Worker Dormitories in Singapore

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

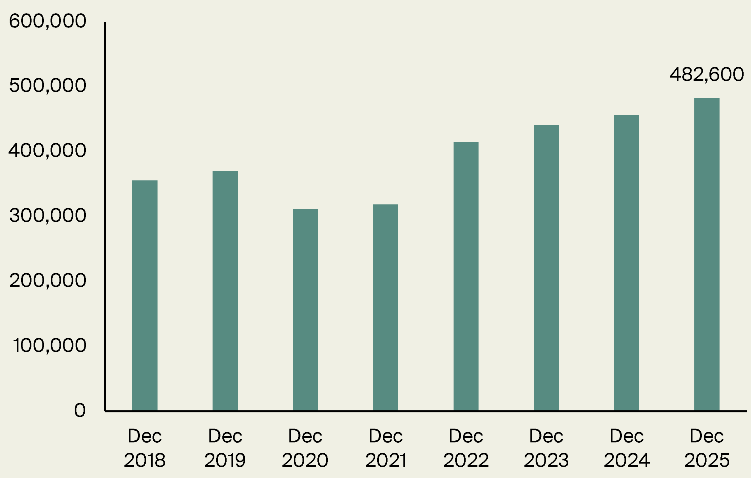
Introduction

This series of half-yearly reports is aimed at fostering greater awareness of the worker dormitory market in Singapore. 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.

Foreign Worker Population in Singapore

According to the Ministry of Manpower (MOM) as at December 2025, there were 482,600 work permit holders in the Construction, Marine Shipyard and Process (CMP) industries based on the latest available data. This represented a 5.6% increase over the course of a year from the total recorded in December 2024 (Exhibit 1). CMP workers are typically housed in dormitory accommodation.

Exhibit 1: Work permit holders (Construction, Marine Shipyard and Process)



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

Stock of Worker Dormitories in Singapore

Worker dormitories in Singapore are classified into four classes: Class 1, Class 2, Class 3, and Class 4 (Refer to the inaugural H2 2024 report). 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 generally an opaque market. As at H1 2026, there were 60 Class 4 dormitories in Singapore with a corresponding total of 287,837 beds, comprising 61.6% of the total islandwide bed load. Over a year, the total bed inventory rose 6.3% from H1 2025 to H1 2026.

The start of operations at the 2,400-bed NESST Tukang Dormitory, together with the 1,764 new beds at Westlite Toh Guan and another 3,696 new beds at Westlite Mandai, added a total of 7,860 new beds to meet with the growing demand from the construction sector due to major infrastructure development.

In addition, the government is aware that as dormitory operators across Singapore progress towards the Dormitory Transition Scheme (DTS) by 2030, bed supply would tighten as a result of disruptions caused by the improvement works. As such, more Class 2 and Class 3 dormitories in the form of factory-converted dormitories (FCDs) and construction temporary quarters (CTQs) have been and continue to be approved, ensuring that supply remains in balance with demand. This contributed to an 8.7% increase of 4,267 Class 2 beds and a 10.9% boost of an additional 8,455 Class 3 beds between H1 2025 and H1 2026. While the percentage growth of Class 4 beds was comparatively milder at 5.1%, this represented some 13,910 beds that were added to the overall stock in the same period.

Exhibit 2: Stock of worker dormitories by class

Class	Number of Dorms	Number of Beds
Class 1	1,039	40,158
Class 2	292	53,122
Class 3	175	86,211
Class 4	60	287,837
Total	**1,566**	**467,328**

