

CHANGE IN THE DETERMINATION OF LAND VALUE FOR REMNANT STATE LANDS

- 1 Remnant lands are small and/or irregularly shaped plots of State Lands. Due to their size and shape, there are limited uses for such lands. To optimise the use of State Lands, the Government may encourage or require developers of adjoining lands to purchase and amalgamate such lands into their projects. With effect from 31 Jul 2000, the Government has charged the premium for remnant State lands at Development Charge (DC) rates which were then pegged at 50% of the full land value.
- 2 With effect from 18 July 2007, the Development Charge (DC) system has been revised whereby Government will peg the amount of DC based on 70% of the full land value. Notwithstanding the revision to the Development Charge (DC) system, the basis of charging 50% of the full land value for remnant State land incapable of independent development will remain unchanged.
- 3 Accordingly, SLA will apply a factor of 5/7 to the new revised Table of DC Rates (i.e. Table of DC Rate x 5/7 x size of remnant State land x plot ratio) when determining the premium for remnant State lands incapable of independent development.
- 4 The Table of DC Rates applicable at the date of application will be used. Where such lands are alienated on a leasehold basis, the premium will be adjusted accordingly using the Leasehold Table in Appendix 1. Examples showing how the new revised Table of DC Rates is applied for alienation of remnant State lands are in Appendix 2.
- 5 In cases where more than one adjoining private landowner is interested to purchase the land, a closed tender will be conducted. The land will be awarded to the highest bidder whose bid is equal to or higher than the reserve price.
- 6 In cases where the remnant land clearly cannot be used for plot ratio calculations or for setback purposes upon amalgamation with the adjoining private land, they will be sold on the basis of garden/landscaping use and the value will be at 50% of the factor of 5/7 of the applicable DC rate.
- 7 Where the proposed use of the land does not fit into any of the existing Use Groups in the Table of DC Rates, the premium will be determined by the Chief Valuer on a case-by-case valuation. However, we expect such cases to be rare.
- 8 If you have any queries concerning this circular, please feel free to contact us at SLA. We will be pleased to answer queries on this matter.

APPENDIX 1

Appendix 1

TABLE SHOWING LEASEHOLD VALUES AS A PERCENTAGE OF FREEHOLD VALUE

Term of Years	Percentage (%) of Freehold Value	Term of Years	Percentage (%) of Freehold Value	Term of Years	Percentage (%) of Freehold Value
1	3.8	34	63.7	67	84.2
2	7.5	35	64.6	68	84.5
3	10.9	36	65.4	69	85.4
4	14.1	37	66.2	70	86.0
5	17.1	38	67.0	71	86.5
6	19.9	39	67.7	72	87.0
7	22.7	40	68.5	73	87.5
8	25.2	41	69.2	74	88.0
9	27.7	42	69.8	75	88.5
10	30.0	43	70.5	76	89.0
11	32.2	44	71.2	77	89.5
12	34.3	45	71.8	78	90.0
13	36.3	46	72.4	79	90.5
14	38.2	47	73.0	80	91.0
15	40.0	48	73.6	81	91.4
16	41.8	49	74.1	82	91.8
17	43.4	50	74.7	83	92.2
18	45.0	51	75.2	84	92.6
19	46.6	52	75.7	85	92.9
20	48.0	53	76.2	86	93.3
21	49.5	54	76.7	87	93.6
22	50.8	55	77.3	88	94.0
23	52.1	56	77.9	89	94.3
24	53.4	57	78.5	90	94.6
25	54.6	58	79.0	91	94.8
26	55.8	59	79.5	92	95.0
27	56.9	60	80.0	93	95.2
28	58.0	61	80.6	94	95.4
29	59.0	62	81.2	95	95.6
30	60.0	63	81.8	96	95.7
31	61.0	64	82.4	97	95.8
32	61.9	65	83.0	98	95.9
33	62.8	66	83.6	99	96.0

APPENDIX 2

EXAMPLE A:

PROPOSED ALIENATION OF STATE LAND AT LINCOLN ROAD

Area of State land applied for	:	80.0 m ²
Use/GPR in the Master Plan/DGP	:	Residential at GPR 2.8
Tenure	:	Freehold
Use Group	:	B2
Sector	:	61
Rate	:	\$3,710 psm
Land Premium payable	=	\$3,710 x 80 m ² x 2.8 x 5/7
	=	\$593,600

EXAMPLE B:

PROPOSED ALIENATION OF STATE LAND AT YIO CHU KANG ROAD

Area of State land applied for	:	50.0 m ²
Proposed Use	:	Landed housing
Tenure	:	Residue 99 years lease with effect from 1 Mar 1970
Use Group	:	B1
Sector	:	105
Rate	:	\$1,680 psm
Factor in Leasehold Table	:	80.6%
Land Premium payable	=	\$1,680 x 50 m ² x 1.036 x 80.6% x 5/7
	=	\$50,101

EXAMPLE C:

PROPOSED ALIENATION OF STATE LAND AT ZION ROAD

Area of State land applied for	:	68.0 m ²
Proposed Use	:	Garden /open space
Tenure	:	Freehold
Use Group	:	B1
Sector	:	71
Rate	:	\$2,520 psm
Land Premium payable	=	\$2,520 x 68 m ² x 1.036 x 5/7 x 50%
	=	\$63,404