

# RESTAURANT INSIDER

"NEWS YOU CAN USE"

NEWSLETTER... SPRING 2016



OK, I've listed my business for sale... now what? When it comes to selling your business the big thing to keep in mind is to *know that it's for sale, but behave like it isn't*. What do we mean by that? Well, the way to maximize the value of your business for potential buyers is to continue doing what made you successful in the first place.

First, you don't know how long it might take for the business to sell and although it seems like you could save money by not promoting the business or repairing and/or replacing items that need attention, if this translates into reduced revenue, and thereby reduced profits, the business is being injured and therefore is worth less to a potential buyer. In the restaurant industry where margins are typically very thin anyway, slight reductions in revenue and profitability may turn a cash-flowing business that was seen as a growth vehicle having the ability to provide a return on investment for potential buyers into one that is no longer worth anything but the asset or salvage value, if anything.

Second, stay on top of your numbers! While the business is listed for sale it is extremely important to have current, regularly updated financial data available for potential buyers. While your restaurant or bar may be beautifully decorated, spotlessly clean, with all of the furniture, fixtures and equipment tirelessly

Continued inside

## Chefs DREAM Kitchen

## Binkley's Restaurant



Absolutely amazing, totally immaculate restaurant!

With awards and accolades too numerous to mention, this **landmark restaurant** has been at the pinnacle of fine dining destinations in Arizona for many years. A high visibility location with easy access, plenty of parking, a fantastic street facing patio and all of the accoutrements in place to deliver a consistently fabulous experience time and time again may all just be an appetizer to a truly unbelievable main course – an absolutely over-the-top magnificent kitchen that must be seen to truly be appreciated. This is a serious restaurant for serious food and beverage professionals. **WOW!!!** #1998



Great little **Sports Bar & Restaurant!** A true neighborhood place where folks can hang out and have fun while enjoying a cold beer or cocktail with a sandwich, salad or burger. Located in the end-cap of East Valley shopping center with excellent visibility, easy access and plenty of parking, this facility features an open floor plan, island bar and well-designed display kitchen capable of servicing virtually any menu. There are over 70,000 cars per day traveling the cross streets and the 5-mile trade radius has a population of over 400,000 with a strong core in the 25-44 age demographic. A very favorable rent rate makes for a great conversion opportunity to your concept. Seller very motivated. **ONLY \$79,000.** #1989

Premier **Nightclub/Ultra Lounge** space now available in the heart of Old Town entertainment district with a Series 6 (bar) liquor license already in place. This high-visibility location has housed some of the most notable and successful clubs in the history of Scottsdale nightlife. The 4,900 SF space sits just off of Scottsdale Road on Stetson Drive and is perfectly positioned to capture the Old Town party scene along with being one of very few locations adjacent to a massive parking garage. This is a big-time opportunity for BIG TIME experienced, well-funded, innovative operators only. #1990



Former Red Revolver Lounge



High volume, high profile, absolutely magnificent **Sushi Bar and Restaurant**, with a phenomenal patio located on the end-cap in an upscale Chandler strip center. No expense was spared in creating this restaurant which features a fabulous décor package along with the highest quality furniture, fixtures and equipment in a location that affords great visibility, easy access and plenty of parking to the local demographic of over 190,000 in the 5-mile trade area. Conversion only, trade name not included. #1976



# RESTAURANT INSIDER

# SOLD

Joe Changose purchased a Series 7 Liquor License for their second **Fatso's Pizza**.

Cave Creek Smokehouse was purchased by Alisha Hopkins and Dan Allen and has converted into **Silver Spur Saloon**.

Jorge's Chicken & Waffles on Apache Blvd. was purchased by Chahdi Nabil and converted into **Moroccan Paradise**.

My Bliss Bakery on Acoma Drive in Scottsdale was purchased by Chris Polityka and converted to **MacrosEdge**.

Dos Gringos on Craftsman Ct. was purchase by Glass Half Full, LLC and has become **Old Town Gringos**.

Saluté at 7th St. & Thunderbird was purchased by John Marshall and is now **Marshall's Fine Dining**.

Tom Le signed a lease for the former Wok Box at Gilbert Rd. & Germann and it is now operating as **Bowl To Go**.

Los Sombreros at Northsight & Raintree was purchased by Syregel Holdings, LLC and will be converted into **Butters**.

**Ruffino Italian Cuisine** on Warner Road in Ahwatukee was purchased by the D'Amico Family and will remain the same.

**Vogue Bistro & Bar** in Surprise was purchased by Johnco Foods, Inc. The name will remain the same.

Forge Handcrafted Pizza at Biltmore Fashion Park was purchased by La Chuparosa, LLC and is being converted into **Wink 24**.

