



CONSTRUCTION MARKET UPDATE

RIDER LEVETT BUCKNALL SINGAPORE AND REGIONAL REPORT

JUNE 2024

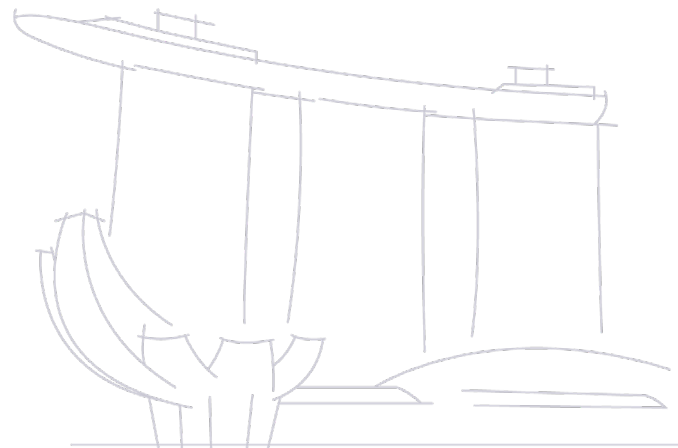
2024
H1

RLB

Rider
Levett
Bucknall

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INTRODUCTION

General Market

The first half of 2024 was characterised by persistent core inflation and ongoing commodity price volatility due to fresh and prolonged geopolitical shocks, with global growth expected to come in at 3.2%, slowing from the 3.3% growth in the preceding year. It remains below the historical average of 3.8% per year.

The International Monetary Fund (IMF) noted that while inflation continued to decline worldwide, it remained “too high” at an annual average of 6.7% in 2023, even as it moderated from 8.7% in 2022. Inflation is expected to continue easing to 5.9% this year and 4.4% in 2025. Some central banks may keep interest rates higher for longer to control inflation, which could in turn weaken global growth as a result of high borrowing costs.

Volatile commodity prices, geopolitical fragmentation, and China's property crisis remain high concerns, even as forecasts continue to point to a soft landing in 2024. The IMF's chief economist added that advances in artificial intelligence have the potential to boost productivity.

Construction Industry

Based on our regional survey on construction cost escalation issues (page 3), material costs and labour availability remain top influences. Interest rates have overtaken wage cost as the third most influential factor in the first half of 2024, reflecting the strain longer-than-anticipated high interest rates have on the region's construction

industry. Wage cost increases and supply chain logistics are tied in the fourth place due to labour supply shortages and geopolitical unrests that threaten the trade routes.

In this report, majority of the region's construction industry continues to reflect largely stabilised material cost in 1Q 2024 compared to the previous quarter, with the exception of Jakarta. Four out of seven cities have reported rising labour costs in the same period, while the rest reported stable but elevated labour costs. This is reflected in the tender price movements reported for 1Q 2024 in the range of -0.5% to 2.8% compared to the same period last year.

Tender price movements in the region are expected to continue escalating in the range of -1.0% to 8.9% in 2024, the wide range due mainly to local tendering climates. The tendering climate is expected to remain competitive, with most cities reporting large-scale developments and infrastructure works in the pipeline and a healthy pool of local and international players vying for the projects. More details can be found in the report.

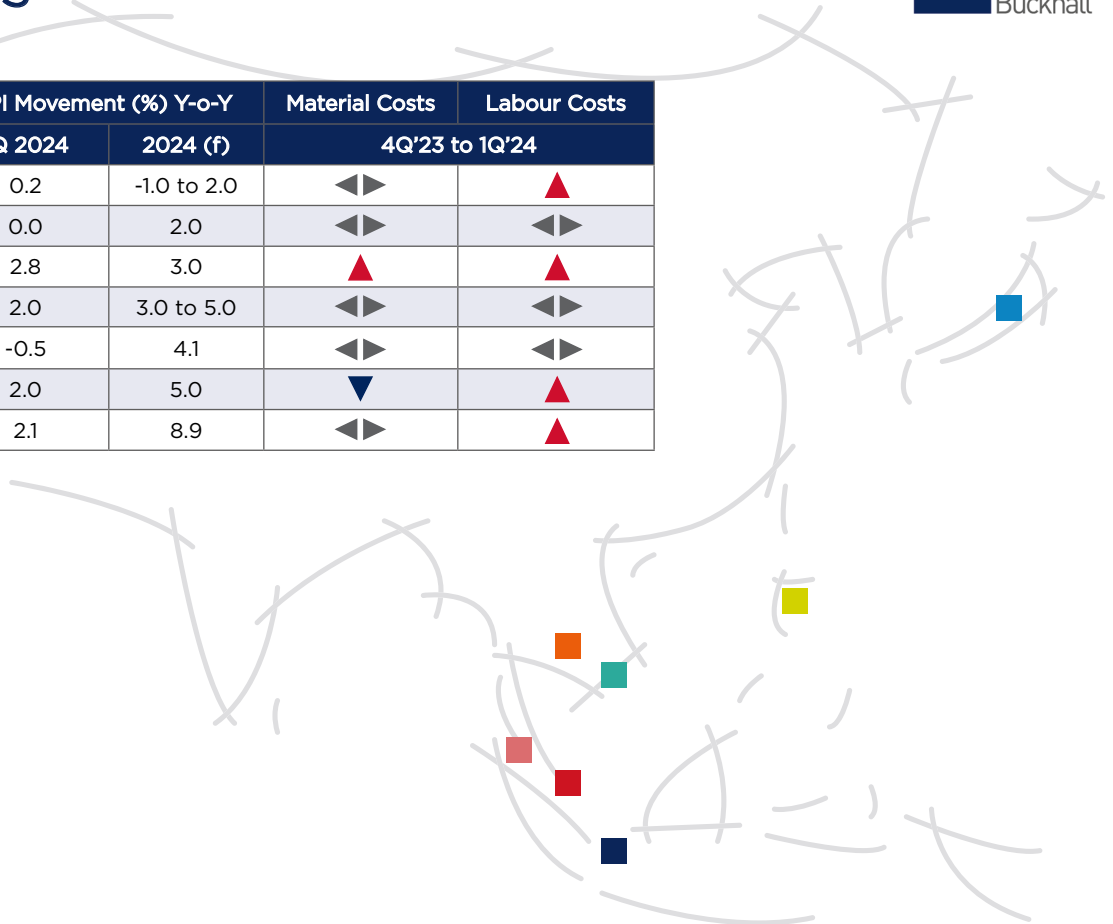
HIGHLIGHTS

	TPI Movement (%) Y-o-Y		Material Costs	Labour Costs
	1Q 2024	2024 (f)	4Q'23 to 1Q'24	
Singapore	0.2	-1.0 to 2.0	◄►	▲
Ho Chi Minh City	0.0	2.0	◄►	◄►
Jakarta	2.8	3.0	▲	▲
Kuala Lumpur	2.0	3.0 to 5.0	◄►	◄►
Phnom Penh	-0.5	4.1	◄►	◄►
Manila	2.0	5.0	▼	▲
Tokyo	2.1	8.9	◄►	▲

f: forecast

Legend:

