

CONSTRUCTION MARKET UPDATE

RIDER LEVETT BUCKNALL SINGAPORE AND REGIONAL REPORT

DECEMBER 2023

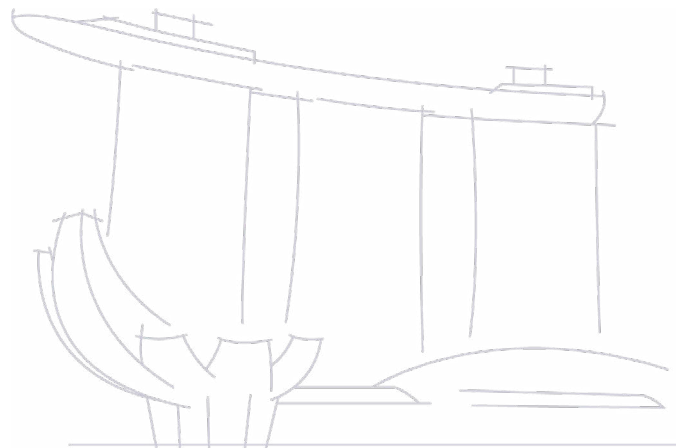
2023
H2

RLB

Rider
Levett
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INTRODUCTION

General Market

The second half of 2023 was characterised by sticky core inflation and commodity price spikes from fresh and prolonged geopolitical shocks, with global growth expected to come in at 3.0%, slowing from the 3.5% growth in the preceding year.

The International Monetary Fund (IMF) noted that while inflation continue to decline worldwide, it remained “too high” at an annual average of 6.9% in 2023 from 8.7% in 2022. Core inflation, excluding food and energy, is expected to drop more gradually from 6.4% in 2022 to 6.3% in 2023. At the same time, the IMF cautioned against premature easing of interest rates by central banks.

Global forecast for 2024 has been cut to 2.9% from 3.0% as downside risks outweigh the upside risks. Volatile commodity prices, geopolitical fragmentation and China’s property crisis remain of high concern even as forecast generally point to a soft landing in 2024.

Construction Industry

The global construction industry is not spared from the risks associated with high inflation rates, including subdued project commencements and increasing financial vulnerabilities in the second half of the year. Based on our regional survey on construction costs escalation issues (page 3), material costs and labour availability remain the top most influences on construction costs escalation. Wage cost increases overtook supply chain logistics as the third most influential factor in

the second half of the year, tied with interest rates, reflecting global macroeconomic concerns.

In this report, majority of the region’s construction industry continue reflect largely stabilised material cost in the second half of 2023, as all 7 cities covered reflected no change or decrease in material costs. Increase in labour costs have been reported in 3 of the cities, while the rest reported stable but elevated labour costs in the same period. Regions covered in this report mostly express cautious optimism as the economy is expected to avoid a global recession with relatively flat growth.

Tender price movements are expected to continue escalating in 2024, with a wide range of Y-o-Y movement compared to the preceding year. The tendering climate is expected to remain competitive as more large-scale developments are in the pipeline, alongside a high demand for infrastructure works as the region recovers from the impact of the COVID-19 pandemic.

