

# Worker Dormitories in Singapore H2 2024

*A Joint Report by the Dormitory Association of Singapore Limited  
and Knight Frank Singapore*

## Introduction

Singapore is today a developed economy and a leading business and financial hub in Asia. Its reliance on migrant workers has grown in tandem with its progress, to fill labour shortages. Migrant workers make up a large portion of Singapore's workforce and their stay here has increased together with the need to house them. This is especially so for migrant workers in the construction, marine shipyard and process (CMP) sectors. In tandem with Singapore's progress, their lodgings have improved significantly from temporary buildings that were cramped with little to no amenities, poorly ventilated without regulations or controls to transformed workers' dormitories. Over time, housing for migrant workers evolved to factory-converted dormitories that were industrial buildings converted to living spaces for workers, and then to purpose-built dormitories (PBDs) with the capacity to house thousands of workers in well-managed living environments that cater to their housing, food and recreational needs.

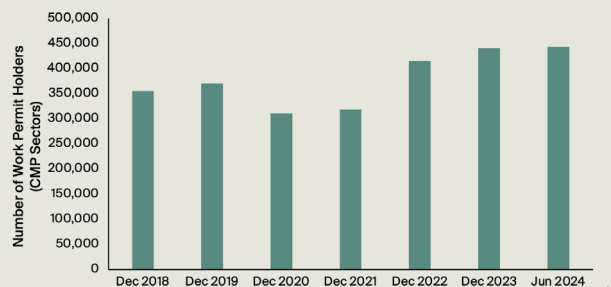
The Foreign Employee Dormitories Act (FEDA) was passed in 2015 to provide a regulatory framework on the living conditions and management of migrant worker dormitories in Singapore, with the objectives of ensuring that foreign workers are housed in safe, comfortable and more hygienic conditions; raising awareness of dignity and respect in the treatment of foreign workers; and promoting fairness and the equality of foreign workers as part of Singapore's workforce.

This is the first of a series of half-yearly reports aimed to foster greater awareness of the worker dormitory in Singapore as a unique real estate type, its characteristics and performance as part of an integral supplement to Singapore's major manufacturing engines of the economy. Data from dormitory operators as represented by members from the Dormitory Association of Singapore Limited (DASL), as well as other publicly available sources will be used as content for demand, supply, and rental indicators of this niche asset class.

## Foreign Worker Population in Singapore

As at June 2024, there were 442,900 work permit holders in the CMP industries. The number of work permit holders in the CMP industries grew 24.5% from 355,700 in December 2018, notwithstanding the pandemic-led recession of 2020 when global borders were generally closed. After COVID-19 transitioned to the endemic stage and international borders reopened in 2022, more foreign workers have been coming or have returned to Singapore, a clear indication of increasing demand for foreign labour in the post-pandemic era (Exhibit 1).

### Exhibit 1: Work Permit Holders (Construction, Marine Shipyard and Process)



Source: Ministry of Manpower (MOM), Knight Frank Research

Singapore's heavy reliance on foreign workers stemmed from the growing need for the construction of infrastructure and manufacturing processes, in vocational activities that did not appeal to the majority of the Singaporean labour force. When the COVID-19 pandemic was first reported in Singapore, foreign worker dormitories were thrust into the spotlight as overcrowding, cramped living conditions and the high-density environment exacerbated the spread of the virus. As a result, industries that were

heavily reliant on these foreign labourers came to a standstill during the peak of the pandemic, where isolation and quarantine was necessary to contain the spread of the virus.

## Stock of Worker Dormitories in Singapore

Worker dormitories in Singapore are developing to become specialised housing facilities designed to accommodate foreign workers, particularly those from the CMP industries. These dormitories are presently regulated by the Ministry of Manpower (MOM) to ensure safety, hygiene, and proper living conditions for migrant workers, by providing basic amenities such as shared bedrooms, kitchens, bathrooms, recreational spaces, and in certain instances, services like medical clinics, convenience stores, and transport options.

