

EXAMPLE 1

COMPUTATION OF LAND BETTERMENT CHARGE FOR INCREASE IN INTENSITY

Tenure	:	99-year lease commencing from 1 Dec 1985 (unexpired term of lease remaining 62 years 5 months 30 days as at 1 Aug 2022)
Pre-chargeable Use & Intensity	:	Commercial Use (Use Group A) – 3,000 m ²
Proposed Use & Intensity	:	Use Group A –3,500m ²

COMPUTATION

Prevailing Table of Rates	:	Mar 2022
Sector	:	9
Residual Tenure	:	62 years ⁶ (rounded up to the nearest year)
Leasehold value as percentage of freehold value	:	81.2%

Pre-chargeable Value

Use Group	:	Group A
DC Rate	:	\$11,900 /-
Base GFA	:	3,000m ²
Base Amount	:	\$28,988,400 (3,000 m ² x \$11,900 x 81.2%)

Post-chargeable Value

Use Group	:	Group A
DC Rate	:	\$11,900 /-
Base GFA	:	3,500m ²
Proposed Amount	:	\$33,819,800 (3,500 m ² x \$11,900 x 81.2%)
Land Betterment Charge	:	\$4,831,400 (Post-chargeable – Pre-chargeable Valuation)

⁶ The residual tenure shall be rounded down to the nearest year if the fraction of a year is less than 0.5, i.e. 6 months. The residual tenure shall be rounded up to the nearest year if the fraction of a year is equal or more than 0.5, i.e. 6 months.

EXAMPLE 2**COMPUTATION OF LAND BETTERMENT CHARGE FOR CHANGE OF USE**

Tenure	:	99-year lease commencing from 1 Feb 1988 (unexpired term of lease remaining 64 years 7 months 31 days as at 1 Aug 2022)
Pre-chargeable Use & Intensity	:	Industrial use (Use Group D) – 1,000 m ²
Proposed Use & Intensity	:	Use Group A – 1,000 m ²

COMPUTATION

Prevailing Table of Rates	:	Mar 2022
Sector	:	113
Residual Tenure	:	65 years ⁷ (rounded down to the nearest year)
Leasehold value as percentage of freehold value	:	83.0%
<u>Pre-chargeable Value</u>		
Use Group	:	Group D
DC Rate	:	\$910/-
Base GFA	:	1,000 m ²
Base Amount	:	\$755,300 (1,000 m ² x \$910 x 83.0%)
<u>Post-chargeable Value</u>		
Proposed Use Group	:	Group A
DC Rate	:	\$9,450 /-
Proposed GFA	:	1,000 m ²
Proposed Amount	:	\$7,843,500 (1,000 m ² x \$9,450 x 83.0%)
Land Betterment Charge:	:	\$7,088,200 (Post-chargeable – Pre-chargeable Valuation)

⁷ The residual tenure shall be rounded down to the nearest year if the fraction of a year is less than 0.5, i.e. 6 months. The residual tenure shall be rounded up to the nearest year if the fraction of a year is equal or more than 0.5, i.e. 6 months.

EXAMPLE 3

COMPUTATION OF LAND BETTERMENT CHARGE FOR PARTIAL CHANGE OF USE (TEMPORARY) FOR LEASEHOLD AND FREEHOLD LANDS

Proposed temporary change of use of 2nd storey unit at existing shopflat development from residential to office

Tenure	:	Leasehold
Residual Tenure	:	62 years
Area of subject unit	:	200 m ²
Approved use	:	Residential use (Use Group B2)
Proposed use	:	Commercial use (Use Group A)
Duration of permission	:	3 years
Discounting factor	:	10.9% (based on Appendix 3)

COMPUTATION

Prevailing Table of Rates : Mar 2022

Sector : 21

Pre-chargeable Value

Approved Use Group	:	Group B2
DC Rate	:	\$10,500/-
Affected GFA	:	200 m ²
Base Amount	:	\$2,100,000 (200 m ² x \$10,500)

Post-chargeable Value

Proposed Use Group	:	Group A
DC Rate	:	\$12,250/-
Affected GFA	:	200 m ²
Proposed Amount	:	\$2,450,000 (200 m ² x \$12,250)

Land Betterment Charge:	\$38,150	(Post-chargeable Valuation – Pre-chargeable Valuation) x discounting factor
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