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A guide to rental rates in 2011

Another year has passed and what has happened to rental rates for cranes, aerial lifts and telehandlers in the UK? A year ago we were reporting on a bloodbath in the crane and access market while telehandlers had hit rock bottom. Thankfully not only can we report an improvement particularly with telehandlers and access equipment, but it is encouraging to see how fast those rates have improved.

Traditionally rates fall fast but take forever to improve and rarely bounce back to previous levels - thus the long term erosion that many old timers will bemoan. However this time around telehandler and access rates have in fact bounced back quite well, perhaps driven by a substantial adjustment to the national fleet as sterling encouraged the sale of equipment overseas - leading to what has been termed 'de-fleeting'. No matter what it is called it concerns an adjustment of the national fleet to closer match demand and greater pricing discipline of sales forces.

Interestingly crane rates have - according to those responding - been flat, suggesting that they

have languished at the appallingly low depths reached in 2010. In reality we believe that they have in fact bounced back a little and that most correspondents are focusing on the past six to nine months rather than the full year. No matter, the rates are still uneconomic and this in spite of improved utilisation and a capacity levels that are reasonably well matched to demand - although that depends on the location. In spite of our attempts to obtain European-wide input the charts reflect the largely UK input with some Irish contribution. The results however are not dissimilar to that of many countries in the EU.

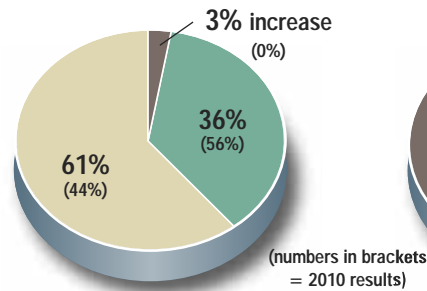
Finally we would like to thank all those who took the time to participate in this survey. Thank You.



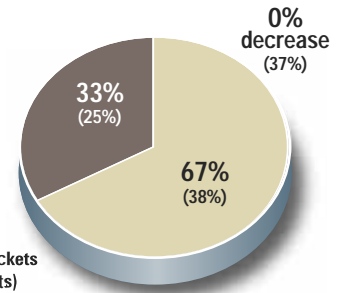
Crane rates

Crane hire rate trends - all types

Crane hire rates over the past 12 months have:



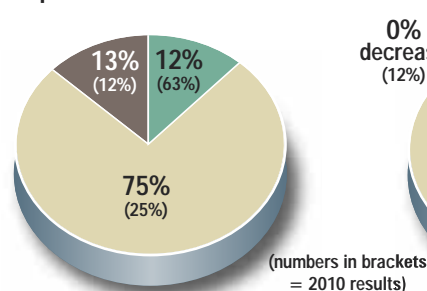
Crane hire rates during the next 12 months will:



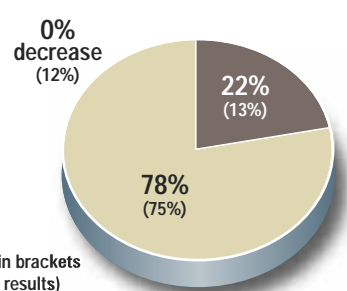
While the majority claim that rates have remained totally flat the actual numbers suggest that average rates for most cranes have improved slightly, while one or two have fallen marginally. It certainly is more optimistic than this time last year.

Crane fleet size

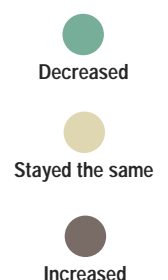
Crane fleet size over the past 12 months have:



Crane fleet size over the next 12 months will:



The results suggest that most companies have held tight and ridden out the storm, the majority plan to do the same in 2012 although a decent number do plan to expand, again much better than at this time last year.



Utilisation and returns

This year we have changed the format to simply list the results in a chart first being the best utilisation or return and eight being the worst - interestingly the best cranes for physical utilisation are in the 210 to 350 tonne size - and yet financially they are only fifth. The best financial return is the same as last year - the 90 to 125 tonne category. It is hard to say why this is, but it might be down to the fact that modern 100 tonners have long booms and can carry most of their counterweight on board. Many companies price them for what they can do - which is the same as many 150 to 200 tonners of old. It is also interesting to see that 30 to 45 tonners are doing so well, perhaps down to their ability to handle a wide range of lifts and to carry out several 'minimum' hires in a single day - true taxi crane work.

