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Royal Government of Bhutan

National Land Commission

Department of Land Administration & management

Land Management Division



NLCS/DoLAM/LMD-Lease/B12/2023-24/ 000261

15/01/2024

Notification no: NLCS/2024/02

Subject: Implementation of Revised State Land Lease Rates, 2023

State Land (SL) leasing in the country plays a crucial role in land management, urban development, and economic growth. It provides opportunities for individuals, public and private entities to utilize land resources for commercial, industrial, agricultural, or recreational purposes.

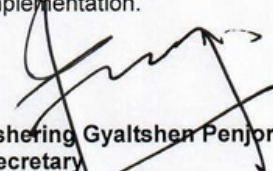
The lease rents for SL (State Land) were established in February 2009 and have remained unchanged for over 14 years. However, during this period, discrepancies were identified in the determination of lease rents, where the rents showed no correlation with the land value, among other factors. It is crucial to periodically revise lease rates to adapt to evolving economic conditions, promoting the effective utilization of land, enhancing revenue generation, and discouraging underutilization.

Hence, in adherence to Section 309 of the Land Act of Bhutan 2007, which mandates the revision of land lease rates every five years, the process of revising the lease rates was initiated. The responsibility for coordinating this revision was delegated to the Property Value and Assessment Agency (PAVA) unit within the Ministry of Finance (MoF), with active collaboration from pertinent stakeholders, including the NLCS.

Following the successful completion of the revision process, the NLCS would like to inform all relevant stakeholders to implement the revised 'State Land Lease Rates 2023' with immediate effect. The Land Record Sectors at the Local Governments shall ensure to maintain updated and accurate inventory of all lease rent payments, and submit an annual report to the HQ, NLCS to ensure ongoing oversight and accuracy in lease rent management.

Anticipating your continued cooperation and commitment to the successful implementation of the revised 'State Land Lease Rates 2023'.

Note: Enclosed herewith are the revised 'State Land Lease Rates 2023' for implementation.


Tshering Gyaltsen Penjor
Secretary

Land Lease Section
323024

Satshab / Exchange Section
328836

Chief, Land Management Division
324993

Director(DoLAM)
325219



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CC:

1. The Gyalzim, Office of Gyalpoi Zimpon (OGZ) for kind information.
2. The Secretary, Ministry of Finance (MoF) for information and reference.
3. The Secretary, Ministry of Industry, Commerce and Employment (MoICE) for information and implementation.
4. The Secretary, Ministry of Energy and Natural Resources (MoENR) for information and implementation.
5. The Secretary, Ministry of Infrastructure and Transport (MoIT) for information and reference.
6. The Secretary, Ministry of Agriculture and Livestock (MoAL) for information and reference.
7. The Dzongdag/Executive Secretary, Dzongkhags/Thromdes for immediate implementation.
8. Land Record Sectors, Dzongkhag/Thromdes for immediate implementation.

STATE LAND LEASE RATES, 2023

National Land Commission Secretariat (NLCS)

1. State Land Lease Rate inside Thromdes in Nu./sq.ft./annum

SN	Urban Center	Business (B)			Residential (R)			Institutional (I)	
		Trading	Manufact./ Production	Services	Long Term	Short Term	Temporary	Non Social	Social
1	Thimphu Thromde	49.73	24.87	24.87	18.49	23.11	28.89	7.40	3.70
2	Phuntholing Thromde	46.54	23.27	23.27	17.56	21.95	27.44	7.02	3.51
	Phuntholing Thromde (Extd.)	23.27	11.64	11.64	8.78	10.98	13.72	3.51	1.76
3	Gelephu Thromde	10.02	5.01	5.01	4.64	5.80	7.25	1.86	0.93
4	Samdrup Jongkhar Thromde	42.00	5.30	5.30	5.01	6.26	7.83	2.00	1.00
5	Bumthang Throm	2.52	1.26	1.26	1.41	1.76	2.20	0.56	0.28
6	Tsimasham Throm	1.47	0.74	0.74	0.75	0.94	1.17	0.30	0.15
7	Dagana Throm	1.38	0.69	0.69	0.76	0.95	1.19	0.30	0.15
8	Gasa Throm	1.26	0.63	0.63	0.60	0.75	0.94	0.24	0.12
9	Haa Throm	1.80	0.90	0.90	1.31	1.64	2.05	0.52	0.26
10	Lhuntse Throm	2.04	1.02	1.02	1.03	1.29	1.61	0.41	0.21
11	Mongar Throm	8.12	4.06	4.06	3.50	4.38	5.47	1.40	0.70
12	Paro Thromde	10.00	5.00	5.00	5.14	6.43	8.03	2.06	1.03
13	(Denchi) P/Gatshel Throm	1.51	0.76	0.76	0.89	1.11	1.39	0.36	0.18
14	Punakha Throm	6.24	3.12	3.12	3.10	3.88	4.84	1.24	0.62
15	Samtse Throm	8.19	4.10	4.10	3.75	4.69	5.86	1.50	0.75
16	Sarpang Throm	1.83	0.92	0.92	0.86	1.08	1.34	0.34	0.17
17	Trashigang Throm	5.65	2.83	2.83	2.87	3.59	4.48	1.15	0.57
18	T/Yangtse Throm	2.68	1.34	1.34	1.22	1.53	1.91	0.49	0.24
19	Trongsa Dzongkhag Throm	3.81	1.91	1.91	2.03	2.54	3.17	0.81	0.41

