

RLB CRANE INDEX®

North America - July 2018



In July 2018, the North American crane count indicates continuous robust growth in construction activity. Three of the cities are holding steady from the January report, while seven cities show an increase in counts and three have indicated a decrease in activity.

At nearly 44% of the total crane count, residential work is the most active sector, with Toronto leading

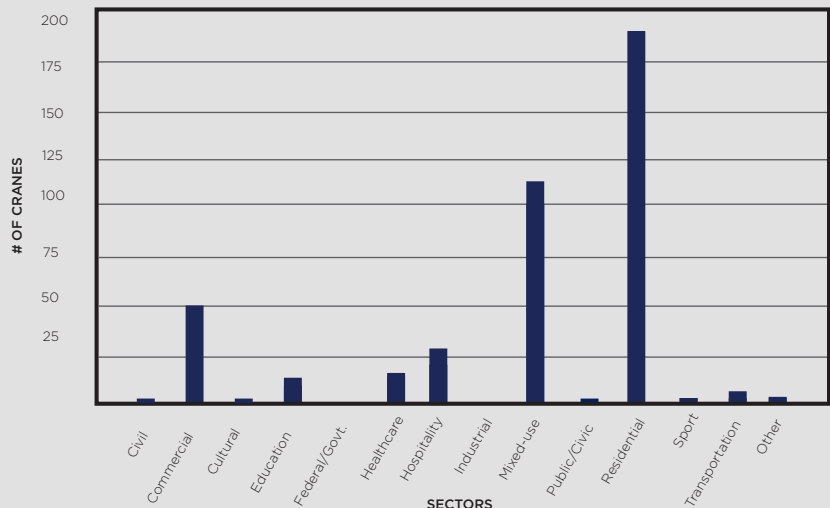
the market. Mixed-use is the second largest sector, making up just over 26% of all cranes in North America. Seattle and Los Angeles are the leading locations for this sector, followed by Portland, New York, and Washington, D.C. Commercial projects comprise 12% of the crane count, with Seattle seeing the most activity in this sector.

The increase in net crane count indicates that the construction industry is prospering, despite a tight labor market, rising interest rates, and materials tariffs. It is anticipated that this growth will continue into 2019, as cities continue to add to their rosters of proposed developments.

SECTOR STATISTICS - NORTH AMERICA
JULY 2018

SECTOR STATISTICS NORTH AMERICA JULY 2018

OVERALL
STATUS



BOSTON

The Boston construction scene is busy, as indicated by the increase of its crane count. With seven new cranes erected, the total number of towers is 13, up from eight in late 2017. Commercial development is concentrated in the Seaport Square part of the city, where four cranes are active. Other sectors—residential, healthcare, and hospitality—each tally one crane.

CALGARY

At 26, the crane count in Calgary has grown from the 22 installations observed last quarter. Rising employment and new infrastructure projects (a ring road and a light-rail line) support the strong residential sector; two-thirds of the city's construction activity is in multi-family buildings, with 6,500 units currently underway, 18 cranes are dedicated to this sector. When completed, a \$1.4 billion healthcare facility, the Calgary Cancer Centre, will add jobs and services to the city. Other major projects include 500,000 to one-million-square-foot warehouses and two community recreation centers.

CHICAGO

The number of cranes in Chicago has slightly risen from the last Index, from 36 to 40, with residential rental developments and mixed-use towers dominating the skyline; they contribute 21 and 2 cranes, respectively. Fueled more by national economic trends rather than local ones, the market

is forecast to remain strong, with education, hospitality, and healthcare projects contributing to the construction activity in the River North, West Loop, and South Loop neighborhoods.

DENVER

Residential projects account for 17 of Denver's 28 cranes, a minor decline from the 29 in the previous count. Market Station, a \$200 million complex of retail, residential, and workplace buildings, revitalizes the Lower Downtown district. Looking ahead, construction in the downtown area is likely to grow, as surface parking is replaced by mixed-use buildings designed to enhance the presence of retail and dining businesses, in response to the increasing residential population.

HONOLULU

Mixed-use and residential projects encompass 8 out of the 11 cranes in Honolulu, although these sectors show signs of a slow down. The influence of the tourism industry—growth in visitor traffic is predicted through 2019—continues to drive hotel renovation work, particularly in Waikiki. In the pipeline, high-rises with affordable and market-rate residential units are planned, and rental housing developments are potentially pushing forward in the Kaka'ako area and along Kapiolani Boulevard.

LOS ANGELES

In Los Angeles, the crane count is holding steady from January 2018. While 22 of the city's 36 cranes are deployed to mixed-use projects, there are several notable developments in other sectors that are shaping the skyline. Several infrastructure works—three bridges, and a new concourse at the Tom Bradley International Terminal at LAX—are underway. Major cultural institutions, including the new Lucas Museum and a \$40 million facelift for downtown's Music Center, are making their mark as well. Continued growth for Los Angeles construction is predicted, despite labor shortages and uncertain material pricing.

NEW YORK

Although mixed-use and residential buildings in Hudson Yards, Tribeca, and the Financial District are topping out, New York shows a modest jump in cranes, growing from 18 to 20 installations. This is attributable to new projects coming online at a steady pace; the current count shows 11 mixed-use developments, three in transportation projects, and three in the commercial sector.

PHOENIX

Three mixed-use projects and one residential tower comprise the city's current crane total. Slated for completion next year, the Block 23 development will bring retail, restaurants, workspaces, parking, and residential apartments to downtown, along with the neighborhood'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 construction activity.

PORTLAND

There are 30 cranes active in the city, a slight slip from the 32 counted in the January 2018 report. The top construction sectors in Portland are mixed-use/residential projects (18 cranes). New tower cranes are regularly rising at sites as other projects are completed. With the recent completion of several key transit developments, the city's SW waterfront is booming. Some observers view the current housing market as over-supplied, and that infrastructure work will power the next wave of construction activity.

SAN FRANCISCO

San Francisco's crane count remains unchanged at 26. The South of Market (SoMA) area is the most active neighborhood, with 15 cranes in operation. Oceanwide Center, a two-tower complex of residential and office spaces designed

by Norman Foster, will be home to the city's second-tallest building when complete. Another major project, the Chase Center, will serve as a catalyst for growth in the Mission Bay district. Not only will it be the home of the Golden State Warriors NBA team, but will feature retail and theater spaces. Continuing strength in the tech industry points to a strong future for local construction.

SEATTLE

Rebounding from 45 to 65 city-wide cranes in a six-month period, Seattle's leading sectors are mixed-use (27 cranes), residential (17), and commercial (11). South Lake Union, Capitol Hill, and downtown continue to be prime areas for development. While the outlook for construction in the rest of 2018 is optimistic, the recent overturn of a targeted corporate head-tax that would raise funding for affordable housing and homeless programs underscores the influence of high-tech businesses. As the city is increasingly reliant on the tech sector as employers, any small change by a major tech tenant could have a ripple effect across the entire construction market.

TORONTO

For the third consecutive reporting period, Toronto has the highest number of cranes of all the cities surveyed in this edition of the Index: 97, an increase over the last count

of 88. The market continues to be led by the residential sector, which makes up over 86% 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, D.C.

The current count of 25 tower cranes reflects a 8% decrease since the last Crane Index for Washington, D.C. Sixteen of the 27 cranes observed in the January 2018 survey have been removed, and 19 new cranes have been erected. Nine cranes are stationed on mixed-use projects, seven cranes are active on residential developments, and four cranes are installed at commercial project sites.

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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