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ER 291

All positive on rental rates

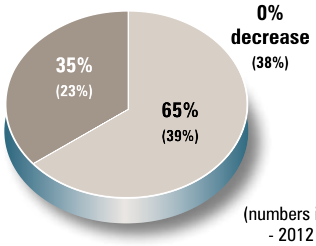
Our annual survey of rental rates in the UK and Ireland has detected the most positive mood since 2007, with all three sectors - cranes, powered access and telehandlers - all reporting more stability, improvements and a positive view for 2014. The net result is that the majority of rental companies are currently planning to increase their fleets in the year ahead to keep pace with the upward trend in demand.

This year we have added a few new features including a more factual look at utilisation and returns, while asking respondents to suggest an ideal rate for each product sector. This has also been our most successful survey for at least six years.

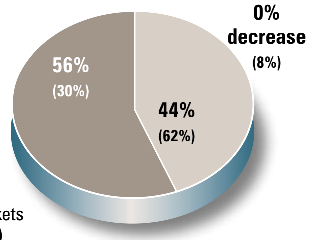
Crane rates

Crane hire rate trends - all types

Crane hire rates over the past 12 months have:



Crane hire rates during the next 12 months will:

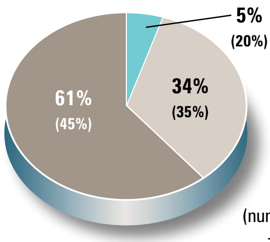


(numbers in brackets - 2012 results)

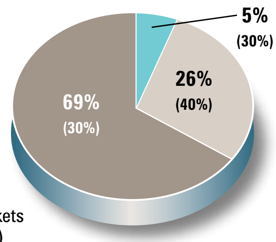
It seems that the year has turned out quite a bit better than most anticipated this time last year, and that over half of companies believe that rates will rise in the year ahead.

Crane fleet size

Crane fleet size over the past 12 months have:



Crane fleet size over the next 12 months will:



(numbers in brackets - 2012 results)

While the year turned out better than forecast it is clear that our respondents were reasonably close when they predicted fleet additions last year, let's hope that they are as accurate for 2014.

Reduced

Stayed the same

Increased

Crane rental rates

Daily rates for mobile cranes

▲ up ▼ down – same ■ new category

Crane size	Average	Lowest	Highest	Ideal
< 30t	£352 ▲	£290 ▼	£431 ▲	£402
30-45t	£421 ▲	£380 ▼	£498 ▲	£484
50-65t	£533 ▼	£450 ▼	£650 ▲	£616
70-85t	£748 ▲	£650 ▼	£850 ▲	£885
95-125t	£1,038 ▲	£900 ▼	£1,400 ▲	£1,300
135-200t	£1,952 ▲	£1,500 ▲	£2,600 ▲	£2,394
210-350t	£3,065 ▼	£2,000 ▲	£4,800 ▲	£3,710
350-600t	£4,200 ▲	£2,900 ▼	£5,500 ▲	£4,750
Mobile Tower (< 6 axles)	£1,208 ■	£850 ■	£1,700 ■	£1,520
Mobile Tower (> 6 axles)	£1,900 ■	£1,500 ■	£2,400 ■	£2,400

Weekly rates for crawler cranes

Crane size	Average	Lowest	Highest	Ideal
50t	£1,433 ▲	£950 ▲	£1,750 ▲	£1,750
100t	£2,283 ▲	£1,600 ▲	£2,800 ▲	£2,888
250t	£3,600 ■	£2,700 ■	£4,500 ■	£4,825
500t	£8,820 ■	£8,500 ■	£9,200 ■	£9,900
> 500t	£18,000 ■	£17,500 ■	£18,500 ■	£25,000

Weekly rates for tower cranes

Crane size	Average	Lowest	Highest	Ideal
Luffers	£950 ▼	£800 ▲	£1,100 ▲	£1,350
Flat Tops/Saddle Jibs	£510 ▼	£500 ▲	£800 ▲	£750
Self Erectors	£621 ▲	£400 ▼	£1,100 ▲	£800

Weekly rates of other cranes

Crane size	Average	Lowest	Highest	Ideal
Pick&Carry	£400 ▲	£250 ▲	£1,700 ▲	£940
Spider cranes	£762 ▲	£550 ▼	£2,500 ▲	£1,262

