

Presentation to Italian Delegation Visit to Singapore

Mr Ho Kong Mo

Joint Managing Director

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11 December 2013

Global Construction Consultants

Agenda

- Brief Introduction of Langdon & Seah
- Construction Market in Singapore
 - Construction Activity / Demand
 - Categorization of Consultants and Contractors in Singapore
 - Basic Materials Price Trends
 - Tender Price Index (TPI)
 - Likely Major Projects in the Pipeline
- Q & A?



BRIEF INTRODUCTION OF LANGDON & SEAH

Langdon & Seah is a multi disciplinary firm of client focused specialists, highly experienced in all areas of the built environment, with an in-depth knowledge of procurement, development, finance and construction delivery processes. We are committed to representing the Client's interest and managing their risk without compromise.



LANGDON & SEAH IN ASIA

LangdonSeah

AN  ARCADIS COMPANY



**Total of 36 offices and
3,000+ staff**

Brunei > Bandar Seri Begawan

China > Hong Kong, Beijing, Chengdu, Chongqing, Dalian, Foshan, Guangzhou, Hangzhou, Macau, Sanya, Shanghai, Shenyang, Shenzhen, Suzhou, Tianjin and Wuhan

India > Bangalore, Chennai, Delhi, Hyderabad, Mumbai and Pune

Indonesia > Jakarta, Bali and Surabaya

Korea > Seoul

Malaysia > Selangor, Johor, Penang and Sabah

Philippines > Manila

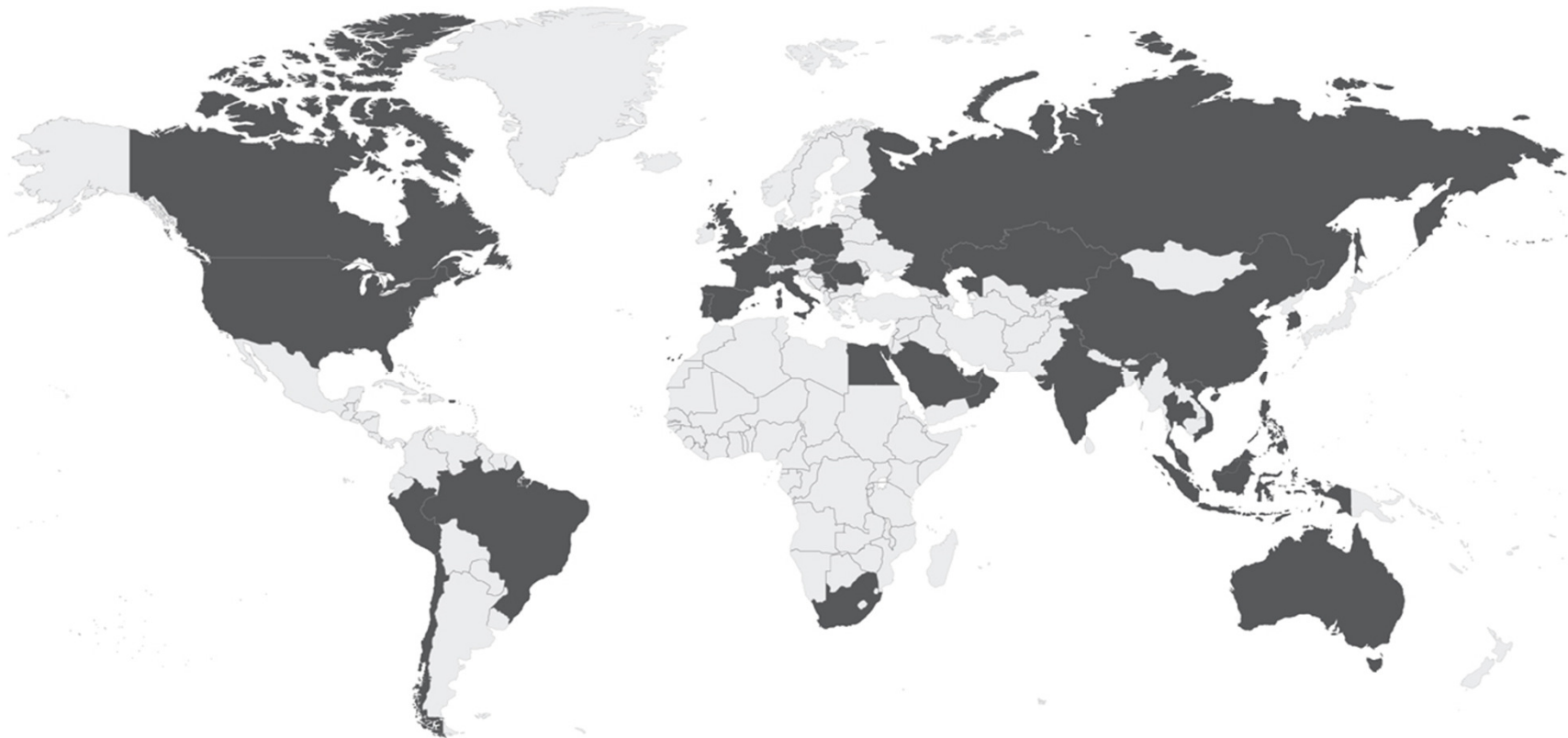
Singapore

Thailand > Bangkok

Vietnam > Hanoi and Ho Chi Minh City

As of April 2012, Langdon & Seah (L&S) has merged with ARCADIS which has an extensive international network and 21,000 Employees worldwide.

