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THE AUSTRALIAN Millionaire magazine

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FIND OUT HOW JUSTIN WANG MADE THE LEAP FROM A
LOW INCOME FACTORY WORKER TO A
CEO OF A COMPANY THAT GENERATES OVER A BILLION DOLLARS ANNUALLY

PLUS! FIND OUT WHY PROPERTY INVESTMENT IS THE **BEST PLAN** FOR RETIREMENT

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A BROKE AND NEWBIE ENTREPRENEUR'S GUIDE TO ENTREPRENEURSHIP AND ONLINE MARKETING



EDITOR'S NOTES

The Australian Millionaire Magazine? What is this magazine all about? The Australian Millionaire is an independent, entrepreneurial magazine and we want to make a difference to entrepreneurs, small business owners, entry to mid-level candidates, and local Australians who take great pride in their work. We aim to help Australians move forward with their property journey and make them realise that investing in property is one of the best ways to reach millionaire status. After all, our vision is to create a better everyday life for everyone. We're an independent publication unlike any other. No fancy words, no bull, just results.

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THE TWO BIGGEST TRENDS

THAT WILL IMPACT THE SYDNEY PROPERTY MARKET

The North and South coastal-line alongside the city east are narrow strips with reserved parklands. This makes development along the North Shore and southern lines impractical. Sydney West, however, looks a lot more promising with lots of land for development. Therefore, Parramatta, Liverpool, and Penrith have been chosen as the new smaller city sites. These three new cities will collectively be called "Great Western Sydney" and are predicted to be the third largest economy in Australia following the Sydney CBD and Melbourne CBD.

Changes that have taken place so far in Great Western Sydney include a 50 percent growth in employment in the region and the building of new roads, these being the M2, M5, and M7. But this is just the beginning. New trains, train lines, and more new roads are expected to follow, which, in turn, will stimulate greater employment.

This trending change in the city layout and movement "westwards" is expected to act as a critical reference to predict the hot spots for property value increase in years to come. As such, it acts as a guide for property investors with a keen eye.

How These Changes in Trends Will Impact on Sydney Property

Based on the two trends of change mentioned above, the development focus in Sydney, after the completion of new roads, is expected to move towards the improvement of the urban living environment. New shopping and recreation facilities around the new employment areas and the generation of a scope for future demands will follow. By combining the areas we live and work in with areas for recreation and shopping, people are being encouraged to reduce their need to commute. Overall, it can be said that the areas with increasing employment opportunities are the areas with a superior increase in property values.

The two trends mentioned in this article reflect the difference between now and the future, the difference between impression and reality and the difference between "waves" in investment. However, before investing in property, investors need to look at the bigger picture, make a note of changes, and keep an eye on areas that are showing signs of a superior increase.

The key to successful property investment is to invest for the future and to be aware of future trends. According to the Property Investors Alliance (PIA), a property investment group who specialize in the Sydney property market, investors need to identify whether or not a suburb has a "superior increase" as this then highlights any differences between now and the future, so that differences between impression and reality can be identified along with any differences between the "waves". Identifying these differences leads to the exposure of the future in housing and where this is heading in a specific area.

The trick to understanding superior increase in Sydney is achieved by getting to know the two trends in today's Sydney property market. The first trend being how a Sydneysider now selects a home, and the second being how the city layout has changed.

Trend 1: How a Sydneysider Now Selects a Home

Conventionally speaking, many Australians used to prefer a home that had a separate living area with three-bedroom and a front and backyard. However, over the last 20 years, there has been a number of changes in the Sydney community, these being::

- **Heavier traffic** - Traffic is becoming heavier and harder to negotiate. This, in turn, means that people living in Sydney are finding it increasingly harder to drive to work or to the shops.

“Sydneysiders are electing to live in apartments and units as they are simpler to maintain with smaller yards, and they are very economical with smaller utility and rental costs.”

- **Less time** - Time is becoming more precious with both husband and wife having to work to ease the financial pressure. Many are also working more extended hours to get ahead financially. Plus, a greater variety of entertainment is available, which means less time and money.

- **Rising living costs** - The cost of living is increasing. This means less residual income. These changes in lifestyle are seeing many Sydneysiders review their home choices, with them electing to live closer to work and transport and to live in smaller, more compact homes. These changes are becoming a trend which is expected to have an impact on the types of investment properties purchased in the future.

Living Closer to Work

By electing to live closer to work, many Sydneysiders are now looking for a rental property that is situated in the suburb they work in, or a neighbouring suburb close-by. This not only reduces their commuting time and sees them avoid heavier traffic, but can also reduce their rental costs. For example, an apartment in Liverpool, a suburb in Sydney's Southwest, is managed by PIA. When PIA advertised the property for lease, they anticipated attracting tenants in a low-to-mid income bracket. However, PIA realized that many of the applicants who applied for the property were actually doctors and nurses that were working at the nearby Liverpool Hospital. These applicants were in a higher income bracket, and they chose the apartment for convenience, rather than residing in the more affluent Eastern and Northern suburbs.

