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## **Restaurants welcome your patronage! Support your local business owner - by Dennis Serpone**

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Dennis Serpone

It's not an illusion, the sun seems to be appearing more frequently after a summer of rainy days...record heat one day, rain the next. Don't tell the governor but I went to a family get together last weekend on the Cape...no one wearing masks. I would have thought that the conversations would be centered on the sharks infesting the waters of the Cape and the debacle taking place in Afganistan, but it was more about the creeping up of the cost of gasoline, and general effects of inflation on the cost of everything. Naturally, someone brought up the cost of food in the supermarkets which led to menu prices in restaurants

Granted that we're on the backside of summer with parents focused on preparing their children for school, but for us older folks seeing the cost of a hamburger in a mid-tier restaurant for \$13 - \$15 is becoming typical. I suppose you can scan a menu in any restaurant and see price increases. In the same way, I recently went to a pizzeria in Quincy and ordered a large Italian meatball sub...\$11. I was shocked. The truth of the matter is that I should have been grateful. I didn't have to go the supermarket and buy the ingredients, I didn't have to make the meatballs, cook them, and store them. For most people the convenience of going to a restaurant, having the food served to us, and not having to clean up is worth the price.

Finally, there is significant activity in restaurants and bars. As you might expect, after the initial bout with COVID-19, people opted to stay home and 'ordered in'. Where most restaurants saw their sales slip by 80%- 90%, those restaurants that 'delivered' saw 40% increases in 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 is experiencing an extraordinary increase in volume where it didn't seem to matter what the price was on anything...across the board sales were exceedingly strong. Interestingly people seem to have money to spend...and what better place to spend it, with family and friends, than supporting your favorite restaurants.

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. COVID-19, and then the Delta variant were the tipping point for numerous restaurants that were struggling to survive. So many restaurant operators have run out of resources. Inflation is shrinking profit margins, getting and keeping a reliable staff is getting more and more costly, and the competition for the customer has never been so severe. Subsequently we've increased our broker staff of restaurant specialists to twenty...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, pulling profits off the stock market, or borrowing money from parents or uncles, the inquiries from serious buyers looking for a good deal has increased significantly. Fortunately, there's no shortage of qualified, experienced restaurant buyers looking.

Interestingly, a business listing site, Businesses For Sale, reported the top 10 business that buyers are interested in:

Below you will find their current "hot" business list.

A monthly ranking of business types based on the number of "hits" on their site.

Top 10 businesses by impressions

1. Restaurants
2. Bars
3. E-Commerce
4. Convenience Stores
5. Café Bars
6. Nightclubs
7. Fast Food – Non Franchises
8. Marketing Businesses
9. Advertising Businesses
10. Motels

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

As you might expect, it appears that the confidence level of the general population is way up over last year, the confidence level of retailers is up slightly over last year, and with fall around the corner, with Thanksgiving and Christmas 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 and help. "Our relationship with regional mall and life-style center developers and managers affords us the opportunity to bring fresh concepts to our area. The food and beverage industry is poised for a solid recovery, varying slightly depending on its market segments. The best thing that you can do is encourage your friends to 'eat out' often...support your local business owner.

Dennis Serpone is the founder of the National Restaurant Exchange, and The Hotel Exchange, Wakefield, Mass.

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