**Time to take the plunge into retail…**
2005 is proving to be the year of "I liked it so much I bought the shop".
Until now it was only really the specialist investor who put their cash into factories, shops and business premises.

However, increasing market knowledge, a recent upturn in commercial property returns and a dip in buy-to-let yields have given more people the confidence to take the plunge, reports James Kersh of Sutton Kersh Auctions. For Kersh, the economics add up too because whilst residential investment relies on capital appreciation and the strength or weakness of the housing market, commercial property is more versatile as it is led by the performances of different sectors.

"Our recent research shows that buy-to-let yields are averaging around 5 per cent a year, while commercial properties are yielding at least 7-8 per cent, sometimes going into double figures," he said.

Kersh maintains that "whilst the Royal Institution of Chartered Surveyors show that the fastest performer is the offices sector, familiarity will be the X factor for first-time investors, so shops and retail units instead of offices. It's far easier to become familiar with your favourite shop than, say a factory. This can help you gain valuable insight into its trading performance.

"If the property then becomes for sale either at auction or on the open market then you are in good position to invest.

"It's often the buzz of being an entrepreneur that appeals to many investors," says Kersh.

"Many people find it far more exciting to own a shop, restaurant, or pub than a one-bedroom flat, as you can get involved in the business too.

"As every adviser will tell you though, the key to commercial property success is the tenant. If your tenant is business-like, efficient and enterprising, the business will thrive. If he or she is not, it will falter and even go bust."
Liverpool Echo, 24 March 2005