

Choosing the Perfect Commercial Location

Location is often the No. 1 factor in a business's success or failure. To avoid common mistakes small business owners make when choosing their location, complete a copy of this checklist for every location you're considering. Then carefully compare the pros and cons of each space before you make your decision.

1. DEMOGRAPHICS

Use resources such as the landlord of the location and your local economic development department to find out if the area has enough target customers to support your business.

Daytime population _____ Pedestrian traffic _____
Total population _____ Vehicle traffic _____
Other/Notes _____

2. CO-TENANCY

Who are the anchor tenants? _____
Who are the other tenants? _____
What are the pros and cons of the location's tenant mix? _____

3. SIZE & SHAPE OF LOCATION

What is the square footage of the location? _____
What is the shape of the space? _____
Are there columns or other impediments inside the location? _____
Is the location:
 In-line Freestanding building Corner/end-cap location

4. INFRASTRUCTURE

What year was the space built? What year was it most recently upgraded? _____
Does it have adequate
 Heating, ventilation & cooling (HVAC) Plumbing/Restroom facilities Gas
 Internet/WiFi Electrical wiring Other _____
Does it meet current building codes? If not, what is needed to bring it up to code? _____
Is it ADA compliant? If not, what is needed to bring it into compliance? _____

5. SIGNAGE & VISIBILITY

How visible is the space from within the center, for pedestrians, and for passing traffic? _____
Are there any restrictions on signage (size, color, illumination, etc.)? _____

6. PARKING

Who are your closest co-tenants? How might they affect parking? _____

Is there storefront parking (if needed)? How many spaces? Can spaces be dedicated to your store? _____

Is parking free or paid? If paid, what are parking rates? _____

Is there easy access for deliveries (if needed)? _____

7. COMPETITION

How far away are your competitors, both inside and outside the shopping center? Go online and map out their locations within a 20-mile radius.

8. COST

Is the landlord offering a triple net lease or a gross lease? _____

What additional costs are you responsible for, and what is the average yearly cost for each? _____

- | | |
|--|---|
| <input type="checkbox"/> Trash removal _____ | <input type="checkbox"/> Security _____ |
| <input type="checkbox"/> Utilities _____ | <input type="checkbox"/> Property insurance _____ |
| <input type="checkbox"/> Janitorial _____ | <input type="checkbox"/> Property taxes _____ |
| <input type="checkbox"/> Common area maintenance _____ | <input type="checkbox"/> Other _____ |

How often can the rent increase and how much? _____

9. MOVE-IN CONDITION

What leasehold improvements are needed to prepare the space for your intended use? _____

If improvements are needed, contact a licensed contractor for:

- | |
|--|
| <input type="checkbox"/> Estimated build-out costs _____ |
| <input type="checkbox"/> Estimated build-out timeframe _____ |

Is the landlord willing to pay for improvements and roll the cost into the rent? If so, how much? _____

Is the landlord willing to offer a tenant improvement allowance (TI)? If so, how much? _____

10. ZONING LAWS

Do local zoning laws restrict any of the following?

- | | | |
|---|---|--------------------------------------|
| <input type="checkbox"/> Signage _____ | <input type="checkbox"/> Allowable uses _____ | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Building codes _____ | <input type="checkbox"/> Hours of operation _____ | |

11. SECURITY

What type of security does the site have? _____

- | | | |
|--|---|--------------------------------------|
| <input type="checkbox"/> Alarms _____ | <input type="checkbox"/> Real-time monitoring _____ | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Cameras _____ | <input type="checkbox"/> Security guards (during what hours?) _____ | |

Contact the local police department. What types of incidents are reported at the shopping center and how often? _____

Contact your insurance agent. What is their estimate for yearly insurance costs? _____

12. LEASE TERMS

What lease terms is the landlord offering?

- | | | | |
|---------------------------------|---------------------------------|----------------------------------|--------------------------------------|
| <input type="checkbox"/> 3-year | <input type="checkbox"/> 5-year | <input type="checkbox"/> 10-year | <input type="checkbox"/> Other _____ |
|---------------------------------|---------------------------------|----------------------------------|--------------------------------------|