

TOP LEADERS 2015 Q2

TOP ACHIEVERS 2015 Q2

Lawrence Tan
SAED-Champion

Lester Tan
AED-Champion

Jeffrey Lee
SADD-Champion

Benny Lim
ADD-Champion

Josephine Ng
SAGD-Champion

Daniel Tan
AGD-Champion

Roy Chang
AED-1st Runner-up

Khoo Teng Boon
SADD-1st Runner-up

Yap Boon Seng
ADD-1st Runner-up

Andrew Pat
SAGD-1st Runner-up

Dexter Lee
AGD-1st Runner-up

Desmond Koh
AED-2nd Runner-up

Norman Tan
SADD-2nd Runner-up

Thomas Yin
ADD-2nd Runner-up

Corinna Tan
SAGD-2nd Runner-up

Johnny Ng
AGD-2nd Runner-up

Ulicia Choo
1

Jim Wong
2

Edmund Lim
3

Delvin Lim
4

Nicole Teo
5

Julin Tan
6

Alexs Chua
7

Nancy He
8

Armando Pranawan
9

Marcus Toh
10

Jasmine Lau
11

Calvin Kwek
12

Nancy Kurniawan
13

Daryl Chia
14

Derrick Ang
15

Emily Lim
16

Roland Ng
17

Jasmine Yeo
18

Martin Lim
19

Ng Yow Meng
20

Joshua Wong
21

Vanessa Tan
22

Richard Ho
23

Wendy Ong
24

Ezekiel Wong
25

Ivan Chong
26

Adeline Lo
27

Jean Chua
28

Kevin Teng
29

Shirley Chia
30

Heng Mok Joo
Top Manager

Gavin Yeo
Top Lister

Hansen Ng
Top Rookie

OrangeTee. **TIMES**

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KEENER SENSE OF REAL ESTATE

A Message from Our Managing Director

VOTE OF CONFIDENCE

In the last issue of OrangeTee Times, I mentioned that our Agency strength has grown more than 10% this year. The good news is: our growth has accelerated at a much faster pace in the last quarter. As a result of this momentum, the number of our associates has increased by more than 450 or 23%, according to our internal records. This is a remarkable achievement if we take into account that the number of agents in the whole industry is almost stagnant this year. Clearly, this is a strong vote of confidence in OrangeTee.

Coming October, all property agents will have to renew their practicing license in order to continue their business. Judging from past records, we would likely see a natural attrition rate of 10 to 15 per cent, mainly a result of agents joining other industries.

For those who have intention of leaving the industry, I strongly encourage them to give a second thought and not to give up or take a break too soon. Notably, real estate marketing is still one of the most rewarding businesses in Singapore; especially now that developers and sellers are more willing to give higher commission. In fact, some property agents can even earn higher commission this year as compared with previous years.

Also, the present lukewarm market is part and parcel of the business cycle, which happened to all other industries. In other words, the transaction volume of the key segments will recover once the market encounters a sharp correction. Hence, property agents should take

a long-term perspective rather than simply react to the current market condition.

Moving forward, OrangeTee management is mindful of the short-term and long-term challenges ahead. We will continue to commit to provide more innovative supports to improve the sales productivity of our associates. One good example is the recent launch of our "OTPRO" training programme; a 2-day intensive workshop. I am glad that the response is overwhelming and the feedback has been very positive.

Once again, thank you for the vote of confidence.

We pledge to be a unique real estate company you can be proud of.

Steven Tan
Managing Director
OrangeTee



On behalf of the management, I welcome all the new leaders and associates for joining our big family. Most importantly, I also wish to extend my sincere gratitude to our people for their unwavering support.

Money Laundering Through Real Estate By Michael Tan, Executive Director

What is Money Laundering?

Every year, huge amount of funds are generated from illegal activities such as drug trafficking, tax evasion, people smuggling, theft, arms trafficking and corrupt practices. These funds, commonly referred to as "dirty" money, are mostly in the form of cash.

