A Message from our Managing Director

Celebrating Milestones

In the last quarter, we have achieved a few milestones that are worth celebrating. First, our International Projects Department (IPD) has created a big bang in the Iskandar market by launching a few sizable projects in Singapore.

This time, they have made a remarkable breakthrough by adopting a new marketing strategy to accelerate sales. Instead of solely depending on advertisements and hotel exhibitions, which are the traditional ways of overseas project marketing, they have also leveraged on our strong network of 2,500 associates through the 15 Senior Group Associate Directors (SGAD). That’s the reason why more than 300 of our associates have attended the special training sessions and Iskandar tours over the last two months.

The second milestone is the signing of the collaboration agreement between OrangeTee and Japanese real estate service provider Tokyu Livable Inc. (TLI) on 31st April. After the press release was issued on the 3rd May, we received several enquiries, mainly from local and Japanese investors living in Singapore, about investment opportunities in Japan and South East Asia. We are encouraged by this positive response and are confident that this cross-broader partnership will bear fruits very soon.

Finally, we are delighted that our highly-anticipated Business Galleria has opened its doors on 13th May. The new facility is the first of its kind and is a dedicated space tailored to provide first-class service to our associates. We hope this space will become like a second home for our associates and offer them sanctuary from the competitive world outside. Personally, I like the wallpaper with the Singapore skyline very much as it adds a sense of vibrancy that complements the minimalist interior decor.

Through these new milestones and initiatives, we are able to show that despite the many challenges ahead, we are still confident of our future and will always strive to become leaders in today’s fast-changing environment through constant innovation.

At this point, I wish to take this opportunity to thank all the staff, leaders and associates who have committed in making all these milestones possible.

Cheers!

Steven Tan
Managing Director
OrangeTee Group

Launching a first of its kind Business Galleria

By Michael Tan, Agency Department

The OrangeTee Business Galleria is the latest addition to the range of innovative facilities located within the OrangeTee Building. The unique business centre is the first of its kind and was built exclusively for our associates, acting as a one-stop centre for them to access the finest services and resources. Located on the ground level of the OrangeTee Building, the Galleria features a minimalist interior decor, designed to create a homey feel that will allow associates to unwind and relax, whilst conducting their business in a comfortable yet familiar setting. Another feature of the Business Galleria is the full-glass exhibition gallery which will showcase new project launches. The dedicated and friendly counter staff at the Galleria will also be sporting new uniforms which will tie in with the new brand identity and image of the Business Galleria. The OrangeTee Business Galleria will celebrate its official opening on the 19th of June.
Celebrating a new partnership

By Alex Oh, Investments & Advisory Department

We are pleased to announce that OrangeTee has entered into a collaboration with Tokyo Livable Inc. (TLI), one of Japan’s largest listed real estate services for cross-border real estate brokerage business. This collaboration will enable us and TLI to tap into each other’s network of investors, expertise and in-depth knowledge of the real estate markets in the East Asia and Southeast Asia region.

This new partnership also marks the appointment of Mr. Tokuji Murata as the Advisor of the Japanese Business Development (JBD) unit which falls under OrangeTee’s Investments & Advisory Department. Mr. Murata brings with him more than 12 years of experience in the areas of Japanese real estate and fund management and will be providing advisory and consultancy services particularly in relation to the Japanese property market. Mr. Murata will be working together with Mr. Alex Oh, OrangeTee’s Head of Investments & Advisory Department, to spearhead this new unit.

Mr. Murata joined TLI in November 2012 where he is in charge of sourcing, acquisition, valuation, finance arrangement and analysis of real estate and distressed loans. Prior to joining TLI, Mr. Murata was Director at CarVal Investors, responsible for investments in distressed asset portfolios. He has also worked at Tokyo Forex Securities as a financial derivative broker and holds a B.A. of Law from Tokyo’s Aoyama Gakuin University.

MARKET UPDATES

By Chew Wen Hui, Research & Consultancy Department

Outlook for 2H2013 Singapore Residential Market

Singapore’s residential property market has proved its resilience following the recent round of market cooling measures in January this year. A total of 5,412 new homes were sold in Q1 2013, a 24% increase from the previous quarter. Prices for Q1 2013 still held firm while the URA property index has inched up 0.6%, albeit slower than the 1.8% increase in the previous quarter.

