



SECOND QUARTER 2018

# INTERNATIONAL REPORT

CONSTRUCTION  
MARKET INTELLIGENCE

# INDEPENDENT CONSULTANTS, LOCAL KNOWLEDGE AND EXPERTISE, GLOBAL NETWORK

The strength of Rider Levett Bucknall (RLB), the largest independent and most geographically prevalent construction cost consultancy of its kind in the world, is that it has the foremost construction intelligence available to it.

RLB collects and collates current construction data and forecast trends on a global, regional, country, city and sector basis. The RLB International Report, published half-yearly, provides a snapshot of construction market intelligence provided by the RLB network of offices around the globe.

Each RLB office contributes to the global intelligence by providing current insights into the local conditions and trends that impact the construction industry within that region. Information that is gathered and disseminated by each local office includes:

- Forecast Tender Price Index
- RLB Construction Market Activity Cycle
- Key building type cost ranges in local currencies

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## TENDER PRICE INDEX

RLB's Tender Price Index (TPI) showcases the historical and forecast movements in construction cost inflation/escalation on an annual basis. The TPI annual rate represents an overall forecast of the movement of construction costs for the industry as a whole within the key cities of RLB's network.

## RLB MARKET ACTIVITY CYCLE

The RLB Market Activity Cycle focusses on seven key sectors within the overall construction economy. Local RLB directors assess the current position of each sector within the market activity cycle for each respective city.

## BUILDING COST

RLB's Building Cost ranges highlighted within each regional intelligence page are based on actual project construction costs within each region. Building costs are provided in local currencies (the exceptions being Oslo and Moscow, whose building costs are expressed in Euros).

## RELATIVITY INDEX

Using TPI data and cost modelling, RLB provides a general cost comparison for building costs between locations. The Relativity Index ranks each city in respect of other locations within the RLB network of offices. Currently forty nine are included in the index.

## CONSTRUCTION MARKET INTELLIGENCE

A summary of Construction Market Intelligence is provided by each region highlighting the issues that are impacting the construction industry and providing key insights into current construction price movements.

## KEY GLOBAL DATA

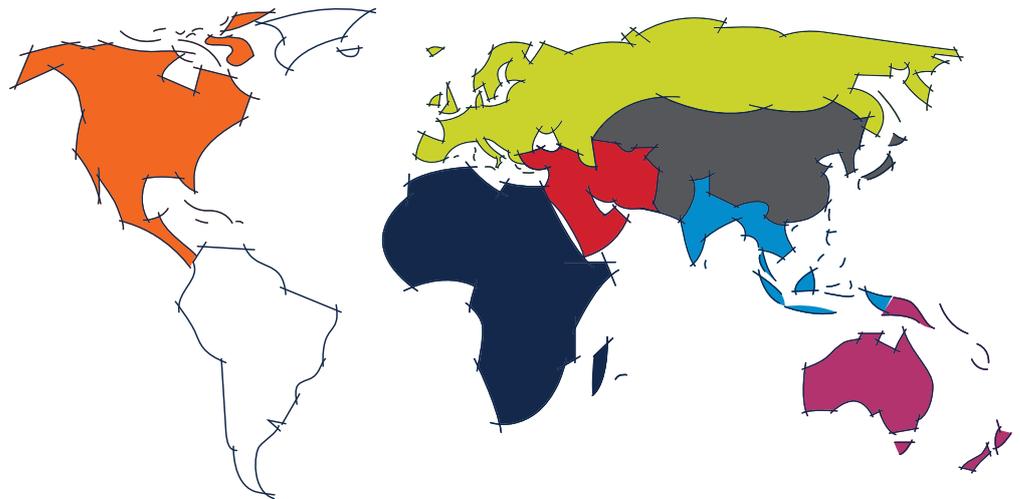
Key country and regional economic data is summarised within the Key Global Data tables describing the historical and projected economic conditions, within which the construction industry functions.

RLB publishes key industry intelligence publications throughout each year. For more detailed sector, city, country and regional information that is published by RLB, please review our regional or country specific publications which can be found within the publications section of [RLB.com](http://RLB.com).

Cover: Knightbridge, Johannesburg, South Africa  
Architects: Boogertman & Partners

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Each coloured region represents a section within the **Regional Intelligence** pages of this report



Cities around the world are shaped by their built environment and constructed with the intent to change lives for the better. Rider Levett Bucknall (RLB) was founded to create value for our customers, with a vision to challenge the norm, give fresh perspectives, and deliver with precision. We believe in a better tomorrow through a flawless execution today.

RLB was recently voted the number one global cost consultant partner for the third year running in the Building Design World Architecture 100 Survey 2018.

This endorsement recognises the high quality of service the firm continues to deliver in helping architects bring projects to life. The annual World Architecture 100 rankings are compiled by surveying over 1,250 leading architecture practices from across the globe. The annual survey, carried out by Building Design, ranks the top global 100 architecture firms in terms of annual turnover in addition to the top cost consultant, project manager, building contractor, service engineer and structural engineer these architects prefer to work with.

With our experience, people, and global reach, we derive immense satisfaction in taking our partners on a journey to success. The recently published inaugural *Perspective* magazine (available from [rlb.com](http://rlb.com)) presented a compilation of insights from members of the global RLB team, offering informed and fresh perspectives on a range of industry related topics from the hidden costs of stadium and renovations and building in the Caribbean to retail trends and achieving resiliency in schools.

Along with other research reports produced by RLB, *Perspective* is another way that we embrace our brand essence 'A better tomorrow through flawless execution today'. As part of our global reports, a consolidation of RLB market intelligence is included within the RLB International Report.

The Q2 2018 RLB International Report showcases the positive global sentiment within the construction sector as a whole. Observations from RLB offices show more than 68% of sectors surveyed in the RLB Market Activity Cycle are currently in the growth phase of the development cycle. With more than 75% of all global sectors in the mid or peak zones, the global construction market highlights the strengthening of most region's growing economic output.

Since 2016, RLB has seen a general easing of pressure on increasing building costs across the globe, as highlighted within the RLB Tender Price Index forecasts. Within the RLB network, 50% of offices contributing to the Tender Price Index are forecasting lower construction cost inflation for the 2018 calendar year than 2016. This is contrary to global consumer price inflation estimates (per IMF) where 75% of all countries are expecting higher inflation in 2018 than 2016.

Countries that experienced construction cost deflation during 2016 are stabilising and forecasting positive growth in construction costs in 2018. Abu Dhabi, Beijing, Chengdu and Singapore are all recording positive escalation for 2018. This would indicate that the volume of activity in these cities is stabilising and supply and demand are moving closer to equilibrium.

## GLOBAL INTELLIGENCE

# RLB TENDER PRICE INDEX

Across the RLB network of offices, the trend of Tender Price Index movements for 2018 reflects a return to more stabilised escalation regimes. Large fluctuations within regions were evident during 2015 and 2016, which appear to have consolidated. This was especially evident within the USA, which saw a range in 2016 of between 0.7% and 14.7%. In 2018 the spread is forecast to be between -1.8% and 6.1%. China also saw large spreads, with 2016 between -0.8% and 6.0% but forecasts for 2018 are between 2.0% and 4.5%.

The return to a more normalised spread between cities within the regions infers that stable economic conditions are being seen across the globe. The cities with the highest TPI escalation forecasts for 2018 are Budapest (8%), Johannesburg (8.4%), Dublin (7.5%) and Doha (7%).

Across the Middle East, looking forward, Dubai and Riyadh forecast TPI uplifts remain constant at 3.5% and 5.0% respectively, while Abu Dhabi is expecting a jump to 7% in 2019 and will remain above the expected general inflation rate into 2020.

For 2019, the range across the United States is between 0% and 5%, whereas in 2017 the spread was between -1.7% and 7.6%. This indicates a more balanced flow of projects across the country and a resolution to past labour shortages. Canada's construction cost escalation is forecast to increase from the lows of 2017.

Barring any unforeseen circumstances, Singapore is predicting a range between -1% and 1% for 2018, slightly below the anticipated inflation rate of 1.3%. Jakarta and Ho Chi Minh City tender prices are anticipated to increase, while Malaysia's building tender prices are expected to stay at the same level as 2017.

London's TPI forecast is impacted by the influence of materials cost increases, offset by supply and demand pressures which are damping construction cost inflation. Birmingham is also experiencing pressure on contractors' margins, while the Bristol and Sheffield markets appear reasonably buoyant. Manchester's market shows strong demand for larger builders, but smaller contractors are under more competitive pressure on bid pricing. Forecasts for years beyond 2018 show a normalising of escalation rates, with less spread between cities.

Within Australia and New Zealand, cost pressure will be seen in Auckland and Wellington during 2018 but falling to historical levels in 2019 for both cities. The major markets of Melbourne and Sydney are seeing slightly higher than inflation construction cost increases for 2018 at 3.3% and 4.9% respectively, but both aligning to less than 4% from 2019.

	RLB TENDER PRICE ANNUAL % CHANGE - Q2 2018					
	2016	2017	2018 (F)	2019 (F)	2020 (F)	2021 (F)
<b>AFRICA</b>						
CAPE TOWN	7.3	6.2	3.2	NP	NP	NP
DURBAN	NP	6.2	6.3	5.5	5.6	5.8
GABORONE	NP	3.0	3.1	3.2	3.3	NP
JOHANNESBURG	6.4	7.9	8.4	7.4	8.9	8.9
MAPUTO	4.0	0.3	0.5	1.0	1.1	NP
PORT LOUIS	6.0	4.0	5.0	3.5	3.0	NP
<b>MIDDLE EAST</b>						
ABU DHABI	(5.0)	(3.0)	2.0	7.0	8.0	NP
DOHA	5.5	6.0	7.0	NP	NP	NP
DUBAI	3.0	3.5	3.5	3.5	3.5	NP
RIYADH	5.0	5.0	5.0	5.0	5.0	5.0

GLOBAL INTELLIGENCE  
RLB TENDER PRICE INDEX

	RLB TENDER PRICE ANNUAL % CHANGE - Q2 2018					
	2016	2017	2018 (F)	2019 (F)	2020 (F)	2021 (F)
<b>NORTH ASIA</b>						
BEIJING	(0.0)	7.7	4.1	4.1	3.0	3.0
CHENGDU	(0.8)	2.0	2.0	3.0	3.0	3.0
GUANGZHOU	1.0	2.5	4.0	5.0	5.0	3.0
HONG KONG	0.4	0.0	2.0	2.0	2.0	3.0
MACAU	0.0	2.0	2.0	2.0	2.0	3.0
SEOUL	3.9	2.5	4.5	3.9	3.5	3.0
SHANGHAI	6.0	7.0	4.0	4.0	3.0	3.0
SHENZHEN	1.0	2.0	4.5	4.5	4.5	4.5
<b>SOUTH ASIA</b>						
HO CHI MINH CITY	4.5	4.0	4.0	4.0	4.0	4.0
JAKARTA	5.0	5.0	1.5	NP	NP	NP
KUALA LUMPUR	0.0	2.0	0.0	NP	NP	NP
SINGAPORE	(5.8)	(1.5)	0.0	NP	NP	NP
<b>AUSTRALIA</b>						
ADELAIDE	1.8	3.1	3.5	4.0	4.0	4.5
BRISBANE	7.2	4.1	4.0	4.1	3.1	3.0
CANBERRA	2.5	2.8	3.5	3.2	3.0	3.0
DARWIN	1.0	1.0	0.8	1.8	2.5	3.0
GOLD COAST	6.5	3.0	2.5	3.0	3.0	3.0
MELBOURNE	2.0	3.0	3.3	3.5	3.5	3.0
PERTH	0.0	0.0	1.1	2.5	3.0	3.0
SYDNEY	4.8	4.2	4.9	3.9	3.9	3.5
<b>NEW ZEALAND</b>						
AUCKLAND	5.5	8.0	6.0	3.5	3.0	3.0
CHRISTCHURCH	3.0	3.0	3.0	2.0	2.0	2.0
WELLINGTON	4.5	4.5	6.0	4.0	4.0	3.0
<b>UNITED STATES OF AMERICA</b>						
BOSTON	4.0	3.2	3.5	4.0	4.0	4.0
CHICAGO	4.3	5.3	5.1	3.6	3.2	3.2
DENVER	5.0	3.8	4.1	3.0	3.0	3.0
HONOLULU	0.7	(1.7)	(1.8)	0.0	1.0	3.0
LAS VEGAS	3.3	3.5	3.5	5.0	5.0	5.0
LOS ANGELES	8.4	7.6	3.8	5.0	4.0	4.0
NEW YORK	3.9	3.3	3.0	4.0	4.0	4.0
PHOENIX	3.7	4.3	4.6	3.5	3.5	3.5
PORTLAND	4.6	6.0	4.6	5.0	4.0	4.0
SAN FRANCISCO	14.7	6.2	6.1	4.5	4.0	4.0
SEATTLE	4.7	5.1	4.6	4.0	4.0	4.0
WASHINGTON, DC	4.3	3.2	3.0	4.0	4.0	4.0
<b>CANADA</b>						
CALGARY	NP	0.3	1.0	2.0	2.0	2.0
TORONTO	NP	1.1	2.8	3.0	3.0	3.0
<b>UNITED KINGDOM</b>						
BIRMINGHAM	3.0	2.8	2.5	2.5	3.3	4.0
BRISTOL	5.0	2.5	3.0	3.0	3.0	3.0
LONDON	3.5	2.0	0.5	1.6	2.3	2.8
MANCHESTER	4.0	2.0	1.0	1.0	2.5	3.5
SHEFFIELD	2.5	2.0	2.0	1.5	2.5	NP
<b>IRELAND &amp; MAINLAND EUROPE</b>						
BERLIN	2.0	2.0	2.0	2.0	NP	NP
BUDAPEST	5.5	9.5	8.0	8.0	5.0	NP
DUBLIN	4.0	7.5	7.5	7.0	6.5	NP
MADRID	0.1	0.8	0.1	0.1	NP	NP
MOSCOW	0.0	1.0	1.5	1.5	2.0	NP
WARSAW	3.2	3.2	1.2	NP	NP	NP

NP: NOT PUBLISHED

# GLOBAL CONSTRUCTION COST RELATIVITY INDEX

Higher rates of escalation during 2016 through to 2018 has seen San Francisco rise above both Honolulu and New York in the RLB Relativity Index for Q2 2018.