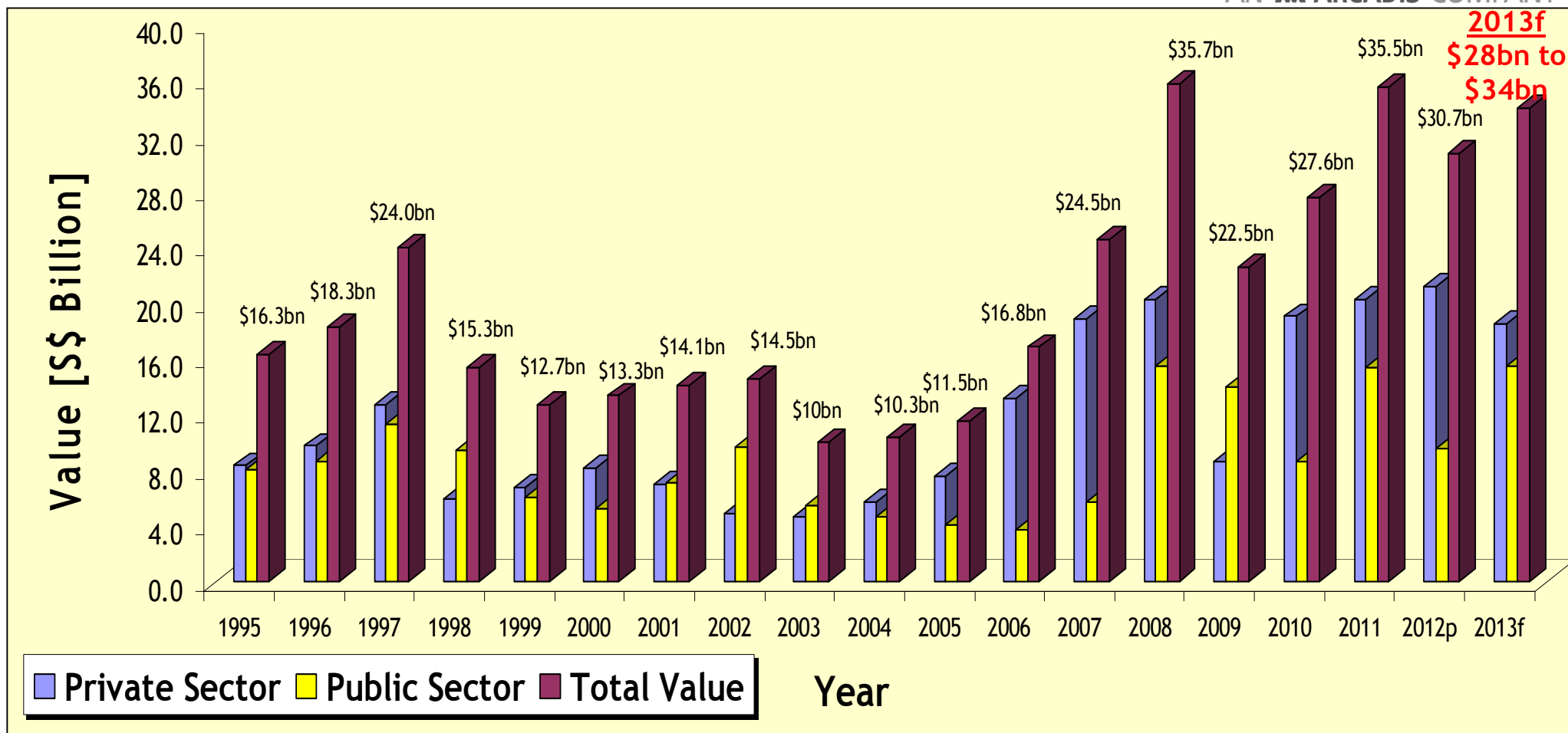
ARCADIS also have within the group, EC Harris, a renowned and leading global Built Asset Consultancy.





