

KEENER SENSE OF REAL ESTATE

A Message from Our Managing Director

Forging Ahead

This quarter is a hot season for the local real estate market. However, it is "hot" not because of the pick-up in transaction volume, instead, it is due to the latest news on some merger and acquisition activities.

Given today's ultracompetitive environment, it is understandable that some of the smaller real estate agencies need to come together as they find difficulty in competing with the bigger agencies. Somehow, many industry players believe that "Number is not everything, but everything is about number". Hence, I won't be surprised to see more merging and acquisition of agencies in the near future.

The good news is that OrangeTee is well-positioned to forge ahead with the changing environment. Notably, there are increasing positive signs that we are growing from strength to strength.

First, based on our records, the Agency strength has grown by more than 10% this year. This is the fastest growth rate among the top 10 agencies during this period. In fact, our number is still growing fast and we should be able to see a big jump in the CEA public register this July.

Secondly, we have successfully secured a number of new and re-launched projects including residential and non-residential developments. Given

that we now have a stronger project team and a sizable sales force, we are confident that we will continue to be an active player in the primary market. In addition, we also see significant improvement in other businesses such as valuation and investment sales.

This year, Singapore is celebrating its 50th year of independence. As one of the home grown "corporate citizens", we will celebrate together with our country with a series of events and activities from July onwards. To kick off, we are working with People Association to display large artwork on OrangeTee Building to recalling memories when Toa Payoh was rising as one of the pioneer satellite towns. The other events and activities will be announced in due course.

Let's celebrate together.

Steven Tan
Managing Director
OrangeTee



Primary Market to be Set Abuzz with Activity in 2H15

By Project Marketing Division

It is going to be a busy year for agents and home buyers alike, with 11 major residential projects expected to be launched in 2H15. These 11 projects can bring around 7,500 residential units into the market, assuming they are all fully launched.

Besides new launches, the market can look forward to a slew of relaunches as well. With many unsold units left on the market and market sentiments still remaining tempered, developers' inclination towards a relaunch is slowly mounting. Competition for buyers is set to intensify, in light of recent changes to developer disclosure rules and show flat rules. Developers will have to differentiate their product well or price their units attractively in order to sell. As such, with many new launches and relaunches to take place in the second part of the year, the primary market is expected to be set abuzz with activity.

Projects to look out for include High Park Residences (Private Residential) by CEL Development and Parc Life (EC) by Frasers Centre Point Limited. High Park Residences is currently the nearest condominium project to the Seletar Aerospace Park, and it will meet the housing demands of the growing

aerospace industry in Seletar. Parc Life is located adjacent to the popular Skypark Residences in Sembawang, and is expected to be well received when launched. As of April 2015, Skypark Residences is already 74% sold out with 375 units out of 506 units sold.

The primary market in 2H15 will be dominated by Executive Condominium (EC) launches, with 6 of the 11 expected launches to be EC projects. As such, it is imperative that agents familiarize themselves with the EC market and immerse themselves with domain knowledge to be able to market ECs effectively. With the increased attention on ECs in the months ahead, agents with buyers for an EC should be highly skilled and trained in this sector so that they can effectively recommend the most suitable EC among the lot to their buyers.

Exhibit 1: Expected launches in 2H15

Project Name/ Parcel	Property Type	No. of Expected Units	Expected Average Selling Price (SPSF)
High Park Residences	Residential (Non-Landed)	1,390	\$950 - \$1,000
Parc Life	Executive Condo	660	\$760 - \$800
The Brownstone	Executive Condo	638	\$780 - \$820
The Vales	Executive Condo	517	\$800 - \$850
Sol Acres	Executive Condo	1,327	\$800 - \$850
Prince Charles Crescent (Parcel B)	Residential (Non-Landed)	663	\$1,700 - \$1,800
Yishun Street 51 (Parcel B)	Executive Condo	525	\$800 - \$820
Yishun Street 51 (Parcel A)	Executive Condo	505	\$800 - \$820
Upper Serangoon Road / Meyappa Chettiar Road Parcel	Commercial & Residential	685	\$1,600 - \$1,700
Lorong Puntong Parcel	Residential (Non-Landed)	280	\$1,450 - \$1,500
Upper Serangoon Road Parcel	Commercial & Residential	340	\$1,580 - \$1,650

Source: URA, OrangeTee Research

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- Agency • Residential Projects • Business Space • Corporate Residential Services • International Projects • Investments & Advisory
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Rental Gems

By *Wong Xian Yang*, Research & Consultancy Department

Overall gross rental yields in Singapore for non-landed private homes are approximately around 2.7% to 3.9%. Currently, based on the basket of projects, Core

Central Region (CCR) rental yields are around 2.7% to 3.5%, Rest of Central Region (RCR) rental yields average around the 2.8% to 3.6% range, while rental yields in the Outside Central Region

(OCR) command higher yields at 3.2% to 3.9%. Listed below are some major projects (100 units and above) with attractive current rental yields, and their common characteristics.