Cities which have risen two places or more since the previous index include:

- Auckland
- Doha
- Dublin
- Los Angeles
- Portland
- Riyadh
- San Francisco
- Townsville
- Wellington

Cities which have fallen two places or more within the Index include

- Abu Dhabi
- Berlin
- Christchurch
- Dubai
- Madrid
- Manchester
- Moscow
- Perth
- Shanghai

The movement of a city within the index is a consequence of the changes in construction costs within that city compared to other cities. Higher TPI uplifts will generally cause a city to rise above a city with lower TPI uplifts.

Within the index at Q2 2018, fourteen cities rose positions, eleven cities retained their global position and seventeen cities fell. An additional six cities recorded a fall in ranking within the index due to the introduction of the Gold Coast (Australia) during this period.

## CITY MOVEMENT

NUMBER OF POSITIONS

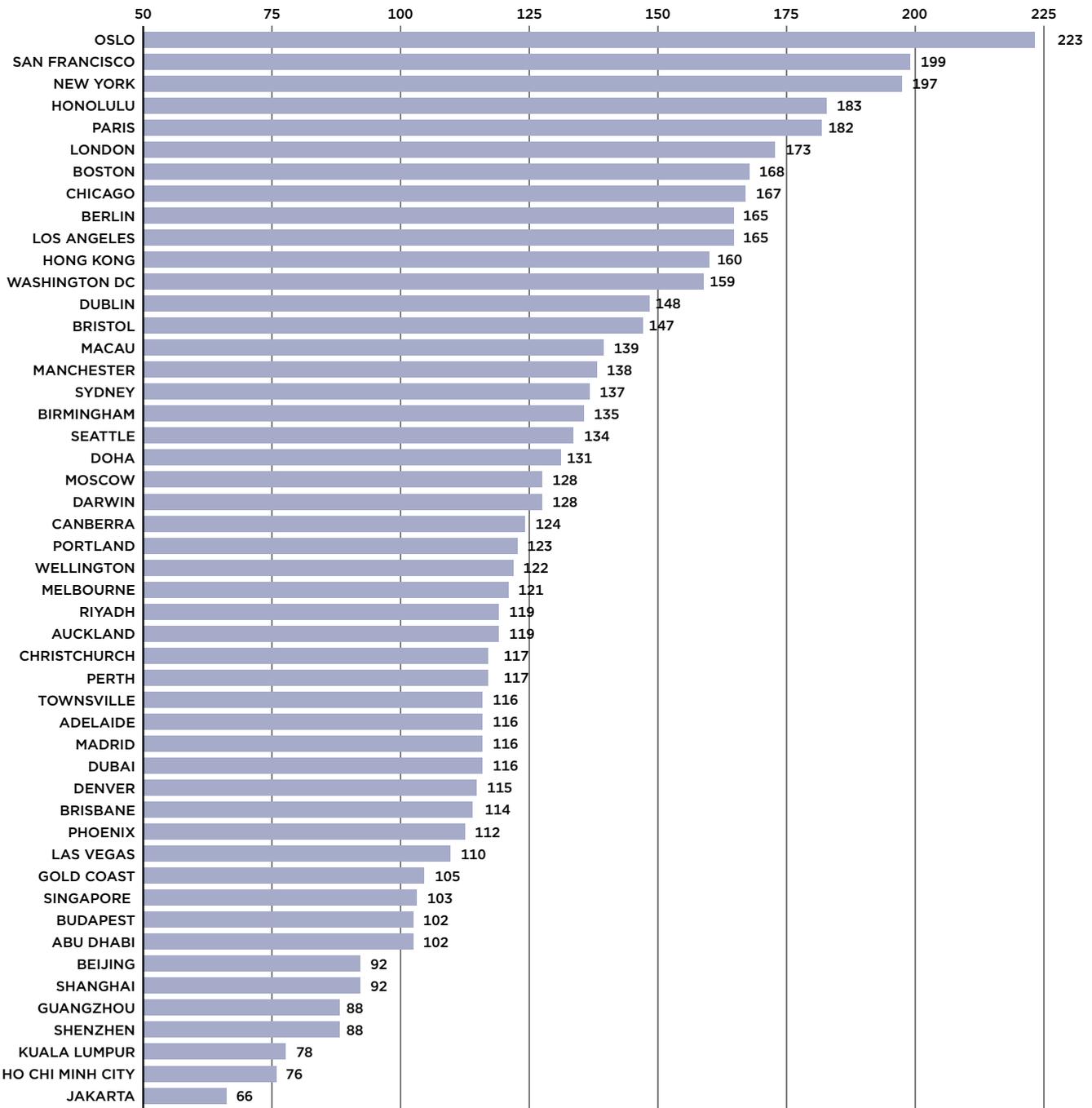
OSLO	▶	0
SAN FRANCISCO	▲	2
NEW YORK	▼	1
HONOLULU	▼	1
PARIS	▶	0
LONDON	▶	0
BOSTON	▲	1
CHICAGO	▲	1
BERLIN	▼	2
LOS ANGELES	▲	2
HONG KONG	▼	1
WASHINGTON DC	▼	1
DUBLIN	▲	3
BRISTOL	▼	1
MACAU	▶	0
MANCHESTER	▼	2
SYDNEY	▲	1
BIRMINGHAM	▼	1
SEATTLE	▲	1
DOHA	▲	2
MOSCOW	▼	2
DARWIN	▼	1
CANBERRA	▶	0
PORTLAND	▲	5
WELLINGTON	▲	3
MELBOURNE	▲	1
RIYADH	▲	3
AUCKLAND	▲	6
CHRISTCHURCH	▼	4
PERTH	▼	4
TOWNSVILLE	▲	2
ADELAIDE	▼	1
MADRID	▼	9
DUBAI	▼	2
DENVER	▶	0
BRISBANE	▶	0
PHOENIX	▶	0
LAS VEGAS	▶	0
GOLD COAST	▶	0
SINGAPORE	▼	1
BUDAPEST	▶	0
ABU DHABI	▼	2
BEIJING	▶	0
SHANGHAI	▼	2
GUANGZHOU	▼	1
SHENZHEN	▼	1
KUALA LUMPUR	▼	1
HO CHI MINH CITY	▼	1
JAKARTA	▼	1

# GLOBAL CONSTRUCTION COST RELATIVITY INDEX

RLB’s Construction Cost Relativity Index identifies the relative cost of constructing similar buildings across the globe. The index is based on the local costing of standard building models/basket of goods. These are costed globally, and within regions, using the same quantities and similar specifications. They are costed in local currencies and relativities calculated using a combination of statistical methods including:

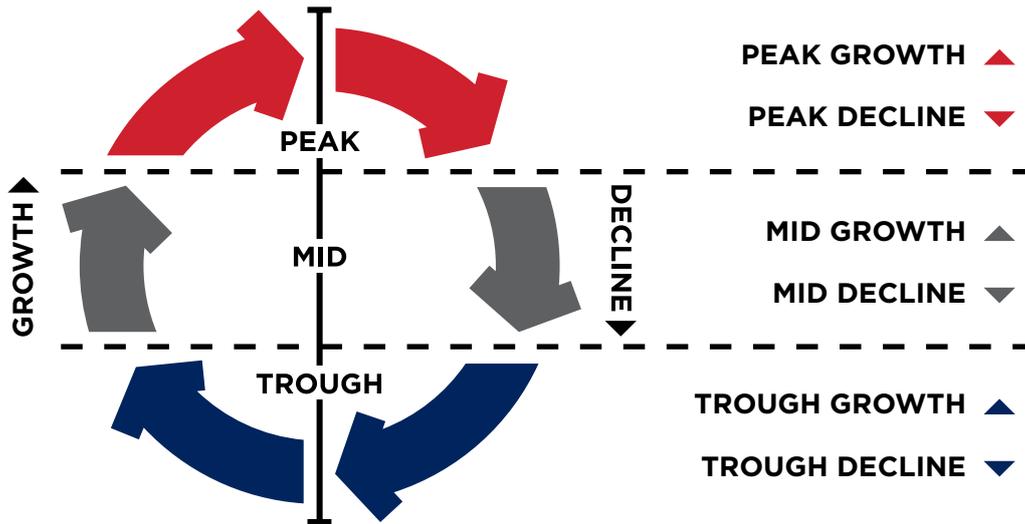
- Conversion into one currency method by converting local currency model costs using USD and IMF’s published Purchasing Power Parity (PPP)
- RLB developed EKS multilateral index
- RLB Relativity Factor, a weighted sum of ‘one currency’ results

The resultant index highlights the relativity in construction costs between key global cities.



GLOBAL INTELLIGENCE  
**RLB MARKET ACTIVITY CYCLE**

Activity within the construction industry traditionally has been subject to volatile cyclical fluctuations. The RLB Construction Market Activity Cycle (cycle) is a representation of the development activity cycle for the construction industry within the general economy.



Within the general construction industry, RLB considers seven sectors to be representative of the industry as a whole and are represented in the Market Activity Cycle table in the Regional Intelligence pages of this report.

Each sector is assessed as to which of the three zones (peak, mid or trough) best represents the current status of that sector within the cycle, then further refined by identifying whether the current status is in a growth or a decline phase.

The 'up' and 'down' arrows within the table represent whether the sector is in a growth or decline phase with the colour of the arrow determining the zone within the cycle. The three colours identified in the cycle diagram (red, grey and blue) represent the peak, mid and trough zones of the cycle.

The doughnut graph contained within the publication showcases the number of responses for each sector that are either in the peak, mid or trough zones of the cycle. The column graph shows the net movement of each sector within each zone.

# GLOBAL INTELLIGENCE

## RLB MARKET ACTIVITY CYCLE

Since our last publication, the RLB Market Activity Cycle responses have been positive around the globe. Overall from the 60 cities surveyed, more than 31% of all sectors are within the peak zone, 47% in the mid zone and 21% in the trough zone. Within all zones, 68% of sectors are within the growth phase globally. These results bode well for short term confidence within the industry as a whole.

The construction cycle within Africa is maintaining a positive sentiment. Market activity for the Middle East has remained unchanged since the last edition with 14% within the peak zone, 57% in the mid zone and 29% in the trough zone.

RLB offices across South Asia reported 54% of all sectors in the mid zone, highlighting the stable conditions currently being seen across the region. Strong sentiment is seen in the civil sector with three cities reporting activity within the peak growth zone.

Across North Asia, more than 50% of all sectors are in the mid zone, highlighting the stable conditions currently being seen across the region. Strong sentiment is seen in the civil sector with all cities falling within the peak or mid zones.

In the United Kingdom, the various sectors' activity levels remain strong, sectors within the growth phase having increased from 80% to 89% of the total. Manchester and London in particular show all sectors within the mid or peak zones this period.

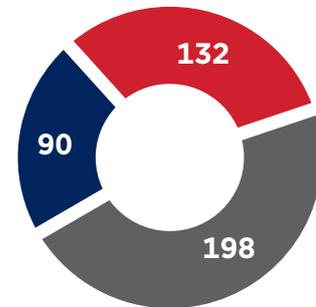
During the past six months, market activity within the US has shifted from the trough zone up to the peak zone with more than 50% of all sectors in the peak zone, up from 39% in the fourth quarter of 2017.

The multifamily or multi-dwelling sector is still the strongest within the US where 83% of cities are still in the peak zone, with very little movement. The retail, industrial and the civil sectors all have recorded shifts from the trough zone to peak zone.

Market activity for Australia was strong for this period with 41% of sectors in the peak zone, up from 38% in the previous report. The housing, apartments and civil sectors had the strongest market activity with 63% of RLB offices reporting they were in the peak zone.

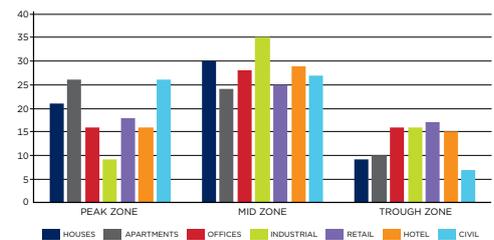
No sectors are in the trough zone within New Zealand indicating the strength of the current market. Almost 60% of all sectors are within the peak zone.

### GLOBAL - MARKET ACTIVITY ZONE

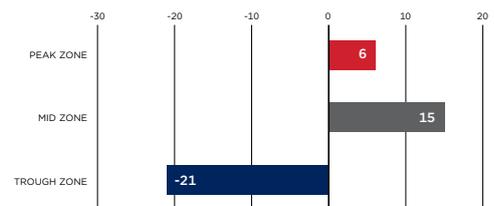


PEAK ZONE MID ZONE TROUGH ZONE

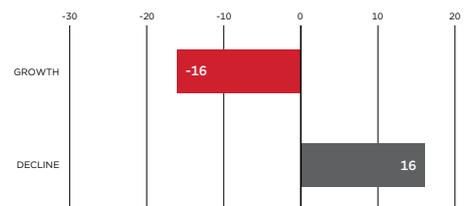
### NO. OF GLOBAL CITIES WITHIN ZONES



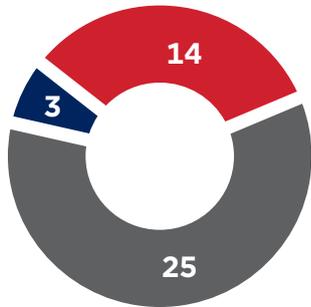
### NET ZONE MOVEMENT PER SECTOR Q4 2017 TO Q2 2018



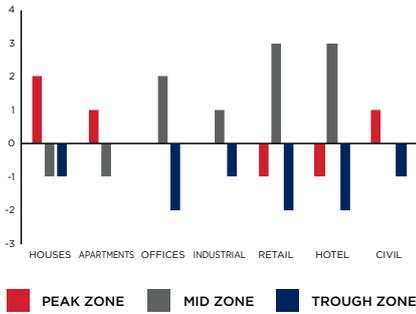
### NET PHASE MOVEMENT PER SECTOR Q4 2017 TO Q2 2018



MARKET SECTOR ACTIVITY



NET ZONE MOVEMENT PER SECTOR Q4 2017 TO Q2 2018



RLB MARKET ACTIVITY CYCLE

The construction cycle within Southern Africa is maintaining a positive sentiment according to the RLB offices within the region. Within RLB's network 76% of all sectors are within the growth phase, down from 88% at our last publication. Sectors within the peak zone have fallen substantially to 33%. There has been a significant rise for sectors within the trough zone which have moved up to the mid zone, indicating a positive sentiment within the region. At our last report, 34% of sectors were within the trough zone whereas our current observations indicate that the industry may have bottomed out with the trough zone only representing 7% of all sectors.

