FREE GUIDE

How I Opened a Bar for $80K With No Bank Loan

Kate · 15 years · six bars · Seattle

THE $80K BREAKDOWN

$30K
to purchase an existing bar (the smartest money i spent)

$50K
everything else: used furniture, paint, permits, small inventory, walk-in cooler

$0
bank loans

$80K
total to open

WHERE THE REST WENT

- used furniture (every piece)
- paint (we painted everything ourselves)
- liquor and health permits
- small starting inventory (very small to start)
- our one splurge: a walk-in cooler for tap beer

HOW THE MONEY WORKED

- five people. $5K to $20K each.
- every loan had a promissory note with a small amount of interest
- not a handshake, not equity. a real loan on paper
- everyone paid back in five months

THE LEGAL COSTS WERE WORTH IT

- we paid a lawyer to help with the owner operating agreements, the lease, and the promissory notes
- cheap paper creates expensive problems later
- this was some of the best money we spent

TAKE OVER AN EXISTING SPACE

- this is the single biggest money saver. we bought a bar that was already a bar
- no change of use permits. no bringing electrical up to code. no plumbing retrofit. no health department starting from scratch
- the space was already legal as a bar. you're just changing the owner, not the use
- this cuts your permitting costs and your timeline by months. months of rent you're not paying while you wait for the city to approve a buildout

WHAT THE EXISTING BAR ALREADY HAD

- restrooms
- hand sinks
- a sound system
- bar stools
- an ice machine
- some glassware
- electrical and plumbing already permitted for a bar

PAINT IT BLACK

- we picked a concept that didn't need high-end finishes
- montana was a dive bar and our motto for almost everything was 'paint it black'
- paint covers a lot of sins and black makes everything look intentional

WHAT WE DID OURSELVES vs HIRED OUT

- did ourselves: all the painting (every wall, every surface), shelf installation, general cleanup and prep
- paid someone for: walk-in cooler installation (not a DIY job), a lawyer for the legal paperwork
- the line: if it doesn't require a license or a permit, we did it ourselves

TRADE AND ENLIST

- friends who helped with painting, shelf installation, graphic design got bar tabs
- not cash, not equity. a bar tab costs you wholesale drink prices. it costs them retail. everyone wins
- you'd be surprised how many people will help you build a bar for a future tab
- people want to be part of something. let them

@kateopatz

DO AS LITTLE AS POSSIBLE

> things we specifically saved for after we were open and bringing in money: the patio, a better sound system, more decor, better bar stools, a photo booth

OPEN FIRST. IMPROVE SECOND.

- the version of your bar that opens doesn't need to be the final version
- it needs to be open, serving drinks, and generating revenue
- you can build the rest with money from the business instead of debt

EXPECT TO WORK IT YOURSELF

- i worked at montana every night for about five months before i could step away. that's very fast. plan for longer
- reason 1: people love to come in and see the owner. you being there is a selling point, not a sacrifice. regulars want to know the person behind the bar
- reason 2: you need constant eyes on the business to see what it needs. what's selling, what's not, which staff member is great, which one isn't
- five months of being there every night taught me more about running a bar than any consultant or course ever could

WHAT I'D DO DIFFERENTLY

- honestly, nothing. we were very lucky
- but i wish i had stuck to this method with some of my later bars. i spent more money on buildouts for newer concepts and the return wasn't there
- the cheap, scrappy, 'paint it black' approach worked better than the expensive approach every time

THE CHEAPER WAY IN TODAY

1. find an existing bar or restaurant space that's already permitted
2. pick a concept that doesn't need high-end finishes
3. do the work yourself (everything that doesn't need a license)
4. trade bar tabs for help
5. open with the minimum and improve with revenue
6. work the floor yourself and learn what the business needs
7. pay back your loans with the first months of revenue
8. then build the system to step away

THE BOTTOM LINE

> it's not glamorous. it's not the version you see on instagram with the $500K buildout. but it's the version that's still open 15 years later.