



CONSTRUCTION MARKET UPDATE

RIDER LEVETT BUCKNALL SINGAPORE AND REGIONAL REPORT

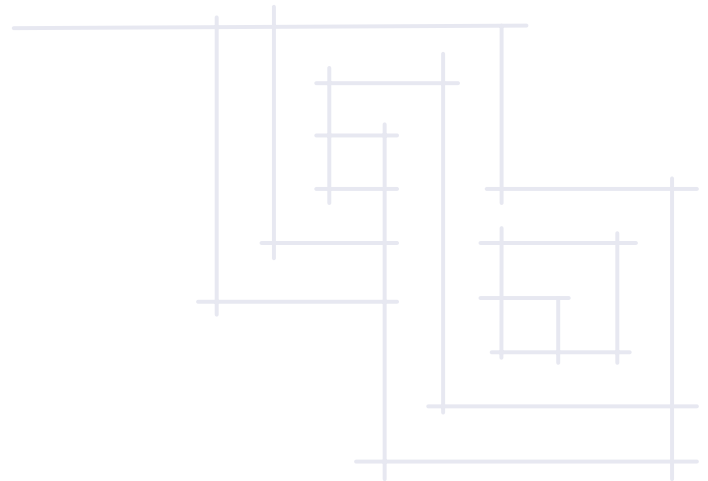
DECEMBER 2021

2021 H2

RLB Rider
Levett
Bucknall

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INTRODUCTION

We hope the changes introduced in the previous issue served you well as a roundup of the first half of 2021. With the end of yet another unprecedented year upon us, RLB is pleased to present an overview of the events in the second half of the year in this region. We have also reintroduced Singapore construction prices per Gross Floor Area (GFA) and included construction material and labour prices in Phnom Penh.

General Market

Majority of economies covered in this report reflected growth compared to 2020, as the world eased into a new norm and learned to live with the coronavirus. Globally, high material costs, disrupted supply chains and labour shortages continue to push prices up. Oil prices, which dived in March 2020, rebounded to pre-pandemic figures by March 2021 and have since maintained above pre-pandemic numbers.

As the COVID-19 cases within the region stabilised and vaccination rates increased, countries in the region such as Singapore, Cambodia and Vietnam reopened their borders from November 2021. In spite of the detection of Omicron variant in Southeast Asia by early December, economies are expected to perform more positively in the new year than in 2021.

Construction Industry

With the exception of Yangon, all cities witnessed record high tender price increment within the first three quarters of 2021. This is positively correlated to the general increment of both construction material and labour costs seen in most cities. However, the tender price increment is expected to slow moderately in the new year for majority of the cities as such bullish trends are not sustainable in the long term.

We see an uneven recovery in the construction sector across cities as some rebounded from the low bases of 2020 while others continue to deal with stringent site measures and even stoppages. The industry has remained resilient in the face of great challenges in the two years since and we continue to witness industry players coming together to share the time and cost burdens brought on by the pandemic.

Barring further escalation of the pandemic and market conditions, it is likely we could return to pre-pandemic growth by 2024.



HIGHLIGHTS

	TPI Movement (%)		Material Costs	Labour Costs
	2021 (p)	2022 (f)	4Q'20 to 1Q'21	
Singapore	8.2	3.0 to 8.0	▲	▲
Ho Chi Minh City	10.0	3.0 to 5.0	◄►	◄►
Jakarta	7.0	5.0	▲	▲
Kuala Lumpur	4.1	0.0	▲	▲
Phnom Penh	3.0	2.4	▲	◄►
Yangon	-8.0	-3.0	◄►	▼
Manila	2.1	2.7	▲	◄►
Tokyo	0.6	0.0	▲	▲

p: preliminary, up to Q3

f: forecast

Legend:

- ▲ Increased
- ◄► Remained
- ▼ Decreased



PARKROYAL

ParkRoyal, Kuala Lumpur

Construction Market



\$S\$25b - \$S\$32b

Construction demand forecast for 2022

\$S\$5.2b as at 1Q 2021

\$S\$19.0b as at 3Q 2021



Price movement from 2Q 2021 to 3Q 2021

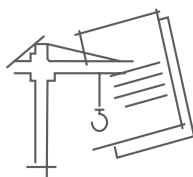
• Construction material ▲

• Labour ▲

3% - 8%

TPI forecast 2022

8.2% as at 3Q 2021



\$S\$19.1b

Construction output as at 3Q 2021

\$S\$14.0b as at 3Q 2020

Economy Indicators



3% - 5%

GDP 2022 forecast
7.1% Y-o-Y growth
in 3Q 2021



2.0%

Inflation 3Q 2021
0.8% growth in
1Q 2021



2.6%

Unemployment rate
3Q 2021
2.9% in 1Q 2021



COVID-19 (Temporary Measures) Act 2020

- Part 2 and Part 8B on co-sharing of cost: Extension of relief period from 30 Sep 2021 to 28 Feb 2022
- Part 10A on addressing foreign manpower cost increases in respect to WPH: Commenced on 6 Aug 2021 and ends on 31 Mar 2022



Pandemic resilient contracting practices

- Public Sector Conditions of Contract to allow pandemic as a relevant ground for claiming Extension of Time and Loss and Expense
- Provide provisional sums for cost items that can be anticipated due to a pandemic



Tender prices remain on upward trend

- Uncertainties in labour supply due to border closures
- Rising material and labour costs