Living Closer to Transport

When a Sydneysider elects to live closer to transport and shopping centres, they are aiming to reduce the stress of driving to and from work, and to the shop. Plus, they are seeking to save time and money. For instance, a couple who lived in Cherrybrook and paid a weekly rent of \$500 decided to move to Auburn Central. Their decision to move was based purely on the couple's need to save money and time. The husband works in IT for a company in Parramatta, and his wife works in a financial institution in the city. The couple was finding it too expensive to own and run two vehicles. Plus, the wife wanted to reduce her daily commuting time. So the wife sold her car. However, this then created another problem, with no train station close-by the husband had to drive his wife to the train station daily, and then collecting her after work. This becomes very time-consuming. Auburn Central provided the couple with a solution. By moving to a new rental property situated in the suburb, things suddenly became a lot easier as the train station was within walking distance of their apartment, and the shopping centre was just downstairs.

Auburn Central, along with many other suburbs situated along the train route in Sydney is becoming more popular.

In 2007, the rental increase in Auburn was the highest of all suburbs in Sydney. In fact, it is now more than \$530 per week to rent a three-bedroom apartment in Auburn Central, which shocks a lot of people living in the Eastern suburbs.

Smaller, More Compact Homes

Sydneysiders are electing to live in apartments and units as they are simpler to maintain with smaller yards, and they are very economical with smaller utility and rental costs. Plus, Australian family sizes are becoming smaller, with single people or couples becoming the trend. Many people living in Sydney are also electing to dine out, rather than cook at home.

In the past, people who elected to live in a unit or apartment typically did so because they wanted more affordable accommodation or they were in between houses, and searching for their next property. But nowadays apartments and units are becoming a type of lifestyle. Many young people and older people looking to downsize after their family have grown-up and have moved on are looking to buy an apartment or unit, rather than a house.

Trend 2: The Changing City Layout

Historically speaking, the Sydney central business district (CBD), which was once central is now located in the east of the city. However, this remains the central hub for all other suburbs, in all directions, which presents a problem. With the employment forecast in 2006, for the next 25 years, anticipating a 15.79 percent employment growth in the Sydney CBD and North Sydney, this means greater traffic congestion. At present, the heavy traffic on major roads into the Sydney CBD is an issue, as during peak hours the traffic is basically not moving. This is not only time consuming, but also has a great impact on the quality of Sydney air.

In addition to this, the Australian government has introduced measures to attract more migrants from overseas to Sydney, so that they can combat the problem the nation is facing with an ageing population. Sydney's population growth now far outweighs other cities in developed countries, with its growth being recorded as the highest since the 80s. This growth is expected to continue with Sydney shaping into an international metropolis.

Under these circumstances, a change in the planning of the city layout was needed, and Sydney city-planners introduced the "City of Cities" some time ago. Under this direction, Sydney is transforming and is no longer just a city, but an evolving metropolis that contains a number of smaller cities. These new cities are independent and are also closely related to the old CBD in both lifestyle and employment opportunities.

TOP FIVE QUALITIES OF HIGHLY SUCCESSFUL PEOPLE

Did you know that most successful people share five traits that make them unique and successful?

One of the most powerful rags-to-riches stories is that of none other than Chris Gardner, the founder of Gardner Rich & Company. His life was made into a film 'The Pursuit of Happyness' starring Will Smith back in 2006, and he's a multi-millionaire stockbroker and motivational speaker, who was once homeless and is now reportedly worth \$60 million.

The reality of life is that every success comes with rejection, if you're not failing at all then you're not trying hard enough. It's the massive hunger that'll get you from where you are now to where you feel you should be.

Chris Gardner had the massive hunger to keep moving forward for his son, at all odds, finally becoming a stockbroker and eventually becoming a multi-millionaire.

Here's the rub: there's no one path to success. However, there are certain traits that highly successful people have in common that contribute to their ability to succeed when others seem to fail. Below are 3 examples:

They're willing to do whatever it takes

Chris Gardner was pretty much homeless and bankrupt back in his early days but he was able to turn his life around because he was prepared to put forth the work. Dedication and hard work are equally as important as talent and brain power. It's doing whatever you're doing extraordinarily well, if you want to be successful then you need have to put 110% into everything you do, doing something half-hearted will never get you anywhere. Unfortunately, not everyone has the dedication to follow through with their passion - if you want something bad enough then you need to go out there and get it.

They don't take failure personally

It's quite standard to receive failure and negative criticisms on your journey to success. If you're not failing at all then it simply means that you're not trying hard enough.

No matter how many times you fail, you can't look at your failures as a reflection of yourself. Failure is simply a stepping stone to success, if you're failing a lot then that means it's going to be much sweeter when success finally comes.

They are prepared to take risks

Have you heard of the saying "high-risk high reward?" If you want to be successful one day then you need to be prepared to take risks. If you're not prepared to bite the bullet and take calculated risks then you will never reach your full potential. Sometimes you just have to go "all in" if you want to achieve success.

They are prepared to learn from their mistakes

Most people who are highly successful had to go through insane hardship to get to where they are. If you are prepared to accept success then you must also be prepared to accept failure and mistakes - they go hand in hand. You need to be able to accept accountability and learn from your mistakes and move on to bigger and better things.

