Global Sustainable Buildings Guide - Singapore

Incentives for Green Retrofit

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# Are there any government-funded or sponsored schemes for improving the energy efficiency of existing buildings and, broadly, how do they work?

Green Mark Incentive Schemes (GMIS) were introduced to accelerate the adoption of environmentally friendly building technologies and building design practices through cash or GFA incentives.

**Built Environment Transformation Gross Floor Area Incentive Scheme ("BE Transformation GFA Scheme")1**

Under the BE Transformation GFA Scheme, valid for five years from 24 November 2021 to 23 November 2026, unless otherwise extended, the BCA and the Urban Redevelopment Authority (URA), Singapore's land use planning and conservation authority, allow additional GFA in excess of the master plan gross plot ratio (GPR) as an incentive for developers and building owners. In satisfying the [Construction Industry Transformation Map](https://www.mnd.gov.sg/our-work/creating-future-ready-industries/construction) outcome requirements in digitalization, productivity and sustainability in the development and redevelopment of private sites or GLS sites launched on and prior to 31 March 2022, of at least 5,000 m2 GFA, developers/building owners enjoy either of the following:

Up to 3% additional GFA

Up to 2% bonus GFA above the master GPR if the superstructural works have not commenced for building developments on sites launched under the GLS program on or prior to 31 March 2022

The types of eligible developments are as follows:

Residential non-landed and other developments (approved on a case-by-case basis)

Nonresidential commercial, industrial and institutional developments, such as office, retail, business park, community building, hotel, hospital or white-site developments

Any combination of the above

Where development proposals fall within areas with specific planning considerations (e.g., story height controls) or are unable to fully accommodate the additional intensity due to on-site conditions (e.g., areas with traffic concerns), a lower quantum of additional GFA may be granted and/or the bonus GFA may be limited to a particular use or uses.

**SGD 63 million Green Mark Incentive Scheme for Existing Buildings 2.0 (GMIS-EB 2.0)2**

The Ministry for National Development (MND), the key government ministry responsible for national land use and development planning,3 recognizes the cost challenges to green an existing building. The MND estimated that basic retrofitting, which involves upgrading the building's existing building cooling system, typically takes three to seven years to pay off via savings in the form of lower energy bills and operating costs. Thus, in addition to mandatory legislation, the BCA also offers incentives to encourage these building owners to achieve higher energy efficiency.4

The GMIS-EB 2.0 was launched on 30 June 2022 and is available from 30 June 2022 till the funds have been fully committed or 31 March 2027 (whichever is earlier). The objective of the GMIS-EBP 2.0 is to raise the energy performance of existing buildings and step up the pace to green 80% of our buildings by 2030, in line with the Green Building Masterplan's environmental sustainability ambitions and the target to accelerate the transition to a low-carbon built environment.

GMIS-EBP 2.0 is outcome-based where grants are provided to building owners based on the Green Mark certification rating and actual carbon abated achieved through energy improvement works (EIWs), subject to a cap.

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| **Qualifying certification** | **Funding factor (per ton of carbon dioxide equivalent (tCO2e))** | **Cap** |
| Green Mark Platinum | SGD 25 | SGD 600,000 or up to 50% of the qualifying cost, whichever is lower |
| Green Mark SLE | SGD 35 | SGD 900,000 or up to 50% of the qualifying cost, whichever is lower |
| Green Mark Zero Energy | SGD 45 | SGD 1.2 million or up to 50% of the qualifying cost, whichever is lower |

The grants will lower the upfront capital costs for energy efficiency retrofits, allowing building owners to attain higher energy performance and improve the returns on investment, particularly for buildings meeting SLE or Zero Energy standards.

GMIS-EB 2.0 applies to the following privately owned existing buildings with a GFA of at least 5,000 m2:

Commercial and institutional developments (e.g., hotels, offices, retail buildings, healthcare facilities, community institutions)

Light industrial buildings under specified Singapore Standard Industrial Classification codes (Energy savings from manufacturing, industrial and commercial processes must be excluded from the energy savings calculation.)

