

# RLB CRANE INDEX®

North America - January 2018



The North American crane count has reached a new peak. Six of the 13 cities sampled are holding steady from the July report, while five cities show an increase in counts and only two have indicated a decrease in activity.

At nearly 40 percent of the total crane count, the residential market dominates sector activity. Leading this market is Toronto, with 70 of

their cranes dedicated to high-rise condominium projects. Mixed-use development is the second largest market, making up nearly 25 percent of all cranes in North America. This sector is led primarily by Los Angeles, followed by Seattle, Portland, and Washington DC. Commercial projects make up 13 percent of the crane count,

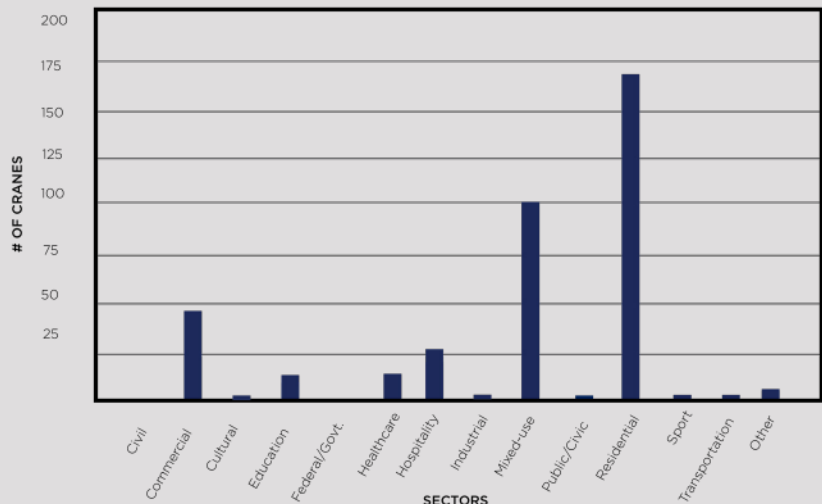
with San Francisco seeing the most activity in this sector.

The increase in net crane count indicates that the construction market is not merely holding steady, but prospering. It is anticipated that this growth will continue through 2018, as many cities continue to add to their roster of proposed developments.

SECTOR STATISTICS - NORTH AMERICA  
JANUARY 2018

## SECTOR STATISTICS NORTH AMERICA JANUARY 2018

OVERALL  
STATUS



## BOSTON

Although Boston experienced a loss of six cranes, construction activity remains steady, with four new tower cranes replacing those taken down due to project completion. Of the eight cranes currently operating, four are newly erected and four are holdovers from ongoing projects. Development is currently focused on the city's Seaport neighborhood. While new-build commercial office projects may have peaked, and the residential market in downtown is tapering off, the construction forecast for 2018 is reasonably stable, with empty parcels and parking areas slated for development.

## CALGARY

The crane count in Calgary decreased from last quarter. This is attributed to existing projects winding down, and fewer cranes rising for new construction. The market continues to be led by the high-rise residential sector, representing close to 60% of the total crane count. Other active sectors include hospitality and mixed-use, followed by commercial and office developments. The city is anticipating a boost in government spending on infrastructure, which is expected to prompt an increase in construction activities in the coming year and beyond.

## CHICAGO

The number of cranes in Chicago remains steady, with high-rise residential and mixed-use towers remaining the dominant sectors. There is a sign of continued growth in the hospitality sector as cranes are rising in six new locations; commercial office towers account for three locations and healthcare facilities for two. Developments in the South Loop and West Loop are continuing to thrive, and comprise almost half of the cranes currently in the city's skyline.

## DENVER

Crane count remains steady in the downtown Denver area. The multifamily residential sector is most active in the city, as rental apartments appeal to younger residents who cannot afford to buy property. While activity in the residential sector is expected to slow down in 2018, civic projects should increase. The Denver skyline will experience a major change when 1144 15th Street—the largest structure to be built in downtown since the 2008 economic downturn—is completed.

## HONOLULU

The number of cranes remains consistent in Honolulu with residential and mixed-use projects continuing to dominate the industry. With some cranes scheduled to come down over the next six months, the speed at which new potential projects throughout Kakaako, and along Kapiolani Boulevard are arising will dictate whether the crane count decreases in future publications.

With fewer new projects in the pipeline when compared to the last two and a half years, RLB is expecting greater labor availability, which should result in marginal improvements in construction cost. We are seeing numerous hotel projects commencing in 2018, although these projects will not effect the crane count.

Affordable and market residential high-rise continue to sell strongly, and will likely lead to more towers. These potential towers are in the design and preconstruction phases, but are pending sales commencement, before possible construction start. Similarly, potential new developments gearing up on the west side of the Island should commence construction in the next couple of years.

## LOS ANGELES

In Los Angeles, the crane count is holding constant from the mid-year survey. Downtown is where the majority of construction activity is taking place, with over half of the city's cranes located there. Mixed-use is the most active sector locally. High-profile new projects include a new ADIDAS headquarters, Soho House, and The Hoxton Hotel. In addition, two major sports venues—the LA Rams' new football stadium and a new facility for the Los Angeles Football Club—are developments currently under construction.

