



Q1 2020: Asia Pacific Construction and Infrastructure Survey

Construction market grinds to a halt amid pandemic

- Covid-19 outbreak and subsequent lockdowns lead to a contraction in activity
- Smallest firms experiencing outsized impact
- Further headcount reductions expected, prospect for recovery mixed

Data from the Q1 2020 RICS Construction and Infrastructure Survey indicates that construction market activity has taken a considerable hit following the coronavirus pandemic. Not only has the outbreak shut down activity in several economies, but it has also led to difficulties in sourcing labour and materials for construction.

Outlook mixed after Q1 pullback

As shown in Chart 1, with the exception of the Philippines a net balance of respondents reported a contraction in current activity to start 2020. The depth of the contraction appears to be relative to both the timing and severity of the outbreak in each country.

Survey participants in China noted the most severe

contraction in activity in Q1 (in net balance terms). However, contributors are also expecting an extremely strong rebound over the next twelve months, which appears to be linked to beliefs that the government will announce fiscal measures such as infrastructure investment to stimulate economic activity, which they have thus far refrained from doing.

The Indian government didn't announce its lockdown until near the end of the quarter, and measures adopted in Japan appear to be much less restrictive than elsewhere. Meanwhile, the impacts in Australia, New Zealand, Singapore, Hong Kong and Malaysia are expected to be more persistent, to varying degrees.

Small firms hit hardest

Chart 1: Total Workloads & Expectations

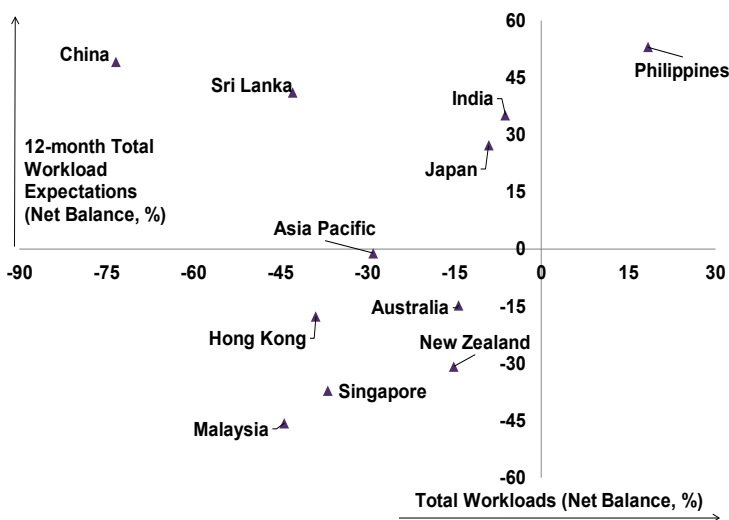


Chart 2: Total Workloads by Firm Size



*Large Firms = more than 250 employees, Medium = 50 to 249 employees, Small = 10 to 49 employees, Micro = less than 10 employees

Chart 3: Headcount

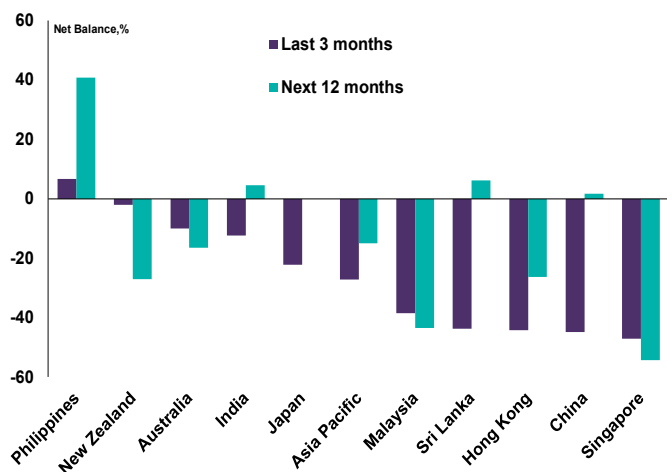


Chart 4: 12-month Expectations

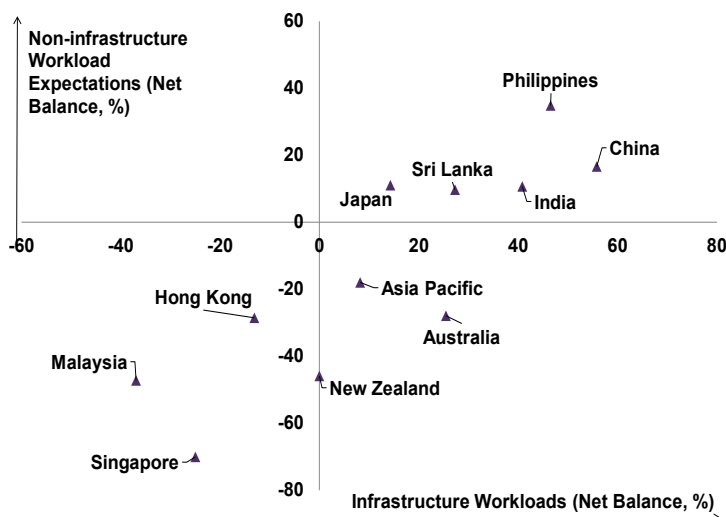


Chart 5: 12-month Expectations

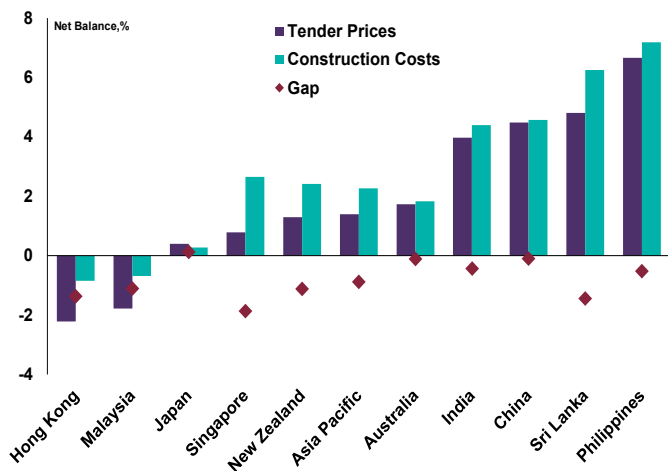


Chart 2 shows that the pullback in activity has hit small firms the hardest. In each region, contributors at the smallest firms reported a much more significant pullback in activity than those at larger firms. This dynamic is consistent across variables such as headcount and profit margins, and respondents at smaller firms were more pessimistic in the outlook than those at larger firms. This is an indication that smaller firms may require additional support from their governments to survive this pullback.

Headcounts cut

Apart from the Philippines, contributors from across Asia Pacific reported a reduction in headcounts in Q1. In New Zealand, contributors saw very little change in Q1 but expect a sharp reduction in headcount over the next twelve months. Indeed, respondents in Australia, Malaysia and Singapore also expect the pace of reduction in headcount to increase from Q1 (in net balance terms) over the next twelve months. Respondents in Hong Kong expect also further reductions in headcount, though at a slower pace than what was observed to start 2020.

Recovery hinges on infrastructure

Looking at how market activity is expected to change over the next twelve months (Chart 4), Hong Kong, Malaysia and Singapore see work on both infrastructure and non-infrastructure projects contracting. In New Zealand, work on infrastructure projects is expected to remain around current levels while non-infrastructure workloads have further to fall.

Elsewhere, the increase in infrastructure workloads over the next twelve months is expected to outpace the pickup in non-infrastructure workloads. This may be linked to hopes (or planned) for further government spending directed at this sector in order to support a broader economic recovery.

Margin pressure remains, deflation risk rising

To a greater or lesser extent across Asia Pacific, construction costs are likely to rise faster than tender prices. Several of these markets are either experiencing supply-chain bottlenecks as a result of China's economic lockdown, or rely heavily on foreign labour which has become increasingly difficult to source.

As a result, margins are likely to remain under pressure for the foreseeable future. In addition to a lack of demand, respondents across Asia Pacific noted financial constraints as holding back activity in Q1.

Furthermore, Hong Kong and Malaysia appear to be at serious risk of deflation. Expectations for Japan suggest that this market is also on the precipice of deflation taking hold.

Comments from Survey Participants in Asia Pacific



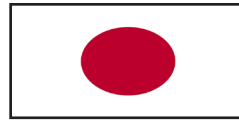
"Labourers are not available because of lockdown and completion time of projects will be delayed."

-Mumbai, India



"The spread of Covid-19 across the globe will drastically affect the supply chain in Sri Lanka."

-Colombo, Sri Lanka



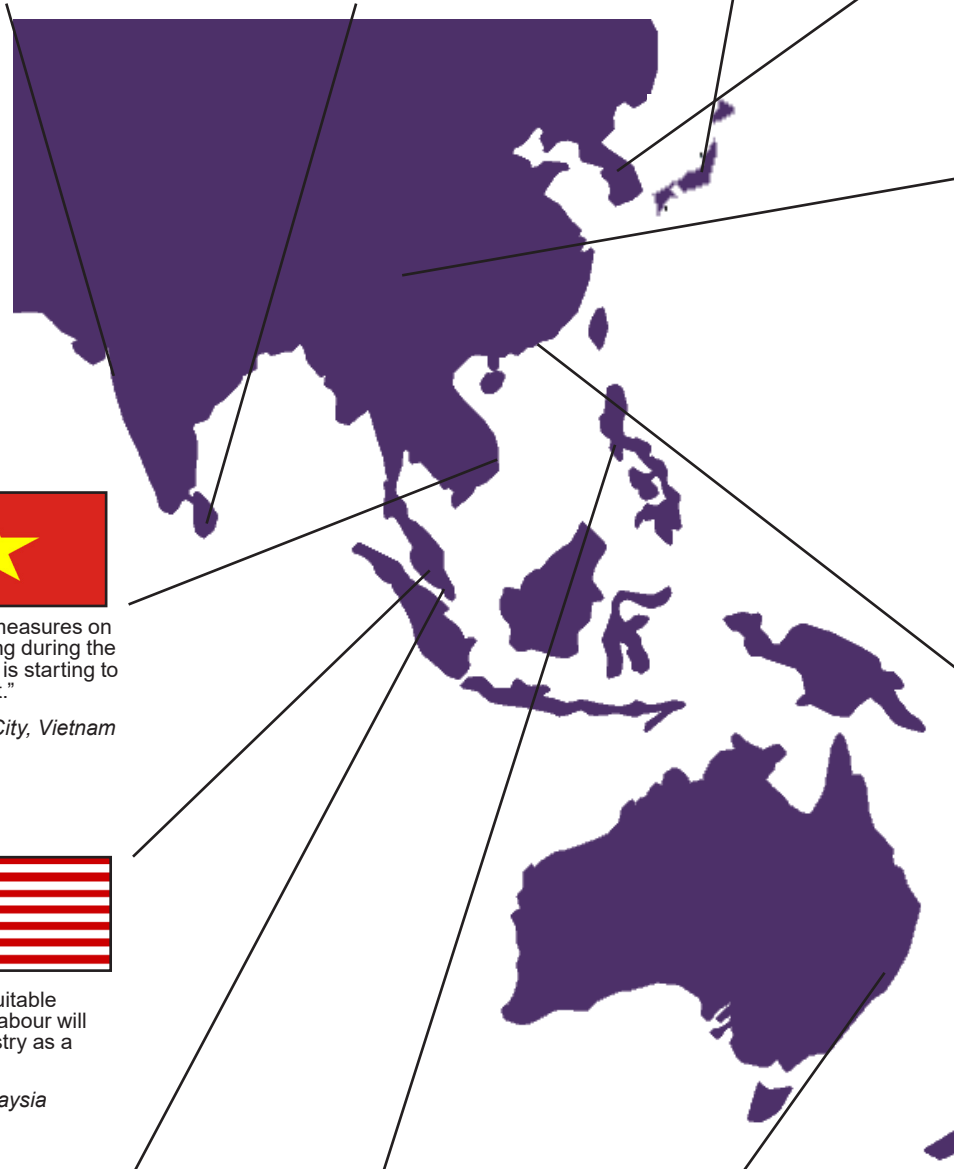
"Restrictions on movement of people, shortages of labour and materials due to Covid-19."