Construction Activity / Demand

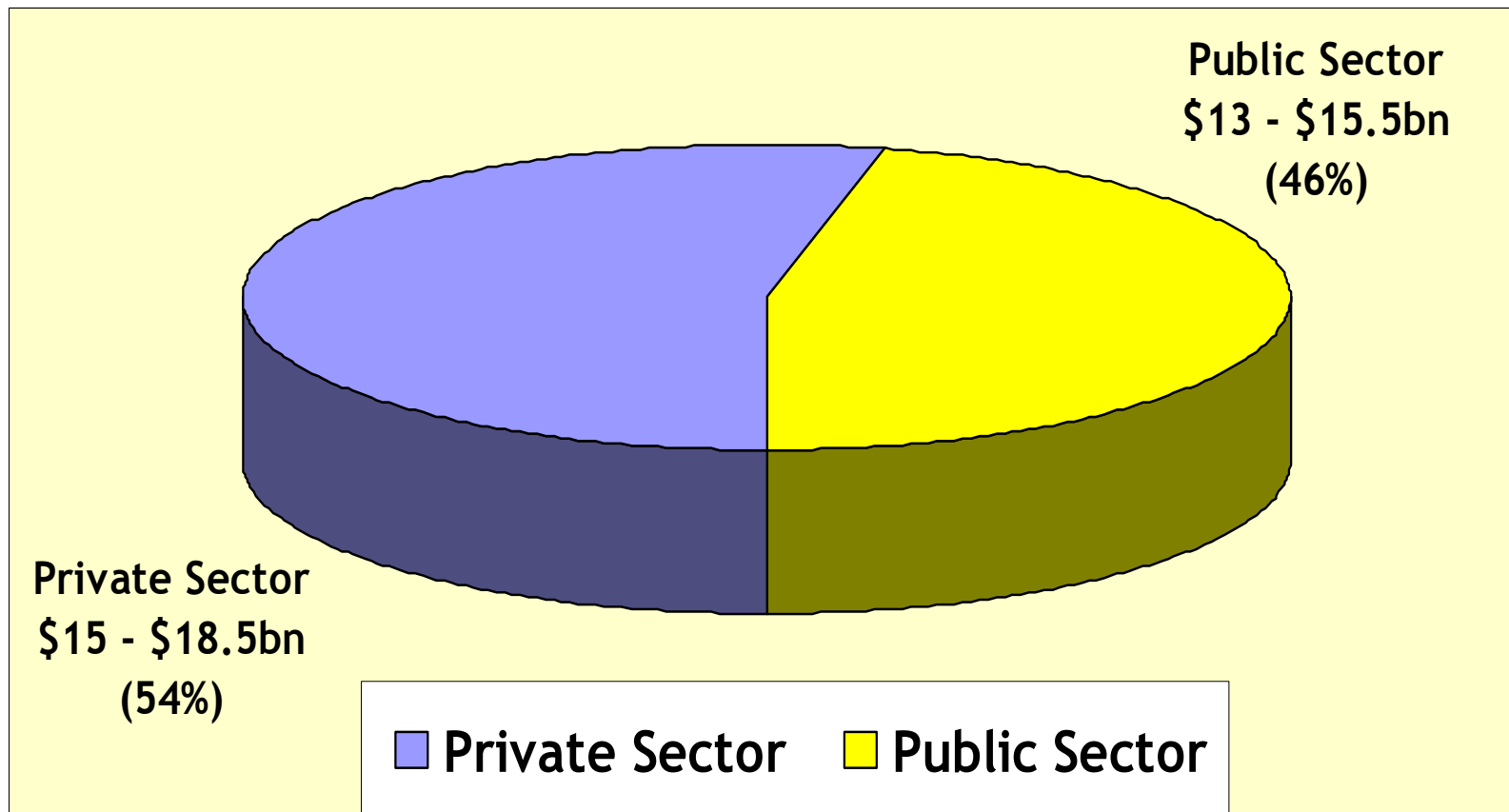
Construction Activity / Demand



Source: BCA as at 3 September 2013

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012p	2013f
Private Sector	8.3	9.7	12.7	5.9	6.7	8.1	7.0	4.8	4.6	5.7	7.5	13.1	18.8	20.2	8.6	19.0	20.2	21.2	15-18.5
Public Sector	8.0	8.6	11.3	9.4	6.0	5.2	7.1	9.6	5.4	4.6	4.0	3.7	5.7	15.5	13.9	8.6	15.3	9.5	13-15.5
Total Value	16.3	18.3	24.0	15.3	12.7	13.3	14.1	14.5	10.0	10.3	11.5	16.8	24.5	35.7	22.5	27.6	35.5	30.7	28-34

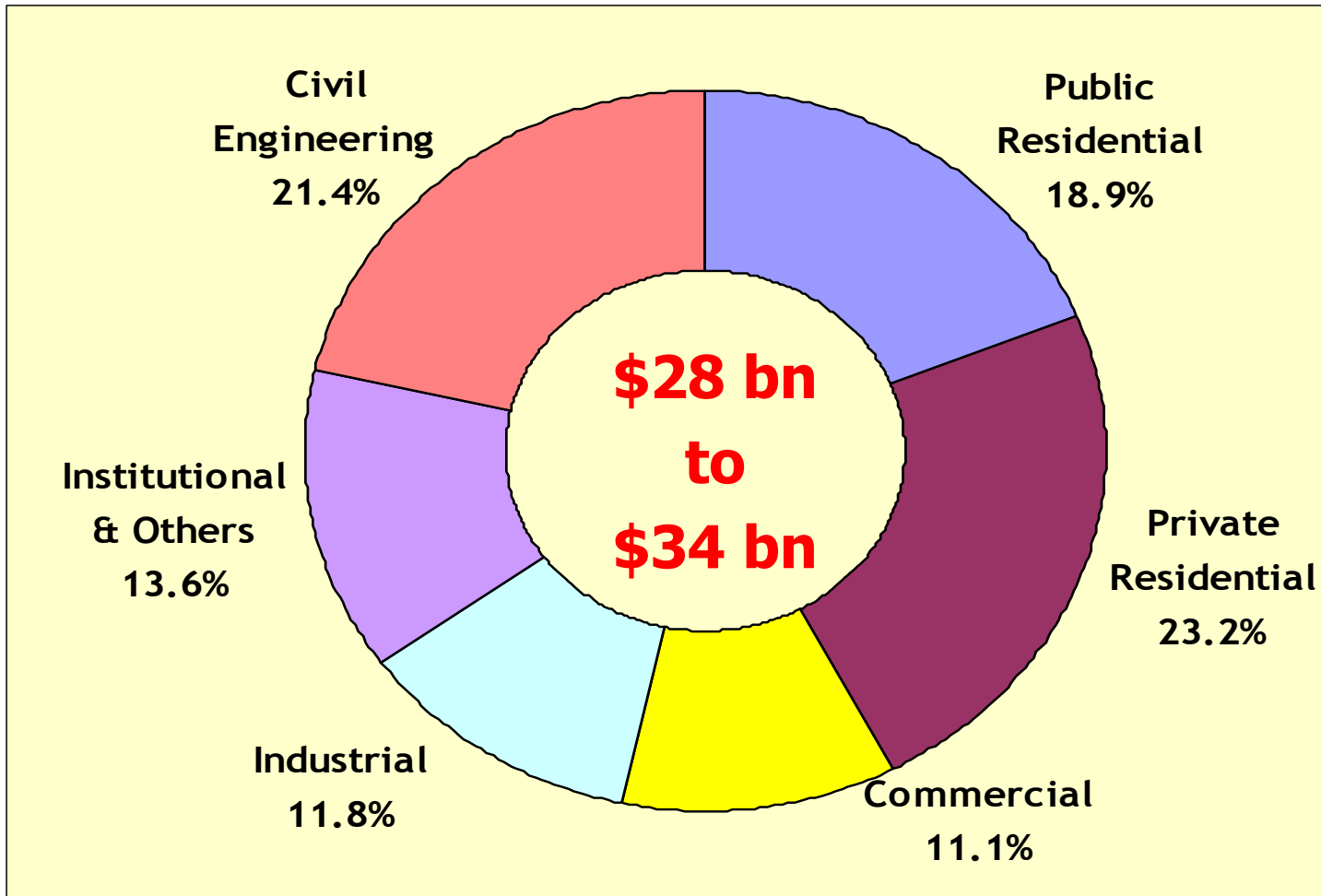
Breakdown of Construction Demand 2013 Public / Private Sector



Source: BCA as at 3 September 2013

Construction Activity / Demand

Breakdown for 2013 (By Type of Work)



Source: BCA as at 3 September 2013

Construction Activity / Demand

Forecast for 2014-2015

2014 - 2015#	Total for Both Public and Private Sectors
Forecast (Average Annual)	S\$22 billion to S\$30 billion

Source: BCA as at 3 September 2013



Categorization of Consultants and Contractors in Singapore

Public Sector Panels of Consultants (PSPC)

- The **Public Sector Panels of Consultants (PSPC)** is to facilitate the Government in appointing consultants to undertake building development projects.
- It lists companies that provide consultancy services for public sector building and construction projects, categorized by different disciplines and different project cost range.
- PSPC Disciplines c/o:
 - Architects (Arch)
 - Civil / Structural (CS) Engineers
 - Mechanical & Electrical (M&E) Engineers
 - Quantity Surveyors (QS)
 - Project Managers (PM)

Public Sector Panels of Consultants (PSPC)

- Tendering Limits for PSPC Panel Firms as follows:
 - Arch, CS Engineers, M&E Engineers and QS Disciplines

	Tendering Limits (S\$ million)			
	Panel 1	Panel 2	Panel 3	Panel 4
1 Jul 2013 - 30 Jun 2014	13 to 85	4 to 40	Up to 13	Up to 4

- PM Discipline

	Tendering Limits (S\$ million)			
	Panel 1	Panel 2	Panel 3	Panel 4
1 Jul 2013 - 30 Jun 2014	>30	>10 to 65	Up to 30	Up to 10

- More information can be viewed at www.bca.gov.sg

Public Sector Panels of Consultants (PSPC)

- Langdon & Seah Singapore is registered as follows:
 - Quantity Surveying Consultancy Services
 - **Panel 1** - Highest Category
 - Project Management Consultancy Services
 - **Panel 1** - Highest Category

BCA Contractors Registry System (CRS)

- The Contractors Registry was established to register contractors who provide construction-related goods and services to the public sector.
- Contractors who wish to be registered must show that they have the relevant experience, financial, technical and management capability.

