

## Irwin Tauber Examines the Differences Between Commercial and Residential Real Estate Development

Irwin Tauber on Commercial vs. Residential Real Estate Development and The Features of Commercial Real Estate and Residential Real Estate

MIAMI, FL, UNITED STATES, March 19, 2021 /EINPresswire.com/ -- As the president and CEO of Taubco, Southern Florida's leading real estate development and management company, Irwin Tauber has seen every extreme in residential and commercial real estate. He has earned a glowing reputation for his ability to negotiate, plan strategies, and manage deals involving a wide range of different types of properties. <a href="Irwin Tauber says real estate developers need to understand the fundamental">Irwin Tauber says real estate developers need to understand the fundamental differences between commercial and residential real estate development. He comments that this kind of knowledge is technical but requires a certain level of wisdom that only an experienced developer can achieve.

Irwin Tauber on Commercial vs. Residential Real Estate Development

On the surface, the differences may seem negligible to a beginner. <u>But nuance matters, Irwin Tauber explains, particularly</u> when serving two different types of clients and contractors. He laid out the features of each type of investing.

Irwin Tauber Explains The Features of Commercial Real Estate

Larger Returns: Profit margins in commercial real estate projects have a strong potential for greater returns. Overhead is higher, as are the risks, but the rewards are commensurate.

Triple Net Leases: Leases tend to be three times as valuable with commercial contracts compared to residential ones, and the lessee is obligated to pay expenses on the property.

Longer Leasing Terms: The terms of leasing in commercial properties are usually longer than are permitted in residential contracts. This bears some contrast to the fact that residential contracts tend to last longer, but it's beneficial to the developer and the owner on both sides of the equation.

Raising Value is Easier: Because it is far less disruptive to a commercial lessee, it's usually much easier to make improvements or alter rates.

Irwin Tauber Explains The Features of Residential Real Estate

Low Cost of Entry: Most people with a reasonable amount of business sense can qualify for a loan and invest in rental property.

Lower Tenant Turnover: Residential tenants tend to stay longer than commercial ones making income more stable, if less valuable.

Lenient Zoning Laws: There is much more red tape in commercial zoning that doesn't enter into residential contracts. This makes residential development less time consuming and less demanding.

Larger Buying Demographics: Everyone needs a home, but not everyone owns a brick-and-mortar business. Therefore, the buying market for residential properties will always be more extensive.

Performs Well During Crises: No matter what the economy's state, the need for shelter does not change. This makes residential properties lose value during a crisis, but commercial properties may be impossible to rent or sell.

<u>Irwin Tauber tells us that most developers will understand</u> these fundamental differences but that few will successfully choose the best property type for the market state. Those who do are a cut above the rest.

Caroline Hunter Web Presence, LLC +17865519491 email us here

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