

RENTS STABILISE AS MARKETS CONTINUE TO SOFTEN

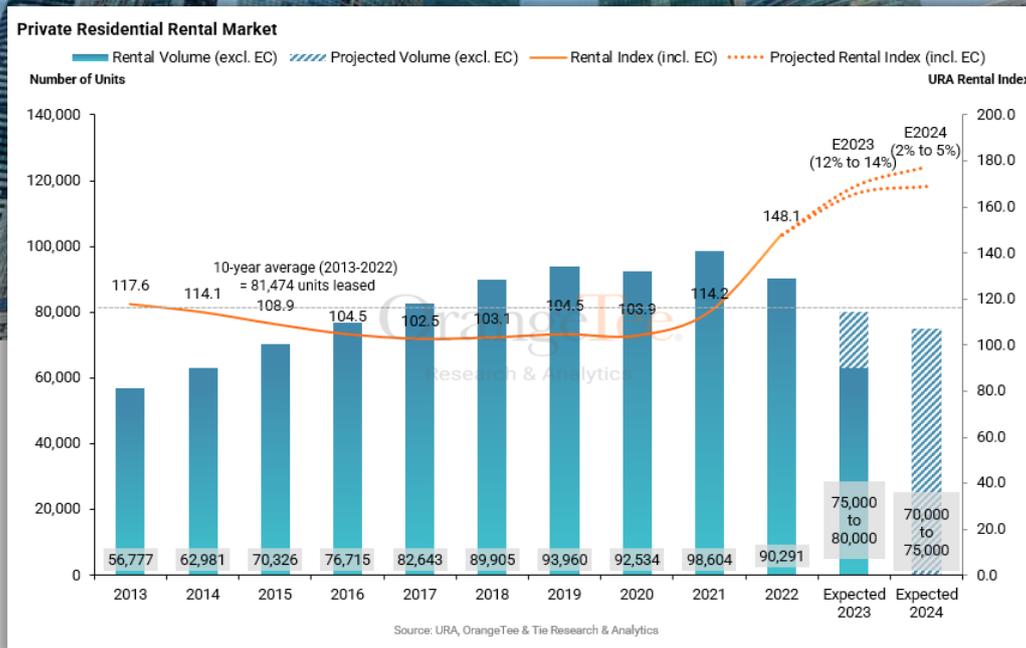
Private Residential & HDB Rental Outlook 2024



Rental prices for both the private residential and HDB markets are expected to stabilise in 2024 as both markets continue to soften. The private rental market may experience a further slowdown as domestic demand contracts. HDB rental volume may similarly decline on lower supply.

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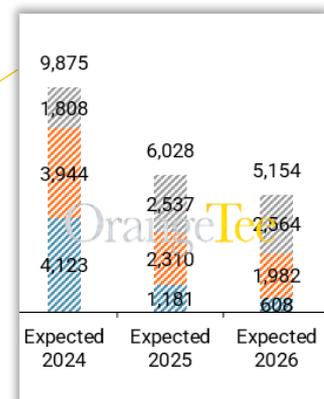
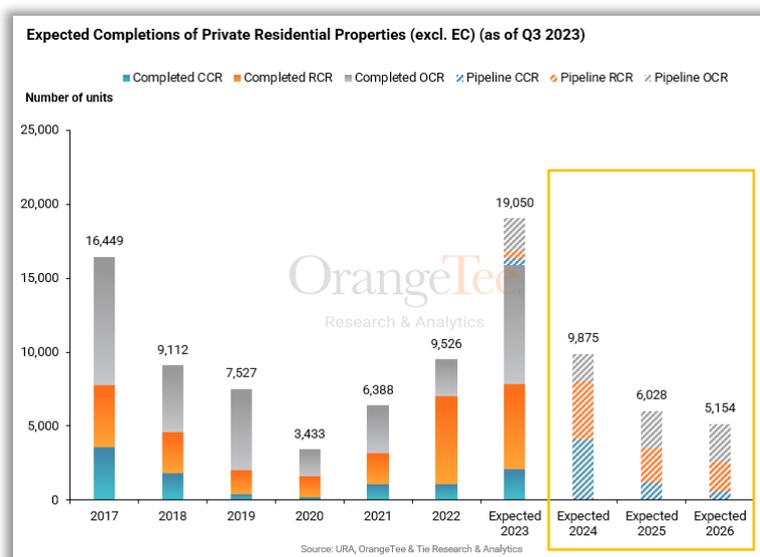


