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“Wealth is largely the result of habit.”

— JOHN JACOB ASTOR

“Don't wait to buy *real estate*. Buy real estate and wait.” — WILL ROGERS

“Knowledge is power: you hear it all the *time* but knowledge is not power. It's only potential power. It only becomes power when we apply it and use it. *Somebody* who reads a book and doesn't apply it, they're at no advantage over someone who's illiterate. None of it *works* unless you work. We have to do our part. If *knowing* is half the battle, action is the second half of the battle.”

— JIM KWIK

“To *live* is to choose. But to choose well, you must *know* who you are and what you *stand* for, where you want to go and why you want to get there.” — KOFI ANNAN

“Buy land. They're not making it *anymore*.” — MARK TWAIN

“If you want to be *financially* free, you need to become a different person than you are today and let go of whatever has held you back in the past.”

— ROBERT KIYOSAKI

“Your *work* is going to fill a large part of your life, and the only way to be truly *satisfied* is to do what you believe is great work. And the only way to do *great* work is to love what you do.”

— STEVE JOBS

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# Passive Property Investing for Busy People

For an investment that is supposed to generate passive income, real estate investing sure takes a lot of work.

Looking for properties to buy, negotiating deals, crunching the numbers, getting a loan, talking to contractors, renovating units, advertising your properties, drafting lease agreements, managing tenants, dealing with brokers, fixing problems, and looking for buyers are just some of the work you need to do to buy, rent out, and sell real estate. Passive huh?

Of course, you can hire people to do most of this work so you can just collect your monthly rent. But where would that money to pay these people come from? I guess your hard work. If you want to go all-in as a real estate investor flipping properties and building a portfolio of rental properties, that's great. However, most people have a day job or a business and just want to invest in real estate for extra income without too much time and effort.

If you want to be a passive property investor, here are five kinds of assets you can invest in:

**1 Your home.** I know that some real estate gurus like Robert Kiyosaki scoff at the idea of your home as an asset. But isn't an asset something that increases in value, produces income, or both? People sell their homes, whether purchased or inherited, for a tidy profit. Yes, it's a long-term approach to real estate investing. But it's an investment that grows in value that can be sold, rented out, and passed on to your heirs. You can also finance your retirement by using your home as collateral for a home equity loan.

**2 Condotels.** Condotels are condominium buildings with hotel units. You buy a unit and share in the profits of the hotel operations. Unlike a typical rental property, you don't need to do anything but collect your profit share. You are also entitled to a few nights of stay. You give up control, your income is not predictable, and you depend on the state of tourism. But those are the tradeoffs for passive investing. Sta. Lucia Land Inc. is a pioneer in condotel projects. DoubleDragon Properties Corp. is also a major developer, tweaking the condotel concept with its Hotel 101 brand.

**3 Fractional Ownership.** Some real estate developers have projects that are available for fractional ownership. You own part of a property with a legally divided deed of title. You also share in the usage rights and the cost of maintenance. That makes it better than

timeshare schemes. Some developers offering fractional ownership are Century Properties, Inc. and Mañosa Properties Inc. If you want to be more high-tech, check out fractional ownership platforms in the U.S. that use blockchain technology such as Fraction, Fractional, and hBits.


**4 Real Estate Crowdfunding.** Crowdfunding allows you to invest a small amount to fund properties along with thousands of investors. In exchange, you get a fixed return. This is an alternative way of financing real estate projects, similar to Kickstarter, Indiegogo, and The Spark Project for businesses. In the U.S., there's FundRise, RealtyMogul, and Yield Street. In the Philippines, there's Flint.

**5 Real Estate Investment Trusts (REITs).** REITs are like mutual funds, except they own and operate properties such as office buildings, residential real estate, hotels, shopping centers, highways, etc., producing rental income, toll fees, storage fees, and capital appreciation. You buy shares in REITs, earn from dividends, and sell your shares at a profit. Some developers that have launched their REITs are Ayala Land, Robinsons Land, Double Dragon, Filinvest, Megaworld, and Vista Land.

**6 Real Estate Exchange Traded Funds (ETFs).** ETFs are like mutual funds in that they are funds pooled from thousands of investors. The difference is that you can trade them like stocks. They are also similar to REITs, except REITs invest directly in real estate properties while ETFs invest in REIT securities and other derivatives. Real estate ETFs are not yet available in the Philippines. But there are many options in the U.S., such as Vanguard Real Estate ETF, Schwab US REIT ETF, and Fidelity MSCI Real Estate Index ETF.

**7 Property Management.** This is basically outsourcing your property's maintenance, management, leasing, and sale. Of course, you have to pay a fee for their services, but it takes away the hassle and time of doing them yourself. Most developers have their property management units. Ayala Land, DMCI Homes, and ArthaLand are some examples. There are also third-party firms, from the big players such as CBRE, Santos Knight Frank, and KMC Savills to smaller companies like MyPad, KondoKo, and 81 Property Management.

As you can see, you can invest in real estate without much effort. Passive property investing may not provide the excitement and potentially better returns of active real estate investing, but it is a viable option for people who don't have the time, expertise, or capital to become a full-time real estate investors.

Just note that this is not investment advice or an endorsement of any company mentioned here. Make sure to do your due diligence before you invest. 

*Heinz Bulos*  
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# FVR Principles of Good and Effective Governance

A TRIBUTE DELIVERED BY FORMER SECRETARY OF FINANCE  
ROBERTO F. DE OCAMPO, OBE IN HONOR OF THE LATE PRESIDENT FIDEL V. RAMOS

Shortly after I had ended my Cabinet tenure, an interviewer asked me: "What is the key to being a successful Finance Secretary?" I quipped: "Choose the right Boss." Levity aside, it was really the other way around as it was FVR who chose and put his trust in me and I will endlessly thank him for that life-changing decision.

It is indeed a great honor for me to deliver this tribute to my then and always Boss, Pres. Fidel V. Ramos, a great man who ran for public elective office just once in his life and went on to be a great President.

He did not achieve this by treading along the usual political path since he wasn't a politician, did not come from a political dynasty, had no geographical bailiwick, and had to rely mainly on the public's memory of the luster of his pivotal participation and steady hand in restoring democracy during the peaceful people power revolution and the inspired decision of Pres. Cory Aquino to support him rather than her own party's choice for the candidacy towards the Philippine Presidency.

Nevertheless, he was arguably more prepared for the rigors and complexities of the Presidency than many who aspired for it successfully or otherwise.

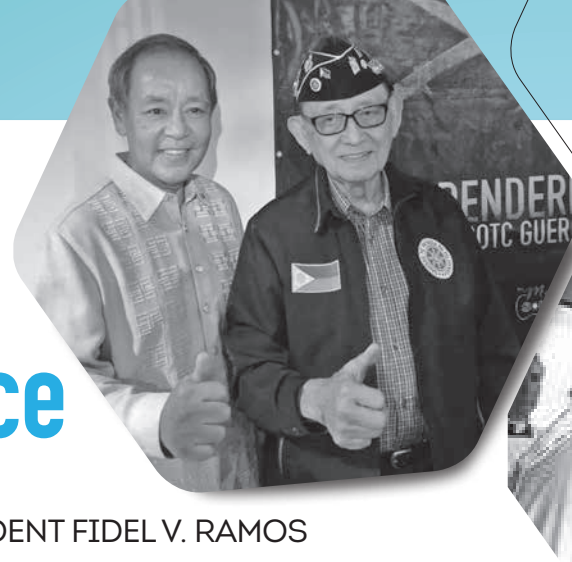
He was one of literally a handful of Filipinos to be accepted to study at West Point, an academic and military institution second to none in the world, and had honed his leadership skills on the battlefield and his administrative and management prowess as Chief of Staff of the Armed Forces, one of the country's largest organizational structures.

This developed in him a worldview that made him the soldier-statesman he later became as leader of his country. This worldview consisted first of all in an undying love of and faith in the Philippines for which he had often put his life on the line as a soldier. For him, patriotism was neither just a concept nor a slogan but a lived experience. There's nothing like facing gunfire and possible death in defense of his country and its democracy to ingrain in him the reality of the words "*ang mamatay ng dahil sa iyo*".

Together with this, there was imbued in him a strong desire arising from his faith in the Filipino to restore the Philippines to its place as the Pearl of the Orient before the country sadly descended from its perch and found itself worshipping other countries that were less advanced than it in the past as its models of modernization and economic development.

Thus, as President, he delighted in presenting himself as the country's premium "salesman/promoter", deliberately chose to do state visits to ASEAN countries first to emphasize the Philippines' intrinsic positioning in and belonging to the region as well as to expand Philippine trade relations beyond its traditional dependence on the US and Japan, and skillfully promoted an independent foreign policy without attracting negativism from either the US or China.

You may recall that China's President Jiang Zemin and US President Bill Clinton paid state visits to the Philippines during the FVR administration (Jiang Zemin even sang an Elvis song with FVR during the state dinner in his honor and Bill Clinton played "Summertime" on the saxophone during his).







But perhaps the growing recognition of FVR on the global stage as a leader among leaders was stamped in the minds of the international community when the Philippines hosted the APEC leaders meeting (held in Subic) during which FVR introduced the idea of including the private sector as an intrinsic part of APEC.

This was the birth of the APEC Business Advisory Council (ABAC), which transformed APEC from a gathering of political leaders to discuss geopolitics to an instrument of meaningful globalization with the private sector as an unexpendable part of the process of international trade, peace, and mutually beneficial development.

It also transformed FVR's reputation on the world stage as a brilliant leader and global visionary. The international reputation of FVR and the Philippines was further enhanced with the rapid resurgence of the Philippine economy under FVR's leadership to become a favored investment destination and a "tiger cub" economy. He continues to be the most respected Philippine President amongst the international community.

So many of the accomplishments of FVR were groundbreaking and game-changing for the Philippines' economy. These are too voluminous to relate such that it would take me seven days and not the seven minutes allotted to my tribute to go into details of even just a portion of them.

I believe though that to more meaningfully appreciate his impact on the nation one must more deeply understand his decision-making mindset which I would call The FVR Principles of Good and Effective Governance. To my mind, these are as follows:

**① The role of government is more that of an enabler rather than a provider to its citizenry.** The government should endeavor to provide the economic framework, tools, policies, regulatory guidance, etc. the people can use as a springboard to realize their own welfare within a free and vibrant society. This, to FVR, is the true meaning of people empowerment—the creation of opportunity rather than the doling out of political promises and allegedly "free" handouts that are more often than not actually funded by taxes. This puts into practice the old saying "Give a man a fish and he'll eat for a day; teach him to fish and he'll eat for a lifetime."

**② The private sector is the main engine of economic growth.** This is a corollary to the principle above and the two together make up FVR's favorite economic growth analogy—the BIBINGKA principle wherein fire from above and below the baking bibingka work in tandem to produce the desired outcome—the fire above representing government inputs and that from below private sector initiative and the bibingka, the overall economy. Furthermore, the effort should also aspire to bake an even larger "bibingka" so that more can benefit from sharing even larger portions of it rather than ever smaller portions of a same-sized bibingka. He applied this principle consistently. His privatization efforts were designed, as he put it, "to put the government out of the business of doing business." Thus, the infrastructure/power shortage dilemma was solved via the introduction of much wider private sector participation via the Build, Operate, and Transfer strategy and the efficiency of NCR water and sewerage systems were enhanced by privatization, to name a few examples.

**③ The strategy to address the ages-old problem of widespread poverty through poverty reduction rather than alleviation.** His idea was not so much to promote programs and financial support packages to make poverty more tolerable for the poor but to make the poor unpoor and thereby grow a broader middle class as the foundation block of a strong economy and society, not to mention of discerning voters as well. Infrastructure building, easing of domestic and foreign investment parameters, and programs to enhance job creation were elements of this principle.

**④ Deal with rather than complain about or diminish the democratic process.**

He firmly believed that economic democracy was an indispensable partner, if not in fact a precedent to political democracy. The country had realized political democracy at EDSA but lack of economic progress kept the majority in the shackles of poverty even as the nation envied the progress of countries around it that had less political democracy but had become tiger economies. He made LEDAC an effective tool of national policy consensus by convening it weekly and providing a structured non-political discussion agenda that made legislators focus on economic strategy for the country rather than political maneuvering. Even among cabinet secretaries, he had this little room in Malacañang where cabinet members were convened by him to have bull sessions over conflicting policy decisions. The officials were obliged to resolve whatever issue was being discussed by the time Ramos returned, with nary a morsel of merienda served.

**⑤ Leadership by example.** FVR worked relentlessly, harder than anyone, seemingly everywhere—in his office, during meetings, in his car (which always had a fax machine, a stack of papers, and news clippings), even over a round of golf. He had a penchant for calling up Cabinet members (like me) even at 5AM, having already gone through the day's news clippings, to discuss items he had read about. He worked purposefully though—unlike the figurative gerbil on a treadmill—and was absolutely organized. He introduced the system of barcoding documents for filing and ready reference in Malacañang. We simply had to keep up as best we could as his work ethic was a motivating factor in itself.

**⑥ Teamwork-oriented focus on vision and issues, not political positioning or dynasty building.** All works circled back to the question: "What can one contribute to the realization of a far better Philippines from economic doormat to emerging tiger economy by the Year 2000?" Thus was born the Philippines 2000 battle cry and the formation of Team Philippines guided by the initials PRT that he coined, meaning Perform Reform Transform via teamwork rather than scattered individual efforts.

**⑦ CSW or Complete Staff Work.** Probably his most famous good governance principle which he often scribbled in red ink on a memo or proposal given to him that had

not gone through the thorough vetting, research, and due diligence process. He paid attention to and knew detail without micromanaging and was thus understandably impatient with the Filipino penchant for being adept at the talk but not at walking the talk and having an "okay na", "pwede na yan" attitude.

**⑧ Think out of the box.** He practiced this as often as he could thus resulting in landmark achievements like the Comprehensive Tax Reform Program that relied on expanding the tax base by simplifying the system and reducing tax

rates rather than creating more taxes at higher levels of taxation; the BIMP-EAGA that attained the dual objectives of promoting peace in Mindanao via private sector initiative and economic development while expanding trade relations with neighboring predominantly Muslim nations; the aggrupation of provinces into larger and more economically viable development platforms (such as CALABARZON).

