

THE PRE-CONSTRUCTION CONDO

INVESTOR GUIDE

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CONDOS.com

**FIRST ACCESS TO TORONTO
PRE-CONSTRUCTION
CONDOS**



NEWGTACONDOS.COM



WWW.NEWGTACONDOS.COM's mission and objective are to maximize returns for its clients through prudent real estate investing. Founded in Richmond Hill, Ontario, by award winning Real Estate Broker and successful investor **Maxim Baginskiy**, the company delivers value to investors by way of strategic acquisition of pre-constructions units in Toronto high rise condominiums and by way of purchase and holding of profitable Real Estate assets. The company uses investment methodology that allows for excellent profits regardless of what the current state of the Real Estate market is.



“ Buying Real Estate is about finding a place to be called home. Investing in Real Estate it is a completely different story. Our team has the experience to take care of all steps necessary to make sure that your real estate investments will generate good profit, no matter what. ”

Maxim Baginskiy

Maxim Baginskiy

WHY US

Under the leadership of the founder, Maxim Baginskiy, the team **NEWGTACONDOS.COM** has built strategic alliances and partnerships with many of Toronto's biggest and most reliable builders and developers. The company has also carefully selected and established close ties and partnerships with banks, financial providers and a real estate law firm with an irreproachable reputation for over 40 years.

PARTNERSHIPS WITH
MANY OF
TORONTO'S
BIGGEST AND
MOST RELIABLE
BUILDERS AND
DEVELOPERS

NEWGTACONDOS.COM has also established a property management practice that takes care of all aspects of renting the properties for its clients.

The team at **NEWGTACONDOS.COM** is comprised of the city-experts, who are up-to-date on all the future developments across the city. We are also experts in many different areas in the city, with very specific knowledge and information about various micro-districts in the city. We know the specifics of why and which areas in the city will experience strong growth in prices in the coming years. All this information is used for the benefit of our clients, which enables them to make smart pre-construction condos investment decisions.

NEWGTACONDOS.COM is structured to take care of all aspects of the pre-construction investment purchase process for our clients. Our ultimate mission is to save our clients their valuable time, while, ultimately, ensuring a high return on their investments.



PROVEN STRATEGIES

We use Investment Strategies that have been tested and perfected through consistent success in real estate and pre-construction investments during the last 15 years. Through this time, we have been constantly changing and adjusting our methodologies to the current realities of the present day, and helping our clients generate maximum profits on their investments.

We help our clients change their worldview and experience a true financial freedom. In addition, to profitable investments, we give our clients the know-how and the tools that enable them to radically and positively change their lives and their lifestyles. No longer do they have to be part of a cycle where they need to do the jobs that they don't like, constantly trying manage their finances and growing debt, only to find themselves trying to catch-up to ever-rising costs of living.

Hundreds of our clients were able to gain financial independence within just a few years after they started working with us, and we are very proud of these results

SMART INVESTMENTS

Here are some facts and reasons as to why the option of investing into pre-construction condos at the pre-construction stage is the most attractive one.

Historically, investment in real estate is considered the most reliable investment tool. We use well adopted tested strategies in the industry in combination with our own tested investment tools

A REAL INVESTMENT IS
WHEN THE MONEY IS
MULTIPLIED BY ITSELF ...
WITHOUT YOUR DIRECT
INVOLVEMENT. AND WILL MAKE IT
POSSIBLE TO ACHIEVE FINANCIAL
INDEPENDENCE.



and methodologies, which completely exclude the possibility of losing the invested funds. We are not supporters of risky, fast earnings on real estate, or the so-called “flips”, which are a blatant speculation and have nothing to do with a reliable, safe way of investment. We are also not supporters of investments, which will demand a complete devotion of your valuable time. For instance, having a dozen houses for rent and managing them will require you to make it a full-time job.

In our view, a real investment is when the money you have invested is multiplied by itself without your direct involvement. And, over a course of time, this type of investment will make it possible for you to achieve financial independence based on generated passive income.

