



CONSTRUCTION MARKET UPDATE

# RIDER LEVETT BUCKNALL SINGAPORE AND REGIONAL REPORT

JUNE 2021

2021  
H1

RLB

Rider  
Levett  
Bucknall

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# INTRODUCTION

In our newest Singapore and regional offices construction market update, we have included updates from Phnom Penh, Manila and Tokyo, capturing a more holistic picture of the region. Your time is valuable and we want for you to garner the most useful data within the shortest time. Thus, we present in our new format the use of infographics to provide a quick overview on key issues within each market.

## General Market

Global gross domestic product (GDP) growth plunged into a historically deep recession in 2020. Advanced economies were more badly affected than emerging and developing economies. However, in the last month of 2020, the first COVID-19 vaccine was approved for use, sparking hopes of a rapid economic recovery in 2021.

While the optimism of a vaccine-led recovery in the new year has been dampened by the spread of the more contagious Delta variant, majority of the economies are still expected to enjoy GDP growth in 2021. Nevertheless, vaccination rates and herd immunity are still among the drivers to reopening the economy.

## Construction Industry

The impacts of the COVID-19 pandemic has extended into the new year and the construction industry continues to be one of the worst affected. Worldwide, there is an increase in construction material prices as governments focused public expenditure on infrastructure projects to drive economic growth. Dry bulk carriers remain in short supply as countries around the world replenish disrupted supplies from the year before. The combined effect is that of an upward pressure on prices of imported goods.

Owing to border closures that continued into the first half of 2021, there exists a imbalance in labour supply and demand in countries that rely heavily on imported labourers. Labour costs have risen exponentially for these cities as a result. The elevated construction prices are likely to persist throughout the year while the industry rebounds from the low base of 2020.



# HIGHLIGHTS

	TPI Movement (%)		Material Costs	Labour Costs
	2020	2021 (f)	4Q'20 to 1Q'21	
Singapore	7.0	5.0 to 10.0	▲	▲
Ho Chi Minh City	1.8	8.0	▲	◄►
Jakarta	3.0	7.0	▲	◄►
Kuala Lumpur	-3.0 to -5.0	5.0 to 8.0	▲	▲
Phnom Penh	2.39	1.89	▲	▲
Yangon	-5.0	-3.0	▲	▼
Manila	1.0	1.0	▲	◄►
Tokyo	0.0	-0.1	▲	◄►

f: forecast

## Legend:

- ▲ Increased
- ◄► Remained
- ▼ Decreased





SMU Connexion, Singapore

# SINGAPORE

## Construction Market



**\$S\$23b - \$S\$28b**

Construction demand forecast  
for 2021  
\$S\$21.04b (-37.2% Y-o-Y)  
in 2020

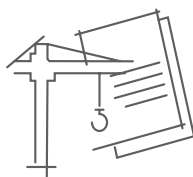


**Price movement  
from 4Q 2020 to  
1Q 2021**

- Construction material ▲
- Labour ▲

**TPI**

2020 7%  
2021 forecast 5% to 10%



**\$S\$6.05b**

Quarterly construction output in Q1  
\$S\$19.74b (-30.2%) for whole of 2020

## Economy Indicators



**4% to 6%**  
GDP 2021 forecast  
5.4% contraction  
in 2020



**1.5%**  
Inflation 1H 2021  
-0.2% growth in  
2020



**2.9%**  
Continuously de-  
clining unemploy-  
ment rate since its  
peak in Sep 2020  
3% in 2020



### COVID-19 (Temporary Measures) Act 2020

- Part 2 and Part 8B on co-sharing of cost: Extension of relief period from 31 Mar 2021 to 30 Sep 2021
- Part 10A: Introduced to address foreign manpower cost increases in respect to Work Permit Holders



### Tender prices on upward trend

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



### Post-contract troubles

- Existing contracts unable to fulfil contractual obligations
- Labour and material shortage persists although it has improved compared to 1H 2020

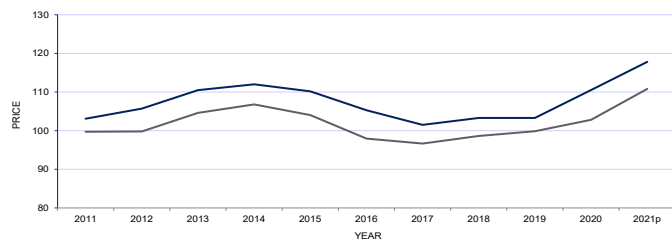


### Residential property market remain resilient

- Recent private residential land sales bids exceeded expectations of industry experts, indicative of strong demand for residential sites by developers and long term optimism

