

ZEN SALON SUITES

Turnkey Salon Suite Environment · Decatur, Texas

GROWTH OPPORTUNITY ANALYSIS

Zen Salon Suites presents a compelling opportunity to increase recurring revenue and profitability through several achievable growth initiatives. The business currently operates at 83% occupancy, with 20 of 24 salon suites leased, providing immediate upside through lease-up of the remaining four suites. Current suite rents average \$175/week, below the estimated market rate of \$200+ /week.

COMPETITIVE ADVANTAGE

Only Dedicated Salon Suites in Decatur, TX

Zen Salon Suites' unique market presence creates a substantial barrier to entry for new competitors while positioning the business to benefit from continued population growth and increasing demand for independent salon ownership opportunities. Together, these factors provide a clear path for enhancing cash flow, strengthening EBITDA, and increasing long-term enterprise value.

24
PRIVATE SUITES

70%
OCCUPANCY

4,050
SQ FT FACILITY

\$67.6K
REVENUE UPSIDE

INVESTMENT HIGHLIGHTS

- **Turnkey Infrastructure.** 4,500 sq ft with private suites, staff breakroom, dispensary, and on-site laundry, appeals to independent beauty professionals.
- **Stable Cost Structure.** Operating costs remain relatively fixed while revenue scales through occupancy and rent adjustments.
- **Below-Market Rents.** Current \$175/week average sits 14% below the \$200/week market rate — embedded rent growth as leases renew.
- **Monopoly Position.** The only dedicated salon suites business in Decatur, TX — substantial barrier to entry with population growth tailwinds.
- **Ancillary Revenue Potential.** Laundry, towel service, Wi-Fi upgrades, retail partnerships, and digital marketing create high-margin incremental income.

REVENUE OPPORTUNITY MATRIX

Scenario	Calculation	Weekly	Annualized
CURRENT BASELINE	20 SUITES X \$175/WEEK	\$3,500	\$182,000
Fill 4 Vacancies at \$175	4 suites × \$175/week	+\$700	+\$36,000
Fill 4 Vacancies at \$200	4 suites × \$200/week	+\$800	+\$41,600
Raise 20 Suites to Market	20 suites × \$25 increase	+\$500	+\$26,000
Target/Full Occ. @ Market	24 suites × \$200/week × 52	\$4,800	\$249,600

REVENUE SCENARIO AT A GLANCE

CURRENT BASELINE 20 occupied suites @ \$175/week	\$182K
FILL VACANCIES ONLY 20 occupied suites @ \$175/week	\$218K
FILL + MARKET RATE ON NEW TENANTS 20 occupied suites @ \$175/week + 4 @ 200/WEEK	\$223.6K
TARGET - FULL OCUPANCY @ MARKET RENT 24 Suites @ 200/week X 52 weeks	\$249.6K

ADDITIONAL REVENUE STREAMS

HIGH - MARGIN ANCILLARY INCOME

These revenue streams create **recurring income with little additional overhead.**

Expand retail opportunities through the possibility of a hybrid salon/ suites model, commission on shared retail, and product vending. Digital directory advertising and targeted marketing further monetize the tenant base.

- EDUCATION / EVENTS
- RESALE/WHOLESALE BEAUTY SUPPLY SALES
- ON-SITE AMENITIES/VENDING

- EDUCATION / EVENTS
- PHOTOGRAPHY AND BRANDING SUPPORT

FORECAST EARNINGS

	CURRENTLY	+ 4 NEW TENANTS at market rate	MARKET TARGET
TOTAL Revenue	\$182,000	\$223,600	\$249,600
<i>Gross Revenue</i>	\$182,000	\$223,600	\$249,600
TOTAL Cost of Goods Sold			
Gross Profit	\$182,000	\$223,600	\$249,600
Advertising & Marketing	\$1,345	\$1,345	\$1,345
Bank charges	\$2,132	\$2,132	\$2,132
Computer software	\$307	\$307	\$307
Dues/subscriptions	\$78	\$78	\$78
Insurance (other than health)	\$4,429	\$4,429	\$4,429
Office expense/accounting/ tax & license	\$12,451	\$12,451	\$12,451
Rent or lease	\$93,445	\$93,445	\$93,445
Repairs and maintenance	\$2,874	\$2,874	\$2,874
Taxes/Licenses	\$0	\$0	\$0
Utilities	\$16,744	\$16,744	\$16,744
Total Operating Expenses	\$133,805	\$133,805	\$133,805
CASH FLOW (NET)	\$48,195	\$89,795	\$115,795

- monthly expenses: approx: \$10,238
- monthly projected market target after expenses: \$9,650
- (fluctuations expected as occupancy increases)

Zen Salon Suites presents a compelling opportunity to increase recurring revenue and profitability through several achievable growth initiatives as well as immediate upside through the lease-up of the remaining four suites. As leases renew, implementing gradual market-rate rent adjustments, combined with full occupancy, could increase annual recurring rental revenue by approximately \$67,600.



FOR MORE INFORMATION CONTACT:

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