-Tokyo, Japan



"It is estimated that Covid-19 will make supply and demand of materials difficult. It is expected that the supply and demand of workers will be smooth due to the recession."

-Seoul, South Korea



"At present, the epidemic has a great impact on the global construction industry. The situation in the first half of the year is not optimistic, while opportunities and risks coexist in the second half. But overall construction costs will rise, and it is expected that the state will invest in infrastructure and public facilities to boost the market."

-Chengdu, China



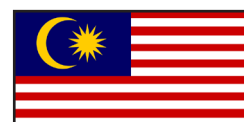
"Government measures on social distancing during the Covid-19 crisis is starting to have an impact."

-Ho Chi Minh City, Vietnam



"Major public infrastructure has been progressively completed; hundreds of staff have been made redundant."

-Hong Kong SAR



"Shortage of suitable materials and labour will affect the industry as a whole."

-Selangor, Malaysia



"The Covid-19 pandemic is expected slow down construction for upcoming months and increase the price for materials."

-Singapore



"Labour price will dramatically increase because workers are not willing to come back due to Covid-19."

-Manila, Philippines



"The fall in value of the Australian dollar is impacting on the cost of imported materials. Increased competition."

-Sydney, Australia



"Claims will be significant and it will create bottlenecks."

-Auckland, New Zealand

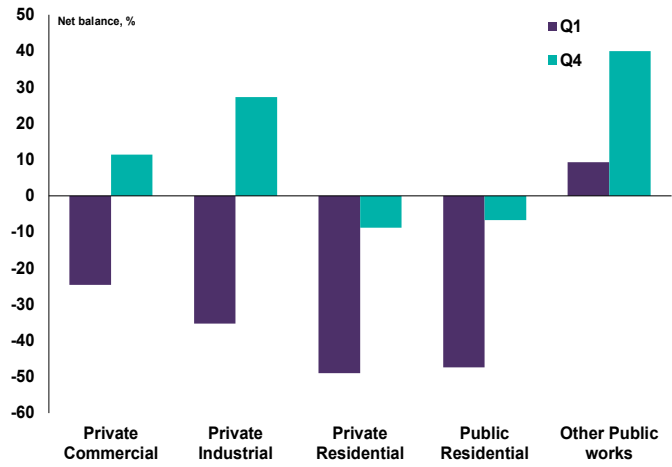
Country Charts - Australia

Construction market activity contracted sharply in Australia during Q1 of 2020, according to survey respondents. The bulk of the decline was driven by a pullback in work on private-sector projects, while public works projects were more resilient as a result of robust activity on road and rail.

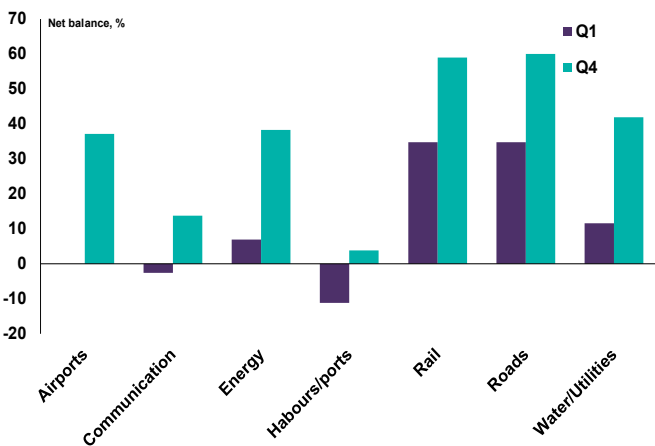
The market is likely to remain subdued in the near-term as contributors reported a decline in new business enquiries and new workloads. Looking to the next twelve months, a moderate increase in work on infrastructure projects is expected to be offset by a decline in non-infrastructure workloads.

Headcount looks to have already been reduced, and will continue to be for the next year. Meanwhile, rising payment delays have put pressure on margins. This is a trend which is also expected to persist.

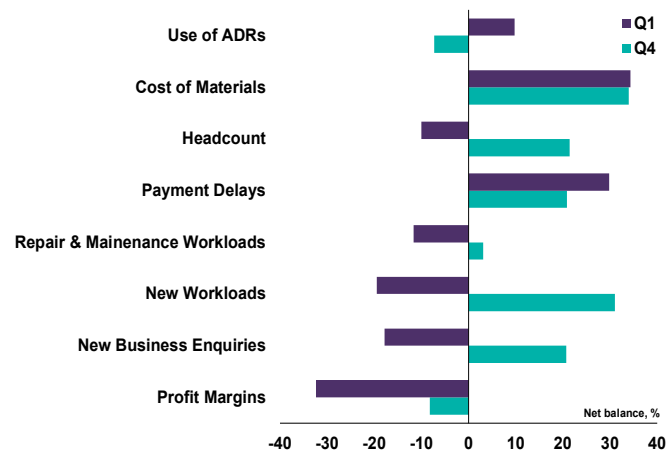
Workloads



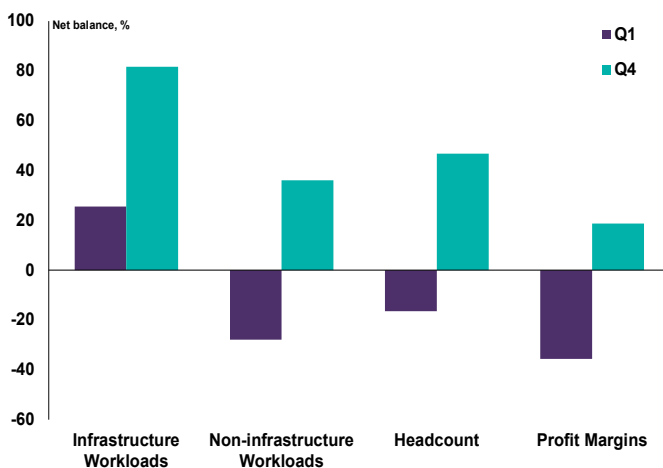
Infrastructure Workloads



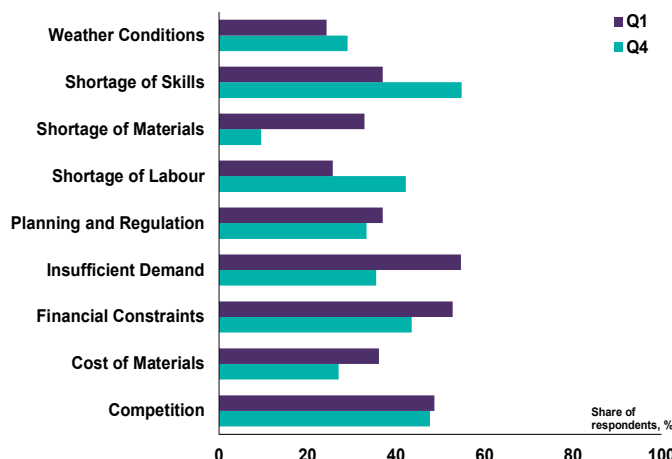
Current Conditions



12-month Expectations



Factors Holding Back Activity



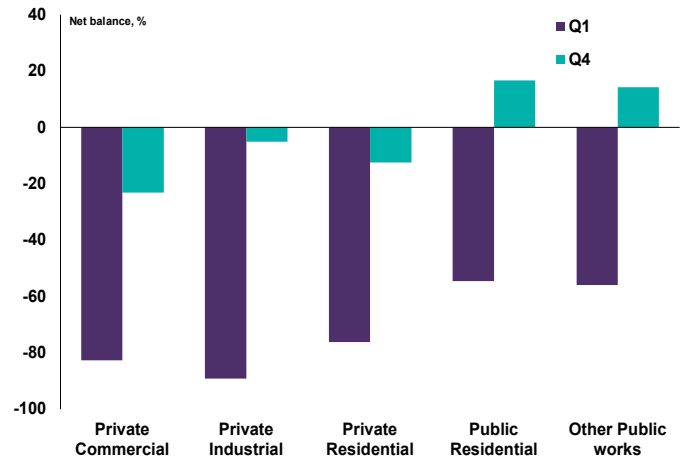
Country Charts - China

After caution in the Q4 2019 survey, respondents from China illustrated a more complete picture of the effects of Covid-19 during Q1 of 2020. With the country shut down for most of the quarter, workloads contracted sharply (in net balance terms) across all market segments, including infrastructure.

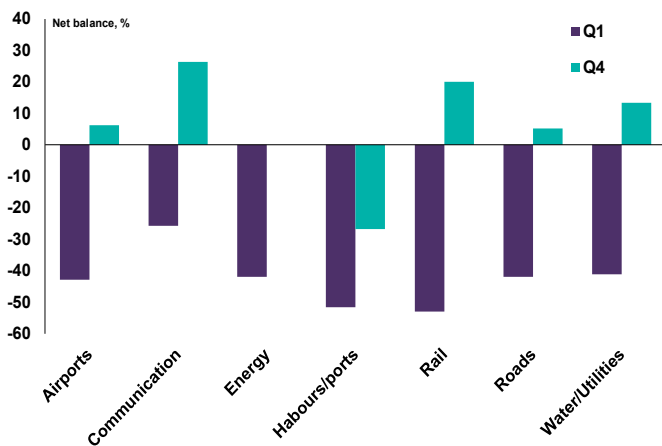
Unsurprisingly, nearly 80% of respondents highlighted a lack of demand as a drag on activity as new workloads contracted. Headcounts appear to have been reduced and construction firms' margins were also seen to have come under significant pressure during the quarter.

