

**MEDIA RELEASE**

## **CONSTRUCTION DEMAND TO REMAIN STRONG FOR 2025**

- *Outlook for construction demand in the medium-term expected to remain strong due to several large-scale development projects*
- *Adjustments to the CORENET X implementation timeline to ensure smoother transition onto the platform*
- *New NEC4 W and Z Clauses launched to support collaborative contracting*

**Singapore, 23 January 2025** – The Building and Construction Authority (BCA) projects the total construction demand, i.e. the value of construction contracts to be awarded, to range between S\$47 billion and S\$53 billion in nominal terms in 2025. Normalised to real values, 2025's demand is projected to range between \$35 billion and \$39 billion, which is between 0.3% to 11.7% higher than pre-COVID levels in 2019.

2 The strong demand is underpinned by the expected award of contracts for several large-scale developments, such as Changi Airport Terminal 5 (T5) and the expansion of the Marina Bay Sands Integrated Resort, alongside public housing development and upgrading works. Other contributors include high-specification industrial buildings, educational developments, healthcare facilities, Mechanical and Engineering contracts for the Thomson-East Coast Line Extension (TEL) and Cross Island Line (CRL), and infrastructure works for the Woodlands Checkpoint extension and the Tuas Port.

### **Preliminary Actual Construction Demand for 2024**

3 The preliminary total construction demand for 2024 reached S\$44.2 billion in nominal terms, exceeding BCA's mid-year revised forecast of between S\$35 billion to S\$41 billion. This was mainly attributed to the rolling out of more public institutional projects, as well as public and private housing projects.

**Forecast for 2026 to 2029**

4 Over the medium-term, BCA expects the total construction demand to reach an average of between S\$39 billion and S\$46 billion per year from 2026 to 2029.

5 The medium-term demand will continue to be supported by developments such as T5, a steady pipeline of public housing developments, MRT projects such as the Cross Island Line (Phase 3) and the Downtown Line Extension to Sungei Kadut, Integrated Waste Management Facility (Phase 2), Tengah General and Community Hospital, Siglap South Integrated Development, Woodlands North Coast industrial estate, redevelopment of various Junior Colleges, commercial building redevelopments, and other urban rejuvenation developments.

6 While the medium-term construction demand is projected to be robust, the schedules and phasing of projects are subject to change, particularly due to potential unforeseen risks arising from an uncertain global economic climate. Furthermore, as the T5 development is likely to be a one-off exceptional project over the medium term, overall industry demand could eventually moderate after this period.

**Construction Output**

7 Based on the contracts awarded in the past few years and the construction demand forecast for 2025, total nominal construction output is projected to increase to between S\$39 billion and S\$42 billion in 2025, up from the preliminary estimate of about S\$38.4 billion in 2024. The anticipated uptrend is expected to be supported by the increase in actual construction demand over the last few years and the expected increase in 2025 construction demand. Normalised to real values, total construction output in 2025 is projected to range between \$30 billion and \$32 billion, which is slightly higher than that in 2019.

Year	Construction demand* (nominal, S\$ billion)	Construction Output^ (nominal, S\$ billion)
2024p	44.2	38.4
2025f	47 – 53	39 - 42
2026f – 2029f	39 – 46 per year	–

*p: Preliminary; f: Forecast*

*\*Construction demand: Value of contracts awarded*

*^Construction output: Value of certified progress payments*

**Adjustments to CORENET X Implementation Timeline**

8 Against the backdrop of robust demand projections, Singapore's Built Environment sector will continue its transformation efforts to achieve better outcomes through better coordination and increased productivity. A key component in this transformation effort is CORENET X, a one-stop digital platform for integrated regulatory submissions for building works.