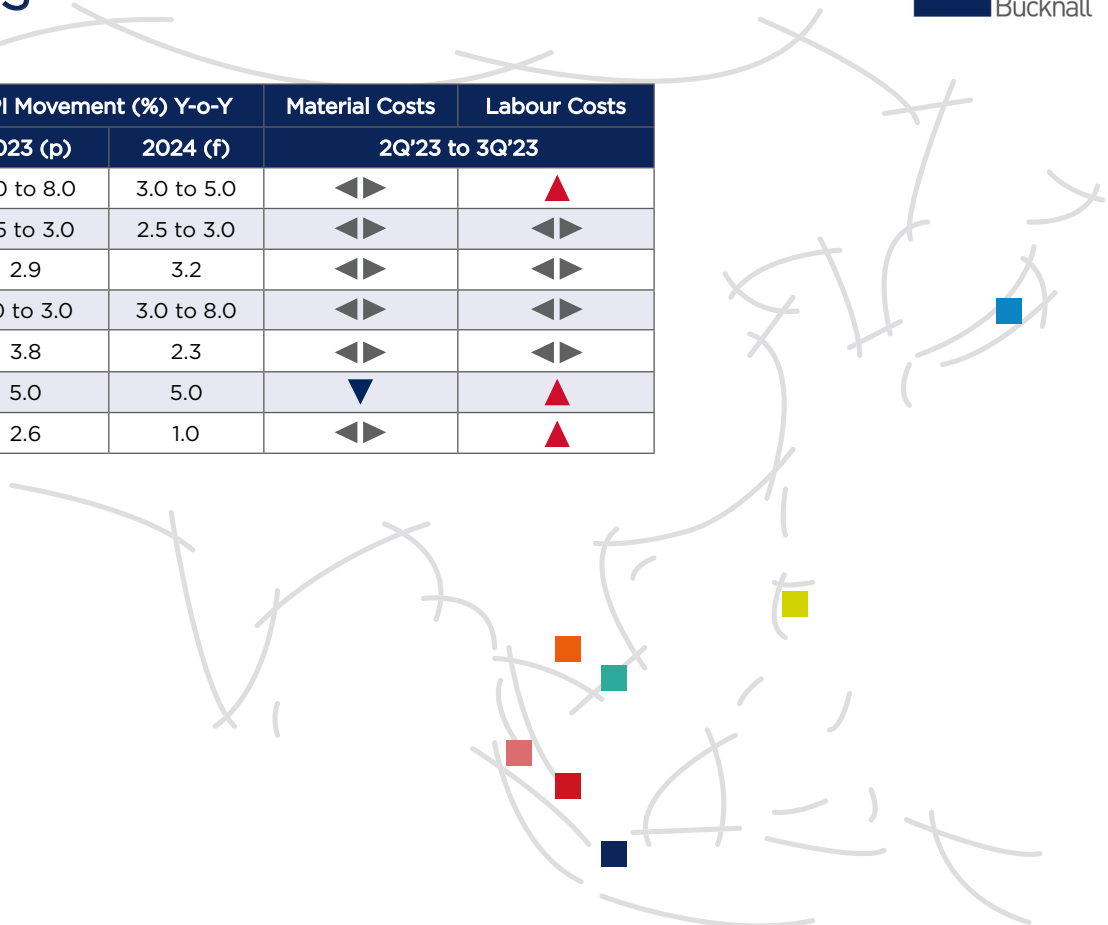
HIGHLIGHTS

	TPI Movement (%) Y-o-Y		Material Costs	Labour Costs
	2023 (p)	2024 (f)	2Q'23 to 3Q'23	
Singapore	5.0 to 8.0	3.0 to 5.0	◀▶	▲
Ho Chi Minh City	2.5 to 3.0	2.5 to 3.0	◀▶	◀▶
Jakarta	2.9	3.2	◀▶	◀▶
Kuala Lumpur	1.0 to 3.0	3.0 to 8.0	◀▶	◀▶
Phnom Penh	3.8	2.3	◀▶	◀▶
Manila	5.0	5.0	▼	▲
Tokyo	2.6	1.0	◀▶	▲

p: preliminary, up to 3Q 2023
f: forecast

Legend:

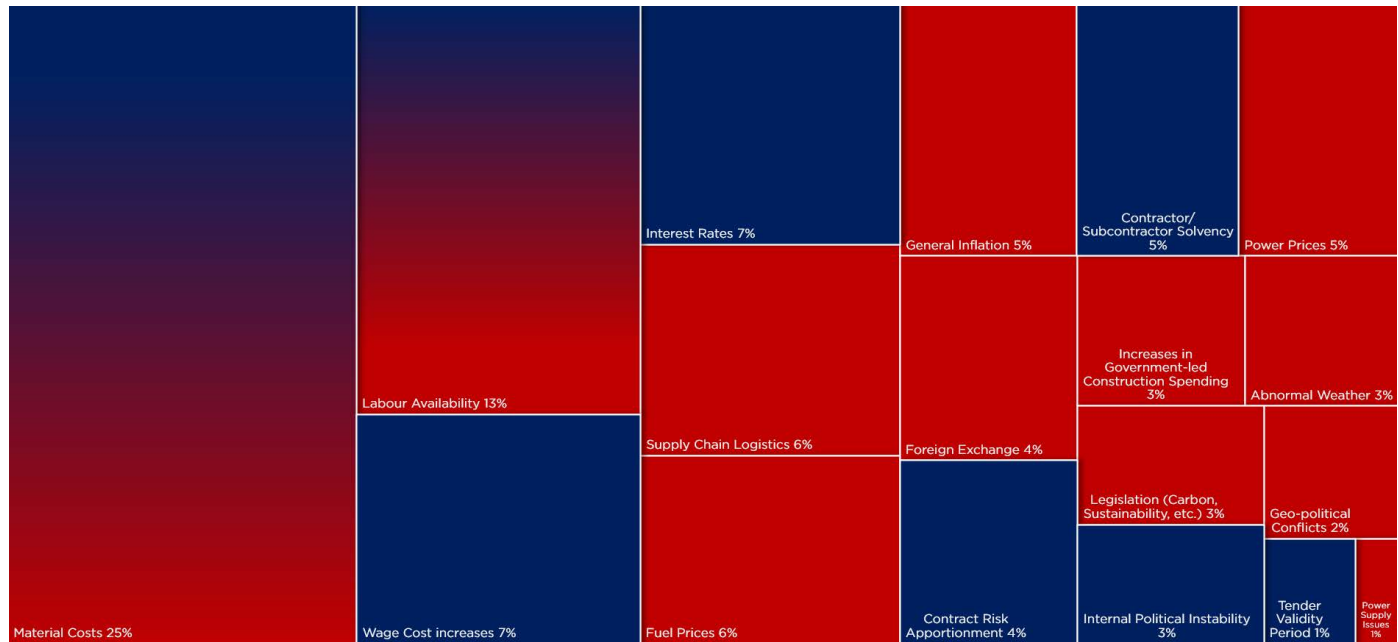
- ▲ Increased
- ◀▶ Remained
- ▼ Decreased



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.



Bedok Beacon, Singapore

SINGAPORE

Construction Market



S\$32b - S\$38b
Construction demand 2024(f)
S\$23.3b as at 3Q 2023
S\$27b - S\$32b in 2023(f)



3.0% - 5.0%
TPI 2024(f)
3.3% Y-o-Y in 3Q 2023
5.0% - 8.0% Y-o-Y in 2023(f)



S\$34b - S\$37b
Construction output 2024(f)
S\$25.5b as at 3Q 2023
S\$30b - S\$33b in 2023(f)



Price movement from 2Q 2023 to 3Q 2023
Construction material ◀▶
Labour ▲

Economy Indicators



1.0% - 3.0%
GDP 2024(f)
1.1% Y-o-Y in 3Q 2023
1.0% Y-o-Y in 2023(f)



2.5% - 3.5%
Inflation 2024(f)
4.1% Y-o-Y in 3Q 2023
4.8% Y-o-Y in 2023(f)



2.1%
Unemployment rate 2024(f)
2.0% in 3Q 2023
1.9% in 2023(f)



Key construction policies introduced

- Construction Dependency Ratio Ceiling will be reduced from 1:7 to 1:5 from 1 January 2024 as part of the national drive to uplift productivity while reducing reliance on foreign manpower
- Lowering of levy rates for off-site construction from 1 January 2024 aimed at supporting the sector's transformation and adoption of more productive technologies (i.e. DfMA, automation)



Phased onboarding of projects onto the new CORENET X

- New regulatory approval process for Building Works where building design are coordinated upfront and jointly submitted to the Authorities through the Gateway process
- Soft launch on 18 December 2023, voluntary submission from 1 June 2024 and mandatory submission for new projects from 1 April 2025