Source: MOM, as of 30 June 2026

Exhibit 3: Development sites for worker dormitories through government tenders

	Location	Site Area (Ha)	Land Use Zoning	Gross Plot Ratio (GPR)	Number of Beds	Tenure	Status	Land Sales Agent
1	Terusan Edge	1.56	Civic & Community Institution (C&CI) (Foreign Workers' Dormitory)	2.5	3,200	19 years 3 months	Tender closed on 27 February 2026 Awarded in April 2026	BCA
2	Kranji Close	2.21	C&CI (Foreign Workers' Dormitory)	3.0	7,000	30 years	Tender closed on 12 June 2026 Awarded in August 2026	BCA
3	Lok Yang Way	2.84	C&CI (Foreign Workers' Dormitory)	2.0	5,000	30 years	Tender closed on 23 June 2026 Awarded in August 2026	JTC
4	Gali Batu Phase 1	3.96	C&CI (Foreign Workers' Dormitory)	2.5	10,000	30 years	Tender to close on 22 September 2026	JTC
5	Lorong Lada Hitam 1	10.7	C&CI (Foreign Workers' Dormitory)	2.5	15,000	30 years	Q4 2026 / Q1 2027	JTC

Source: MOM, MND, BCA, JTC

Upcoming Supply

One of the most significant completions expected in the coming years is a second dormitory developed by MOM under the NESST brand at Sengkang West with 7,200 beds that is expected to begin operations by end-2028.

In April 2026, the Building and Construction Authority (BCA) awarded a dormitory parcel at Terusan Edge in the Jurong East Planning Area to S11 Ascendene Management, who had submitted a winning bid of about S$105.0 million, the highest among 17 bidders. With a site area of 168,262 sf and a tenure of 19 years and three months, this purpose-built dormitory (PBD) will have an approved capacity of 3,200 beds and is expected to be completed in 2028.

BCA awarded a plot located at Kranji Close to Westlite Dormitory (SI) Pte Ltd, a subsidiary of Centurion Corporation, who had submitted a top bid of S$343 million in August 2026. With a tenure of 30 years, the PDB developed on this site would house 7,000 workers when completed in 2028. Another site awarded in August to Westlite Dormitory (S II) Pte Ltd was Lok Yang Way. The Centurion Corporation subsidiary submitted the highest among ten bids at S$221.7 million to develop a 5,000-bed PDB with a 30-year tenure.

The awarded parcels at Terusan Edge, Lok Yang Way and Kranji Close represent a land rate of S$32,812 per bed, S$44,333 per bed and S$49,000 per bed respectively, substantially higher when compared to the award of a plot at Ubi Avenue 3 to Centurion-Lian Beng (Ubi) Pte Ltd at S$40.2 million reflecting S$24,364 per bed by JTC in January 2023. The increased land rates at government tenders for dormitory development land in 2026 together with the standards required by the New Dormitory Standards (NDS) scheme will likely cause bed rents to increase in the medium-term.

The above awarded sites and others slated for sale by the government for PBDs are listed in Exhibit 3. The five sites in the above table represent some 40,200 beds that will likely be available before 2030, should the remaining plots be awarded.

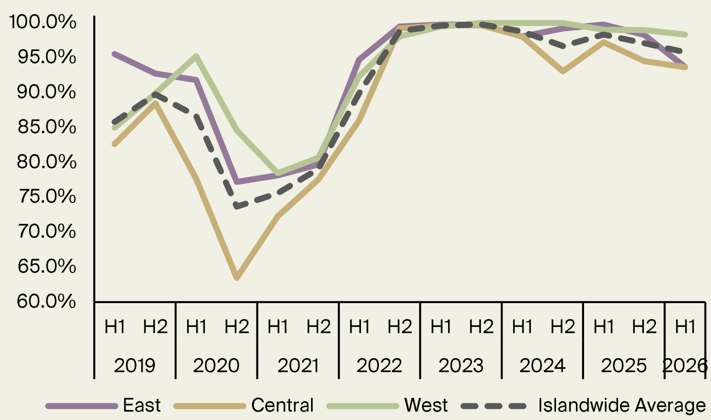
According to MOM, as of H1 2026, at least six more PBDs with a total of around 47,000 beds (inclusive of the Sengkang West PBD) are expected to be completed over the next few years. MOM/MND (Ministry of National Development) will release further updates on the dormitory supply pipeline in due course.

Demand and Occupancy by Zones

The occupancy pressure on beds continued to ease in the first half of 2026. From January to June 2026, the average islandwide occupancy declined 1.3 percentage points (pp) to 95.8% from 97.1% in H2 2025 after the 1.2 pp decrease from 98.3% in H1 2025, based on a basket of Class 4 PBDs aggregated by DASL (Exhibit 4).