Mobile Cranes

Crane Size	Best physical utilisation	Best financial return
Under 30 tonnes	6	4
30 to 45 tonnes	4	2
50 to 65 tonnes	6	7
70 to 85 tonnes	4	3
90 to 125 tonnes	3	1
135 to 200 tonnes	8	8
210 to 350 tonnes	1	5
Over 350 tonnes	2	6

Crawler Cranes

Crane Size	Best physical utilisation	Best financial return
Under 50 tonnes	5 - Average 53%	5
50 to 100 tonnes	4 - Average 67%	4
100 to 250 tonnes	3 - Average 73%	3
250 to 500 tonnes	1 - Average 85%	1
Over 500 tonnes	1 - Average 85%	2



Tower Cranes

Crane Size	Best physical utilisation	Best financial return
Luffers	2 - Average 87%	1
Flat Tops/Saddle Jibs	4 - Average 60%	2
Self Erectors	3 - Average 68%	3
Mobile Self Erectors	1 - Average 88%	3



Daily rates for mobile cranes

Crane Size	Average	Lowest	Highest
Under 30 tonnes	£348	£300	£400
30 to 45 tonnes	£434	£350	£600
50 to 65 tonnes	£501	£400	£600
70 to 85 tonnes	£692	£450	£800
90 to 125 tonnes	£834	£500	£1,000
130 to 200 tonnes	£1,433	£1,200	£1,750
210 to 350 tonnes	£2,067	£1,800	£2,200
Over 350 tonnes	£5,122	£4,900	£5,500

Weekly rates for crawler cranes

Crane Size	Average	Lowest	Highest
Under 50 tonnes	£826	£750	£900
50 to 100 tonnes	£1,630	£1,560	£1,700
100 to 250 tonnes	£2,305	£2,250	£2,400
Over 250 tonnes	No Input		

Weekly rates for tower cranes

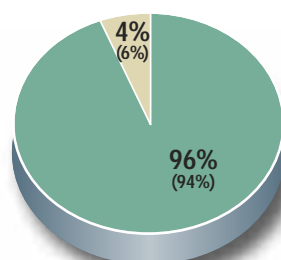
Crane Size	Average	Lowest	Highest
Luffers	£1,005	£795	£1,500
Flat Tops/Saddle Jibs	£675	£590	£800
Self Erectors	£437	£300	£600
Mobile Self Erectors	£773	£750	£1,100

Weekly rates for other cranes

Crane Size	Average	Lowest	Highest
Pick & Carry	£283	£250	£375
Spider cranes	£794	£600	£1,000

The actual rates given do not quite reflect the overall perception that most crane companies clearly have, and in most cases rates have improved marginally on this time last year. In some cases the spread of crane size in the category is probably too wide and several respondents did not provide specific rates.

Do you employ any female crane operators?

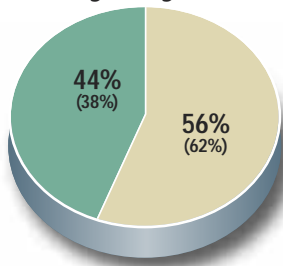


Yes No (numbers in brackets = 2010 results)

No change - female crane operators are still a rare breed and yet with modern technology the job has never been better suited to them.



Would you recommend the crane hire industry to your children?



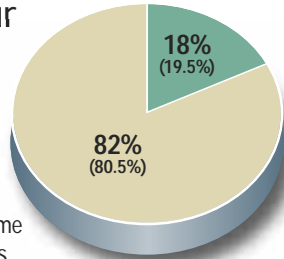
Yes No (numbers in brackets = 2010 results)

This result is almost identical to that of 2009, last year was an exception when those saying yes jumped surprisingly to 62%.

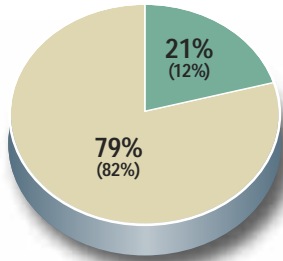
What percentage of your jobs are contract lifts?

