



Renewing Your Industrial Lease

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Introduction

This handbook is designed to help JTC's lessees in planning for a lease renewal application to renew your land leases for a new term. It contains information on JTC's guidelines and the main terms and conditions for lease renewal.

What is Lease Renewal?

Lease renewal is the granting of a new lease term, which commences after the expiry of the current term to allow industrialists to continue their operations at their sites. Lease renewal is **not guaranteed**, and is subject to our assessment.

What are JTC's considerations in assessing Lease Renewal applications?

As a developmental agency, JTC needs to ensure that Singapore's limited industrial land resources are put to productive use and support our economic development.

a. Strength of your business & redevelopment plans

Lease renewal applications will be assessed based on the **economic contribution and productivity of the project, creation of good jobs, synergistic linkages to other sectors of our economy**, as well as the **optimisation of land use**. Applicants are expected to fulfill their projections as declared in their lease renewal applications. (Please refer to the section under "***What details should I provide when submitting my application?***" on page 6 for more information.)

b. Proposed usage

For industrial leases including warehousing leases, your proposed usage must meet the Urban Redevelopment Authority's (URA) 60:40 space utilisation rule.

Under URA's 60:40 rule, you must ensure that:

- (i) At least 60% of your total gross floor area shall be used for industrial activities in accordance with URA's guidelines; and
- (ii) The remaining 40% of your total gross floor area may be used as ancillary offices, showrooms, neutral areas or communal facilities and such other uses approved in writing by us and the relevant governmental and statutory authorities.

c. Government's redevelopment plans

If your site is affected by the redevelopment plans, you may not be able to renew your lease. Please check with your JTC Customer Engagement Officer before proceeding with your application.

d. Breach of lease terms and conditions

If you are in breach of any existing lease terms and conditions, you will be required to rectify the breaches before applying for lease renewal.

e. Size and suitability of the site

Your existing and proposed use should maximise the available floor space, and you should not be subletting your site. If you are unable to maximise the usage of your site, you should consider consolidating your operations in a smaller floor space instead of renewing your lease.

JTC could also require you to return part of your land when the current lease expires. The portion of land to be returned should be regular in configuration and be capable of independent re-development.

What is the maximum renewed lease term?

Should your lease renewal application be successful, the maximum renewed lease term would be up to 20 years, subject to our assessment of the strength of your business and redevelopment plans and your fulfilment of those plans at the end of the investment period, as well as the Government's long term redevelopment plans for the site.

When do I apply for lease renewal?

To allow sufficient time to factor in your future plans, please engage your JTC Customer Engagement Officer early on your renewal plans. Applications should typically be made **6 years and no later than 3 years** before the expiry date of your existing lease.

The expiry date of your existing lease can be found under 'Your Property Details' in the customer service portal.

How do I apply for lease renewal?

You may log in to the customer service portal to submit your lease renewal application.

Upon receiving your application, our JTC Customer Engagement Officer will work closely with you on the next steps required.

What details should I provide when submitting my application?

You will need to provide the following details in your application for our assessment:

a. Your business and redevelopment plan – this should include your business transformation plans, for instance, branching out into new business verticals, or adoption of new technology to increase productivity to ensure that your business stay relevant in the renewed term.

b. Your fixed asset investments – these include the amount of investments that you will put into the site, with a breakdown on (i) the existing and new plant & machinery (P&M) investments, and (ii) new building & civil (B&C) investments. You may refer to Annex A and Annex B to find out what constitutes P&M and B&C investments.

You must elaborate how your proposed investments (including both the new and existing investments) support your business operations and transformation.

In planning for your B&C works, please note that your site redevelopment should be based on the Aesthetic Control Guidelines and Urban Design Guidelines found in Annex C1/C2.

c. Gross plot ratio of your site – this is the final gross plot ratio that will be built on site after your redevelopment (if any). For lease renewals, you will be required to intensify your land use as far as possible, in order to optimise the use of our scarce industrial land resource. You may also benefit from the Land Intensification Allowance (LIA) administered by EDB (visit www.edb.gov.sg for more information).

