

PRE-CONSTRUCTION INVESTMENT CHEAT SHEET



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PRE-CONSTRUCTION INVESTMENT TIMELINE



\$5,000 due on Signing



Standard Deposit Structure

<ul style="list-style-type: none"> • Balance of 5% in 30 days • 5% in 60-90 days (2nd Payment) • 5% in 90-270 days (3rd Payment) 	<p>Total 15%</p>
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Interim Occupancy (Keys)

<ul style="list-style-type: none"> • Final 5% of deposit • Usually 3 - 4 years after purchase • Condo still under construction • Responsible for: <ul style="list-style-type: none"> Building Tax Maintenance Fee Building Insurance 	<p>Total 20%</p> <p>“Phantom Rent”</p>
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Lease Your Unit

<ul style="list-style-type: none"> • Finding Tenant • Lease Negotiation • Tenant Screening 	<p>FREE!</p>
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Final Closing (Registration)

- 4- 8 months after Interim Occupancy given 21 days notice

<ul style="list-style-type: none"> • Closing Costs: Land Transfer Tax HST (If applicable) Development Charges 	<ul style="list-style-type: none"> Legal Fees Tarion Warranty Utilities & Insurance
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Congrats! You Own the Unit

Collect	Pay
<ul style="list-style-type: none"> • Rent (Cash Flow) • Mortgage Pay down (Equity) • Appreciation 	<ul style="list-style-type: none"> • Mortgage • Maintenance Fee • Insurance • Property Tax

PRE-CONSTRUCTION INVESTMENT GUIDELINE

Investing in pre-construction condo developments is a great way to start building your real estate portfolio and to make high returns on investment. The following is a step-by-step breakdown of how the process works.

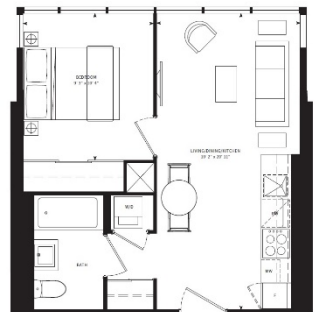
1

When a new project is announced, the developer will reach out to a select few agents (which includes the PPTO team) to offer first access and exclusive deals. You will be notified of these opportunities as they become available.



2

Our team will help interested investors pick the appropriate unit to invest in based on the best strategy that works for each investor. We are experts at envisioning the project!



3

It's important to know that when projects are announced, they can often sell out in **ONE** day, so **YOU NEED TO ACT FAST** in order to avoid disappointment! Once you've selected your floor plan, you will need to submit a worksheet with the following information:

- Drivers License or Photo ID
- Social Insurance Number
- Date of Birth
- Occupation

4

After we have secured your unit, the developer will create the Agreement of Purchase and Sale for your condo. We'll go to the developer's office to sign the documents and provide them with the deposit cheques.



5

A standard deposit structure will look like this:
(but can vary per project)

- \$5,000 due on signing
- 5% of balance in 30 days
- 5% of balance in 60–90 days
- 5% of balance in 90–270 days
- 5% due on occupancy



6

The 10 day cooling off period begins. Utilize these 10 days to get mortgage commitment from your lenders. Also, we recommend that you have a lawyer review the Agreement of Purchase and Sale. We knew a few awesome mortgage brokers and lawyers who can help.



7

Once the roof is put on the condo, you will be notified soon about when to expect interim occupancy (i.e., when you get keys). You will pay the last 5% of your deposit on interim occupancy.



8

Our team will now help you lease your unit in addition to screening tenants, negotiating offers and terms. All of this for **FREE** as an added bonus for purchasing your pre-construction unit with PPTO.



9

During interim occupancy, you will be given 21 days of notice prior to closing (registration). Be prepared to close. You will need to get your mortgage and closing funds ready.



10

Sit back and reap the rewards of collecting rent (a.k.a. Cash flow!), mortgage pay down (equity), and appreciation. We recommend to not sell the property until a few years down the line. This is now time to consider using the equity and appreciation to buy another unit – not so soon!



Have More Questions?
Contact us today!

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