
NO B.S. GUIDE TO PROPERTY INVESTMENT

**DIRTY TRUTHS AND PROFITABLE SECRETS TO
BUILDING WEALTH THROUGH PROPERTIES**

PROPERTY SOUL

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Dedicated to Greg, Melody and Wendy

Testimonials

“Property Soul is true to her belief in giving unbiased views and useful recommendations to the public. Her book offers insights into the tips and traps of buying properties. She unselfishly shares her first-hand experiences and stories in property investment, with countless practical and proven strategies throughout. She is not afraid to take a contrarian approach, or touch on sensitive topics and openly expose hidden truths in the industry. An enlightening and enjoyable read that helps buyers make informed decisions. This is a must-read property guide for every aspiring or seasoned property investor!”

Dr. Dennis Wee
Chairman
Dennis Wee Realty Pte Ltd

“An extensive guide to the Singapore real estate market. It is a must read for those who are buying a property for the first time. In fact, even seasoned property investors will be able to pick up a tip or two from this book.”

Getty Goh
Director
Ascendant Assets Pte Ltd

“Property Soul offers wise advice to property investors. For many of us, her formula to earn, save and invest is the only way to financial freedom. Read her book. It may be a reminder or even a wakeup call. Success in property investment is within your reach.”

Rayney Wong

Lawyer, Property Investor,
Author of bestseller *Secrets of Property Millionaires*

“A genuine achievement ... *No B.S. Guide to Property Investment* is packed with the nuts-and-bolts of savvy property investment strategies. A fascinating mix of investment myths and practical strategies explored, including the complexities of the local property market. A book that leaves us wanting more.”

Gerald Tay

Professional Investor & Founder
CREI Academy Group

DISCLAIMER:

The opinions expressed above are solely those of the individuals and not of the organizations with which they are associated.

About Property Soul

Property Soul is a property enthusiast. After relocating from Hong Kong to Singapore in 1998, she worked in technology companies while investing in the local real estate market in her spare time.

She bought her first condominium unit for rent in 2002. In the next 4½ years, she built up a portfolio of five private properties. By 2008, its total value had more than doubled. In 2010 and 2011, she sold four of the properties, realizing a net profit of 80 to 120 percent.

In 2010, she set up a personal blog PropertySoul.com, with two main goals:

1. To share her experiences as a property investor in Singapore; and
2. To exchange ideas with fellow investors on accumulating wealth through properties.

In the subsequent three years, she has written over 120 articles and attracted a regular group of followers. Her posts are frequently quoted or reposted at Yahoo News, TheFinance.sg, Singapore Investment Bloggers, Propertyguru.com.sg, Propwise.sg, Singapore Business Review, Singapore Daily, Temasek Review and other wealth blogs.

In 2014, she founded the Property Club Singapore (<http://www.PropertyClubSg.com>). The mission of the club is to equip private property buyers, investors and owners with facts, knowledge and skills in property purchase, investment and management. Workshops, talks and networking sessions are organized regularly for club members.

Property Soul holds a Master's degree in International Marketing from the University of Strathclyde and a Bachelor's degree in Business Administration from the Chinese University of Hong Kong.

Foreword

It is rare to find a knowledgeable and experienced property investor who is willing to spend the time and effort to share his or her knowledge unselfishly. Most successful investors are too busy looking for deals to bother sharing, and in fact would rather others not know their secrets to prevent getting “crowded out.”

So when I came across Property Soul’s blog, I was so impressed that I asked her permission to re-post articles on Propwise.sg, and also encouraged her to put together a book, to benefit both beginning and advanced property investors and buyers.

And she did not disappoint. The *No B.S. Guide to Property Investment* is literally an encyclopedia of Property Soul’s wisdom on profitable property investment. It will help you to navigate the murky ocean of half-truths and lies you will be exposed to as you make the largest purchase of your life, potentially saving you from costly mistakes that could take you a decade to recover from.