They are always ready for a change

The only thing permanent in life is change so if you are unable to adapt when the changes come then you'll never be successful in life. You have to bear in mind that life is tough and it can throw you plenty of curve balls so your ability to adapt to change will set you apart from other people.

In conclusion

Success comes in a number of ways and forms. The interesting thing is that most successful people have very similar traits. Successful people also set realistic goals for themselves so that they know they can achieve them and they have a way of somehow measuring their success.

How do you stack up against this list?



THE SIMPLE STEPS THIS MAN TOOK TO REACH MILLIONAIRE STATUS

By Justin Wang

The lure of investing in property is strong and wide. There are more self-made millionaires through property than any other asset class. We live in a time of impetuosity and instant gratification - in many areas of our life we want to see quick results and change. This is becoming more prevalent with the advent of digital and social media. We've become a fast consumption society - we consume everything at a rapid rate - information, news, consumables, and food.

However, the path to success is not always achieved with the quickest route, just ask Justin Wang (Founder and CEO of PIA) "In the early 1990's as a new migrant from China, to make ends meet I worked incredibly hard in a variety of different roles - from a restaurant waiter to a Chinese language teacher to a door-to-door salesperson...After ten years of hard work, I could not seem to get ahead....you work extremely hard, but just end up making ends meet. I needed to secure a better future for myself and my family. I found that this was not uncommon - people are continually concerned about their futures, struggling to navigate a path forward."

Justin's success came from valuable lessons learned when choosing the right pathway, a pathway that deviated from what the local market and competitors were doing. Justin's personal experience led him to research the property industry as an investment strategy. 20 years ago the great Australian dream was to own your own home, work hard in the same job, raise your family, pay off your mortgage, retire and leave something for the children. 30 years later, the house was paid off, and you finally owned your house free-hold....and your pension and some superannuation would hopefully sustain you. Or would it?

20 years ago, Justin's philosophy was slightly different - use your home as a powerful tool in your future plans and become self-determining and self-reliant. Use your largest asset and equity in your family home as a way to increase your personal wealth and derive a passive income that will sustain you and supplement your superannuation income well into the future, "I started looking at my own future and the strong record of property in Sydney market. I started to invest in properties (units) across Sydney, starting out small and begun to accumulate a small property portfolio of my own. Today, PIA turnover is between \$1.2-1.6 billion in property each year".

What's the secret to success? Long-term investment

Start with your personal goals in mind. PIA's business was founded on the principle of assisting people with modest income achieve a comfortable retirement through investing in property over the medium and long-term. As you build equity in your portfolio, you continue to invest to achieve your income and capital growth goals. To be a short-term speculator, for instant profit, you must have intimate knowledge and experience in the property market, investment strategies, and market cycles - plus have a strong asset backing or cash flow. Markets rise and fall, and short-term strategies to 'make a quick profit' are often short-sighted and risky. Not everyone can achieve this. Instead, we encourage you to focus, not on how much you'll earn over the next 12-24 months, but how much wealth you can create over the next 10-20 years to achieve your retirement goals.

WANT TO BECOME A MULTI- MILLIONAIRE? FOLLOW THESE 3 STEPS

Building wealth is probably the most spoken about topic across the world and will be for years to come. How to make money is the 24th most Googled question in the world that's 246,000 individuals per month hoping to find answers.

You can earn more and save for your future easily, but many people get caught up in the old saying "You have to have money to make money." If you have this mindset, you have already set yourself up for failure. The truth is you have to be driven, be willing to work hard now and invest so you see a return on capital.

Property won't make you wealthy overnight, but it is a great first step to financial freedom – a great form of income for you and your family in the future. The Sydney residential property market alone has increased by 74% since 2012[1]. Sydney offers promising returns for investors and the long-term outlook for this market is positive.

Follow our three simple steps to wealth and find out just how easy it can be to build your wealth.

1. Using the family home to build a property portfolio

If you have equity in your own home, do you know that you've already taken the important first step in your property journey? That's because the family home can be more than a great place to raise your children. It can be a powerful tool for growing your wealth and setting up your financial future.

After all, a lender may let you use the equity you already have in your home to fund the purchase of an investment property. That means you may not need any further deposit. Meanwhile, the rent your tenant pays should help you meet the cost of taking out your new loan.

2. Renting and buying simultaneously

Think you can't afford to buy where you want to live but still want to get a foot on the property ladder? Try the 'Buy and Rent', model. Under this strategy, which PIA pioneered back in 2005, you can rent where you'd prefer to be based on your lifestyle, study or work. If you earn \$70,000 annually, you could buy an investment property worth \$650,000 for as little as \$42 a week, out of pocket.

3. Helping the children

Worried your children will never be able to afford to buy property? By using the equity in your own home, you may be able to get into a property without the need to save a deposit. If they're not ready to leave home just yet, you can secure and manage a tenant who'll help pay off your loan until they do.

It's never too late or early to start thinking about the future and making a plan, invest in property to secure a comfortable, stress-free future for you and your family, build your property portfolio and build your wealth.

