

Singapore Construction Firms Express Confidence and Optimism in Industry Outlook Despite Significant Headwinds

Research reveals digital transformation can help overcome supply chain, materials and labour shortage challenges

SINGAPORE – 6 September 2022 – [Procore Technologies, Inc.](#), a leading global provider of construction management software, released its construction industry benchmark report '[How We Build Now 2022 – Tracking Technology in Asia Pacific Construction in 2022](#)'. Spanning five markets in Asia Pacific¹ and gathering insights from more than 1,100 respondents within the construction industry, the report examines the general sentiment of the industry, the digital maturity and adoption of construction technologies, as well as the challenges and opportunities that businesses face.

Persistent challenges such as the labour shortage, disruptions to construction work due to pandemic restrictions, the increasing cost of materials, and supply chain issues, continued to serve as a catalyst for technology investment, with half of (50%) Singaporean respondents agreeing the pandemic accelerated their investment in digital transformation.

93% of respondents in Singapore expressed confidence about industry conditions over the next 12 months, with around half of construction businesses expecting an increase in the number or value of projects over the same timeframe (49% and 50% respectively). At the same time, the industry continues to face significant headwinds, with the top challenges cited being dealing with the increasing cost of raw materials and equipment (54%), keeping up to date with new building and construction technology (38%), staff management (35%), and the lack of certainty and visibility on the potential pipeline of future work (35%).

“Against persistent headwinds in the construction sector globally, Singapore construction decision makers remain resilient and continue to display strong confidence and optimism in the upcoming months,” commented Bruce Wells, vice president of Asia, Procore. “This optimism is telling of the strategies that the Singapore construction industry has adopted. Our report serves as a benchmark for the overall industry to see where the gaps are, and how their peers are accelerating their digital transformation journey to support business growth.”

Digital Transformation Critical to Overcoming Roadblocks

Further research from Procore reveals construction firms in Singapore understand that digital transformation is required to overcome labour shortage, with 61% of construction businesses being ‘well on the way’ in their digital transformation journey – higher than the APAC average of 58%. Construction decision makers recognise that technology provides a raft of benefits for the industry, in particular resource efficiency through less rework and providing improved customer experience.

¹ The third in an annual ‘benchmark series’, the research behind *How We Build Now – Tracking technology in Asia Pacific Construction in 2022* was conducted by independent research company YouGov. After surveying the Australian industry for the first two editions in 2019 and 2020, this year it has been expanded to include five markets. 1,138 construction decision-makers and influencers were surveyed for this report across Australia (314), Malaysia (223), New Zealand (114), Philippines (259) and Singapore (228).

As part of their digital transformation roadmap, two in three construction businesses cite upskilling staff with soft skills, technological skills and trade skills as a strategy to improve both productivity and profitability; while around one in two construction businesses believe that improving access to project information will do the same. Interestingly, the research from Procore found that paper remains a common medium for Singaporean construction decision makers for estimating and pricing processes (39%), environment records (38%) and site activity records (36%).

However, more than half of construction firms (54%) agree that they need support from the government to continue on their digital transformation journey. Construction decision makers also cited lack of support from technology providers and vendors (39%) and changing established practices and behaviours (38%) as key barriers for digital transformation.

The Future of Construction Technology

Across the Asia Pacific region, Singapore is ahead on the digital maturity curve – with above average adoption rates for the majority of technologies from BIM to pre-fabrication, extended reality (XR) to artificial intelligence and machine learning (AI/ML).

Procore's research found that construction decision makers in Singapore expect technologies such as big data analytics (45%) and pre-fabrication (43%) to drive change in the next three years. To that end, 65% of respondents plan to introduce big data solutions in the next three years, while 55% plan to do the same for pre-fabrication technologies. Singapore respondents also displayed strong intentions to introduce cutting edge technologies within the next three years, such as 3D printing (61%), drones (57%) and robotics (57%).

Data as a Competitive Difference

Additional research from Procore reported that construction businesses in Singapore recognised the push for more efficient data management, with respondents almost unanimously (99%) believing that it would benefit their business. The most common benefits of efficient data management include improved visibility of project information (48%), enhanced security (43%), improved decision making (42%), and helping to achieve sustainability goals (41%). Singapore builders also expect to save an average of 18% on total project spend just by managing data more efficiently.

"Across APAC, we can see that the construction industry recognises the opportunity to leverage the massive amounts of data generated through the use of technology to make more data-driven decisions across every phase of the construction life cycle. Data plays a mission critical role in providing real-time visibility and insight into all aspects of project performance, and helps firms stay ahead of compliance, reduce rework, and keep everyone accountable. Ultimately, smarter construction empowers construction businesses to have better control of their projects and deliver higher quality builds," concludes Wells.

Additional highlights from the report include:

- **Time spent on rework** - The average Singapore construction company spends close to one-fifth of their time (18%) on rework, higher than the APAC average of 16%. Diving deeper into this finding, the research found that large businesses were more affected, with almost a third of them (31%) spending more than 20% of their total time on rework, compared to only 18% of small/medium businesses.

- **Greater emphasis on safety** - Site specific safety plans are most common, with almost two in three (64%) construction decision makers in Singapore already having it in place.
- **Quality as a competitive advantage** - The vast majority of construction decision makers in Singapore believe that build quality is critical, with 93% believing that high quality builds will improve the industry's reputation and confidence amongst consumers, increase sustainability, and drive greater profit margins.
- **Sustainability and energy efficiency a key agenda** – Overall, the industry is keen to adopt more environmentally-conscious and sustainable building practices. Approximately one in two (52%) construction decision makers in Singapore believe that more should be done to support sustainable building practices.
- **Workplace diversity and inclusion in construction needs to improve** – Currently, women make up a minority of the construction workforce, particularly in executive, site manager and team leader roles. More than two in five (43%) of construction decision makers believe that there is a need to improve diversity and inclusion in construction workplaces.

Download the *How We Build Now – Tracking technology in Asia Pacific Construction in 2022* report [here](#).

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About Procore

Procore is a leading global provider of construction management software. Over one million projects and more than \$1 trillion USD in construction volume have run on Procore's platform. Procore's platform connects key project stakeholders to solutions Procore has built specifically for the construction industry—for the developer, the main contractor, and the subcontractor. Procore's App Marketplace has a multitude of partner solutions that integrate seamlessly with Procore's platform, giving construction professionals the freedom to connect with what works best for them. Headquartered in Carpinteria, California, Procore has offices around the globe. Learn more at [Procore.com](https://procore.com).

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