Public Sector Panels of Consultants (PSPC)

- Tendering Limits for BCA Registered Contractors as follows:

- Construction Workheads (CW01 and CW02)

Tendering Limit (S\$mil)	A1	A2	B1	B2	C1	C2	C3
1 Jul 2012 – 30 Jun 2013	Unlimited	85	40	13	4	1.3	0.65
1 Jul 2013 – 30 Jun 2014	Unlimited	85	40	13	4	1.3	0.65

- Specialist Workheads (CR, ME MW and SY)

Tendering Limit (S\$mil)	Single Grade	L6	L5	L4	L3	L2	L1
1 Jul 2012 – 30 Jun 2013	Unlimited	Unlimited	13	6.5	4	1.3	0.65
1 Jul 2013 – 30 Jun 2014	Unlimited	Unlimited	13	6.5	4	1.3	0.65

Note: CR - Construction related workheads; ME - M&E workheads; MW - Maintenance workheads and SY - Supply workheads

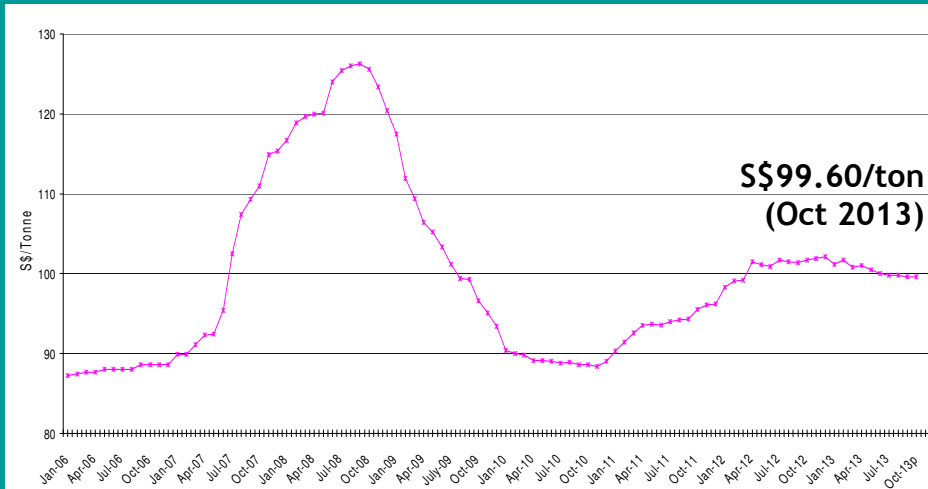
- More information can be viewed at www.bca.gov.sg



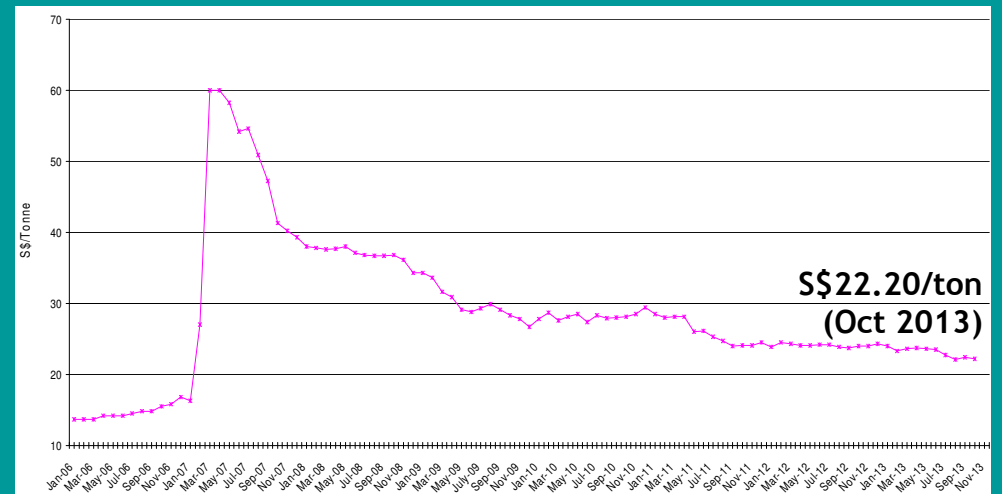
Basic Materials Price Trends

Construction Material Price Trends

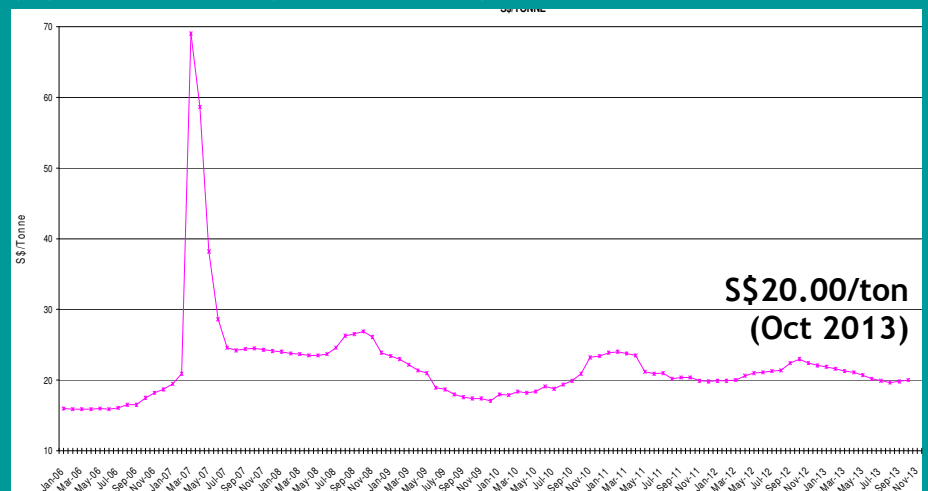
(a) Cement (S\$/tonne)