THE 2 QUESTIONS THAT COULD DETERMINE WHAT TYPE OF INVESTOR YOU ACTUALLY ARE

There are many uncertainties when considering property investment: where to buy, how many properties do I need, do I buy established vs off-plan, what type of investor am I, the list goes on.

But if you start with the end goal in mind and invest strategically, you'll not only work out what kind of investor you are but also how far you can go. First, you need to ask yourself, what are your needs – both now and into the future – what is it you'd like to achieve? This assists in determining the type of investor you are and what it will take for you to achieve your goals. Then you need to create a property investment strategy based on these needs and the type of investor you are (or want to become).

To help you decide what type of investor you are, you should start with two questions:

How comfortable am I with investment risk?
How involved in my investment strategy do I want to be?

The first points to your understanding of risk versus reward (return). When considering your preferred level of risk and return, timeframe plays an important role. The second determines how active, or hands-on, you are in your property investment journey. Generally, life stage plays a strong role here.

We've identified three types of investors that we typically see on the property investment spectrum:

You're new to investing. You're a wage/salary earner. Your life up to this point has been about establishing yourself or your family; consumption oriented strategies; saving for holidays. You may be living from paycheck to paycheck. Your company contributes to superannuation for you. If you own a home, it is your primary residence. If you're thinking of buying a home – it's to live in.

You haven't yet started to think about investing as a long-term strategy, but you are starting to realize that you are responsible for your financial future...and you have yet to work out what that looks like.

How can I avoid living paycheck to paycheck?

What would it be like to have another source of income to make you more comfortable?

What could my savings and investment plan look like in 10 years?

Could I invest rationally, versus emotionally?

How can I become financially independent?

Passive Investor

As you grow and mature you begin to take on more responsibility. You're working hard to make money and save money. You've done your numbers. You research the property industry and follow the media. You believe that you could take the next step...but you simply don't have the time, out of your day job or life, to focus on this 100% or manage this yourself.

The passive investment strategy is good for people with busy lives, families, jobs, outside interests, or entrepreneurs building businesses. Let's face it: most people's lives are already full leaving little time for developing investment skills. It is difficult to make investing a top priority despite its financial importance.

A common result of this time limitation is passive investors often delegate the responsibility and authority for their investment decisions to "experts" such as financial planners, brokers, property consultants. Rather than become their own expert on investing, passive investors typically rely on other people's expertise for their investment strategy. Their defining characteristic is the need for simplicity.

Active Investor

You're a seasoned investor. You've built upon your passive investor skills and are now transitioning to a new investment strategy, whereby your wealth and your future is your own business.

You are now fully in control of your portfolio; you make daily decisions based on your learned skill set. You follow the market, and you manage your cash flow accordingly.

Active investors work hard at making their money work for them as they understand the end goal is all about return on investment. Small differences in growth rates over the long term can make large differences in wealth accumulation.

So you know what's involved and what to expect. You expect results, and you're open to advise... after all, you have an investment plan in place.

Active investors require a different level of service and support. Less time spent on why to invest, and more time spent on how and where.

WHY BUYING OFF-THE-PLAN CAN BE YOUR TICKET TO

FINANCIAL FREEDOM



“A big advantage of buying off the plan is that you will pay the current market price for a property, even though it will be completed in the future... If the market experiences growth, the property you purchase off the plan today may increase in value when you settle up to two years later.”

Buying 'off-the-plan' entails entering into a legally binding contract to purchase a property before it reaches the stage of final development and occupancy approval.

Buying off-the-plan can represent significant financial gains for a buyer. In Australia, buyers can enjoy tax depreciation benefits, can access Government grants and incentives and can enjoy owning a 'new' property without paying the market premium. First-home buyers around Australia can enjoy exemptions and concessions of stamp duty for properties purchased off-the-plan.

Benefits of buying off the plan:

Secure a high-value asset for a low initial capital outlay – After an initial deposit is made (usually 10%), the entire payment doesn't need to be paid until the property has been built, giving you time to organize your finances or sell your existing property.

Lock in a price at today's value – a big advantage of buying off the plan is that you will pay the current market price for a property, even though it will be completed in the future.

Increase in property value – If the market experiences growth, the property you purchase off the plan today may increase in value when you settle up to two years later.

Tax advantages – If purchasing for investment purposes, you may be able to claim depreciation on your tax for items like fixtures and fittings.

Government Grants and incentives – In NSW, off the plan buyers may be eligible for:

New Home Grant Scheme[^] - a \$5,000 grant (provided that the value of the new home does not exceed \$650,000 and the value of vacant land does not exceed \$450,000).

First Home Owner Grant Scheme - For eligible transactions made on or after 1 January 2016, the grant amount is \$10,000

Stamp duty savings in some states – State governments (in certain states) offer bonuses and reductions in stamp duty for buying off the plan which can save you thousands of dollars.

Seven-year builders guarantee – Newly built properties in Australia come with a seven-year builders guarantee which means structural or interior building faults must be repaired by the builder.