Here are just a few facts that work in favour of investing in “Pre-construction condos”:

- 1** Investments in condos under construction, unlike other types of investment in real estate, do not require you to waste your own time, this type of investment works by itself, without taking away your precious time.
- 2** The new condo is covered by a warranty during the construction period and after its completion. Thus, you are completely insured against unforeseen losses in the future in case of a bankruptcy or poor quality of work by the builder.
- 3** Only this type of investment gives you the opportunity not to immediately decide which investment strategy to choose from. You will have three years to decide how you want to use your investment condo. Once the condo is ready (normally within 3 years), you will have a number of possibilities to choose from: **1)** resell the contract at the end of construction; **2)** Close the deal and resell the condo after 1-2 years of renting it; **3)** Use the condo as a long-term investment.
- 4** Only this type of investment in real estate allows you to make initial investments without securing a mortgage, thus having no restrictions on how many units can be purchased at the pre-construction stage.
- 5** When buying Pre-Construction condo units, there is no need to rent them right away. This gives you an opportunity to buy cheap in the areas which are developing and that will become desirable for renters in the near future. If you have the information about certain areas of the city that will experience major infrastructure upgrades (i.e. extended subway lines, highways, urban and business center developments, schools, etc...), then you know that the area will become high in demand for renters. When the building is built, and you start renting, you will benefit from an increased profit based on the district's new price category. As well, your condo unit's price will rise regardless of the market conditions.

6

When buying a pre-construction unit, you don't have to put up a large sum of money for the down-payment right away. Instead, it is spread over 5-6 deposits over a period of construction, with the last deposit usually due at the occupancy or the final closing.

During the construction period, the total cost of the condo units and real estate grows on average 5% per year. This rate, combined with the right choice of the neighbourhood will yield a profit of anywhere between 50-70% per annum on your deposit. In such conditions, your investment risks are completely minimized, regardless of the market conditions.

Time and time again, we have seen that investment into the "Pre-construction" market is the most reliable and profitable tool available in the spectrum of real estate investment.

Taking into consideration current economic realities, I would like to list several factors asserting that condominiums will be the most in-demand segment of the real estate market in the next decade:

**1**

As the city population grows, causing greater congestion on the roads, while transport accessibility is deteriorating, more and more people are eager to live in areas that are close to their work, minimizing their travel time to and from work. As a result, these residential areas become very expensive and inaccessible to a larger population of people. As a result, more condominiums will be built to accommodate the "vertical" growth of the city, rather than the traditional "horizontal" sprawl with the houses.

2

The Government of Canada has increased quotas for immigration, while lending rates and terms are made more accessible to the first-time buyers, and are suited for the purchase of the condominiums rather than more expensive houses.

3

The recent toughening of mortgage qualification rules have forced a larger population to turn their buying interests away from detached houses and towards less expensive condominiums.

4

The Baby Boomers are now reaching their retirement age and are downsizing from their houses into the condo apartments.

5

Many parents today, help their grown-up kids with their first home ownership by buying them a condominium apartment.

6

In the last 30 years, there was almost no construction of multi-apartment complexes for rent, the so-called "Apartment Buildings". Respectively, the main source of the rental market left in Toronto are the private condominiums.

7

The government actively supports the construction of condominiums, since the costs of land development in the construction of multi-apartment complexes are several times less expensive than in low-rise buildings, while the return received as taxes from such a complex is hundreds of times higher than from other forms of residential housing.

8

Stats from major cities around the world show that people live mainly in apartment buildings. Toronto has not followed suit up until now. However, as the city continues to grow rapidly, the turn towards world's best practices is inevitable and imminent.

THE PURCHASE PROCESS

1

As the planning stages of the condo project come to a completion, the developer needs to sell a small number of units (usually 10-15% of the total number of apartments in the project) to be able to begin the process of obtaining the financing for the rest of the project. The developer needs to sell these units quickly, at highly discounted prices. At the same time, the developers don't want to advertise these prices to the public, as other units will be sold later at higher prices and different (usually less favourable) conditions. This is why the developer sells these units to a selected 5-7 real estate brokers, called VIP Brokers, who have a large client base (mainly investors) and who are able to quickly and efficiently sell this inventory of units.

Maxim Baginskiy is one of Toronto's most successful brokers working with "Pre-Construction Condos" projects and part of the so-called "Top 10 Pre-construction Agents" in Toronto.

Maxim ensures that when you work with the team at you are guaranteed to get the initial access and take advantage of all the benefits at this stage of the project.