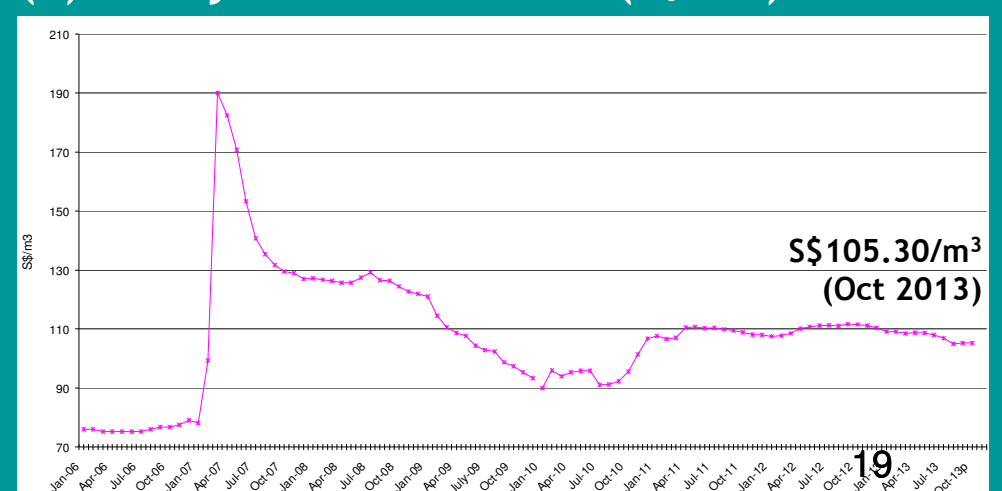
(b) Sand (S\$/tonne)



(c) Granite (S\$/tonne)

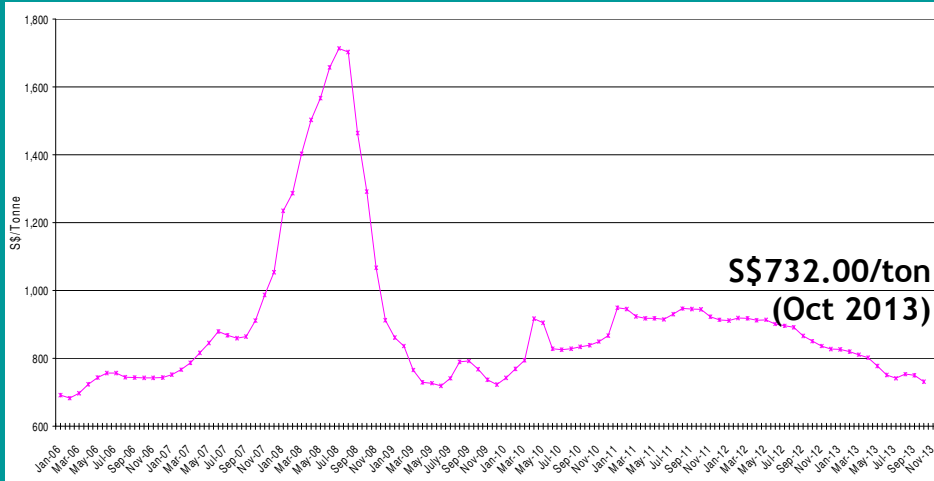


(d) Ready-Mixed Concrete (S\$/m³)



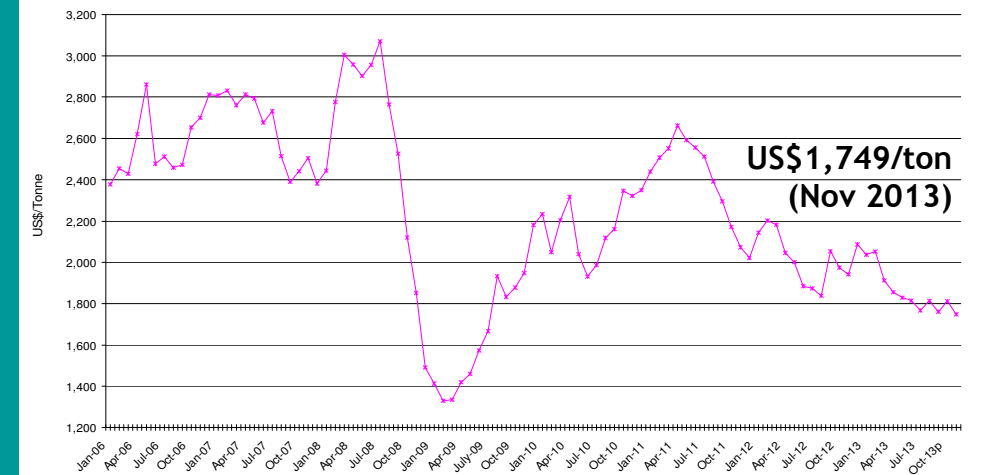
Construction Material Price Trends

(e) Steel Bars (S\$/tonne)



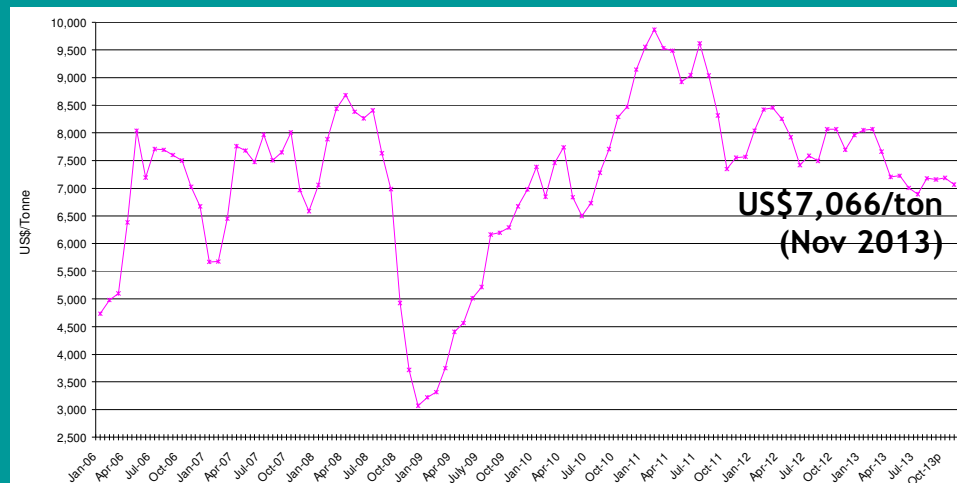
Source: Building & Construction Authority (as at 11 November 2013)