Residential buildings, only including energy savings from common areas/services

Once the BCA issues a letter of acceptance (LOA) to the building owner indicating the maximum grant and the owner concludes a valid and binding agreement between the owner and the BCA incorporating the required [terms and conditions](https://www1.bca.gov.sg/docs/default-source/docs-corp-buildsg/sustainability/gmis-eb-2-0-tcs-nov-2022.pdf?sfvrsn=a63acf23_0), the BCA will disburse the grant in two tranches:

Owners may submit the first tranche application upon receiving the LOA from the BCA and after the commencement of the EIWs: The quantum of the first tranche shall be determined based on the costs incurred by the owner for actual qualifying costs, being costs incurred for the following:

Purchasing and installing the EIWs

Carrying out building works to convert air-conditioned spaces to naturally ventilated or mixed-mode ventilation spaces

Procuring professional services for the project as of the date of the first tranche application

Owners may submit the second tranche application, with supporting documents, after the completion of the EIWs and no later than 36 months from the date of the LOA. The owner must ensure that its development has achieved the Green Mark certification and completed the Green Mark verification. The second tranche quantum will be based on whichever is lowest of the following calculations (and will not exceed an amount equal to the maximum grant amount less the quantum of the first tranche):

The actual carbon abated

50% of the actual qualifying costs incurred by the owner for the project

The applicable funding cap

**JTC's solar deployment scheme5**

JTC Corporation (JTC), the government agency in charge of planning and developing industrial infrastructure,6 plans to deploy solar photovoltaic (PV) panels at all feasible JTC buildings, vacant industrial land and at sea by 2030, with JTC aiming to persuade more privately leased industrial properties to do the same. As of May 2023, privately leased industrial properties make up 72% of the total potential solar capacity from industrial estates.

The aim is to have all these solar panels — including those deployed at sea — achieve a solar capacity of 1,250 megawatt-peak (MWp), or contributing to 60% of Singapore's total solar deployment target of at least 2 gigawatt-peak (GWp), by 2030. This target, enough to power about 350,000 households here for a year, is expected to make up 3% of Singapore's total electricity demand in 2030.

Mandatory solar deployment:7 Solar deployment is mandatory for the following JTC leases:

New and renewed land and land-based facilities

(With effect from 1 April 2022) on the assignment/transfer or redevelopment of the land and land-based facility

If the site has at least the following:

800 m2 of available contiguous rooftop area

Fifteen years of remaining lease term or more

Voluntary solar deployment: Where the land or land-based facility does not meet the above conditions, a JTC lessee may still choose to install solar panels voluntarily.

From 1 December 2022, JTC lessees are not required to apply for consent for their voluntary solar deployment that only comprises the installation of solar PV panels and supporting equipment that do not do the following:

Result in changes in the authorized use, GFA, use quantum as specified by the URA and plot ratio

Affect the structural integrity of an existing building

Nonetheless, the JTC lessee is still required to obtain JTC's consent for any additions and alterations to the JTC land and land-based facilities and may also be required to obtain approval from other authorities such as the URA and the Singapore Civil Defence Force.

Under the terms of the JTC solar deployment,8 solar panels are installed for free (i.e., no capital cost through the Solar Roof programme with JTC's appointed vendor, currently being Sembcorp Solar) and JTC lessees can enjoy discounted rates for power generated from solar panels on their roofs. Alternatively, they can earn revenue by leasing their roof space for solar panels to be installed. The three models of deployment are:

Rooftop licensing (no capital cost): JTC's appointed vendor installs PV panels on the premises and pays rental to the JTC lessee. The solar-generated energy is then exported to the national grid by the solar vendor.

Solar leasing (no capital cost): JTC's appointed vendor installs PV panels on the premises. The solar-generated energy is then sold to the JTC lessee at a discounted rate to offset its building power consumption.

