

# Private & HDB Rental Markets 2024 Mid-year Review & Market Outlook



Reflections @ Keppel Bay

The private rental market has seen a decline in rent prices for the third consecutive quarter, while the HDB rental market has shown signs of strength, achieving record rents in Q2 2024.



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# PRIVATE RENTAL MARKET

The private rental market has seen a sustained decline in rental prices. According to the Urban Redevelopment Authority (URA)'s rental index, overall rents decreased for a third consecutive quarter, slipping by 0.8 per cent in Q2 2024 (Chart 1). This extends the previous rental declines of 1.9 per cent in Q1 2024 and 2.1 per cent in Q4 2023.

For the first half of 2024, overall rents dipped by -2.7 per cent, which is in stark contrast to the strong growth in 1H2023 at 10.2 per cent and in 1H2022 at 11.2 per cent.

A higher supply of private properties has weighed down rents, as almost 30,000 homes were completed in 2022 and 2023. A sharp contraction in domestic demand further aggravated the situation, with many locals leaving the leasing market having transitioned into their permanent homes.

In addition, the departure of some expatriates has made the market challenges even more pronounced, as some multinational corporations, tech firms, start-ups, and financial institutions have been restructuring over the past two years.

Based on URA Realis data, rental volume rose by 1.7 per cent from 19,981 units in Q1 2024 to 20,326 units in Q2 2024 (Chart 2).

Chart 1 Overall private rents dipped 0.8% in Q2 2024

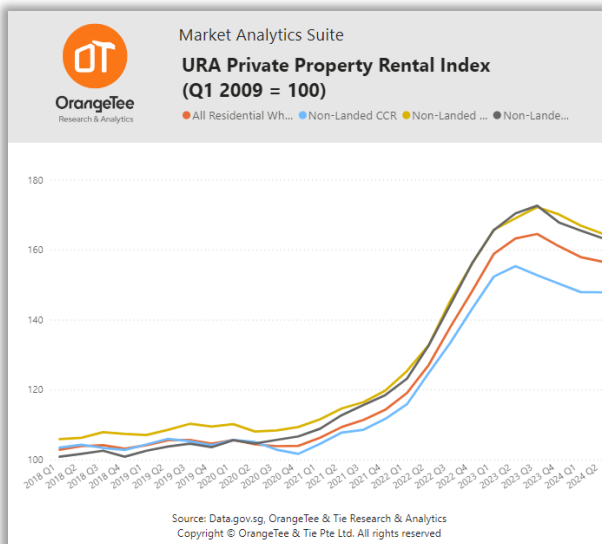


Chart 2 Rental transactions climbed slightly in Q2 2024

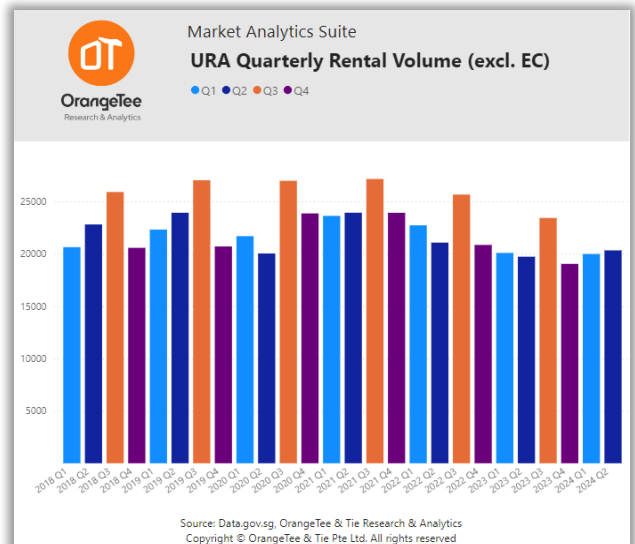


Table 1 Projection for Private Rental Market

Indicators	2021	2022	2023	Q1 2024	Q2 2024	H1 2024	Projection for 2024
<b>Rental</b>							
URA Rental Index	9.9%	29.7%	8.7%	-1.9%	-0.8%	-2.7%	-5% to -3%
Leasing volume (units)	98,604	90,291	82,268	19,981	20,326	40,307	76,000 to 80,000

