



## MAXIM BAGINSKIY

REAL ESTATE BROKER/INVESTMENT ADVISOR

EMAIL: [mbaginskiy@gmail.com](mailto:mbaginskiy@gmail.com)

PHONE: (416) 832-8343, FAX: (416) 981-7710

WWW.REMLIS.CA

Right at Home Realty Brokerage Inc., 905-695-7888

For many years, I have been dealing with condo investments that are under construction. Furthermore, I spend a great deal of time analyzing statistics. In my opinion, the insightful analysis of statistics is a key factor that enables me to be successful in this business and brings my clients sufficient profit.

The statistics provide answers to crucial questions such as: what, when and where to buy as well as when it is best to sell. The market dealing with apartments, unlike the one dealing with houses, is predictable and as such, having access to specific statistical information will enable an accurate prediction of upcoming trends.

This relates to the fact that the construction of a multi-storey building is a process requiring around seven years. For customers, the new construction project opens when the builder begins selling units; this happens approximately three years prior to the project being complete. In reality, the beginning of sales is well into the middle of the project. Approximately three years prior to this, the developer acquires land, settles formalities with the municipality, creates an architectural outline for the building, etc. Accordingly, possessing information regarding the quantity and location of future projects will enable one to not only see how an area will look like in six or seven years, but with high accuracy calculate periods of increase in prices, their drop, stagnation, etc.

# Market Talk: IS INVESTING IN CONDOS WORTH IT?

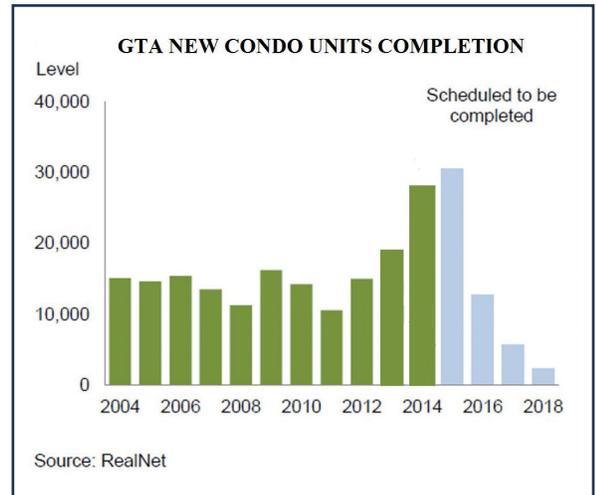
In this article, I will present some statistical data that will allow one to understand if it is worth investing in a condo today and what to expect from the market in the upcoming years. To begin, let's take a look at the price graph for the last 35 years. (Figure 1). During this time there were swift price hikes and drops and stagnation, but if applying a line of best fit, it is visible that there is an appreciation of real estate of about 6% per year.

This indicator is close to the standard of developed countries and if considering a long-term investment, this number becomes a reliable source. In fact, the money that you deposit as down-payment (20% of the cost for the unit) will work for over 35% yearly, considering today's percentage rate on mortgage and rent.

This is of course wonderful, however, majority of investors are interested in short-term trends, from three to six years. In order to understand what will be happening to the apartment market in the next few years, let's take a look at Figure 2. This reflects statistics analysing the completion of projects in past and future years. It is a shocking image, isn't it? In addition, the market was able to digest the large amount of completed apartments in 2014, and there is no doubt that it will successfully deal with the projects of this year.

However, we must take into account the fact that many developers are late in completing their projects and in reality, we already saw a shift in completion dates for projects due in 2014 to 2015 and consequently, from 2015 to 2016.

In any case, in 2018-2019, we will experience a catastrophic shortage in condos which will inevitably lead to a rapid increase in prices.



projects to be finished in 2017-2020, setting a record.

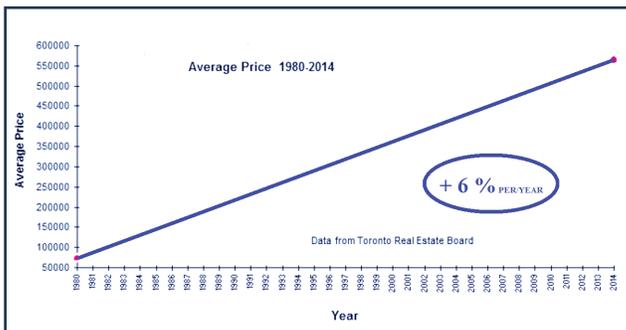
Experienced investors already took note of this situation and this is the reason behind such a high demand which has started happening from the beginning of last year. Good projects, in VIP sales, sell out in mere hours. The delivery of these projects falls on the end of 2017-2018. Investors are already calculating their upcoming profits.

Unfortunately, there is a low amount of good projects that are entering the market today. In the first four months of 2015, we saw only few truly successful projects. At the end of May, however, the release of three successful projects is planned.

If you are interested in purchasing a condo, register on my site [WWW.REMLIS.CA](http://WWW.REMLIS.CA) under **Exclusive Pre-Construction condo deals** and you will receive information regarding projects long before it becomes publicised. I have certain agreements with the developers of Toronto that enable me to have access to primary sales before the project becomes available to majority of agents.

For my clients, this is an opportunity to acquire a unit with a significant discount and better sales conditions. Furthermore, you buy first which means you have the opportunity to choose the best units.

You may call me and I will gladly consult you about any questions you have regarding the purchasing of a condo at the foundation stage.



This conclusion results in a direct analysis of the situation in from 2011-2013. There was a shortage of condo buyers as there were rumours of a price drop which resulted in plenty of finished projects that were not completely sold. As a result, the developers had a large number of unsold condos and could not proceed to the next project. It is primarily this factor that will cause a small amount of