

# Bungalows

The Premium Salon Suite Franchise Opportunity

### Our Founder Traci Hawkins

- **2**0 years of industry experience
- Opened her first traditional salon in 2011
- ❖ Opened the first Beauty Bungalows in 2017
- ❖ 3 Beauty Bungalows locations are now open
- Opened her sister Salon Suite company in 2018, now has 2 locations
- 1 more Beauty Bungalows location opening soon





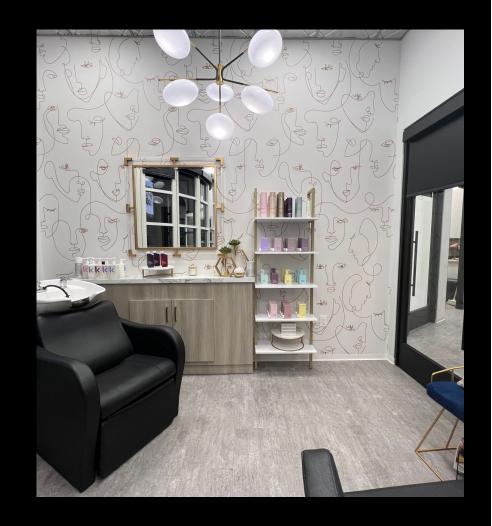


### The Salon Suite Industry Is BOOMING

- ❖ According to a market research, the global salon suites market size was valued at USD 2.1 billion in 2020 and the industry is projected to reach a value of \$9.89 billion by 2027
- The salon suite industry has a 97% occupancy rate, which is higher than the overall commercial real estate average of 89%.
- ❖ Statistics show that the salon suite industry is experiencing significant growth and is expected to continue to do so in the coming years. As more beauty professionals seek greater control over their businesses and more personalized experiences for their clients, salon suites are becoming an increasingly popular option.
- The average lease length for a beauty professional to stay in a salon suite is three years
- ❖ In a survey of salon suite tenants, 92% said that they plan to continue operating out of a salon suite for the next five years.

## What are Bungalows

- Beauty Bungalows provide upscale mini salons to beauty professionals
- We provide a trendy upscale environment four beauty professions to have their own business without the risk and overhead of a traditional salon
- Beauty Bungalows provide premium salon studios equipped with top-of-the-line fixtures
- Our suites give beauty professionals the luxury of working when they want, to use and sell the products of their choice and keep all profits









# Who rents Bungalows suites?

Salon suites are highly desirable for:

- Hairdressers
- Barbers
- **\*** Estheticians
- Laser Hair Removal
- Botox and med spas

- ❖ Nail technicians
- Laser tattoo removal
- Permanent/Makeup artists
- Waxing
- Body treatments

A very diverse range of tenants can fill Beauty Bungalows

Our current suites have a 98% occupancy rate!

# What makes Bungalows different than other salon suites?

- ❖ We pride ourselves on offering a premium space for beauty and lifestyle professionals
- Premium fixtures and luxury furniture in common areas
- Suites are designed with beauty professionals in mind
- Designed for established/higher-quality beauty professionals
- ❖ Tenants invest in their own fit out thus securing longevity
- ❖ We create an inspiring space and a strong culture of like-minded beauty professionals who feel excited about owning their own business
- Our tenants are on a 1-year lease term, this attracts a more established beauty professional and keeps tenant turnover low



# We provide beauty professionals the space to unleash their creativity and make the space their own















### Why own a Bungalows franchise?

Semi-absentee owner / Earn revenue as a property manager
No salon experience necessary

Predictable, stable & recurring revenue - know what your revenue will be every week, year after year

Recession proof

Can not be replaced by AI or outsourced overseas

Minimal to no staff

Minimal equipment maintenance

High occupancy & retention rates

No inventory or receivables

Strong culture

Broad range of beauty professional to attract as tenants

Exclusive territory

Territory is available in every state and key market

### Day in The Life of a Beauty Bungalows Franchise Owner

The ultimate in work life balance!

Renting out suites is key during the construction phase, close to 100% occupancy is key before opening

Once construction is complete the owner will be on-site a few times a week during the first six months to meet new tenants, meet and greet prospective tenants to fill any remaining suites, and to build a relationship existing tenants

Once open and suites are at full occupancy, we suggest visiting one to two times per week to strengthen your relationship with your tenants, check for any maintenance issues and cleanliness to ensure standards are being maintained

Any maintenance needed is usually outsourced by a handyman or contractor

Whilst a franchisee can take on janitorial tasks, we have found its best to outsource this to a 1099 contractor

Rent payments are run weekly via ACH so there is minimal that is needed to be done

Suites are rented out on 1-year contracts so once the tenant has moved in, there is minimal to be done



### The Real Estate





#### The Building

- ❖ 6000-8000 sq. ft
- ❖ House between 25-38 individual suites
- ❖ Suites range from 115 215 sq. ft
- ❖ Suites rent from \$295-\$535 per week / 1 year contract

#### The Location

Freestanding buildings, strip malls and lifestyle centers

We have a dedicated commercial real estate agent that will:

- ❖ Help you find and secure the perfect location
- Negotiate competitive TI allowance
- Negotiate lease terms

### Do you have what it takes?

#### <u>Ideal candidates have</u>

- ❖ A minimum net worth of \$1,000,000+
- **❖** \$450,000+ liquid capital
- ❖ 700+ FICO Score

#### Start Up/Ongoing Costs

- ❖Initial franchise fees \$49,900
- **❖**Investment range \$765,400 to \$1,705,500\*\*
- \*\*Investment range does not include tenant improvement allowance and free period which can substantially offset the investment range
- ❖Multi-unit development range \$805,400 to \$1,970,500
- ❖ 5.5% yearly royalty fee on gross revenue
- 1% yearly marketing fee

#### What we look for in franchisees

- Strong business acumen & organization skills
- ❖ A desire to follow a proven system
- ❖ An ability to build strong relationships and make a positive impact on others
- A passion for helping others succeed



# Beauty Bungalows are the premium salon suite franchise opportunity!

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