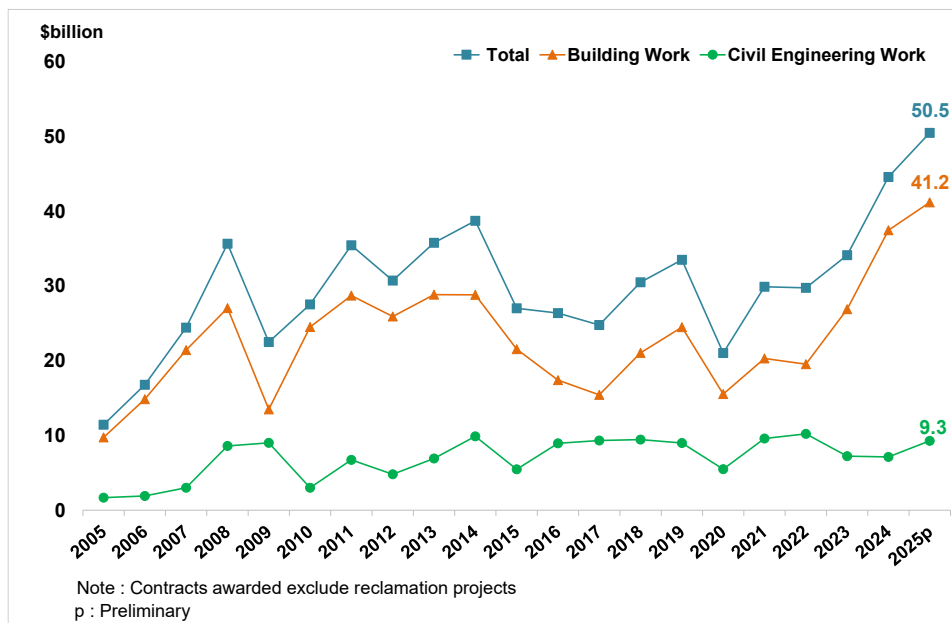


SINGAPORE CONSTRUCTION PROSPECTS 2026¹

REVIEW OF CONSTRUCTION DEMAND² IN 2025

1. In 2025, preliminary total construction demand reached \$50.5 billion (Chart 1), within BCA's forecast of between \$47 billion and \$53 billion. The continued uptrend was mainly driven by robust development of various building projects which contributed about 80% of total construction demand.

Chart 1: Construction Demand (Contracts Awarded), 2005-2025p



2. Key building projects supporting the buoyant demand in 2025 included HDB's Built-To-Order (BTO) units, residential developments across various Government Land Sales (GLS) sites, Eastern Integrated Health Campus, Alexandra Integrated Hospital Redevelopment, Woodlands Checkpoint extension (Phase 1), Toa Payoh Integrated Development comprising sport facilities and community amenities, a major wafer fabrication plant, data centres, a Combined Cycle Gas Turbine (CCGT) power plant and foundation works for Changi Airport Terminal 5 (T5) development.

¹ All currencies stated in this paper are in nominal Singapore dollars unless otherwise stated.

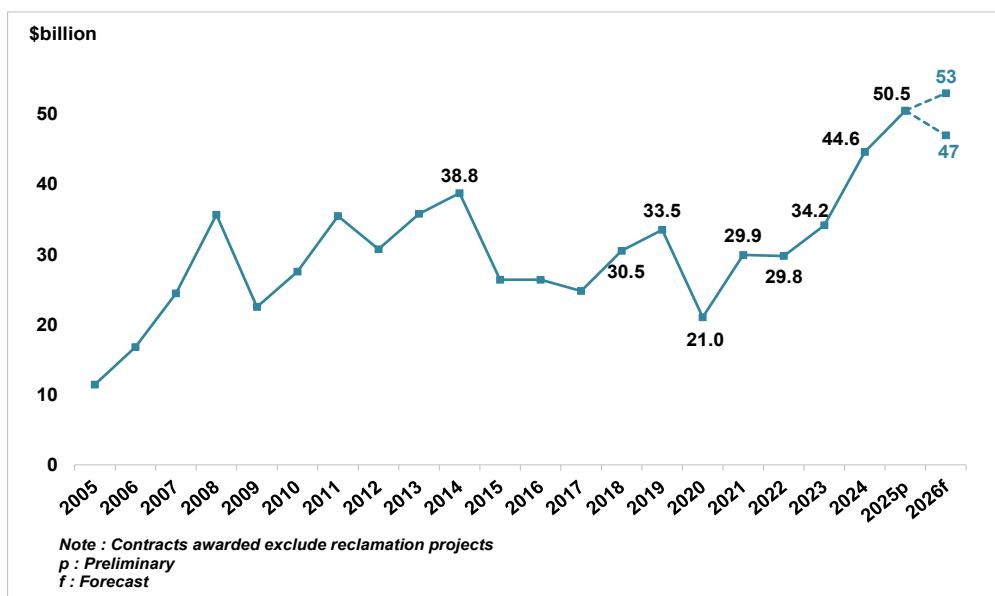
² Construction demand is measured by the total value of construction orders or contracts awarded. Reclamation contracts are excluded from this paper unless otherwise stated.

