

MEDIA RELEASE

SINGAPORE'S TOTAL CONSTRUCTION DEMAND TO REMAIN STRONG THIS YEAR

- Projected total construction demand in 2019 could be in the upper limit of S\$32 billion

Singapore, 14 January 2019 – The Building and Construction Authority (BCA) projects the total construction demand (i.e. the value of construction contracts to be awarded) in 2019 to range between S\$27 billion and S\$32 billion, comparable to the S\$30.5 billion (preliminary estimate) awarded in 2018.

2. The projected outlook is due to sustained public sector construction demand, which is expected to reach between S\$16.5 billion and S\$19.5 billion in 2019, contributing to about 60% of the projected demand for this year. Public construction demand is expected to be boosted by major infrastructure projects and a pipeline of major industrial building projects.
3. The private sector's construction demand is expected to remain steady at between S\$10.5 billion and S\$12.5 billion in 2019, supported by projects including the redevelopment of past en-bloc sales sites concluded prior to the second half of 2018 and new industrial developments.
4. Last year's total construction demand was within forecast due to strong demand from institutional building and civil engineering projects, continued positive growth in the manufacturing sector and more private residential redevelopment projects from en-bloc sales in 2017 and the first half of 2018. Total preliminary construction demand last year for the public and private sector was S\$18.4 billion and S\$12.1 billion respectively.

Forecast for 2020 to 2023

5. BCA expects a steady improvement in construction demand over the medium term. Demand is projected to reach between S\$27 billion and S\$34 billion per year for 2020 and 2021 and could increase to between S\$28 billion and S\$35 billion per year for 2022 and 2023.

6. The public sector is expected to contribute S\$16 billion to S\$20 billion per year from 2020 to 2023 with similar proportions of demand coming from building projects and civil engineering works. Besides public residential developments, public sector construction demand over the medium term will continue to be supported by big infrastructure projects such as the Cross Island Line, developments at Jurong Lake District and Changi Airport Terminal 5.

7. BCA also expects private sector construction demand to gradually increase in the medium term, boosted by further growth in the other economic sectors.

Construction Output

8. Based on the contracts awarded in the past few years and the construction demand forecast for 2019, total nominal construction output in 2019 is projected to increase to between S\$28 billion and S\$30 billion, compared to the estimated S\$27 billion in 2018. This is supported by the improved construction demand in 2018 following the 2015-2017 slowdown.

Year	Construction demand (Value of contracts awarded, S\$billion)			Construction Output (Value of certified progress payments, S\$billion)
	Public	Private	Total	Total
2018p	18.4	12.1	30.5	27
2019 f	16.5 – 19.5	10.5 – 12.5	27 – 32	28 – 30
2020 – 2021 f	16 – 20 per year	11 – 14 per year	27 – 34 per year	
2022 – 2023 f		12 – 15 per year	28 – 35 per year	

p: Preliminary f: forecast

Innovation to accelerate and transform the way we build

9. As we continue to push for the adoption of advanced construction methods in both public and private sector projects to improve productivity and enhance infrastructure sustainability and maintainability, firms are encouraged to invest in technology and innovation which will enable them seize future opportunities. To help firms do so, BCA will expand the Building Innovation Panel (BIP) – an inter-agency platform that accelerates the regulatory clearance of technologies that improve construction productivity – to cover any type of innovation that can improve Singapore’s built environment. Such innovations can include advanced and sustainable building materials, technologies for green buildings and automation for construction.

10. The enhanced BIP will be implemented in February 2019 and benefit Singapore’s built environment by supporting the innovation efforts of our firms. Details of the expanded BIP are in the Annex.

Issued by the Building and Construction Authority on 14 January 2019

About Building and Construction Authority (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.

Enhanced Building Innovation Panel

The inter-agency* Building Innovation Panel (BIP) assists firms, which has developed innovative methods, processes and materials that improve construction productivity, in obtaining evaluations by technical agencies expeditiously for their use in projects. Through BIP, innovative and productive technologies such as Prefabricated Prefinished Volumetric Construction (PPVC), Mass Engineered Timber (MET) and Prefabricated Bathroom Units (PBU) have been granted In-Principle Acceptance (IPA) for use in building projects in Singapore.

* Agencies include BCA, LTA, MOM, NEA, PUB, SCDF, and URA. In addition, non-regulatory agencies, HDB and JTC, are included to provide user perspective during evaluation.

2 In 2019, the BIP will be enhanced to include innovative construction solutions that will improve Singapore's built environment – beyond productivity – to meet our Construction ITM objectives.

3 The enhanced BIP will:

- i. identify innovative technologies for use in construction projects by tracking new innovations, and conducting focus group discussions with the industry to identify trends and promote adoption of such innovative technologies;
- ii. support innovative technologies across the value chain, from upstream research to technology deployment. For example, BIP can help match inventors of promising new construction innovation with a progressive builder/developer, so that it can be implemented in an actual project and eventually, across the industry; and
- iii. be a platform for multi-agency regulatory approval of the use of these innovative technologies, i.e., allow multiple agencies' evaluation and approval of innovative technologies expeditiously.

4 Under the enhanced BIP, a Steering Committee will be formed, comprising representatives from the Trade Associations and Chambers (TACs), to give broad strategic directions for innovation in construction and align construction technology development to the objectives of the Construction Industry Transformation Map (ITM). The Steering Committee will be supported by three work streams:

- i. *Technology Assessment Committee* focuses on innovations that are ready for implementation in projects and their regulatory approval.
- ii. *Research & Innovation Committee* focuses on innovations requiring further R&D, and conducts proactive scanning and identification of innovations. It will

- also engage the relevant regulatory agencies early, in the R&D of innovative materials, products and technologies by our research entities and companies.
- iii. *Inter-Agency Coordinating Committee* helps to resolve any regulatory conflicts – that may arise from the use of innovative technologies in a project – among government agencies.

For more info, please visit <https://www.bca.gov.sg/cpc/BIP.html>.