

Commercial real estate

Commercial real estate: The big profits

Real estate is often termed as the safest investment avenue. In fact, real estate investments done with proper evaluation of the property (and its true value), can lead to good profits. This is one reason why some people pursue real estate investment as their full time job. The talks of real estate are generally focussed towards residential real estate; commercial real estate seems to take a back seat. However, commercial real estate too is a good option for investing in real estate.

Commercial real estate includes a lot of different kinds of properties. Most people relate commercial real estate with only office complexes or factories/ industrial units. However, that is not all of commercial real estate. There is more to commercial real estate. Health care centers, retail structures and warehouse are all good examples of commercial real estate. Even residential properties like apartments (or any property that consists of more than four residential units) are considered commercial real estate. In fact, such commercial real estate is much in demand.

So, is commercial real estate really profitable? Well, if it were not profitable I would not have been writing about commercial real estate at all. So, commercial real estate is profitable for sure. The only thing with commercial real estate is that recognising the opportunity is a bit difficult as compared to residential real estate. But commercial real estate profits can be real big (in fact, much bigger than you would expect from residential real estate of the same proportion). You could take up commercial real estate for either reselling after appreciation or for renting out to, say, retailers. The commercial real estate development is in fact treated as the first sign for growth of residential real estate. Once you know of the possibility of significant commercial growth in the region (either due to tax breaks or whatever), you should start evaluating the potential for appreciation in the prices of commercial real estate and then go for it quickly (as soon as you find a good deal). And you must really work towards getting a good deal. If you find that commercial real estate, e.g. land, is available in big chunks which are too expensive for you to buy, you could look at forming a small investor group (with your friends) and buy it together (and split the profits later). In some cases e.g. when a retail boom is expected in a region, you might find it profitable to buy a property that you can convert into a warehouse for the purpose of renting to small businesses.

So commercial real estate presents a whole plethora of investing opportunities, you just need to grab it.