

TOP LEADERS 2016 Q2



TOP ACHIEVERS 2016 Q2



TOP RECRUITING GROUP 2016 Q2



STAR PERFORMERS 2016 Q2

The Star Performer is awarded to associates who had at least 10 transactions; accompanied by 6 reviews with a total average of 4.65 star ratings! Congratulations!



ORANGETEE GOLF CHAMPIONSHIP 2016

By Melvin Ng, Marcomm Department



The Annual Golf Championship was held on the 25th Aug, 2016 at Austin Heights Golf Resorts, followed by a friendly game at Ponderosa Golf Resort on the 26th Aug, 2016. Beside the stunning yet stimulating courses, golfers were treated to a satisfying stay at the Austin Heights Resort with enormous spacious rooms and sumptuous dinner.

- The Results:**
- Men's Individual Champion:**
Garrick Ong
- Men's Individual 1st Runner Up:**
Kenneth Kwek
- Men's Individual 2nd Runner Up:**
Ng Yow Meng
- Women's Champion:**
Judy Soh
- Team Champion:**
Max Chng, Daniel Tan, Garrick Ong, Patrick Ong
- Team 1st Runner Up:**
Andrew Chng, Ivan Tan, Keith Tay, Ng Yow Meng
- Team 2nd Runner Up:**
Steven Tan, Lawrence Tan, Eric Tiong, Judy Soh
- Nearest To Pin:**
Patrick Ong
- Longest Drive:**
Eric Tiong

MCI (P) 038/09/2014

KEENER SENSE OF REAL ESTATE

A Message from Our Managing Director

TURNING DISRUPTIONS INTO OPPORTUNITIES

I remember when I was young, I didn't like the word "disruption". That was because my impression of "disruption" was that it created problems and prevented things from continuing in its usual way. It meant disharmony, and tended to result in unhappiness and sufferings in one way or another.

After working for many years in management position, I still did not like the word "disruption". It seemed ungentlemanly for any company to disrupt others in the same industry. We should just compete fairly and courteously on the same playing field based on known and accepted rules. Whoever that was stronger or more capable would have the better chance of winning.

But, all that was history. We live in a different world now. In this brave new world, disruptions are the norm rather than the exception. Our key competitors are no longer the usual, gentlemanly players who play by the same time honoured rules. They are outsiders, tech firms, new startups, both homegrown and from all over the world. These "outsiders" are coming in with fresh ideas and new technologies. They provide enhanced services made possible with these technologies, and they make it easy for the consumers to switch to their new platforms. They also offer tailor-made online services to reach out to the wider group of consumers. For example, some disruptors offer DIY services and some offer fixed-fee services.

How does OrangeTee respond to these new challenges?

At OrangeTee, instead of looking for solutions to defend our market share, we took steps to create new opportunities for our agents to improve their income.

First: We formed an Innovation Committee involving top management. We recognized that, to face



From Left to Right: Lee Khim, Michael, Steven, Keith, Bill, Simon

the new challenges, sustainable innovation is the new rule of the game. Therefore, it is important to combine the strong leadership and technology know-hows to create an internal culture of innovation.

Secondly: We disrupted the market before being disrupted. It is much less painful to disrupt our own business and industry as compared with being disrupted by external forces. In fact, when we implemented Property Agents Bank, it is not just a disruption to the current industry players but also a form of disruption to the entrants.

Thirdly: We focused on enhancement of Customer-Agent engagement by promoting 'O2O' services (Online to Offline, and Offline to Online). The review platform is an excellent platform for our agents to build customer trust and create more leads. More new initiatives in this area to strengthen the long-term relationship will be introduced in the near future.

Last but not least, we co-evolved capabilities around new innovation with other tech firms. In the new business ecosystem, more firms now understand the need to leverage on each other's capabilities to add value to their services in the quickest possible time. The new trend has thus provided us a great opportunity to work with more partners in different field of expertise.

