Ways to raise revenue commercial properties

Rui Li
Guangzhou huanshi east road 420
Guangzhou Military Region Real Estate Board
Guangdong Guangzhou, China
289141551@qq.com

Abstract—With the development of market economy and more refined labor division of the real estate, the commercial property has become a special property whose building area just after the residence in the cities. However, China's commercial property development and management has been the weak link in the real estate development, whether operation or management there are some less-than-satisfactory. This paper analyzes and discusses the problems of China's commercial properties in the development process, and put forward some personal views on how to improve the commercial property management revenue and recommendations.

Keywords— commercial property; business; management; model

I. FOREWORD

The state strengthens macro-control on the real estate market in recent years, which leading a serious wait-and-see mood of real estate rigid demand, and both the improve demand and investment demand were strictly limited and restricted by the control policies. There are more and more attention to the commercial real estate market paying by the industry of real estate companies, investment capital and real estate. However, the characteristics of commercial property such as business, public and service, determine it being not the same management features as the residential area [1], and its market model and internal operating rules are very different from the residential real estate.

The core values of commercial real estate operation and management is to continue to achieve a stable rental income, therefore, how to try the best to enhance the income is the fundamental task in each stage of commercial property development. The future development trend of China commercial property is bound to change rational development from the blind development [2], so it’s the most important to find out the way to make commercial property income become part of the commercial real estate sustainable, health, and regulate development. The specific ideas flow chart shown in Figure 1.

II. REASONABLE POSITIONING OF THE PROJECT IS THE FOUNDATION FOR THE DEVELOPMENT OF COMMERCIAL PROPERTY

The main features of the commercial property are relatively independent of the operation and management, and coordination added [3]. Commercial properties more focus on the lease business of the proprietary property, rented out to commercial use of office, retail and wholesale [4]. Residential real estate is mainly embodies the function of living so that residential real estate projects generally have a certain amount of rigidity needs supporting while the main function of the commercial properties mainly reflect on the guide consumption and investment returns, and it has more high levels demand of operating costs and capital investment return rate. Therefore, reasonable project positioning of the commercial property is fundamental to the successful development operations.

The commercial real estate cannot simply copy the first design then sales model of residential real estate, but should first determine the business model, investment objects and forms demand, and then carry out architectural planning and design, so that to minimize the cost of future transformation, thereby reducing the risk of commercial real estate [5]. In order to achieve accurate positioning, on the one hand, we must adapt to the needs of the market, on the other hand, it should suitable for the enterprise's own resources and capabilities [6].

The specific development direction of commercial real estate, the using development pattern and business forms have played a decisive role in the success or failure of the commercial real estate, so it must be researched scientific and informative demonstration and make business planning rigorous. In order to make reasonable project positioning of the commercial property, firstly, it should clarify the developed context of the property market and the commercial in the project area, in-depth understanding of the developed stages of the real estate market in the project area, and understand the environment of project marketing. Secondly, it should in-depth survey and do special studies to the commercial considerations of the project area such as the economic operation, business thrive extent, population size and family structure, and the existing residential environment. Finally, it should base on the situation of surrounding similar regional and the specific characteristics of the project, making horizontal and vertical comparison, to determine an exact location which can comply with market developments for the project.

After determining the reasonable positioning of the project, multiple links of the project such as planning, design, construction, investment, marketing, and the arrangements of financial budgetary, should work closely focus on the identified projects positioning. When the project size is
larger or the market environment is not clear, and there is a certain risk of commercial real estate projects, generally should hire the professional commercial real estate planning company to get involved from the feasibility study stage of the project. Moreover, it should inspect the outstanding successful commercial real estate projects to assist owners to research, examine, project, demonstration. In addition, make sure the expert’s wisdom and experience in operations management to implement in details, in order to avoid the defects and errors that may exist in the positioned project, to effectively control risks and improve efficiency.

III. THE CLEAR DEVELOPED PROSPECT IS A CORE VALUE OF COMMERCIAL PROPERTY

The commercial center is a business culture card of urban construction, the symbol of the city's prosperity, the focus of city operations, the integrated image of the city spirit and the public spirit. The improvement of urban quality cannot be separated from the commercial center and the prosperity of the city's traditional business networking, and the establishment of new urban centers cannot be separated from the large commercial projects supported. Therefore, the core value of commercial real estate is not only lies in the economy, but also embodied in a commercial society culture and city spirit. It's particularly important to establish clear developed prospects for establishing the confidence of the public. No matter the produce of investment customers shop purchase behavior, or the rental customers’ optimistic about the prospects of business operations, or the expectations of consumer for the positioned project, are all come from the public confidence to the project, and sustainable management is the core value in use and functionality of commercial projects.

