

Selecting the right location for your business is crucial to success. For many types of businesses, it may actually be the most important factor! When **choosing a location for your business**, consider easy access for your customers, whether or not it meets your size and space needs, simplifies access to your suppliers, and has reasonable expenses. As you might assume, finding such a place is not an easy task!

In addition to starting your business on the right foot and encouraging growth, showing you have done your due diligence in selecting the proper location also looks great on loan applications and approaching potential business partners.

It can be overwhelming to find all the [proper information to consider in your site selection](#). While there may be additional elements not identified, we've built a guide to help you get started with the process.

You can also receive **free professional business advice** and free or low-cost training from [your local Small Business Development Center](#)!

Guides for Choosing a Location

- [How to Choose a Business Location](#) - a walkthrough guide on the steps that should be taken on the site selection process
- [Choosing a Location for Your Business](#) - a great list of considerations that potential business owners should consider for a location
- [How to Find the Best Location](#) - A guide with analysis on the various categories to consider
- [Why is the Location of a Business Important?](#)

Local Market Demographics

Looking at your [local market's demographics](#) can give you a great glimpse of how many people live in your area, their ages, spending, method of transportation, and many other factors. Be realistic with your search area though; while a business like a [bed and breakfast](#) will attract customers from across your state, country, or even internationally, businesses like a [bakery](#) or a [gym](#) may only realistically draw customers from within a few miles of their location.

To access this data, you can request this information through your [SBDC advisor](#), consult your local city or county's website or economic development foundation, as well as these resources from the U.S. Census Bureau:

- [Data.Census.Gov](#) is the main tool used to access official Census data for your area
 - [How to Use Data.Census.Gov](#)
- [Consumer Spending Reports](#) - The Bureau of Labor Statistics tracks and publishes consumer spending on various categories
 - [All Consumer Expenditure Data](#) - Some data sources require specialized software
- [Census Business Builder](#) - The Census maintains this tool for basic mapping of demographic and spending information

Competitors

A great location in most cases is generally located away from areas with too much competition to avoid losing potential customers. Make sure to consider all the local competition around your location, both direct and indirect - although you may run a pizzeria, you also have to consider that you likely compete with all other types of [restaurants](#), not just other [fast food establishments](#).

Some paid databases will standardize and compile competitor information for you, but also consider the resources below available at low or no cost:

- [Yelp](#) - one of the largest and most well-known local business directories
- [Superpages](#) - an online search tool for finding local businesses
- [Thomasnet](#) - primarily manufacturing and wholesale companies
- [Manta](#) - small business search directory
- [How to Find Local Competitors](#) - methods to locate local competitors online

Local Taxes

In addition to important local taxes, the growth of online retail and increasing connectivity worldwide has caused governments to refine and tighten up their rules around taxes and how they should be applied.

Especially if your business is selling across state lines, make sure to understand how taxes are applied on both the seller's and buyer's location. Consulting with a tax professional is recommended to ensure you meet all requirements.

- [Small Business Tax Information](#) - Federal government information on small business taxes and incentives
- [Origin and Destination Sales Tax Collection](#) - a guide to consider especially when selling across state lines

- [Sales Tax Nexus Guide by State](#)

Utilities

Utilities, as a part of the operational costs, are a crucial part of choosing a location consideration. [Utilities](#) needed for a small business include electricity, gas, water, and communication services. Restaurants will need heating and water, online businesses will need fast and stable internet service, and just about all customer facing brick and mortar establishments will need climate control.

With the costs of various utilities differing by provider, make sure to budget a reasonable amount and shop around for other providers if local conditions allow you to choose your provider

- [How to Estimate Utility Costs for a Business](#)
- [How to Shop for Electricity Providers](#)
- [Business Utility Providers by Zip Code](#)

Relocation Incentives in Choosing a Location

When choosing a location, local and state government agencies may often provide relocation incentives in the form of tax abatements, grants, utility savings, or low interest loans on the condition that a certain number of jobs are created or a certain amount of money is spent/invested in the community.

Local and state economic development associations have access to these programs and can review if they are applicable to your situation. Consult the lists of state agencies below and check with your city or county's economic development agency.

- [U.S. Economic Development Directory](#) - a list of economic development organizations organized by state
- [Economic Development Directory in the United States](#) - an additional resource for finding local development associations

Site Selection Tools for Choosing a Location

Various tools exist that can help you obtain information about a potential business location, often referred to as "[business intelligence](#)" or "[site selection](#)" tools. In many cases, access to them can be extremely cost prohibitive.

However, through [your local SBDC](#) advisor, SBDCNet can provide customized reports on a location you are considering. The benefits of these reports (in addition to being no-cost!) is they are easy to read, informative, present a comprehensive view of a location/market, and can be presented to any potential party to show you've done your due diligence.

Traffic Counts

Considering the number of people who pass by your business location on a daily basis can help get an idea of the number of potential customers in the area. Many private companies can set up a road survey for you at a high cost but also consider checking with your state's [Department of Transportation](#). Most states track and publish data on major roads and some larger cities collect data on their own streets as well.

Through your SBDC advisor's request, SBDCNet can map available estimated traffic numbers from these public sources into an easy to read map.

Information for Franchises

If you are considering starting a [franchise](#) location of a business, you will likely be given an assigned territory for your operations. According to [Chron](#), more than 90% of franchises use some type of exclusive territory system for their locations. Although there are many different terms and conditions regarding territories and how they are handled, as a good rule of thumb, territories limit the amount of internal competition your franchisor will allow in the area. Consult your franchise agreement for more information.

- [Understanding Exclusive Territory](#) - definitions of how territories are defined and the different kinds you may encounter
- [The Secret to Small Franchise Territories](#) - success tips for franchisees who may not be located in optimal territories
- [Understanding Key Aspects of Franchise Territories](#) -considerations for what to look out for from your potential franchisor agreement regarding locations

Additional Small Business Resources

Already in business or thinking about starting your own small business? Check out our various small business resources:

- View small business help topics here: [Small Business Information Center](#)
- View more business reports here: [Small Business Snapshots](#)

- View industry-specific research here: [Market Research Links](#)
- View business plans samples here: [Sample Business Plans](#)

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