3. The remaining demand was attributable to civil engineering works which included key developments such as tunnelling works for Changi Airport T5, M&E works for the Thomson-East Coast MRT Line, Cross Island MRT Line (CRL) (Phase 1) and CRL-Punggol Extension, cycling path networks, infrastructure works for Tuas Terminal, and power cabling projects.

CONSTRUCTION DEMAND OUTLOOK IN 2026

4. Based on the latest Oct-Nov 2025 Development Plans Survey (DPS) returns, the total construction demand is projected to be between \$47 billion and \$53 billion³ in 2026, comparable with the preliminary estimate of 2025's demand at \$50.5 billion (Table 1 and Chart 2). The sustained high construction demand expected in 2026 is supported by anticipated awards of additional construction packages for T5 Development, main contract for Marina Bay Sands Integrated Resort expansion (MBS IR2), new Tengah General and Community Hospital, Downtown Line 2 MRT Extension and Thomson-East Coast Line MRT Extension.

Chart 2: Construction Demand (Contracts Awarded), 2005-2026f



³ In view of ongoing challenges from global uncertainties and a complex external environment, the forecast may be subject to significant revision. BCA will review and update the forecast again during the mid-year review in Aug 2026.

Residential Construction Demand

Public Housing

5. Following a record high of \$9.5 billion in 2025, total public residential construction demand is projected to stay firm at between \$6.2 billion and \$6.8 billion in 2026, which remains higher than the annual levels prior to 2023. The stable portfolio of planned developments is expected to maintain an adequate supply of BTO units to meet the needs of prospective homebuyers. In addition, upgrading works to enhance the living environment and rejuvenate the existing housing estates via Home Improvement Programme (HIP) and Neighbourhood Renewal Programme (NRP) are expected to strengthen in 2026.

Private Housing

6. Similarly, private residential building construction demand is anticipated to moderate from \$6.2 billion in 2025 to between \$5.0 billion and \$5.5 billion in 2026. This reflects the measured scaling back of the number of confirmed GLS sites since 2025 to maintain market stability as well as the reduced stock from past en-bloc sales sites. Despite the anticipated moderation, the level in 2026 is expected to remain comparable with that in 2023 as well as 2018/19 when the en-bloc sales activity was intense. Key projects earmarked for development in 2026 include Chuan Grove Residences, Telok Blangah Residences (at former Keppel Golf Course), Pinery Residences at Tampines, and condominiums at Chencharu Close, Bayshore Road, Dunearn Road (at former Bukit Timah Turf City) and River Valley Road.

Commercial Construction Demand

7. Total commercial building construction demand is projected to increase from \$2.2 billion in 2025 to between \$6.1 billion and \$6.7 billion in 2026, boosted by the anticipated main contract for Marina Bay Sands Integrated Resort's expansion and ongoing upgrades to its existing towers, which aim to enhance Singapore's position in the leisure and business tourism markets. Other key commercial building projects scheduled for 2026 include major redevelopment initiatives for Tanglin Shopping Centre and HarbourFront Centre, which will be

transformed into modernised retail landmarks and flagship destinations to cater to evolving consumer preference.

Industrial Construction Demand

8. Despite the projected moderation from \$7.1 billion in 2025, total industrial building construction demand is anticipated to remain comparable with the levels in 2020-24, likely reaching between \$4.6 billion and \$5.4 billion in 2026. The sustained demand is expected to be supported by several biomedical and pharmaceutical plants at Tuas area, a high-tech warehouse and distribution centre at Sungei Kadut for a supermarket operator, a data centre at Changi area, and new contracts for the Tuas Water Reclamation Plant under the Deep Tunnel Sewerage System (Phase 2).

