

## APPENDIX 4-1

### EXAMPLE OF THE COMPUTATION TO DETERMINE THE ADDITIONAL GFA FROM THE VALUE<sup>2</sup> OF THE ART WORK TO BE PROVIDED

#### For Integrated Art Work

*If the building owner spends \$3,000,000 on integrated art work for a new development, redevelopment or major addition & alteration project, how much GFA are they entitled to?*

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

If the art work is integrated into the building façade and results in the omission of parts of the development that would have otherwise been provided if the art works had not been provided, the value of the art work is to be based on the 'nett-value' of art work, after deducting the cost of the building element that would have otherwise been provided in its place.

Assuming the cost of the building element to be replaced by the art work = \$1,000,000

The value of the art work to the purpose of computing the additional GFA = \$3,000,000 - \$1,000,000 = \$2,000,000

Additional GFA = Value of art work / Land Value  
= \$2,000,000 / \$12,000  
= **167sqm** < cap of 1.0% GFA or 700 sqm (whichever lower)

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<sup>2</sup> Only cost items that directly affect and contribute to the value of the art work can be included in the assessment of the value of the art work. This excludes costs incurred in procuring the art work – e.g. travel expenses, artist's tools, freight, insurance, submission fees, etc. For art works that are integrated into the building facades and landscaping and which result in the omission of parts of the development that would have otherwise been provided if the art works had not been provided, the value of the art work, which must be endorsed by the PAAC, is to be based on the 'nett-value' of art work, after deducting the cost of the building element that would have otherwise been provided in its place. Details and documentation of the base-building-costs, certified by a quantity surveyor is to be submitted for the CA to accurately compute the value of the art work to be used to compute the additional GFA.