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o Winter | o 2014

KIMBALL & COMPANY

Restaurant Report

RESTAURANT RELATED REAL PROPERTY AND BUSINESS BROKERAGE

PROVIDING YOU BETTER RESULTS, MORE QUICKLY, AND WITH LESS HASSLE THAN YOU COULD ACHIEVE ON YOUR OWN

The Kimball & Company Restaurant Report is a quarterly newsletter provided free to restaurant owners, landlords, clients, prospects, associates, and the investment community. To subscribe to your own free subscription simply call us at (919) 782-1110, or go to www.kimballandcompany.com and submit a request via "contact us".

Advantages of Using a Broker to Buy or Sell

Should you sell your restaurant yourself or use an intermediary? It's true there is an investment in using a broker but the advantages can far outweigh the costs. So what are the advantages?

1.) **Confidentiality:** Word on the street can devastate a restaurant when management, employees, and customers find out an owner is considering selling. A broker can learn from the prospective buyer what they are

looking for and then suggest "approaching" just the right opportunity. Many times the buyer need never know the broker was marketing the property.

2.) **Pre-Qualify the Buyer:** A broker should insist on learning not only what the prospective buyer is interested in, but also...

Continued on page 2...



LOOKING FOR A GENERAL CONTRACTOR?

Restaurant remodels and ground up construction is highly specialized. Did you know Kimball & Company can arrange a restaurant experienced contractor to help with your next project? When you need to get your light remodel or a major up-fit done affordably - and properly - call us to learn how we can help.



“Advantages of Using a Broker”

(cont'd from page 1)

...if they can put the purchase together – all before the buyer finds out about ANY opportunities.

3.) **Negotiate as a Buffer:** If the prospective buyer is not negotiating with the seller directly they are blind to the seller’s weaknesses. The broker can constantly be “trial ballooning” the buyer and is always in a position to defer to the “higher authority”. Of course if the broker works for the buyer or tenant the reverse is also true!

4.) **Get the Sale Closed:** An experienced broker has learned about all the landmines to a sale. Does the Landlord have a hidden agenda? What about identifying all the advisors and making sure they are on board? What about handling sensitive issues like undeclared sales? The list is endless and it only takes one issue to kill the sale.

Negotiation 501: Using “Splitting the Difference” Properly

Let’s say you are making an offer to buy a restaurant and the asking price is \$225,000. Let’s also say your goal is to gain agreement at \$200,000 and unknown to you the seller’s goal is to gain agreement at \$200,000.

If you simply offered \$190,000 and the Seller countered at \$210,000 the split the difference range would be \$210,000 minus \$190,000 or \$20,000. The \$20,000 gap falls right in the middle at \$200,000. So this means you could counter back a “split the difference” and arrive at \$200,000, right? But how can you do better?

The first goal is to offer a “split the difference” with both of your positions, or the *range greater than \$20,000 shifted to your advantage*. For example: Offer \$187,500. When the seller counters at \$210,000 the range is a little larger at \$22,500 and has shifted your way. If you offer a “split the difference” to the seller’s counter of \$210,000 the result would be \$198,750 — but you can still do better.



If the seller accepts your “very fair” split the difference proposal of \$198,750 you aren’t done. Simply share that you think that is fair but you still need to talk with your spouse, partner, lawyer, or any

higher authority. The *seller has now lowered their number to \$198,750, but you have not by using a higher authority*. The next day let the seller know, in the interest of fairness, the higher authority would like to “split the difference” between your offer of \$187,500 and the seller’s counter of \$198,750 resulting in \$193,125. You successfully shifted the range to your advantage, offered a split, used the higher authority tactic, and offered a split again. The result is an agreement at \$193,125 instead of \$200,000!

Should you like a free consultation on ANY of your commercial real estate or leasing needs, no matter what the product type, do not hesitate to call us at:

Kimball & Company
(919) 782-1110
OR
RE/MAX City Centre Commercial



Client Testimonial:

Jack,

I just wanted to drop you a quick note to thank you again for your help getting Plates Neighborhood Kitchen from vision to reality.

Without Kimball & Company, we never would have found this location. In addition, your insight was critical to our early success. Although you represented the Seller, we never felt pressured and always were treated honestly and fairly.

Our trust in your firm has now continued with our using World Payment Services for our credit card processing and even Dinerware™ for our Point of Sale. Your bundle of services has been invaluable.

I look forward to our continued relationship with Kimball & Company and your affiliated companies.

Thank you!
Steve Day
Owner
Plates Neighborhood Kitchen



Service Bundle
(Affiliated Company)

If you are interested in lowering your costs on credit card processing, not to mention moving your service local, call about a free merchant account statement analysis including our “rates and fees lock guarantee”.

Wouldn’t it feel great to finally know you don’t have to scan your merchant services statement every month for hidden rate increases?

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www.worldpaymentservices.com



New Players in the Market

Who's on the move? The following are a small sampling of recent transactions completed by Kimball & Company.