# SINGAPORE

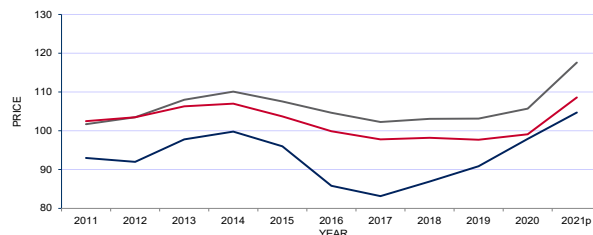
## BUILDING TENDER PRICE INDICES



	ANNUAL CHANGE 2021	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021p
RLB TPI	6.6%	↑										
BCA TPI	7.8%	↑										

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

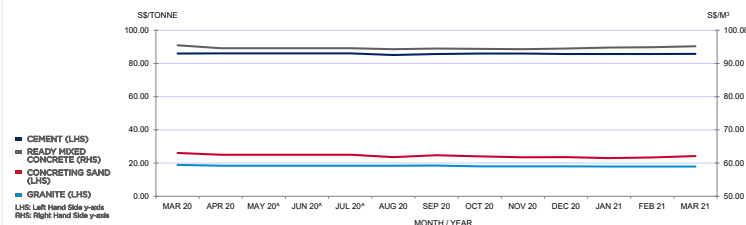
## BCA TENDER PRICE INDICES



	ANNUAL CHANGE 2021	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021p
HDB Flats	6.9%	↑										
Private Non-Landed	11.2%	↑										
Commercial Office	9.6%	↑										

Data Source: BCA  
p: preliminary

## BASIC CONSTRUCTION MATERIALS



	AVG 10'21/4Q'20 CHANGE	MAR 20	APR 20	MAY 20*	JUN 20*	JUL 20*	AUG 20	SEP 20	OCT 20	NOV 20	DEC 20	JAN 21	FEB 21	MAR 21
CEMENT	-0.2%	↓	86.00	86.10	86.10	86.10	86.10	85.10	85.70	86.00	85.70	85.70	85.70	85.80
READY MIXED CONCRETE	0.6%	↑	95.50	94.80	94.60	94.60	94.60	94.30	94.50	94.40	94.30	94.50	94.80	95.20
CONCRETING SAND	-0.7%	↓	26.10	25.00	25.00	25.00	25.00	23.60	24.70	24.00	23.50	23.60	23.40	24.20
GRANITE	-0.6%	↓	18.90	18.40	18.40	18.40	18.40	18.40	18.50	18.00	18.00	17.90	17.90	17.90

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.

\* 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, Jun and Jul 2020 are assumed unchanged from those of Apr 2020.

## Construction Market



**2.9%**

Construction sector growth 2021 forecast  
32.1% drop in value of approved  
construction projects in 2020

### Price movement from 4Q 2020 to 1Q 2021

- Construction material ▲
- Labour ▲  
(Phnom Penh)



**TPI**

2020 2.39%  
2021 forecast 1.89%  
(Phnom Penh)



## Economy Indicators



**4%**

GDP 2021 forecast  
3.1% contraction  
in 2020



**3.11%**

Inflation 1Q 2021  
2.94% growth in  
2020



**1.1%**

Unemployment rate  
forecast to rise  
in 2021  
0.13% in 2020



### Construction sector expected to recover from 2020, supported by

- Influx of foreign investment projects
- The government's investment in infrastructure and energy



### Challenges the industry is facing

- Movement restrictions due to lockdown in 2Q 2021
- Labour shortages due to travel ban
- Shortage of construction materials due to difficulties in transporting the supply to sites
- Slowdown in tourism and commercial projects



### Varied response in the property market

- Rents and prices continue to come under pressure in retail, condominium and serviced apartment sectors, which are dependent on tourism and foreign buyers
- Upswing in rents in office market as occupiers explore expansion opportunities



# INDONESIA

## Construction Market

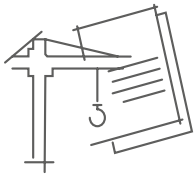


**Rp 606.81t**  
Construction demand forecast  
average for 2021  
Rp586.5t in 2020



### Price movement from 4Q 2020 to 1Q 2021

- Construction material ▲
- Labour (Jakarta) ◀▶



**TPI**  
2020 3%  
2021 forecast 7%  
(Jakarta)

**Rp 388.63t**  
Construction output in 2020



## Economy Indicators



**4.3%**  
GDP 2021 forecast  
2.07% contraction in  
2020



**1.37%**  
Inflation 1Q 2021  
1.68% growth in  
2020



**6.5%**  
Unemployment  
rate expected to  
improve in 2021  
7.07% in 2020



### Construction market expected to resume growth in 2H 2021

- 7.2% growth expected in 2021, barring unforeseen circumstances
- Public projects worth Rp 6 quadrillion to be pumped in by 2024



