

MEDIA RELEASE

PUBLIC SECTOR PROJECTS TO SUSTAIN CONSTRUCTION DEMAND IN 2015

Singapore, 8 January 2015 – Construction contracts for the built environment sector is expected to reach between \$29 billion to \$36 billion in 2015, given a sustained pipeline of public sector projects. This follows an exceptionally strong performance in 2014 where the total construction demand set a new record of \$37.7 billion, fuelled by a higher volume of institutional and civil engineering construction contracts. Such projects include Sengkang General and Community Hospitals, Tampines Town Hub project and the award of various major contracts for the construction of Thomson-East Coast MRT Line as well as land preparation works for the upcoming Changi Airport development.

Outlook for 2015

2. This year, public sector projects are expected to account for an estimated 60% or \$18 billion to \$21 billion of the total construction demand. However, while public housing projects are anticipated to moderate this year in consideration of a more stabilised public housing market, public construction demand will remain stable due to an increase in industrial projects and the sustained pipeline of institutional and civil engineering works.

3. Meanwhile, private sector construction demand is anticipated to moderate to between \$11 billion to \$15 billion compared to \$18 billion in 2014 as developers may adopt a cautious stance amid a slowdown in private home sales and global economic uncertainties. Nevertheless, the slowdown is likely to be cushioned by a rise in private sector civil engineering projects such as the proposed infrastructure works for the development of the Changi East Runway 3. *(Please refer to Annex A for details on construction demand).*

Forecast for 2016 to 2019

4. The average construction demand is expected to be sustained between \$27 billion to \$36 billion¹ in 2016 and 2017 and \$26 billion to \$37 billion in 2018 and 2019 per annum, in view of mega public sector infrastructure projects required to meet the long-

¹ Demand forecast beyond the immediate 1 year will be done on a rolling basis to take into account subsequent changes in economic outlook and other pertinent factors.

term needs of our population and maintain the competitive advantage of Singapore's economy.

Table: Review and Outlook for Construction Demand (Year 2014 - 2019)

Year	Construction Demand (Value of Contracts Awarded)		
	Public	Private	Total
2014 _p	\$19.7 billion	\$18.0 billion	\$37.7 billion
2015 _f	\$18-21 billion	\$11-15 billion	\$29-36 billion
2016-2017 _f	\$16-20 billion per year	-	\$27-36 billion per year
2018-2019 _f	(60% from building projects & 40% from civil engineering projects)		\$26-37 billion per year

p: Preliminary f: Forecast

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About BCA

The Building and Construction Authority (BCA) of Singapore champions the development of an excellent built environment for Singapore. BCA's mission is to shape a safe, high quality, sustainable and friendly built environment, as these are four key elements where BCA has a significant influence. In doing so, it aims to differentiate Singapore's built environment from those of other cities and contribute to a better quality of life for everyone in Singapore. Hence, its vision is to have "a future-ready built environment for Singapore". Together with its education arm, the BCA Academy BCA works closely with its industry partners to develop skills and expertise that help shape a future-ready built environment for Singapore. For more information, visit www.bca.gov.sg.

Annex A

Contracts Awarded (Excl. Reclamation) by Sector & Type of Work

Billion Dollars (SGD)

	2010	2011	2012	2013	2014 (Preliminary)	2015 (Forecast)
Both Sectors	27.56	35.49	30.76	35.80	37.73	29.0 - 36.0
Building Work	24.54	28.75	25.95	28.86	27.52	19.4 - 23.4
<i>Residential</i>	11.49	15.30	11.85	15.96	10.90	6.6 - 7.9
<i>Commercial</i>	3.24	4.21	2.99	3.73	3.80	2.0 - 2.5
<i>Industrial</i>	4.79	6.22	6.42	5.49	5.63	5.1 - 6.3
<i>Institutional & Others</i>	5.03	3.02	4.70	3.68	7.18	5.7 - 6.8
Civil Engineering Work	3.02	6.74	4.81	6.94	10.22	9.7 - 12.7
Public Sector	8.55	15.28	9.52	14.89	19.74	18.0 - 21.0
Building Work	6.36	9.15	7.40	9.37	10.94	10.5 - 12.7
<i>Residential</i>	2.81	6.23	3.33	6.38	4.99	3.4 - 3.8
<i>Commercial</i>	0.18	0.05	0.10	0.06	0.13	0.1 - 0.1
<i>Industrial</i>	1.07	0.48	0.31	0.31	0.63	2.1 - 2.8
<i>Institutional & Others</i>	2.30	2.38	3.66	2.62	5.20	4.9 - 5.9
Civil Engineering Work	2.19	6.13	2.12	5.51	8.80	7.5 - 8.3
Private Sector	19.02	20.21	21.24	20.92	17.99	11.0 - 15.0
Building Work	18.18	19.60	18.55	19.49	16.57	8.9 - 10.7
<i>Residential</i>	8.68	9.07	8.51	9.58	5.91	3.2 - 4.0
<i>Commercial</i>	3.06	4.16	2.89	3.66	3.67	1.9 - 2.3
<i>Industrial</i>	3.72	5.74	6.11	5.18	5.01	3.1 - 3.5
<i>Institutional & Others</i>	2.73	0.64	1.04	1.06	1.99	0.8 - 0.9
Civil Engineering Work	0.83	0.61	2.69	1.43	1.42	2.2 - 4.4

Source : Building and Construction Authority, Singapore, as at 8 January 2015