

# USED EQUIPMENT

## A time to buy



The news that administrative receivers have been appointed to run Baldwins has cast a pall over the used crane market as companies wait to see whether equipment like this Liebherr mobile tower crane will be put up for sale

For buyers of used cranes or access equipment looking to make a purchase, the sheer scale of equipment available on the market today makes the present a good time to do so.

**O**f course the vast amount of choice of used equipment available on the market today is not good news for everyone. If you are buyer this is probably music to your

ears as a market with lots of equipment for sale usually means that the price of that equipment will be generally lower than when the choice is limited. For the majority of sellers, on the other hand, the news is not so good.

For Tim Sparrow of Gordon Sparrow Plant Sales, "the UK used equipment market at present, particularly for cranes, is very much a buyers' one". Of course some would argue that it always has been because, when it boils down to it, it is the buyer's final decision as to whom he/she decides to part with their money. In this respect, it is therefore up to the seller to present the most attractive offer. And, an obvious way to do this is to lower the price.

Low prices are something that the UK market is all too familiar with at present. After speaking to a number of the UK's used equipment players, it would be safe to say that they are set to continue. There is, however, an air of uncertainty hanging over the UK market at present, one of the reasons being the collapse of one of the UK's largest crane rental businesses, namely Baldwins Industrial Services.

"Things will start to become much clearer when we know where the Baldwins fleet is going", says Bill Green, independent crane consultant and head of PLC Sales. "If the majority of the fleet goes to the same buyer, then the effects on the used crane business will not be as bad should the fleet be dissected and distributed at random. Whatever happens, this is a very interesting time for the used equipment market to say the least".

You would think it a safe bet to say that the Van Seumerens, the Sarens and the Ainscoughs of this world have had a sneaky peek through the gates of Baldwins depot, but as yet, it is difficult to say where the fleet will go. "One thing that is for sure, however", says Green, "is that it will be the market for younger used cranes, possibly younger than five years, that will be the hardest hit - Baldwins fleet being a relatively young one".



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For Sparrow, this is most definitely not a good time to be selling used equipment. "For sure the Baldwins situation hasn't helped matters, but the problem didn't start there", says Sparrow. "Things have been bad for used equipment sellers for at least the last couple of years. For instance, a lot of equipment has become available from stagnant European markets and we have seen a lot of fleet downsizing going on recently. This makes business extremely difficult for companies which rely solely on the sale of used crane sales".

Sparrow places great emphasis on describing his company as a "total crane company" as opposed to a pure used equipment dealer. "We like to think that we operate under a different philosophy", says Sparrow. "The fact that we offer our rental cranes for sale ensures that we don't have cranes sitting in the yard if they are not selling. This way they are generating an income on a regular basis until the sale comes along. In terms of buying equipment, we look for the opportunity, rather than the machine itself".

In the words of James Ainscough, director of Ainscough Crane Hire, "this is very busy time for selling used equipment in the UK as there is a lot of it about". The company currently has 50 used cranes for sale and has already sold 40 units this year, ranging from several lower capacity Iron Fairey Cranes up to the recent sale of a 200 tonne capacity Demag AC615. "Of course some would say that by selling our used equipment, we are only competing with ourselves", says Ainscough. "The way I see it, if a buyer wasn't purchasing from us, he/she would only be buying from somebody else. Generally speaking, buyers of used equipment are getting some great deals these days due to over capacity in the market and, domestically, there are some good quality machines about".

Turning to the used aerial platform market, Patrick McArdle, sales manager at EasiUpLifts, has a similar story to tell. During the last 18 months, the company has reduced prices of its used aerial platforms quite considerably. This is not to say, however, that sales at the company have significantly improved during this time, although it has seen a slight improvement in 2002.

"From the end users point of view, there is some very good equipment out there at rock bottom prices", says McArdle. "Take Grove's access equipment for example. Its platforms are gener-

ally known as being built to very high standards with no expense spared. Under normal circumstances, this would be reflected in the price you would have paid for the machines. Manitowoc's acquisition of Grove earlier in the year, however, has produced a lot of surplus equipment being sold cheaply. Of course, with a Grove platform, you will not be getting much of an after sales service package, unlike with a Genie platform, for instance. Either way, it's a good time to be buying".

"From a seller's point of view", continues McArdle, "what you see more of nowadays is companies holding on to equipment to get as much rental from the product as possible, particularly in the way of mid-range booms and scissors".

## Cyclical industry

McArdle argues that this is one of the key reasons why the company hasn't adopted a hard sales pitch for its used equipment in the UK, because it sees the market as predominantly a rental one.

It is the general state of a cyclical rental industry that Tony Mort, managing director of AJ Access, believes is often the catalyst of the used equipment



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market. "At present, there are too many machines chasing too little work", says Mort. "This in turn pushes rental rates up, giving buyers the opportunity, or certainly a push in the direction of, purchasing their own equipment. In this sense, the UK market is still very active, but at a considerably lower level in terms in price than in previous years. Certainly buyers are getting a better deal these days - in the past, a ten year old piece of equipment would retain half of its value. Nowadays, it's not unheard of to get a 3 to 4 year old platform for half price".

So, if you are a buyer and you are considering the purchase of a used crane or platform alike, the good times are certainly rolling. ■

## Stolen Access Platforms

Two Niftylift trailer mounted access platforms have been stolen from Facelift Access Hire. The equipment was stolen from its Boundary Street, Liverpool depot on Sunday 27 October 2002 and is as follows:

Model number Nifty 90 ME serial number 090/9118 and Nifty 120 ME serial number 01/8362. Both units are in Facelift's distinctive yellow and black livery. If you are offered either of these units or have any information please contact PC John Christianson of Liverpool Police on 0151 777 8630 and/or Facelift on 0800 521 595.