Utilisation and percentage of initial cost

Mobile cranes

Type	Utilisation			Average rate as % of initial cost
	Average	Lowest	Highest	
< 30t	72%	51%	92%	0.8%
30-45t	75%	57%	95%	0.7%
50-65t	78%	69%	95%	0.8%
70-85t	79%	60%	95%	0.7%
95-125t	80%	55%	96%	1.1%
135-200t	75%	55%	90%	0.9%
210-350t	79%	75%	84%	0.9%
350-600t	74%	72%	75%	0.9%
Mobile Tower (< 6 axles)	84%	75%	90%	0.8%
Mobile Tower (> 6 axles)	75%	75%	75%	0.8%

Crawler cranes

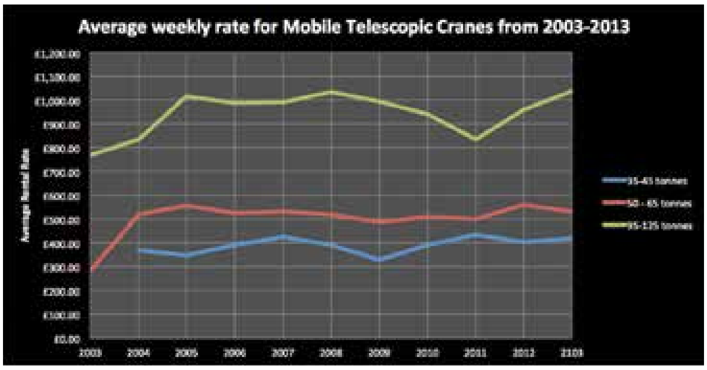
Type	Utilisation			Average rate as % of initial cost
	Average	Lowest	Highest	
50t	52%	20%	75%	0.4%
100t	67%	50%	90%	0.4%
250t	57%	0%	100%	0.5%
500t	95%	95%	95%	no data
> 500t	90%	95%	95%	no data

Tower cranes

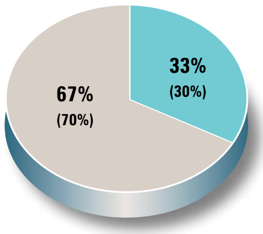
Type	Utilisation			Average rate as % of initial cost
	Average	Lowest	Highest	
Luffers	88%	75%	100%	0.5%
Flat Tops/Saddle Jibs	62%	45%	87%	0.6%
Mobile Self Erectors	79%	65%	100%	0.7%

Other cranes

Type	Utilisation			Average rate as % of initial cost
	Average	Lowest	Highest	
Pick & Carry	67%	50%	80%	no data
Spider cranes	38%	20%	75%	1.1%



What percentage of your jobs are contract lifts?

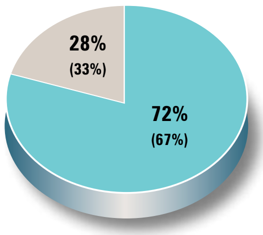


Contract lift   Pure crane hire

(numbers in brackets - 2012 results)

A slight shift towards Contract Lifts compared to a year ago with a third of all lifts now carried out under these terms.

Who does your Thorough Examinations?

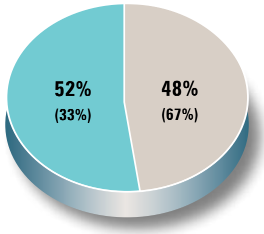


Third party   In house

(numbers in brackets - 2012 results)

This year the results are closer to 2011 with the vast majority of companies claiming third party inspections.

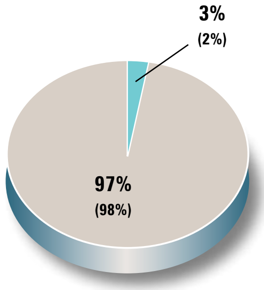
Would you recommend the crane hire industry to your children?



Yes   No   (numbers in brackets - 2012 results)

As you might expect, with a more positive experience and outlook this year, the pendulum has swung back in favour of yes.

