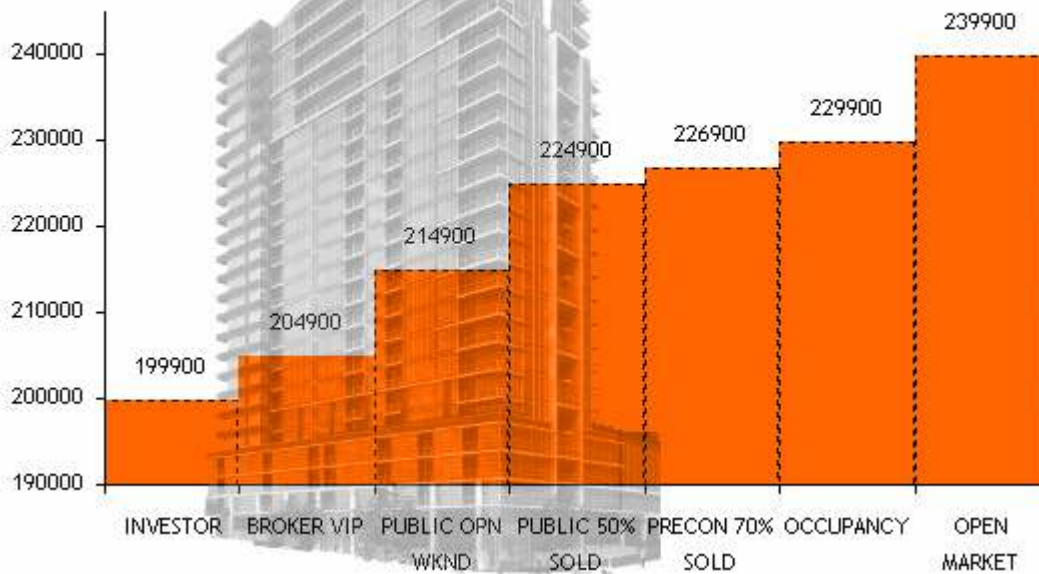


SEVEN INVESTMENT MILESTONES FOR CONDOMINIUM INVESTORS

Chart Title

by Yossi Kaplan | ©UrbanRealty.ca



disclaimer: for educational purposes only. not intended as investment advise.

By Yossi Kaplan | © 2007 urbanrealty.ca

So you heard about people buying "off plans" and you want "in". This article illustrates the sales cycle of a condo development and how and why prices shift up in such a typical development. The information provided here is based on the cumulative experience of thousands of individuals who bought real-estate at very early stages of development and realized a profit at a later stage. Whether you are buying a condominium for yourself to live in, or investing in urban residential real-estate with the intention to profit on appreciation and then sell the condo or lease it to a period of time, you are an investor.

for illustration purposes, assume a typical 1-bedroom 600 sq ft condo on third floor facing the courtyard with starting selling price of \$199,900, or approx. \$333/sq.ft. see the complete numbers at the end of this article.

you can later replace our demo unit with yours and see how it performs.

1. Investor Stage the best time to buy a condo is as soon as the project is available for sale. That is when prices are the lowest they will ever be, assuming a healthy seller's market, as we have experienced in the past decade. Investors act now, before the sales centre opens and long before any marketing material is available. They make their purchasing decisions primarily based on floorplans, siteplan and a pricelist. Investors purchase condos that produce maximum gains by picking condos that are easy to rent or re-sell. **Investors may enjoy lower downpayments and preferred payment structure.**

*"Picking a good investment unit
requires skill and experience
and that's why investors
work with us."*

2. Brokers' VIP night Thursday before Public Opening. Approx 25% of the building sold to investors and prices slightly increase to \$342/sq ft or \$204,900 for our sample condo. It is the same condo exactly, but now since we have made a significant advance on selling within the development, the inherent risk level is reduced and pressure on supply allows for a small increase in asking. Another 10-20% of total units are sold at Brokers' night - sometimes at identical prices sold to investors - selection is good as investors mostly pick small units. Brokers' night is a great opportunity to purchase a larger-size units which are now available yet no investor looked at.

3. Public Opening weekend It's Saturday noon and the doors open to the public, displaying 30-40% sold project with most small units gone or gone up the price. A well designed and well priced new project could sell 10-20% off the available units, bringing the project to 50%. Home Run projects will score at the 60% level by the end of the first week, setting the prices an inch higher.

