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Let the good times roll. Let's go out to eat! - by Dennis Serpone

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Dennis Serpone

In the casino industry, the house always wins. Go to a casino...the slots are ringing, the crap tables are busy, and it's hard to get a seat at a black jack table. Meanwhile few people come home with money. The house always wins.

All across Massachusetts, restaurants, big and small, those restaurants that survived the last couple of years, they all seem to be regaining their old enthusiasm and zest. Even though most of the activity is toward the end of the week, the high-end and mid-range full-service restaurants all seem to be busy. The fast food segment is red hot. With the aid of Uber Eats, Grub Hub, and Door Dash, many people are choosing to have food brought to them, and dining at home, rather than going to full-service.

The casual dining and fast food restaurants are seeing a brisk pace of repeat customers. Night clubs and bars around Boston and the suburbs are bustling till 1:00 am many nights throughout the week as evidenced by the traffic in and around Quincy Market, the ever-burgening Seaport area, Newbury St., the North End, and any number of pockets of activity in and around Boston. In a nutshell, 'people are spending.' But, as before the pandemic, people are back to using credit cards. Like casinos where chips are not real money... credit cards are not real money either. It has been reported that the average individual has over \$10,000 in rolling credit card debt... some depend on the equity in their homes to fall back on.

So how healthy is the restaurant industry going into the second quarter? If people are spending money, and new restaurants, large and small, are opening up everywhere, one would assume that the industry is healthy. In Massachusetts, for every restaurant that closes, two or three open. However, the health of the industry depends on your perspective. If you evaluate the industry by activity...let the good times roll. For well-located restaurants with easy access, and some level of competitive advantage, the future is bright. If you evaluate it from the area of profitability, the pandemic is not over. Inflation, fueled by Biden's decision to end our country's energy independence is decimating profit margins. If you evaluate it from an operational perspective, the regulations, the taxes, the costs, the availability of staffing... it's a tough job. If you evaluate it from a liability perspective, the social activists, the green movement, have coerced the government to mandate a plethora of rules regarding handicap access, calorie counts, allergy protection, increasing minimum wages, paid medical leave, and the specter of how the war in Ukraine is going to affect our daily lives, the outlook is somewhat shaded.

The uncontrollable government regulations are taking the fun and profitability out of the industry. Yet the strong are getting stronger and the weak are floundering.

Fueled by the development of large lifestyle centers, the development of new neighborhood shopping centers, and the rehab of existing centers, the chains and celebrated restaurants are expanding at a dizzying pace. The appreciation of Boston/Massachusetts demographics, and tolerable and ever-changing weather patterns are slowly bringing national chains to our market. For those who plan on venturing to the Cape, Newport, or the mountains this summer, the traffic is

anticipated to be intolerable and very expensive. The wait times for tables had been annoying whether you were going out for breakfast, lunch, or dinner before COVID are slowly coming back. It's obvious that credit cards are not real money. People are spending like drunken sailors. Lobsters in a fine dining restaurant will cost you \$100 and you can toast the occasion with \$18 cosmos. With all that is happening in Eastern Europe, the lingering effects of COVID around the world, the surging level of inflation, one has to ask if we're setting ourselves up for another crash? Meanwhile the restaurant industry is fueling increasing employment, stimulating advertising, and filling the tax coffers.

Even though we've moved away from what we thought would never end, the almost daily record level of the stock market, committed investors are still in the game, they're simply adjusting their menu of market segments. Having the security of money in the bank from all those who've benefited from the largess of our government over the last couple of years, the decision for buyers to decide on purchasing or starting a food operation, is easy. Who wouldn't want to be an owner of a business like one of our local standards...the Ninety-Nine, Pizzeria Regina, Legal Seafoods, the Kowloon, D'Angelo's, Dunkin Donuts, the Continental, Burton's, or Wild Willy's Burgers.

Dreaming is the first step to success.

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