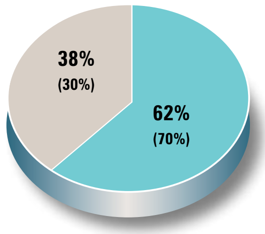
Do you employ any female crane operators?



Yes   No   (numbers in brackets - 2012 results)

No real change here.

Should cranes be subject to MOT's?



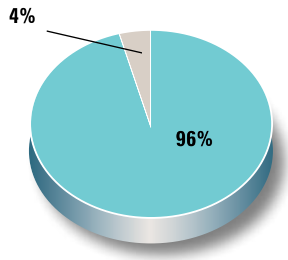
Yes   No

(numbers in brackets - 2012 results)

Interestingly now that this topic has moved out of the headlines opinion has started to swing back against testing, although a large majority are still in favour of such a move.

Additional questions for 2013

What percentage of your operators are?



Employed   Freelanced

Average fleet age:

Average	Lowest	Highest
6.5	3	15

Respondent's comments

"I really appreciate the effort but really don't see the point of this survey, everyone lies and I see the real picture out there."

"I expect increased 'gazzumping' as utilisation continues to improve, with the poorest rate customers being dumped at the last minute!"

"I think this survey is more important than any other year. We need a barometer as to where we are, and where we are going to take our businesses. The industry is changing subtly and offers real opportunities."

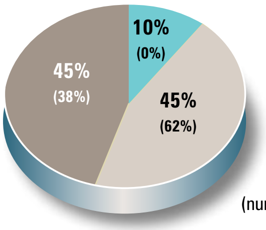
"Unless rental companies start increasing the rates, the manufacturers are going to have a very lean time."

Powered Access rates

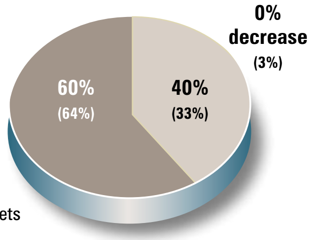
Rate trends

Reduced | Stayed the same | Increased

Access rates over the past 12 months have:



Access rates during the next 12 months will:

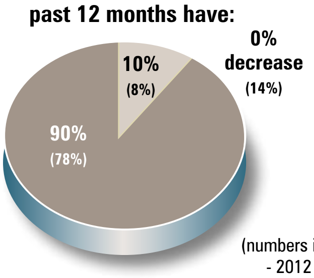


(numbers in brackets - 2012 results)

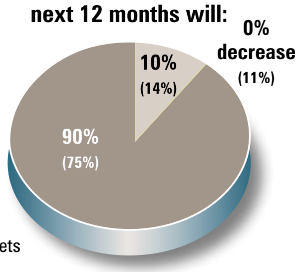
A very encouraging result, and particularly encouraging as we had a significantly higher response this year with rates generally holding steady through most of 2013 and a promising upward trend that most think will translate into increases during 2014.

Fleet trends

Fleet size over the past 12 months have:



Fleet size over the next 12 months will:



(numbers in brackets - 2012 results)

Almost all of our respondents claim to have increased their fleets this year exactly as they predicted in last year's survey, and the trend looks like it will continue through 2014.

Weekly rental rates by general category

▲ up ▼ down – same ■ new category

Electric self-propelled scissor lifts

Platform Height	Average	Lowest	Highest	Ideal
< 5m	£81 ▼	£60 ▼	£120 ▲	£117
6m (19/20ft)	£98 ▲	£80 –	£140 ▲	£136
8 m (26ft)	£117 ▲	£80 –	£180 ▲	£150
9-10m (30-33ft)	£135 ▼	£95 ▼	£200 ▲	£170
11-12m (36-39ft)	£179 ▲	£120 ▼	£220 –	£230
13-17m (42-55ft)	£235 ▼	£179 ▼	£370 ▼	£309
17-22m	£447 ■	£364 ■	£550 ■	£598
> 22m	£700 ■	£650 ■	£750 ■	£800

Push around scissor lifts

Platform Height	Average	Lowest	Highest	Ideal
Push Arounds	£49 –	£35 ▼	£65 ▲	£73
Portable	£113 ■	£55 ■	£180 ■	£150