Plot ratio exempt industries have no minimum gross plot ratio requirements but will be required to meet the minimum land area coverage requirements. Please consult your JTC Customer Engagement Officer for further details.

d. How the project creates quality jobs – please provide the existing and projected number of workers, their occupation, as well as the remuneration details (supported by your audited financial statements).

e. How the project value adds to the economy – please provide your existing and projected revenue and cost figures (supported by your audited financial statements).

Note:

You will be held accountable for the details provided in your application. If your lease renewal application is approved, we will conduct an audit of the above details at the end of your investment period stated in our lease renewal offer.

When can I expect a reply from JTC?

We will inform you of the outcome of your application through email within 3 months after we have received all the required information for your application.

What the key terms and conditions for the Lease Renewal?

a. Revision of land rental / option to pay upfront land premium

Your land rent will be revised to the prevailing posted land rates at the start of the new lease term. You may also choose to pay an upfront land premium for the entire new lease term. The land rent / premium (whichever applicable) payable will be made known to you 3 months before the new lease term commences.

The prevailing posted land rates can be found [here](#). For land rent, it is subject to revision annually to the prevailing rent, with increase capped at 5.5%.

b. Building premium

You may need to pay an upfront building premium for the new lease term, if the existing building on site is a JTC-owned building (e.g. Standard Factory). If the building premium is payable, the amount payable will be made known to you 3 months before the new lease term commences. Please engage your JTC Customer Engagement Officer to find out if building premium is payable for your lease renewal.

c. Building/Investment Period

You will be given 3 years from the date of our offer letter, to complete your proposed building works and fulfil your committed fixed asset investments. Upon doing so, you need to submit the following documents for us to confirm your lease entitlement:

- (i) A temporary occupation license and/or certificate of statutory completion issued by the Building and Construction Authority (if you carried out redevelopment works);
- (ii) A qualified person's certification that the development of the land has been completed in accordance with the plans endorsed by JTC;
- (iii) A certified audited statement showing costs incurred on plant and machinery; and
- (iv) Any other documents to proof your fulfilment of the conditions under the Building Investment Period.

d. Pro-rating of new lease term

You will need to fulfil your committed gross plot ratio and investments in plant and machinery in your lease renewal application. Should there be a shortfall between the committed and actual figures, the lease term will be pro-rated accordingly.

e. Assignment Prohibition and Minimum Occupation Period

You will not be allowed to assign the land for a minimum period of time (known as the assignment prohibition period). The assignment prohibition period will minimally be 5 years from fulfilment of investment criteria or 3 years from commencement of new lease term, whichever is later. You will also not be allowed to assign the land in the last 5 years of the new lease term.

The lease renewal is granted in return of your commitment to use the site productively throughout the renewed term. If you fail to stay on site for the minimum period into the renewed term, JTC shall reserve our rights to recover the land from you. Should you leave anytime thereafter, JTC will recover the unutilised portion of the land assistance amount ("the refund of land assistance amount") that we have granted as per the amount stated in the agreement. This allows us to continue supporting industrialists by re-deploying our resources to other genuine areas of need within the industrial sector and keeping industrial land rates competitive.

f. Right of First Refusal

Should you wish to assign the land outside of the Assignment Prohibition Period, JTC reserves the first right to buy over the remaining period of your lease.

g. Environmental Baseline Study

An Environmental Baseline Study (EBS) is a soil and groundwater investigation carried out to establish the baseline level of potential contaminants in the soil and groundwater beneath the site, and to assess the extent of contamination of the site. Decontamination works for the site will be dependent on the EBS results.

If the baseline of your site has not been set, you will be required to carry out an EBS.

h. Mandatory Solar Requirements

All JTC's lessees are strongly encouraged to deploy solar on their rooftop.

Solar deployment is mandatory for new and renewed leases, if the site fulfils the following conditions:

- (i) At least 800 sqm of available contiguous rooftop area (excluding areas on which solar photovoltaic (PV) panels cannot be deployed due to regulatory or technical requirements)
- (ii) Remaining lease period of 15 years or more

What are the fees and charges payable and how do I pay them?

Apart from the land rent (or land premium) and building premium (if applicable), you will need to make payment of other fees and charges associated with the lease renewal process. You will be advised of the fees and charges payable in our letter of offer.

Some of the charges include survey fee(s), URA's processing fee(s), cost of preparing legal documents and GST.

Please refer [here](#) for the payment modes available.

