LOCATION, LEASING AND REAL ESTATE
POLL:

What is your current location situation for your business?

1) I own my business location
2) I lease my business location
3) I want to change my business location
4) I do not yet have a business location
Location, Location, Location

• Zoning Categories
  • Every city has a planning department at City Hall.
  • You can no longer rely on zoning codes to determine all rules.

• Criteria for Home Based Business
  • Be sure your home business is permitted.
  • Many homes have an association with regulations.
Location, Location, Location

• Criteria for a Manufacturing or Industrial Business
  • Allow for future expansion
  • Convenient for employees
  • Accessibility
  • Available labor force
  • Appropriate utilities
  • Convenient to freight and express delivery systems

• Criteria for a Retail Business
  • Each business has its own special criteria.
Tips for Selecting a Retail Location

• Choosing a Retail Location
  • Select the appropriate *type* of center (mall, strip, mini).
  • Demographic data will provide you information.
  • Traffic count is important.
  • Visibility and signage: Customers must know you are there.
  • Access and parking: Be sure you have adequate parking.
  • Know where your competitors are located. (Google them)
  • Locate close to big national stores in a mall or shopping center.
POLL:

We hear it said over and again, “Location, Location, Location.” What aspect of your location is most beneficial to your business?

1) Customers can easily find me
2) Great visibility - good neighborhood
3) Safety – low crime area
4) Plenty of parking
5) Cost
6) Other
Leasing Checklist

✓ Retain a real estate lawyer.
✓ Ask for options.
✓ Keep your initial term short. You need flexibility to accommodate growth.
✓ Don't hurry your decision.
✓ Pay fair rent for an outstanding location.

• Points to Consider Before Signing a Lease or Purchasing Property
  • Is the location the best available?
  • Does it meet your own specific criteria?
  • Are utilities and tenant improvements adequate?
Leasing Checklist

• Basic Lease Provisions
  • **Rent**: Competitive?
  • **Term**: Short-term or long-term?
  • **Common area maintenance charges (CAM)**?
  • **Options**: to renew?
  • **Rent increase**: Fixed or based on the Consumer Price Index?
  • **Tenant improvements**: Put in writing.
  • **Right to assign or sublet**?
  • **Signs**: Be specific with exhibit.
  • **Parking rights**?
  • **Personal guarantee**?
  • **Exclusive**: No other similar business in the center?
Leasing Checklist

• All leases have Exhibits
  • Site plan.
  • Sign criteria.
  • Construction obligations.

• To Rent or to Buy Considerations
  • Capital needed for business?
  • Are requirements going to change?
  • Ownership fixes future cost and the location.
Leasing Checklist

• Do Your Homework
  • Fill out a lease form for your business.
  • Complete a "Site Criteria" table.
  • Retain a good real estate lawyer.
  • Negotiate an actual lease as practice.
Site Location Criteria

– Create your own "Site Model". Assign different values to important factors.

• There's no such thing as the "last good location."

• Copycat your most successful competitor's site criteria.

• It is better to pay fair rent on a great location than great rent on a fair location.

• Don't rely on leasing agents to make your site decisions.

• Driving streets is a good way to scout for locations.
# Site Location Criteria

## Site Criteria Table

<table>
<thead>
<tr>
<th>Factors</th>
<th>Grade 1-10</th>
<th>Weight 1-5</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traffic count: Cars or pedestrians</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Visibility access</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Proximity to competition</td>
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<tr>
<td>Zoning</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parking (include off-street parking)</td>
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<tr>
<td>Condition of premises</td>
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<tr>
<td>Proximity to customer generators</td>
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<td></td>
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<tr>
<td>Income level of neighborhood</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Population density</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Ethnic make-up of neighborhood</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Age factor</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Directional growth of area</td>
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<td></td>
<td></td>
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<tr>
<td>Area improving or deteriorating</td>
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<td></td>
<td></td>
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<tr>
<td>Crime/shoplifting rates</td>
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</tbody>
</table>
TOP TEN DO’S

1. Talk to your city hall planning and zoning department.
2. Create a Site Model Criteria.
3. Look at many locations.
4. Order demographic data.
5. Retain a real estate lawyer.
7. Provide terms for expansion.
8. Have agreements in writing.
9. Ask that no other similar business be allowed.
10. Use signs that are the largest allowed.
TOP TEN DON’TS

1. Do not hurry making a real estate decision.
2. Don't judge a location entirely on rent.
3. Don't let a potential landlord dictate all the lease terms.
4. Don’t personally guarantee your lease if possible.
5. Don’t sign a lease without the approval of your lawyer.
6. Do not depend on the advice of a landlord's leasing agent.
7. Don't submit to unreasonable conditions.
8. Do not depend on any verbal agreements.
9. Do not open the second store until the first one is proven.
10. Do not sign a lease without subject to securing all permits.
Thank you for attending today’s webinar.

We value your feedback. Please complete the evaluation now.

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