

## Commercial Real Estate: Lease vs Own

A common question we are asked in today's economy. With most people wanting to put their money into real estate instead of investments or the stock market, this month we take a look at some of the pros and cons of being an owner occupier of commercial real estate.

### Pros

- The creation of equity
- Monthly mortgage payment is usually lower than comparable lease payment
- Potential future rental income
- Assisting owners with wealth/retirement
- Building an asset that will assist in securing business lines of credit and other forms of loans
- Pride of ownership
- Stability
- Control
- Business image
- Not being exposed to increases in rental market
- Not being exposed to whims of landlords
- Dramatic tax benefits

### Cons

- Property management responsibilities
- Interest rate exposure on adjustable mortgages and/or if mortgage balloons
- Opportunity costs of down payment not being in a more liquid asset or being used for business operations
- Decrease in functionality of building
- Building value subject to market conditions
- Length of time in selling building
- Decrease in space flexibility

To discuss these topics further, or to see what options make sense for you do not hesitate to contact us.

## FEATURED LISTING

FOR SALE

375 Exeter Road, London



- 230,968 Sq. Ft.
- Quality freestanding warehouse building
- Seller to lease-back 25%
- Extra land

Market Stats May 2011	
Inflation Rate <sup>1</sup>	Mar 2011
Total CPI (Yr./Yr. % Change)	3.3%
Bank of Canada <sup>4</sup>	Apr 2011
Prime Rate	3.00%
Bank of Canada <sup>4</sup>	Apr 2011
Target for Overnight Rate	1.00%
Canadian GDP Growth <sup>1</sup>	Jan 2011
Month/Month % Change	0.5%
Unemployment Rate <sup>1</sup>	Feb 2011
Canada	7.7%



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# Commercial Spotlight

**100 KENNEDY ROAD SOUTH,  
BRAMPTON, FOR SALE**



- 158,000 Sq. Ft.
- Potential for rail access
- 7.21 acre site

**2201 DREW ROAD,  
MISSISSAUGA, FOR SALE**



- 22,000 Sq. Ft.
- 1.2 acres outside storage
- Rare corner lot freestand

**2861 BRIGHTON ROAD,  
OAKVILLE, FOR SALE**



- 16,287 Sq. Ft.
- 1.2 acres outside storage
- 21 ft. clear

**100 HOLLINGER CRESCENT  
KITCHENER, FOR SALE**



- 107,000 Sq. Ft.
- Tenanted till August 5, 2014
- Single tenant industrial building

**110 GLIDDEN ROAD  
BRAMPTON, FOR SALE / LEASE**



- 156,157 Sq. Ft.
- For sale or lease
- Available immediately

**6811 GOREWAY DRIVE,  
MISSISSAUGA, FOR SUBLEASE**



- 64,200 Sq. Ft. - 107,000 Sq. Ft.
- Additional 42800Sq.Ft. available
- Sublease until November 2012

**6455 VIPOND DRIVE,  
MISSISSAUGA, FOR LEASE**



- 92,771 Sq. Ft.
- Clean freestand
- 24 ft. clear

**6459 NETHERHART  
MISSISSAUGA, FOR LEASE**



- 17,181 Sq. Ft.
- 2 T/L & 3 D/I doors
- Outside storage

**WANTED**

**Investment opportunities**

**Tenanted Properties**

**Southern Ontario**

**\$1 Million Dollars & Over**

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