

Embargoed till 9 January 2014, 10am

MEDIA RELEASE

SINGAPORE’S CONSTRUCTION DEMAND FOR 2014 TO REMAIN STRONG

9 January 2014, Singapore – Contracts for the built environment industry could reach between \$31 billion and \$38 billion this year, driven by strong public housing demand and anticipated higher construction demand for institutional developments and major infrastructure projects. This comes on the heels of the sector’s strong performance in 2013, where total construction demand reached a historical high of \$35.8 billion, exceeding the upper-bound projection of \$34 billion in 2013 by about 5%.

Table: Review and Outlook for Construction Demand & Output

Year	Construction Demand (Value of Contracts Awarded)			Construction Output (Payment made for Work Done)
	Public	Private	Total	
2013p	\$14.8 billion	\$21.0 billion	\$35.8 billion	≈ \$33 billion
2014f	\$19 to 22 billion	\$12 to 16 billion	\$31 to 38 billion	\$34 to 36 billion
2015f	\$14 to 18 billion per year (60% from building projects & 40% from civil engineering projects)	-	\$25 to 34 billion per year	\$29 to 37 billion per year
2016f				

p : Preliminary f: Forecast

2. Public sector projects are expected to contribute to the bulk of the industry’s total demand at close to 60%, or between \$19-22 billion. The expansion will be fuelled by an anticipated higher volume of contracts to be awarded for institutional and civil engineering construction works.

3. Meanwhile, private sector demand is expected to moderate to \$12-16 billion in 2014, compared to \$21 billion last year. The less favourable outlook is in view of the current market volatility amid the Government's multi-pronged approach to stabilise the property market, the substantial supply of completed housing units coming on-stream over the next few years, as well as the scaling back of new Government land sales for the first half of 2014. *(Please refer to Annex A for details on construction demand)*.

4. For 2015 and 2016, average construction demand is projected to be sustained at between \$25–34 billion per annum. 60% of the total demand is forecasted to come from building projects while the remaining 40% is expected to come from civil engineering projects.

5. Total construction output, or payment for work done, was estimated to be about \$33 billion for 2013, supported by stronger on-site activities from the construction of the Marina Coastal Expressway, Downtown MRT Line Stages 2 & 3, and both public and private residential developments. Outlook for on-site construction activities in the following years remains bright at between \$34-36 billion for 2014, and \$29-37 billion annually for 2015 and 2016, given the high level of contracts awarded since 2011.

6. These figures were released by the Building and Construction Authority (BCA) at the annual BCA-REDAS Built Environment and Property Prospects seminar held at the Grand Copthorne Waterfront hotel today. At the event, Guest-of-Honour Mr Lee Yi Shyan, Senior Minister of State for National Development and Trade and Industry, launched BCA's "Quality Mark Homes" mobile application to allow home owners to search for residential developments that are certified under the BCA Quality Mark scheme, a voluntary scheme launched in 2002 to set the standard for workmanship quality in homes *(more details in Annex B)*. Under the scheme, every unit of a residential development is assessed to meet a high standard of construction workmanship before the developers hand over the units to the homeowners. More than 64,000 homes in 283 private residential developments have been assessed or committed for assessment since the launch of the scheme. In 2012, 60% of the private residential units launched that year were committed for the Quality Mark certification.

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 of the Built Environment, 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.

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