### New Minister Instruction No. 02/IN/M/2020

- Allow change of material specification if faced with difficulties in importing materials
- Allow for additional cost for health and safety



### Steps taken to attract private investments

- Reducing no. of permits required for establishing power plants by >75%
- Facilitating acquisition of land for setting up industrial facilities



### Project tenders resuming

- Industrial projects resumed tender
- Mall and apartment projects resumed design
- Signals renewed confidence in the market

# INDONESIA

## CONSTRUCTION MATERIAL PRICES

MATERIAL	UNIT	AVERAGE SUPPLY RATE ('000 IDR)			
		2Q2020	3Q2020	4Q2020	1Q2021
Concreting Sand	m <sup>3</sup>	233,000	233,000	236,000	248,000
Stone Aggregate (20mm)	m <sup>3</sup>	213,000	213,000	216,000	227,000
Ordinary Portland Cement	kg	69,000	69,000	70,000	74,000
Reinforced Concrete (Grade 30 MPA)	m <sup>3</sup>	692,000	698,000	710,000	730,000
Reinforced Concrete (Grade 40 MPA)	m <sup>3</sup>	753,000	760,000	770,000	790,000
High Tensile Steel Bars (10 - 40mm)	kg	7,790	7,850	7,900	9,270
Mild Steel Round Bars (6 - 20mm)	kg	7,950	8,000	8,050	9,450
Structural Steelwork (U-beam, stanchions)	tonne	12,468,000	13,091,000	13,746,000	16,495,000
Timber Sawn Formwork	m <sup>2</sup>	172,000	172,000	175,000	184,000
Clay Bricks (100mm thick brickwall)	m <sup>2</sup>	112,000	112,000	114,000	120,000

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 ('000 IDR)			
		2Q2020	3Q2020	4Q2020	1Q2021
General Workers	Day	111,500	111,500	113,000	113,000
Carpenter (General)	Day	160,200	160,200	163,000	163,000
Tiler	m <sup>2</sup>	48,700	48,700	49,400	49,400
Concretor	m <sup>3</sup>	55,800	55,800	56,600	56,600
Steel bar worker	Kg	2,200	2,200	2,200	2,200
Formworker	m <sup>2</sup>	73,500	73,500	74,600	74,600
Brick Layer	m <sup>2</sup>	35,500	35,500	36,000	36,000
Plasterer	m <sup>2</sup>	45,600	45,600	46,300	46,300
Painter	m <sup>2</sup>	28,400	28,400	28,800	28,800
Glazer	m <sup>2</sup>	228,100	228,100	232,000	232,000
Plumber	Day	182,500	182,500	185,000	185,000
Electrician	Day	182,500	182,500	185,000	185,000

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

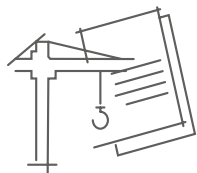


### Price movement from 4Q 2020 to 1Q 2021

- Construction material ▲
- Labour ▲  
(Kuala Lumpur)



**TPI**  
2020 -3% to -5%  
2021 forecast 5% to 8%  
(Kuala Lumpur)



**-10.5%**  
Quarterly construction output in Q1  
-19.6% for whole of 2020

## Economy Indicators



**4.4% to 5.4%**  
GDP 2021 forecast  
5.6% contraction in  
2020



**1.7%**  
Inflation 1Q 2021  
-1.14% growth in  
2020



**4.2%**  
Unemployment  
rate expected to  
improve in 2021  
4.5% in 2020



### Stricter regulations on construction site accommodation

- Amendments to the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 (Act 446)



### Tender prices rising at faster pace in 2021

- Travel limitation preventing import of more foreign labour
- Increase in labour and material prices
- Steel, timber, imported M&E parts have seen double digit hikes since 4Q 2020
- Shortage in dry bulk carriers causing freight rates to increase multi-fold



### Smaller margins and delays in post-contract phase

- Increase in material prices and labour shortage
- Strict regulations set by authorities on SOPs