However, the outlook for the next year is more positive. Strong expectations for infrastructure workloads point to expectations for fiscal stimulus, while headcount is anticipated to remain around current levels.

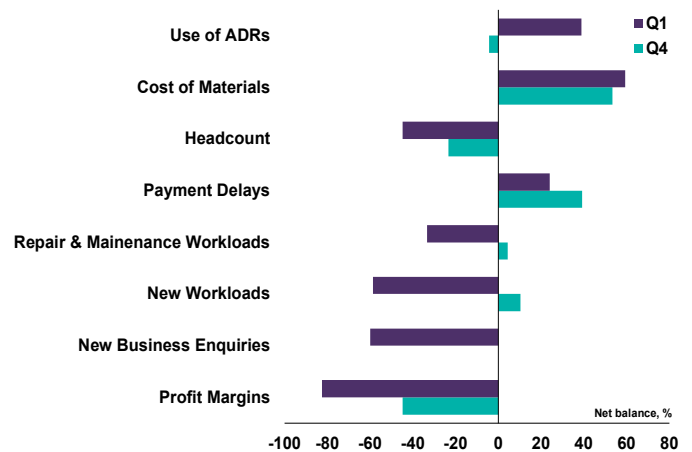
Workloads



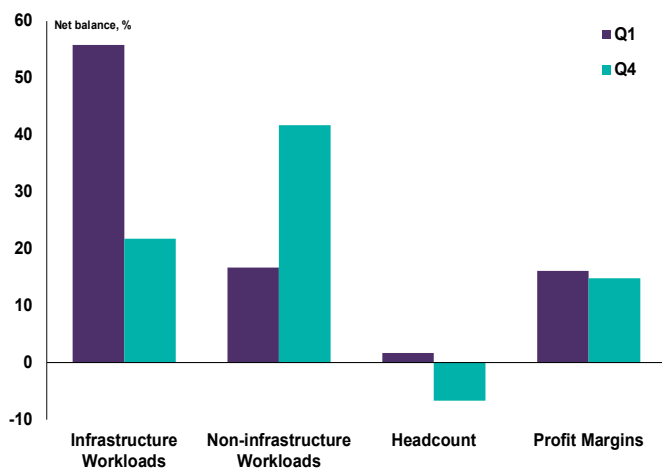
Infrastructure Workloads



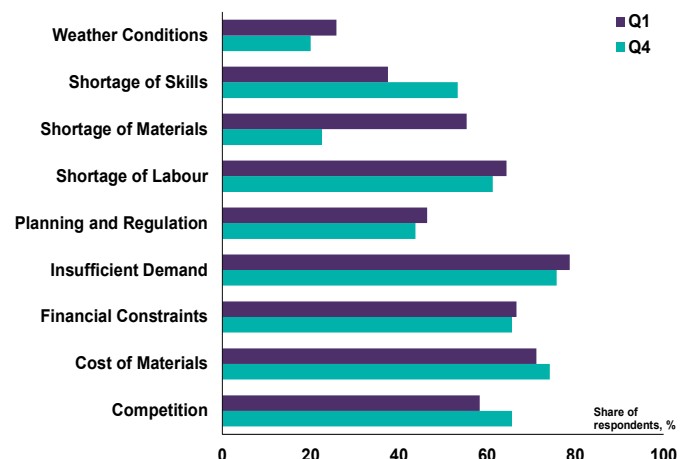
Current Conditions



12-month Expectations



Factors Holding Back Activity



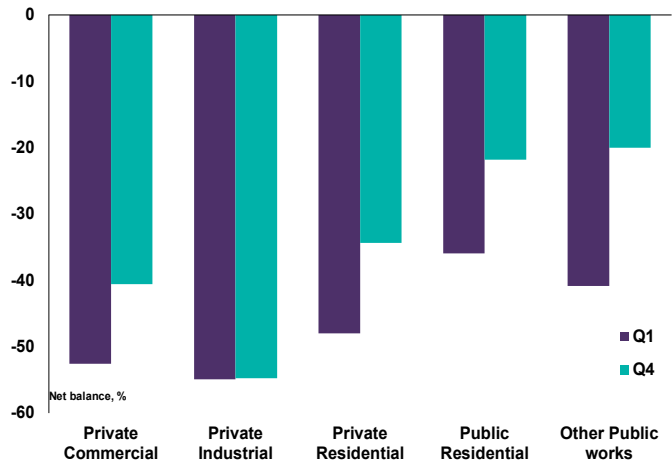
Country Charts - Hong Kong

The outbreak of coronavirus appears to have exacerbated the slump in Hong Kong's construction market. The Q4 2019 results pointed to a significantly deteriorating environment, and the Q1 2020 results indicate that things have gotten worse. Based on respondents' expectations for the next twelve months, it does not appear that conditions will be improving.

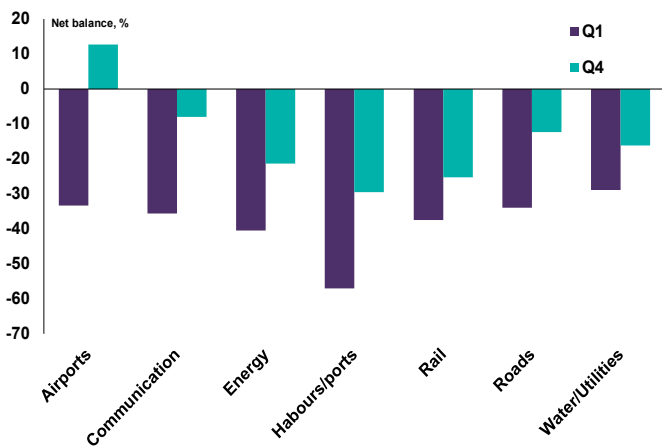
Workloads continued to contract across all market segments in Q1, at a faster pace than in Q4 (in net balance terms). They are expected to contract further over the next twelve months.

Headcounts continued to be sharply reduced during the quarter and this trend is also expected to persist. Facing financial constraints, firms already-battered profit margins are expected to deteriorate further over the next twelve months.

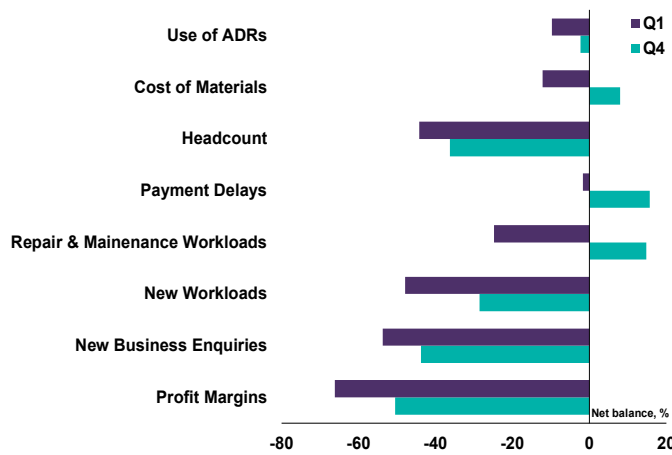
Workloads



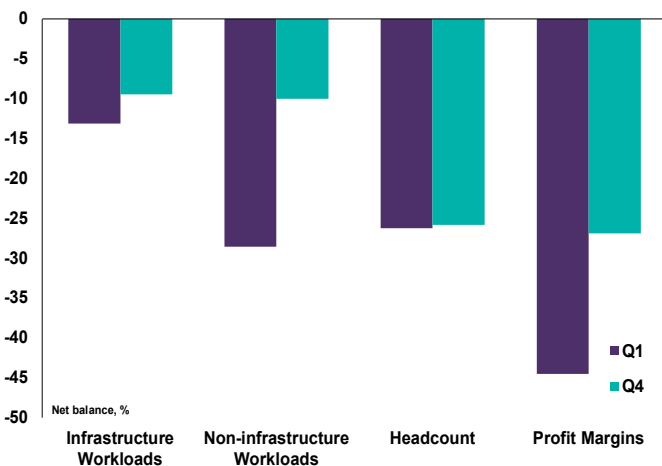
Infrastructure Workloads



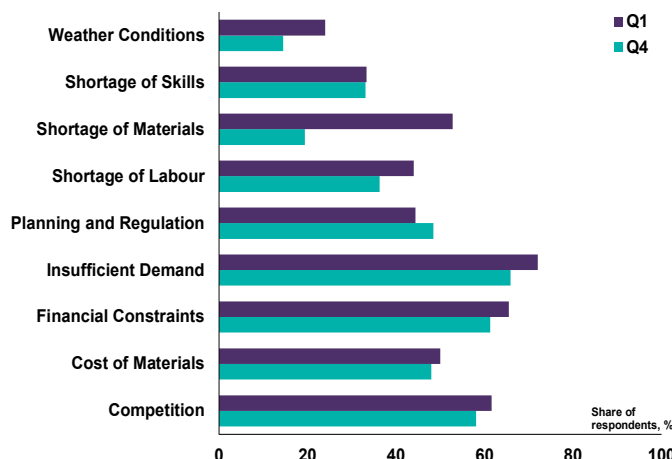
Current Conditions



12-month Expectations



Factors Holding Back Activity

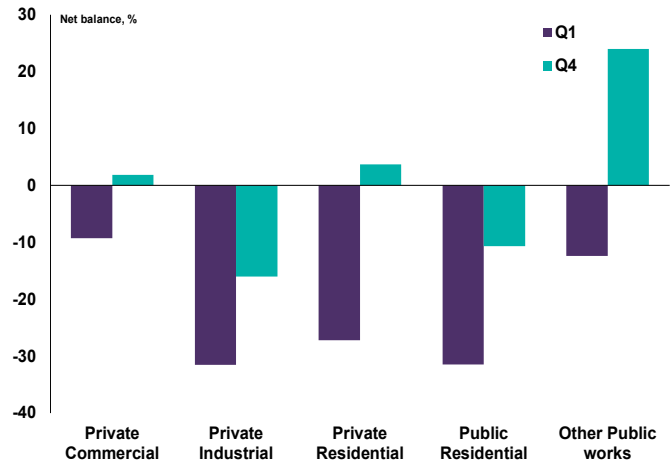


Country Charts - India

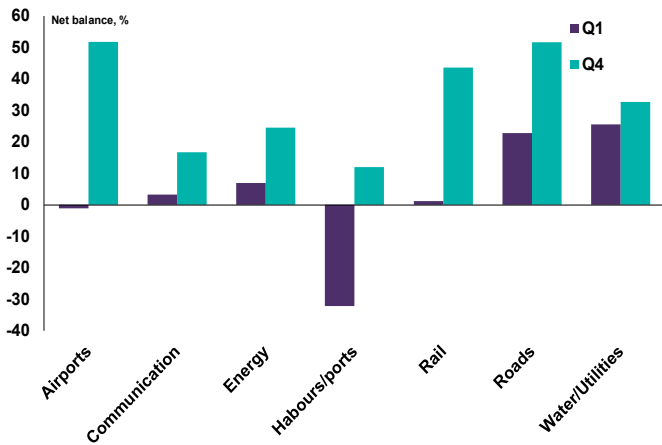
Contributors in India noted a sharp pullback in activity, in net balance terms, during the first quarter of 2020. Workloads were reported to decline to a greater or lesser degree across each market segment. Infrastructure projects appeared to be slightly more resilient during the initial stages of the coronavirus pandemic. This is expected to persist over the next twelve months. Headcounts do not seem to have been cut significantly thus far, and are seen remaining around current levels for the next year.