I could go on but clearly, FVR's good governance approach was marked by deeds, not words, by enabling the populace rather than issuing an endless stream of regulations to control every aspect of behavior, by prioritizing economic democracy and not political democracy alone for the Filipino people.

I am deeply saddened by his passing as he made me feel that I was particularly close to him. He discussed his pre-campaign plans and economic strategies confidentially with me before he launched his campaign, convened most of his pre-inauguration meetings at DBP when I was still its Chairman, christened me "Tiger Bobby", often relied on me to be his golf partner,

never failed to send a birthday greeting and even attended my 70th birthday celebration and the wedding reception of my children.

Pardon me then for being in a state of denial during the past year or so, hoping in my mind that he would live on and on. But now we come to this moment when he will indeed live on and on as his legacy of exceptional leadership and good governance will be a beacon of light for current and future political leaders to learn from and emulate and for generations to come, that would hope to finally realize the dream of a first-rate Philippines.<sup>MS</sup>





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# How To Build a House Under P1 Million

By EXCEL V. DYQUIANGCO

Whether it's in the midst of the city or hidden away in the suburbs, making a great house for the family is absolutely valuable. Unfortunately, a project of this size might be severely hampered by a tight budget. After all, creating a beautiful home for the family involves countless costs, from a wide range of diverse materials to ever rising labor prices.

Although saving money can be challenging, it is achievable and ultimately worthwhile if you make the correct decisions. Here are some things you can do to build a house under P1 million:

**Consider the location.** It is crucial to choose the location of your house, whether you want to build one or purchase an existing one. For instance, would you like to buy a piece of land and build your home on it, or would you prefer to live in a neighborhood? Whatever option you decide on, it's very important to do your homework to find out the lot size or available design options.

“Consider your skills and the areas where you can complete some tasks without hiring a contractor.”

**Wisely choose a contractor or be your own.** It's the least expensive alternative to either become a general contractor or have friends or family do it for free or less than the typical general contractor. The greatest money can be saved if you can complete the task mostly on your own.

However, it is preferable to be safe than sorry if you are unsure if you can do the task alone. In other words, you should employ a skilled builder or general contractor to complete the project. Even though it will cost more, you will ultimately save money since you won't have to spend as much money fixing it.

**Choose readymade home designs.** Even if you are not a trained architect or engineer, you may browse readymade home plans to pick the one that best suits your needs and budget and save the extra cost of having blueprints created.

If you have a good sense of design and can picture two-dimensional floor plans in three dimensions, selecting a stock plan is a terrific choice. Although you won't have total control over your home's design, many blueprint businesses charge extra for limited customization options.

**Purchase building materials.** It might be expensive for a subcontractor to cover material costs at once. Consider offering to buy timber, wiring, or siding directly from the supplier in accordance with the specifications given by the subcontractor and paying the supplier in full, as you will be charged for these items otherwise.

If someone else purchases the materials, subcontractors could be prepared to slightly lower their prices. Additionally, suppliers could give a little discount for paying in advance.

**Do some of the work.** Consider performing some of the work yourself if you are even the slightest bit handy. Consider your skills and the areas where you can complete some tasks without hiring a contractor. Even if it's only installing faucets and light fixtures or putting in your floor, it will significantly reduce your expenditures. An excellent source for DIY projects is YouTube.



# Veterans Bank, Baguio City Unveil History Mural at Baguio Convention Center

As part of the events to mark this year's celebration of Victory Day, Philippine Veterans Bank (PVB) turned over to the City of Baguio its World War II-oriented historical mural in a simple ceremony held at the Baguio Convention Center. That the turnover of the mural happened on September 3, a national holiday in the Philippines to commemorate the end of World War II, has made the event all the more relevant.

The mural, entitled “A Tribute to Filipino Freedom Fighters: Out of the Darkness, Prisms of Light”, features a collage of photographs all taken in Baguio City during the last World War, in particular during the Liberation of the City in 1945. At the centerpiece of the installation is a wartime artwork of a Filipino guerrilla by an unknown artist, taken from the “Liberator”, a resistance publication during the Japanese Occupation. This artwork along with wartime photos were artistically laid out and printed on wood and depicts the triumphant liberation of Baguio amidst the destruction and ravages of war.

Called the original PVB History Wall, the mural was commissioned by the Bank in December 2011 and was a prominent feature of PVB's old Baguio Branch in Kisad Road, inaugurated jointly by PVB and Baguio City in time for the 70th Anniversary of Japan's invasion of the Philippines. The mural was conceptualized as a lasting display of local WWII

history where PVB had branches and in particular, the PVB Baguio Branch History Wall mural was lovingly dedicated to veterans and the people of Baguio City.

However, when PVB changed its branding standards and PVB Baguio was relocated to its present location near the City Hall, the design of the History Wall also had to be changed to reflect and match the more modern design of its branches. Instead of disposing the unique mural, the Bank reached out to its long-time partner, the City of Baguio, who graciously accepted this work of art and history.

Only two such PVB History Walls were ever constructed – the other one is in La Union which was formally turned over to Philippine Veterans Affairs Office (PVAO) at Camp Spencer in Luna, La Union last August 8, 2022.

The unveiling of the mural was led by PVAO Administrator Usec. Reynaldo Mapagu, Baguio Congressman Mark Go, local city councilors, PVB Head of Marketing & Communications FVP Miguel Angelo C. Villa-Real, and PVB Baguio Branch Manager Jacqueline Emman.

This turnover is another milestone in the long-standing partnership between the City of Baguio and PVB who both share in the advocacy of preserving and promoting the deeds and heroism of our WWII veterans. [MS](#)



**WW2 History Mural Unveiled:**  
(From left) PVB Baguio Branch Manager Jacqueline Emman; Baguio Councilors– Benny Bomogao, Vladimir Cayabas, and Leandro Yangot; Baguio Congressman Mark Go; PVAO Administrator Reynaldo Mapagu; PVB FVP Mike Villa-Real; and Baguio Councilor Elmer Datuin



If you don't have any handy skills, ask any friends or family members to help you so you may save paying a contractor thousands of pesos.

**Do the finishing touches.** Contrary to popular assumption, not every aspect of building a home needs the services of a qualified builder or contractor. For home builders, this is encouraging news since it offers another opportunity to cut costs.

For instance, instead of paying someone to paint the accent walls, take up a paintbrush and do it yourself. Finish the landscaping by getting your hands dirty in the garden. Attach the handles to the kitchen cabinets using screws. Simple things you complete yourself might save you hundreds.

**Keep to the plan.** Keep to the plan as closely as you can. Once construction has begun, changing your mind is a very expensive endeavor. Builders may charge an additional extra for plan revisions on top of the material and labor charges.

Although maintaining the plan may feel like an uphill

fight, it may be made simpler by carefully preparing, studying, and outlining your goals, wants, and preferences before work starts. In this manner, you have a well-defined strategy in place that completely takes lifestyle and other factors into consideration.

**Leave extra features behind.** The lack of extra features is not about giving in. Instead, it's about making wise financial choices for your house. Cathedral ceilings, intricate cornices, and multi-level pitched roofs may add tens of thousands to the total, but for what reason? Just for aesthetics.

**Buy furniture and fixtures from your local hardware store.** When building a home, it's natural to want only the finest, but keep in mind that the process will cost you hundreds of thousands of pesos. Consider purchasing door knobs, cabinet hardware, and even lighting fixtures at your neighborhood hardware stores.

A lot of individuals want to construct their own homes. However, the expense is a significant barrier. To cut down some costs, carefully plan, employ the best team, and find the ideal piece of land. <sup>MS</sup>





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# How Do Mortgages Work

By MARION EVANGELISTA, RFP®

**I**f you want to buy a property, you will most likely take out a mortgage. But how do mortgages work and how will you know if you will get approved?

A mortgage is a source of funding for acquiring a vacant lot, house and lot, house construction or renovation, refinancing, or top-ups. Top-ups are credits given to a borrower in addition to an existing home loan. In a mortgage transaction, the lender is known as the mortgagee, and the borrower is known as the mortgagor.

Banks and financing institutions appraise the property and conduct a credit evaluation of the loan applicant's character, capacity to pay, and collateral. This is part of their risk mitigation. You can also self-assess your financial standing before applying for a home loan.

Here are the three factors that determine your chances of getting a mortgage.

**Credit profile.** Banks will check if you are employed or self-employed.

**If you are an employee:** your tenure and employment status are important. If you are a regular employee who has stayed with your company for more than a year, you have a better chance of approval versus one who has a tenure of fewer than six months. Some documentation you need to submit includes a certificate of employment that states your tenure, employment status, position title, and monthly income.

**If you are an OFW or seafarer:** some banks will check if you have an existing employment contract and a tenure of more than two years.

**If you are self-employed:** for example, an entrepreneur, freelancer, or licensed professional, lenders will extend a loan only to businesses operating profitably for at least three years. To prove this, you must submit your latest Income Tax

Return (ITR), latest Audited Financial Statements (AFS), and monthly bank statements for at least six months.

You may get disqualified for a loan application if your gross monthly income does not meet their minimum threshold. This is where co-borrowers come in. You can ask a relative, like your parent, who earns more, to be your co-borrower. The same requirements and criteria apply.

However, be careful about taking on a co-borrower. This is because the lender has the right to go after your co-borrower if you, the principal borrower, default on your loan. This can certainly put a strain on your relationship.

**Credit ratios.** Banks want to ensure you can pay off your loan and you don't overextend yourself by borrowing more than you can afford. One way to gauge this is by using certain ratios.

**Credit ratio.** This is computed by dividing the monthly amortization by your gross monthly income. The approvable credit ratio varies by lender. Some banks have a maximum credit ratio of 40%.

**Debt service cover ratio (DSCR).** If you are self-employed, you have a better chance of approval if your DSCR is at least 1. This is computed by dividing your business' earnings before income tax (EBIT) by the total debt service of your business. If the DSCR is below 1, the lender may either disqualify the loan application or decrease the loan-to-value (LTV) amount.

**Loan to value ratio (LTV).** An LTV is the loan amount that may be granted to you in relation to the appraised value of the property being offered as collateral. Some banks can offer 80% LTV for regular financing and up to 90% LTV for accredited developer-related financing. You still shoulder a portion of the asset's value, also called home equity. Real estate companies offer monthly amortization of the home equity. After its settlement, you can apply for financing with the bank or lending firm.

**Marion Evangelista,** RFP CTEP CTA is a registered financial planner of WealthArki and Consultancy, Inc.





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A higher interest rate applies for loans with a higher loanable amount and with a longer tenor. This is the risk premium. It compensates the lender for the possibility of default from the borrower. If possible, it's best to take on a smaller loan and pay within a shorter period.

**Numbers.** As part of due diligence, you must know the numbers before applying for a home loan.

**Know your cash on hand.** This will determine if you can pay the home equity. Home equity is the difference between the property's total contract price and how much the borrower still owes in a mortgage. A buyer can pay this as a lump sum or by installment. With condominiums, a pre-selling unit gives the buyer more time to pay the home equity in installments.

**Meet the monthly amortization.** You must select a financing plan that will enable you to pay without compromising allocations for other financial goals.

A home loan can offer fixed or variable interest rates. Each has its pros and cons.

**Variable rate mortgage:** This is a type of home loan in which the interest rate is not fixed. Most lenders offer a fixed rate for the first few years with an adjustment after, say, the fifth year. The monthly amortization will increase if

the interest rate increases and vice-versa. However, it is not easy to predict if the interest rates by that time will go up or down.

**Fixed-rate mortgage.** This is beneficial if you want to have a determined monthly amortization until the loan maturity. Because the amount payable is already fixed, you can easily integrate this amount into your budget. You are not affected if interest rates increase. On the other hand, you cannot avail of a lower amortization if interest rates decrease (unless you refinance).

**Different rates apply per lender.** Property developers may endorse you to their accredited banks. While they may offer faster processing and competitive rates, it is still recommended to apply with other banks and financing companies. If you have a significant relationship with a certain bank, you might also enjoy a preferential rate for a home loan.

The acquisition or renovation of a property is a significant investment. The final tip is to take time to examine all approved home loan applications. Consult a financial planner for further validation.

