

Before You Sign: 10 Costly Mistakes to Avoid When Choosing a Commercial Space



Opening a physical location is a huge milestone, and it's so easy to fall for a space too quickly, especially when it feels like a dream. But big decisions made on emotion alone can lead to expensive surprises.

I've seen it happen more times than I can count: business owners sign leases or buy buildings without knowing what they're walking into... only to discover code issues, build-out nightmares, or operational bottlenecks that stall momentum.

This guide is here to help you pause, ask the right questions, and make confident choices, whether it's your first space or your next one.

Mistake #1: Skipping Zoning Research

Why it matters: Just because it's available doesn't mean it's legal for your type of business.

Do this instead: Call your city planning department or look online at your municipal code for these key items before you sign, or better yet, search. Each zoning classification allows certain uses. You need to determine which use your business function falls under and which classifications permit your use. Note additional circumstances that may allow your use by Interim or Conditional permit/variance or similar language.

Coach's Note from Tiersa:

Zoning can be tricky, it's often mixed up with building code occupancy, keep reading to Mistake #8 get clear on the difference. The zoning classification is determined by the jurisdiction and can be changed. Note, the process of changing or seeking a variance will take months.

Mistake #2: Underestimating Build-Out Costs

Why it matters: Paint is easy. Plumbing, accessibility, and code upgrades? Not so much.

Do this instead: Get clear on what your business needs from a building - the [Commercial Building Fit Kit](#) I'm building will guide you through this process! Walk the space with a contractor or architect before you commit. Ask for a rough cost range based on your plans.

Example: A wine bar owner assumed moving into a cafe would only need aesthetic updates. However, beverage forward establishments have a higher toilet count requirement than food forward establishments. Therefore, the owner had to carve out space for an additional toilet. Which took up precious floor space and added an unexpected \$20,000 to the renovation cost.

Bring in a Pro: I recommend bringing in an architect or contractor before you sign a lease or purchase agreement. I help flag hidden requirements early so you can budget realistically and avoid costly surprises later.

Mistake #3: Not Understanding the Lease

Why it matters: That “affordable” lease might have hidden costs.

Do this instead: Ask for a plain-language explanation. Know what you're paying for (maintenance, taxes, insurance) and what the building owner covers. Work closely with your realtor to negotiate terms to meet your needs.

Example: The building that was being rented by a retail business was purchased by a new owner. The retail business' lease didn't protect the terms of their lease and they had to move out with only 60 days notice.

Top Negotiables: Most retail leases are Triple Net (NNN), meaning tenants



pay base rent plus a share of taxes, insurance, common area maintenance, and typically their own utilities. While many of these costs are fixed, the base rent - essentially the building owner's profit - is negotiable, as is rent abatement, which reduces or pauses rent during design and build-out, a process that generally takes six months or longer.

Mistake #4: Choosing a Space That Doesn't Fit Operations

Why it matters: If your space doesn't support how you work, things break down fast.

Do this instead: Map out your service flow. Where and how often will the inventory arrive? How much storage do I really need? What are the steps staff take for each primary function? Where do patrons check in or out? Detail the desired journey of your patrons.

Example: A florist once purchased a beautiful storefront that seemed perfect at first glance.

But the building was long and narrow. Prep had to happen in the back, far from the retail floor. During slower hours, staff were expected to design arrangements while watching for customers, but they couldn't see the front from the prep area, and the walk between spaces was long.

What looked workable on paper created daily friction in practice. Extra steps. Interrupted workflow. Missed walk-ins. Clutter building up because there wasn't adequate receiving or staging space.

Those small inefficiencies compounded over time. Eventually, the layout limited profitability enough that they chose to sell.

When touring a space, evaluate the workflow, not just the aesthetics.

- Can staff see the front from key work areas?
- Does the layout support multitasking during slow periods?
- Will movement through the space feel seamless or strained?



LOOKING AHEAD

Choosing a commercial space is one of the biggest financial decisions a business owner makes, and one of the easiest to get wrong.

This spring, I'm launching the **Commercial Building Fit Kit**, a complete online system that walks you through how to evaluate commercial spaces before you sign.