Exhibit 1: Projects whose rental yields => 4%

S/No	Project Name	Region	District	Planning Area	Walking Distance from MRT	Completion Date	Tenure	Average Rents \$PSF	No of Rental Contracts	Sale Price \$PSF	Median Sale Quantum	No of sales Transactions	Estimated Gross Rental yield
1	SUITES @ EASTCOAST	OCR	15	Bedok	No	2012	FH	5.42	51	\$1,140	\$1,080,000	9	5.7%
2	THE CLIFT	CCR	1	Downtown Core	Yes	2011	99 Yr	7.36	127	\$1,858	\$1,580,000	5	4.8%
3	VISTA PARK	RCR	5	Queenstown	No	1985	99 Yr	3.44	60	\$886	\$920,000	9	4.7%
4	PARK WEST	OCR	5	Clementi	No	1985	99 Yr	2.87	93	\$745	\$1,170,000	8	4.6%
5	RIVERVALE CREST	OCR	19	Sengkang	No	2002	99 Yr	2.81	36	\$759	\$910,000	11	4.4%
6	KERRISDALE	RCR	8	Kallang	No	2005	99 Yr	3.89	86	\$1,080	\$1,350,000	17	4.3%
7	SKYSUITES@ANSON	CCR	2	Downtown Core	Yes	2014	99 Yr	8.20	39	\$2,276	\$1,550,700	10	4.3%
8	GLENTREES	RCR	10	Bukit Timah	No	2005	99 Yr	4.45	26	\$1,241	\$2,435,000	9	4.3%
9	ICON	CCR	2	Downtown Core	Yes	2007	99 Yr	6.45	340	\$1,814	\$1,390,000	6	4.3%
10	MELVILLE PARK	OCR	18	Tampines	No	1996	99 Yr	2.72	304	\$767	\$826,000	29	4.3%
11	LOYANG VALLEY	OCR	17	Pasir Ris	No	1985	99 Yr	2.22	66	\$625	\$1,065,000	6	4.3%
12	PARC IMPERIAL	RCR	5	Queenstown	Yes	2010	FH	6.11	98	\$1,727	\$690,000	5	4.2%
13	EASTPOINT GREEN	OCR	18	Tampines	No	1999	99 Yr	2.95	164	\$839	\$920,000	12	4.2%
14	WATERBANK AT DAKOTA	RCR	14	Geylang	Yes	2013	99 Yr	5.19	130	\$1,479	\$1,515,000	12	4.2%
15	COMPASS HEIGHTS	OCR	19	Sengkang	Yes	2002	99 Yr	3.00	80	\$860	\$1,024,000	12	4.2%
16	AQUARIUS BY THE PARK	OCR	16	Bedok	No	2000	99 Yr	2.97	100	\$854	\$1,042,500	18	4.2%
17	OLEANDER TOWERS	RCR	12	Toa Payoh	Yes	1997	99 Yr	3.45	79	\$996	\$1,155,000	6	4.2%
18	BLUE HORIZON	OCR	5	Clementi	No	2005	99 Yr	3.68	154	\$1,073	\$1,245,000	15	4.1%
19	HILLVIEW REGENCY	OCR	23	Bukit Batok	No	2005	99 Yr	2.91	73	\$849	\$950,000	19	4.1%
20	CASTLE GREEN	OCR	26	Ang Mo Kio	No	1997	99 Yr	2.88	79	\$845	\$850,000	11	4.1%
21	REGENT GROVE	OCR	23	Choa Chu Kang	Yes	2000	99 Yr	2.50	77	\$735	\$860,000	17	4.1%
22	LAKEHOLMZ	OCR	22	Jurong West	No	2005	99 Yr	3.06	36	\$901	\$1,175,000	14	4.1%
23	CITYLIGHTS	RCR	8	Kallang	Yes	2007	99 Yr	5.19	240	\$1,535	\$1,316,500	12	4.1%
24	HERITAGE VIEW	RCR	5	Queenstown	No	2000	99 Yr	3.89	161	\$1,156	\$1,370,000	11	4.0%
25	VISIONCREST	CCR	9	Museum	Yes	2007	FH	6.42	106	\$1,910	\$1,843,000	9	4.0%
26	ONE-NORTH RESIDENCES	RCR	5	Queenstown	No	2009	99 Yr	4.69	179	\$1,396	\$1,550,000	14	4.0%
27	THE MAYFAIR	OCR	22	Jurong East	Yes	2000	99 Yr	2.95	92	\$881	\$1,000,000	20	4.0%
28	TANAMERA CREST	OCR	16	Bedok	No	2004	99 Yr	2.97	35	\$886	\$1,067,500	10	4.0%
29	DOVER PARKVIEW	RCR	5	Queenstown	No	1997	99 Yr	3.56	207	\$1,065	\$1,075,000	18	4.0%
30	EAST MEADOWS	OCR	16	Bedok	Yes	2001	99 Yr	3.17	96	\$946	\$1,150,000	10	4.0%
31	YISHUN EMERALD	OCR	27	Yishun	No	2002	99 Yr	2.46	32	\$736	\$857,000	13	4.0%
32	FABER CREST	OCR	5	Clementi	No	2001	99 Yr	3.06	24	\$918	\$1,375,500	10	4.0%
33	THE INFINITI	OCR	5	Clementi	No	2008	FH	3.05	35	\$917	\$1,139,900	6	4.0%
34	QUEENS	RCR	3	Queenstown	Yes	2002	99 Yr	4.18	179	\$1,255	\$1,465,000	16	4.0%