In conclusion, while digital disruption creates more uncertainty to the real estate industry, it also opens up more doors to greater opportunities. As a company or an individual, we should embrace disruption and always keep a positive mindset about the challenges ahead. Ultimately, we should treat it as a driving force for us to raise the bar of professionalism.

Steven Tan
Managing Director

THE AGENT YOU NEED IS RIGHT HERE!

The Property Agents Bank (PAB), launched on the 25th February, 2016 is an exclusive and transparent platform that allows the consumers to search and seek out their desired agents based on genuine and unfiltered customers' reviews and ratings. It aims to raise the industry service standards and encourage customers' engagement and loyalty by raising the professionalism and service level among OT salespersons. This is also a proactive move aimed at countering the impact of disruptive technology in the real estate industry.

of the management as well as the ingenuity, dedication and commitment of all who contributed to its success.

Also, with the hard work of all the departments, especially the Agency Division & the Infotech Department, we have successfully introduced the second phase of the PAB website. This second phase includes a new improved interface, holistic features such as Enhanced salesperson page, Intensive Mobile Optimisation, "Ask Me" feature and direct Facebook Sharing. Active participations in these new initiatives have resulted in boosting the confidence and competitiveness of OrangeTee agents at the market place.

We are proud and honoured that the PAB platform has received high commendations from the Minister-of-State, Dr Koh Poh Koon, Ministry of National Development and the Council for Estate Agencies. This is testament to the strategic visions

Other than exposure through social media, we have launched a traditional media campaign to promote

the PAB. This includes air time on KISS 92FM and ONE FM91.3 during peak hours, as well as a full frontpage advertisement on the 1st September issue of the Classified Properties. Both have received significant response and feedback from the customers, including some who expressed interests in joining us as part of the company.



Simon Yio
Director, Agency

OrangeTee Services

- Agency • Residential Projects • Business Space • Corporate Residential Services • International Projects • Investments & Advisory
- Japan Business Development • Valuation • Research & Consultancy • Training & Development • E-Services

MARKET UPDATES

HIGH-END CONDOMINIUMS: BEST CHANCE TO GRAB ONE NOW?

By **Wong Xian Yang**,
Research & Consultancy Department

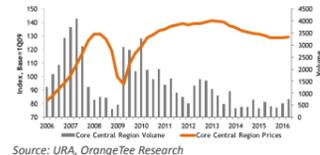
Despite cooling measures remaining unchanged, interest has been building up in the high-end condo market. (In this article, high-end condos are defined as condos located in the Core Central Region (CCR), comprising postal districts 9 to 11, and the downtown core planning areas such as Orchard, Newton, River Valley and the Central Business District.)

High-end sales volumes have increased in 1H2016 compared to 1H2015. The introduction of deferred payment schemes (DPS) has resulted in rising demand. Data from URA revealed that volume of private residential units (incl landed) transacted in 1H2016 is 35% higher than that of 1H2015 – 1,351 units, up from 1,003 units. With prices off their peaks and sentiments starting to improve, is this the best time yet to enter the high-end property market?

CCR prices showing signs of stabilisation

The property market has embarked on a soft landing since the implementation of the Total Debt Servicing Ratio framework (TDSR) in June 2013. Overall prices have fallen 9.4% since 3Q2013, weighed down by a combination of the effects of the cooling measures, worries concerning the high volumes of incoming completions and the drag of weak economic growth. From 3Q2013 to 2Q2016, the submarkets witnessed a cumulative fall of 7.9% in CCR, 8.8% in Rest of Central Region (RCR) and 8.4% in Outside Central Region (OCR).

Exhibit 1: Core Central Region Prices and Volumes



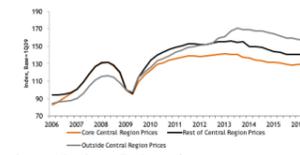
Source: URA, OrangeTee Research

Evidence suggests, however, that the high-end market has begun stabilising, CCR and RCR prices edged up 0.6% and 0.2% respectively in 1H2016. The latter buoyed by improving sentiments in CCR. OCR prices, though, have

continued to fall, dropping 1.8% in 1H2016.

