



MEDIA RELEASE

STEADY CONSTRUCTION DEMAND IN 2026 AS SINGAPORE STEPS UP SUPPORT FOR BUILT ENVIRONMENT FIRMS THROUGH COLLABORATION AND INNOVATION

Singapore, 22 January 2026 – Singapore's Built Environment sector is set to maintain its momentum in 2026, with the Building and Construction Authority (BCA) projecting total construction demand to remain steady at S\$47-53 billion in nominal terms for 2026, similar to 2025. At the Building and Construction Authority (BCA) and Real Estate Developers' Association of Singapore (REDAS) Built Environment and Real Estate Prospects Seminar 2026, Minister for National Development, Mr Chee Hong Tat, announced new support for the Built Environment (BE) firms to improve productivity and streamlined regulations to help firms save time, cost and manpower.

Construction Demand Outlook Remains Resilient

2 The sustained construction demand expected in 2026 is supported by the expected awarding of additional construction packages for Changi Terminal 5 (T5) Development, for Marina Bay Sands Integrated Resort (MBS IR2) expansion, New Tengah General & Community Hospital, Downtown Line 2 Extension and Thomson-East Coast Line Extension.

Preliminary Actual Construction Demand for 2025

3 As at end 2025, preliminary actual construction demand reached S\$50.5 billion in nominal terms, within BCA's earlier forecast of S\$47 billion to S\$53 billion. The continued uptrend was mainly attributed to institutional and housing projects.

Forecast for 2027 to 2030

4 Over the medium-term, construction demand is projected to reach an average of between \$39 billion and \$46 billion per year from 2027 to 2030. Besides the Changi T5 development and HDB's Build-To-Order construction, medium term construction demand is anticipated to be supported by a strong pipeline of various large developments such as the redevelopment of NUH at Kent Ridge, various Junior Colleges, and the development of the new Singapore University of Social Sciences (SUSS) City Campus. While medium-term construction demand outlook appears positive, project schedules may still change due to unforeseen global economic risks. As the Changi T5 development is a one-off project, industry demand could moderate following its completion, potentially reverting to pre-COVID levels.

Construction Output

5 Based on the contracts awarded in the past few years and the continued strong construction demand forecast for 2026, total construction output in nominal terms is projected to increase to between \$43 billion and \$46 billion in 2026. 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 uptrend is expected to be supported by a consistent high level of construction demand since 2023.

Year	Construction Demand* (nominal, S\$ billion)	Construction Output^ (nominal, S\$ billion)
2025p	50.5	41.7
2026f	47 - 53	43-46
2027f – 2030f	39 - 46 per year	-

p: Preliminary; f: Forecast

**Construction demand: Value of contracts awarded*

^ Construction output: Value of certified progress payments

Unlocking Greater Productivity through Transformation

6 The Productivity Solutions Grant (PSG) has played a vital role in driving industry transformation in the Built Environment (BE) sector. It has supported more than 1,100 BE firms since 2020 in adopting digital solutions to improve productivity.

7 From 1 April 2026, the PSG will be enhanced to help SMEs build more advanced capabilities to achieve higher productivity. The new PSG tranche will (1) expand support to advanced equipment such as robotic and automation that can achieve up to 50% manpower savings for each construction trade activity; (2) include more pre-approved digital solutions in focus areas such as digital contract management and coordinated regulatory approvals, further supporting SMEs in advancing their digital capabilities; and (3) raise grant caps to support longer-term adoption of both digital solutions and advanced equipment, enabling SMEs to make more substantial and sustained productivity investments. SMEs that benefitted from previous PSG tranches are allowed to apply again¹. **[More information is in Annex A]**

Improving Productivity through Strengthening Project Delivery

8 To support the sector in delivering increasingly complex projects more effectively, BCA has been promoting collaborative contracting with more than 20 ongoing and upcoming pilot projects across both public and private sectors.

9 For public sector projects, this takes the form of Option Module clauses under the Public Sector Standard of Conditions of Contract². Early feedback from pilot projects, including the Ministry of Health's Punggol Field Nursing Home, found that the stronger collaborations amongst project parties have improved project delivery, and helped achieved project completion ahead of schedule.