Both the civil and multi-level apartment sectors are strong with no regions within the trough zone at the moment.

The South African economy appears to be stabilising, with the Rand strengthening against foreign currencies. As reported by Statistics South Africa (STATSSA), South Africa's GDP for the fourth quarter of 2017 grew to 3.1% following an increase of 2.3% in the third quarter. The mining and quarrying sectors decreased by 4.4% due to the decrease in demand for gold and platinum group metals. The construction industry saw a slight decrease of 1.4% overall.

Cape Town experienced tremendous growth in the residential sector, with demand continuing for social and student housing. However, while demand is strong the sector remains volatile and vulnerable to cost and funding challenges.

Johannesburg's office market developments remain strong despite high vacancy rates. Notwithstanding the continuing recession of the construction industry, some regions are experiencing booms in non-residential building works. Within Durban, the property sector has seen noticeable stability and growth, confirmed by the number of construction cranes in the region.

Foreign investors have been making moves within Mozambique, with two major investments commencing - the Heineken industrial development and a Natural Gas Extraction plant. These investments have had a positive impact on Mozambique's economy.

Mauritius has begun moving towards multi-faceted developments, such as smart cities and eco-cities with the intention of creating well-paying jobs and providing new opportunities for the region.

Key projects within the African region include:

- Sable Park Offices - Cape Town
- Cape Town International Convention Centre (CTICC) - Cape Town
- Umhlanga Interchange - Durban
- Umhlanga Ridgeside - Durban
- Umhlanga New Town Centre - Durban
- Umhlanga Old Town Centre - Durban
- Menlyn Maine Precinct - Pretoria
- Katherine Towers - Johannesburg
- Mon Tresor Smart City - Mauritius
- Plaisance Eco-city - Mauritius

AFRICA	HOUSES	APARTMENTS	OFFICES	INDUSTRIAL	RETAIL	HOTEL	CIVIL
CAPE TOWN	▲	▲	▲	▲	▼	▲	▲
DURBAN	▲	▲	▼	▲	▼	▲	▲
GABORONE (BOTSWANA)	▲	▲	▼	▲	▲	▼	▲
JOHANNESBURG	▼	▲	▼	▲	▼	▲	▼
MAPUTO (MOZAMBIQUE)	▲	▲	▲	▲	▲	▲	▲
PORT LOUIS (MAURITIUS)	▲	▲	▲	▲	▲	▲	▼

NP: NOT PUBLISHED

The property market's stunted growth in 2017 was attributable to the adverse outcomes from unstable political and economic conditions as well as recent and possible further credit downgrades. South Africa's economic outlook in 2018 is projected to strengthen after Cyril Ramaphosa's victory as the new president of the country. The Rand has strengthened since the start of the year and expectations run high for continuous growth. Ramaphosa is likewise expected to implement business orientated policies to attract foreign and local capital and restore investor confidence. As a result, the improving growth outlook in South Africa suggests a revival in the country's economy.

Across the region, many cities tender prices for 2017 fluctuated between 6% and 8% annually, with forecasts of small rises in 2018. Construction costs are very sensitive to the fluctuations in the exchange rate of major currencies, as a fair percentage of construction materials and equipment are imported.

Within South Africa escalation is expected to fall in Cape Town for 2018 while Johannesburg and Durban are expecting small increases. The tender market in Cape Town is not very competitive at the moment as there are shortages of both principal contractors and specialist subcontractors. This is prevalent through poor tender responses. The current situation poses new opportunities for those willing to relocate to Cape Town to fulfil the construction demand.

In contrast, Durban's contractor prices remain competitive, however it is expected that tender prices will increase in the future to align with the increased project opportunities.

After more than 5 years of contraction, the Mauritian construction industry is expected to rebound by 7% based on high investment expected in both public and private projects. The government intends to improve both public transport infrastructure as well as public utilities infrastructure with a focus on renewable energy sources. From a private sector perspective, it is expected that the granting of development permits will rise and the process be simplified in the coming years, resulting in increased growth in the sector.

2018 TPI FORECAST	
CAPE TOWN	3.2%
DURBAN	6.3%
GABORONE	3.1%
JOHANNESBURG	8.4%
MAPUTO	0.5%
PORT LOUIS	5.0%

#### RLB TENDER PRICE INDEX

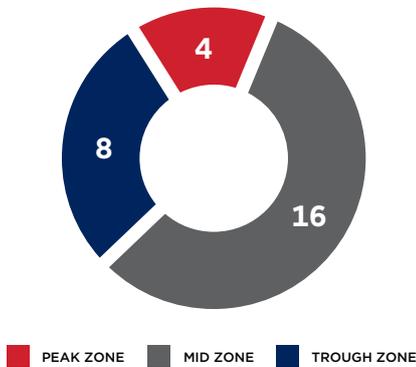
TPI rate forecasts for 2018 are not significantly different from 2017 results with the exception of Maputo which is forecasting a period of almost zero escalation. The drop from the 2017 rate of 6% represents the volatility and difficulty in construction project cost planning generally within the region. South African cities appear more stable with the Johannesburg/Pretoria region increasing to 8.4% from the 2017 levels of 7.9%.

AFRICA	LOCAL CURRENCY	OFFICE BUILDING				RETAIL				INDUSTRIAL	
		PREMIUM OFFICES		GRADE A		MALL		STRIP SHOPPING		WAREHOUSE	
		LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
CAPE TOWN	ZAR	11,000	14,500	9,900	13,250	NP	NP	NP	NP	3,100	3,600
DURBAN	ZAR	NP	NP	12,000	14,500	10,500	12,000	NP	NP	4,500	5,500
GABORONE	BWP	13,000	16,000	9,000	11,000	8,000	12,000	10,600	14,200	7,000	8,000
JOHANNESBURG	ZAR	16,000	18,000	7,400	11,000	NP	NP	NP	NP	3,450	3,800
MAPUTO	MZN	87,900	108,200	60,900	74,400	54,100	81,100	71,200	95,700	50,000	60,000
PORT LOUIS	MUR	53,300	65,500	36,900	45,000	32,800	49,100	43,500	58,000	32,000	35,000

AFRICA	LOCAL CURRENCY	HOTELS				CAR PARKING				RESIDENTIAL	
		5 STAR		3 STAR		MULTI STOREY		BASEMENT		MULTI STOREY	
		LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
CAPE TOWN	ZAR	NP	NP	NP	NP	3,100	4,000	5,700	7,800	11,500	16,250
DURBAN	ZAR	NP	NP	NP	NP	NP	NP	2,500	3,500	15,500	18,000
GABORONE	BWP	39,900	50,400	19,480	25,960	345	450	4,000	5,000	7,500	12,500
JOHANNESBURG	ZAR	NP	NP	NP	19,000	3,500	5,000	4,000	6,000	NP	11,750
MAPUTO	MZN	269,720	340,700	131,635	175,500	2,315	3,010	27,040	33,800	50,700	84,500
PORT LOUIS	MUR	163,390	206,390	79,730	106,315	1,405	1,830	16,400	20,500	30,700	51,190

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MARKET SECTOR ACTIVITY



RLB MARKET ACTIVITY CYCLE

Market activity for the Middle East has remained unchanged from the last edition with 14% within the peak zone, 57% in the mid zone and 29% in the trough zone.

The retail and civil sectors were the only sectors where RLB offices reported they were in the peak zone with 50%.

Riyadh reported all sectors were in the mid growth zone for this edition, while Dubai had 29% of sectors in the peak zone and the remaining in the mid zone.

Countries within the Gulf Cooperation Council (GCC) region are experiencing a time of economic downturn caused by the fall in global oil prices. In June 2017, Qatar’s neighbours and long-term business allies including the Kingdom of Saudi Arabia (KSA), United Arab Emirates, Bahrain and Egypt severed ties with Qatar. Consequently, direct flights, shipping routes and road transportation links have been closed. Whilst Qatar has taken swift action by creating new business ties and links with the likes of Oman, Turkey and Iran, there is no doubt that the situation has caused widespread disruption to the construction sector and economy in general.

Following a period of cautious spending and governmental program cut-backs, the Saudi construction industry is beginning to show signs of growth. The country is also beginning to respond to the political reforms promoting mechanisms which focus on privatisation of government assets and funding routes. The ongoing progress towards the Saudi Vision 2030, the Kingdom’s strategy to diversify and minimise dependencies on oil reserves, appears to be driving a healthy assortment of construction programs across the residential, commercial, infrastructure and industrial sectors.

This directive towards a diversified kingdom has resulted in a construction industry with over 4,500 active projects, totalling in excess of USD 850 billion. Furthermore, the fact that almost USD 300 billion of this figure can be associated with projects in the design stage, implies a certain amount of longevity in the coming years for the Kingdom’s construction industry.

Qatar’s construction sector is projected to witness growth in 2018. This is based on the 2018 National Budget which projects marginally increased spending on 2017. Allocations for major projects remained at similar levels as 2017, accounting for circa QAR 93 billion, of which QAR 29 billion is allocated to new projects that are expected to be signed in 2018. Qatar’s focus continues to be on the completion of major infrastructure and 2022 FIFA World Cup projects.

Within the kingdom iconic projects such as the Riyadh metro continue to progress. This project, estimated in the region of USD 22 billion, forms part of a wider transportation reform featuring a bus network and connectivity to the wider rail programme.

Additionally, progress continues on the Kingdom Tower, located in Jeddah. Set to be the world’s tallest building when complete, the estimated cost is cited at over USD 1.3 billion.

MIDDLE EAST	HOUSES	APARTMENTS	OFFICES	INDUSTRIAL	RETAIL	HOTEL	CIVIL
ABU DHABI	▲	▲	▼	▲	▼	▼	▼
DOHA	▲	▲	▼	▲	▲	▲	▲
DUBAI	▼	▼	▼	▼	▼	▼	▲
RIYADH	▲	▲	▲	▲	▲	▲	▲

NP: NOT PUBLISHED

In Doha, the largest portion of the major projects budget allocation was assigned to transportation and infrastructure to facilitate the completion of projects like the Metro, LRT, major highways, utility networks and the like. Expenditure continued on sports and WC projects to complete stadiums in Lusail, Qatar Foundation, Al Rayyan, Al Wakrah and Al Khor, as well as other sport projects. Major projects within the health sector include the expansion of Hamad Medical Corporation facilities and expansion in primary health care centres and emergency hospitals which will be rolled out over the next 5 years. Major education projects currently underway include new faculties in Qatar University and the expansion of Education City.

Long before the blockade started, Qatar was taking measures to reduce costs to cope with the fall in government revenue - projects were being placed on hold or cancelled and salaries together with headcounts were being reduced in many government agencies.

As a result, we are witnessing increasing competitiveness in current tenders, as contractors strive to maintain turnover, bidding their time in the hope that the market will pick up, which is expected if Qatar is to meet its FIFA World Cup 2022 commitments and to an extent its 2030 vision. We expect to witness sharp price escalation in the later parts of 2018 leading up to 2022. It would not be a surprise if we witness an increase of between 3%-6% year-on-year.

Notwithstanding the current portfolio of ambitious projects across the Saudi Kingdom, plans have also been announced for the iconic developments such as Neom City, a multinational city of the future, focusing on trade, technology and wellbeing. Reports suggest USD 500 billion has already been committed by the kingdom for this venture.

After a recorded negative inflationary adjustment over previous quarters in 2017, the fourth quarter of 2017 recorded a slight year-on-year increase of 0.1%. This reversal is expected to continue throughout 2018, supported by the 5% VAT application, fuel and energy increases.

In terms of TPI the current expectation as identified by the Middle East Economic Digest (MEED) indicate a rating of 132.6 for KSA in 2018 against 129.0 in 2017, detailing an increase of 2.8%.

### 2018 TPI FORECAST

ABU DHABI	2.0%
DOHA	7.0%
DUBAI	3.5%
RIYADH	5.0%

### RLB TENDER PRICE INDEX

TPI forecasts for 2018 fall below the anticipated inflation rate.

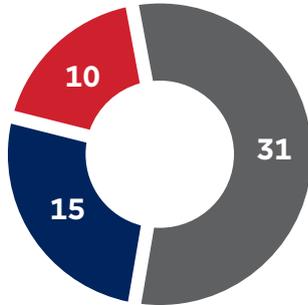
Looking forward, Dubai and Riyadh forecast TPI's to remain constant at 3.5% and 5.0% respectively, while Abu Dhabi is expecting a jump to 7% in 2019 and will remain above the expected inflation rate into 2020.