(f) Aluminium (US\$/tonne)



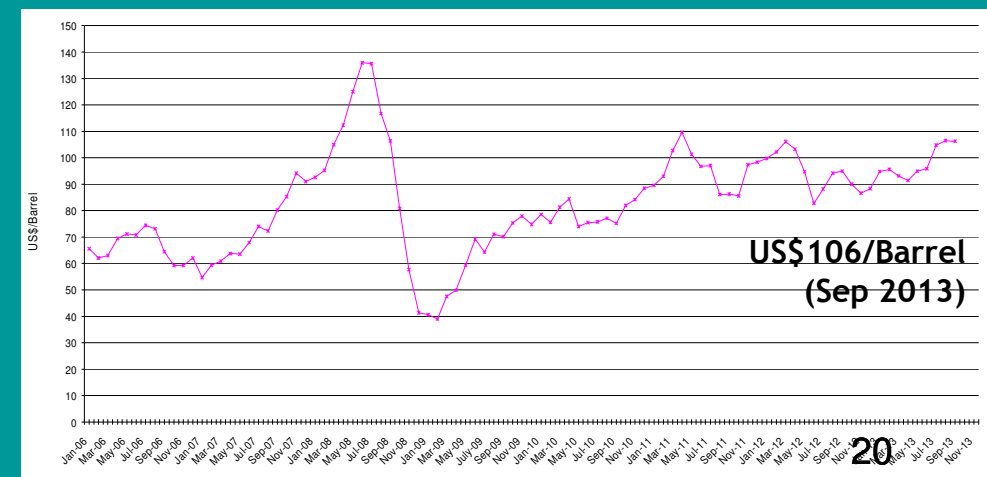
Source: London Metal Exchange

(g) Copper (US\$/tonne)



Source: London Metal Exchange

(h) Crude Oil (US\$/Barrel)



Source: Go-Tech

Construction Material Price Trends

Material	Cement in Bulk (Ordinary Portland Cement) (\$/Tonne)	Steel Bars ¹ (16-32mm High Tensile) (\$/Tonne) ⁴	Granite ² (20mm Aggregate) (\$/Tonne)	Concreting Sand ² (\$/Tonne)	Ready Mixed Concrete (\$/Cubic Metre) ³
Sep 2012	101.40	865.90	22.40	23.70	111.60
Oct 2012	101.70	851.00	23.00	24.00	111.50
Nov 2012	101.90	837.00	22.40	24.00	111.10
Dec 2012	102.10	827.50	22.10	24.30	110.40
Jan 2013	101.20	826.10	21.90	24.00	109.20
Feb 2013	101.70	819.50	21.60	23.30	109.20
Mar 2013	100.80	810.70	21.30	23.60	108.50
Apr 2013	101.00	802.20	21.10	23.70	108.80
May 2013	100.50	777.60	20.70	23.60	108.60
Jun 2013	100.00	751.20	20.20	23.50	108.00
Jul 2013	99.80	741.90	19.90	22.70	106.90
Aug 2013	99.80	753.80	19.70	22.10	105.00
Sep 2013	99.60	750.50	19.80	22.40	105.30
Oct 2013	99.60 ^P	732.00 ^P	20.00 ^P	22.20 ^P	105.30 ^P

^P = Preliminary figures

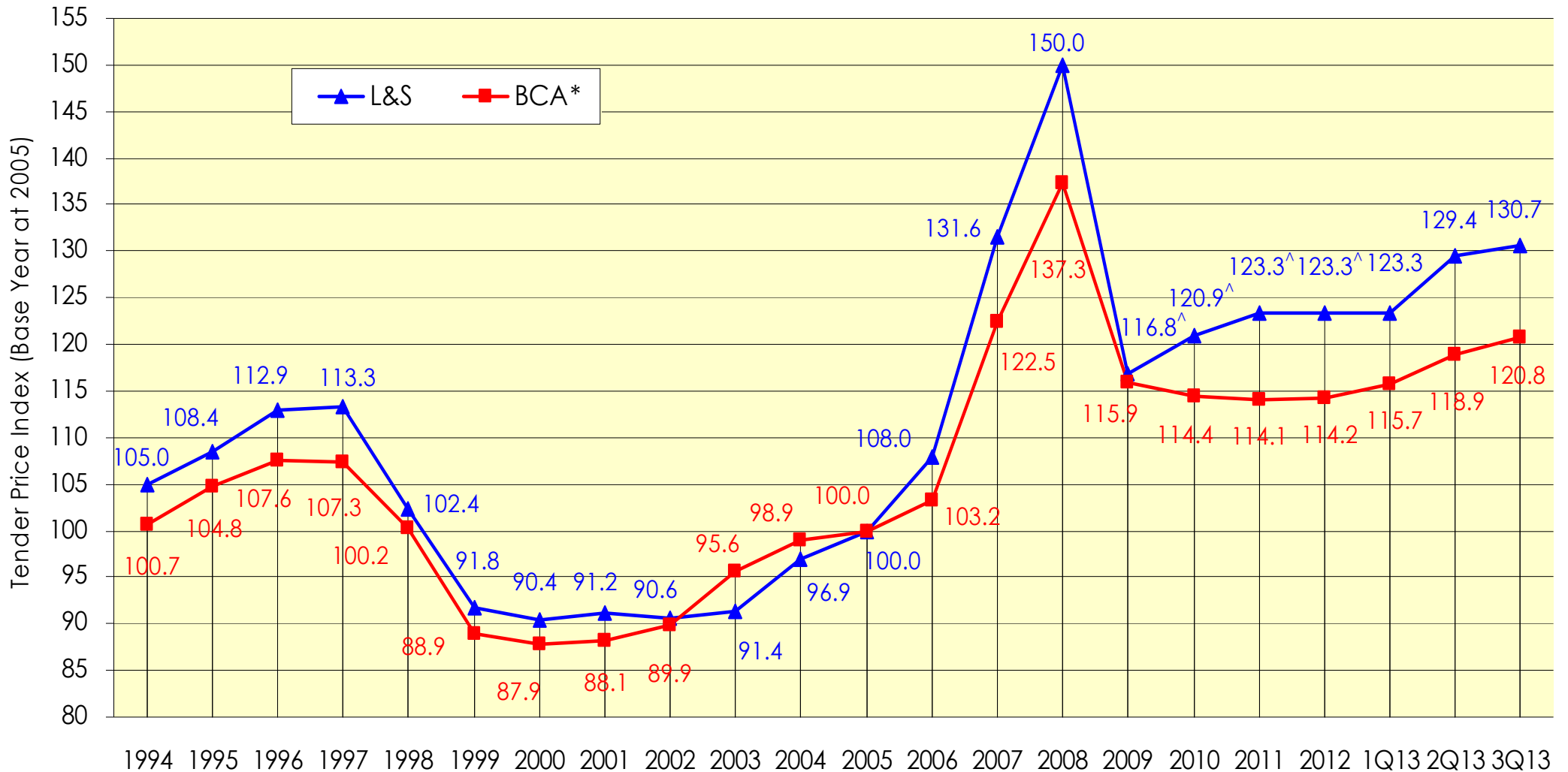
¹ Prices of rebar other than 16-32mm dimensions may subject to surcharge.

