



SUBLETTING YOUR PREMISES

Contents

- 3 Introduction
- 4 What is Subletting
- 4 What is JTC's Policy for Subletting
- 6 How do I apply for Subletting?
- 7 What are the fees incurred and how do I pay them?
- 9 How do I renew my subletting term after expiry?
- 9 How do I terminate my subletting term prematurely?

Introduction

You can refer to this handbook to find out more about our subletting policy.

You are required to seek JTC's consent before commencing any subletting of your premises. To apply for subletting, you need to:

- Ensure that the proposed subletting arrangement complies with JTC's subletting policies and conditions;
- Submit the application via JTC's Customer Service Portal (CSP). There will be no administrative fee charged if you submit your application through CSP; and
- Pay the sublet fees and other relevant charges*.

The information contained in this handbook is subject to change. While every reasonable care has been taken in providing this information, JTC cannot be held responsible for any inaccuracies or changes arising therefrom.

** The amount payable for your application shall be based on GST at the prevailing rate. For illustration purposes, all calculations in this handbook are based on 7% GST.*

JTC's Subletting Policy

I. What is Subletting?

Subletting happens when the space in your premise is being used by another business/entity. The business will be known as your subtenant.

Do note that subletting requires our consent. Subletting without JTC's consent is a breach of the tenancy / lease agreement which we may exercise our contractual rights to terminate your tenancy / lease.

The following are exceptional arrangements where you need not apply for JTC's consent to subletting:

- (a) Co-location of customers of a lessee who is a third party logistics (3PL) provider or data centre provider, where a service agreement has been signed between the lessee (who is the service provider) and the co-locating customer. This recognises that the co-location space is required to be shared as part of the nature of the lessee's business.
- (b) Co-location of resident subcontractors who support the lessee's operations on-site **exclusively** (i.e. the use of premises is solely to support the lessee's business). This recognises industrialists' needs and the economic benefits which may be enjoyed through an insourcing business model.

II. What is JTC's policy for Subletting?

1. Subletting Quantum and Term

A sublet quantum cap is imposed to ensure majority of the industrial space is used by the industrialist for his own production. You have to comply with the allowable sublet quantum and term detailed in Table 1.

Table 1: Allowable Sublet Quantum and Sublet Term

Affected Parties	Policy With Effect From 1 September 2021
End-user Lessees (land or landed facilities)	- For related businesses whom we assess have synergies to co-locate with the end-user on site, there is no sublet quantum restriction and sublet term can be granted till the expiry of the current lease term ¹

¹ We recognise the following as related businesses:

- A business in which you own more than 50% shareholding in
- A business which owns more than 50% of your company's shares

	<ul style="list-style-type: none"> - For non-related companies², sublet quantum is capped at 30% of GFA, up to three years or your current lease expiry date, whichever is earlier.
End-user Lessees (workshop and high-rise developments)	<ul style="list-style-type: none"> - Only allowed to sublet to related companies whom we assess have synergies to co-locate with the end-user on site. There is no sublet quantum restriction and sublet term can be granted till the expiry of the current lease term. - Subletting to non-related companies is not allowed.
Third-Party Facility Providers	<ul style="list-style-type: none"> - Must sublet at least 70% of GFA per allocation to <u>anchor</u> subtenant(s)³. Subletting to anchor subtenants can be granted till the expiry of the current lease term. - Can sublet up to 30% of GFA to non-anchor subtenants with sublet term of up to three years for each non-anchor subtenant.
Tenants	<ul style="list-style-type: none"> - Only allowed to sublet to related companies whom we assess have synergies to co-locate with the end-user on site, with no sublet quantum restrictions and sublet term can be granted till the expiry of the current tenancy term. - Subletting to non-related companies is not allowed.

2. Things to Note for the Application

Before applying, do ensure that you fulfill the following criteria:

- You have not breached your lease agreement
- You do not have any rental arrears
- We have not taken any legal action against you
- You do not have any record of unauthorised subletting

² Where the lessee or tenant subcontracts or outsources his operations to another business and the outsourcing is carried out at the lessee's/tenant's premises, the arrangement will not be regarded as subletting if the subcontractor/outsourcing business uses the space solely to carry out the lessee's/tenant's job.

³ The sublet space must be occupied by an approved anchor subtenant(s) at all times. Multiple anchor subtenants are allowed to jointly fulfil the minimum 70% GFA requirement after the original anchor tenant left after fulfilling the Minimum Occupation Period.

An approved anchor subtenant is defined as a business that satisfies JTC's assessment criteria in terms of:

- value-added per sqm of the land;
- remuneration per worker;
- skilled worker profile; and
- occupying a minimum GFA of at least 1,000 sqm.

- Your subtenant's usage complies with our lease or tenancy agreement, usage guidelines and other Government Agencies' rules and regulations (e.g. URA's 60:40 space usage regulation).
- You are not subletting for pure office use only (i.e. any office usage must support the manufacturing operations within the sublet space)
- You are not subletting open land

III. How do I apply for Subletting?

1. Application Through JTC's Customer Service Portal (CSP)

Log in to JTC's CSP to submit your application.