Urban Land Lease Rates 2023 (Nu. / Sq. ft./ Annum)

Annexure - 8.i

SN	Urban Center	Business (B)			Residential (R)			Institutional (I)	
		Trading	Manufact./ Production	Services	Long Term	Short Term	Temporary	Non Social	Social
20	(Damphu) Tsirang Dzo. Throm	5.28	2.64	2.64	2.01	2.51	3.14	0.80	0.40
21	W/Phodrang Throm	5.57	2.79	2.79	2.36	2.95	3.69	0.94	0.47
22	Zhemgang Throm	1.17	0.59	0.59	0.78	0.98	1.22	0.31	0.16
23	Chumey, Bumthang	0.61	0.31	0.31	0.32	0.40	0.50	0.13	0.06
24	Gedu, Chukha	3.66	1.83	1.83	1.78	2.23	2.78	0.71	0.36
25	Tala, Chukha	0.96	0.48	0.48	0.49	0.61	0.77	0.20	0.10
26	Lhamoyzingkha, Dagana	0.68	0.34	0.34	0.35	0.44	0.55	0.14	0.07
27	Dagapela, Dagana	0.64	0.32	0.32	0.33	0.41	0.52	0.13	0.07
28	Drujaygang, Dagana	0.51	0.26	0.26	0.29	0.36	0.45	0.12	0.06
29	Sunkosh, Dagana	0.59	0.30	0.30	0.31	0.39	0.48	0.12	0.06
30	Damji, Gasa	0.63	0.32	0.32	0.29	0.36	0.45	0.12	0.06
31	Jyenkana, Haa	0.71	0.36	0.36	0.37	0.46	0.58	0.15	0.07
32	Autsho, Lhuntse	1.02	0.51	0.51	0.53	0.66	0.83	0.21	0.11
33	Gorgan, Lhuntse	0.66	0.33	0.33	0.49	0.61	0.77	0.20	0.10
34	Yadi, Mongar	1.10	0.55	0.55	0.65	0.81	1.02	0.26	0.13
35	Kidekhar, Mongar	0.94	0.47	0.47	0.69	0.86	1.08	0.28	0.14
36	Lingmethang, Mongar	1.74	0.87	0.87	0.72	0.90	1.13	0.29	0.14
37	Dremetse, Mongar	0.97	0.49	0.49	0.63	0.79	0.98	0.25	0.13
38	Gyelposhing, Mongar	4.18	2.09	2.09	2.00	2.50	3.13	0.80	0.40
39	Jitsiphu, Paro	1.41	0.71	0.71	0.75	0.94	1.17	0.30	0.15
40	Beteykha, Paro	0.51	0.26	0.26	0.31	0.39	0.48	0.12	0.06
41	Nganglam, Pema Gatshel	1.77	0.89	0.89	0.92	1.15	1.44	0.37	0.18
42	Old Dzong Area, Pema Gatshel	1.29	0.65	0.65	0.70	0.88	1.09	0.28	0.14

Urban Land Lease Rates 2023 (Nu. / Sq. ft./ Annum)