Through a mortgage, you can finally buy or improve your dream house. You can treasure it for the rest of your life through the proper management of your finances.<sup>MS</sup>







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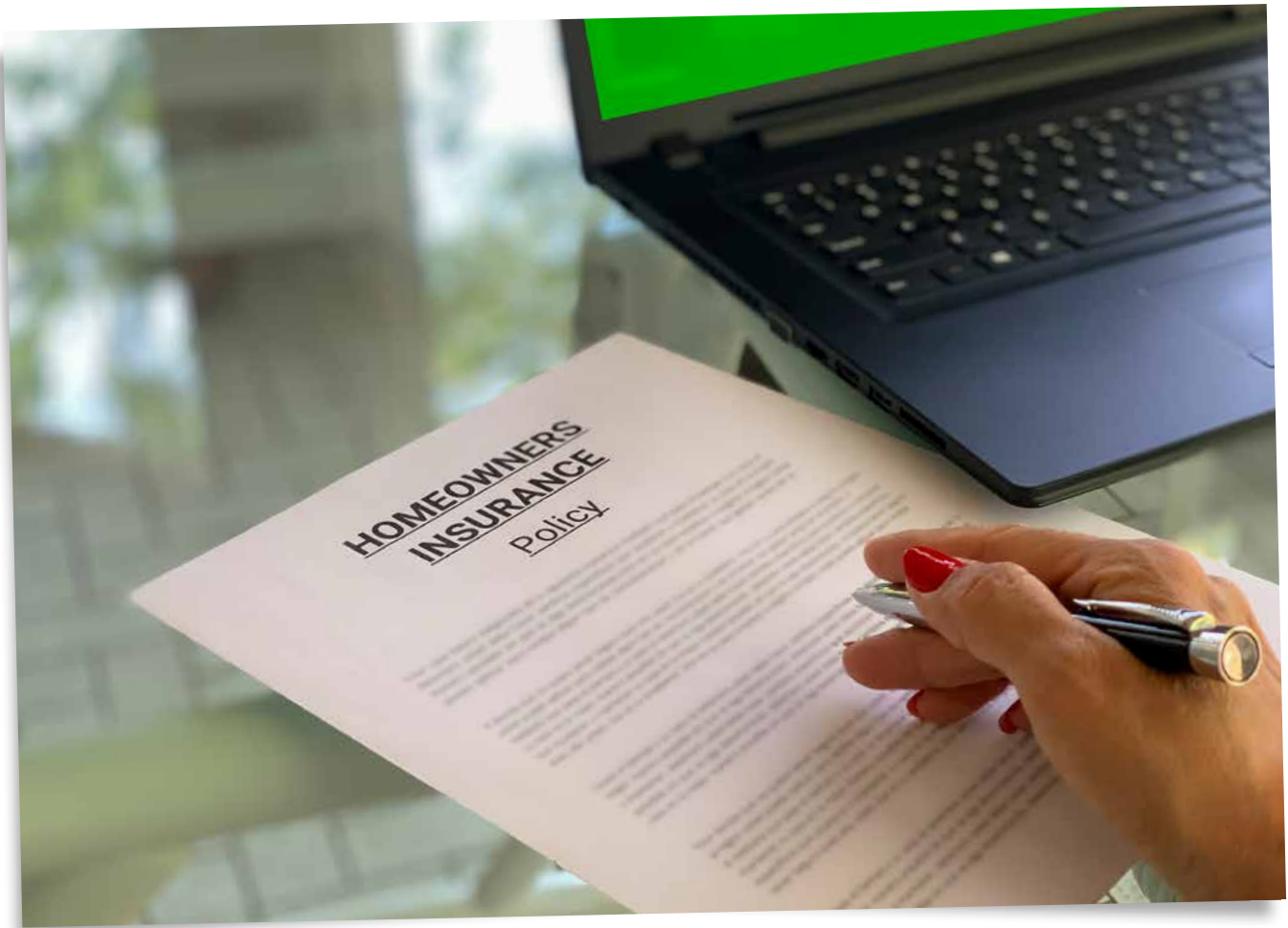
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# Property Insurance

BY EDMUND LAO, RFP®

**W**hen buying a home, there are many factors to consider, such as location, safety, and access to facilities. However, you might neglect some other important decisions like getting property insurance.

**What is property insurance?** Property insurance is an insurance policy that provides property protection coverage or liability coverage for property owners. It includes different policies, such as homeowners insurance, renter's insurance, and earthquake insurance.

Your personal property is usually covered by a homeowners or renter's policy. A homeowner's insurance absorbs the losses and damage to your residence, including your furniture, furnishings, and other possessions.

Usually, this type of insurance covers damage due to fire. You can add additional coverage with an insurance rider for other catastrophes such as floods and earthquakes. If there's a claim, the property insurance policy will reimburse you, the policyholder, for the actual value of the damage or the replacement cost to fix the problem.

**Why do you need it?** Your home is not only safe refuge for your family; it also represents your hard work, achievement, and investment.



Property insurance helps protect your residence in case of natural and unexpected disasters such as fire, flood, earthquake, storms, and volcanic eruptions. It prevents your savings from being wiped out if the above disasters occur.

If you purchased your home via financing, your bank or lender would require you to get mortgage redemption insurance (MRI), which will pay off your loan in case of your untimely death).

**What does it cover?** For a house and lot, home insurance will cover losses and damages from catastrophic events, such as damages to the structure from severe weather conditions or an extensive fire in the area.

Like with car or health insurance, your succeeding premiums tend to increase if you file multiple claims. It is a good idea to do the repairs on your own if the damage is minor.

If the location of our home is along a high-risk area, like an earthquake fault, the insurance company could either deny your application or insure your home without the allied peril. It can also charge a higher premium to compensate for the risk involved.

In the case of a condominium property, the unit is already covered as part of the insurance of the building. You can insure your unit through condominium insurance. This is comprehensive property insurance for your unit's contents and improvements. This is designed to provide coverage for fire and lightning, acts of nature (earthquake, typhoon, flood), personal accidents, third-party liability, burglary or robbery, firefighting expenses, debris removal, loss of rental income, etc.

**How much is the coverage?** When you have your property insured, you only insure the structure. For a house and lot, the lot does not need coverage because it will never be damaged by fire, flood, or earthquake. In case of structural damage, insurance will help fix your home to a livable condition.

The cost of rebuilding a house now is higher than when it was built or purchased. That is why it is essential to consider guaranteed replacement cost coverage, which will pay the total cost of rebuilding your house. Otherwise, you run the risk of under-insuring your home. When disaster strikes, you have no choice but to shell out extra to rebuild your home.

An option is to increase the coverage regularly to keep pace with the current cost of construction.

Another consideration for coverage is the content of your home. If your home has valuable items such as expensive paintings or furnishings, it pays to add a rider for additional coverage. Get an assessment of the value of these assets to get accurate coverage.

**What factors affect the cost of premiums?** The average home insurance will cost around P1,200 per P1 million coverage. But some factors can severely affect the premium.

**Amount of coverage.** The insurance coverage you decide on can drastically affect the cost of the premium. The higher the coverage, including riders, the more you need to shell out to include that in the general policy.

**Location.** You will pay a high premium if you live in an area within or near natural hazards. For instance, if you live near a volcano or an earthquake fault, you have to pay a higher premium as the risk of damage to your home from natural calamities is high. Or, if you live in a neighborhood where vandalism, theft, or fire is common, the insurance provider will charge higher premiums.

**Age and condition of the house.**

The construction materials used to build your home could affect the price of the premiums. A house made with bricks will have a lower insurance cost than homes made from wood. Similar to life insurance, where the older you are, the higher the premium, the age of your house can increase the cost of the insurance policy.

**Where to find property insurance providers?** You can check authorized companies by searching the Insurance Commission website at [www.insurance.gov.ph/life-and-non-life-companies/](http://www.insurance.gov.ph/life-and-non-life-companies/). Ask for quotations by checking their websites or talking to their agents.<sup>MS</sup>

“Property insurance helps protect your residence in case of natural and unexpected disasters such as fire, flood, earthquake, storms, and volcanic eruptions.”

# Getting into Real Estate

By JURRY NABAJA as told to EXCEL V. DYQUIANGCO

I wasn't born with a silver spoon in my mouth, nor did I grow up in great comfort. Yet growing up in a less fortunate home, you learn things not everyone has the opportunity to experience. You know how to hustle, be creative, and show more gratitude.

Despite my challenges, I graduated from West Negros University with a Bachelor of Science in Civil Engineering degree, which I owe to my mother and the Almighty. Even when looking for career opportunities after college, God has always been good to me despite the difficulties. I wouldn't have gone this far without His grace.

I got into the real estate world by happenstance. I was an assistant vice president and interim operations manager in a BPO company for ten years when my friend introduced me to real estate and encouraged me to join his team in one of the leading Cebu-based realtors with a satellite in Cavite. I agreed to be an in-house sales agent for two weeks as a part-time job.

During that time, I was a consistent top one agent. After four months of working for my first real estate job, I became a branch manager of another company for two months. All in all, I had over six months of training as a sales agent.

After rigorous studies, practice, and prayers, I founded my real estate firm, the Casa Quatro Realty Corporation.

**Selling is Hard Work.** Being a novice in the real estate industry was indeed a challenge. I realized that most agents fail because they never figure out how to get leads consistently. During the first few months, it can be a very demanding and strenuous career if the training and work ethic fails. Still, on the other hand, it can be a seriously fulfilling career if you are self-motivated, hard-working, honest, and passionate about helping people.

Earning a living selling real estate is hard work. You have to be organized to keep track of documents, meetings, and all the tasks that go into multiple listings. One of the challenges in this industry is how to be consistent with your sales. In real estate, the highs are extremely high, and the lows are also tremendously low. Your income is based on your sales. If you don't sell, you don't earn anything, and I didn't want that to happen since I have a family to feed. I have even experienced having my car taken away because of financial issues. I took those adversities as







learning equipment which made me realize that I have to strive harder and be better; those challenges helped pave my way to where I am right now.

My most memorable experience as CEO is witnessing my company achieve its mission to develop communities and help everyone find a place to call home. Our vision is to create value for the neighborhoods we build so they can live quality lives for future generations.

Once you know your purpose and witness that your company is starting to reach its goals, that's when fulfillment begins. Seeing the company grow and expand brings me gratification and drives me to do better at what I'm doing. Also, there is great satisfaction once you see your employees advance in their careers, find their niche, and grow professionally and personally.

**Transforming Dreams into Reality.** Along the way, I've learned some important lessons I will bring wherever I go. Number one is consistency. Consistency in your efforts leads to self-discipline, teaches you self-control, improves your overall personality, and builds momentum. "When you are consistent, you have a sense of accountability and direction that translates to progress," entrepreneurs Ryan Mitchell Rios and Mark Atalla assert.

I have also learned that being a CEO, you need to make crucial decisions, you may often find the urge to make excuses and try to multitask, but you should refrain from that to succeed. Great

leaders are great decision makers; everything is assessed and weighed. Great leaders understand how to balance emotion with reason and make decisions that positively impact themselves, their employees, customers, and stakeholders.

Another lesson I've learned is that leadership is hard and doesn't come with a step-by-step manual. You are going to make decisions that other people can't. The most important thing I've learned, however, is to never give your 100% trust to anyone. We now live in a society that's more focused on "what's in it for me" than assuming people are moral, will instinctively do the right thing, and perform to their word. I've been bitten many times by the trust bug throughout my career.

There's still a long list of the things I want to accomplish in my life, and one of them is to be a successful businessman. I firmly believe that successful people inspire others to be successful, and that's the impact I want to have on the world. I plan to be successful enough to be able to create more job opportunities for my fellow Filipinos, enable career advancement for employees, and help the community, which I am already doing.

Professionally, I plan on turning more dreams into reality by building my clients' dream houses, providing families with homes they deserve, and giving them a safe and happy community to live in. This is also my way of showing my utmost gratitude to them for trusting NLC despite it being new to the industry.<sup>MS</sup>

## MY MONEY LESSONS

### Real Estate Success

Jurry A. Nabaja gives three tips for people transitioning into real estate, from whatever industry they come from.

**Be consistent.** Consistency is one of the most important characteristics a realtor needs to have. Consistency in business builds trust. It's hard to develop a positive reputation in your industry without consistency. To be known for something, you need to do it the same way enough times for people to notice. People trust businesses that prove themselves to be reliable.

**Be persistent.** To be persistent means being able to stick to something and continue doing it despite its difficulty. Persistence gives you vital experience. When you're persistent, you learn that each failure offers you another opportunity to learn. With each failure, you'll become more resilient. You'll also learn how you can overcome any challenges.

**Be hardworking.** You should work harder than anyone else around you. Don't give up just yet. There is always a light at the end of the tunnel. Always be assured of what the Bible says in Proverbs 16:3; Commit your work to the Lord, and your plans will be established.

# The Tech Doctor

By REGIL MARC M. BADILLES as told to EXCEL V. DYQUIANGCO

**B**orn in a typical high-middle income family, I was given the privilege to study in one of the most prestigious schools in the Philippines. I had my car and was given a monthly allowance to sustain my needs while studying during college. Pretty much I was well taken care of by my parents.

During my third year in college, I suddenly noticed that we were spending more than we could earn. In the back of my mind, I knew something was wrong with how much my parents were spending. But I didn't care as I was enjoying the benefits. But slowly, I saw an increasing number of subpoenas and credit issues my parents faced. They were still optimistic since my parents had a stable mid-high income job.

But soon, my mother's practice as a dentist slowly declined, and my dad was suddenly let go of his work in the United States. Hence, most of the cash flow was abruptly stopped. With the pile of debts of my family – added to the health issues of my grandparents – all their savings were depleted entirely. Suddenly, all the privileges and comforts we had were gone. We lost our cars and most of the properties to the point that there was no food on the table as my family could not afford any meals to feed us.

“It was a light bulb idea.”

At that time, I was already in my second year in med school and had to think of a way first to get hold of my primary needs (food, shelter) and second for me to continue med school (med school tuition was not cheap). I had to work equally hard to get the scholarship from one of the sponsors and look for a way to earn money to sustain my rent, daily meals, and my dream to become a doctor.

I was known as the guy who could get or source the need of my classmates. From bond papers, ball pens, and toys to printers, computers, and bags – you name it, I will find a way to get it for my classes and sell it for any profit.

When one of my classmates asked if I knew someone who could repair a MacBook, it was a lightbulb idea. It was hard



to trust conventional repair shops due to scams, missing parts, and unauthorized repairs, so why not make something reputable so that all these customers can trust their repair?

And so it started. I scoured the Internet and Facebook to find a technician who could partner up with me with the same vision. With his skills and my business knowledge, we tried out first to repair my friend's laptop at cost. And the results were amazing! He was able to resurrect the laptop!

At first, the business was challenging since I had to start with a P5,000 capital; I had no physical shop. At that time, I had to make a name from scratch – a trustworthy shop people could visit for repairs. But I utilized the power of social media and FB to sell my products online. I started with ten repairs, 20 repairs – true enough, these were repaired by my technician. Slowly but surely, I increased my number of customers by promoting my business in the early days of “social selling.”



I was learning medicine then, and I treated all laptops as patients and applied the algorithm of handling patients, diagnosing patients, and translating them as laptop repairs. I guess it was a systematic way that was unique in the industry.

We expanded from laptop repairs to PC repairs, iPhone/iPad repairs, consoles, and recently anything electronic. We also expanded to corporate accounts handling onsite IT services for multinational companies. Our next step is to compete at a national level and eventually regional and global in the tech industry.

I envision a future of sustainable tech through repairs and recycling, giving customers an option to keep their devices to live as long as possible and not buy a new one.

**The Dynamics of Life.** Even though I was in med school, I always had an inclination for business. I guess it was hardship that motivated me – all the days I couldn't eat, the days that I would be out of med school, us not having electricity and water at home, all the basic needs were gone. While I don't have to feel that again, it shaped me never to be complacent and always look for ways to innovate.

