



*Finding the Right Real Estate for your Franchise*  
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# Introduction



- What is Franchising?
  - *The means to grow a business with a set of tools.*
  - *Most successful franchises are also best brand makers!*
- What is Branding?
  - *The ability to sell before the buyer sees the product or service.*
  - *Or the ability to create a positive disposition before the product or service is introduced to the prospective client!*

# Introduction (cont)

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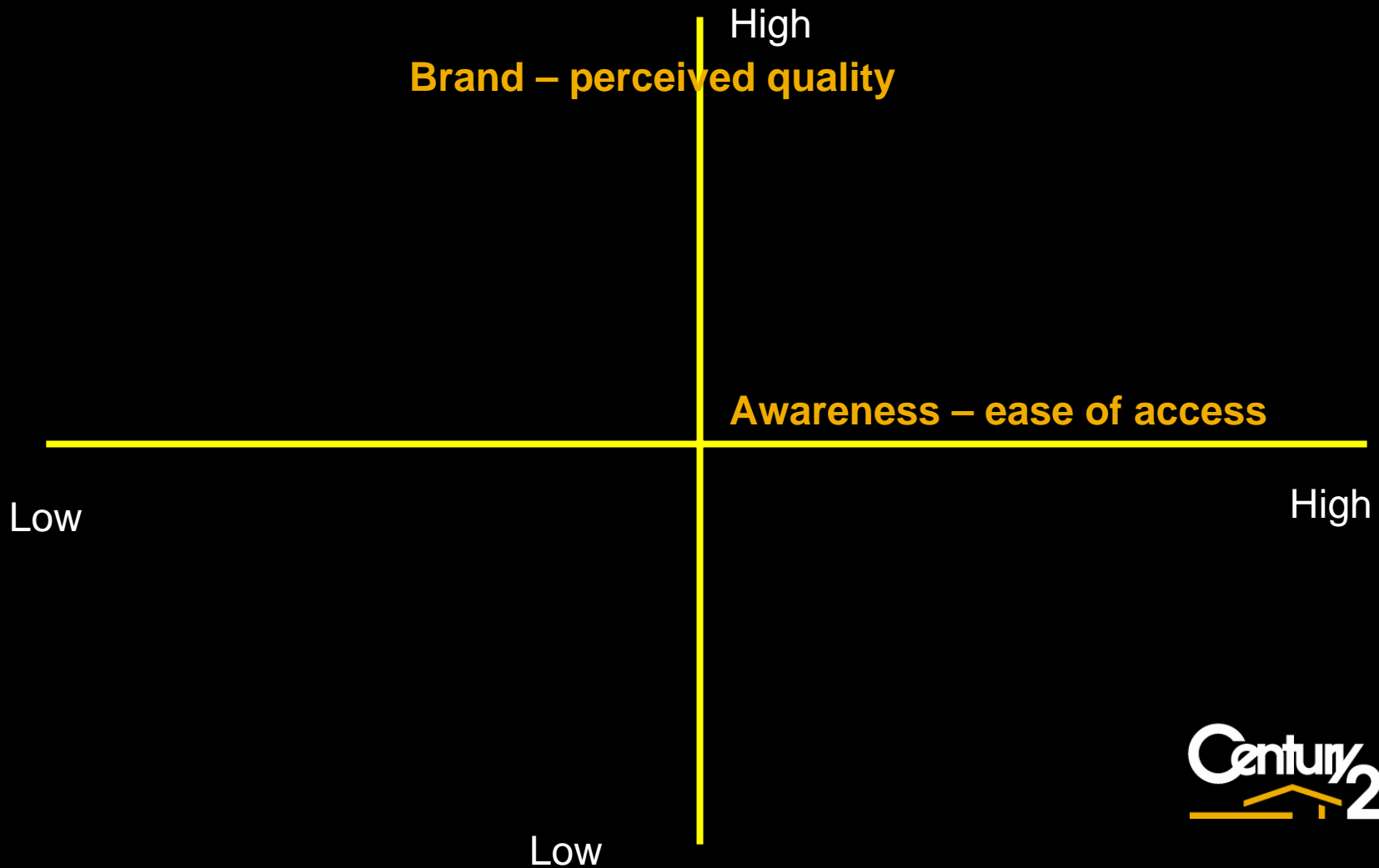
- Does location affect branding?
- Location objectives
  - Build brand
  - Get clients
  - Lower cost
  - ... what else?
- Which is the most important?

