



## MAXIM BAGINSKIY

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It is no secret that most of the world's fortunes were made through investing in real estate. Specifically this type of investment has long been an instrument of earning profit exponentially. Of course, there are also other types of investments that are capable of bringing sufficient profit; however, investing in real estate is the safest option and if carried out correctly, eliminates the possibility of losing money. That being said, it is important to note that this type of investment requires expertise and experience analogous to that needed for the stock market or a game on the Forex market. Many of our compatriots are mistaken when referring to investments as a speculation that brings decent dividends during price hikes and as it has occurred in the world, end up bankruptcies during the period of stagnation and fall of the market. In reality, investing in real estate is much like a precise science, the goal of which is a steady increase in capital using schemes that eliminate the possibility of losing money. The question that not a single specialist in the field of investment in real estate will be able to answer is the amount by which your capital will grow in a certain amount of time. This depends on several factors; it is impossible to accurately account for all of them. However, what can be said with certainty is that this number – in the long-term perspective – is tens of times greater than a profit that can be obtained from government obligations, bank deposits and pension funds. Secure investment strategies will not make you rich in one day as can be the case in the stock market, but they also eliminate the chance of you being left with nothing and losing all of your savings. The key factors that influence the profit from an investment in a certain region in a particular type of real estate are as follows:

**1) An average increase in prices in the region**

**2) The ratio between rent bids and price of the real estate**

# THE SECRETS OF INVESTING IN REAL ESTATE



**3) The opportunity to use a credit**

**4) Development of the region and an increase in population**

**5) Tax politics**

**6) Laws pertaining to regulating contracts in real estate**

**7) Stability of the political and financial system as a whole**

These are the factors that you should base your choice of region and real estate on.

Further, there are several other postulates of a successful investment:

- An experienced investor tries to minimally use or completely avoid using their personal capital while maximally operating borrowed materials.
- Never assume an exact end in the investment cycle; it is best to sell when the market is in the preferred state, not when you suddenly need money.
- The obtained real estate should buy itself out; therefore, when giving it up for rent, the income from rent should fully cover costs in paying the credit and maintenance of the real estate.
- Do not base your choice of real estate on your personal taste – it may be absolutely not to your liking and yet still be a successful investment.
- The real estate should be insured.

If the aforementioned factors are satisfied, then you are completely safe. Stagnation or fall of the market will not affect you; your investment is secure and will bring you great profit with time.

I have been specializing in investment deals for over 20 years. Often I hear the same things: "Investments are for the rich," "We do not have money for this," "We do not invest because we are afraid to get a credit," and so on.

My first investment was the purchase of a cottage for \$75,000 in Pennsylvania over 20 years ago. Back then, for this purchase I only needed a bit over \$5,000. Of course since then times have radically changed and it is practically impossible to begin investing with \$5,000. Nonetheless, I often encounter clients that are interested in investing and yet absolutely inaccurately evaluate their abilities.

Often the clients that turn to me for consultation have saved up \$60-70 thousand and plan to invest this money while living in a home that has an insignificant mortgage in comparison with the price of the house. Thus, they have the ability to refinance the real estate or create a line of credit and use this money for investment purposes. Do not forget that the dream we all share of owning our own home without paying a mortgage does not mean the absence of a mortgage in general. We just have to create a scheme that will enable the money we borrowed from the bank to bring a profit that will cover any expenses. The highest achievement in investment deals is to purchase real estate without spending a cent from your own pocket and not receiving an additional monthly mortgage payment. It sounds fantastic and we do it practically every day.

A year and a half ago we gathered a group of experienced professionals in one room which greatly simplified the life of potential investors. Here you will find financial analysts that are able to solve the most complex financial problems, lawyers who will provide legal aid, accountants who will give you advice about how to obtain the minimal taxes, and finally, my team and I who will help you choose the real estate for investment. In the past year we significantly widened the scope of our specialties and although our priority remains condominiums in Toronto, we now also cover land properties, construction and management of rented property.

In our company office we monthly conduct seminars in which we share our knowledge of how to properly invest in real estate and avoid expensive mistakes. The next seminar – held on March 16th – will be dedicated to investments in apartments at the excavation stage. You can register for this seminar on [WWW.INVESTCONNECT.CA](http://WWW.INVESTCONNECT.CA) or via phone by the number **416-832-8343**. Furthermore, in the near future we will provide our clients with the opportunity to listen to our seminars online and have access to the archive of seminars.

I also invite you to watch the archive of television shows with my participation and read my other publications on my personal site [WWW.REMLIS.CA](http://WWW.REMLIS.CA). You may access the page "MY PUBLICATIONS" in the Russian version of the site.