- ▲ Increased
- ◄► Remained
- ▼ Decreased



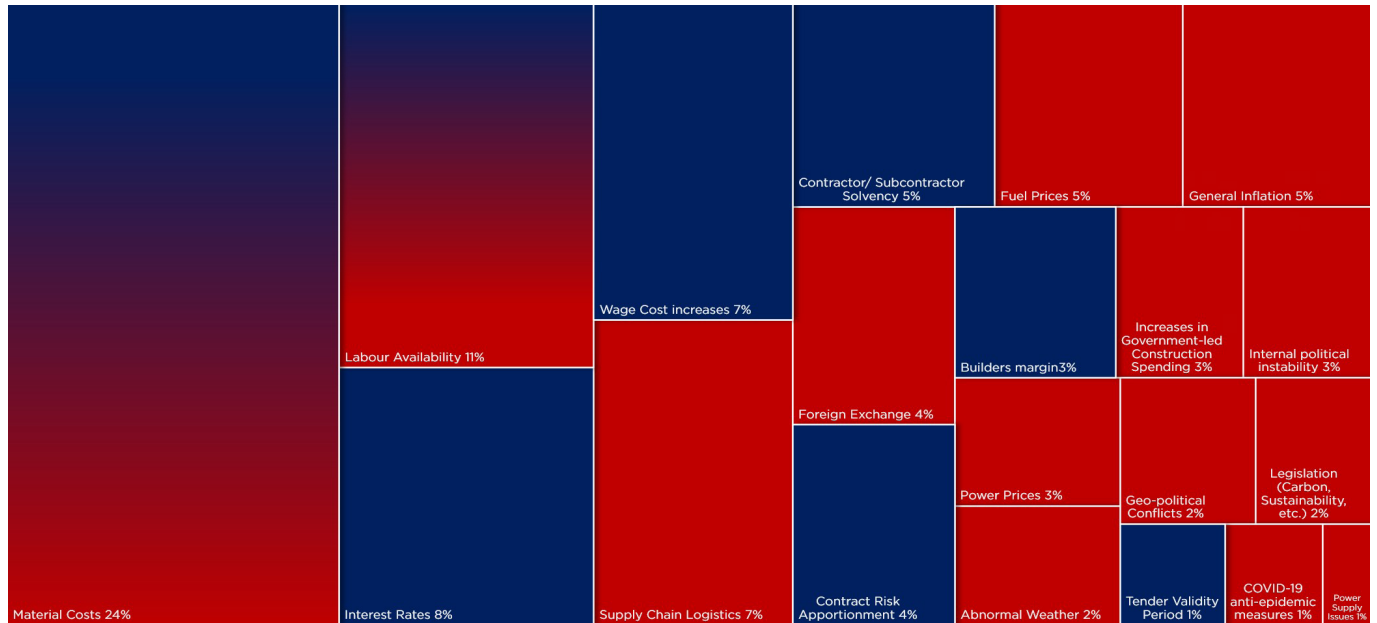
HIGHLIGHTS

REGIONAL* CONSTRUCTION INDUSTRY INFLUENCES ON ESCALATION

EXTERNAL AND INTERNAL IMPACTS ON REGIONAL CONSTRUCTION ESCALATION

RED = EXTERNALLY CONTROLLED

BLUE = INTERNALLY CONTROLLED



Note: Percentages in the tree map indicates the weightage of each influence on construction cost escalation.

* Participating countries: Cambodia, Indonesia, Malaysia, Philippines, Singapore and Vietnam.



Velaris Residences, Philippines

SINGAPORE

Construction Market



S\$32b - S\$38b
Construction demand 2024(f)
S\$8.2b as at 1Q 2024
S\$33.8b in 2023



-1.0% - 2.0%
TPI 2024(f)
0.2% Y-o-Y in 1Q 2024
5.8% Y-o-Y in 2023



S\$34b - S\$37b
Construction output 2024(f)
S\$9.0b as at 1Q 2024
S\$34.9b in 2023



**Price movement
from 4Q 2023 to
1Q 2024**
Construction material ◀▶
Labour ▲

Economy Indicators



1.0% - 3.0%
GDP 2024(f)
2.7% Y-o-Y in 1Q 2024
1.1% Y-o-Y in 2023



2.5% - 3.5%
Inflation 2024(f)
3.0% Y-o-Y in
1Q 2024
4.8% Y-o-Y in 2023



2.1%
Unemployment rate
2024(f)
2.1% in 1Q 2024
1.9% in 2023



Key construction policies introduced

- Enhancement to Workplace Safety & Health Requirements in Public Sector Construction and Construction-Related Projects called on and after 1 April 2024
- Launch of NEC4 Y(SG) Clauses for NEC4 Contract in Singapore on 1 May 2024
- Changes to Building Control Act 1989, Building Control Regulations 2003, Building Control (Licensing of Builders) Regulations 2008 and Building Control (Composition of Offences) 2012 wef 15 June 2024



Stabilised housing market

- Private housing market show signs of stabilisation with price momentum easing
- Increase in private residential property prices moderated in 1Q 2024 compared to the past 2 years
- Private housing supply introduced in 2024 via Government Land Sales highest since 2013

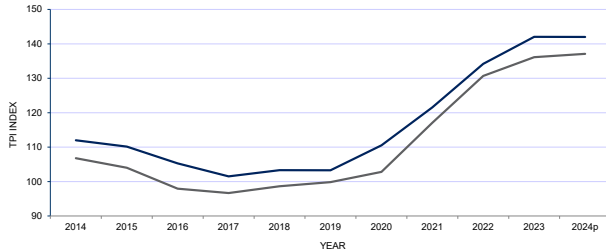


Slowdown of tender price escalations

- Material costs generally stabilised while labour cost increase decelerated
- Increased tendering opportunities and competition likely to restrain price movement

SINGAPORE

BUILDING TENDER PRICE INDICES



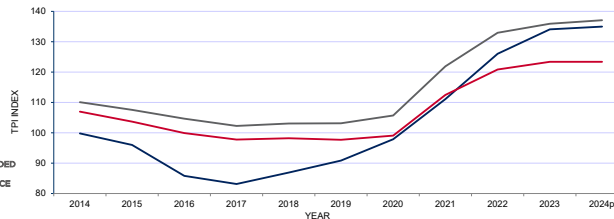
	ANNUAL CHANGE 2024	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024p
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RLB TPI	0.0%	↑										
BCA TPI	0.7%	↑										

Data Sources: BCA, RLB
p: preliminary

Note: Variances between the RLB and BCA Tender Price Index arise from the differences in index derivation methodology, the basket of items and weightages used for each index and the variety of building projects utilised. The index basket here excludes piling works and Mechanical & Electrical services. Base Year 2010 = 100