*It is essential to consult your Accountant to find out if you are eligible. Refer to the NSW office of state revenue for

further information about grants <http://www.osr.nsw.gov.au/grants>. [^]A new home is a home that has not been previously occupied or sold as a place of residence and includes a house that has been substantially renovated and a home built to replace demolished premises.

The Risks

There are always potential risks when undertaking any major purchase or investment. We recommend that you seek independent legal and financial advice before making any property purchase.

Be well informed; you need to ensure that you do your research and seek further information.

Contract terms - It is essential to have a comprehensive contract that sets out exactly what you are buying – from the features, fixtures, and fittings to the insurance, voting rights (if it's a strata property), timeframes and dispute-resolution processes.

The rise and fall of the property market – the risk that you may pay too much for a property if the market falls between the exchange of contracts and building completion. Do your research on prospective property locations.

Expectations – generally you will not see the property until construction has completed. Ask plenty of questions, review the quality of fixtures and fittings, make informed decisions.

Interest rates – while currently low, interest rates could in fact increase before you settle on the property, particularly if you wanted to fix the term of the loan at the current interest rate.

Bankruptcy – Many buyers fear the developer could go into liquidation before the project is completed. Do your research. We recommend that you do your research and ensure that you get independent legal and financial advice on any property purchase or investment. Don't forget to ask key questions up front and have your Solicitor or Conveyancer to check the terms of the agreement to ensure you are protected, and you achieve peace of mind. NSW Fair Trading advises that buyers can also benefit from asking the right questions. Please see the below link.

<http://advice.realestateview.com.au/buying/things-to-consider-when-buying-off-the-plan/>

Buying an off-the-plan investment property can be an exciting and beneficial venture in your journey to financial freedom.



TIME TO RETHINK THE GREAT AUSTRALIAN DREAM

Young Australians are moving away from the great Australian dream, as the path for 2018 is not as simple as working to save for a deposit on a house, starting your new life in it and paying off a mortgage. This method is simply outdated.

Adopting the direction of past generations is a harder path to follow as a first home buyer, with affordability currently a large consideration, so Australians are now leveraging property differently to benefit their futures. Smart investors reside in a Sydney rental property in areas they want to live and buy Sydney property in places they can afford and rent out.

The 'Buy and Rent' model was first conceived of by PIA (The Property Investors Alliance) in 2005 for Australians who want to leverage investment property for future financial goals, allowing buyers to maintain their current urban-city lifestyle, without sacrificing their financial goals. More than half of PIA's clients say that their personal motivation for investing in property is to attain financial freedom. Buying a home to live in will not deliver financial freedom or additional income.

Saving a 10% deposit, plus the typical 5% costs of purchasing a million dollar property in their preferred location (in addition to the cost of lifestyle), first home buyers would be left waiting years until they can finally get their foot in the door of securing a property.

This is where the 'Buy and Rent' model (sometimes known as rentvesting) can provide a better solution - allowing investors to enter the property market sooner rather than later. Purchasing in a more affordable area - at half the cost - and renting out the property to pay it off, while continuing to live in a Sydney rental property in a great location, means making no changes to your current living situation, seems a much more affordable and practical path to financial gain and success.

According to a 2017 white paper from Ipsos, the rentvestor is becoming increasingly popular as 61% of 'Generation Y' are jumping on the trend, 41% of whom are single, and 81% who are choosing to live and rent in inner-city areas.

Two million Australians are property investors, but they're not just investing in a property, they're investing in a financial plan. The number of landlords in Australia is about 8% of the population, utilizing property to grow their wealth, while tenants pay down their debt.

Based on historical market performance, we have seen big profits from those buying Sydney residential assets.

Following the 'great Australian dream' model of working, buying and paying off a home, first home buyers now include Australians in their 30's and 40's. So we're flipping it around and investing before purchasing a first home. It may, at first glance, seem a backward way of entering the Sydney property market, but it's fast becoming the smartest and most appropriate way to take advantage of the current economic climate....and own a property.



WHY PROPERTY INVESTMENT IS THE BEST PLAN FOR RETIREMENT

by Justin Wang

Did you know that even if people put every cent they save into their superannuation and their superannuation fund gives them a return of 6 percent - the reality is that most super funds cannot consistently have a high return? They also have big losses. In fact, the Daily Telegraph reported that one of the biggest super funds in Australia, The State Super Fund, lost AUD\$7 million daily over a 16-month period, and this for a retiree, can be devastating financially.

So while some people hope to solve their retirement funding problems by working hard and saving money, the truth of the matter is you won't be able to save enough, not after you deduct tax, expenses and fight the ever-rising costs of living. Plus, you also need to think about inflation, and how what you save today will not have the same value in the future.

Inflation and How this Erodes Our Retirement Wealth

If you are already rich due to business or other means, then you should really be beginning to think about how you can maintain your wealth, rather than allowing your wealth to be eroded over time. For example, let's say a couple owned a business in 2000 and, at the time, they had AUD\$500,000 in a term-deposit in a bank. During that financial year, the couple decides to sell their business and retire. The sale of their business pays off their home, and they live off the interest from their savings account, which gives them a healthy return. The couple believes that this money will last them until they pass away, which back in 2000 it may have. But since then, the cost of living has risen considerably, and interest rates have fallen quite dramatically. The couple is now having to consider other options as they are now merely surviving on the interest gained from the \$500,000 in savings.

