

RLB CRANE INDEX®

North America - July 2016



Crane counts over the past six months point to steady construction activity, with residential and mixed-use developments dominating the market, surveyed at a combined 76 percent.

Of the cities measured, Toronto and Calgary take the lead in North America, with more cranes dedicated to residential

construction than all of the other cities combined.

Los Angeles leads North America in mixed-use projects, followed closely by Washington, D.C., Seattle, New York, and Boston.

Commercial development is surveyed at nine percent of total crane counts and is U.S. west-coast centric, led

by Seattle, Los Angeles, San Francisco, and Portland.

Many multi-million dollar residential projects, commercial towers, and mixed-use developments are forecast to break ground this year. It is anticipated that crane counts will remain steady as the flow of completed developments offsets commencing developments.

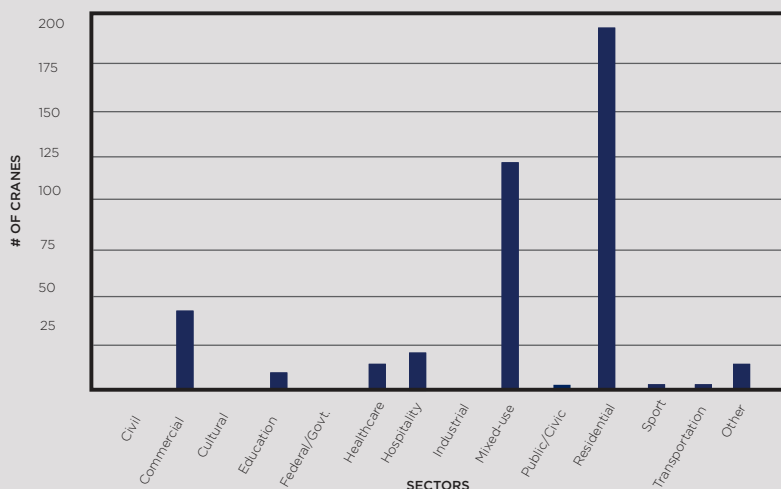
SECTOR STATISTICS NORTH AMERICA

JULY 2016

OVERALL STATUS



SECTOR STATISTICS- NORTH AMERICA
JULY 2016



BOSTON

With major projects coming to a close, the Boston skyline has begun to clear.

Crane counts indicate that construction in the Boston market has begun to follow the national trend with majority of the city's cranes being used on mixed-use projects. Counts also support our previous forecast for continued growth in the Seaport District with half of the cranes dedicated to the area. One of these projects is the Pierce Boston Tower, a 30-story multi-use tower comprised of over 100 condos. The project also includes 20,000 square feet of premier street-level retail/restaurant space with parking to accommodate visitors. This project is scheduled for completion in 2018.

The continued growth of Boston Seaport District, GE's new headquarters, and the Fort Point Channel will likely contribute toward an increase in crane counts over the next six months.

CALGARY

Crane counts reflect a downturn in construction with a decrease of 20 percent over the last six months. The residential sector leads the crane count, encompassing 72 percent of the city's cranes.

Calgary's construction sector has been hit hard by the drop in oil prices. Construction output is forecasted to fall by an additional 6.7 percent. The downsizing in the oil industry has led to a glut of unused office space. The current vacancy rate will discourage new investment in the short term for office buildings and non-residential construction.

CHICAGO

Crane counts have increased over 40 percent in the last six months, with the residential sector continuing to take the lead at nearly 60 percent. Other sectors continue to be active, including mixed-use, hospitality, healthcare, education, commercial, and sports. Chicago's

South Loop currently has six projects under construction, with cranes scattered along the skyline.

Anticipated developments include multiple mixed-use projects: 150,000 square feet of commercial space and 148 new apartments adjacent to Wrigley Field; a 47-story mixed-use building to include apartments, parking, retail, and commercial space; and multiple developments in the Fulton River District.

DENVER

After experiencing a construction boom in the past year, Denver crane counts are beginning to steady. They are far from wavering, however, as Denver is one of the leading cities in hospitality construction. According to STR Inc., Denver has experienced the seventh-biggest increase in hotel room construction in the past year, with nearly 3,000 hotel rooms currently underway.

Crane counts for residential and mixed-use projects are the second highest, followed by healthcare, commercial, and transportation developments.

Construction employment supports past crane counts, with over ten-thousand construction jobs added in the past six months. Denver can expect their construction market to remain steady, with upcoming projects in education, healthcare, and mixed-use sectors.

HONOLULU

Crane counts across the Honolulu skyline have decreased over the last six months with the structural completion of several projects. However, Hawaii's construction market continues to grow, illustrated by the high demand for skilled workers, especially in the finishing trades that are needed on several large projects across the islands. This trend is likely to continue to indicate a strong workload through the remainder of 2016.