In this journey, I learned that nothing is stable in business (or every aspect of life). It is dynamic, and you must always be on your toes. I saw it first hand from my parents. They were comfortable and did not bother to look for ways to be innovative. Somewhere along the way, if you lose that drive to "grind," life will catch up with you blindsided and pull you to the ground.

When putting up a business, there is no other person to help you but only yourself. If you don't move, nothing will happen. Friends and family will be there, but you are responsible for your well-being at the end of the day.<sup>MS</sup>

## Getting Started in Business

Dr. Regil Marc M. Badilles gives pointers for those who have money problems but want to have their own business someday.

Never let go of opportunities. It might seem daunting at the start, but unless you try, that's the only time that you will know if it will be successful or not. Some opportunities may come at the right time; if not, you just have to wait. Trust the process.

Networking is key. You may be the smartest or richest guy in the room, but your business will not thrive without a network. You will need to learn from your peers. Open partnerships that would lead to more opportunities.

Persevere. Everything will be challenging the first time you try it. Experience it, learn from it, and assess it. Eventually, it will get easier.



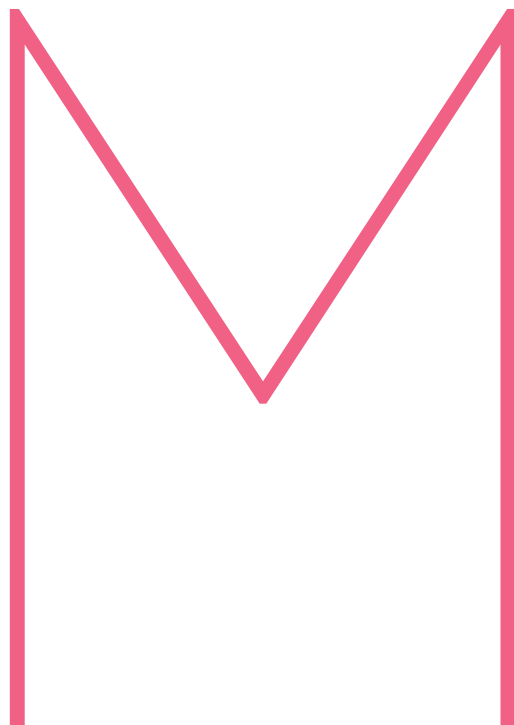




# TAX EXPERT, CORPORATE LAWYER

How Atty. Rachel Uy-San Juan went from a one-person practice to a thriving law firm.

By EXCEL V. DYQUIANGCO



any lawyers and law firms in the Philippines take on all kinds of cases, regardless of their expertise. Not Atty. Rachel Uy-San Juan.

“When I put up my law firm, R.Uy-San Juan & Associates, I made it clear that we are only dealing with tax and corporate cases,” she says. Atty. Rachel laments that there is a lack of specialization in her field. She explains that a lawyer should not be a jack of all trades because “law is a very broad subject. You need to consult with lawyers who are experts in their field.”

“I always liken my profession to a doctor,” she adds. “When you have a heart problem, you go to a cardiologist. When you have a skin problem, you go to a dermatologist. The same way that a lawyer should be.”

Atty. Rachel explains that lawyers who personally know your case can give you explicit and sound advice on what to do next. And this is what differentiates her practice from other law firms out there.

“I plan to change the system by starting with my own practice,” she notes. Even when she expands into other areas, she will ensure that she also hires experts in those fields.

**The Path Towards Law.** This drive to achieve is a recurring pattern in Atty. Rachel's life. As with most of the Baby Boomer generation who push their children to pursue a career with an abbreviated title beside it—Dr., Atty., Engr., CPA—her parents “brainwashed” her into becoming a lawyer. (And true enough, her older brother became a cardiologist, and her older sister, a CPA).

Her father, who once dreamed of becoming a lawyer, passed on his dreams to her, often telling her she had the knack and skill set to become one. She became the designated future lawyer in the family. So, early on, her track had always been towards that path.

But come college, while choosing her pre-law, her mother insisted that she opt for a more practical course just in case her dream of becoming a lawyer didn't pan out. “My mom pushed me to take up accountancy and become a CPA because she was an accountant in training,” Atty. Rachel recalls. “This turned out to be a good decision since I am now a CPA lawyer focused on corporate and tax law. My accounting background has been very useful.”

She graduated *magna cum laude* at Manuel S. Enverga University Foundation in Lucena City in 2004 with a Bachelor of Science in Accountancy. At the top of her graduating class, she also passed the Certified Public Accountant (CPA) Board Examination in 2005.

After a short stint as an accountant (she disliked audit work), she took up law at the University of the Philippines-Diliman as planned. While studying, she worked as a research assistant for Antonio R. Bautista & Partners Law Office. In 2010, she earned her Juris Doctor degree and, again, was one of the top graduates of her class and received the Dean's Medal for Academic Excellence. She passed the 2010 Bar Examination and was admitted to the Philippine Bar in 2011.

Atty. Rachel started her legal career as a litigator, which she found exciting, having been a

fan of legal shows like *Ally McBeal*, *The Practice*, and even *Ipaglaban Mo*. For her, being a lawyer meant building cases and presenting arguments in court.

At some point, she had to choose her track. “I chose corporate and tax law because my background fits the practice. And as it turned out, I am enjoying the work,” she says.

“In litigation, my frustration was that the process was very slow,” Atty. Rachel adds. “I spent the entire morning in court even if my scheduled court appearance was two hours after my call time, and I only spoke for about 10 to 15 minutes. Then my next court appearance would be two or three months later. The system was very frustrating.”

And while the work was exciting, it was also very stressful. “I was very aggressive because the environment was litigious. The stress level was very high. Imagine yourself being mad every day, even though you're just acting out, it takes a toll on your health.”

So, even if litigation was her first love—as it was her idea of lawyering—when she tried the other practice areas of law, she realized corporate law and tax were a better fit for her.

**From Associate to Founder.** From 2010 to 2014, Atty. Rachel was an Associate of SyCip Salazar Hernandez & Gatmaitan and served as a Court Attorney for the Office of Justice Estela M. Perlas-Bernabe in 2012-2013 and as Attorney-General at the Philippine Business Council—Qatar (PBCQ). She was a Consultant to the Office of former Justice Undersecretary Jose F. Justiniano during those same years and to the Supreme Court of the Philippines in 2016. She co-founded Ho & Uy Law Firm in July 2014 and was a Managing Partner until September 2019.

Atty. Rachel was also a professor of taxation. Her proven expertise in tax and corporate law makes her one of the esteemed speakers at various seminars and symposia.













As a tax expert, Atty. Rachel has handled tax cases before the Bureau of Internal Revenue (BIR) and the Court of Tax Appeals (CTA).

Her significant work involved corporate restructuring, tax litigation and settlement, and estate planning and settlement. She performs corporate housekeeping work and provides legal advice to various top corporations in the country. Atty. Rachel also performs legal due diligence, entrusting to act as transaction counsel in mergers and acquisitions, and projects worth billions of pesos.

While working as an Associate in one of the law firms and armed with leadership roles, Atty. Rachel realized she could start her solo practice because she had already reached a certain level of expertise.

Plus, with her time being very hectic—she was already at the office at three or four in the morning and left at nine or ten in the evening—she wanted some flexibility. She says that working more than 16 hours a day can be grueling on

physical and mental health. That was her life for around five years, hitting the 10 thousand hours needed to achieve mastery.

Yet, she expressed gratitude as it instilled the discipline and hard work required to succeed. “It pushed me to the limit,” Atty. Rachel says, “There’s no shortcut to being good at anything.”

Thus, R.Uy-San Juan & Associates was born.

The Growth of R.Uy-San Juan & Associates

When Atty. Rachel started her practice, she only had one employee, a messenger. In a month, she hired a secretary. She only had a 15-square-meter office in Quezon City. “It was a small and dark office! I would ask clients to meet at their office instead.”

At that time, she also had no clients, and she didn’t want to poach clients from her previous law firm because she didn’t want to burn bridges. If there were calls to their office, and this didn’t come too often, they all felt giddy about it.



# Real Estate Tax and Legal FAQs

**A**ttorney Rachel Uy San Juan gives tips and pointers for common legal and tax issues of Filipinos related to real estate.

## **How can heirs avoid fighting over their inherited properties?**

Parents should make a clear plan of what will go to whom. They must draft a will or an estate plan to avoid confusion among the heirs.

If the parents have passed on and there is no plan, the law says that everything should be shared equally. In this case, the heirs will be co-owners and co-ownership sometimes lead to arguments and misunderstanding. Co-ownership also sometimes leads to decreased productivity of the property because the heirs, who are the co-owners, would need the consent of all for every decision on the property that does not always easy to get. Sometimes no one from the heirs is willing to manage or maintain the property.

**What's the best way to minimize estate tax?** Have an estate plan because, in an estate plan, you can time and control the mode of transfer of properties to your heirs with minimal tax exposure. You can start your plan as early as you can especially when you have accumulated properties and you have compulsory heirs.

**What's your advice for landlords to ensure their lease contracts are solid?** Make sure that the terms of the lease are clear with provisions that indicate possible issues in the future—for example, sublease and termination. Also, consult a lawyer who has an extensive experience in property law. Sometimes having an expert look at these things is necessary, compared to just downloading contract templates online.

**I have dealt with an unlicensed real estate agent. What are my legal options?** The Real Estate Service Act prohibits the unauthorized practice of real estate service. You can file a criminal complaint against the unlicensed real estate agent. After proper proceedings, the unlicensed real estate agent could be punished with a fine of not less than P100,000, imprisonment of not less than two years, or both.

**If I miss paying my monthly amortization and I've paid fewer than the required number of installments, will I automatically lose rights to the property I've brought?** It depends. Under the Maceda law, if you've made at least two years of installments, you are entitled to a grace period of one month per year of installment payments made. So, for example, if you have made three years of amortization, you have three months to pay the unpaid amortization without incurring interest.

If you still fail to do so and your contract is cancelled, you are entitled to receive a cash surrender value of your payments

equivalent to 50% of the total payments made. But if you have paid more than five years of installment, you have an additional 5% per year of payment but not to exceed 90% of the total payments made.

But in case the payment made is less than two years, the seller can still give you a grace period of not less than 60 days from the date the installment became due.

**My land has been taken over by squatters who refuse to leave. What is my legal recourse?** You can file an ejectment case against the informal settlers. Still, the case can get complicated, so you must comply with special laws such as the Urban Development Housing Act, which requires adequate relocation or financial assistance to be extended to the affected families.

Property owners should discourage trespassing. This can start with one family until they multiply. They should secure their property, and if it's too huge of land, they could hire someone to take care of the property. **MS**







This continued for a few months until the firm started picking up—all through word of mouth, with clients telling them they were doing such a fantastic job. Sometimes she also got clients during symposiums or webinars where she was invited to speak. But her client base grew mainly from referrals.

Her office also expanded in size when she acquired a bigger space. Now at 175 square meters, her staff have enough room to breathe. She has three lawyers under her, several collaborating counsels who help in other practice areas of law, and ten paralegals and admin staff running the office.

“As the founder, I am in charge of client generation and people management,” Atty. Rachel explains. “I see to it that our clients get the quality and prompt service they deserve. I also make sure that my staff is efficient and effective in their respective roles and that they are well compensated and appreciated for a job well done.”

Since the firm is growing, the challenges

they face are how to maintain the personalized, hands-on service they provide to their expanding client base and how to retain talent within the organization.

“We try to resolve this by keeping our people updated with the current laws, hiring the best talents, and recognizing great work by providing financial and non-financial incentives,” she notes. “I am very fortunate that my first few hires were a good decision—they are material to the organization. Even though they have no legal background, they are willing to learn. Some of them are still with me now.”

She adds, “One of the memorable moments in my line of work is to see my staff grow professionally and improve in their job. We have a staff who started with zero legal background and is now one of our best paralegals. We also have young lawyers who have developed their expertise in our firm. Many of our staff are perfect examples of hard work and perseverance.”

“I always feel fulfilled when we settle a tax



matter honestly, and because of that, a client revives his or her faith in the government,” she adds. “It is also rewarding when we help a client start a business because I feel I am contributing to our economy by helping entrepreneurs and encouraging foreign clients to invest in the country.”

Atty. Rachel shares, “We pride ourselves on always dealing with our counterparts with honesty and that everything should be above board. This is a challenge when the other party is unwilling to be transparent. It is also quite challenging to do tax and corporate law because of the constant changes in the applicable law and regulations, so we have to be constantly updated.”

Her legal team is equipped with skills and substantial collective experience. The lawyers’ level of expertise in tax and corporate law enables the firm to provide comprehensive and excellent service to their clients.

All her hard work has paid off. Atty. Rachel was nominated as Woman Lawyer of the Year and Young Lawyer of the Year 2021 in the Philippines, a prestigious award organized by Asian Legal Business that recognizes the exceptional performance of women lawyers in law firms and in-house across the region. She was one of the youngest lawyers in the Philippines to be nominated as well.

In five or ten years, Atty. Rachel plans to expand

her practice into a full-service firm, offering services other than corporate and tax law. She also plans to move to a bigger office soon since she recently purchased another office space in Ortigas.

**Work, Money, and Family Life.** As if being an accomplished lawyer with a successful law firm is not enough, Atty. Rachel is also an active investor. Aside from stocks, bonds, mutual funds, and insurance, she also invests in real estate.

Together with her husband Leo, she acquired an old property along UN Avenue, which they turned and developed into a beautiful 57-bed transient house. It now operates under the tradename of Snooze.ph, catering to people looking for an affordable but clean and comfortable stay in the heart of Manila. A part of the property is also being leased by a 24/7 convenience store that provides customers with a place to buy necessities.

She shares, “This was my husband’s idea when he saw that there was a market for it, and so we decided to pursue it. It also helps that my husband is a real estate appraiser certified in the United States.”

She explains that the increasing market value of the property beats inflation compared to







putting money in the bank. The interest income from the bank also equals inflation, or even less, so she says real estate is a good investment.

Eventually, they plan on expanding this type of business around Metro Manila.