How to Generate Long-term Wealth

To generate real wealth that is long-lasting, you need to think about the type of assets that can keep you wealthy. The best assets are savings, a business that generates a strong turnover and profit, as well as shares, and property. In order for an asset to be considered as viable and able to generate real wealth, it should be able to hold its value and increase in value over time and be able to generate a stable income.

Investing in Property Enables You to Build and Maintain Your Wealth

When you consider how Australian politics, the economy and even our social status impact on our retirement options and how these can erode our wealth, it makes sense to look into property investment further. Property typically grows in value long-term, and it is able to adapt to changes in inflation. Plus, it is an asset that you can touch and feel, meaning that unless it is effected by an act of nature, such as flood or fire, it will still be there tomorrow. Unfortunately, the same cannot be said of stocks, shares or even superannuation.

At present, one of the best markets for property investment can be found in Sydney. It is a market that has withstood the tests of time and is continually growing and expanding to accommodate an increasing population. Supply and demand make Sydney property investment a "must-make" decision for successful retirement.

As a property investment consultant, I encounter people who say that they are not interested in property investment. But the truth of the matter is not so much that they are not interested, but rather that they've never considered it, explored if it's possible, or they are fearful of the financial commitment. However, property investment is no longer a matter of interest, it is a "must make" decision if you expect to retire comfortably on an income that will grow with inflation and the economy so that it withstands the tests of time.



“According to many superannuation organisations, the majority of Australians believe that their superannuation funds are the solution to them being able to retire. But given that on average Australians only have around AUD\$70,000 each preserved in their superannuation, it is highly unlikely that their superannuation alone will be enough to fund a comfortable retirement.”

The Truth About Retirement

Regardless of your type of occupation, whether you're self-employed or an employee or the amount you earn, you need to consider your retirement and how you are going to afford to live when you stop working. Many people think that it's years away, so they don't need to think about retirement now, but you and I both know that the days and months quickly turn into years, and then slip into decades before we know it. So even if you don't have time to think, or don't want to know about retirement, eventually it will present itself whether you like it or not.

To 95 percent of the population, the word “retirement” makes them feel good as they'll have more “free time”, but in the same instance, they also worry. This is due to the fact that for many people retirement means having to live on less money, which in many cases, is not enough for them to live comfortably. In fact, according to financial planning experts if we have 100 people aged 25-years today, after 40-years of working only five of these people will be able to fund their own retirement. Of the 95 people remaining, some would have passed-away, while others will have to still keep working to survive, or they may merely rely on social welfare and charity donations to get by.

How Much Do You Need to Retire On?

To retire – “re” (back) and “tire” (draw) – literally means to withdraw, often to a place of safety and seclusion. In this respect, it can be said that to “retire” from working life means that you can relax, without any worries. But to do this, you need to know how you're going to pay for your cost of living.

A number of retirement surveys have been conducted across Australia, where Australian couples have been asked about the amount they feel will be needed for retirement. Most couples said that they would need between AUD\$30,000 and \$50,000 each year for a comfortable retirement. This is providing that they have no mortgage to pay.

So, you need to ask yourself this, “If I want to retire comfortably, where will this \$30,000 to \$50,000 come from?”

The government will encourage all Australians to save more for retirement by introducing higher rates of compulsory superannuation. If you said a Government Pension, then you need to think again. While Australia has a social welfare system, it is not comprehensive. Our baby boom mainly happened after World War II. Then in the 60s, when these people are also known as “Baby Boomers”, were young and building up the country, the average lifespan was far less than it is today.

In fact, back then, there were six taxpayers to one pensioner, and this allowed the government to easily take

care of its seniors. But times have changed. Now the Baby Boomers are reaching their retirement age, their life expectancy has increased to over 80-years, and there are far more of them than there was in the 60s.

Will the Australian Pension Survive?

Today there are six taxpayers to three pensioners. So the Australian government has to look at ways that they can reduce the amount of money being paid to pensioners, as the nation can no longer offer the same level of support. This has led to a reform in pension legislation. At the beginning of 2015, the pension for a single person was AUD\$22,365, and for a couple AUD\$33,717, this included a pension supplement, as well as a Clean Energy Supplement. However, over the next two years only some Australians who meet the pension age requirement, will be eligible for a pension, as means testing is about to be introduced. It is also predicted that the government will encourage all Australians to save more for retirement by introducing higher rates of compulsory superannuation and restructuring tax over the coming years. Based on these expected changes, the government has also stated that some Australians may have to work for longer, rather than retiring.

Is Superannuation the Solution to Retirement Funding?

According to many superannuation organisations, the majority of Australians believe that their superannuation funds are the solution to them being able to retire. But given that on average Australians only have around AUD\$70,000 each preserved in their superannuation, it is highly unlikely that their superannuation alone will be enough to fund a comfortable retirement. For instance, let's say a couple needs AUD\$30,000 per year to retire comfortably, and they retire when they're 65-years-of-age. The couple then lives until they're 90-years-of-age. This means that the couple will need a minimum of AUD\$30,000 x 25-years for a comfortable retirement or a total of AUD\$750,000.

