

RLB CRANE INDEX

North America - January 2016



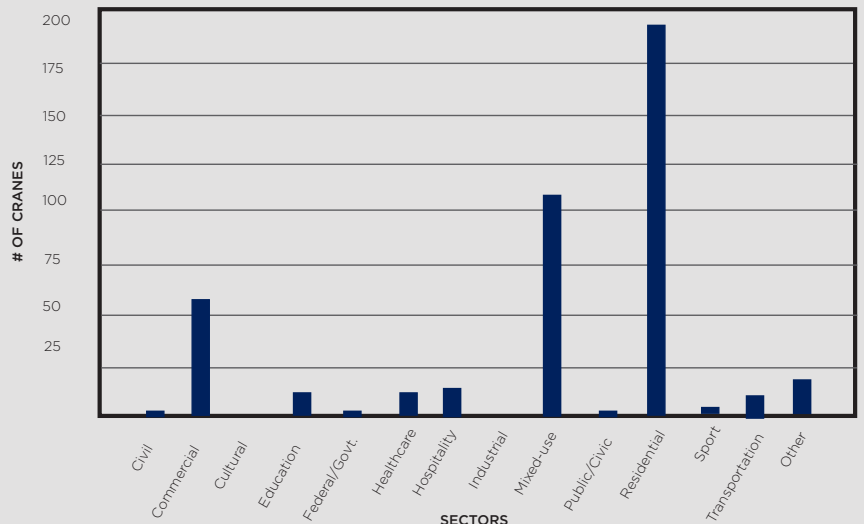
Rider Levett Bucknall's (RLB) Crane Index serves as a unique tool to measure construction activity throughout the country by focusing on major city centers. Crane counts have provided visual interpretation of a steady market, which RLB expects will continue to remain steady, with gradual crane count increases through 2016.

The residential sector has consistently dominated the construction market during each bi-annual edition of the Crane Index, and makes up 45% of all cranes in this issue. It is followed by mixed-use projects which make up 26% of total cranes, and commercial projects which make up 13%. Leading the residential market are Calgary, Denver, Honolulu, San Francisco, Seattle, and Toronto totaling 194 cranes among them.

Boston, Los Angeles, and Washington DC are predominantly led by mixed-use construction projects, totaling 111 cranes. Portland remains unique, with 44% of its cranes within the commercial sector.

SECTOR STATISTICS NORTH AMERICA JANUARY 2016

OVERALL
STATUS



BOSTON

The city of Boston continues to show positive activity in most sectors of the construction market as reflected in its steady crane count. While residential construction has cooled, healthcare, mixed-use and commercial projects are picking up the slack. The Seaport District continues growth with its vast parking lots gradually being replaced by new construction and with the proposed relocation of GE's Headquarters, the area is certain to see positive activity for the next 18 months.

Among the cranes present in Boston, the most visible belongs to the Millennium Tower, located in the heart of Downtown Crossing. This 60-story, 685-foot tall tower is scheduled to open mid-2016.

CALGARY

Calgary remains steady in its construction development, despite recent decreases in oil prices. Consistent with the national trend, the residential sector leads the crane count, making up 64% of the city's cranes.

While oil prices have not had an immediate effect on current construction, Calgary does expect a downturn in the near future.

CHICAGO

Within Chicago's Central Business District, the construction market spreads toward the South and West Loop and Fulton Market districts.

The residential market makes up nearly 60% of the cranes in the area, followed by commercial, hospitality, and education sectors. New projects include McCormick Place, a 750-key Marriott hotel, and the neighboring DePaul University basketball and sports arena.

Anticipated developments include the addition of six residential and hospitality tower-crane projects in the South and West Loop areas. Low-rise residential and retail developments are also projected in the West Loop and Fulton Market area calling for

smaller-sized tower cranes, but signaling an increase in activity overall.

DENVER

The construction market is prospering in the Denver area, with crane counts nearly doubling in a year. This boom in development is led by residential projects, with an upturn in commercial, hospitality, and mixed-use sectors. New projects include a Kimpton Hotel in Downtown Denver and a plethora of mixed-use commercial buildings. These upcoming commercial towers include 1144 Fifteenth Street, a 640,000 square-foot office tower to include retail and parking space, and 1401 Lawrence, a 298,000 square foot mixed-use building to include offices, retail space, and structured parking.

Denver's construction market is expected to continue its progress, adding 10,000 construction jobs in 2016, according to University of Colorado's Leeds School of Business Economic Outlook Report. The report forecasts a 9% state-wide increase in non-residential construction, and a 16% state-side increase in residential construction. The increase is reflected in Denver's crane count, in which the residential sector makes up 53% of the city's count.

HONOLULU

The crane count in Honolulu indicates that the construction market remains steady. The residential sector leads the crane count at 79%, followed by hospitality, commercial, and mixed-use projects. Major projects include Park Lane Ala Moana (residential), Hilton Grand Vacation Grand Islander (hospitality) and several other residential towers.

With many of the projects expected to be completed in 2016, we foresee the crane count going down by the next publication, given that several large projects have slipped from their original start dates. The increases in construction costs have left many developers revisiting their programs,

and associated return on investment before committing to construction start.

