

RLB CRANE INDEX®

North America - Q3 2020

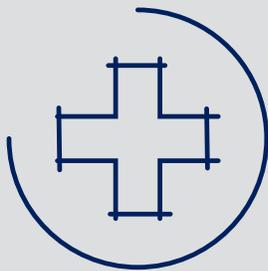


OVERALL STATUS

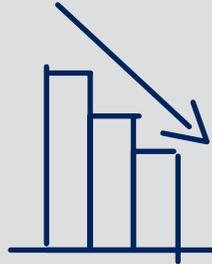


LEGEND

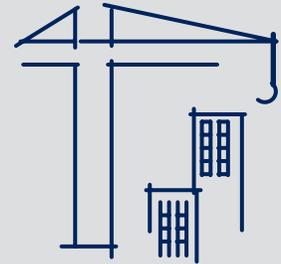
- Increase in number of cranes
- Decrease in number of cranes
- Crane numbers steady



Healthcare projects experienced an overall increase of 38% in active cranes.



Cranes dedicated to cultural projects drop 38% from the previous count.



Residential projects account for 40% of all cranes counted; followed by 25% installed at mixed-use developments.

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 14 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.

Q3 2020 SUMMARY:

This survey was the first decrease since our July 2017 edition of the RLB Crane Index®, with the count dropping by 40 cranes. Of the fourteen cities surveyed: four experienced an increase; four are holding steady; and five saw a significant decrease ranging from -27% to -76%.

In an early response to coronavirus, some cities imposed a pause on non-essential construction. While these bans have been lifted and projects have resumed, the pandemic-induced recession is expected to have far-reaching effects. Lenders are less likely to support large, new developments in sectors that have been significantly impacted, like sports and hospitality. We are already seeing more competitive bidding for the fewer projects that are coming online.

80%

Cranes dedicated to transportation projects have increased by 80%



The sports sector experienced a significant drop in cranes; surveying seven cranes the previous count and zero cranes this count.

-40%

Cranes installed on civil projects have dropped by 40%.

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

BOSTON

Although several projects have wrapped up since Q1, the Boston skyline is punctuated by a few new starts, keeping the crane count constant. These project starts include the 5,000-seat MGM Music Hall at Fenway and several mixed-use developments throughout Boston proper. In the Financial District, a handful of projects are tucked away behind its high rises, including Shawmut’s renovation of the historic Langham Hotel.

CALGARY

Calgary’s crane count is holding steady, as residential and commercial projects are being completed. Three cranes have been erected to build a new large bridge across the Bow River.

CHICAGO

Due to the pandemic, Chicago’s crane tally of 14 is about half of the previous count. Many of the projects have been completed and are currently leasing; however, new construction has slowed considerably. There are only three new cranes since the last count—two at residential sites and one new office building—yet these are all of modest size, 12 to 24 stories. An 87-floor residential tower that began foundation work in February, has now been put on hold indefinitely. Plans for several prominent high-rise projects have been approved, but a rebound will depend upon easing of the pandemic and a return to an investor-friendly climate. On a positive note, public sector projects are carrying on at a relatively steady pace.

DENVER

There was a decrease in the quantity of cranes in Denver, due to several projects being completed or approaching completion. According to the Denver Metro Association of Realtors, there is still an increase in demand and shortage in supply of housing. This could mean that the crane count in the future could remain fairly constant if there is continued growth in the residential construction sector.

HONOLULU

Crane counts are steady in Honolulu. Residential and mixed-use projects continue to dominate the scene, including the Central Ala Moana, Azure Ala Moana, Lilia Waikiki, Sky Ala Moana, Koula, and the affordable residential development 803 Waimanu, all located in the Ala Moana commercial district of urban Oahu. In Honolulu, affordable and rental housing developments continue to be an important driver of construction, particularly in the Kakaako-Ala Moana district and along the Kapiolani corridor.

