

1 SEP 2023

REVISION OF

**LAND
BETTERMENT
CHARGE (LBC)
RATES**

SLA ANNOUNCED THE REVISION OF LAND BETTERMENT CHARGE (LBC) RATES FROM 1 SEPTEMBER 2023



There are rate revisions to three land use groups – Commercial, Non-landed Residential and Hotel/Hospital. The average changes in the LBC rates for the respective land use groups are listed below. There are no changes in other land uses.

Commercial (Group A) saw LBC charges increase by an average 0.4%

Latest average change (Sept 2023 rates)	0.4%
Previous average change (Mar 2023 rates)	No change
Number of geographical sectors seeing an increase	12 of 118
Range of change	3% to 4%

Source: SLA

Geographical sectors that saw the biggest increase are the city centre (such as Tanjong Pagar, North Canal and Wilkie Road) and city fringe areas (such as Jalan Besar, Dorset Road, Sims Drive and East Coast Road).

In April 2023, the Singapore government announced that the Additional Buyer's Stamp Duty for foreigners buying residential property will double to 60%. The move dampened demand for residential properties from foreign buyers and entities, and more buyers are expected to turn towards commercial properties and shophouses for easier access into the Singapore property market.

But the increase in LBC charges for the commercial group and the recent changes in the Residential Property Act aim to prevent prices of commercial properties from rising further and becoming out of reach for genuine business use.



LBC rates for Non-Landed Residential Use (Group B2) decreased by 3% on average



Latest average change (Sept 2023 rates)	-3%
Previous average change (Mar 2023 rates)	0.3%
Number of geographical sectors seeing a decrease	111 of 118
Range of change	-3% to -11%

Source: SLA

Geographical sectors that saw the biggest decrease are the Core Central Region (CCR), in areas such as Shenton Way, Marina South and Central Boulevard.

A lower LBC rate can incentivise developers to build residential projects, or have a residential component in these areas. This aligns with URA’s CBD Incentive Scheme in 2019 to rejuvenate the city centre. The scheme seeks to promote a “work-live-play” environment in the city.

LBC rates for Hotel/Hospital (Group C) rose 3% on average

Latest average change (Sept 2023 rates)	3%
Previous average change (Mar 2023 rates)	1%
Number of geographical sectors seeing an increase	116 of 118
Range of change	3% to 5%

Source: SLA

Geographical sectors seeing the biggest increase are in the city area such as in Victoria Street, Rochor, Suntec City area, Stevens Road and Orchard Road. As the tourism sector improves further, investor interest will return into the hospitality sector.

The Singapore Tourism Board (STB) projects full tourism recovery by 2024, with the hotel average room rate seeing an increase of 14.2% year-on-year, and the average hotel occupancy rate has also increased to 80%. With the Formula 1 race and upcoming the year-end school holidays, overall hotel room revenue and revenue per available room will continue to hold for the rest of 2023.

The STB is committed to maintaining tourism as a vital economic pillar through long-term planning. Their MICE Sustainability Roadmap aims to make Singapore the leading sustainable MICE destination in Asia Pacific by 2030. Moreover, according to the Sentosa-Brani Masterplan, Sentosa will be redeveloped to offer unique visitor experiences, further boosting tourism and benefitting the hospitality sector. In addition, Singapore is one of the top medical tourism destinations due to its highly regulated medical industry. All of which is set to support investor interest in the hospitality sector.





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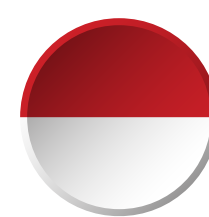
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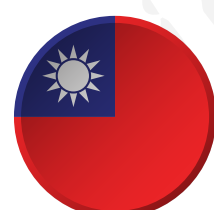
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