

## Home-Based Business Real Estate

Over half of U.S. businesses are based in the owner's home, according to the U.S.

Small Business Administration. When it's time for those small business owners to move, buying a new home can be extra challenging.

There will be more to consider than just your personal tastes in a home. Depending on the type of business, you might need to do quite a bit of research to find a home that suits your needs and complies with local ordinances. This means planning ahead.

### THE SPACE

If your job primarily involves office or administrative work, a small workspace in a common area might be sufficient. A separate space usually works better, however, to achieve maximum productivity. You'll likely need room for a desk, printer and basic office supplies.

If you will be meeting with clients, or if you do service-type work, such as hair



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services or consulting, you'll need more space. Ask your real estate agent to show you multi-use developments, where you might find a townhouse with living space above an office or workspace with a separate entrance. These types of developments have been trendy since the mid-2000s, and encourage a sense of community while being pedestrian and public trans-

portation friendly, according to the American Planning Association.

### THE LAWS

In most areas, local ordinances will govern how you can use your property. If you won't be seeing clients at your home, this will likely not be an issue. When clients will be visiting the property, however, issues of traffic, parking

and safety are involved. It's a good idea to have a real estate attorney look over a prospective purchase to be sure you will be in compliance with local zoning and other ordinances.

### THE PRICE

A home with a separate entry, specialized facilities such as a climate-controlled garage or outbuilding, or

extra property to suit your needs, can all come with a higher price tag. Before making the decision to move, ask yourself if your business income can support such a transition. Will you need to take on extra clients to help foot the bill? You might need a long-term plan to meet particular business goals before a move makes financial sense.

### THE PROS

When you're shopping for a home for both residential and commercial use, shop for a real estate agent accordingly. When interviewing buyer's agents, ask each one if he has experience working with clients who own their own home-based business. Ask how they have helped previous clients address the challenges of buying such properties.

If a property is not properly zoned for the type of work you'd like to do, you might be able to apply for rezoning. This will definitely require the advice of a specialized attorney. If you find a property with the space you will need to run your business, but it needs some renovations to be usable, consult a builder with experience in this type of project. Get a quote on the needed improvements before making an offer.



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### REAL ESTATE 101



### Make the Space Yours

HGTV recommends styling your home office for comfort and productivity. Position your desk so you can look out a window. Personalize your space with a paint color that “gets your work motor humming.” Put your personality into wall hangings and decor. While you’re investing in a home office, consider also investing in a high-quality chair that will be comfortable and stylish.

### HOMESWISE GLOSSARY

**PACE financing:** a program that provides a way to fund energy efficiency home improvements. “PACE” stands for Property Assessed Clean Energy.  
SOURCE: Consumer Financial Protection Bureau

# AD SPACE