10 For more complex and/or private sector projects, BCA has supported the adoption of NEC4, an internationally recognised collaborative contract form adapted for Singapore. Recently, JTC

¹ Each firm may not apply for the same solution more than once (including any solutions supported under the previous tranche of PSG for the Built Environment).

² More information on the Option Module under the Public Sector Standard of Conditions of Contract (PSSCOC) is at <https://www1.bca.gov.sg/procurement/post-tender-stage/public-sector-standard-conditions-of-contract-psscoc>

awarded the first NEC4 target cost contract for infrastructure works at Jurong Innovation District's CleanTech Park to Eng Lam Contractors, allowing project parties to share cost savings or overruns when they occur.

11 This collaborative approach has also been extended to the Facilities Management (FM) sector. In November 2025, BCA awarded the first NEC4 Facilities Management Contract (FMC) in Asia to C & W Services (S) Pte Ltd for the BCA Braddell Campus. This sets a new benchmark on how FM services are procured and managed. **[More information is in Annex B]**

12 Additionally, BCA is partnering with the Project Management Institute (PMI) to launch an enhanced Project Management competency framework in the second half of 2026 to keep pace with the evolving needs of the industry. The enhanced framework will strengthen the existing accreditation scheme by the Society of Project Managers to provide project managers with more structured training and credentials that are recognised both locally and internationally. Firms will also benefit from project managers who can deliver safer and better quality projects on schedule and within budget. **[More information is in Annex C]**

13 Beyond contracts and frameworks, a strong culture is a critical enabler of effective collaboration. To date, a total of 47 progressive firms have committed to the Built Environment Culture for Appreciation, Respect and Empathy (BE CARE) Charter. The charter spells out best practices that stakeholders may undertake to promote well-being and cultivate good working relationships. GuocoLand, for example, has adopted the BE CARE Charter in their Springleaf Residence project, yielding good outcomes. Going forward, GuocoLand will be adopting the charter for more of its upcoming projects and will be introducing a rewards programme in 2026 to recognise consultants that exhibit strong collaboration and deliver quality projects. **[More information is in Annex D]**

Fostering a Pro-Enterprise Environment

14 The Government is working with the industry to cut red tape, support innovation, and help businesses save time and costs. Recent initiatives include CORENET X's streamlined plan fee computation, improvements to the Temporary Occupation Licence process for show flat sites, enhancements to the CONQUAS framework for private residential developments, and strengthened regulations to better protect prospective homeowners.

15 In addition to the above, BCA is streamlining processes to further reduce administrative burden on firms. The validity of the Public Sector Panels of Consultants (PSPC) listings will be extended from one to three years for applications submitted from 1 June 2026, reducing renewal frequency and administrative burden. This gives firms greater certainty to plan their manpower, make longer-term investments and develop their professional practice further. **[More information is in Annex E]**

Looking Ahead

16 Mr Kelvin Wong, Chief Executive Officer, BCA, said: "The sustained project pipeline gives our industry a solid foundation to build on. We are creating an environment where firms can invest in better ways of doing business, whether that is through new technology, better collaboration, or upskilling their teams. At the end of the day, companies that can deliver quality projects efficiently while taking care of their people will be the ones that thrive. The measures that BCA has put in place are designed to help firms work smarter and achieve success."

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Factsheets

Annex A – Factsheet on Productivity Solutions Grant (PSG)

Annex B – Factsheet on Collaborative Contracting

Annex C – Factsheet on BCA Partners with Project Management Institute (PMI) – International Best Practices in Project Management

Annex D – Factsheet on Built Environment Culture of Appreciation, Respect, and Empathy (BE CARE) Charter Update

Annex E – Factsheet on Public Sector Panels of Consultants (PSPC) Consultant





About BCA

The Building and Construction Authority (BCA) champions a safe, sustainable, and liveable built environment for Singapore. As a leader in the sector, BCA is dedicated to driving industry transformation and setting rigorous standards in building safety, quality, and environmental sustainability. By advancing innovation, digitalisation, and the development of a skilled workforce, BCA fosters a dynamic industry that is ready to meet the evolving needs of the nation and build a resilient and progressive built environment for all. For more information, visit www.bca.gov.sg