

FREE GUIDE

# The 7 Golden Rules of Choosing the Right Location

A practical guide for UK business owners

What to check before you sign the lease.

[sitewise-search.com](https://www.sitewise-search.com)

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# Before you start

Location is the single biggest factor in whether a small business succeeds or fails. Get it right, and you give yourself every chance. Get it wrong, and no amount of great product, branding, or hustle can fully make up for it.

This guide distills the most important things to check into 7 practical rules. They apply whether you are opening a cafe, a salon, a retail shop, or a takeaway. None of them require specialist knowledge. All of them are things that most people either forget to check or only discover too late.

**Read this before you view a unit. Refer back to it before you sign anything.**

## The 7 rules

**Rule 1** — Check the footfall, not the feeling

**Rule 2** — Know your rent-to-revenue ratio

**Rule 3** — Count your competitors properly

**Rule 4** — Understand who actually lives nearby

**Rule 5** — Look at the location at different times

**Rule 6** — Check what is coming, not just what is there

**Rule 7** — Run the numbers before you fall in love

## 1

### Check the footfall, not the feeling

A busy-looking high street can be misleading. What matters is not how busy it feels when you visit, but how many people pass by consistently, at the times that matter for your business.

A cafe needs morning and lunchtime footfall. A takeaway needs evening traffic. A salon needs daytime footfall from residents, not commuters rushing past. The same street can score brilliantly for one business and poorly for another.

If you can, visit the location at the times your business would be trading. Count the people who walk past in 15 minutes. Do this on a Tuesday and a Saturday. If the count drops below 40 people in 15 minutes during your peak hours, you will struggle to fill seats from passing trade alone.

Also check whether the footfall is foot traffic (walkers and browsers) or through traffic (people with somewhere to be). Browsers buy coffee. Commuters heading to the station usually do not stop.

***Quick check: Visit the location at 8am, 12pm, and 5pm on a weekday. Count the people who actually stop and browse, not just pass through.***

## 2

### Know your rent-to-revenue ratio

This is the single most important number most new business owners never calculate. Your rent should be no more than 8 to 12 percent of your expected revenue. Go above 15 percent, and your margins get dangerously thin.

For example: if you expect to turn over around 150,000 pounds a year, your monthly rent should ideally be no more than 1,500 pounds. At 2,000 pounds you are pushing it. At 2,500 pounds, the location needs to be exceptional to justify the cost.

Landlords and agents will tell you the rent is "competitive for the area." That may be true, but it is irrelevant if the area does not generate enough revenue to support it. A cheap rent in a dead area is still a bad deal.

Calculate this before you fall in love with a unit. If the ratio does not work, no amount of clever marketing will fix it.

***Quick check: Take your realistic annual revenue estimate, multiply by 0.10, and divide by 12. That is your target monthly rent ceiling.***

### 3

## Count your competitors properly

Most people check whether there are similar businesses nearby. Fewer people check properly. "Nearby" does not just mean on the same street. It means within the distance your customers would walk, drive, or scroll to find an alternative.

For a cafe, that radius is about 5 to 8 minutes on foot. For a takeaway on a delivery app, it could be 2 miles or more. For a destination restaurant, your competition might be across town.

Some competition is actually good. A street with three cafes signals to customers that it is a "cafe street" and draws more people overall. But six cafes on the same street means a price war and thin margins.

The sweet spot depends on your business type. For cafes, 2 to 4 nearby competitors is healthy. For gyms, even 2 within a mile can be a problem because memberships are zero-sum.

**Quick check: Search Google Maps for your business type within a 10-minute walk radius. Count every result, including ones inside buildings you might miss from the street.**

### 4

## Understand who actually lives nearby

Demographics matter more than most people realise. A high-end brunch spot in a student area will struggle. A budget takeaway in an affluent commuter village might find the demand is not there.

You need to know three things about the local population: their approximate income, their age profile, and whether they are renters or homeowners. Renters tend to be younger, more transient, and more likely to eat out. Homeowners tend to be older, more settled, and more likely to cook at home but spend more when they do go out.

Student areas are great for cheap food and bars, but terrible for anything that relies on daytime spend from working professionals. The Office for National Statistics publishes free data on all of this by postcode. You can also use tools like Sitewise to get a quick area profile.

**Quick check: Search "[your postcode] demographics ONS" to find free data on local income, age, and housing tenure.**

### 5

## Look at the location at different times

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Estate agents show you units on Tuesday mornings. This is deliberate. The area is calm, there is parking, the light is good. It tells you nothing about what the street is like on a Saturday night, or a rainy November afternoon.

Visit at least three times: once during a weekday lunchtime, once on a Saturday, and once after 6pm. Lunchtime shows the working-hours economy. Saturday shows the leisure economy. Evening shows whether the area has any after-dark trade at all. Also visit in bad weather. Footfall in the rain is a much more honest measure than footfall in sunshine.

***Quick check: Take a photo of the street at each visit. Comparing them side by side later is more revealing than you expect.***

**6**

## **Check what is coming, not just what is there**

A location is what it will be in 2 to 3 years, not just what it is today. Check the local council planning portal for new residential developments nearby. A 200-home development within walking distance can transform your customer base.

Look for signs of improvement: new independents opening, scaffolding, upgraded street furniture. And signs of decline: empty units, charity shops replacing retail, "for let" signs up for months. Also check for planned road works or transport changes that could disrupt trade.

***Quick check: Search "[local authority name] planning applications" and check for developments within half a mile of your unit.***

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## 7

## Run the numbers before you fall in love

This is the rule everyone breaks. You find a beautiful unit on a lovely street, you can picture your sign above the door, and suddenly the rent seems reasonable and the competition seems manageable. You have fallen in love.

Love is not a business strategy. Before you commit to anything, sit down and run a simple financial model. You need to know: your expected revenue (be conservative), your fixed costs (rent, rates, insurance, utilities), your variable costs (stock, staff, packaging), and how long your cash reserves will last if revenue is 30 percent lower than expected.

If the numbers only work in the best case scenario, they do not work. You need a location where the numbers are comfortable even in a mediocre scenario. The best-case scenario is a bonus, not a plan.

This is exactly what **Sitewise** is built for. Enter a postcode and business type, and get an instant revenue range, fit score, and the key reasons a location could work or not. It takes five minutes and it is free.

***Quick check: Use Sitewise at [sitewise-search.com](https://sitewise-search.com) to check any UK location instantly. Two free checks, no sign-up needed.***

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## What next?

You now have a practical framework for evaluating any business location. The next step is to apply it. Pick a postcode you are considering and run through these 7 rules. Write down what you find.

Or save yourself the legwork and let Sitewise do the data gathering for you. Enter a postcode and business type at [sitewise-search.com](https://sitewise-search.com) and get an instant assessment covering footfall, competition, affordability, and demand. Your first two checks are free.

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**Check your location now**

**[sitewise-search.com](https://www.sitewise-search.com)**

**Free. No sign-up. Takes 5 minutes.**