Singapore Property Market Outlook 2027

REALION
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Residential Rental



THE BIG PICTURE
A product by Realion (OrangeTee & ETC) Research

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Private Residential | Luxury Homes | HDB | Residential Rental | Investment Sales | Auction | Office | Retail | Industrial | Speciality

AI-elite, high income tenants to prop up private leasing; HDB rentals to face supply pressure after RTS completion & ramp-up of flat supply

Current State Of Play

- Rental demand in both private residential and HDB leasing markets remained robust, as rental growth moderated.
- Private residential rents grew by 2.3% in Q1-Q3 2026, after climbing 1.9% in 2025, according to URA data (Fig 4.1). Compared to the 29.7% growth spike in 2022 and 8.7% in 2023, the current moderated growth pointed to a more stable and attractive rental market.
- HDB rents rose by 0.9% in the first three quarters of 2026, following a 1.5% increase in 2025, based on data from SRX-99.co. The rental performance was also slower than the 3.7% growth in 2024 and 10.2% increase in 2023. The slowdown in rental price growth is likely due to the rising flat housing supply (Fig 4.2).

Future Market Drivers

- **Changing tenant profiles:** AI has altered the employment landscape, potentially displacing some workers, while creating new roles and attracting AI-related businesses and talent to Singapore. Hence, landlords may need to adapt to changing tenant demographics, income levels and housing preferences.
- **Homes that meet evolving needs will attract demand:** Landlords could consider differentiating their properties by offering flexible layouts, dedicated home offices and smart-home features to appeal to remote or hybrid workers, as well as tech-savvy expatriates.
- **AI-elite, high-income tenants:** AI talent war has driven up skilled professional compensation, creating a new class of high-income tenants which will benefit the luxury rental market. Fuelled by billions in AI investments from venture capitalists, MNCs and governments, the massive capital investments are funnelling into the equity and investment markets. Consequently, ultra-high-net-worth individuals investing in luxury homes in global hubs like Singapore will likely continue to increase; thus, potentially driving up leasing demand for high-end, and super-luxury properties.

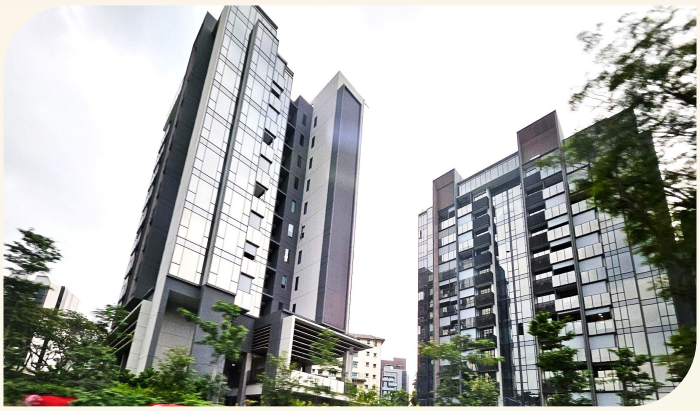
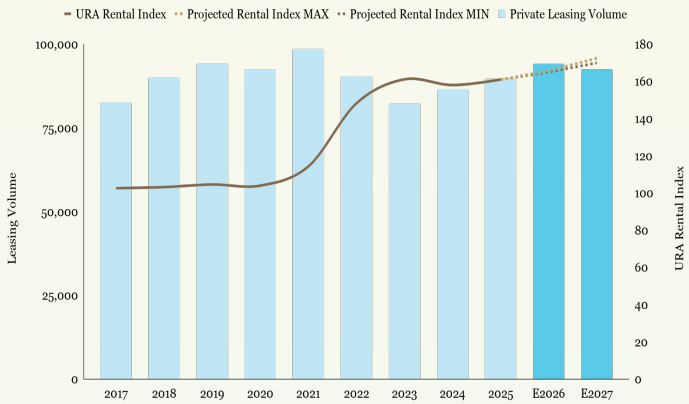


