

HOW TO INCREASE THE LONGEVITY OF YOUR COMMERCIAL PROPERTY

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Investing in real estate sounds like a wonderful way to make some extra income, but this job is far from passive. Whether you hire a management team or do the work yourself, there's always something to take care of when you own multiple properties.

Commercial real estate is only a good investment if you take care of it. Actively maintaining your property or hiring an attentive manager can improve tenant retention and safeguard the buildings from serious damage. Here are nine ways you can increase longevity and improve profits for your commercial properties.

1. Screen Your Tenants

Screening potential renters is one of the best things you can do to protect your commercial property. Unfortunately, many tenants don't take care of rented space. Some don't know how, while others may intentionally harm your property. After they leave, it's your responsibility to clean up the space before you can rent it out again.

Tenants who maintain rented space are worth their weight in gold. They have a personal investment in the condition of your property and will do everything they can to assist you in maintaining it. Carefully selecting renters will save you a lot of trouble and cost later.

2. Maintain Landscaping

People really do judge a book by its cover. If the outside of your property is maintained well, responsible people could be more interested in renting from you. Landscaping improves curb appeal and lets prospective renters know you take good care of your commercial properties. Current tenants will feel appreciated because you're maintaining the places where they live and work.

Landscape maintenance can prevent damage to your property as well. It keeps pests away from your buildings and ensures no one's car or roof gets smashed by a falling tree branch. Proper landscaping can also protect your building from flooding by directing water away.

3. Improve Property Security

Renters who feel safe are happy. You can bolster their confidence by installing security systems to protect commercial real estate. For example, parking lots should be well-lit and all doors and windows secure. You can invest in surveillance cameras or a high-tech security system for properties in high-crime areas and keep these updated to increase safety.

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Communicate openly with your tenants so they know what security measures are in place. Together, you can protect your property and ensure it stays safe for years of use. Make sure you consider insurance and clearly designate responsibilities for safety in the legal paperwork your future renters sign. This can protect you from becoming liable for stolen property.

4. Practice Regular Preventative Maintenance

Preventative maintenance never feels necessary until something goes seriously wrong. Investing a small sum into preventive care can protect you from expensive issues like water damage. Your maintenance team should have a seasonal checklist to help you stay on top of any potential problems.

Maintenance tasks include cleaning gutters, testing water quality and checking HVAC systems. Your team should replace ventilation and appliance filters to enhance efficiency and maintain the life of systems in your building. They or you should periodically test fire alarms, sump pumps and other emergency gear. While it might seem like a too-frequent chore, doing so can help you consistently improve efficiency and stay up to date.

5. Upgrade Structural Elements

Maintaining the external structure of commercial buildings is also essential. Keeping everything tightly sealed and in pristine condition will protect your property from leaks and other forms of damage. Although the upfront costs may seem high, replacing materials before issues worsen and degrade your property value is better.

Pay special attention to the age of your building's roof – over time, roofs lose their ability to keep adverse weather outside your property. Old roofs might sag or let water seep into your building. Some might even collapse or come off in high winds. Keeping a solid roof on your commercial properties is essential for tenant retention and longevity.

6. Choose Timeless Design

Commercial properties are not the place for trendy interior design as your real estate risks becoming dated. Instead of looking at trends, choose timeless decor that will appeal to tenants for a long time. Usually, traditional colors and designs stand the test of time well. Some good examples are neutral paint colors, symmetry and finishes like hardwood flooring.

You can change small accents like door handles and wall colors in the future with reasonably little expense if tenants choose. However, expensive foundational items that are difficult to replace should stay more traditional. Do your best to consider both form and function for exterior and interior design.

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7. Improve Property Efficiency

You can also promote the longevity of your property by investing in highly efficient appliances and systems. These additions help your buildings run well and often act as preventative maintenance. For example, an energy recovery ventilation system can reduce your building's utility costs while protecting your tenants from mold and poor indoor air quality.

Some commercial landlords invest in alternative forms of energy like solar panels or heat pumps to reduce utility costs and improve efficiency. Although they may cost more upfront, these systems can save you money over the long term and protect you from inflation. You can reinvest the money you save back into maintaining your properties.

8. Create a Benefit Program

Tenant retention is vital for making a profit and moving your business forward. The longer you keep renters, the more money you'll have to maintain your commercial property. You can increase tenant retention by creating a program specifically benefitting long-term tenants. This program will look different depending on the type of property you own.

For example, a benefits program for multi-family units might include a gym pass or pool access. You could also offer lower rent or utility costs for long-term tenants in commercial spaces. Benefit programs should provide value in a way your tenant will most appreciate.

9. Communicate with Tenants

If you want to know how to be a better landlord, talk to your tenants. Ask them about their renting experiences so you can learn to be the best commercial property owner in your area. You can send tenants surveys, give them phone calls or cultivate an in-person relationship with them through a local office.

Building a relationship with your tenants can increase the likelihood they'll want to keep working with you. If they decide to leave, you can find out why and work to make your building more attractive for the next renter. The more you talk to the people renting your spaces, the more equipped you'll be to gain long-term tenants who take care of your property.

Investments Lead to Return

Purchasing and renting out a commercial property are only the first steps to becoming a successful landlord. To protect your investment and ensure a good return, you'll need to maintain each commercial property you purchase. The longer your buildings stay in good shape, the more you can profit from this investment.

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Follow these nine tips to increase the longevity of your commercial property. Wise management early on can save you a lot of time and money later.

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