

In A Down Economy, Ground Leases Are an Underutilized Development Solution

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In a challenging economic environment, equity can be the most expensive form of capital. As a result, developers and investors often look for alternative ways to control their assets that give high returns. In commercial real estate, ground leases are a great solution that allows owners to maintain that control, while offering flexibility for all parties involved.

A ground lease (also referred to as a land lease) is an agreement between a tenant and an owner for the right to use land for a prolonged period, typically 49 to 99 years. This strategy allows, for instance, a developer to minimize upfront land costs and generate revenue while allowing the landowner the opportunity to maintain ownership of the property while collecting on the lease.

[Real estate attorney, Brian Cohen](#) was featured in the article discussing some of the advantages and disadvantages of ground leases for both landlords and tenants.

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