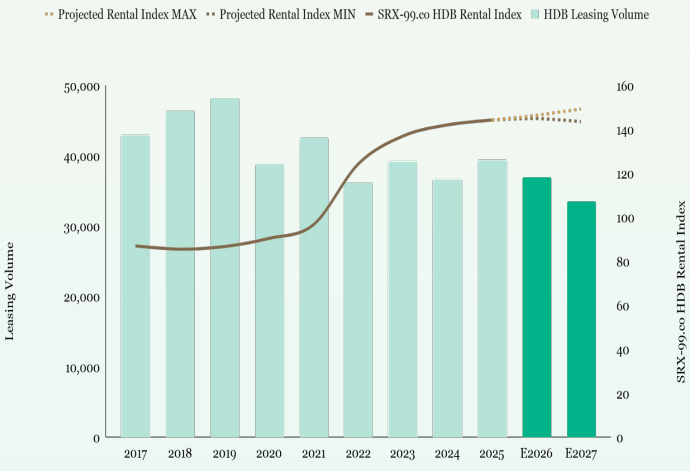
Photo of Park Colonial

Figure 4.1:
Projected private leasing volume and rents



Source: URA, Realion (OrangeTee & ETC) Research

Figure 4.2:
Projected HDB leasing volume and rents



Source: SRX-99.co, Realion (OrangeTee & ETC) Research

AI-elite, high income tenants to prop up private leasing; HDB rentals to face supply pressure after RTS completion & ramp-up of flat supply

Possible Headwinds

- **Rising housing supply:** Landlords will face stiffer competition for tenants, as almost 100,000 flats will reach their five-year minimum occupation period (MOP) from 2026 to 2030. The supply increase will impact both private and public markets, since many new flats offer desirable attributes, such as good connectivity and design features, that appeal to a wider audience. In addition to the rental supply, more private homes will be completed, which are expected to increase from around 7,783 units in 2026 to 8,868 units in 2027 (excluding ECs) (Fig 4.3).

- **Competition from JB after RTS completion:** The completion of the Johor Bahru (JB)-Singapore Rapid Transit System (RTS) Link will enhance cross-border connectivity between Singapore and Malaysia. By shortening commuting time, some tenants, especially those renting rooms or flats in the north, may consider relocating back to JB due to lower housing costs. However, tenants working in the central or southern regions may still prefer to lease a unit in Singapore, if daily cross-border commute via the RTS proves impractical and less convenient.

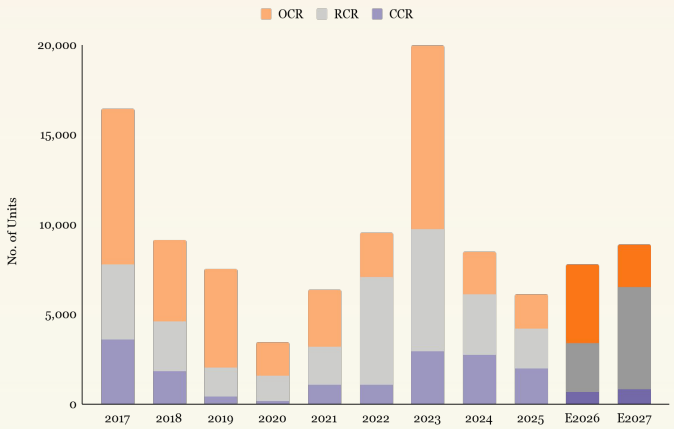
- **Fewer local tenants:** As the government continues to launch more BTO flats and speed up construction of existing ones, some local households or tenants may move from renting to owner-occupation, reducing the pool of local tenants. Singles may also opt for new 2-room flexi BTO flats instead of leasing a home.

2027 Projections

- Leasing demand for private homes is expected to remain robust, supported by new tenant entrants. Leasing demand for luxury units may also hold steady, given the expected increase in AI-related expat talents and limited housing supply in the prime segment. The total leasing volume for the private market is projected to hold steady at 90,000 to 95,000 units in 2027, comparable to the 93,000 to 95,000 leases expected in 2026. Private home rents are forecasted to grow at 3% to 4% for 2027, up from 2.5% to 3% in 2026.

- Leasing demand for HDB flats, especially smaller units, may continue to slow down. HDB leasing volume may ease from between 36,000 and 38,000 in 2026 to between 32,000 to 35,000 units in 2027. HDB rents may trend between -1% to 2%.

Figure 4.3:
Expected private home completions or TOP units (excluding ECs)



Source: URA, Realion (OrangeTee & ETC) Research



Photo of The Peak @ Toa Payoh DBSS Flats



Photo of Copen Grand EC

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