

RLB CRANE INDEX®

North America - Q3 2023

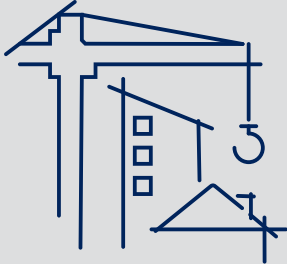


OVERALL STATUS

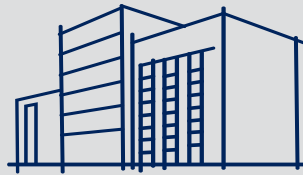


LEGEND

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



The overall crane count has decreased 10%.



Residential cranes are down 13% (or 33 cranes) collectively, in the cities surveyed.



6 of the 14 cities surveyed saw a significant decrease (of greater than 20%) from their previous count.

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 2023 SUMMARY:

There is a slight decline in crane numbers in the second half of 2023 as many projects approach completion. As interest rates continue to rise, private-sector construction is showing signs of slowing down.

This survey reports a nominal decrease of 10% (51 cranes) from our Q1 2023 edition of the RLB Crane Index®. Of the fourteen cities surveyed: six experienced a decrease of greater than 20%; two increased; and six held steady.

Despite the overall downward trend in crane numbers, the residential sector continues to see the most consistent growth, along with mixed-use projects, which make up 72% of the overall count. We anticipate the number of cranes to be steady for the remaining of 2023.

-38%

Los Angeles experiences a 38% decrease (17 cranes) from Q1 2023.



The three top sectors across all cities are Commercial (12%), Mixed-Use (23%), and Residential (49%).

+122%

Boston experiences a significant increase (from 9 to 20 cranes).

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

BOSTON

Despite some signs of a slowing market, construction activity in Boston remains strong, with several new cranes erected in the city, bringing the crane count significantly higher than in Q1 2023. The mixed-use sector continues to dominate the Boston crane count with 65% of the total cranes, and the remainder of the cranes are mostly for multi-family residential developments. Seven new cranes have been erected for mixed-use developments in the Allston/Brighton and Fenway neighborhoods alone. Fenway is expected to ramp up over the next 6-18 months as new, large-scale developments start breaking ground later this year.

CALGARY

While Calgary's crane count is down by one crane since Q1 of this year, the total value of construction work in the first half of 2023 saw an increase of 13 percent, year-over-year, to \$2.98 billion. Construction demand has been high, and 55 percent more requests to redesignate land in Q2 2023 than in the same quarter last year. There's strong growth in housing projects, with five new downtown office-to-residential conversion projects receiving funding, and approximately 45 percent of new housing starts are in multiunit buildings, many of which are designed specifically for rental purposes. With sustained residential construction growth, Calgary has seen a significant increase in non-residential building value in 2023, with \$936 million reported, up 22 percent from \$767 million reported for the previous year.

CHICAGO

There are currently nine structured cranes spread across Chicago's skyline, down just one crane from the previous report. The majority of this construction

is dedicated to residential projects near North Chicago, with a projected 2,320 new residential units being created. The mixed-use residential buildings span from 18 stories to a whopping 75 stories with 4- to 5-story parking structures. Most of the building structures are concrete, with glass curtain walls making up the facades.

DENVER

The Denver crane count experienced a pullback from the previous Q1 2023 high count of 36 cranes to the current count of 24. The reduction is primarily due to numerous residential projects approaching completion or having been completed. However, with the residential sector slowing, contractors and subcontractors will look to other sectors for gains. As interest rates have continued to rise, private-sector construction shows signs of slowing. The construction market may look to the public sector for future relief as funds from sources such as the Infrastructure Investment and Jobs Act and Inflation Reduction Act trickle into the construction market.

