

# Kenneth Loeb Discusses the Benefits of Redeveloping Commercial Properties

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*Business executive Kenneth Loeb recently discussed the benefits of redeveloping existing commercial properties.*

OTTAWA, ONTARIO, CANADA, November 19, 2020 /EINPresswire.com/ -- A diversified real estate portfolio is often a profitable one. Investor and business executive Kenneth Loeb recently discussed how redeveloping existing commercial properties, as opposed to solely investing in residential real estate, can be an ideal investment opportunity.

"There is a lot of income potential in commercial redevelopment," Kenneth Loeb said.

"Commercial deals are typically larger and require a larger upfront investment, but that often results in more profit down the road."

[Kenneth Loeb explained](#) that the redevelopment of commercial properties typically has an annual return off of the purchase price between 6 and 12 percent. Those who invest in residential real estate typically risk less money upfront, but they don't have the opportunity to earn as much as those who invest in commercial properties.

"A lot of aspects of managing commercial properties are easier," [Kenneth Loeb said](#). "Your tenants typically have scheduled operating hours, and these are the hours during which you could be 'on call.'"

Kenneth Loeb explained that residential property owners are generally always "on call." They can receive a call from a tenant for repairs or other information at any time of day. Tenants of commercial properties typically only have issues during operating hours, which means you won't be receiving those dreaded calls in the middle of the night. Similarly, Kenneth Loeb explained that commercial redevelopers and their tenants often have aligned interests. Those who wish to rent commercial properties are often prideful business owners who plan on renting for extended amounts of time. These relationships tend to be more professional and respectful than residential landlord-tenant relationships.

"Commercial tenants tend to have a lot of respect for your property because it's a reflection of their business," Kenneth Loeb explained. "Most of my commercial tenants treat properties as if they were their own."

[Kenneth Loeb described](#) that business owners have an interest in keeping the property in top condition. Often times, business owners improve the aesthetics and functionality of a property to benefit their company. This results in a drastically different experience for the landlord than residential property investments.

Finally, Kenneth Loeb explained that commercial redevelopers have the benefit of objective price evaluations. It is typically easier to determine the earning potential of a commercial investment than a residential one. This is because you can request the income statement from the current owner and determine how much you'll likely be profiting. This can help you decide on an appropriate purchasing price.

"There is a lot less emotion involved when purchasing a commercial property for redevelopment," Kenneth Loeb said. "These decisions are more objective and based in financials. The price you pay is based on earning potential, so investors generally have a better idea of what they're getting into."

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