Annex A

INVESTMENT IN PLANT & MACHINERY (P&M)

What are considered P&M investments?

P&M investments are capital expenditure on items used in your operations such as:

- Air-conditioning for industrial machinery
- Building and construction equipment (including rollers, mixers, piling equipment and drilling plants, loaders, dumpers, excavators, bulldozers and support structure)
- Chimney if it forms part of machinery
- Computer systems and equipment that are required / linked to the production process
- Container trailers and containers, trucks, goods vehicle, earth moving plant / excavators and other plant that are used in relation to production.
- Dry Dock and Floating Dock
- Utility plant and boiler
- Electronic equipment (including assets such as electronic detection, guidance, control, radiation, computation, test and navigation)
- Fire Safety Device for industrial machinery
- Furnace
- Kiln
- Manufacturing and industrial processing plant and equipment
- Material handling equipment such as cargo lifts, weighing machines, conveyor belt, forklifts, and cranes
- Dock leveller system
- Warehouse racking system (for warehouse lessees)
- Oil / Chemical Tank
- Overhead cranes/ gantry cranes
- Refinery Plant
- Silos
- Special portable equipment e.g. measuring and testing equipment of a similar nature
- Tanks fixed to the ground
- Treatment Plant

What are NOT considered P&M investments?

- Motor vehicles such as saloon cars, scooter, motor cycles, etc
- Office Furniture and Furnishing
- Word Processor, computers, printers, scanners, fax machines, photocopying machines and other related products used for administrative work
- Air conditioning for office use
- Materials for production

In case of doubt as to whether any equipment can be considered as part of plant and machinery, the yardstick is that it should be used directly in the production process in connection with the company's approved usage.

What value of P&M to take?

- Plants and Machinery purchased during the Building / Investment Period will be taken at **cost**.
- Plants and Machinery which you relocate from another factory premises or which you purchase before the Building / Investment Period can be included based on **net book value** as at the date of commencement of the Building / Investment period
- The **initial cost** to put the plant and machinery to working condition for its intended use such as delivery and installation costs can be included as part of the investment.

Annex B

INVESTMENT ON BUILDING AND CIVIL WORKS (B&C)

What are considered B&C investments?

Investment incurred in developing the land can be included, such as:

- Cost of construction of factory building, including sub-station, guardhouse, bin centre, slipway, jetty and wharf
- Civil works such as drainage, culvert, driveway and other external works
- Professional fees (e.g. architect, consultant, quantity surveyor, legal fees, etc)
- Fees involved in the drawing and submission of plans
- Renovation works/ Finishing works excluding furniture and fittings
- M & E installation including building air-conditioning and fire protection system if it forms part of building
- Sale Price of standard factory/ workshop that is obtained from JTC. In the case of factory bought in the secondary market, the factory price should be based on JTC's sale price and not the secondary market price.
- Landscaping and fencing (if any)

What are NOT considered B&C investments?

- Land rental of site or upfront payment of land rent
- Property tax paid
- Utilities charges such as water, electrical, sewage
- Stamp duties
- Cost of financing

Annex C

URBAN DESIGN REQUIREMENTS

A. Creating good quality and inclusive working environment

Site Planning	
Building Setback	<p>The development shall comply with NParks and URA's requirements for green buffer and physical setback along public roads.</p> <p>No building setback requirement along common boundary to adjoining industrial plots. In the event that the development is required to provide building setback along the common boundary due to other agencies' requirements (e.g., Fire Safety Requirement), landscaping/peripheral planting is strongly encouraged if the spaces within the building setback are not used for company's operations (e.g., driveway, parking lots, M&E) to contribute to the plot's Green Cover requirement.</p>
Vehicular Access	All proposed vehicular access shall be subject to LTA's requirements and approvals.
Platform level	<p>Internal platform level of the building shall not be higher than +1.2m in relation to the access points of the adjoining road levels. Any differences between the building platform level, the covered / open walkway and the adjacent roadside pedestrian walkway shall be mitigated within the building line at the first storey.</p> <p>The Developer shall consult all relevant agencies on the technical requirements of the proposed platform levels.</p>
Service Area	<p>Service areas, including the refuse bin centre, electrical substation, MDF rooms, water tanks, fuel tanks, cooling towers, condensers, loading / unloading bays, holding bays, vehicular ramps, etc. shall be hidden from public view and shall be setback at least 2 column grids from the building line.</p> <p>All M&E including electrical substation, MDF rooms shall be fully integrated within the overall building envelope. These areas shall be visually well-screened (on all sides) similar to the main building façade and / or visually concealed from public view with landscape design</p>