Diesel/bi-energy scissor lifts

Platform Height	Average	Lowest	Highest	Ideal
8m (26ft)	£143 ▲	£120 ▲	£175 ▲	£185
9-10m (30-33ft)	£179 ▼	£130 ▼	£250 ▼	£211
11-12m (36-42ft)	£190 –	£140 ▼	£260 ▼	£253
13-17m (43-56ft)	£225 ▼	£179 ▼	£420 ▲	£355
17-22m	£341 ■	£190 ■	£680 ■	£450
> 22 metres	£669 ■	£625 ■	£750 ■	£831

Electric self-propelled booms

Platform Height	Average	Lowest	Highest	Ideal
< 11m (36ft)	£216 ▼	£220 ▲	£250 ▼	£287
10-12m (32-40ft)	£227 ▼	£200 ▲	£290 ▲	£281
> 13m (45ft plus)	£249 ▲	£179 ▲	£340 ▲	£332

Mast booms

Platform Height	Average	Lowest	Highest	Ideal
8m	£184 ▲	£115 ▲	£220 ▲	£240
10m	£213 ▲	£170 ▲	£256 ▲	£260

Rough Terrain articulated booms

Platform Height	Average	Lowest	Highest	Ideal
12-14m (39-45ft)	£226 ▲	£170 ▼	£265 –	£288
15-16m (49/52ft)	£241 ▼	£194 ▼	£325 ▲	£295
17-19m (56-62ft)	£293 ■	£280 ■	£500 ■	£376
20-23m (60-70ft)	£365 ▲	£300 ▲	£628 ▲	£439
24-26m (80-85ft)	£532 ▲	£495 ▲	£630 ▲	£636
> 27m	£1,050 ▲	£1,000 ▲	£1,150 ▲	£1,375

Straight telescopic booms

Platform Height	Average	Lowest	Highest	Ideal
< 17m (40-46ft)	£211 ▼	£190 ▲	£240 ▼	£306
20-23m (60-70ft)	£349 ▲	£280 ▲	£470 ▼	£421
24-26m (80-85ft)	£532 ▲	£495 ▲	£650 ▲	£615
> 27m	£1,080 ▼	£950 ▲	£1,250 ▼	£1,340

Weekly rental rates by general category - *continued*

▲ up ▼ down – same ■ new category

Trailer lifts

Platform Height	Average		Lowest		Highest		Ideal
12-13m (30-38ft)	£213	▼	£180	▲	£262	▲	£263
17m (50ft)	£476	▼	£375	▲	£550	▼	£400
> 20m	£850	▲	£800	▲	£900	▲	£900

Spider lifts

Platform Height	Average		Lowest		Highest		Ideal
< 15m	£410	▼	£200	▼	£650	▲	£496
16-20m	£586	–	£340	▼	£900	▲	£709
20-25m	£958	▼	£750	▲	£1,800	▼	£1,141
26-35m	£1,600	▲	£1,800	▲	£2,200	▲	£2,000
> 35m	£2,610	■	£2,500	■	£2,750	■	£2,600

Vehicle mounted lifts Van mounts - Weekly rates

Platform Height	Average		Lowest		Highest		Ideal
< 13m	£319	▼	£300	▼	£345	▼	£374
13-17m	£347	▼	£325	▼	£360	–	£403
> 17m	£664	▲	£600	▲	£703	▲	£698

Vehicle mounted lifts Truck mounted lifts - Daily rates

Platform Height	Average		Lowest		Highest		Ideal
3.5 tonne	£270	▲	£200	▲	£400	▲	£290
7.5 tonne	£344	▲	£295	▲	£462	▼	£405
36-45m	£587	▼	£380	▼	£775	▲	£1,221
46-70m	£1,025	▲	£550	▼	£1,325	▲	£1,135
> 70m	£1,799	■	£1,500	■	£1,900	■	£1,950

The average rates once again do conflict in some areas with the overall feeling that respondents reported, but some of this might be down to the substantial increase in the number of respondents. One area that is interesting is Rough Terrain articulated booms, where some companies are offering highly specified new hybrid machines and achieving better rates than for their standard often older models. There is justification to split this category next year. This year we also asked respondents to quote their ideal rate for each type of machine and we have published the average of those inputs.