Some financial-planning experts have even suggested that a person earning \$40,000 a year for 30-years, will only receive a retirement income of around \$19,000 a year. This is due to tax, the cost of living and other expenses are eroding their cash flow and reducing the amount they are able to save. Plus, we also tend to live life within our means. A financial planner and a bestselling author Brian Sher said that we tend to live life according to how much we earn. For instance, when we first start our working life, our pay is much smaller, so we tend to buy a smaller, more affordable car and a smaller home. But as our income grows, along with our work experience, so too does the size of our car and our home. Thus, we tend to live life according to our means, rather than living life conservatively and then saving the rest for retirement.



FIND OUT MORE ABOUT
JUSTIN
 WANG

Find out how this man went from factory worker to a multi-millionaire CEO

He built PIA at the time where he realized the profitability of the Sydney residential property. His considerable charisma would go on to spearhead a veritable empire of altruistic financial freedom. Now that he is on top of his game and sitting pretty, Wang takes a moment to share his story.

From his humble beginnings as a factory worker when he migrated to Australia to his ultimate prosperity as a property mogul, what follows are some gems on entrepreneurial endeavour – ‘the teachings of wealth’ – direct from the man behind the success.

The humble beginnings

Wang associates his accomplishments with always insisting upon his dream, despite his humble origins. “I always believe as a child that if you have a dream, that if you can keep it and be ambitious, that you will eventually achieve it,” he says.

He credits his grandmother with instilling the crucial discipline for fostering his innate abilities. His upbringing was greatly influenced by the Chinese tradition. Speaking about his grandmother he recalls “she always taught me how to be useful and to accumulate good karma”.

It was this fortuitous and fruitful approach – of understanding the process of giving and receiving – that would prove to be of great importance in Wang’s professional life. “My success is measured in two folds – one is financial freedom and the other is helping people,” he explains.

Finding a calling

When Wang became a teacher, he noticed his colleagues struggling with money concerns. It was here that he found a way to ‘give back’ and to ‘find his calling’ – all in the one serendipitous instance. He was able to align his spirit of collaboration with his skill for finance to ‘break the mould’.

By Patricia Higgins

Justin Wang is the CEO of The Property Investors Alliance (PIA) and is a wealthy individual in more ways than one. This is in terms of both his financial acumen and his deeply philosophical base of personal knowledge – gained as an offshoot of his Chinese heritage and cultural influences.

“In hiring a PIA consultant, you are provided a flexible service. We are prepared to go to people’s homes after hours, and we always handle things in an efficient and hassle-free manner.”

Wang explains that only ‘a few people work for fun’ whilst most work ‘for the bread and butter – for survival’. Luckily, in his lifetime he was able to transcend a mediocre existence for one that met loftier goals – but, it was an experience that was not without its fair share of trials and tribulations.

He elaborates “I resigned from being a high school teacher, I wanted to try something else and eventually I came to Australia – because I wanted to find financial freedom. However, I found it very difficult at first to make money in this country, even though the income is higher here than in China I could only save a few dollars.”

Making the dream a reality

Even though Wang initially felt frustrated with his lot in Australia, he quickly found a way to remedy the situation. This was how PIA was born. ‘Ever since I created this concept it has been going well,’ he says with an easy sense of confidence.

Wang, once more, credits the realization of his dreams to his two-fold approach to prosperity. “To illustrate my definition, I invest in a business and then I advise others to do so. If I didn’t do that, I probably would not have achieved so big a portfolio as I currently hold today,” he divulges.

He always tells his staff to “make an investment yourself and then share with other people”. In this way, Wang likens the process to a turbomachine, or to an ecosystem. “By doing this information will spread quickly and it will leverage the property,” he says.

The wheels in motion

Now a firmly established enterprise, Wang’s business is a thriving entity built on three symbiotic branches. The keyword here is ‘alliance.’ “What we’re doing is all related to property for the investors. In today’s language, this corresponds to the concept of a ‘platform.’ I believe that the whole industry must be integrated,” he attests.

The modern digital world and its propensity for networking is the perfect facilitator for a collaborative environment – one that works greatly in Wang’s favour. “The more and more that individuals use the PIA platform to start their own portfolio and business, the more everyone wins.”

Wang adds “my business partners don’t actually work for me, rather they engage in the platform and set up

their individual businesses. The internet provides and connection for everyone and it makes the connections almost feel physical.”

Entrepreneurial advice

For Wang, the priority of a business owner always lies with the stakeholder/s. This includes all parties to the arrangement, as well as the interests of society as a whole. He gives an example: “in looking after my real estate agent, I also must consider the investors and their client’s interests, aka the purchaser. It goes beyond this, extending to the developer and the entire community.”

This holistic approach is the cornerstone of Wang’s success, and functions as a valuable lesson in entrepreneurial tactics. “If we consider all sides then the business won’t encounter any undue difficulties. If you are not taking care of all sides, you would think that this would jeopardize one parties’ interest – and, then you would most likely find this would cause trouble for your business,” he elucidates.

