

Circular No : BCA/GM GFA/2012-07-TD
URA/PB/2012/09-DCG
Our Ref : BCA ID 94.8.2
DC/ADMIN/CIRCULAR/PB_12
Date : 2 July 2012

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CIRCULAR TO PROFESSIONAL INSTITUTES

MODIFICATION AND CLARIFICATION TO THE GREEN MARK GROSS FLOOR AREA (GM GFA) INCENTIVE SCHEME

Who should know

Building Owners, Developers, Architects, M&E Engineers and Green Building Technologies Specialists.

Effective date

With effect from 2 July 2012 till 28 Apr 2014.

Details

1 The Green Mark Gross Floor Area (GM GFA) Incentive Scheme was introduced in 2009 to encourage the adoption of green building technologies and building design practices (c.f. circular ref BCA/GM GFA/2009-04-TD01, URA/PB/2009/04-DCG dated 29 Apr 2009). A mid-term review was conducted in 2011/2012 to assess the effectiveness of the scheme. As the results showed a healthy adoption of green building technologies and building design practices, the GM GFA incentive scheme will remain till 28 April 2014 (as stated in the earlier circular). In response to the industry feedback gathered as part of the mid-term review, the following modifications and clarifications are introduced to the existing GM GFA Incentive Scheme:

Revised definition of “Major Retrofitting”

2 Previously, existing developments are only eligible for GM GFA scheme if they undergo major additions and alterations or major retrofitting works, which typically involve substantial changes to the building envelop and building services. After the review, “Major Retrofitting” is now defined as the process of undergoing “*substantial energy efficiency (EE) enhancements*” to achieve high GM rating (i.e. GM Platinum and GM Gold^{PLUS}) under the ‘New Building’ category.

3 This is applicable to buildings of 10 years old or older from the date of the TOP¹. The building must not have enjoyed other incentives under similar incentive schemes such as *the GM GFA scheme, Green Mark Incentive Scheme for New Building (GMIS-NB), Green Mark Incentive Scheme for Existing Building (GMIS-EB), EDB’s Solar Capability Scheme or NEA’s Grant for Energy Efficient Technologies (GREET)*. Please note that the eligibility of existing buildings undertaking “substantial energy efficiency (EE) enhancements” will be subject to BCA’s case-by-case evaluation.

Streamlined GM GFA application process

4 To address the industry’s feedback to shorten the processing time for GM GFA application, applicants will be required to submit a letter to BCA to affirm and commit to the necessary obligations. The commitment letter will help to reduce the clarifications arising from the GM GFA application. Full submissions for subsequent GM assessment will still be required as part of the Green Mark certification process.

Security deposit maintained at 50% of market value of allowable GM GFA

5 The security deposit payable will continue to remain at 50% of the market value of allowable GM GFA, pending further reviews. While the security deposit will be retained at 50%, the applicant will still be liable for up to the full 100% of the market value of the additional GFA which has been approved and granted to the applicant should he fail to meet the stipulated GM standard and performance when the project is completed.

Computation of GM GFA and amount of Security Deposit payable for mixed use zones

6 The industry has raised queries on how the GM GFA and the corresponding security deposit payable for developments on mixed use zones are computed. For zones allowing mixed uses, the quantum split shown in Appendix 1 will be used to determine the land value and Green Premium used to derive the amount of GM GFA. Examples of GM GFA computation for mixed use zones are shown in Appendix 2.

¹ Where the building was granted TOP in parts, the age of the building will be counted from the date of TOP issued for the final part.

7 For the computation of security deposit, it will also adopt the same quantum split according to the Master Plan zoning shown in Appendix 1. Please also refer to the same examples shown in Appendix 2.

8 In addition, both the prescribed Green Premium rates and the Development Charge (DC)/Differential Premium (DP) rates to be used for computing the GM GFA and security deposit will be pegged to the date of planning submission to URA where the GM GFA has been proposed and endorsed by URA. If the GM GFA submission does not lead to an endorsement, the Green Premium rates and DC/DP rates to be used for computing the GM GFA and security deposit will be pegged to the date of resubmission (please refer to illustration in Appendix 3).

9 This circular supersedes parts of paragraphs 7 and 11 of our previous circular nos. BCA/GM GFA/2009-04-TD01 and URA/PB/2009/04-DCG dated 29 April 2009. The other guidelines stated in circular nos. BCA/GM GFA/2009-04-TD01 and URA/PB/2009/04-DCG dated 29 April 2009 remain. This should also be read in conjunction with the overall 10% bonus GFA budget in URA's Circular No: URA/PB/2009/03-DCG dated 29 April 2009 on "Framework for Managing Bonus Gross Floor Area Incentives".