2

As soon as we receive information about new projects from the builder, we send the project details to our client base. At this stage, the builder and the agents are not allowed to advertise the project to the public, and the only way to hear about it is through direct email from VIP Agents, such as Maxim. Thus, if you are not on our mailing list, you will not be able to hear about these projects. To receive such early project information, you need to sign up to our client email list by registering at NEWGTACONDOS.COM

We recommend adding an email: INFO@NEWGTACONDOS.COM to your email contacts to avoid having our emails classified as spam.

3

You may choose the Condo Unit that you would like to purchase, either on our website or by visiting us at our office, located in Richmond Hill. We will need your ID (driver's licence or passport) to reserve the unit that you choose.

4

The purchase and sale agreements with the builder are usually signed in one week after you reserve your unit. The signing usually takes place either the builder's office or the presentation centre (if it is ready by then). All the contracts signing are done strictly by appointments.

5

The signing of the Purchase and Sale Agreement must be done by you (the purchaser) or your Power of Attorney. This is when you make your first deposit of \$5,000 by personal cheque. The rest of the deposits, which make up about 20% of the purchase price, are evenly scheduled over a period of 2 years. You will have to sign post-dated cheques, which the builder will deposit at an appropriate time for each cheque.



WHAT'S NEXT?



Approximately one year before the end of construction, you will receive a notice from the developer to make an appointment to make the final selections for the colours and the design configurations for your unit. As a rule, we work with high-end developers that build with top quality materials and do not require upgrades. All home appliances are included in the price of the unit, so, all that's left for you is to choose the colour scheme.



Once the construction of the building is over, you will receive the keys from your unit. This is what is called an "Occupancy Date." Here, you get the possession of the unit, are able to live there or, in most cases, rent it out. On average the time between the Occupancy and the Final Closing is anywhere between 2 to 8 months.



At the time of the final closing, the condo is registered under your name, at which point you need to have all your financing, such as mortgage, ready.

The mortgage approval process for the pre-construction condos is usually a lot smoother and easier obtained than for the resale properties. The two main reasons are being that:

THE MORTGAGE APPROVAL
PROCESS FOR THE
PRECONSTRUCTION CONDOS IS
USUALLY A LOT SMOOTHER
AND EASIER OBTAINED THAN
FOR THE RE-SALE PROPERTIES.

A) By final closing, the value of your condo unit would have risen considerably. Thus, when the bank appraises your condo at the time of closing they see that, even though you made a down payment of 20%, you only need financing for 60% of the value of your unit (versus 80% in the resale scenario).

B) If you have already rented the unit, the bank recognizes that it is generating rental income – a fact which carries a lot of weight with the banks.

At NEWGTACONDOS.COM we will work with and support you through the course of the whole buying process and beyond. No matter what your needs may be, we will provide

ALL THAT WILL BE LEFT
FOR YOU TO WATCH
YOUR MONEY

you with all necessary assistance: whether it is choosing the best mortgage provider and arranging financing, or providing legal help through our legal partner, or renting the property and managing it – we've got you covered, no matter what. All that will be left for you to watch your money grow and enjoy the benefits of passive income generated by your pre-construction investment!



BENEFITS AND THE PROCESS OF INVESTING

PRE-CONSTRUCTION CONDO PURCHASE THROUGH VIP ACCESS TO EARLY PROJECT RELEASES



Lower Deposit Structure



Better Contract Conditions

USUAL LY **15%**
DOWN, SPREAD
OVER 2 YEARS



Wider and best selection of available units



Discounted prices



RELEASE OF THE KEYS TO THE OWNER AT OCCUPANCY DATE

Need to make another 5% deposit payment and/or bring the total down payment to 20%.

It's a requirement to receive financing from the bank.



PROPERTY MANAGEMENT

The property can be rented out at this point. We will find qualified renters, rent it out and provide full property management for as little as \$100 per month.



3 YEARS



3 YEARS

ASSIGNMENT SALE

Sell your contract with the builder 2-3 months before the final closing 100% of your profit will be subject to tax

INTO PRE-CONSTRUCTION CONDOMINIUMS



THE FINAL CLOSING

Much easier to obtain financing from the bank since the value of your condo unit has risen considerably. Thus, you will only need financing for 60% of the value of your unit (versus 80% in the resale scenario).



RENTAL FOR 1-2 YEARS

Continue to rent the unit on a long-term basis, thus generating rental income and increasing overall value of your condo unit.



REFINANCING

Your condo unit can be refinanced without selling it, and the money to be used either for personal use or as a down payment for another property.