BCA TENDER PRICE INDICES

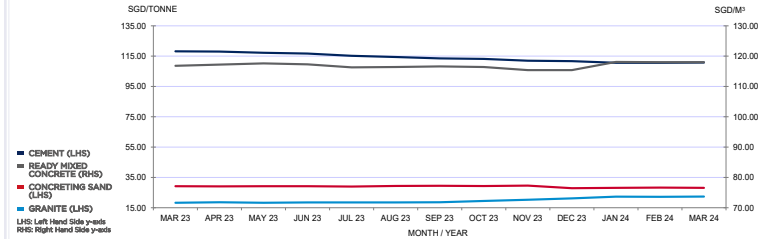


	ANNUAL CHANGE 2024	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024p
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HDB Flats	0.7%	↑										
Private Non-Landed	0.8%	↑										
Commercial Office	0.0%	↑										

Data Source: BCA
p: preliminary

BASIC CONSTRUCTION MATERIALS



	AVG 1Q'24/4Q'23 CHANGE	MAR 23	APR 23	MAY 23	JUN 23	JUL 23	AUG 23	SEP 23	OCT 23	NOV 23	DEC 23	JAN 24	FEB 24	MAR 24
--	------------------------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

Cement	-1.5%	↓												
Ready Mixed Concrete	2.0%	↑												
Concreting Sand	-2.6%	↓												
Granite	9.7%	↑												

Data Source: BCA

Note:

- Prices of granite and concreting sand excluded local delivery charges to concrete batching plants.
- The market prices of ready mixed concrete are based on contracts with non-fixed price, fixed price and market retail price for Grade 40 pump.

CAMBODIA

Construction Market



3.1%
Construction
sector growth
2024(f)
3.1% Y-o-Y in
1Q 2024
3.2% Y-o-Y in
2023



4.1%
TPI 2024(f)
-0.5% Y-o-Y in
1Q 2024
3.8% Y-o-Y in 2023
(Phnom Penh)



**Price movement
from 4Q 2023 to
1Q 2024**
Construction material ◀▶
Labour ◀▶
(Phnom Penh)

Economy Indicators



5.8%
GDP 2024(f)
5.8% Y-o-Y in 1Q 2024
5.0% Y-o-Y in 2023



2.0%
Inflation 2024(f)
2.0% Y-o-Y in
1Q 2024
2.1% Y-o-Y in 2023



0.5%
Unemployment rate
2024(f)
0.5% in 1Q 2024
0.2% in 2023



Construction-related measures introduced

- Prakas O47, which replaced Prakas O89, outlines rules and procedures for issuance of real estate development businesses licenses/permits
- Two types of licenses/permits introduced
 - Residential development or co-owned building development
 - Land parcel development



Moderated growth in construction industry

- Construction grew by 1.1% in 2023, picking up from the 0.5% growth in 2022, supported by public projects
- Demand for large-scale projects grows as capital investment increased while the number of approvals fell
- Slowdown in world economic growth will lead to decreased inflows of foreign investment, moderating recovery



Challenges remain for the real estate industry

- Residential Property Price Index fell by 2.4%, with Phnom Penh down by 3.2% and provinces rising by the same

CAMBODIA

CONSTRUCTION MATERIAL PRICES

MATERIAL	UNIT	AVERAGE SUPPLY RATE (KHR)			
		2Q 2023	3Q 2023	4Q 2023	1Q 2024
Concreting Sand	m ³	31,833	31,974	31,914	31,395
Stone Aggregate (20mm)	m ³	66,040	66,334	66,210	65,132
Ordinary Portland Cement	kg	418	420	419	412
Reinforced Concrete (Grade 30 MPA)	m ³	275,747	276,975	276,455	271,954
Reinforced Concrete (Grade 40 MPA)	m ³	304,133	305,487	304,913	299,950
High Tensile Steel Bars (10-32mm)	kg	3,122	3,136	3,130	3,079
Mild Steel Round Bars (10-25mm)	kg	2,757	2,770	2,765	2,720
Structural Steelwork (U-beam, stanchions)	tonne	7,299,181	7,331,681	7,317,921	7,198,790
Plywood Formwork (2,400x1,200x12mm)	m ²	28,864	28,993	28,939	28,467
Clay Bricks (100mm thick brickwall)	m ²	20,620	20,712	20,673	20,337

Data Source: Market sources

Exclusions: • Plant and Equipment • Transport • Wastage • Overheads and Profit • Tax Expenses (VAT)

Notes: All supply prices stated above are only applicable for building construction projects in Phnom Penh. Specific cost consultancy should be sought for your particular factual situation prior to utilising this information.

Exchange rate assumption (1Q 2024): 1 USD = 3,999 KH

LABOUR PRICES

SELECTED OCCUPATIONS	UNIT	AVERAGE LABOUR RATE (KHR)			
		2Q 2023	3Q 2023	4Q 2023	1Q 2024
General Worker (Foreign)	Day	73,600	73,900	73,800	72,600
Concretor (Skilled - Local)	Day	72,900	73,200	73,100	71,900
Brick Layer (Skilled - Local)	Day	98,100	98,600	98,400	96,800
Plasterer (Skilled - Local)	Day	96,100	96,500	96,400	94,800
Tiler (Skilled - Local)	Day	88,800	89,200	89,000	87,600
Steel Bar Worker (Skilled - Local)	Day	79,200	79,500	79,400	78,100
Carpenter (Formwork) (Skilled - Local)	Day	97,500	97,900	97,700	96,100
Carpenter (Joinery) (Skilled - Local)	Day	97,500	97,900	97,700	96,100
Roofer (Skilled - Local)	Day	106,800	107,300	107,100	105,300
Structural Steel Worker (Skilled - Local)	Day	100,500	100,900	100,700	99,100
General Welder (Skilled - Local)	Day	84,100	84,500	84,300	82,900
Plumber (Skilled - Local)	Day	87,400	87,800	87,700	86,200
Painter (Skilled - Local)	Day	98,100	98,600	98,400	96,800
Scaffolder (Skilled - Local)	Day	97,500	97,900	97,700	96,100
Electrician (Semi-skilled - Local)	Day	97,200	97,600	97,400	95,800

Data Sources: Market sources

Exclusions: • Plant and Equipment • Transport • Wastage • Overheads and Profit • Import Tax • Value Added Tax (VAT)

Notes: All labour rates stated above are only applicable for building construction projects in Phnom Penh.