MIDDLE EAST	LOCAL CURRENCY	OFFICE BUILDING				RETAIL				INDUSTRIAL	
		PREMIUM OFFICES		GRADE A		MALL		STRIP SHOPPING		WAREHOUSE	
		LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
ABU DHABI	AED	5,600	6,700	4,500	6,300	3,900	6,200	NP	NP	1,440	2,600
DOHA	QAR	6,500	8,500	6,100	8,200	5,300	6,500	NP	NP	NP	NP
DUBAI	AED	5,800	7,000	4,700	6,600	4,100	6,500	NP	NP	1,860	2,900
RIYADH	SAR	5,100	7,900	5,200	7,100	3,000	5,400	3,500	4,900	3,450	4,200

MIDDLE EAST	LOCAL CURRENCY	HOTELS				CAR PARKING				RESIDENTIAL	
		5 STAR		3 STAR		MULTI STOREY		BASEMENT		MULTI STOREY	
		LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
ABU DHABI	AED	8,600	11,500	5,700	8,100	1,720	3,450	2,750	4,300	4,300	6,400
DOHA	QAR	11,500	14,500	7,500	8,500	NP	NP	2,750	4,500	6,500	7,800
DUBAI	AED	9,000	14,000	6,000	9,000	2,300	3,600	3,100	4,500	4,500	6,700
RIYADH	SAR	7,500	10,500	6,200	7,700	1,380	2,300	2,350	2,950	3,050	13,250

NP: NOT PUBLISHED

**MARKET SECTOR ACTIVITY**



NET ZONE MOVEMENT PER SECTOR  
Q4 2017 TO Q2 2018



**RLB MARKET ACTIVITY CYCLE**

Across North Asia, more than 50% of all sectors reported by RLB offices are in the mid zone, highlighting the stable conditions currently being seen across the region.

Strong sentiment is seen in the civil sector with all cities falling within the peak or mid zones.

Seoul's construction sectors are all within the peak zone, highlighting the current strength of the industry within South Korea.

Hong Kong and Macau are in a transitional phase with all sectors within the mid decline zone.

Shanghai and Guangzhou were the only cities within the region which have more than 50% of sectors within the trough zone.

According to the IMF, economic growth across Asia in 2018 is forecast to grow at similar levels to 2017. They are forecasting growth of 6.5% across the region which constitutes over half the global growth for 2018. For most countries within Asia the construction sector continues to grow with forecast growth of between 5% and 7% in 2018, according to Moody's.

In China, the steady growth rate in the construction market can be attributed to structural enhancements and improved efficiency within the economy as evident by the expansion of job opportunities, an increase in average household income, steady rises of commodity prices and an improvement in foreign investment.

Beijing remains the top destination for investors. The construction of large-scale office buildings, hotels and other commercial projects are generally prohibited in the city centre, therefore most large-scale new projects are located near Beijing's new airport and the city sub-centres Tongzhou and Fentai Lize. Development is also being centred within Zhongguancun, Huairou and Future Science Cities and the Yizhuang Beijing Economic and Technological Development Zone.

In the Hong Kong SAR, the government has announced efforts to rectify the current shortage in housing supply and surging property prices through their housing policy. The policy aims to increase land supply and the supply of housing units which has a direct impact on the construction industry. According to the 2018-19 Budget, the estimated production of public housing for the next five years is around 100,000 units. In the private sector, the projected supply of first-hand private residential property in the next 3 to 4 years is about 97,000 units, up by 50% over the past 5 years. In addition, commercial / hotel sites with a total of approximately 530,000m2 of gross floor area have been included in the 2018-19 Land Sale Programme. A budget of HKD 300 billion to support the second 10-year hospital development plan and healthcare related facilities together with another HKD 20 billion for the improvement and development of cultural facilities would provide sustained support to the construction industry.

In the Macau SAR, with the completion of major gaming and resort developments, construction activities have remained weak. Recent projects have been mainly initiated by an increase in government investment into infrastructure, such as a public hospital and social housing. The Central Government has drawn up a plan to link the nine cities in the southern part of China to form an integrated economic and business hub called the Greater Bay Area which will further enhance the economic growth of this part of China. The cities include Donguan, Foshan, Guangzhou, Huizhou, Jiangmen, Macau, Shenzhen, Zhaoqing, Zhongshan and Zhuhai. The synergy of connecting these cities together will be enormous and will bring a sustained workload to the construction industry for many years to come.

NORTH ASIA	HOUSES	APARTMENTS	OFFICES	INDUSTRIAL	RETAIL	HOTEL	CIVIL
BEIJING	▼	▼	▲	▼	▼	▲	▲
CHENGDU	▲	▲	▲	▲	▼	▼	▲
GUANGZHOU	▼	▲	▲	▼	▲	▲	▲
HONG KONG	▼	▼	▼	▼	▼	▼	▼
MACAU	▼	▼	▼	▼	▼	▼	▼
SEOUL	▲	▲	▲	▲	▲	▲	▲
SHANGHAI	▼	▲	▼	▼	▼	▼	▲
SHENZHEN	▼	▲	▲	▼	▲	▼	▲

NP: NOT PUBLISHED

South Korea's economy retreated 0.2% in the fourth quarter of 2017 against the third quarter. The economy managed to run at a pace above 3% for the first time in three years for CY '17 as domestic demand slowly tracked the rebounding global economy. For CY '17, the GDP expanded 3.1% from a year earlier. In 2017, private consumption showed gradual recovery, construction investment continued its rapid expansion, and facilities investment turned positive highlighting a high rate of growth. The Korean construction market is likely to maintain a high level of growth in 2018.

Whilst oversupply of raw materials such as bar reinforcement and aluminium has been haunting the economy of China in the past few years, the downward trend has recently reversed with prices increasing by more than 50% when compared with the trough prices. This may be mainly due to much more stringent environmental controls imposed on the manufacturing factories of these raw materials hence increasing the time and cost of production leading to a much lower supply.

RLB's forecast TPI across the region shows historically lower levels of escalation for 2018. RLB offices are forecasting escalation for 2018, across two bands, 2% and slightly in excess of 4%.

Across the region, escalation rates are generally normalising after the volatility of the past three years. The spread of annual rates across the key cities are predicted to be the smallest for a number of years. The volatility has been evident in the key cities of Beijing and Shanghai where TPI's have increased from -1% in 2015 to 7.7% in 2017 for Beijing and -4.4% in 2015 to 7.0% in 2016 for Shanghai. Both cities forecast TPI's to reduce to around the 4% mark for 2018.

### 2018 TPI FORECAST

CITY	FORECAST
BEIJING	4.1%
CHENGDU	2.0%
GUANGZHOU	4.0%
HONG KONG	2.0%
MACAU	2.0%
SEOUL	4.5%
SHANGHAI	4.0%
SHENZHEN	4.5%

### RLB TENDER PRICE INDEX

Forecast escalation across the region is currently within two bands. Chengdu, Hong Kong and Macau are forecasting inflationary level increases whereas the other cities within the region are predicting above inflationary rates.

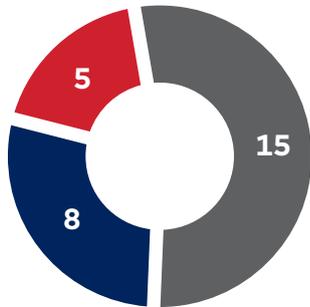
NORTH ASIA	LOCAL CURRENCY	OFFICE BUILDING				RETAIL				INDUSTRIAL	
		PREMIUM OFFICES		GRADE A		MALL		STRIP SHOPPING		WAREHOUSE	
		LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
BEIJING*	RMB	8,300	13,500	7,700	11,750	9,100	14,000	8,000	12,500	4,700	5,900
CHENGDU*	RMB	7,000	11,500	6,500	9,600	7,400	11,250	6,700	10,750	3,500	4,350
GUANGZHOU*	RMB	7,600	12,000	7,000	10,500	8,600	12,250	7,400	11,250	4,350	5,400
HONG KONG*	HKD	23,750	35,250	20,250	27,250	23,750	30,000	20,250	26,250	15,750	19,750
MACAU*	MOP	18,500	26,750	16,500	23,000	20,500	25,000	17,250	22,000	NP	NP
SEOUL*	KRW ('000)	2,450	3,150	1,850	2,275	1,650	2,400	1,400	2,125	1,250	1,550
SHANGHAI*	RMB	8,000	12,750	7,200	11,000	8,400	13,500	7,500	12,250	4,300	5,600
SHENZHEN*	RMB	7,300	11,750	6,700	10,250	7,700	12,000	6,800	10,500	4,000	5,000

NORTH ASIA	LOCAL CURRENCY	HOTELS				CAR PARKING				RESIDENTIAL	
		5 STAR		3 STAR		MULTI STOREY		BASEMENT		MULTI STOREY	
		LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
BEIJING*	RMB	14,000	18,500	10,500	13,500	2,400	3,300	4,050	7,100	4,350	8,900
CHENGDU*	RMB	11,750	15,250	8,900	11,250	2,100	2,850	3,650	6,000	3,500	6,900
GUANGZHOU*	RMB	13,750	17,500	10,250	12,250	2,200	3,150	3,850	6,700	3,950	7,900
HONG KONG*	HKD	36,750	45,000	30,250	35,000	9,300	11,000	19,000	26,000	22,250	44,250
MACAU*	MOP	31,250	38,250	25,000	29,000	NP	NP	10,750	13,750	14,000	25,500
SEOUL*	KRW ('000)	3,325	4,925	1,800	2,500	700	860	890	1,150	1,600	2,675
SHANGHAI*	RMB	14,000	18,250	10,250	13,250	2,250	3,250	4,250	7,100	3,950	8,000
SHENZHEN*	RMB	12,500	16,500	9,500	12,000	2,150	3,000	3,850	6,600	3,700	7,600

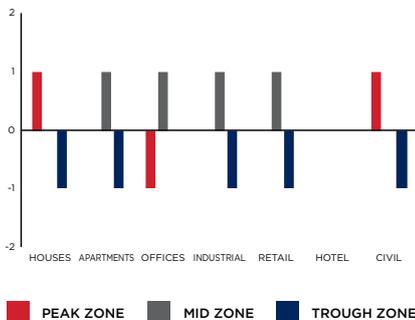
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\*Rates are per square metre of Construction Floor Area, measured to outer face of external walls.

**MARKET SECTOR ACTIVITY**



NET ZONE MOVEMENT PER SECTOR  
Q4 2017 TO Q2 2018



**RLB MARKET ACTIVITY CYCLE**

RLB offices across South Asia reported 54% of all sectors in the mid zone, highlighting the stable conditions currently being seen across the region. Strong sentiment is seen in the civil sector with three cities reporting activity within the peak growth zone.

Ho Chi Minh City was the only city to have more than one sector in the peak growth zone with all remaining sectors in the mid growth zone.

Singapore had six out of seven of the sectors fall within the trough zone. Civil was the only sector to be in the peak zone.

Singapore’s economy grew 3.6% for the full 2017 on the back of a strong manufacturing sector.

The construction sector contracted by 8.5% on a year-on-year basis to the fourth quarter of 2017, extending the 7.7% decline from the third quarter of 2017. Singapore’s construction activity continues to remain lacklustre, driven by a persistent weakness in private sector activities. The outlook however is looking positive, due to a strengthening outlook and an upturn in the residential market.

The Building and Construction Authority (BCA) estimates that public sector construction demand will achieve between SGD 16 billion and SGD 19 billion this year. Some of the public sector projects expected to be awarded in 2018 include additional major contracts for infrastructure projects like the Land Transport Authority’s North-South Corridor, national water agency PUB’s Deep Tunnel Sewerage System and various healthcare facilities.

Indonesia’s GDP rose 5.1% in 2017, an improvement from the 5.02% achieved in 2016. The State Bank of Indonesia (SBI) stated that most of the economic growth came from various infrastructure projects in the first three quarters of 2017. The construction sector in 2017 saw a 2% increase from 2016. The nation’s quest for infrastructure developments has fuelled government-led infrastructure development programs, such as the construction of toll roads. Jakarta’s civil construction sector remains strong.

Vietnam’s growth has been fuelled by increases in foreign direct investment, from countries such as Japan and South Korea, reaching nearly USD 35.9 billion, the highest amount since 2009. In 2017 the country achieved its strongest growth in five years surpassing the government’s annual target of 6.7%. The construction sector recorded 8.7% growth in 2017 according to the Ministry of Construction (MOC). The MOC recently announced the government’s approval to develop Ho Chi Minh City into a nuclear urban area that connects to and supports other urban areas in the zone as well as transforms the city into a major Southeast Asian Centre.

Malaysia’s GDP performance was at a three year high in 2017. It grew 5.9% on the back of strong domestic demand and robust exports. Construction sector GDP increased from 7.4% in 2016 to 8.0% in 2017 based on data from the Statistics Department. Private sector projects made up 63% of total construction work done. Construction expenditure in 2018 is projected to maintain a steady growth rate of 0.2%. The 2018 Budget announced MYR 350 billion on construction projects expected to come on board between 2018 and 2020. These projects aim to spur on the construction market and stimulate economic growth.

SOUTH ASIA	HOUSES	APARTMENTS	OFFICES	INDUSTRIAL	RETAIL	HOTEL	CIVIL
HO CHI MINH CITY	▲	▲	▲	▲	▲	▲	▲
JAKARTA	▲	▲	▼	▲	▼	▲	▲
KUALA LUMPUR	▲	▼	▼	▲	▼	▼	▲
SINGAPORE	▼	▲	▼	▼	▼	▼	▲

NP: NOT PUBLISHED

Singapore is recording construction cost deflation over the past two years resulting from a number of years of slow construction activity. Many cities are prioritising innovations and labour productivity measures to improve the construction industry for the future. Singapore launched their Construction Industry Transformation Map (ITM) in October 2017 to drive higher productivity and faster completion times together with an emphasis of less reliance on foreign workers. The ITM also charts the adoption of other high-tech methods in the construction pipeline, including green building technologies, and a move to integrate designers, builders, sub-contractors and facility managers in the building's life cycle through an approach known as Integrated Digital Delivery (IDD). According to the Ministry of Manpower (MOM), the local labour workforce remains a growing challenge as the nature of jobs continues to evolve with technology and industry transformation. The ITM wants to have more local workers in the construction industry while BCA targets to have 80,000 personnel trained in digital design and cutting-edge technologies, which prioritise productivity and innovation over manual work, to enter the industry by 2025. There are currently 32,600 trained in these areas.

Malaysia's construction sector saw a 2.2% rise in labour productivity. The government is stepping up on measures to make it mandatory for all private developments to use Industrialised Building System (IBS) for all projects valued at MYR 50 million or more within these three years. This target is one of the key performance indicators under the Construction Industry Transformation Programme (CITP) 2016-2020.