Many commercial project's failure was caused by the developer in pursuit of rapidly returning of the development funds, leading the developed commercial projects were mainly in sales and the commercial area property rights were dispersed in the hands of investors after sales, which make it difficult to achieve unified management and operation, resulting in pre-business planning and positioning cannot be achieved, making the public loss confidence because of seeing no developed prospects of commercial projects.

Separation of property development rights, ownership, management rights and management rights makes the property management become more complex [7]. To avoid this circumstance happening, some developers determine the only rent and unsold principle of all commercial property in the early stage of construction and development, clearly showed that the owners units are long-term holding to the community, and their business philosophy is focusing on the quality construction, that effectively improve the manager’s confidence of development, and then consciously to regulate quality business; some developers strictly control the scale and location of sales area, mainly sold the edge position of the project, and operating independently the main commercial core area; and some developers introduce strategic partners, which can make the pre-project orientation to the implementation of the maximum, because stable and reliable long-term strategic partner can fully ensure the interests of many parties in the development of commercial projects. These measures and operated ways reflect that access stable and sustained increase rental income is the owners’ core values, and it can effectively improve the businessmen’s confidence index, showing a clear prospect of development to the owners units and the businessmen, and make the sustainable business interests become consistently.

IV. STANDARDIZED OPERATION AND MANAGEMENT IS THE INTERNAL POWER FOR THE SUSTAINABLE DEVELOPMENT OF COMMERCIAL PROPERTIES

There are many forms of the domestic commercial real estate, not only traditional commercial streets, shopping malls, wholesale markets, but also the upgrading pedestrian street, supper shopping plaza, urban complexes, service apartments, timeshare hotels, elderly rental apartments and other multiple formats which are rapidly developing in recent years. No matter what characteristics of business models and profit distribution that the various formats have, it cannot be separable from the standardized operation and management.

The property management department and the customers should close cooperation and exchange the information of the product quality, performance, market development, property services, customer reflect frequently, so that the property management division and clients achieve win-win situation [8]. Therefore, standardized operation and management is the internal power for the sustainable development of commercial properties and the increasing source of the commercial real estate income and property value.

The essence and the core task of modern commercial real estate operation and management is to combine the fragmented loosely operating businesses with the wide variety patterns of consumption and purchase organically, to marshal commodity business and satisfy consumer of scale, attracting consumers to service operators by the scale of operation, and inspired operators by meeting the consumer, so that it can unified gathered into a business themes and business platform. Modern commercial real estate operation and management strengthens the operational management by the new means of hardware-grade construction and information technology.

V. SUSTAINED CULTIVATING THE MARKET IS THE BEST WAY TO THE COMMERCIAL PROPERTY APPRECIATION

The value of commercial property comes from the inspection by the operating system and to obtain the sustained appreciation of commercial property, of which the rental income is the most direct reflection of concrete results. The nurturing behavior of the market should begin to consider from the commercial real estate projects, commercial positioning and tenant mix as well as the configuration of store. General market should be suitable for the local business situation, because too far ahead will depart from the existing levels of consumption cannot meet the effective demand but too low will impede the introduction of
the follow-up brand business and the overall ascension of project.

Cultivate the market should use a variety of marketing strategies, focusing on non-price competition factors, playing operation leading role, and guide the operating businesses to provide marketable commodity [9], to narrow the psychological distance of the commercial project in the consumers, enhancing identity of the consumer to commercial projects, so as to promote the consumer to form a positive consumer attitude on specific goods, services, and commercial projects. Promoting integration of the marketing strategy should establish a theme concept as the center, making a long-term arrangements and plans for the image of publicity and overall promotion, determining guidelines and promotion of ideas, and all aspects surrounding this center, thus establishing a unique feature, style and image, and enhance the publicity of the marketing strategy.

VI. SUMMARY

Research of the combination of business format and its variation to real estate is the most intractable problems placed in front of the commercial real estate [10]. Commercial property project’s development, construction, planning, positioning and investment business should be accomplished a comprehensive planning [11], leading the development of commercial properties on track and to mature by reasonable positioning of the project and clear development prospects as well as regulated the operation and management and sustained cultivating the market.

REFERENCES

[7] Shuli Wei, Jihua Li: Analysis of the professional market property management strategy in commercial property management. THEORY HORIZON 2010,(3)
[9] Qinghua Mo: How to deal with the relationship of commercial property management and customers. CHINA PROPERTY MANAGEMENT 2005,(8)

![Flowchart](figure1.png)

Figure 1. The specific ideas flow chart.