RALEIGH, NC — Mr. Ben Yannessa, Brad Bowles, and Zack Medford of Isaac Hunters Hospitality have added yet another place to relax and enjoy a tasty cold beverage to their repertoire. On Friday, November 22nd they celebrated the Grand Opening of Paddy O'Beers, a craft beer bottle shop and tasting room, located in downtown Raleigh at 121 Fayetteville Street, Suite 114.

RALEIGH, NC — IJEM Hospitality, LLC / DBA The Oakz has leased 510 Glenwood Ave, Suite 10. The Oakz will open in early 2014, serving fine American cuisine. The Oakz is a family owned and operated business. The menu will combine unique, fresh and high quality ingredients with creative presentations. Owner and General Manager, Ira Freedman stated that "The Oakz will be known as a company that cares and is characterized by an unshakeable commitment to producing a superior quality dining experience. Our guests, vendors and employees will see us as an enterprise that not only offers the freshest and finest food and drink, but that is committed to consistently meeting our guests' needs."

RALEIGH, NC — Vincent Barresi, owner of the popular Italian restaurant Vincent's in North Raleigh, has signed a lease for the old Bogart's space on Glenwood South. Barresi is targeting a February opening ("we're looking to be open by Valentine's Day") for the new restaurant, which

he describes as a speakeasy-style bar and restaurant. Barresi has tapped New City Design, whose previous work has included Taverna Agora and the recently opened The Station at Person Street, to give the space the requisite retro look. "We're giving the entrance a speakeasy feel," he says, "so you won't know what the place looks like until you get all the way inside." Other details, including the restaurant's name, haven't been finalized. The menu will be developed in cooperation with a yet-to-be-named chef, but will be built around steaks (featuring grass-fed beef) and seafood. The new restaurant will be the second in less than a year for Barresi, who opened Cucina di Milano in Morrisville in August in partnership with a New York-based investment group. The same group is backing the Glenwood South venture.

RALEIGH, NC — 5 Hot Chillies Restaurant, located at 6105 Grace Park Drive in Morrisville, NC changed hands. The new owners will re-open the space as Betel – Indian Kitchen.

Kimball & Company is a commercial real estate sales, leasing, and investment firm located in Raleigh, NC since 1991. The Restaurant Services Division of Kimball & Company specializes in restaurant related site location and business brokerage transactions. Clients say what sets Kimball & Company apart is the ability to gain better results, faster, and with far less hassle than what the client may be able to achieve on their own or through another firm. For more information, please call:

*(919) 782-1110 or visit:
www.kimballandcompany.com*

Restaurant Broker Needed



Are you frustrated by the limitations of your current position and desire a career you can be passionate about?

Kimball & Company — the dominant restaurant brokerage firm in the Triangle since 1991 is overwhelmed with business and has an opening for a seasoned pro or aggressive self-starter.

Are you looking for an opportunity where you can:

- Have unlimited income potential
- Have a lot of fun
- Conduct business at the highest levels of professionalism and integrity
- Be trained from the best in the business
- Work primarily business hours and less on weekends, nights, and holidays

Do you see yourself as a restaurant broker; and either have or can work toward a NC Real Estate license?

If you are serious about a career and not just a job, contact us today for more information.

Careers@KimballandCompany.com

Finding Restaurant Locations Without Buying a Business?

Second generation restaurant buildings and locations which can be bought or leased without having to buy a business are highly sought after opportunities in which we can assist you in finding – while still obtaining our fee for services from the seller or landlord. Contact us today for more information, at (919) 782-1110 or visit: www.kimballandcompany.com

Available Locations & Business Opportunities

Many of our restaurant locations and businesses for sale are highly confidential. Contact us today to match your specific buying or leasing criteria with that "just right" location or business.

- **Immaculate Italian Restaurant and Pizzeria** – established 3,800ft² local favorite for years, this wonderful restaurant has a history of good sales and provides good income to owner/operator.
- **Rare Opportunity on Fashionable Glenwood Ave South** - to buy a virtually new, 2,200ft² fully upfitted restaurant and bar doing over \$15K/week in sales on fashionable Glenwood South – an area in the process of becoming the highest density apartment district in the Triangle.
- **Bar/Club in Excellent Location with Low Rent in Downtown Raleigh!** - fully upfitted and beautiful 5,000ft² bar/club which is also set up for live entertainment. Low rent and ample parking makes this one of the best buys in the Raleigh Club market! Established location has track record of profitability and is ready for a new operator/concept.
- **Premier Restaurant Building and Land.** A rare opportunity in the Heart of Cary, NC – 7,400 +/- ft². Free-Standing Building For Lease, Sale, or Lease Option.
- **Formerly the Texas Steakhouse Restaurant,** 305 McCormick St in Garner, NC - This location is improved with all leasehold in place. Any retail use could use existing building, expand, or tear it down. Grease Trap, electrical, plumbing, walk-ins, and hood system in place.
- **And many, many more...** Contact us to find that perfect business or location!

HOT LISTING!

Downtown Raleigh Highly Profitable Restaurant For Sale



- Well established counter service concept
- \$100K per year minimum profits to owner operator
- Daytime office hours only! (expand hours and increase profits)
- Add beer, wine, or liquor to increase the profits
- Owner says sell for the best fair offer in 60 days