### Fine balance between consumer demands and construction cost keeping property market afloat

- Demand will only truly return when the pandemic is under control

## CONSTRUCTION MATERIAL PRICES

MATERIAL	UNIT	AVERAGE SUPPLY RATE (MYR)			
		2Q2020	3Q2020	4Q2020	1Q2021
Concreting Sand	tonne	NA	53.90	53.90	53.90
Stone Aggregate (20mm)	tonne	NA	32.10	32.20	33.20
Ordinary Portland Cement	kg	NA	17.80	17.80	17.95
Reinforced Concrete (Grade 30 MPA)	m <sup>3</sup>	NA	185.00	185.00	185.00
Reinforced Concrete (Grade 40 MPA)	m <sup>3</sup>	NA	210.00	210.00	210.00
High Tensile Steel Bars (10 - 32mm)	kg	NA	2.27	2.30	2.90
Mild Steel Round Bars (10 - 25mm)	kg	NA	2.30	2.40	2.90
Structural Steelwork (200 x 200mm U-beam)	tonne	NA	2,700.00	2,700.00	3,500.00
Plywood Formwork (4000x8000x12mm)	pc	NA	55.00	55.00	60.00
Clay Bricks (100mm thick brickwall)	pc	NA	0.40	0.40	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)			
		2Q2020	3Q2020	4Q2020	1Q2021
General Worker (Foreign)	Day	60.00	60.00	65.00	72.00
Concretor (Skilled - Local)	Day	100.00	100.00	115.00	127.00
Brick Layer (Skilled - Local)	Day	105.00	105.00	118.00	130.00
Plasterer (Skilled - Local)	Day	110.00	110.00	120.00	132.00
Tiler (Skilled - Local)	Day	130.00	130.00	139.00	153.00
Steel Bar Worker (Skilled - Local)	Day	110.00	110.00	117.00	129.00
Carpenter (Formwork) (Skilled - Local)	Day	120.00	120.00	131.00	144.00
Carpenter (Joinery) (Skilled - Local)	Day	120.00	120.00	132.00	145.00
Roofer (Skilled - Local)	Day	105.00	105.00	115.00	127.00
Structural Steel Worker (Skilled - Local)	Day	105.00	105.00	115.00	127.00
General Welder (Skilled - Local)	Day	135.00	135.00	145.00	160.00
Plumber (Skilled - Local)	Day	115.00	115.00	127.00	140.00
Painter (Skilled - Local)	Day	110.00	110.00	121.00	133.00
Scaffolder (Skilled - Local)	Day	100.00	100.00	113.00	124.00
Electrician (Semi-skilled - Local)	Day	100.00	100.00	113.00	124.00

Data Sources: Construction Industry Development Board (CIDB)

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

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

## Construction Market



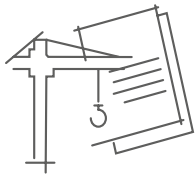
### Price movement from 4Q 2020 to 1Q 2021

- Construction material ▲
- Labour (Yangon)



### TPI

2020 -5%  
2021 forecast -3%  
(Yangon)



**9.1%**

Construction output 2021 forecast should the pandemic and political situation improve 3.7% growth in 2020

## Economy Indicators



**-8.89%**

GDP 2021 forecast  
3.19% growth in  
2020



**5.03%**

Inflation 1Q 2021  
5.73% growth in  
2020



**3.5%**

Unemployment rate  
forecast to rise  
in 2021  
1.71% in 2020



### Factors impacting the economy in 2021

- Second wave of COVID-19 pandemic
- Military coup in Feb 2021, resulting in sanctions by the West



### Effects on the construction industry

- Stoppage of works caused by the pandemic and its associated containment measures
- Disruption in supply of labour and materials
- 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)			
		2Q2020	3Q2020	4Q2020	2Q2021 <sup>*</sup>
Concreting Sand	m <sup>3</sup>	4,828	3,974	3,945	4,475
Stone Aggregate (20mm)	m <sup>3</sup>	26,374	22,077	22,042	21,783
Ordinary Portland Cement	kg	113	99	101	125
Reinforced Concrete (Grade 30 MPA)	m <sup>3</sup>	94,500	90,367	89,033	92,650
Reinforced Concrete (Grade 40 MPA)	m <sup>3</sup>	103,250	101,250	100,250	108,000
High Tensile Steel Bars (10 - 32mm)	kg	746	699	777	1,161
Mild Steel Round Bars (6 - 25mm)	kg	720	656	774	866
Structural Steelwork (U-beam)	tonne	922,500	872,500	942,500	1,280,000
Plywood Formwork (2438x1219x20mm)	pc	32,222	32,963	34,074	32,222
Clay Bricks (100mm thick brickwall)	pc	120	116	110	124

Data Source: Market sources

<sup>\*</sup> 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.