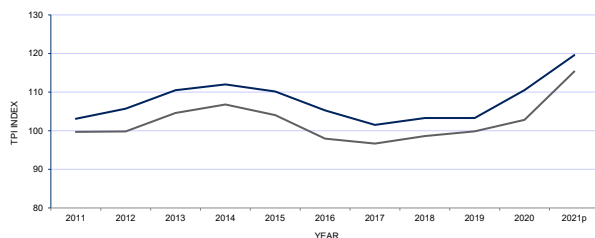


Residential property market cooling measures

- Measures introduced on 16 Dec 2021 to promote a stable and sustainable property market

SINGAPORE

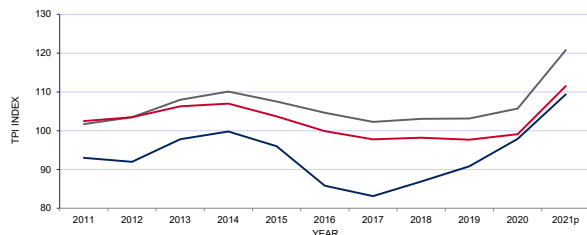
BUILDING TENDER PRICE INDICES



ANNUAL CHANGE 2021	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021p
↑	103.1	105.7	110.5	112.0	110.2	105.3	101.5	103.3	103.3	110.5	119.6
↑	99.7	99.8	104.6	106.8	104.0	98.0	96.7	98.6	99.9	102.8	115.4

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**

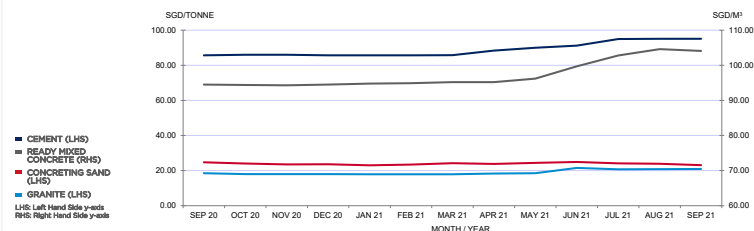
BCA TENDER PRICE INDICES



	YEAR												
	ANNUAL CHANGE 2021	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021p	
<div><div></div><div>HDB Flats</div></div>	11.7%	⬆️	93.0	92.0	97.8	99.8	96.0	85.8	83.2	86.9	90.9	97.9	109.4
<div><div></div><div>Private Non-Landed</div></div>	14.3%	⬆️	101.7	103.5	108.0	110.1	107.6	104.7	102.3	103.1	103.2	105.7	120.8
<div><div></div><div>Commercial Office</div></div>	12.5%	⬆️	102.5	103.5	106.3	107.0	103.7	99.9	97.8	98.2	97.7	99.1	111.5

Data Source: BCA
p: preliminary

BASIC CONSTRUCTION MATERIALS



	AVG 3Q'21/ 2Q'21 CHANGE	SEP 20	OCT 20	NOV 20	DEC 20	JAN 21	FEB 21	MAR 21	APR 21	MAY 21	JUN 21	JUL 21	AUG 21	SEP 21
CEMENT	5.8%	↑	85.70	86.00	86.00	85.70	85.70	85.80	88.40	90.00	91.20	95.00	95.10	95.10
READY MIXED CONCRETE	7.0%	↑	94.50	94.40	94.30	94.50	94.80	94.90	95.20	95.20	96.20	99.70	102.80	104.10
CONCRETING SAND	-2.7%	↓	24.70	24.00	23.50	23.60	23.00	23.40	24.20	23.80	24.40	24.90	24.10	23.10
GRANITE	7.0%	↑	18.50	18.00	18.00	18.00	17.90	17.90	17.90	18.30	18.50	21.50	20.70	20.90

Data Source: BCA

Note:

- Prices of granite and concreting sand exclude 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.

Construction Market



8.9% - 9.2%

Construction sector growth 2022 forecast
US\$160m as at 1Q 2021
US\$3.8b as at 3Q 2021 (-24.8% Y-o-Y)

Price movement from 2Q 2021 to 3Q 2021

- Construction material ▲
- Labour ◀▶ (Phnom Penh)



2.4%

TPI forecast 2022
3.0% as at 3Q 2021
(Phnom Penh)



Economy Indicators



6.0%

GDP 2022 forecast
(US\$31.7b)
US\$29.8b as at
3Q 2021



2.5%

Inflation 3Q 2021
3.1% growth in
1Q 2021



3.0%

Unemployment rate
3Q 2021
0.13% in 2020



Key Prakas issued

- All construction projects that require permit from MLMUPC must sought architectural and structural design approval from the ministry first
- All construction projects (refer to Prakas for exceptions) with a total area of 15,000m² - 45,000m² must adhere to detailed procedural guidelines while conducting their IESIA Report



Challenges faced in 2021

- Reduced FDI and demand
- Construction materials import growth declined
- Workforce crunch persists
- As much as two-thirds of anticipated condominium completions delayed to 2022



Property market remain under pressure

- Major commercial and residential development projects continued to be impacted by the pandemic
- Completions of development projects continue to outpace take-up

CAMBODIA

CONSTRUCTION MATERIAL PRICES

MATERIAL	UNIT	AVERAGE SUPPLY RATE (KHR)
		3Q 2021
Concreting Sand	m ³	31,595
Stone Aggregate (20mm)	m ³	81,573
Ordinary Portland Cement	kg	402
Reinforced Concrete (Grade 30 MPA)	m ³	305,612
Reinforced Concrete (Grade 40 MPA)	m ³	317,676
High Tensile Steel Bars (10 - 40mm)	kg	3,137
Mild Steel Round Bars (6 - 20mm)	kg	3,137
Structural Steelwork (U-beam, stanchions)	tonne	6,031,818
Timber Sawn Formwork	m ²	23,736
Clay Bricks (100mm thick brickwall)	m ²	13,632

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.