Contract lift Pure crane hire (numbers in brackets = 2010 results)

The is not dissimilar to last year, and the same applies to responses from mobile crane hires where the result was 71% crane hire (69%) and 29% contract Lift (31%). While the results suggest a minor trend away from Contract Lift, it is well within the margin for error of this survey, to be meaningless.



Who does your thorough examinations?



Third party In house (numbers in brackets = 2010 results)

This is similar to last year but no less surprising than it was last year. It might reflect the type of company participating in the survey.

Respondent's Comments

"Long standing customers (outside of the construction sector) who understand value are prepared to consider small increases. 'Spot-hirers' remain particularly price sensitive and market nervousness suggests that little will change over the next six months at least."

"Generally rental of our lattice crawler cranes above 100 tonne and telescopic crawlers from 5 to 70 tonne are the only areas where rates have not fallen significantly."
A crawler crane hirer

"With rates unfortunately it goes right up the line. The contractors fight to win the job on price and then make it work by screwing every last drop out of service like us, gambling on nothing going wrong with their cut price choice - or assuming that the slick lawyers they hire will make sure they do not lose from such decisions."

"We will be making a concerted effort to increase the rates in 2012 to reflect the Capital employed and the actual running costs associated with running the fleet. The percentage returns on the cranes are based on our current business measurements which only measure utilisation over a five day period. Excess hours, double shifting, shutdown and weekend work would push these up, particularly on cranes above 55 tonnes which have been very busy this year."
A national mobile crane hirer

"Wind turbine installers have pushed rates down by over 20 percent this year benefiting from too many of us lining up for the work. This makes it a marginal business if done properly."

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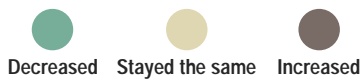
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The UK's market leaders in platform rentals are uniting as one. The powered access expertise and industry leading fleets of EPL Skylift, Nationwide Platforms and Panther can now be found under one name - **Nationwide Platforms.**



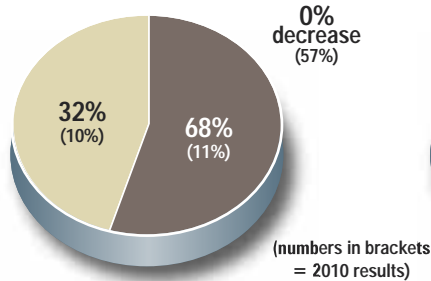
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Powered Access rates

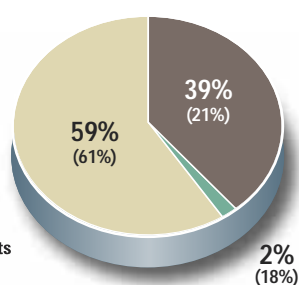


Rate trends

Access rates over the past 12 months have:



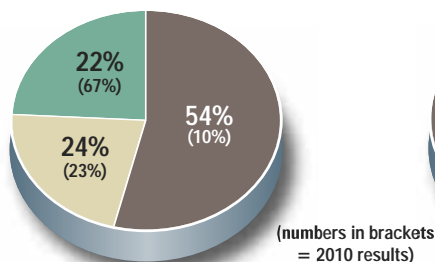
Access rates over the next 12 months will:



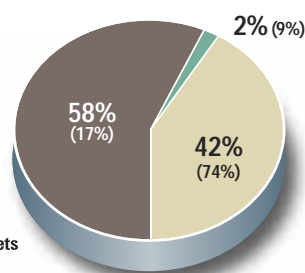
The news this year is a refreshing change from the past two years and the first time in some time that no respondent reported that rates had fallen. It also shows that our forecast from 2011 from last year was fairly accurate, although slightly more pessimistic than reality. Hopefully this year's projections will also perform as well.

Fleet trends

Fleet size over the past 12 months have:



Fleet size over the next 12 months will:



This year companies have fared better than they expected with far more adding to their fleet than anticipated. Oddly more companies have reduced their fleets than had expected to with 22 percent cutting back compared to last year's predictions of nine percent. The fact that more people said they will keep fleets the same is a strong indication of the current uncertainty and perhaps an indication that renewal will be the priority, rather than expansion.



