

RESTAURANT INSIDER

"NEWS YOU CAN USE"



NEWSLETTER... SPRING 2018



Historic Wild West in Arizona

Includes Real Estate and #6 Liquor License

An amazing **Real Estate** opportunity is now available in the far East Valley. This restaurant is part of the historic Wild West in Arizona and has the character to prove it. A 10,000 SF freestanding building sitting on 1.5 acres of Cowboy Country that includes a Series 6 (bar) liquor license, a fully equipped kitchen, saloon-style bar, hardwood dance floor, spacious dining room and TONS of private party and banquet space, both inside and out. This is a very special place for a special operator. Saddle up! \$990,000. #3009



AAA+ East Valley restaurant location is now available. This freestanding building is well-positioned at an extremely busy premium Mall on a high-visibility pad with its own parking. No expense was spared to create this beautiful facility – HUGE patios, an indoor/outdoor bar, an excellent dining room layout with a cocktail area and a fully-equipped kitchen capable of delivering any style of menu. This is a very RARE opportunity to acquire a superior location, the type that doesn't come around very often! Strong operational expertise and financial resources required. **CONVERSION ONLY.** \$395,000. #2096

An amazing one-of-a-kind **restaurant, bar and microbrewery** in the East Valley with **below market rent!** Perfectly positioned in a premium high-visibility location on the endcap of an extremely busy upscale shopping center that includes movie theaters and numerous complementary businesses. It features a huge dog-friendly patio complete with an indoor-outdoor bar, a fire pit and fireplace, a mega audio/video system, a fully-equipped kitchen with plenty of storage and production space along with a state-of-the-art brewery that is an absolute show-stopper. \$990,000. #2086



Prime, prime, **PRIME Arcadia location!** This cool, cute, cozy and contemporary breakfast and lunch occupies a high-visibility endcap location in a small strip center on a major street with over 32,000 cars driving past its front door on a daily basis. Known for their fabulous comfort food breakfasts, baked goods and weekend brunches featuring local products, this spot is absolutely adored by their loyal clientele and will make the new owner an instant hero in the neighborhood. It could be you! \$195,000. #3010



A FIRST CLASS restaurant operation with a long history of success is now available in Tempe. Located in a major dining and entertainment destination, this beautiful restaurant has a storied reputation for serving some of the best European cuisine in the Valley and accompanying it with excellent wines and cocktails that their loyal clientele have been enjoying for many years. The staff takes pride in delivering an awesome customer experience in a great environment as over \$1.8 M of annual revenues and strong profitability verify. This opportunity is perfect for operators that are **SERIOUS ABOUT FOOD.** \$849,000. #2093 **UPDATE: It's even better... Year over year sales and profits are UP over 2017!**



Offering your menu for delivery is all the rage these days. Even if your restaurant doesn't offer delivery on its own at the moment, it is expected by your customers and therefore something that you really need to consider providing. And as we all know, there are plenty of services to choose from that will deliver your food for you. Well, just because you could use one of these services to deliver your food, the bigger question becomes *should* you use one of these services? Providers like UBER Eats, GrubHub, DoorDash, EatStreet and alike are readily available, but WOW, they are expensive! Well, yes... kind of...

Before we can evaluate the true cost impact of utilizing one of these services we need to explore a business concept called "incremental revenue" and examine how it works in this instance. The technical definition of incremental revenue is "additional revenues from an additional quantity." As applied in the restaurant business, and in this instance in particular, the additional revenue comes from the delivery sales received from utilizing these delivery services. However, and more importantly, it operates under the premise that there are fixed expenses that you would need to be paying anyway, like rent and utilities, along with other expenses that the operator would be paying at least a portion of as well, like labor, while your business is open and operating.

The thought process works like this... if I am open, operating and paying for these things anyway, then I can afford to

Continued inside



RESTAURANT INSIDER

FOOD DELIVERY *Continued*

expense a significant portion of the additional revenue that I would not have otherwise received (incremental revenue) to the delivery services and still profit from that additional revenue. For example, I'm already paying the cook to cook so if he/she makes a meal for the delivery service the only true cost that I have is the actual product cost for what goes into the item being sold via the delivery service. The rent, electricity, gas, trash, phone, cable, alarm, etc., etc. costs do not change so outside of the food cost for the items being sold via the delivery service, everything is profit.


OK, this is not 100% accurate in every situation. Depending on the items sold the gas bill may go up ever so slightly or there might be slightly more labor required if enough of this delivery business is being generated, but you get the idea. It's all about the costs remaining at or near the same level while this additional revenue comes through the door. Anytime revenue can be generated without additional cost, the flow through is very advantageous in terms of profitability. If we take a restaurant that has an average food cost of 32%, add a service fee of 25% and tack on an additional 3% for incidentals, the return on these dollars is 40%. We're pretty sure that your current restaurant operation doesn't bottom line 40% across the board.

