

# Private Rents Projected To Extend Recovery; Modest Growth For HDB Rents

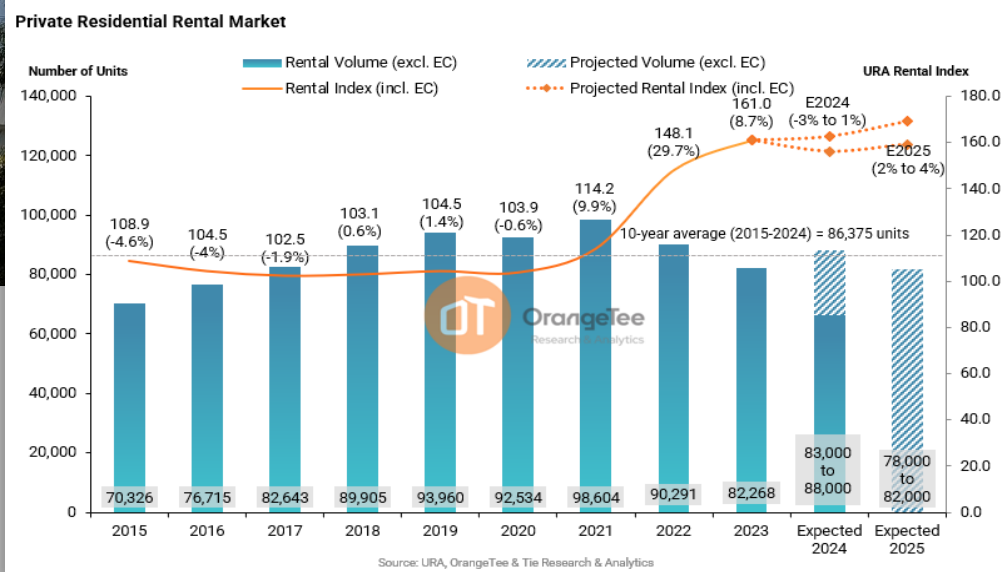
## Private Residential & HDB Rental Outlook 2025



OrangeTee photo taken by student intern Clara Grace Lim ZY

The private residential rental market has bottomed out after a prolonged decline and posted a modest recovery in the third quarter of 2024. The rental price recovery is anticipated to continue into 2025. HDB rental prices are expected to experience modest growth in 2025 on constrained supply.

Chart 1 Market Projection (Private Residential Rental Market)



OrangeTee photo taken by student intern Nicholas Kho

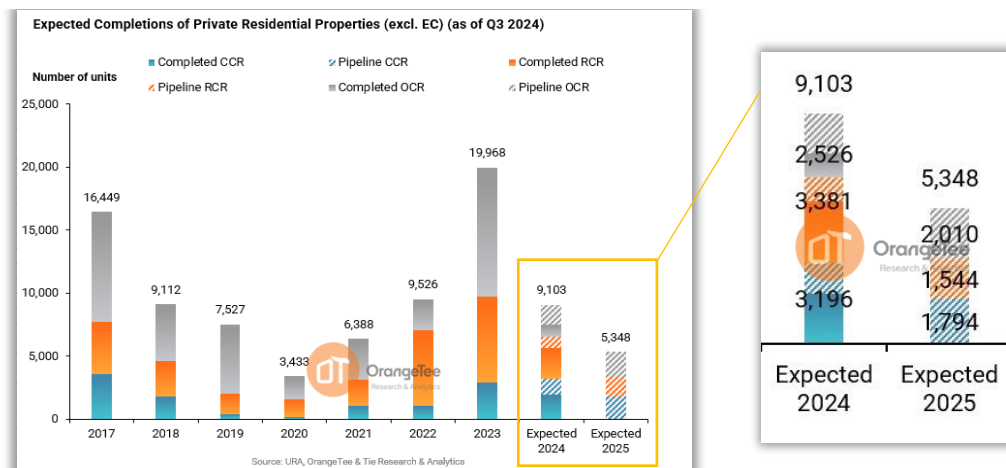
## PRIVATE RENTAL

Private rents are anticipated to continue their gradual recovery through 2025.