LABOUR PRICES

SELECTED OCCUPATIONS	UNIT	AVERAGE LABOUR RATE (KHR)
		3Q 2021
General Worker	Day	96,500
Concretor (Skilled - Local)	Day	112,600
Brick Layer (Skilled - Local)	Day	122,200
Plasterer (Skilled - Local)	Day	160,800
Tiler (Skilled - Local)	Day	128,700
Steel Bar Worker (Skilled - Local)	Day	144,800
Carpenter (Formwork) (Skilled - Local)	Day	193,000
Carpenter (Joinery) (Skilled - Local)	Day	193,000
Roofer (Skilled - Local)	Day	122,200
Structural Steel Worker (Skilled - Local)	Day	144,800
General Welder (Skilled - Local)	Day	193,000
Plumber (Skilled - Local)	Day	160,800
Painter (Skilled - Local)	Day	160,800
Scaffolder (Skilled - Local)	Day	96,500
Electrician (Semi-skilled - Local)	Day	144,800

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.

Construction Market



Rp 485.9t
Construction demand forecast for 2022
Rp464t as at 3Q 2021

Price movement from 2Q 2021 to 3Q 2021

- Construction material ▲
- Labour ▲ (Jakarta)



5%
TPI forecast 2022
7% as at 3Q 2021
(Jakarta)



Economy Indicators



5.5%
GDP 2022 forecast
3.5% Y-o-Y growth
in 3Q 2021



1.7%
Inflation 3Q 2021
1.4% growth in
1Q 2021



6.5%
Unemployment rate
3Q 2021
6.3% in 1Q 2020



Construction activities restrictions

- Public activity restrictions (PPKM) differ from city to city depending on local COVID-19 situation
- Majority of cities working at reduced capacities



Putting COVID-19 woes behind

- Infrastructure projects for the proposed new capital in East Kalimantan to commence in 2022
- Infrastructure budget for 2022 at Rp383.8t



Projects resumed

- Apartment and retail projects resumed design and pre-tender preparations
- Industrial and hotel renovation and fit-out works tenders underway
- Projects post-contract face delays in completion due to COVID-19 implications

INDONESIA

CONSTRUCTION MATERIAL PRICES

MATERIAL	UNIT	AVERAGE SUPPLY RATE (IDR)			
		4Q2020	1Q2021	2Q2021	3Q2021
Concreting Sand	m ³	236,000	248,000	248,000	260,000
Stone Aggregate (20mm)	m ³	216,000	227,000	227,000	227,000
Ordinary Portland Cement	kg	70,000	74,000	68,000	68,000
Reinforced Concrete (Grade 30 MPA)	m ³	710,000	730,000	750,000	757,000
Reinforced Concrete (Grade 40 MPA)	m ³	770,000	790,000	800,000	807,000
High Tensile Steel Bars (10 - 40mm)	kg	7,900	9,270	10,300	10,800
Mild Steel Round Bars (6 - 20mm)	kg	8,050	9,450	10,500	11,000
Structural Steelwork (U-beam, stanchions)	tonne	13,746,000	16,495,000	16,495,000	18,000,000
Timber Sawn Formwork	m ²	175,000	184,000	184,000	184,000
Clay Bricks (100mm thick brickwall)	m ²	114,000	120,000	120,000	130,000

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.

LABOUR PRICES

SELECTED OCCUPATIONS	UNIT	AVERAGE LABOUR RATE (IDR)			
		4Q2020	1Q2021	2Q2021	3Q2021
General Workers	Day	113,000	113,000	115,000	115,000
Carpenter (General)	Day	163,000	163,000	170,000	170,000
Tiler	m ²	49,400	49,400	70,000	70,000
Concretor	m ³	56,600	56,600	110,000	110,000
Steel bar worker	Kg	2,200	2,200	2,500	2,500
Formworker	m ²	74,600	74,600	85,000	85,000
Brick Layer	m ²	36,000	36,000	45,000	45,000
Plasterer	m ²	46,300	46,300	55,000	55,000
Painter	m ²	28,800	28,800	30,000	30,000
Glazer	m ²	232,000	232,000	250,000	250,000
Plumber	Day	185,000	185,000	190,000	190,000
Electrician	Day	185,000	185,000	190,000	190,000

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.

