OPENING A PHYSICAL LOCATION (MAIN STREET)

Buildout, inspections, staffing and a soft opening: getting a shop, restaurant or studio open on time and on budget.

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AT A GLANCE

- Opening a location usually takes **longer and costs more** than first planned. Build in time and a cash buffer.
- The big steps: **lease, design, permits, buildout, inspections, equipment, staffing, soft opening**.
- Keep a **budget with a contingency** of at least 10% to 20% for surprises.

Why it matters

A physical location is a big investment. Delays mean paying rent before you have sales. Going over budget can leave you short of cash right when you need it most. A clear plan protects both.

Typical timeline

Phase	What happens	Often takes
Find and lease	Search, letter of intent, lease review. See **B-13 Renting Your First Space: Leases Explained (Main Street)**.	1 to 3 months
Design and permits	Layout, plans, permit applications	1 to 4 months
Buildout	Construction, electrical, plumbing, signage	1 to 4 months
Inspections	Building, fire, health, final certificate of occupancy	Weeks, sometimes longer
Equipment and setup	Delivery, installation, point-of-sale system, inventory	2 to 6 weeks
Hiring and training	Recruit and train staff	2 to 6 weeks
Soft opening	Limited hours for friends and early customers	1 to 2 weeks

Times vary widely by city, space and type of business. Restaurants often take longer because of health and fire requirements.

Budget categories

Category	Includes
Lease costs	Deposit, first month's rent, rent during buildout
Buildout	Construction, contractor, architect or designer
Permits and fees	Building, health, sign and fire permits
Equipment	Kitchen, salon, retail fixtures, technology
Furniture and decor	Seating, lighting, signs
First inventory	Products and supplies
Hiring and training	Wages before opening, training time
Marketing	Launch marketing and signage
Working capital	Cash to cover the first months of slow sales
Contingency	**10% to 20% of the total for surprises**

> EXAMPLE
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> **Marisol** budgeted $180,000 and 4 months to open her taquería. The fire inspector required a new hood system, adding $14,000 and 3 weeks. Because she'd included a $25,000 contingency and negotiated 3 months of free rent during buildout, she still opened with enough cash for her first slow months.

Step by step

1. **Confirm zoning and permits** before signing. See **B-05 Licenses and Permits: Finding What You Need**.
2. **Negotiate free rent and buildout money** in the lease. See **B-13 Renting Your First Space: Leases Explained (Main Street)**.
3. **Get at least three contractor bids**, with a written scope and timeline.
4. **Apply for permits early.** Ask your city about timelines.
5. **Order long-lead equipment early.**
6. **Hire and train** 2 to 4 weeks before opening.
7. **Soft open**, then fix what you learn before the grand opening. See **L-07 Planning Your Launch**.

Common mistakes

- **No contingency budget.**
- **Signing a lease before checking permits.**

- **One contractor bid**, or no written agreement.
- **Opening with no cash left** for slow early months.

Your checklist

- ☐ Build a full opening budget with a 10% to 20% contingency
- ☐ Confirm zoning and permits for the space
- ☐ Get three contractor bids in writing
- ☐ Map out the timeline and order long-lead items
- ☐ Plan hiring, training and a soft opening

Key words, explained

Word	What it means
Buildout	Construction to make a space ready for your business.
Contingency	Extra money set aside for surprises.
Certificate of occupancy	Approval that a space is safe and legal to use.
Soft opening	A quiet opening before the official launch.

Where to go next

- **B-13 Renting Your First Space: Leases Explained (Main Street)**
- **L-07 Planning Your Launch**
- **R-26 Sources and Uses Worksheet**

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