The private residential rental market has bottomed out after a prolonged period of decline. Data from the Urban Redevelopment Authority Rental Index indicates that private rents decreased for three consecutive quarters, with a cumulative decline of 4.8 per cent from the third quarter of 2023 to the second quarter of 2024. Rents posted a modest recovery of 0.8 per cent in Q3 2024.

Notably, private non-landed rents in the suburban Outside of Central Region (OCR) exhibited the biggest recovery, increasing by 2.2 per cent quarter-on-quarter in the third quarter of 2024, up from a 1.3 per cent decline in the preceding quarter. Rents in the city fringe Rest of Central Region (RCR) similarly ticked up by 1.7 per cent, from a 1.4 per cent decline over the same period. Conversely, private rents in the prime Core Central Region (CCR) continued to show weakness, recording a 1.6 per cent decrease in Q3 2024, marking the fifth consecutive quarterly decline which resulted in a total reduction of 6.4 per cent from Q2 2023.

Chart 2 Number of properties obtaining TOP



Source: URA, OrangeTee & Tie Research & Analytics

Uncovering Trends Through Data Analytics+

**Table 1 Private Residential Rental Market Projection**

Indicators	2021	2022	2023	Projection for 2024	Projection for 2025
<b>Rental</b>					
URA Rental Index Price Change (incl. EC)	9.9%	29.7%	8.7%	-3% to 1%	2% to 4%
Leasing volume (excl. EC) (units)	98,604	90,291	82,268	83,000 to 88,000	78,000 to 82,000

The rental price recovery is anticipated to continue into 2025, with a projected increase of 2 to 4 per cent (Chart 1, Table 1). The rent recovery will be driven by improving macroeconomic conditions and employment growth, and a constrained rental inventory. Based on the latest World Economic Outlook report by the International Monetary Fund (IMF), global growth is expected to remain stable in 2025, and business sentiment will experience an upturn as business costs are projected to decrease due to the prevailing lower interest rates and brightening economy. These factors will boost expat hiring, which will, in turn, benefit the rental market.

According to estimations from URA, the number of private residential home completions is expected to decline further to approximately 5,348 units in 2025 from an estimated 9,103 units in 2024 and 19,968 units in 2023 (Chart 2). In 2025, positive rental growth is expected across all market segments, driven by a substantial reduction in projected completions compared to previous years. In particular, the suburban and city fringe areas are expected to witness more accelerated rent increases, as the decline in supply within these regions will be more significant.

For instance, approximately 2,010 suburban private properties in OCR, excluding executive condominiums (EC), are set to attain their Temporary Occupation Permit (TOP) in 2025, which represents a striking decline of 68.8 per cent compared to the past 10-year average of 6,444 units from 2015 to 2024, further contributing to the tightening of supply. Similarly in the city fringe, 1,544 homes will be completed in 2025, 59.1 per cent below the past 10-year average of 3,777 units. For the prime CCR, 1,794 units will be completed, which is quite consistent with the past 10-year average of 1,907 units.

**Table 2 Private developments including ECs which may obtain TOP in 2025**

Project Name	Number of Units	Launch Year	District	Address
<b>Core Central Region (CCR)</b>				
MIDTOWN MODERN	558	2021	7	Tan Quee Lan Street
PERFECT TEN	230	2021	10	Bukit Timah Road
KLIMT CAIRNHILL	138	2021	9	Cairnhill Road
PEAK RESIDENCE	90	2021	11	Thomson Road
NEU AT NOVENA	87	2019	11	Moulmein Rise
PARK NOVA	54	2021	10	Tomlinson Road
<b>Rest of Central Region (RCR)</b>				
PENROSE	566	2020	14	Sims Drive
THE LANDMARK	396	2020	3	Chin Swee Road
LIV @ MB	298	2022	15	Arthur Road
VERTICUS	162	2020	12	Jalan Kemaman
THE LINQ @ BEAUTY WORLD	120	2020	21	Upper Bukit Timah Road
<b>Outside of Central Region (OCR)</b>				
KI RESIDENCES AT BROOKVALE	660	2020	21	Brookvale Drive
THE COMMODORE	219	2021	27	Canberra Drive
PHOENIX RESIDENCES	74	2020	23	Phoenix Avenue

Source: URA, 99.co, OrangeTee & Tie Research & Analytics

# HDB RENTAL

## Modest increases in rental prices as volumes continue to stabilize

HDB rental prices are anticipated to experience modest growth in 2025, driven by a diminishing supply of completed flats available for lease.