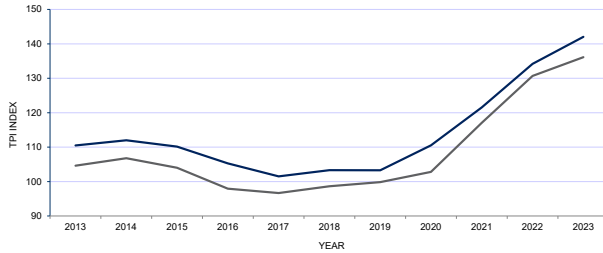


Tender prices remain on upward trend

- Labour costs expected to continue increasing amid imbalance of supply and demand
- High interest rates worldwide to combat spiralling inflation translate to rising prices in the near term

SINGAPORE

BUILDING TENDER PRICE INDICES

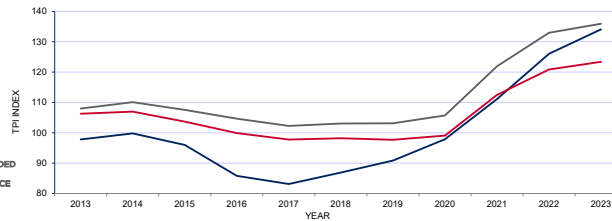


	ANNUAL CHANGE 2023	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
RLB TPI	5.8%	↑	110.5	112.0	110.2	105.3	101.5	103.3	103.3	110.5	121.6	134.2	142.0
BCA TPI	4.2%	↑	104.6	106.8	104.0	98.0	96.7	98.6	99.9	102.8	117.1	130.7	136.1

Data Sources: BCA, RLB

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

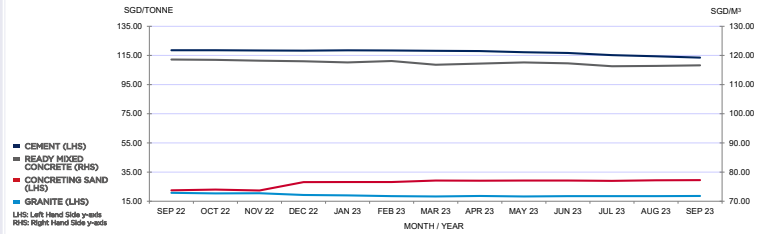
BCA TENDER PRICE INDICES



	ANNUAL CHANGE 2023	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
HDB Flats	6.4%	↑	97.8	99.8	96.0	85.8	83.2	86.9	90.9	97.9	111.1	126.0	134.1
Private Non-Landed	2.2%	↑	108.0	110.1	107.6	104.7	102.3	103.1	103.2	105.7	121.9	133.0	136.0
Commercial Office	2.1%	↑	106.3	107.0	103.7	99.9	97.8	98.2	97.7	99.1	112.5	120.9	123.4

Data Source: BCA
p: preliminary

BASIC CONSTRUCTION MATERIALS



	AVG 3Q 23 / 2Q 23 CHANGE	SEP 22	OCT 22	NOV 22	DEC 22	JAN 23	FEB 23	MAR 23	APR 23	MAY 23	JUN 23	JUL 23	AUG 23	SEP 23	
Cement	-2.5%	↓	118.60	118.60	118.40	118.30	118.50	118.40	118.20	118.00	117.20	116.70	115.20	114.40	113.50
Ready Mixed Concrete	-0.8%	↓	118.60	118.50	118.20	118.00	117.60	118.10	116.80	117.20	117.60	117.30	116.30	116.40	116.60
Concreting Sand	0.5%	↑	22.50	23.00	22.40	28.10	28.20	28.20	29.20	29.10	29.20	29.20	29.00	29.40	29.50
Granite	0.4%	↑	20.80	20.40	20.50	19.30	19.00	18.50	18.30	18.60	18.30	18.50	18.50	18.50	18.60

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



5.8%
Construction
sector growth
2024(f)
3.4% Y-o-Y in
3Q 2023
3.4% Y-o-Y in
2023(f)



2.3%
TPI 2024(f)
3.8% Y-o-Y in
3Q 2023
3.8% Y-o-Y in
2023(f)
(Phnom Penh)



**Price movement
from 2Q 2023 to
3Q 2023**
Construction material ↔
Labour ↔
(Phnom Penh)

Economy Indicators



6.0%
GDP 2024(f)
5.3% Y-o-Y in 3Q 2023
5.3% Y-o-Y in 2023(f)



4.0%
Inflation 2024(f)
3.0% Y-o-Y in
3Q 2023
3.0% Y-o-Y in
2023(f)



0.9%
Unemployment rate
2024(f)
2.0% in 3Q 2023
2.0% in 2023(f)



Construction-related measures announced in 2023

- Introduction of selected public service fees exemption associated with construction permits and initial registrations
- Removal of these fees are expected to promote private sector participation and investment and positively impact construction, affordable housing and surveying



Construction industry recovering

- Number of projects approved dropped by 20% but construction areas and capital investments increased by approximately 185%
- The numbers indicate larger-scale developments in the pipeline compared to a year prior
- Both new and existing projects display positive signs post pandemic, with local investors playing a more significant role than before



Challenging year for real estate

- Oversupply of high-rise residential developments and offices bring prices down, with high interest rates further reducing demand
- Urbanisation in Cambodia expected to increase housing demand post-pandemic on the back of global economic recovery and stabilised interest rates

CAMBODIA

CONSTRUCTION MATERIAL PRICES

MATERIAL	UNIT	AVERAGE SUPPLY RATE (KHR)			
		4Q 2022	1Q 2023	2Q 2023	3Q 2023
Concreting Sand	m ³	31,981	31,590	31,833	31,974
Stone Aggregate (20mm)	m ³	73,924	73,020	66,040	66,334
Ordinary Portland Cement	kg	407	402	418	420
Reinforced Concrete (Grade 30 MPA)	m ³	268,887	265,602	275,747	276,975
Reinforced Concrete (Grade 40 MPA)	m ³	297,405	301,820	304,133	305,487
High Tensile Steel Bars (10-32mm)	kg	2,852	3,099	3,122	3,136
Mild Steel Round Bars (10-25mm)	kg	2,730	2,737	2,757	2,770
Structural Steelwork (U-beam, stanchions)	tonne	7,333,282	7,243,678	7,299,181	7,331,681
Plywood Formwork (2,400x1,200x12mm)	m ²	28,999	28,645	28,864	28,993
Clay Bricks (100mm thick brickwall)	m ²	20,063	20,519	20,519	20,519

