

APPENDIX 4

EXAMPLE OF THE COMPUTATION TO DETERMINE THE AMOUNT OF CASH GRANT INCENTIVE FROM THE VALUE OF THE NIGHT LIGHTING INSTALLATION PROVIDED

Example of Cash Grant Incentive

If a building owner spends \$3,000,000 on night lighting for an existing development, how much cash grant can they apply for?

Assuming max GFA of a commercial development = 100,000 sqm
Maximum 0.5% additional GFA = $0.005 \times 100,000$ = 500 sqm

Assuming the prevailing Development Charge (DC) rate for commercial development = \$8,400 / sqm, the Land Value will be $(\$8,400 / 70^*) \times 100$
= \$12,000 / sqm
(*assuming the DC rate is 70% of the Land Value)

Therefore, the value of the 0.5% of the max GFA = $\$500 \text{ sqm} \times \$12,000/\text{sqm}$
= \$6,000,000

Cash Grant Computation = 50% of \$6,000,000
= \$3,000,000

However, as the cash grant is subject to a cap of 0.5% of the GFA (\$6,000,000) or \$500,000, whichever is lower, the building owner can only apply for a cash grant of **\$500,000**.