INDONESIA

Construction Market



Rp 349t
Construction
demand 2024(f)
Rp 334t in 2023



3.0%
TPI 2024(f)
2.8% Y-o-Y in
1Q 2024
2.6% Y-o-Y in 2023
(Jakarta)



**Price movement
from 4Q 2023 to
1Q 2024**
Construction material ▲
Labour ▲
(Jakarta)

Economy Indicators



4.8% to 5.2%
GDP 2024(f)
5.1% Y-o-Y in 1Q 2024
5.1% Y-o-Y in 2023



2.8%
Inflation 2024(f)
2.8% Y-o-Y in
1Q 2024
2.6% Y-o-Y in 2023



5.2%
Unemployment rate
2024(f)
4.8% in 1Q 2024
5.3% in 2023



Sustained recovery of the construction industry in 2024

- Recovery continues to be supported by the government's focus on infrastructure development and investments to develop New Capital City (IKN) Nusantara
- Stable political climate following the election in 1Q 2024 likely to instill confidence in investment and new construction projects
- Projected growth aligns with pre-pandemic trends as inflation pressures subside



Development of IKN Nusantara

- High demand for infrastructure works, urban development and strengthening of supply chains
- Sustainable completion of the capital city at the forefront of equitable development driving economic growth
- Challenges include budget constraints, limited foreign investments, socio-cultural and potential ecological concerns



Construction tender prices to trend upwards in 2024

- Increase in crude oil prices and elevated raw construction materials prices contribute to price inflation

INDONESIA

CONSTRUCTION MATERIAL PRICES

MATERIAL	UNIT	AVERAGE SUPPLY RATE (IDR)			
		2Q 2023	3Q 2023	4Q 2023	1Q 2024
Concreting Sand	m ³	290,000	290,000	290,000	305,000
Stone Aggregate (20mm)	m ³	240,000	240,000	240,000	260,000
Ordinary Portland Cement	Bag	72,000	72,000	72,000	78,000
Reinforced Concrete (Grade 30 MPA)	m ³	800,000	800,000	800,000	830,000
Reinforced Concrete (Grade 40 MPA)	m ³	900,000	900,000	900,000	910,000
High Tensile Steel Bars (10 - 40mm)	kg	10,300	9,900	9,700	9,800
Mild Steel Round Bars (6 - 20mm)	kg	10,100	9,700	9,500	9,600
Structural Steelwork (U-beam, stanchions)	tonne	17,800,000	17,500,000	17,500,000	18,000,000
Timber Sawn Formwork	m ²	190,000	190,000	190,000	200,000
Clay Bricks (100mm thick brickwall)	m ²	140,000	140,000	140,000	147,000

Data Source: Market sources

Exclusions: • Plant and Equipment • Transport • Wastage • Overheads and Profit • Tax Expenses (VAT)

Notes: All supply prices stated above are only applicable for building construction projects in Jakarta. Specific cost consultancy should be sought for your particular factual situation prior to utilising this information.

Exchange rate assumption (1Q 2024): 1 USD = 15,650 IDR

LABOUR PRICES

SELECTED OCCUPATIONS	UNIT	AVERAGE LABOUR RATE (IDR)			
		2Q 2023	3Q 2023	4Q 2023	1Q 2024
General Workers	Day	135,000	135,000	135,000	142,000
Carpenter (General)	Day	195,000	195,000	195,000	205,000
Tiler	m ²	85,000	85,000	85,000	90,000
Concretor	m ³	135,000	135,000	135,000	142,000
Steel bar worker	kg	3,000	3,000	3,000	3,200
Formworker	m ²	95,000	95,000	95,000	100,000
Bricker Layer	m ²	55,000	55,000	55,000	58,000
Plasterer	m ²	65,000	65,000	65,000	90,000
Painter	m ²	35,000	35,000	35,000	37,000
Glazer	m ²	290,000	290,000	290,000	305,000
Plumber	Day	210,000	210,000	210,000	220,000
Electrician	Day	210,000	210,000	210,000	220,000

Data Sources: Public Works Department Indonesia (Jakarta), market sources

Exclusions: • Plant and Equipment • Transport • Wastage • Overheads and Profit • Import Tax • Value Added Tax (VAT)

Notes: All labour rates stated above are only applicable for building construction projects in Jakarta.

MALAYSIA

Construction Market



8.0% to 15.0%
Construction output
2024(f)
14.2% Y-o-Y in 1Q 2024
8.5% Y-o-Y in 2023



3.0% to 5.0%
TPI 2024(f)
2.0% Y-o-Y in 1Q 2024
4.0% Y-o-Y in 2023
(Kuala Lumpur)



**Price movement
from 4Q 2023 to
1Q 2024**
Construction material ◀▶
Labour ◀▶
(Kuala Lumpur)

Economy Indicators



4.0% to 5.0%
GDP 2024(f)
4.2% Y-o-Y in 1Q 2024
3.7% Y-o-Y in 2023



2.0% to 2.7%
Inflation 2024(f)
1.7% Y-o-Y in
1Q 2024
2.5% Y-o-Y in 2023



3.0% to 3.5%
Unemployment rate
2024(f)
3.3% in 1Q 2024
3.4% in 2023



Renewed confidence in the market

- Completed unsold properties decreased to less than 24,000 units since 2022 as demand picks up
- Tier 1 contractors secured sizable projects in 1H 2024
- Property market transactions hit RM56.5b in 1Q 2024, a year-on-year increase of 36.2%



Technology sector boom sees increase in FDI

- Influx of foreign investment due to attractive foreign exchange rate and political stability, particular in the technology sector
- China, Malaysia's largest trading partner, expanding in Johor, buying land for factories and data centres
- Johor further spurred investment by cutting approval time to as little as seven days
- Data storage capacity set to increase six-fold in next 5 years from its current 189mW



Construction tender prices expected to escalate in 2024

- On-hold residential projects revived, driving demand
- Tender prices gradually climbing as demand for foreign labour and construction materials increase and subsidies in diesel prices cut

CONSTRUCTION MATERIAL PRICES

MATERIAL	UNIT	AVERAGE SUPPLY RATE (MYR)			
		2Q 2023	3Q 2023	4Q 2023	1Q 2024
Concreting Sand	tonne	45.00	45.00	45.00	45.00
Stone Aggregate (20mm)	tonne	43.00	43.00	43.00	43.00
Ordinary Portland Cement	kg	21.50	22.00	22.00	22.50
Reinforced Concrete (Grade 30 MPA)	m ³	263.00	277.00	280.00	290.00
Reinforced Concrete (Grade 40 MPA)	m ³	287.00	301.00	295.00	305.00
High Tensile Steel Bars (10 - 32mm)	kg	2.95	2.90	2.95	3.00
Mild Steel Round Bars (10 - 25mm)	kg	3.00	2.95	3.00	3.10
Structural Steelwork (200 x 200mm U-beam)	tonne	4,200.00	4,200.00	4,300.00	4,300.00
Plywood Formwork (4000x8000x12mm)	pc	58.00	58.00	58.00	58.00
Clay Bricks (100mm thick brickwall)	pc	0.40	0.40	0.40	0.40

Data Source: Market sources

Exclusions: • Plant and Equipment • Transport • Wastage • Overheads and Profit • Import Tax • Goods and Services Tax (GST)

Notes: All supply prices stated above are only applicable for building construction projects in Kuala Lumpur. Specific cost consultancy should be sought for your particular factual situation prior to utilising this information.