That said, we are not necessarily advocating for these services; they charge hefty fees and are not the right solution for everyone. What we are saying is that you should be considering these services and that you should be looking at them from the correct perspective to be able to truly evaluate the potential benefits to your business. Remember, this is not about what you want, like and need - it's about what's best for your customers. If you can provide convenience, make your products more accessible to a larger client base and generate some extra cash doing it, we think it's something that you should take a serious look at and be making an informed decision about using for your business. ~ *The Restaurant Brokers*

"START DELIVERING!"

FOOD DELIVERY TODAY


 74% of millennials report a preference for delivery

34% of customers opt for delivery or takeout instead of dine-in 

 60% of the online food delivery market in the U.S. is pizza

FUTURE OF FOOD DELIVERY

70% of customers will be ordering food off of restaurant premises in 2020 

 7x The food delivery industry is predicted to be worth 7 times more: a \$210 billion potential

MORE HOT PROPERTIES

This one-of-a-kind **Western Grill & Saloon in Northern AZ** is known for grillin' great steaks, chops and chicken and the homemade sides that go with them. Loved by tourists and locals alike, this amazing restaurant can also host every manner of festive occasions for 10 people up to 150 - birthdays, anniversaries and holiday events, weddings, family reunions and business gatherings. Purchase the business and real estate for \$890,000 or just the business for \$190,000 and lease with a purchase option for the real estate. #2090

Very special **Gilbert** restaurant location now available. Located in a freestanding building, this amazing restaurant truly does have it all - great curb appeal, outstanding visibility, easy access and plenty of its own parking. The buildout features unique contemporary decor, a fantastic patio and a well-designed and very efficient high-volume kitchen. This is an extremely well-done restaurant located in what is becoming one of the major dining destinations in the entire Phoenix metro marketplace. \$240,000. #2066

Sandwich Shop now available in **North Central Phoenix**. This is an amazing location in a high-traffic destination area with great curb appeal, outstanding signage and its own parking. Currently offering gourmet sandwiches, the facility also includes a Bagel Store, fully-equipped hot kitchen, bright cheerful 32-seat patio and a beautifully built out interior. Located in a vibrant section of "old-money" Phoenix, this freestanding building is perfectly situated to capture the upscale, high-disposable-income market. Keep it as is or convert it into your dream restaurant! \$199,000. #3014

An amazing **fast-casual restaurant** location is now available in **Tempe**. This bright, vibrant well-designed and fully-equipped facility occupies a prominent position in a strip center with several complementary businesses. Surrounded by TONS of daytime employment and access to major drive by traffic on a daily basis, the demographics here are off the charts with over 800 business and 12,000 employees in a one-mile radius. The perfect place to expand your brand! **SUBMIT ALL OFFERS**. #3007

Beautiful contemporary American restaurant in a high-profile location now available. Situated in a signature development along the **Camelback Corridor**, this chef-driven operation offers inspired food and beverages to one of the best demographics in the entire Phoenix metro marketplace. Fabulous décor, high ceilings, dazzling hardwood floors and an efficient kitchen designed by a chef for a chef make this a topnotch opportunity for a skilled restaurateur. \$95,000. #2080

Coffee/Café Development Opportunity in **Old Town** for the right operator. Situated across the street from the Scottsdale Civic Plaza, this space is ideally positioned to take advantage of all the events held on the plaza. Surrounded by city offices, the library, Old Town hotels and a lot of residential, this location offers a ton of built in traffic. Ideally, a breakfast/lunch concept with the ability to expand into happy hour and evening business would fit perfectly into this open-air space. Landlord is offering flexibility and a generous TI allowance for the right operator. \$26.00 NNN. #2099

QUOTE: "[If it's FREE] You are not the customer, you are the product! ~ Richard Serra

JOKE: Son, when I was your age there was no social media. You had to go to a bar and buy endless drinks to be ignored by multiple women...

2 FOR 1

RESTAURANT INSIDER



Wow, wow, WOW... **Two fantastic restaurants in one!** A beautiful full-service restaurant with an over-the-top Chef's dream kitchen, magnificent custom bar, inviting dining room and outstanding patio complete with a fireplace adjacent to a well-designed, fully-equipped and very efficient fast-casual restaurant. Located in an endcap with excellent visibility and accessible parking, this amazing facility is an absolute showpiece for a qualified and experienced operator. All this and favorable rent deal too... don't miss this one! \$225,000. #3012

Very cool restaurant and bar in the **Northwest Valley** dining district; this business is located in a freestanding building with great visibility, outstanding curb appeal and plenty of its own parking. The interior is contemporary industrial with stained concrete floors and unique lighting that make the space just come alive. A fully equipped kitchen, awesome patio, outdoor entertainment area and extremely reasonable rent rate, especially for this area, a complete package that includes nice annual profitability. \$255,000. #2098



