

*The most important investment you can make is in yourself.
- Warren Buffett*

COMMERCIAL PROPERTY INVESTING

Commercial property, like office buildings, shopping centres, or warehouses, can offer a compelling investment opportunity. Here's a breakdown of some key considerations.

Please remember though - this is a simplified overview! Consulting with a financial advisor experienced in commercial real estate is vital before making any investment decision.

Potential Benefits:

- **Passive income:** Tenants pay rent, providing a steady stream of income.
- **Long-term appreciation:** As cities and businesses grow, property values can increase over time.
- **Hedge against inflation:** Rental income can rise alongside inflation, maintaining purchasing power.
- **Tax advantages:** Depreciation deductions can offset rental income, lowering tax liability.
- **Diversification:** Commercial property adds a different asset class to your portfolio, reducing overall risk.



Potential Risks:

- **Higher upfront costs:** Commercial properties are typically more expensive than residential investments.
- **Management responsibilities:** You might need property management or handle tenant issues yourself.
- **Vacancy risk:** Empty spaces mean lost income. Market research and strong tenant selection are crucial.
- **Illiquidity:** Selling commercial property can take longer than stocks or bonds.
- **Market dependence:** Economic downturns can impact rental rates and occupancy.

Who is it for?

Commercial property investment can be suitable for individuals with significant capital, a long-term investment horizon, and a tolerance for some risk. Careful due diligence, including location analysis, tenant quality evaluation, and understanding the local market, is essential for success.

For those without significant capital, investing in a share or unit in a property trust which owns property may be a way to invest.

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

Please note

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Contact us!

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