“Initially, I was a conservative investor, but as I matured in investing and talked with many investors, I learned that it is not always good to be a safe investor,” she says. “The bottom line is to study the opportunity presented and examine the pros and cons. Plus, my husband is an aggressive investor, so I believe that we are a good team. I consider myself a moderate-aggressive investor now.”

Given the many achievements that she has achieved over the years, she credits her success to her family, especially her parents, who have molded her ever since she was a young girl. Hard work has always been inculcated in her family. The youngest of three siblings, Atty. Rachel saw at a young age how her parents—her father, a businessman, and her mother, a schoolteacher—worked hard for their goals.

But despite their busy schedules, her parents still managed to have quality time with each

other. This she applied when she had her family as well. Her two kids—two-year-old twins Race and Leonna—also visit her in the office. “I’m carving time daily for myself, my husband, and my kids,” she shares. “I come home from work at around 5 to 5:30 PM, and we eat dinner together as a family. Saturday is also reserved for my family.”

She adds, “We tune in to Netflix, and my husband and I have a bottle of wine together. During Sundays, we go to our in-laws, and sometimes, I go to Lucena, Quezon, where I grew up, to visit my parents.” In addition, her family likes to travel, so they would sometimes go out of town to escape their busy schedule and recharge.

In terms of handling money, Atty. Rachel has both a joint account with her husband, as well as some individual ones. This, she encourages everyone to do the same. “I put a certain amount to a joint account for our common expenses,” she says. “This is a fixed amount. You should do too because you also have personal expenses.”

She leaves this advice for those who want to become successful someday: “To be good at something, you have to work hard and spend hours and hours studying, reading, and working. There is no shortcut to success.” **MS**



ALEX NARCISO  
President, Sun Life of Canada (Philippines), Inc.



# Leading Change, Changing Lives

By ROSSANA UNSON

Being a leader in every initiative launched is far from an easy undertaking. It takes foresight, commitment, and hard work to make it happen. This financial services company, however, seems to be conquering each initiative it takes. Three of the company's presidents give their individual viewpoints on why this is so.

Sun Life of Canada (Philippines), Inc. President Alex Narciso attributes the company's success to what it offers its clients.

"Our differentiation is not in our products, but in how we view what we do for our clients—what financial security is all about. We offer solutions, not products. We believe people buy our products as solutions to secure something—protection against risks such as untimely death or critical illness; accumulating for a long-term goal such as retirement or college funding for kids; managing liquidity or excess cash; or ensuring the smooth transfer of wealth. Since clients have different needs and goals, we customize these solutions rather than provide a 'one-size-fits-all' product," he offers.

**Sun Life as a Lifetime Partner.** Narciso continues, "We also expect clients' needs and goals to change as they undergo milestones such as when they get married, have children, etc. Thus, we have a "Money for Life" framework which tries to provide financial security at every stage of life. We also take a long-term—in fact, a lifetime—view of our relationship with our clients. We aim to continue guiding them and addressing their needs as they go through these life stages, hence the term 'Lifetime Partnership.' This is very different from a one-time, transactional view of a relationship. Holistic advice, relevant solutions, caring relationships—this is how we want to differentiate our offering to our clients."

The pandemic has contributed to Filipinos' greater interest and receptiveness to insurance and health protection, and Sun Life is eager to leverage this heightened awareness to encourage more of our *kababayans* avail of the benefits of insurance products.

"The pandemic has highlighted the uncertainty of life, that we really never know when our time is up. It also highlighted that getting seriously sick can be expensive.

Thus, it drove home the message that it is best to always be prepared, especially if you are the breadwinner," Narciso says. "You need to ensure that your family will be taken care of in case something happens to you. This emphasized the importance of having an adequate emergency fund, and also made people appreciate the value of having life and health insurance. Liquidity and protection should go hand in hand."

Despite the increased awareness, the challenges that the pandemic brought upon businesses cannot be denied. Narciso muses, "In terms of sales, we saw a significant increase in sales of our health and protection products. What hampered our growth especially at the early stages of the pandemic was the overall and prolonged uncertainty it brought; the disruption and impact on the economy especially on businesses and job security; the big pivot the company and our advisors—along with our clients and prospects—had to make, from the usual face-to-face way of doing things to remote selling and servicing; and the challenges we experienced in licensing new recruits," he recalls. "The vaccination program which started last year made 'living with the virus' possible, and we were thankfully able to bounce back to prepandemic levels".

**Advisors at the Forefront.** At the forefront of Sun Life's pursuit of its purpose are its financial advisors. Narciso emphasizes that it is through them the company is able to deliver its purpose of helping clients achieve lifetime financial security and live healthier lives. "They provide clients with holistic advice and relevant solutions, while also building and nurturing a relationship with them. The role of Sun Life's advisors to the company's success is very critical."

With around 21,000 advisors, 70% of them millennials, Sun Life advisors are quite comfortable with the "new way of doing things," which is defined by digital and online transactions coupled with the use of social media. The Sun Life President observes appreciatively, "They really know how to make effective use of YouTube, Facebook, Zoom, and other digital tools in reaching out and presenting to their clients. These social media channels are even used in managing their

teams and recruiting potential advisors. And with the rise of the TikTok platform, they are also able to discuss brief product features and raise financial literacy awareness.”

Having an entrepreneurial mindset also helps. “Quite a number of our advisors consider being a Sun Life advisor or field manager as a business they handle, and so they invest in it. They also view Sun Life as a valued “business partner,” he says. “Our advisors are passionate about what they do. They see their work as an advocacy. When they say, ‘Financial freedom for Filipinos’ and ‘Helping clients achieve a brighter life,’ they mean it. The beauty and nobility of being a Sun Life advisor—that the more people they help achieve the brighter life, the more they help themselves achieve the same—is something they know and embrace.”

Ensuring the same passion and commitment is imbibed by every advisor can be a challenge, especially as the agency force continues to grow. As such, Sun Life identified the four values of a ‘Most Respected Advisor’ (MRA) which they must observe and embrace. These values are caring, professional, inspiring, and winning.

**Continuous Innovation.** With this winning combination of dedicated financial advisors plus customized solutions, what else can Sun Life clients and future clients expect from this dynamic company?

“We are continuously leveraging on digital technology, upskilling our advisors, and exploring more strategic partnerships,” Narciso says. “We are doing all these to make sure we are able to delight our clients in their financial journey. They have entrusted us with their hopes and dreams for the future, and as their partner for life, we are committed to helping them make all these a reality.”

With this mindset and a forward-thinking plan for being a client’s lifelong partner, it is no surprise that Sun Life is the #1 Life Insurance company in the country and has sustained this leadership position for the past 11 years.

With its Peso fund offerings firmly in place, Sun Life Asset Management Company, Inc. (SLAMCI) has been expanding its suite of global investment funds. Asked the reason behind this, Bautista offers, “SLAMCI wants to capitalize on the opportunities of the bigger (global) capital markets; giving clients an access to a myriad of asset classes, some of which are not available in the Philippine market. The objective is for actively managed funds to outperform and for index funds to track the benchmarks: MSCI ACWI, which is composed of more than 2,000 companies globally, and the local PSEi, which is composed of only 30 companies.

Bautista shares that SLAMCI also provides sector diversification, where companies listed in the PSEi belong mostly to sectors such as financials, industrials, and properties, making the index heavily exposed to these sectors. “The global benchmark, MSCI ACWI, has exposure to sectors that are unavailable in the domestic market, as well as resilient sectors which have benefited from the effects of the pandemic like health care and technology,” he says.

Elaborating on the company’s objective, target market, and differentiation, Bautista continues, “The target market is clients with moderate to aggressive risk profiles and have a long-term investment horizon. For the actively managed funds, we differentiate with competitor feeder funds through our active mandates using the Fund-of-Funds model. The funds can shift its portfolio focus. It is not limited to one sector or geographic focus. It also has an active selection wherein the fund can invest in many global funds depending on its fund strategy and objective.”

**A Principle-Based Selling Approach.** Are Filipinos now more investment-savvy or are the majority still conservative? Surveys still show most do not have enough saved for retirement. When asked what Sun Life has been doing to address these issues, Bautista states, “According to a study conducted by AIM on their level of understanding towards Mutual Funds, Filipinos do not rate that high in terms of understanding, but also not too low when it comes to investing in alternative assets such as Mutual Funds. As such, Sun Life has embarked on a principle-based selling approach, focusing on Four Pillars for every Filipino investor: Liquidity, which positions SLAMCI’s Peso & Dollar Starter Funds; Protection, fulfilled by Life Insurance products; Wealth Accumulation, where SLAMCI clients are provided a means for asset allocation by investing in equity-laced funds or target dated funds, depending on their respective risk profiles and investment horizons; and Wealth Transfer, where Life Insurance products help address estate planning needs.

#### **Stellar Performance in the Midst of a Pandemic.**

Bautista also proudly reports how SLAMCI funds performed in 2021 with the Peso Starter Fund marking 1.48% returns, Philippine Equity Fund with 1.77% returns, World Equity Index Feeder Fund at 25.56%, Dollar Starter Fund at 0.78%, Dollar Advantage Fund at 6.75%, and finally, World Voyager Fund at 10.69%, with the highlight of the year being the Dollar Advantage Fund being awarded the Best Managed Dollar Balanced Fund by the CFA Society Philippines. Definitely proving that SLAMCI has all the tools it needs to achieve not just business objectives but, more importantly, the financial goals of investors who have placed their trust in the company.



**Convenient Investments.** Amid the changing lifestyles of Filipino investors who have grown accustomed to digital transactions, SLAMCI has put in place convenient ways to invest. These include Auto-Invest, which allows clients to add to their existing peso funds via their bank accounts; Bills Payment, where additional investments can be made at the clients' convenience through bank partners, BDO, BPI, and Metrobank; the Sun Life Prosperity Card, which allows sharing the gift of prosperity starting only at P1,000; and finally, the online payment page, which allows clients to add to their existing peso funds via their BPI accounts through the Sun Life website. All these have made investing easy and convenient.

Moreover, they demonstrate how SLAMCI prioritizes its clients above all. This game plan has certainly worked for SLAMCI, which remains to be the largest non-bank asset management in the country.

As if insurance and asset management weren't enough, Sun Life ventured into the trust business with Sun Life Investment Management and Trust Co. (SLIMTC). When asked the reason for this move and how SLIMTC differs from SLAMCI, Enriquez replies, "SLAMCI is the mutual fund distribution company targeting the broad retail market, while SLIMTC is the investment manager for the SLAMCI mutual funds. The establishment of SLIMTC will enable Sun Life to better service the more sophisticated institutional market and select High Net Worth (HNW) individuals."

**Poised to Conquer New Markets.** With this, Sun Life will be entering a new space, engaging mainly institutional investors. This is a field where other players have already built long-time relationships. Still, Enriquez is confident that there is room for another trust business.

When asked about how SLIMTC plans to get one foot in the door and elicit trust from the HNW clients, Enriquez explains, "We'd like to capitalize on the strong brand reputation of Sun Life, which has been in the Philippines for 127 years and has been the largest life insurance provider in the country. We'll also be banking on SLAMCI, which is the largest non-bank mutual fund company. We want to highlight the strong track record of the investments team—from research, portfolio management, and execution, as well as the access to global assets. Lastly, we'd like to offer the client-centric culture of Sun Life in terms of providing excellent and personalized service to clients."



**GERALD BAUTISTA**  
President, Sun Life Asset Management Company, Inc.

### An Experienced Leader in Investment Success.

While it may seem risky to enter new markets, especially those where others already have a foothold, SLIMTC is extremely confident that they have the best person to lead them in attaining this objective. Enriquez has over 24 years of solid and distinguished portfolio management experience gained from his tenure in various investment and financial service companies. This includes his experience as Chief Investments Officer for both Sun Life of Canada (Philippines), Inc. and Sun Life Grepa Financial, Inc. from 2012 to 2020.

After graduating from the Ateneo de Manila University with a Bachelor of Science degree in Management with a minor in Marketing, he started his career as an equities trader in Abacus Securities Corporation from 1996 to 2002. He then moved on to head the fixed income desk with the position of Assistant Vice President in Citicorp Financial Services and Insurance brokerage from 2002 to 2009. He then took on the role of General Manager of Philequity Management Inc. from 2009 to 2010. He continued fund management in ING Investment Management, heading the equities desk with the position of Vice President from 2010 to 2011.

Just before joining Sun Life, Enriquez was the Vice President, Head of Equities for the Odyssey Funds in BPI Asset Management from 2011 to 2012. He was a member of the Board of Trustees of the Fund Managers Association of the Philippines (FMAP) from 2012 to 2014.

With a notable track record in investments, it seems like fate or great fortune—or both—led him to lead SLIMTC. Yet, Enriquez is quick to highlight the strength of his team. “We have finance professionals with solid track records in our team,” he says. “Together, we can certainly help clients achieve their long-term financial goals while also exuding the Sun Life brand of warmth and optimism.”

And he believes the market is ready for it. “There is a huge underserved market for investment management,” Enriquez states. “We want to approach this by offering relevant and bespoke solutions differentiated by our strong local investment track record and leveraging our global resources.”

While the success of Sun Life and its companies didn’t happen overnight, it certainly looks like this financial powerhouse has refused to simply remain immobile while the market changes and evolves around them. By proactively planning for the future and expanding its financial offerings while keeping close watch on the market and providing solutions rather than just regular products, Sun Life has assured itself a top spot in the market for many, many years to come. <sup>MS</sup>



**MICHAEL ENRIQUEZ**  
President and CEO, Sun Life Investment Management and Trust Co.





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# Getting Started in Real Estate Investing

By KARLO BIGLANG-AWA, RFP®

**R**eal estate has long been considered a sound investment. Before 2008, historical housing data showed that prices were going up steadily. However, home prices experienced a hit at the peak of the COVID-19 pandemic from 2020 to 2021. Today, with the health crisis under control and the economy recovering, home prices are increasing again.

If you are thinking about investing in real estate, here are some things to consider.

**1 Capital Appreciation.** There are three reasons why property values go up: the continuous demand for housing, the increasing population, and the decreasing availability of land. As such, on average, real estate prices have been rising 6-10% per annum.

