

LAND INTENSIFICATION ALLOWANCE (LIA)
FOR INTEGRATED CONSTRUCTION AND PREFABRICATION HUBS (ICPHs) –
FREQUENTLY ASKED QUESTIONS (FAQs)

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Qualifying companies and activities

1. What are the qualifying activities for LIA?

ICPHs are facilities for the manufacturing of prefabricated components/sub-assemblies/modules along the DfMA continuum. Thus, qualifying activities to be conducted in ICPHs include:-

- i. Prefabrication of individual components e.g. precast columns, beams, staircases;
- ii. Prefabrication of integrated sub-assemblies e.g. Prefabricated Bathroom Units (PBUs), prefabricated Mechanical, Electrical and Plumbing (MEP) systems; and/or
- iii. Prefabricated Prefinished Volumetric Construction (PPVC).

BCA will assess all applications based on multiple criteria such as the type of business activities and Gross Plot Ratio (GPR).

2. What is the minimum GPR that has to be attained?

The minimum GPR for the development of new ICPHs is 1.6.

3. I am an existing ICPH operator. Can I qualify for LIA?

New ICPHs which have applications for planning permission made on or after 8 March 2017 can qualify.

For existing ICPHs, the capital expenditure incurred for the extension/renovation works amounting to Addition & Alteration (A&A) works may qualify for LIA if:-

- i. The GPR of ICPH meets the minimum GPR of 1.6 after the extension/renovation works amounting to A&A works or;
- ii. The ICPH has already met GPR 1.6 and achieves an incremental 10% GPR improvement after the extension/renovation works amounting to A&A works.

4. Is a Joint Venture (JV) company eligible for LIA?

For ICPH built by a JV company that is incorporated as an entity, the JV company can be considered for LIA, if –

- i. At least 80% of the GFA is used by the JV company; or
- ii. In the event the ICPH is not used by the JV company, at least 80% of the GFA must be used by a company or multiple companies related to the JV company by at least 75% shareholdings.

5. Do storage spaces count towards the fulfilment of the 80% GFA requirement?

Yes, as long as the storage spaces support the qualifying activities being conducted in the building.

6. What happens if an applicant can only meet the 80% GFA criterion a few years after TOP?

The applicant is not eligible for LIA incentive as the 80% GFA criterion needs to be met at TOP issuance.

Qualifying Costs

7. Can administrative costs related to the construction or extension/renovation works amounting to A&A works of the building qualify?

The cost of preparing plans for obtaining approval for the building or structure can qualify. Please refer to the main brochure for the list of qualifying costs.

8. Does LIA support land cost or cost of purchase of existing buildings?

No. The LIA incentive only supports the qualifying capital expenditure incurred on the construction and extension/renovation works amounting to A&A works of ICPHs.

9. Can a company claim for expenditure received after TOP date?

Yes, as long as the construction expenditure was incurred before TOP.

10. How will funds be disbursed?

An initial allowance at 25% of the qualifying capital expenditure incurred for the construction of the approved building or structure will be granted in the year of assessment when the capital expenditure was incurred. Upon issuance of the TOP for the completed building or structure, an annual allowance at 5% of the qualifying capital expenditure will be granted for each year of assessment where all approved conditions and qualifying criteria are fulfilled. This will continue annually until the total allowance amounts to 100% of the total capital expenditure. Please refer to the Main Brochure for a worked example.

Application Processes and Forms

11. We have submitted the LIA application, but there are changes from the GPR we declared. Do we have to resubmit?

Yes. BCA must be kept updated of any changes relating to the application at all times.

12. What is the deadline for submitting LIA applications?

All applications must be made to BCA not later than 3 months from the date of TOP issuance for the approved ICPH building. Applicants may refer to the application flowchart for more information.