4. 50% the law of attraction 2-3 sales/wk, hot buildings attract more buyers, and sometimes friends, neighbors, sisters and cousins will purchase a unit in the same building with a close friend or relative. Large units are sold as well at this stage and 1-bedrooms selling well as many are available.

5. 70% pre-construction - last chance before next increase, as start of construction symbolizes less risk and as supplies are reduced prices are being pushed up by last minute demand and late bloomers. Although slower sales at this stage the more the building nears completion, the more attraction it gets and interest is renewed.

6. construction to occupancy attentions re-builds as construction goes underway and sales increase in relation to upcoming completion, as embedded risk is minimized and those who "like to see it" can now do so and purchase with confidence nonetheless still enjoying a price discount over what is about to happen next

7. registration and open market the building is now "free for all" although perhaps several units and a penthouse or two are still available, a finished successfully designed and built building is probable to enjoy another sharp price increase when those who are interested but did not purchase can start bidding on condos through their agent. remember the exclusive broker is no longer involved, and the building enters the open real-estate market. The 600sqft demo unit we picked earlier at the investor stage sells for approx. \$40,000 more then when we bought it as investors, fetching \$400/ sqft and a sale price of \$239,900.

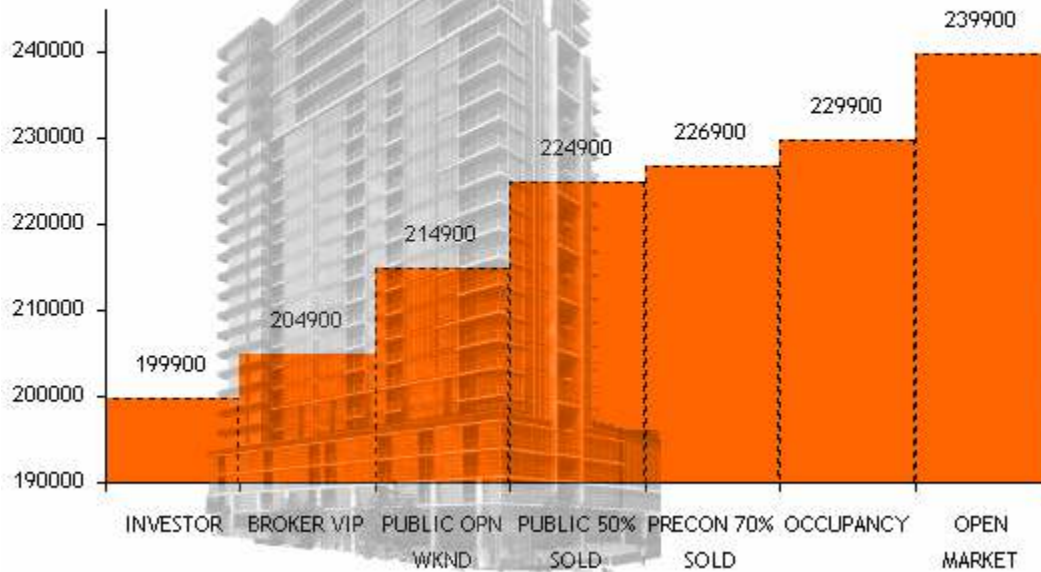
future appreciation some buildings continue appreciating faster then others even after registration and stay at the top of the resell list for years. Long term investors learn to recognize buildings that will produce outstanding returns over years, keep maintenance low with lasting quality and design.

*"If you're interested in becoming an investor
or just learning more
sign to our free vip list on
[urbanrealty.ca](http://www.urbanrealty.ca)"*

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below numbers used for illustration and story above

	PRICE	PSF	GAIN
INVESTOR	199900	333	
BROKER VIP	204900	342	204,900
PUBLIC OPN WKND	214900	358	214,900
PUBLIC 50% SOLD	224900	375	224,900
PRECON 70% SOLD	226900	378	226,900
OCCUPANCY	229900	383	229,900
OPEN MARKET	239900	400	239,900

Total Appreciation	40,000	400	
Downpayment at 15%	29,985		
Gross profit	10,015		
Gross ROI	33%		

does this make sense to you?

To become an investor, first [register](#) then contact Yossi:

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