The high-end market is poised to be the first submarket to stabilise, as CCR prices saw relatively lower growth during the last property boom. During the 2009-2013 period of property boom, CCR prices rose only 48%, whereas RCR and OCR prices rose 61% and 75% respectively. Cooling measures such as Additional Buyer Stamp Duty (ABSD) and loan curbs hit the high-end market harder than the other submarkets due to their larger price quantum and higher proportion of foreign demand. Notably, in the 2006-2008 property boom, when there were no punitive cooling measures such as ABSD, CCR prices led the rally with 61% increase, compared to the 40% increase and the 38% increase for RCR and OCR respectively.

Exhibit 2: Private residential non-landed prices by region



Source: URA, OrangeTee Research

Exhibit 3: Cumulative price growth during property booms and recessions

Time Period	CCR	RCR	OCR
Property Boom (4Q05 to 2Q08)	61%	40%	38%
Property Recession (2Q08 to 2Q09)	-28%	-27%	-16%
Property Boom (2Q09 to 3Q13)	48%	61%	75%
Property Recession (3Q13 to 2Q16)	-8%	-9%	-8%

Source: URA, OrangeTee Research

Attractive bargains can be found

Assuming that prices will return to their historical highs, there is attractive value proposition in the high-end condo market. As the overall property market remains lacklustre, some owners are selling their units at significant discounts below their previous purchase prices. Some of them might be selling because they have exhausted their holding power in the midst of the weak rental market, while others might want to divest and pursue different opportunities. Given current depressed prices, there is a good margin of safety for buyers considering entering the market, barring sudden deterioration in the global economy.

Exhibit 4: Top 10 losses for CCR transactions for YTD 2016

Project Name	Address	Tenure	Sale Date in 2016	Price (\$psf)	Previous Sale Date	Previous Price (\$psf)	% Price Different
ROBERTSON BLUE	88 Robertson Quay #02-XX	Freehold	Mar-16	\$1,257	Aug-12	\$1,941	-35%
THE RITZ-CARLTON RESIDENCES SINGAPORE CAIRNHILL	65 Cairnhill Road #18-XX	Freehold	Mar-16	\$2,508	Jun-13	\$3,815	-34%
THE ORCHARD RESIDENCES	238 Orchard Boulevard #40-XX	99 Yrs leasehold	Apr-16	\$3,043	Jan-12	\$4,057	-25%
LATITUDE	35 Jalan Mutiara #09-XX	Freehold	Apr-16	\$1,737	Feb-12	\$2,200	-21%
THE SAIL @ MARINA BAY	6 Marina Boulevard #06-XX	99 Yrs Leasehold	Mar-16	\$1,626	Oct-12	\$1,999	-19%
8 @ MOUNT SOPHIA	10 Mount Sophia #01-XX	103 Yrs Leasehold	May-16	\$1,196	Dec-12	\$1,385	-14%
THE LOFT	22 Nassim Hill #03-XX	99 Yrs Leasehold	May-16	\$1,813	Jan-13	\$2,075	-13%
THE PATERSON	63 Paterson Road #17-XX	Freehold	Apr-16	\$1,899	Jan-13	\$2,128	-11%
HOLLAND RESIDENCES	5 Taman Warna #02-XX	Freehold	Aug-16	\$1,585	Jul-12	\$1,765	-10%
MANDALAY TOWERS	39 Mandalay Road #04-XX	Freehold	Mar-16	\$929	Nov-12	\$997	-7%

Source: URA, OrangeTee Research

*Based on caveats from 2010 to YTD2016 as at 25th Aug 2016

Weak rents to persist till 2017

On the back of increasing supply and muted demand, rents have been on a downtrend since 3Q2013. From 3Q2013 to 2Q16, rents have fallen 9.3% in CCR, 6.4% in RCR and 10.8% in OCR.