HONOLULU

The Honolulu skyline experienced a net decline of two tower cranes, with several new-build projects that have been completed or are nearing completion and taking their cranes down since Q1 2023. Despite the reduced overall count, a robust pipeline of work remains. Since January 2023, four new cranes have been erected in the Kakaako-Ala Moana neighborhood of urban Honolulu for mixed-use residential towers, each exceeding \$250M in construction value. There's been an uptick in construction demand for renovation projects going to construction bid, particularly

in the hospitality sector. While renovation scope does not necessitate tower cranes, the increasing volume of renovation projects and new residential mixed-use development is anticipated to keep large- and mid-size general contractors busy for the next 12-24 months.

LAS VEGAS

Many large construction projects like those at Durango Hotel and Casino, Fountainsbleau, and the Sphere are coming to fruition this year, and there are also several new projects currently in the planning phases in Las Vegas. A potential new baseball ballpark, a new office and warehouse space on South Las Vegas Blvd, and a 125,000-square-foot healthcare and medical office space in North Las Vegas are just a few of the expected projects. Two major projects are set to start in 2024, including the Majestic Las Vegas hotel and a \$600 million renovation of the Las Vegas Convention Center.

LOS ANGELES

The number of cranes in Los Angeles has sharply declined in the second half of 2023, partly due to the lack of major office developments coming online. With the region's low occupancy rates and many residential and mixed-use projects on hold, the tight lender market is having an impact on construction. Infrastructure projects are steadily increasing in construction-in-place value but focus on roadway and underground projects that do not require cranes. Looking forward to the next few years, we expect an uptick in cranes with the upcoming terminal works at LAX and Burbank Airport, among other projects.

NEW YORK CITY

New York City's crane count decreased by 20 percent, down from 10 to eight since the beginning of 2023. Currently, there is one crane in Hudson Yards and seven

cranes between the parameters of 59th Street to 14th Street and 2nd Ave to 12th Ave. With the Hudson Yards development close to completion after ten years of construction, the cranes that historically dominated the skyline in that area have reduced the overall number of cranes in New York City.

PHOENIX

While the total number of cranes has decreased slightly overall this year, with several major projects being completed, several new projects have also started. Two major projects in the healthcare sector were completed, but six new cranes have now been erected since the previous count. Notably, two of those new projects are residential high-rise.

PORTLAND

The Portland crane count has stayed the same since the beginning of 2023. Mixed-use continues to be the most active market sector with cranes erected, but it's worth noting there are several transportation projects in the region whose mobile cranes are not included in this count.

SAN FRANCISCO

San Francisco has seen a significant decrease in crane activity, down to just 11 at the most recent count, primarily due to projects closing out. The completed projects have been mostly mixed-use, education, and commercial projects, and residential projects continue to experience an upswing in anticipation of the imminent housing shortage in the Bay Area. Six of the cranes being reported are dedicated to these new residential projects, while the remainder are found at the Southeast Treatment Plant project. The decrease in the number of tower cranes erected and the filing of crane permits underlines the general slowdown in construction investments and

a more conservative approach to building projects in San Francisco.

SEATTLE

While the Seattle crane count overall is down to 45 in the past six months, it has experienced various ups and downs along the way. There has been an increase in cranes on commercial projects, but it's been offset by decreases in mixed-use and residential projects, resulting in an overall decrease of six cranes. Rainer Valley was the area with the most significant decrease in cranes, with a slight increase in the Capital Hill/Central area. Of the 45 cranes, 36 are brand new since the last count six months ago.

TORONTO

The overall crane count for Toronto remains relatively consistent this year, with just a one percent increase of two cranes since the first quarter. The residential sector continues to see the most consistent growth in crane count, up seven more cranes this quarter, however, the hospitality sector has dropped by four cranes in the past six months. It's worth noting that behind the relatively consistent crane counts, there's been a very active ongoing construction scene, with over 50 new projects introducing cranes in the past six months. Of these new construction projects, 41 are residential projects, 7 are commercial projects, and the remaining three are institutional projects. .

WASHINGTON, D.C.

The construction industry in Washington, D.C., is thriving, with numerous residential projects underway. The NoMA and Union Market neighborhoods, as well as the Navy Yard, are seeing significant growth. Watch for continued development in the Buzzard Point neighborhood near Audi Field.

