

Mission Commercial - Commercial Real Estate, a Golden Bullet?

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When investors are first exposed to investing in commercial real estate, they usually hear grandiose success stories of those who have made millions. These success stories paint the picture that investing in commercial real estate is a goldmine just waiting to be discovered. In some ways, investing in commercial real estate can be considered that. Many people are not aware of the profits that can be made through investing in commercial real estate. Similarly, they are also not aware of the amount of work that is involved with commercial real estate investing.

If you are thinking about getting involved with commercial real estate investing you might wonder if everything is as easy as it sounds. There is no simple answer to this question. Rather, it is good to know the bad side in addition to the good side so that you can make an informed decision about investing in commercial real estate. It is also good to know a Real Estate agent who deals in commercial transactions to help you navigate the system.

With commercial real estate, there are many subcategories in which you can choose to become involved. When some people first begin investing in commercial real estate they make one of two mistakes. Either they begin working in an area of the market that they are unfamiliar with or they try to work with too many parts of the market. Because there is more than one category of commercial real estate, it is best to pick one of those categories to start your investing. This way you spend your time getting better at just one aspect of commercial real estate rather than becoming the “jack of all” trades in the market.

Another thing that could be considered a disadvantage to investing in commercial real estate is that you must be very detailed oriented. One of the biggest mistakes that investors make in this market is contract oversight. There are many different negotiable terms in a commercial real estate contract. If you fail to close the loop on any of these terms you could find yourself in a situation where the person on the other end of the deal has the upper hand. You want to avoid this situation at all costs. Having an attorney read over your contracts is a good practice to make sure the contract is in your best interest. Even a well-versed commercial agent would do their client a disservice if they didn't have the client seek legal advice on any commercial contract.

If you are thinking of investing in commercial real estate be sure to study the market, determine where and in what kind of properties you want your assets, find an agent who works in the commercial market, and consult your attorney with regard to contracts. Commercial investing can indeed be lucrative – if you are smart and safe in how you handle the transaction. Best wishes!