

# INSPIRE

## THE WIM REVIEW

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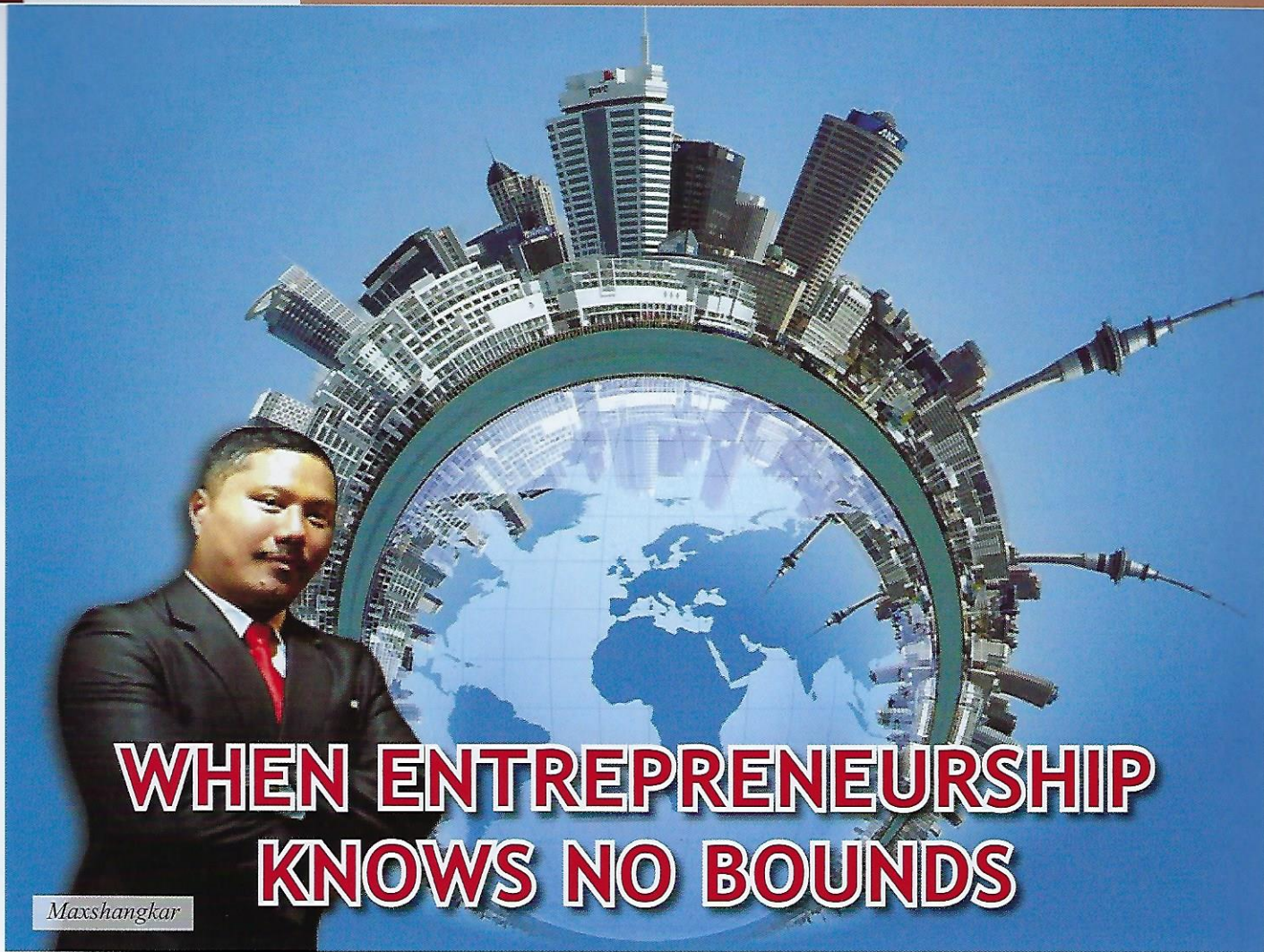
### INSIDE

- ◆ US President Trump's First 105 Days
- ◆ Emmanuel Macron, France's Centrist and Youngest President
- ◆ The Gutsy Spirit of Roger Federer
- ◆ Shadow Banking
- ◆ Dark Money Power - Both Sides of the Atlantic



# THE MILLENNIALS THEIR VIEWS AND CHALLENGES





# WHEN ENTREPRENEURSHIP KNOWS NO BOUNDS

Maxshangkar

To say that Maxshangkar has far-reaching ambitions would be an understatement; he has global ones – and he’s already started achieving them. Where other realtors would be content to buy and sell properties in their own towns, or, at most, the next state, Max takes it further: he goes to completely different continents, and in some cases, to places not usually connected with real estate. He holds firm to the belief that owning property is akin to owning gold – but he didn’t get to where he is today, just by hanging on to tradition. He rolled up his sleeves, did his homework, clocked up his hours, experienced ups and downs, and took his chances – and amid this full, buzzing life, he also managed to write a book and earn an MBA from the University of East London offered through WIM College.