## Construction Market



**7.6%**

Construction demand forecast  
average for 2018 to 2025  
6.76% increase in 2020



### Price movement from 4Q 2020 to 1Q 2021

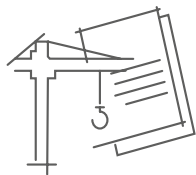
• Construction material ▲

• Labour ◀▶  
(Ho Chi Minh City)

**TPI**

2020 1.8%

2021 forecast 8%  
(Ho Chi Minh City)



**5%**

Construction output forecast in 2021  
5.5% growth in 2020

## Economy Indicators



**6.7%**

GDP 2021 forecast  
4.48% expansion in 2020  
(slowest growth within  
2011 to 2020)



**0.67%**

Inflation 1Q 2021  
2.31% growth in  
2020



**2.42%**

Unemployment  
rate in 1Q2021  
2.26% in 2020



### Rising destination for foreign direct investments

- Developed countries increasingly turning to invest in Vietnam
- Total foreign investment capital in 1Q 2021 increased 18.5% Y-o-Y to US\$10.13b



### Construction and property sectors stand to benefit

- 234 newly registered projects in 1Q 2021
- Registered capital of US\$7.2b represents 30.6% increase Y-o-Y



### Success in containing the COVID-19 situation an attraction

- Attractive location for international corporations and enterprises looking to diversify supply chains
- Investment capital from the US increased 205.5%
- Investment capital from Japan increased 147.7%

## CONSTRUCTION MATERIAL PRICES

MATERIAL	UNIT	AVERAGE SUPPLY RATE (VND)			
		2Q2020	3Q2020	4Q2020	1Q2021
Concreting Sand	m <sup>3</sup>	370,000	370,000	370,000	370,000
Stone Aggregate (20mm)	m <sup>3</sup>	300,000	300,000	300,000	300,000
Ordinary Portland Cement (PCB40)	kg	1,630	1,630	1,630	1,600
Reinforced Concrete (Grade 30 MPA)	m <sup>3</sup>	1,200,000	1,200,000	1,200,000	1,200,000
Reinforced Concrete (Grade 40 MPA)	m <sup>3</sup>	1,310,000	1,310,000	1,310,000	1,310,000
High Tensile Steel Bars (10 - 40mm)	kg	14,300	14,300	14,300	15,073
Mild Steel Round Bars (6 - 20mm)	kg	13,800	13,800	13,800	14,913
Structural Steelwork (U-beam, stanchions)	tonne	16,222	16,322	16,700	20,225
Timber Sawn Form-work	m <sup>2</sup>	145,000	150,000	155,000	155,000
Clay Bricks (100mm thick brickwall)	m <sup>2</sup>	105,000	105,000	105,000	105,000

Data Source: Ho Chi Minh City Construction Department

**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.

# PHILIPPINES

## Construction Market



**1.4%**

Construction demand growth  
forecast for 2021  
-36% in 2020



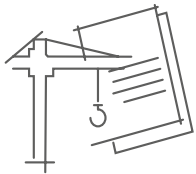
**Price movement  
from 4Q 2020 to  
1Q 2021**

- Construction material
- Labour (Manila)

**TPI**

2020 1%

2021 forecast 1%  
(Manila)



**11.1%**

Construction output forecast for 2021  
9.2% in 2020

## Economy Indicators



**6.89%**

GDP 2021 forecast  
9.51% contraction  
in 2020



**3.4%**

Inflation 1Q 2021  
2.64% growth in  
2020



**8.7%**

Unemployment  
rate expected to  
improve in 2021  
17.7% in 2020



### DPWH D.O. No 30

- Revised construction safety guidelines for the implementation of infrastructure projects during the COVID-19 public health crisis



### Increasing construction tender prices

- Additional cost due to COVID-19 EHS requirement
- Material and labour 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



### Bullish property market

- Leveraged on capturing sizeable yet stable opportunities rather than risky project investments