The weak rental market may persist until 2017 given the high volumes of expected completions and the weak economic outlook. Though the majority of completions are located in the OCR, the trimming of housing budgets for expats had impacted the CCR rental market. Investors who are contemplating entering the high-end market should ensure that they have the holding power to wait out the weak rental market.

Deferred Payment Schemes (DPS)

DPS have been catching on in the market. OUE's Twin Peaks introduced the scheme in April 2016 and saw sales pick up, is a few units short of selling out one of the 231-unit twin towers. In short, DPS allow buyers to defer the bulk of their mortgage payments. Specific details vary according to developers' terms and conditions. For example, deferment periods can vary among schemes and some forbid buyers to rent out their units.

Exhibit 5: OUE Twin Peaks median prices and volumes



Source: URA, OrangeTee Research

*Based on caveats from 2010 to YTD 2016 as at 25th Aug 2016

The Monetary Authority of Singapore considers DPS as a benefit for buyers, which will be deducted from the purchase price when calculating the

maximum loan amount. As such, buyers who opt for DPS should expect a lower loan ceiling and therefore correspondingly higher cash layout. However, we do not expect this to temper sentiments, as the difference is negligible.

In the current market, where financing is tight due to loan curbs, DPS provide buyers with more flexibility and interest cost savings. For investors, delayed mortgage payments would alleviate pressure from the weak rental market. They would also be able to offer more attractive rental rates due to lower holding costs.

Conversely, buyers going for the DPS may be exposed to more risk, particularly buyers who had bought a unit under the DPS, but have yet to apply for a loan. Interest rate movements and the future value of the property would affect the loan amount. Should interest rates rise and the value of the property fall, buyers would have to fork out more cash than expected, due to the lower loan amount.

Is now a good time to enter the market?

As prices start to stabilise and volumes pick up, should investors enter the high-end market now? Over the short term, numerous headwinds such as cooling measures, a weak rental market, and poor economic outlook still persist. Therefore, one should not expect a robust recovery in prices. However, fundamentals remain unchanged, Singapore remains an attractive location for local and foreign investors alike. Given the availability of DPS and the gap between current and historical prices, the potential upside can be substantial. Buyers who are able to hold over the long term, may want to start looking into this submarket now.

FEATURED PROJECTS

SINGAPORE

HILLION RESIDENCES

All in one. One in all.

Bukit Panjang's new icon and new landmark.

Hillion Residences, a mixed development integrating modern living with a vibrant retail mall and transport hub. This iconic addition to the skyline will be the latest hangout to inject energy and excitement to the heart of Bukit Panjang.

Seamless Connectivity

Seamless integration with the Bukit Panjang Bus Interchange, LRT and Downtown Line 2 provides full accessibility to all parts of the island. Residents also enjoy direct and sheltered access to Bukit Panjang MRT Interchange Station via an underpass at Basement 2 of the Hillion Mall. What's more! They will reach Bugis by MRT within 25 mins.



Get close to life's every convenience

The residential tower blocks, situated above four floors of retail space put you within easy reach of your everyday needs. All the essentials you would need to live comfortably are available at your doorstep. There will be a major supermarket, a childcare centre, exciting fashion stores and new dining concepts, all within Hillion Mall.

Premium 1-bedroom typical and lofty apartments at Hillion Residences are now available for your selection!

For more information, please contact Donny Goh 90909049 or Norman Tan 93635952.

