



Joel Ackerman - Take a look around your property: Unused office space can increase your company's profits

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Unused office space can increase your company's profits. And if you think you don't have any, take a look around - you may be surprised at the empty space you've overlooked.

Most business owners believe they don't have any unused space to rent out. But if you search a little, you may be able to turn unnecessary space into increased profits. You'd be surprised at the kind of space that others will pay for.

Take a look at how these four businesses improved their bottom lines:

One business even managed to turn some unused parking spaces on a back lot into extra profits. Their financial adviser pointed out that the dealer had a parking lot and could lease parking spaces since his inventory levels were low. A nearby bank with a limited parking area was more than willing to rent the vacant spaces to keep employee cars off its lot.

Sometimes you can rent out business space or facilities for short-term idle periods. A new car dealer didn't have enough weekend business to keep his service department open on Saturdays and Sundays. He decided to rent out his service bays on those days--along with a mechanic--on a flat rate basis to businesses with their own fleets of vehicles.

A medical facility operated from 8 a.m. to 5:30 p.m. But what about from 5:30 at night until 8 a.m. in the morning? The doctors who owned the facility ended up establishing an evening walk-in clinic that was run by contract physicians. Since a nearby hospital has an average emergency room wait of two hours, business at the walk-in clinic is booming. In addition the owners are profiting nicely.

Remember, too, that the market value of your idle space may increase significantly if you're able to throw in a few additional services that you're paying for anyway.

A law firm with an idle office may be able to rent it out for, say, \$500 a month. But if the firm throws in access to a law library, a receptionist, a photocopy machine, a fax machine and a conference room--things that the firm is paying for anyway, the market value of that office may jump to \$1,000 or \$1,500 per month.

An insurance agent liked his high-profile business address, but had three times the space he needed. To help offset the extravagance throughout the year, each January through April, he rented the extra office space to a tax-season only business. In just those four months he could recoup enough cost to make the office affordable the rest of the year, and the seasonal business was able to have a reliable location without having to pay rent in the months they weren't operational.

So take another look around your building, perhaps you can offer part of your warehouse to nearby businesses for additional storage, or rent empty offices to a non-competing start-up company that needs a commercial address but can't afford the going rates. By talking over the implications with your business and financial advisers, you might be able to turn it into cash.

Have more questions? Contact me!

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