Weekly rental rates by general category

Electric self-propelled scissor lifts

Platform Height	Average	Lowest	Highest
Under 5 metres	£96	£90	£100
6 metres (19/20ft)	£103	£99	£110
8 metres (26ft)	£116	£108	£122
9-10 metres (30-34ft)	£135	£125	£140
11-12 metres (36-41ft)	£223	£210	£255
13-17 metres (42-55ft)	£201	£150	£250
Over 17 metres	£499	£495	£500

Push Around scissor lifts

Platform Height	Average	Lowest	Highest
3 to 5 metres	£42	£28	£50

Diesel Bi-Energy Scissor lifts

Platform Height	Average	Lowest	Highest
8 metres (26ft)	£123	£115	£130
9-10 metres (30/33ft)	£142	£125	£160
11-12.5 metres (36/42ft)	£198	£145	£250
13-17 metres (43/56ft)	£275	£195	£350

Electric self-propelled booms

Platform Height	Average	Lowest	Highest
Under 11 metres (36ft) Industrial	£195	£180	£220
10 to 12.5 metres (32/40ft)	£223	£175	£290
Over 13 metres (45ft plus)	£265	£210	£350

Mast Booms

Platform Height	Average	Lowest	Highest
8 metres	£131	£80 *	£175
10 metres	£228	£215	£240

*We believe this is an error and refers to a mast type vertical lift – TM12

2011 rental rate survey C&a



Weekly rental rates by general category *continued*

Rough Terrain Articulated booms

Platform Height	Average	Lowest	Highest
Under 17 metres (45/51ft)	£226	£205	£250
20-23 metres (60/70ft)	£329	£305	£350
24-26 metres (80-90ft)	£443	£330	£575
Over 26 metres	£789	£525	£1,100

Straight Telescopic booms

Platform Height	Average	Lowest	Highest
Under 17 metres (40/46ft)	£242	£190	£320
20-23 metres (60-70ft)	£333	£300	£400
24-26 metres (80/86ft)	£497	£460	£525
Over 27 metres	£804	£725	£990

Trailer Lifts

Platform Height	Average	Lowest	Highest
12-13 metres (30-43ft)	£218	£180	£250
17 metres (56ft)	£325	£250	£450
Over 20 metres	£832	£700	£850

Spider lifts

Platform Height	Average	Lowest	Highest
Under 15 metres	£443	£350	£525
16-20 metres	£625	£560	£650
20-33 metres	£1,678	£930	£2,000
Over 33 metres	No data		



Vehicle mounted lifts - Daily rates

Van Mounts

Working Height	Average	Lowest	Highest
Up to 13 metres	£246	£240	£360
13-17 metres	£292	£260	£370
Over 17 metres	No Data		

Truck mounted lifts

Working Height	Average	Lowest	Highest
Under 27 metres - 3.5 tonne	£194	£150	£240
22-35 metres - 7.5 tonne	£329	£260	£365
36-45 metres	£535	£500	£600
46-70 metres	£912	£850	1,100
Over 70 metres	£1,482	£1,380	£2,000



Utilisation and Returns 1 = best 5 = worst

Scissor lifts

Type	Best Physical Utilisation	Best Financial Return
Push Around	1 - 73%	2
Small Electric	1 - 73%	1
Electric 10-20 metres	3 - 66%	3
Electric 20 metres +	5 - 64%	4
Diesel 12-20 metres	4 - 69%	4

Self-propelled boom lifts

Type	Best Physical Utilisation	Best Financial Return
Small Industrial	2 - 74%	2
Small electric	4 - 68%	1
Articulated 45/51ft	1 - 76%	3
Articulated over 17m	3 - 73%	5
Straight Telescopic	5 - 64%	4

Spider lifts

Type	Best Physical Utilisation	Best Financial Return
Up to 18 metres	1 - 83%	1
18 to 30 metres	2 - 69%	2
Over 30 metres	3 - 62%	3

Mast Booms

Type	Best Physical Utilisation	Best Financial Return
8 metre	2 - 52%	2
10 metre	1 - 78%	1



Trailers

Type	Best Physical Utilisation	Best Financial Return
12-13 metres	2 - 55%	1
17 metres	1 - 72%	2
Over 17 metres	2 - 55%	3