Construction Market

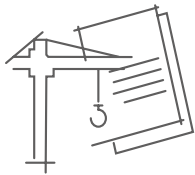


Price movement from 2Q 2021 to 3Q 2021

- Construction material ▲
- Labour ▲
(Kuala Lumpur)



0%
TPI forecast 2022
4.1% as at 3Q 2021
(Kuala Lumpur)



6.0%
Construction output forecast 2022
-10.5% growth in 1Q 2021
-21.0% growth in 3Q 2021

Economy Indicators



5.5%
GDP 2022 forecast
4.5% Y-o-Y contraction
in 3Q 2021



2.2%
Inflation 3Q 2021
0.5% growth in
1Q 2021



4.6%
Unemployment rate
3Q 2021
4.8% in 1Q 2021



National and industry policies introduced

- The government introduced the National Recovery Plan (NRP)
- Construction Industry Development Board (CIDB) published a new SOP for the construction industry
- SOP varies depending on the phase of the NRP that a state is categorised under
- Key aspects of the SOP for construction industry for Phases 1 to 3 of the NRP includes: type of construction works allowed, workforce capacity and vaccination rate



Delays in post-contract phase

- Containment measures and new SOPs severely impact project time lines
- Logistical difficulties cause materials prices to inflate further



Uncertainty in launch dates

- Containment measures prevent prospective buyers from visiting show rooms, affecting sales
- Challenging for developers to determine launch dates amid increasing construction costs

CONSTRUCTION MATERIAL PRICES

MATERIAL	UNIT	AVERAGE SUPPLY RATE (MYR)			
		4Q2020	1Q2021	2Q 2021	3Q 2021
Concreting Sand	tonne	53.90	53.90	53.90	53.90
Stone Aggregate (20mm)	tonne	32.20	33.20	33.20	33.20
Ordinary Portland Cement	kg	17.80	17.95	17.95	17.95
Reinforced Concrete (Grade 30 MPA)	m³	185.00	185.00	190.00	195.00
Reinforced Concrete (Grade 40 MPA)	m³	210.00	210.00	215.00	220.00
High Tensile Steel Bars (10 - 32mm)	kg	2.30	2.90	3.20	3.50
Mild Steel Round Bars (10 - 25mm)	kg	2.40	2.90	3.20	3.50
Structural Steelwork (200 x 200mm U-beam)	tonne	2,700.00	3,500.00	4,000.00	4,500.00
Plywood Formwork (4000x8000x12mm)	pc	55.00	60.00	60.00	60.00
Clay Bricks (100mm thick brickwall)	pc	0.40	0.44	0.44	0.44

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.

LABOUR PRICES

SELECTED OCCUPATIONS	UNIT	AVERAGE LABOUR RATE (MYR)			
		4Q2020	1Q2021	2Q 2021	3Q 2021
General Worker (Foreign)	Day	65.00	72.00	72.00	72.00
Concretor (Skilled - Local)	Day	115.00	127.00	127.00	127.00
Brick Layer (Skilled - Local)	Day	118.00	130.00	130.00	130.00
Plasterer (Skilled - Local)	Day	120.00	132.00	132.00	132.00
Tiler (Skilled - Local)	Day	139.00	153.00	153.00	153.00
Steel Bar Worker (Skilled - Local)	Day	117.00	129.00	129.00	129.00
Carpenter (Formwork) (Skilled - Local)	Day	131.00	144.00	144.00	144.00
Carpenter (Joinery) (Skilled - Local)	Day	132.00	145.00	145.00	145.00
Roofer (Skilled - Local)	Day	115.00	127.00	127.00	127.00
Structural Steel Worker (Skilled - Local)	Day	115.00	127.00	127.00	127.00
General Welder (Skilled - Local)	Day	145.00	160.00	160.00	160.00
Plumber (Skilled - Local)	Day	127.00	140.00	140.00	140.00
Painter (Skilled - Local)	Day	121.00	133.00	133.00	133.00
Scaffolder (Skilled - Local)	Day	113.00	124.00	124.00	124.00
Electrician (Semi-skilled - Local)	Day	113.00	124.00	124.00	124.00

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.

Construction Market

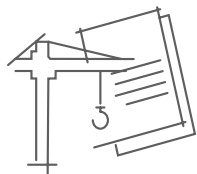


Price movement from 2Q 2021 to 3Q 2021

- Construction material ◀▶
- Labour ▼
(Yangon)

-3%

TPI forecast 2022
-8% forecast for 2021
(Yangon)



2.3%

Construction output 2022 forecast
7.7% contraction for 2021 forecast
in real terms

Economy Indicators



-4.4%

GDP 2022 forecast
18.4% contraction
forecast for 2021



6.2%

Inflation 3Q 2021
2.6% growth in
1Q 2021



3.5%

Unemployment
rate 2021 forecast
to rise



Factors impacting the economy in 2021

- Pandemic induced supply chain disruptions and labour shortages
- Military coup in Feb 2021, resulting in sanctions by the West and loss of foreign investments



Effects on the construction industry

- Stoppage of works caused by the pandemic and its associated containment measures
- Disruption in supply of labour and materials
- Increased cost of imported building materials against weak Kyat
- Projects suspended or cancelled due to both global recession and political instability



Foreign direct investments gloom

- Challenging climate in attracting foreign investments
- Decreased competitiveness compared to neighbouring economies