# PHILIPPINES

## CONSTRUCTION MATERIAL PRICES

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

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)			
		2Q2020	3Q2020	4Q2020	1Q2021
Concretor (Skilled - Local)	Day	NA	1,281.59	1,281.59	1,320.29
Brick Layer (Skilled - Local)	Day	NA	1,281.59	1,281.59	1,320.29
Plasterer (Skilled - Local)	Day	NA	1,281.59	1,281.59	1,320.29
Tiler (Skilled - Local)	Day	NA	1,281.59	1,281.59	1,320.29
Steel Bar Worker (Skilled - Local)	Day	NA	1,281.59	1,281.59	1,320.29
Carpenter (Formwork) (Skilled - Local)	Day	NA	1,281.59	1,281.59	1,320.29
Carpenter (Joinery) (Skilled - Local)	Day	NA	1,281.59	1,281.59	1,320.29
Roofer (Skilled - Local)	Day	NA	1,281.59	1,281.59	1,320.29
Structural Steel Worker (Skilled - Local)	Day	NA	1,281.59	1,281.59	1,320.29
General Welder (Skilled - Local)	Day	NA	1,423.71	1,423.71	1,470.33
Plumber (Skilled - Local)	Day	NA	1,281.59	1,281.59	1,320.29
Painter (Skilled - Local)	Day	NA	1,281.59	1,281.59	1,320.29
Scaffolder (Skilled - Local)	Day	NA	1,281.59	1,281.59	1,320.29
Electrician (Semi-skilled - Local)	Day	NA	1,178.12	1,178.12	1,207.60

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 include social benefits for locals and are only applicable for building construction projects in Manila.



## Construction Market



**¥62t**

Construction demand forecast for 2021  
(incl. Civil Engineering)  
¥63t in 2020 (incl. CE)

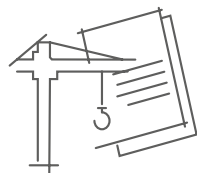


**Price movement  
from 4Q 2020 to  
1Q 2021**

- Construction material
- Labour (Tokyo)

**TPI**

2020 0%  
2021 forecast -0.1%  
(Tokyo)



**¥14t**

Quarterly construction output in Q1  
(incl. CE)  
¥52t for whole of 2020

## Economy Indicators



**3.1%**

GDP 2021 forecast  
4.8% contraction  
in 2020



**0.3%**

Inflation 1Q 2021  
-0.02% growth in  
2020



**3.0%**

Unemployment  
rate rises in 2021 as  
hiring in the service  
sector softens  
2.8% in 2020



**Green Growth Strategy through Achieving Carbon Neutrality in 2050**

- Formulated in Jun 2021



**Hard hit construction industry**

- Industry boomed from 2011 to 2019 after the Great East Japan Earthquake
- Building investment fell 10% in 2020 due to the pandemic



**Current construction trends**

- Significant decrease in retail and hotel projects
- Increase in logistics and data centre markets as consumers shift to online shopping services



**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)			
		2Q2020	3Q2020	4Q2020	1Q2021
Concreting Sand	m <sup>3</sup>	NA	4,850	4,850	4,850
Stone Aggregate (20mm)	m <sup>3</sup>	NA	4,550	4,550	4,550
Ordinary Portland Cement	kg	NA	11,000	11,000	11,000
Reinforced Concrete (Grade 30 MPA)	m <sup>3</sup>	NA	15,150	15,150	15,150
Reinforced Concrete (Grade 40 MPA)	m <sup>3</sup>	NA	18,000	18,000	18,000
Reinforcing Steel (SD295A D16)	tonne	NA	63,000	64,000	67,000
Reinforcing Steel (SD345A D32)	tonne	NA	67,000	68,000	71,000
Structural Steelwork	tonne	NA	74,000	74,000	74,000
Plywood Formwork (1800x900x12mm)	pc	NA	1,440	1,370	1,390
Bricks (230x76x25mm)	m <sup>2</sup>	NA	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)			
		2Q2020	3Q2020	4Q2020	1Q2021
General Worker (Foreign)	Day	NA	21,500	21,500	21,500
Brick Layer (Skilled - Local)	Day	NA	25,300	25,300	25,300
Plasterer (Skilled - Local)	Day	NA	27,700	27,700	27,700
Steel Bar Worker (Skilled - Local)	Day	NA	27,600	27,600	27,600
Carpenter (Formwork) (Skilled - Local)	Day	NA	26,000	26,000	26,000
Carpenter (Joinery) (Skilled - Local)	Day	NA	24,300	24,300	24,300
Structural Steel Worker (Skilled - Local)	Day	NA	25,700	25,700	25,700
General Welder (Skilled - Local)	Day	NA	30,200	30,200	30,200
Plumber (Skilled - Local)	Day	NA	22,900	22,900	22,900
Painter (Skilled - Local)	Day	NA	28,300	28,300	28,300
Scaffolder (Skilled - Local)	Day	NA	27,300	27,300	27,300
Electrician (Semi-skilled - Local)	Day	NA	25,500	25,500	25,500