In engaging his customers, Wang is very focused on listening to his people. This comes down to transparency. “We deliver the truth about the Sydney property market through thorough knowledge that is easily digestible. We provide the best strategy to assist them with investing,” he says.

It’s also about anticipating needs, saving customer’s valuable time and ‘going the extra mile.’ Wang explains “in hiring a PIA consultant, you are provided a flexible service. We are prepared to go to people’s homes after hours, and we always handle things in an efficient and hassle-free manner.”

Concluding thoughts

Justin Wang is the embodiment of the self-made businessperson. From unassuming beginnings to a life as a property magnate – he now personifies the paradigm for financial freedom. It always comes down to abundance as generated by collaboration. “Life is not about yourself, your wealth and your fame. Sharing and inspiring other people is more fun than being successful by yourself,” he says.

Wang’s favourite quote? A line from a book by Zig Ziglar. “If you can help other people achieve what they want, you can achieve everything you want.” It’s certainly a poignant ‘teaching of wealth’ with many applications – especially for those seeking out their own future as an entrepreneur.

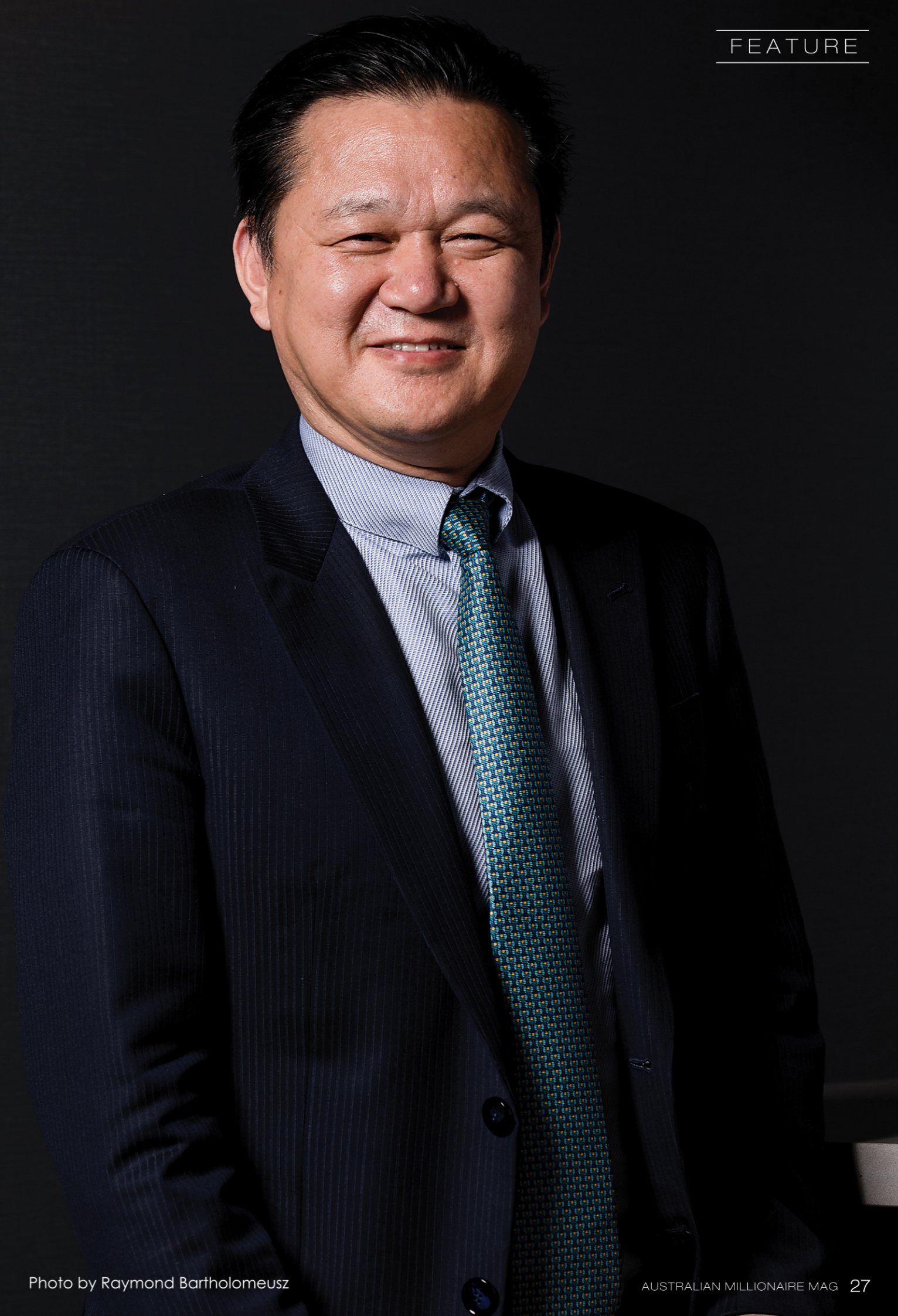


Photo by Raymond Bartholomeusz