# **ASA EDUCATION SERIES**

The most important investment you can make is in yourself.

- Warren Buffett

# WHAT IS COMMERCIAL PROPERTY?

Commercial property is essentially any land or building used for business purposes, as opposed to residential living. It's the backbone of the physical business world, providing the spaces companies need to function.

There's a wide range of property types under the commercial property umbrella. Here are some key examples:

- **Retail stores:** Shopping centres, standalone shops, and even kiosks in larger buildings all fall under retail properties. Their locations are crucial, aiming for high foot traffic and customer visibility.
- Industrial facilities: Warehouses, factories, and distribution centres make up the industrial sector. They provide space for storing goods, manufacturing products, and getting them shipped out.
- Office buildings: These are hubs for administrative work, meetings, and collaboration. They can be high-rises in bustling downtowns or single-story buildings in suburban office parks.
- Multifamily housing: This includes apartment complexes and condominiums. While technically residential for the tenants, these properties are often owned and managed as commercial investments.
- Others: ASA's team has invested in healthcare real estate, childcare properties, self storage and service stations.







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### Some attractions of commercial property

Commercial real estate is attractive for a few reasons. Firstly, it generates income. Rentals from businesses are typically higher than residential rents, and leases are often for longer terms. Secondly, it offers diversification for investors. Unlike stocks and bonds, commercial property tends to perform differently in economic cycles, offering a hedge against market downturns.

The commercial real estate market itself is influenced by various factors. Economic health, interest rates, and regulations all play a role. When the economy is booming, businesses may expand, driving demand for office and retail space.

Overall, commercial property is a vast and crucial sector, providing the physical foundation for businesses to operate and grow.

#### Learn more and additional resources

If you'd like to learn more please take a look at our other Education Series publications and access additional resources here:

www.asarep.com/hub

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#### Contact us!

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