	<p>and/or using architecture elements.</p> <p>All service areas, M&E equipment and water tanks located on the rooftop shall be fully concealed aesthetically on all sides of the building façade.</p> <p>There shall be no open storage on all sides of the development. All storage shall be housed and enclosed in the main building.</p>
Retaining Walls	Retaining walls shall not be allowed within the development. If required, they shall not be higher than 1.0m and shall be designed as part of a landscape feature or be designed with landscaping to soften their appearance.
Carpark & Vehicular Ramp	<p>No surface car parking shall be allowed along expressways and arterial roads. Maximum of 5 surface parking lots shall be allowed along local access roads. All remaining car parking including heavy vehicular parking provisions shall be located away from public roads and shall be integrated/concealed within building envelope or in multi storey carparks.</p> <p>Vehicular ramps and multi storey car parks shall not be located along public roads. Vehicular ramps and multi-storey car parks shall be visually concealed from public view with landscape and/or architectural treatment.</p>
Drop-Off Point	<p>It is strongly encouraged for the drop-off point to be located fronting public roads. The drop-off point shall be well designed to ensure seamless connectivity with the development's lobby as well as effective weather protection. To maximize the development's buildable area, it is strongly encouraged for the drop-off point to be integrated within the overall building envelope.</p> <p>Traffic calming measures shall be provided at the drop-off point to address safety concerns for the pedestrians and shall not obstruct pedestrian flow within the development.</p>
Pedestrian and Last mile connectivity	
Covered Walkway / Linkway	Covered walkway and/or linkway shall be provided along strategic stretches as part of the comprehensive 24/7 at-grade pedestrian network to ensure convenient and unimpeded pedestrian movement and connectivity with the adjacent developments during inclement

	<p>weather conditions. This covered walkway / linkway (if any) shall be continuously connected up to the site boundary as well as to the adjacent estate-wide covered linkway and bus stop (if applicable). It shall be seamlessly integrated with the proposed development's lobby and shall be designed for barrier free access. The design of the proposed covered walkways shall comply with the prevailing requirements of all relevant authorities. Any GFA exemption / waivers for covered walkways shall be subject to URA approval.</p>
<p>Bicycle Parking and End-of trip facilities Provision</p>	<p>The Developer shall provide bicycle parking following LTA's Code of Practice of Street Work Proposals Relating to Development Works and Code of Practice on Vehicle Parking Provision in Development Proposals.</p> <p>The Developer is strongly encouraged to provide End-of-Trip facilities following LTA Code of Practice of Street Work Proposal Relating to Development Works.</p> <p>The Developer shall consider existing vehicular and pedestrian movement when locating bicycle parking lots within the subject site. Bicycle parking lots shall be segregated from pedestrian walkways, driveways and carpark accesses to ensure safety of motorists, pedestrians and cyclists. It is advantageous to provide separate pathways for cyclists and motorized vehicles to avoid conflict between cyclists and other road users.</p>
<p>Façade and Building Envelope Guidelines</p>	
<p>Roof-scape control</p>	<p>Roofscape of the buildings shall be planar in form to emphasize the collective branding of the estate. Hence, any other roof forms shall be concealed from pedestrian view on the ground.</p>
<p>Building Signage</p>	<p>All signages shall be integrated with the building façade and is subjected to JTC's approval and relevant authorities' guidelines. A large and elegantly designed company logo with hidden or integrated lighting is strongly encouraged along major roads. All light fixtures, metal struts and brackets shall be visually well-screened / concealed from public view and the cluttering of signage for the building tenants and advertisement on the façade shall not be allowed.</p>

