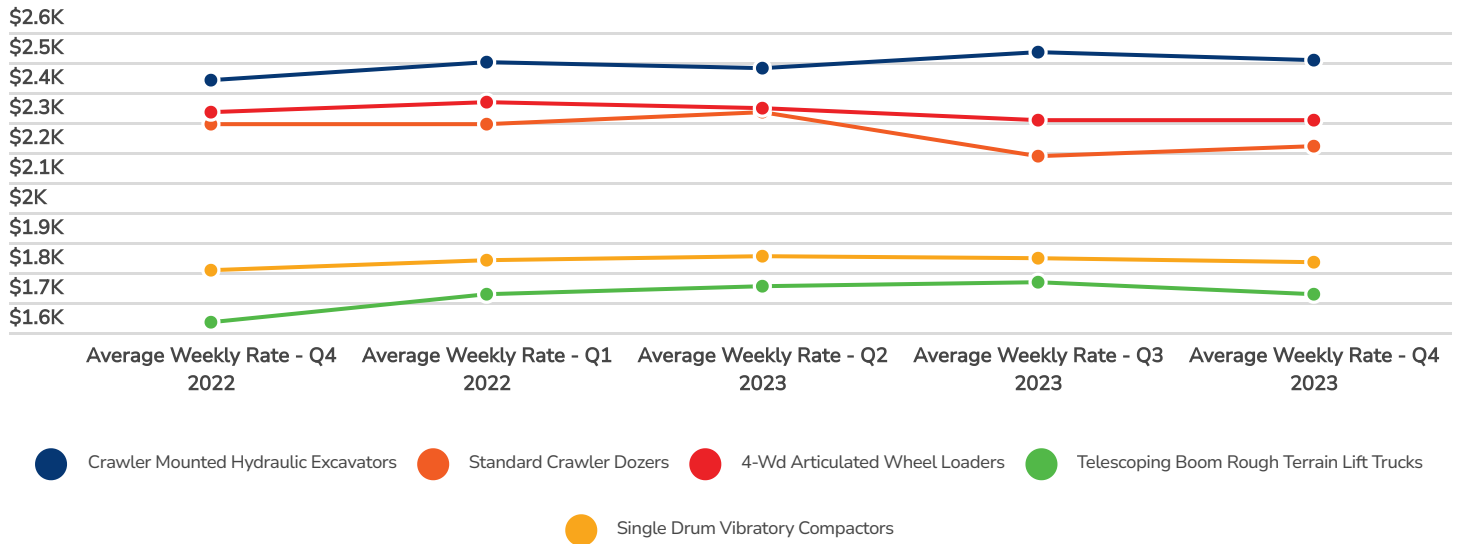


Marketplace Analysis: Average Weekly Rate Trends



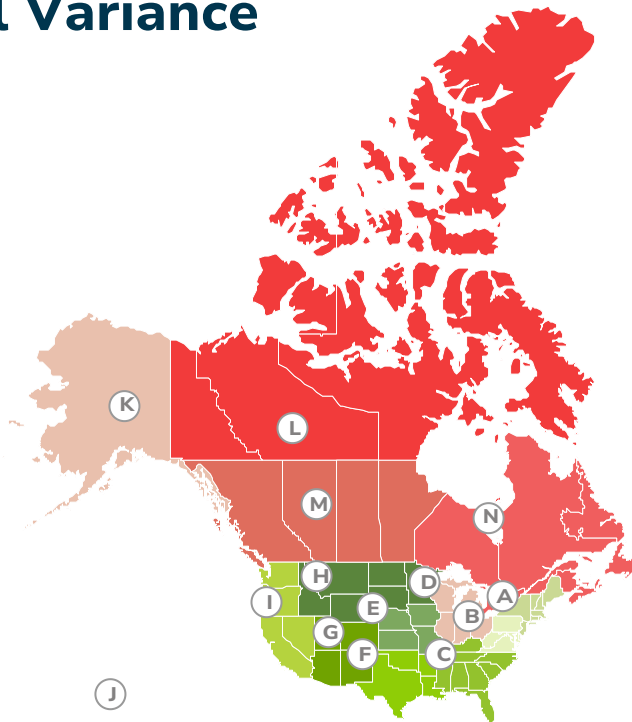
For medium to large equipment: Standard Crawler Dozers stand tall with a resounding 1.52% ascent in Q4, a standout amongst other equipment types. Meanwhile, Crawler Mounted Hydraulic Excavators and 4-WD Articulated Wheel Loaders displayed a minor ebb, down by -0.89% and -0.04%, respectively. Telescoping Boom Rough Terrain Lift Trucks took a tumble, decreasing -2.07%. Skid Steer Loaders followed suit, declining by -2.77%. Electric Self-Propelled Scissor Lifts demonstrated a slight market correction, with a -1.53% decrease in weekly average this quarter. Crawler Mounted Compact Excavators and Single Drum Vibratory Compactors showed their mettle, with a slight dip of -1.71% and -0.58%, respectively. Compact Track Loaders followed the rhythm, down by -0.39%.