CONSTRUCTION MATERIAL PRICES

MATERIAL	UNIT	AVERAGE SUPPLY RATE (MMK)			
		3Q2020	4Q2020	2Q2021^	3Q2021
Concreting Sand	m³	3,974	3,945	4,475	4,003
Stone Aggregate (20mm)	m³	22,077	22,042	21,783	19,428
Ordinary Portland Cement	kg	99	101	125	125
Reinforced Concrete (Grade 30 MPA)	m³	90,367	89,033	92,650	90,150
Reinforced Concrete (Grade 40 MPA)	m³	101,250	100,250	108,000	103,000
High Tensile Steel Bars (10 - 32mm)	kg	699	777	1,161	1,232
Mild Steel Round Bars (6 - 25mm)	kg	656	774	866	1,240
Structural Steelwork (U-beam)	tonne	872,500	942,500	1,280,000	1,550,000
Plywood Formwork (2438x1219x20mm)	pc	32,963	34,074	32,222	33,056
Clay Bricks (100mm thick brickwall)	pc	116	110	124	124

Data Source: Market sources

^ In view of business disruption due to political turmoil, no data is available for 1Q2021

Exclusions: • Plant and Equipment • Transport • Wastage • Overheads and Profit • Preliminaries • Withholding Tax • Commercial Tax

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

VIETNAM

Construction Market



7.6%

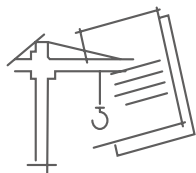
Construction demand forecast
average for 2018 to 2025
6.3% growth in 1Q 2021
3.6% growth in 3Q 2021



Price movement from 2Q 2021 to 3Q 2021

- Construction material ◀▶
 - Labour ◀▶
- (Ho Chi Minh City)

3% - 5%
TPI forecast 2022
10% as at 3Q 2021
(Ho Chi Minh City)



5%

Construction output forecast 2022
6.3% growth in 1Q 2021
3.6% growth in 3Q 2021

Economy Indicators



6.0% - 6.5%
GDP 2022 forecast
6.2% Y-o-Y contraction
in 3Q 2021



0.9%
Inflation 3Q 2021
0.7% growth in
1Q 2021



4.0%
Unemployment rate
3Q 2021
2.4% in 1Q 2021



Recovering economy

- 20.6% increase in registered capital despite 37.8% drop in newly licensed projects in 3Q 2021
- Fall in total value of capital contribution proportionate to fall in total number of capital contribution and share purchases



Curbs eased in Ho Chi Minh City

- Construction works in low risk infection areas, including Ho Chi Minh City allowed to resume from 1 Oct 2021
- Urgent and high demand for materials after prolonged closure drove material prices up
- Preliminaries allowance remain high for tenders on the back of uncertainties



Positive outlook for real estate sector

- Recent indications of new government acting to clear regulatory bottlenecks to smoothen supply of housing in big cities
- Recent announcement to amend the construction and investment laws of note
- Overhaul of laws and guidelines expected to shorten time in granting construction permits starting from second half of 2022

CONSTRUCTION MATERIAL PRICES

MATERIAL	UNIT	AVERAGE SUPPLY RATE (VND)			
		4Q2020	1Q2021	2Q2021	3Q2021
Concreting Sand	m ³	370,000	370,000	370,000	370,000
Stone Aggregate (20mm)	m ³	300,000	300,000	305,000	310,000
Ordinary Portland Cement (PCB40)	kg	1,630	1,600	1,650	1,650
Reinforced Concrete (Grade 30 MPA)	m ³	1,200,000	1,200,000	1,250,000	1,300,000
Reinforced Concrete (Grade 40 MPA)	m ³	1,310,000	1,310,000	1,360,000	1,360,000
High Tensile Steel Bars (10 - 40mm)	kg	14,300	15,073	19,000	19,000
Mild Steel Round Bars (6 - 20mm)	kg	13,800	14,913	19,200	19,200
Structural Steelwork (U-beam, stanchions)	tonne	16,700	20,225	26,000	26,000
Timber Sawn Form-work	m ²	155,000	155,000	160,000	165,000
Clay Bricks (100mm thick brickwall)	m ²	105,000	105,000	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.

Construction Market



5.8%

Construction demand growth
forecast for 2022

4.7% growth in 1Q 2021

61.5% growth in 3Q 2021



**Price movement
from 2Q 2021 to
3Q 2021**

• Construction material ▲

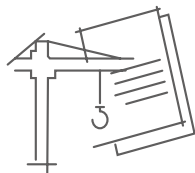
• Labour ◀▶
(Manila)

2.7%

TPI forecast 2022

2.1% as at 3Q 2021

(Manila)



30.0%

Construction output forecast for 2022

9.2% growth in 1Q 2021

18.6% growth in 3Q 2021

Economy Indicators



5.5%

GDP 2022 forecast
7.1% Y-o-Y growth
in 3Q 2021



4.5%

Inflation 3Q 2021
3.4% growth in
1Q 2021



8.9%

Unemployment rate
3Q 2021
8.7% in 1Q 2021



Revised JMC No. 1 Series of 2021

- Guidelines in processing of construction-related permits streamlined, involving setting up one-stop solutions



Increasing construction tender prices

- Additional cost due to COVID-19 EHS requirement
- Increase in raw construction material costs



Other COVID-19 related impacts

- Competitive consultancy fees despite the unpredictable climate
- Inclusion of clauses to address pandemic related issues and compliance to EHS in tender contracts are now becoming the "new normal"
- Contractors claiming for COVID-19 related claims for ongoing projects



Property market set to rebound in 2022

- Improving vaccination rate, rising business confidence and expected economic recovery likely to boost the sector