To avoid detection, criminals will try to convert this "dirty" money to legitimate cash through 'Money Laundering'. It aims to (1) convert proceeds of crime to a less suspicious form, (2) conceal the origin of the criminal earnings and (3) create a legitimate explanation for the source of funds.

What are the Consequences of Money Laundering?

There are severe economic and social consequences of money laundering, including:

- Undermined Financial Systems
- Higher Crime Rate
- 'Criminalize' Society
- Reduced Revenue and Control

Increased illegal activities will risk the country

and financial institutions' reputation as well as lead to economic instability.

Why Real Estate?

"Buy Dirty, Sell Clean" – Criminals like to purchase real estate and then sell it to escape paper trail. When dirty cash is used to buy a house that is subsequently sold, the income then appears to have derived from a legal practice - selling a house. Technically, this method is not paper trail-free, but it will definitely lessen the possibility of trace back.

In many countries, the real estate sector is the largest and most vulnerable sector for money laundering as it has the following features attractive to criminals:

- Ability to buy real estate using cash
- Large sums of "dirty" money can be concealed
- Ability to disguise ownership of real estate
- Relatively stable and reliable form of investment
- Ability to renovate and upgrade, hence increasing its value
- Possibility of higher profit
- Earn additional income from rental
- Lifestyle

How real estate industry is affected?

This form of money laundering creates artificial demand, which will falsely trigger supply and thus saturate the real estate market. The artificially determined prices will also cause real estate value to suffer.

Criminals reinvest their proceeds in companies and real estate with the intention of making further profits, regardless legal or illegal. Most of these investments are in sectors that are familiar to them such as bar, restaurant and prostitution.

Keeping watch

Everyone plays a role in ensuring things don't slip through the cracks. All real estate professionals are duty bound to report any suspicious transactions to the company. The practice circular on the "Prevention of Money Laundering and Countering the Financing of Terrorism" provides a list of "Common Suspicious Indicators" and it is available at CEA website as well as our work@home portal.



Coming Soon!

OrangeTee.
BOWLING CHAMPIONSHIP 2015

15 Oct, Thursday 2pm - 5pm
Orchid Country Club

OrangeTee.
Welcome Party
You are Invited!

Date: 21 Oct, Wed
Venue: Level 13 Sky Terrace
Time: 6.30 pm

RSVP to Melvin / melvin.ng@orangetee.com

OrangeTee Services

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MARKET UPDATES

How Will Currency Fluctuations Affect Foreign Interest Towards the Singapore Real Estate Market?

By Wong Xian Yang, Research & Consultancy Department

The People's Bank of China's move to devalue Yuan has impacted the global markets and led to doubts on sustainability of the Chinese economy. Gradual recovery of the US economy as well as the expectation of the raise of Federal Funds Rate, have led to the strengthening of the US dollar in recent years. This has increased the attractiveness of US assets, and sparked significant capital outflows from emerging markets, causing their respective currencies to weaken against the US Dollar.

Currency fluctuations have an impact on investor's appetite for overseas property investments, as changes in exchange rates can have a significant influence on investors holding costs and investment returns.

So, how have recent currency fluctuations affected foreign investors' appetite for Singapore real estate? We look at the top 2 foreign buyer profiles for the Singapore private residential non-landed market, namely, the Chinese and Indonesians. Based on caveats lodged over the last 5 years, foreign purchases made up about 12% of total purchases, with 32% of foreign purchases from China and 27% from Indonesia market.

Over the last 5 years, Indonesian Rupiah has depreciated against the Singapore dollar by about 47% while Yuan has appreciated against the Singapore Dollar by 9%. Just on the currency effect alone, the cost of investing in Singapore residential property to an Indonesian buyer has now increased by 47%, compared to 5 years ago. Affordability is further lowered as foreign purchasers currently have to pay an Additional Buyer Stamp Duty (ABSD) of 15% on purchase price on top of the Buyer Stamp Duty (BSD) of around 3% on purchase price.

This trend is reflected in foreign purchases by the Chinese and Indonesians market. From 1st Quarter 2012 to 2nd Quarter 2013, Indonesians bought 1,289 units compared to the Chinese who bought 1,084 units. However, since the depreciation of Rupiah from 3rd Quarter 2013 to 2nd Quarter 2015, the purchase made by Indonesians has reduced to 509 units, falling behind the Chinese who bought 819 private residential non-landed units.

