

## Commercial property or residential property, which one is a better bet?

While investing in real estate it is important that your investment fetches you a monthly cash flow. Even if you are hoping to get a decent profit due to capital appreciation, it is very important that your investment provides a monthly return. If it is not so, then chances are that you will find that all your profit will be nullified by the monthly drain on your income. This will be all the more true in case there is a decline in the growth of real assets for a few years.

All those who ever had tenants would swear that it is much better to have commercial tenants than residential tenants. With residential tenants you have a tough time with them, do not be surprised if you are woken up at the dead of the night because your tenant has some complaint to make.

The reason why most people invest in residential real estate is because they have never invested in commercial real estate and they fear landing themselves in unfamiliar territory. But the fact is that commercial property must indeed be one that works well, after all it did work for Donald Trump and it can work for you also.

Given below is a list of reasons as to why we think you should invest in commercial real estate rather than residential real estate.

The return on investing in commercial real estate is far higher than that of residential real estate.

You must be thinking as to why should you invest in the real estate market at all? Well, the facts state that unlike the unpredictable stock market, the real estate market has shown a steady growth over the years with only a few minor hiccups. The best part is that you do not need any prior training or qualification to enter in to the field of commercial real estate. It involves very little risk and you can end up making a lot of money out of it.

Investing in the commercial real estate, although beneficial is altogether different from investing in the residential real estate. First of all you need to know about the basics of mortgage. The focus of the commercial real estate creditors is the property itself. They are interested in its condition and its earning capacity. Here the credit scores do not matter as much as that they matter in residential property deals.

You can earn much more in the case of commercial real estate business as in addition to the fixed rent, you also charge a percentage of profit from the tenants.

If you have the property in central location, you can charge a higher amount of rent, as location is of vital importance in these cases. Commercial real estates also appreciate much faster than the residential ones.

## About the Author

William King is the director of [Dubai Property & UAE Property & Dubai Real Estate Portal](#), [Pakistan Property & Real Estate Properties Portal](#), [Wholesale Manufacturers & Dropshipping Suppliers Trade Directory](#) and [Wholesale Dropshipping & Wholesalers Suppliers Trade Directory](#). He has 18 years of experience in the marketing and trading industries and has been helping retailers and startups with their product sourcing, promotion, marketing and supply chain requirements.

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