Utilisation and Returns

Electric self-propelled scissor lifts

Type	Utilisation			Average rate as
	Average	Lowest	Highest	% of initial cost
< 5m	65%	50%	80%	1.4%
6m (19/20ft)	74%	57%	85%	1.6%
8m (26ft)	71%	50%	85%	1.4%
9-10m (30-33ft)	72%	50%	80%	1.3%
11-12m (36-39ft)	74%	46%	90%	1.1%
13-17m (42-55ft)	65%	50%	80%	1.0%
17-22m	75%	55%	90%	0.9%
> 22m	61%	60%	65%	1.0%

Push around scissor lifts

Type	Utilisation			Average rate as
	Average	Lowest	Highest	% of initial cost
Push Arounds	72%	50%	85%	1.7%
Portable	70%	50%	86%	1.9%

Diesel bi-energy scissor lifts

Type	Utilisation			Average rate as
	Average	Lowest	Highest	% of initial cost
8m (26ft)	78%	59%	90%	0.8%
9-10m (30-33ft)	77%	58%	85%	0.8%
11-12m (36-42ft)	69%	68%	85%	0.7%
13-17m (43-56ft)	70%	50%	80%	0.6%
17-22m	65%	48%	76%	0.7%
> 22m	68%	45%	85%	0.8%

Electric self-propelled booms

Type	Utilisation			Average rate as
	Average	Lowest	Highest	% of initial cost
< 11m	75%	70%	80%	1.0%
10-12.5m (32-40ft)	61%	50%	85%	1.0%
> 13m (45ft+)	73%	60%	85%	0.7%

Mast booms

Type	Utilisation			Average rate as
	Average	Lowest	Highest	% of initial cost
8m	54%	35%	72%	1.3%
10m	61%	16%	85%	1.1%

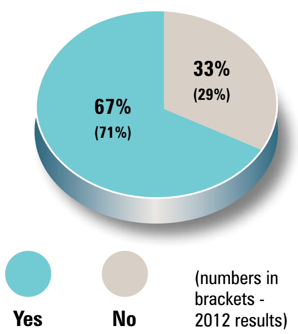
RT articulated booms

Type	Utilisation			Average rate as
	Average	Lowest	Highest	% of initial cost
12-14m (39-45ft)	75%	63%	85%	0.9%
15-16m (49/52ft)	76%	60%	85%	0.7%
17-19m (56-62ft)	64%	60%	85%	0.6%
20-23m (60-70ft)	71%	61%	90%	0.6%
24-26m (80-85ft)	73%	55%	85%	0.6%
> 27m	76%	62%	95%	1.1%

Straight telescopic booms

Type	Utilisation			Average rate as
	Average	Lowest	Highest	% of initial cost
< 17m (40-46ft)	65%	42%	85%	0.7%
20-23m (60-70ft)	63%	39%	86%	0.7%
24-26m (80-85ft)	70%	45%	85%	0.7%
> 27 metres	74%	67%	85%	1.1%

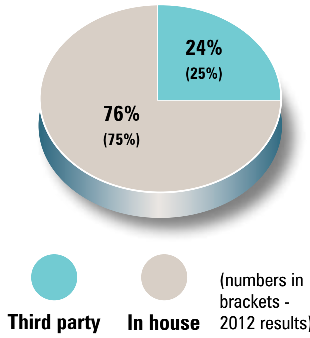
Would you recommend the access industry to your children?



(numbers in brackets - 2012 results)

This year saw a slightly negative move, which is surprising given the overall positivity of this year's survey. Possibly more due to the higher number of respondents.

Who does the six monthly LOLER inspections on your machines?



(numbers in brackets - 2012 results)

The trend towards third party inspections seem to have stalled for the moment.

