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Building Design and Construction

10% of world's skyscraper construction on hold

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Global business in the financing of real estate products has been, and still is, one of the main causes of the current economic crisis. But now the virus has jumped from subprime loans in bank vaults to the building industry – hitting mega-projects in the hundreds of millions of dollars especially severely.

Already in December last year, Emporis, the largest provider of global building data worldwide, reported that 8.7% of all skyscrapers listed as "under construction" in its database had been put on hold. Most of these projects have been halted in the second half of 2008. According to Emporis statistics, the United States had been hit the worst: at the beginning of 2008, "Met 3" in Miami was the only U.S. skyscraper listed as being "on hold". In the second half of the year, 19 projects followed suit.

From January to June this year, the crisis has worsened. Not only have further projects been put on hold, but high-rise construction activity in general has decreased dramatically. According to the Emporis database, there were 1307 skyscrapers under construction in December 2008. Today that number has shrunk to 1165, a drop of nearly 11%. In the same period, the number of skyscrapers on hold worldwide rose from 124 to 141 (an increase of 13.7%). Leading the decline was the United States: eight more tall buildings were put on hold in the U.S. in the first half of 2009, while at the same time overall construction activity slumped. In December 2008, 203 skyscrapers were being built, but by June 2009 that number fell to 151. During this period, only two skyscrapers began construction, one of which, the U.S. Federal Courthouse in San Diego, was a federal building.

But the contagion has also infected other regions. The situation has deteriorated both in Europe (12/2008: 7 out of 117 projects on ice, 6/2009: 11 out of 112) and in South America (12/2008: 2 out of 77 on hold, 6/2009: 6 out of 75). One of the best-known high-rise projects worldwide, the Russia Tower in Moscow—planned to be over 600 meters tall (approx. 1,968.5 feet)—fell victim to the difficult financial situation and dropped out of the statistics. In South America, one of the most ambitious projects in the history of the continent, the "Costanera Project" in Santiago de Chile, has been halted for the time being.

In Asia, it is not so much numbers of projects on hold (12/2008: 84 out of 840, 6/2009: 87 out of 764) that point to a construction crisis, but more the decrease in construction activity as a whole. A drop of 12 percent in the space of half a year only allows for one conclusion: there is still a great deal of construction in China, India and Singapore, but only a few new projects have been started in the last six months. The situation in Australia, however, did not change (12/2008: four out of 36 on hold, same in 6/2009). The overall figures for North and Central America are even more surprising: with the exception of the U.S., construction activity is stable in the region, and the number of skyscrapers on hold has even decreased.

The Statistics in Detail

Region

Europe

Under construction: 112

Skyscrapers on hold: 11

#: 9.8

Asia

Under construction: 769

Skyscrapers on hold: 87

#: 11.3

North America

Under construction: 306

Skyscrapers on hold: 33

%: 10.8

USA

Under construction: 151

Skyscrapers on hold: 29

%: 19.2

South America

Under construction: 75

Skyscrapers on hold: 6

%: 8

Australia

Under construction: 39

Skyscrapers on hold: 4

%: 10.2

Overall Totals

Under construction: 1306

Skyscrapers on hold: 141

%: 10

Construction Activity worldwide (adjusted)

December 2008: 1307 June 2009: 1165 Decrease: 11.2%

Construction Activity USA (adjusted)

December 2008: 182 June 2009: 122 Decrease: 33%

Definition: Skyscraper: According to Emporis Standards, a skyscraper is a multistory building whose architectural height is at least 100 meters (approx. 328 feet).

Definition: Construction activity: Construction activity encompasses all buildings under construction within a specific region. In this context "adjusted" means that buildings set to the status "on hold" were taken out of the statistics.

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