Institutional & Other Building Construction Demand

9. Total institutional building construction demand is expected to remain the largest building development group in 2026, contributing close to 40% of total building demand. It is projected to stay strong at between \$13.5 billion and \$15.3 billion in 2026, albeit slightly lower than 2025's level at \$16.1 billion. Substantial support to the building demand is anticipated to come from new construction packages for the T5 Development, Tengah General and Community Hospital, a health & wellness development at Marina South Drive, Home Team Tactical Centre at Mandai (Phase 3A), new recreational facilities at Resorts World Sentosa (RWS) as well as various bus depot development and upgrading projects.

Civil Engineering Construction Demand

10. Driven by a rich pipeline of infrastructure projects, total civil engineering construction demand is projected to strengthen from \$9.3 billion in 2025 to a new record high of between \$11.6 billion and \$13.4 billion in 2026. In addition to the upcoming MRT contracts for Downtown Line 2 Extension and Thomson–East Coast Line Extension, major projects earmarked to commence construction in 2026 include extensive infrastructure works for T5 Development, new berths and stacking yards for Tuas Terminal as well as more major roads, viaducts and cycling path network to improve transport connectivity.

CONSTRUCTION OUTLOOK FOR 2027-2030

11. Over the medium-term⁴, total construction demand is projected to reach an average of between \$39 billion and \$46 billion per annum in 2027-2030, extending the strong construction demand since 2024. Besides the continuous T5 Development and HDB's stable BTO construction, medium-term construction demand is anticipated to be supported by various sizeable developments such as Cross Island MRT Line (Phase 3), renewal of MRT signalling system, redevelopment of National University Hospital at Kent Ridge, Integrated Waste Management Facility (Phase 2), new city campus at Ophir Road for Singapore University of Social Sciences (SUSS), Phase 3 expansion of the Changi Water Reclamation Plant, Woodlands Checkpoint Redevelopment (new phases), infrastructure works for Greater Sentosa Master Plan, various junior colleges' redevelopment, commercial building redevelopments at Shenton Way area and other urban rejuvenation developments.

12. While the medium-term construction demand outlook appears sanguine, schedules and phases of key projects may still be subject to significant changes, particularly due to unforeseen downside risks arising from volatile global economic conditions. Furthermore, as the T5 Development is an exceptional project during the medium term, industry demand could eventually moderate after this period, reverting to levels similar to those in the pre-COVID era.

IMPACT ON CONSTRUCTION OUTPUT ⁵

13. Based on the contracts awarded in the past few years and the continued strong construction demand forecast for 2026, total nominal construction output is projected to increase to between \$43 billion and \$46 billion in 2026 (Chart 3). The average projected output at \$44.5 billion in 2026 will be around 7% higher than the preliminary estimate of about \$41.7 billion in 2025. The anticipated continued gradual uptrend is expected to be sustained by ongoing robust construction activities, driven by consistently high levels of contract awards since

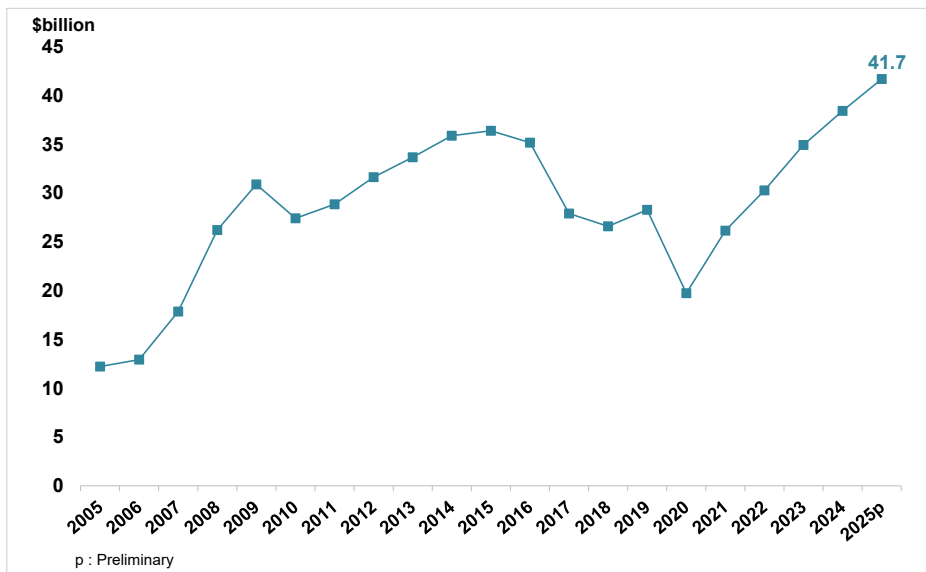
⁴ BCA projects the medium-term construction demand by making reference to the public sector's survey returns for medium term pipeline projects and taking into account the impact of latest economic outlook on private sector construction demand.