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 (3Q 2023): 1 USD = 4,073 KH

LABOUR PRICES

SELECTED OCCUPATIONS	UNIT	AVERAGE LABOUR RATE (KHR)			
		4Q 2022	1Q 2023	2Q 2023	3Q 2023
General Worker	Day	73,900	73,000	73,600	73,900
Concretor (Skilled - Local)	Day	73,200	72,300	72,900	73,200
Brick Layer (Skilled - Local)	Day	98,600	97,400	98,100	98,600
Plasterer (Skilled - Local)	Day	96,600	95,400	96,100	96,500
Tiler (Skilled - Local)	Day	89,200	88,100	88,800	89,200
Steel Bar Worker (Skilled - Local)	Day	79,500	78,600	79,200	79,500
Carpenter (Formwork) (Skilled - Local)	Day	97,900	96,700	97,500	97,900
Carpenter (Joinery) (Skilled - Local)	Day	97,900	96,700	97,500	97,900
Roofer (Skilled - Local)	Day	107,300	106,000	106,800	107,300
Structural Steel Worker (Skilled - Local)	Day	101,000	99,700	100,500	100,900
General Welder (Skilled - Local)	Day	84,500	83,500	84,100	84,500
Plumber (Skilled - Local)	Day	87,800	86,800	87,400	87,800
Painter (Skilled - Local)	Day	98,600	97,400	98,100	98,600
Scaffolder (Skilled - Local)	Day	97,900	96,700	97,500	97,900
Electrician (Semi-skilled - Local)	Day	97,600	96,400	97,200	97,600

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 348t
Construction demand 2024(f)
Rp 298t as at 3Q 2023
Rp 333t in 2023(f)



3.2%
TPI 2024(f)
2.1% Y-o-Y in 3Q 2023
2.9% Y-o-Y in 2023(f)
(Jakarta)



Price movement from 2Q 2022 to 3Q 2023
Construction material ◀▶
Labour ◀▶
(Jakarta)



Sustained recovery of the construction industry in 2023 and 2024

- Recovery supported by government's focus on infrastructure development and investments to develop New Capital City (IKN) Nusantara
- Industry expected to expand by 4.5% in 2024 on the back of investment in transport, renewable energy and housing projects
- Election in 1Q 2024 expected to affect certainty of investment and new construction projects



Development of IKN Nusantara

- High demand for infrastructure works, urban development and strengthening of supply chains
- Phase 1 reached 62% completion as at December 2023 and is expected to complete in July 2024
- High interest from private investors valued at Rp 45t as at end of 2023, in line with the government's target to fulfill 80% of IKN's funding from the private sector



Construction tender prices to trend upwards in 2024

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

Economy Indicators



5.0%
GDP 2024(f)
4.9% Y-o-Y in 3Q 2023
4.8% to 5.0% Y-o-Y in 2023(f)



3.0%
Inflation 2024(f)
3.3% Y-o-Y in 3Q 2023
3.3% to 3.5% Y-o-Y in 2023(f)



4.9%
Unemployment rate 2024(f)
5.3% in 3Q 2023
5.3% to 5.8% in 2023(f)

INDONESIA

CONSTRUCTION MATERIAL PRICES

MATERIAL	UNIT	AVERAGE SUPPLY RATE (IDR)			
		4Q 2022	1Q 2023	2Q 2023	3Q 2023
Concreting Sand	m ³	280,000	290,000	290,000	290,000
Stone Aggregate (20mm)	m ³	230,000	240,000	240,000	240,000
Ordinary Portland Cement	kg	65,000	72,000	72,000	72,000
Reinforced Concrete (Grade 30 MPA)	m ³	770,000	800,000	800,000	800,000
Reinforced Concrete (Grade 40 MPA)	m ³	900,000	900,000	900,000	900,000
High Tensile Steel Bars (10 - 40mm)	kg	9,900	10,300	10,300	9,900
Mild Steel Round Bars (6 - 20mm)	kg	9,700	10,100	10,100	9,700
Structural Steelwork (U-beam, stanchions)	tonne	17,500,000	17,800,000	17,800,000	17,500,000
Timber Sawn Formwork	m ²	185,000	190,000	190,000	190,000
Clay Bricks (100mm thick brickwall)	m ²	135,000	140,000	140,000	140,000

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 (3Q 2023): 1 USD = 15,214 IDR

LABOUR PRICES

SELECTED OCCUPATIONS	UNIT	AVERAGE LABOUR RATE (IDR)			
		4Q 2022	1Q 2023	2Q 2023	3Q 2023
General Workers	Day	125,000	135,000	135,000	135,000
Carpenter (General)	Day	185,000	195,000	195,000	195,000
Tiler	m ²	80,000	85,000	85,000	85,000
Concretor	m ³	125,000	135,000	135,000	135,000
Steel bar worker	Kg	2,800	3,000	3,000	3,000
Formworker	m ²	90,000	95,000	95,000	95,000
Bricker Layer	m ²	50,000	55,000	55,000	55,000
Plasterer	m ²	60,000	65,000	65,000	65,000
Painter	m ²	33,000	35,000	35,000	35,000
Glazer	m ²	275,000	290,000	290,000	290,000
Plumber	Day	200,000	210,000	210,000	210,000
Electrician	Day	200,000	210,000	210,000	210,000

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



5.0% to 10.0%
Construction output
2024(f)
9.6% Y-o-Y in 3Q 2023
5.0% to 10.0% Y-o-Y in
2023(f)



3.0% to 8.0%
TPI 2024(f)
1.0% to 3.0% Y-o-Y in
3Q 2023
1.0% to 3.0% Y-o-Y
in 2023(f)
(Kuala Lumpur)



**Price movement
from 2Q 2023 to
3Q 2023**
Construction material ◀▶
Labour ◀▶
(Kuala Lumpur)

Economy Indicators



4.5% to 5.0%
GDP 2024(f)
3.3% Y-o-Y in 3Q 2023
3.9% Y-o-Y in 2023(f)