I’m thrilled to be a part of Property Soul’s publishing journey, and hope she reaches a much-deserved wider audience. As for you, dear reader, if you are even considering buying or investing in a property, you would be foolish *not* to read this book. It is the real deal.

Mr. Propwise
Founder, Propwise.sg

Preface

Via my personal blog PropertySoul.com, I often receive long e-mails from readers who share detailed property stories with me.

They can be first-time buyers, multi-property owners or experienced investors. Some have a windfall and want more. Some make money while others don't. Some expect a profit at the start but suffer a loss at the end.

Nobody invests in property anticipating a loss. If all investors have the same objective to make money from buying properties, why is the outcome different for everyone? Are real estate riches determined by who you are, what you pick, where you target, when you buy, or how much you pay?

There are also some typical questions that readers of my blog like to ask:

- When is the right time to buy or sell?
- Whether or not to buy that property?
- Where are the good deals?
- What is going to happen to the market?

Many simply have no clue what to do. Some have doubts about what others think and want a second opinion. A few have already made up their mind and are just looking for reassurance.

When I first started buying properties twelve years ago, the economy was in the doldrums. There was a lack of public interest and media coverage of properties. It was difficult to find any good and updated book about investing in the property market. When the economy finally picked up again, buyers slowly regained their confidence in properties.

Nowadays we hear more and more people talking about how they can make easy money from buying properties. But seldom do people come forward to share their sad stories — about how they have fallen prey to traps while shopping for their home, or how they have been badly burnt by buying at the wrong time.

We hear more and more people from the industry speaking in the media, almost always with an interest in their own business. But seldom do we have neutral advice from experts in the field who genuinely put the interests of buyers and investors over their self-interest.

For most people, buying a property is the biggest single investment in their life. And every home buyer deserves to know all the facts before buying such a big ticket item.

At present, I am not working as a property developer, marketing agency, conveyancing lawyer, mortgage consultant or industry analyst. Nor am I engaging in any property-related business that directly profits from buyers, sellers, landlords, tenants, owners or investors.

Hopefully, for the content I cover in this book, I am in a more neutral position to present readers with an unbiased view of all the truths I know about the industry.

I also hope to make this book a useful source of information for property buyers at different stages — be they potential buyers, people buying for the first time, aspiring property investors, or savvy investors with many years of experience.

There is no best way to do something, but there are always better ways to do things. The same applies to real estate investment.

There is no best way to profit from properties, but there are always better ways to improve the return.

In this book I will share the truths I have learnt about investing in property and how to maximize the chances of your success. If you are keen to learn more, pick up this book and read on.

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BUILDING WEALTH THROUGH PROPERTY

Four reasons to buy properties

I grew up in government-subsidized rental housing.

My whole family of six lived in a 500 square foot flat that came with a living room and a bathroom, but no bedroom.

As a kid, I slept with my three siblings on top of a makeshift board laid on the floor in the middle of the living area. When I grew older, I shifted to the upper level of a double decker bed. The same bed was used for sleeping, studying, and storing all my personal belongings.

There was seldom a quiet moment. You could hear clearly activities of family members, noises from the neighbors, footsteps along the corridors, drillings from renovation upstairs, roadworks across the street, or airplanes during take-off and landing.

Over the years, I had mastered different ways to block my ears so that I would not be easily interrupted while focusing on my school work.

Although there was a neighborhood police branch right at the back of our block, security was poor. Loitering, fighting, theft, robbery and molestation were not uncommon in the estate.

Nonetheless, it was not too bad compared with the living environment of the very poor in the country. Besides, the rent was really low. So my family put up with it for over 20 years.

From a young age, I had been dreaming about owning my own place one day. I wanted to own things I didn't have before — my bed, my desk, my wardrobe, my bedroom and my bathroom.

Of course, I couldn't have imagined that one day I could own my property portfolio as well!

I started selling off my properties in recent years. Buyers who inquired about them often shared their reasons for buying. The four most common reasons for their purchase were:

1. For self-occupation

An example is young couples and families who need to buy a roof over their head. They may have to move out, start a new family, or expand the size of an existing family. Home buyers are either looking for an upgrade or downgrade to improve or simplify their lodging. Some of them are new immigrants who want to settle down in the country.