Average fleet age:

Average	Lowest	Highest
4 years	2 years	7 years

Trailer lifts

Type	Utilisation			Average rate as % of initial cost
	Average	Lowest	Highest	
12-13m (30-38ft)	50%	35%	65%	1.7%
17m (50ft)	50%	45%	60%	3.1%
> 20m	55%	50%	60%	no data

Spider lifts

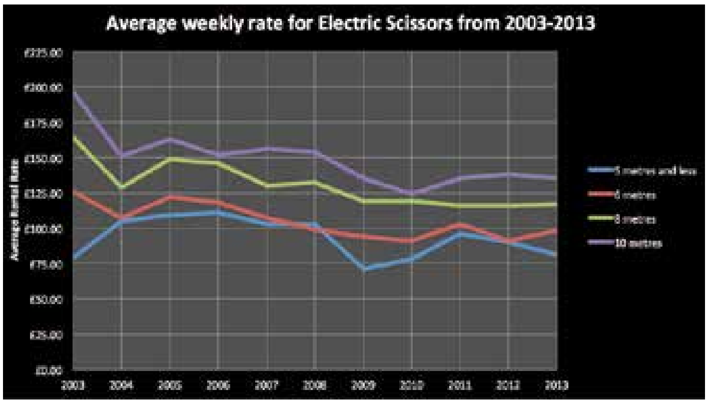
Type	Utilisation			Average rate as % of initial cost
	Average	Lowest	Highest	
< 15m	52%	35%	80%	2.0%
16-20m	59%	50%	80%	1.6%
20-25m	50%	45%	60%	1.2%
26-35m	50%	45%	55%	1.1%
> 35m	54%	50%	65%	no data

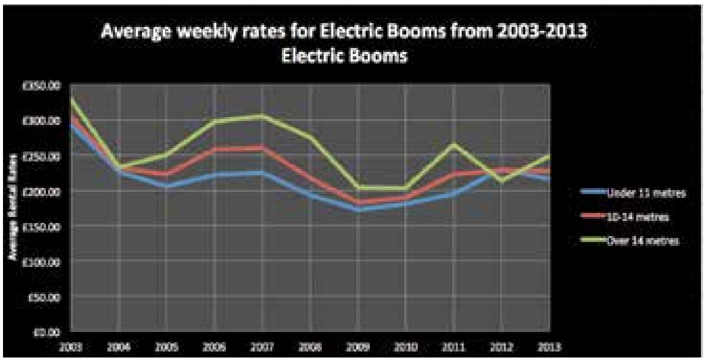
Van mounts - Weekly rates

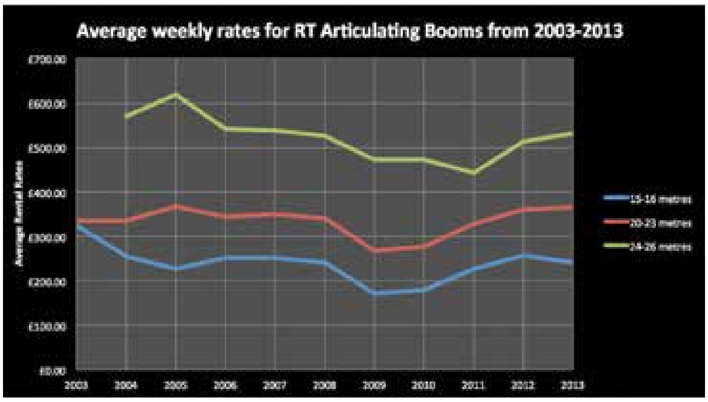
Type	Utilisation			Average rate as % of initial cost
	Average	Lowest	Highest	
< 13m	71%	64%	75%	1.9%
13-17m	62%	60%	65%	no data
< 17m	69%	60%	75%	no data

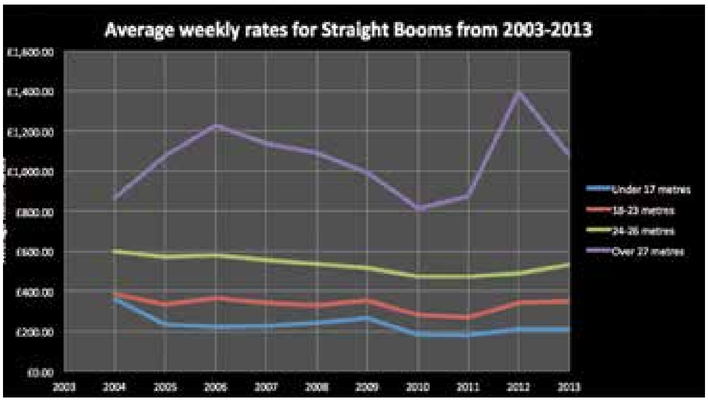
Truck mounted lifts - Daily rates

Type	Utilisation			Average rate as % of initial cost
	Average	Lowest	Highest	
3.5 tonne	73%	65%	78%	2.7%
7.5 tonne	84%	80%	90%	3.3%
36-45m	63%	48%	75%	0.9%
46-70m	79%	74%	98%	1.0%
> 70m	67%	65%	75%	0.8%









Respondent's comments

"Usual story; Nationals talk it up to the press, but the dinosaurs still sell all the extra added benefits for next to nothing. Lip service to you guys, the smaller local suppliers are the ones pushing the industry to new markets. Nationals have no real innovative leadership."