PHILIPPINES

CONSTRUCTION MATERIAL PRICES

MATERIAL	UNIT	AVERAGE SUPPLY RATE (PHP)			
		4Q2020	1Q2021	2Q2021	3Q2021
Concreting Sand	m³	841	841	850	1,041
Stone Aggregate (20mm)	m³	1,068	1,286	1,150	1,400
Ordinary Portland Cement	kg	269	280	265	268
Reinforced Concrete (Grade 30 MPA)	m³	5,330	5,800	5,500	5,130
Reinforced Concrete (Grade 40 MPA)	m³	5,429	5,900	5,670	5,520
High Tensile Steel Bars (10 - 32mm)	kg	38	40	47	47
Mild Steel Round Bars (10 - 25mm)	kg	37	44	46	46
Structural Steelwork	tonne	90,715	111,485	62,080	60,000
Plywood Formwork (2438x1219x20mm)	pc	1,271	1,512	1,374	1,850
Clay Bricks (100mm thick brickwall)	pc	20	30	32	33

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.

LABOUR PRICES

SELECTED OCCUPATIONS	UNIT	AVERAGE LABOUR RATE (PHP)			
		4Q2020	1Q2021	2Q2021	3Q2021
Concretor (Skilled - Local)	Day	1,282	1,320	1,320	1,320
Brick Layer (Skilled - Local)	Day	1,282	1,320	1,320	1,320
Plasterer (Skilled - Local)	Day	1,282	1,320	1,320	1,320
Tiler (Skilled - Local)	Day	1,282	1,320	1,320	1,320
Steel Bar Worker (Skilled - Local)	Day	1,282	1,320	1,320	1,320
Carpenter (Formwork) (Skilled - Local)	Day	1,282	1,320	1,320	1,320
Carpenter (Joinery) (Skilled - Local)	Day	1,282	1,320	1,320	1,320
Roofer (Skilled - Local)	Day	1,282	1,320	1,320	1,320
Structural Steel Worker (Skilled - Local)	Day	1,282	1,320	1,320	1,320
General Welder (Skilled - Local)	Day	1,424	1,470	1,470	1,470
Plumber (Skilled - Local)	Day	1,282	1,320	1,320	1,320
Painter (Skilled - Local)	Day	1,282	1,320	1,320	1,320
Scaffolder (Skilled - Local)	Day	1,282	1,320	1,320	1,320
Electrician (Semi-skilled - Local)	Day	1,178	1,208	1,208	1,208

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.

Construction Market



0.7%

Construction demand growth
forecast for 2022
2.1% growth in 1Q 2021
3.3% growth in 3Q 2021



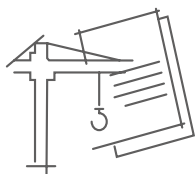
**Price movement
from 2Q 2021 to
3Q 2021**

- Construction material ▲
- Labour ▲
(Tokyo)



0.0%

TPI forecast 2022
0.6% as at 3Q 2021
(Tokyo)



-1.7%

Construction output forecast for 2022
1.9% growth in 1Q 2021
1.0% growth in 3Q 2021

Economy Indicators



3.2%

GDP 2022 forecast
1.3% Y-o-Y growth
in 3Q 2021



0.1%

Inflation 3Q 2021
0.3% growth in
1Q 2021



2.8%

Unemployment rate
3Q 2021
2.8% in 1Q 2021



Green Growth Strategy to achieving carbon neutrality in 2050

- Formulated in Jun 2021
- Accelerate structural changes to transportation, home and business sectors which accounts for 50% of total CO₂ emissions
- Strategy includes providing specified sectors with action plans founded on both construction and facility operation management policies



Current construction trends

- Number and volume of construction and infrastructure projects gradually increase as COVID-19 infections decrease
- More projects expected to re-commence with the recovery from the pandemic and demand arising from economic recovery



Property market likely to bottom out in 2021 with pace and timing of rebounds to vary widely from sector to sector

- Rapid adoption of remote working cause companies to review and redefine office space
- High demand for logistics sector expected to sustain for the next few years

CONSTRUCTION MATERIAL PRICES

MATERIAL	UNIT	AVERAGE SUPPLY RATE (JPY)			
		4Q2020	1Q2021	2Q2021	3Q2021
Concreting Sand	m ³	4,850	4,850	4,850	4,850
Stone Aggregate (20mm)	m ³	4,550	4,550	4,550	4,550
Ordinary Portland Cement	kg	11,000	11,000	11,000	11,000
Reinforced Concrete (Grade 30 MPA)	m ³	15,150	15,150	15,550	15,550
Reinforced Concrete (Grade 40 MPA)	m ³	18,000	18,000	18,400	18,400
Reinforcing Steel (SD295A D16)	tonne	64,000	67,000	79,000	89,000
Reinforcing Steel (SD345A D32)	tonne	68,000	71,000	83,000	93,000
Structural Steelwork	tonne	74,000	74,000	83,000	102,000
Plywood Formwork (1800x900x12mm)	pc	1,370	1,390	1,440	1,500
Bricks (230x76x25mm)	m ²	7,200	7,200	7,200	7,200

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.

