

2021 Risk Radar: Infrastructure Sector



March 2021

The ongoing COVID-19 pandemic posed continuing operational challenges, financial hardship and liquidity strain to the infrastructure sector in the second half of 2020. Operators are adapting to agile work management in order to respond to epidemic control measures, district closures and lockdowns. As hybrid ways of working are prompting organisation leaders to re-think their office space efficiency, owners and landlords may continue to experience drops in rent and investment return for commercial property.

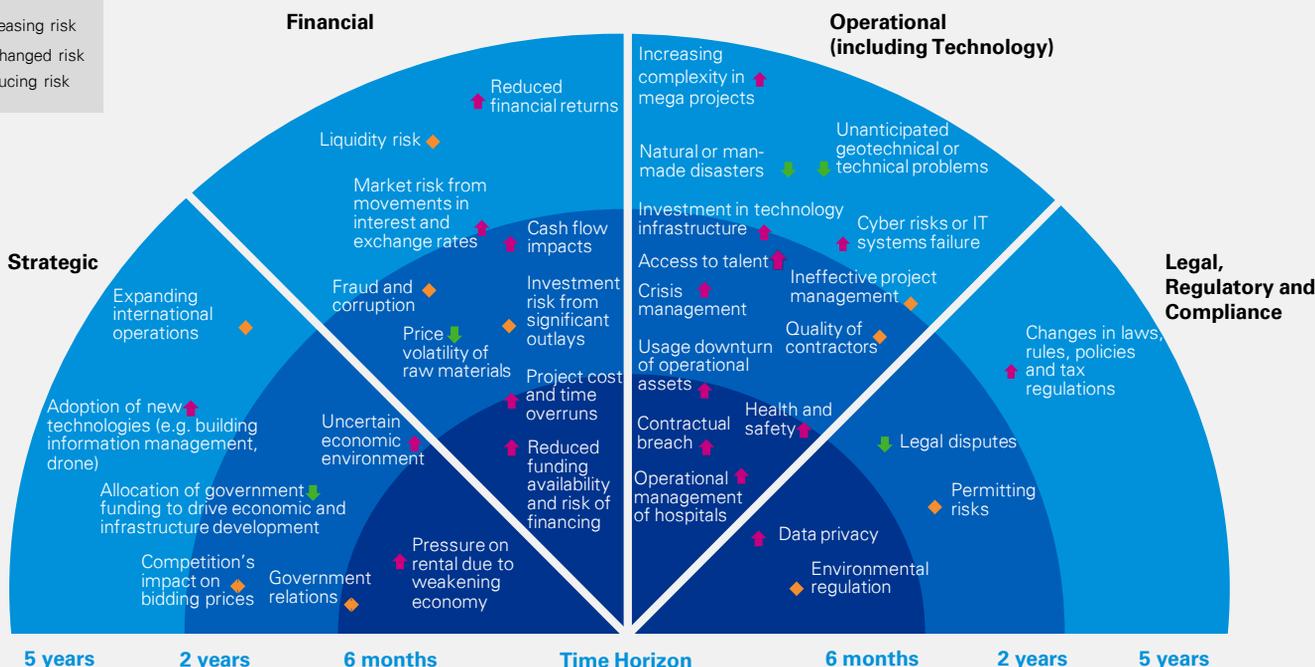


Key trends observed in the market impacting the industry in the Greater China region:

- Although initially impacted by the pandemic, construction work has resumed strongly; and governments are fast-tracking construction projects in order to stimulate economic activity;
- The health and safety of workers and the general public are being prioritised in facility operations – particularly in hospitals, elderly care and public transport infrastructure;
- Financial assistance and tax relief measures on commercial property are helping to revive cash flow and support asset valuations; and
- Real estate developers are incorporating more technology-enabled and green elements to buildings and infrastructure to meet the needs of 5G networks, reduce emissions and construct more sustainable buildings.

Legend

- ▲ Increasing risk
- ◆ Unchanged risk
- ▼ Reducing risk



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