10 We 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 contact Ms Jolene Chong at Tel: 6730 4454 (email: Jolene_chong@bca.gov.sg) or URA's DCG Enquiry Line at Tel: 6223 4811 (email: ura_dcd@ura.gov.sg). We would be pleased to answer queries on this.

11 Past circulars to the professional institutes are available from our websites <http://www.bca.gov.sg/greenmark/gmgfa.html> and <http://www.ura.gov.sg>.

Thank you.

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APPENDIX 1

The following are single use zones where the land values are determined using 100% of the associated DC/DP rate in the DC fixed rates table:

Residential	Port/Airport
Commercial	Health & Medical Care
Business 1	Utility
Business 2	Open Space
Educational Institution	Road
Place of Worship	Beach Area
Civic & Community Institutions	Waterbody
Sports & Recreation	Cemetery
Agriculture	Special Use
Transport Facilities	

For the following zones allowing mixed uses, the land values are to be determined using the following quantum split which is consistent with the Master Plan Written Statement:

Master Plan Zoning	Quantum Split
Commercial and Residential	60% Residential 40% Commercial
Hotel	60% Hotel 40% Commercial
Business Park	85% Business park 15% Commercial
Business Park – White with notation of 2.5W[40] in the MP 2008	60% Business Park 40% Commercial
Business 1 – White or Business 2 – White	<u>3.0 [B-2.5]W</u> 83.3% Business 16.7% Commercial
	<u>2.5 [B-2.0]W</u> 80% Business 20% Commercial
White	100% Commercial
Residential/Institution	100% Residential
Residential with Commercial at 1 st storey	80% Residential 20% Commercial

APPENDIX 2

Example 1

Mixed development comprising hotel and commercial uses at Marine Parade (Sector 94) on a site zoned White in the Master Plan 2008, with proposed GFA of 150,000 sqm (comprising 90,000sqm Hotel and 60,000sqm Commercial) targeting for GM Platinum rating.

Based on the table in Appendix 1, the land value for a White site is based on 100% Commercial.

DC rate for Group A (as at Mar 2012): \$5250/sqm
Land Value: \$7500/sqm (derived from DC rates x 10/7)
Prescribed Green Premium for Non-Residential GM Platinum (wef 1 Mar 2012): \$169/sqm

$$\begin{aligned} \text{Equivalent Bonus GFA} &= \frac{(\text{Proposed GFA} \times \text{Prescribed Green Premium})}{\text{Land Value}} \\ &= (150,000 \times \$169) / \$7500 \\ &= 3,380 \text{ sqm or } 2.25\% \text{ bonus GFA} \end{aligned}$$

Full quantum of allowable GM GFA = **3,000 sqm** (capped at 2% bonus GFA)

$$\begin{aligned} \text{EMV of additional GFA} &= \text{Land Value} \times \text{Full quantum of allowable GM GFA} \\ &= 7,500 \times 3,000 \\ &= \$22,500,000 \end{aligned}$$

Security Deposit to be raised is **50%** of EMV = **\$11,250,000**

Example 2

A Business Park development at Marine Parade (Sector 94) on a site zoned Business Park in the Master Plan 2008, with proposed GFA of 10,000 sqm (comprising 9,000sqm Business Park and 1,000sqm Commercial) targeting for GM Goldplus rating.

Based on the table in Appendix 1, the land value for a Business Park site will have to be apportioned based on 85% Business Park and 15% Commercial.

DC rate for Group D (as at Mar 2012): \$770/sqm

DC rate for Group A (as at Mar 2012): \$5250/sqm

Land value: $[(0.85 \times \$770) + (0.15 \times \$5250)] \times 10/7 =$
\$2060

Prescribed Green Premium for Non-residential GM Goldplus (wef 1 Mar 2012):
\$97/sqm

$$\text{Equivalent Bonus GFA} = \frac{(\text{Proposed GFA} \times \text{Prescribed Green Premium})}{\text{Land Value}}$$

$$= (10,000 \times \$97) / \$2060$$
$$= 470.87 \text{ sqm or } 4.7\% \text{ bonus GFA}$$

Full quantum of allowable GM GFA = **100 sqm** (capped at 1% bonus GFA)

$$\text{EMV of additional GFA} = \text{Land Value} \times \text{Full quantum of allowable GM GFA}$$
$$= 2,060 \times 100$$
$$= \$206,000$$

Security Deposit to be raised is **50%** of EMV = **\$103,000**

Example 3

A Commercial & Residential development at Marine Parade (Sector 94) on a site zoned Commercial & Residential in the Master Plan 2008, with proposed GFA of 10,000 sqm (comprising 3,000sqm of Commercial and 7,000sqm of Residential) targeting for GM Platinum rating.