# So I invested in a franchise what next?

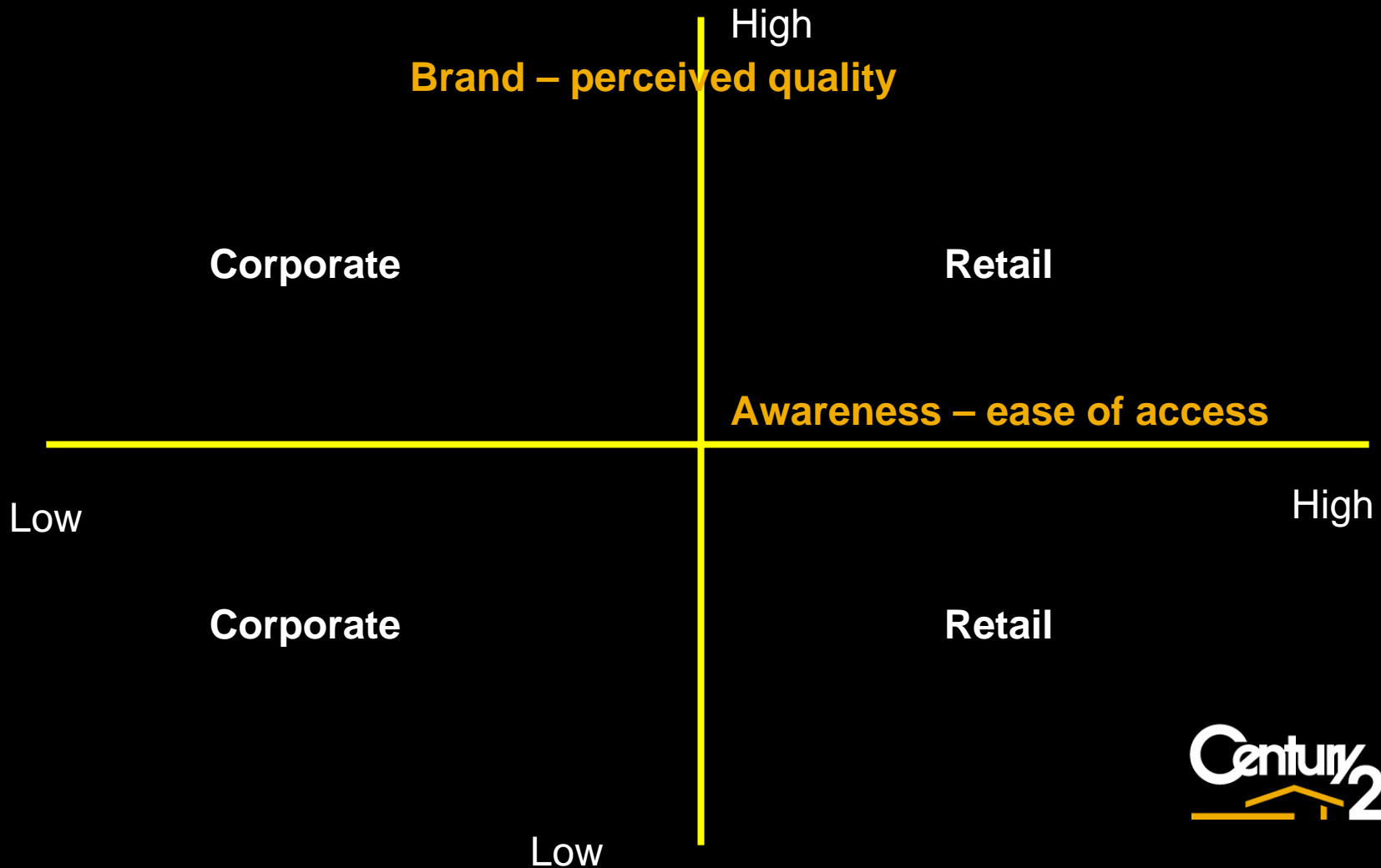
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- Generally the principle applies that the three most important factors affecting your business are:
  - 1. Location**
  - 2. Location**
  - 3. Location**
- What are my office requirements
- What area should I choose?
- Will it be on a high street or back road?