Nevertheless, sales volume has started to normalise. Developers have reported a 51% drop in April’s new home sales as compared to the previous month, with March’s strong run-up mainly due to pent-up demand after the festive break and developers dishing out attractive discounts for new projects.

Going forward, developer discounts are expected to taper off, as developers have raised their prices for land earmarked for future launches. The pace of sales could slow to a more sustainable level, similar to the average monthly sales of 1,300 units seen in the last three years. At the same time, we expect mass market condominiums, represented by projects in the Outside Central Region (OCR), to continue their dominance. This trend is fuelled by the continued availability of credit and a low interest rate environment.

Singapore’s stable economic growth coupled with a low unemployment rate have further supported residential demand. These factors have made mass market condos more affordable for HDB upgraders who form the bulk of the demand for these mass market projects. Since 2009, OCR prices have grown over the past 15 consecutive quarters at an average growth rate of 3.5%. Even in Q1 2013, when private property prices slowed across the board due to the January cooling measures, the OCR region continued to outperform the high-and mid-tier property segments by recording the highest quarterly increase of 1.7%.

But a number of risk factors could still impact the property market in the second half of this year. First, we believe that the risk of further property market policies still persists, but this is depending on whether there are sudden surges in volume and price. This despite comments from Deputy Prime Minister Tharman Shanmugaratnam outlining how the Government has no intentions to roll out another round of cooling measures.

Next, immigration policies have been tightened over the past few years, in line with Singapore’s labour restructuring initiatives to strengthen a core Singaporean workforce. Singapore’s foreign population growth has declined to 6% in the past three years as compared to the 13% growth rate recorded over a three-year period between 2007 and 2009. As a result, investors may have difficulty securing tenants for their properties. The decline in the country’s foreign population poses a risk as a weak rental market will lead to unattractive rental yields. This will in turn affect property capital values, causing prices to soften across the market.

Despite these challenging issues, we maintain our view that demand for the private residential market will remain stable. This is because key drivers of residential demand such as Singapore’s GDP growth, unemployment rate and interest rate environment remain favourable.

Singapore’s economy grew by an annualised rate of 1.8% in Q1 2013, exceeding market expectations. For the whole year, it is expected to grow by between 1% to 3%, on the back of an increase in external demand. The seasonally-adjusted overall unemployment rate for Q1 2013 increased slightly to 1.9% as compared to 1.8% in the previous quarter. Even with the increase, it is still significantly lower than the 3.3% experienced during the last recession in September 2009.

Together with a low unemployment rate, last year’s buoyant property market was fuelled by extraordinarily low interest rates. Since 2008, the three-month SIBOR rate has declined by about 86% to its current level of around 0.3%. Despite recent news that Mr Ben Bernanke, the Chairman of US Federal Reserve, has intentions to slow down the monetary supply, most industry watchers are of the view that this move will not drastically affect interest rates. As such, availability of cheap credit for mortgage loans is expected to continue.

With key demand drivers intact, we believe that any potential negative risks, such as policy overhang and a drop in foreign population, can be mitigated.

Residential property prices for 2H 2013 are expected to remain at healthy level. Given the abundance of projects in the market to choose from, developers are also likely to continue their properties. The decline in the back of an increase in external demand.

In summary, we believe that the outlook for the private residential market will remain positive for the rest of the year. Buyer sentiment remains upbeat with healthy interest seen in the new project launches. In addition, the upbeat response from developers to the Government Land Sale (GLS) programme also reflects their confidence in the current property market boom.

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Making headway in Iskandar Malaysia

By Johnny Chng, International Projects Department

In light of the growing investor interest in Iskandar Malaysia, OrangeTee’s International Project Department (IPD) has jumped onto the bandwagon. Within a short period of time, we have sealed deals with reputable developers to market 5 projects—Country Garden @ Danga Bay, SKS Pavilion Residences, Seri Austin and The Seed. Since then, IPD has been providing continuous updates to our associates on the latest developments and market updates in the Iskandar region. These are made possible through several project briefings conducted by IPD and complimentary seminars given by a Malaysian solicitor for OrangeTee Associates.