If you bought a property ten years ago and plan to resell it, your return on investment (ROI) will be around 100-200%, depending on the location of your property. For instance, properties near or within business districts appreciate a lot in terms of valuation.

**2 Rental Income.** The great thing about real estate is it can be a source of passive income. You can have your condo or apartment rented out. If you have multiple rental properties, rental income could be your primary source of cash during retirement. Even now, and even if you have one rental property, it will already help augment your income.

Having multiple streams of income that include real estate lets you diversify to lower your risk in case you lose your job or your business takes a hit. Creating a rental property portfolio can be difficult, but you can consult a real estate professional to help you.

**3 Flipping.** Another way of earning from real estate is flipping. This refers to a strategy of buying an asset with a short holding period and then reselling it for a quick profit. Flipping eschews long-term capital appreciation. Investors

usually target properties in strategic locations such as business districts to increase their odds for a successful flip.

There are two primary approaches to flipping a property:

**Repair and update:** you buy a property and get it repaired and updated. That's why they are called fixer-uppers. After the repair, you sell the property at a price that exceeds your total cost (including repairs and updates).

**Hold and resell:** you buy a property and hold it for some time, waiting for it to appreciate enough to get your ROI. This works for new real estate projects where you buy at pre-selling prices, then resell it after a couple of years with a profit.

**4 Real Estate Investment Trust.** Also known as REITs, this is suitable for investors who want exposure to real estate without the traditional real estate transactions of buying, selling, and renting out. A REIT is created when a corporation (or trust) uses investors' money to purchase and operate income properties. REITs are bought and sold on major exchanges, like any other stock.

Like regular dividend-paying stocks, REITs are a solid investment for stock market investors who want a steady income. REITs are highly liquid because they are exchange-traded. In other words, you won't need a real estate broker and title transfer to help you cash out your investment.

## How to Get Started with Real Estate Investing?

**1 Assess your financial state.** Can you afford to invest in real estate? You might jump on an opportunity and find yourself tight on cash while making repayments on your bank loan or when the balloon payment comes up. You will end up losing your property.

That's why you need to evaluate your income and expenses first before investing in real estate. Check how much you can allocate in amortizations before buying a property or if you can pay in cash, make sure you still have excess funds in case of emergencies.

**2 Earn extra income or increase profit.** Keep your day job and start a side business. A side gig, part-time job, or home-based business can give you an additional P10,000 to P20,000 to help you with amortizations. Having another source of income will help increase your cash flow.





If you're an entrepreneur, optimizing your current business processes is essential for you to increase your profit. Are you currently established in terms of people, process, and technology? Do you need to hire more people or maybe acquire new technology to minimize redundancy and wasted time in manual processes?

**3 Pick a target market.** The market that you choose for your real estate investment can make a big difference in your results. For example, if you target BPO employees, you should buy a property in a business district. This way, you will have a higher occupancy rate. If prices are too high for you in the business area, consider emerging areas in the nearby provinces. Since the pandemic, remote work has become the norm, and many Millennials have moved out of the city.

Here are some of the factors to consider:

- a. Jobs opportunities
- b. Population of a specific area
- c. Access to schools
- d. Access to transportation
- e. Nearby hospitals
- f. Walkability
- g. Safety and crime rates

**4 Consider your financing options.** Using leverage maximizes your ROI since you don't need to shell out the entire capital to invest in real estate. A mortgage or housing loan is essentially an amount of money an individual borrows from a financial institution such as a bank to buy a property. You pay the bank on an installment basis with interest over a certain period. The creditor finances the transaction and profits from the interest.

Banks are just one source for a mortgage. In the Philippines, one of the common ways to secure a home loan is through the Home Development Mutual Fund, commonly

known as Pag-IBIG Fund. You don't even need to be earning a lot to qualify.

For example, Pag-IBIG Fund's Affordable Housing Program (AHP) caters to the needs of minimum-wage and low-income members who earn up to P15,000 a month in the National Capital Region (NCR) and members who earn up to P12,000 per month outside the NCR. Under the AHP, you can borrow up to P580,000 with a subsidized rate of 3% per annum, making it the most affordable rate in the market today.

**5 Save cash for a down payment.** Real estate investing is a business that allows you to use other people's money, e.g., the bank. However, you should not count on building your business with no money down. For example, prepare to make a 10% down payment, amounting to P500,000 for a P5 million property. It will entail discipline to consistently set aside a portion of your income or profit to save up for this.

**6 Diversify.** Real estate investments have a low and, in some cases, negative correlation with major asset classes. This means when stocks are down, real estate prices are usually up. Investing in real estate can lower volatility in your investment portfolio and provide a higher return per unit of risk.

**How to calculate ROI in Real Estate?** Cost method: the cost method calculates ROI by dividing the investment gain in a property by the property's costs. For example, if you bought a property for P5 million in cash and repairs and improvements cost you an additional P500 thousand, your total cost is P5.5 million. Say the property is valued at P6 million; this gives you a profit of P500 thousand, a 9.1% ROI.

Out-of-pocket method: this is preferred by most real estate investors because it can result in higher ROI. Using the example above, you bought the same property for the same price, but this time you financed the purchase with a loan and a down payment of P500 thousand. Your out-of-pocket expenses are P500 thousand for the down payment plus P500 thousand for repairs and improvements, for a total of P1 million. If the property is now valued at P6 million, your potential profit is P5 million, or a 500% ROI. The difference, of course, is attributable to the loan: leverage as a means of increasing ROI.

These steps are just the beginning. Studying more about the strategies that can work for you is essential. Keep reading books, watching YouTube videos, listening to podcasts, and attending seminars about real estate.

Start small, start somewhere; at the end of the day, the more you learn, the more you will earn in real estate. Knowing from our experience from the pandemic that there are no certainties in life, keep diversifying your investments using multiple asset classes, including real estate.<sup>MS</sup>

# Tips for Renovating Your Home

By EXCEL V. DYQUIANGCO

**R**enovating your own home is not cheap. You must be prudent, disciplined, and wise when spending or saving money on adding new fixtures, repainting your walls, and putting in that extra work of art.

Even then, there are many things you need to consider so that you won't make a dent in your budget. Here are tips and tricks for renovating your house.

**Stick to your budget.** Set up a budget that includes all expenses for house renovation at the outset. This guarantees that you won't overspend on fixing your home. For starters, list everything you need to spend money on, including labor, supplies, tools and equipment, licenses, and cleanup services. A contingency fund of 10% to 20% of your overall budget should also be set aside for unforeseen costs.

Put the breakdown of your home renovation costs in a spreadsheet that will also function as a checklist for your renovations. Review it occasionally to see if your spending aligns with your spending plan.

**Plan early.** Ideally, you have enough money in savings to cover all of the remodeling expenses. Your funds could be enough to pay for simple tasks like repainting the house or installing a new gate. However, obtaining a housing loan is an alternative to finance major renovation tasks.

With a home loan with monthly amortization payments, you can spread your expenses in remodeling your home. The cost of a loan will vary depending on the lender, the interest rate, your income, and the loan period you select.

**Know where to shop.** Be especially cautious while purchasing home decor because spending more money on stunning items that you fall in love with can be alluring.

Shop at tiangges and surplus stores where products are cheaply priced to minimize the cost of your home decor to a minimum. You can also place an order through Dapitan Arcade's online store, the top destination in the Philippines for low-cost home furnishings and accessories.

**Work on minor repairs.** A home renovation entails various tasks, including demolition, cleaning, and finishing touches. Even though significant projects like electrical work or installing

new fixtures require professional assistance, you can save money by handling specific straightforward jobs yourself.

You can complete simple DIY projects like painting your walls or making a headboard. YouTube is your friend if you want to learn how to DIY house improvement.

**Compare contractors.** Even if you DIY your home renovation, the more complex jobs will still need to be done by a professional, saving you money from having to redo anything.

Ask for recommendations from those you know. Interview the recommended contractors. Ask for at least three quotations. Along with the cost estimates, compare the candidates' track records and relevant experience with the type of work you need to be done. Request a portfolio of their prior work to obtain a sense of their artistic preferences.

A contractor may not be the best choice for the task simply because they offer the lowest price. Ask for potential cost-saving measures if a contractor you trust and who is competent is demanding a higher fee, like changing the specs or completing the work in stages.

**Talk about your budget with the contractor.** You can reduce the cost of home renovations by simply telling your contractor about your financial constraints. It enables the contractor to work with you on the home renovation project and offer cost-cutting suggestions to support you in staying within your budget.

**Coat your home with new paint.** You need a fresh coat of paint to give your house a new look. Painting instead of ripping down walls and altering the construction of your home is much less expensive and simpler. Additionally, it significantly improves the look of your space without requiring you to purchase furniture or decorations.

Do the painting yourself or with the assistance of family or friends to reduce the expense of house renovations. If you plan to repaint the entire house, pick a color that works for each room and will create the feeling you want.

Do you have a limited budget? Repaint your cabinets, window casings, and doors. Your house will instantly look newer, and you'll spend far less on paint.

**Allow natural lighting in your home.** Is lighting your priority? Do you want to make a drab hallway more appealing? Add some light pipes to the space instead of spending a fortune on new windows or ostentatious light fixtures. Making a hole in an existing wall and installing the window frames are necessary for adding a window, which can be expensive. The natural light is beautifully distributed throughout the room through light pipes, which are three times cheaper than windows.



**Look for cheaper options for furniture.** A large furniture purchase will blow a massive hole in your finances. Different materials can be used to create high-quality furniture at a far lower cost.

An inexpensive particle board drawer will accomplish the same task as a pricey mahogany chest. But if you have a specific design in mind, speak with a local carpenter about having them create more cheap custom copies of your dream furniture.

Instead of purchasing brand-new furniture, think about buying used. Ukay-ukay, Japanese surplus, and online marketplaces are all great options for discovering great deals.

**Maximize existing spaces.** Do you need an additional room in your house? A sizable amount is required to expand a home by adding a room or loft or enlarging an already existing space.

Get rid of all the junk to increase the space in your home instead of blowing your money on an expensive home improvement project. Spend the money you make from selling your old items towards your home repair project.

To optimize space and aid with organization, add storage to each area. Install built-in cabinets, floating shelves, ceiling shelves, and under-the-bed storage where necessary.

**Use existing furniture.** Don't fix anything if it isn't broken. A restoration shouldn't require a whole makeover of the interiors. If your home wasn't constructed more than 50 years ago, there's no need to disassemble all the furniture and rearrange the arrangement of every room.

You should replace your dated, worn-out flooring, but your current flooring doesn't have to be removed. Peel-and-stick vinyl floor tiles may drastically alter a room's appearance without costing as much as more expensive flooring.

If the plumbing and electrical fixtures you currently have are in good condition, keeping them in the same spot will save you money.

**Use recycled materials.** Use as many recycled materials as possible to reduce the cost of your renovations. Reuse any leftovers

from relatives and friends and any outdated but useful items you have at home.

For instance, one YouTuber renovated her room for under P5,000. Her trick? She DIYed pretty much everything using affordable goods she purchased on sale and recyclable materials.

**Use plants around your house.** Instead of expensive home decor, use indoor plants like aloe vera, snake plants, or peace lilies. Houseplants not only make a space seem cozier, but they also help to keep the air clean. Bring out your inner plantita or plantito! Caring for plants can also be soothing.

If you insist that you don't have a green thumb, you may still use imitation plants to adorn your room. They are no longer seen as tacky, especially given how natural and realistic many appear nowadays. They are available at hardware stores and even internet retailers. Many options are available, including succulents, blooming plants, and tall grasses.

**Install a backsplash in your kitchen.** Kitchens don't have to be drab and filthy just because they are functional rooms. Install a backsplash to give your room a unique element.

In addition to shielding your kitchen walls from water damage, a backsplash may improve the aesthetics of the area where you prepare food and clean dishes. It is available in vibrant hues and fascinating designs.

Plus, various materials, including tile, glass, ceramic, and stone, are available for you to select from. You can choose the ideal solution for your budget with this variety of choices.

**Dress up your windows.** Sometimes all it takes to give your drab area a much-needed facelift is to jazz up your windows. Choose new window coverings that go with the home's overall style. Layered drapery is a classic choice, but you may also use contemporary Roman shades or sizable Venetian blinds to match the window frames.

**Hang works of art.** By displaying artwork, you may add personality to any area in your home, even the living room. For instance, a modern triptych or three-paneled artwork might be used on the spacious walls of your living room.

You can also hang gorgeous photography prints. Don't worry about the cost; you can always discover inexpensive art prints from well-known online retailers like Lazada and Shopee!

But if you're all about customization, frame some of your children's drawings or display some of your favorite black-and-white family photos.

An ancient house requires extensive renovation, which can be pricey and costly. However, it doesn't follow that there aren't any ways to reduce the expense of home renovations in the Philippines.<sup>MS</sup>



# Tips for First-Time Homebuyers

By RIENZIE BIOLENA, RFP®

**B**uying your first home is a momentous occasion. It's a milestone that marks one of the most significant purchases and events in your life. Whether you are single, co-habiting, or married, buying a home involves a lot of considerations, calculations, and even some stress. But it is worth it, making it one of life's most memorable accomplishments.

As it involves a significant investment of time, effort, and money, it helps if you pursue this efficiently and with fewer mistakes. Here are some tips for first-time homebuyers that would help them ease through the process:

**1 Look at the larger picture.** Congratulations! You have decided to buy your own home, but before going any further, think about how this would fit into your long-term plans. Is it permanent, or just transitory? There are two essential factors to consider: family and work.

If you are single, you might be tempted to buy your condominium unit as your home but fail to see that you might eventually start a family. A condo studio or one-bedroom unit will be insufficient because you will need a larger space. You have two options:

- **Start small.** If you are leaning towards having your condo at first, this is fine if this is all you can afford now. But what's your plan once you start a family: will you rent it out or sell it?
- **Go big.** Of course, go for it if you can afford a larger condo, house and lot, townhouse, or even an apartment. At least, you get to lock in the price at a cheaper rate because of the eventual rise in construction materials prices.

So, before committing to a purchase, think of your life path and see how your purchase fits into it.

Another consideration is location. Is it at a comfortable distance from your and your significant other's work? Is it still in a strategic location if you decide to work somewhere else? Unlike baby boomers, who are often company lifers, Millennials will work with different companies throughout their careers.