On the flipside, currency appreciation against the Singapore dollar will increase the purchasing power of investors, thus directly impacting their investment appetite for Singapore properties. In 2nd Quarter 2015, Chinese market purchases increased by 42%, albeit from a small base, buying 89 units from 59 units in 1st Quarter 2015. This trend outlines the relationship of currency fluctuation and purchasing power - the more the foreign currency depreciates against the Singapore Dollar, the lower is the foreign investors' purchasing power.

So, will the Singapore property market see more interest due to currency fluctuations? It depends on investors future expectations of their domestic currencies and economies. For example, if China investors expect the Yuan to devalue further, we may see further capital outflows from China, and

a fraction of it may come into the Singapore property market. However, we do not expect a significant surge in sales volume, as market sentiment remains dim and interest rates are poised to rise.

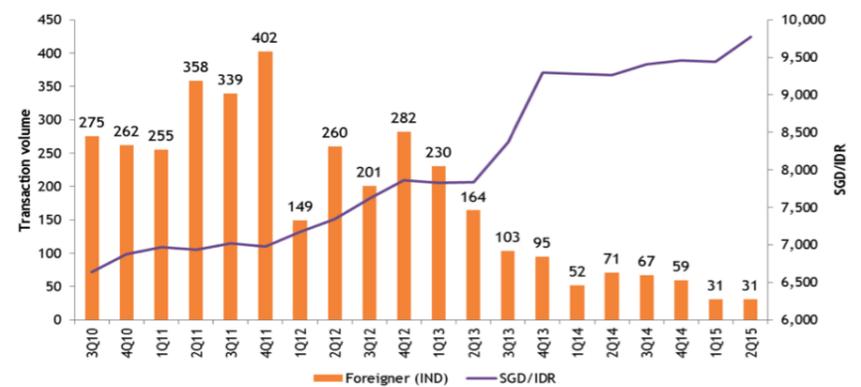
The value of the currency hedge for foreign investors can be significant. For example, an Indonesian buyer bought a property at a price of SGD\$5 million in the middle of 2012. We assumed the investor paid fully in cash. During that period, the rate was about 7,344 Rupiah to one Singapore Dollar. After including all initial costs such as stamp duties, his costs would sum up to about 41.4 billion Rupiah. Since then till mid-2015, the Singapore dollar has appreciated by around 33% against the Rupiah, with the rate being 9,771 Rupiah to one Singapore Dollar while Singapore private residential prices have fallen by 2.5%. Even if the investor were to sell after 3 years and incur the Seller Stamp Duty of 4%, the investor would get back about 44.8 billion Rupiah, and still make a nominal profit of around 8%. The above calculation assumes that all interim expenses and taxes would be equal

to rental income. The stability of the Singapore dollar creates an environment that allows foreign investors to reap profits from currency fluctuation, even if property prices move lower.

Nonetheless, currency is just one of the many factors of consideration involved in an overseas investment decision. Other factors such as taxes, domestic economic situation, market transparency, and investment objectives are important determinants on whether an investor chooses to invest outside of his domestic market.

The stability of the Singapore dollar attracts the high net worth individuals residing in countries with volatile currency fluctuation to invest in Singapore's real estate as a means of wealth protection. Moving forward, in a climate where there are many uncertainties in the global economy, many investors are showing more caution and may favour moving their money to safe havens. Hence, Singapore's strong fundamentals and resilient currency should be a strong draw for investors who are looking for steady returns in the long run.

Purchases by foreign buyer (Indonesia) and SGD/IDR



Source: Oanda, URA, OrangeTee Research

Purchases by foreign buyer (China) and SGD/CNY



Source: Oanda, URA, OrangeTee Research

FEATURED PROJECTS

SINGAPORE

THE VALES

Where being WHERE YOU WANT to be, is an everyday PRIVILEGE. Welcome home to The Vales!