2.0% to 2.7%
Inflation 2024(f)
2.0% Y-o-Y in
3Q 2023
2.5% to 3.0% Y-o-Y
in 2023(f)



3.0% to 3.5%
Unemployment rate
2024(f)
3.4% in 3Q 2023
3.3% to 3.6% in
2023(f)



Uncertainties in the market

- Weak data indicating residential property launches in 1H 2023 plunged 50% Y-o-Y, possibly spooking developers into adopting a wait-and-see approach
- Rising cement prices put pressure on contractors post-contract as profits margins narrow
- Inflation and weakening of the Ringgit Malaysia against currencies such as USD and SGD reduce purchasing power



Currency fluctuation a double-edged sword

- Personal consumption lowered as buyers cut back on big ticket purchases like properties
- Inflow of foreign direct investments expected to increase as operation costs decreases



Muted business sentiments in the new year

- Higher downside risks, particularly tightening of monetary policies globally to ease inflationary pressures, likely to result in a soft landing in 2024
- New policies announced during the Malaysia Budget 2024 likely to cut into consumers' disposable income
- Ongoing geopolitical tensions likely to push oil and gas prices upwards, translating to sustained high inflation rates

CONSTRUCTION MATERIAL PRICES

MATERIAL	UNIT	AVERAGE SUPPLY RATE (MYR)			
		4Q 2022	1Q 2023	2Q 2023	3Q 2023
Concreting Sand	tonne	39.00	41.80	45.00	45.00
Stone Aggregate (20mm)	tonne	39.00	42.50	43.00	43.00
Ordinary Portland Cement	kg	20.00	21.50	21.50	22.00
Reinforced Concrete (Grade 30 MPA)	m ³	240.00	253.00	263.00	277.00
Reinforced Concrete (Grade 40 MPA)	m ³	265.00	278.00	287.00	301.00
High Tensile Steel Bars (10 - 32mm)	kg	3.00	3.20	2.95	2.90
Mild Steel Round Bars (10 - 25mm)	kg	3.00	3.30	3.00	2.95
Structural Steelwork (200 x 200mm U-beam)	tonne	4,000.00	4,200.00	4,200.00	4,200.00
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 (3Q 2023): 1 USD = 4.63 MYR

LABOUR PRICES

SELECTED OCCUPATIONS	UNIT	AVERAGE LABOUR RATE (MYR)			
		4Q 2022	1Q 2023	2Q 2023	3Q 2023
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



6.0%
Construction demand 2024(f)
2.0% to 5.0% Y-o-Y in 2023(f)



2.5% to 3.0%
TPI 2024(f)
2.0% Y-o-Y in 3Q 2023
2.5% to 3.0% Y-o-Y in 2023(f)
(Ho Chi Minh City)



5.0%
Construction output
2024(f)
6.2% Y-o-Y in 3Q 2023
7.8% Y-o-Y in 2023(f)



**Price movement
from 2Q 2023 to
3Q 2023**
Construction material ◀▶
Labour ◀▶
(Ho Chi Minh City)

Economy Indicators



5.5%
GDP 2024(f)
4.2% Y-o-Y in 3Q 2023
4.7% Y-o-Y in 2023(f)



4.5%
Inflation 2024(f)
4.5% Y-o-Y in 3Q
2023
4.5% Y-o-Y in
2023(f)



2.5%
Unemployment rate
2024(f)
2.3% in 3Q 2023
2.5% in 2023(f)



Notable regulations introduced in 2H 2023

- Detailed regulations and measures to implement the Bidding Law on contractor selection
- Implemented the Bidding Law on selecting investors to implement projects in cases where bidding must be organised according to the provisions of law on industry



Crisis in the construction sector

- Material prices remained elevated in 2H 2023
- Increased loan rates add to financial difficulties for businesses
- Construction firms have been or are on the brink of being forced into insolvency in the fourth quarter of 2023
- Funding crunch has resulted in builders suspending projects totalling US\$34b



Growth in the books for Vietnam in 2024

- Experts and leading world organisations expect the Vietnam economy to see strong growth, rising to among the 20 fastest growing economies globally
- Growth momentum for the construction industry expected to continue over the forecast period of 2023 to 2027

CONSTRUCTION MATERIAL PRICES

MATERIAL	UNIT	AVERAGE SUPPLY RATE (VND)				
		3Q 2022	4Q 2022	1Q 2023	2Q 2023	3Q 2023
Concreting Sand	m ³	407,000	485,000	485,000	485,000	485,000
Stone Aggregate (20mm)	m ³	341,000	383,000	383,000	395,000	395,000
Ordinary Portland Cement (PCB40)	kg	1,820	1,820	1,820	1,800	1,780
Reinforced Concrete (Grade 30 MPA)	m ³	1,430,000	1,500,000	1,500,000	1,500,000	1,500,000
Reinforced Concrete (Grade 40 MPA)	m ³	1,496,000	1,600,000	1,600,000	1,600,000	1,600,000
High Tensile Steel Bars (10 - 40mm)	kg	15,500	15,200	15,100	14,750	14,150
Mild Steel Round Bars (6 - 20mm)	kg	15,700	15,400	15,100	14,750	14,150
Structural Steelwork (U-beam, stanchions)	tonne	21,850	20,800	20,750	20,900	20,550
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 (3Q 2023): 1 USD = 23,897 VND

PHILIPPINES

Construction Market



7.2%

Construction demand 2024(f)
7.0% Y-o-Y in 3Q 2023
7.8% Y-o-Y in 2023(f)



7.2%

Construction output
2024(f)
-18.1% Y-o-Y in 3Q 2023
7.0% Y-o-Y in 2023(f)



5.0%

TPI 2024(f)
7.0% Y-o-Y in 3Q 2023
5.0% Y-o-Y in 2023(f)
(Manila)



**Price movement
from 2Q 2023 to
3Q 2023**

Construction material ▼
Labour ▲
(Manila)