Truck mounts

Type	Best Physical Utilisation	Best Financial Return
3.5 tonne	5 - 69%	3
7.5 tonne - 22-35 metres	3 - 75%	4
36-45 metres	4 - 74 %	2
46-70 metres	2 - 79%	1
Over 70 metres	1 - 86%	Not given

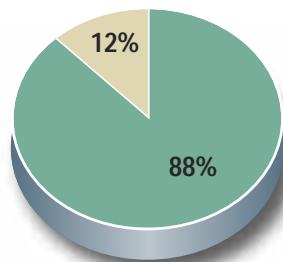
This year we tried something different with the utilisation and returns data asking respondents to provide the physical utilisation in terms of percentage and then the return based on the average rate as a percentage of the purchase cost. We also asked companies separately to list the top 10 best units in terms of overall returns. This did make the form a little complicated, but provided an enormous amount of information. For the sake of simplicity we have tried to boil this down to a single number although it is work in progress.

As to which products gave the best overall rate of return? Very simplistically, trailer lifts, small electric scissor lifts and push arrounds fared the best along with smaller booms and mast booms although there were some notable highs among the larger truck mounts. This is an area that warrants a closer look next year.

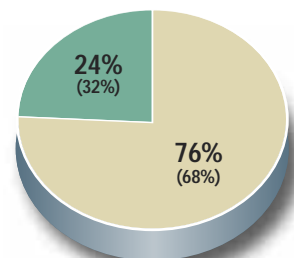


Who does the LOLER inspections on your machines?

This is the first time we have asked this question of Access companies - the result is no surprise. The interest will come next year to see if a trend is starting.



Would you recommend the access rental business to your children?



The response this year clearly reflects the better condition of the industry and the more optimistic outlook for 2012.



(numbers in brackets = 2010 results)

Respondent's Comments

"The biggest challenge for renters this year is to deal with the "enemy within", i.e. the organisational issues within your internal structure - tackling over-staffing, better rate discipline, better damage recharging, better transport rates, better in-house training. There will be no major investment by anyone this year because poor rental rates will not justify it, although you may see some selective purchasing."

"Push around scissor lifts at £25 per week from the major tool hire operators. No thought to running costs and the precipitous depreciation on this product."

"The daily rate is based on our minimum hire period of three days at 80% of the week rate. The Utilisation is based on a report from June 1st to today. The % weekly return is based on previous capital costs and not the new prices being touted. Company A and their rehire support to other companies are lowering prices on larger diesel and electric scissor lifts. Company B are putting out Holland Lifts 165-12s at £300 after rehousing them" (Company names deleted)

"I believe that in the vast majority of cases everyone is focussed on improving the rates to "end users", however there are still some examples of commercial suicide out there. Unfortunately these isolated incidences are sometimes used as examples of available "Market rates" by some customers, particularly if these rates are being quoted by one of the larger powered access providers. These practises really do need to be eradicated if we really are going to improve rates quickly and significantly. Although I would reiterate that in the main there is a general move towards rate improvement to "end users" right across the powered access supplying fraternity. Long may this continue and it needs to, if we are to enjoy anything like the hire rates enjoyed by the rest of mainland Europe, after all they are only offering the same machines as us, just at much higher prices."

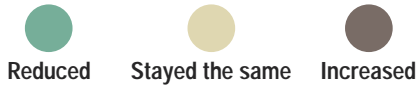
"My overall view is that boom rates and utilisation has been consistently level during 2011 but albeit still at levels that does not warrant investment. Scissor rates and utilisation have suffered throughout the year with returns well below the level needed to warrant investment. We can give many examples of 19' scissors being hired out by all companies including the market leaders for £55 -£60 per week. My view is that the days of achieving asset turns of 1% plus are a long way in to the future unless all rental companies including the market leaders institute rigid price management. They will pretend that the controls exist but there is too much evidence both in the market and by interviewing potential applicants who readily admit that they are not subject to any form of control. It is obvious that forced consolidation will ensue. Only today there is a concerning article in the Financial Times making the very salient point that commercial lending by Banks will tighten considerably in 2012. I live in the real world which in terms of the rental sector is a million miles from the unreal days of 2002 to 2007 which is why we at the Kimberly group have adopted a strategy for the past two years of reducing HP debt down to under £3m and falling further in early 2012. Ray Ledger, chairman of the Kimberly group.