According to MOM, there are various types of housing that foreign employees can reside in, and each comes with different requirements. These include:

- **Purpose-Built Dormitories (PBDs):** Specially designed and built with features to meet the needs of foreign employees, such as amenities, services, and recreational facilities.
- **Factory-Converted Dormitories (FCDs):** Industrial or warehouse developments which have been partially converted to dormitories.
- **Construction Temporary Quarters (CTQ):** Stand-alone Temporary Quarters: Any structure used for housing employees within a construction site that will eventually be demolished or removed, or quarters in an Uncompleted Permanent Building: Parts of buildings still under construction that are used as employees' quarters.
- **Temporary Occupation Licence Quarters (TOLQ):** Temporary occupation licences issued by a government agency (or their managing agents) owning the land. They allow employers to establish temporary quarters on a plot of land that's typically near a construction site to support a specific project.
- **Workers' Quarters at Farms (WQFs):** Living quarters for workers working and residing on farm premises.
- **HDB Flats:** Public housing flats managed by the Housing and Development Board (HDB), which may be rented out as a whole flat or by rooms, subject to HDB's approval.

- **Private Residential Premises (PRPs):** Private properties such as condominiums, landed residential properties, terrace houses, semi-detached houses, bungalows, residential units in shop houses, etc.

Worker dormitories in Singapore are classified into four classes: Class 1, Class 2, Class 3, and Class 4 (Exhibit 2).

### Exhibit 2: Stock of Worker Dormitories by Class

Class	Number of Beds	Number of Dorms
<b>Class 1 (7 to 99 beds)</b>	35,814	950
<b>Class 2 (100 to 299 beds)</b>	47,779	263
<b>Class 3 (300 to 999 beds)</b>	77,472	168
<b>Class 4 (1,000 or more beds)</b>	278,133	60
<b>Total</b>	<b>439,198</b>	<b>1,441</b>

Source: Ministry of Manpower (MOM), Dormitory Association of Singapore Limited (DASL), Knight Frank Research, as of December 2024

Altogether, there are around 1,441 dormitories in Singapore in 2024 with a corresponding total of about 439,198 beds. Class 4 dormitories comprise 63.3% of the entire market, with the remainder managed by industrial or construction companies housing primarily their own workers. For the purposes of this series of Singapore dormitory reports, only Class 4 worker dormitories will be reviewed, as these comprise the most representative class in what is broadly an opaque market.

In December 2024, a 1,650-bed dormitory by Centurion Corporation in Ubi started operations.

### Upcoming Supply

With the announcement of the Dormitory Transition Scheme (DTS) and New Dormitory Standards (NDS) by MOM in October 2023, the overall inventory of dormitory beds is expected to decrease. Existing worker dormitories will need to be refurbished to meet the standards set in the DTS by 2030 and NDS by 2040. With each worker expected to be allotted a larger living space, with a maximum of 12 to a room and en-suite toilets for every six workers, this will likely lead to the decrease in the number of beds per room that will have a domino effect on the number of beds islandwide, especially during periods when dormitories begin the process of upgrading existing space to meet the new standards.

MOM is also expecting two of its owned and self developed worker dormitories to come on-stream, with a total of 2,400 beds and 7,200 beds by 2026 and 2028 respectively. These two new dormitories will be located at Tukang in the West and Sengkang in the North-East.

The first of these MOM dormitories in Tukang Innovation Lane will have a capacity for 2,400 workers housed in 210 rooms. The 11- to 14-storey dormitory occupies a land area of 1.14 ha and is expected to be ready by early 2026. Given the difference in the type of ownership structure between the MOM developed dormitories and the rest of the industry, it will be interesting to observe how an even keel can be maintained for the dormitory market in the future.

In all, it was announced in August 2023 that about 47,000 more beds will be available over the next five years, with a total of seven PBDs (inclusive of the above) slated to be completed.

