

# Tips for Choosing Your Business Location

Choosing a business location is perhaps the most important decision a small business owner or startup will make, so it requires precise planning and research. It involves looking at demographics, assessing your supply chain, scoping the competition, staying on budget, understanding state laws and taxes, and much more. Here are some tips to help you choose the right business location.

**Determine Your Needs** - Most businesses choose a location that provides exposure to customers. Additionally, there are less obvious factors and needs to consider, for example:

- **Brand Image** – Is the location consistent with the image you want to maintain?
- **Competition** – Are the businesses around you complementary or competing?
- **Local Labor Market** – Does the area have potential employees? What will their commute be like?
- **Plan for Future Growth** – If you anticipate further growth, look for a building that has extra space should you need it.
- **Proximity to Suppliers** – They need to be able to find you easily as well.
- **Safety** – Consider the crime rate. Will employees feel safe alone in the building or walking to their vehicles?
- **[Zoning Regulations](#)** – These determine whether you can conduct your type of business in certain properties or locations. You can find out how property is zoned by contacting your local planning agency.

**Evaluate Your Finances** - Besides determining what you can afford, you will need to be aware of other financial considerations:

- **Hidden Costs** – Very few spaces are business ready. Include costs like renovation, decorating, IT system upgrades, and so on.
- **Taxes** – What are the income and sales tax rates for your state? What about property taxes? Could you pay less in taxes by locating your business across a nearby state line?
- **Minimum Wage** – While the [federal minimum wage](#) is \$7.25 per hour, many states have a higher minimum. View the Department of Labor's list of [minimum wage rates by state](#).
- **Government Economic Incentives** – Your business location can determine whether you qualify for government economic business programs, such as state-specific small business loans and other financial incentives.

## Is the Area Business Friendly?

Understanding laws and regulations imposed on businesses in a particular location is essential. As you look to grow your business, it can be advantageous to work with a small business specialist or counselor. Check what programs and support your state government and local community offer to small businesses. Many states offer online tools to help small business owners start up and succeed. Local community resources such as [SBA Offices](#), [Small Business Development Centers](#), [Women's Business Centers](#), and other government-funded programs specifically support small businesses.

## The Bottom Line

Do your research. Talk to other business owners and potential co-tenants. [Consult the small business community](#) and utilize available resources, such as [free government-provided demographic data](#), to help in your efforts.