

Losing Money to Become a Tycoon: Starting with Games

Chapter 535: Buying Buildings and Picking Up Trash

May 31

While having lunch at the Moyu Internet Café Handong University branch, Pei Qian received a call from Xiao Sun.

"President Pei, I've found the buildings you asked me to look for. When would you like to come take a look?"

Pei Qian thought for a moment. "Let's do 2:00 p.m. Go pick up Mr. Liang from the hotel first, then come to the internet café to pick me up. We'll head over together."

"Oh, and send me the information on both properties first. I'll take a look."

It had already been a month since Pei Qian moved into his new home.

After living there for a month, he was extremely satisfied with the Sloth Apartments model. While doing everything possible to discourage other tenants from renting, it also ensured an excellent living experience for himself.

So far, the first Sloth Apartments building still had only one resident: Pei Qian himself.

Part of the reason was that Sloth Apartments hadn't been heavily promoted. Another reason was that the high rent and excessive rules had scared away the few customers who happened to discover it.

In short, everything was going perfectly!

That was why Pei Qian felt it was about time to continue expanding.

The movie box office profits hadn't been fully spent yet. Buying buildings would quickly burn through the money. Since fixed assets were counted at only one-tenth of their value for settlement purposes, spending around 60 to 70 million yuan on property purchases during this cycle seemed appropriate. He had already spent 30 million yuan previously, leaving room to spend another 40 million.

This time, Pei Qian planned to buy two more buildings, spending around 35 million yuan on the purchases and using the remaining money for renovations. If that wasn't enough, he could always invest more later.

Some successful practices had to be carried forward.

For example, the properties absolutely had to have obvious flaws.

Apartments with bizarre floor plans would be given priority.

A well-designed apartment with a square layout, good ventilation, and a nice renovation would be far too easy to rent out. In contrast, an awkward floor plan usually meant a worse living experience, wasted space, and poor value for the money.

Raise the rent just a little, and nobody would want to lease such a place.

Likewise, the successful policies from before would all be retained: tenants would not be allowed to bring in their own furniture, premium services like

housekeeping and cleaning would be used to justify higher rents, and the minimalist interior design style would remain.

Besides that, Pei Qian also wanted to address some shortcomings in the current model.

The previous building had been fully renovated when purchased. That was mainly because Pei Qian had wanted to move in as quickly as possible and verify whether the Sloth Apartments model could actually lose money.

As a result, most of the budget had gone into furnishings: a huge television, high-end furniture, smart home systems, smart dimming glass, and so on.

This time, however, Pei Qian decided to buy an older, shabbier building and renovate even the structural interior.

Wouldn't that let him spend even more money?

After all, he wasn't planning to live there himself, nor did he expect anyone else to rent it. A longer construction period and an even worse living experience didn't matter in the slightest.

With the same amount of money, one option was to buy an expensive building that was already fully renovated. The other was to buy a cheap, undesirable building and pour all the savings into renovations.

Obviously, the second option would result in fewer fixed assets after accounting adjustments, which would have a smaller impact on the end-of-cycle settlement.

This time, Pei Qian planned to buy two more buildings. Since it was unwise to put all his eggs in one basket, he specifically chose two styles completely different from the building in Shengjing City Dawn and instructed Xiao Sun to search for properties matching those criteria.

One option was a mixed-use residential and commercial building with relatively few units.

The other was an old apartment building in a remote district that had remained largely unoccupied for years.

In short, the guiding principle was to keep finding new ways to pick up "trash."

Nowadays, most properties could be found online, not to mention the countless real estate agents eager to get their hands on your money. Finding places like these wasn't difficult.

After assigning the task to Xiao Sun, he spent two days traveling around Jingzhou and quickly found suitable candidates.

At the beginning of the month, Xiao Sun had originally been responsible for accompanying Liang Qingfan. However, after a few days, Liang Qingfan decided he would rather wander around Jingzhou on his own, so Xiao Sun no longer needed to stay with him and was conveniently reassigned to house hunting.

By now, Liang Qingfan had essentially been "free-ranging" around Jingzhou for nearly a month. Pei Qian figured it was about time to have him start working on a new project.

After finishing lunch, the waiter cleared away the dishes and brought over a cup of coffee.

As he sipped his coffee, Pei Qian called Liang Qingfan.

The phone rang several times before Liang Qingfan finally answered.

"Hello? President Pei?"

His voice was thick with sleep, as if he had just woken up.

Pei Qian couldn't help feeling pleased.