Exchange rate assumption (1Q 2024): 1 USD = 4.72 MYR

LABOUR PRICES

SELECTED OCCUPATIONS	UNIT	AVERAGE LABOUR RATE (MYR)			
		2Q 2023	3Q 2023	4Q 2023	1Q 2024
General Worker (Foreign)	Day	70.00	70.00	70.00	70.00
Concretor (Skilled - Local)	Day	122.00	122.00	122.00	122.00
Brick Layer (Skilled - Local)	Day	125.00	125.00	125.00	125.00
Plasterer (Skilled - Local)	Day	127.00	127.00	127.00	127.00
Tiler (Skilled - Local)	Day	145.00	145.00	145.00	145.00
Steel Bar Worker (Skilled - Local)	Day	124.00	124.00	124.00	124.00
Carpenter (Formwork) (Skilled - Local)	Day	139.00	139.00	139.00	139.00
Carpenter (Joinery) (Skilled - Local)	Day	140.00	140.00	140.00	140.00
Roofer (Skilled - Local)	Day	122.00	122.00	122.00	122.00
Structural Steel Worker (Skilled - Local)	Day	122.00	122.00	122.00	122.00
General Welder (Skilled - Local)	Day	150.00	150.00	150.00	150.00
Plumber (Skilled - Local)	Day	135.00	135.00	135.00	135.00
Painter (Skilled - Local)	Day	130.00	130.00	130.00	130.00
Scaffolder (Skilled - Local)	Day	120.00	120.00	120.00	120.00
Electrician (Semi-skilled - Local)	Day	120.00	120.00	120.00	120.00

Data Sources: Construction Industry Development Board (CIDB)

Exclusions: • Plant and Equipment • Transport • Wastage • Overheads and Profit • Import Tax • Value Added Tax (GST)

Notes: All labour rates stated above are only applicable for building construction projects in Kuala Lumpur.

VIETNAM

Construction Market



5.0%
Construction demand 2024(f)
5.0% Y-o-Y in 1Q 2024
5.0% Y-o-Y in 2023



2.0%
TPI 2024(f)
0.0% Y-o-Y in 1Q 2024
3.6% Y-o-Y in 2023
(Ho Chi Minh City)



Price movement from 4Q 2023 to 1Q 2024
Construction material ◀▶
Labour ◀▶
(Ho Chi Minh City)



5.0%
Construction output 2024(f)
5.0% Y-o-Y in 1Q 2024
5.0% Y-o-Y in 2023

Economy Indicators



5.5%
GDP 2024(f)
5.66% Y-o-Y in 1Q 2024
5.05% Y-o-Y in 2023



3.0%
Inflation 2024(f)
2.81% Y-o-Y in 1Q 2024
3.25% Y-o-Y in 2023



2.5%
Unemployment rate 2024(f)
2.24% in 1Q 2024
2.28% in 2023



Notable regulations introduced in 1H 2024

- Circular 01/VBHN-BXD issued by Ministry of Construction on guidelines for determining and managing construction investment costs
- Applies to the subjects specified in Article 2 of Decree No. 10/2021/ND-CP



Rebound for the construction industry

- Material prices stabilised in January 2024 after increasing and staying elevated in 2H 2023
- Competitive tender prices as contractors are hungry for jobs
- Outlook optimistic for 2H 2024 as the number of approved projects increased year-on-year



Gains in the real estate sector

- Foreign direct investment continue to grow as more shift factories and logistics activities to Vietnam
- Total registered foreign investment in 1Q 2024 increased 13.4% over the same period in the preceding year

CONSTRUCTION MATERIAL PRICES

MATERIAL	UNIT	AVERAGE SUPPLY RATE (VND)				
		1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024
Concreting Sand	m ³	485,000	485,000	485,000	485,000	485,000
Stone Aggregate (20mm)	m ³	383,000	395,000	395,000	395,000	395,000
Ordinary Portland Cement (PCB40)	kg	1,820	1,800	1,780	1,780	1,780
Reinforced Concrete (Grade 30 MPA)	m ³	1,500,000	1,500,000	1,500,000	1,575,000	1,550,000
Reinforced Concrete (Grade 40 MPA)	m ³	1,600,000	1,600,000	1,600,000	1,675,000	1,650,000
High Tensile Steel Bars (10 - 40mm)	kg	15,100	14,750	14,150	14,600	14,400
Mild Steel Round Bars (6 - 20mm)	kg	15,100	14,750	14,150	14,600	14,400
Structural Steelwork (U-beam, stanchions)	tonne	20,750	20,900	20,550	21,400	21,500
Timber Sawn Formwork	m ²	165,000	165,000	165,000	165,000	165,000
Clay Bricks (100mm thick brickwall)	m ²	115,000	115,000	115,000	115,000	115,000

Data Source: Ho Chi Minh City Construction Department, market sources

Exclusions: • Plant and Equipment • Transport • Wastage • Overheads and Profit • Tax Expenses (VAT)

Notes: All supply prices stated above are only applicable for building construction projects in Ho Chi Minh City. Specific cost consultancy should be sought for your particular factual situation prior to utilising this information.

Exchange rate assumption (1Q 2024): 1 USD = 24,550 VND

PHILIPPINES

Construction Market



7.2%
Construction demand 2024(f)
7.0% Y-o-Y in 1Q 2024
7.0% Y-o-Y in 2023



5.0%
TPI 2024(f)
2.0% Y-o-Y in 1Q 2024
6.0% Y-o-Y in 2023
(Manila)



**Price movement
from 4Q 2023 to
1Q 2024**
Construction material ▼
Labour ▲
(Manila)



7.2%
Construction output
2024(f)
-12.8% Y-o-Y in 1Q 2024
-10.5% Y-o-Y in 2023

Economy Indicators



6.3%
GDP 2024(f)
5.7% Y-o-Y in 1Q 2024
5.6% Y-o-Y in 2023



3.3%
Inflation 2024(f)
3.3% Y-o-Y in
1Q 2024
6.0% Y-o-Y in 2023



5.0%
Unemployment rate
2024(f)
4.0% in 1Q 2024
4.3% in 2023



New built environment sector policies

- Increased allocation of 2024 budget for “Build Better More” programme for infrastructure projects
- Senate Bill passed extending estate tax amnesty until 2025 to boost real estate activities
- Citizen’s Charter 2024 (first edition) released to provide guidelines for construction-related processes



Current market trends and observations

- Projects in pre-tender stage on the rise, with residential, office and commercial developments making up the market share
- Projects in post-contract stage likewise increasing, with new awards both within major business centres and its peripheral areas



Steady upward growth in 2024

- Business sentiments remain positive and relatively stable in 1H 2024
- Increase in employment rate and trade will support growth
- In the construction sector, public-private partnership initiatives and improved long-term investor confidence will support foreign investment despite social and global tensions

PHILIPPINES

CONSTRUCTION MATERIAL PRICES

MATERIAL	UNIT	AVERAGE SUPPLY RATE (PHP)			
		2Q 2023	3Q 2023	4Q 2023	1Q 2024
Concreting Sand	m ³	2,200	2,200	1,563	1,661
Stone Aggregate (20mm)	m ³	2,200	2,200	1,653	1,940
Ordinary Portland Cement	Bag	237	237	231	232
Reinforced Concrete (Grade 30 MPA)	m ³	6,050	5,850	5,600	5,600
Reinforced Concrete (Grade 40 MPA)	m ³	6,464	6,200	6,200	6,200
High Tensile Steel Bars (10 - 32mm)	kg	42	40	41	42
Mild Steel Round Bars (10 - 25mm)	kg	41	39	40	40
Structural Steelwork	tonne	67,088	56,338	54,244	52,151
Plywood Formwork (2438x1219x20mm)	pc	1,389	1,389	1,316	1,316
Clay Bricks (100mm thick brickwall)	pc	40	40	40	40

Data Source: Market sources

Exclusions: • Plant and Equipment • Transport • Wastage • Overheads and Profit • Tax Expenses (VAT)

Notes: All supply prices stated above are only applicable for building construction projects in Manila. Specific cost consultancy should be sought for your particular factual situation prior to utilising this information.

