

**If you're already comfortable investing in residential real estate, you might not see the advantage of switching over to or at least trying your hand at commercial real estate. While you might want to continue to own and manage residential properties, giving commercial real estate a try has many benefits.**

## Why to Invest in the Commercial Real Estate Market ?

### Better Income Options



Commercial properties often cost more to rent than similar-sized residential properties. Even if you buy a multifamily property for people to live in, you'll typically bring in more per month renting out multiple units than you would renting out a single-family home. You might also have the option of increasing the rent over the course of the lease with a commercial property

### Properties Appreciate



Another benefit of investing in commercial real estate is that the value of the property can go up over time. That's good news for you if you decide to sell the property. Additionally, appreciation of the property means you can charge more for rent when signing on new tenants.

### Longer Lease Terms



When you rent retail or office space to a business, that business typically signs a multi-year lease (you don't have to check in with tenants every 3-5 years, nor do you need to advertise for new tenants regularly)

### Tenants can be easier to deal with



Admittedly, this isn't universally true. But generally, business tenants cause less drama and can be less difficult than residential tenants. When a company signs a lease with you, its reputation is on the line as well. That means you can expect it to be more likely to keep the property looking good and in good repair.

### Fewer Expenses



Depending on the type of lease your tenants sign, you might end up having to pay fewer expenses than when you rent out residential properties. Some tenants agree to pay all the utilities, as well as property taxes, in exchange for more freedom to design or decorate the property however they'd like. These details are part of the negotiation process, which is where a strong agent can properly assist.

## Commercial Real Estate Classifications

### Class A

Class A properties are the best of the best. They might be newer buildings built within the last 10 years or so. They tend to be in downtown centers, and they usually have all the best amenities and features. A Class A office building, for example, will typically be new, located in a central business district and have up-to-date facilities.

### Class B

Class B properties tend to be older than Class A properties and most likely not as up to date. Additionally, they might have tenants who pay lower-than-average rents.

### Class C

The bottom of the heap, but not necessarily a bad investment, Class C properties tend to be more than 20 years old, and often need updates and renovations.

## Commercial Property Types



Land



Retail



Industrial



Multi-Family



Office



Hospitality



Medical

Although investing in commercial real estate can be a reliable way to improve your assets portfolio and build wealth, a lot can go wrong if you rush headfirst into it. These commercial real estate tips and tricks will help you make the best choices for your own needs and enjoy the best return on investment possible



Sometimes a Great Deal Isn't

It's easy to get blindsided by a low price or another too-good-to-be-true offer on a property. But just because you'll save money upfront doesn't mean a piece of real estate is the best deal. Always research before buying any property.

Know Your Budget



Although you can expect to earn income from your investment, it's important not to go overboard and buy more property than you can afford. Don't just look at the price of the property, add up costs like property tax and maintenance and repairs on the property



Cash Is King in Commercial Real Estate

When it comes to residential properties, buyers and agents tend to look at "comparisons" to get a sense of how much a property is worth. If a similar property sold for \$100,000, a buyer might make an offer in that range. But in commercial real estate, it doesn't matter if a similar building or property sold for \$10 million. What matters when it comes to determining a property's value is how much cash it brings in. If that \$10 million property brings in less per month than the property you're looking at, you can expect to pay more for the for-sale real estate.

Always have an Exit Strategy



When you invest in anything, you want to have a plan for leaving if things don't go as planned, or whenever you decide you're through with that investment. That's the case with real estate. Know how you'll get out, and put that plan into action when needed.



Know What's in Store for the Area

The property you're looking at might be in a great location today. But what's in store for the location in the future? Having an idea of what's going to happen within the next few years will help you avoid buying a property that turns out to be a worthless. To get a sense of what's going on in the area, look up business and real estate news for that region.

Spending up Front May Save a Lot of Money Down the Line



Hiring inspectors, attorneys and other professionals can seem like needless money spent. But if that inspection keeps you from buying a severely worn-out building, or if that attorney saves you from a terrible contract, you can consider that money well spent.



Have a Plan for Upkeep & Repairs

That shiny new office building won't stay shiny and new forever. When you buy commercial property, it's essential to maintain it on a regular basis, especially if you hope to keep renting it out and attracting tenants.

## Coldwell Banker Commercial Advantage (CBC Advantage)

CBC Advantage is a full service commercial real estate company located in New Cairo, Egypt. The company specializes in commercial, industrial, retail, residential, land development, and real estate investment covering the following services:



Acquisition & Disposition Services



Corporate Services



Tenant Representation



Capital Services



Distressed Assets



Start-up and Small Businesses



Investment Analysis



Landlord Representation



Property Management



Real Estate Development



Market Research and Valuation

Our professional agents specialize in various property types and are able to provide a deep knowledge of our market that allows us to formulate the best possible business strategy at all times.

[www.coldwellbanker-eg.com](http://www.coldwellbanker-eg.com)

For more details, please contact | **Sherif Hassan**, Development Director



[Info.advantage@cb-egypt.com](mailto:Info.advantage@cb-egypt.com)



+2010 940 11466



CBCAdvantage



CBC Advantage