



Mr Victor Lim, 60, with his wife Stella Leong, 60, and daughter Dina, 30, on the sofa. Behind him are his son Winchester, 34, daughter-in-law Joanne Teng, 34, and grandson Xavier, five. Mr Lim bought the three-storey, 3,500 sq ft penthouse at Skies Miltonia under youngest daughter Sophie's name about five years ago for nearly \$2.9 million. PHOTOS: ALICIA CHAN FOR THE STRAITS TIMES

## Me&MyProperty

# For owner of 18 real estate firms, the magic is leverage

He relied on loans mainly to buy property and used returns from their sale to grow portfolio



**Lorna Tan**  
Investor

Businessman Victor Lim's strong belief in the potential of property has put him in good stead with an expansive real estate portfolio comprising residential, industrial, office and land assets.

Mr Lim, founder and chief executive of Asian Micro Holdings, owns 18 private property companies

across the region.

Many might think that with his 61st birthday coming up on Saturday that he would be ready to put his feet up, but that's not in the works. Mr Lim is pursuing a Master of Science degree in real estate at the National University of Singapore, largely because he is eager to share his knowledge.

A lesson that he wants to impart is the power of leverage.

"When I was 32 to 36 years old, I bought 30 terraced factories, an industrial canteen, two factories, two acres of industrial land, a shop-house and two condos using 90 per cent loans," he says.

Mr Lim started investing in property when he was 30. Most of his investments were made overseas, where he bought industrial land for

development by his firms. He subsequently invested in residential homes and office units.

He grew up in a three-room Housing Board flat in Havelock with his parents and seven siblings. He recalled that when he was 14, his parents were jobless and needed to feed eight children. "We held gambling activities in the flat to support the family. I had to wake up in the middle of the night to play 'four colour' cards with more than 10 older women when my mother needed her sleep," he says.

He has had his share of ups and downs in business. He and his family had to downgrade to a 1,000 sq ft apartment from their bungalow when cash flow was tight.

Mr Lim obtained a diploma in production engineering from Singapore Polytechnic in 1975 and an Executive MBA from Singapore Management University in 2014.

He is married to Madam Stella Leong, 60, and they have four children - Sophia, 35, Winchester, 34, Dina, 30, Sophie, 27 - and four grandchildren, aged one to seven.

### Q Describe your home.

A My wife, daughter Sophie, son-in-law Claron Tan, grandson Cleon Tan, and I live in a three-storey, 3,500 sq ft penthouse at Skies Miltonia in Yishun Avenue 1.

We bought the unit (under Sophie's name) for nearly \$2.9 million about five years ago. We bought it to be closer to our son and daughter-in-law who live in Yishun, so that we can help her to manage our two grandsons, aged five and seven.

My wife loves Skies Miltonia because she enjoys golf and we are members of the Orchard Country Club and Seletar Country Club nearby. She also appreciates the good views of the country clubs, Seletar Reservoir and an almost unobstructed skyline from our home.

The swimming pool is the best feature - it looks like a guitar and is huge. The sunrise and sunset are beautiful and occasionally we can see the fireworks in Johor Baru during festive periods.

### Q What's in your property portfolio?

A Our first home was a four-room HDB flat, where we lived for three years before we bought a semi-detached house for \$570,000 in Lentor Green. We sold it for \$1.4 mil-



The Orchard Country Club, Seletar Country Club and Seletar Reservoir are visible from Mr Lim's penthouse, as well as the view of an almost unobstructed skyline.



Mr Lim's favourite spot in the penthouse is the balcony. From here, he can see the sunrise and sunset, and fireworks in Johor Baru during festive periods.

lion after living there for 10 years.

We bought two Beechwood bungalows in Woodlands for \$2.5 million each about 18 years ago. Each has a built-in area of 6,500 sq ft and they are worth about \$5 million each at present. Each bungalow fetches a rental of about \$150,000 annually. We bought a 1,300 sq ft Rosewood condo for about \$700,000 about 13 years ago. It is being rented out at about \$2,750 monthly.

A 700 sq ft unit at Hillion Residences in Bukit Panjang was bought (under Dina's name) for about \$1.1 million, about four years ago. It is conveniently located near shops and a transportation hub. It will be used by Dina after she gets married later this month.

