Accounting don prefers buying China property over car

SMU professor Wang Jiwei practises what he teaches by investing conservatively, going for property and capital-guaranteed unit trusts.

Leong Chan Teik

BUYING a home is always a reason to feel excited. For Assistant Professor Wang Jiwei, who has just bought an HDB flat, it is all the more so because he has never lived in such a property before.

About two weeks ago, the 29-year-old received the keys to his four-room resale flat in Toa Payoh. He is renovating it now, and will move in shortly with his home-maker wife and two-year-old daughter. They are all Chinese nationals and Singapore permanent residents. They arrived here three years ago when Prof Wang took up a teaching post at the Singapore Management University (SMU).

Singapore is the latest stop in his journey that began in a farming community in the province of Hubei. For his bachelor's degree in economics, he travelled about 1,000 km north-west by train to study at a leading university in Xi'an. There he met his future wife, Ming Yu.

After graduating, he travelled about 2,300 km south-east from Xi'an to Hong Kong for his PhD degree in accounting, while she went to Shanghai to work.

Later, armed with a doctorate and considering the vast opportunities before him, he decided to head for Singapore. He applied for a job at SMU.

"The main reason is SMU is a leading research and teaching university in Asia. And for my family, we enjoy Chinese culture and the environment here," he says in an interview at his office.
Q: How did you invest money before you came to Singapore?
A: When I was in Hong Kong, my investment money was limited. I bought stocks in the energy, utilities and infrastructure sectors. My best buy was Petro-China, which gained about 30 per cent after two years.

Q: How do you invest your money now?
A: I teach accounting and a key word in accounting is conservatism. My investments are conservative. I have used my CPF savings to buy some unit trusts whose capital is guaranteed. I have not tracked how much they have gained or lost. I'm a long-term investor.

I have also bought a savings plan through an insurance policy for my daughter. It is projected to gain 4-5 per cent a year. I don't have any stocks yet in Singapore as I don't have time to analyse or monitor them. But if I see some good ones, I will buy them.

Q: Any other investments?
A: Early last year, I had some savings. I asked myself: What can I do with them? I didn't want to put them in a bank and earn low interest. So, I bought a new apartment in China — in the city of Wuhan, which is the capital of my province, Hubei. It cost $70,000.

I believe property prices there are still cheap. Prices will rise because the Chinese economy will continue to grow and the yuan will eventually appreciate. Property prices in Wuhan started to climb only two years ago as investors moved from big cities to smaller ones like Wuhan.

My parents occupy the apartment now. It's about 120 sq m and has a lease of 70 years.

I have just bought an HDB resale flat in Toa Payoh. It is five years old and is about 100 sq m. It cost $375,000.

Q: Before this purchase, what were you living in?
A: A 1,200 sq ft condominium in Bishan, which I'm still renting. The rental is $1,500 a month.

Q: Do you own a car?
A: No. I don't think it's worth the money. I don't need it — at least not now. There's an opportunity cost in spending $80,000-$90,000 on a car. I can use that money to buy a property in China.

Q: Moneywise, what were your growing-up years like?
A: We lived on a farm in the countryside. My parents reared fish for sale in the market. They also planted some orange trees to make a bit of money and grew vegetables for our own consumption.

They worked very hard. It was not easy to raise my younger brother and me, and to support my four students, improving my teaching skills, gaining expertise in my field. This is more important than financial investment for young people. We don't have a lot of money to invest anyway.

Q: What will you do next, investment-wise?
A: There's a non-financial investment that is very important: investing in my job. I spend a lot of time preparing lecture notes, communicating with my students, improving my teaching skills, gaining expertise in my field. This is more important than financial investment for young people. We don't have a lot of money to invest anyway.