Construction Market and CM Development Trends in Japan

CONTENTS OF THE PRESENTATION

CONSTRUCTION MARKET TRENDS

TOHOKU RECOVERIES FROM CMAJ PERSPECTIVE

CMAJ ACTIVITIES IN 2013
Construction Expenditure – GDP

Construction Expenditure

- Total Expenditure
- Building
- Residential
- Non-Residential
- Heavy Civil
- GDP (Real)
- GDP (Nominal)

Year: 1984 to 2013

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Construction Expenditure/Population – Population by generation

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一般承造業のランキング

General Contractors Ranking by Daily Engineering and Construction News (Japan)
Revenue of Top 15 Contractors

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Revenue by Discipline of Top 15 Contractors

Revenue by Discipline of Top 15 Contractors

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Heavy Civil Revenue of Top 15 Contractors

Heavy Civil Revenue

Shimizu
Taisei
Obayashi
Kajima
Takenaka
Toda
Penta Ocean
Maeda
Haseko
Sumitomo Mitsui
Fujita
Nishimatsu
Tokyu
Kumagai-gumi
Okumura-gumi

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Profit After Tax of Top 15 Contractors

Shimizu
Taisei
Obayashi
Kajima
Takenaka
Toda
Penta Ocean
Maeda
Haseko
Sumitomo Mitsui
Fujita
Nishimatsu
Nishimatsu
Okumura-gumi
Kumagai-gumi

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Project Profit Ratio of Top 15 Contractors

Shimizu  Taisei  Obayashi  Kajima  Takenaka  Toda  Penta Ocean  Maeda  Haseko  Sumitomo Mitsui  Fujita  Nishimatsu  Nishimatsu  Tokyu  Kumagai-gumi  Okumura-gumi

Project Profit Ratio

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The 2011 earthquake off the Pacific coast of Tohoku

- March 11, 2011, at 14:46 JST
- Epicenter; approximately 70 kilometers east of the Oshika Peninsula of Tohoku
- Hypocenter; depth of approximately 30 km underwater
- The world Fifth most powerful earthquake (since modern record-keeping began in 1900)
- Powerful Tsunami waves, triggered by the earthquake, reached heights of up to 40.5 meters in Miyako in Tōhoku's Iwate Prefecture, and which, in the Sendai area, travelled up to 10 km inland.
The 2011 earthquake off the Pacific coast of Tohoku

– Human Damages as of Sep 2012, across twenty prefectures
  – Death; 15,883
  – Missing; 2,643
  – Injured; 6,150

– Infrastructure Damages
  – Collapsed; 129,225 buildings
  – Half Collapsed; 254,204 buildings
  – Partially Damaged; 691,766 buildings
  – Heavy damages on Roads, Railways, Airports, Ports, and Dams
Recoveries by individuals and locals

9 Prefectures and 227 cities, towns, and villages are required to establish own Recovery Plan

– Individuals need to re-start by themselves with limited supports from Government.
– Municipalities’ recovery plan with relocation idea to higher altitude delayed.
– Industries are utilizing Government support funds to re-start their works. Further supports are needed.
– Anti Tsunami Seawalls; Prefectures to build anti-Tsunami seawall along the Pacific coast, approx. 370 km long
– After 3 years, still not fully recovered yet.
Recoveries by Ministry of Land, Infrastructure, Transport and Tourism

MLIT has commenced their own recovery programs through Tohoku Regional Development Bureau.

– Anti Tsunami Seawall; On behalf of Miyagi Prefecture, MLIT is managing 32 km seawall construction at South Sendai Bay area.

– Sanriku Coastal Expressway; under Tohoku Recovery Road program, MLIT applied Project Acceleration PPP, an innovative procurement method, to this 391 km new expressway construction, connecting Sendai and Hachinohe
Recoveries under Urban Renaissance Agency

Urban Renaissance Agency; One of Incorporated Administrative Agencies under MLIT
– MOU/Cooperative Agreement with 20 disaster-affected municipalities and Fukushima prefecture
– Provides Client Agent services on Recovery programs
– 24 Urban Zone Redevelopment program and 45 Disaster Recovery Public Housing program (total 2,969 units) have been commenced to date.
– Awarded 13 “Construction Management At Risk” projects, and 2 Agent CM programs on Urban Zone Redevelopment program to date
CMAJ Award

CMAJ Award; Only one CM services award in Japan, started in 2013

– Awarded a First Prize, a Special Prize, and 16 prize winners in 2013
– Projects using CM practice are eligible for CMAJ award
– Applicant team may include CMr, Client, Designer, Engineer, and Contractor
– Independent judging committee, consists of 9 members, established for the program
– CMAJ Award 2014 is under examination, to be publicized in May 2014
CCMJ Certification Program

Certified Construction Manager of Japan; Certification issued by CMAJ through qualification exam

– Only one CM certification in Japan
– First license issued in 2004
– 591 license holders to 2013, and 47 license holders newly added in 2014
– Annual Qualification Exam held in August
– 175 candidates participated in 2013, and 58 passed the exam
– CPD(Continuing Professional Development) is required to maintain CCMJ certification
CM School Program

Restarted in 2012, after 3 years closure.
“New” CM School focused on following points;
  – Targets = personal participation, not company client.
  – Target level = 3-5 years experienced CMs, not beginners or experts
  – Style = 1 full day course on weekend, not on weekday
  – Frequency = Once a month, total 9 courses a year.
  – Themes = One theme on each course
  – Contents = Simulations of “professional” experiences, through “Workshop” style discussion
CMAJ Forum; a lecture meeting hosted by CMAJ, started in 2006.

- Initial purpose; Providing CM skills & knowledge, networking opportunities, and other services to CMAJ members (started “member only” event)
- Hosted 48 lectures to date, accepting non-members as well
- Most recent CMAJ Forum on Feb 24; Dr. Ozawa of University of Tokyo presented his involvements on Tohoku Recoveries CM at Risk program.
- 40 – 100 attendees per each, including branch members through internet TV conference system
Members’ Networking event started in 2013.

- 3 events have been held to date.
- Plan to have 5-9 events in 2014.
- Applying “World Café” style dialogue, which is an innovative way to host a dialogue on selected theme with many attendees
- Encouraging new members to join
- Expecting attendees having further involvements in other CMAJ events
CM Liability Insurance Program

Insurance program custom made for CMAJ members who provide CM services to their clients.

– Only one Insurance program for CM services in Japan
– Established by CMAJ, with cooperation of Tokio Marine & Nichido Fire Insurance Co., Ltd. and other insurance companies
– Covering CM triggered risks, re-work of project participants, indemnities for delay in operation of Client, and third party liabilities
– Limited to the CM services equivalent to CMAJ’s standard ‘Scope of Work’ specified in ‘CMAJ Standard CM Contract’