PRIVATE RENTAL

Limited upside for private rents in 2024. The private rental market has entered a clear slowdown in the second half of 2023, which is particularly evident in the luxury market. Perhaps rent prices have risen too significantly over the past two years, driven by a lack of housing supply and strong local demand during the pandemic.

However, the supply ramp-up of around 28,600 new private residential properties (excluding executive condominiums or EC) completed from 2022 to 2023 has taken a toll on the rental market. This was accompanied by domestic demand contracting sharply as many locals exited the leasing market after moving into their new homes.

Housing supply is expected to drop in 2024, with nearly 10,000 new homes slated for completion. Most of these new homes will be located in the prime areas or the Core Central Region (CCR) at around 4,100 units. Slightly over 3,900 homes will be completed in the city fringe or Rest of Central Region (RCR).



Private Residential Market Projection (landed and non-landed exclude EC)

Indicators (All exclude EC except for URA PPI)	2021	2022	Q1 to Q3 2023	Projection for 2023	Projection for 2024
Rental					
URA Rental Index (Price Change) (incl. EC)	9.9%	29.7%	11.1%	12% to 14%	2% to 5%
Leasing volume (units)	98,604	90,291	63,207	75,000 to 80,000	70,000 to 75,000

Source: URA, OrangeTee & Tie Research & Analytics

Landlords in the city fringe areas will face steeper competition for tenants as almost 16,000 new homes will have been completed from 2022 to 2024. Similarly, for the luxury segment, the total new completions in CCR will be around 7,700 over the same period. However, we anticipate that more foreigners may rent private homes in prime locations since they incur a 60 per cent Additional Buyer's Stamp Duty (ABSD) should they purchase a residential property. The increased foreign demand may mitigate a sharp rental correction in the CCR. Moreover, supply for CCR homes is set to fall more steeply after 2024 compared to RCR and OCR.

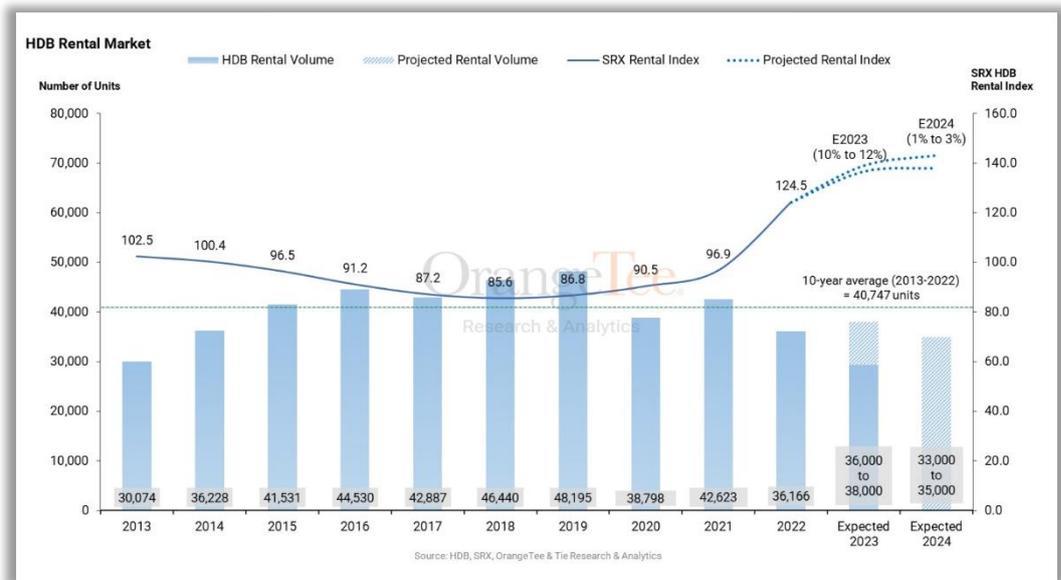
Rental prices in the suburbs or Outside of Central Region (OCR) may rise further, supported by less home supply. The number of completions in OCR will fall substantially from around 10,000 units in 2023 to approximately 1,800 units in 2024.

