

## Step 11 · Location Reality

### Frequently Asked Questions

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#### **What is a reasonable rent for a coffee shop?**

Compare current local spaces on the same basis, then test what your business could afford. Ask whether the quoted rent includes property charges, taxes, insurance, and common-area costs. Include repairs and work needed to open. Owners report very different rents for different places and formats; price per square foot alone does not establish value. A cheap space with weak access or costly construction can be the more expensive choice.

Have the complete lease and property obligations reviewed before committing.

#### **Is buying the building safer than leasing?**

Neither is automatically safer. Buying can give control and a property asset, but it also ties up cash and adds property risks. Leasing can preserve cash and flexibility, depending on the agreement. Compare both after allowing for build-out, working cash, repairs, finance, and an exit. Owners disagree strongly; do not assume property always rises in value or that a tenant never pays for major repairs.

Have a local property professional, attorney, and accountant review the actual options.

#### **Where can I find a suitable coffee-shop or stand location?**

Combine local commercial listings and an agent's search with visits to the areas you could serve. Look for vacant spaces and speak with property owners or suitable hosts. Allow time and keep several options open. For a stand, a parking space is only a candidate: access, permission, utilities, and the full operating arrangement still need checking before it becomes a workable site.

Have qualified people assess the property and proposed agreement before committing.

#### **What percentage of sales should rent be?**

Use the ratio as a warning light, not proof that a site will work. Divide the same period's rent by sales, and state whether you also include property charges and utilities. Owners quote different percentages using different definitions. Build the full operating budget and test slower sales as well as your expected case. Doubling floor space does not mean doubling sales, and a low rent ratio does not guarantee profit.

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Educational guidance. Check your own circumstances with the appropriate local professional.