Average Weekly Rate by Quarter, Medium to Large Equipment



Marketplace Analysis: Regional Variance

Region	States/Provinces in Region	Variance
L	Northwest Territories, Nunavut, Yukon	-14.72%
N	New Brunswick, Newfoundland & Labrador, Nova Scotia, Ontario, Prince Edward Island, Quebec	-14.69%
M	Alberta, British Columbia, Manitoba, Saskatchewan	-6.50%
J	Hawaii	-5.94%
K	Alaska	-4.84%
D	Illinois, Indiana, Michigan, Ohio, Wisconsin	-1.22%
B	Delaware, Maryland, Pennsylvania, Virginia, West Virginia	-0.32%
A	Connecticut, Massachusetts, Maine, New Hampshire, New Jersey, New York, Rhode Island, Vermont	2.56%
I	California, Nevada, Oregon, Washington	2.68%
C	Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee	4.11%
F	Arkansas, Louisiana, Oklahoma, Texas	4.75%
G	Arizona, Colorado, New Mexico, Utah	7.27%
E	Iowa, Kansas, Missouri, Nebraska	9.46%
H	Idaho, Minnesota, Montana, North Dakota, South Dakota, Wyoming	17.40%



Rental rates declined significantly in the Northwest Territories, Nunavut, Yukon and New Brunswick, Newfoundland & Labrador, Nova Scotia, Ontario, Prince Edward Island, Quebec witnessing a steep dive of -14.72% and -14.69%, respectively. Are these regions grappling with a deeper winter chill than usual? Other territories Moderate Dips: Alberta, British Columbia, Manitoba, Saskatchewan and Hawaii experienced a more tempered decline, at -6.50% and -5.94%. Is this a momentary lull or the calm before the storm? On the flip side, Idaho, Minnesota, Montana, North Dakota, South Dakota, Wyoming are setting sail with a remarkable 17.40% rise, while Arizona, Colorado, New Mexico, Utah follow closely at 7.27%. Could these regions be the gold mines of opportunity?

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 Q3 2023 to Q4 2023

	States/Provinces in Region	Q3-2023 Avg.	Q4-2023 Avg.	Change
K	Alaska	\$1,557	\$1,468	-5.67%
F	Arkansas, Louisiana, Oklahoma, Texas	\$1,646	\$1,616	-1.81%
I	California, Nevada, Oregon, Washington	\$1,611	\$1,584	-1.68%
G	Arizona, Colorado, New Mexico, Utah	\$1,678	\$1,655	-1.38%
D	Illinois, Indiana, Michigan, Ohio, Wisconsin	\$1,545	\$1,524	-1.36%
B	Delaware, Maryland, Pennsylvania, Virginia, West Virginia	\$1,552	\$1,538	-0.90%
E	Iowa, Kansas, Missouri, Nebraska	\$1,703	\$1,689	-0.82%
C	Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee	\$1,615	\$1,607	-0.55%
A	Connecticut, Massachusetts, Maine, New Hampshire, New Jersey, New York, Rhode Island, Vermont	\$1,578	\$1,583	0.26%
H	Idaho, Minnesota, Montana, North Dakota, South Dakota, Wyoming	\$1,804	\$1,812	0.41%
N	New Brunswick, Newfoundland & Labrador, Nova Scotia, Ontario, Prince Edward Island, Quebec	\$1,297	\$1,316	1.53%
L	Northwest Territories, Nunavut, Yukon	\$1,281	\$1,316	2.70%
J	Hawaii	\$1,393	\$1,451	4.21%
M	Alberta, British Columbia, Manitoba, Saskatchewan	\$1,368	\$1,443	5.47%



Hawaii emerges as the shining star, with a 4.21% surge in rental rates this quarter. But is this just a ray of sunshine or a lasting glow? We are seeing regional variations throughout Canada: Alberta, British Columbia, Manitoba, Saskatchewan mark a 5.47% ascent, while Northwest Territories, Nunavut, Yukon follow with a 2.70% rise. Are these regions paving the way for a rental renaissance? The West Coast, represented by California, Nevada, Oregon, Washington, saw a slight dip of -1.68%. Meanwhile, the Atlantic provinces, including New Brunswick, Newfoundland & Labrador, Nova Scotia, Ontario, Prince Edward Island, Quebec, nudged up by 1.53%. Alaska is in the red with a -5.67% fall, while Idaho, Minnesota, Montana, North Dakota, South Dakota, Wyoming hold steady at 0.41%. Is there more than meets the eye in these outliers? Dealers, sellers, and buyers, the quarter leaves us with a mosaic of possibilities. Is it the calm before a rental revolution or a sign of nuanced regional dynamics? The stage is set; are you ready to take your cues?

Fourth Quarter 2023 Conclusions & First Quarter 2024 Outlook



According to a recent report in EquipmentWorld by Jordanne Waldschmidt, the American Rental Association (ARA) has updated its forecast for the equipment rental industry in 2024. The forecast suggests that while there may be a slight slowdown, the industry is expected to continue growing.



Buoyed by both residential and infrastructure projects, equipment rental rates had a banner year in 2023. This was especially surprising because some industry experts had suggested a possible recession in late summer, early fall of 2023. However, the economy turned out to be stronger than expected, especially in the second half of the year. Looking ahead to 2024, Josh Nickell, the vice president of equipment rental for the American Rental Association, anticipates that equipment rental in North America will "normalize." This means that it may not grow as rapidly as it did in 2023, but it should still see some growth.



One factor that could contribute to this normalization is the increase in interest rates. Over the past two years, interest rates have doubled, making it less appealing for consumers to take on new projects, especially if they've recently invested a lot in home remodeling. As a result, there might be a slowdown in DIY and small contractor rentals. This trend is contributing to the overall cooling down of the equipment rental market.