"People are more willing to pay a higher rate if they get quality machines and really good service."

"The serious challenge will be what will the industry do with its extra costs for secondary guarding systems? Will it pass them on or absorb them?"

"Customers are now realistic about having to pay for decent equipment and more aware of the costs that they could incur with unreliable machines."

"I think 2013 started off as a crazy year with big rate crashes perhaps because of post Olympics surplus but certainly because of the weather conditions being colder and wetter for longer. Common sense started to emerge in Q3 and rates again recovered in Q4. Will the industry destroy its profits again in 2014?"

"Everyone is looking at costs and trying to push them down, but the cost of having a machine down on site and standing a few men around while something is done about it is a much bigger cost than paying £20 to £30 more for a decent bit of kit and good service."

"Powered access rates are still not where they should be, but are starting to improve in this last quarter. Rates are the same now for a 45ft artic diesel boom, as they were in 2005. Smaller businesses like ours are generally governed by the market leaders on rates, and we are still seeing examples of very cheap quotes from these large national suppliers."

"The powered access market is definitely on the up (pardon the pun) and at present demand is out weighing supply, everyone is busy and I truly believe the smaller independent businesses like ours, are doing very well due to quicker response times, Access Link/Access Alliance partnerships, younger fleet and better rapport with the customer Vs the large nationals. 2014 is a year I believe, most businesses in plant hire will be significantly profitable."

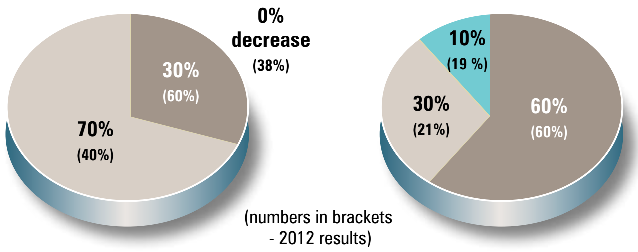
"We are new and have set our rates to be reasonably competitive, but have not had to drop rates at all, once we explain that they will have new high specification equipment and top level personal support."

Telescopic handler rental rates

Rate trends

Reduced Stayed the same Increased

In the past 12 months rental rates have: | In the next 12 months rental rates will:

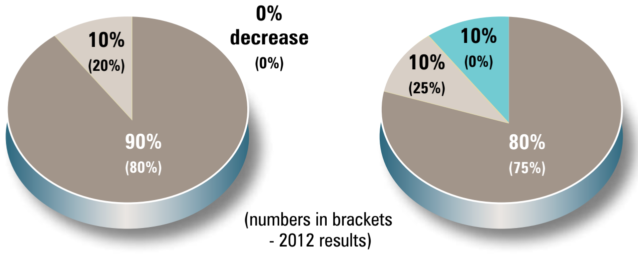


(numbers in brackets - 2012 results)

For the third year running telehandler input has been generally positive with most rates continuing to increase as demand recovers. However it looks as though companies that run a few telehandlers 'on the side' are finding the business a bit of a challenge as their main specialism picks up.

Fleet size

In the past 12 months fleet sizes have: | In the next 12 months fleet sizes will:



(numbers in brackets - 2012 results)

Most respondents expanded their fleets this year and better still, most are planning to continue to do so in 2014. All good news for manufacturers.

