



SUBLETTING YOUR PREMISES

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JTC's Subletting Policy

I. What is Subletting?

Subletting happens when a lessee/tenant rents out part of its property to another tenant, also known as a subtenant.

Only the following are permitted and not considered subletting:

- (a) Service **providers** (restricted to logistics, food storage or data centre services only) who have entered into formal agreements with customers where the use of space on-site by the customer supports the lessee's business.
- (b) **Resident subcontractors** located in the property to support your operations **exclusively**, i.e. the use of premises is solely to support the lessee's business.

JTC reserves the right to verify that all service and engagement agreements are legitimate.

II. Who is allowed to sublet and how much subletting can you apply for?

Subletting by lessees

JTC lessees should fully utilise 100% of their Gross Floor Area (GFA) for their own business operations.

Subletting to non-related businesses

In the event where excess space is available for short periods (e.g. during lull business periods), lessees may sublet up to **30% of its overall GFA to non-related businesses**.¹ As it is meant for short periods, the maximum subletting period for such subletting is three years.

Lessees who wish to sublet their space need to obtain prior approval from JTC.

Subletting to related businesses

Subletting of a lessee's space to related businesses is not restricted to the 30% GFA cap. Related businesses are defined as the following:

- (i) The lessee owns more than 50% of the related business' shareholding; or

¹ This includes space used for secondary workers dormitory.

- (ii) The related business owns more than 50% of the lessee's shareholding.

Related businesses should have business synergies through co-location with the lessee. Lessees who wish to sublet to related businesses also need to obtain prior approval from JTC.

For such cases, the maximum subletting term is in accordance with your current lease.

Subletting by tenants

Tenants are not allowed to sublet to non-related businesses but subletting to related businesses is allowed. Likewise, the maximum subletting term is in accordance with your current tenancy. Tenants who wish to sublet to related businesses need to obtain prior approval from JTC.

III. How do I apply for subletting?

Subletting to related and/or non-related businesses without JTC's prior consent is considered a breach of the tenancy/lease agreement **and may result in higher sublet fees or the termination of your tenancy/lease.**

You are required to apply through JTC's Customer Service Portal (CSP) if you want to sublet a space, including subletting to related businesses.

For subletting to be allowed, the following criteria have to be fulfilled:

- You have not breached your lease agreement and no legal action has been taken against you.
- You do not have any rental arrears.
- The subtenant's usage complies with our lease or tenancy agreement, usage guidelines and other Government Agencies' rules and regulations (e.g. URA's 60:40 industrial space usage regulation²).
- You are subletting for industrial use. For example, any office usage cannot be stand-alone and must support the main manufacturing operations within the sublet space.
- You are not subletting open land.

When applying, please submit the following:

- A floor plan indicating the area you intend to sublet, or if any alterations have been made to the floor plan. Sketching on existing building plans to indicate area intended for subletting is acceptable.

² With effect from 10 February 2023, URA has temporarily revised the allowable quantum for ancillary uses from 40% to 49% to accommodate temporary workers' dormitory use. This will apply to all applications for new temporary workers' dormitories or to increase the number of workers in existing dormitories, including those within specified areas. URA's 60:40 industrial use quantum will remain for all other applications relating to non-dorm uses.

- The subtenant's latest business profile from Accounting and Corporate Regulatory Authority (ACRA), for related subletting.
- The subtenant's Land Use Proposal Form from Land Transport Authority (LTA), if usage includes warehousing.
- The subtenant's approval for storage of petroleum and flammable materials from Singapore Civil Defence Force (SCDF) if usage involves such material and exceeds allowable quantities.
- The subtenant's National Authority Chemical Weapons Convention (NACWC) form if usage involves chemicals on Jurong Island sites.

We will inform you of the outcome of your application through CSP, SMS or email within 7 working days of your full submission. Cases that require further assessment may need additional processing time.

IV. What are subletting fees and how do I pay them?

A sublet fee (subject to GST at the prevailing rate) is applicable for subletting to unrelated businesses. This fee is payable by the lessee.