LOS ANGELES

Mixed-use and residential projects continue to lead downtown Los Angeles construction with 80% of the total crane count associated with downtown developments. Two projects currently dominating the downtown skyline include the Wilshire Grand and Metropolis Phases I & II, which have 11 cranes between them. The South Park skyline is itself a busy one, with a total of seven cranes; two of which are located at the much anticipated Oceanwide development, Fig Central. South of downtown the University of Southern California has a total of six tower cranes on three projects, the largest of which is "The Village"; a student housing project that currently has four cranes in operation.

Hollywood has seven cranes currently adorning the skyline. Some of these projects include the Sunset/La Cienega, Sunset/Bronson, and Columbia Square.

In Playa Vista, the Brickyard project has broken ground and in the Beverly Hills area, the Ten Thousand project and the Beverly Hilton Hotel redevelopment are well underway.

With Fig Central breaking ground in the later part of 2015 and a number of projects getting ready to break ground, it is anticipated that 2016 will continue to be a strong year for construction in Los Angeles.

NEW YORK

The construction market in New York City continues to be strong with the crane count maintaining the impressive levels previously reported, a trend that is set to continue throughout 2016. While all segments of the industry are buoyant, the majority of cranes are dedicated to mixed-use projects, predominantly residential towers with street level retail. Among these exciting projects, the Manhattan West NYC stands out,

utilizing three cranes in its first phase, with many more to come. The seven million square-foot development was created with the intent to highlight Manhattan's latest neighborhood, the Hudson Yards District. When completed, the project will include commercial office space, a residential tower, and a central plaza.

PHOENIX

Crane counts remain steady in Phoenix. Within the downtown area, the crane count is made up of residential projects including Portland on the Park, a luxury condominium development, and Proxy 333, a 118-unit mid-rise apartment complex; education projects include a Health Sciences Education Building on Phoenix Biomedical Campus and a large ASU student campus. Additional ongoing hospitality projects include the Luhrs Marriott Courtyard/Residence Inn, an \$80 million dual-brand hotel. Crane counts in other surrounding metro regions also remain steady.

With several of the referenced projects expected to be substantially completed in 2016, we foresee the crane count going down over the course of the year. There are several planned construction projects in the area which may offset anticipated reductions in crane counts, with much depending on the actual construction start dates and durations for future developments.

PORTLAND

Portland has had an increase in crane count, with four new construction projects underway. Contrary to the national trend, Portland's crane count is led by the commercial sector, comprising nearly half of the count with multiple projects in the Pearl and downtown as well as the large Nike expansion in Beaverton. Portland's Bureau of Development Services recently noted that commercial building permits are up 8% over the past year and residential building permits are up 10%. Sector developments within the downtown

Portland region speak to the overall growth within the construction market. It has been noted that the wait to reserve a crane had previously been between two and three months, and has been extended now to between eight and ten months, indicating growth in the Portland area.

SAN FRANCISCO

While the number of cranes in San Francisco remains steady, with equal amounts of cranes coming down as are going up, the construction market sectors have expanded on new projects. Residential projects continue to dominate the crane count, however, new counts show an influx in mixed-use projects, progressing from 13% to 30% over a 12 month period.

The vast majority of the cranes are still concentrated in SoMa, with development along Van Ness increasing in the residential and healthcare markets. The expansion into new development sectors and locations indicates that there is growth within the various lifestyle and social sectors of the city.

SEATTLE

Overall, the Seattle construction market has seen a 43% increase in crane count this year. Sector quantities are consistently led by commercial, mixed-use, and residential markets. Within downtown Seattle, major projects include Amazon, Madison Centre, The Mark, and Midtown 21. Concurrent with the national trend, Seattle's residential market has seen the construction of over 9,000 units in just over three years.

While Amazon has many projects throughout South Lake Union and Denny Triangle, other neighborhoods which are having plenty of crane activity include Capitol Hill, downtown, Pioneer Square, and U-District.

Although not included in our Seattle city-center crane count, we have

confirmed the presence of up to 20 additional cranes in the Bellevue, Redmond, and Mercer Island areas.

Based on current/future trends in the Seattle market, it is expected that crane activity has not yet peaked and will continue to climb in all sectors, as the demand for construction shows no signs of decreasing.

TORONTO

Crane counts remain steady in the Toronto area, as the number of cranes going up is roughly equal to the number of projects being completed. The residential sector dominates the crane count at 81%. Second in the Toronto market is commercial construction, at 13% of the crane count throughout the year.

The Toronto construction market will remain active in the future, but we anticipate a minor slowdown in the next six months. Over 260 high-rise projects are proposed for Toronto's future market, adding to the city's tremendous skyline.

WASHINGTON, DC

Washington, DC continues to show strong activity in the construction market and this is reflected in another steady crane count with the outlook for construction activity set to remain positive throughout 2016. While commercial and healthcare construction may have cooled slightly, the buoyant residential, mixed-use, and hospitality markets continue their positive growth with the banks of the waterfront now heavily dotted with crane activity. Among the largest of the city's projects is The Wharf, which when completed will feature approximately 3,000,000 square feet of new residential, office, hotel, retail, and cultural space sitting on more than 27 acres of land. The first phase of the project is slated to open in late 2016.

LOCATIONS

NORTH AMERICA

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

CARIBBEAN

Barbados
Cayman Islands
St. Lucia
Trinidad & Tobago

CONVENTIONAL WISDOM

Orlando



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