9 Over the past year, the regulatory government agencies have been working closely with industry partners and practitioners on CORENET X. Feedback from industry has been useful in refining the processes and the platform. Many firms have invested resources and successfully submitted their projects via CORENET X during the voluntary submission phase. The hands-on experience gained from going through the new regulatory processes in actual projects were invaluable in strengthening collaboration amongst project teams and fostering better understanding of the new CORENET X requirements. Insights gleaned from these projects also helped project parties to review their internal processes to be able to leverage CORENET X for more streamlined workflows across the value-chain.

10 We recognise that CORENET X entails significant changes to existing workflows, and that some firms need more time to adjust internal processes and familiarise themselves with the new requirements. In addition, smaller consultancy firms may not have had sufficient projects to try out the new processes during the voluntary submissions phase. Hence, the implementation timeline will be adjusted as follows. More details can be found in the industry circular at <https://go.gov.sg/cxcirculars>.

Date	Implementation
1 October 2025	Mandatory CORENET X submission for <b>all new projects with Gross Floor Area (GFA) ≥ 30,000m<sup>2</sup></b>
1 October 2026	Mandatory CORENET X submission for <b>all new projects, regardless of GFA</b>
1 October 2027	Mandatory onboarding to CORENET X <b>for all ongoing projects</b>

11 For smaller-sized new projects with GFA below 30,000m<sup>2</sup>, we encourage project teams to take the opportunity to make submissions through CORENET X ahead of the mandatory timelines to familiarise themselves with the new process and submission portal (refer to Annex A for more information on CORENET X).

**Launch of new NEC4 W and Z Clauses to Support Collaborative Contracting**

12 Aside from CORENET X, the Built Environment sector is also fostering closer collaboration via collaborative contracting. Collaborative contracting is a mechanism that facilitates deeper collaborations amongst developers, consultants and builders. Collaborative contracting provides a framework that allocates risks and gains more equitably. It aligns the incentives of parties, builds trust, and encourages everyone to work towards better project outcomes.

13 In 2024, BCA, together with NEC<sup>1</sup>, launched an additional set of contract clauses (“Y clauses”) to adapt the NEC4 contract form<sup>2</sup> with Singapore’s laws. To further support the adoption of NEC4 contracts in Singapore, BCA has further developed additional clauses (“W and Z clauses”) that incorporate local dispute resolution protocols, current Government procurement rules, and established local industry practices (refer to Annex B for more information on NEC4).

Clause	Details
W clauses	Dispute resolution options incorporating local dispute resolution protocols and practices, such as the Singapore Infrastructure Dispute-Management Protocol 2018 (SIDP) and appointment of Senior Representatives for dispute resolution.
Z clauses	Additional conditions of contract for project-specific requirements that take into consideration public sector procurement requirements and local practices. This includes the use of eGuarantee template, Progressive Wage Mark requirements and suitable project response timelines.

<sup>1</sup> NEC is a division under Thomas Telford Ltd, the commercial arm of the Institution of Civil Engineers (ICE), the owner and developer of NEC suite of contracts.

<sup>2</sup> The NEC4 contract is the latest edition of a suite of collaborative contracts for construction and facilities management projects.

15 Firms may download these clauses alongside other resources from BCA's website to kickstart your collaborative contracting journey. In addition, BCA Academy, industry associations (e.g. the Society of Construction Law), and Institutes of Higher Learning (e.g. Singapore University of Social Sciences), and other training providers have introduced programmes to build up the relevant skills and competencies in collaborative contracting among firms.

---

**Issued by the Building and Construction Authority on 23 January 2025**

**Factsheets:**

**Annex A – Updates to CORENET X Implementation Timeline**

**Annex B – Factsheet on NEC4 Contract**

**About Building and Construction Authority (BCA)**

The Building and Construction Authority (BCA) champions the development and transformation of the Built Environment sector, in order to improve Singapore's living environment. BCA oversees areas such as safety, quality, inclusiveness, sustainability, and productivity, all of which, together with our stakeholders and partners, help to achieve our mission to transform the Built Environment sector and shape a liveable and smart built environment for Singapore. For more information, visit [www1.bca.gov.sg](http://www1.bca.gov.sg).