B. Creating a resilient and environmentally sustainable development

Façade and Building Envelope Guidelines	
<p>Façade Treatment</p>	<p>The façade along public roads shall be aesthetically designed with good quality and easy to maintain materials to project a good image for the development and enhance the environment. The Development shall adopt optimum passive design strategies including optimising building form and massing and proper choice of façade materials that are environmentally responsive to the tropical climate. These will ensure the façade design is sustainable with optimal thermal performance to minimise heat gain, maximise day light and natural ventilation to reduce the dependence on artificial lighting and cooling energy.</p> <p>The façade treatment along public roads shall continue and wrap around the building corner for at least for 2 column grids. Blank walls, low-quality awnings, covers or shelters shall not be allowed on the building facade along public roads.</p> <p>The colour chosen for the façade shall be in harmony with the adjacent developments. Green building features such as vertical greenery is strongly encouraged. Low quality building materials such as corrugated sheets, bare plaster and crimp or equivalent metal decking shall not be allowed on all building facades.</p>
Landscape Guidelines and Boundary Definition	
<p>Green Cover</p>	<p>To replace greenery lost due to the new development and to increase the greenery provision in the industrial estates, the development shall achieve a minimum Green Cover of 30% of the total site area on ground and/or on the rooftop. To maximize the benefits of the greenery such as mitigating urban heat island effect by reducing the ambient temperature, improving air quality, conserving biodiversity, slowing urban run-offs and contributing to mental, physical and emotional well-being, it is strongly encouraged to prioritise provision of Green Cover on the ground floor and other public fronting locations (i.e. areas visible and accessible to industrialists / general public).</p> <p>Green cover is defined as the total surface area of landscape (inclusive of essential service areas) provided within the land parcel to create an attractive, biophilic and sustainable working environment.</p>

	<p>In order to meet the Green Cover requirements, the developer shall provide the following treatments wherever possible:</p> <ol style="list-style-type: none"> a. to prioritize the contribution to Green Cover through tree planting and selection of tree species with large canopies for the green buffer and peripheral planting area that provide sufficient shade for the development; b. to use grass cells for Fire Engine Accessways and other open area within the development that are not used for day-to-day vehicular circulation; c. to use grass pavers on exposed hard surfaces and provision of roof trellis with creepers to shade surface carpark lots d. to provide green roof above standalone ancillary structures (e.g., guard house, bin centres, etc.) and green trellis for open carpark. <p>In addition to the greenery that is visible by satellite image, the following elements can also count towards up to 10% of the development's total Green Cover provisions:</p> <ol style="list-style-type: none"> a. hybrid PV system i.e., turfing/planting underneath PV system (with essential maintenance areas) b. rooftop farming (with essential maintenance areas) c. planting within sky terraces/communal planters d. vertical greenery e. at grade covered communal landscape
Landscape	<p>Landscape within the green buffers shall be designed to respond sensitively to roadside pedestrian walkway and shall augment the roadside trees.</p> <p>Trees shall be planted at strategic locations to shade public activity areas and maximise the Green Cover. Plants and trees shall be permanent features (no potted plants are allowed) with integrated soil retaining areas. These shall be seamlessly integrated with various platform levels.</p>
Boundary Definition	<p>To create an attractive working environment as well as to enhance the walking and cycling experience, fencing along public roads and frontages shall have maximum height of 1.5m and shall be visually porous. The proposed fencing along public roads and frontages is strongly encouraged to be located behind the green buffer and well-integrated with landscape. Exposed solid boundary walls shall not be allowed.</p>

** For sites within activity nodes and/or within the influence of residential zones, UDAD will be issuing site specific urban design guidelines with the following key intents and outcomes.*

Key Urban Design Intents	Desired Outcomes
Provide Seamless Connectivity & Activity Generating Uses	<ul style="list-style-type: none"> - Developments are to be fenceless and to remain open to public at all times - Industrial canteen to be located along the public road and to be open to public. - Provision for covered walkways connecting to estate-wide covered linkway network, bus stops and amenities including industrial canteen - Mitigation zones for the publicly accessible space e.g. public plaza, covered linkway, etc. along public roads to match levels of public spaces with adjacent roadside pedestrian footpaths.
Create an Attractive & Conducive Environment	<ul style="list-style-type: none"> - Building façade on all sides to be aesthetically designed with good quality materials and achieve environmental sustainability design target. - All car parking to be concealed within the building and multi-storey / basement parking including vehicular ramps to be concealed with landscaping or architectural treatment.