Source: URA, OrangeTee Research

Observation

99-year leasehold projects dominates rental yields

As expected, leasehold properties on the whole are considered to be the most attractive when comparing rental yields - 29 out of the 34 selected projects (85%) are 99-year leasehold. This is because of a lower relative \$psf when buying a 99-year leasehold property compared to freehold, assuming all other things are equal. As tenants are generally not concerned about the tenure of the property, leasehold properties tend to have an advantage as compared to freehold when looking purely at rental yields.

Projects with small units pull up rental yields

In the current market, shoebox units do appear to command higher gross rental yields, due to their smaller sizes. Suites @ East Coast has a large proportion of units under 50 square metres. As such, we see Suites @ East Coast taking the first spot with a gross rental yield of 5.7%. However, one should not blindly jump onto the shoebox unit bandwagon. As the performance of shoe box units is not homogeneous, one should consider the rental demand and available supply of such units in the vicinity.

Majority in the Outside Central Region (OCR)

56% of the identified projects with high rental yield are in the OCR, with CCR and RCR projects taking up 12% and 32% respectively. As prices are one of the main determinants for rental yields, and since prices in the suburbs are usually relatively lower compared to the central region, the rental yields for suburban projects tend to be higher.

Older projects achieve higher rental yields

56% of the projects identified are more than 10 years of age, with 29% between 5 to 10 years old and 15% aging less than 5 years old. Property values depreciates as the building ages and lease shortens for leasehold projects. Although, newer projects tend to be easier to rent out compared to older projects, tenants also consider other project characteristics, such as design, facilities and general upkeep of the project.

Distance from MRT

Notably, the projects that are within walking distance to a MRT station do not necessarily command high rental yields. 20 out of 34 projects are not within walking distance from a MRT station. This is understandable because projects located near to MRT stations command a price and rental premium over

projects located further away. However, rental and sale premiums may not be the same, percentage wise. This would explain why projects that are relatively inaccessible are still able to command high rental yields.

Conclusion

Ultimately, rental yield is still just one part of the return equation, with regard to total investment return. When investing in real estate, one should also look at the capital growth potential. Looking at rental yields is one way of syphoning mispricing in the market, and may sometimes reveal undervalued properties. Projects which have high gross rental yields tend to be older, 99 year leasehold suburban projects. However, investors do need to factor in project 'rentability' factors like location and nearby amenities as well as broad market conditions such as rents easing due to impending supply in the pipeline. For investors with a higher budget, they may look towards the Queenstown area, where the 'rentability' factor is high. For those who are on a tighter budget, they would find that there are some rental gems in the suburban areas too.

RESIDENTIAL PROJECTS

SINGAPORE

High Park Residences



OrangeTee is proud to be involved in the blockbuster launch of 2015 – High Park Residences – jointly developed by CEL, Heeton and KSH.

Located in close proximity to the Seletar Aerospace Park, High Park Residences is situated next to the Thangam MRT and within walking distance to the new Seletar Mall. 1390 residential units are housed in six towers, and almost all units will get fascinating views of the external greenery or internal facilities. With a wide array of unit types ranging from compact and cosmopolitan studios to family-friendly strata bungalows, there is bound to be a suitable unit type for everyone's needs!

Trilive



The MeyeRise



At the same time, we are also proud to be appointed agency for two freehold developments – The MeyeRise by Hong Leong at Meyer Road, and Trilive at Kovan. With the diminishing supply of freehold properties in Singapore, these two rare developments are the ones that buyers and investors should certainly look at. The MeyeRise is one of the most prestigious and upmarket condominiums to be developed in the East Coast, with designer fittings and finishes meant to pamper the future residents. A selection of 2 to 4 bedrooms priced from just \$1,598 psf.

