



nerb

When a listing is beyond your scope of experience, a restaurant expert can help you close more deals

August 28, 2014 - Spotlights

New England Restaurant Brokers (NERB) is the oldest and largest restaurant broker and consultant in the country with 34 years of experience and 20 brokers. In that time NERB and its national division, the National Restaurant Exchange, have been a resource for the general commercial brokerage community.

As a commercial broker, there are times when you list a commercial property that happens to be beyond your scope of experience.

For example: An owner asks you to list their moisture-controlled, single-purpose warehouse in Dighton. You don't even know how to get to Dighton, let alone how to evaluate what its market value is or who to market it to. The natural direction to go is to ask around, do some research, and try to generate enough information to talk intelligently to a prospective buyer when you find one.

From the same perspective, it's amazing how many food and beverage businesses dot the landscape. No matter where you go, look to your left, look to your right...convenience stores, liquor stores, fast food, pubs, full-service, nightclubs, function facilities, ad nauseam. Then you can break them down into chains, into ethnic subsets...every downtown, every shopping center, most office complexes..."my God, they're everywhere."

Our society's lifeblood are food and beverage businesses. When that industry gets sick, our economy is sick.

As a commercial broker you'll come into a situation where you're asked to list a food or liquor operation. But with that listing, you have made a commitment to help that owner, who many times, is in distress. You can do more damage than helping if you're not up-to-date on the ever-changing dynamics of the industry. Trends are changing, government regulations are changing, competition is increasing, financing is a major problem, and landlords are indifferent.

As we all know, even though we represent the interest of the seller, we also have to coddle the interests of the buyer. Does the buyer have sufficient money to buy a business, does he have enough experience to be successful in his new endeavor, does he have sufficient cash reserves, and does he have sufficient collateral for financing? These are only a few of the concerns that a broker has to consider when working with a buyer.

The more important question...how much is his business worth? Does the seller know? We know what he 'wants', but is that a realistic number? In order to answer that question, you have to know what his business is worth in today's market. That number is a function of an all-cash deal, bank financing, seller financing, lease negotiations...and more importantly...market value.

Fortunately, you don't have to worry about all that. New England Restaurant Brokers has sold hundreds of restaurants in the last 34 years, many co-brokered with folks just like you. Whether you generate the listing or you find the buyer, we'll gladly help you satisfy their needs. We've been

consultants, expert witnesses, and a nationally recognized industry authority. Let us prove that we're your best industry friend.

Dennis Serpone is president of New England Restaurant Brokers and The National Restaurant Exchange, Wakefield, Mass.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540