

# Minnesota Commercial Real Estate Studies Show Pros And Cons Of Leasing Versus Buying Commercial Real Estate in Minnesota

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JGM Properties in Bloomington, MN, has revealed that studies have shown the advantages of leasing Minnesota commercial real estate over buying commercial real estate in MN. The company has observed that more and more business owners are beginning to realize the benefits of leasing instead of outright purchasing.

A spokesperson for the company released some statements regarding leasing commercial real estate in Minnesota: "Unless a business is really turning out profit, and plans to keep doing so for the next decade, it could actually be more beneficial to rent property. Businesses today have to save money wherever they can, after all."

Studies have indicated that unless a business plans to remain in the same location for more than seven years, it could actually lose money by buying. They should also keep in mind that the business may not get top dollar for the building when they decide to sell.

A recent article states that leasing can cost more than \$300,000 more than buying over a period of 15 years. The cost for staying in the same location for seven to 15 years is about the same, but staying for less than those seven years could cost the business money if they buy. In this case, it could be much less expensive to lease the property instead.

JGM Properties stated: "We have been leasing MN commercial real estate for years, and we know that cost isn't the only considering factor; although it is a major factor when it comes to choosing between leasing and buying."

Buying does cost more upfront capital than leasing, which is one reason that some business owners decide to lease. Even when they can come up with a hefty down payment, some businesses choose to invest that

extra money into their actual business operations as opposed to putting it down on a building that they may not end up staying occupying in the long run.

Building maintenance is another factor to consider, and there are others as well. JGM Properties urges any business owner who is trying to determine whether to lease or buy Minnesota commercial real estate to contact them. A spokesperson says, "Our professional staff can help business owners to determine which path is right for their unique MN commercial real estate needs."

More about JGM Properties can be seen on their website at <http://www.jgmproperties.com/>.

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## **JGM Properties**

*Founded in 1980, JGM Properties works with over 300 tenants, providing office, warehouse, medical, and retail space for lease in Minnesota. JGM Properties owns and manages 24 buildings in 12 suburban Minneapolis St Paul MN metro locations.*

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