2. For quick profit

They can be businessmen planning to enter and exit the market at the shortest possible time for some quick cash. The purpose of buying the property is to flip it in the market by selling to another buyer at a higher price. The process from buying to selling can occur in a few months, several weeks or even days. It may be a quick sale before signing the Sale & Purchase Agreement, right after getting the key to the property, or after they have done some simple renovation to the property.

3. For passive income

They can be salarymen looking for a positive return from the property to supplement their monthly salary. This second source of income can contribute to the savings plan for their retirement, or act as a safety net for them in case of sudden retrenchment in the workplace.

4. For capital appreciation

They can be investors who believe that property belongs to an asset class that tends to appreciate in the long-term. To see that happen, they are prepared to hold the property for at least five to ten years. They are also confident that their holding power can ride them through any crisis or recession.

The reason behind your purchase determines your property decisions, including what to buy, when to buy and when to sell.

If you are buying a home, your definition of a 'good deal' will be different from that of an experienced investor.

If you want to flip a property for some easy money, even though I have warned you that prices may peak soon, you will still go ahead to buy anyway.

If you are looking for passive income, only properties that can generate positive income in both a good or bad market make sense for you to buy.

If you are waiting for capital appreciation, you wouldn't bother too much about what is going to happen to the market next.

So, which group of buyers do you belong to?

Setting a goal to succeed in property investment

*Make your plans as fantastic as you like,
because twenty-five years from now, they will seem mediocre.
Make your plans ten times as great as you first planned,
and twenty-five years from now you will wonder why you
did not make them fifty times as great.*

— Henry Curtis

After I graduated from college, I had no idea what I wanted to do.

Nonetheless, I told myself from day one that I didn't want to live like most other people.

I was not going to put all my savings into an overpriced home, and toil all the days of my life in a job that I didn't like, just to pay off the home loan every month for thirty years or so.

Life is more than a mortgage. Why must I work for the property developer or the mortgagee bank during the prime of my life?

I was not going to follow everyone else to upgrade from smaller to bigger homes, from government flats to private apartments, and from condominium units to landed houses. On the surface, the quality of living is higher, but so is the amount of housing loan under their names.

I had an alternative plan in mind.

I was going to work very hard, save up every penny to be able to afford the downpayment of more than one property.

I was going to study the market, wait very patiently, and only start buying when prices are really low.

I was going to wait for the next boom in the property market, sell all the properties except one, and use the profit from other properties to pay off the loan of my home.

This was the goal I set for myself when I started investing in properties.

What do you expect properties to help you achieve?

A roof over your head? Some quick cash? A passive stream of income? Financial freedom? Early retirement? Becoming a multi-millionaire?

These are some popular goals. But they are not good enough.

A goal is only relevant if it means something to you.

If you set a goal that is too low or too short-term, you won't find it very exciting. It is just not challenging enough for you.

On the other hand, don't set the goal too high or too unreachable for you. If you do not see any urgency to get there, you won't treat it as a priority. You will feel that you are forever working towards it. Before long, it will lose steam.

Timeline plays an important part here. And you will have a much clearer picture if you can 'quantify' your goal.

Here are some goals that I personally find exciting yet achievable:

- Pay off any outstanding loan (including your home and vehicle) in three years' time.
- Own a private apartment by the age of thirty.
- Have a personal net worth of \$1 million before the age of xx.
- Build a property portfolio with an average cash-on-cash return of x percent.
- Set aside a retirement fund of \$x million before retiring at age xx.

Always strive to reach these milestones before the deadlines. You will be more confident and inspired to move on to your next target.

Property investment, like many things in life, is not a 100-metre sprint race, but a 42-kilometre marathon. It doesn't matter how you start and what timing you achieve every kilometre along the way, it is how you finish it that counts.

No matter what your goals are and what the results will be, I sincerely hope that you can enjoy every mile in your journey of property investment.