Weekly rates for telehandlers

▲ up ▼ down — same ■ new category

Fixed frame

Lift Height	Average	Lowest	Highest	Ideal
< 5m	£223 ▼	£190 —	£285 ▼	£252
5-7m	£268 ▲	£190 ▼	£295 ▲	£314
8-10m	£287 ▲	£210 ▼	£325 ▲	£337
11-13m	£328 ▲	£230 ▼	£350 ▲	£392
14-15m	£357 ▲	£240 ▼	£380 ▲	£425
16-18m	£452 ▲	£345 ▲	£485 ▲	£527

360 degree

Lift Height	Average	Lowest	Highest	Ideal
< 20m	£703 ▲	£650 ▲	£800 ▲	£850
20-25m	£955 ▼	£875 ▼	£1,100 —	£1,133
>25m	£1,348 ▲	£1,225 ▲	£1,440 ▼	£1,538

Utilisation and return on investment

Fixed frame

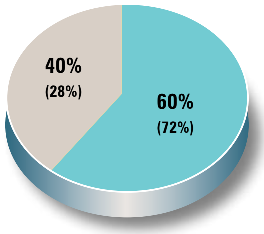
Type	Utilisation			Average rate as % of initial cost
	Average	Lowest	Highest	
< 5m	86%	80%	95%	0.8%
5-7m	87%	73%	95%	0.8%
8-10m	86%	80%	100%	0.8%
11-13m	85%	77%	95%	0.7%
14-15m	87%	78%	100%	0.7%
16-18m	80%	59%	98%	0.8%

360 degree

Type	Utilisation			Average rate as % of initial cost
	Average	Lowest	Highest	
< 20m	75%	65%	80%	1.10%
20-25m	77%	70%	80%	1.40%
> 25m	88%	75%	100%	1.60%

This year we asked respondents to provide their average utilisation for each of the main categories. The results were consistently high with specific models, such as compacts and mid-range models outperforming the larger units. We also asked respondents to provide the rate of return in terms of the weekly rate as a percentage of the machines purchase price, with most fixed frame machines falling into the 0.7 to 0.8 percent range - giving a payback, when taking the average utilisation into consideration, of just over three years -excluding all other costs of course, such as repair, maintenance, bad debts and most important of all - overhead. 360 degree telehandlers generally had a higher return in terms of rate, offset by lower utilisation.

Who does your LOLER Thorough Examinations?



Third party In house (numbers in brackets - 2012 results)

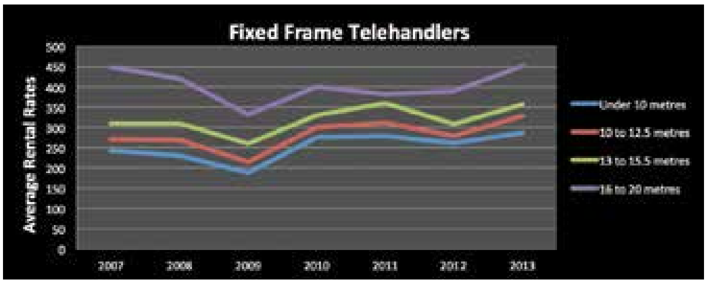
Average fleet age:

Average	Lowest	Highest
2.8	1	8

Percentage of machines rented with a work platform attachment

Type	Average	Lowest	Highest
Fixed frame	6% ▼	0% —	10% ▼
360 degree	16% ▼	0% —	40% ▼

While the response for fixed frame units remained at a similar level to previous years, the percentage given for 360 degree machines plummeted from an average of 34 percent last year to just 13 percent this year. While this might reflect a change in the market, the size of the fall is probably more down to the fact that we have a larger and wider range of respondents this year.



Respondent's comments

"We specialise and always have young machines with a full spec in the yard ready to go. With rates improving and a larger fleet, 2014 looks promising."

"It is now time all hire companies looked to the future and increase rates as there is plenty of work available for everyone."

"Lots of work starting in the North of England and Scotland, hopefully this will result in a shortage of plant forcing rates upwards."

"We are doing well especially with the small compacts and have a few rotos that always get a really good rate, but you have to work at it to keep them busy. We will probably add a few more in the new year."

"Another good year and looking positive as we head towards 2014, BUT rates are still too low for a sensible rate of return."

"This is no longer a business for us, we mostly do access platforms, but have always had a decent business running telescopic handlers alongside them, but it's getting harder to compete with the bigger fleets and the money is just not in it. We'd be better off cross hiring when we need them. We will probably run our fleet down."