# Which Franchise Industry? 1/5



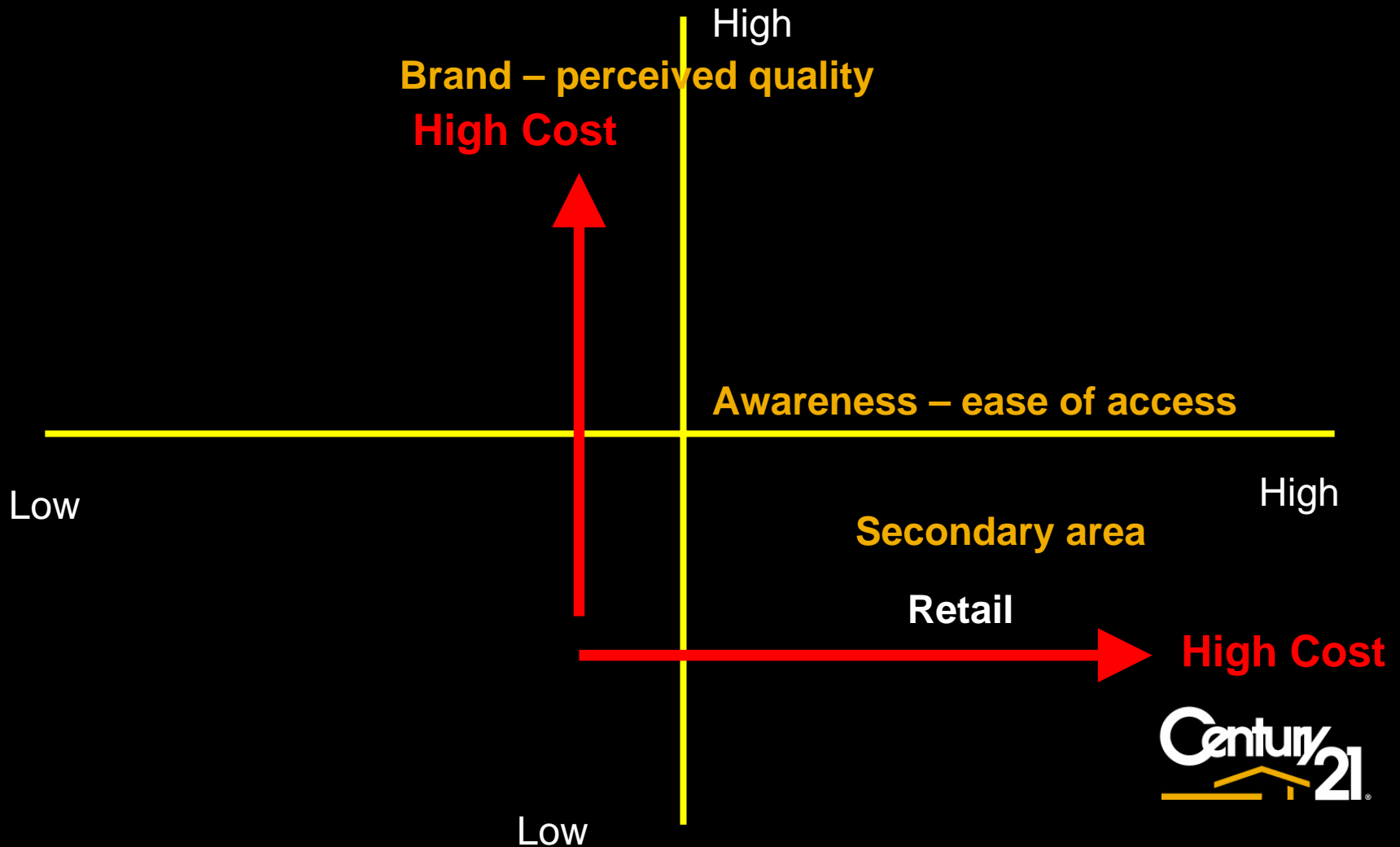
# Which Franchise Industry? 2/5



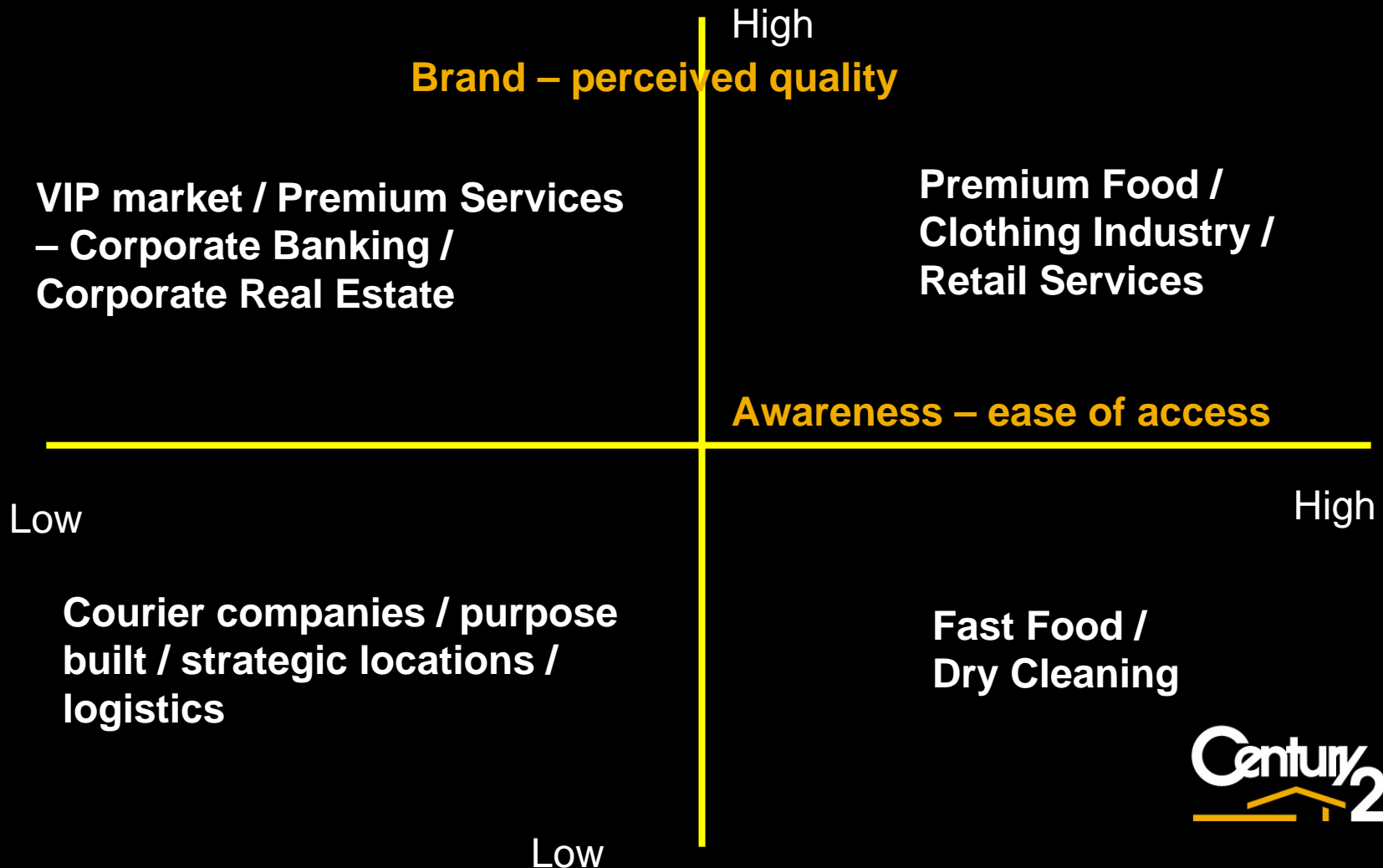
# Which Franchise Industry? 3/5



# Which Franchise Industry? 4/5



# Which Franchise Industry? 5/5



# Rent or Purchase?



## Strategic

- Area growth - demographics
- Client loyalty / repeat purchases
- Other – proximity to, metro, new building, new highway etc
- Are you probably staying there of the next twenty years?
- Can you grow within that building?

## • Financial

- Risk / return
- Mortgage rate to rental
- Future changes in mortgage rates vs rental agreement terms



# Where do I search?



- Newspapers and other media
- Developers in the area
- Drive in the area
- real estate agents
- family and friends
- Do all the above – time permitting!
- Get a specialist real estate agent!

# Finding the “right” Agent

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- Does the Agent listen?
- Portfolio
- Training
- Awards
- Communication
- CMA (Comparative Market Analysis)
- Other services

# What should I negotiate and how?

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- Rental price per month
- When does the agreement start?
- Exit strategy – period of contract to exit
- Increases per annum, number of years
- Renewal clause
- Taxes, Refuse collection, common ex. who pays what
- Maintenance of a/c of building, cleaning...
- Damages which are attributable to the owner and which to the lessee
- Fair Rent

# Negotiation



- Do relationships make better business?
- Create trust
- Knowing the needs.
- Role of the real estate Agent
- Can he help?
- Relationship with you - You are his customer.
- Relationship with the owner?

# Negotiations

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## Client Needs

