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From March to June of this year, I conducted several seminars regarding investments in condo apartments in the beginning stage of construction. In today's article, I will highlight some of the matters discussed in these presentations. If you wish to receive more extensive information, I recommend attending one of my seminars which occur once a month. You can register for the seminar by telephone – 416 832 8343 – or by e-mail MBAGINSKIY@GMAIL.COM.

To begin, I will present a brief insight to the condo market in general. Currently, we are in a very interesting phase for investors in which the numerous condos built in the past few years are completely sold out but the prices did not yet get a chance to rapidly increase. Of course the builders have reacted by raising the price by 7-10% compared to last year but this is only the beginning of a significant price increase. The primary increase is expected in 2018-2020 and is due to the lack of completed projects in these years. This cannot be changed as the projects that are for sale today as well as those that will be built in 2018, started 3 years ago. During that time, developers experienced significant difficulties and the market stood in place. Having a vast amount of unsold apartments, builders were not eager to invest in new projects. Investors already understood this and particularly this factor is the cause of such a high demand in the primary sales. The projects that are currently entering the market are those that are expected to be finished in 2018. Granted that the demand will be constantly increasing, reselling can provide a significant profit. Amongst investors are the so-called gradations of the market's

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condition – large analytical companies which estimate the situation in the real estate market and provide ratings which become a source of guidance for investors.

These ratings are given on: "Sell," "Hold," "Buy," and "Strong Buy." For downtown Toronto, these ratings are on the "Strong Buy" level from the middle of 2014.

I would like to dispel the myth that when the investors that bought a large amount of condos begin to sell them, there will be a collapse and the prices inevitably crash.

First of all, according to statistics, investors cover no more than 30% of the total amount of the sales.

Secondly, only about a quarter of investors sell the contracts at the end of construction. Majority seal the deal and are oriented towards a long-term rent. The apartment renting market in downtown Toronto experiences a great lack of apartments. The vacancy index is at level 2; for large and vastly populated cities like Toronto, the level is usually at 5. This indicates a clear shortage of apartments for rent. Even with rapid construction rates, changing this situation will require more than 10 years.

Lastly, investors buying condos is an absolutely suitable occurrence for a healthy market as investors are the bridge between builders and final customers. The average waiting time from the initial sales to the completed construction of the home is approximately 3 years. A large amount of "End Users" – those who buy for themselves – are not ready to wait until the construction is complete; they need the apartment now, not in 3 years. In this case, investors who bought from the excavation stage and resell the contract at the completion of the project are irreplaceable. Builders would gladly wait until they finish the project to sell the apartments for a high price; however, this is not possible since one of the conditions of banks for financing construction is that a minimum of 75% of apart-

ments must be sold. Thus, investors are much needed for both the builders and the final customers.

An important factor of a successful investment is the choice of the construction project as a whole, and particularly, its location. After analysing town planning and grants for builders to proceed with their projects, I can currently distinct four areas in downtown Toronto that are most profitable for investments. This is due to the broad changes in the infrastructure of these areas in the near future. When buying an apartment in these areas, you will receive profit not only from the general price hike in the market but also from the price hike of the specific area.

In the near future, a few projects will enter the market which will be of great interest for investors. One of the most expected projects is 158 Front St which will be brought to life by two hefty developers: "Citizen Group" and "Fernbrook Homes." The project will consist of two 27-storey towers which will contain 492 apartments. VIP sales for this project will happen in one day. The specific date will be available soon. Prior to the beginning of sales, I will conduct a seminar dedicated to this project in which you will be able to become familiar with the prices, apartment layouts, and mathematical matters of investing in these apartments. Furthermore, you will have the chance to choose an apartment.

In order to receive the information on time, register on my site under "Exclusive Pre-Construction Condo Deals" and you will receive an email regarding upcoming projects long before this information becomes public.

You're welcome to read my other publications on my website:

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under I AM IN THE MEDIA. For your convenience, the site functions in Russian and English.