Based on the table in Appendix 1, the land value for a Commercial & Residential site will have to be apportioned based on 40% Commercial and 60% Residential.

DC rate for Group A (as at Mar 2012): \$5,250/sqm

DC rate for Group B2 (as at Mar 2012): \$6,650/sqm

Land value: $[(0.4 \times \$5250) + (0.6 \times \$6650)] \times 10/7 =$
\$8,700

Prescribed Green Premium for Non-residential GM Platinum (wef 1 Mar 2012):
\$169/sqm

Prescribed Green Premium for Residential GM Platinum (wef 1 Mar 2012):
\$120/sqm

Pro-rated Green Premium: $[(0.4 \times \$169) + (0.6 \times \$120)] = \$139.60$

$(\text{Proposed GFA} \times \text{Prescribed Green Premium})$

Equivalent Bonus GFA = $\frac{\text{Proposed GFA} \times \text{Prescribed Green Premium}}{\text{Land Value}}$

$= (10,000 \times \$139.60) / \$8,700$

$= 160.46 \text{ sqm or } 1.6\% \text{ bonus GFA}$

Full quantum of allowable GM GFA = **160.46 sqm (< 2% bonus GFA)**

EMV of additional GFA = Land Value x Full quantum of allowable GM GFA

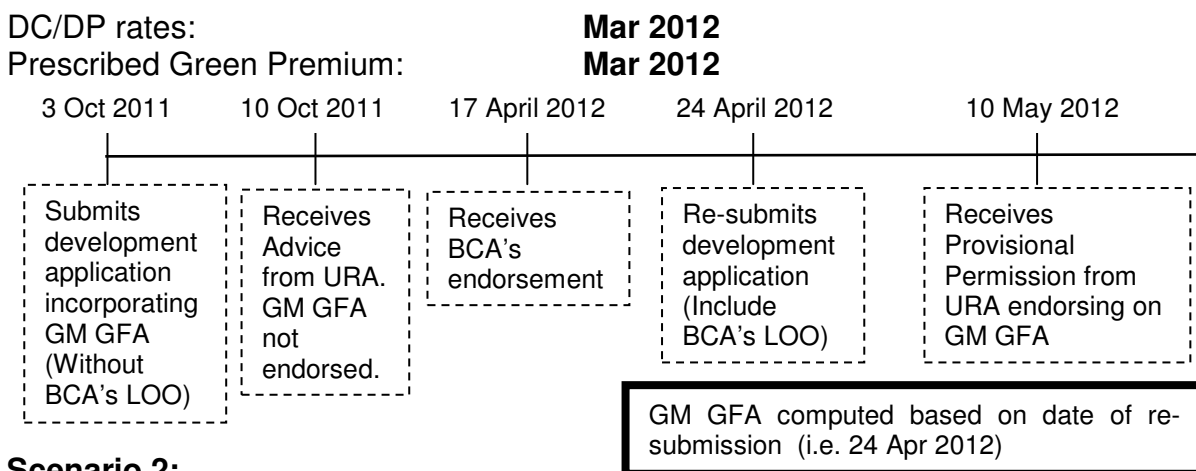
$= 8,700 \times 160.46$

$= \$1,396,002$

Security Deposit to be raised is **50%** of EMV = **\$698,001**

Scenario 1:

Applicant submits development application incorporating the additional GM GFA to URA for planning approval on 3 Oct 2011. The submission did not include BCA's Letter of Offer. URA issues Advice on 10 Oct 2011 where the GM GFA was not endorsed. Applicant subsequently receives BCA's letter of endorsement on 17 April 2012 and re-submits to URA on 24 April 2012. The GM GFA re-submitted to URA would be computed using prescribed Green Premium rates and Development Charge (DC)/Differential Premium (DP) rates pegged to the date of re-submission to URA (i.e. 24 April 2012 using the prevailing Mar 2012 rates). Applicant subsequently receives Provisional Permission including endorsement of additional GM GFA from URA on 10 May 2012.



Scenario 2:

Applicant receives BCA's Letter of Offer on 17 April 2012. On 24 April 2012, applicant submits GM GFA computation form and a copy of BCA's Letter of Offer together with the development application incorporating the additional GM GFA to URA for planning approval. The GM GFA submitted to URA will be computed using prescribed Green Premium rates and Development Charge (DC)/Differential Premium (DP) rates pegged to the date of planning submission to URA (i.e. 24 April 2012 using the prevailing Mar 2012 rates). Applicant subsequently receives Provisional Permission which endorsed the additional GM GFA from URA on 10 May 2012.

