

A lot of retail business professionals like to find commercial real estate which is ready for business. After all, it is a lot of work to find commercial property, hire a contractor, build your buildings from scratch, and then have to assemble your business on top of all of that! Nevertheless, I have always liked building my commercial properties from the ground up. I have a pretty diverse investment portfolio, but I have the same approach to all of my commercial investment properties. Whether I am operating a retail space or acquiring a commercial property to lease out to tenants, I like to have as much control as possible.

You see, commercial properties go up and come down so quickly that people often don't really take enough care in building them. An old commercial property is likely to have structural problems in the long run, but new construction often fails much more quickly than that. When I was first starting off, the commercial lease property that I rented was only three years old. The landlord guaranteed that was free of defects, and told me that I would have no problem running a successful business out of it. As soon as the rains came that year, however, I was absolutely swamped. The roof leaked, ruining much of my merchandise and causing serious mold problem. I learned a lot from that experience, and now that I have the money to build my own buildings, I do not take any risks. Some people think I am a control freak, but I still think it is better to build from the ground up.

Another great thing about starting from scratch with commercial property is that you aren't deceived by the appearance of the location. I have seen too many commercial properties that look like guaranteed winners, but have a long history of businesses going broke. Sometimes, the building is unsound, but sometimes it is just a matter of a bad location. When there's nothing built there, there is nothing to deceive you. All you have is the location and its history. That is just how I like it.

I admit to being a fanatic for details. As a matter of fact, I have lost more than one commercial real estate property because I spent too much time researching it and had it bought out from under me. Still, my cautious approach has paid off.