

Reasons to Invest in Commercial Property

Here are some of the pros of buying commercial real estate over residential property.

Income potential. The best reason to invest in commercial over residential rentals is the earning potential. Commercial properties generally have an annual return off the purchase price between 6% and 12%, depending on the area, which is a much higher range than typically exists for single family home properties (1% to 4% at best).

Professional relationships. Small business owners generally take pride in their businesses and want to protect their livelihood. Retail tenants have a vested interest in maintaining their store and storefront, because if they don't, it will affect their business.

Limited hours of operation. Businesses usually go home at night.

More objective price evaluations. It's often easier to evaluate the property prices of commercial property because you can request the current owner's income statement and determine what the price should be based on that.

Triple net leases. The property expenses are passed on to the Tenant & adjusted annually.

What should I look for in a Broker?

- Honesty
- Experience & Proven Results
- Knowledgeable in the field
- How long has the agent has been in the business
- Do their existing client continue to use the services
- Strong Negotiation Skills
- Professionalism
- Creativity
- Reputation
- Use Of Technology

What's the difference between a Leasing Agent & Tenant Rep?

Leasing agents: have property listings; they have empty spaces ripe for the picking and their job is to put tenants in those spaces.

Tenant reps: already have "the guy." Their job is to help clients find the right location for their business, whatever that may be.

Tenant vs Location: Leasing agents are experts at finding tenants; tenant reps are experts at finding locations.

Can be knowledgeable in both fields: While some individuals operate exclusively under one of the two CRE facets, most usually have a combination of leasing and tenant expertise in their repertoire and/or work together with someone else in their office.

Client Fiduciary: Most importantly though, whether it be a landlord or lessee, leasing agents and tenant reps are both responsible for making someone happy and helping their Client achieve whatever endgame that Client desires

What Is a “Commercial Property?”

Commercial properties may refer to:

- retail buildings
- office buildings
- warehouses
- industrial buildings
- apartment buildings
- “Mixed use” buildings, where the property may have a mix, such as retail, office and apartments.

Chuck DiRuzza & Mike Stainken fulfill the above requirements. Chuck is predominately a Listing & Leasing Agent while Mike shines as a Buyer Broker / Tenant Rep.

Reach out to Mike (602-361-1427) or Chuck (480-539-1300) to experience the level of knowledge & dedication they bring to the table.