

Site Selection Secrets for Salon/Spa Tenants

By Dale Willerton and Jeff Grandfield – *The Lease Coach*

854 words

Successful site selection means more than “location, location, location”! As The Lease Coach, we have coached and consulted to many medical spa tenants and found numerous issues are often overlooked in choosing commercial space to lease. Considering the importance of proper site selection, we have devoted a great deal of attention to this subject in our new book, *Negotiating Commercial Leases & Renewals For Dummies* (Wiley, 2013). The following criteria (excerpted from our book) will better ensure your own business success:

Do all your site selection at once before you start making phone calls: What we mean here is to do some comparative shopping initially. List the properties you are interested in and would be interested in viewing. Only then, contact each listing agent to request more details and/or to book a visit to view. By doing so, you will effectively create competition for your tenancy. Sharing the facts that you are considering other properties (and receiving offers on those properties) can serve as an incentive and can work in your favour. You will be seen as a more desirable tenant.

Location Within the Location: Just because you found a great property to locate your wellness facility in, don't forget that location within the property can be critically important. Spas within enclosed malls are often in less desirable locations as they are service providers and not retailers.

Visibility: Can your salon/spa be seen from the street? Or, are there trees or other buildings blocking the view? Visibility by both drive-by and walk-by traffic is ideal. Beware of strip plazas located on main roads as well. Many of these properties can resemble an “L” where a portion of the property will wrap around the street corner. This can leave many tenants facing a secondary road and not in a desirable position.

Parking: Typically, there are only so many parking spaces assigned and, once they are taken, they are gone. Negotiate for plenty of parking spots – so that you, your staff and your customers all have a place to park vehicles. Push for parking closer to your door as customers will only have to walk so far from where they have parked.

Signage: What signage is available to you? What type of signage is this? Where is it located? Where would your medical spa name be placed on a common pylon sign shared by other tenants? Would you be charged for any additional signage requested? Often the bigger the property, the more difficult it can be to get signage. This leaves people driving by the mall not even aware that you are there and open for business.

Neighbouring Tenants: Who is doing business next door to you? Will this tenant be conducive or detrimental to your salon/spa? Meet and quiz these tenants for yourself. With representing new salon/spa tenants, The Lease Coach frequently asks pointed questions in this situation ... what you learn may very well surprise you!

Anchor Tenants: These are the major businesses/retailers which pull customer traffic to a property. How long have these anchors remained in the property? Are they planning to stay or move? We just finished a lease negotiation for a tenant in California where the landlord was justifying a high rental rate because of how well the grocery store anchor was doing. While this was true, what the landlord was not immediately disclosing was that this anchor grocery store was closing and moving. As we had initially negotiated for a rent break for this tenant (should the anchor grocery store move), the landlord felt obligated to share this complete story with us.

Storage: Will your medical spa require a storage area for equipment and/or inventory/supplies? Assure that this area is secure and spacious enough for your needs and entirely usable – pillars and/or additional walls often make for wasted space.

Broker – Friend or Foe? Don't let one agent show you space all over town because this creates commission-splitting. Salon/spa tenants may believe that the real estate agent or broker is working for them. Note, however, that the listing agent's commission is being paid by the landlord and even an outside agent may be sharing in that commission. Remember, the higher the rental rate often the higher the agent's commission. Brokers and Agents do a great job, but who are they doing the job for and who is paying them to do it?

As The Lease Coach since 1993, we have helped many new and existing salon/spa tenants negotiate first-time leases and lease renewals as well as choose the most appropriate business location. A good spa in a poor location may never reach its full potential.

In leasing, salon/spa tenants don't get what they deserve – they get what they negotiate. For a complimentary copy of my CD, *Leasing Do's & Don'ts for Commercial Tenants*, please e-mail DaleWillerton@TheLeaseCoach.com

*Dale Willerton and Jeff Grandfield - The Lease Coach are Commercial Lease Consultants who work exclusively for tenants. Dale and Jeff are professional speakers and co-authors of *Negotiating Commercial Leases & Renewals For Dummies* (Wiley, 2013). Got a leasing question? Need help with your new lease or renewal? Call 1-800-738-9202, e-mail DaleWillerton@TheLeaseCoach.com or visit www.TheLeaseCoach.com.*