Overall, it is anticipated that the downward pressure on rental prices may continue, and the rental price growth is expected to slow from the 29.7 per cent increase in 2022 to around 12 to 14 per cent in 2023 and 2 to 5 per cent in 2024. As domestic demand for rental properties continues to shrink, overall rental transactions may fall below its 10-year average of 81,474 units to around 75,000 to 80,000 units in 2023 and about 70,000 to 75,000 units in 2024.

Private developments including executive condominiums obtaining TOP (Temporary Occupation Permit) in 2024

Project Name	Number of Units	Launch Year	District	Address
Core Central Region (CCR)				
LEEDON GREEN	638	2020	10	Leedon Heights
MIDTOWN MODERN	558	2021	7	Tan Quee Lan Street
PULLMAN RESIDENCES NEWTON	340	2019	11	Dunearn Road
ONE HOLLAND VILLAGE RESIDENCES	296	2019	10	Holland Village Way
MIDTOWN BAY	219	2019	7	Beach Road
THE ATELIER	120	2021	9	Makeway Avenue
19 NASSIM	101	2020	10	Nassim Hill
FYVE DERBYSHIRE	71	2019	11	Derbyshire Road
PARK NOVA	54	2021	10	Tomlinson Road
Rest of Central Region (RCR)				
AMBER PARK	592	2019	15	Amber Gardens
LIV @ MB	298	2022	15	Arthur Road
MEYER MANSION	200	2019	15	Meyer Road
VERTICUS	162	2020	12	Jalan Kemaman
MYRA	85	2020	13	Meyappa Chettiar Road
Outside of Central Region (OCR)				
KI RESIDENCES AT BROOKVALE	660	2020	21	Brookvale Drive
FORETT @ BUKIT TIMAH	633	2020	21	Toh Tuck Rd
THE COMMODORE	219	2021	27	Canberra Drive
PHOENIX RESIDENCES	74	2020	23	Phoenix Avenue

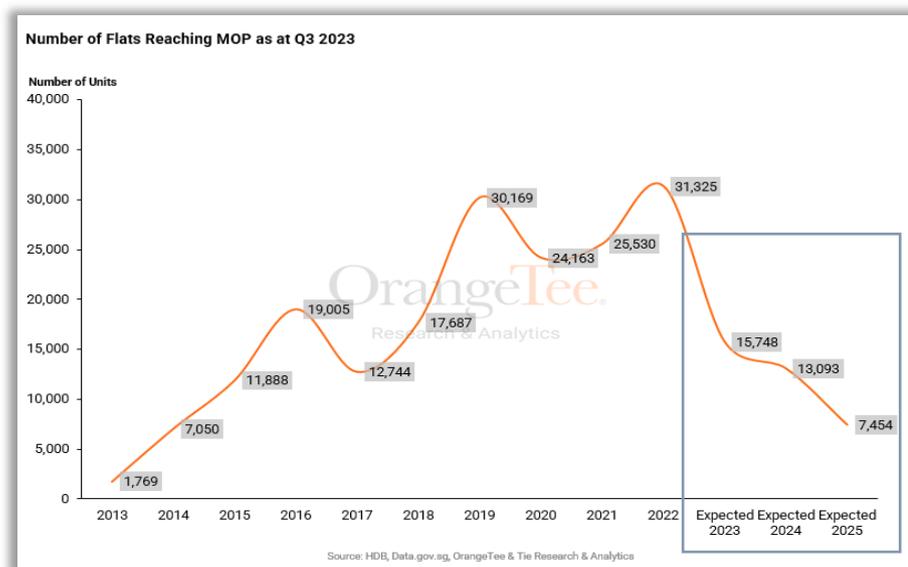
Source: URA, OrangeTee & Tie Research & Analytics