² Prices of granite and concreting sand excluded local delivery charges to concrete batching plants.

⁴The market prices of rebar (without cut & bend) are based on fixed price supply contracts with contract period 6 months or less.

³The market prices of ready mixed concrete are based on contracts with non-fixed price, fixed price and market retail price for Grade 40 Pump.

Tender Price Index (TPI)



Source: * Building and Construction Authority as at 15 November 2013

Note : With effect from the 1st Quarter of 2009, BCA has implemented the new TPI series with Base Year 2005 = 100. The TPI chart shown above has been amended accordingly to reflect the Base Year as Year 2005.


[^] - L&S TPI is based on 4th Quarter index

Tender Price Index (TPI) for 2013

- Based on tenders returned in the first 3 Quarters of 2013, tender prices have increased approximately 6% as compared to 4th Quarter of 2012.
- The rise was mainly attributed to the pricing allowance by Contractors due to labour shortages arising from reduction in MYE and increase in foreign worker levies.
- The cost impact arising from labour shortages has been mitigated by the slight softening of basic construction material prices.
- Prices for cement, sand, ready-mixed concrete and reinforcement bars have dropped slightly and generally remained very stable and competitive.
- Taking the above into consideration, the anticipated tender price movement for 2013 could be in the range of +6% to +7%.

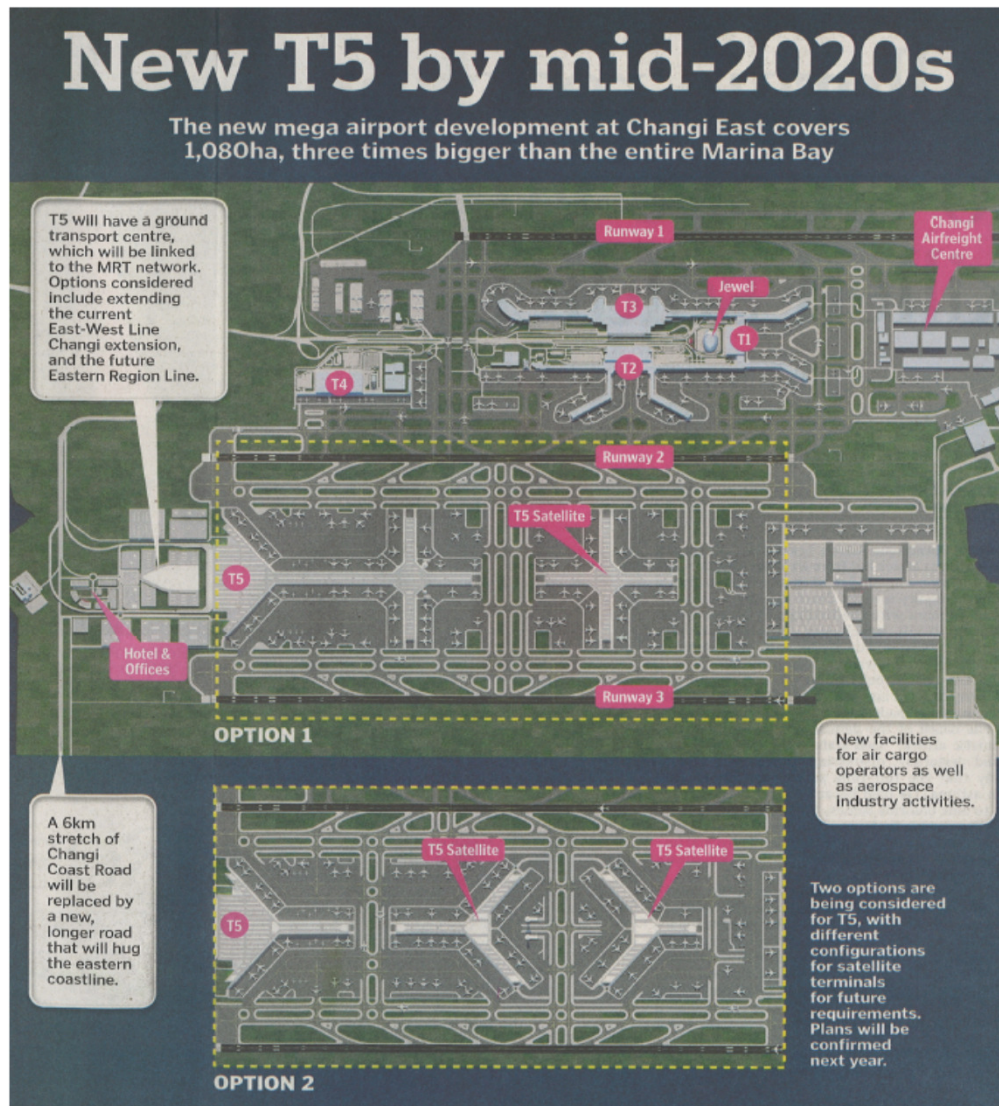
Tender Price Index (TPI) for 2014

- For 2014, BCA forecasts that the average construction demand is projected to be \$22 billion - \$30 billion p.a.
- The construction demand is anticipated to remain stable with the public sector projects making up for the lower volume in the private sector.
- Continued demand for skilled labour resources will lead to pricing pressure.
- Based on current market sentiments (Dec 2013), construction cost escalation for 2014 is anticipated to be in the range of +3% to +5%.



