



BUILDING INDUSTRIES

## Enhancements to the Industrial Land Lease Framework

The Alliance for Action (AfA) on Business Competitiveness, formed by the Ministry of Trade and Industry (MTI) and the Singapore Business Federation (SBF) in 2024, had recommended for the Government to consider providing longer lease tenures and more flexibility in lease renewals for businesses.

2 JTC has reviewed the recommendations and will be making four enhancements to the industrial land lease framework.

### Enhancement 1: Offer an additional three years of lease tenure for all new greenfield industrial land allocations to cover businesses' building and development period

3 Businesses have provided feedback that it may take up to three years to build and develop a piece of industrial land. This effectively reduces the productive period of their lease tenures and affects the viability of their investments.

4 JTC has reviewed the feedback and will grant an additional three years of lease, with payable land rent/premium, for all new greenfield allocations where new building development is needed, so that businesses can enjoy the full 20 or 30 year intended lease term. This enhancement will take immediate effect.

### Enhancement 2: Introduce a new Flexible Lease Extension Initiative (FLEXI) scheme to allow eligible land lessees to extend their lease by up to two tranches of five-year extensions each

5 Businesses that have performed well a few years into their lease may want to expand by making incremental investments. They would like to have certainty for a longer lease given the additional investments, especially for those with shorter leases of 20 years.

6 Under JTC's new FLEXI scheme, eligible lessees on 20-year JTC leases will be allowed the flexibility to extend their leases by up to two tranches of five years. Businesses that demonstrate strong economic outcomes in their current lease term and commit to new plant and machinery investments are eligible for the FLEXI scheme. Doing so extends the leases beyond the original contracted 20 years by up to another ten years. The scheme will be implemented in 2H2025.

### Enhancement 3: Allow all lessees to apply for lease renewals ten years before lease expiry

7 Today, businesses typically approach JTC to discuss the renewal of their lease up to six years before prevailing lease expiry. JTC will bring forward the lease renewal

application window to ten years before prevailing lease expiry. This means that businesses can now have greater certainty about their renewed lease tenure earlier. This enhancement will be implemented in 2H2025.

**Enhancement 4: Recognise auditable investments made by businesses in innovation, R&D, digital transformation and Intellectual Property (IP) creation**

8 Businesses are required to make Plant and Machinery (P&M) investments as part of the requirements for lease renewal. As the nature of investments has evolved over time, JTC will expand the definition of P&M investments to recognise auditable investments in innovation, R&D, digitalisation and IP creation. This will promote value creation and productivity. This enhancement will be implemented in 2H2025.

9 For further enquiries, businesses can contact JTC.

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**About JTC**

Since its inception in 1968, JTC has played a strategic role in ensuring Singapore stays innovative and dynamic amid global manufacturing trends.

As a government agency under Singapore's Ministry of Trade and Industry, JTC is paving the way forward for Singapore's industrial landscape with green and smart estate masterplans such as one-north, Seletar Aerospace Park, Jurong Innovation District, and Punggol Digital District. Our estates attract new investment and foster collaborative ecosystems that strengthen Singapore's position as an advanced manufacturing hub. We also drive innovation in the Built Environment sector by piloting new construction technologies.

For more information on JTC, visit [www.jtc.gov.sg](http://www.jtc.gov.sg).