1. Calculation of Sublet Fee

JTC charges a concessionary fee for timely and accurate sublet applications.

All late applications (including renewals) and false declarations will be subject to a higher sublet fee.

Table 1: Comparing Sublet Fees

Sublet Type	Monthly Fee for timely applications	Monthly fee for late applications / false declarations* (Effective from 1 November 2021)
Sublet to Unrelated Entities ³ (within 30% cap)	{30% x (JTC's land rental rate per annum) x (Sublet area/Total GFA) x (Land area)} / 12	{100% x (JTC's land rental rate per annum) x (Sublet area/Total GFA) x (Land area)} / 12
Sublet to Related Entities / Anchor Subletting	No fee payable	50% of sublet rent ⁴

³ For certain allocations like land in one-north where land rates are pegged to domestic market rates, sublet fees for timely applications for subletting within quantum is waived. However, for late applications / false declarations, a higher sublet fee based on the table above will apply. For avoidance of doubt, 'Sublet to Unrelated Entities' includes subletting for secondary workers' dormitory use.

⁴ For avoidance of doubt, the sublet rent will be based on the higher of the contractual / declared or assessed market sublet rental by JTC.

*For waivers or unauthorised subletting (late applications / false declarations), including unauthorised subletting for secondary workers' dormitory use, JTC reserves the right to back-collect up to 100% of the assessed sublet rent⁵ under our prevailing policy.

Example: Lessee who is on land rental or upfront premium scheme

JTC's land rental rate	\$22.20 psm pa
Sublet area	600 sqm
Total GFA of lessee's premises	7,000 sqm
Land area of lessee's site	5,000 sqm

Fee for timely application

Monthly sublet fee = {30% x JTC's land rental rate per annum⁶ x (Sublet area ÷ Total GFA) x Land area} ÷ 12

Monthly sublet fee payment

= [30% x \$22.20 x (600 ÷ 7000) x 5000] ÷ 12
= \$237.86 (rounded off to two decimal places) + prevailing GST amount

Fee for late application/false declaration

Monthly sublet fee = {100% x JTC's land rental rate per annum⁶ x (Sublet area ÷ Total GFA) x Land area} ÷ 12

Monthly sublet fee payment

= [100% x \$22.20 x (600 ÷ 7000) x 5000] ÷ 12
= \$792.86 (rounded off to two decimal places) + prevailing GST amount

2. Payment

The sublet fee payable for the entire period will be reflected in our sublet consent letter. The fee is payable through GIRO.

Non-GIRO customers can make a separate payment via other electronic modes. Please pay the sublet fee by the deadline stated, barring which late payment interest (at a rate determined by JTC) will be charged on the outstanding amount⁷.

V. How do I renew my subletting term after expiry?

If you wish to renew your subletting arrangement, please submit your application up to 6 months before your current subletting term expires. You can submit your subletting renewal application through JTC's CSP.

⁵ The sublet rent shall be based on what JTC deemed as reasonable.

⁶ This refers to the JTC prevailing posted land rent rate.

⁷ Interest rate is subject to review from time to time.

We will inform you of the outcome of your application through CSP, SMS or email within 7 working days of your full submission. Cases that require further assessment may need additional processing time.

VI. How do I terminate my subletting term prematurely?

Please log in to JTC's CSP to terminate your subletting.

Do note:

- Indicate your desired effective termination date. Your subtenant must vacate your premises by the effective termination date, failing which it will be considered subletting without JTC's consent, and a higher subletting fee will be incurred.
- JTC will use the date the terminal application was received or your desired effective termination date, whichever later, as the effective termination date. You will be billed up to the month of the effective termination date.

Example

A lessee's monthly sublet fee is \$237.86 per month (before prevailing GST rate) on 1 June 2022. Notice was given to prematurely terminate the subletting on 10 June 2022. The full sublet fee of \$237.86 per month (before prevailing GST rate) will be payable for the month of June 2022. No partial refund will be made.