

A person with a shaved head is holding a large white rectangular sign. The sign is the central focus, with the person's face and hands visible around its edges. The background is blurred, showing what appears to be an outdoor setting with some lights.

OPENING SOON

Retail Budget Reality Check

3 important checklists to help you budget for success.



Don't let unexpected costs derail your retail dream.

You've finalized your retail concept and are ready to secure your retail space. You can already hear the beautiful sound of the cash register ringing up those sales. But before that can happen, there are a lot of things you need in place.

We've put together this budget reality check to help you understand and plan for some of the unexpected costs associated with creating a new retail space.

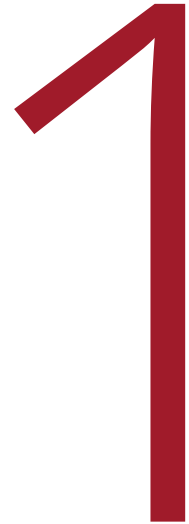


Budgeting for leaseholds

Signing a lease in a retail space is often your largest, and easiest to budget line item. But there are many, many other costs associated with leasing a space that often don't get considered.

Making sure you know what you want and what you can afford **ahead of time** could possibly save your business.

Your leasehold budget checklist



Here are some of the things you can plan on having to spend money on over and above the cost of your lease.

- ☐ Is your landlord providing a Tenant Improvement allowance?
- ☐ What will your landlord do or will not do to prepare your space (know before you sign your lease)
- ☐ Does your potential landlord have a design criteria you must follow? (example: material restrictions, sign placement and size.)
- ☐ Do you need permits for demolishing existing set up or building new features?
- ☐ Are you planning on tearing out any existing parts of the lease space? If yes, you'll need to budget for demo and removal.
- ☐ Will you leave the paint as is or repaint the space? Budgeting for do it yourself or hiring someone is quite a significant difference.
- ☐ Do you want to keep the existing flooring or install new?
If keeping, do they need repair? Budgeting for new vs fixing existing may not always be clear cut.

- ☐ Do you need to repair or fix any areas of the space?
What wall materials will you be using?
- ☐ If you are modifying the ceiling or changing the layout of the space, you may need to update sprinkler and plumbing to meet fire safety requirements. There will be extra costs and inspections associated with this.
- ☐ Will the existing lighting work for you concept? Will you need to add any more lighting to make your products pop?
- ☐ Will you need to upgrade or change any of the windows, doors or the storefront to suit your concept?
- ☐ Is there a washroom in the space? Do you need to add one?
- ☐ Does the HVAC need to be modified or rebalanced at all?
- ☐ Do you need to change or upgrade the electrical service connections? Are you adding a new alarm system? Do you need additional communications or AV allowances?
- ☐ Will the existing ceiling work for you concept or will you need to replace it? If you can keep it, will the ceiling need any repair work?
- ☐ Do you have an occupancy date? Depending on the scope of your construction, it could take 16-24 weeks from concept to completion. It is important to consider this in your lease agreement. (Often called construction or fixturing period allowed where you do not pay rent.)
- ☐ Will you be financing your construction costs through a tenants improvement allowance, bank financing, or personal funds?

Did you know?

There is a Canadian Small Business Financing Program (CSBFA) which allows you access to financing not available under conventional loans that can provide financing up to 100%?



Budgeting for store fixtures

Store fixtures are anything you need to make sure your retail space can display your merchandise to facilitate sales. Fixtures, like most things in life, come in a variety of styles and price points. Researching what you need and what you can afford ahead of time can really help keep your launch plan on track.

Remember that fixtures play a huge role in selling your merchandise, so think them through to make sure you're setting your merchandise up for successful sales. Whether you decide to budget for custom fixtures or off-the shelf solutions, you'll need to make sure your choices are aligned with your retail space requirements and your timeline.

Your store fixture budget checklist



Here is a list of some of the fixtures that most retail spaces need in order to meet retail requirements. Check the ones that apply to your concept to keep you focused when researching options.

- ☐ Cash desk and service counters
- ☐ Wall systems and hardware
- ☐ Showcases
- ☐ Racks, Shelves & Bins
- ☐ Mannequins
- ☐ Lighting
- ☐ Professional installations and on-site set up for all of the above



Budgeting for displays and signage

The next time you're at a grocery store, check out how many signs you see in a single area. There are wall signs, shelf signs, price signs, signs for sale items, signs for where to pay, signs to help with wayfinding. That's not to mention the outside signage, door display for hours, etc.

Every single one of those signs and displays help to create a good customer experience. As a first time retailer, you probably won't need that volume of displays and signage but you do want to make sure you're thinking your signage through and leaving room in your budget to create the retail experience you have in mind.

Your display and signage budget checklist



- ☐ Do you need to purchase images for your signage?
- ☐ How will you be producing your signage? Every production method – from printing to custom construction/installation – carries a cost.
- ☐ Do you need to purchase sign system hardware for your exterior and/or interior signage? Or backlit frames?
- ☐ Do you need to hire a graphic designer to create artwork for various signage? Or are you counting on using your printer or sign company to create the artwork?
- ☐ Do you need to purchase images for you signage?
- ☐ Will you need to pay for installation of your signage or displays?
- ☐ Do you need wayfinding for your retail concept to work?
- ☐ Will you be creating specialty packaging for your products?
- ☐ Do you need any branded displays or promotional items?

Budget for success.

Knowledge is power. The more you know about the often overlooked costs of opening a retail space, the better off you'll be. The last thing you want is to have your retail dream derailed because you didn't understand the leasehold requirements, or the costs and timelines required to get the fixtures or signage you need. Ask questions, do your research and work with partners that are willing to help you find your way through.

If you have any questions we'd love to help in any way we can.



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