

RLB CRANE INDEX®

North America - January 2019



OVERALL STATUS



LEGEND

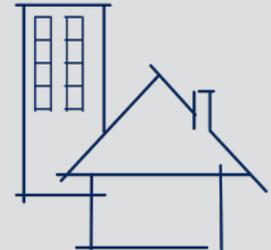
- Increase in number of cranes
- Decrease in number of cranes
- Crane numbers steady



The January 2019 survey marks the third consecutive increase in crane counts.



Commercial and cultural sectors showed above-average increases in their counts.



68% of cranes counted are made up of mixed-use and residential projects

WHAT IS THE RLB CRANE INDEX®?

Rider Levett Bucknall's Crane Index® for North America is published biannually. It tracks the number of operating tower cranes in 13 major cities across the U.S. and Canada.

Our index was the first of its kind, and unlike other industry barometers that track cost and other financial data, the Crane Index® tracks the number of fixed cranes on construction sites and gives a simplified measure of the current state of the construction industry's workload in each location.

JANUARY 2019 SUMMARY:

With eight of the 13 cities surveyed experiencing an increase in their respective crane counts, the North American crane count has reached its apex thus far. Three cities show a decrease in counts while the remaining two hold steady.

The January 2019 survey marks the third consecutive increase in crane counts. The construction industry is abundant with growth at the moment and we forecast it to last through the end of 2019.

46%

In Toronto, 46% of cranes are dedicated to residential projects.

22%

Los Angeles experienced a significant increase of 22% in their overall crane count

40%

New York experienced a 40% increase in cranes

KEY SECTORS	
CIVIL	
COMMERCIAL	
CULTURAL	
EDUCATION	
FEDERAL GOVT.	
HEALTHCARE	
HOSPITALITY	
INDUSTRIAL	
MIXED USE	
PUBLIC/CIVIC	
PUBLIC ASSEMBLY	
RESIDENTIAL	
SPORT	
TRANSPORTATION	
OTHER	

BOSTON

With new cranes rising at the same pace as those coming down at completed projects, the Boston crane count is holding steady. The Seaport area continues to be home to most of the city's construction activity.

CALGARY

Newly implemented standards governing urban density account for a jump in the crane count for Calgary, with high-rise multifamily projects making an impact on the skyline. Additional cranes throughout downtown, the University District, East Village, and the Beltline area echo that increase with office, commercial, mixed-use, healthcare, and infrastructure construction underway.

CHICAGO

While the crane count in Chicago has declined (due to the completion of many projects), construction activity has remained high; looking ahead, 10 to 15 major projects are slated to break ground in 2019. New development in the city is concentrated in the West Loop and Fulton Market areas, with a variety of building types under construction. Residential projects dominate the River North area.

DENVER

The decrease in Denver's crane count is attributed to several factors: existing projects wrapping up, slowing population migration to the city, rising interest rates, and competitive wages. All of these factors have put

upward pressure on the price of new construction. In the coming year, spending on infrastructure (highways and a commuter rail) is anticipated to drive growth in non-residential sectors while permitting of residential projects is dropping.

HONOLULU

In Honolulu, project completions in the second half of 2018 significantly cut the number of cranes in the city, where residential and mixed-use construction continue to dominate the market. In response to recent changes in the permitting process, hotel owners and developers are pushing their planned projects forward to accommodate the longer processing time, which may lead to an increase in the crane count towards the end of 2019. Hospitality remains a strong sector, with renovations outpacing new-builds.

Affordable- and market-rate multifamily high-rises continue to sell well, likely leading to more towers in the future.

LOS ANGELES

Ongoing projects erecting additional cranes on site yields an incremental increase in Los Angeles' latest crane count. Construction in the city continues to be robust across all sectors, with mixed-use and residential work most visible in downtown, Culver City, and Hollywood. Current construction statistics are impressive, with over three million square feet of office space; more than 2,000 residential units; over one million square feet of retail, and more than 1,300 hotel

rooms in progress. Along with ongoing work at the Los Angeles International Airport, more than 100 office, retail, residential, and hospitality projects are in the pipeline, promising a positive future.

NEW YORK

The iconic New York skyline features more cranes than our last count. An increase in hospitality and residential projects indicates that the city remains a significant tourism magnet and that demand for housing (including apartments and condominiums) is ongoing—particularly in light of the impending arrival of the new Amazon headquarters. It was noted that mixed-use projects often utilize exterior vertical transportation of materials instead of tower cranes. Looking ahead, the outlook for New York City construction remains very positive but with the current federal policy of increased rates likely to impact demand, together with the volume of apartments identified as coming on stream in 2019, should make for a competitive seller’s market.

PHOENIX

Three major developments account for an increase in the Phoenix crane count: Block 23, a residential/office building; LINK PHX, a three-phase high-rise residential project; and The Stewart, a 19-story residential property. Slated for completion next year, the Block 23 mixed-use development will bring retail, restaurants, workspaces, parking, and residential apartments to downtown,

along with downtown’s first major grocery store. While not included in the crane count, ongoing low-rise residential construction remains an important factor in downtown Phoenix’s active construction market.

PORTLAND

Portland’s crane count is holding steady, with several notable projects at the Oregon Convention Center along with the expansion to the Providence Park soccer stadium. The highest concentration of development can be found in the downtown area and the inner SE Portland neighborhoods. Mixed-use remains the dominant sector, with an uptick in commercial and hospitality projects. In the wake of the recent approval of the \$653 million Metro Affordable Housing Bond, the future market can expect to see an increase in residential projects along with availability impacts on labor and materials.