⁵ Construction output is measured by the total value of certified progress payments for all projects.

2023. While the projected 2026 nominal construction output is about 57% higher than pre-COVID 2019's nominal level, its real or deflated value at between \$32 billion and \$34 billion (i.e. excluding impact of construction cost inflation) is estimated to be about 8.5% higher than the real output at \$30.4 billion in 2019.

14. To effectively manage this increased output, the industry is strongly encouraged to embrace collaborative contracting for smoother project delivery and adoption of innovative technologies that deliver substantial productivity gains, moving away from traditional labour-intensive practices that rely primarily on workforce expansion.

Chart 3: Construction Output (Certified Progress Payments), 2005-2025p



KEY CONSTRUCTION MATERIALS

15. In 2025, the average market price of commonly used Grade 40 pump ready-mixed concrete increased slightly due to higher market demand and rising operating costs. Conversely, average market price of the reinforcement bars generally declined over the period, weighed down by weak global demand and oversupply in international market.

Ready-Mixed Concrete

16. In tandem with the uptrend in construction output, total demand for ready-mixed concrete in 2025 increased to about 14.53 million m³, from 13.39 million m³ in 2024 (Table 2). For 2026, the demand for ready-mixed concrete is expected to rise to between 15.0 million m³ and 16.0 million m³.

17. Based on preliminary survey returns, the average market price of Grade 40 pump ready-mixed concrete⁶ was \$125.0 per m³ in December 2025, an increase of 3.7% year-on-year. For 2026, market prices of ready-mixed concrete are likely to continue to be influenced by increase in market demand.

Reinforcement Bars (Rebars)

18. The total net imports plus local production (without factoring in stock levels) of rebars was about 1.8 million tonnes in 2025. The main import sources in 2025 were Malaysia (54%) and China (43%). For 2026, the net imports plus local production (without factoring in stock levels) for rebars is projected to grow to between 1.8 million and 2.1 million tonnes (Table 2).

19. The average market price of rebars⁷ in Singapore carried on its descent, dropping by 10.3% from \$735.9 per tonne in December 2024 to about \$ 666.0 per tonne in December 2025. Generally, the average rebar price maintained a consistent downward trend throughout the year owing to subdued global steel demand and sustained surplus from China.

20. Market analysts generally anticipate a cautious recovery in the 2026 outlook for steel bars. While the World Steel Association⁸ forecasts that the worldwide steel demand could see a recovery of 1.3% in 2026, bolstered by a global strengthening of construction activities, several challenges including

⁶ *The market prices are based on contracts with non-fixed price and market retail price.*

⁷ *The prices refer to 16mm to 32mm High Tensile rebar and are based on fixed price supply contracts with contract period 6 months or less.*

⁸ *The Worldsteel Association: Worldsteel Short Range Outlook October 2025, 13 October 2025*

geopolitical uncertainties are anticipated to impact demand and prices in the year ahead.

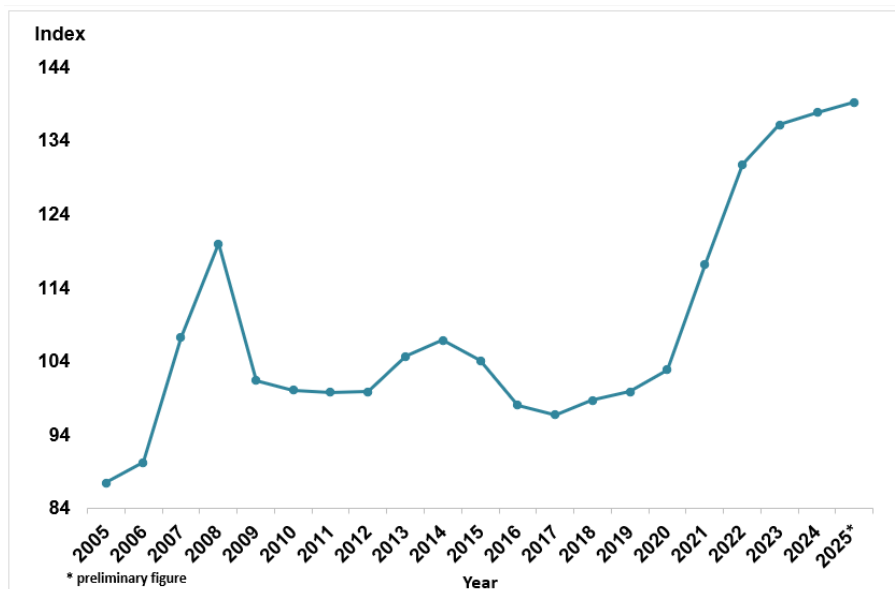
Plant & Equipment

21. The indicative average rental rates for construction tower cranes (excluding operators) in 2025 softened by about 3% due to stiff market competition while that of the mobile cranes (including operators) remained relatively stable as compared to a year ago. Looking ahead to 2026, local suppliers have mixed views on the rental cost outlook. Some suppliers foresee that rental rates could decline due to market oversupply, while others expect the shortage of crane operators to drive rental rates upwards.