You must submit:

- Floor plan indicating the area you intend to sublet, or if any alterations have been made to the floor plan. You may sketch on existing building plans to indicate the area you intend to sublet.
- Your subtenant's most updated business profile from Accounting and Corporate Regulatory Authority (ACRA) for related subletting
- Your subtenant's Land Transport Authority's (LTA) Land Use Proposal Form, if its usage includes warehousing
- Your subtenant's approval for storage of petroleum and flammable material from Singapore Civil Defence Force (SCDF), if its usage involves such material and exceeds allowed quantities.
- Your subtenant's National Authority Chemical Weapons Convention (NACWC) form, if its usage involves chemicals on Jurong Island sites

We will inform you of the outcome of your application through CSP, SMS or email within 7 working days of your full submission of required information and documents. For cases which require further assessment, we will liaise with you separately on the required processing time.

2. Reply to JTC Within 14 Days Upon Notification of Potential Unauthorised Subletting

If we find another business registered at or operating at your premises without our knowledge or consent, we will send a link for you to submit a declaration (via [FormSG](#)) to us within **14 days** to confirm if the business is subletting or not e.g. whether the business is only using premises as registered address without physical operations on-site, or whether the business is a related or unrelated subtenant or whether the business is your exclusive subcontractor.

If you fail to respond to us within the stipulated timeframe that the business is not an unrelated subtenant, we are entitled to either terminate your tenancy/lease agreement or consent to the unauthorised subletting at a higher

sublet fee to regularise your breach. Similarly, if your subletting is more extensive than what you have set out in your application or declaration, you may likewise be charged a higher sublet fee. The costs of any inspection to verify the subletting to this business will also be borne by you.

IV. What are the fees incurred and how do I pay them?

A sublet fee (plus GST at the prevailing rate) is applicable for subletting and payable by an end-user lessee for subletting to unrelated companies; and by a 3PPF for subletting to a non-anchor subtenant.

1. Calculation of Sublet Fee

Our sublet fees for timely applications are concessionary subject to the contents of the sublet application being true and accurate.

For late applications (including both new and renewal applications) / false declarations, a higher sublet fee is payable for late applications and where your subletting is more extensive than what you have set out in the application or declaration. In addition, costs to verify information furnished by you will also be payable. Where subletting is not allowable, JTC may exercise its right to terminate the lease/tenancy.

Table 2 below sets out the fee payable for the sublet and if there is late application based on the different subletting types.

Table 2: Sublet Fee Structure

Sublet Type	Fee (per month) for timely applications	Consequence for late applications/false declarations (Effective from 1 November 2021)
Sublet to Unrelated Entities ⁴ (within quantum)	{30% x (JTC's land rental rate per annum) x (Sublet area/Total GFA) x (Land area)}/12	Subletting without JTC's consent is a breach for which we may exercise our contractual rights to terminate your lease. Otherwise, a higher monthly sublet fee will be payable as follows ⁵ :

⁴ For certain allocations like land in one-north where land rates are pegged to domestic market rates, sublet fees for timely applications for subletting within quantum is waived. However, for late applications / false declarations, a higher sublet fee based on the table above will apply.

⁵ Higher sublet fee will be computed from sublet commencement to receipt of full sublet application.

		{100% x (JTC's land rental rate per annum) x (Sublet area/Total GFA) x (Land area)}/12
Subletting to Related Entities / Anchor Subletting	No fee payable	Same as above. Otherwise, a higher monthly sublet fee will be payable as follows: 50% of sublet rent ⁶

Please note that we may back collect any amount that we deem appropriate for unauthorised subletting (including 100% of the sublet rent or more) under our prevailing policy.

2. Payment

You will be advised of the subletting fee payable for the entire period in our sublet consent letter. The fee is payable by you through GIRO.

For non-GIRO customers, you are advised to make a separate payment via other electronic modes. Please refer [here](#) for the other payment modes available. You are also advised to pay the sublet fee within the deadline required by us. Otherwise, late payment interest (at a rate as determined by us) will be charged on the outstanding amount⁷.

For a lessee who is on land rental or upfront premium scheme

Monthly sublet fee = {30% x JTC's land rental rate per annum⁸ x (Sublet area ÷ Total GFA) x Land area} ÷ 12

Example One

JTC's land rental rate	\$22.20 psm pa
Sublet area	600 sqm
Total GFA of lessee's premises	7,000 sqm
Land area of lessee's site	5,000 sqm

Monthly sublet fee payment

= [30% x \$22.20 x (600 ÷ 7000) x 5000] ÷ 12
= \$237.86 (rounded off to two decimal places) + prevailing GST amount

⁶ For avoidance of doubt, the sublet rent will be based on the higher of the contractual/declared or assessed market sublet rental by JTC.

⁷ Interest rate is subject to review from time to time.

V. How do I renew my subletting term after expiry?

Log in to JTC's CSP to submit your subletting renewal application. You can do so 6 months before your subletting term expires.

We will inform you of the outcome of your application through the CSP, SMS or email within 7 working days of your full submission of required information and documents. For cases which require further assessment, we will liaise with you separately on the required processing time.

VI. How do I terminate my subletting term prematurely?

Log in to CSP to submit your subletting termination notification.

Do note:

- You must indicate your desired effective termination date
You must ensure that your subtenant can vacate your premises by the effective termination date. If your subtenant overstays, it will be considered as subletting without JTC's consent, which is a breach of the tenancy/ lease agreement which we may exercise our contractual rights to terminate your tenancy / lease.
- JTC will use the later date of when we receive your notification or your desired effective termination date, as the effective termination date. You will be billed up to the month of the effective termination date.

Example Two

Assuming that the lessee's monthly sublet fee is \$237.86 per month (before prevailing GST rate) on 1 June 2011, and notice was given to prematurely terminate the subletting on 10 June 2011, the sublet fee of \$237.86 per month (before prevailing GST rate) will be payable for the month of June 2011. No refund will be made.