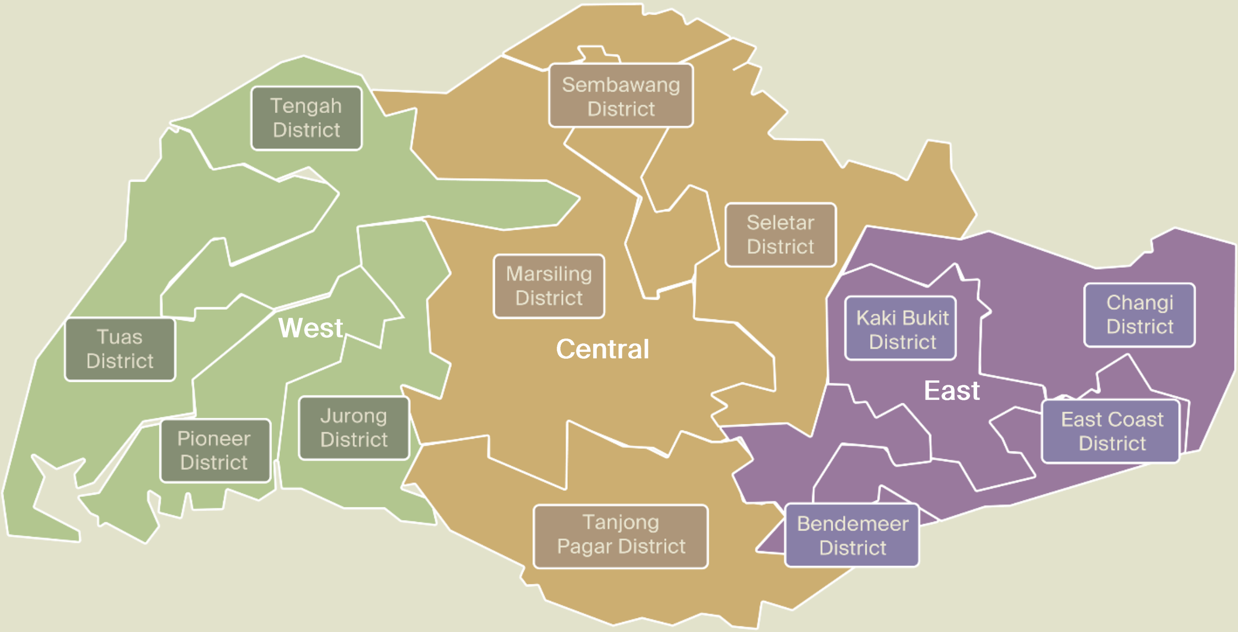
The east zone decreased the most by 4.6 pp to 93.7% in H1 2026, after having been above 95% since H2 2022.

Exhibit 4: Average dormitory occupancy rates islandwide and by zones



Source: DASL, Knight Frank Research
Based on a basket of Class 4 PBDs in Singapore aggregated by DASL

Exhibit 5: Dormitory zones in the east, central and west of Singapore



Source: MOM

The central zone also dropped to a similar level of 93.6% easing 0.9 pp from 94.5% in the second half of 2025. Even though the occupancy level in the west zone remained tight at 98.3%, there was a slight decline from the 99.0% recorded six months ago (Exhibit 5).

It appears that the government's resolve to ensure that adequate accommodation will be available for foreign migrant workers in the run-up towards the DTS deadline of 2030 has provided some relief on the bed pressure at PBDs, while at the same time providing adequate worker housing for large-scale construction and infrastructure projects.

