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## **Bumper to bumper...get used to it - by Dennis Serpone**

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Dennis Serpone

Where is everyone going at 3:00 p.m. on Rte. 128 and Interstate 495?

In the old days, “rush hour”, people rushing to and from their jobs, was more like 5:30-8:00 a.m. and 4:00-7:00 p.m. Today the morning rush runs till 9:00 a.m. but the afternoon rush starts around usually before 3:00 p.m. and ends after 7:00 p.m. With the latitude that people have working from home, are people picking their kids up from sports, are they shopping, or are they coming from or going to the gym? Whatever...these two East-West super highways are busy, and are feeding the North-South highways of I-93, and Rtes. 3 and 1.

The government, through the various machinations of the Fed, is printing money and distributing it to the masses through the myriad of social programs ad nauseum. Financial institutions, with their coffers full of cheap money are fueling the reengineering of existing shopping centers and building new ones. Those that are fed by the numerous highways and most visible, are the expansion of the Woburn Mall, the massive extension of the Burlington Mall, and the huge redevelopment of the Rockingham Mall. With these come hundreds of apartment or condos.

I'm sure you've noticed all the cranes in the sky...not the beautiful, long-necked birds, but the steel monoliths that block out the sun. Those building cranes seem to be everywhere you look, especially as you drive through Boston heading North. Buildings are popping up everywhere...high-rise luxury condos, apartment complexes, office buildings, and large life-style shopping centers, small neighborhood strip centers, and of course a plethora of restaurants to support these developments.

Who can keep track of all the new food concepts hitting the local market? National brands, local favorites...they come in the form of independents, company-owned chains, and franchises. Most of these projects incorporate in their tenant mix 50% or more of food and beverage businesses.

The pandemic must be over if the sheer quantity of cars on the road and the lack of parking spaces at these mega shopping areas are an indication of the demise of that terrible experience.

Years ago a successful developer/investor-type identified future growth areas with the best places to buy real estate. His advice was to buy within one hour of Boston...up to I-495, the "outer belt". It seems a lot of people did just that. I-495 is the step-child of Rte. 128, and has the same traffic profile of Rte. 128...just a little bit lighter. With housing came shopping centers...with shopping centers came food and liquor businesses.

The bottom line is that, based on all these people with cars, shopping at the malls, buying gas and gifts, and filling the restaurants, the great pandemic must be over. Whether as a result of working, being the recipient of the largess of our government, or being on some form of government assistance, people have money to spend...and they're doing it. Statistics are that the average family has amassed a credit card balance of over \$8,800. They're spending. Even with a mask, it feels like the good old days are back.

If you go out to eat on the weekends, you know that full-service restaurants are crowded. That said, the profit margins of small businesses across the board are crashing. Taxes, regulations, heightened minimum wage, operating restrictions, and energy costs are eating away at the profits of small business. The present administration's crusade to redistribute earnings of those working to those not working, and the lack of help is causing owners to question why they should even stay in business. Hence, a dilution in the value of businesses in every sector.

Even with a staff of 18 brokers, we're finding it hard to keep up with all the requests for the National Restaurant Exchange to take on more listings. We're representing multimillion dollar full service restaurants on one end of the spectrum and \$100,000 fast food outlets on the other end. Fortunately, in 40 years of representing buyers and sellers, we've never been this busy. Sellers are accepting creative terms to get out and buyers recognize that there's a significant benefit, emotionally and financially, in being self employed. The strong operators are capitalizing on the opportunities made available by under-capitalized and over-leveraged sellers.

To sum it all up, construction is booming, interest rates are low so people are buying and borrowing, rush hour traffic is horrendous, but eating outside the home has become a way of life. What was a special occasion, dining out, is now a daily routine for millions and millions of people.

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

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