## Meeting the needs

### Owner

### Agent

- Reliability
- Maintenance free
- Good reputation

- Assessed Customer creditworthiness
- Assesses the business type
- Assesses the management



# Negotiations (cont)

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- Deal breakers and Deal makers
- Deal breakers are changes that either side might ask and prompt the first to stall further talks
- Sometimes deals break for minute reasons
- Lack of continual interest
- Misunderstandings in what was said, and restate what each side understood
- Agent's scope – gain critical for non-critical

# Negotiations (cont)

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- Conflict of interest?
- It is important for the agent to take notes in all meetings.
- The agent is the “perceived” neutral person to keep the meetings and any confusions at a minimum and the atmosphere pleasant and positive.
- Agent “feels-out” both sides in a continual process monitoring the climate and keeping things going with the objective to conclude a win-win deal for both sides.

## What next: (cont)



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- Problems that may arise
  - Unable to complete the loan.
  - Assess future problems and help resolve them before they emerge.
  - Experience and time to investigate.
  - Rentals: Non-compliance
  - Consult with the Agent after?
  - Can she help?

# Real Estate Agent's Objective

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- *The objective of the Agent is to become your personal advisor for life, assessing and catering for your needs throughout your business development.*

# *Thank you*

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***For further information and/or clarification:***

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