## NEW YORK

New York City's crane count remains unchanged. Four of the cranes charted by the July 2017 Crane Index have been removed; 14 are still in use on-site; and four cranes are newly erected, with three of them within the same project previously surveyed.

Upscale residential and mixed-use towers in Hudson Yards, a large-scale block redevelopment, are beginning to top out; new and ongoing crane activity will continue at the site for months to come. Overall, steady construction activity is forecast for the city.

## PHOENIX

Phoenix's construction market continues to prosper throughout the city and across several sectors. Downtown is home to a significant residential project, a 19-story luxury high-rise and a 110-unit condominium building; a prominent hospitality building, as well as mixed-use projects; the healthcare sector is also active. While not included in the crane count, low-rise residential construction remains an important factor in downtown Phoenix's construction activity.

## PORTLAND

The Portland crane counts are unchanged, although construction activity remains strong, with new tower cranes consistently replacing ones that have been taken down when projects are completed.

The majority of building projects are concentrated in the city's NW quadrant—the last of the downtown areas with lots large enough to support larger-scale construction, good transportation connections, and amenities already in place nearby.

Development also continues at the SW waterfront, with projects scheduled to be completed over the next few years. The location has been experiencing vibrant growth now that the new Tillicum pedestrian bridge, transit access, and aerial tramway to the Oregon Health & Science University are complete.

There is a major boom in the mixed-use and residential sectors. Because of the influx of individuals moving into the Portland area (especially for work relocation), the housing market has been saturated. Hospitality is also seeing a boom, with developers expecting an increase of 2,000 keys within the next three years. Many developers believe that the current local housing market is over-supplied right now, and that there will be an increasing demand for commercial/office space to absorb the population influx. Portland's construction market is becoming saturated, with the majority of general contractors, vendors, and suppliers booked up for the near future. Significant investment in the area's roadways and infrastructure will be needed in order to support future development.

## SAN FRANCISCO

San Francisco shows an increase in its crane count, with the number of cranes in the South of Market (SoMa) area almost doubling since the last Crane Index. Construction activity is also evident in the Civic Center, Financial District, Hayes

Valley, Potrero Hill, and Western Addition areas, with one crane tallied in each neighborhood.

Despite quickly rising construction costs in recent years, construction activity in SoMa remains strong because of commercial and office projects driven mainly by the tech sector. The recent tech boom also underlies the increasing demand for housing units as the number of people moving into the city grows.

Commercial and mixed-use sectors are growing. A slight decrease in the number of cranes at residential developments has been observed. However, it should be noted that most mixed-use projects include residential units, as the demand for housing continues.

Some of the most significant additions to the skyline currently in progress are the Salesforce Tower, Oceanwide Center, 181 Fremont, and the Chase Center complex.

There is no slowdown forecast for construction in the city, as several new crane applications (one each in SoMa, Hayes Valley, and the Tenderloin; and two for Potrero Hill) have been filed since May 2017. Based on the current trends in economy and the strength in the tech market, construction activity in San Francisco is projected to hold steady for the next six months.

## SEATTLE

Seattle's construction market remains healthy, despite the latest crane count falling below 50 for the first time since 2015. New cranes continue to rise quickly in place of those taken down due to completed projects, and several construction sites—portending future crane activity—have been spotted around town. Notable areas of development include South Lake Union, Capitol Hill, and the University District; the growth is spurred on by several factors: a recent up-zoning measure by the city, an expansion of the light-rail line, and an aggressive campus master plan being implemented by the University of Washington. Downtown Seattle

is primarily comprised of residential and commercial development and high-tech industry growth continues to fuel South Lake Union's boom. Multiple sectors remain active, including mixed-use (which comprises a third of the count), followed by residential, education, commercial, hospitality, and transportation. City planners and developers continue to race to meet Seattle's growing housing demand, driven by new arrivals every week and a strong job market. The forecast for construction in Seattle is optimistic, with many projects scheduled in 2018.

## TORONTO

For the second consecutive reporting period, Toronto has the highest crane count of all the cities surveyed. The market continues to be led by the residential sector, which makes up over 80% of the total crane count. Other active sectors include mixed-use and commercial developments, followed by education, healthcare, and hospitality.

Looking ahead, Toronto is expected to see a boost in spending on infrastructure, which is anticipated to trigger an increase in construction activity. More than 400 high-rise projects have been proposed, adding to the city's dynamic skyline.

## WASHINGTON, DC

The current count of the tower cranes reflects a 35% increase over the last Crane Index for Washington, D.C. Nine of the cranes observed in the July 2017 Crane Index have been removed, and 11 are still on active construction sites. Of the 16 new cranes on the capital skyline, five are within the Yards neighborhood. The multi-family residential sector is particularly active, with mixed-use, commercial office, and street-level retail work also ongoing. Although the recent development at The Wharf is largely complete, new construction starts will keep local activity steady in the future.

## LOCATIONS

### NORTH AMERICA

Austin  
Boston  
Calgary  
Chicago  
Denver  
Hilo  
Honolulu  
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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