LABOUR PRICES

SELECTED OCCUPATIONS	UNIT	AVERAGE LABOUR RATE (JPY)			
		4Q2020	1Q2021	2Q2021	3Q2021
General Worker (Foreign)	Day	21,500	21,500	21,600	21,600
Brick Layer (Skilled - Local)	Day	25,300	25,300	25,300	25,300
Plasterer (Skilled - Local)	Day	27,700	27,700	27,700	27,700
Steel Bar Worker (Skilled - Local)	Day	27,600	27,600	27,600	27,600
Carpenter (Formwork) (Skilled - Local)	Day	26,000	26,000	26,300	26,300
Carpenter (Joinery) (Skilled - Local)	Day	24,300	24,300	24,300	24,300
Structural Steel Worker (Skilled - Local)	Day	25,700	25,700	25,700	25,700
General Welder (Skilled - Local)	Day	30,200	30,200	31,300	31,300
Plumber (Skilled - Local)	Day	22,900	22,900	23,500	23,500
Painter (Skilled - Local)	Day	28,300	28,300	29,200	29,200
Scaffolder (Skilled - Local)	Day	27,300	27,300	27,900	27,900
Electrician (Semi-skilled - Local)	Day	25,500	25,500	25,700	25,700

Data Sources: Market sources

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

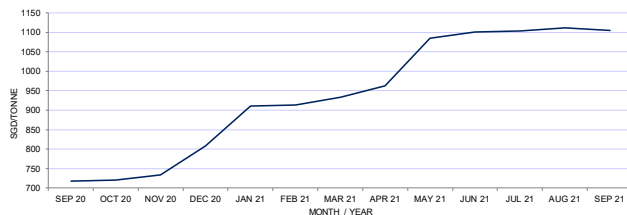
Notes: All labour rates stated above are only applicable for building construction projects in Tokyo.



Meikarta, Indonesia

COMMODITY PRICE TRENDS

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



AVG 3Q'21/ 2Q'21 CHANGE	SEP 20	OCT 20	NOV 20	DEC 20	JAN 21	FEB 21	MAR 21	APR 21	MAY 21	JUN 21	JUL 21	AUG 21	SEP 21
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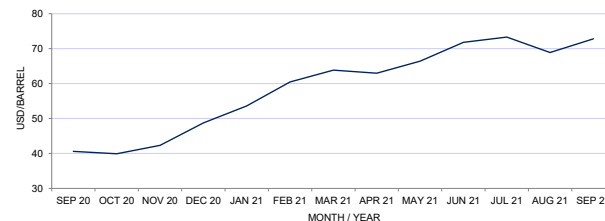
Data Source: BCA

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.

* In view of the lack of business transactions for materials due to a stoppage/slowdown of most construction activities on the back of the COVID-19 fallout, the market prices in May 2020 are assumed unchanged from that of Apr 2020.

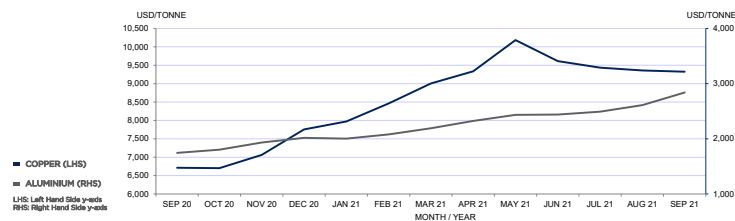
CRUDE OIL PRICES



AVG 3Q'21/ 2Q'21 CHANGE	SEP 20	OCT 20	NOV 20	DEC 20	JAN 21	FEB 21	MAR 21	APR 21	MAY 21	JUN 21	JUL 21	AUG 21	SEP 21
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Data Source: IndexMundi

METAL PRICES



	AVG 3Q'21/ 2Q'21 CHANGE	SEP 20	OCT 20	NOV 20	DEC 20	JAN 21	FEB 21	MAR 21	APR 21	MAY 21	JUN 21	JUL 21	AUG 21	SEP 21
Copper	-3.5% ↓	6,712	6,703	7,063	7,755	7,971	8,460	9,005	9,336	10,184	9,612	9,434	9,357	9,323
Aluminium	10.4% ↑	1,745	1,803	1,932	2,018	2,004	2,080	2,192	2,324	2,434	2,439	2,492	2,611	2,839

Data Source: London Metal Exchange (LME)

CURRENCY EXCHANGE RATES

CURRENCY			UNITS PER USD						
			UNIT	APR 21	MAY 21	JUN 21	JUL 21	AUG 21	SEP 21
Singapore Dollar	\$	SGD	1	1.33	1.33	1.33	1.35	1.36	1.35
Euro	€	EUR	1	0.84	0.82	0.83	0.85	0.85	0.85
U.K. Pound Sterling	£	GBP	1	0.72	0.71	0.71	0.72	0.72	0.73
Australian Dollar	\$	AUD	1	1.30	1.29	1.31	1.35	1.37	1.36
Chinese Yuan	¥	CNY	1	6.52	6.43	6.42	6.47	6.48	6.46
Malaysian Ringgit	RM	MYR	1	4.12	4.13	4.13	4.20	4.22	4.17
Philippine Peso	₱	PHP	1	48.46	47.95	48.12	50.03	50.21	50.20
Japanese Yen	¥	JPY	100	1.09	1.09	1.10	1.10	1.10	1.10
Myanmar Kyat	K	MMK	1,000	1.39	1.55	1.63	1.63	1.63	1.73
Cambodian Riel	៛	KHR	1,000	4.00	4.02	4.04	4.03	4.01	4.02
Indonesian Rupiah	₹p	IDR	1,000	14.54	14.32	14.34	14.35	14.38	14.25
Vietnamese Dong	₫	VND	1,000	23.03	23.01	22.97	22.98	22.82	22.73

