

Texas Commercial Real Estate Investment Pros & Cons Checklist

This checklist helps Texas investors evaluate the pros and cons of commercial real estate (CRE) opportunities. Use it to analyze income potential, risks, financing options, and market factors before making a decision.

- 1. Income Potential: Compare CRE rental yields (office, retail, industrial) versus residential properties in target Texas cities (Dallas, Houston, Austin, San Antonio, Fort Worth).
- 2. Tenant Base: Assess quality and stability of potential tenants—are they established businesses or startups with higher risk?
- 3. Vacancy Risks: Consider likelihood of prolonged vacancies in specialized properties (office, retail).
- 4. Market Growth: Research economic drivers in Texas regions—tech in Austin, energy in Houston, logistics in Dallas-Fort Worth.
- 5. Entry Costs: Verify available capital for 20–30% down payment or explore SBA 504 financing for lower equity requirements.
- 6. Property Condition: Inspect roof, HVAC, plumbing, electrical, and confirm capital improvement needs.
- 7. Lease Structures: Review lease types (NNN, gross, modified) and their impact on cash flow and expenses.
- 8. Financing Options: Compare DSCR loans, SBA 7a, SBA 504, and bridge loans through GHC Funding.
- 9. DSCR Ratio: Ensure property meets lender DSCR requirements (typically 1.20+ for CRE).
- 10. Exit Strategy: Define whether the plan is to hold long-term, refinance, or sell after appreciation or value-add improvements.

Tip: Balancing the pros and cons of CRE in Texas requires careful due diligence and strategic financing. Visit GHC Funding (www.ghcfunding.com) or call 833-572-4327 to explore DSCR loans, SBA 7a, SBA 504, Bridge Loans, and Alternative Real Estate Financing tailored for Texas investors.