Data Sources: Market sources

**Exclusions:** • Plant and Equipment • Transport • Wastage • Overheads and Profit • Import Tax • Consumption Tax (VAT)

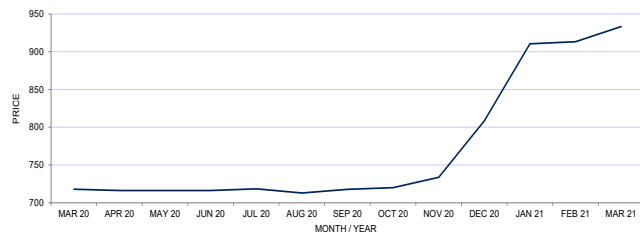
**Notes:** All labour rates stated above are only applicable for building construction projects in Tokyo.



The Grand Ho Tram, Vung Tau, Vietnam

# COMMODITY PRICE TRENDS

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



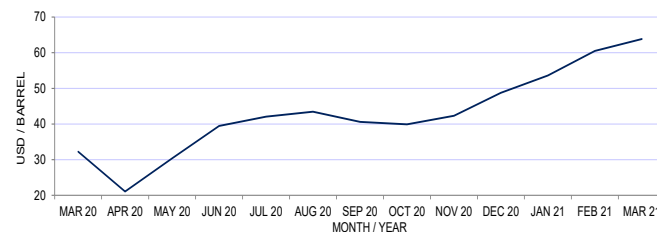
	AVG 1Q'21/ 4Q'20 CHANGE	MAR 20	APR 20	MAY 20*	JUN 20	JUL 20	AUG 20	SEP 20	OCT 20	NOV 20	DEC 20	JAN 21	FEB 21	MAR 21
Steel	21.9% ↑	718	716	716	716	718	713	718	720	734	809	911	913	933

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.

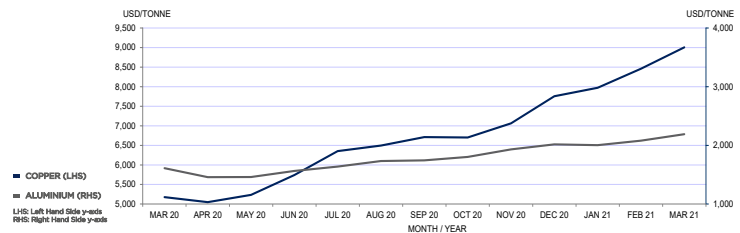
## CRUDE OIL PRICES



	AVG 1Q'21/ 4Q'20 CHANGE	MAR 20	APR 20	MAY 20	JUN 20	JUL 20	AUG 20	SEP 20	OCT 20	NOV 20	DEC 20	JAN 21	FEB 21	MAR 21
Crude Oil	35.9% ↑	32	21	30	39	42	43	41	40	42	49	54	60	64

Data Source: IndexMundi

## METAL PRICES



	AVG 1Q'21/ 4Q'20 CHANGE	MAR 20	APR 20	MAY 20	JUN 20	JUL 20	AUG 20	SEP 20	OCT 20	NOV 20	DEC 20	JAN 21	FEB 21	MAR 21
Copper	18.2% ↑	5178	5048	5234	5742	6354	6497	6712	6703	7063	7755	7971	8460	9005
Aluminium	9.1% ↑	1611	1457	1460	1564	1639	1734	1745	1803	1932	2018	2004	2080	2192

Data Source: London Metal Exchange (LME)

## CURRENCY EXCHANGE RATES

CURRENCY				UNITS PER USD						
	UNIT			OCT 20	NOV 20	DEC 20	JAN 21	FEB 21	MAR 21	
Singapore Dollar	\$	SGD	1	1.36	1.35	1.33	1.33	1.33	1.34	
Euro	€	EUR	1	0.85	0.85	0.82	0.82	0.83	0.84	
U.K. Pound Sterling	£	GBP	1	0.77	0.76	0.74	0.73	0.72	0.72	
Australian Dollar	\$	AUD	1	1.40	1.38	1.33	1.30	1.29	1.30	
Chinese Yuan	¥	CNY	1	6.70	6.61	6.54	6.47	6.46	6.51	
Malaysian Ringgit	RM	MYR	1	4.15	4.12	4.06	4.04	4.05	4.11	
Philippine Peso	₱	PHP	1	48.48	48.27	48.07	48.06	48.21	48.57	
Japanese Yen	¥	JPY	100	1.05	1.04	1.04	1.04	1.05	1.09	
Myanmar Kyat	K	MMK	1,000	1.28	1.28	1.32	1.31	1.37	1.39	
Cambodian Riel	៛	KHR	1,000	4.05	4.02	4.00	4.01	4.02	4.02	
Indonesian Rupiah	Rp	IDR	1,000	14.73	14.25	14.15	14.06	14.03	14.37	
Vietnamese Dong	₫	VND	1,000	23.14	23.15	23.10	23.04	22.98	23.02	

