

31 August 2022



CIRCULAR TO PROFESSIONAL INSTITUTES

Who should know:

Landowners, developers, architects and engineers

Effective Date:

With effect from 1 September 2022

UPDATED CHARGING FRAMEWORK FOR REMNANT LAND

1. The Singapore Land Authority (SLA) will update the remnant land charging framework. The updated charging framework has been calibrated to better reflect the economic value which landowners can derive from amalgamating remnant land parcels with their adjoining private land.
2. Remnant land parcels are small and/or irregularly-shaped plots of land that are incapable of independent development by virtue of their size and shape, but have the potential to enhance the economic value and use of adjoining lands. The rate for remnant land parcels is currently based on 50% of the full land value, determined by applying the factor of 5/7 to the applicable Land Betterment Charge (LBC) rate.
3. The updated charging framework for remnant lands is as follows:
 - a) For Place of Worship and Civic and Community Institution use, remnant land will continue to be valued for sale based on 50% of the full land value, determined by applying the factor of 5/7 to the applicable LBC rate.
 - b) For Residential, Commercial, Industrial uses and uses other than those set out in subparagraph 3(a) above or where the sale of the lands would result in gross floor area transfer, the lands will be valued for sale based on 100% of the full land value, determined by applying the factor of 10/7 to the applicable LBC rate.
 - c) SLA reserves the right in all cases to determine the land premium payable in consultation with the Chief Valuer. This can occur in situations where the use does not clearly fit into any of the existing Use Groups or where the remnant land is assessed to have synergistic value.

Remnant Lands with Synergistic Value

4. Where the remnant land adds considerable value when amalgamated with the adjoining land parcel, such land is deemed to create synergistic value to the amalgamated land. Examples include enabling the adjoining private land to achieve a higher Gross Plot Ratio or allowing a substandard private land to be redeveloped into a development with standard plot size. The rate for remnant lands with synergistic value will be based on the higher of:
 - a) 50% of the enhancement in land value of the amalgamated site as assessed by the Chief Valuer, or
 - b) 100% of the full land value determined by applying the factor of 10/7 to the applicable LBC rate.
5. This revised charging framework will take place with effect from 1 September 2022. Applications for the purchase of remnant land submitted before 1 September 2022 will be processed based on the existing policy.
6. I would appreciate it if you could convey the contents of this circular to the relevant members of your organisation. If you or your members have any queries concerning this circular, please do not hesitate to call our hotline at Tel: 1800 323 9829.
7. Thank you.

KEVIN TEOH

DIRECTOR

LAND TRANSFER & LAND SALES DIVISION

for COMMISSIONER OF LANDS