RT O'Sullivan's at Stapley & 60 in Mesa was purchased by **Bobby Q's** and will become their second location.

The former Joey & Gina's at 101 & Bell was leased by 8586 Restaurant Group, LLC and is being remodeled into **Headquarters Sushi Bar and Grill**.

Glass Half Full, LLC purchased a Series 6 Liquor License from Sara Wilson and Steven Bailey for use at their new 7th Street location of **Uptown Gringos**.

IL Posto at 7th St. & Mountainview was purchased by GCK Restaurant Group, LLC and will be converted into **Ziggy's Pizza**.

## My Business FOR SALE Continued

maintained, all of which are important by the way, in the end the numbers will tell the story in terms of what buyers are willing and able to pay for the business. Providing tax returns, annual financial statements and monthly P&Ls in a timely manner is critical to providing potential buyers the information necessary to make an informed decision regarding purchasing your business.

Third, maintenance, cleanliness, curb appeal and service standards need to be kept at the forefront. Remember, you are selling something and the better it looks, the more likely that a buyer will consider it the right place to invest their hard earned money. Odds are that potential buyers are coming by unannounced for an initial look at the business before deciding that they are sufficiently intrigued to the point of setting up a formal appointment. Are the restrooms dirty? Is there trash in the parking lot? Are your employees inattentive, or worse yet, outright rude to a customer? A buyer may have been alienated and is now gone forever because of what they saw or the way they were treated when visiting your business as a customer. It wasn't the price of the meal that was lost, it was the entire asking price of your business that just walked out the door!

Next, make developing and keeping a strong relationship with your landlord a high priority. This may be challenging and while the landlord-tenant relationship can become strained very easily, the bottom line is that you are going to *need* them. When the time comes that you have a buyer and can agree upon terms for selling the business, *nothing will happen without the landlord's cooperation!* Approving the buyer as a new tenant and assigning the lease are key pieces in completing any transaction for a restaurant or bar sale. If things go sideways with the landlord, alert your broker *immediately*. They made be able to intercede and act as an objective third party to help repair the relationship or have the ability to insert a buyer/new tenant as a solution that the landlord will find attractive. No matter what, the sooner they know about it the more likely that they can be of assistance in overcoming whatever obstacles are present.

Look, we understand that this is the restaurant business and "stuff happens" ... we get it. Equipment malfunctions, employees misbehave, customers can be eccentric [to put it very diplomatically] and sometimes things occur that are out of our control as operators. Yes, that's true. What can you do about it? The same thing you always do – *the best you can* under the circumstances. That said, while there can be unforeseen occurrences in any business that has customers and employees interacting with each other in a products and services environment, do your best to be *proactive* and manage whatever challenges are thrown your way.

**Keep your eye on the big picture and don't let the little stuff get in your way!**

~ The Restaurant Brokers



Wondering what's going on with restaurant and bar rental rates in the future? Well, it's not hard to figure out where we are and what the future looks like. Commercial real estate prices are trending up significantly with over a 40% increase in the per square foot rate in the last two years. Rental rates are up as well, with Scottsdale leading the way, as always. Based on what commercial buildings are selling for we KNOW for sure that rents will go up to cover that cost. What does that mean to you? Lock in your lease rates now because they are not only going to go up, they are going to go WAY UP!

**JOKE:** Did you hear about the new restaurant on the Moon?  
**Great food, but NO atmosphere!**

# RESTAURANT INSIDER

## More Hot Properties



This freestanding restaurant occupies a **AAA pad site location** at a premier East Valley shopping center. Located on the hard corner with tons of drive-by traffic, amazing street frontage and a magnificent patio, this first-class 7,000 SF building is a prime spot for the right operator. Available as a conversion only, this absolutely magnificent facility has all of the components for the BIG-TIME restaurant operator – beautiful décor, high-end furnishings, a private dining room, spectacular island bar and an awesome kitchen. This is the PERFECT growth location for operators looking to expand their brand. Won't last long! #1993

This **Old World Restaurant & Pub** sits in the heart of downtown Phoenix and is perfectly positioned to benefit from the massive growth and redevelopment taking place there right now. Currently serving an eclectic menu to sophisticated downtown dwellers in the evenings and office workers for lunch, things really get interesting for Happy Hour when the two groups mingle for a dynamic social scene. A perfectly sized 3,300 SF facility with an excellent kitchen, street-side patio and absolutely over-the-top bar make this a great spot for the right player that knows the downtown and has the operational expertise to maximize its potential. #1994



This business has created the perfect mix of **wine bar, restaurant and retail**, and it has an excellent history of profitability to prove it. Filling just the right niche in an affluent East Valley community for over 25 years, this location remains a neighborhood favorite by giving the people what they want... great food and an awesome wine selection. Easy hours and strong cash flow make this the perfect spot for husband and wife wine aficionados! #2001