Alongside Denver, Hawaii leads the nation in hotel room construction.

Rider Levett Bucknall played an integral role in several hospitality projects recently completed in the last month, including providing project management services for the new Four Seasons Resort Oahu at Ko Olina and the new Hilton Garden Inn Waikiki which was the 700th Hilton Garden built and the largest in the world.

We anticipate further reductions in the number of tower cranes between downtown and Waikiki in the near term, with an increase in tower cranes on the west side of the Island in the next 12 to 18 months.

LOS ANGELES

The Los Angeles construction market is steady, with mixed-use developments dominating the market at 75 percent of the crane count. Other active sectors include commercial, education, hospitality, and residential.

Among the number of towers decorating the Los Angeles skyline, a few cranes are dedicated to Los Angeles' newest and soon-to-be tallest tower, the Wilshire Grand Tower, which will stand at a staggering 73 floors. This 900-room hotel is anticipated to make the most of its incredible height and is expected to include a sky lounge, a rooftop pool, and a helipad. The tower is expected to open in early 2017.

Los Angeles can expect an upturn in future construction as the downtown area is anticipated to experience a boom in residential construction.

NEW YORK

The construction market in New York City continues to be strong with the crane count maintaining impressive levels; a trend that is expected 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 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 of highlighting Manhattan's latest neighborhood, the Hudson Yards District. When completed, the project will include commercial office space, a residential tower, and a central plaza.

It is expected that New York will continue to maintain a healthy and steady activity, despite construction cost being the second highest in the country.

PHOENIX

The construction market is prospering in the Phoenix area, with crane counts doubling with the last six months. Prominent sectors include residential, education, industrial, hospitality, and mixed-use. Major projects include three mixed-use developments which, combined, will deliver over 500 additional apartment units as well as retail and restaurant space.

Phoenix can expect to continue to show positive activity with several construction projects scheduled to convene this year. Among these, a local university has various projects scheduled to begin, including additional office space, sports facilities, parking, education buildings, and new student housing.

PORTLAND

Crane counts are steady in Portland. The city continues to be dominated by the mixed-use and commercial sectors. The majority of projects within downtown are mixed-use projects comprising of apartment or condo towers with ground floor retail. Most of these projects have sustainable goals up to and including LEED Gold. Most projects also comprise basement parking. Other active sectors include healthcare, hospitality, residential, education and major campus additions at the Nike World HQ.

Exciting new projects continue to line-up as the Portland market adjusts to the boom.

SAN FRANCISCO

The number of cranes in San Francisco remains constant, indicating a steady amount of new projects beginning as existing projects complete their construction. Commercial and mixed-use developments are up substantially while cranes in residential developments have decreased. Despite the decrease, the residential sector continues to claim the highest percentage of cranes in the city, with majority of cranes continuing to be in the Soma area with new additions in Potrero Hill.

San Francisco has experienced a ten percent increase in the cost of construction within the last six months, reflecting increased demand in the area. Large projects, including a \$2.4 billion terminal renovation, multi-million-dollar apartment complexes, and commercial tower developments for companies like Apple and Uber, continue to break ground indicating the growth in San Francisco will continue.

SEATTLE

Seattle's construction market begins to steady after a year of substantial growth (nearly a 50 percent increase in crane counts within a year's time). Multiple sectors remain active, including residential which comprises almost half of the count, followed by mixed-use, commercial, transportation, education, and hospitality. Residential construction is at a decade's high level, as reflected in areas such as West Seattle, Ballard, Capitol Hill, and Denny Triangle, which remain steadfast, while downtown Seattle is comprised of primarily commercial developments.

The forecast for construction is optimistic, with many projects scheduled for completion through 2017 and dozens more scheduled to break ground soon after.

TORONTO

Crane counts are consistent in the Toronto area, with projects being completed just as new projects begin. The residential sector dominates the crane count at 90 percent while commercial projects wind down. Second in the Toronto market is commercial construction, contributing six percent of the crane count throughout the year.

The Toronto construction market will remain active as we anticipate a minor upturn 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, D.C.'s construction market is up from previous counts by over 25 percent. Mixed-use developments lead the counts, followed by hospitality, residential, and public projects. In an attempt to improve upon the local economy and boost tourism, the city has initiated revitalization efforts. Meanwhile, urban development experienced an influx in the construction market, likely due to a surge in young professionals choosing urban lifestyles as they migrate to the area. The concept of hybrid communities has been popularized, resulting in residential communities being accompanied by retail, restaurants, parks, and hotels. The Wharf and Anacostia, two water-front residential developments, are two prime examples of this.

Other developments include the African American Museum, scheduled to open late this year, and the International Spy Museum, which has just begun to break ground and is scheduled to open in 2018.

Up-and-coming developments continue to arise, indicating that Washington, D.C.'s construction market will continue to prosper.

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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