His early career gave no indication of what direction he would eventually take. He did, however, insist on doing things his own way right from the start despite family objections. “Right after I graduated, I sold healthcare products and water purification systems,” he recounted. “I had lots of opportunity to hone my soft skills over four years, and I developed a good global network base.” From healthcare products and network marketing, he moved to commodity trading, buying petroleum products and selling it in various countries with contracts worth billions. It was hard work with a lot of travelling involved which took him to new territory, where he faced many challenges. In 2009, he decided on a business change, and moved to property.

“My main motivation for getting into real estate was the property boom that occurred just after the 2008 global economic downturn,” he explained. Not many people realised this; what they saw was primarily unpaid debt resulting from owners’ inability to repay loans, but as the saying goes, every cloud has a silver lining and in this case, the silver lining was that many properties that had not been in the market before, were now becoming attainable – and at affordable rates, as their owners tried to sell off quickly to avoid having to service their housing loans.

Realising that he knew very little about the field, he threw all his energy into reading up on it and understanding it thoroughly. “Many people who buy property don’t do their homework,” he remarked. “They don’t do proper research and planning, so they don’t know when to invest, or how much; whether they should buy that particular piece of property for investment or for residence. They may not even know if they are making enough from their regular jobs, to be able to service the housing loan that they sign up for, and their dream property turns into a nightmare!”

He took a different approach, recognising from the outset that there was no “one-size-fits-all” strategy. He developed the Property Investent Life Cycle (PILC) strategy, realising that different strategies worked in different markets, and decided that he needed to run a real estate business inside as well as outside the country. Having culled a wealth of experience in

a multitude of risky businesses over almost a decade, he took the plunge once again and set up Max Capital Management (MCM), a group of companies that together provided services encompassing every aspect of property development, from conceptualising individual development projects, to sales and marketing, and providing project management consultancy services, including land acquisition, renovation, refurbishment and maintenance, for the finished buildings.

Not only did he venture into the Malaysian property market; he daringly cast his investment net further abroad and put down money in regions where few investors had even considered venturing. Among the developments MCM handles today are projects in Hong Kong, Germany, the UK, US, Australia, New Zealand, Indonesia, China, Russia, Dubai and St Kitts. He readily admits that the risks are enormous, but so are the returns. As a global property investor and project management consultant, MCM has been managing projects valued at about US\$5 billion since 2012 but Maxshangkar's aim is to grow it to ten times its current size. That means a major juggling act, since each country requires a different strategy.

"Sometimes a project in a certain country doesn't need development – it needs renovation or refurbishment, as in the case of our properties in New Zealand," he clarified. "After the earthquake a few years ago, we found that it would be more viable to refurbish and renovate, rather than develop from scratch." In the case of the UK, he has turned his hand to investing in car park facilities for an airport in Glasgow, Scotland; while in Russia, the strategy has been to set up a commodity business and consultation services for Trust and Development in relation to a retirement scheme for people who want to retire outside Russia.

Never miserly about providing insights into the markets where he has done extensive research, he readily discusses regions like the US and Germany – areas where most investors are wary of treading. Unlike the US, where the sub-prime problem could be turned into a golden opportunity, some areas in Germany offered run-down, dilapidated

buildings that could be purchased at reasonable prices and remodelled as trendy, upmarket accommodation or office space, which could command significantly higher returns.

Additionally, there could be government incentives offered for the repurposing of some of the heritage buildings – many of which may be sited in what are now prime commercial areas – provided someone would undertake their redevelopment.

MCM's project portfolio also includes developments in Hong Kong, probably one of the most difficult markets in the world. Population density, land scarcity and off-the-charts growth make it an extremely complex one, but MCM has managed to gain a foothold with a strategy of land bank development, ie, acquiring small tracts of land with an eye to future development, taking into consideration the political, social, environmental and cultural realities of Hong Kong. But how do projects on other continents compare to what MCM is doing in Malaysia? Despite having already established viable businesses in ten countries, and being able to show healthy profits in most of them, Maxshangkar is still bullish about the place he calls home.

He believes there are many areas where both local and foreign investors can park their funds for very healthy returns on investment. "We tend to believe that we need a lot of money to invest, but it's not always true," he opines. "But it can be done. You have to be able to make different kinds of investment, like investing time in doing proper research, and learning about markets, that will help you make informed decisions. Be consistent. Your attitude towards small things should be the same as your attitude towards big ones." Acknowledging that he was driven by the desire to make it on his own and not work for others, his advice to budding entrepreneurs is, "If you are avalanched by adversity, hold on. Don't give up; rebuild. Make decisions and stick to them." ■

