



## MAXIM BAGINSKIY

REAL ESTATE

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Recently I have been receiving many calls – all inquiries about the same questions. What will happen to the real estate market in the near future and how will it develop? It is best to sell now or to wait? Is it a good time to buy now, or once again, is it best to wait? In this article, I will try to address these questions and explain what is going on in the market today and how it can potentially develop in the future.

Having worked in real estate and investments for 25 years, I have acquired experience that enables me to accurately assess various situations. If you read my archives on the site [www.remlis.ca](http://www.remlis.ca), you will see that everything I predicted and wrote about in my previous publications came true. Now, how do I see today's situation and what waits in the future? At the end of April, a government program emerged with the aim to cool the real estate market. However, in my opinion, in reality it pursued two goals: first, to gain popularity in the pre-election campaign, and second, to collect as much money as possible in the form of taxes. Neither of these solves the problems of the market in the long-term.

# THE REALITY OF THE REAL ESTATE MARKET

By the time this program emerged, the market had two different effects. Here, it is important to divide it into two segments: the so-called freehold (detached houses and townhouses) and the condo apartments. The freehold market was significantly overheated while the condo market remained absolutely healthy and underpriced in many regions.

Seeing this situation, by the time the new rules hit the market, investors with multiple houses were already considering selling them. The panic that ensued following the emergence of these rules pushed them to begin sales. As a result, we saw the emergence of many homes to the market. Their price was based on figures from February to March when the average price increased by 20% over two months practically everywhere and did not reflect the true value of the real estate.

Next we obtain the situation where sellers start to decrease their price, wanting to sell their real estate while fearing further price decreases. As a result, those who wish to purchase real estate see that the prices are decreasing and temporarily leave the market and take on a wait-and-see attitude. In the end, we have a dead market with ample offers, price decreases of 15-20% from March prices and no customers. The fact that the new rules did not affect condo apartments says one thing: the measures did not work; they merely pushed towards a correction in the over-heated freehold market.

If taking a sober look at the situation, it is evident that no fall took place: prices fell by 15-20% from February-March prices but they are still 10% larger than last year's. This is the market that entered July – tradition-

ally, the calmest month for the real estate market. Those who were unable to sell their home steadily remove it from the sales market and offer it for rent. The rent prices – following the rules of the market – tend to grow in the period of price correction and it once again becomes profitable.

Those investors who were able to sell input money into the continuously growing condo market as it has all the potential to grow or look for homes that are being sold for much less than the market price. There are quite a few of such offers as those who deal with short-term flips have entered a difficult situation.

Using private money and 100% financing, they simply cannot wait and often sell for less. All of this is not permanent and eventually, the market will be normalized. In the near future, I doubt that we will see price increases as large as over the past few years in the freehold market. However, I am absolutely positive that very soon, the demand will normalize and we will return to a healthy market.

Regarding successful investments, those who listened to my advice last year and re-financed real estate with the goal to obtain sources for future purchases are in a very good position currently. Right now is the time of customers and having the proper means, it will not be difficult to find a very profitable deal, lower than the actual price on the market. This period will not last long so I recommend that you do not put off the purchase.

Do not engage in banal speculations; all of our investment strategies are based on the average increase in prices of 6% annually over the past 50 years. Correctly using



rapidly developing Orillia right on the shore of Lake Simcoe. It is merely an hour drive from Toronto, surrounded by a wonderful park, a beach and sports facilities.

The complex is composed of 70 townhouses and from one side, faces the marina with over 100 parking spaces for boats. The two-storey townhouses have a garage, driveway for one or two cars and a backyard. Furthermore, the complex has over 70 spots for visitor parking. The complex is completely freehold without maintenance fees.

This location is in high demand for those who love to relax on the water in the summer and engage in winter sports. It is difficult to find space in one of the hotels nearby. Investors obtaining a townhouse in this

these strategies will allow investors to gain amazing profit. If you are interested in investment deals in real estate and want to receive more information, call us and visit our office in Richmond Hill. We will gladly consult you and choose a winning investment strategy that will enable you to make profit regardless of the state of the market.

To conclude, I would like to briefly mention one of our new investment projects that will, in my opinion, bring sufficient profit to investors.

We are starting sales in this project already today, approximately two months before the start of official sales. The project is called **Marina Towns** and is located in the

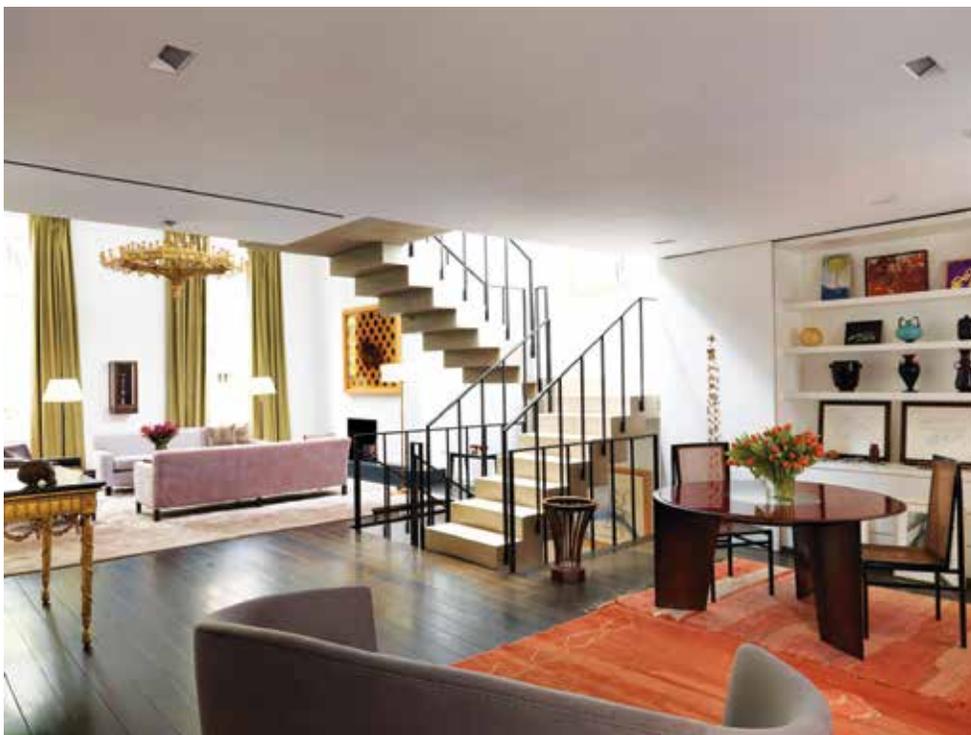
project will gain great profit from rent in both summer and winter seasons.

Our company made a deal with the developer and will overlook the management of renting the real estate. This will enable investors to make profit without having to look for renters. The financial aspect looks very attractive.

A week of renting a townhouse in such a complex will cost \$800-1200 and reservations are typically made three to six months prior to the trip. Furthermore, we have exclusive rights for the primary sales in the project with great discounts and specialized contract conditions.

The price of the townhouse is \$400-500 thousand, the project is aimed to be completed by 2019 and the deposit for VIP sales is only \$50 thousand (10 thousand when signing the contract, 20 thousand after 30 days and 20 thousand after 60 days).

Moreover, financing is available from the developer of the project.



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