So, the location of your property must consider your work mobility. You have two options here:

**Buy in a CBD.** Properties in central business districts (CBDs) naturally command higher prices but living in a CBD where you also work is very convenient. It saves you a lot of time and transportation costs.

**Live in the suburbs.** With the construction of new roads, bridges, and highways, commuting and driving to CBDs have become more accessible and faster. That's why more people now choose to live in the suburbs like Laguna, Bulacan, and Rizal, where property prices are relatively lower.

Again, your long-term plan is at play here. Where do you want to settle down? Where do you prefer to raise your family? What environment do you want your kids to grow up in? Are there nearby facilities like schools, hospitals, supermarkets, and malls? Look at the location, visit it, and ask your real estate broker or even the residents about future developments that are pipelined and see where it would be in the future.

**2 Consider your budget.** We all want our dream homes, but our budget brings us back to reality on what we can afford for the moment. Purchasing and constructing your home involves significant amounts of money and, most probably, getting a loan. Here's how to ensure you can afford the property you want to buy:

- **Find out the monthly amortization.** Go to your bank's website and check for a home loan calculator (many bank websites have this). Enter the purchase price, down payment, and loan term. The calculator will show how much your monthly amortization is. This will give you an idea of what you can afford.
- **Shop around.** Looking for a loan is like shopping. Check different banks' home loan calculators and compare the difference in amortization. You can also go to online platforms like eComparemo.com, which show comparative loan rates from other banks. This way, you can already see which ones offer the lowest rate.
- **Consider future expenses.** Aside from comparing amortizations based on your current income, also forecast future expenses like having children and see how they







affect your budget. You might be able to absorb the cost of financing today, but when children come along, then your budget needs to adjust. Do the simulation so you will not be caught with your pants down when these eventual expenses arise and put pressure on your loan payments.

③ **Evaluate your choice of home.** Will you buy a brand-new property, construct your own, or be alright with an existing one? For some prime locations, going for a second-hand property might be a cheaper option, while building your own is generally more economical in the suburbs. Each has its pros and cons.

- **Brand-new.** Buying a pre-selling or a finished property ready for occupancy means paying for the published price already—no bargaining, less choosing. You can have some fixtures

changed or installed at your expense. The good thing is that everything is new, so no repairs are needed.

- **Build.** Constructing a new house is a lot of work. You must deal with various permits, contractors, other fees, bonds, and charges. The advantage is you get a hand in your home construction, from the design, furnishing, and finish. You can get to bargain and stretch your budget as you have a hand in every process. And it's also an enjoyable and fulfilling experience, knowing that you built your own home.

- **Second-hand.** This typically involves repairs and refitting, which can also cost a substantial amount of money. But you can negotiate the price with the owner, saving you some money. If you are looking for value, consider foreclosed properties. You can visit bank branches to look for their list

or check their websites. Government agencies like Pag-IBIG Fund, GSIS, and SSS also have lists of foreclosed properties that you can consider.

Go online to look for these properties, whether brand-new or second-hand. Social media platforms like Facebook have groups and individuals that feature properties being sold. ReMax and various brokers as well have their websites and property listings.

Another consideration is if you prefer a vertical or horizontal development. Vertical means condominiums, while horizontal refers to an apartment, a townhouse, or a house and lot. There is no hard and fast rule as your taste and preference largely direct it. You might want a condominium within or close to a CBD, or you might prefer having a more spacious house with a garden, therefore sacrificing a bit of distance to live in the suburbs.

Whether brand-new, built, or second-hand, your budget is the most significant factor to consider, so it is best to run the figures before committing to your purchase.

**4 Choose the right developer or contractor.** A home is pretty much like a marriage—permanent. Thus, the quality of your purchase must be top-notch, especially since it involves a significant amount of time, effort, and money. And even if you plan to move eventually, you don't want the headache and cost of buying a property that requires constant repairs.

There are two options to choose from:

- **Premium.** Some real estate developers are known for their premium pricing relative to the same market segment: Ayala Land, for example, is one. This, though, matches the quality of their project's location as well as the amenities and units produced.

- **Value for money.** Other developers focus on value for money, where you can get more space for the same amount. The tradeoff, though, is location. They may be situated in the fringes of a CBD but still accessible. DMCI and PHINMA projects are good examples, providing more space with

the same amount of money you would have paid for the premium ones. Their quality is comparable and can hold their own with pricier developments.

Some things to consider when choosing a property: is it within a CBD where everything is accessible? Is it in an integrated township where amenities like a community mall, hospital, and schools are present? Or is it in the fringes of a CBD or the suburbs where you can get more square meters per peso but trading off distance a bit? Again, this is essentially a function of preference and budget, but looking for the sweet spot where both converge is best.

On the other hand, if you want to build or fit out your own home, you will be dealing with a contractor. So, how do you ensure that a contractor is a reputable one? Here are some tips:

- Check their track record of successful projects.
- Ask for their social media page or website and browse their various projects.
- Ask for referrals from your network.

Once you have chosen a contractor that suits you, ask for their pricing, schedule, and payment terms. Do this to properly time your cash flow and redemption of investments, if ever.

Remember to ask the homeowner's association about the terms and conditions as well as restrictions of construction. Usually, they will require a construction bond, which means additional shelling out of

money. Cutting down trees that may have grown on your property, too, may require an additional fee from your contractor. Be careful of changing planned fixtures and finishings as well, as these can bear additional costs for you. To sum up, communicate with all parties you are dealing with to get a firm grasp on your expenses and avoid unnecessary financial stress.

As you can see, buying or building your first home is not a walk in the park. But with careful planning, research, and evaluation, you can end up living in your dream home – within your budget. **MS**

“Whether brand-new, built, or second-hand, your *budget* is the most significant factor to *consider*, so it is best to run the figures before *committing* to your purchase.”



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# Best Stock Trading Indicators to Use

By RAMIR LIBRE, CTA, RFP®

Assuming you already know how resistance and support work, the next thing you need to understand in technical analysis are indicators that can help you make profitable trades. These are simple moving average (SMA), Relative Strength Index (RSI), and Bollinger Bands (BB).

The best approach is to combine these indicators to check whether they give the same buy or sell signal. This will increase the probability of success in your trading.

Looking at Chart 2, we combined RSI and SMA, plus support and resistance. And taking a closer look at Chart 3, we combined BB and RSI, and again the basic support and resistance indicators.

There are other indicators you can use as well, like MACD, Stochastic Oscillator, Fibonacci, Average Directional Index, and others. Please use the indicators that you are most comfortable and familiar with.

## Moving Average or Simple Moving Average (SMA).

Moving averages (MA) are lagging indicators because they use information that has taken place already. They are also called trend-following indicators. They can act as support and resistance. Some traders use 20, 50, 100, 150, and 200 moving averages. How do you compute, say, the 50 moving average? You need to add the closing prices of the last 50 days and divide them by 50. You do the same thing with 20, 150, or 200, you divide them by the number of days.

Below is the chart of ICT. A good entry point was August 8, 2020 when the price broke above the 50 SMA line. Assuming you bought at the closing price of P103.00 and you stayed until the trend reverses and sold at P220, that was a 113.5 % gain in less than two years.

You can see the 50 MA line sloping down. This means the upside is done, and it can move either sideways or downward. In this case, the price went down to P168.20.



We mentioned that moving averages also act as support and resistance. In this case, the moving averages acted as support. Looking at the chart, we identified the entry points, where it's best to buy when the price touches the moving average line. In this case the 50 and 100 SMA.

If you want another confirmation, wait for the 50 SMA line to go below and the 100 SMA line (both should be sloping down). It becomes bearish if the shorter moving average is below the longer moving average.

Please take note as well that when the price is far from the moving average, it tends to go back near the area of the moving average.





**Relative Strength Index (RSI).** This is a momentum indicator used in technical analysis, which measures the magnitude of recent price changes to evaluate overbought or oversold conditions in the price or asset. The RSI is displayed as an oscillator and can have a reading from 0 to 100. The indicator was originally developed by J. Welles Wilder.

The traditional interpretation and usage of RSI are that values of 70 or above indicate that a security is becoming overbought or overvalued and may be primed for a trend reversal or corrective pullback in price. An RSI reading of 30 or below indicates an oversold or undervalued condition.

Source: Investopedia

Looking at the chart of SCC as of July 14, 2002, we combined the moving average and RSI indicator to see whether they give the same buy and sell signals.

**Scenario #1.** RSI was overbought and way above the 80 level. The price was also hitting resistance and way above the moving average. The RSI, horizontal resistance, and moving averages gave a selling signal (price is far from MA). What happened was the price went from approximately P31.25 down to approximately P21.25. That was a steep 32% decline.

**Scenario # 2.** The price went down to the 100 simple moving average, and it served as support. This was a buying signal. RSI was also near the oversold level, so it was a buying signal too. Both indicators said BUY! The price surged from around P21.00 to P33.00 to P35.00. It gained 57.14% at P33.00.

“A Bollinger Band is a *technical* analysis tool defined by a set of *trendlines* plotting two standard *deviations* (positive and negative) away from a *simple* moving average (SMA) of a *stock* price, but can be adjusted to user *preferences*.”

Please see scenarios 3, 4, and 5 on the chart. They also gave similar buy and sell signals.



**Bollinger Band (BB).** A Bollinger Band is a technical analysis tool defined by a set of trendlines plotting two standard deviations (positive and negative) away from a simple moving average (SMA) of a stock price, but can be adjusted to user preferences.

Bollinger Bands were developed by John Bollinger, designed to discover opportunities that give investors a higher probability of properly identifying when the asset is oversold or overbought.

Key takeaways:

- There are three lines that composed Bollinger Bands: A simple moving average (middle band) and an upper and lower band.
- It generates oversold and overbought signals.

Plus:

- When the band tightens because volatility lessens, look for a sharp price to occur.
- When the price moves to touch one band, it usually reverses and heads all the way to the other band.

Please see the chart of SCC using Bollinger Bands together with RSI to check or to confirm the buy and sell signals.

We have five scenarios in the chart where we identified the entry and exit points. Please take note of the comments written on the chart.<sup>MS</sup>



Reference: Investopedia

# How to Get Your Unit Rented Out Fast

By FITZ GERARD VILLAFUERTE, RFP®

**C**ongratulations on purchasing a new property. For sure, you're excited to earn rental income from it. But before that happens, you need to find a tenant first, which can be a challenge given that it's not only you who's trying to get their place rented out.

So, how do you rise above the rest of the market and make it to the top of the priority list of people looking for a place to stay? Here are some tips.

**Define your target market.** Every product has a target market, and this includes your property. Who or what type of people would find your unit ideal?

For instance, a two-bedroom apartment would be ideal for a starter family, while a bachelor's pad is what a single, young professional would be looking for.

Consider their lifestyle as well. What type of work do they have? How do they spend their weekends? What are their struggles, fears, hopes, and dreams?

Having a clear definition of your tenant demographic will help you decide on the extent of furnishing you need for the unit, as well as its look and style. Certainly, young professionals would prefer a comfortable sofa bed to a chunky leather couch in their bachelor's pad.

Moreover, knowing your target market will help with where you'll list it and how you'll present your property to potential tenants, as well as determine the range of its rental price.

**Price it right.** Check out your area and find similar properties for their rental rates. Go through online and newspaper listings, but also go around the neighborhood and check bulletin boards nearby.

If you're feeling investigative, go and see the units yourself. Inquire and pretend you're an interested tenant. Sometimes, an agent will be the one who will show you the unit, which

can be an opportunity to come clean and perhaps ask the agent to help you show and find tenants for your property too.

Ideally, compare your unit with those that have the same target market as yours. If your rental price is higher than the prevailing rate, then consider reducing it. Even better, think of how you can add more value to your property to justify the higher rate.

For instance, your rent might be a little higher, but unlike other units in the area, yours come furnished with a 55-inch Smart TV and a brand-new inverter aircon, which would appeal to young professionals.

Lastly, it's recommended to do a cost-and-benefit analysis of living in your space to check if it will be affordable and attractive to your target market.

**Make it look good.** Once you've established your rental price, then it's time to prepare the unit for visitors. This doesn't only mean doing a thorough cleaning of the property but really giving it a brand-new look, especially if there was a previous tenant.

Reset the unit with a fresh coat of paint, if necessary, remove kitchen and bathroom wall stains, dust off the ceiling and room corners, replace old and broken furniture, and fix problems that could deter people from signing the rental agreement. Make sure that the unit smells fresh and clean as well.

I was once shown an apartment that had a leaky kitchen faucet which immediately turned me off because it made me think the plumbing of the property might already be old and would be a hassle for me later. And it didn't help that the unit also had dim overhead lightbulbs, which gave it a gloomy look.

Honestly, it wouldn't have taken the landlord more than a day to fix the faucet and replace the dim bulbs with brighter lights before showing the unit to me and other potential tenants.

Lastly, many Filipinos believe in Feng Shui, so applying some of its basic design principles could help give your property a boost of good energy for those who believe in it.



**Post an irresistible listing.** Take quality photos of the property. You don't need a high-end camera for this. Many smartphones today are powerful enough to take clear and sharp photos. The key is to take pictures at proper angles and have adequate lighting.

Moreover, your pictures should be honest and help people visualize what the whole unit looks like. Also, include exterior photos of the unit, as well as the surrounding neighborhood. This will be highly appreciated by those looking at your listing.

If you're feeling extra, do a video tour of your property, upload it to YouTube, and provide the link on your listing description. There are a lot of professional real estate tour videos you can watch online for inspiration.

Your listing should also include important property details such as floor size, pet restrictions (if any), amenities, neighborhood vibe, nearby public transportation, and other information that people might want to know immediately. This is another reason why knowing your target market is important.

Lastly, remember that your listing is often not enough to close the deal. However, it should be good enough to entice people to contact you. Thus, it will help to give people something to look forward to if they schedule a visit. For example, put in your listing that there will be drinks and snacks, or say that your rate is negotiable if they go and see the unit.

**Have an efficient system.** After listing, there will be inquiries and requests to visit your property. Once you have an interested tenant, the lease agreement needs to be signed and notarized, then advance payments and deposits are settled.