Economy Indicators



6.3%

GDP 2024(f)
5.9% Y-o-Y in 3Q 2023
4.8% Y-o-Y in 2023(f)



3.3%

Inflation 2024(f)
5.4% Y-o-Y in
3Q 2023
4.8% Y-o-Y in
2023(f)



5.0%

Unemployment rate
2024(f)
4.6% in 3Q 2023
6.7% in 2023(f)



New construction sector policies

- Procurement of local infrastructure building materials where possible
- “Build Better More” program which would allocate 5% to 6% of the country’s GDP for infrastructure projects
- Amendment of the Renewable Energy (RE) Act of 2008 as the government renews focus on RE
- Passed a bill to build a Centre for Disease Control and Prevention in the Philippines



Current market trends and observations

- 35% of a total of 194 infrastructure flagship projects ongoing while 60% have been approved and are in pre-contract stage
- Government entities with the greatest number of projects under the “Build Better More” program include DOTr, DPWH and NIA



Steady growth forecast for the new year

- The Philippine economy expected to return to growth of above 6.0% in 2024
- Recovery in employment and trade and increased public infrastructure spending will support growth
- In the construction sector, sustained growth as the nation recovers from the impact of the pandemic
- Inflation, high interest rates and rising cost of construction materials and labour may pose challenges to growth

PHILIPPINES

CONSTRUCTION MATERIAL PRICES

MATERIAL	UNIT	AVERAGE SUPPLY RATE (PHP)			
		4Q 2022	1Q 2023	2Q 2023	3Q 2023
Concreting Sand	m ³	2,250	2,250	2,200	2,200
Stone Aggregate (20mm)	m ³	2,200	2,200	2,200	2,200
Ordinary Portland Cement	kg	242	235	237	237
Reinforced Concrete (Grade 30 MPA)	m ³	5,230	6,050	6,050	5,850
Reinforced Concrete (Grade 40 MPA)	m ³	5,620	6,464	6,464	6,200
High Tensile Steel Bars (10 - 32mm)	kg	44	45	42	40
Mild Steel Round Bars (10 - 25mm)	kg	44	44	42	39
Structural Steelwork	tonne	97,538	70,443	67,088	56,338
Plywood Formwork (2438x1219x20mm)	pc	891	891	1,389	1,389
Clay Bricks (100mm thick brickwall)	pc	39	41	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 (3Q 2023): 1 USD = 55.95 PHP

LABOUR PRICES

SELECTED OCCUPATIONS	UNIT	AVERAGE LABOUR RATE (PHP)			
		4Q 2022	1Q 2023	2Q 2023	3Q 2023
Concretor (Skilled - Local)	Day	1,407	1,412	1,412	1,504
Brick Layer (Skilled - Local)	Day	1,407	1,412	1,412	1,504
Plasterer (Skilled - Local)	Day	1,407	1,412	1,412	1,504
Tiler (Skilled - Local)	Day	1,407	1,412	1,412	1,504
Steel Bar Worker (Skilled - Local)	Day	1,407	1,412	1,412	1,504
Carpenter (Formwork) (Skilled - Local)	Day	1,407	1,412	1,412	1,504
Carpenter (Joinery) (Skilled - Local)	Day	1,407	1,412	1,412	1,504
Roofer (Skilled - Local)	Day	1,407	1,412	1,412	1,504
Structural Steel Worker (Skilled - Local)	Day	1,407	1,412	1,412	1,504
General Welder (Skilled - Local)	Day	1,561	1,567	1,567	1,670
Plumber (Skilled - Local)	Day	1,407	1,412	1,412	1,504
Painter (Skilled - Local)	Day	1,407	1,412	1,412	1,504
Scaffolder (Skilled - Local)	Day	1,407	1,412	1,412	1,504
Electrician (Semi-skilled - Local)	Day	1,366	1,212	1,212	1,463

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



1.1%
Construction demand 2024(f)
3.9% Y-o-Y in 3Q 2023
3.9% Y-o-Y in 2023(f)



1.0%
TPI 2024(f)
3.4% Y-o-Y in 3Q 2023
2.6% Y-o-Y in 2023(f)
(Tokyo)



-0.5%
Construction output 2023(f)
1.1% Y-o-Y in 3Q 2023



**Price movement
from 2Q 2023 to
3Q 2023**

Construction material ◀▶
Labour ▲
(Tokyo)

Economy Indicators



1.3%
GDP 2024(f)
1.7% Y-o-Y in 3Q 2023
1.9% Y-o-Y in 2023(f)



2.6%
Inflation 2024(f)
2.2% Y-o-Y in
3Q 2023
2.8% Y-o-Y in
2023(f)



2.3%
Unemployment rate
2024(f)
2.6% in 3Q 2023
2.6% in 2023(f)



New construction sector policies

- Regulation on maximum working hours in the industries including the construction industry starting April 2024, generally capped at 45 hours per month and 360 hours per year



Headwinds in the construction industry

- 8.6% decrease in nationwide construction demand in first nine months of 2023 compared to the same period in the preceding year
- 1.4% increase in construction demand in Tokyo while rural areas record double-digit decline
- Soaring construction costs and persistent labour shortages primary reasons for postponement of projects
- Working hours regulations expected to widen labour supply-demand gap and push construction prices higher in 2024



Strong demand in Tokyo

- Construction demand for large projects in Tokyo city centre remain strong despite rising costs
- Demand expected to increase by 80% Y-o-Y in 2023 and a further 30% Y-o-Y in 2024, making it the largest growth in recent years
- Construction prices of super-large mixed-use developments in the city centre has increased sharply according to Sato Facilities Consultant's cost data