As part of our expanding circle of marketing activities, numerous trips to Iskandar Malaysia have been arranged for OrangeTee’s management, SGADs, associates and clients. Associates who are interested to establish a presence in Iskandar Malaysia can get in touch with IPD at overseas@orangetee.com.

Achieve success through training

By Simon Yio, Training & Development Department

The Training & Development department has always played an important role in our associates’ success. This is because we believe that training fulfills many of the salesperson needs. In the past two years, we have developed many CPD courses for our sales teams to help them meet their required number of CPD hours, as well as professional training programs.

We have also recently developed our very first Commercial and Industrial Realty Optimum Program (CROP). This program is based on our trainers’ professional experiences and is designed for associates who do not have the experience or the formal knowledge of how to complete non-residential property transactions. Since its launch in May 2013, the program has been received with an overwhelming response. CROP is a must-attend program if you want to gain an advantage over others in the property market. Participants who take part in the CROP program will be awarded 4 CPD core hours and 4 CPD non-core core hours. It is clear that the real estate market is changing and we require a sales force that continuously upgrades their skills through training. We have designed and developed another program—‘Salesperson Essential Expertise Development Strategy’ (SEEDS). SEEDS is a one-day workshop that teaches participants how to develop effective negotiating and communication skills. It will also include a powerful presentation that outlines how to handle and counter objections from FS-BOs or FLBOs. Participants of this program will be awarded 2 CPD non-core hours.

The Training & Development department is also working on plans to launch another new program in July/August 2013: ‘Professional Landed Optimisation Workshop (PLOW). PLOW is a 2-day workshop that will focus on residential landed properties.

Chancery Garden sold collectively for $41 million

By Alex Oh, Investments and Advisory Department

Chancery Garden, a prime freehold mixed landed site at district 11 has been sold collectively by private treaty for $41 million. The sale, which was handled by OrangeTee’s Investments & Advisory department, translates to $1,391 psf per land area.

Built in the early 80s, Chancery Garden sits on a site area of approximately 29,468 sq ft. It comprises 10 units of apartments and townhouses housed within a 3-storey block. Apartment sizes range from 614 sq ft to 1,109 sq ft while townhouses are sized from 1,615 sq ft to 2,906 sq ft.

The site is situated at one of the highest point of Chancery Hill and is within a short driving distance to the main Orchard shopping belt. Alternatively, the Novena Fringe Centre is located less than 1 km away and features a whole range of shopping, banking, entertainment and medical facilities. Reputable educational institutions such as Anglo Chinese School (Primary) and CHIJ Primary (Toa Payoh) are also both within 1 km from the site.

Under its 2008 Master Plan zoning status, the site can be redeveloped into 2-storey mixed landed houses. This means the developer could choose to build a combination of conventional terraces, semi-detached and detached houses, as well as strata terraces, strata semi-detached and strata bungalows. Based on URA’s prevailing guidelines for strata landed developments, the developer could possibly build 18 strata terrace houses or a combination of 8 strata semi-detached and 7 strata terrace houses, subject to approval.
Experience the ultimate in city living

The Carlson, 321 La Trobe Street, Victoria – Melbourne, Australia. Prime location in the heart of Melbourne’s Central Business District. The Carlson is the ultimate expression of city living. Located in Melbourne’s CBD, the apartment block sits above a myriad of boutique shops, galleries, bars and cafes.

Famous landmarks such as Queen Victoria Market and Melbourne Central Shopping Centre are all a stone’s throw away and the location provides easy access to the nearby Melbourne Central Station. RMIT University is also located close to The Carlson. If you fancy a read or two, take a 7 minute train ride down to the State Library of Victoria and while you’re there, grab a meal at Flinders or Swanston Street where an array of cafés and restaurants are located.

Designed by award winning architect Rowthelowman, The Carlson offers 150 stylish one and two bedroom apartments and epitomises convenience in the heart of an urban city.