Exchange rate assumption (1Q 2024): 1 USD = 55.96 PHP

LABOUR PRICES

SELECTED OCCUPATIONS	UNIT	AVERAGE LABOUR RATE (PHP)			
		2Q 2023	3Q 2023	4Q 2023	1Q 2024
Concretor (Skilled - Local)	Day	1,412	1,504	1,504	1,510
Brick Layer (Skilled - Local)	Day	1,412	1,504	1,504	1,510
Plasterer (Skilled - Local)	Day	1,412	1,504	1,504	1,510
Tiler (Skilled - Local)	Day	1,412	1,504	1,504	1,510
Steel Bar Worker (Skilled - Local)	Day	1,412	1,504	1,504	1,510
Carpenter (Formwork) (Skilled - Local)	Day	1,412	1,504	1,504	1,510
Carpenter (Joinery) (Skilled - Local)	Day	1,412	1,504	1,504	1,510
Roofer (Skilled - Local)	Day	1,412	1,504	1,504	1,510
Structural Steel Worker (Skilled - Local)	Day	1,412	1,504	1,504	1,510
General Welder (Skilled - Local)	Day	1,567	1,670	1,670	1,676
Plumber (Skilled - Local)	Day	1,412	1,504	1,504	1,510
Painter (Skilled - Local)	Day	1,412	1,504	1,504	1,510
Scaffolder (Skilled - Local)	Day	1,412	1,504	1,504	1,510
Electrician (Semi-skilled - Local)	Day	1,212	1,463	1,463	1,469

Data Sources: Market sources

Exclusions: • Plant and Equipment • Transport • Wastage • Overheads and Profit • Import Tax • Value Added Tax (VAT)

Notes: All labour rates stated above are only applicable for building construction projects in Manila.

JAPAN

Construction Market



2.8%
Construction demand 2024(f)
-0.1% Y-o-Y in 1Q 2024
5.2% Y-o-Y in 2023



8.9%
TPI 2024(f)
2.1% Y-o-Y in 1Q 2024
5.8% Y-o-Y in 2023
(Tokyo)



4.4%
Construction output 2024(f)
6.7% Y-o-Y in 2023



**Price movement
from 4Q 2023 to
1Q 2024**

Construction material ◀▶
Labour ▲
(Tokyo)

Economy Indicators



1.3%
GDP 2024(f)
-0.1% Y-o-Y in 1Q 2024
1.6% Y-o-Y in 2023



2.5%
Inflation 2024(f)
2.5% Y-o-Y in
1Q 2024
3.0% Y-o-Y in 2023



2.5%
Unemployment rate
2024(f)
2.6% in 1Q 2024
2.6% in 2023

New construction sector policies

- Amendment to the Construction Business Act and the Act for Promoting Proper Tendering and Contracting for Public Works (Cabinet Bill No. 51) passed which aims to secure a stable workforce in the construction industry through measures to
 - Secure wage resources for the improvement of worker treatment and dissemination to subcontractors
 - Facilitate sharing of the increase in construction costs between project parties to ensure that no single stakeholder bears all the burden
 - Promote work style reforms and improvements to productivity

Moderate growth in the construction industry

- Industry is forecast to expand by 0.9% in 2024 in terms of investment value
- Supported by increase in large developments in central Tokyo and public investment on the World Exposition 2025 in Osaka

Impact of cap on working hours being studied

- Regulation on maximum working hours in the industries including the construction industry came into effect in April 2024
- Working hours regulations expected to widen labour supply-demand gap and push construction prices higher in 2024
- Extension in construction period beginning to be understood by private sector players

CONSTRUCTION MATERIAL PRICES

MATERIAL	UNIT	AVERAGE SUPPLY RATE (JPY)			
		2Q 2023	3Q 2023	4Q 2023	1Q 2024
Concreting Sand	m ³	5,150	5,150	5,450	5,450
Stone Aggregate (20mm)	m ³	5,050	5,050	5,350	5,350
Ordinary Portland Cement	tonne	16,000	16,000	16,000	16,000
Reinforced Concrete (Grade 30 MPA)	m ³	18,850	20,850	22,000	22,000
Reinforced Concrete (Grade 40 MPA)	m ³	21,700	23,700	23,700	23,700
Reinforcing Steel (SD295A D16)	tonne	117,000	115,000	114,000	114,000
Reinforcing Steel (SD345A D32)	tonne	123,000	121,000	120,000	120,000
Structural Steelwork	tonne	125,000	124,000	122,000	125,000
Plywood Formwork (1800x900x12mm)	pc	1,950	1,800	1,800	1,800

Data Source: Market sources

Exclusions: • Plant and Equipment • Transport • Wastage • Overheads and Profit • Tax Expenses (VAT)

Notes: All supply prices stated above are only applicable for building construction projects in Tokyo.

Specific cost consultancy should be sought for your particular factual situation prior to utilising this information.