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	Yangon	Manila	Tokyo
	SGD/m ² CFA	SGD/m ² GFA	VND (‘000)/m ²	IDR (‘000)/m ²	MYR/m ²	MMK (‘000)/m ²	PHP/m ²	JPY (‘00)/m ²
OFFICE								
Good Quality, 10 to 25 storeys	3,150 - 4,050	4,400 - 5,300	24,620 - 27,760	10,220 - 10,560	1,400 - 2,700	1,360 - 2,070	27,530 - 33,920	3,660 - 6,020
Good Quality, 26 to 40 storeys	3,300 - 4,700	4,600 - 6,150	25,830 - 27,840	12,310 - 12,720	2,400 - 3,400	1,430 - 2,170	34,260 - 54,210	3,780 - 6,710
Prestige, 10 to 25 storeys	3,450 - 4,250	4,800 - 5,600	26,770 - 33,170	15,160 - 15,660	2,800 - 3,700	1,830 - 2,490	54,690 - 66,920	2,220 - 3,510
Prestige, 26 to 40 storeys	3,500 - 4,950	4,900 - 6,450	28,090 - 33,690	18,150 - 18,750	3,000 - 4,300	1,930 - 2,620	66,920 - 136,360	2,340 - 3,680
HOTEL								
	(including FF&E)				(including FF&E)		(including FF&E)	
Three Star	3,900 - 4,350	4,800 - 5,650	26,460 - 34,210	14,560 - 15,040	2,700 - 3,700	2,260 - 3,270	66,300 - 81,800	3,070 - 3,800
Four Star	4,200 - 5,250	5,550 - 6,900	33,880 - 40,160	21,260 - 21,970	3,700 - 4,800	2,590 - 3,710	81,600 - 106,000	3,900 - 4,730
Five Star	5,100 - 6,550	6,450 - 8,700	37,650 - 45,170	22,030 - 22,750	5,400 - 7,500	3,060 - 4,120	107,000 - 251,000	5,590 - 7,710
COMMERCIAL								
Retail/ Shopping Mall	2,400 - 4,000	3,550 - 5,250	21,820 - 29,060	11,670 - 12,060	2,200 - 3,700	2,220 - 2,750	44,300 - 60,300	2,400 - 4,030
RESIDENTIAL								
Good Quality Condominium	3,000 - 3,800	4,000 - 5,200	16,860 - 20,200	12,480 - 12,890	2,000 - 3,200	1,620 - 2,350	36,200 - 49,400	2,020 - 3,030
Luxury Condominium	3,800 - 5,200	5,200 - 7,300	18,280 - 25,580	17,220 - 17,790	2,600 - 4,800	1,750 - 2,540	60,600 - 104,000	3,340 - 4,690
INDUSTRIAL								
Warehouse	1,400 - 2,000	NA	7,000 - 9,880	5,810 - 6,310	1,100 - 1,900	630 - 730	48,600 - 131,000	1,210 - 2,220
Factory	1,750 - 2,400	NA	7,330 - 10,300	6,300 - 6,950	1,100 - 2,000	660 - 750	51,200 - 188,000	2,360 - 4,350
CAR PARK								
Multi Storey	800 - 1,500	NA	8,800 - 13,750	5,270 - 5,450	900 - 1,300	610 - 920	28,000 - 39,900	1,150 - 2,130
Basement, outside CBD	1,700 - 2,350	NA	16,300 - 23,720	8,140 - 8,410	1,300 - 2,500	1,170 - 1,580	31,700 - 61,800	NA
Basement, CBD	1,800 - 2,700	NA	18,080 - 25,850	8,730 - 9,020	1,500 - 3,600	1,300 - 1,760	31,700 - 61,800	NA

Sources: Rider Levett Bucknall LLP 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 **3rd Quarter 2021**, 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.

Exchange Rate Assumptions:

Currency	SGD	VND (‘000)	IDR (‘000)	MYR	MMK (‘000)	PHP	JPY (‘00)
Units per US\$ (3Q 2021)	1.35	22.84	14.33	4.20	1.66	50.15	110

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 (Malaysia only) • Future cost escalation • Service Provider Fees • Taxes, including Goods and Services Tax/ Value Added Tax (VAT)/ Import Tax

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As a multi-disciplinary group, RLB offers a full range of services required by clients in the property and construction industry, ranging from cost consultancy and quantity surveying, project management, advisory services and market research. RLB Research's expertise in economic and market studies, industry participation and research publications position us as the choice consultant for advice on construction cost trends and market updates for the regional construction markets. The extensive range of professional consultancy provided by RLB covers the following core services:

QS and Cost Consultancy	Project Management
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Advisory Services	Research
<ul style="list-style-type: none"> - Asset Advisory - Transaction Review - Technical Due Diligence - Replacement Cost Assessment - Capital Expenditure Forecasting - Relifing of Assets - Whole Life-Cycle Costing - Facilities Management Consulting - Litigation Support - Risk Mitigation - Procurement Strategies 	<ul style="list-style-type: none"> - Construction Market Research - Cost Escalation and Cost Benchmark in by Sector - Industry Trend Analysis



Phnom Penh, Cambodia

OUR OFFICES

Please contact our offices across the Southeast Asian region to discuss how the tender prices may affect your project or programme.

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