

**TOP LEADERS 2017 Q1**



**TOP ACHIEVERS 2017 Q1**



**TOP RECRUITING GROUP 2017 Q1**



**STAR PERFORMERS 2017 Q1**

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!



**OT GOLF CHAMPIONSHIP 2017**



**TOWNHALL MEETING**



MCI (P) 038/09/2014

**KEENER SENSE OF REAL ESTATE**

*A Message from Our Managing Director*

**IS IT A NUMBER GAME?**

Recently, Propnex and DWG surprised the market when they announced their merger plan. Since then, the key industry players have been escalating their efforts to grow their numbers through multiple recruitment campaigns. The ultimate reason for this intensifying competition is of course, the belief among most industry players, that the agency business is very much a numbers game.

So, is this business a numbers game?

The short answer, I believe, is yes. The long answer, however, is not so simple. Numbers definitely confer an advantage in this game, especially in the short term, but there are a few other factors which are equally important, if one intends to stay the course and play the long game.

To a large extent, agencies with larger pool of agents would enjoy the economies of scale and able to secure more projects. As OrangeTee is already one of the top-four agencies, we are already benefiting from this consolidation wave as we grow from strength to strength.

However, in my opinion, the numbers, by itself, will not assure long-term business sustainability. While we are pursuing the growth in numbers, there are other key factors we should take into consideration.

**Brand Purpose**

I always remind our leaders that "Greatness comes with responsibility". As we achieve greater

prominence in market presence, we at the same time assume higher social responsibility to improve the lives of others. Our brand should not be built on how much money we've made, or how many transactions we've closed. Instead, it should be on how good our agents are in delivering excellent services and distinguish experiences for their customers. Hence, we should educate our agents that service excellence is the way to long-term success in our industry.

At company level, we should not just focus on creating values for our property agents, but also on the benefit the consumers of today and tomorrow.

**Market Adaptability**

While everyone in this industry, as in any industry, knows and agrees on the importance of embracing changes, the fact is organizations becomes more reluctant to change as they get bigger. It is definitely easier to steer a speedboat than a 250,000 ton oil tanker.

While we are probably not of the size of an oil tanker, we are definitely one of the larger boats in the ocean. As such, we must not forget to reinvest in building our capability to adapt to the future changes. And as a larger boat, it is important for us to constantly anticipate the future trend so that we may react and adapt to take advantage of the changes at the earliest opportunity.

The other way to adapt to changes is to collaborate with external partners so that we can help each other to integrate into the new ecosystem faster and better. Our market presence will open up more doors for us to work with the market frontiers, especially in the area of technology.

**Digital Transformation**

Cost and productivity is another big issue when the company gets bigger. We must fast-track our digital transformation process while growing our agency strength. Every one of our staff and agents must constantly upgrade their skills and knowledge to keep up with the pace of the changes.

When the business activities increase, we accumulate more data and the analytics of such data will enable us to accelerate our learning pace which help us to engage more effectively with and provide more personalized insight to our customers in their decision journey. This will help our agents to generate new leads and serve their customers more effectively.

In conclusion, our business model must not rely merely on the number of agents. The benefit of economies of scale can vanish overnight as technologies facilitate platforms for all agents to share resources, information and networks. Likewise, the market power of securing projects would also diminish if someone could integrate online and offline marketing better than the traditional players like us. Fundamentally, we must change our mindset on the way of running agency business.

It is more than just the numbers.



**EUNOSVILLE SOLD EN-BLOC FOR \$765 MILLION - SECOND LARGEST COLLECTIVE SALE OF FORMER HUDC ESTATE**

OrangeTee Business Solutions is the marketing agent of the collective sale of Eunoville, a 330 unit privatized HUDC development, which was sold to MCL Land for \$765.78 million in May 2017.

to top up the remaining lease term from about 70 years to a fresh 99-year, reflects a land rate of \$909 per square foot per plot ratio (psf ppr).

The sale price, with the addition of an estimated differential premium of \$194 million paid to the State to enhance the intensity of the site to a gross plot ratio (GPR) of 2.8 and



**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**

**WHY IS DEMAND FOR SINGAPORE PROPERTIES RISING?**

By Wong Xian Yang,  
Research & Consultancy Department

According to the latest monthly developer sales report, a total of 1024 private homes were sold by developers in May, marking the third consecutive month of primary sales of over 1,000 units. May's sale figures were especially notable as no major projects (> 100 units) were launched within the month. The last time this happened was in April 2009, just before the upturn of the property market in 3Q2009. This shows that sales momentum remains strong and strengthens the hypothesis that the private property market is on the cusp of a recovery.