Vietnam's real estate sector grew by 4.07% in 2017, the highest since 2011. It is expected to remain an attractive business sector investment for 2018. Data from the Vietnamese Construction Ministry's Housing and Property Market Management Department showed Ho Chi Minh City recorded 1,900 deals in January 2018, a rise of 8.6% over the preceding month's figure. In addition, the Ho Chi Minh City Real Estate Association projected the real estate market to thrive in the low-end and mid-end segments, meeting the demands of low and medium-income earners in urban areas during 2018.

In Jakarta's property market, office space availability remains high with falling rental rates. Jones Lang LaSalle (JLL) expects more commercial upgrades where tenants continue to move out of Grade B and Grade C buildings in favour of recently completed Grade A premises. In addition, rapid expansion by e-commerce and fintech companies is likely to drive demand. The outlook for the retail market remains stable as it is seeing limited supply and low vacancy rates. The outlook for retail space demand remains strong and the retail market can expect a single digit rental growth this year. Condominium prices remain relatively flat and the serviced apartment market remains stable.

### 2018 TPI FORECAST

HO CHI MINH CITY	4.0%
JAKARTA	1.5%
KUALA LUMPUR	0.0%
SINGAPORE	0.0%

### RLB TENDER PRICE INDEX

Barring any unforeseen circumstances, Singapore is predicting a range between -1% and 1%, slightly below the anticipated inflation rate of 1.3%.

Jakarta and Ho Chi Minh City tender prices are anticipated to increase in 2018. For Jakarta, the increase is expected to be between 1% and 2%, while Ho Chi Minh City expect increases between 3% and 5%.

Malaysia's building tender prices for 2018 are anticipated to stay at the same level as 2017.

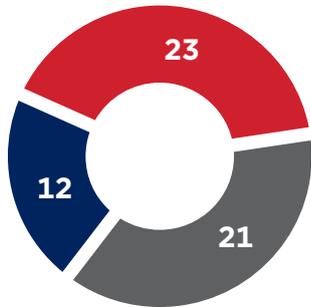
SOUTH ASIA	LOCAL CURRENCY	OFFICE BUILDING				RETAIL				INDUSTRIAL	
		PREMIUM OFFICES		GRADE A		MALL		STRIP SHOPPING		WAREHOUSE	
		LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
HO CHI MINH CITY	VND ('000)	23,300	35,800	21,300	26,600	20,100	26,750	NP	NP	6,225	9,400
JAKARTA	RP ('000)	10,130	13,200	6,870	11,000	6,520	8,515	NP	NP	4,790	6,078
KUALA LUMPUR*	RINGGIT	2,600	4,500	1,400	3,200	2,100	3,500	NP	NP	1,000	1,800
SINGAPORE*	SGD	2,950	4,150	2,050	3,300	2,000	3,350	NP	NP	1,100	1,600

SOUTH ASIA	LOCAL CURRENCY	HOTELS				CAR PARKING				RESIDENTIAL	
		5 STAR		3 STAR		MULTI STOREY		BASEMENT		MULTI STOREY	
		LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
HO CHI MINH CITY	VND ('000)	34,675	41,600	24,350	31,500	8,900	13,300	18,300	25,000	15,400	23,300
JAKARTA	RP ('000)	15,000	20,000	11,500	13,500	3,500	4,500	5,000	7,000	6,870	10,100
KUALA LUMPUR*	RINGGIT	5,000	7,000	2,500	3,500	800	1,200	1,400	3,400	1,900	4,500
SINGAPORE*	SGD	4,250	5,500	3,250	3,650	700	1,400	1,500	2,250	1,960	3,150

NP: NOT PUBLISHED

\*Rates are per square metre of Construction Floor Area, measured to outer face of external walls.

**MARKET SECTOR ACTIVITY**



NET ZONE MOVEMENT PER SECTOR  
Q4 2017 TO Q2 2018



**RLB MARKET ACTIVITY CYCLE**

Market activity for Australia was strong for this edition with 41% of RLB offices reporting sectors in the peak zone, up from 38% in the previous edition.

The housing, apartments and civil sectors had the strongest market activity with 63% of RLB offices reporting they were in the peak zone.

The housing and apartment sectors have not seen any net movement since our last report, while the civil sector has seen a shift from the mid zone to the peak zone. All cities reported the civil sector was in the growth phase of their zone.

Sydney and Melbourne have the strongest market activity at the moment with over half of the sectors in the peak zone and the remaining the mid zone.

Australia’s economic conditions improved during 2017, supported by low interest rates and the continued strength of the global economy according to the Reserve Bank of Australia (RBA). GDP experienced a temporary decline in the December Quarter 2017, however the RBA’s expectations for 2018 and 2019 are for GDP to rise from the current 2.75% and hover slightly above 3%. There is a large pipeline of public infrastructure work as well as conditions in some parts of the private sector that are supporting GDP growth.

Inflation remained low at 1.9% for 2017, while employment growth strengthened with the average unemployment rate for 2017 being 5.6%.

As stated by the RBA, improvements in business investment have become more noticeable over the past few quarters. While mining investment has been waning, non-mining investment grew quickly during 2017. Looking forward solid growth is expected for non-residential building activity.

This has been confirmed by the Australian Bureau of Statistics reporting continued strong non-residential construction over the past few years with work done increasing for the past 5 years. Additionally, looking forward, building approvals in non-residential projects have been on the rise for the last 10 years, with a 41% increase between CY ‘07 and CY ‘17.

At the present time Sydney has 13 major projects located in the CBD and surrounding area that have commenced construction or are imminent. Another 17 projects are in the planning stage and programmed to commence in 2018/2019. The proposed projects cover the residential, commercial or government sector, such arrangement does not indicate an oversupply of new facilities to a particular sector. The NSW Government has commenced a program of major expenditure on government schools throughout the state, providing numerous opportunities for medium sized contractors. The early months of 2018 are experiencing a significant increase in enquiries for new aged care projects, however, conversion from initial planning to construction continues to be a lengthy process. Delays of up to six months are not uncommon. The initial roll out of a large number of projects has created issues in the tender market being unable to absorb the number of projects being available to tender.

For the foreseeable future Melbourne is anticipated to have similar steady growth to that experienced in the last 2 to 3 years. Although building approvals are lower than the peak of 2016, they are still at levels exceeding the last 10-year average. Namely again driven by Melbourne’s population growth which in the short term does not seem to be slowing. Population growth and the upcoming state election will see further momentum in infrastructure and social spending (health, education etc.) by the government. Recently commenced projects within Melbourne include: 447 Collins Street, 80 Collins, Melbourne Quarter, Metro Rail and the Western Distributor.

AUSTRALIA	HOUSES	APARTMENTS	OFFICES	INDUSTRIAL	RETAIL	HOTEL	CIVIL
ADELAIDE	▲	▲	▲	▲	▲	▲	▲
BRISBANE	▼	▼	▼	▼	▼	▲	▲
CANBERRA	▲	▲	▲	▼	▼	▼	▲
DARWIN	▲	▼	▲	▲	▼	▲	▲
GOLD COAST	▼	▼	▼	▲	▲	▲	▲
MELBOURNE	▲	▲	▲	▲	▼	▲	▲
PERTH	▲	▼	▼	▲	▲	▼	▲
SYDNEY	▲	▲	▲	▲	▲	▲	▲

High levels of construction activity is continuing within Sydney. Non-residential projects being undertaken by medium sized contractors have had significant pricing pressures due to new enterprise bargaining agreements being above cost expectations. Particular trades have struggled to service existing projects due to lack of experienced personnel. Throughout 2018 the industry is expecting buoyant conditions, construction costs are expected to increase primarily driven by increased wage costs rather than material supply costs. Surprisingly, contractor margins should remain constant even with the volumes of work available to tender. Careful consideration by project sponsors as to the timing of when projects are brought into market will be critical, to avoid demand price rises and the minimisation of inflated risk allowances being incorporated into project pricing.

Melbourne's consistent level of construction volume growth has not resulted in the construction cost volatility that has been seen in other Australian cities over the past number of years. General escalation is forecast to be relatively stable over the next three years at slightly above inflationary rates. Within particular sectors (civil and commercial), pricing pressures may see higher rates of escalation than our general published rate due to the number of large scale projects coming into the market. Over the entire market however, a softening in the high rise apartment sector should offset these civil sector increases.

Perth's construction market is anticipated to remain fairly unchanged over the next six months with no significant changes to the current supply/demand status. There are some signs that the second half of 2018 will see slightly higher construction volume on the back of some confidence returning to the market.

Darwin's market is very soft with spare capacity at all levels of the industry. With a number of projects in the planning phase and the need for the government to stimulate the economy we expect the private sector to respond actively once these government projects come on line thereby causing prices to start trending upwards. This will continue as defence projects come on line.

### 2018 TPI FORECAST

CITY	FORECAST
ADELAIDE	3.5%
BRISBANE	4.0%
CANBERRA	3.5%
DARWIN	0.8%
GOLD COAST	2.5%
MELBOURNE	3.3%
PERTH	1.1%
SYDNEY	4.9%

### RLB TENDER PRICE INDEX

Most RLB offices forecast escalation for 2018 to be above the expected inflation rate.

Sydney and Canberra's forecasts show 2018 having the highest rate at 4.9% and 3.5% respectively, with it declining to 3.5% and 3.0% respectively by 2021.

All other RLB offices are forecasting TPI's to increase after 2018.

Tender prices in Sydney are showing significant spreads between conforming tenders.

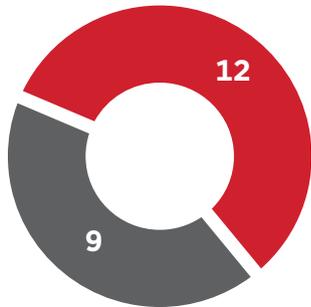
Competition is fierce in Darwin for the few projects on offer and as such we forecast marginal price rises due to normal material price rises though these will be partly mitigated by contractor competitive pricing.

AUSTRALIA	LOCAL CURRENCY	OFFICE BUILDING				RETAIL				INDUSTRIAL	
		PREMIUM OFFICES		GRADE A		MALL		STRIP SHOPPING		WAREHOUSE	
		LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
ADELAIDE	AUD	2,600	3,800	2,100	3,150	1,580	3,000	1,300	1,840	630	1,100
BRISBANE	AUD	2,600	4,200	2,200	3,500	2,000	3,500	1,200	1,800	700	1,100
CANBERRA	AUD	3,400	5,400	2,750	4,200	2,350	3,950	1,240	2,500	720	1,360
DARWIN	AUD	3,100	4,150	2,400	3,800	1,740	2,600	1,240	2,100	800	1,420
GOLD COAST	AUD	2,600	4,000	1,900	3,200	2,500	3,500	1,200	1,800	700	1,100
MELBOURNE	AUD	3,150	4,250	2,450	3,350	2,150	3,150	1,220	1,640	580	1,160
PERTH	AUD	3,000	4,700	2,400	3,750	1,900	2,900	1,000	2,500	550	1,060
SYDNEY	AUD	3,550	5,200	2,650	3,850	1,960	4,150	1,520	2,000	730	1,160

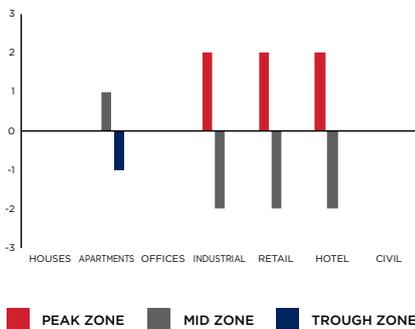
AUSTRALIA	LOCAL CURRENCY	HOTELS				CAR PARKING				RESIDENTIAL	
		5 STAR		3 STAR		MULTI STOREY		BASEMENT		MULTI STOREY	
		LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
ADELAIDE	AUD	3,600	4,500	2,600	3,500	630	930	1,340	1,960	2,250	3,550
BRISBANE	AUD	4,000	5,500	2,800	4,000	900	1,300	1,700	2,200	2,300	4,000
CANBERRA	AUD	4,150	6,300	3,050	5,200	770	1,300	1,040	1,800	2,800	4,950
DARWIN	AUD	3,600	4,450	2,850	3,550	750	1,260	1,180	1,540	2,050	2,650
GOLD COAST	AUD	3,400	5,500	2,600	4,000	700	1,200	1,500	2,100	1,600	4,500
MELBOURNE	AUD	4,050	5,300	2,850	3,700	690	1,120	1,180	1,540	2,350	4,200
PERTH	AUD	3,600	4,800	2,600	3,600	650	1,000	1,800	3,100	1,900	4,100
SYDNEY	AUD	4,450	6,000	3,150	4,000	770	1,160	1,120	1,800	2,600	5,600

NP: NOT PUBLISHED

**MARKET SECTOR ACTIVITY**



NET ZONE MOVEMENT PER SECTOR  
Q4 2017 TO Q2 2018



**RLB MARKET ACTIVITY CYCLE**

No sectors are in the trough zone within New Zealand indicating the strength of the current market.

Almost 60% of all sectors are within the peak zone.

Government spending on infrastructure is highlighted by the fact that the civil sector is the only sector in the peak zone in all cities.

Industrial, retail and hotel sectors of the market are also strong with both Auckland and Wellington indicating that these sectors are within the peak growth zone.

Growth remains high for all regions in New Zealand. Auckland and Wellington continue to experience sustained growth in construction activity and work put in place, while the Christchurch rebuild has reached its peak for both residential and commercial projects. The massive losses announced by a premiere building contractor, Fletcher Construction, highlights the issues of New Zealand’s overheated market. This disruption is a major blow to the industry but opens up the market to new contractors albeit difficult to find suitable companies of size and experience. Other economic impacts include the appointment of a new Prime Minister in late 2017 and with that, a number of changes to policies and government spending. Christchurch are anticipating additional government funding for a new stadium, while Auckland and Wellington have not been impacted at this stage.