If your comment was not included, we apologise space limitations forced our hand.

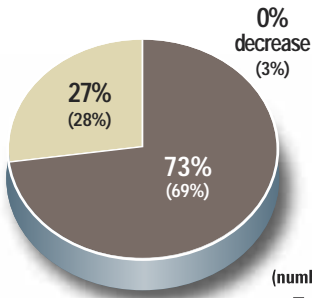


Telescopic Handler Rental Rates

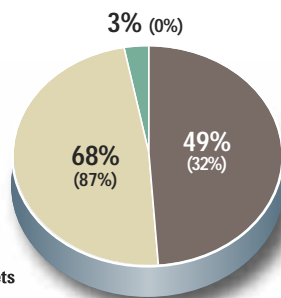
Rate trends



Telehandler rates over the past 12 months have:



Telehandler rates over the next 12 months will:

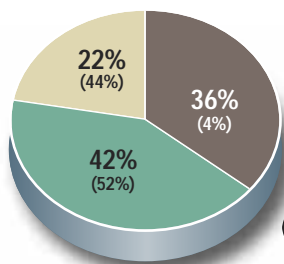


(numbers in brackets = 2010 results)

This basically carries on from last year after a period when telehandler rates had hit rock bottom, all of our respondents this year said that rates had improved or stayed the same. Interestingly the most positive were those companies that specialise or are in general plant hire. The slightly less optimistic respondents were those that are largely access companies. Looking forward the fact that this year a few companies expect rates will fall back, reflects on the current uncertainty - the vast majority are bullish and why wouldn't they be - a substantial reduction in the national fleet coupled with long lead times for new equipment bodes well for the year ahead.

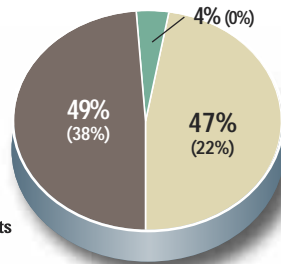
Fleet size

Fleet size over the past 12 months have:



(numbers in brackets = 2010 results)

Fleet size over the next 12 months will:



Having had a solid year in 2011 most companies with significant fleets are considering adding to them in 2012 barring any nasty surprises. With large general hirers having a significant stake in this market, much will depend on other capital expenditure demands. Another factor is whether there will be enough availability from manufacturers to meet replacement needs and any expansion aspirations rental companies might have.



Weekly rates for telehandlers

Fixed frame

Lift Height	Average	Lowest	Highest
Under 5 metres	No data		
5 to 7 metres	£248	£195	£295
7 to 10.5 metres	£278	£245	£300
11 to 13.5 metres	£312	£270	£340
13.5 to 15 metres	£359	£295	£400
15.5 to 18 metres	£382	£320	£450

Fixed frame

Size	Average	Lowest	Highest
Under 20 metres	£639	£600	£700
20 to 25 metres	£956	£900	£1,100
Over 25 metres	£1,221	£1,000	£1,300



MERLO - Specialising in Solutions!



'Grand' Roto MCSS

Roto 60.24 MCSS - 6 tonne capacity 24m lift

Roto 40.30 MCSS - 4 tonne capacity 29.2m lift



ROTO 40.26 MCSS
 Max lift height 26m
 Max capacity 4000 kg
 MERlin Continuous Slew Safety system
 Hydropneumatic suspension - 40 kph travel speed
 140HP turbo diesel engine
 Shown with EN280-compliant work platform

ALL ROTO MODELS NOW PRE-ARRANGED TO COMPLY WITH EN280 (Work Platforms) AND EN13000 (Lifting Equipment)



PANORAMIC P39.10 Plus
 Lift capacity 3900kg to 10.4m
 Stabilisers + Levelling + Chassis Sideshift
 Only 4.5m long - hydrostatic drive - 40 kph

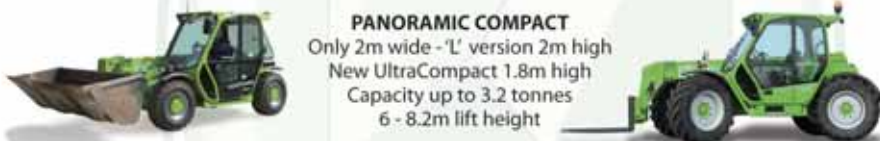
PANORAMIC
 Lift heights 6m - 17m
 Max capacity 3.4 - 4.1 tonne
 Class-leading telehandlers
 Ring of Steel protection