However, as the bulk of cooling measures and loan curbs remains in place, and interest rates are poised to rise and prices and rents still on a downtrend, why is demand recovering despite the numerous headwinds facing the property market?

**Expectation of an impending market recovery**

Singapore private property prices have been on a downtrend for the past 3.5 years, falling 11.6% since its peak in 3Q13. However, signs of recovery are emerging. Volumes have been slowly increasing since 2014 and the decline in prices have slowed as well. Overall private property prices fell 3.1% in 2016 as compared to a decline of 4% in 2014. The slowing rate of price decline is evidence that demand and supply are converging, and would bring about a stabilisation in prices.

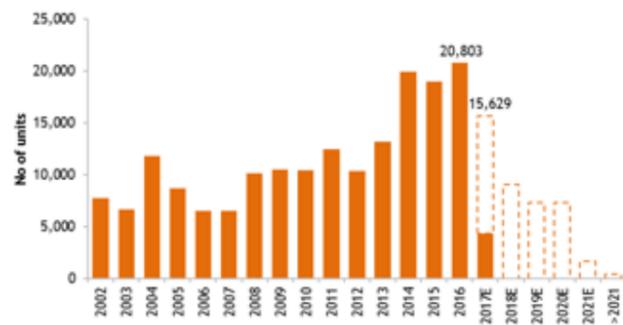
**Demand and Supply are Converging**

	% Change	2014	2015	2016	2017	Cumulative Since 3Q2013
Overall	Price	-4.0%	-3.7%	-3.1%	-0.4%	-11.6%
	Volume	-43.5%	9.9%	16.0%	-	-
Landed	Price	-5.4%	-4.1%	-4.4%	-1.8%	-15.7%
	Volume	-30.6%	19.0%	21.0%	-	-
CCR Non-landed	Price	-4.1%	-2.5%	-1.2%	-0.4%	-10.0%
	Volume	-46.5%	-5.9%	47.6%	-	-
RCR Non-landed	Price	-5.3%	-4.3%	-2.8%	0.3%	-11.3%
	Volume	-40.9%	-5.7%	25.3%	-	-
OCR Non-landed	Price	-2.2%	-3.7%	-3.4%	0.1%	-9.8%
	Volume	-44.0%	23.7%	2.0%	-	-

Source: URA, OrangeTee Research

The rental markets have also shown more resilience than previously expected as evidenced by the overall private occupancy rates which have surprisingly risen from 3Q16 to 1Q17 despite the record number of completions in 2016. Furthermore, due to the tapering of the Government Land Sales Programme in prior years, incoming new completions are expected to drop from 2018 to 2020. Assuming the economy remains stable, the fall in completions would alleviate pressure on rents, leading to a potential recovery in rents by 2018.

**Expected Completions in the Private Residential Market**



Source: URA, OrangeTee Research

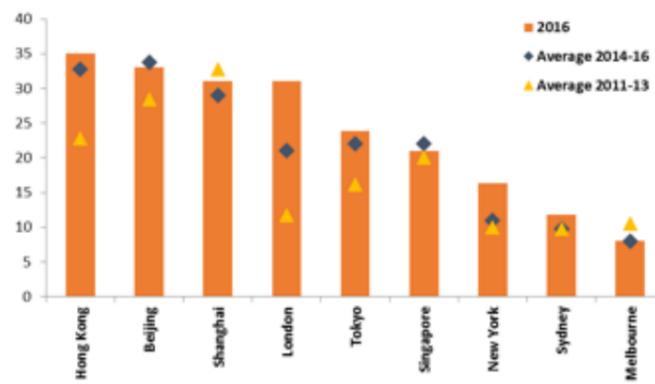
**Singapore looks attractive compared to other foreign property markets**

Though the global economy is slowly picking up, uncertainties remain on the horizon. Rising anti-globalisation sentiments and a potential slowdown in China threaten to unravel the current pace of recovery. As such, many investors are on the lookout to put their monies in safe havens with strong long-term prospects. The resilient Singapore dollar coupled with transparent housing regulations put our property market in a favourable position as an instrument for wealth preservation.