Near-term pressure on margins remain a concern, with at least 80% of respondents citing financial constraints as a drag on activity for the third consecutive quarter. Respondents continue to report deteriorating margins amid lacklustre demand and rising payment delays. However, contributors believe that this will ease over the next year.

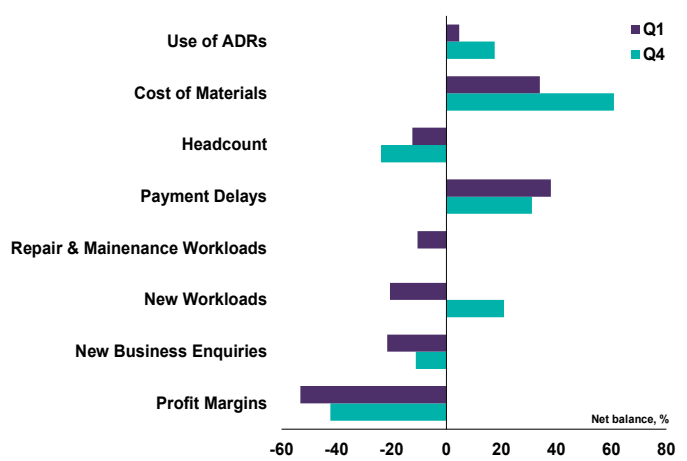
Workloads



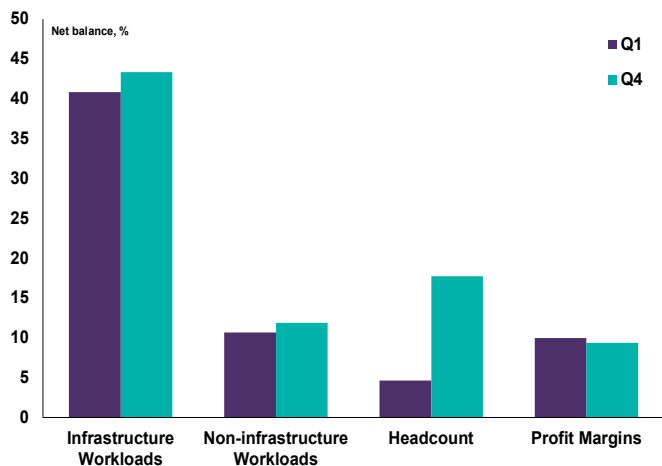
Infrastructure Workloads



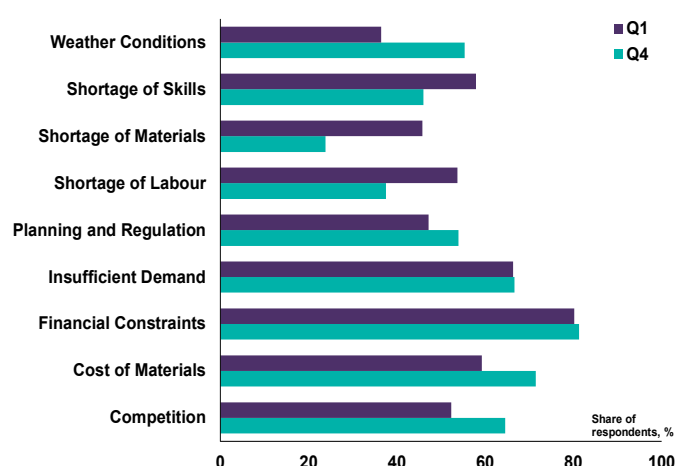
Current Conditions



12-month Expectations



Factors Holding Back Activity



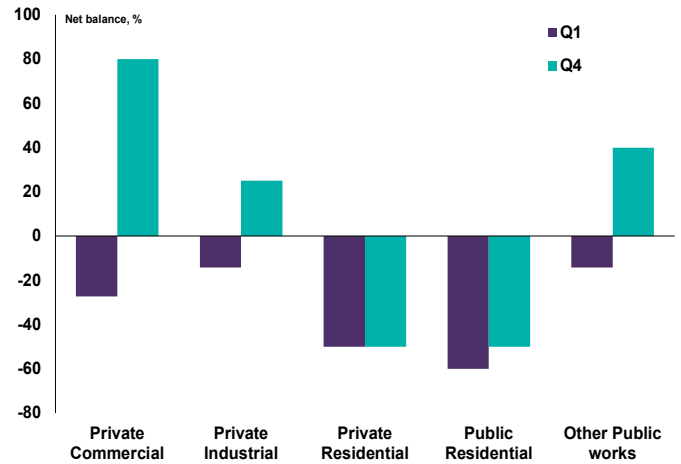
Country Charts - Japan

Survey participants in Japan reported a reversal in private commercial workloads during Q1, while activity in the residential sector remained soft. It appears that the global outbreak of coronavirus had the most significant impact on infrastructure, however. After respondents noted a broad-based increase in work during Q4, activity was said to contract to start 2020.

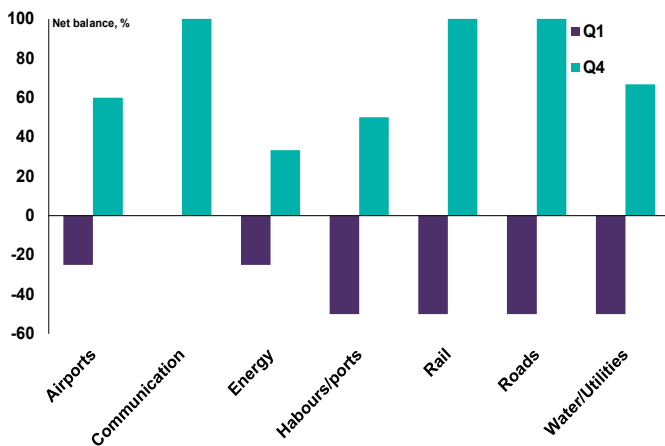
Current conditions appear to be weighing on the outlook. A slowdown in demand and new workloads leave the pipeline of work soft in the near-term, and aggregate levels of activity are expected to be little changed during the next twelve months.

It appears that Covid-19 has disrupted supply chains, with half of respondents now highlighting material shortages as a constraint. Travel restrictions also appear to be limiting the supply of labour.

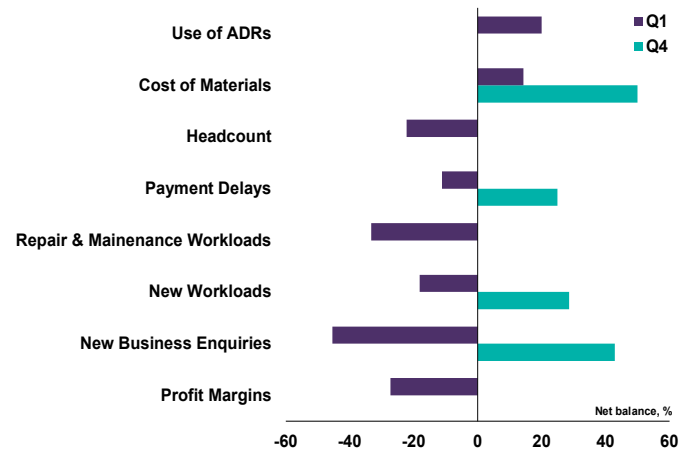
Workloads



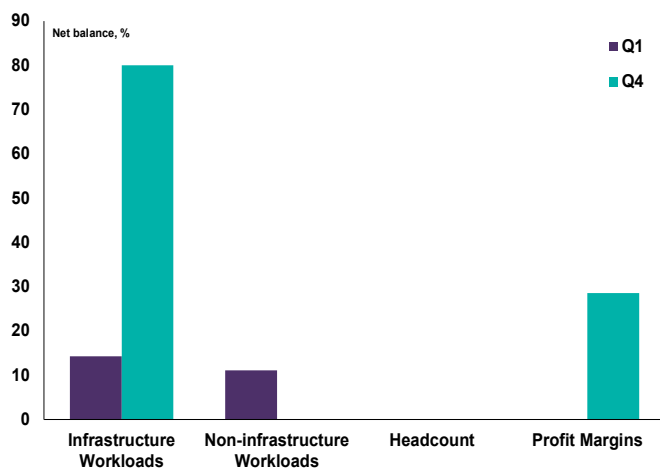
Infrastructure Workloads



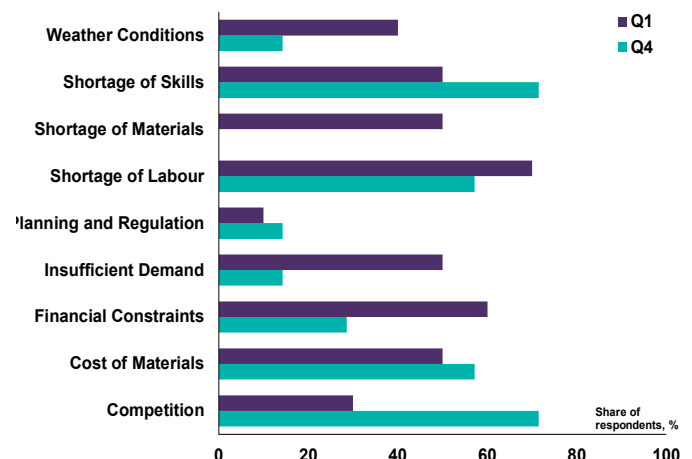
Current Conditions



12-month Expectations



Factors Holding Back Activity

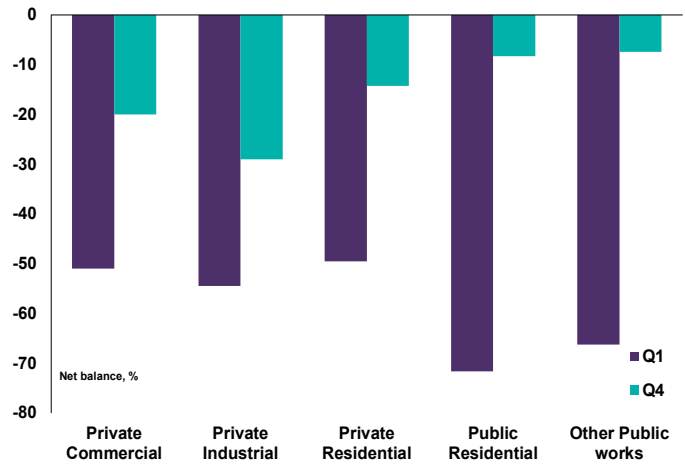


Country Charts - Malaysia

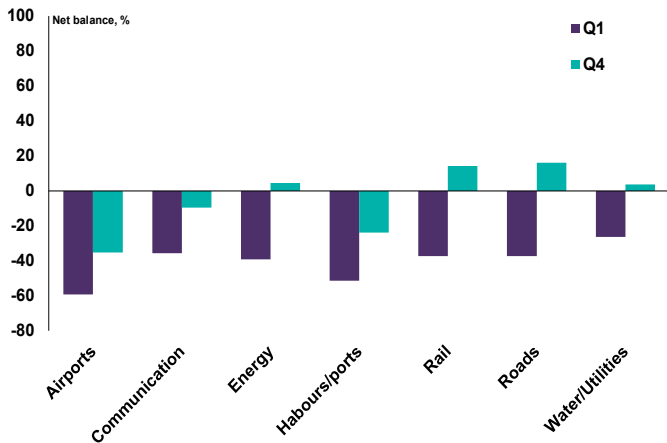
The global Covid-19 pandemic further weighed on already subdued activity in Malaysia's construction and infrastructure market, according to survey participants in Q1. Workloads across all segments of the market fell at a quicker pace than what was reported in Q4 (in net balance terms). Workloads in both the infrastructure and non-infrastructure markets are expected to continue to decline over the next twelve months.