It's designed with guided worksheets, property evaluation tools, video tutorials and clear definitions to help you make confident decisions.

The goal is simple: help you avoid costly surprises and choose a space that truly fits your business.

► **Click here to join the Founders List** to get early access and the lowest pricing when it launches in Spring 2026.

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Mistake #5: Ignoring Safety + Code Requirements

Why it matters: Life safety codes and ADA compliance aren't optional, and can be costly upgrades.

Do this instead: Ask when the space was last updated. Look for emergency lighting, exit signs, sprinklers, accessible access to all primary functions and toilet rooms.



Example: A wellness studio thought they just needed paint and lights, but accessible restroom upgrades and a required second exit, not covered by the building owner, cost \$25K and delayed their opening by months.

Bring in a Pro: Engage early with your architect to understand the code minimums your business function will require.

Mistake #6: Forgetting Utilities + Infrastructure

Why it matters: The wrong HVAC or electrical setup can blow your entire budget.

Do this instead: Ask about electrical capacity and HVAC age. Note if the building has air exchange and the size of the water main. Confirm they support your business needs.

Example: A salon loved a loft space, but didn't realize the panel couldn't support their dryers and added lighting. An upgrade cost \$12K.

Coach's Note from Tiersa: I use system capacity as a go/no-go filter. If the infrastructure can't support the business without major upgrades, it's often better to keep looking.

Mistake #7: Overlooking Site Access

Why it matters: Access isn't about having parking right at your front door. It's about whether the site supports how your business actually operates, and how your customers arrive.

Do this instead: Count nearby parking spots. Note the closest bus stops. Look for bike parking built into the sidewalk area. Observe how much friction potential customers may encounter to access your building - walk the route from potential parking to the front door yourself.



Example: A business owner chose a charming corner building without thinking through site access. Deliveries had to be hauled through the front entrance because there was no functional rear access. Customers had to cross a busy intersection to reach the door. None of it seemed like a dealbreaker individually, but together, it created daily stress and inefficiency.

The location wasn't wrong. It just didn't align with how the business actually functioned.

Mistake #8: Not Confirming "Change of Use"

Why it matters: A change of use or occupancy type (like office → residential, or retail → restaurant) will trigger permits and code upgrades.

Do this instead: Before signing a lease, confirm how the space is classified under the building code, and whether your business would trigger a change of use.

Call your local building department or consult an architect and ask:

- What is the current occupancy?
- Would my use require a permit?
- What upgrades could be triggered?

You don't need to know the entire code. But you do need to understand that changing how a space is used often requires permits, and likely improvements.

Assume there will be time and cost involved, and plan accordingly.

Example: A crossfit operator leased warehouse space for open workouts. The change of occupancy from a storage use resulted in upgraded restrooms, increased ventilation requirements, and egress improvements, pushing approvals out by four months.



Coach's Note from Tiersa: Even if a space looks ready, building code may classify it differently. A change of use often requires permits, and sometimes upgrades. The earlier you ask, the more options (and leverage) you'll have.

Mistake #9: Overcommitting Without a Buffer

Why it matters: Surprises happen, especially with old buildings. If you're maxed out, you're vulnerable.

Do this instead: Build in a contingency (10% or more) to your budget. Leave space for permits, delays, unexpected discoveries and weird curveballs.

Example: A salon planned down to the dollar. During demolition, deteriorated floor framing was uncovered and required repair, adding three weeks and unplanned costs.

Mistake #10: Letting Vibe Outweigh Function

Why it matters: Charm doesn't pay the bills.

Do this instead: Get specific about what you love about the space, and then deliberately set it aside.

Take off the "charm glasses." Assess the HVAC, lighting, layout, acoustics, storage, and workflow. Map how your business would actually operate there.

Example: A vintage store fell in love with the arched windows, but struggled with poor HVAC, a funky layout and cramped fitting rooms. Customers didn't linger.

Growing into your next space? Remember that aesthetics draw you in. But it's the function that keeps you in business.



Brick and
Mortar

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