LONG-TERM HOLDING

Continue to rent the condo over a longer period of time, generating more equity due to the rising value of the condo

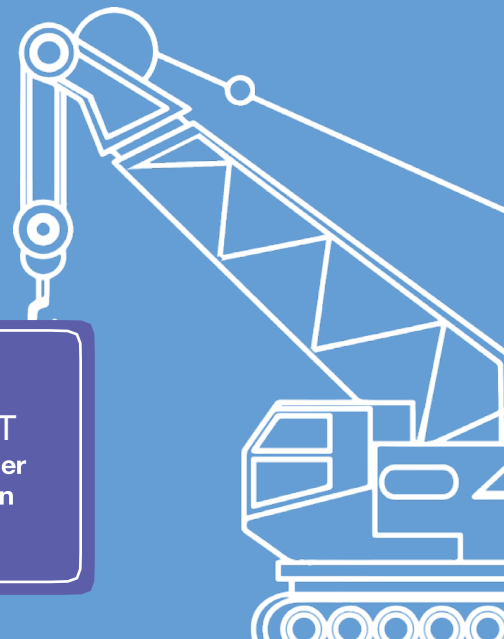
Use this equity to refinance and buy more investment properties.

1-2 YEARS

SELL AFTER 1-2 YEARS OF RENTING

Only 50% of your net profit (profit minus all expenses) will be subject to Capital Gains tax

NEXT INVESTMENT
Invest into another pre-construction property



LONG-TERM INVESTMENTS:

UNIT - 630 SQ.FT, PARKING, LOCKER, HIGH FLOOR, BLOOR/ BAY AREA	1 BR+ DEN, 1 BATH
PURCHASE PRICE	\$ 302,000
PURCHASE YEAR	OCTOBER 2005
TOTAL INVESTMENT	\$ 70,000
HOLD PERIOD	12 YEARS
SOLD YEAR	OCTOBER 2017
SOLD PRICE	\$ 629,000
PRINCIPAL PAID DOWN BY TENANT	\$ 79,000
CASH FLOW	\$ 57,000
TOTAL PROFIT	\$ 463,000
ROI	55.1 % PER YEAR
COMMENTS: Client generated \$38,500 in profit per each year of the 12 years investment period, from an initial \$83,000 investment.	

MEDIUM-TERM INVESTMENTS:

UNIT - 850 SQ.FT, PARKING, LOCKER, DISILLERY DISTRICT AREA	2 BR, 2 BATH
PURCHASE PRICE	\$ 555,000
PURCHASE YEAR	NOVEMBER 2012
TOTAL INVESTMENT	\$ 120,000
HOLD PERIOD	5 YEARS
SOLD YEAR	NOVEMBER 2017
SOLD PRICE	\$ 835,000
PRINCIPAL PAID DOWN BY TENANT	\$ 15,000
CASH FLOW	\$ 2,000
TOTAL PROFIT	\$ 297,000
ROI	49.5 % PER YEAR
COMMENTS: Client generated \$59,000 in profit per each year of the 5 years investment period, from an initial \$120,000 investment.	

SHORT-TERM INVESTMENTS:

UNIT - 608 SQ.FT, LOCKER, GARISON POINT AREA	1 BR, 1 BATH
PURCHASE PRICE	\$ 358,000
PURCHASE YEAR	AUGUST 2014
TOTAL INVESTMENT	\$ 54,000
HOLD PERIOD	3 YEARS
SOLD YEAR	AUGUST 2017
SOLD PRICE	\$ 490,000
PRINCIPAL PAID DOWN BY TENANT	0
CASH FLOW	0
TOTAL PROFIT	\$ 132,000
ROI	81 % PER YEAR
COMMENTS: Client generated \$44,000 in profit per each year of the 3 years investment period, from an initial \$54,000 investment.	