Respondents reported a significant decline in new workloads and new business enquiries. Several factors were highlighted as weighing on activity, but competition, financial constraints and a lack of demand was foremost amongst these. Respondents noted that headcounts continued to be cut in Q1, and further reductions are expected over the next year. Profit margins are also seen remaining under significant pressure.

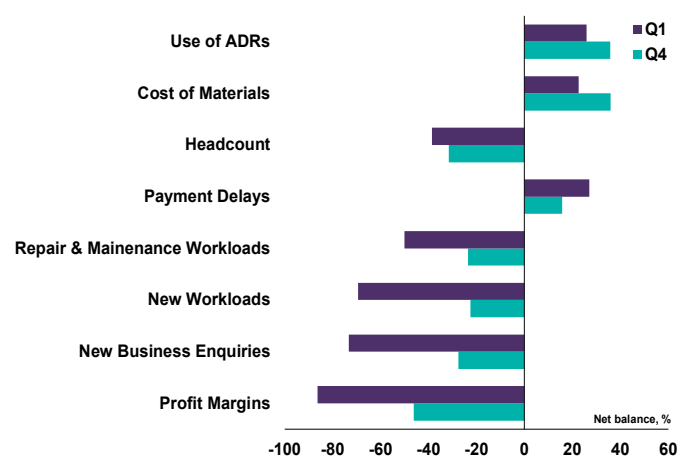
Workloads



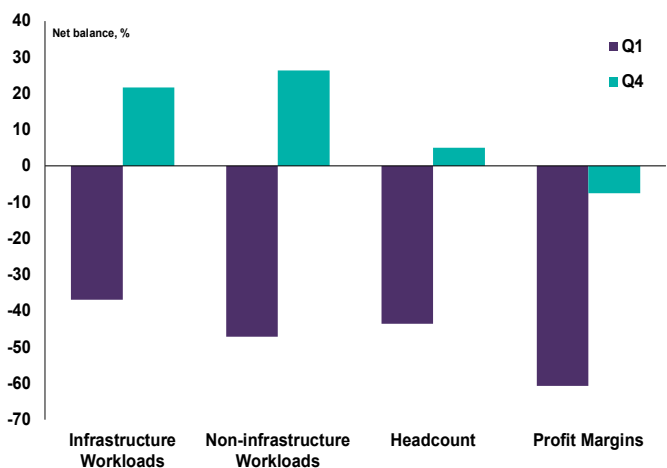
Infrastructure Workloads



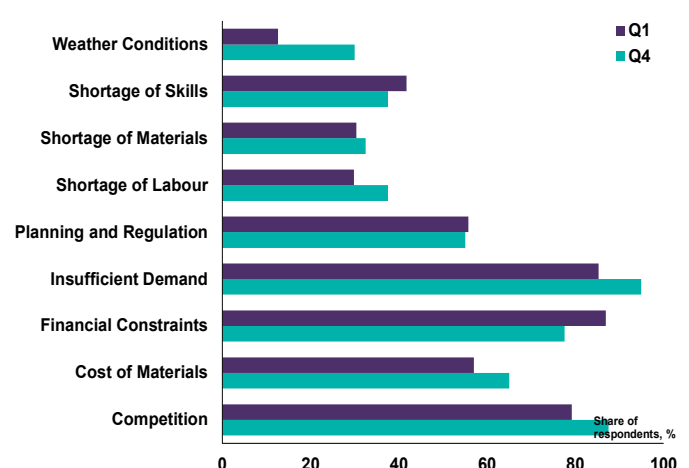
Current Conditions



12-month Expectations



Factors Holding Back Activity



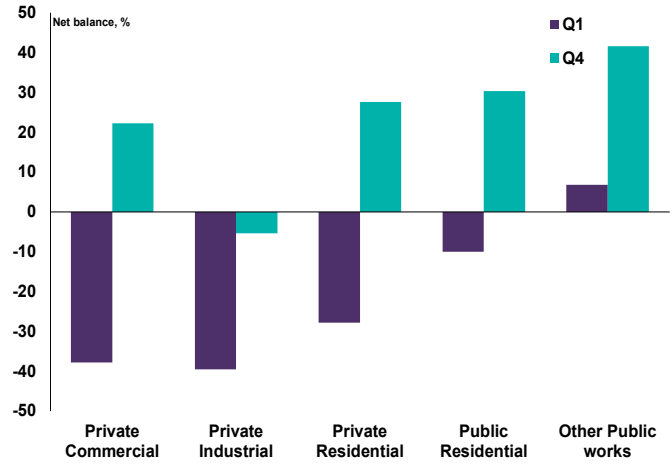
Country Charts - New Zealand

Respondents indicated that conditions in New Zealand's construction market turned negative in Q1 amid a nationwide lockdown. Workloads broadly contracted, and work on private commercial and industrial projects fell at a particularly acute pace (in net balance terms).

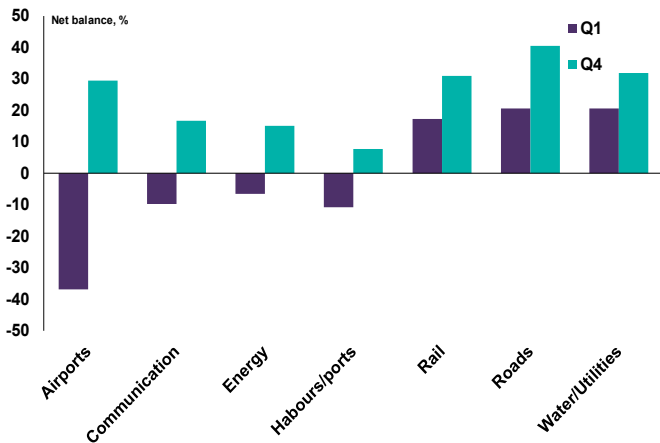
Infrastructure workloads, especially road, rail and utilities appeared to be more resilient. A pullback in non-infrastructure work is expected to persist for the next year while the level of work on infrastructure projects is expected to remain near current levels.

Although headcount appears yet to have declined, contributors do expect firms to cut headcount over the coming months. This comes as financial constraints are becoming more significant and profit margins deteriorate (and are expected to continue to do so).