Located right next to Cheng Lim LRT, The Vales is merely one stop from Sengkang MRT station and Compass Point. Future residents can choose to hop onto the LRT or enjoy a 7 mins brisk walk to the MRT. The Vales is also near renowned schools such as Pei Hwa Secondary School, Nan Chiau Primary School and Nan Chiau High School.

The Vales comprises of 517 residential units in 9 modern towers, ranging from 2-, 3-, 4- and 5-bedroom unit configurations, at very attractive prices. It is also the first Executive

Condominium to feature Villa Marionette (2-storey) units that come with their private carpark lots. The development hosts a wide range of facilities, which includes a 75m lap pool, spa pool, water play area and an indoor gym with steam room, just to name a few.

Project ICs:
Sebastian Tan 94501812
Jayden Tan 86668818

NORDCOM II

The prime business space for the strategic enterprise!

With its seamless connectivity and superior infrastructure, Nordcom Two is strategically positioned between Woodlands Regional Centre and Seletar Regional Centre. It is set to benefit from the URA's Master Plan 2014 for regional centres to serve as vibrant livable hubs for business and recreation.



The growth of Woodlands - envisioned to anchor the development of the North Coast Innovation Corridor - will bring fresh retail and employment options closer to home, turning Woodlands into a conduit for increased economic and human activity.

3-storey factory units with sizes from 1,636 sq ft to 5,888 sq ft. All units are designed with natural lighting and ventilation in mind.

Aside from work, tap on the thoughtful range of facilities such as the landscaped rooftop garden, bbq pits and have a dip in the pool.

Modern factories, stylish spaces, Nordcom Two offers a selection of ramp up, flatted and

Project ICs:
Patrick Koh 94502831
Jayden Tan 86668818

Alex Residences

OrangeTee is also delighted to be the appointed marketing agent for Alex Residences!

Alex Residences is a 40-storey premier development comprising of 1 to 3 bedroom units. Surrounded by charm, tranquility and extraordinary enjoyment, from quaint cafes at Tiong Bahru to the antique

shops and trendy cocktail bars at Tanglin, unique experiences are waiting to be discovered. Sited near Redhill MRT Station and with a world of amenities just a short drive away, residents will enjoy convenience like no other.



Project IC:
Delvin Lim 90229949

OTpro

By Bianca Chang, Training & Development Department



The long-awaited OT:Pro training officially inaugurated on 14 September 2015. OT:Pro is a collaboration between Agency Division & Project Marketing Division (PMD) aimed towards the formation of OrangeTee's elite team in that the project salespersons are specially trained to take on the marketing of ANY residential project.

The course fee of \$415.20 (w/GST) is fully waived once the participants complete the full training. OT:Pro participant are then presented with a badge and certificate to distinguish them from the rest and are given priority for marketing projects.

There are 4 batches of more than 300 salesperson in total who participated in the OT:Pro training. Their active participation have also made the overall training program a positive and successful one. We strongly believe that the knowledge and skills shared during the two-day training are beneficial to help them excel in project marketing.

Moving forward, continuing effort will be made to assure that our subsequent training programs stay relevant and exciting. If you are keen to know more about these programs, send an email to training@orangetee.com

We look forward to seeing you at the next training!

Achievers' Conference 2015

By Melvin Ng, Marcomm Department



Once again, more than 400 salespersons attended the Achievers' Conference 2015 held on 28 August 2015 at the HDB Hub Auditorium. The conference started off with an impactful and insightful topic entitled 'S.E.X' by our CEO, Michael Tan. The audience was then brought through the market outlook for 2015/2016 by our senior manager, Wong Xian Yang, which was indeed an eye-opener that prepared our salespersons for the challenges ahead. Paul Teo, who was one of our Top Achievers in 2014, has proven himself once again this year and his sharing had definitely inspire many salespersons to strive further. Towards the end of the event, a wealth of knowledge was shared by a group of top achievers in a panel discussion moderated by Simon Yio. The audience was given insights on how to stay successful in all times in different market conditions. Many enjoyed the conference and are all looking forward to Achievers' Conference 2016.