Annexure - 8.i

SN	Urban Center	Business (B)			Residential (R)			Institutional (I)	
		Trading	Manufact./ Production	Services	Long Term	Short Term	Temporary	Non Social	Social
43	Lobeysa, Punakha	2.24	1.12	1.12	1.28	1.60	2.00	0.51	0.26
44	Thinleygang, Punakha	1.50	0.75	0.75	0.77	0.96	1.20	0.31	0.15
45	Samdrupcholing, S/Jongkhar	2.11	1.06	1.06	0.74	0.93	1.16	0.30	0.15
46	Jomotshangkha, S/Jongkhar	0.98	0.49	0.49	0.48	0.60	0.75	0.19	0.10
47	Narphung, S/Jongkhar	0.64	0.32	0.32	0.37	0.46	0.58	0.15	0.07
48	Gomtu, Samtse	2.03	1.02	1.02	1.07	1.34	1.67	0.43	0.21
49	Sipsu (Gola Bazar), Samtse	1.84	0.92	0.92	0.93	1.16	1.45	0.37	0.19
50	Jigmecholling, Sarpang	0.59	0.30	0.30	0.30	0.38	0.47	0.12	0.06
51	Khasadrapchu, Thimphu	3.72	1.86	1.86	2.16	2.70	3.38	0.86	0.43
52	Debsi, Thimphu	8.27	4.14	4.14	4.29	5.36	6.70	1.72	0.86
53	Kabisa, Thimphu	8.27	4.14	4.14	3.74	4.68	5.84	1.50	0.75
54	Hontsho, Thimphu	3.51	1.76	1.76	1.86	2.33	2.91	0.74	0.37
55	Rangjung, Trashigang	1.94	0.97	0.97	1.16	1.45	1.81	0.46	0.23
56	Khaling, Tashigang	1.87	0.94	0.94	1.27	1.59	1.98	0.51	0.25
57	Kanglung, Tashigang	2.70	1.35	1.35	1.58	1.98	2.47	0.63	0.32
58	Wamrong, Tashigang	1.21	0.61	0.61	0.90	1.13	1.41	0.36	0.18
59	Reserboo, Trashigang	1.02	0.51	0.51	0.68	0.85	1.06	0.27	0.14
60	Duksum, Trashy Yangtse	1.08	0.54	0.54	0.56	0.70	0.88	0.22	0.11
61	Kuengarabten, Trongsa	0.59	0.30	0.30	0.30	0.38	0.47	0.12	0.06
62	Taktsi, Trongsa	0.55	0.28	0.28	0.29	0.36	0.45	0.12	0.06
63	Mendrelgang, Tshirang	0.62	0.31	0.31	0.31	0.39	0.48	0.12	0.06
64	Nobding, Wangdue Phodrang	0.65	0.33	0.33	0.33	0.41	0.52	0.13	0.07
65	Rurichu, Wangdue Phodrang	0.92	0.46	0.46	0.48	0.60	0.75	0.19	0.10

Urban Land Lease Rates 2023 (Nu. / Sq. ft./ Annum)

Annexure - 8.i

SN	Urban Center	Business (B)			Residential (R)			Institutional (I)	
		Trading	Manufact./ Production	Services	Long Term	Short Term	Temporary	Non Social	Social
66	Panbang, Zhemgang	0.62	0.31	0.31	0.36	0.45	0.56	0.14	0.07
67	Tingtibi, Zhemgang	0.76	0.38	0.38	0.44	0.55	0.69	0.18	0.09

Note: Lease rate for sports facilities and recreational parks will be continued at a token fee of Nu. 0.10 per Sq. ft. per annum. This shall not be applicable to anything of commercial ventures.

B - Business (Related to any of the commercial activities falling as per the license categorization viz. Trading, Manufacturing / Production and Services)

R - Residential (Living quarters area and shall include areas given for accommodation of construction workers and store for building construction. Shall be in terms of Long Term (above 3 years), Short Term (up to 3 years) and Temporary (up to 6 months).)

I - Institutional (Related to any areas occupied by an Organization and shall be in terms of Social and Non-social use. Social shall cover areas occupied by CSO's, Schools*, Hospitals, Religious Bodies, Rehabilitation Centers, Orphanages, etc. Non-social use shall cover areas occupied by Government, Corporate Offices and Utilities Service Structures *eg. substation/electric DP/ Fiber Cabinet/Telecommunications* .)

*Land lease rates for Schools in Thimphu to be maintained status quo with provisions for 10% increase every two years.