Exchange rate assumption (1Q 2024): 1 USD = 149 JPY

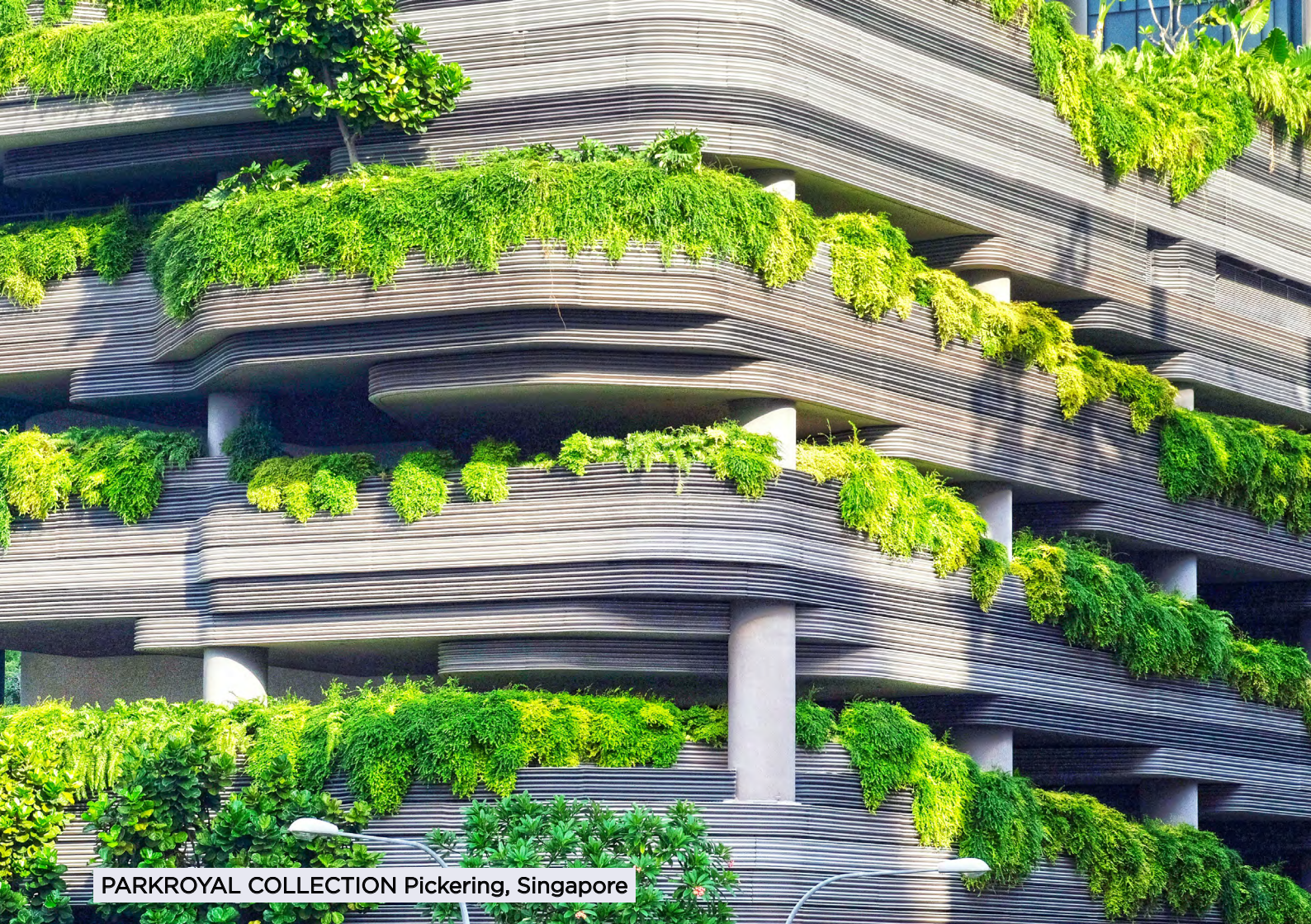
LABOUR PRICES

SELECTED OCCUPATIONS	UNIT	AVERAGE LABOUR RATE (JPY)			
		2Q 2023	3Q 2023	4Q 2023	1Q 2024
General Worker (Local)	Day	23,900	23,900	23,900	25,400
Brick Layer (Skilled - Local)	Day	27,600	27,600	27,600	29,200
Plasterer (Skilled - Local)	Day	29,500	29,500	29,500	30,800
Steel Bar Worker (Skilled - Local)	Day	29,000	29,000	29,000	30,900
Carpenter (Formwork) (Skilled - Local)	Day	27,200	27,200	27,200	30,000
Carpenter (Joinery) (Skilled - Local)	Day	26,900	26,900	26,900	28,800
Structural Steel Worker (Skilled - Local)	Day	26,500	26,500	26,500	28,000
General Welder (Skilled - Local)	Day	32,400	32,400	32,400	33,800
Plumber (Skilled - Local)	Day	25,700	25,700	25,700	27,000
Painter (Skilled - Local)	Day	31,300	31,300	31,300	32,700
Scaffolder (Skilled - Local)	Day	29,900	29,900	29,900	31,200
Electrician (Skilled - Local)	Day	28,800	28,800	28,800	30,100

Data Sources: Market sources

Exclusions: • Plant and Equipment • Transport • Wastage • Overheads and Profit • Import Tax • Value Added Tax (VAT)

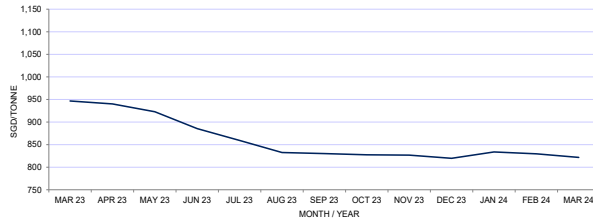
Notes: All labour rates stated above are only applicable for building construction projects in Tokyo.



PARKROYAL COLLECTION Pickering, Singapore

COMMODITY PRICE TRENDS

STEEL REINFORCEMENT (16 - 32MM HIGH TENSILE) SUPPLY PRICES



AVG 1Q24/ 4Q23 CHANGE	MAR 23	APR 23	MAY 23	JUN 23	JUL 23	AUG 23	SEP 23	OCT 23	NOV 23	DEC 23	JAN 24	FEB 24	MAR 24
0.5%	↑	947	940	923	886	859	833	830	827	820	834	830	822

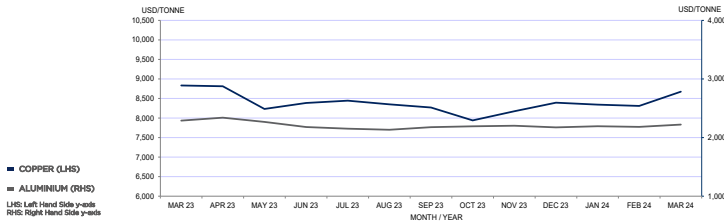
Steel	0.5%	↑	947	940	923	886	859	833	830	827	820	834	830	822
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Data Source: BCA

Note:

- Prices of rebar other than 16-32mm dimensions may be subject to surcharge.
- With effect from Jan 2015, the market prices of rebar (without cut & bend) are based on fixed price supply contracts with contract period 1 year or less.

METAL PRICES

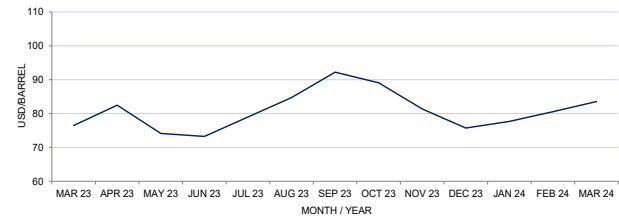


AVG 1Q24/ 4Q23 CHANGE	MAR 23	APR 23	MAY 23	JUN 23	JUL 23	AUG 23	SEP 23	OCT 23	NOV 23	DEC 23	JAN 24	FEB 24	MAR 24	
3.4%	↑	8,834	8,813	8,233	8,385	8,444	8,351	8,270	7,939	8,173	8,393	8,343	8,309	8,675

Copper	3.4%	↑	8,834	8,813	8,233	8,385	8,444	8,351	8,270	7,939	8,173	8,393	8,343	8,309	8,675
Aluminium	0.5%	↑	2,289	2,340	2,267	2,180	2,152	2,133	2,177	2,192	2,202	2,174	2,194	2,182	2,222

