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Maxim Baginsky ABOUT THE TORONTO REAL ESTATE MARKET

For several years now, during the New Year holidays, we have interviewed the famous Toronto Realtor, Investor and Founder of Right At Home Realty Investments Group and Invest Connect Management, Maxim Baginsky.

- Maxim, how do you assess the past year? Was it unusual or did everything evolve exactly as you expected?

- For me, this year did not bring any surprises, everything went exactly as I expected. Today, before at our meeting, I read an article with our interview published exactly one year ago (by the way, the archive of all my interviews and articles for the last 5 years can be found at Remlis.ca). So, it describes the scenario of the past year word for word. In a few words, I would describe this year as follows: the market of averagely-priced detached houses and townhouses remained the same. More expensive houses of the same segment showed a slight drop. And condo apartments, on the contrary, showed decent growth. While problems with obtaining mortgages continued, the appearance of some banking programs allowed to simplify the process of getting a mortgage.

- What do you expect from 2019?

- The year will be very interesting, and much depends on the elections that will be held this year. I do not expect any significant changes in Real Estate in the first half of the year. I guess, that the rise in prices for condominiums will continue and remain the biggest profit for investors - 7-8% annually. The freehold segment will remain in its place. In the spring, there is a possibility of a slight revival in the low-cost segment



of houses and townhouses. However, autumn may surprise us. And if the conservatives win the elections, then we will most likely see positive changes regarding mortgage rules. Nevertheless, they will probably be postponed until 2020.

In case the mortgage becomes easier to receive, the market for detached houses will also start growing. If the Liberals remain in power, there will be no improvements this year, and condos will remain the only segment that is in steady demand. In my opinion, the situation with the qualifications for the mortgage will normalize sooner or later, whoever remains in power. The only thing is if the conservatives win, this will happen faster. Bankers significantly lose revenues yet it is no secret that they always have leverage over the authorities.

The bad thing is that the so-called "pent-up demand" has been accumulating for the second year already - those people who would like to buy but cannot because of the unavailability of receiving a mortgage. Sooner or later, this time bomb will lead to a sharp rise in prices in all real estate segments.

- Maxim, your company's core business are investment transactions with condo apartments at the initial stage of construction. Is it still profitable?

- It is always profitable. The strategies we use are practically independent of fluctuations in the market. We focus on the development of a particular area, and not on the rise in the price of the market in general. The only difference is that if the mar-

ket grows, then investors earn much more, and if it stands still, they earn less. In today's market, the yield on deposits ranges from 60% and higher annually, and after all, the growth in condominiums that we see this year is almost within the statistical norm, ranging from 6 to 9%.

Last year, when the growth of the condo market was more intense, investors received 100% profitability and higher. If the rise in prices stops completely, then the yield will fall to 30-40%. This kind of investment is good and this is almost impossible to lose here, but in order to be 100% sure, the investor must be able to keep the money invested in certain crisis cases as long as the market requires. Those pseudo-investors, focused only on the growth of the market, are not really investors, but trivial speculators, who can easily lose their money.

- Could you share some interesting projects you are planning for the coming year?

- 2019 will be filled with a number of interesting projects. Perhaps, I won't name them right now, especially since many of them are still being negotiated with developers.

We are striving to achieve the best conditions for our clients. At the end of the year, we had significant changes in the company. We reached a higher level, which will allow us to cover more projects and receive even more significant discounts and bonuses from developers. That all will inevitably help to increase the return on investments for our clients.

At the very beginning of the year, the modern and fully updated portal NEWGTACONDOS.COM will replace the beloved by many CONDODEAL.CA. Those registered on the old portal will automatically switch to the new one. The existing Login and Password will remain the same. As a reminder for the new customers, as we usually sell projects first, and this happens before the official

opening of the project, we have no right to advertise these sales. Therefore, if you are not in our database, you will not receive a notification about the start of sales. Registration on the site is very simple, and you get your personal permanent Login and Password.

In the end, I want to wish everyone a good Christmas and New Year. First of all, stay in good health, as it cannot be bought for any money, unfortunately. Also, I wish you happiness and, of course, good profits in the coming year.

Special thanks to all our customers. Thank you for trusting us. Your success and our success always go hand in hand. Without you, the success of our company wouldn't be possible.

The interview is conducted by Olga Makeeva

