**10 Things to Consider When Choosing a Location for Your Business**

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Before you start shopping for business space, you need to have a clear picture of what you must have, what you’d like to have, what you absolutely won’t tolerate and how much you’re able to pay. Developing that picture can be a time-consuming process that's both exciting and tedious, but it’s essential you give it the attention it deserves. While many startup mistakes can be corrected later on, a poor choice of location is sometimes impossible to repair. Be systematic and realistic as you consider the following 10 location points.

**1. Style of operation.**

Is your operation going to be formal and elegant? Or kicked-back and casual? Your location should be consistent with your particular style and image. If your business is retailing, do you want a traditional store, or would you like to try operating from a kiosk (or booth) in a mall or a cart that you can move to various locations?

**2. Demographics.**

There are two important angles to the issue of demographics. First, consider who your customers are and how important their proximity to your location is. For a retailer and some service providers, this is critical; for other types of businesses, it might not be as important. The demographic profile you have of your target market will help you make this decision.

Then take a look at the community. If your customer base is local, does a sufficient percentage of that population match your customer profile to support your business? Does the community have a stable economic base that will provide a healthy environment for your business? Be cautious when considering communities that are largely dependent on a particular industry for their economy; a downturn could be bad for business.

Now think about your work force. What skills do you need, and are people with those talents available? Does the community have the resources to serve their needs? Is there sufficient housing in the appropriate price range? Will your employees find the schools, recreational opportunities, culture, and other aspects of the community satisfactory?

**3. Foot traffic.**

For most retail businesses, foot traffic is extremely important. You don’t want to be tucked away in a corner where shoppers are likely to bypass you, and even the best retail areas have dead spots. By contrast, if your business requires confidentiality, you may not want to be located in a high-traffic area. Monitor the traffic outside a potential location at different times of the day and on different days of the week to make sure the volume of pedestrian traffic meets your needs.

**4. Accessibility and parking.**

Consider how accessible the facility will be for everyone who'll be using it—customers, employees, and suppliers. If you’re on a busy street, how easy is it for cars to get in and out of your parking lot? Is the facility accessible to people with disabilities? What sort of deliveries are you likely to receive, and will your suppliers be able to easily and efficiently get materials to your business? Small-package couriers need to get in and out quickly; trucking companies need adequate roads and loading docks if you’re going to be receiving freight on pallets.

**5. Competition.**

Are competing companies located nearby? Sometimes that’s good, such as in industries where comparison shopping is popular. You may also catch the overflow from existing businesses, particularly if you’re located in a restaurant and entertainment area. But if a nearby competitor is only going to make your marketing job tougher, look elsewhere.

**6. Proximity to other businesses and services.**

Take a look at what other businesses and services are in the vicinity from two key perspectives. First, see if you can benefit from nearby businesses—by the customer traffic they generate—because those companies and their employees could become your customers, or because it may be convenient and efficient for you to be their customer.

Second, look at how they'll enrich the quality of your company as a workplace. Does the vicinity have an adequate selection of restaurants so your employees have places to go for lunch? Is there a nearby day-care center for employees with children? Are other shops and services you and your employees might want conveniently located?

**7. Image and history of the site.**

What does this address say about your company? Particularly if you’re targeting a local market, be sure your location accurately reflects the image you want to project. It’s also a good idea to check out the history of the site. Consider how it's evolved over the years.

Ask about previous tenants. If you’re opening a restaurant where five restaurants have failed, you may be starting off with an insurmountable handicap—either because there’s something wrong with the location or because the public will assume your business will go the way of the previous tenants. If several types of businesses have been there and failed, do some research to find out why—you need to confirm whether the problem was with the businesses or the location. That previous occupants have been wildly successful is certainly a good sign, but temper that with information on what type of businesses they were compared to yours.

**8. Ordinances.**

Find out if any ordinances or zoning restrictions could affect your business in any way. Check for the specific location you’re considering as well as neighboring properties—you probably don’t want a liquor store opening up next to your day-care center.

**9. The building’s infrastructure.**

Many older buildings don't have the necessary infrastructure to support the high-tech needs of contemporary operations. Make sure the building has adequate electrical, air conditioning, and telecommunications service to meet your present and future needs. It's a good idea to hire an independent engineer to check this out for you so you're sure to have an objective evaluation.

**10. Utilities and other costs.**

Rent composes the major portion of your ongoing facilities expense, but consider extras such as utilities—they’re included in some leases but not in others. If they’re not included, ask the utility company for a summary of the previous year’s usage and billing for the site. Also find out what kind of security deposits the various utility providers require so you can develop an accurate move-in budget; however, you may not need a deposit if you have an established payment record with the company.

If you have to provide your own janitorial service, what will it cost? What are insurance rates for the area? Do you have to pay extra for parking? Consider all your location-related expenses, and factor them into your decision.