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Research & Analytics

Property Tax Changes | 2024

Updated on 01 December 2023

MOF & IRAS - Property taxes for most homes to rise in 2024

- Property taxes to go up in 2024 due to **higher market rents & annual values (AV) for most residential properties**
 - AV is based on market rents of comparable properties
- Property tax rate increase will only affect **non-owner-occupied residential properties & owner-occupied properties with AV > \$30,000**
- A **one-off rebate of up to 100%** will be provided for **all owner-occupied homes** to cushion impact of tax increase & rising cost of living

Property Tax Rebates 2024 (Owner-Occupied homes)

HDB Flat Type	1 & 2-Room Flat	3-Room Flat	4-Room Flat	5-Room Flat	Executive HDB	Private Property
Property Tax Rebates (%)	100%	70%	50%	40%	30%	15%; capped at \$1,000

HDB Flat Type	Average Property Tax Payable in 2024 (After Rebate)	Average <u>Increase</u> in Property Tax Payable (After Rebate)
3-Room Flat	\$4.10 per month	\$1.50 per month
4-Room Flat	\$12.80 per month	\$2.40 per month
5-Room Flat	\$17.90 per month	\$4.30 per month
Executive HDB	\$22.30 per month	\$6.30 per month

Owner-Occupier Residential Tax Rates (Effective 1 Jan 2024)

Annual Value (\$)	2023	From 1 Jan 2024
First \$8,000 Next \$22,000	0% 4%	0% 4%*
First \$30,000 Next \$10,000	- 5%	- 6%
First \$40,000 Next \$15,000	- 7%	- 10%
First \$55,000 Next \$15,000	- 10%	- 14%
First \$70,000 Next \$15,000	- 14%	- 20%
First \$85,000 Next \$15,000	- 18%	- 26%
First \$100,000 Above \$15,000	- 23%	- 32%
First \$115,000 Above \$15,000		
First \$130,000 Above \$130,000		

Annual Value (\$)	2023	From 1 Jan 2024
First \$30,000 Next \$15,000	11% 16%	12% 20%
First \$45,000 Next \$15,000	- 21%	- 28%
First \$60,000 Next \$15,000	- 27%	- 36%
First \$75,000 Next \$15,000		
First \$90,000 Above \$90,000		

Non-Owner-Occupier Residential Tax Rates (Effective 1 Jan 2024)

Example - Owner-Occupier Private Residential

How much more will private property owners have to pay in 2024 if a property's AV increases from \$30,000 (2023) to \$36,000 (2024)?

2023	2024
Property tax = $(0\% \times \$8,000) + (4\% \times \$22,000)$ = <u>\$880</u>	Property tax = $(0\% \times \$8,000) + (4\% \times \$22,000) + (6\% \times \$6,000)$ = <u>\$1,240</u>

Difference in property tax between 2023 & 2024 = $\$1,240 - \$880 = \underline{\$360}$

*No change to PT rate if AV for residential property < \$30,000

Example - Non-Owner-Occupier Private Residential

How much more will private property owners have to pay in 2024 if a property's AV increases from \$30,000 (2023) to \$36,000 (2024)?

2023	2024
Property tax = (11% x \$30,000) = <u>\$3,300</u>	Property tax = (12% x \$30,000) + (20% x \$6,000) = <u>\$4,800</u>

Difference in property tax between 2023 & 2024 = \$4,800 - \$3,300 = \$1,500

Impact on Private Market

- Most acute impact for **investment properties** and **larger homes**
 - Especially **luxury condos and landed properties** as tax increase tends to be higher
- **Higher costs for investment properties** - High ABSD rates, increased property taxes, elevated interest rates & higher maintenance costs
- **Reduced rental income** for landlords due to increased competition for tenants
- Investors who are buying for **long-term capital appreciation** may factor these additional costs into their future sales price
- Genuine buyers who are buying for owner-occupation may not be too affected by the tax increase

Limited Impact on Home Prices

- **Buyers will still remain budget-conscious** due to higher costs of living, increased GST, and economic uncertainties
 - **Property tax will be an added consideration** on top of the existing stamp duties, mortgages & other costs when purchasing a property
- Potential escalation of property prices **may be prevented**
 - Buyers may turn to slightly smaller homes due to rising costs
- As buyers turn more cost conscious, **developers may also be more measured in their land bids**, preventing land bid prices from escalating further

Thank You

Our Research Credentials

Our findings and analyses have been covered in most local news media platforms and across the global including the U.S., Canada, Europe, Australia, China, and other Asian countries

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