

MEDIA RELEASE

PROMISING OUTLOOK FOR CONSTRUCTION SECTOR DEMAND IN 2011

1. Riding on strong economic growth, Singapore's construction demand¹ increased by 14% year-on-year from \$22.5 billion in 2009 to \$25.7 billion in 2010. For 2011, Singapore's construction demand is projected to reach between \$22 billion and \$28 billion, reflecting a continued and sustained workload.

2. For 2011, public sector demand for construction is likely to strengthen to between \$12 billion and \$15 billion, contributing about 55% to the overall construction demand. The rebound is anticipated to mainly come from growth in public sector institutional construction demand (e.g. Institute of Technical Education (ITE)'s third regional campus at Ang Mo Kio, development of Jurong General Hospital with a community hospital at Jurong East, redevelopment of Victoria Theatre and Victoria Concert Hall at Empress Place) as well as stronger public sector civil engineering construction demand led by Land Transport Authority (LTA)'s Downtown MRT Line Stage 3 contracts.

3. The private sector construction demand is expected to moderate from the preceding year's level of \$17.4 billion to between \$10 billion and \$13 billion in 2011, reflecting more cautious industry sentiments among developers amidst a more moderate economic outlook. Private sector residential construction demand is projected to moderate to between \$5.1 billion and \$6.1 billion from 2010's contracts of \$7.7 billion. Private sector commercial construction demand is likely to be backed by a buoyant office space demand and vibrant retail sector, while high-specification and state-of-the-art buildings will dominate the private sector

¹ Construction demand is measured by total value of construction contracts awarded. All construction demand figures stated here exclude reclamation projects.

industrial construction sector. (Please refer to factsheet in Annex A for details on construction demand).

4. To facilitate the industry in project and resource planning for the medium term, BCA has been providing the construction demand forecast beyond the immediate year on a rolling basis since 2009. For 2012 and 2013, the average construction demand is projected to range between \$19 billion and \$26 billion² per annum. The public sector construction demand is likely to reach between \$9 billion and \$12 billion per year in 2012 to 2013, with about 65% of the total demand coming from building projects while the remaining 35% from civil engineering projects.

5. The total construction output³ (payment made for work done) is estimated to moderate from a record high of \$31 billion in 2009 to about \$27 billion in 2010, as a result of the completion of a number of major projects including the two integrated resorts, Resorts World Sentosa and Marina Bay Sands. In view of the moderation in construction demand since 2009, the level of on-site construction activity or output is projected to range from \$24 billion to \$26 billion in 2011 and from \$20 billion to \$27 billion per year in 2012-13.

Year	Construction Demand (Value of Contracts Awarded)			Construction Output (payment made for work done)
	Public	Private	Total	
2010	\$8.3 billion	\$17.4 billion	\$25.7 billion	\$27 billion
2011	\$12 to 15 billion	\$10 to 13 billion	\$22 to 28 billion	\$24 to 26 billion
2012	\$9 to 12 billion per year	-	\$19 to 26 billion per year	\$20 to 27 billion per year
2013	(65% from building projects & 35% from civil engineering projects)			

Table: Review and Outlook for Construction Demand & Output (Year 2010-2013)

² 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.

³ Construction output is measured by total value of certified progress payments.

Annex A

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

Billion Dollars

	2008	2009	2010 (Preliminary Actual)	2011 (Forecast)		
Both Sectors	35.7	22.5	25.7	22.0	-	28.0
Building Work	27.1	13.5	23.0	15.0	-	19.5
<i>Residential</i>	<i>11.1</i>	<i>6.7</i>	<i>10.7</i>	<i>7.9</i>	-	<i>9.4</i>
<i>Commercial</i>	<i>8.5</i>	<i>1.6</i>	<i>2.9</i>	<i>2.2</i>	-	<i>3.1</i>
<i>Industrial</i>	<i>3.7</i>	<i>2.0</i>	<i>4.3</i>	<i>2.0</i>	-	<i>3.3</i>
<i>Institutional & Others</i>	<i>3.8</i>	<i>3.1</i>	<i>5.3</i>	<i>3.0</i>	-	<i>3.7</i>
Civil Engineering Work	8.6	9.0	2.7	7.0	-	8.5
Public Sector	15.5	13.9	8.3	12.0	-	15.0
Building Work	7.8	5.7	6.3	5.6	-	7.2
<i>Residential</i>	<i>4.7</i>	<i>2.8</i>	<i>3.0</i>	<i>2.8</i>	-	<i>3.3</i>
<i>Commercial</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	-	<i>0.1</i>
<i>Industrial</i>	<i>0.1</i>	<i>0.2</i>	<i>1.0</i>	<i>0.2</i>	-	<i>0.7</i>
<i>Institutional & Others</i>	<i>2.9</i>	<i>2.6</i>	<i>2.2</i>	<i>2.5</i>	-	<i>3.1</i>
Civil Engineering Work	7.7	8.2	2.0	6.4	-	7.8
Private Sector	20.2	8.6	17.4	10.0	-	13.0
Building Work	19.3	7.8	16.7	9.5	-	12.3
<i>Residential</i>	<i>6.4</i>	<i>3.9</i>	<i>7.7</i>	<i>5.1</i>	-	<i>6.1</i>
<i>Commercial</i>	<i>8.3</i>	<i>1.6</i>	<i>2.7</i>	<i>2.1</i>	-	<i>3.0</i>
<i>Industrial</i>	<i>3.7</i>	<i>1.8</i>	<i>3.3</i>	<i>1.8</i>	-	<i>2.6</i>
<i>Institutional & Others</i>	<i>0.9</i>	<i>0.5</i>	<i>3.1</i>	<i>0.5</i>	-	<i>0.6</i>
Civil Engineering Work	0.9	0.8	0.7	0.5	-	0.7

Source : BCA as at 12 Jan 2011