Whilst regional property markets have been on upward trends in recent years, Singapore property prices were on a downtrend due to various cooling measures. With her fundamentals remaining unchanged, Singapore properties therefore offer attractive value proposition on a relative basis. Furthermore, the government has recently signalled willingness to slowly unravel the current cooling measures - The holding period of the Seller Stamp Duty was tweaked in March 2017, from 4 years to 3 years - incentivising property investment. There are also speculations that more cooling measures could be further eased off in the future, thereby boosting property prices.

On the other hand, in other foreign markets such as London and Hongkong, where property prices have continued to rise and housing prices to income ratios relatively high, prospects of additional property measures are on the increase.

**House Price to Income Ratios**



Source: Oxford Economics, Numbeo

**Rising land prices would uplift prices eventually**

Since 2006, the increase in demand coupled with tapered supply has brought unsold inventories down to its lowest level historically, according to available data. As such, developers have grown increasingly bullish about the prospects of the private residential market and have shown willingness to put in higher bids to acquire land, leading to an increase in land prices. While the increase in land prices has not yet spilled over into overall property prices, there is a good possibility that developers will have the scope to raise prices in future launches given dwindling unsold inventory and increasing sales volumes.

Assuming interests for new launches remain robust, higher launch prices will impact values in the vicinity as property prices tend to be benchmarked to nearby comparable transactions. This will inevitably bring about an increase in overall property prices. However, the pace of price increase is still anyone's guess, as the exact timing of further tweaks of cooling measures remains unclear.

**FEATURED PROJECTS**

**SINGAPORE**

**THE CREST**



The Crest, located at Prince Charles Crescent, is jointly developed by WingTai Land, Metro Australia Holdings Pte Ltd and Maxdin Pte Ltd. It has recently, in February, obtained its Temporary Occupation Permit.



Designed by Pritzker Prize Laureate Toyo Ito, The Crest aims to provide its residents with a bright and airy living environment with magnificent views. It is located in an estate reputed for its good class bungalows and low density neighbourhood. Residents here simply enjoy more greens and breeze, true luxuries highly treasured in urban Singapore.

as the lofty apartments. Lofts at The Crest are thoughtfully designed with 6.3m high ceilings giving them a truly grandiose feel. These lavish spaces provide endless possibilities for creative designs and decorating opportunities. Come view The Crest today, call your preferred OrangeTee agent.

The Crest consists of 469 units where the choices of bedroom types are aplenty, with a mixture of typical 1 to 5 bedroom units as well

Please contact the Project ICs for more information.  
Alex Goh 81233879  
Delvin Lim 90229949  
Eugene Lee 91081793

**MOVIE NIGHT 2017**

By Esther Ng, Happy Staff Committee

The Happy Staff Committee has successfully held our third OrangeTee Movie Night on 28 April, 2017.

Fast & Furious 8 - The Fate of the Furious garnered the highest vote in a poll we held for staff to vote for their most awaited movie of the year. True to our expectations, the movie did not disappoint.

Warm responses and participation unite fellow Orangeans for a wonderful evening as Fast & Furious 8 found the Furious gang reunited.



**NEW LOOK, NEW VIBE + OT ROCK!**

By Sharon Han, Agency Division

Cool office inspires Creative people!

They had a dream -- to sing to the world. This group of energetic and talented Orangeans had a dream to show off their talent and their passion in music. This dream never came to much until they saw our newly renovated office at Level 9! OT's very first attempt in having a coworking office!

Ideas and proposals were discussed. Finally, on this special day, 27 May 2017, OTRock! was born.



**SERVICE EXCELLENCE (WSQ APPROVED)**

By Bianca Chang, Learning and Development

Great news to all of us! OrangeTee's first self-designed and developed Service Excellence workshop has been approved by SkillsFuture as a Non-WSQ training!

Yes, that means you can now pay for or offset the course fee with your SkillsFuture credits.

The Service Excellence workshop contextualizes actual real estate case studies and scenarios. It focuses on skills and knowledge required to elevate service standard and competencies. This will help improve your lead conversion and customer retention which will eventually increase your sales performance.

Wait no further! Join us and discover the most sustainable way to stay relevant in this constantly evolving market!