CONSTRUCTION COSTS

22. BCA's Building Works Tender Price Index (TPI)⁹ remained relatively stable and is estimated to have increased by about 1% year-on-year in 2025 (Chart 4). Looking ahead, barring any escalation in trade tensions and geopolitical uncertainties, domestic construction tender prices are likely to remain steady amid the healthy construction pipeline in the medium to long term.

Chart 4: Annual BCA's Tender Price Index for Building Works, 2010 = 100



⁹ BCA TPI excludes piling works, sub-structure works and mechanical & electrical works as these cost items are either project specific or not feasible to compile due to lack of data.

CONCLUSION

23. Singapore's construction demand continued to register resilient growth momentum, expanding from \$44.6 billion in 2024 to \$50.5 billion in 2025. The buoyant performance was fuelled by a broad spectrum of building and civil engineering projects. Looking ahead, total construction demand in 2026 is anticipated to remain comparable with that in 2025, at between \$47 billion and \$53 billion in 2026. While the enduring tariff tensions, ongoing geopolitical conflicts and various external economic challenges continued to shape the global landscape, the projected robust local construction demand supported by a steady pipeline of tendering opportunities, including key infrastructure and new iconic landmarks, is anticipated to mitigate the market uncertainty arising from these external headwinds. Over the medium-term, a consistent stream of infrastructure projects, stable public housing construction, extensive institutional building developments, and active urban revitalisation efforts are positioned to assure a steady development in the construction sector.

24. To ride on the sustained industry upcycle, our firms must prioritise collaborative contracting practices that strengthen value chain partnerships, enable effective management of complex projects and enhance the jobs for workers in the industry. This collaborative approach, supported by progressive policies and innovation, must form the cornerstone of the industry's growth strategy. Companies should also utilise government incentives to develop advanced capabilities and productivity solutions. Companies adopting the combined strategy of collaborative contracting methods with innovation-driven technological advances will gain competitive advantages amidst any market fluctuation and unforeseen circumstances. By embracing these strategies, industry can transform the anticipated robust tender opportunities into actual project wins, thereby creating a productive ecosystem which is good for both companies and workers.

Table 1: Contracts Awarded (Excl. Reclamation) by Type of Work

Billion Dollars

	2019	2020	2021	2022	2023	2024	2025 (Preliminary)	2026 (Forecast)
Both Sectors	33.52	21.04	29.93	29.79	34.16	44.63	50.5	47.0 - 53.0
Building Work	24.51	15.55	20.32	19.57	26.92	37.49	41.2	35.4 - 39.7
<i>Residential</i>	8.57	5.44	9.23	9.19	13.24	15.31	15.7	11.2 - 12.3
<i>Commercial</i>	1.84	1.62	2.76	1.65	3.60	5.39	2.2	6.1 - 6.7
<i>Industrial</i>	7.51	4.70	4.99	4.44	4.59	4.95	7.1	4.6 - 5.4
<i>Institutional & Others</i>	6.59	3.78	3.35	4.29	5.49	11.83	16.1	13.5 - 15.3
Civil Engineering Work	9.02	5.49	9.61	10.22	7.24	7.14	9.3	11.6 - 13.4

Source : Building and Construction Authority, Singapore, as at 22 Jan 2026

Table 2: Basic Construction Materials

Demand		
Year	Ready-Mixed Concrete (Mil m³)	Steel Rebars (Mil tonnes)*
2024	13.39	1.58
2025 (p)	14.53	1.82
2026 (f)	15.0 – 16.0	1.8 – 2.1
Current Market Prices		
Year	Ready-Mixed Concrete (Grade 40 Pump) (\$ per m³)	Steel Rebars (16-32mm) (\$ per tonne)
Dec 2024	120.5	735.9
Dec 2025 (p)	125.0	660.0

*: This refers to net imports plus local production (without factoring in stock levels)

p: Preliminary figures

f: Forecast

Source: BCA as at 22 Jan 2026