



Are NNN Properties Good Investments?

Are you hoping to increase your financial gains by investing in real estate?
Have you been trying to decide which direction is best?

There are many different ways to invest and gain a steady income through real estate. Doing your research and working with [commercial real estate](#) professionals is a great way to get started and pin down what types of investments will be best for you.

[San Benito Real Estate](#) loves seeing people come to realize their real estate dreams, so we want to help you determine which type of investment you should do.

We will start by going over a popular type of investment – A triple net lease.
Read on to learn more about NNN leases...

Understanding Triple Net Properties

As you consider looking into NNN properties for sale as an investment option it is important to understand this type of lease fully.

There are many different types of leases, but triple net leases have gained a lot of popularity in recent years because of how simple and easy they can be to the investor.

In a triple net lease, the tenant agrees to pay the property taxes, insurance, and perform maintenance in exchange for a lower rent.

This type of lease frees the investor of responsibility, time-consuming tasks, and extra expenses, while they still receive a monthly income.

You can see how this can be a big win for a real estate investor!

Even with the apparent benefits of an [NNN property investment](#), it's still important to consider all of the pros and cons before jumping in...

The Potential Risks Of NNN Properties

- **Being Dependent On A Single Tenant**

With triple net leases, you are making a big commitment with your tenants. The typical contract is at least 10 years long. If your tenant ends up declaring bankruptcy or defaulting you may be left scrambling to find a new long-term tenant.

It can be difficult and time-consuming to find another long-term tenant if the original one leaves without notice.

- **Being Dependent On Location**

Location, location, location!

We all know how important a good location is for real estate. If you end up buying property in an undesirable area it may be hard to find a tenant who is willing to commit to a NNN lease.

- **A Market That Is Not Always Predictable**

We can do our best to predict what the market will be like in the coming years, but there are too many variables to ever be certain. Because of this fact alone investing in real estate always comes with risks.

Thankfully, much of the time the benefits far outweigh the risks!

The Great Benefits Of NNN Properties

- **A Very Simple Investment**

The management of this type of investment is so easy and hands-off. You could live across the country and have a successful NNN property lease.

The ease of not having to deal with maintenance, insurance, or taxes is one of the big draws of this type of investment.

- **Typically Stable**

[1013 Gateway](#) brings up the point that the possibility of a tenant defaulting on this type of lease is much less likely than in a typical lease.

The contract and nature of a triple net lease create stability for both the investor and tenant. This stability is one of the reasons that this type of lease is growing in popularity.

- **The Lease Is Predictable**

The lease contract should be clear and to the point so everyone knows what to expect. How many years the tenant is leasing and what their responsibilities are should all be laid out. This allows for predictability for everyone involved.

How To Limit Risks

- **Choose Your Tenant And Location With Care**

An irresponsible tenant or bad property are two of the biggest risks to your investment. That is why it is absolutely essential to do the hard work upfront so you can benefit for years to come.

Take time to find a desirable location that has growth potential. The cost for a good property may be higher, but in the long run, you will benefit a lot more when you have an excellent property.

Likewise, do a thorough search for a tenant. Do a background check, ask for references and pay stubs. Meet with them a few times and talk things out. You are going to be leasing to them for a long time, it is important you know they have good integrity.

- **Take Time Making A Thorough Contract**

Don't mess around with your contract, make sure it is thorough and clear. A well-made contract can help decrease your risk greatly.

If you want you can work with a professional to create the perfect contract.

- **Work With An Experienced Real Estate Company**

A professional and experienced real estate company can help your real estate investment go smoothly and help you gain much more!

San Benito Real Estate has years of experience and our brokers would be happy to help you with your real estate dreams. [Contact us today for more information!](#)



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