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## **Let the good times roll again. Let's all go out to eat tonight. - by Dennis Serpone**

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Dennis Serpone

I think that we're all taking that long awaited 'sigh of relief' with the governor announcing that all COVID-19 restrictions will be lifted by June. But much like viewing old World War II movies and the destroyed buildings of England after a night of German bombings, our food & beverage business has been decimated. Across the country almost 100,000 restaurants have gone out of business, thousands of hospitality properties have closed locally. The food and beverage industry has changed forever. However, sometimes change is good.

The weak operators who struggled in good times are gone. The seasoned operators who had been successful are either refining their business under the new paradigm or taking advantage of previously unprecedented opportunities.

Is being 'downtown' or 'on the waterfront' the key to success?

Many restaurateurs who were in the development mode threw caution to the wind to gain a location in these populous busy areas. Eye-popping rents and other high prime costs were marginalized when viewed as an abstract to gross revenue.

Only a small percentage of office workers have returned to their cubicles opting instead, where allowable, to work from home. Given the freedom of working at home, in your pajamas, without the scrutiny of a boss is more palatable than fighting traffic, paying for parking, and wondering if your child is coming home right after school.

Recognizing the trend, many expanding-minded restaurateurs are looking to transition out of the urban settings to the more relaxed and moderate settings of the suburbs where occupancy costs are much less and landlords more cooperating.

With the increasingly high cost of goods, energy, taxes, payroll, and rent, operators are trending to the suburbs...to the myriad of vacancies in the local strip centers and the high-end lifestyle centers

dotting all the routes leaving Boston north, south, east, and west.

For the consumer, after over a year of being held-back by fear, and sometime ignorance, the demand for off-premise dining has never been greater. Operators who've weathered the storm will soon be seeing clear sailing ahead. The governor, along with removing all operating restrictions, will end the free-flowing of the weekly \$300/week unemployment benefit without showing that you're actually looking for work. The "paid vacation" for many, is ending.

Even though most of the activity is still toward the end of the week, the high-end and mid-range full service restaurants all seem to be getting busy. 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 places hopping. Night clubs and sports bars around Boston and the suburbs will soon be bustling again. In a nutshell, 'people are spending'. As humans, most things we do are for gratification. We need to be gratified...whether we're gratified by eating, buying clothes to look good, having a home to be proud of, or gratified by having a loving family, our direction in life is seeking that many-times elusive gratification.

After over a year of sacrifice, the pent-up demand for self-gratification will be seen in the lines at restaurants of every ilk and by lines at the ticket windows at the airports and cruise terminals.

So how healthy is the restaurant industry post-COVID-19? If people are spending money, and new restaurants, large and small, are opening up where others failed, one would assume that the industry is on the road to good health. However, for the entrepreneurial individual, or group, the opportunity to make hundreds of thousands of dollars per year, without an engineering degree, a doctorate...or the ability of a tradesman, the food and beverage industry may be your only way to self-fulfillment and financial success.

After 40 years, as a restaurant broker, and almost a half billion dollars in deals, I've seen it all. 75% of all small business is food and liquor related. Restaurants are the lifeblood of our country. They've become a necessary part of our everyday life...starting with that coffee on the way to work.

Jared and his two friends pooled \$100,000 and came to me to buy a sports bar. That \$100,000, and \$100,000 in seller-financing, bought them a bar in Billerica doing \$12,000 per week. The bar netted over \$100,000 per year. Their cash investment was back in their pockets in the first year. They ran the bar for 10 years...then sold it for the same price that they had paid for it...\$200,000.

What did the business cost them...ZERO! They sold it for what they bought it for, but in those 10 years they made themselves \$1 million.

Dreaming is the first step to success.

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