Beautiful **Asian Restaurant & Sushi Bar** is now available in the center of **Scottsdale**. This fantastic facility includes a top-of-the-line sushi bar, amazing cocktail area with a full-service bar and community table, a fully-equipped kitchen and a fabulous patio that is the perfect complement for this high-visibility location. Situated in an extremely busy center with numerous successful businesses, the synergy is second to none and the demographics are strong with 35,000 cars per day traveling the cross streets and a population of over 90,000 in the local 3-mile trade radius. This is a GREAT PRICE for a beautiful build-out an A+ location! \$165,000. #3013

Upscale wine bar/restaurant with a series #6 Liquor License, impeccably positioned on the end-cap of an upscale **East Valley** shopping center that brings together an excellent complement of business synergies, this beautiful Wine Bar & Restaurant has all of the components – easy access, plenty of parking, a full bar, great décor package, excellent wine display and fully equipped kitchen capable of producing any menu. Current absentee owner has spent in excess of \$750k on this first class facility. Fantastic neighborhood demographics show a population of 64,000+ in the 3-mile trade radius and over 60% of them with annual income in the \$50K-\$150K range – perfect for this concept. \$275,000. #3005



This outstanding full-service restaurant location is now available in the **West Valley**. Located in the endcap of a neighborhood strip center with great visibility, this facility is everything an experienced operator could ask for – an AWESOME island bar, huge patio, well-designed dining room with lots of comfortable booth seating and a fully-equipped kitchen that any chef would be proud to call their own. The location has over 20,000 cars per day driving past the front door and an active community of over 87,000 local residents in the 3-mile trade radius. Perfect for your new restaurant concept or expanding an existing brand! CONVERSION ONLY. \$295,000. #2097



A truly authentic Italian restaurant owned and operated by a family from Italy and they brought along incredible recipes to prove it! This is absolutely outstanding Italian food prepared and served the same way as it would be while enjoying it at a sidewalk café in Rome. The restaurant is located in a small strip center just off a major highway in an excellent neighborhood with an upscale population exceeding 90,000 in the three-mile trade radius. This is a perfect opportunity for a husband and wife team or Chef owner-operator. Mangiare! \$210,000. #2076



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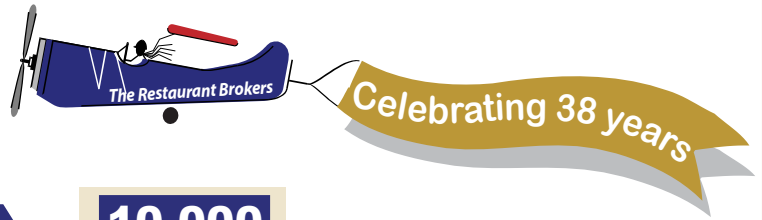
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By the numbers



100

The number of years it can take for a Saguaro cactus to grow an arm in areas of low precipitation.

~ Arizona Facts

10

The number of drinks ingested per day by the top 10% of American alcohol consumers.

~ Cocktails for Breakfast

14,989

The number of liquor licenses currently active in the State of Arizona as of this writing.

~ Arizona Department of Liquor Licenses & Control

48

The percentage of the world's population over the age of 15 that claim to have never consumed alcohol.

~ World Stats

10,000

The number of people killed by the US government poisoning alcohol during Prohibition in the 1920s and 1930s.

~ Whiskey Daze

6

The number of minutes it takes for brain cells to react to alcohol.

~ The Brain Stem

1936

The year that this country's first barrel of tequila came out of Nogales, Arizona.

~ Flask.com



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EVEN MORE HOT PROPERTIES

Kierland is the PERFECT location for your next unit. This fantastic facility offers a well-appointed bar, high ceiling dining room and nice patio. It provides great curb appeal and is well-positioned with excellent visibility and plenty of parking in a shopping center with other successful businesses. The demographics in the surrounding area are topnotch with 40,000+ cars driving by on a daily basis and a population of over 215,000 in the 5-mile trade radius. The layout and infrastructure will work well with any number of restaurant concepts and it can be acquired for a small fraction of the cost to build a new unit.

CONVERSION ONLY. Financially qualified multi-unit operators required. **ONLY \$69,000.** #2000

#6

Real deal, **OLD SCHOOL neighborhood bar** with a Series 6 liquor license. This place has been here 38 years and continues to rock on! All the usual suspects for a great local's joint to hang out in are in place – huge island bar, pool table, juke box, TVs, and a fully-equipped kitchen capable of delivering some excellent pub grub. Located in an industrial area with TONS of daytime employment, this location has good visibility, easy access and plenty of its own parking. Carry on the tradition! \$175,000. #2092

A well-established **Italian restaurant** with a twenty-year history of success and profitability is now available. Located in a vibrant upscale **North Scottsdale** shopping center, this fantastic facility is just the place to indulge your passion. An intimate dining room with beautiful hardwood floors and cozy high-back booths, an island bar and engaging cocktail area that opens on to an interior courtyard patio and a fully-equipped kitchen that delivers superb authentic Italian cuisine to their loyal customers. \$179,000. #3006