The impact of Covid-19 is seen in the slowing of residential development in Waikiki and the delay of two P3 contracts for the Honolulu rail transit system and the redevelopment of the new 98-acre Aloha Stadium Entertainment District on Oahu.

LAS VEGAS

The Las Vegas crane count has fallen over the last six months with the completion of several projects, including the Allegian (Raiders) Stadium. Coronavirus has significantly impacted the market, which relies heavily on tourism, gaming, food & beverage,

conventions/meetings, and entertainment. There are still at least 11 major hotels closed with no re-opening date scheduled. Properties that are open have limited room occupancy. The prospect of new projects in the city still looks promising, but will be slow starting up until restrictions are lifted and conventions begin rebooking.

LOS ANGELES

Despite a decrease in the number of cranes in Los Angeles, parts of the city such as Downtown, Korea Town, Century City and Culver City are all seeing larger infill tower developments. For the most part, projects continue to address the demand for housing, with some mixed-use development occurring in higher density areas. Some cultural and entertainment projects have been substantially completed (SoFi Stadium), while others continue, including the new Star Wars Museum adjacent to USC; the sector also has several projects in the pipeline.

NEW YORK CITY

From 2019, New York City has seen a 55% decrease in tower cranes located in midtown Manhattan. The construction pauses triggered by Covid-19 may play a role in that trend. Most of the projects currently under construction are commercial office properties. However, with more people working from home in response to the pandemic, developers are hesitant to invest in building new office and retail space in the city.

PHOENIX

The crane count in Phoenix is rising. Activity is centered in Downtown, and to a lesser extent in Midtown. Projects

are predominately mixed-used (residential/commercial), along with three educational developments (Creighton University, Arizona State University, Thunderbird School of Global Management), that will combine housing, retail, and classrooms. Luxury high-rises comprise the majority of the residential sector, such as Duo on Fillmore, X Phoenix, and the Derby.

PORTLAND

Despite the effects of coronavirus on the construction industry, the crane count in Portland has only decreased by one. The majority of projects are multifamily apartments with mixed-use spaces at ground level. Downtown remains a hotspot for new construction, including the Ritz-Carlton Tower and Hyatt Centric Hotel. The large Nike Headquarters project just outside of Portland has been recently completed.

SEATTLE

Seattle added seven cranes to its skyline since the last count, despite the Covid-19 “shelter in place” policy that extended from February through April, which limited construction to essential projects. Work has resumed on a large number of residential projects placed on hold during that period. Looking ahead, a slowdown for the Seattle construction market is forecast.

SAN FRANCISCO

A decrease in the San Francisco crane count reflects the near-completion of numerous apartment and condominium projects throughout the city, including the Four Seasons Residences project in SOMA. The Market Street corridor, which delineates the Downtown and SOMA neighborhoods, is home

to the majority of the cranes in the city, with all of the projects being residential or residential/hotel mixed-use projects.

Recent trends in hospitality construction are indicative of San Francisco’s role as a prime destination. However, given challenges to the hospitality sector due to the pandemic, the continued emergence of this trend over the near-term (12-18 months) is likely to be adversely impacted.

TORONTO

The Toronto crane count has increased marginally since the last survey. Residential projects continue to dominate the market. While Covid-19 does not seem to have affected the number of cranes in use, that could change next year, as high-rise residential sales have dropped 30% in 2020. The work-from-home trend may also impact future commercial office tower construction.

WASHINGTON, D.C.

Developments at The Wharf and City Ridge account for an increase in the Washington, D.C. crane count, as several residential projects around the South Capitol Street Corridor and Washington Navy Yard have reached completion since the last count. Residential and mixed-use developments around the NoMa and Union Market neighborhoods are booming. Signal House, a ten-story office tower in the Union Market District, is set to open in 2021. Cultural and infrastructure projects like the National Air and Space Museum and the Frederick Douglass Bridge are still ongoing.