### Demand and Occupancy by Zones

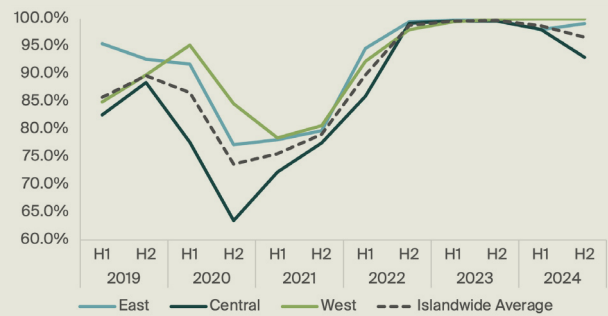
Demand for worker dormitories is expected to remain strong, as most of the CMP industries are expecting to increase the size of their respective workforce in the future. In addition to the slowdown in upcoming supply due to the new regulations, companies reliant on foreign labour are required to ensure and provide documentation that each worker has secured a bed before they are allowed to start work in Singapore.

Based on a basket of Class 4 PBDs aggregated by DASL, the island-wide average occupancy rate was at the lowest during the darkest days of the pandemic in H2 2020 at 73.7% due to global border restrictions and other controls to contain the spread of COVID-19 (Exhibit 3). Declining work activity during the pandemic in CMP industries also led to the falling number of foreign workers.

The overall occupancy level began to recover tentatively from 2021 to 79.1% in H2 2021 on the back of renewed domestic economic activity even though border controls largely remained in place. However, from 2022 as nationwide vaccination programmes effectively stemmed the spread of the virus, this led to the brisk take up of beds that resulted in 98.8% islandwide occupancy by H2 2022.

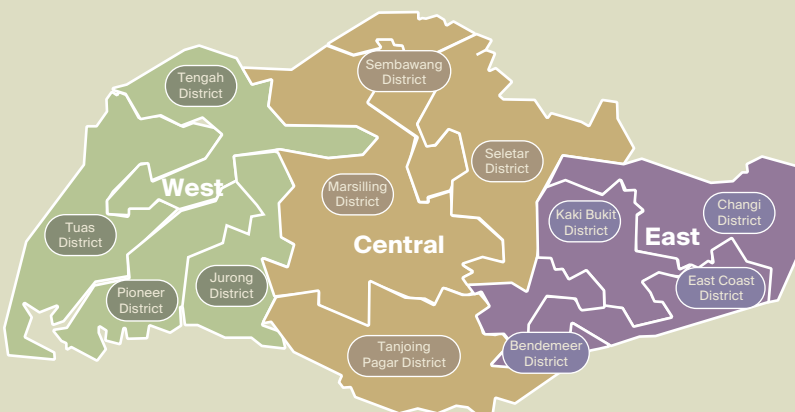
Since then, occupancy levels in all dormitories in Singapore have been near full on the back of stable economic recovery as the country remains a secure place for business development in an increasingly uncertain world, with an average island-wide rate at 96.7% in H2 2024. Dormitories in the east and west were almost fully occupied in H2 2024 and have been from H2 2022, while those in the central zone dipped in H2 2024 to 93.0% from 98.1% in H1 2024 (Exhibit 3 & Exhibit 4).

**Exhibit 3: Average dormitory occupancy rates islandwide and by zones**



Source: Dormitory Association of Singapore Limited (DASL), Knight Frank Research  
Based on a basket of Class 4 PBDs in Singapore aggregated by DASL

**Exhibit 4: Dormitory zones in the east, central and west of Singapore**



Zone	District	Postal Sectors
East	Bendemeer	3, 19, 20, 21, 32, 33, 34, 36, 37, 40, 43
	Changi	49, 50, 51, 52, 54, 81
	East Coast	38, 39, 42, 44, 46, 48
	Kaki Bukit	41, 45, 47, 53
Central	Marsiling	27, 28, 29, 57, 58, 59, 66, 67, 73, 77
	Seletar	31, 35, 55, 56, 76, 79, 80, 82, 83
	Sembawang	74, 75, 78
	Tanjong Pagar	1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 22, 23, 24, 25, 26, 30
West	Jurong	60, 61, 65, 68
	Pioneer	62, 64
	Tengah	69, 71, 72
	Tuas	63, 70