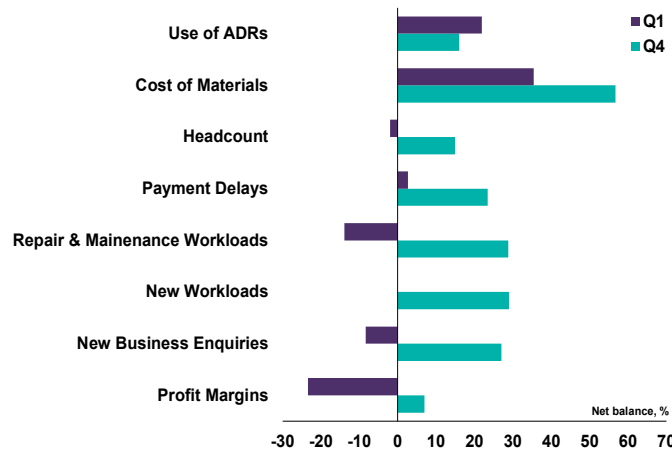
Workloads



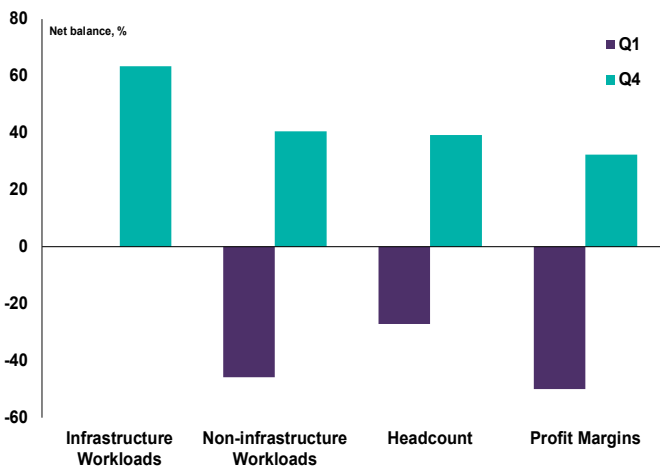
Infrastructure Workloads



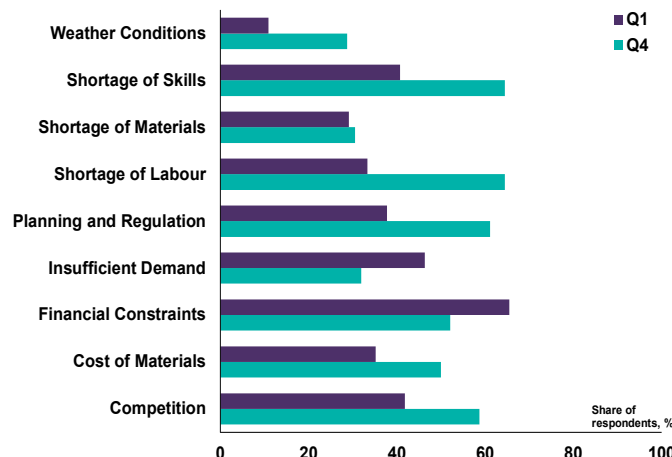
Current Conditions



12-month Expectations



Factors Holding Back Activity

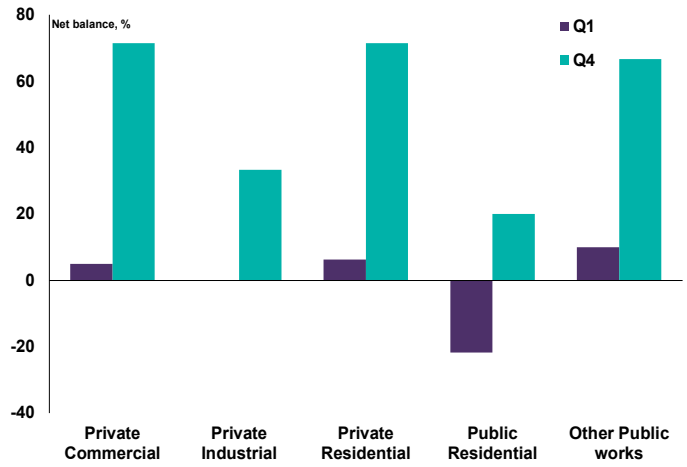


Country Charts - Philippines

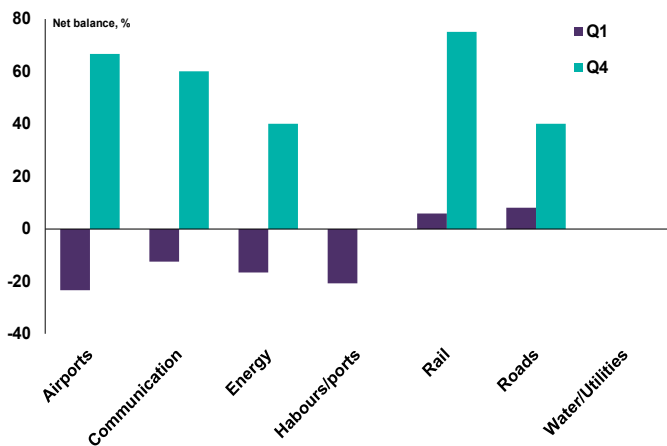
Although the Philippines' construction market appears to be slightly more resilient to the Covid-19 outbreak than its regional peers at this stage, contributors noted substantially more subdued conditions in Q1 than in Q4. Survey participants in the Philippines noted a very modest rise in new workloads. Expectations for workloads, headcount, and profit margins for the next twelve months were all also scaled back, though are still expected to increase.

Financial constraints, labour scarcity, and the costs of materials were cited by the greatest share of respondents as holding back activity. Anecdotally, several contributors commented on supply chain disruptions following China's lockdown, and noted that disruptions in the Philippines labour market are expected to persist beyond the Filipino government's current restrictions.

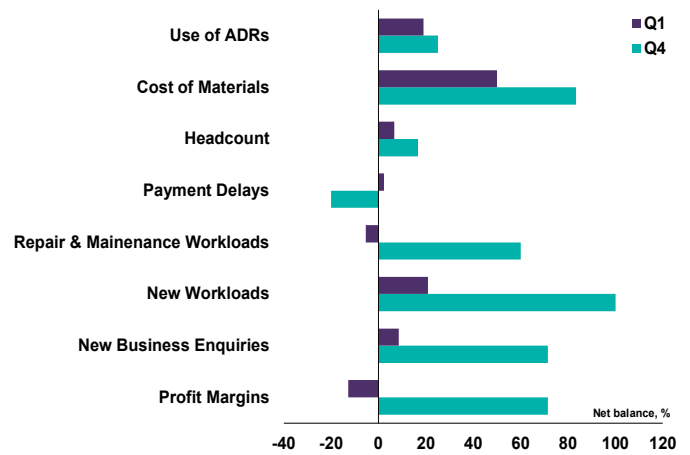
Workloads



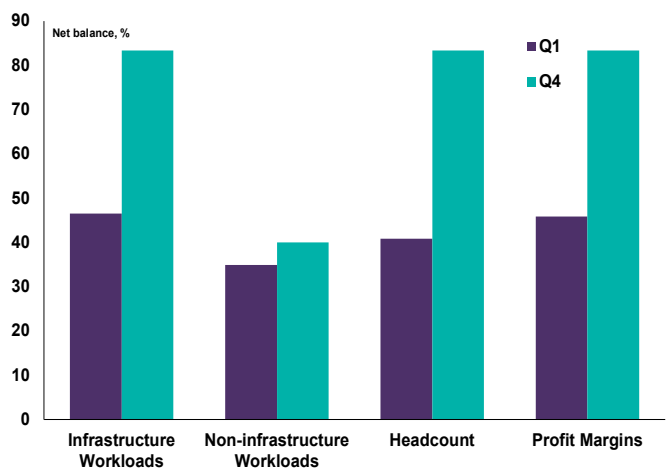
Infrastructure Workloads



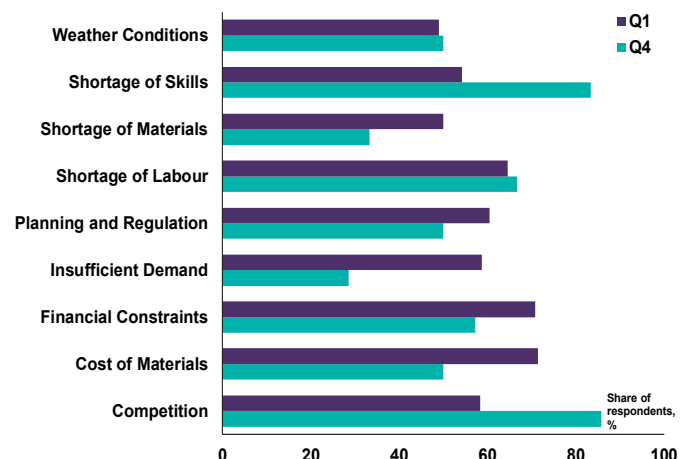
Current Conditions



12-month Expectations



Factors Holding Back Activity

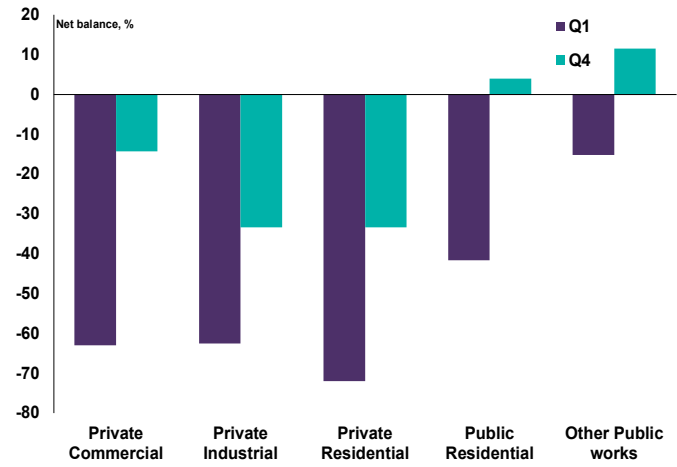


Country Charts - Singapore

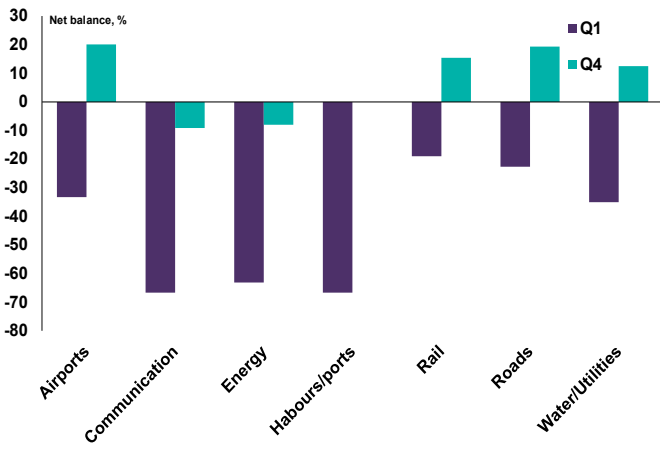
Respondents in Singapore highlighted a substantial drop in new business enquiries and new workloads in Q1 amid two national lockdowns following successive coronavirus outbreaks. The pullback in activity appears to be spread evenly across the private sector, and infrastructure activity also appears to have declined sharply. The impact of Covid-19 is not expected to be transitory as the outlook for work for the next twelve months is negative.

Despite a raft of measures unveiled by the government, companies appear to have trimmed headcounts in Q1 and further cuts appear to be coming. Perhaps owing to the outbreaks amongst foreign workers, labour scarcities were also being reported. Meanwhile, profit margins deteriorated significantly and are expected to continue to do so amidst mounting financial constraints.