This is because the growth may be tempered by competition from the private rental market, which has attracted a growing number of tenants from the public housing market, due to recent declines in private rental prices, coupled with a greater willingness among landlords of private homes to negotiate leasing terms.

On the other hand, the number of flats reaching their five-year Minimum Occupation Period (MOP) is projected to decline to a decade-low of 6,974 units in 2025, which will be a substantial drop from 11,952 units in 2024 and 15,549 units in 2023 (Chart 3). Consequently, with fewer flats obtaining MOP, a correspondingly lower number of flats will be available for rental, translating to fewer leasing transactions.

Conversely, the disparity in rental prices between private homes in suburban areas and larger flats has been closing. This trend has encouraged many tenants to shift their focus towards leasing condominiums. For example, the median rent for non-landed private homes in the suburban OCR dipped to S\$3,700 per month in October 2024, which is only S\$200 more than the S\$3,500 rental cost for a spacious five-room flat or larger during the same period. This relatively small difference in rental price makes leasing a condominium an enticing option for a growing number of tenants, especially those seeking privacy with appealing facilities.

The rent gap between private homes and HDB flats may stabilise next year. In 2025, there will be a significant decrease in the supply of completed private homes in the suburban OCR. On the other hand, five-room and bigger flats obtaining MOP are also projected to decline. Therefore, the net impact may see little change in the rent gap between the two housing types. Nonetheless, some tenants may still shift from public housing to private homes if they can afford it.

Chart 3 Number of flats reaching MOP as at Q3 2024

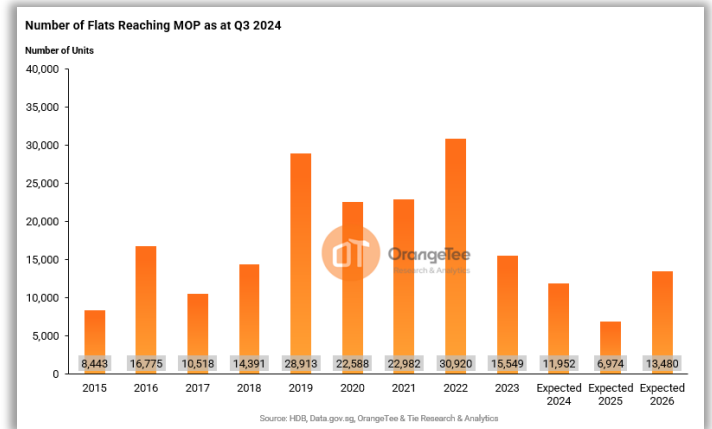
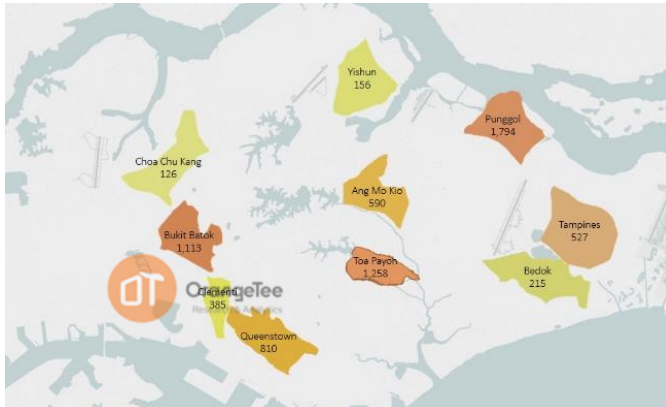


Chart 4 HDB flats obtaining MOP in 2025 (by housing estates)