Direct ownership: The JTC lessee purchases PV panels from its own solar vendor and arranges for installation. The solar energy generated is for the JTC lessee's own consumption on the premises, and the JTC lessee may sell excess energy to the grid.

Since July 2022, the minimum contract period for solar deployment has been reduced from 15 years to eight years, allowing companies with shorter lease periods to also benefit.9

**Green Buildings Innovation Cluster (GBIC) programme10**

The GBIC programme, established in 2014, supports the development and demonstration of innovative energy-efficient technologies and solutions with high potential to be widely adopted.

To push the boundaries of energy efficiency in buildings, the BCA provides enhanced funding of SGD 45 million11 for the GBIC programme. The enhanced programme, GBIC 2.0, available for applications by industry and research communities from 2022, targets key demand drivers, such as building owners and developers, and their value chains to cocreate and accelerate solutions and commercialization through industry partnerships. Research areas under GBIC 2.0 include developing alternative cooling technologies, data-driven smart building solutions and next-generation building ventilation.

[1] See the BCA [Factsheet on Built Environment Transformation Gross Floor Area (GFA) Incentive Scheme](https://www1.bca.gov.sg/docs/default-source/docs-corp-buildsg/sustainability/factsheet-and-faqs.pdf?sfvrsn=1850794_0).

[2] See the BCA [Green Mark Incentive Schemes: Green Mark Incentive Scheme for Existing Buildings 2.0 (GMIS-EB 2.0)](https://www1.bca.gov.sg/buildsg/sustainability/green-mark-incentive-schemes/green-mark-incentive-scheme-for-existing-buildings-2.0) and [Green Mark Incentive Scheme for Existing Buildings 2.0 (GMIS-EB 2.0) Factsheet](https://www1.bca.gov.sg/docs/default-source/docs-corp-buildsg/sustainability/gmis-eb-2-0-factsheet-nov-2022.pdf?sfvrsn=b78a7c30_0).

[3] See the MND [Introduction](https://www.mnd.gov.sg/who-we-are/introduction).

[4] See the [Second Reading of the Building Control (Amendment) Bill](https://sprs.parl.gov.sg/search/#/sprs3topic?reportid=bill-192) by the senior minister of state for national development, 10 September 2012.

[5] See JTC [Managing tenancy or lease: Solar deployment](https://www.jtc.gov.sg/get-help/managing-your-tenancy-or-lease/solar-deployment).

[6] See [JTC: Who We Are](https://www.jtc.gov.sg/about-jtc/who-we-are).

[7] See JTC [Managing tenancy or lease: Solar deployment](https://www.jtc.gov.sg/get-help/managing-your-tenancy-or-lease/solar-deployment).

[8] See the [JTC Environmental Sustainability: Solar Deployment Toolkit](https://www.jtc.gov.sg/-/media/project/jtc-cx/corpweb/assets/get-help/solar-deployment-toolkit.pdf).

[9] See JTC's press release: [JTC leads solar deployment across Singapore's industrial estates towards achieving potential solar capacity of 1,250 MWp](https://www.jtc.gov.sg/about-jtc/news-and-stories/press-releases/jtc-leads-solar-deployment-across-singapore-industrial-estates#:~:text=JTC%20SolarRoof%20to%20make%20solar%20adoption%20easy%20for%20companies&amp;text=Since%20July%202022%2C%20the%20minimum,also%20benefit%20from%20the%20programme.).

[10] See the BCA [Green Buildings Innovation Cluster (GBIC) program](https://www1.bca.gov.sg/buildsg/buildsg-transformation-fund/green-buildings-innovation-cluster-gbic-programme).

[11] See the MND: [Speech by MOS Faishal at the Singapore Green Building Council Gala Dinner](https://www.mnd.gov.sg/newsroom/speeches/view/speech-by-mos-faishal-at-the-singapore-green-building-council-gala-dinner); 15 September 2023.

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