

BUSINESS

MONEY MANAGEMENT

SELECTING A PROFITABLE LOCATION FOR YOUR BUSINESS

According to the Nevada Society of CPA's, selecting the right location for your business directly affects its profitability. Here are some general guidelines you can follow to help you to make the right choice.

LOCATE TO SERVE YOUR TARGET MARKET

Describe the background of your potential clients as specifically as possible, focusing on age, income level, and other aspects of their backgrounds that may be relevant to your particular business. Then look for a location that enables you to have

contact with these potential clients.

EXAMINE AREA STATISTICS

To find out whether a community is comprised of individuals who meet your target market description, contact the local census bureau. It can supply you with details about a community's population, such as the average income, predominant occupations, and median age.

Besides the census bureau, other sources of background information include local govern-

ment agencies, chambers of commerce, the Small Business Administration, trade associations, local newspapers, and even local residents.

ACCESSABILITY AND CURB APPEAL

Match your location to the customers you want to serve, making sure your location is near major access roads and public transportation. Be sure parking facilities and convenient and safety lit if your business will be open during evening hours.

Take as much interest in the physical appearance of the building where your business will be located, as you do in your own appearance. A store, building or office front that is well-maintained says more about your business and how you run it than any advertisement could say.

TAKE NOTE OF YOUR NEIGHBORS

When considering a location, be sure to determine the proximity of your competition. If there are already a number of estab-

lished businesses similar to yours in the area, you may want to consider a different location.

Take time to think about how your business complements others already in the area. For example, if you're in the retail business, you might want a location to position yourself near similar professionals as well as possible referral sources.

THINK ABOUT THE FUTURE

Moving a business is costly and time consuming, so it's important to consider whether the facility can accommodate future expansion.

Weigh carefully your decision to rent or buy a building. If you want to own your own facility, consider the property taxes. You'll also want to find out whether there are any zoning regulations that may adversely affect your future plans or local ordinances that restrict the type of business that can exist in the building.

Before signing any rental or purchase agreement, analyze rental history of the property you want, as well as others in the area. If there has been a lot of turnover in recent years, chances are the location is not a good one.

Think, too, about the projected growth for the community and any new plans for improving transportation to your place of business. You want to be sure that your new location can accommodate your plans for growth.

Finally, CPA's urge you to select a location that fits your pocketbook. Be sure that maintaining your business in the new location will not burden you financially, especially if your business is not prospering.

MONEY MANAGEMENT is a weekly column on personal finance prepared and distributed by Certified Public Accountants. Contact: Nevada Society of CPAs 5270 Neil Road, Suite 102, Reno, NV 89502.

Real Estate Perspective

By Loretta A. Hall



PROSPECTIVE HOME BUYERS ARE YOU "OVERSHOPPING" THE MARKET OUT OF FEAR?

You're worried about schools, property values, taxes, neighborhood safety, job security. In fact, you're petrified about making a bad decision that though you have been searching for a home for over two years, you still won't commit to buying a home. It certainly pays to be cautious, however being overly cautious can cause you to "overshop" the market.

Overshopping occurs when prospective buyers reject perfectly suitable properties on the basis of irrational fears. People who keep looking without buying are a source of exasperation for many agents. People today are much more inclined to wait it out rather than take that "leap of faith" that's been always involved in buying a home. In most communities, the spring selling season, coupled with low mortgage rates, is bringing out many more buyers than any other point since 1990. While half the buyers are "go-getters" who are willing to seize the right opportunity, the other half are overly cautious. Buyers need a lot of reassurance today. They're looking for the perfect house, one that doesn't have any flaws. But that just doesn't exist. Of course, real estate agents have an interest in moving buyers to the closing table promptly. After all, the agent earns no commission until after the "sold" sign gets planted in the front yard and escrow closes. When it comes to a purchase as large as a home, no house-hunter should be provoked into buying before doing a careful, methodical search. But, "overshopping" has more to do with indecision than prudence and serves neither the buyers nor

the agent's interest.

Experts offer these pointers for those seeking to distinguish between rational caution and irrational fear: **LOOK INWARD TO DECIDE WHETHER YOU'RE AN OVERSHOPPER;** There's an assumption in real estate that if you want the perfect house, you have to build it yourself. Short of a custom-built property, you're unlikely to find any home that meets all your standards. **DON'T WAIT FOR A GONG TO SOUND AT THE BOTTOM OF THE MARKET;** It's a fact of life that prices have settled or actually dropped in many neighborhoods during the past three years. Realty specialists believe prices are generally reaching their low points, with variations from community to community. But determining exactly when the price of any given property will bottom out is a tricky proposition. No one will blow a whistle and tell you when to buy. If you try to outguess the market by waiting for prices to bottom, you might be the loser. **DON'T EXPECT A RELATIVE OR FRIEND TO BREAK YOUR INDECISION;** Someone fearful of making a decision will often ask an associate to visit the place and render a judgement. But while it's perfectly appropriate to ask for another opinion, it's important to realize the psychological dynamic this sets up. The relative or friend will feel obligated to find flaws regardless of how good the property is and this could slow rather than speed the decision-making process for a fearful buyer. **FINALLY, LOOK FORWARD TO HOLDING YOUR NEXT HOME FOR AT LEAST A DECADE;** Many wait-it-out buyers have an intuitive grasp of what the experts are saying. Given the high transaction costs related to buying and selling a home and the uncertainty of future appreciation, they know they must keep a property for a longer period longer than necessary in the 1980's when it was often financially feasible to trade properties every three to

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I'd like to take this time to thank all of you who supported me in the May 4 Primary Election with your votes, contributions and friendship.

And at this juncture I'd like to ask for your continued support in the General Election on June 8.

Again, the entire Goynes family says thanks.

*Sincerely,
Theron H. Goynes
NLV City Councilman*



**PLEASE VOTE JUNE 8TH FOR
COUNCILMAN THERON H. GOYNES**

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