*Monopole(electric/mobile tower) to be lumpsum negotiated amount and under cable duct not required to be leased. .

2. Industrial Parks (IP) Land Lease Rates		
Lease Rate In Nu. Per Sq.Ft Per Annum		
SN	Name of Place	Nu.
1	Jemina Industrial Estate, Thimphu	4.10
2	Pasakha Industrial Estate, Phuntsholing	10.00
3	Norbugang Industrial Park, Samtse	4.10
4	Motanga Industrial Park, S/Jongkhar	4.10
5	Dhamdhum Industrial Park, Samtse	4.10
6	CSI Estate, Changchey, Tsirang	2.30
*Based on Infrastructure Development cost and parameters set		
Notes- 1. The lessees at the Industrial Estate already paying higher rent from the above proposed rent will continue with their current rent and shall be subject to 10% increase every two years in line with the Tenancy Act 2015, while the earlier incremental conditions shall be superseded. 2. All above Industrial Parks lease rate shall be increased after every two years.		

3. Tsamdro and Sokshing		
3.1. State Land Lease reates for Tsamdro/pasture development & Sokshing		
	Nu. Per acre/year)	
1.a) Lease rate for individual lease	120.00	90% rebate to domicile individuals or communities and no rebate for non-domicile people
1.b) Lease rate for community lease	85.00	
3. 2. Sokshing Lease Rat	Nu. 10 per acre per year	

4. State Land Lease Rate for Mining Activities
Nu. 2,800/- per acre per annum

5. State Land Lease Rate Commercial Agriculture/Livestock Farm

Different rates for the 20 Dzongkhags based on percentage of Class D
Chhuzhing land rate

SN	Dzongkhags	Class D rates (Nu/acre/annum)
1	Bumthang	2,258.80
2	Chhukha	1,765.96
3	Dagana	1,796.46
4	Gasa	1,313.06
5	Ha	1,861.89
6	Lhuentse	2,040.21
7	Mongar	2,147.90
8	Paro	3,089.52
9	Pema Gatshel	1,845.36
10	Punakha	2,795.54
11	Samdrup Jongkhar	1,712.77
12	Samtse	1,894.81
13	Sarpang	1,960.06
14	Thimphu	3,169.92
15	Tsirang	1,834.55
16	Tashi Yangtse	2,054.02
17	Tashigang	2,055.22
18	Tongsa	1,833.03
19	Wangdue Phodang	2,761.21
20	Zhemgang	1,807.05

**6. State Land Lease Rate for Business Activities outside
Industrial Park in Nu./sq.ft./annum**

SN	Dzongkhag	Rate (Nu)
1	Bumthang	0.30
2	Chhukha	0.19
3	Dagana	0.17
4	Gasa	0.12
5	Ha	0.18
6	Lhuentse	0.17
7	Mongar	0.24
8	Paro	0.52
9	Pema Gatshel	0.18
10	Punakha	0.36
11	Samdrup Jongkhar	0.20
12	Samtse	0.27
13	Sarpang	0.23
14	Thimphu	0.72
15	Tsirang	0.24
16	Tashi Yangtse	0.21
17	Tashigang	0.23
18	Tongsa	0.21
19	Wangdue Phodang	0.28
20	Zhemgang	0.17

7. State Land Lease Rate for Development Activities
(Government and non profit CSOs excluding government corporations)

SN	Development Activities
1	Govt. Out Reach Clinics (ORCs)
2	NWF dwelling sites
3	Camp sites for geo-scientific investigation/survey/research
4	RNR research activities (eg. Trial fields for High altitude rice/medicinal and aromatic plants, etc.)
5	Civil Society Organizations
6	Forestry Plantations
7	Any other government development initiatives/activities.

SN	Dzongkhag	Nu. Per acre/annum
1	Bumthang	265.50
2	Chhukha	168.35
3	Dagana	144.65
4	Gasa	103.63
5	Ha	156.69
6	Lhuentse	146.92
7	Mongar	207.84
8	Paro	452.80
9	Pema Gatshel	157.50
10	Punakha	312.36
11	Samdrup Jongkhar	176.56
12	Samtse	237.58
13	Sarpang	200.54
14	Thimphu	630.50
15	Tsirang	210.77
16	Tashi Yangtse	179.06
17	Tashigang	201.79
18	Tongsa	179.85
19	Wangdue Phodang	244.72
20	Zhemgang	151.32