HDB RENTAL

Rental prices for HDB flats are projected to stabilise in 2024. In 2023, there was a substantial reduction in flats reaching their five-year Minimum Occupation Period (MOP), causing a spike in HDB rents. The number of MOP flats dipped from 31,325 units in 2022 to 15,748 units in 2023. Simultaneously, demand for HDB flats surged, with more tenants opting for affordable housing.

Looking ahead, rental stock is expected to dwindle further, with the number of MOP flats slipping to 13,093 units in 2024 and 7,454 units in 2025. Further, rental inventory may shrink since the rise in the Additional Buyers' Stamp Duty for buyers holding multiple properties will continue to discourage homeowners from keeping their flats for rental income. On the demand side, local tenants may continue to shrink while others may shift back to the private market should private rents continue to moderate. However, foreign demand may rise should the job market improve next year.



HDB Market Projection

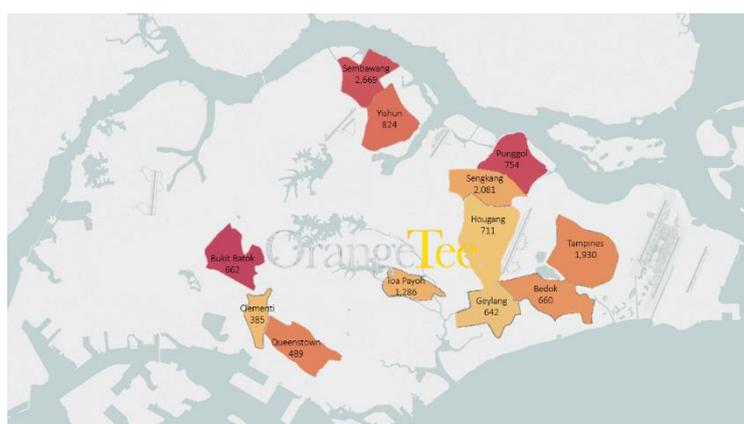
Indicators	2021	2022	Q1 to Q3 2023	Projection for 2023	Projection for 2024
Rental					
Price Change (SRX-99.co)	7.1%	28.5%	8.7%	10% to 12%	1% to 3%
HDB Rental Applications	42,623	36,166	29,351	36,000 to 38,000	33,000 to 35,000

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

Rent prices are projected to stabilise in 2024, with a slight increment of between 1 and 3 per cent amid a tighter housing market. Flats in city fringe areas could experience more rental growth as fewer flats will reach MOP next year, with the highest completions in Toa Payoh at 1,286 units, Geylang at 642 units and Queenstown at 489 units. Comparatively, 2,023 units were completed in the city fringe Bukit Merah and 1,179 units in Queenstown in 2022.

As rental stock continues to fall, the number of rental applications may shrink in tandem. Coupled with some demand possibly being diverted to the private market, we estimate that HDB rental volume may dip from 36,000 to 38,000 units in 2023 to around 33,000 to 35,000 units in 2024.

HDB flats obtaining MOP in 2024 (by housing estates)



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

Town	No. of Units
Sembawang	2,669
Sengkang	2,081
Tampines	1,930
Toa Payoh	1,286
Yishun	824
Punggol	754
Hougang	711
Bukit Batok	662
Bedok	660
Geylang	642
Queenstown	489
Clementi	385

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