

Location and premises

The location of your business is a very important issue for you to consider. It is essential that you carefully match your business location to the needs of your customers. Do not select it because it is convenient for you or because it is cheap. Your premises will probably be the most valuable investment you will make in advertising the image of your business.

Consider the following when choosing a location or inspecting an existing business:

1. Looking at a number of different locations may show up weaknesses in your first choice. Have you compared different premises in different locations?
2. Is the site that you prefer convenient for your customers and close to your suppliers?
3. Moving premises is expensive. Is your choice of premises and location suitable for both your immediate needs and for future growth?
4. A poor choice of location and premises will put you at a disadvantage in your target market. Can your customers readily access your premises?
5. Buying or setting up your business will be expensive. Will your lease be secure enough to ensure that you operate from your premises long enough to make a profit on your investment? *Important:* Ask your solicitor to check that your lease gives you adequate security of tenure.
6. Does your lease give you an option to renew if you want to? Will any of the terms of your lease agreement affect the ongoing profitability of your business? When you are considering signing a lease we would recommend strongly that you take legal advice prior to signing.
7. Have you considered all of the expenses involved in leasing the premises of your choice? These may include rent, rent adjustment, electricity, cleaning, repairs, maintenance, and refitting expenses.
8. Many business activities are closely controlled by local councils. Have you checked with your local council about any regulations that may affect the operations or profitability of your business? It could save you from fines or even closure of your business.

Evaluate Your Prospective Locations

Choice of location is a most important factor when starting your business. The table on the last page of this fact sheet is designed to assist you in this process.

Initially you will need to observe your potential locations, taking note of the type and number of “passers by”. Think about businesses that may add value to yours and where they are located. In addition you will need to speak to neighbouring businesses about the area and how business is going. Contact your local council regarding future development proposals and their plans for the area. This will give you important hands-on information about the location.

Go through the listing of site criteria and assign them a *weight* (on a scale of 1 to 5) according to their importance to the success of your future.

Once you have assigned the weighting to each of the criteria, go through the list again and this time assign them a *grading* from 1 to 10.



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Multiply the *grading* by the *weight* to arrive at a **score**. Add up all scores to assign a Total Score. In this way a number of sites can be compared, and a more informed decision made as to which site you wish to proceed with.

This information is provided as a guide only. Each business is different and will need to have its individual needs assessed. The Queensland Government, its Ministers, officers, employees or agents do not accept responsibility in respect to this information or any consequence of relying on it.

Further information

The following fact sheets provide further information on these issues:

- Business planning



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	FACTORS	GRADE	WEIGHT	SCORE
1	Visibility of site to passersby			
2	Vehicular and pedestrian traffic			
3	Parking availability			
4	Overall customer convenience			
5	Centrally located to my market			
6	Transportation accessibility			
7	Supplier proximity			
8	Health of local business climate			
9	Compatibility of neighbouring businesses			
10	Quality of police and fire protection			
11	Crime/Shoplifting rates			
12	Adequacy of utilities (sewer, water, power, gas)			
13	Topography of site (slope, foundations)			
14	Condition of premises (fixtures, equipment, inventory)			
15	Major repairs required in near future			
16	Building services (security, janitorial, gardening)			
17	Provision for future expansion			
18	Current and future zoning restrictions			
19	Terms and cost of lease (including options for renewal)			
20	Responsiveness of landlord			
21	Quality of this site in relation to that of my major competitor			
22	Competitor proximity			
23	Personal preference			
24	Other factors			
TOTAL SCORE				