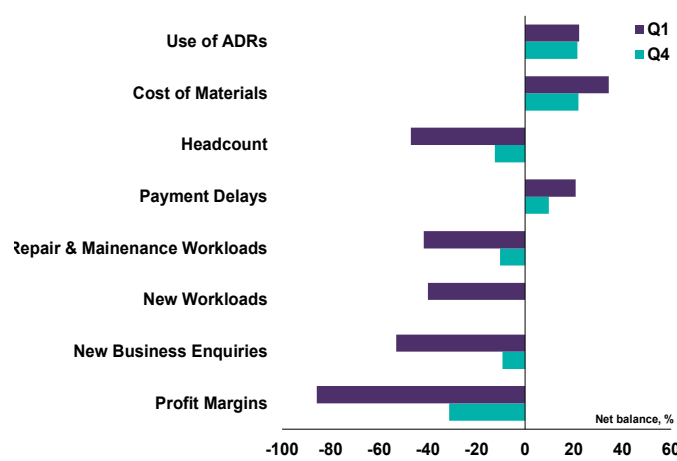
Workloads



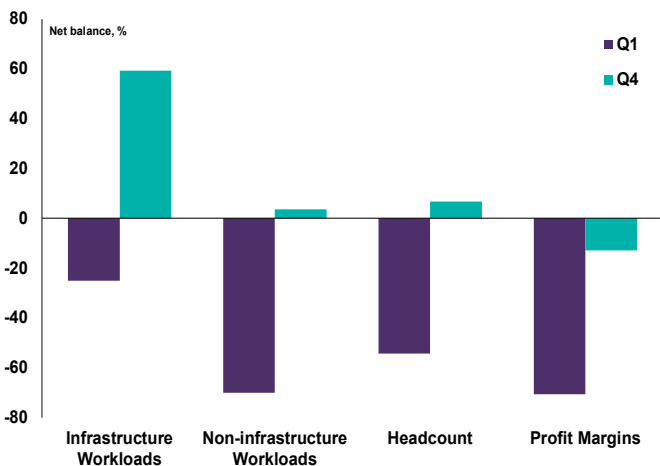
Infrastructure Workloads



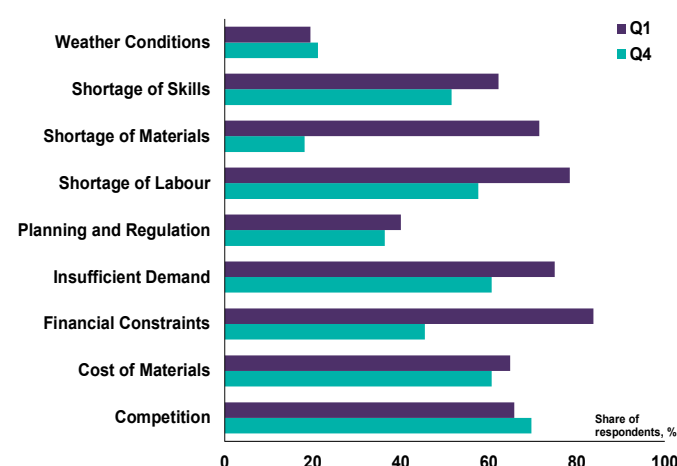
Current Conditions



12-month Expectations



Factors Holding Back Activity

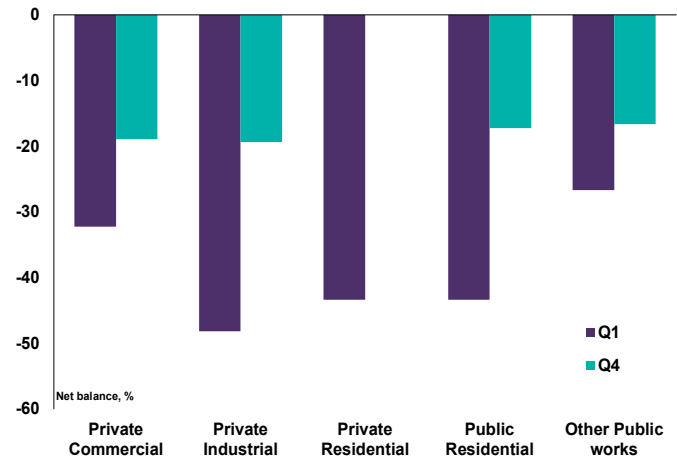


Country Charts - Sri Lanka

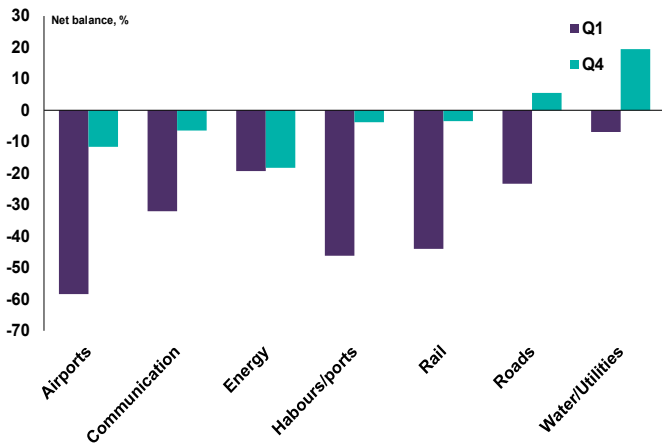
Conditions in Sri Lanka's construction market deteriorated further in Q1, according to respondents. In net balance terms, both infrastructure and non-infrastructure workloads declined at a quicker pace than in Q4. Although a rebound is expected over the next twelve months, it is seen as being much less robust than what was expected in the last quarter of 2019.

Several respondents highlighted issues with sourcing construction materials, noting supply-chain linkages with China had created bottlenecks. Given this, the share of respondents reporting that either a shortage of materials or the costs of materials were holding back activity crept higher in Q1. Headcount was said to be sharply reduced in Q1. This does not appear set to change significantly over the next year.

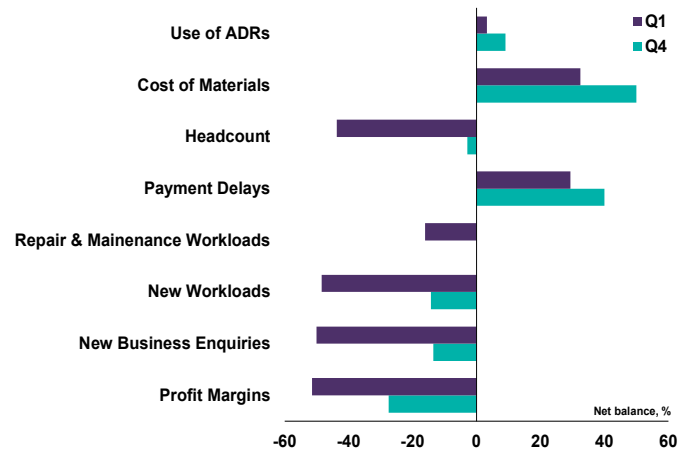
Workloads



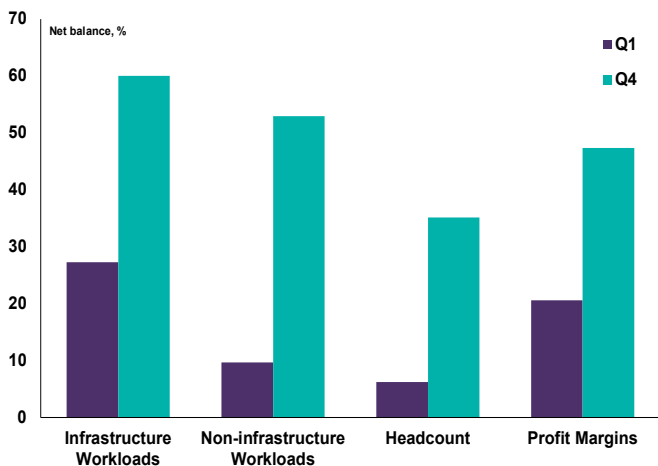
Infrastructure Workloads



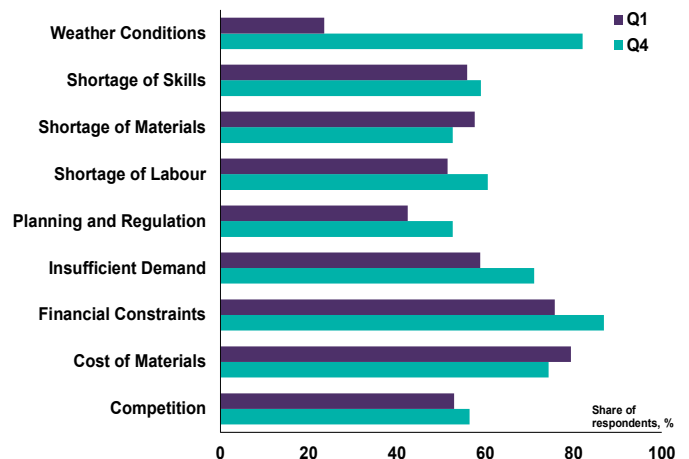
Current Conditions



12-month Expectations



Factors Holding Back Activity



RICS Consensus Tender Prices & Construction Costs [Next 12 months]

	Tender Prices		Construction Costs		
	Building	Civil Engineering	Commercial	Residential	Total
North America	+2.1%	+1.8%	+1.7%	+1.4%	+1.9%
Canada	+2.0%	+1.7%	+1.6%	+1.3%	+1.9%
British Columbia	+0.5%	+0.6%	+0.4%	+0.5%	+1.2%
Ontario	+3.4%	+3.1%	+3.2%	+3.1%	+3.2%
Praries & Territories	-1.0%	-1.2%	-1.0%	-1.1%	-0.3%
USA	+2.4%	+2.0%	+2.4%	+1.7%	+1.8%
Northeast	+2.3%	+0.2%	-0.6%	-0.5%	+0.7%
South	+4.1%	+4.4%	+3.4%	+1.6%	+4.1%
West	+1.2%	+1.3%	+3.1%	+2.9%	+0.8%
Asia Pacific	+1.2%	+1.6%	+2.1%	+1.9%	+2.3%
Australasia	+0.8%	+2.1%	+1.8%	+1.4%	+2.1%
Australia	+0.9%	+2.5%	+2.0%	+1.2%	+1.8%
New South Wales	+0.1%	+2.2%	+0.7%	+0.1%	+0.6%
Queensland	+2.6%	+4.9%	+4.2%	+3.1%	+3.5%
Victoria	+0.8%	+1.1%	+2.3%	+1.8%	+2.5%
Western Australia	+0.8%	+1.7%	+1.4%	+0.7%	+1.5%
New Zealand	+0.8%	+1.8%	+1.8%	+1.8%	+2.4%
North Island	+1.1%	+2.3%	+2.2%	+2.6%	+2.9%
South Island	-0.7%	-0.3%	+0.3%	-1.0%	+0.8%
East Asia	-0.1%	+0.1%	+1.0%	+0.8%	+0.9%
China	+4.4%	+4.6%	+4.3%	+3.8%	+4.6%
Eastern Region	+3.8%	+4.0%	+3.6%	+3.2%	+3.5%
Northern Region	+7.1%	+5.8%	+6.4%	+5.8%	+6.4%
South Central Region	+5.7%	+6.4%	+3.9%	+3.5%	+5.4%
Southwest Region	+3.1%	+3.5%	+5.6%	+4.0%	+4.8%
Hong Kong	-2.2%	-2.2%	-0.6%	-0.4%	-0.8%
Japan	+0.5%	+0.3%	+0.3%	-2.3%	+0.3%
South Asia	+4.4%	+4.1%	+4.5%	+4.3%	+4.9%
India	+4.1%	+3.9%	+4.2%	+3.9%	+4.4%
Northern Region	+3.7%	+4.0%	+4.1%	+3.7%	+4.0%
Southern Region	+3.5%	+3.6%	+3.7%	+4.0%	+4.0%
Western Region	+5.1%	+4.3%	+4.8%	+3.4%	+4.6%
Sri Lanka	+5.1%	+4.5%	+5.3%	+5.4%	+6.3%
Western Province	+5.3%	+4.7%	+5.9%	+6.2%	+7.2%

RICS Consensus Tender Prices & Construction Costs [Next 12 months]