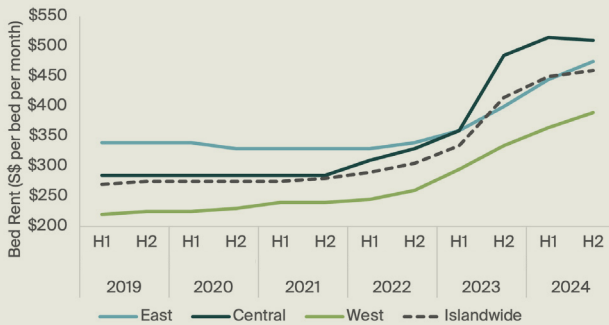
Source: MOM

## Rents

Average monthly rents for a bed in a commercial dormitory currently range between S\$390 per bed per month (pb pm) to S\$510 pb pm in the three zones with an islandwide average of S\$460 pb pm. Prior to the pandemic, the average islandwide bed rent was at a low of S\$270 pb pm. However, with the increasing pressure on bed load from 2022 as demand could not keep pace with existing availability, the average islandwide bed rent surged passed the S\$300 pb pm level to S\$305 pb pm in H2 2022, before rising 36.1% y-o-y to S\$415 pb pm in H2 2023 (Exhibit 5).

Bed rents continued to grow in 2024 to average S\$460 pb pm, a gain of 10.8% y-o-y after having increased 70.4% from H1 2019. Rents are not expected to ease in the near future as demand for beds continues to remain strong, anticipated to increase but at a more moderate pace in the coming years as demand for foreign workers in the CMP industries stabilise in the post-pandemic era.

### Exhibit 5: Average dormitory bed rents islandwide and by zones



Source: Dormitory Association of Singapore Limited (DASL), Knight Frank Research  
Based on a basket of Class 4 PBDs in Singapore aggregated by DASL

In H2 2024, centrally located dormitories had the highest bed rents with an average of S\$510 pb pm, followed by those in the east at an average of S\$475 pb pm. In the west, where there is the highest number of dormitories and beds, the bed rent average was S\$390 pb pm.

### Exhibit 6: Spread of bed rents in dormitories by zones

Zones	H2 2024		
	Minimum	Average	Maximum
East	\$430	\$475	\$525
Central	\$410	\$510	\$610
West	\$330	\$390	\$505

Source: Dormitory Association of Singapore Limited (DASL), Knight Frank Research  
Based on a basket of Class 4 PBDs in Singapore aggregated by DASL

## Investment Transactions

Despite the worker dormitory market being quite large, investment sales of foreign worker dormitories are typically few and far between. However, in 2024, with many if not most of Class 4 PBDs fully occupied, there were more purchases by investors looking to capitalise on demand outpacing supply and also on the escalating bed rents.

According to MSCI Real Assets, Homestay Lodge, a foreign worker dormitory located at 31 Kaki Bukit Avenue 3 was sold for S\$63.5 million. It was sold by Schroder Pamfleet to BBR Holdings in June 2024.

Bain Capital was also reported to be nearing a deal to acquire Blackstone's Singapore worker dormitory firm Avery Lodge with four different compounds at Kian Teck Avenue, Jalan Papan, Tampines Place and Woodlands Link for S\$750 million.

## Outlook

With Singapore's increasing infrastructure projects, factory production and other labour-intensive requirements, more foreign workers are expected to be brought in to support these requirements. As such, bed rents are expected to continue on the path of increase.

Looking ahead, bed rent increases should moderate where the growth rate eases into a more predictable, moderate and steady pattern, against the aggressive increases witnessed in 2023, as normalisation returns to the CMP industries. As such, in 2025, bed rents could increase by 5% to 8% after having risen 10.8% in 2024.

In addition, these foreign worker dormitories can generate high yields for the owners, as the high demand for places to house foreign workers presently exceeds the limited supply of dormitories. Rents and prices of PBDs are expected to stay elevated for a longer period of time.

#### Note:

The key requirements of the expanded Foreign Employee Dormitories Act (FEDA) can be found at:

<https://www.mom.gov.sg/-/media/mom/documents/press-releases/2022/factsheet---key-expanded-feda-requirements.pdf>

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