



CELEBRATING
55 YEARS

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Let the good times roll. Lets go out to eat.

July 25, 2013 - Spotlights

In the casino industry, the house always wins. Go to a casino...the slots are ringing, the crap tables are busy, and it's hard to get a seat at a black jack table. Meanwhile few people go home with money...the house always wins.

All across Mass., restaurants, big and small, chain and independents are all peaking. Even though most of the activity is toward the end of the week, the high-end and mid-range full service restaurants all seem to be busy. If you've ever tried to get into the Cheesecake Factory you know what it means to be busy. It was just acknowledged that the Cheesecake Factory is the highest grossing restaurant, on a per square foot basis, in the country. Congratulations. They do an outstanding job.

The casual dining and fast food restaurants are seeing a brisk pace of repeat customers. Also, with more and more people ordering-in, they're keeping the take-out restaurants hopping. Night clubs and bars around Boston and the suburbs are bustling till 1:00 or 2:00 am many nights throughout the week as evidenced by the traffic in and around Quincy Market, the financial district, the Seaport area, Newbury St., the North End, and any number of pockets of activity in and around Boston. In a nutshell, 'people are spending'. But, as before the recession, people are back to using credit cards. Like casinos where chips are not real money...credit cards are apparently not real money. It has been reported that the average individual has over \$4,000 in rolling credit card debt...many don't have equity in their homes to fall back on.

So how healthy is the restaurant industry after the second quarter? If people are spending money, and new restaurants, large and small, are opening up everywhere, one would assume that that the industry is healthy. However, it depends on your perspective. If you evaluate the industry by activity...let the good times roll. If you evaluate it from the area of profitability, the recession is not over and the profit margins are slipping. If you evaluate it from an operational perspective, the regulations, the taxes, the costs, the staffing...it's a tough job. If you evaluate it from a liability perspective, the social activists have coerced the government to mandate a plethora of regulations regarding handicap access, calorie counts, allergy protection, restrictive menu ingredients, mandated portion sizes, increasing minimum wages, paid medical leave, and the specter of how the implementation of "Obamacare" is going to affect operational profitability leaves one pensive.

The uncontrollable government regulations are taking the fun and profitability out of the industry. Yet the strong are getting stronger and the weak are floundering.

Fueled by the development of large lifestyle centers, the development of new neighborhood shopping centers, and the rehab of existing centers, the chains and celebrated restaurants are expanding at a dizzying pace. The appreciation of Boston and Massachusetts's demographics, and tolerable and ever-changing weather patterns are slowly bringing national chains to our market. For those who've ventured to the Cape, Newport, or the mountains this summer, the traffic has been

intolerable. The waits for a table have been annoying whether you were going out for breakfast, lunch, or dinner. It's obvious that credit cards are not real money...people are spending like drunken sailors. Are we setting us up for another crash? Meanwhile the restaurant industry is fueling increasing employment, stimulating advertising, and filling the tax coffers.

With the record highs reached by the stock market, committed investors are seeing their investments recovering to prerecession highs. Having the security of money in the bank, so to speak, is making it easier for buyers to decide on leaving a job to purchase or start a food operation.

With 12 brokers, we've never been busier.

Who wouldn't want to be an owner of a business like one of our local standards...the Ninety-Nine, Pizzeria Regina, Legal Sea Foods, the Kowloon, D'Angelo, Dunkin Donuts, the Continental, Burton's, or Wild Willy's Burgers.

Dreaming is the first step to success.

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