Auckland’s construction industry continues to feel the pressure of high demand and scarce resources, particularly for larger projects, which has seen an increase in construction prices and program delivery times being affected. Net migration into Auckland remains exceptionally strong, although slowing and the residential sector is not currently able to keep up with the amount of new dwellings required to meet the demand. Tourism also continues to boom in Auckland, supporting new hotel developments.

Within Christchurch, a large number of office space projects have been completed and are being occupied. Several key CBD anchor projects (including the Convention Centre) have commenced, which should give some certainty to the Cathedral Square area. The Crossing Retail development has provided renewed impetus for CBD retail.

Wellington has seen various larger projects nearing completion with new projects in the wing to start. Demand for office space in Wellington remains high as vacancy rates are extremely low, providing good development opportunities.

Significant work is underway within Auckland’s CBD, with commencement of the City Rail Loop, Commercial Bay and the Skycity Convention Centre and Hotel. Many commercial and residential projects are underway within the Wynyard Quarter area and city fringe, as well as a significant amount of retail projects. The University of Auckland continues to roll out projects and continued population growth is resulting in significant investment in infrastructure projects.

Construction commenced on a number of major projects in Christchurch in late 2017, including the Christchurch Convention Centre and Lincoln Hub. A number of major public sector projects continued and several commercial and university projects are nearing completion. The ECI contract for the Metro Sports Facility was terminated in late 2017 following budget issues and a resolution on the way forward is still imminent.

NEW ZEALAND	HOUSES	APARTMENTS	OFFICES	INDUSTRIAL	RETAIL	HOTEL	CIVIL
AUCKLAND	▲	▼	▲	▲	▲	▲	▲
CHRISTCHURCH	▼	▼	▼	▲	▲	▲	▲
WELLINGTON	▲	▲	▲	▲	▼	▼	▲

NP: NOT PUBLISHED

Major civil projects to the north of Wellington are ongoing and gearing up into the major concrete construction stages of the project. The work is expected to run for 2-3 years and having a significant impact on resources across the region. Several smaller projects are still ongoing around the city and lower north island, while two office towers are nearing completion. Several large building projects are in the later design phases and are expected to come to market during the year.

Auckland's subcontractor market is under resource pressure, causing poor tender responses and volatile pricing. Resource and skill base shortages are slowing projects, raising preliminaries costs and delaying the completion of projects. While CPI inflation is currently below 2% p.a. Auckland's construction sector wage growth and supply shortages are impacting tender prices in the order of 8% for 2017 and forecast at 6% for 2018. Expectations are the increasing costs in Auckland will soften demand and escalation will ease.

Escalation has slowed in Christchurch in the last period with regard to more regular projects. Considerable resources continue to be required for the Hospital and Convention Centre projects and demand by other centres are drawing resources away from Christchurch. A number of major projects are getting underway with others nearing completion next year, continuing to put pressure on key trades for the foreseeable future and raising tender prices. Major and complex projects are also feeling the effects with extraordinary escalation spikes.

Wellington's escalation continues to exceed CPI inflation levels by some margin. Expectations are that TPI movements will remain between 4% and 6% p.a. this year, but could spike higher depending on the timing of new projects entering the market. The workload within Wellington appears to have no end in sight given the favourable economic conditions prevailing currently. Subcontractor resources are stretched leading to lack of competitive tensions and significant price increases in various trades. Many companies are experiencing labour shortages resulting from a lack of migration into the Wellington region as conditions in other regions appear more appealing.

2018 TPI FORECAST	
AUCKLAND	6.0%
CHRISTCHURCH	3.0%
WELLINGTON	6.0%

#### RLB TENDER PRICE INDEX

Christchurch's TPI is coming off the highs of post-earthquake works and is now in a stable escalation climate of just above inflation. The volume of work being performed in Auckland and Wellington is keeping the TPI higher in those areas. Both cities are more than double the CPI forecast for 2018 at 6%.

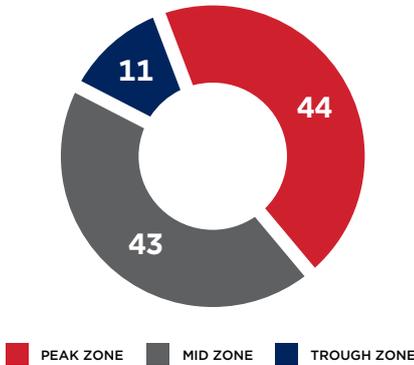
TPI rises post 2018 are expected to soften due to a softening of demand and government initiatives being felt in the residential market. All cities escalation for the years 2019 to 2020 are expected to be in the range of 2% to 4%.

NEW ZEALAND	LOCAL CURRENCY	OFFICE BUILDING				RETAIL				INDUSTRIAL	
		PREMIUM OFFICES		GRADE A		MALL		STRIP SHOPPING		WAREHOUSE	
		LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
AUCKLAND	NZD	3,600	4,750	2,800	4,500	2,750	3,100	1,600	2,000	750	1,000
CHRISTCHURCH	NZD	3,600	4,500	2,750	4,250	2,500	2,800	1,400	1,800	720	1,100
WELLINGTON	NZD	3,800	4,900	3,000	4,700	2,900	3,100	NP	NP	1,000	1,300

NEW ZEALAND	LOCAL CURRENCY	HOTELS				CAR PARKING				RESIDENTIAL	
		5 STAR		3 STAR		MULTI STOREY		BASEMENT		MULTI STOREY	
		LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
AUCKLAND	NZD	5,300	6,000	4,100	4,600	900	1,200	2,200	2,700	3,300	4,200
CHRISTCHURCH	NZD	4,500	5,500	3,800	4,300	850	1,360	1,760	2,200	3,000	4,000
WELLINGTON	NZD	5,000	6,000	4,000	4,500	1,400	1,600	2,800	3,000	3,800	4,700

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**MARKET SECTOR ACTIVITY**



**RLB MARKET ACTIVITY CYCLE**

During the past six months, the market activity within the US has shifted from the trough zone up to the peak zone with more than 50% of all sectors within RLB’s US network in the peak zone, up from 39% in the fourth quarter of 2017.

The multifamily residential sector is still the strongest within the US where 83% of cities are still in the peak zone, with very little movement. The retail, industrial and the civil sectors all have recorded shifts from the trough zone to peak zone.

Currently 69% of all sectors in the USA are within the growth phase and 31% in the decline phase.

The Canadian market is slowly recovering with more than 50% of all sectors within the mid and peak zones for Calgary and Toronto.

The US economy expanded at an annual rate of 2.6% in the fourth quarter of 2017. Consumer spending, which accounts for more than two-thirds of total US economic output, picked up momentum in the final months of 2017. Consumer confidence has been high in recent months, bolstered by low unemployment and a record-setting stock market.

The United States construction market is currently in a strong growth mode from the lows of the 2009 crash, and is presently in the third-longest market recovery period in US history. ENR’s Construction Industry Confidence Index (CICI) is a survey of construction industry related firms (Design Professionals, General Contractors and Subcontractors) and represents their overall view of the current and future construction market. The index was 71 in the fourth quarter of 2017, reflecting a rise of five points since the previous quarter. Scores above 50 represent a growing market.

Many US cities are experiencing buoyant, robust and booming construction with many projects under commencement and others approved and awaiting commencement.

The impact of the Trump administration’s immigration reforms may place additional pressure on workforce availability.

The Trump Administration’s announcement of tariffs on imported steel and aluminum has caused consternation, and some amount of confusion, especially as the slate of countries that are exempt is still not settled at the time of writing this report. For the construction industry, the tariff on steel is likely to have a larger impact (due to the relatively larger quantities of steel than aluminum that are used in construction) and much of the impact so far has arisen from uncertainty as to eventual impact on prices and supply, combined with opportunistic increases in an already busy market.

According to Statistics Canada, Canada’s real annual GDP grew 3.0% in 2017, with the value of building permits up 10.4% from the previous year. Investment in non-residential building construction grew 15.1% in 2017, the first increase since 2014. Residential investment grew 7.8% for 2017, with the multi-family component pushing the rise with a 13.7% increase.

NORTH AMERICA	HOUSES	APARTMENTS	OFFICES	INDUSTRIAL	RETAIL	HOTEL	CIVIL
<b>U.S.A</b>							
BOSTON	▼	▼	▲	▼	▲	▲	▲
CHICAGO	▲	▼	▼	▲	▼	▼	▲
DENVER	▲	▲	▲	▼	▲	▲	▼
HONOLULU	▲	▲	▲	▲	▼	▲	▲
LAS VEGAS	▲	▲	▲	▲	▲	▲	▲
LOS ANGELES	▼	▼	▼	▲	▼	▼	▼
NEW YORK	▼	▼	▲	▼	▲	▲	▲
PHOENIX	▲	▲	▲	▼	▲	▲	▼
PORTLAND	▲	▲	▲	▲	▲	▲	▲
SAN FRANCISCO	▲	▲	▼	▲	▼	▲	▲
SEATTLE	▲	▲	▲	▲	▲	▲	▲
WASHINGTON D.C.	▼	▼	▲	▼	▲	▲	▲
<b>CANADA</b>							
CALGARY	▲	▼	▼	▲	▲	▲	▲
TORONTO	▼	▲	▼	▲	▼	▲	▲

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## REGIONAL INTELLIGENCE

# NORTH AMERICA

Canada's construction market conditions suggest mixed recovery with forecasts showing sectors of the construction industry that will lose and others that will gain significant economic improvement.

US escalation is more notable for large complex projects where they struggle to attract subcontractor bidders, resulting in single bid trades and higher bidding costs.

Competitive bidding is being impacted around the country by workforce shortages and material availability causing above inflationary TPI increases. Most cities are experiencing a struggle with sourcing adequate labour resources.

Escalation in most cities is forecast to rise in cities due to shortages in contractor, subcontractor and professional workforces. RLB's 2018 TPI forecasts for mainland cities appear to remain above the anticipated inflation rate with forecasts ranging from 3.0% to 6.1%.

In Canada 2018 TPI forecasts are floating around the forecast inflation rate, with Calgary slightly below and Toronto slightly above. Looking beyond 2018 Calgary's TPI looks to increase and align with the forecast inflation rate while Toronto will remain above the anticipated inflation rate.

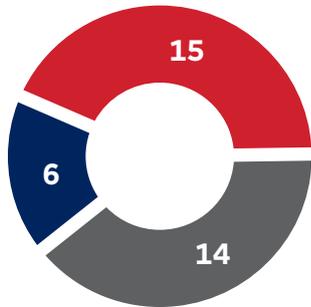
2018 TPI FORECAST	
BOSTON	3.5%
CALGARY	1.0%
CHICAGO	5.1%
DENVER	4.1%
HONOLULU	-1.8%
LAS VEGAS	3.5%
LOS ANGELES	3.8%
NEW YORK	3.0%
PHOENIX	4.6%
PORTLAND	4.6%
SAN FRANCISCO	6.1%
SEATTLE	4.6%
TORONTO	2.8%
WASHINGTON D.C.	3.0%

NORTH AMERICA	LOCAL CURRENCY	OFFICE BUILDING				RETAIL				INDUSTRIAL	
		PREMIUM OFFICES		GRADE A		MALL		STRIP SHOPPING		WAREHOUSE	
		LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
U.S.A											
BOSTON	USD	300	475	200	300	175	275	125	200	100	175
CHICAGO	USD	280	450	175	280	185	280	135	220	110	185
DENVER	USD	165	255	120	185	90	145	75	140	90	150
HONOLULU	USD	285	525	245	400	210	490	175	430	145	225
LAS VEGAS	USD	140	295	105	190	115	480	65	145	50	100
LOS ANGELES	USD	225	340	165	250	150	330	120	185	110	175
NEW YORK	USD	375	575	300	400	275	425	175	300	115	200
PHOENIX	USD	160	275	120	175	120	200	80	140	55	100
PORTLAND	USD	180	250	130	180	140	240	120	180	90	150
SAN FRANCISCO	USD	210	325	190	300	225	350	225	325	140	190
SEATTLE	USD	205	250	150	205	135	305	110	155	100	125
WASHINGTON, D.C.	USD	275	425	200	300	150	275	125	175	90	150
CANADA											
CALGARY	CAD	235	295	190	285	220	310	110	160	85	145
TORONTO	CAD	195	260	174	250	200	250	105	160	115	150

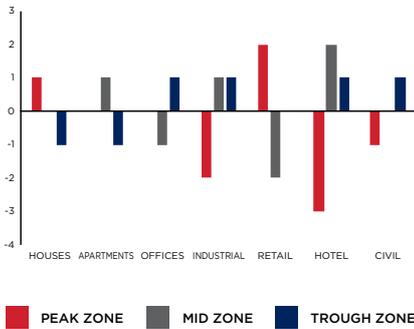
NORTH AMERICA	LOCAL CURRENCY	HOTELS				CAR PARKING				RESIDENTIAL	
		5 STAR		3 STAR		MULTI STOREY		BASEMENT		MULTI STOREY	
		LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
U.S.A											
BOSTON	USD	375	550	250	375	75	125	90	150	175	300
CHICAGO	USD	390	650	270	390	80	125	120	155	160	340
DENVER	USD	215	325	155	190	50	75	90	120	90	200
HONOLULU	USD	515	740	325	545	100	145	140	265	195	440
LAS VEGAS	USD	350	500	150	300	50	85	60	150	70	405
LOS ANGELES	USD	355	520	255	330	105	125	130	175	185	295
NEW YORK	USD	400	600	300	400	95	175	125	200	200	375
PHOENIX	USD	300	500	150	250	45	70	60	110	90	185
PORTLAND	USD	230	330	150	190	85	105	110	150	150	240
SAN FRANCISCO	USD	400	600	350	500	110	145	175	215	320	430
SEATTLE	USD	245	340	225	240	95	120	140	165	165	260
WASHINGTON, D.C.	USD	350	525	250	350	70	125	80	125	175	300
CANADA											
CALGARY	CAD	300	450	190	245	75	90	75	120	140	215
TORONTO	CAD	300	355	195	260	70	90	70	90	130	205

ALL NORTH AMERICA COSTS ARE \$ PER FT<sup>2</sup>

**MARKET SECTOR ACTIVITY**



NET ZONE MOVEMENT PER SECTOR  
 Q4 2017 TO Q2 2018



**RLB MARKET ACTIVITY CYCLE**

In the United Kingdom, the various sectors' activity levels remain strong, sectors within the growth phase having increased from 80% to 89% of the total.