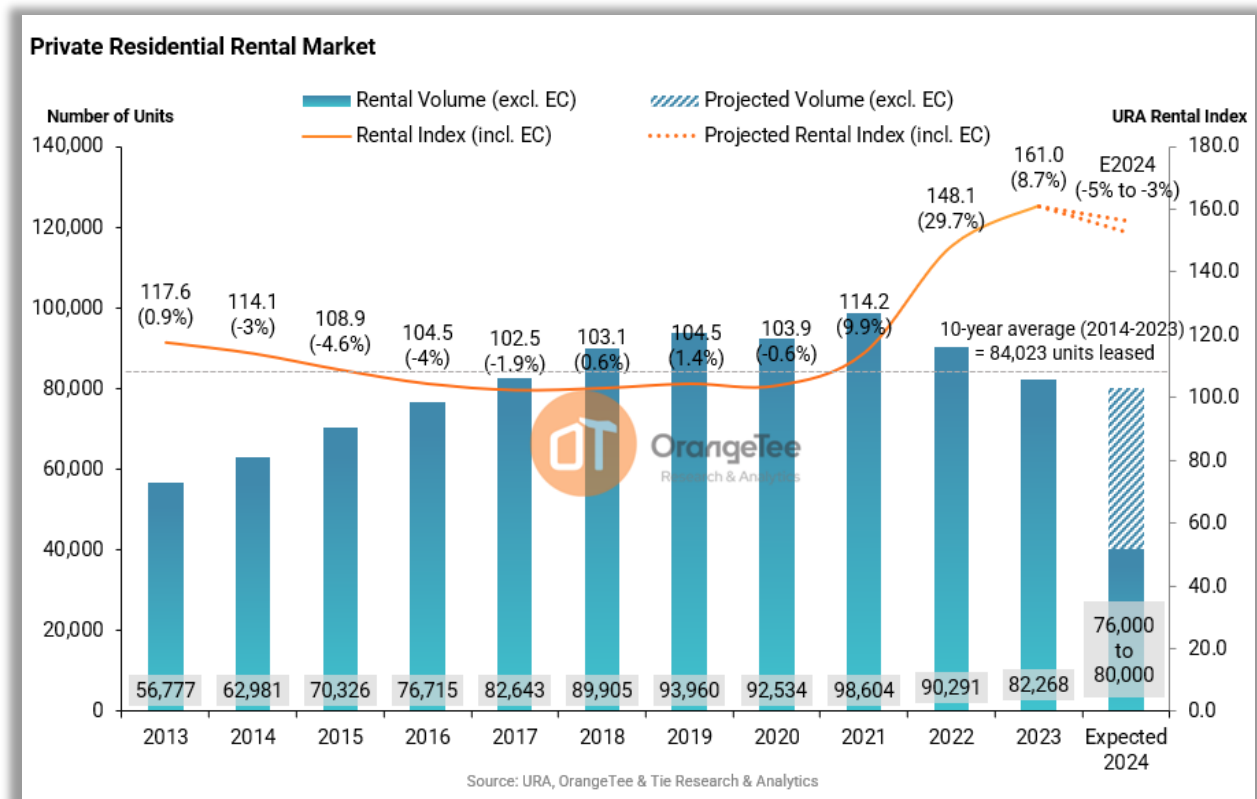
Source: URA, OrangeTee & Tie Research & Analytics

The rental market may be turning a corner as rents have declined slower over the past quarters. Rental demand may pick up as some rents have become more attractive, drawing tenants back to private rentals from public housing.

Moreover, demand is likely to pick up in the upcoming months, during which the peak rental period usually occurs between May and September. Some tenants may want to secure a place before the semester begins in August, especially for expat families enrolling their children in international schools here.