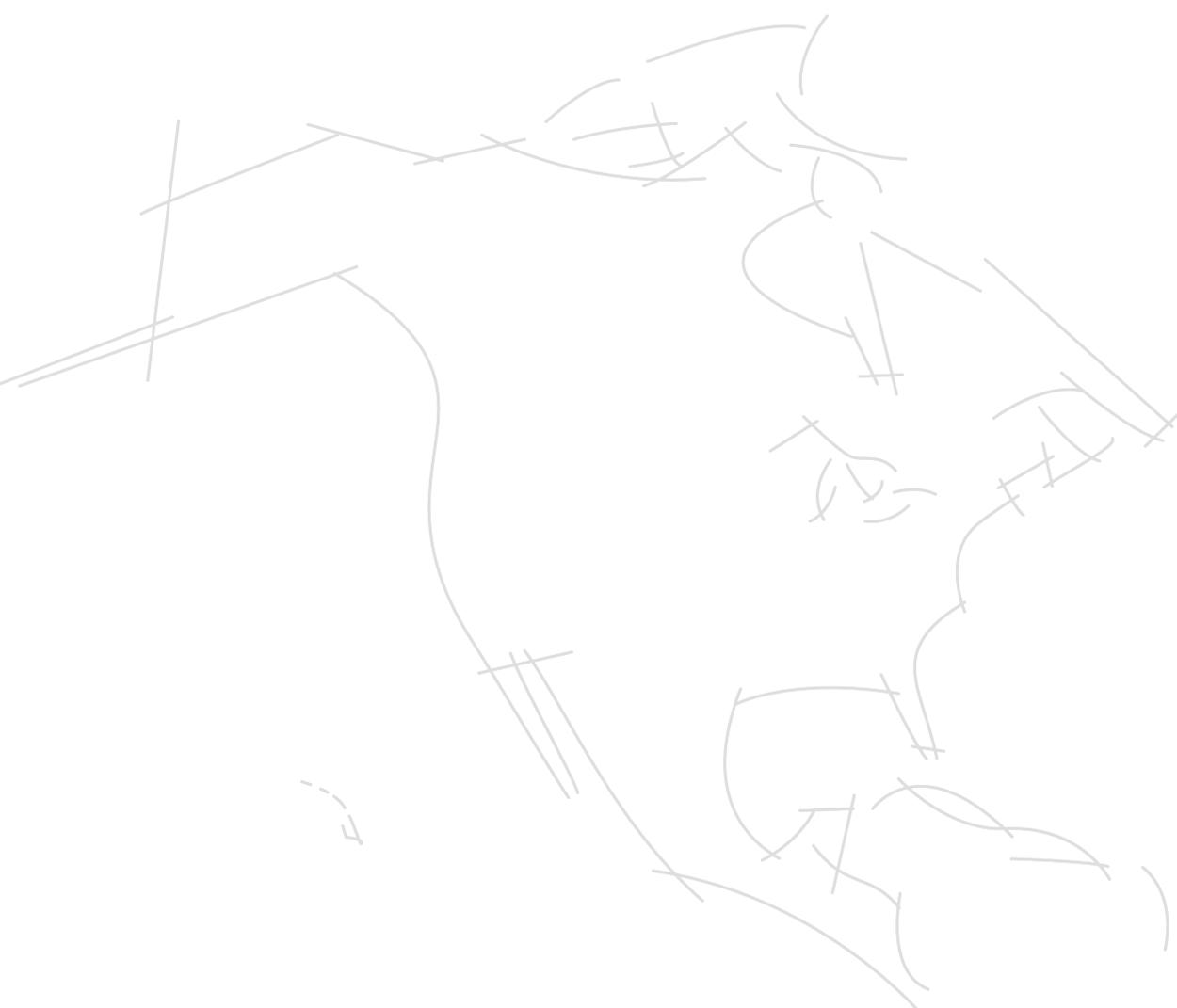
LOCATIONS

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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