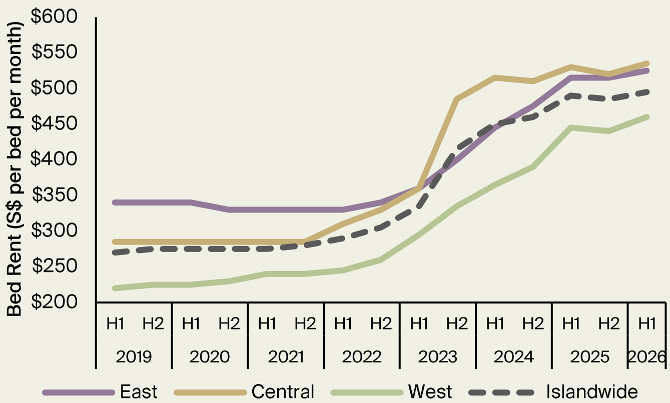
Rents

Although the pressure for available beds and occupancy levels eased, bed rents grew in a moderate manner in the first six months of 2026. In a reversal from the previous half year, the islandwide bed rent average improved 2.1% in H1 2026 to S$495 per bed per month (pb pm) from H2 2025, as demand for CMP activity remained supported (Exhibit 6).

Increases in the average bed rent were also recorded in all three zones. In the east, the average bed rent rose 1.9% to S$525 pb pm in H1, while in the central zone, this average grew 2.9% to S$535 pb pm in the same period. The prevailing tight occupancy level in the west undergirded an average bed rent growth of 4.5% half-yearly to S$460 pb pm in the first half of 2026. It is likely that the completion and occupation of NESST Tukang Dormitory with features that fully comply with the NDS requirements and where monthly bed rents were reported to be about S$500, contributed to the upward pull of the bed rent average in the west zone.

From the S$270 pb pm recorded in H1 2019, monthly dormitory bed rents have since grown 83.3% from the pre-pandemic era.

Exhibit 6: Average dormitory bed rents islandwide and by zones



Source: DASL, Knight Frank Research
Note:
1) Based on a basket of Class 4 PBDs in Singapore aggregated by DASL
2) Additional PBDs were included in the basket in H1 2025 to increase sample representation

Exhibit 7: Spread of bed rents in dormitories by zones

	H1 2026		
Zones	Minimum	Average	Maximum
East	$475	$525	$580
Central	$430	$535	$640
West	$390	$460	$600

Source: DASL, Knight Frank Research
Based on a basket of Class 4 PBDs in Singapore aggregated by DASL

Outlook

The worker dormitory market is expected to remain fundamentally stable through the medium term in the next five years or so. Demand drivers remain intact, while recent supply additions have alleviated some of the immediate capacity pressures. Occupancy should remain healthy by historical standards, even as the pace of rental growth is likely to be more moderate than in recent years.

The primary determinant of market performance will increasingly be the sector's transition towards higher accommodation standards for existing facilities under the DTS by 2030, and for new builds under the NDS by 2040. Upgrading requirements, government support measures and the development of new purpose-built capacity, including the addition of government-developed facilities in what is largely a private sector market, will strongly influence both operating conditions and investment decisions.

Rather than a growth story that is driven by expanding worker numbers alone, the sector is evolving into one focused on quality enhancement, regulatory compliance and long-term sustainability of the dormitory ecosystem. Bed rents can be expected to increase by around 5% for the whole of 2026 after having risen 2.1% in the first half of the year.

With the commencement of operations at NESST Tukang Dormitory, the market has a government backed sandbox in which to testbed the best innovations and operational practices where workers can be housed in a safe, comfortable and hygienic environment. Upon completion of the NESST brand at Sengkang West in 2028, these two dormitory complexes will be able to trial and prototype best practices for the entire worker accommodation sector. However beyond 2028, MOM might wish to consider whether government-developed, owned and operated dormitories should, over the longer term, be run by the private sector rather than be retained under direct government administration. Such an approach may help maintain a clearer distinction between the relevance of the government's roles as regulator and policymaker, and that of owner or operator of dormitory assets.

After all, such a divestment is not without precedent. An approach could be to evaluate the possibility of hiving off such assets to private sector operators, subject to policy and operational requirements. In 2007, JTC divested three worker dormitories on the basis that dormitory ownership and operations were not considered part of its core business functions. As the NESST dormitories are intended to serve as a platform for testing and implementing dormitory innovations and new standards, consideration could be given to whether continued government ownership remains necessary once these objectives are achieved.

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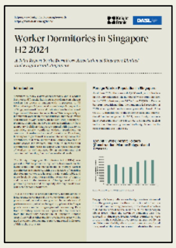

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