CONSTRUCTION MATERIAL PRICES

MATERIAL	UNIT	AVERAGE SUPPLY RATE (JPY)			
		4Q 2022	1Q 2023	2Q 2023	3Q 2023
Concreting Sand	m ³	5,150	5,150	5,150	5,150
Stone Aggregate (20mm)	m ³	5,050	5,050	5,050	5,050
Ordinary Portland Cement	kg	13,000	13,000	16,000	16,000
Reinforced Concrete (Grade 30 MPA)	m ³	18,850	18,850	18,850	20,850
Reinforced Concrete (Grade 40 MPA)	m ³	21,700	21,700	21,700	23,700
Reinforcing Steel (SD295A D16)	tonne	114,000	115,000	117,000	115,000
Reinforcing Steel (SD345A D32)	tonne	120,000	121,000	123,000	121,000
Structural Steelwork	tonne	126,000	126,000	125,000	124,000
Plywood Formwork (1800x900x12mm)	pc	2,200	2,150	1,950	1,800
Bricks (230x76x25mm)	m ²	n/p	n/p	n/p	n/p

Data Source: Market sources,
n/p = not published

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 (3Q 2023): 1 USD = 145 JPY

LABOUR PRICES

SELECTED OCCUPATIONS	UNIT	AVERAGE LABOUR RATE (JPY)			
		4Q 2022	1Q 2023	2Q 2023	3Q 2023
General Worker (Local)	Day	22,300	22,600	23,900	23,900
Brick Layer (Skilled - Local)	Day	25,300	27,600	27,600	27,600
Plasterer (Skilled - Local)	Day	28,100	29,500	29,500	29,500
Steel Bar Worker (Skilled - Local)	Day	28,100	29,000	29,000	29,000
Carpenter (Formwork) (Skilled - Local)	Day	26,600	27,500	27,200	27,200
Carpenter (Joinery) (Skilled - Local)	Day	25,600	27,600	26,900	26,900
Structural Steel Worker (Skilled - Local)	Day	25,700	26,500	26,500	26,500
General Welder (Skilled - Local)	Day	31,300	32,400	32,400	32,400
Plumber (Skilled - Local)	Day	24,100	25,700	25,700	25,700
Painter (Skilled - Local)	Day	30,300	31,300	31,300	31,300
Scaffolder (Skilled - Local)	Day	27,900	29,900	29,900	29,900
Electrician (Skilled - Local)	Day	26,700	28,800	28,800	28,800

Data Sources: Market sources

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

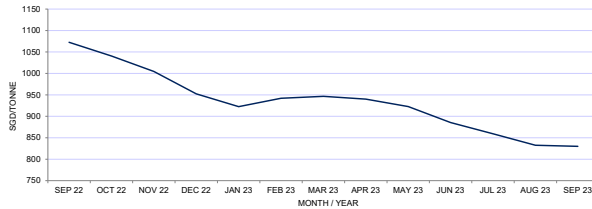
Notes: All labour rates stated above are only applicable for building construction projects in Tokyo.



EkoRiver Centre, Malaysia

COMMODITY PRICE TRENDS

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



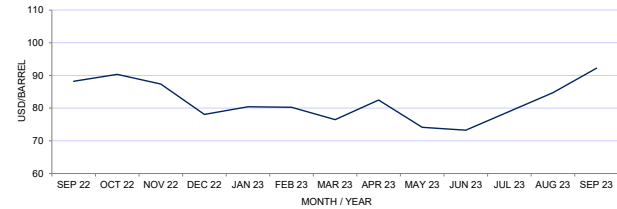
	AVG 3Q 23/ 2Q 23 CHANGE	SEP 22	OCT 22	NOV 22	DEC 22	JAN 23	FEB 23	MAR 23	APR 23	MAY 23	JUN 23	JUL 23	AUG 23	SEP 23
Steel	-8.2%	1,073	1,041	1,005	952	923	942	947	940	923	886	859	833	830

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.

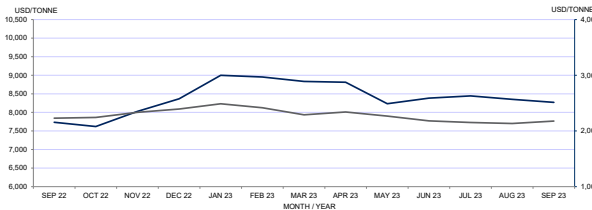
CRUDE OIL PRICES



	AVG 3Q 23/ 2Q 23 CHANGE	SEP 22	OCT 22	NOV 22	DEC 22	JAN 23	FEB 23	MAR 23	APR 23	MAY 23	JUN 23	JUL 23	AUG 23	SEP 23
Crude Oil	11.3%	88	90	87	78	80	80	76	82	74	73	79	85	92

Data Source: IndexMundi

METAL PRICES



	AVG 3Q 23/ 2Q 23 CHANGE	SEP 22	OCT 22	NOV 22	DEC 22	JAN 23	FEB 23	MAR 23	APR 23	MAY 23	JUN 23	JUL 23	AUG 23	SEP 23
Copper	-1.4%	7,733	7,619	8,028	8,366	8,999	8,954	8,834	8,813	8,233	8,385	8,444	8,351	8,270
Aluminium	-4.8%	2,229	2,243	2,335	2,394	2,488	2,416	2,289	2,340	2,267	2,180	2,152	2,133	2,177

Data Source: London Metal Exchange (LME)

CURRENCY EXCHANGE RATES

CURRENCY	UNITS PER USD							
	UNIT	APR 23	MAY 23	JUN 23	JUL 23	AUG 23	SEP 23	
Singapore Dollar	\$ SGD	1	1.33	1.34	1.35	1.33	1.35	1.36
Euro	€ EUR	1	0.91	0.92	0.92	0.90	0.92	0.94
U.K. Pound Sterling	£ GBP	1	0.80	0.80	0.79	0.78	0.79	0.84
Australian Dollar	\$ AUD	1	1.49	1.50	1.49	1.49	1.54	1.56
Chinese Yuan	¥ CNY	1	6.89	6.99	7.16	7.19	7.25	7.30
Malaysian Ringgit	RM MYR	1	4.42	4.53	4.64	4.59	4.61	4.68
Philippine Peso	₱ PHP	1	55.32	55.72	55.89	54.88	56.16	56.79
Japanese Yen	¥ JPY	100	1.33	1.37	1.41	1.41	1.45	1.48
Myanmar Kyat	K MMK	1,000	2.08	2.08	2.08	2.08	2.08	2.08
Cambodian Riel	ₛ KHR	1,000	4.03	4.07	4.07	4.07	4.07	4.07
Indonesian Rupiah	₹ IDR	1,000	14.89	14.80	14.93	15.04	15.24	15.36
Vietnamese Dong	₫ VND	1,000	23.46	23.46	23.50	23.65	23.84	24.20