**Likely Major Projects
in the Pipeline...**

Upcoming development



- Changi Airport's Terminal 5 will be ready in mid-2020s and the mega-terminal will be able to handle 50 million passenger movements per annum
- 1,080ha reclaimed site at Changi East will be redeveloped to become Terminal 5
- Estimated to be US\$35b

Upcoming development

Paya Lebar Airbase move to Changi



- A new airbase and a fourth runway will be built at Changi East, with the Paya Lebar airbase to be moved to Changi later on

- The move will free up a large 800 hectare area in Paya Lebar - an area bigger than Bishan or Ang Mo Kio - to build new homes, offices and factories

- it will also remove height restrictions on a large area around Paya Lebar, freeing up land to “develop new, exciting plans for the big chunk of eastern Singapore

Upcoming development

Building a new port in Tuas



- Consolidate all port operations in Singapore that are currently spread across Tanjong Pagar, Keppel, Brani and Pasir Panjang.

- These port leases will end from 2027 onwards and the new port will be “bigger and more efficient” so Singapore can stay a “hub port

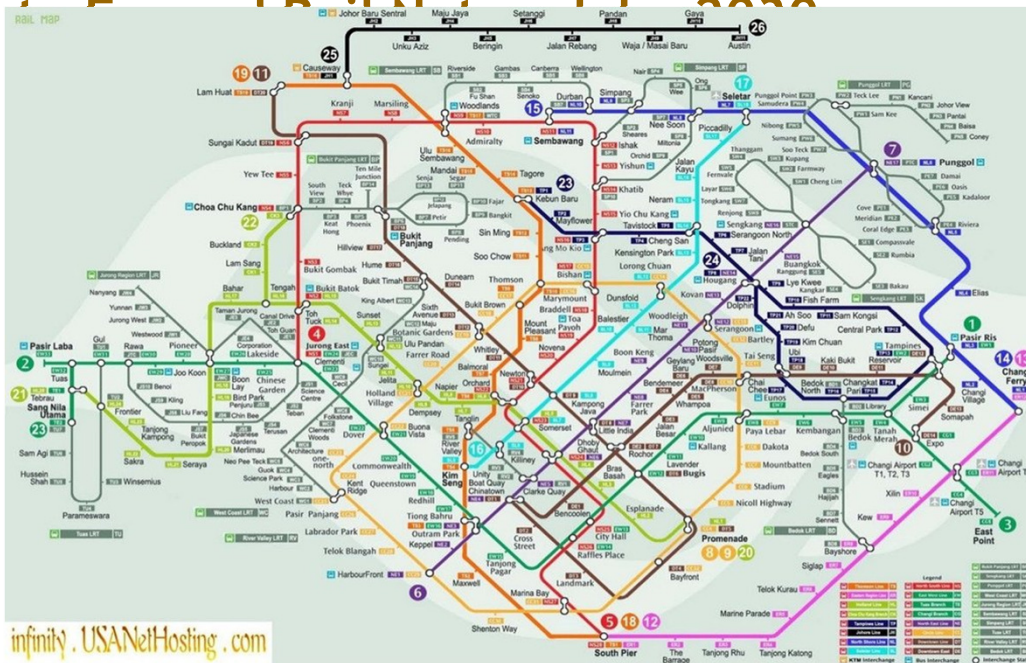


- With the prime land in Tanjong Pagar freed up, Singapore can build a new Southern Waterfront City, the size of 1,000 hectares or 2.5 Marina Bays, stretching from Shenton Way to Pasir Panjang

- Project value for Ports Reclamation has been estimated to be around US\$24.6b - US\$32.8b
- Project value for Port work are estimated around US\$4.1b and more

Upcoming development

Two New Rail Lines and Three New Extensions



New Lines to Improve Connectivity and Accessibility

- The Government has announced ambitious plans to expand the rail network by 2030, doubling it from the current 178 km to about 360 km
- LTA will build a major MRT line, the 50-km Cross Island Line (CRL), which will run across the span of Singapore. Starting from Changi, it will pass through Loyang, Pasir Ris, Hougang, Ang Mo Kio, before reaching Sin Ming. Continuing westwards, it will serve areas such as Bukit Timah, Clementi, West Coast, and terminate at Jurong Industrial Estate. Targeted to be completed by 2030, it will also provide commuters with another alternative for East-West travel to the current East-West Line.

Extension to Areas not Served by Rail Network

Three existing lines will also be extended to enhance commuters' connectivity and provide them with greater accessibility.

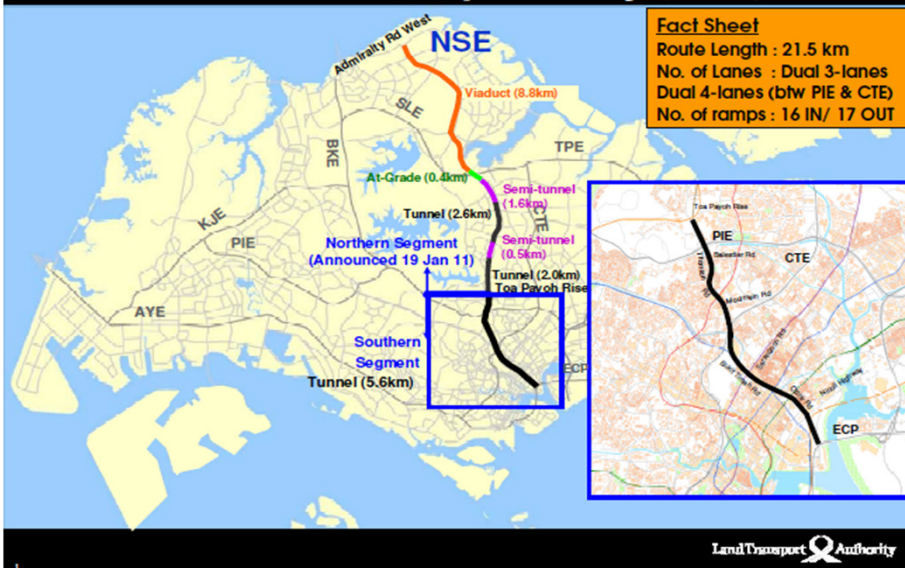


Upcoming development

North-South



North South Expressway (NSE)



- The North-South Expressway (NSE) is Singapore's eleventh expressway. It will run parallel to the Central Expressway (CTE) to alleviate the traffic load on the heavily utilised CTE as well as nearby major arterial roads such as Thomson Road and Marymount Road.

- LTA has completed the alignment study and is currently embarking on the detailed engineering study. Advance works will start progressively from 2013 and major construction works in 2015.

- Till 2030 the projected cost for LTA works would be USD2.5b - US\$4.1b a year



Q & A ?



THANK YOU!