He had probably spent the past month having so much fun that he'd completely overdone it. Otherwise, why would he still be asleep at noon?

A nap? That didn't make sense either—who starts a nap after 11 a.m.?

Excellent. This was exactly the kind of person Pei Qian appreciated: someone who spent their free time sightseeing, relaxing, and sleeping without giving work a second thought.

Pei Qian didn't ask any further questions. He was afraid Liang Qingfan might misunderstand and think he was trying to pressure him into working.

"I've given it some thought. I think Sloth Apartments is ready to move into its second phase. What do you think? Ready to get started?"

"Of course!" Liang Qingfan replied.

Pei Qian nodded in satisfaction.

"Good. Then hurry up and get out of bed. Have something to eat at the hotel. Xiao Sun will come pick you up, and then we'll go look at some properties together."

After hanging up, Pei Qian began reviewing the detailed information Xiao Sun had sent about the two properties while searching online for some additional background.

The first was the Shundong Garden mixed-use residential and commercial building. It was conveniently located in the city center and had only recently been completed. Since it was a newly developed mixed-use property, only a handful of units had been sold so far.

The second was Building No. 9 in Binhu Residential Community. Built in 2001, it was located on the outskirts of Jingzhou. Its only noteworthy feature was a nearby park and a moderately sized artificial lake, giving some apartments a lake view. However, judging by the floor plans, its layout was just as bizarre as the infamous "Never-Setting-Sun" apartment in Shengjing City Dawn.

The rental prices at both locations were noticeably lower than those of residential buildings in the same areas, making it obvious that they were highly unpopular.

As for why they were unpopular, each had its own distinct drawbacks.

Pei Qian was very pleased. Xiao Sun had done a reliable job.

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At 2:30 p.m., Pei Qian and Liang Qingfan arrived at the Shundong Garden mixed-use building.

The sales consultant greeted them enthusiastically, but Pei Qian politely left him standing at the entrance.

With a professional architect here, why would he need to listen to a salesperson's sales pitch?

Aside from the ground-floor retail space, the building had eleven stories. Each floor contained seven units served by two elevators. The building stood 55 meters tall. The apartments were priced at 7,000 yuan per square meter, with each unit costing just under 270,000 yuan. Calculated together, the entire building was worth a little over 20 million yuan.

One look at the floor plan and Liang Qingfan immediately understood.

"President Pei, you're planning to buy a mixed-use building?"

Pei Qian nodded.

"That's right."

Liang Qingfan didn't say anything further. Since President Pei had already decided on a mixed-use building, he must have been fully aware of its disadvantages.

Pei Qian certainly was—and those disadvantages were precisely why he wanted to buy one.

Compared with ordinary residential buildings, mixed-use properties came with much shorter land-use rights. Water, electricity, property management,

heating, and other utility fees were all charged at commercial rates, making daily living considerably more expensive. The buildings also tended to have a much higher population density, smaller units, no north-south cross ventilation, and generally poorer living comfort.

Pei Qian figured that although mixed-use properties typically sold for 30 to 40 percent less than regular residential apartments, their weaker appreciation potential, higher operating costs, and shorter property rights period made them much less attractive. If he then spent a fortune renovating them, wouldn't it become even easier to lose money?

As for why he wanted a newly built property...

There were older mixed-use buildings available as well. However, since Sloth Apartments would provide a building manager and cleaning staff, it was far more convenient to own the entire building.

With older buildings, unless they were practically abandoned and every owner was eager to sell, there was always the risk of running into one or two stubborn holdouts who refused to move. That would be a major headache.

So buying a new building was much simpler. Even if a few units had already been sold, he could always offer a premium and buy them back.

Pei Qian walked around the building.

The layout was fairly conventional, not much different from a standard loft apartment. The lower floor contained the living room, dining area, and kitchen. The only difference was that there was no natural gas, so cooking

could only be done with appliances such as an oven, microwave, or induction cooktop.

Pei Qian silently nodded.

Yes, that was another feature he found quite satisfying.

The upper floor had a much simpler layout, serving solely as the bedroom.

Pei Qian walked around the apartment and found that, overall, the living environment was fairly decent, but the units were very small. That also meant that if they continued using the same minimalist design as before, there would barely be room for much furniture. The actual living experience certainly wouldn't be very good.

Combined with the building manager, cleaning service, and the ongoing utility costs, Pei Qian was confident he could raise the rent to the point where even the average artsy young professional would be unwilling to pay it.