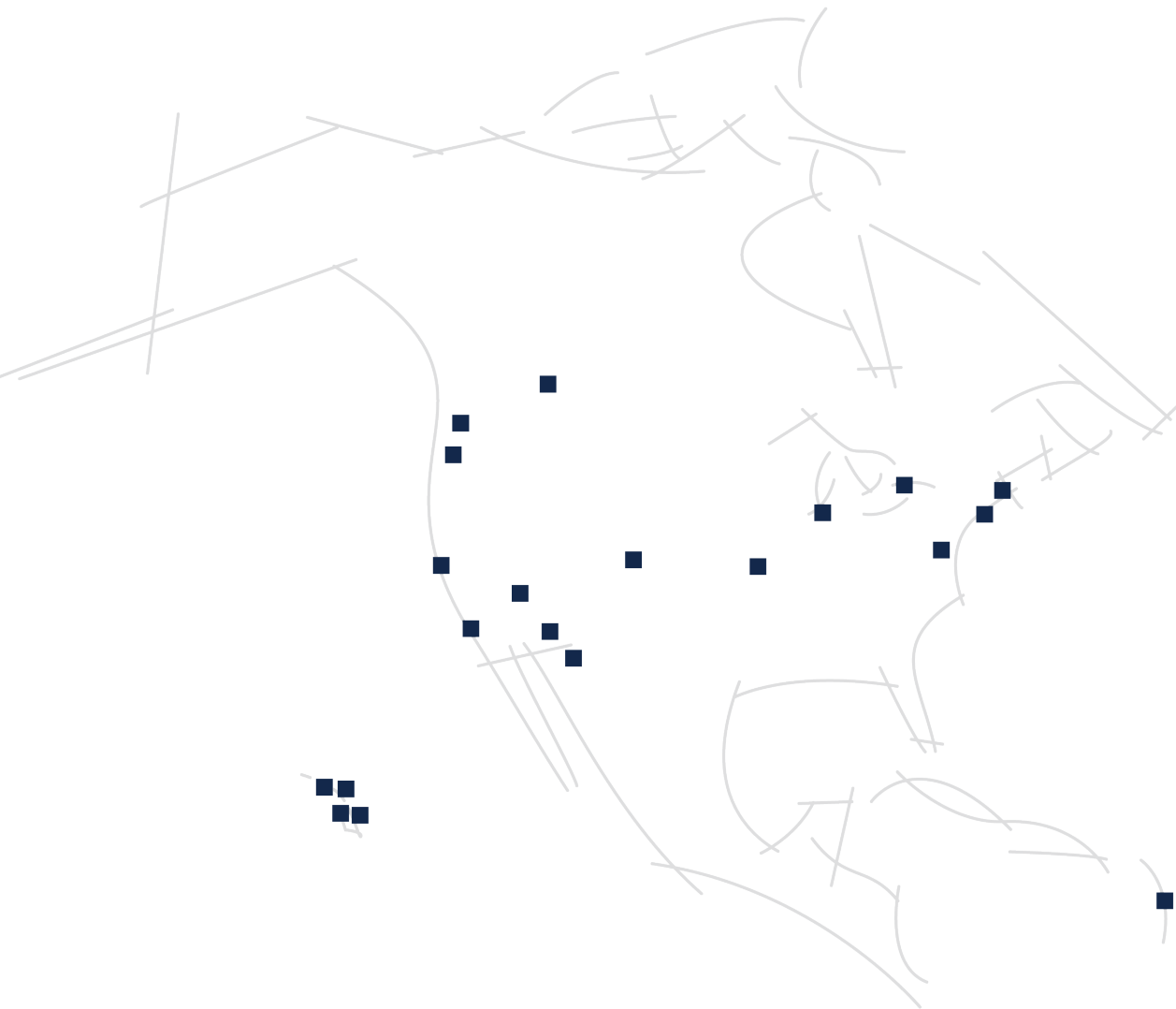
LOCATIONS

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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