Manchester and London in particular show all sectors within the mid or peak zones this period.

The multi-level apartment sector continues to show resilience with no regions within the trough zone at the moment.

In the UK, growth of 1.5% for 2017, being at the low end of EU countries' growth rates, is demonstrative of the perceived risk and uncertainty as to the final outcome of Brexit negotiations. The recent agreement on a transition phase is helpful, but a year on from the activation of Article 50, much remains to be done. A notable positive feature of the agreement is that the UK will be able to negotiate and conclude external trade agreements during the transition phase.

The construction sector itself was rocked in January 2018 by the insolvency of Carillion, the second largest tier one player in the UK. As the aftermath continues, there may yet be more insolvencies. Meanwhile, the UK's persistent housing shortage and the impact of major civil engineering works projects have tended to define the industry recently and will continue to do so as the Brexit conundrum resolves itself over the next year.

Looking regionally, London's levels of activity remain high, with in excess of 250 multi-storey buildings either in planning or under construction. Most of these have a large residential component, reflecting the pressing requirement for residential development in London and the South East. Together with several large-scale commercial office developments ongoing and the GBP 14.8 billion Crossrail works, this depicts a market operating close to capacity at tier one level, whereas tier two contractors' workloads are much less certain.

In Birmingham, the market is likely to be dominated by large scale infrastructure projects such as HS2, although commercially, large city centre new build offices continue to come out of the ground.

Birmingham's construction market currently features elevated levels of competition facing smaller and mid-sized contractors, balanced by there being a limited number of large contractors able to tackle large complex projects. Input costs are still rising, but lower relative tender price inflation suggests margin compression throughout the supply chain. Obtaining sub-contractors with the right capability and capacity remains a challenge in some sectors.

In Manchester, there are currently over forty residential schemes and 11,000 units under construction. Further projects commencing this year will add another 3,500. However, growth in provision of commercial office space still lags behind pre-GFC figures, although major new office developments are in sight. The hotel and university sectors also remain buoyant although, as is the case in Birmingham, there is a limited supply of local contractors with the experience and ability to deliver high value schemes at affordable levels.

Development work in Bristol's city centre continues, with workload generally reasonable although a period of particular activity is concluding.

UNITED KINGDOM	HOUSES	APARTMENTS	OFFICES	INDUSTRIAL	RETAIL	HOTEL	CIVIL
BIRMINGHAM	▲	▲	▲	▲	▼	▲	▲
BRISTOL	▼	▼	▲	▲	▲	▲	▲
LONDON	▲	▲	▲	▲	▼	▲	▲
MANCHESTER	▲	▲	▲	▲	▲	▲	▲
SHEFFIELD	▲	▲	▲	▲	▲	▲	▲

NP: NOT PUBLISHED

The redevelopment of Concorde's former base at Filton is now up and running and will provide almost 3,000 new homes and associated infrastructure on the brownfield site.

Although works at the Hinckley Point Nuclear Power plant had been expected to skew the Bristol market in terms of labour availability and cost, that effect has not arisen. Pricing of tenders has stabilised due to the completion of key projects, but others commencing are beginning to take up any slack. Buoyancy in the more labour-intensive residential market is likely responsible for the overall stability.

In Sheffield, uncertainty surrounding the impact of Brexit may be the root cause of caution on the part of developers. However, the multiple city-centre projects coming on-stream will continue to stimulate the Sheffield market, and will be supplemented by the advent of workload surrounding the HS2 project.

The outlook in Yorkshire and the Humber is one of cautious optimism. Although there has been a perceptible lull in activity, the existence of the development pipeline suggests a strong basis for confidence. Tender prices are expected to rise steadily due to the level of current workload, backed by new investment, particularly in the major cities in the region.

Overall, although there are localised hot-spots, workload generally remains steady. Continuing materials cost increases and questions as to labour availability, stand as issues alongside the uncertainty of the unanswered questions regarding the Brexit outcomes' knock-on effects on the construction industry.

2018 TPI FORECAST	
BIRMINGHAM	2.5%
BRISTOL	3.0%
LONDON	0.5%
MANCHESTER	1.0%
SHEFFIELD	2.0%

#### RLB TENDER PRICE INDEX

The fall in the value of Sterling and the recent rise in interest rates has hindered the construction market with the costs of imported materials continuing to rise. Labour cost uncertainty could also arise as a result of the falling availability of EU and migrant workers. The impact of Brexit will not only affect the general political, legal and economic situation, but will directly impact on materials costs and the availability of skilled and unskilled labour.

London's TPI forecast is impacted by the influence of materials cost increases offset by supply and demand pressures, keeping construction cost inflation very low.

Birmingham is also experiencing pressure on contractors' margins, while the Bristol and Sheffield markets appear reasonably buoyant.

Manchester's market shows strong demand for larger builders, but smaller contractors are under more competitive pressure on bid pricing.

Forecasts for years beyond 2018 show a normalising of escalation rates, with less spread between cities.

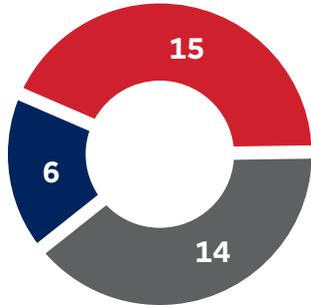
UNITED KINGDOM	LOCAL CURRENCY	OFFICE BUILDING				RETAIL				INDUSTRIAL	
		PREMIUM OFFICES		GRADE A		MALL		STRIP SHOPPING		WAREHOUSE	
		LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
BELFAST	GBP	1,380	1,940	1,200	1,940	2,150	2,950	670	1,260	280	500
BIRMINGHAM	GBP	1,920	2,800	1,560	2,800	2,850	4,050	900	1,740	420	580
BRISTOL	GBP	2,000	2,900	1,640	2,900	2,850	4,000	900	1,700	410	670
CARDIFF	GBP	1,700	2,400	1,480	2,400	2,650	3,650	830	1,560	350	630
EDINBURGH	GBP	1,800	2,550	1,580	2,550	2,800	3,900	880	1,660	370	670
LONDON	GBP	2,700	3,500	2,200	3,450	3,550	5,000	1,140	2,150	500	890
MANCHESTER	GBP	2,100	2,750	1,820	2,750	3,000	4,200	950	1,800	490	720
SHEFFIELD	GBP	2,050	3,450	1,440	2,500	2,700	3,800	860	1,600	370	680

UNITED KINGDOM	LOCAL CURRENCY	HOTELS				CAR PARKING				RESIDENTIAL	
		5 STAR		3 STAR		MULTI STOREY		BASEMENT		MULTI STOREY	
		LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
BELFAST	GBP	1,620	2,200	1,020	1,500	255	510	640	1,100	1,260	1,780
BIRMINGHAM	GBP	2,200	3,100	1,320	2,050	370	700	830	1,420	1,640	2,300
BRISTOL	GBP	2,400	3,200	1,400	1,860	410	820	980	1,540	1,760	2,550
CARDIFF	GBP	2,000	2,750	1,260	1,860	320	630	790	1,360	1,580	2,200
EDINBURGH	GBP	2,100	2,900	1,340	1,960	340	670	840	1,440	1,660	2,350
LONDON	GBP	2,800	3,800	1,900	2,450	460	910	1,220	1,960	2,500	4,400
MANCHESTER	GBP	2,300	3,100	1,540	1,900	560	720	1,060	1,560	1,760	2,550
SHEFFIELD	GBP	2,050	3,200	1,260	1,680	330	980	620	1,020	1,600	2,300

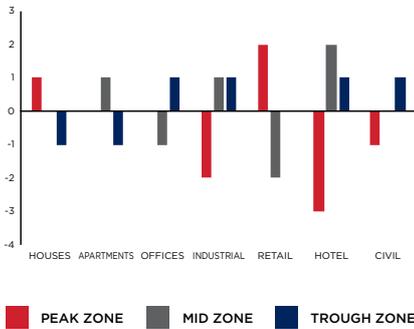
NP: NOT PUBLISHED

# IRELAND & MAINLAND EUROPE

## MARKET SECTOR ACTIVITY



NET ZONE MOVEMENT PER SECTOR  
Q4 2017 TO Q2 2018



According to the European Commission, overall growth in the Eurozone economy (EA19) continued in 2017, reaching a ten year high of 2.7% GDP growth year-on-year. The EU28 recorded 2.6%, within which the UK economy grew by 1.5%, the lowest level of the EU28 and G7 economies.

General economic conditions improved in the EU in 2017, a situation reflected by the appreciation in value of the Euro, up by approximately 7% against the US Dollar.

Looking forward, the growth phase looks to be set to continue, with economies moving on from recovery into expansion, as suggested by European economic sentiment and demonstrated by increasing exports in 2017, despite the appreciation of the Euro. The cyclical momentum appears founded on strong economic fundamentals and falling levels of political uncertainty.

The European Commission forecasts ongoing growth of around 2.4% in 2018, before softening to around 2.0% in 2019. According to the Commission, expansion is increasingly broad-based, although as can be seen from their statistics, there remain wide disparities in growth rates of individual nations, from the high of 7.0% to the low of 1.5%. Supportive lending rates and financial conditions generally suggest strong investment in 2018 and into 2019. Employment growth is continuing, although there are signs of labour shortages in some countries and sectors. This may eventually affect growth in employment generally as under-utilised resources disappear and labour cost inflation develops.

There is also potential for the forecast for Eurozone real GDP growth in 2018 to be improved upon. Nevertheless, it is still expected that the Eurozone economy will slow modestly toward and into 2019, in line with expectations for a slowdown in global trade volumes. This partly reflects the forecast for a managed slowdown in China's economy, which could be transmitted to Eurozone countries via close trade ties with Germany.

IRELAND & MAINLAND EUROPE	HOUSES	APARTMENTS	OFFICES	INDUSTRIAL	RETAIL	HOTEL	CIVIL
AMSTERDAM	▲	▲	▼	▲	▲	▲	▼
BERLIN	▲	▲	▼	▼	▲	▲	▲
DUBLIN	▲	▲	▼	▲	▲	▲	▲
MADRID	▲	▲	▲	▲	▲	▲	▼
MILAN	▼	▼	▼	▲	▼	▼	▼
MOSCOW	▲	▲	▼	▲	▼	▼	▲
OSLO	▲	▲	▲	▲	▲	▲	▲
PARIS	▲	▲	▲	▲	▲	▼	▲

NP: NOT PUBLISHED

For the construction industry in Europe, recovery from the GFC has been a prolonged process, as attested to by the tender price movements shown in this report. In construction, growth rates will slow considerably in the future in both residential construction and non-residential construction, while civil engineering will take over the role of the market driver in the medium term. The civil engineering sector is expected to grow at the unprecedented rate of over 4% in 2018 and 2019 respectively.

Within that overall situation, the outlook for real terms construction output in the western European countries, covered by Euroconstruct, forecasts particularly strong and ongoing growth for Ireland, with Portugal and the Netherlands also strong. Looking to the Eastern part of Europe, both Hungary and Poland look to be building on strong current figures, with the Czech Republic recovering strongly last year from a downturn. For the larger bloc of France and Germany, whilst output growth in the French construction industry is set to be fairly muted over the next three years, Germany's industry is forecast to show limited if any growth from 2018 to 2019, with ongoing problems into 2020.

The disparities between European countries' construction output growth are much wider than those of general economic performance, but are highly significant in that construction comprises over 9% of Europe's economy. Notably, the strength of Eastern European activity levels will draw labour from the collective pool, affecting labour costs elsewhere, and throughout the region overall.

2018 TPI FORECAST	
BERLIN	2.0%
BUDAPEST	8.0%
DUBLIN	7.5%
MADRID	0.1%
MOSCOW	1.5%
WARSAW	1.2%

IRELAND & MAINLAND EUROPE	LOCAL CURRENCY	OFFICE BUILDING				RETAIL				INDUSTRIAL	
		PREMIUM OFFICES		GRADE A		MALL		STRIP SHOPPING		WAREHOUSE	
		LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
BERLIN	EUR	1,355	1,775	990	1,150	1,145	1,460	835	1,040	NP	NP
DUBLIN	EUR	2,400	2,600	2,200	2,400	3,000	3,200	1,100	1,400	NP	NP
MADRID	EUR	900	1,500	800	1,150	1,900	2,600	1,400	1,900	800	1,200
MOSCOW	EUR	1,500	2,000	1,300	1,600	1,700	2,100	1,200	1,500	600	700
OSLO	EUR	2,840	3,690	2,190	2,850	1,800	2,340	1,440	1,870	NP	NP

IRELAND & MAINLAND EUROPE	LOCAL CURRENCY	HOTELS				CAR PARKING				RESIDENTIAL	
		5 STAR		3 STAR		MULTI STOREY		BASEMENT		MULTI STOREY	
		LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
BERLIN	EUR	1,985	2,755	1,355	1,770	470	680	785	1,040	990	1,405
DUBLIN	EUR	2,500	2,800	2,200	2,400	600	750	900	1,500	1,700	1,900
MADRID	EUR	1,950	2,600	1,350	1,800	700	900	800	1,200	700	1,000
MOSCOW	EUR	2,800	3,500	1,700	2,200	430	550	800	1,000	1,200	1,500
OSLO	EUR	3,920	5,090	2,960	3,850	690	880	890	1,160	2,420	3,150