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	2,670 - 4,380	3,280 - 5,040	25,360 - 27,760	10,900 - 11,400	1,900 - 2,600	30,910 - 51,690	2,370 - 3,740
Good Quality, 26 to 40 storeys	3,910 - 5,060	4,800 - 5,830	26,600 - 25,310	13,800 - 15,200	2,300 - 3,400	37,390 - 58,100	2,490 - 3,930
Prestige, 10 to 25 storeys	4,070 - 4,610	4,980 - 5,540	27,570 - 30,150	16,200 - 17,800	2,700 - 3,700	59,100 - 89,600	3,900 - 6,420
Prestige, 26 to 40 storeys	4,120 - 5,560	5,340 - 6,720	28,930 - 30,630	19,800 - 20,400	3,000 - 4,200	80,330 - 147,400	4,030 - 7,160
HOTEL	(including FF&E)				(including FF&E)	(including FF&E)	
Three Star	4,160 - 5,070	5,120 - 6,580	27,250 - 32,030	15,800 - 17,400	2,700 - 3,900	73,080 - 89,400	3,370 - 4,170
Four Star	5,010 - 6,120	6,630 - 8,040	34,900 - 37,610	23,200 - 24,500	4,000 - 5,400	89,950 - 116,850	4,280 - 5,180
Five Star	6,080 - 7,520	7,900 - 9,990	38,780 - 42,290	24,800 - 26,400	5,500 - 9,500	117,950 - 276,680	6,130 - 8,450
COMMERCIAL							
Retail/ Shopping Mall	2,780 - 4,460	4,320 - 6,150	22,470 - 26,420	12,400 - 12,900	2,500 - 3,800	51,790 - 68,000	2,620 - 4,420
RESIDENTIAL							
Good Quality Condominium	3,460 - 4,310	4,610 - 5,900	17,370 - 18,360	13,400 - 13,800	2,000 - 3,200	41,400 - 70,000	2,270 - 3,410
Luxury Condominium	4,260 - 5,870	5,830 - 8,240	18,830 - 23,250	18,500 - 19,100	2,800 - 4,800	66,800 - 114,640	3,750 - 5,270
INDUSTRIAL							
Warehouse	1,550 - 2,210	NA	7,460 - 8,980	6,100 - 6,700	1,200 - 2,000	43,190 - 63,770	1,340 - 2,460
Factory	1,960 - 2,660	NA	7,810 - 9,360	7,000 - 7,700	1,400 - 2,500	54,340 - 246,290	2,610 - 4,820
CAR PARK							
Multi Storey	950 - 1,710	NA	8,930 - 13,750	5,800 - 6,000	800 - 1,300	46,750 - 55,360	1,240 - 2,300
Basement, outside CBD	2,010 - 2,910	NA	16,540 - 23,720	8,900 - 9,200	1,300 - 3,000	39,790 - 73,000	NA
Basement, CBD	2,110 - 3,010	NA	18,350 - 25,850	9,600 - 9,800	1,700 - 4,000	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 **3rd Quarter 2023**, 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 - 550,000 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/ Value Added Tax (VAT)/ Import Tax

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The Venue Residences and Shoppes, Singapore

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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 research advice on construction cost trends and market updates for the Singapore and regional construction markets. The extensive range of professional consultancy provided by RLB covers the following core services:

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OUR OFFICES



Contact our offices across the Southeast Asian region for any enquiries.

SINGAPORE

Rider Levett Bucknall Consultancy Pte Ltd

911 Bukit Timah Road, Level 3, Singapore 589622

T: +65 6339 1500 | F: +65 6339 1521 | E: rlb@sg.rlb.com | W: www.rlb.com | Contact: Colin Kin, Silas Loh

RLB REGIONAL PRACTICES

CAMBODIA

**Rider Levett Bucknall
(Cambodia) Co., Ltd**

The Fortune Tower (C7),
Unit #2211
Oknha Tephorn Street (182)
and Street 161, Phum 7
Sangkat Veal Vong, Khan
7 Makara,
120307 Phnom
Penh, Cambodia
T: +855 239 02298
E: rlb@sg.rlb.com
Contact: Benson Chua
T: +65 6339 1500

INDONESIA

PT. Rider Levett Bucknall

Jl. Jend. Sudirman, av.
45-46, Sampoerna
Strategic Square,
South Tower Level 19,
Jakarta 12930, Indonesia
T: +62 21 5795 2308
E: rlb@id.rlb.com
Contact: Fadli Aulia

MALAYSIA

RL Bersepadu Sdn Bhd

B2-6-3 Solaris Dutamas,
No. 1 Jalan Dutamas 1,
50480 Kuala Lumpur
Malaysia
T: +60 3 6207 9991
F: +60 3 6207 9992
E: rlb@my.rlb.com
Contact: Lai Kar Fook

MYANMAR

**c/o Rider Levett Bucknall
Consultancy Pte Ltd**

911 Bukit Timah Road,
Level 3,
Singapore 589622
T: +65 6339 1500
E: rlb@sg.rlb.com
Contact: Colin Kin,
Silas Loh

VIETNAM

**Rider Levett Bucknall
Co. Ltd**

Centec Tower, 19th Floor,
Unit 1904B
72-74 Nguyen Thi Minh
Khai Street
Vo Thi Sau Ward
District 3
Ho Chi Minh City, Vietnam
T: +84 83 823 8070
F: +84 83 823 7803
E: rlb@vn.rlb.com
Contact: Serene Wong

PHILIPPINES

**Rider Levett Bucknall
Philippines, Inc.**

Bldg. 3, Corazon Clemena
Compound,
No. 54 Danny Floro St.,
Bagong Ilog,
Pasig City 1600,
Philippines
T: +63 2 234 0141/
+63 917 548 1313
F: +63 2 477 3856
E: rlb@ph.rlb.com
Contact: Corazon Ballard

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