How you handle the whole process needs to be seamless and efficient.

Respond immediately to inquiries and prepare a template of answers to frequently asked questions so you can just "copy and paste" them. Moreover, set up an inquiry monitoring spreadsheet so you can easily send follow-up messages.

**Make ocular visits stand out.** Ideally, people should be able to come and see the unit anytime. This is possible if you are willing to work with or have a property manager, real estate agent, or even just a caretaker. Otherwise, free up as much time as you can from your schedule so you can accommodate immediate requests, especially on weekends when most people scout for properties.

During ocular visits, whoever shows the unit should be warm and hospitable. It's better to have a ready script to make the guests feel comfortable. During the tour, they should be able to highlight the property's strengths and be ready to answer both frequently asked and odd questions.

Once, I accompanied a friend in looking for an apartment. She's quite superstitious, so in every place we saw, she'd ask the landlord how many black cats there are in the neighborhood. The responses to the unexpected question were amusing.

One of them, who immediately understood the reason for the question, told us about the strict barangay policy on stray animals and then said that the apartment door faces the east, which is considered lucky.

However, what sealed the deal for my friend was when the landlord mentioned that the two of the most recent tenants moved out because they both got promoted at work and decided to move to a bigger and better place. He says that he believes his unit can bring good luck to one's career.

**Screen tenants thoroughly.** On the other hand, you should also be ready with your questions. Ask about their work, why they're looking for a place, where they are currently staying, who they will be moving in with, and other appropriate questions. Carefully screen applicants and use your instincts to avoid bad or problematic tenants.

Lastly, have an available copy of the lease agreement and other relevant documents during unit visits to save time on the back and forth once there is an interested tenant. If they don't want to sign immediately, then politely ask when you can follow up on their decision.

Rental properties are relatively easier to manage than a business. And with these tips and strategies, you can hopefully minimize your vacancy rates and earn consistent and long-term passive income.<sup>MS</sup>



# How to Shop for Furniture Without Getting Overwhelmed

By JANICE SABITSANA

**W**hen it comes to shopping for furniture, many people feel overwhelmed. It can be difficult to know where to start, especially if you have little experience in the area.

In addition, there are so many different types of furniture available that it can be hard to decide what you need. And finally, once you find something you like, you might worry about whether it will fit in your home.

If you're overwhelmed by the furniture shopping process, don't worry, you're not alone. Here are a few tips to help you get started and make the process easier.

**1 Define your needs.** Before shopping for furniture, it's essential to take a step back and define your needs. What pieces of furniture do you need for your home? Do you need a new sofa? A dining table? Or are you simply looking for some accent pieces? Once you have a better idea of what you need, you can start narrowing down your search.

**Know what you like—and what you don't.** One of the best ways to make furniture shopping more manageable is to know your tastes and preferences. Do you prefer a particular style of furniture? A certain material? If you have a good idea of what you're looking for, you'll be much less likely to feel overwhelmed by the shopping process.

**Shop for quality, not quantity.** When it comes to furniture, it's important to remember that quality is more important than quantity. It's better to have a few well-made pieces of furniture than a bunch of cheap, poorly-made ones. In addition, higher-quality furniture will last longer, so you won't have to replace it as often.

**Look for versatility.** When you're shopping for furniture, try to look for versatile pieces. For example, a sofa that can be used as a bed is an excellent option if you often have guests. Likewise, a coffee table that doubles as a storage unit can be very handy.

**2 Consider your space.** It's also important to consider the amount of space you have available when shopping for furniture. If you have a small home, you'll want to make sure you choose pieces that won't overcrowd your space. On the other hand, if you have a large house, you'll have more options to choose from.

**Size of furniture.** In addition to considering the overall size of your home, it's also essential to consider the size of the furniture itself. For example, if you have a small living room, you'll want to avoid large pieces of furniture that will take up too much space.

**Layout of your room.** It's also important to think about the layout of your room when you're shopping for furniture. Consider where you want each piece of furniture to go and whether or not it will fit in the space.

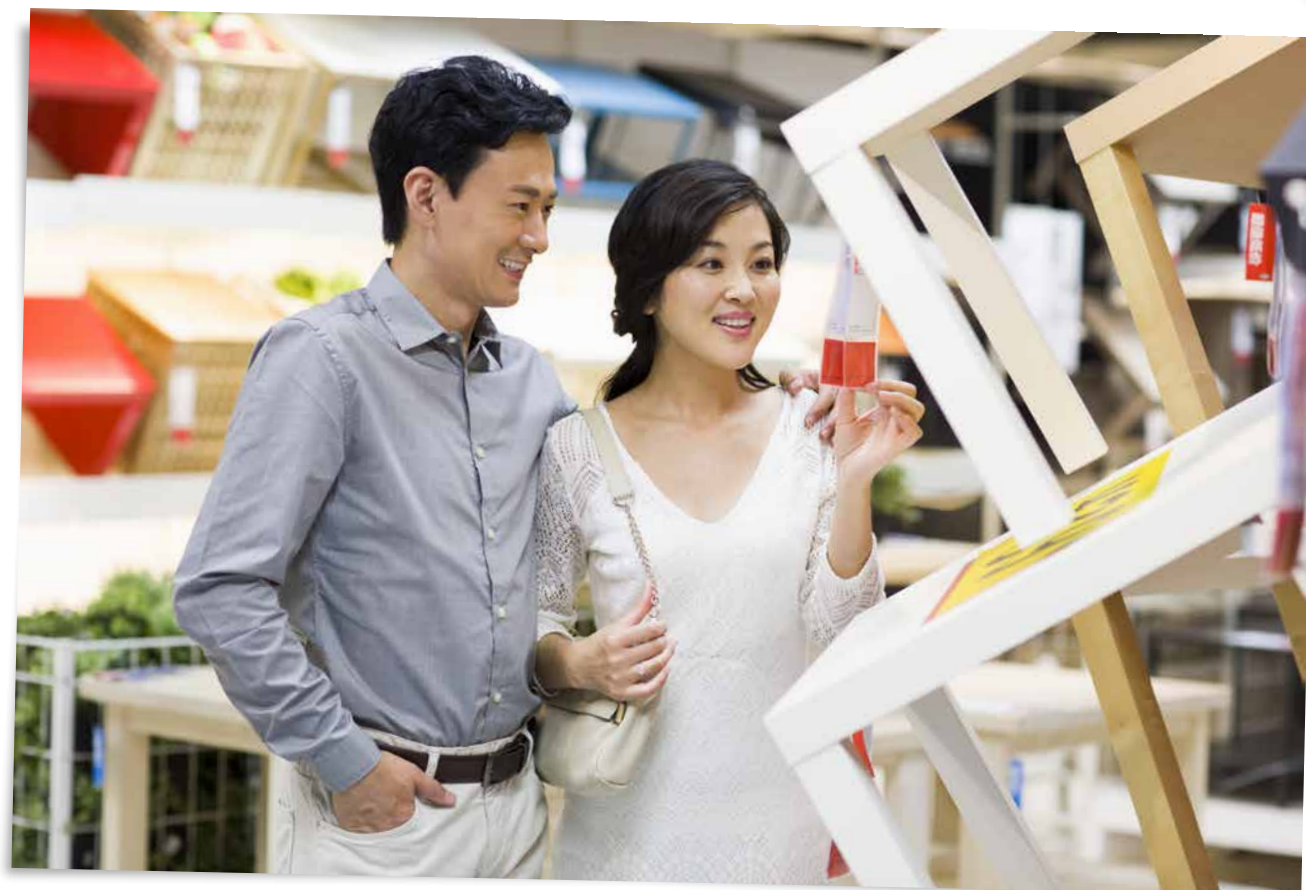
**Access.** You may also want to measure the doorways in your home to ensure that any large pieces of furniture can fit through them!

**Shape of furniture.** In addition to size and layout, the shape of the furniture is also essential to consider. If you have a small living room, you might want to avoid choosing a coffee table that is too wide. Instead, opt for a narrower table that will leave more space for walking around.

**Placement of furniture.** Once you've found the perfect pieces of furniture for your home, it's crucial to think about where you want to put them. Look at your room and decide where each piece of furniture would look best.

Janice Sabitsana is a graduate of the Registered Financial Planner program and is currently completing her certification. For more personal finance tips, visit her blog at [www.thepinayinvestor.com](http://www.thepinayinvestor.com) and Pinay Investor YouTube Channel.





**Traffic flow.** You may also want to consider the traffic flow in your room when placing furniture. You'll want to ensure enough space for people to walk around comfortably without having to move furniture out of the way.

**③ Do your research.** Once you know what you need, it's time to start doing your research. This is where you can figure out what furniture would be best for your home. If you're unsure where to start, try looking online or in magazines for inspiration. Once you know what you want, you can start looking for it in stores.

**Furniture materials.** When you're shopping for furniture, it's important to keep in mind the different types of materials that are available. For example, wood furniture is typically more expensive than plastic or metal, but it can also be more durable. If you're looking for something that will last, it's worth considering wood furniture.

**Furniture prices.** Another critical factor to consider when shopping for furniture is price. You don't want to spend more than you can afford, but you also don't want to sacrifice quality. Try to balance the two by researching and setting a budget before you start shopping. You can find websites that sell furniture at discounted prices by doing a quick search. In addition, many online retailers offer free shipping, so you won't have to worry about paying extra for delivery.

**Furniture stores.** Finally, once you know what you need and want, it's time to start looking for it in stores. Ask around, check reviews online to see what others think of the furniture you're considering, and buy only from a reputable store or website.

**④ Set a budget.** It's also essential to set a budget before you start shopping. This will help narrow down your options and prevent you from spending more than you can afford. Remember that furniture can be expensive, so it's important to know how much you're willing to pay before shopping.

**Know what you can afford.** The first step is determining how much you can afford to spend on furniture. This will help you set a budget and avoid overspending. To do this, look at your finances and calculate how much you can realistically afford to spend. If you're unsure how much you can spend, try looking at your monthly budget and setting aside a certain amount each month for furniture.

**Determine what you need versus what you want.** Once you know how much you can realistically afford to spend, it's time to start thinking about what you need vs. what you want. This is where you can start making a list of the furniture you need and the furniture you want. For example, if you're looking for a new couch, you may need something comfortable and durable. However, you may also want something stylish and

looks good in your living room. By making a list of your needs and wants, you can start to narrow down your options and find furniture that fits your budget.

**Be willing to compromise on your wants.** Remember that you may not be able to get everything on your list. This is why it's important to be ready to compromise on your wants. For example, if you find a comfortable couch within your budget, but it's not the exact style you wanted, you may want to consider buying it. Furniture is a long-term investment, so it's important to choose wisely.

**5 Shop around.** Once you know what you need and how much you're willing to spend, it's time to start shopping around. If you're unsure where to start, try checking out some of the major retailers in your area. You can also look online for furniture stores or even search for specific pieces of furniture.

**Check reviews online.** When looking at furniture online, it's essential to check reviews. This will help you get an idea of the quality of the furniture and see what others think about it. In addition, reading reviews can give you an idea of the customer service offered by the store or website.

**Compare prices.** Don't forget to compare prices at different stores when shopping for furniture. This will help you find the best deal on the furniture pieces you want. You can use a price comparison website/app or even call different stores to see what they charge for the same piece of furniture.

**Look for sales and discounts.** Another great way to save money on furniture is to look for deals and discounts. Many stores offer sales throughout the year, so it's worth checking back often. You can also sign up for newsletters to receive notifications about sales and discounts.

**Haggle with the salesperson.** If buying furniture in-store, don't be afraid to haggle with the salesperson. This is a great way to get a lower price on the furniture you want. Just be sure to start with a reasonable offer and be prepared to walk away if they refuse to budge.

**Ask for a better deal.** Don't be afraid to ask for a better deal. Let the salesperson know if you think the furniture price is too high. They may be willing to negotiate a lower price or offer a discount.

**Shop at the right time.** Timing is everything when it comes to furniture shopping. You can save a lot of money by timing your purchase right. For example, many stores have sales during the holiday season and summer. You'll likely get a better deal if you can wait to buy furniture during these times.

**6 Know your rights.** As a consumer, you have certain rights when it comes to furniture shopping. For example, you have the right to return a piece of furniture if it's not what you want. You also have the right to ask for a refund if the furniture is damaged. Be sure to familiarize yourself with your rights before making a purchase.

**Check for warranties.** When you're buying furniture, be sure to check for warranties. This will protect you in case anything goes wrong with the furniture. For example, many stores offer a warranty on upholstered furniture.

**Understand the return policy.** Each store has its return policy, so familiarize yourself with it before making a purchase. This will help you know what to expect if you need to return something.

**Get it in writing.** If you're making a big purchase, get it in writing. This will help you avoid misunderstandings and ensure you get what you paid for.


**Keep your receipts.** Be sure to keep your receipts when you buy furniture. This will help you if there are any problems with the purchase. For example, if the furniture is damaged, you can use your receipt to get a refund.

**7 Get creative.** Finally, don't be afraid to get creative when shopping for furniture. There are plenty of ways to save money when shopping for furniture.

**Look for second-hand furniture.** If you're on a budget, second-hand furniture is a great option. You can often find high-quality pieces for a fraction of the price. Just be sure to inspect the furniture carefully before making a purchase.

**Shop at Ikea.** Ikea is a great place to shop for affordable furniture. You can find a wide variety of furniture, including bedroom sets, dining room sets, and living room furniture.

**Customize your furniture.** If you can't find what you're looking for, try customizing a piece of furniture. This is a great way to get precisely what you want without spending much money.

Shopping for furniture doesn't have to be overwhelming. Following these tips, you can save money and get the furniture you want without hassle. Be sure to familiarize yourself with your rights as a consumer, and don't be afraid to negotiate with the salesperson. With some planning, you can find the perfect piece of furniture for your home. Happy shopping! 



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A high-angle photograph of a diverse group of approximately 20 Filipinos of various ages and ethnicities, arranged in a large circle on a lush green lawn. They are all looking up at the camera, smiling, and making peace signs with their hands. The scene is bright and sunny, conveying a sense of community and positivity.

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