

## 6.4: Evaluating Site Characteristics

### Learning Objectives

#### Page ID

75627 Create a summary of the essential site characteristics to be evaluated

You have decided to open a new business, or a new location for your existing business. Several sites are available. How do you choose just the right one? We have talked about how to get the needed data, so now let's summarize the really important aspects of location. You have, I am sure, heard the old saying, that the success of a business is all about "location, location, location," and that is absolutely true!

#### Learn More

- "[Choosing a Retail Store Location](#)" by Shari Waters on *The Balance: Small Business*
- "[The Retail Site Selection Process](#)" by Bill R. Shelton, CECd HLM on *Buxton*

Entrepreneur Magazine has [an excellent list of things to look at before picking a retail location](#).

Some of the items in this list can be part of a good review of the census or a GIS review. Some of these need to be done in person, walking the area! Let's take a look:

1. **Your style of operation.** If you are going to start an upscale steak house in a neighborhood filled with dollar stores and fast food restaurants, you may want to rethink your choice. Your style doesn't match the area! There may be reasons that no one has started a fancy restaurant there yet!
2. **Demographics.** We have discussed this one in detail, but let's take another look. Who are your customers, how important is it to be close to your business and is the economic base of the location stable? If you plan to start a business in an area where there is one primary industry, it may be difficult to operate if that industry has a downturn.
3. **Foot traffic.** Can people get to your door? How many people pass by on foot each day? This one will vary based on your type of business, but it is definitely important to consider!
4. **Accessibility and parking.** The most awesome business may struggle if there is not enough parking or your customers can't access it easily. A daycare center on the second floor of a building with no elevator, or a fitness center for senior citizens without handicapped accessibility might be examples of this problem. Make sure your target market can easily get to you!
5. **Competition.** So here is an issue that may be good or bad. If there are several restaurants in a particular area that are always busy and overflowing, it may be good to add another! Ah, but if there are already several barbershops that are not busy, it may not be good to hang out your shingle in that neighborhood. Who is the competition, how busy are they, and is there room for another similar business?
6. **Proximity to other business and services.** May also be good or bad. As in number 5, competition may enhance your business or damage it. It may also be good to open a complimentary business to those already in the area. For example a drop-in child care center next to a fitness center or spa might be very popular and needed!
7. **The image and history of the site.** A good history of successful businesses in a spot might be amazing! But what if the space you have chosen has had 5 different restaurants in as many years? Was it the location? The food? Poor management? It could have been ANY of these things, and you should delve deep to find out!
8. **Ordinances.** Sometimes to get a space up to par is a challenge in a particular community or neighborhood. If you are interested in opening a coffee shop and would like to have outdoor seating and serve wine and beer, check with the town or city to insure that these things are options, and what the fees may be. A great location, isn't great if you can't do the things you need due to regulations, licensing and permit issues!! I recently had a conversation with a guy who bought a building to put small rental rooms into, but he found out it wasn't permissible in this location! He now needs to find a buyer for a building that has limited uses. A few phone calls may have averted this issue!
9. **The condition of the building.** It may be difficult to put a high tech computer store in a building with old wiring, or a laundromat in a building without sufficient water hook ups. Make sure that the building you are looking at will fit your needs from an infrastructure standpoint. Have it professionally inspected, and find out how much renovations may cost to make it work.
10. **All the other costs.** Utilities, insurance, janitorial service, refuse removal and parking fees can all add up! That building with a low lease cost may cost more than you could imagine once you add all of those costs in. Find out what is included in the lease,

and research the other costs before you jump in!

So, there is **a lot** to consider when you think about picking a retail location!

### ? Practice Questions

<https://assessments.lumenlearning.co...sessments/9197>

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