

## **Mitigating the Impact of the Covid-19 Pandemic on HDB Projects**

Since 2020, disruptions from the Circuit Breaker, coupled with stringent safe management measures imposed at worksites, global border restrictions, and the tightening of border controls for workers from various countries, have affected private and public sector construction projects, including HDB projects.

2 As a result, most of HDB's residential projects have been delayed by about six to 12 months beyond the Estimated Completion Dates (ECD) originally indicated to buyers during the project launches. The extent of the delay varies by project, and depends on site-specific factors such as manpower availability, the contractor's performance and available supply of materials.

3 We recognise that the delays to the completion of new flats have caused inconvenience to flat buyers and affected their life plans. This is why HDB is doing our best to work with contractors and agencies to keep construction work on track and deliver the flats to flat buyers. Together with our industry and agency partners, HDB has put in place several measures to reduce construction delays, including helping contractors work out the priority work areas, enabling contractors to tap on a diversified supply of resources, ensuring a safe working environment for workers, and optimising the allowable work hours for construction works.

### **Addressing a Severe Manpower Crunch**

4 The construction industry is facing an unprecedented manpower shortage due to the pandemic. The border control measures have severely limited the inflow of new migrant workers. As at July 2021, HDB requires about 25,000 workers across all sites. However, there are currently around 19,000 workers available to be deployed, which translates to a shortfall of about 24%. About half of our projects under construction are operating with less than 80% of the required workforce.

5 To alleviate the manpower crunch, contractors have had to optimise their limited manpower with careful planning. HDB has been in discussion with our building contractors and consultants to determine and prioritise work areas, in order to expedite the completion of flats. For example, available workers are deployed to complete the construction and finishing works for flats first while works for common areas, such as precinct facilities, are completed at a later stage.

6 HDB has been working with the relevant agencies and industry partners to recruit and bring in workers from various countries, in a safe and controlled manner, for deployment at our construction sites. HDB also explored other ways to speed up the progress of works, including applying for exemptions to allow less noisy works to be carried out on Sundays and Public Holidays. This can increase the working hours on site by 20 to 30 days a year, after taking into account adequate rest for our workers. All HDB worksites are also required to abide by industry safety standards, to ensure a safe working environment.

## Diversifying the Supply of Building Materials

7 Aside from manpower, the pandemic has also disrupted the supply chain of building materials. A proportion of our building materials are imported from countries such as China, Indonesia, Malaysia and Thailand. These include precast components for flats, landscaping materials such as plants and soil, and flat finishes such as tiles, doors and dry walls.

8 Where the supply of precast components has been affected, HDB is working closely with contractors to explore alternative solutions to reduce the impact on construction timelines. This includes tapping on local precast factories' capacities and securing alternative temporary sites locally to produce some of the precast components.

9 In addition, consultants and contractors can also tap on a collated list of suppliers, available on the [HDB InfoWEB](#), to source for suitable products/materials (e.g. doors, metal fittings/fixtures, sanitary fixtures and accessories, tiles, etc.) from other countries in the event of supply chain disruptions. When the delivery of building materials was delayed due to border restrictions in China and Malaysia, contractors were able to make use of the list of suppliers and secure the continued delivery of materials from countries such as Thailand and Indonesia.

## Ensuring a safe environment at our worksites

10 To ensure a safe working environment, HDB worked with our contractors to put in place stringent safe management measures (SMMs) at construction sites. These measures include automated temperature-taking and Safe Entry check-ins at site entrances, demarcation of zones within the site with dedicated rest area and toilet facilities for each zone, as well as daily briefings and posters to remind workers to adhere to safe management practices and the importance of personal hygiene. Such measures help to reduce the risk of Covid-19 transmission among the workers and prevent further disruption to construction works.

11 Regular audit inspections are carried out by HDB to ascertain whether the SMMs have been implemented stringently. Learning points from the audit inspections are shared with our industry partners. These include good practices such as having well-designed dedicated accessways and safe distancing demarcations to guide visitors and workers to the main entrance of the worksite, clear demarcation of rest areas for use by different work teams, and display of workers' details in every work zone.

12 In addition, HDB regularly provides our contractors with updates on assistance measures and safe management guidelines. HDB has also worked with BCA to carry out the pilot trial of conducting Antigen Rapid Test (ART) at 35 worksites since Jun 2021. This is an additional test, on top of the 14-day Rostered Routine Testing (RRT) requirement by BCA, to enable early detection of Covid-19 and safeguard site safety.

The pilot trial has helped our contractors to be better prepared for the mandatory implementation of the ART by BCA at construction sites<sup>1</sup>.

### Alleviating Cashflow Constraints

13 The Government has introduced various support measures to help construction firms and their employees tide over this period. For example, the \$1.36 billion Construction Support Package helps share the costs that firms have incurred for implementing safe management measures, as well as non-manpower related prolongation costs for public sector construction projects. Firms have also received support for their manpower costs through the Jobs Support Scheme and Foreign Worker Levy waivers and rebates. We also provided rental waivers for tenants and lessees of Government-owned properties for industrial, office and agricultural use, and are sharing the risks for bridging loans to help qualifying Singapore-based companies ease their cashflow. In addition, we put in place unprecedented legislative mechanisms to provide relief to construction firms. For example, the COVID-19 (Temporary Measures) Act requires project parties to fairly share the increases in foreign manpower costs due to COVID-19.

14 HDB recognises that the construction industry is facing significant challenges, with some contractors having difficulties with their cash flow. In line with government advisories, advance payments were released to 36 contractors to ease their cash flow. Separately, HDB also assisted contractors through the co-sharing of prolongation costs arising from project delays. This helps to alleviate contractors' non-manpower operating expenses such as the rental of equipment, site maintenance costs, extension of project insurance premiums, and the rental of offsite storage. As at end July 2021, HDB has paid out \$22 million to co-share prolongation costs with 40 contractors across 80 residential projects. HDB will also be providing additional payment to contractors to co-share the increase in foreign manpower salary costs.

15 Through these efforts, HDB has been able to continue construction works for our projects, and stay on track to delivering homes to flat buyers amidst the pandemic.

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<sup>1</sup> From 20 Aug, the mandatory ART will be implemented at construction projects with a project value of more than \$3 million, i.e. Stage 1. Source: <https://www1.bca.gov.sg/COVID-19/art>