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/m2	VND ('000)/m2	IDR ('000)/m2	MYR/m2	MMK ('000)/m2	PHP/m2	JPY ('00)/m2
<b>OFFICE</b>							
Good Quality, 10 to 25 storeys	2,900 - 3,750	24,160 - 27,250	9,890 - 10,560	1,400 - 2,700	1,150 - 1,750	26,990 - 33,590	3,620 - 5,950
Good Quality, 26 to 40 storeys	3,050 - 4,350	25,350 - 27,320	11,920 - 13,210	2,400 - 3,400	1,200 - 1,830	33,920 - 53,140	3,740 - 6,640
Prestige, 10 to 25 storeys	3,200 - 3,950	26,280 - 32,550	14,680 - 15,710	2,800 - 3,700	1,550 - 2,100	53,610 - 65,610	2,200 - 3,470
Prestige, 26 to 40 storeys	3,250 - 4,550	27,570 - 33,060	17,570 - 19,650	3,000 - 4,300	1,630 - 2,210	65,610 - 116,650	2,310 - 3,640
<b>HOTEL</b>							
	(including FF&E)			(including FF&E)		(including FF&E)	
Three Star	3,600 - 4,000	25,960 - 33,570	14,090 - 17,840	2,700 - 3,700	1,910 - 2,760	65,000 - 79,500	3,040 - 3,760
Four Star	3,900 - 4,850	33,250 - 39,420	20,580 - 22,850	3,700 - 4,800	2,190 - 3,140	80,000 - 104,000	3,860 - 4,680
Five Star	4,700 - 6,050	36,950 - 44,330	21,320 - 25,160	5,400 - 7,500	2,580 - 3,480	105,000 - 246,000	5,530 - 7,630
<b>COMMERCIAL</b>							
Retail/ Shopping Mall	2,200 - 3,700	21,420 - 28,520	11,300 - 12,220	2,200 - 3,700	1,890 - 2,350	43,400 - 59,100	2,370 - 3,990
<b>RESIDENTIAL</b>							
Good Quality Condominium	2,750 - 3,450	16,550 - 19,820	12,080 - 13,670	2,000 - 3,200	1,350 - 1,970	35,500 - 48,400	2,000 - 3,000
Luxury Condominium	3,500 - 4,800	17,950 - 25,100	16,670 - 18,810	2,600 - 4,800	1,460 - 2,120	59,400 - 103,450	3,300 - 4,640
<b>INDUSTRIAL</b>							
Warehouse	1,300 - 1,850	6,400 - 9,690	5,480 - 5,950	1,100 - 1,900	520 - 600	48,600 - 131,000	1,200 - 2,200
Factory	1,600 - 2,200	6,700 - 10,110	5,940 - 6,560	1,100 - 2,000	540 - 610	51,200 - 181,000	2,330 - 4,300
<b>CAR PARK</b>							
Multi Storey	750 - 1,400	9,500 - 13,750	5,100 - 5,560	900 - 1,300	540 - 820	25,000 - 36,000	1,140 - 2,110
Basement, outside CBD	1,550 - 2,150	17,590 - 23,720	7,880 - 9,660	1,300 - 2,500	1,040 - 1,410	28,300 - 60,610	NA
Basement, CBD	1,650 - 2,250	19,510 - 25,850	8,460 - 10,360	1,500 - 3,600	1,160 - 1,560	28,300 - 60,610	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.

All construction prices prices stated herein are as at **1st 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\$ (1Q 2021)	1.33	23.01	14.15	4.06	1.36	48.28	1.06

## 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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Sedona Hotel, Yangon, Myanmar

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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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We thank our long-time collaborator, Sato Facilities Consultants, Inc., for their invaluable contribution of data and information on Tokyo, Japan in this report. Enquiries can be directed to Takayoshi SATO at [asksfc@sfc-net.co.jp](mailto:asksfc@sfc-net.co.jp)

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