An extremely cool **Bistro & Bar** that is delivering an unbelievable spin on Pub favorites created by one of the most renowned chefs in Arizona. Located in one of Scottsdale's most high-profile upscale shopping centers, this beautiful facility features a full bar with a casual cocktail area and an amazing dining room with fantastic elevated booth seating along with a top-of-the-line kitchen that would make any Chef proud. Being well-position in a high-traffic center with over 42,000 cars driving by on a daily basis makes an excellent target acquisition for those with the operational expertise to take it to the next level. #1997

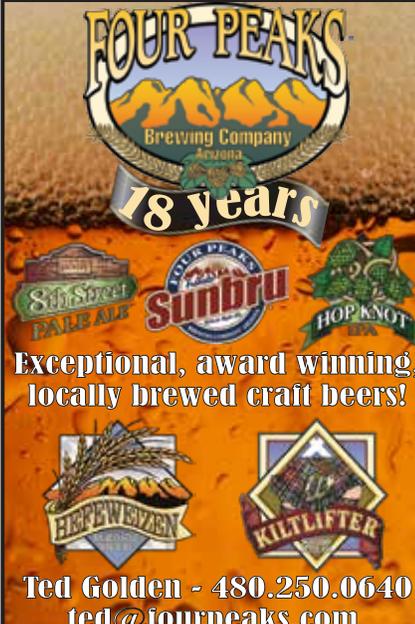
Old World Italy in Maricopa! This **beautiful Italian restaurant** brings home "a taste of the Old country" – featuring pasta, picata and parmigiana entrees along with great pizza and hero sandwiches. Located in the end-cap of a strip center with strong visibility and plenty of parking, this facility offers a full bar, spacious open dining room, fully equipped kitchen and beautiful outdoor patio. The business trends show strong revenue growth and significant profitability in 2015. Perfect for a husband and wife team or chef-operator with a passion for Italian cooking! #1983



**PRIME Scottsdale location!** Currently operating as an Asian restaurant, this facility is centrally located in an upscale, high-traffic strip center surrounded by excellent merchants. Available as a conversion only, this optimally sized 2,500 SF facility has a beautiful dining room, full bar with cocktail seating and a fully-equipped kitchen with everything in place to deliver a fantastic menu. This center is well positioned to capture the over 60,000 cars day traveling through the intersection and receives tremendous support from the 180,000+ potential customers in the local trade radius. A GREAT spot for a talented operator! #2006

### QUOTE:

**Knowledge is knowing a tomato is a fruit; wisdom is not putting it in a fruit salad. ~ Miles Kington**



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# By the numbers



48

The percentage of American adults that have worked in the industry, with 32% getting their first job experience in a restaurant.



0

The number of miles Porky (Ruly's custom Harley) had on the odometer when it came out of the shop last week with a **BRAND NEW MOTOR!**

Ride on Porky!

~ The Restaurant Brokers

11,498

The number of clients in The Restaurant Brokers database. We've made a lot of friends after 35 years in business!

~ The Restaurant Brokers

2

The number of grams of sugar in lemons; twice as much as in strawberries.

How about that!

~ Wiki Answers

9,000

The number of people China's Beijing Duck Restaurant can seat at one time.

~ Fun Food Facts



Buy?  
Sell?  
Lease?

## Restaurants and Bars are what we do... *It's ALL we do!*

- Thousands of restaurant transactions closed
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Instagram



## Even More Hot Properties

**EAST VALLEY** – open, operating and **PROFITABLE restaurant WITH real estate** available! This business generated in excess of \$1M of revenue in 2015 and throws off in excess of \$100K. This fully equipped 3,100 SF freestanding building sits on 2/3 of an acre with easy access and ample parking. After 20 years in business at this location, this is a proven, profitable, long-term restaurant. **PRICE REDUCED** to \$799,000 with possible seller financing for the right buyer! #1964



This cozy **Italian Restaurant** is like a visit to the Old Country. The décor features inviting wood furniture and finishes coupled with a stacked stone bar and ceramic tile floor to give off a great Tuscan Villa vibe. Located on the end-cap of a Scottsdale shopping center near a high-traffic intersection in a great neighborhood, this business also has an extremely reasonable rent rate. Ready for Chef to grab it and GO! #2005



European style **Café/Bistro and catering service** in Surprise now available. Serving Lunch & Dinner Mon-Sat and a very strong Brunch on Sunday, this business has demonstrated a history of success and has the customer reviews to prove it. Located in a dense residential area with easy access and plenty of parking, this location has 30,000 cars per day driving by and over 130,000 in the trade area. The business includes a van and refrigerated trailer to support the catering service. Great little money maker! #2003