	Tender Prices		Construction Costs		
	Building	Civil Engineering	Commercial	Residential	Total
Southeast Asia	+0.6%	+1.0%	+1.7%	+1.5%	+2.0%
Malaysia	-1.9%	-1.6%	-0.8%	-1.1%	-0.7%
Borneo	-2.5%	-3.0%	-0.2%	-0.9%	+0.2%
Northern Region	-2.7%	-1.7%	-1.9%	-0.6%	-0.4%
Southern Region	-3.3%	-3.6%	-3.3%	-2.6%	-4.1%
Western Region	-1.6%	-1.3%	-0.5%	-1.1%	-0.5%
Philippines	+6.6%	+6.8%	+6.8%	+6.9%	+7.2%
Singapore	+0.2%	+1.4%	+1.5%	+1.7%	+2.7%
Middle East & Africa	+1.7%	+1.6%	+2.6%	+1.9%	+2.4%
Middle East	+0.2%	+0.1%	+1.1%	+0.4%	+1.0%
Bahrain	+2.1%	+1.1%	+2.1%	+1.7%	+2.7%
Kuwait	+3.2%	+1.9%	+3.6%	+1.9%	+3.2%
Oman	+1.5%	+1.6%	+2.9%	+2.4%	+2.7%
Qatar	+3.4%	+3.5%	+3.6%	+2.7%	+3.8%
Saudi Arabia	+2.2%	+1.4%	+3.4%	+3.2%	+2.6%
Makkah	+4.1%	+2.6%	+4.1%	+3.6%	+4.4%
Riyadh	+4.0%	+5.9%	+5.7%	+4.8%	+6.2%
UAE	-2.8%	-2.8%	-1.7%	-2.5%	-1.9%
Abu Dhabi	-4.0%	-4.0%	-3.1%	-4.5%	-3.7%
Dubai	-2.4%	-2.4%	-1.2%	-1.7%	-1.2%
Africa	+3.8%	+3.9%	+4.6%	+4.0%	+4.3%
Ghana	+3.1%	+2.6%	+2.6%	+2.7%	+1.8%
Mauritius	+6.5%	+6.4%	+7.1%	+6.9%	+7.1%
Nigeria	+6.8%	+7.8%	+7.3%	+5.5%	+6.3%
Northern States	+7.5%	+7.5%	+7.0%	+5.9%	+6.5%
Southern States	+6.4%	+8.0%	+7.5%	+5.3%	+6.3%
South Africa	+3.0%	+2.8%	+3.8%	+3.8%	+4.1%
Gauteng	+4.0%	+3.5%	+3.9%	+3.5%	+4.1%
KwaZulu Natal	+1.4%	+2.4%	+2.8%	+4.2%	+3.2%

RICS Consensus Labour & Material Costs (Next 12 months)

	Labour Costs		Material Costs					
	Skilled	Unskilled	Bricks	Concrete	Copper	Glass	Steel	Total
Asia Pacific	+2.4%	+1.3%	+2.1%	+2.8%	+2.6%	+2.1%	+2.7%	+2.7%
Australasia	+1.6%	+0.4%	+2.0%	+2.4%	+2.9%	+2.6%	+3.2%	+2.5%
Australia	+1.5%	+0.1%	+1.9%	+2.4%	+2.9%	+2.5%	+3.2%	+2.6%
New South Wales	+1.4%	+0.3%	+2.8%	+3.5%	+3.5%	+3.5%	+3.8%	+3.2%
Queensland	+2.8%	+1.3%	+3.0%	+3.4%	+2.4%	+1.6%	+1.4%	+2.4%
Victoria	+0.4%	+0.1%	+1.0%	+1.0%	+1.2%	+1.7%	+2.4%	+1.8%
Western Australia	+0.5%	-1.8%	-1.2%	-1.2%	+4.7%	+0.7%	+4.5%	+2.7%
New Zealand	+1.7%	+0.9%	+2.2%	+2.4%	+3.1%	+2.9%	+3.4%	+2.5%
North Island	+2.2%	+1.8%	+3.0%	+3.0%	+3.2%	+3.2%	+4.2%	+3.1%
South Island	+0.8%	-0.7%	+0.5%	+1.1%	+2.6%	+2.0%	+1.7%	+1.1%
East Asia	+1.3%	-0.2%	+1.6%	+1.8%	+1.4%	+1.1%	+1.3%	+1.6%
China	+5.8%	+3.8%	+4.4%	+4.5%	+2.9%	+2.2%	+3.1%	+4.0%
Eastern Region	+4.6%	+2.5%	+3.4%	+3.2%	+2.4%	+1.2%	+2.2%	+3.1%
Northern Region	+5.6%	+4.2%	+7.3%	+6.4%	+2.4%	+2.9%	+4.0%	+6.1%
South Central Region	+9.4%	+7.5%	+7.4%	+8.4%	+5.0%	+5.0%	+6.5%	+6.8%
Southwest Region	+5.4%	+1.9%	+2.0%	+2.7%	+2.1%	+0.9%	+1.3%	+1.7%
Hong Kong	-0.7%	-2.2%	+0.5%	+0.7%	+0.6%	+0.6%	+0.5%	+0.6%
Japan	-0.3%	+1.1%	+0.7%	+1.0%	+0.9%	+1.7%	+0.6%	+0.2%
South Asia	+5.2%	+4.5%	+4.2%	+5.1%	+4.9%	+4.0%	+5.3%	+4.8%
India	+5.1%	+4.5%	+4.1%	+4.8%	+4.4%	+3.5%	+4.8%	+4.3%
Northern Region	+4.5%	+3.6%	+4.5%	+5.2%	+4.5%	+4.4%	+5.4%	+4.4%
Southern Region	+5.5%	+4.6%	+4.1%	+4.6%	+4.4%	+3.0%	+3.7%	+3.9%
Western Region	+4.8%	+4.8%	+3.2%	+4.0%	+3.8%	+3.2%	+5.5%	+4.2%
Sri Lanka	+5.6%	+5.0%	+4.5%	+6.1%	+6.7%	+5.7%	+7.3%	+6.6%
Western Province	+5.4%	+4.9%	+5.0%	+6.2%	+7.1%	+6.0%	+7.4%	+6.8%
Southeast Asia	+1.9%	+1.2%	+1.2%	+2.3%	+2.0%	+1.6%	+1.9%	+2.5%
Malaysia	+0.4%	-0.2%	-0.2%	+0.8%	+0.8%	+0.0%	-0.1%	+0.6%
Borneo	+0.9%	-1.2%	+0.7%	+2.6%	+3.6%	+3.6%	+2.1%	+3.2%
Northern Region	+0.9%	-0.8%	-3.3%	-1.1%	+0.0%	-1.9%	-1.8%	-2.1%
Southern Region	-1.5%	-1.5%	-2.4%	-0.9%	-2.3%	-3.6%	-3.2%	-0.5%
Western Region	+0.4%	+0.1%	+0.2%	+1.0%	+0.8%	+0.1%	-0.0%	+0.8%
Philippines	+4.4%	+3.6%	+3.7%	+5.1%	+4.2%	+4.5%	+5.8%	+6.0%
Singapore	+3.1%	+2.5%	+1.5%	+3.3%	+1.8%	+1.8%	+2.2%	+3.4%

RICS Consensus Labour & Material Costs (Next 12 months)

	Labour Costs		Material Costs					
	Skilled	Unskilled	Bricks	Concrete	Copper	Glass	Steel	Total
Middle East & Africa	+2.7%	+1.7%	+2.5%	+2.8%	+3.5%	+3.2%	+3.8%	+3.4%
Middle East	+1.5%	+0.7%	+1.7%	+1.6%	+2.1%	+2.2%	+2.3%	+2.1%
Bahrain	+1.4%	+0.7%	+2.5%	+1.7%	+3.1%	+3.1%	+2.7%	+2.9%
Kuwait	+2.6%	+2.3%	+2.0%	+1.9%	+1.9%	+1.9%	+2.0%	+1.9%
Oman	+2.4%	+2.4%	+0.5%	+1.0%	+2.5%	+2.5%	+2.4%	+2.0%
Qatar	+3.6%	+2.7%	+3.8%	+4.5%	+5.1%	+5.2%	+5.1%	+4.7%
Saudi Arabia	+3.8%	+2.2%	+2.6%	+1.8%	+2.4%	+2.4%	+3.1%	+3.2%
Makkah	+4.8%	+3.7%	+3.6%	+1.7%	+2.7%	+2.5%	+4.0%	+4.5%
Riyadh	+3.8%	+3.3%	+4.7%	+5.9%	+6.5%	+5.3%	+6.8%	+6.6%
UAE	-0.5%	-1.1%	+0.4%	+0.1%	+0.1%	+0.3%	+0.4%	+0.3%
Abu Dhabi	-2.5%	-2.7%	+0.1%	-0.1%	-1.3%	-1.0%	-1.5%	-0.9%
Dubai	+0.3%	-0.5%	+0.6%	+0.3%	+0.7%	+0.9%	+1.2%	+0.9%
Africa	+4.6%	+3.0%	+3.7%	+4.6%	+5.7%	+4.7%	+6.3%	+5.4%
Ghana	+7.5%	+2.9%	+3.9%	+4.3%	+5.8%	+5.6%	+5.0%	+5.8%
Mauritius	+6.0%	+5.5%	+5.5%	+5.2%	+7.4%	+7.8%	+6.2%	+6.5%
Nigeria	+4.9%	+3.5%	+3.5%	+5.3%	+5.6%	+5.9%	+7.3%	+5.6%
Northern States	+7.6%	+5.7%	+4.7%	+5.8%	+5.9%	+6.6%	+8.2%	+6.6%
Southern States	+3.6%	+2.4%	+2.9%	+5.1%	+5.4%	+5.5%	+6.8%	+5.1%
South Africa	+4.7%	+3.9%	+4.5%	+5.1%	+6.8%	+4.4%	+7.2%	+5.3%
Gauteng	+4.3%	+3.7%	+4.0%	+4.8%	+6.9%	+4.0%	+7.7%	+4.8%
KwaZulu Natal	+4.3%	+3.5%	+5.3%	+5.6%	+6.9%	+4.7%	+6.7%	+6.6%

Information

Construction and Infrastructure Survey

RICS' Asia-Pacific and Middle East Construction and Infrastructure Survey is a quarterly guide to the trends in the construction and infrastructure markets. The report is available from the RICS website www.rics.org/economics along with other surveys covering the housing market, residential lettings, commercial property, construction activity and the rural land market.

Methodology

Survey questionnaires were sent out on 11 March 2020 with responses received until 16 April 2020. Respondents were asked to compare conditions over the latest three months with the previous three months as well as their views as to the outlook. A total of 1323 company responses were received globally. Results are collated at a country level with regional results only reported if a minimum of ten responses received. Responses in Canada were collected in conjunction with the Canadian Institute of Quantity Surveyors. Responses in the United States were collected in conjunction with the Association for the Advancement of Cost Engineering.

Net balance = Proportion of respondents reporting a rise in a variable (e.g. occupier demand) minus those reporting a fall (if 30% reported a rise and 5% reported a fall, the net balance will be 25%). Net balance data can range from -100 to +100.

A positive net balance reading indicates an overall increase while a negative reading indicates an overall decline.

Contact details

This publication has been produced by RICS. For all economic enquiries, including participation in the monitor please contact: economics@rics.org

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RICS promotes and enforces the highest professional qualifications and standards in the valuation, development and management of land, real estate, construction and infrastructure. Our name promises the consistent delivery of standards – bringing confidence to markets and effecting positive change in the built and natural environments.

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