

2 consecutive months "overseas real estate" seminar held

On 11th November (Wednesday) was the “Hawaii real estate” seminar and on 20th December (Sunday) was “Los Texas real estate” seminar. Everybody heard about recommended overseas real estate investments in Johobaru, Malaysia or New Zealand or in the past in Australia or in China. I invested in overseas real estate in 8 countries over 10 units during the past 20 years but it did not go quite well. It is a difficult thing.

I paid a lot of tuition fee. I grabbed the points or “tricks” finally after 20 years. If we understand the overseas real estate investments then buying land or build rental apartments in Japan becomes silly. Overseas real estate investment is “advantageous” over the Japanese “large amount of tax”. First I rise the good points, next the bad points and finally the cautions. Please start your overseas real estate investment those of you whom been convinced based on that. I will consult you (3% consulting fee).

First the good points, ① it is trivial now in Japan that “capital gain” has capital benefits. In Hawaii is an average 6% and 4% in the US mainland. This is amazing. 100 million Yen will be 179 million Yen in 10 years by 6% compound interest. In 20 years it will be 321 million Yen. ② An 80 years old man can have a 30 years loan in the US. Half of a 100 million Yen property must be self financed and the remaining 50 million in a 30 years loan. ③ The rental income will be between 8% and 13%, that means 8 million to 13 million Yen by a 100 million investment. 4% to 6% remains after paid back the loan debt. The self capital of 50 million Yen will return after 10 years. ④ The “escrow system” is in the US, not like in Japan where one can be cheated. Public institutions keep record of prior sales and price records of a given unit, that’s why we know the history of the property. The buyer’s commission is free, the seller pays 6% fee. ⑤ An excellent tax saving is that a 23 years old wooden building costs 20 million and yearly 5 million Yen is recognized as expense (depreciation is 4 years). In the case of 2 buildings in Japan then 10 million tax burden and the profit is zero. And this wooden building can be

sold for 25 million Yen. 5 million yen is the income tax when it is sold but if you buy another building then it is free (1031 system in the US). My property in Hawaii is 450 million Yen, the building is worth 3 billion and the amortization is 9 years, 33 million Yen tax deduction from the Japanese rental income each year. A grate tax saving.

Now the bad points are. ① borrowing interest rates is 5% higher when compared with 1% in Japan. ② The property is in overseas so it is not easy to go and see, unlike me who spends near 100 days a year overseas. ③ The most disturbing thing is to be cheated by a broker who see that one is an amateur. ④ A good “living trust” contract is needed and decide what to do in an unexpected event. Otherwise, the property will be frozen for 2 or 3 years in case of death. ⑤ Since the legal customs are different from that in Japan, it took me 20 years until I understood. Please be careful.

At last here are the cautions. ① English knowledge is absolutely necessary. That's why the interpretation of a trusted real estate professional is necessary. ② Next is an absolutely trustworthy broker. A company with moneymaking principle is absolutely useless. It is har to understand that in one week or one month, I been fooled a lot, so please consult me. I can introduce anywhere in the world.

After 25 years in the Japanese property market, one must challenge in overseas real estate. I pray for good luck.