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BCA/QCD/Circular 02/2019

Our Ref: URA/COH/Circular
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Date: 18 Nov 2019

CIRCULAR TO PROFESSIONAL INSTITUTES

Who should know

Developers and solicitors (Law Society)

Effective date

With effect from 18 Nov 2019

CONQUAS REQUIREMENT FOR HOUSING DEVELOPERS

1. To enhance protection of home buyers' interest by ensuring that developers deliver quality housing to home buyers, the requirement for Construction Quality Assessment System (CONQUAS) Scheme will be imposed via a new licence condition in the housing developer's licence issued to developers with:
 - i. no CONQUAS track record for private residential development in the past 3 years, or
 - ii. at least one private residential development in the past 3 years with CONQUAS score below the threshold CONQUAS score¹, or
 - iii. at least one private residential development in the past 3 years with significant number of major defects².
2. In assessing whether the developer will be subject to the CONQUAS requirement, the CONQUAS track record and quality of private residential development which involved the developer, any of its shareholders, and related corporation³ of the shareholders will be considered.

¹ The threshold CONQUAS score is set at the bottom 10th percentile of industry average CONQUAS score for private residential projects in the preceding year. Details on the latest CONQUAS Scheme and the threshold CONQUAS score can be found at <https://www.bca.gov.sg/Professionals/IQUAS/IQUAS/IQUASHome.aspx>.

² Major defects refer to defects that would generally not be acceptable to end-users as specified in BCA's Construction Quality Assessment System (CONQUAS).

³ Related corporation is as defined in Section 6 of the Companies Act (Cap 50)

3. CONQUAS was launched in 1989 to provide the industry with a standard assessment framework for benchmarking of workmanship quality. CONQUAS is an existing requirement for new building projects constructed on Government Land Sales (GLS) sites and public sector building projects with contract value above \$5 million. It has helped to raise construction workmanship standards in the industry.
4. Please refer to Annex A for the list of frequently asked questions on the CONQUAS scheme and housing developer's licence application.
5. We would appreciate it if you could convey the contents of this circular to the relevant members of your organisation. If you or your members have any feedback or queries concerning this circular, you may contact us via email:

For feedback or queries relating to housing developer's licence
ura_coh_registry@ura.gov.sg

For feedback or queries relating to CONQUAS
linn_naing_win@bca.gov.sg

Thank you.

LING HUI LIN (MS)
CONTROLLER OF HOUSING
URBAN REDEVELOPMENT AUTHORITY

ANG LIAN AIK
GROUP DIRECTOR
CONSTRUCTION PRODUCTIVITY & QUALITY
BUILDING AND CONSTRUCTION AUTHORITY

FREQUENTLY ASKED QUESTIONS

- 1. What is the cut-off date for assessing if a developer has CONQUAS track record for private residential development in the past 3 years? If a developer has completed the CONQUAS assessment for a private residential development but the CONQUAS score has not been published by BCA, would the developer be assessed to have CONQUAS track record?**

A private residential development will be considered as the developer's CONQUAS track record only when the CONQUAS score for the completed development is published on BCA's website within the past 3 years prior to the date of application for housing developer's licence for the upcoming project.

For example, if a developer applies for a housing developer's licence on 1st November 2019 and the developer does not have any project with CONQUAS score published on BCA's website from 1st November 2016 onwards, then the developer will be considered to have no CONQUAS track record in the past 3 years.

- 2. How long does it take for BCA to publish the CONQUAS score in BCA's website after completion of the CONQUAS assessment?**

It usually takes around nine months to one year from the date of certification of substantial completion of project by the architect to publish the CONQUAS score on BCA's website. This period is to cater for feedback on major defects (e.g. water seepage issues) by homeowners and moderation of the CONQUAS score.

- 3. Will the requirement for CONQUAS result in a longer time to complete the private residential project?**

The requirement for CONQUAS will not result in a longer time to complete the private residential project if the developer and contractor incorporate the CONQUAS assessment schedule into their planning and ensure the site is ready for assessment according to the planned schedule.

CONQUAS promotes 'doing works right the first time' to minimise re-works and abortive works. This will help to ensure timely completion of project with acceptable workmanship quality and smooth handover to home buyers prior to commencement of the defect liability period.

4. How would a developer know if the new private residential development that the developer is undertaking will be subject to the CONQUAS Scheme?

Upon receipt of a housing developer's licence application, the Controller of Housing will consult BCA on whether the project would be subject to the CONQUAS requirement. The Controller will convey to the applicant whether the licensed housing project will be subject to CONQUAS Scheme in the issuance of the housing developer's licence. Developers may also consult BCA prior to sending the licence application to the Controller if they wish to know if the CONQUAS requirement would be imposed on their new project.

5. Is there any change in the licence application process, in terms of information required or processing time?

There is no change to the licence application process or processing time. A licence applicant will however be requested to provide additional information on the list of projects which involved the developer, any of its shareholders, and related corporations of the shareholders, to facilitate assessment on whether the applicant would be subject to the CONQUAS requirement. Incomplete information provided by the applicant may lead to delay in the processing of the licence application.

6. Is the CONQUAS requirement applicable to projects that the developer has no intention to sell the units, i.e. they are only applying for a no-sale licence?

The CONQUAS requirement is applicable to all new licence applications for a housing developer's licence, including applications for no-sale licence.

7. Must the developer apply separately to BCA to determine if the CONQUAS Scheme is required before submitting the licence application to the Controller of Housing?

No, the Controller of Housing would obtain the necessary information directly from BCA to determine whether CONQUAS requirement will be imposed. Nonetheless, the developer/applicant can check with BCA if they are subject to the CONQUAS requirement prior to submitting a licence application.

8. If a developer does not have CONQUAS track record in the past 3 years, can the developer use the CONQUAS track record of its related corporation in the past 3 years?

Yes, we will assess the CONQUAS track record and quality of the private residential developments in the past 3 years which involved the developer, any of its shareholders, and related corporations of the shareholders to determine if the developer will be subject to the CONQUAS requirement.

9. If the developer is a joint venture comprising a few companies, how would the developer be assessed in terms of CONQUAS track record?

We will assess the CONQUAS track record and quality of all private residential developments of the joint venture companies of the developer and their respective related corporations, if any, to determine if the developer will be subject to the CONQUAS requirement. For an applicant which is a joint venture between two or more developers, if any of the joint venture partners or their respective related corporations have not completed any CONQUAS project, the applicant will be subject to CONQUAS requirement.

10. Will the new criteria for CONQUAS affect the assessment of a developer's track record to qualify for a sale licence?

To qualify as having the necessary track record for the issue of a sale licence, the applicant (i.e. the company or a director in the company) must have satisfactorily completed a licensed residential project of a minimum size in relation to the size of the new housing project that the developer is applying for a housing developer's licence, or a reasonably sized residential project overseas in the past 5 years.

In assessing if the completed licensed residential project is satisfactorily completed to qualify as a track record project, we will take into consideration the quality of the residential project, including the CONQUAS score (if any) and whether there were significant number of major defects in the project.

11. What will be considered a significant number of major defects as defined under CONQUAS Scheme?

The authorities would take into consideration factors such as the number of units affected (relative to the total number of units) and extent of such defects within the units.