DOWNTOWN MANCHESTER APARTMENTS - UK



Located on the bank of the River Irwell and adjacent to the historic quarter of Castlefield, Downtown is a prestigious Manhattan-inspired development

comprising 368 units of one, two and three bedroom apartments. Downtown is Manchester's premier residence with a host of hotel-style services, including a concierge located within the lobby, an on-site gymnasium and spa, a media room for movies and rooftop terraces with outdoor chill out seating areas. For convenience, Downtown offers dry and cold storage rooms to facilitate supermarket deliveries, a postal room and a business centre with High Speed WIFI. Price for 1-Bedroom starts from £146,000 & 2-Bedroom from £191,000.

ORANGETEE TRAINERS' RETREAT 2016

By **Bianca**, Training Department



On the 29th July, 16 of our trainers set off to Malaysia for their retreat in Penang. The atmosphere was electric and the air was thick with fun, passion and excitement.

The 3-day-2-night retreat aimed to infuse our trainers with the passion and spirit necessary to inspire their trainees, by instilling confidence and belief in themselves thereby becoming better leaders and communicators. Specifically, it was designed to improve their delivery skills by focusing on three main areas, namely, Subject Expertise, Delivery Excellence and Linguistic Eloquence. This programme was designed and facilitated by Chipson Ma and Harry Yeo and entitled "Advance Train-The-Trainer Programme – ATTP". Our Agency Director, Simon Yio commenced the ATTP by running an opening workshop called "Do It Right The First Time" with the participants.

Throughout the 1.5 day training, all participants were charged and electrified with the enthusiasm and the spirit of learning. Strong comradeship was born during the training & great fellowship was forged during the 3 day retreat. All in all, it had been a very successful & rewarding 3 days for all the attendees in uplifting their status,

passion and competencies in training skills, sales and personal team growth.

Lastly, I would like to summarise the retreat with the words our Master Trainer, Chipson's testimonial: "It was a remarkable learning experience, soul searching and spiritual renewal!"

Collaboration with External Course Providers

TDD is collaborating with several external course providers to provide dynamic and effective training to our salespersons. Our recent collaborations are:

Pioneer Training & Consultancy - Financial Planning & Investment Strategy

To help salespersons understand the basic concepts of financial planning and property investment, property measures, market mechanism of supply and demand and other important factors in working out an ideal investment property financial plan.

SIP Training & Consultancy – HDB Financial Guru

A workshop outlining the essential elements in handling HDB transactions especially involving special and unusual scenarios. Such scenarios include contra and bridging loans, sale of part share as well as unusual divorce distributions scenarios.

We are committed to provide our associates with the highest effective training tailored to meet their daily real estate needs.

SINGAPOREANS ARE TOP ASIAN PROPERTY BUYERS

Singapore has emerged as the top Asian property buyer in the United States, Australia and the United Kingdom, surpassing that of China. Singapore-based recent investments in the United States amount to US\$10.68 billion (for both commercial and residential properties); the corresponding figures for investments in Australia and the UK stand at US\$6.85 billion and US\$6.44 billion respectively. (21 January 2016, The Straits Times)

Singaporean investors bought a record US\$26.3 billion of overseas properties in 2015; up 49% from US\$17.63 billion in 2014 and 6 times the US\$4.24 billion figure for 2009. (20 January 2016, The Business Times)

Today's investors' expectation of capital gains in overseas real estate investments has turned into a mid to long term stand (minimum 3 – 5 years). Thus, the potential rental income, while waiting for capital gains in their investments, has become the key factor of consideration when making the decision to invest in a property.

With so many cities offering opportunities for property investment, including some from emerging countries, it is now more important that investors put capital protection and rental income above capital gains as their objective.

Capital protection or preservation will be determined by the country's political and financial stability, the real estate laws and, of course, the developer's profile and track records.

Rental income is determined by the supply and demand of properties, the home ownership rate which reflects the local rental demand and the rental affordability, which in turn determines the expected rental yield obtainable from the investment.

It is therefore important, as real estate consultants, to help potential buyers to verify what they are investing; instead of speculating only on the short term capital gains and unrealistic rental yields.



Marqus Tan
OrangeTee Overseas Projects