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Maxim Baginskiy
Real Estate Broker
Investment Advisor

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RECENT CASE STUDIES

OF DIFFERENT INVESTMENT STRATEGIES AND PROFITS GENERATED BY OUR CLIENTS
FOR UNITS PURCHASED AT THE PRE-CONSTRUCTION STAGE

LONG-TERM INVESTMENTS:

UNIT - 850 SQ.FT, PARKING, LOCKER, 2 BR, 2 BATHS HIGH FLOOR, BLOOR/ BAY AREA	
PURCHASE PRICE	\$ 360,000
PURCHASE YEAR	NOVEMBER 2006
TOTAL INVESTMENT	\$ 90,000
HOLD PERIOD	11 YEARS
SOLD YEAR	NOVEMBER 2017
SOLD PRICE	\$ 940,000
PRINCIPAL PAID DOWN BY TENANT	\$ 90,000
CASH FLOW	\$ 66,000
TOTAL PROFIT	\$ 736,000
ROI	74.3 % PER YEAR
COMMENTS: Client generated \$67,000 in profit per each year of the 11 years investment period, from an initial \$90,000 investment.	
UNIT - 613 SQ.FT, HIGH FLOOR, UNIVERSITY / RICHMOND AREA	
PURCHASE PRICE	\$ 399,000
PURCHASE YEAR	OCTOBER 2013
TOTAL INVESTMENT	\$ 90,000
HOLD PERIOD	4 YEARS
SOLD YEAR	OCTOBER 2017
SOLD PRICE	\$ 556,000
PRINCIPAL PAID DOWN BY TENANT	\$ 7,000
CASH FLOW	\$ 3,000
TOTAL PROFIT	\$ 167,000
ROI	46.4 % PER YEAR
COMMENTS: Client generated \$42,000 in profit per each year of the 4 years investment period, from an initial \$90,000 investment.	

MEDIUM-TERM INVESTMENTS:

UNIT - 760 SQ.FT, PARKING, LOCKER SUB 2 BR, 2 BATHS PENTHOUSE, BAY / GROSVENOR AREA	
PURCHASE PRICE	\$ 335,000
PURCHASE YEAR	OCTOBER 2005
TOTAL INVESTMENT	\$ 83,000
HOLD PERIOD	12 YEARS
SOLD YEAR	NOVEMBER 2017
SOLD PRICE	\$ 890,000
PRINCIPAL PAID DOWN BY TENANT	\$ 84,000
CASH FLOW	\$ 82,000
TOTAL PROFIT	\$ 721,000
ROI	72.4 % PER YEAR
COMMENTS: Client generated \$60,000 in profit per each year of the 12 years investment period, from an initial \$83,000 investment.	
UNIT - 730 SQ.FT, PARKING, LOCKER, UNIVERSITY/ADELAIDE AREA	
PURCHASE PRICE	\$ 514,000
PURCHASE YEAR	NOVEMBER 2013
TOTAL INVESTMENT	\$ 117,000
HOLD PERIOD	4 YEARS
SOLD YEAR	NOVEMBER 2017
SOLD PRICE	\$ 733,000
PRINCIPAL PAID DOWN BY TENANT	\$ 10,000
CASH FLOW	\$ 3,000
TOTAL PROFIT	\$ 229,000
ROI	48.9 % PER YEAR
COMMENTS: Client generated \$57,000 in profit per each year of the 4 years investment period, from an initial \$117,000 investment.	

SHORT-TERM INVESTMENTS:

UNIT - 950 SQ.FT, SUB PENTHOUSE, PARK- 2 BR, 2 BATHS ING, LOCKER, DISTILLERY DISTRICT AREA	
PURCHASE PRICE	\$ 600,000
PURCHASE YEAR	SEPTEMBER 2014
TOTAL INVESTMENT	\$ 90,000
HOLD PERIOD	3 YEARS
SOLD YEAR	SEPTEMBER 2017
SOLD PRICE	\$ 950,000
PRINCIPAL PAID DOWN BY TENANT	0
CASH FLOW	0
TOTAL PROFIT	\$ 350,000
ROI	129 % PER YEAR
COMMENTS: Client generated \$117,000 in profit per each year of the 3 years investment period, from an initial \$90,000 investment.	

UNIT - 890 SQ.FT, PARKING, LOCKER, DISTILLERY DISTRICT AREA	
PURCHASE PRICE	\$ 578,000
PURCHASE YEAR	SEPTEMBER 2015
TOTAL INVESTMENT	\$ 29,000
HOLD PERIOD	2 YEARS
SOLD YEAR	SEPTEMBER 2017
SOLD PRICE	\$ 700,000
PRINCIPAL PAID DOWN BY TENANT	0
CASH FLOW	0
TOTAL PROFIT	\$ 122,000
ROI	210 % PER YEAR
COMMENTS: Client generated \$61,000 in profit per each year of the 2 years investment period, from an initial \$29,000 investment.	