TURBOFARMER
 Farm telehandlers
 3400 - 4000kg capacity
 102-120-140HP - 40 kph



PANORAMIC HEAVY
 Lift capacity 6 - 10 tonne
 Lift height 10m
 40 kph travel speed



PANORAMIC COMPACT
 Only 2m wide - 'L' version 2m high
 New UltraCompact 1.8m high
 Capacity up to 3.2 tonnes
 6 - 8.2m lift height

MULTI-TOOL
 Telehandler/tractor combo
 6 - 8.5m lift height
 3000kg lift capacity
 Rear PTO
 Three-point linkage



Merlo has specialised in producing on-site and farm telehandler solutions for many years. All-hydrostatic fulltime 4WD ensures precise and consistent operation. Safety is paramount, with instant braking and legendary Merlo all-round visibility.

The ROTO offers all the performance and utility of a conventional telehandler - plus the amazing versatility of fully-certified access platforms and intelligent lifting attachments. Truly, solutions to a whole variety of handling problems!



Specialising in Solutions!

www.merlo.co.uk

Return on investment 1 = best 9 = worst

Type and lift height	Best return on investment
Fixed frame	
Under 5 metres	3
5 to 7 metres	5
7 to 10.5 metres	4
11 to 13.5 metres	6
13.5 to 15 metres	1
15.5 to 18 metres	2
360 degrees	
Under 20 metres	9
20 to 25 metres	7
Over 25 metres	8

We changed the format this year to try and make this input similar and gain a more meaningful output, but while we did get a much better and logical uptake on the question it is hard to compare 360 models with fixed frame as many respondents did not have 360 degree models. Looking at the 360 degrees on their own, it would seem that the 25 and 30 metre models provide the best return, while the smaller 360 models do not seem to do as well. One interesting point that came out of the charts was the growth and strong performance of compact units - five metre models and under.



Percentage of units going out with work platform attachments

Type	Average	Lowest	Highest
Fixed frame	6% (8%)	0% (0%)	95%* (15%)
360 degree	20% (10%)	5%* (0%)	35% (19%)

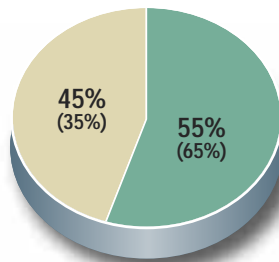
(2010 results in brackets)

*We believe that this was an error and they were placed in the wrong box



Who does your Loler Thorough Examinations?

An interesting move towards more third party inspections, although to be frank we feel that this is within the margin of error given the number of respondents.



● Third party
● In house
 (numbers in brackets = 2010 results)

Respondent's Comments

"A better year all round and most of our competitors seem to be playing the game and getting rates up but they are not keeping up with the rising price of new machines, some interesting potential at the bottom end."

"Utilisation has been great in 2011 up to 90% which is a maybe too high to maintain? There is a shortage of some heights which should be pushing rates up more than it has."

"We have now outsourced our telehandler business and re-hire in for those customers who want us to provide them. It has worked out much better than we expected."

"Obviously large contracts fix rates but everyone needs to look at increasing spot rates. Hopefully these will increase by 10 percent this year. I would say that general hire companies will generally get out of hiring telehandlers and leave them to specialist hirers - too much capital investment needed."

"It's been good - long may it last."





SJ 12 Vertical Mast Lift



Skyjack's new SJ12 self propelled vertical mast lift provides a compact footprint and superior maneuverability. When operating in tight workspaces, a high degree steer angle allows for maximum functionality and flexibility by offering zero inside turning radius. The SJ 12 also features a 20" traversing platform, providing increased access and the ability to reach over potential obstacles. A unique slide away platform provides easy access to components, when raised or in the stowed position.

Skyjack's standard color coded and numbered wiring system with hard-wired relay based controls help to ensure the new SJ 12 lives up to Skyjack's reputation for quality and serviceability.

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