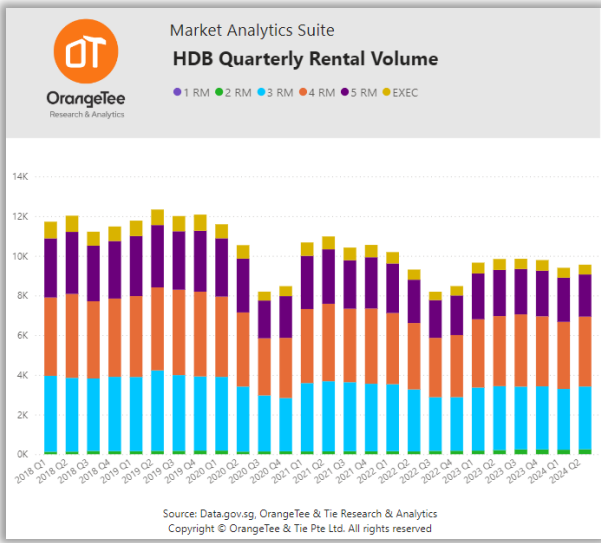
Rents may drop by 3 to 5 per cent in 2024, in contrast to the 8.7 per cent increase in 2023 and the 29.7 per cent rise in 2022 (Table 1).

Around 76,000 to 80,000 private homes may be leased this year, lower than the 82,268 units in 2023 and the 90,291 units in 2022.



# HDB RENTAL MARKET

Chart 3 Rental transactions rose despite stronger rents



The HDB rental market, with its unique dynamics, stands apart from the private rental market. Using flash estimates from SRX-99.co, HDB rental prices have risen, reaching a new all-time high in June 2024.

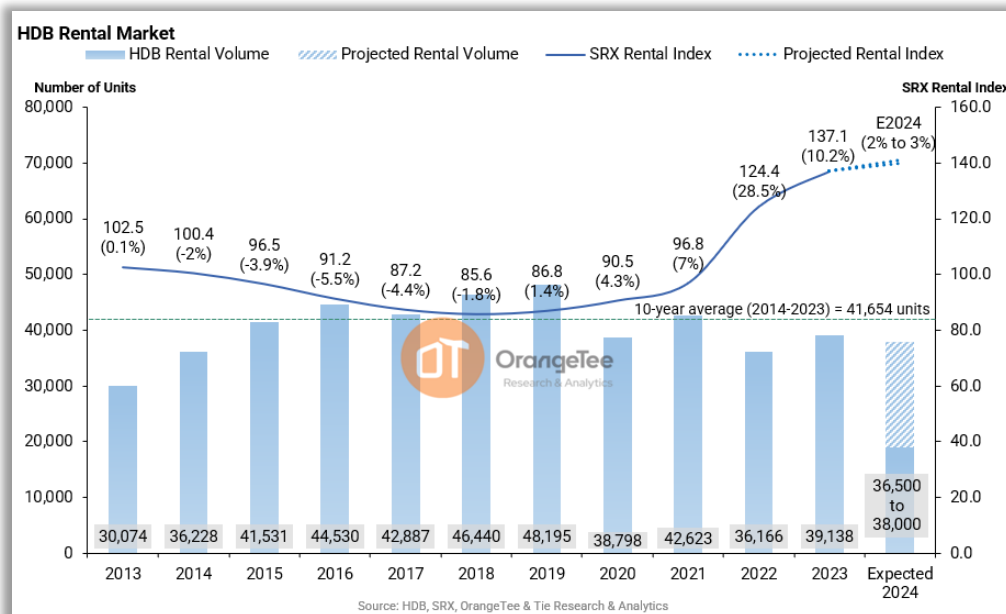
Despite the upward trend in rental prices, leasing demand for HDB flats has remained relatively stable. This is because HDB flats continue to offer the most affordable units in the market. The HDB public housing data for Q2 2024 shows a slight increase of 1.7 per cent in approved applications to rent out HDB flats, from 9,398 units in Q1 2024 to 9,554 in Q2. For the first half of 2024, there were 18,952 approved applications, a 2.8 per cent drop from the 19,499 units registered over the same period in 2023.