Town	No. of Units
Punggol	1794
Toa Payoh	1258
Bukit Batok	1113
Queenstown	810
Ang Mo Kio	590
Tampines	527
Clementi	385
Bedok	215
Yishun	156
Choa Chu Kang	126

Source: Data.gov.sg, HDB, OrangeTee & Tie Research & Analytics

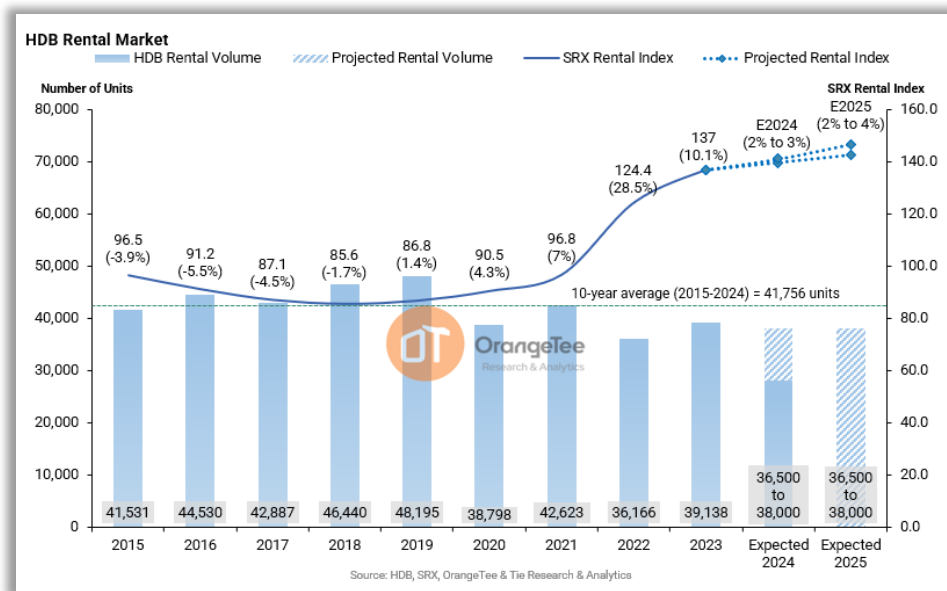
Table 3 HDB Rental Market Projection

Indicators	2021	2022	2023	Projection for 2024	Projection for 2025
<b>Rental</b>					
Rental Price Change (SRX-99.co)	7.0%	28.5%	10.1%	2% to 3%	2% to 4%
HDB Rental Applications	42,623	36,166	39,138	36,500 to 38,000	36,500 to 38,000

Source: Data.gov.sg, HDB, SRX, OrangeTee & Tie Research & Analytics

HDB rent prices are expected to increase modestly by 2 to 4 per cent in 2025, similar to the growth rate of 2 to 3 per cent projected for 2024 (Chart 5 and Table 3). We estimate that the HDB rental volume will remain stable at between 36,500 and 38,000 units in both 2024 and 2025, but lower than the 39,138 units leased in 2023, primarily due to the fewer number of MOP flats.

Chart 5 Market Projection (HDB Rental Market)



Please contact us for research inquiries. For sales enquiries, please contact your preferred OrangeTee agents.



Christine Sun  
Senior Vice President  
christine.sun@orangetee.com



Timothy Eng  
Assistant Manager  
timothy.eng@orangetee.com



Kenneth Tan  
Research Analyst  
kenneth.tan@orangetee.com



Yuvana Mahendran  
Research Analyst  
yuvanalakshmi.m@orangetee.com

Terms of Use: The reproduction or distribution of this publication without the express consent of the author is prohibited. This publication is provided for general information only and should not be treated as an invitation or recommendation to buy or sell any specific property or as sales material. Users of this report should consider this publication as one of the many factors in making their investment decision and should seek specific investment advice. OrangeTee.com Pte Ltd and the authors of this publication shall not accept and hereby disclaim all responsibilities and liability to all persons and entities for consequences arising out of any use of this publication.  
Copyright © OrangeTee & Tie Pte Ltd. All rights reserved.