SAN FRANCISCO

A climb in the San Francisco crane count reflects the activity in the South of Market and Potrero Hill neighborhoods, where multifamily projects are rapidly rising. Notable work in other sectors include the UCSF Medical Center and the Chase Center.

SEATTLE

Despite a slight decrease in the number of cranes from the previous count, Seattle still shows strong signs of activity, especially in the South Lake Union and Capitol Hill districts.

Mixed-use is the busiest sector, followed by residential work. The forecast for the first half of 2019 is positive, as several major projects are slated to start construction, including renovations to Key Arena and an addition to the Washington State Convention Center.

TORONTO

In the Toronto core area, the crane count is up, with residential and mixed-use projects commanding the local construction industry. Heading into 2019, increased infrastructure spending is anticipated to trigger additional activity, with more than 400 high-rise buildings on the docket for development. We are seeing a trend, where the cranes installed in the Toronto Core, and losing ground by percentage compared to the number of cranes being erected outside the downtown core.

WASHINGTON, D.C.

Office and residential projects are taking shape in the central business district with waterfront areas giving a modest boost to the crane count in the capital city. The local economy is still thriving and now with the plans to incorporate Amazon HQ2 into nearby Crystal City, the spillover effect will continue to provide further economic boost. The buoyant construction market downtown is also representative of the wider Northern Virginia and Maryland markets where numerous projects are in construction. The Federal Government continues to provide a steady stream of project opportunities with the new FBI headquarters building, currently being planned.

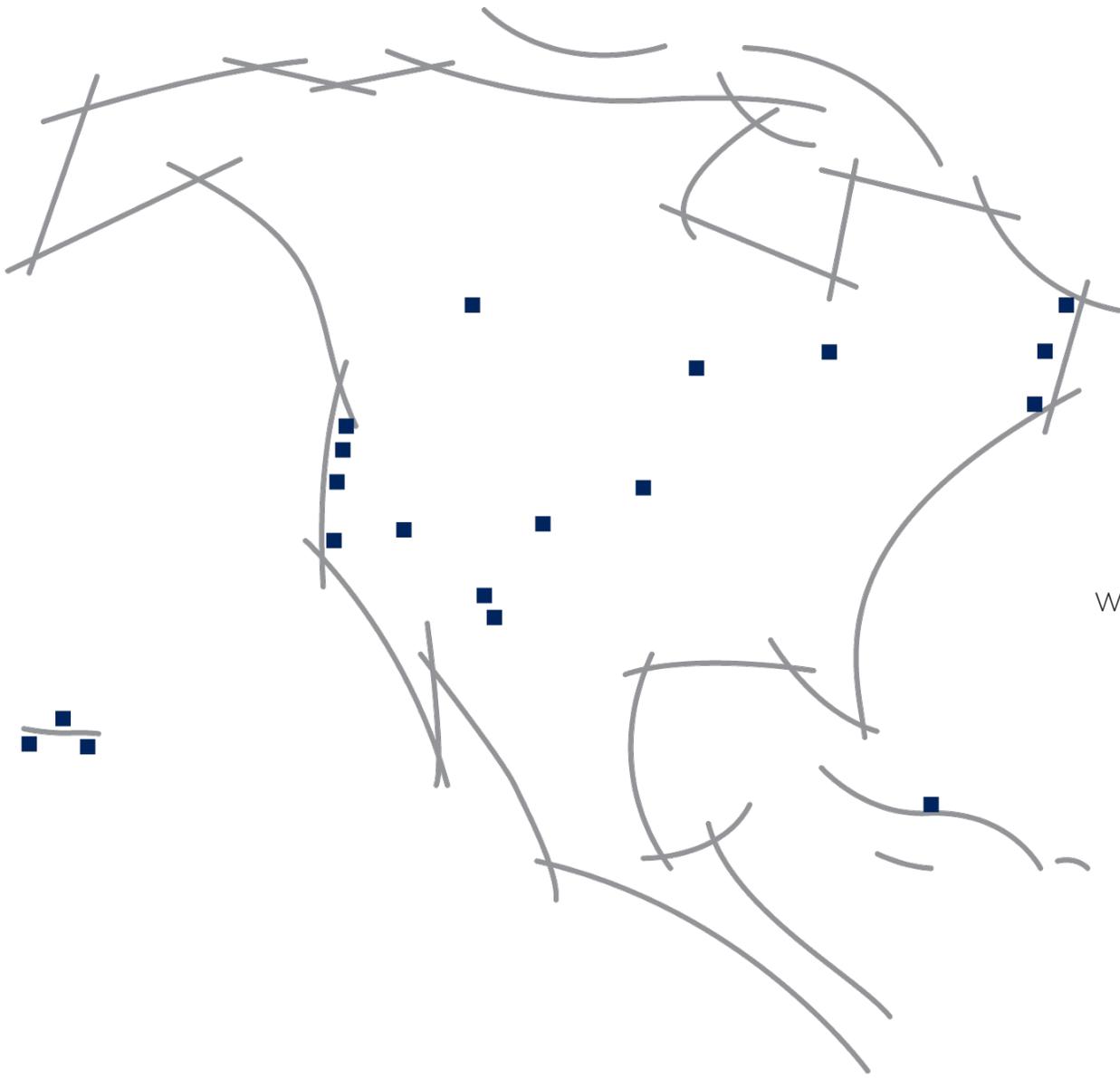
LOCATIONS

NORTH AMERICA

- Boston
- Calgary
- Chicago
- Denver
- Hilo
- Honolulu
- Kansas City
- Las Vegas
- Los Angeles
- Maui
- New York
- Phoenix
- Portland
- San Francisco
- San Jose
- Seattle
- Toronto
- Tucson
- Waikoloa
- Washington, DC

CARIBBEAN

- St. Lucia



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