These properties were bought with the ultimate intention of gifting them to my children in the future. We have mortgages for Skies Miltonia and Hillion Residences while the rest are fully paid. The final loan instalment for our Rosewood unit will be paid in November.

We own eight industrial units at Lam Soon Industrial Building.

I have bought property overseas and many have already been sold. In Penang, we have a shophouse for rental and for future stay, as well as nine industrial properties and 18 office units which are rented out.

In Thailand, we are renting out

three industrial factories and in the Philippines, we have three industrial properties and an office unit which are rented out.

### Q Describe your property investing strategy.

A We are (constantly) on the lookout for new properties and will make a decision to buy if the property is suitable and we can obtain good loans.

We divest when the price is good. We will hold on to the properties for the long term to enjoy rental yields and higher capital appreciation.

For residential properties, as we are not purchasing for investment but building a portfolio of homes for our children, we wanted to ensure that they suit our needs. For example, my wife loves golf courses and views, so we bought Skies Miltonia. For the Rosewood condo, we wanted to be near our bungalows in Woodlands so we can attend to our tenants there.

We like the Hillion Residences condo because it is near our workplace where we used to own 17 industrial units around Hillview Avenue but now we are left with eight units at Lam Soon Industrial Building.

We have four children and four grandchildren, and want to ensure we have sufficient houses for their future use.

### Q What are factors you look out for when buying property?

A First, we need to look at the location. For instance, is it near our children's homes? Secondly, we look at the developer and its track record for quality workmanship and finishing. Thirdly, the location of amenities like the gym and swimming pool. We value our privacy so our rooms should not face other residential units. Fourthly, we ask if we are able to finance the monthly mortgage. Investing in real estate requires heavy capital and the guts to make the first move.

We have many industrial properties, factories and office units overseas, which we built over the past four to five financial crises. We were able to finance each purchase along the way and once we have completed each cycle of purchase, we would embark on new purchases, using the proceeds to invest.

### Q Are you planning to buy in the next three to five years?

A I have invested enough and it is time to manage the portfolio properly or to monetise the assets, especially the industrial units. We will not sell our houses in the medium term as they will serve as a roof over our heads for future generations.

My private company accumulated many parcels of land and office units in Penang when the ringgit was weakening. We will be considering the development of retirement homes there shortly. The key is being able to buy land cheaply when there are windows of opportunity.

### Q What's your view of the property market?

A In Singapore, I see limited potential for property investments due to the Government's regulations and controls. I feel that the Government's tightening of borrowing will affect the market and the upside potential.

The new units are getting smaller and the quality is no longer there due to workmanship issues. We prefer to buy old houses instead where the rooms are much bigger.

### Q What's your financing strategy?

A When I was younger, I preferred to go for high leverage and get 70 to 80 per cent financing. I would review the mortgage amount and interest paid after the first two to three years to see if I could refinance to save on interest by switching banks.

My wife and I would look at the surplus collected from investment properties and use it to reinvest by buying new properties, instead of parking it in bank deposit. We prefer to make the money work for us.

### Q Do you have insurance cover for property and contents?

A We buy insurance for the property and contents, as accidents can happen when you least expect it. Typically, we cover about 80 per cent of the property and the value of contents.

In our younger days, I would buy my own insurance to cover the amount of the home loan so that if something happened to me, my wife and family would not be burdened by the mortgage.

### Q What's your overall investing strategy?

A Invest only in assets that can provide returns of at least 4 to 5 per cent, and use leverage by taking loans from the bank. I do not invest in shares.

Basically, I am conservative with a strong belief in the investment potential of real estate. Investing in property is a long-term investment. My wife and I are building industrial warehouses in the Philippines' Free Trade Zone and on Penang Island on the land we bought 15 and 20 years ago. They had been left idle due to many global and regional financial crises.

As I was in the industrial sector when I was young, I started investing in industrial properties before diversifying into the residential sector. I later ventured into investing in office units. My real estate investment comprises industrial properties (30 per cent), residential (30 per cent), office units (10 per cent) and land (30 per cent).

### Q My dream home is...

A Ideally, it would be our Beechwood bungalow that we lived in previously, where I had my own parking and private walking spaces, and I was able to manage my own house (as opposed to a management committee in a condo). It was also located in a friendly expatriate neighbourhood.

Now Skies Miltonia is our dream home. We appreciate the panoramic view and lovely skyline every day.

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