



CELEBRATING  
55 YEARS

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**The bottom line is that you are in business to make money\$ -  
by Dennis Serpone**

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Dennis Serpone

Whether you are manufacturing integrated circuits or flipping burgers, the end result is that you hope to make money...a profit.

March 2020 will be imbedded in our history for many years to come. What most people don't see is the havoc that this disease caused on the restaurant industry. Reminiscent of the last 'recession', the government bailed out the banks which ultimately eased the pain on the disadvantaged borrower. Even up until recently, the government was carrying the country with various stimulus checks...business owners and individuals had received a life-sustaining blood infusion. The affects of that infusion of money is wearing off. Many restaurateurs are running out of resources fighting to keep the restaurants full and having the staff to serve them. This effort is mitigated by the sheer numbers of food and beverage operations throughout the city, the state, the country.

For those restaurant owners who haven't already thrown in the towel, the increase in operating costs, even today with concentrated operating hours, many owners of food and liquor businesses are considering the possibility of selling. This is certainly why we see so many restaurants, both big and small, on the market.

As you might suppose, the market has never been this active with some of the more well-known regional and national chains spinning off their under-performing units...did you ever expect to see a closed McDonalds, Bertucci, a Ninety-Nine, or Friendly's? Thousands of chains and independent mom & pop operators have been unable to cope with the rising costs and have either sold or simply created a deal with the landlord to get out of a lease, sold off their equipment, and moved on. That being said, there is always someone with a better idea to fill that void.

It has always been said that if you can generate cash flow, you can be successful. Well, that's not the case right now. There are plenty of restaurants that are 'churning' dollars but there's little or no profit at the end of the month when the rent and taxes are due. If you look closely you can see where the restaurant operators are 'between a rock and a hard place'. They have a significant investment to recover, they need to keep their staff busy, they need to keep the seats full...and they have to show a profit at the end of the day.

The most profitable selling products are far and away burgers and pizza. When you can add beer, wine and liquor to your mix...profits will follow you to the bank.

With 20 restaurant specialists in the field, I get to evaluate the entire spectrum of the market. Simply put, fast food, even with limited seating is doing the best...by a long shot. The National Restaurant Exchange, even though national in scope, is primarily local in operation and in such a capacity has a broad view of the entire New England commercial real estate industry.

When summer is officially here, the lure for families to eat 'out' is the strongest, the lure of spending your valuable vacation time, or weekends on the Cape or in the mountains is the topic of conversation for most of us.

Not surprisingly, with the stock market at historic highs, and with gold at its record high, all indications are that this summer is going to eclipse all previous summers. Credit cards are going to get a work out, the roads are going to be jammed, and blankets on the beach will be touching each other.

What is truly amazing is the fact that consumer debt is over a trillion dollars with cardholders carrying almost usury interest rates. Yet you will find families eating out often...because it's a way to socialize. Socialization is important for the millions of people who work out of their home. Eating out, in a sense, is important for one's mental health.

The fast-food outlets that dot every commercial block in Massachusetts, are having a field day. Even though pizza is averaging \$17 and subs running \$13 on average, with a couple of sodas, two people can satisfy their hunger tantrums for under \$40.

If those same two people frequent the average full service restaurant, they can expect a tab closer to \$140. That's the reality of not eating at home.

The independent entrepreneur who invests hundreds of thousands of dollars to serve you is the lifeblood of our country. He deserves your support...eat out often, tip heavily...your credit card company needs the interest.

Remember, as long as people need to eat and people need to be entertained, food and liquor businesses will always survive, the only thing that changes is the face of the operator.

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

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