After making a full circuit, Pei Qian felt fairly satisfied and turned to Liang Qingfan.

"Mr. Liang, do you think the price is reasonable?"

Liang Qingfan thought for a moment.

"It's a little on the expensive side, but still within an acceptable range. However, the biggest problem is—"

Before he could finish, Pei Qian had already turned to Xiao Sun.

"Good. We'll take it. Notify Assistant Xin, and then let's go look at the next one."

Liang Qingfan: "..."

The real estate agent had been waiting outside the entrance instead of following them inside. Seeing Pei Qian leave after only a brief walk-through, he hurried over.

"Sir, if you're not satisfied with this property, I have several others you could consider—"

Pei Qian walked straight toward the exit.

"I'll take the entire building. Someone will come by this afternoon to sign the contract."

Following behind him, Liang Qingfan silently swallowed all the criticisms he had been about to make regarding the apartment's flaws.

The agent stared at the three of them walking away, blinking in confusion.

Bought it?

The entire building?

Is he messing with me?

...

After leaving Shundong Garden, Pei Qian and Liang Qingfan headed to the second property: Building No. 9 in Binhu Residential Community.

Since it was located on the outskirts of the city, the drive took a full forty minutes.

There was a park next to the neighborhood with an artificial lake. From the upper floors of the building, residents could overlook the park, and the higher the floor, the better the view.

Building No. 9 had twelve stories, with one elevator serving two apartments per floor. Like the neighboring Building No. 8, it featured semi-cylindrical sections protruding toward the park and the artificial lake.

Each apartment measured a little over 60 square meters with two bedrooms and a living room. The average price was 8,000 yuan per square meter, putting each unit at around 500,000 yuan. The building they were looking at had eight floors, bringing its total value to just over 8 million yuan.

The price was noticeably below the average housing price in Jingzhou. Partly because it was in the suburbs, and partly because no one had lived in—or even rented—the building for years, causing its value to continue declining.

The agent led Pei Qian and the others to the top floor of Building No. 9.

Directly ahead was a sweeping 180-degree curved floor-to-ceiling window, offering an unobstructed panoramic view.

Pei Qian frowned instinctively, almost deciding to leave on the spot.

But then he noticed that Liang Qingfan was frowning as well.

He immediately changed his mind.

"Is there something wrong with this apartment?" Pei Qian asked.

Liang Qingfan wore an expression of obvious dismay.

"Of course there is. Otherwise, why do you think no one has lived in this entire building until now?"

"The entrance door and hallway are only seventy centimeters wide. They're so narrow that moving furniture inside would be difficult. And this building is more than ten years old—the waterproofing layer appears to have failed. There are mold stains all over the ceiling and clear signs of water damage in the corners. If anyone wanted to live here, they'd have to redo all of that."

"The kitchen is crammed into a tiny corner of the living room, and the bathroom is also very small. The user experience would be terrible."

"And then there's this curved floor-to-ceiling window. It's the same issue as that apartment in Shengjing City Dawn. Because of its irregular shape, the space is used very inefficiently."

"The Shengjing City Dawn apartment was large enough that the wasted space wasn't too noticeable. But this apartment is already quite small. If those awkward spaces can't be fully utilized, the living experience will be several levels worse than over there."

"On top of that, the building itself seems to have some structural issues. There's definitely a reason it's selling so cheaply. If it were an ordinary renovation project that designers and contractors were willing to take on, someone would have bought and remodeled it long ago. But the fact that

no one has moved in or renovated it all these years shows how difficult it is. Most renovation companies probably wouldn't even dare accept the job."

"In short, this building is either unsuitable for major renovations or extremely difficult to remodel."

"Scenic views only add value in the luxury housing market. For ordinary apartments, they're basically a gimmick—sometimes they don't increase the value at all and may even be a disadvantage."

Pei Qian nodded.

"I understand."

He turned to Xiao Sun.

"Buy this building. And the neighboring Building No. 8 as well."

Liang Qingfan: "?"

Had President Pei not listened to a single word I just said?

Buying one building would have been bad enough—but two buildings at once?

That's another 16 million yuan gone in an instant!

If the mixed-use building earlier had been something Liang Qingfan could reluctantly accept, this one was completely unacceptable. He had to speak up.

"President Pei, I just explained that this building would be extremely difficult to renovate. There's no guarantee it can even be successfully remodeled..."

Pei Qian smiled and patted him on the arm.

"That's precisely what makes it a true test of a designer's skill, isn't it?"