

EXAMPLE OF THE COMPUTATION TO DETERMINE THE ADDITIONAL GFA FROM THE VALUE OF THE NIGHT LIGHTING INSTALLATION PROVIDED

Example of additional GFA incentive

If the building owner spends \$3,000,000 on basic night lighting for a new development, redevelopment project or addition & alteration works to an existing building, how much GFA can he apply for?*

For Basic Night Lighting

Assuming maximum 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)

Additional GFA = Value of the lighting installation / Land Value
 = $\$3,000,000 / \$12,000$
 = **250sqm** < cap of 0.5% GFA or 350 sqm
 (whichever lower)

If the above building owner spends an additional \$3,000,000 for special night lighting (to a total of \$6,000,000), how much GFA can he apply for?*

For Special Night Lighting

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

Assuming the prevailing 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)

Additional GFA = Value of the lighting installation / Land Value
 = $\$3,000,000 / \$12,000$
 = **250 sqm** < cap of 0.5% GFA or 350 sqm
 (whichever lower)

Hence, the total additional GFA for both basic and special night lighting =
 $250 + 250\text{sqm}$
 = **500 sqm** < cap of 1.0% GFA or 700 sqm
 (whichever lower)