Data Source: London Metal Exchange (LME)

CRUDE OIL PRICES



AVG 1Q24/ 4Q23 CHANGE	MAR 23	APR 23	MAY 23	JUN 23	JUL 23	AUG 23	SEP 23	OCT 23	NOV 23	DEC 23	JAN 24	FEB 24	MAR 24	
-1.8%	↓	76	82	74	73	79	85	92	89	81	76	78	81	84

Crude Oil	-1.8%	↓	76	82	74	73	79	85	92	89	81	76	78	81	84
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Data Source: IndexMundi

CURRENCY EXCHANGE RATES

CURRENCY			UNITS PER USD					
	UNIT		OCT 23	NOV 23	DEC 23	JAN 24	FEB 24	MAR 24
Singapore Dollar	\$	SGD	1	1.37	1.35	1.34	1.34	1.34
Euro	€	EUR	1	0.95	0.93	0.92	0.92	0.93
U.K. Pound Sterling	£	GBP	1	0.82	0.81	0.79	0.79	0.79
Australian Dollar	\$	AUD	1	1.57	1.54	1.49	1.50	1.53
Chinese Yuan	¥	CNY	1	7.31	7.24	7.15	7.17	7.19
Malaysian Ringgit	RM	MYR	1	4.75	4.69	4.67	4.68	4.77
Philippine Peso	₱	PHP	1	56.80	55.85	55.58	55.97	56.07
Japanese Yen	¥	JPY	100	1.50	1.50	1.45	1.47	1.49
Myanmar Kyat	K	MMK	1,000	2.08	2.08	2.08	2.08	2.08
Cambodian Riel	ₛ	KHR	1,000	4.07	4.07	4.06	3.97	4.03
Indonesian Rupiah	₹	IDR	1,000	15.74	15.58	15.49	15.60	15.66
Vietnamese Dong	₫	VND	1,000	24.46	24.34	24.27	24.46	24.48

Data Sources: IMF, Oanda

Note: Exchange rates above are expressed in terms of currency units per US Dollar, averaged monthly from daily unit rates.

CONSTRUCTION PRICES IN THE REGION

DEVELOPMENT TYPE	Singapore		Ho Chi Minh City	Jakarta	Kuala Lumpur	Manila	Tokyo
	SGD/m ² CFA	SGD/m ² GFA	VND ('000)/m ²	IDR ('000)/m ²	MYR/m ²	PHP/m ²	JPY ('00)/m ²
OFFICE							
Good Quality, 10 to 25 storeys	2,980 - 4,890	3,660 - 6,110	25,380 - 28,600	11,450 - 11,970	2,000 - 3,000	30,910 - 53,280	2,410 - 3,800
Good Quality, 26 to 40 storeys	4,370 - 5,650	5,460 - 7,060	26,630 - 28,700	14,490 - 15,960	2,500 - 3,600	37,390 - 59,990	2,530 - 3,990
Prestige, 10 to 25 storeys	4,220 - 4,790	5,170 - 5,980	28,130 - 34,860	17,010 - 18,690	2,800 - 4,000	59,100 - 89,600	3,970 - 6,520
Prestige, 26 to 40 storeys	4,400 - 5,940	5,710 - 7,430	29,530 - 35,420	20,790 - 21,420	3,000 - 5,000	80,330 - 147,400	4,100 - 7,270
HOTEL	(including FF&E)				(including FF&E)	(including FF&E)	
Three Star	4,430 - 5,350	5,450 - 6,950	28,790 - 37,200	17,380 - 19,140	2,500 - 4,000	73,080 - 96,500	3,430 - 4,240
Four Star	5,290 - 6,500	6,990 - 8,540	36,850 - 43,680	25,520 - 26,950	4,100 - 5,900	89,950 - 117,200	4,350 - 5,270
Five Star	6,310 - 7,720	8,200 - 10,250	40,950 - 49,140	27,280 - 29,040	6,000 - 15,000	117,950 - 276,680	6,230 - 8,600
COMMERCIAL							
Retail/ Shopping Mall	3,360 - 5,170	5,220 - 7,120	22,480 - 29,950	13,020 - 13,550	2,500 - 4,000	51,790 - 68,700	2,670 - 4,500
RESIDENTIAL							
Good Quality Condominium	3,590 - 4,520	4,790 - 6,190	17,980 - 21,550	14,070 - 15,180	2,500 - 3,400	41,400 - 70,000	2,300 - 3,460
Luxury Condominium	4,540 - 6,210	6,210 - 8,720	19,500 - 27,280	19,430 - 21,010	3,500 - 6,000	66,800 - 114,640	3,800 - 5,350
INDUSTRIAL							
Warehouse	1,550 - 2,210	NA	7,830 - 11,000	6,410 - 7,370	1,200 - 2,500	43,600 - 63,770	1,360 - 2,500
Factory	1,960 - 2,660	NA	8,070 - 11,580	7,350 - 8,470	1,500 - 4,500	54,340 - 246,290	2,670 - 4,910
CAR PARK							
Multi Storey	990 - 1,750	NA	8,950 - 13,980	6,380 - 6,600	800 - 1,300	46,800 - 55,600	1,270 - 2,340
Basement, outside CBD	2,080 - 2,950	NA	16,550 - 24,100	9,350 - 9,660	1,300 - 3,500	39,790 - 73,000	NA
Basement, CBD	2,180 - 3,050	NA	18,380 - 26,250	10,080 - 10,290	1,700 - 4,500	39,790 - 73,000	NA

Sources: RLB and its affiliates

Notes:

Construction Floor Area (CFA) - The area of all building enclosed covered spaces measured to the outside face of external walls including covered basement and above ground car park areas.

Rates are in local currency per square metre of CFA as described above unless otherwise stated.

All construction prices stated herein are as at **1st Quarter 2024**, and include a general allowance for foundation, car park, external works and preliminaries. The price ranges herein are indicative and due consideration should be given to the impact of varying design, specifications, size, location and nature of each project when utilising this information. Prices described here may not fully reflect the extent of current market forces and tendering conditions on any specific project.

Phnom Penh construction prices are not available in this issue.

Separate construction prices for external works within project development for Kuala Lumpur: 350,000 - 600,000 MYR/acre

Construction prices for Tokyo has been advised by courtesy of Sato Facilities Consultants, Inc., Japan. Enquiries can be directed to Takayoshi SATO at asksfc@sfc-net.co.jp

Exclusions:

• Land cost • Legal and professional fees • Development charges • Authority fees • Finance costs • Loose furniture, fittings and works of art (unless otherwise stated) • Tenancy work • Site infrastructure work in master development • Diversion of existing services • Green Mark / LEED / green building cost premiums • Resident site staff cost • Models and prototypes • External Works within project development (Kuala Lumpur only) • Future cost escalation • Service Provider Fees • Taxes, including Goods and Services Tax (GST) / Value Added Tax (VAT) / Import Tax

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Techo International Airport, Cambodia

PROFESSIONAL SERVICES



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