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Restaurants finally see the light of day with spring officially arriving and confidence levels up

March 26, 2015 - Spotlights

It's not an illusion, the sun seems to be appearing more frequently and the snow banks slowly slipping into oblivion. This winter's incredible record-breaking snowfall has damaged homes, commercial properties, and the pocketbooks of everyone in one way or another. Leaking and collapsed roofs, pot holes raising havoc with drivers, the creeping up of the cost of gasoline, and the subtle intrusion of the government regulators and taxes has changed the general topic of cocktail conversation from the pace of the stock market's growth to where and how soon can I take a vacation to Florida to recharge my batteries.

On the Cape last weekend, on one of those rare mild days, I was elated to see mud and previously frozen grass peeking out from the mounds of snow. There the rental season has already begun. Brokers that I talked to are experiencing early inquiries and quicker rental commitments.

Back in the Greater Boston area, a harbinger of spring is the significant activity in restaurants and bars. As you might expect, with the frequency of our weekend storms, Fridays and Saturdays saw dramatic drops in patronage. Whether it was the disruption of T service, the reduced availability of parking, or the conditions brought on by the rolling series of storms and the cold weather, people opted to stay home and 'ordered in'. Where most restaurants saw their sales slip by 30-40%, those restaurants that 'delivered' saw increased business. It's so easy to pick up your cell and order a pizza or Chinese food.

I spoke to a manager of the Whole Foods in Lynnfield. He said that their prepared foods section experienced an extraordinary increase in volume where it didn't seem to matter what the price was on anything...across the board sales were exceeding strong. That was of course when people could get there.

For those lucky enough to be able to spend a month or two or three in Florida, they dodged a bullet, as the saying goes.

As restaurant specialists, we get to see first-hand both positive and negative effects of the myriad of events in this already over-regulated industry. This winter was the tipping point for numerous restaurants that were struggling to survive. So many have run out of resources. Profit margins have been shrinking, staff is getting more and more costly, getting good, dependable help has been a daunting task, and the competition for the customer has never been so severe. Subsequently we've increased our broker staff to 20...and even at that we find it a challenge to service all the calls we get to sell and surprisingly those that want to buy a business.

Whether buyers are taking equity loans, cashing in their CDs, or borrowing money from parents or uncles, the inquiries from serious buyers has also increased significantly. Like the stock market, every transaction is made up of a seller who's sure that his stock won't go up any higher...and the buyer who's sure that the stock is destined to continue to go up. There's no shortage of qualified,

experienced buyers out there.

Interestingly BusinessesForSale.com just listed the top 10 business that buyers are interested in. Below you will find the current ranking of business types based on the number of "hits" on their site.

- 1 - Restaurants
- 2 - Bars
- 3 - E-Commerce
- 4 - Convenience stores
- 5 - Caf   bars
- 6 - Nightclubs
- 7 - Fast food - non franchises
- 8 - Marketing businesses
- 9 - Advertising businesses
- 10 - Motels

Six out of 10 are our core business which tends to explain why our agents so busy.

It appears certain that the confidence level of the general population is up over last year, the confidence level of retailers is up slightly over last year, and with spring officially arriving, Easter and Passover quickly following, the restaurants and entertainment venues should do exceedingly well. The successful independent operators, coupled with the local and regional chains, are fueling increased competition for good locations. Our relationship with regional mall and life-style center developers and managers affords us the opportunity to bring fresh concepts to our area. Along with the announcement that Sonic is going to explode in our area (we're putting their next one in Saugus this spring), chains like Tilted Kilt, Firehouse Subs, Taco Belle, Subway, California Pizza Kitchen, and Wahlburgers are leading the way. Interestingly, per the National Restaurant News, burgers top the list of growing menu items. Except for the likes of McDonalds, Burger King, and Wendys, gone are the days of the \$3 hamburger. Now we see them routinely in the \$8-\$12 range. The industry is posed for a solid recovery, varying slightly depending on market segments. "See me on the street and I'll buy you a drink. Lets help the economy together."

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