NP: NOT PUBLISHED

## REGIONAL INTELLIGENCE

# KEY GLOBAL DATA

<b>SOUTH AFRICA</b>	<b>2016</b>	<b>2017</b>	<b>2018 (F)</b>	<b>2019 (F)</b>	<b>2020 (F)</b>	<b>2021 (F)</b>
GDP	0.3 %	0.7 %	1.1 %	1.6 %	2.2 %	2.2 %
GDP PER CAPITA - ZAR	R 55,226	R 54,740	R 54,450	R 54,446	R 54,772	R 55,101
EXCHANGE RATE (AS AT 29 DECEMBER PER USD)	13.88	12.34	11.90	12.46	13.01	13.63
PPP RATE	5.87	6.09	6.30	6.51	6.73	6.97
INFLATION	6.3 %	5.4 %	5.3 %	5.5 %	5.5 %	5.5 %
UNEMPLOYMENT	26.7 %	27.6 %	28.3 %	28.5 %	28.6 %	28.6 %
<b>SUB SAHARAN AFRICA</b>						
GDP	1.4 %	2.6 %	3.4 %	3.4 %	3.7 %	3.8 %
GDP PER CAPITA (INT \$)	3,861	3,927	4,032	4,150	4,282	4,420
INFLATION	11.3 %	11.0 %	9.5 %	8.6 %	8.3 %	8.0 %
<b>MIDDLE EAST &amp; NORTH AFRICA</b>						
GDP	5.1 %	2.2 %	3.2 %	3.2 %	3.3 %	3.5 %
GDP PER CAPITA (INT \$)	18,500	18,828	19,403	20,040	20,734	21,483
INFLATION	5.4 %	7.1 %	8.1 %	6.0 %	5.5 %	4.9 %
<b>CHINA</b>						
GDP	6.7 %	6.8 %	6.5 %	6.3 %	6.2 %	6.0 %
GDP PER CAPITA - CNY	¥53,948	¥57,261	¥60,626	¥64,068	¥67,643	¥71,282
EXCHANGE RATE (AS AT 29 DECEMBER PER USD)	6.95	6.53	6.34	6.48	6.58	6.62
PPP RATE	3.51	3.51	3.51	3.50	3.50	3.50
INFLATION	2.0 %	1.8 %	2.4 %	2.5 %	2.6 %	2.6 %
UNEMPLOYMENT	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %
<b>HONG KONG</b>						
GDP	2.0 %	3.5 %	2.7 %	2.9 %	3.0 %	3.1 %
GDP PER CAPITA - HKD	\$332,227	\$341,301	\$347,625	\$354,796	\$362,453	\$370,670
EXCHANGE RATE (AS AT 29 DECEMBER PER USD)	7.85	7.85	7.85	7.79	7.77	NP
PPP RATE	5.79	5.75	5.71	5.67	5.64	5.62
INFLATION	2.6 %	2.0 %	2.2 %	2.4 %	2.6 %	2.8 %
UNEMPLOYMENT	2.7 %	2.6 %	2.6 %	2.6 %	2.5 %	2.5 %
<b>SINGAPORE</b>						
GDP	2.0 %	2.5 %	2.6 %	2.6 %	2.6 %	2.6 %
GDP PER CAPITA - SGD	\$71,721	\$72,659	\$73,753	\$74,947	\$76,244	\$77,637
EXCHANGE RATE (AS AT 29 DECEMBER PER USD)	1.45	1.34	1.33	1.24	1.29	1.32
PPP RATE	0.83	0.83	0.82	0.81	0.80	0.79
INFLATION	-0.5 %	0.9 %	1.3 %	1.6 %	1.9 %	1.9 %
UNEMPLOYMENT	2.1 %	2.2 %	2.1 %	2.1 %	2.1 %	2.1 %
<b>ASEAN-5</b>						
GDP	4.9 %	5.2 %	5.2 %	5.3 %	5.3 %	5.3 %
GDP PER CAPITA (INT \$)	11,617	12,283	13,010	13,819	14,672	15,573
INFLATION	2.4 %	3.3 %	3.1 %	3.2 %	3.3 %	3.3 %

### NOTES

Forecasts for years after 2017 (F).

Exchange rates are quoted as currency units per U.S. dollar (USD).

Euro Area comprises 19 countries: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovak Republic, Slovenia, and Spain.

Asean-5 comprises 5 countries: Indonesia, Malaysia, Philippines, Thailand, and Vietnam.

Latin America and Caribbean comprises 32 countries: Antigua and Barbuda, Argentina, The Bahamas, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, Uruguay, and Venezuela.

Middle East and North Africa comprises 21 countries: Algeria, Bahrain, Djibouti, Egypt, Iran, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Qatar, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, United Arab Emirates, and Yemen.

Sources: Economic data & historical exchange rates - International Monetary Fund World Economic Outlook Database (Oct 17), Forecast exchange rates - Scotiabank, Deutsche Bank, CME Group

## REGIONAL INTELLIGENCE

# KEY GLOBAL DATA

<b>AUSTRALIA</b>	<b>2016</b>	<b>2017</b>	<b>2018 (F)</b>	<b>2019 (F)</b>	<b>2020 (F)</b>	<b>2021 (F)</b>
GDP	2.5 %	2.2 %	2.9 %	3.0 %	2.8 %	2.8 %
GDP PER CAPITA - AUD	\$68,842	\$69,289	\$70,224	\$71,190	\$72,068	\$72,918
EXCHANGE RATE (AS AT 29 DECEMBER PER USD)	1.39	1.28	1.28	1.28	1.28	1.28
PPP RATE	1.43	1.46	1.45	1.45	1.45	1.45
INFLATION	1.3 %	2.0 %	2.2 %	2.4 %	2.5 %	2.5 %
UNEMPLOYMENT	5.7 %	5.6 %	5.4 %	5.2 %	5.0 %	4.9 %
<b>NEW ZEALAND</b>						
GDP	3.6 %	3.5 %	3.0 %	2.5 %	2.5 %	2.5 %
GDP PER CAPITA - NZD	\$48,437	\$49,321	\$50,213	\$50,871	\$51,530	\$52,214
EXCHANGE RATE (AS AT 29 DECEMBER PER USD)	1.45	1.41	1.38	1.38	1.38	1.38
PPP RATE	1.48	1.50	1.50	1.50	1.50	1.50
INFLATION	0.6 %	2.2 %	2.0 %	2.0 %	2.0 %	2.0 %
UNEMPLOYMENT	5.1 %	4.9 %	4.6 %	4.6 %	4.7 %	4.7 %
<b>USA</b>						
GDP	1.5 %	2.2 %	2.3 %	1.9 %	1.8 %	1.7 %
GDP PER CAPITA - USD	\$51,705	\$52,485	\$53,383	\$54,065	\$54,683	\$55,273
EXCHANGE RATE (AS AT 29 DECEMBER PER USD)	1.00	1.00	1.00	1.00	1.00	1.00
PPP RATE	1.00	1.00	1.00	1.00	1.00	1.00
INFLATION	1.3 %	2.1 %	2.1 %	2.6 %	2.4 %	2.2 %
UNEMPLOYMENT	4.9 %	4.4 %	4.1 %	4.2 %	4.4 %	4.5 %
<b>CANADA</b>						
GDP	1.5 %	3.0 %	2.1 %	1.7 %	1.7 %	1.8 %
GDP PER CAPITA - USD	\$49,579	\$50,514	\$51,075	\$51,406	\$51,756	\$52,156
EXCHANGE RATE (AS AT 29 DECEMBER PER USD)	1.36	1.26	1.28	1.27	1.26	1.26
PPP RATE	1.21	1.21	1.22	1.22	1.22	1.22
INFLATION	1.4 %	1.6 %	1.8 %	2.1 %	1.9 %	2.0 %
UNEMPLOYMENT	7.0 %	6.5 %	6.3 %	6.2 %	6.3 %	6.3 %
<b>LATIN AMERICA AND THE CARRIBEAN</b>						
GDP	-0.9 %	1.2 %	1.9 %	2.4 %	2.6 %	2.7 %
GDP PER CAPITA (INT \$)	15,369	15,649	16,088	16,664	17,296	17,955
INFLATION	5.6 %	4.2 %	3.6 %	3.5 %	3.5 %	3.4 %
<b>UNITED KINGDOM</b>						
GDP	1.8 %	1.7 %	1.5 %	1.6 %	1.7 %	1.7 %
GDP PER CAPITA - GBP	£28,415	£28,719	£28,948	£29,207	£29,518	£29,838
EXCHANGE RATE (AS AT 29 DECEMBER PER USD)	0.82	0.74	0.73	0.71	0.70	0.69
PPP RATE	0.70	0.70	0.70	0.69	0.69	0.69
INFLATION	0.7 %	2.6 %	2.6 %	2.2 %	2.1 %	2.0 %
UNEMPLOYMENT	4.9 %	4.4 %	4.4 %	4.6 %	4.5 %	4.5 %
<b>EURO AREA</b>						
GDP	1.8 %	2.1 %	1.9 %	1.7 %	1.6 %	1.5 %
EXCHANGE RATE (AS AT 29 DECEMBER PER USD)	0.96	0.84	0.81	0.79	0.77	0.75
INFLATION	0.2 %	1.5 %	1.4 %	1.7 %	1.8 %	1.9 %
UNEMPLOYMENT	10.0 %	9.2 %	8.7 %	8.3 %	8.1 %	7.8 %

Broad Street Mall, Reading, UK

Architect: Corstorphine + Wright Architects, Daniel Shearing



Hilton Garden Inn Waikiki Beach, Honolulu, Hawaii, North America

Architect: Pacific Asia Design Group



# INDEPENDENT CONSULTANTS, LOCAL KNOWLEDGE AND EXPERTISE, GLOBAL NETWORK

For more detailed country, city or sector information that is published within the International Report please review our regional or country specific publications. All publications are available from **rlb.com** or for a hard copy please contact your local office.

A listing of our publications are:

## REGIONAL

Americas - Caribbean

Gulf States

Hong Kong & China

North America

Oceania

## COUNTRY SPECIFIC

China

Kuala Lumpur

Jakarta

New Zealand

Singapore

United Kingdom

## SECTOR SPECIFIC

EMEA Hotels Monitor

Latin America & Caribbean Hotels Monitor

## RIDERS DIGESTS

Riders Digest - Australian States (6 of 6)

Riders Digest - New Zealand

Riders Digests - Philippines

Riders Digest - Singapore

Riders Digest - UK

Riders Digest - USA

## GLOSSARY OF TERMS USED IN THIS PUBLICATION

<b>billion</b>	Billions (10 <sup>9</sup> )
<b>CPI</b>	Consumer Price Index
<b>CY</b>	Calendar Year ( 1 January - 31 December)
<b>FY</b>	Financial Year (1 July - 30 June)
<b>GDP</b>	Gross Domestic Product
<b>IMF</b>	International Monetary Fund
<b>m o m</b>	month on month
<b>million</b>	Millions (10 <sup>6</sup> )
<b>Q1</b>	First Quarter (1 Jan - 31 March)
<b>Q2</b>	Second Quarter (1 April - 30 June)
<b>Q3</b>	Third Quarter (1 July - 30 September)
<b>Q4</b>	Fourth Quarter (1 October - 31 December)
<b>RBA</b>	Reserve Bank of Australia
<b>TPI</b>	RLB Tender Price Index
<b>y o y</b>	year on year

## BUILDING COST RANGE NOTES

Generally all rates are in national currency per square metre of Gross Floor Area except as follows:

- North Asian cities - rates are per square metre of Construction Floor Area, measured to outer face of external walls.
- South Asian cities - rates are per square metre of Construction Floor Area, measured to outer face of external walls and inclusive of covered basement and above ground parking areas.
- For both North Asian and South Asian cities all hotel rates are inclusive of Furniture Fittings and Equipment (FF&E).
- North America building costs are national currency per square foot.

## SOURCES OF INFORMATION - INTERNATIONAL REPORT

Information contained within this report has been compiled from numerous global sources and RLB offices.

Certain data contained within the report has been compiled from information published by organisations and is noted within the text of the report.

Disclaimer: While the information in this publication is believed to be correct at the time of publishing, no responsibility is accepted for its accuracy. Persons desiring to utilise any information appearing in the publication should verify its applicability to their specific circumstances. Cost information in this publication is indicative and for general guidance only and is based on rates as at March 2018.

# OFFICES AROUND THE WORLD

## AFRICA

### Botswana

Gaborone

### Mauritius

Saint Pierre

### Mozambique

Maputo

### South Africa

Cape Town

Durban

Johannesburg

Pretoria

Stellenbosch

## ASIA

### North Asia

Beijing

Chengdu

Chongqing

Dalian

Guangzhou

Guiyang

Haikou

Hangzhou

Hong Kong

Jeju

Macau

Nanjing

Nanning

Seoul

Shanghai

Shenyang

Shenzhen

Tianjin

Wuhan

Wuxi

Xiamen

Xian

Zhuhai

### South Asia

Bacolod

Bohol

Cagayan de Oro

Cebu

Davao

Ho Chi Minh City

Iloilo

Jakarta

Kuala Lumpur

Laguna

Metro Manila

Singapore

Yangon

## AMERICAS

### Caribbean

Barbados

Cayman Islands

St. Lucia

### North America

Austin

Boston

Calgary

Chicago

Denver

Hilo

Honolulu

Las Vegas

Los Angeles

Maui

New York

Orlando

Phoenix

Portland

San Francisco

San Jose

Seattle

Toronto

Tucson

Waikoloa

Washington DC

## EUROPE

### United Kingdom

Birmingham

Bristol

Cumbria

Leeds

Liverpool

London

Manchester

Sheffield

Thames Valley

Warrington/Birchwood

### RLB | Euro Alliance

Austria

Belgium

Bulgaria

Croatia

Czech Republic

Denmark

Finland

France

Germany

Greece

Hungary

Ireland

Italy

Luxembourg

Montenegro

Netherlands

Norway

Poland

Portugal

Russia

Serbia

Spain

Sweden

Turkey

## MIDDLE EAST

### Oman

Muscat

### Qatar

Doha

### Saudi Arabia

Riyadh

### United Arab Emirates

Abu Dhabi

Dubai

## OCEANIA

### Australia

Adelaide

Brisbane

Cairns

Canberra

Coffs Harbour

Darwin

Gold Coast

Melbourne

Newcastle

Perth

Sunshine Coast

Sydney

Townsville

### New Zealand

Auckland

Christchurch

Hamilton

Palmerston North

Queenstown

Tauranga

Wellington

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