Trilive comes with a range of unit types from 1 to 4 bedrooms, and is within walking distance to Kovan MRT. Designed with the cosmopolitan families in mind, majority of the units are 'dual-key' types whereby owners can easily rent out the connecting studio.

For more information, call 9222 5577.

OrangeTee Golf Championship 2015

By Michael Peh, Organiser

Our annual golf championship was held at Batam, Palm Spring Golf Club on 26 May 2015, followed by another friendly golf game at Tering Bay Golf Club on 27 May 2015. Besides the beautiful yet challenging golf courses, golfers were treated to a gratifying stay at a 4-Star Batam View Resort boasted with good facilities. Together with a session of good body therapy and sumptuous seafood dinner in the town as well as the great fun and laughter amongst great company, it was a fulfilling and satisfying break for all.

The Results:

- Men's Individual Champion: Ho Kuan Rui @ Ho Kian Soon
- Men's Individual 1st Runner-up: Lawrence Tan
- Men's Individual 2nd Runner-up: Ng Yow Meng
- Ladies' Individual Champion: Dior Tan
- Nearest the Pin (Palm Course): Ho Kuan Rui @ Ho Kian Soon
- Nearest the Pin (Island Course): John Wong
- Longest Drive: Ho Kuan Rui @ Ho Kian Soon



TOP LEADERS 2015 Q2



Lawrence Tan SAED-Top
Lester Tan AED-Top
Lyndy Sze SADD-Top
Benny Lim ADD-Top
Josephine Ng SAGD-Top
Dexter Lee AGD-Top
Jeffrey Tan AED-1st Runner-up
Jeffrey Lee SADD-1st Runner-up
Yap Boon Seng ADD-1st Runner-up
Corinna Tan SGAD-1st Runner-up
Dan Koh AGD-1st Runner-up
Chipson Ma AED-2nd Runner-up
Norman Tan SADD-2nd Runner-up
Thomas Yin ADD-2nd Runner-up
Kevin Seetoh SAGD-2nd Runner-up
Jeremy Peh AGD-2nd Runner-up

TOP ACHIEVERS 2015 Q1



1 Roland Chan
2 Maria Hendro
3 Jo Goh
4 Julin Tan
5 Alexis Chia
6 Lawrence Loh
7 Jason Nai
8 June Leng
9 Chipson Ma
10 Jimmy Lim
11 Winnie Mah
12 Derek Teng
13 Armando Pranawan
14 Toh Cheng Soon
15 Heng Kok Liang
16 Lim Hui Bian
17 Corinna Tan
18 Ramasamy Parthiban
19 Jolene Yeo
20 Rachel Koh
21 Derrick Goh
22 Florence Yeo
23 Desmond Koh
24 Jeannie Lim
25 Judith Eng
26 Ciupa Hong
27 Annabella Su
28 Christine Teo
29 Iris Yeo
30 Lyndy Sze
Jessie Lee Top Manager
June Leng Top Lister
Daryl Yee Top Rookie

Letters of Commendation

Mar-15	
Yeo Ai Ling Aileen	1
Tong Lay Ping Priscilla	1
Muhammad AL - Khair Bin Salahuddin	1
Apr-15	
Ng Ee Laine	3
Eric Chew Mia Heng	1
Chan Chwee Ngin Ivy	1
Tan Lay Hua Corinna	1
May-15	
Anthony Fun Kwang Cheng	1
Chan Chwee Ngin Ivy	1
Paley Kuang	1

OrangeTee Happy Staff Event

By Esther Ng, Chairperson



We are delighted to have held another successful evening of great food and the most awaited blockbuster movie of the year 2015 - Avengers: The Age of Ultron on 28 April 2015, at Shaw Theatres Lido.

The event, attended by Orangeans and their families, was a huge success. It was a great way to spend time together as a family and have an excuse to stay up late. We loved it, and hope you did too.

Coming Soon!

Join us in our first ever Business Partner Appreciation Night in July 2015!. Bring along your co-broke agents to be part of this exciting networking event where you can unwind and enjoy yourself while building a strong business relationship. Attendees will get to meet everyone from entry-level to senior management and walk away with potential referrals for your business and partnership. Join us to expand your social circle and take part in winning mindshare in the real estate industry.

Another event to mark in your calendar is the 2nd Achievers Conference 2015 which is scheduled to take place on 28 August 2015 at HDB Hub auditorium. The conference will be a fantastic and memorable event as OrangeTee Salespersons, Top Achievers and Top Leaders come together to share their experiences. Take advantage of the excellent learning opportunity and experience you will gain from the panel discussions and inspirational talks. We look forward to your participation for this event.

Watch out for the Event posters and further updates of these events coming up in July and August 2015!