Table 2 Projection for HDB Rental Market

Indicators	2021	2022	2023	Q1 2024	Q2 2024	H1 2024	Projection for 2024
<b>Rental</b>							
Rental Price Change (SRX-99.co)	7.0%	28.5%	10.2%	0.9%	0.5%	1.4%	2% to 3%
HDB Rental Applications	42,623	36,166	39,138	9,398	9,554	18,952	36,500 to 38,000

Source: HDB, data.gov.sg, SRX-99.co, OrangeTee & Tie Research & Analytics

Moving forward, we anticipate that demand may fall in the second half of the year due to the reduction in rental inventory and year-end lull. The number of flats reaching their minimum occupation period has decreased over the past two years, leading to a decline in available rentals. Demand may also decrease as more tenants shift back to the private market, attracted by the competitive rental rates landlords offer. Rental prices may increase by 2 to 3 per cent this year, significantly slower than the 10.2 per cent growth seen in 2023. Leasing volumes may drop to 36,500-38,000 units from 39,138 units in 2023.





# MOST POPULAR CONDOS IN 1H2024 (HIGHEST RENTAL TRANSACTIONS)

Project Name	Address	Total Transactions	Median Rents SGD Per month (1 Bedroom)	Median Rents SGD Per month (2 Bedroom)	Median Rents SGD Per month (3 Bedroom)
<b>Core Central Region (CCR)</b>					
THE M	MIDDLE ROAD	297	\$4,000	\$4,850	\$4,250
THE SAIL @ MARINA BAY	MARINA BOULEVARD	250	\$4,400	\$6,500	\$8,200
MARINA ONE RESIDENCES	MARINA WAY	229	\$4,800	\$7,200	\$10,675
D'LEEDON	LEEDON HEIGHTS	194	\$3,900	\$5,200	\$7,050
DUO RESIDENCES	FRASER STREET	185	\$4,700	\$6,800	\$9,375
LEEDON GREEN	LEEDON HEIGHTS	183	\$3,500	\$4,050	\$6,300
ICON	GOPENG STREET	153	\$4,200	\$6,000	NA
KOPAR AT NEWTON	MAKEWAY AVENUE	146	\$3,775	\$4,500	\$6,700
<b>Rest of Central Region (RCR)</b>					
NORMANTON PARK	NORMANTON PARK	590	\$3,200	\$4,000	\$5,200
CITY SQUARE RESIDENCES	KITCHENER LINK	180	\$3,500	\$4,500	\$5,800
AVENUE SOUTH RESIDENCE	SILAT AVE	160	\$3,600	\$4,400	\$5,950
COMMONWEALTH TOWERS	COMMONWEALTH AVE	136	\$3,400	\$4,800	\$6,400
SIMS URBAN OASIS	SIMS DRIVE	134	\$3,100	\$3,900	\$5,300
REFLECTIONS AT KEPPEL BAY	KEPPEL BAY VIEW	131	\$4,700	\$5,900	\$8,000
PARC ESTA	SIMS AVE	130	\$3,600	\$4,800	\$6,100
CARIBBEAN AT KEPPEL BAY	KEPPEL BAY DRIVE	129	NA	\$5,200	\$7,500
<b>Outside of Central Region (OCR)</b>					
TREASURE AT TAMPINES	TAMPINES LANE	404	\$2,600	\$3,200	\$4,200
PARC CLEMATIS	JALAN LEMPENG	327	\$3,100	\$3,950	\$5,200
THE FLORENCE RESIDENCES	HOUGANG AVE 2	203	\$2,800	\$3,375	\$4,300
WATERTOWN	PUNGGOL CENTRAL	170	\$3,100	\$3,950	\$5,300
J GATEWAY	GATEWAY DRIVE	158	\$3,500	\$4,550	\$5,800
SENGKANG GRAND RESIDENCES	COMPASSVALE BOW	154	\$3,000	\$3,650	\$4,600
BAYSHORE PARK	BAYSHORE ROAD	138	\$3,300	\$3,600	\$4,400
BEDOK RESIDENCES	BEDOK NORTH DRIVE	134	\$3,500	\$4,300	\$5,775

Source: URA, OrangeTee & Tie Research & Analytics

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